

2017

GRI CONTENT INDEX

CORPORATE SOCIAL
RESPONSIBILITY REPORT

HERSHEY 



2017 GRI CONTENT INDEX

The data in this report relates to January to December 2017, unless otherwise stated.

For a detailed explanation of the indicators, visit the GRI website: globalreporting.org

This content index accompanies our Corporate Social Responsibility Report 2017, and has been prepared in accordance with the Core option of the 2016 Global Reporting Initiative's (GRI) Standards. Where possible we have also selected to report on additional comprehensive GRI indicators in relation to governance and ethics.



GENERAL DISCLOSURES 2017

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Organization Profile	102-1	Name of the organization	The Big Picture p. 4			
	102-2	Activities, brands, products, and services	The Big Picture p. 4 2017 Form 10-K, pp. 3-5 We are not aware of any of our products being banned in any markets where we operate and distribute.			
	102-3	Location of headquarters	The Big Picture p. 4			
	102-4	Location of operations	The Big Picture p. 4			
	102-5	Ownership and legal form	2017 Form 10-K, p. 1			
	102-6	Markets served	The Big Picture pp. 4-8 2017 Form 10-K pp. 2-4 Shared Business: Competing Ahead of the Curve p. 35			
	102-7	Scale of the organization	Sharing Goodness Across Our Value Chain p. 8 2017 Form 10-K, pp. 3-7 Products			
	102-8	Information on employees and other workers	Sharing Goodness Across Our Value Chain p. 8 About This Report: Performance Indicators pp. 64-67 2017 Form 10-K, p. 7 GRI Appendix 102-8			
	102-9	Supply chain	Sharing Goodness Across Our Value Chain p. 8 Shared Business pp. 21-32 2017 Form 10-K, pp. 60-61 Shared Business: Competing Ahead of the Curve p. 35			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	102-10	Significant changes to the organization and its supply chain	<p>There were no significant changes in our supplier base or capital structure in 2017. There were no significant changes in operations in 2017; however, we expect there to be in 2018 as we continue to work towards organizing our business for growth.</p> <p>Form 10-K pp. 3-6</p> <p>Shared Business: Partnering for Better Palm Oil: Promoting Best Practices p. 31</p> <p>2017 fact book</p>			
	102-11	Precautionary Principle or approach	<p>Through our new Shared Goodness Promise strategy we have strengthened our more precautionary approach to our environmental impact. In 2017 we looked deeper into our environmental data and impact and are now working towards a science-based approach to our climate change and energy targets. Our Vice President of Corporate Communications and Corporate Social Responsibility serves on the enterprise risk management committee to ensure environmental and social risks are reviewed by Hershey.</p>			
	102-12	External initiatives	<p>Hershey is part of the following sustainability-related initiatives: CocoaAction, World Cocoa Foundation, Roundtable on Sustainable Palm Oil, AIM-PROGRESS, West Africa Cocoa Livelihoods Program, International Cocoa Initiative, Cocoa Forest Initiative, CEO Action for Diversity and Inclusion™, and Paradigm for Parity.</p>			
	102-13	Membership of associations	<p>See Appendix 102-13</p>			
Strategy	102-14	Statement from senior decision-maker	<p>Sharing Our Purpose: Q&A with Michele Buck p. 7</p>			
	102-15	Key impacts, risks, and opportunities	<p>The Big Picture: What We Are Proud Of p. 5</p> <p>The Big Picture: Our Challenges p. 6</p> <p>Form 10-K pp. 8-14</p>			

