

The Hershey Company
2023 Annual Meeting of Stockholders Q&A

1.) Given the continued strength in performance and the stock price, will management consider a stock split?

We are very pleased with the gains we've seen in our stock price and the value that it's delivered to our shareholders. It is important to us that anyone who wants to own a piece of Hershey can. We regularly evaluate the potential benefits and challenges of a stock split and will be conducting a review in the coming months. We appreciate your feedback and will take it into consideration.

2.) Can we return to an in-person annual meeting?

As you know, our transition to a virtual meeting was initially driven by concerns for the health and safety of our shareholders and our team members. But the virtual platform has proven to be very effective, expansive, and a very efficient way to communicate with all our shareholders, particularly those that live outside of central Pennsylvania. We plan to continue to leverage the virtual format to reach as many shareholders and interested investors as possible while continuing our legacy practice of offering product samples and discounts at Chocolate World and on our online store.

3.) Have the employees that were fired due to refusing the COVID-19 vaccine been reinstated?

We constantly evaluate our policies and procedures to respond to changes in the environment, with the health and safety of our teammates always our first priority. With the recent end of the public health emergency and widespread prevention and control measures in place, we have recently updated our workplace policies and are no longer requiring vaccination for employment.

4.) Does management have any comments or lessons learned regarding the backlash to the HER-SHE International Women's day campaign that used transgender promoters and resulted in the sale of 300,000 bars of Jeremy's Chocolate" in less than 72 hours?

Our "HER for SHE" campaign celebrates women throughout the world. Our intent is for each market to create campaigns that resonate with their consumers locally while still adhering to all corporate guidelines. We have a corporate framework that guides if and how we engage on social issues, with the intent to be judicious and highly selective, focusing on those that impact our business. As a result of our recent activation, we are refining our processes to ensure our actions are in service of that objective.

5.) What is the company doing to reduce lead and cadmium in its cocoa supplies?

Product safety is of paramount importance to us, and we have robust programs and procedures in place to ensure our products are safe and of the highest quality. Lead and cadmium occur naturally in the environment, and as a result, are present in agricultural ingredients used to make our products, including cocoa beans. Much of this is eliminated during cleaning and processing, but traces can remain. We do not add cadmium or lead to our products, and we work closely with our suppliers to minimize their presence in our products. All the products we source, and manufacture are safe to consumer and in compliance with all applicable standards.

6.) As a long-term shareholder, I appreciate the hardworking commitment of the Hershey staff, leadership, and suppliers as reflected in part through the stock performance. As we move forward from the global pandemic, has Hershey been impacted by the Great Resignation and has the ability to attract and retain employees become more challenging since the pandemic?

People's relationships with work have certainly changed throughout the pandemic, and we have spent a lot of time listening to our employees and understanding what their changing needs are so that we can meet those needs and be a place all of our employees are excited to come every day. We've also invested significantly in our employees and their experience, not only from a wage perspective but also in our culture and in the development of our employee base. We did experience slightly higher levels of turnover about a year or so ago, mostly in our manufacturing facilities, but we've seen that return to more normal levels, and we remain in a better position than the industry in terms of attrition.

7.) A decade ago, I was on an Aeroflot flight to Moscow for the Fulbright program sharing my Hershey Kisses with my neighbor, a young Russian tutoring me in the language during the long flight. Fast forward ten years, we have a very different geopolitical situation. Has the war in the Ukraine impacted Hershey's operations or supplies? Has the Hershey Board considered any contingency plans to help engage in rebuilding efforts once the war ends?

Our business in Eastern Europe is small, so we have minimal direct exposure to Ukraine. While we experienced related inflation and supply chain disruptions as the war broke out, we have begun to see those stabilize.

8.) Are there any new Hershey products in the works?

We know that consumers love our standard favorites, but we also know that it's a lot of fun in this category to experience new products. And we do have several of those exciting new items in the market this year. So first on the list are Milklicious kisses. We also have some new flavors of Jolly Rancher gummies. We have some plant-based products, plant-based Reese and Hershey, and for a limited time, consumers can enjoy creamy and crunchy versions of Reese's peanut butter cups. Across our snacking portfolio, we also have some news for those of you who haven't tried them: we have cinnamon sugar Dot's Pretzels, a great way to combine salty and sweet, and we also have Pirates Booty Crunch Attack. All of these can be found in your local grocery mass or convenience stores.

9.) I saw your recent Hershey ad involving your new taste tester and it warmed my heart. What other new advertising do you have coming?

So one of the latest ads that we just started airing is we started advertising Dots Pretzels, which had not been advertised previously, and we have a really fun ad that celebrates consumers' love for this great product.

10.)Any thinking on expanding Reese's products and manufacturing capacity?