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Ethics And Integrity	102-16	Values, principles, standards, and norms of behavior	<p>In 2017, our values were Making a Difference, One Hershey, Open to Possibilities and Growing Together. Throughout 2018 we will be revisiting our values and these are likely to change the following: focus on opportunity, prosperity, caring for one another and our planet, and building iconic brands. Global Behaviors that are communicated to all employees are: Take Action, Captivate and Delight Consumers, Create the Future, Be Real, Own It.</p> <p>Code of Conduct Web: Our Values Supplier Code of Conduct</p> <p>About This Report: Working With Integrity p. 61</p>			
	102-17	Mechanisms for advice and concerns about ethics	<p>About This Report: Working With Integrity p. 61</p> <p>Compliance Complaints PDF Corporate Governance</p>			
Governance	102-18	Governance structure	<p>About This Report: Working With Integrity p. 61</p> <p>Form 10-K pp. 104-105 Corporate Governance</p>			
	102-19	Delegating authority	<p>About This Report: Working With Integrity p. 61</p> <p>Form 10-K pp. 104-105</p>			
	102-20	Executive-level responsibility for economic, environmental, and social topics	<p>About This Report: Working With Integrity p. 61</p> <p>Form 10-K pp. 104-105</p> <p>The Chief Human Resources Officer reports directly to the CEO and has overall responsibility for the CSR program and is supported by the Vice President of Corporate Communications and CSR.</p>			
	102-21	Consulting stakeholders on economic, environmental, and social topics	<p>Our Board of Directors hears from external stakeholders both directly and through our management team. Our employee engagement survey findings are reviewed by the Board of Directors. Our special leadership council has oversight of our responsible sourcing activities in West Africa and also provides stakeholder feedback to the Board of Directors.</p>			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	102-22	Composition of the highest governance body and its committees	<p>Hershey’s Board consists of 38% women and 62% men, and 0% racial minorities. Michele Buck is the only executive director on the Hershey Board of Directors, the rest are non-executive directors. Our former CEO, John P. Bilbrey served as Chairman of the Board as of December 2017. We currently have three representatives from Hershey Trust Company, our largest stakeholder, serving on our Board.</p> <p>About This Report: Performance Indicators pp. 64-67 About This Report: Working With Integrity p. 61</p> <p>Corporate Governance: Independence pp. 2-3; Tenure p. 4</p> <p>Board of Directors</p> <p>Corporate Governance</p> <p>Management and Charters</p>			
	102-23	Chair of the highest governance body	<p>About This Report: Working With Integrity p. 61</p> <p>Corporate Governance</p> <p>Hershey Corporate Governance Guidelines p. 4</p>			
	102-24	Nominating and selecting the highest governance body	<p>About This Report: Working With Integrity p. 61</p> <p>Corporate Governance</p> <p>Hershey Corporate Governance Guidelines p. 4</p>			
	102-25	Conflicts of interest	<p>Hershey Corporate Governance Guidelines p. 10</p> <p>Code of Conduct: Avoid Conflicts of Interest p. 5</p>			
	102-26	Role of highest governance body in setting purpose, values, and strategy	<p>About This Report: Working With Integrity p. 61</p> <p>Hershey Corporate Governance Guidelines p. 2</p>			
	102-27	Collective knowledge of highest governance body	<p>Hershey Corporate Governance Guidelines p. 8</p> <p>Members of our Board of Directors do not receive specific training on Shared Goodness Promise issues as these are embedded into the role of our management team, and therefore a core part of their role. They are all experts in their field and have oversight of Hershey’s strategy, which includes Shared Goodness Promise. As part of our materiality exercise, which informs our Shared Goodness Promise strategy, we seek the input of external stakeholders.</p>			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	102-28	Evaluating the highest governance body's performance	Hershey Corporate Governance Guidelines pp. 9-10			
	102-29	Identifying and managing economic, environmental, and social impacts	About This Report: Working With Integrity p. 61 Hershey Corporate Governance Guidelines p. 2, p. 7			
	102-30	Effectiveness of risk management processes	The Finance & Risk Management Committee reviews Hershey's management of all types of risks including economic, social, and environmental. Hershey Corporate Governance Guidelines p. 6 Finance & Risk Committee Charter			
	102-31	Review of economic, environmental, and social topics	Hershey Corporate Governance Guidelines p. 6 The Board of Directors reviews our Shared Goodness Promise risks and opportunities and management approach once a year.			
	102-32	Highest governance body's role in sustainability reporting	Michele Buck reviews and approves the Shared Goodness Promise Report and the material topics covered.			
	102-33	Communicating critical concerns	About This Report: Working With Integrity p. 61 Corporate Governance Guidelines p. 10			
	102-35	Remuneration policies	Hershey Corporate Governance Guidelines p. 9 Form 10-K Part III, Item 11- Exec Compensation pp. 104-105 The performance criteria in our remuneration policies for our Board of Directors and senior executives do not currently include objectives for environmental or social topics.			

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				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	102-38	Annual total compensation ratio	In 2017, we estimate that Michele Buck’s annual compensation ratio to the median annual total compensation for all employees was 376 to 1.	a. Total compensation of the highest paid individual in each country.	Confidentiality constraints.	The salary of the highest-paid individual in each country is confidential and as such we do not currently track the salary of the highest-paid employee to the median in each country.
Stakeholder Engagement	102-40	List of stakeholder groups	About This Report: Stakeholder Engagement p. 62			
	102-41	Collective bargaining agreements	71.55% of Hershey’s employees are covered by collective bargaining agreements.			
	102-42	Identifying and selecting stakeholders	About This Report: Stakeholder Engagement p. 62 We engage directly and indirectly with many of our stakeholders. We engage with those stakeholders who either have influence or control over our business and/or are impacted by our operations across our value chain either directly or indirectly.			
	102-43	Approach to stakeholder engagement	About This Report: Stakeholder Engagement p. 62 About This Report: The Things That Matter Most pp. 59-60 Remarkable People: An Engaging Workplace: Many Voices, One Hershey pp. 56-57 Examples of stakeholder engagement can be found throughout our 2017 CSR Report. We engage with stakeholders including partner non-profit organizations, the Milton Hershey School, customers, and member organizations in the development of the report-preparation process. This includes collaborating on content and review of materials by partners. External stakeholders were also engaged as part of our materiality assessment and review of our new Cocoa for Good strategy.			
	102-44	Key topics and concerns raised	About This Report: Stakeholder Engagement p. 62 About This Report: The Things That Matter Most pp. 59-60			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Reporting Practice	102-45	Entities included in the consolidated financial statements	Form 10-K pp. 3-4			
	102-46	Defining report content and topic Boundaries	About This Report: The Things That Matter Most pp. 59-60 About This Report: Materiality Matrix p. 59 Appendix: Hershey Material Issues Across the Value Chain			
	102-47	List of material topics	About This Report: Materiality Matrix p. 59 Appendix: Hershey Material Issues Across the Value Chain			
	102-48	Restatements of information	About This Report p. 58 In 2017, we restated the dividends paid in 2016 from US\$501.6 million to US\$499.5 million. This was restated as it was a human error in our 2016 CSR Report.			
	102-49	Changes in reporting	About This Report: The Things That Matter Most pp. 59-60 Hershey conducts its materiality assessment biannually. There have been no changes to our material issues or boundaries for 2017.			
	102-50	Reporting period	About This Report p. 58			
	102-51	Date of most recent report	June 13 2017			
	102-52	Reporting cycle	About This Report p. 58			
	102-53	Contact point for questions regarding the report	About This Report p. 58			
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with GRI Core option. About This Report: The Things That Matter Most pp. 59-60			
	102-55	GRI content index	Hershey 2017 GRI Content Index			
	102-56	External assurance	We did not receive any external assurance for this report or any of the GRI indicators. However we did have our 2017 greenhouse gas emissions independently verified by the Climate Registry.			

ECONOMIC

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Economic Performance						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>Continued global competitiveness and profitability ensures that we are economically sustainable in the long term. This allows us to continue to pay the salaries of our employees, pay taxes, pay suppliers, and support the Milton Hershey School and other social investments.</p> <p>Our Board of Directors, CEO, and management teams are directly responsible for the economic performance and global competitiveness of the company.</p> <p>Appendix: Hershey Material Issues Across the Value Chain p. 32</p> <p>Shared Business: Competing Ahead of the Curve p. 35</p> <p>Form 10-K pp. 3-4</p> <p>About This Report: The Things That Matter Most pp. 59-60</p>			
	103-2	The management approach and its components	<p>Corporate Governance Guidelines p. 2</p> <p>Form 10-K pp. 3-4</p> <p>About This Report: Working With Integrity p. 61</p> <p>Our Shared Goodness Promise pp. 9-10</p>			
	103-3	Evaluation of the management approach	<p>Corporate Governance Guidelines p. 2</p> <p>Form 10-K, p. 18, pp. 22-35</p>			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	<p>Form 10-K, p. 18, pp. 22-35</p> <p>The Big Picture: Sharing Goodness Across Our Value Chain p. 8</p>	b. Not reported at country/regional level.	Information is confidential.	Due to confidentiality restraints we do not publicly report by country or per region.