We are investing significantly in Reese's manufacturing capacity so that we can support demand on our existing products but also to give us additional capacity to be able to bring new products to market. We have three additional Reese's lines coming on this year alone, and about 60% of our total capacity investments across the company are focused on investing in this very important brand.

11.)Page 30 of the Annual Report state the International segment's income increased from 2021 to 2022 in part due to "the execution of our International Optimization Program in China." Please describe the China operating model.

Several years ago we adjusted our operating model in China to respond to changing marketplace and consumer trends. We continue to sell Hershey products within the country, and leverage local distributors to get our products into stores across the country.

12.)In Japan, there are many additional flavors of Kit Kat bars. Does the company have any plans to bring some of these to the US?

Yes, and in fact, we have, over the past several years introduced new flavors of Kit Kat into the marketplace. I encourage you to keep watch at your local grocery stores, as you may see them pop up from time to time. We generally have them out there on a limited-edition basis.

13.)Why is there no reference to Hershey associated with the Dot's brand on the website, on their packaging?

As we look and understand consumers and get insights about them, what we find are that our consumers really have love and passion for each of our individual brands, whether it's the Hershey Bar, the Reese's Cup, Almond Joy, Twizzlers, and the same as with Dot's. So we really focus on building that relationship with that individual brand that uniquely stands for a particular product and a particular brand positioning.

14.)Where can a consumer find a full-size or giant crackle bar in central Pennsylvania?

Unfortunately, we no longer make full-size Krackle bars, but I encourage you to buy our Hershey's miniature bag assortment, which has both Special Hershey bars, Mr. Goodbar, and Krackle bars within it.

15.) Can you talk a little bit about what you're seeing from the consumer and what you're doing to help mitigate any risk?

So certainly, there has been pressure on consumers as this period of high inflation has been in place in the marketplace. We always focus on ensuring that we have products that are accessible and available for all our consumers. We sell across a broad range of retailers, including convenience stores, grocery stores, mass merchants like Walmart and Dollar General, et cetera. And we also try and make sure that we have different size products at different price points so that consumers can all enjoy the array of products that we have.

16.) Can you talk about the new factory being built in town and what it is making, and when it will be operational?

So we're really excited about building a new facility here in central Pennsylvania, right here in Hershey, that will be producing chocolate paste that is used across many of our different products, and we're excited that that will offer us the opportunity to employ even more folks in this region as we get the plant up and operational.

17.) Page 28 of the annual report states the North American Confectionery segment income increased from 2021 to 2022, and that was partially offset by unfavorable product mix. What is unfavorable mix, and why did it occur on profit?

We have different kinds of mixes that impact business. We have channel mix, we have product mix, we have business mix, and the biggest piece inside that mix really relates to the different mix of products. As you can imagine, not all of our confection products have the same margins or the same price points. And so as a result, quarter to quarter and particularly at the seasoned peaks into certain times of the year, we can get a positive or negative mix impact on the business, and that is the driver.

18.) What is Hershey's current sourcing visibility percentage of cocoa volume in Ghana and Côte d'Ivoire?

This information is published in our annual ESG report, which is usually published in late May. In the next two weeks we will update you on all of the information for our cocoa initiatives, including the increases in transparency related to our child labor monitoring and remediation systems, as well as sourcing visibility. We are making good progress on our goal to have 100% sourcing visibility in West Africa by 2025.

19.) Will the company consider removing MSG from its pretzel products?

We are always trying to optimize our product formulas to make sure that our products deliver the best tasting products for all of our consumers and have ingredients in them that consumers are all very comfortable with. At this point in time, we have no plans to change our pretzel line of products, but we will certainly take into consideration, that question.

20.) Do you see Hershey moving into Frozen Food Dessert Product lines such as ice cream?

At this point in time, we have focused our organic efforts primarily on shelf-stable products, in terms of our distribution system being most aligned with those kinds of product categories. This includes our confection products as well as salty snacks and protein bars. We do have a licensing program where we partner with other companies who have different capabilities than we do that allow us to take our brands into other categories and offer great-tasting products in those categories, including ice cream.

21.) On behalf of the Carpenter pension funds, my question relates to the issue of officer personal liability for fiduciary duty violations. Delaware corporate law now permits corporations to amend their certificate of incorporation to limit personal liability of senior corporate officers for monetary damages in connection with an officers breach of their fiduciary duty of care. The permitted amendment covers most senior officers. Has the Board discussed the officer exculpation issue, and if so, is there consideration of advancing a certificate amendment. Thank you.?

We regularly review changes in the legal and regulatory landscape to understand and prepare for any potential impact to the Company. This includes discussing key updates with the Board and revising our governing documents, policies, and procedures when and as appropriate. We are aware of recent changes in Delaware law allowing for the exculpation of corporate officers under certain circumstances and are reviewing consistent with this practice.

22.) Does Hershey roast cocoa beans on any of its sites?

We do not disclose this for competitive reasons.