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	201-2	Financial implications and other risks and opportunities due to climate change	<p>The Big Picture: What We Are Proud Of: Our Challenges pp. 5-6</p> <p>Shared Planet: Preserving Natural Resources p. 42</p> <p>We have identified three types of risks due to climate change as outlined in our CDP submission. These include risk due to regulatory changes, changes in physical climate parameters, and other climate-related developments. The cost implications of these three climate-related risks are currently unknown, but are likely to have cost implications. A rise in average temperatures and changes in precipitation patterns could lower cocoa yields and therefore increase the price of this key commodity, negatively impacting our business. We continue to monitor changes in regulations, and changes in weather patterns, and are committed to supporting cocoa communities to adopt climate-resilient farming practices. We also invest capital in our manufacturing processes to improve energy efficiency and are looking to develop science-based targets in 2018. The Hershey Company spends around 5% to 8% of its capital budget on environmental sustainability initiatives.</p>			
	201-3	Defined benefit plan obligations and other retirement plans	<p>Form 10-K p. 37, p. 43, p. 56, p. 58, p. 60, p. 81</p>	<p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	Information is confidential.	This information is confidential and we do not currently have plans to report this in the future.
	201-4	Financial assistance received from government	<p>Form 10-K p. 31, p. 38, p. 58, p. 60, p. 80, p. 81, p. 97</p> <p>The only financial assistance we have received in 2017 was in relation to equity investments qualifying for federal historic and energy tax credits. We do not receive any other governmental financial assistance. The financial assistance received is from the U.S. federal government. No government owns Hershey shares.</p>			

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Indirect Economic Impacts

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The global nature of our business has a significant impact on local job creation and commerce, both directly and indirectly through our supply chain. Through our operations, we support other businesses, encouraging economic activity in local communities, tax strategy, local investments, and other indirect economic impacts in manufacturing locations. Our global presence helps us to access new markets and achieve our growth strategy.			
	103-2	The management approach and its components	Our Shared Goodness Promise pp. 9-10 About This Report: Working With Integrity p. 61 Sharing Goodness Across Our Value Chain p. 8 Shared Business pp. 21-37 Shared Futures pp. 11-20 Shared Communities pp. 43-50			
	103-3	Evaluation of the management approach	In 2017, we launched our new Shared Goodness Promise strategy and goals in order to share more goodness across our value chain, including with communities and in our supply chains especially in cocoa-growing communities. Part of our Shared Futures strategy is supporting the basic needs of local communities where we operate. About This Report: Working With Integrity p. 61 Shared Business pp. 21-37 Shared Futures pp. 11-20 Sharing Our Purpose: Q&A with Michele Buck p. 7			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	<p>Shared Business pp. 21-37</p> <p>Shared Futures pp. 11-20</p> <p>Sharing Goodness Across Our Value Chain p.8</p> <p>Shared Communities p43-50</p> <p>Annually, Hershey allocates between 5% and 8% of our capital budget to what we call “social impact” commercial projects, principally focused on environmental sustainability initiatives that reduce our energy and water consumption, greenhouse gas emissions and the amount of waste we produce. All of these infrastructure investments have an indirect positive impact on the communities where we operate, as we are working toward efficiency improvements in our facilities and minimizing the environmental impact of our operations. One example of this is the new wastewater treatment plant we are currently building. This facility, when operational in Q4 of 2018, will treat the wastewater from several of the largest manufacturing facilities in our network, as well as a few other buildings. In addition to the elimination of the process odors which currently affect the local community, this new facility will produce and capture biogas, providing about 90% of its own electricity. Finally, this new, state-of-the-art facility will significantly reduce the potential for untreated sewage to end up in the local facility due to flooding – a risk that we currently face with the existing facility. Other examples of infrastructure investments we have made over the last year include solar installations, significant relamping efforts to more efficiently illuminate our facilities and many other efforts to improve the efficiency of our chillers and boilers – all leading to water, emissions and energy reductions.</p>			
	203-2	Significant indirect economic impacts	<p>Shared Business pp. 21-37</p> <p>Shared Futures: Energize Learning p. 14</p> <p>Shared Futures: Enabling food education p. 17</p> <p>Shared Communities pp. 43-50</p> <p>See 203-1 above</p>			

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				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Procurement Practices						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>Responsible supply chain practices are essential for being able to create high-quality delicious snacks that our consumers crave and ensuring a continuous supply now and in the future. High-quality ingredients come from happy farmers and their communities who are able to support themselves and their families.</p> <p>Countries where our ingredients are sourced include: primarily Côte d'Ivoire, Dominican Republic, Ecuador, Ghana, Indonesia, Malaysia, New Zealand, Nigeria, Peru, Philippines and the United States.</p> <p>Shared Business pp. 21-37</p>			
	103-2	The management approach and its components	<p>Our Shared Goodness Promise pp. 9-10</p> <p>Shared Business pp. 21-37</p> <p>About This Report: Working With Integrity p. 61</p> <p>Supplier Code of Conduct</p> <p>Sustainable Sugar Sourcing Policy</p> <p>Responsible Palm Oil Sourcing Policy</p>			
	103-3	Evaluation of the management approach	<p>About This Report: Working With Integrity p. 61</p> <p>Our Board and West Africa Council review our responsible sourcing strategy. In 2017, as a result of our review we strengthened our approach to responsible sourcing through the launch of our new Shared Goodness Promise strategy and will be launching a new Cocoa for Good strategy in early 2018 focused on improving the livelihoods of cocoa farmers and their ecosystems.</p>			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	<p>Sharing Goodness Across Our Value Chain p. 8</p> <p>Shared Business pp. 21-37</p> <p>While we do not have a local-sourcing policy, we source from local suppliers wherever feasible. We consider cost, projected timeliness of fulfillment, past experience, material quality and safety, and in applicable cases, material certification.</p> <p>We do not currently have a geographical definition for local as it varies. All of our operations are considered significant.</p>	a, b	Confidentiality constraints.	Specific spend data is proprietary and will not be disclosed.
	G4-FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	<p>Source map</p> <p>100% of our purchased volume comes from suppliers who are required to review and agree to follow the provisions of our sourcing policy.</p>			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Anti-Competitive Behavior						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	We believe in being globally competitive. But we can only achieve this by competing fairly. At Hershey we do not tolerate anti-competitive behavior and this is clearly stated in our Code of Conduct. We expect our business partners and suppliers to do the same.			
	103-2	The management approach and its components	About This Report: Working With Integrity p. 61 Code of Conduct Supplier Code of Conduct Compliance Complaints Our Global Trade and Customs Compliance Department is responsible for overseeing our management approach.			
	103-3	Evaluation of the management approach	Our Global Trade and Customs Compliance Department ensures compliance with our trade practices and reviews our approach regularly. No changes have been made as a result of the review and in 2017 there were no instances of material non-compliance with regulations that would cause Hershey to amend its approach.			
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No instances of material non-compliance with regulations concerning anti-trust regulation occurred in 2017. About This Report: Working With Integrity p. 61 Form 10-K p. 12			

ENVIRONMENTAL

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Energy						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Reducing our energy consumption is a core part of Hershey’s Shared Planet strategy and plays a key role in tackling climate change. We currently report on the energy use in our North American operations. As our CSR Report launches before our CDP submission, the data reported here is from 2016. Please see our 2017 data in our forthcoming CDP submission.			
	103-2	The management approach and its components	Our Shared Goodness Promise pp. 9-10 About This Report: Working With Integrity p. 61 Our 2017 EHS Policy Statement outlines our commitment to protecting the environment and implementing our global environmental, health, and safety management system to monitor and reduce our energy use. Energy managers are responsible for reviewing and monitoring our energy use at each site. Code of Conduct p. 27 Please see our forthcoming 2017 CDP submission.			
	103-3	Evaluation of the management approach	Shared Planet: Strengthening Our Environmental Strategy p. 40			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Please note data is from our 2016 CDP submission and covers North American-owned operations only. Please see our forthcoming 2017 CDP submission for 2017 data. EPA conversion factors In 2017, our Ashland (Dagoba) operations purchased 288 Renewable Energy Credits equivalent to 288,000 kWh.			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Emissions						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>Shared Planet p. 38</p> <p>Shared Planet: Strengthening Our Environmental Strategy p. 40</p> <p>About This Report: Performance Indicators pp. 64-67</p> <p>Appendix: Hershey Material Issues Across the Value Chain</p>			
	103-2	The management approach and its components	<p>Shared Planet: Strengthening Our Environmental Strategy p. 40</p> <p>Shared Planet: 25by25 commitments highlights p. 39</p> <p>Our Shared Goodness Promise pp. 9-10</p> <p>About This Report: Working With Integrity p.61</p> <p>EHS Policy Statement 2017</p> <p>Code of Conduct p. 27</p> <p>The Senior Vice President Chief Supply Chain Officer has responsibility for climate change and oversight is provided by the Board.</p> <p>Please note our greenhouse gas (GHG) emissions data covers our North American operations only.</p>			
	103-3	Evaluation of the management approach	Shared Planet: Strengthening Our Environmental Strategy p. 40			

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GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	<p>About This Report: Performance Indicators pp. 64-67</p> <p>The Big Picture: What We Are Proud Of p. 5</p> <p>Direct Scope 1 emissions covers the emissions from Hershey-owned and operated sites. Base year for our Scope 1 emissions was 2009. Our Scope 1 and 2 emissions in 2009 was 417,542 and this when we set our 25by25 goal. Only CO₂ was included in our calculation. Our calculation does not include biogenic CO₂ emissions.</p> <p>Data methodologies used include the Climate Registry’s General Reporting Protocol, and we used the global warming potential for CO₂ from the IPCC Fifth Assessment Report (AR5).</p> <p>Scope 1 emissions are from the use of biogas, natural gas, jet gasoline, motor gasoline, and propane in our operations. Emissions cover North American owned operations only.</p> <p>Our Scope 1 emissions are third-party verified against the Climate Registry’s General Verification Protocol.</p>			
	305-2	Energy indirect (Scope 2) GHG emissions	<p>a. About This Report: Performance Indicators pp. 64-67</p> <p>The Big Picture: What We Are Proud Of p. 5</p> <p>Indirect Scope 2 emissions covers the emissions from purchased electricity for Hershey-owned and operated sites in North America only. Base year for our Scope 1 emissions was 2009. Our Scope 1 and 2 emissions in 2009 was 417, 542 and is when we set our 25by25 goal. Only CO₂ was included in our calculation. No biogenic emissions were included.</p> <p>Data methodologies used include the Climate Registry’s General Reporting Protocol, and we used the global warming potential for CO₂ from the IPCC Fifth Assessment Report (AR5).</p> <p>Our Scope 2 emissions are third-party verified against the Climate Registry’s General Verification Protocol.</p>			
	305-3	Other indirect (Scope 3) GHG emissions	We are currently in the process of developing a new climate change strategy including revisiting our climate change targets to ensure they are science-based and cover our ingredients supply chain.	a, b, c, d, e, i, ii, iii, f, g	Information unavailable.	We do not currently report our Scope 3 emissions, but will be doing so by 2020.
	305-4	GHG emissions intensity	<p>About This Report: Performance Indicators pp. 64-67</p> <p>Only CO₂ was included in our calculation.</p>			

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	305-5	Reduction of GHG emissions	<p>Shared Planet: p. 38</p> <p>Shared Planet: Strengthening Our Environmental Strategy p. 40</p> <p>About This Report: Performance Indicators pp. 64-67</p> <p>Data methodologies used include: the Climate Registry’s General Reporting Protocol, and we used the global warming potential for CO₂ from the IPCC Fifth Assessment Report (AR5).</p> <p>Only CO₂ was included in our calculation.</p> <p>Our Scope 1 and 2 emissions reductions were third-party verified against the Climate Registry’s General Verification Protocol.</p> <p>Base year for our Scope 1 emissions was 2009. Our Scope 1 and 2 emissions in 2009 were 417, 542 and this when we set our 25by25 goal.</p>			
	305-6	Emissions of ozone-depleting substances (ODS)	<p>Shared Planet p. 38</p> <p>Shared Planet: Strengthening Our Environmental Strategy p. 40</p> <p>About This Report: Performance Indicators pp. 64-67</p> <p>We do not emit a material amount of ozone-depleting substances. This indicator is not material to Hershey.</p>	a, b, c, d	Not applicable.	ODS is not material to our business and we therefore do not track these.
	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	<p>Shared Planet p. 38</p> <p>Shared Planet: Strengthening Our Environmental Strategy p. 40</p> <p>About This Report: Performance Indicators pp. 64-67</p> <p>Data methodologies used include the Climate Registry’s General Reporting Protocol. Global warming potential for NO_x, SO_x the Climate Registry’s General Reporting Protocol, VOC, and PM used from the IPCC Fifth Assessment Report (AR5)</p>	a, iii, v	Not applicable.	POPS and HAPS are not material to our business and we therefore do not track these.

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Supplier Environmental Assessment						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	At Hershey, we expect all suppliers our suppliers to comply with the our Supplier Code of Conduct, which sets forth compliance with environmental criteria. From our review of our environmental strategy, we know that the majority of our environmental impacts are within our supply chains. That's why we have specific responsible sourcing guidelines for key ingredients such as pulp and paper, responsible palm oil, sugar, and cocoa. It's also why in March 2018 we launched our Cocoa for Good strategy, which commits half a billion dollars to help cocoa communities and preserve natural ecosystems. And its why we're partnering to tackle deforestation in our supply chain. Cocoa for Good Shared Planet pp. 38-42			
	103-2	The management approach and its components	Shared Business pp. 21-37 About This Report: Working With Integrity p. 61 Our Shared Goodness Promise pp. 9-10 Cocoa for Good			
	103-3	Evaluation of the management approach	Shared Planet: Strengthening Our Environmental Strategy p. 40 Cocoa for Good Shared Business pp. 21-37			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	All suppliers are expected to comply with the company's Supplier Code of Conduct, which sets forth compliance with environmental criteria. While new suppliers were not screened in 2017, the company does reserve the right to perform environmental audits of those suppliers with whom we engage. Also in 2017, we rolled out an environmental scorecard to a number of key packaging vendors requesting information about their environmental practices, which includes key metrics like GHG, water and waste data, and their environmental management practices.	a	Information not available.	We are in the process of rolling out our new supplier environmental scorecard. We may report on this in future once our data collection process and program have been established.

SOCIAL

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Employment						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Our Remarkable People pp. 51-57 Appendix: Hershey Material Issues Across the Value Chain			
	103-2	The management approach and its components	Our Remarkable People pp. 51-57 Our Shared Goodness Promise pp. 9-10 About This Report: Working With Integrity p. 61 Code of Conduct We have human resources policies for each region in which we operate, based on variances in local laws and regulations. Hershey's Total Rewards System			
	103-3	Evaluation of the management approach	Our Remarkable People pp. 51-57 Our HR Executive is responsible for reviewing all HR-related policies and our management approach yearly to ensure they are fit for purpose.			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Appendix: 401-1			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Remarkable People: Our Commitment to Our Employees p. 55 Form 10-K p. 81, p. 43 All of Hershey's operations are considered significant. We provide a variety of benefits to our full-time employees from paternity leave, healthcare, life insurance, disability coverage, retirement provision and stock ownership. The benefits Hershey provides vary depending on location and are based on local human resources laws and regulations with which we comply. All of our operations are deemed to be significant locations of operations.		Confidentiality restraints.	Benefits packages received in each region vary and are confidential due to competitiveness restraints.
	401-3	Parental leave	Appendix: 401-3, USA only We adhere to all relevant laws and regulations for maternity and paternity leave globally.			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Occupational Health And Safety						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	At Hershey we're 100% committed to providing a safe and healthy workplace for all of our employees and business partners. Our Remarkable People: Health and Safety p.54 Appendix: Hershey's Material Issues Across the Value Chain			
	103-2	The management approach and its components	Our Remarkable People: Health and Safety p.54 Code of Conduct Our Shared Goodness Promise pp. 9-10 Hershey Environmental Health and Safety Policy, an internal policy, outlines, our commitment to using an environmental health and safety management system to ensure the safety of all employees at all our sites and joint ventures. Our HR Policy Manual also outlines our commitment to ensuring the health and safety of contractors working at Hershey. About This Report: Working With Integrity p. 61			
	103-3	Evaluation of the management approach	Our Remarkable People: Health and Safety p.54			
GRI 403: Occupational Health And Safety 2016	403-1	Workers representation in formal joint management-worker health and safety committees	Our Remarkable People: Health and Safety p.54 The majority of Hershey sites have an EHS committee with worker representatives on it.	b	Information unavailable.	We just launched our new EHS management system and therefore do not currently have the percentage of workers who are represented by formal joint management-worker health and safety committees. Once the system is operational, we will develop a plan for when we will report this data publicly.

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	About This Report: Performance Indicators pp. 64-67 Our Shared Goodness Promise pp. 9-10 Our Remarkable People: Health and Safety p.54	a, i, ii, b, i, ii, c	Information unavailable.	We just launched our new EHS management system and therefore the breakdown by region and by gender is currently not available. Once the system is operational, we will develop a plan for when we will report this data publicly.
	403-3	Workers with high incidence or high risk of diseases related to their occupation	At Hershey the health and safety of our employees is of utmost importance. None of our employees are exposed to a work environment with high risk of incidence or disease. We proactively manage health and safety risks at each of our operations.			

Training and Education

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Our Remarkable People: An Engaging Workplace pp. 56-57 Appendix: Hershey Material Issues Across the Value Chain			
	103-2	The management approach and its components	Our Remarkable People: An Engaging Workplace pp. 56-57 Code of Conduct Our Shared Goodness Promise pp. 9-10 About This Report: Performance Indicators pp. 64-67 Hershey's Total Rewards System Hershey partners with Management Leadership for Tomorrow to not only identify highly diverse top talent but to work with our top talent to develop them into future leaders.			
	103-3	Evaluation of the management approach	Our Remarkable People: An Engaging Workplace pp. 56-57 Our SVP, Chief Human Resources Officer has strategic oversight over Hershey's human resources policies and talent management.			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
GRI 404: Training And Education 2016	404-1	Average hours of training per year per employee	About This Report: Performance Indicators pp. 64-67 Our Remarkable People: An Engaging Workplace pp. 56-57 Average hours of training for full-time employees was 10.3 and 35.24 for part-time in 2017.	i	Information is unavailable.	We do not currently break down our training per employee by year and we do not currently have plans for doing so in the future.
	404-2	Programs for upgrading employee skills and transition assistance programs	Our Remarkable People: An Engaging Workplace pp. 56-57	b	Information is confidential.	Support provided for employees transitioning careers is confidential and we therefore are unable to report.
	404-3	Percentage of employees receiving regular performance and career development reviews	Our Remarkable People: An Engaging Workplace pp. 56-57 100% of our employees receive regular performance and career development reviews.			

Diversity and Equal Opportunity

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Our Remarkable People pp. 51-57 Shared Goodness Promise pp. 9-10			
	103-2	The management approach and its components	Our Remarkable People pp. 51-57 About This Report: Performance Indicators pp. 64-67 About This Report: Working With Integrity p. 61 Board of Directors Code of Conduct p. 10 We are an equal opportunity employer as outlined in our Equal Employment Opportunity Policy.			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-3	Evaluation of the management approach	Our Remarkable People pp. 51-57 Board of Directors			
GRI 405: Diversity And Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	The Board has 13 directors, all of whom have significant professional experience and 100% are over the age of 50. There are five women on the Board, representing a gender composition of 38% women and 62% men. About This Report: Performance Indicators pp. 64-67 The Board of Directors			

Child Labor

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Shared Business: Eliminating Child Labor p. 27 Shared Business: Using Cocoa for Good p.24 Shared Business: Growing Opportunity in Cocoa Communities p. 25 Shared Business: Expanding Education Opportunities p.26 Cocoa for Good			
	103-2	The management approach and its components	Supplier Code of Conduct Shared Business: Eliminating Child Labor p. 27 About This Report: Working With Integrity p. 61 The Big Picture: Our Challenges p. 6 Shared Business: Using Cocoa for Good p. 24 Shared Business: Growing Opportunity in Cocoa Communities p. 25 Shared Business: Expanding Education Opportunities p. 26 Cocoa for Good			
	103-3	Evaluation of the management approach	Shared Business: Eliminating Child Labor p. 27 Shared Business: Using Cocoa for Good p. 24 Shared Business: Growing Opportunity in Cocoa Communities p. 25 Shared Business: Expanding Education Opportunities p. 26 Cocoa for Good			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	<p>The Big Picture: Our Challenges p. 6</p> <p>Shared Business: Eliminating Child Labor p. 27</p> <p>Shared Business: Using Cocoa for Good p. 24</p> <p>Shared Business: Growing Opportunity in Cocoa Communities p. 25</p> <p>Shared Business: Expanding Education Opportunities p. 26</p> <p>Cocoa for Good</p> <p>Suppliers that sell certified and sustainable cocoa have systems in place to meet the control points to halt child labor. Suppliers yearly report on cases of child labor and remediation if and when detected. Côte d'Ivoire and Ghana are the countries identified most at risk for child labor; it's the farmers and cocoa communities that supply to the supplier (first-buyer) that are at risk. In 2017, we continued to source certified and sustainable cocoa, monitor and report child labor cases and remediation. In March 2018, we launched our Cocoa for Good Strategy, investing half a billion dollars by 2030 to nourish children, elevate youth, build prosperous communities and preserve natural ecosystems, helping to tackle child labor.</p>			

Forced or Compulsory Labor

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>Shared Business: Sourcing Responsibly p. 23</p> <p>Appendix: Material Issues Across the Value Chain</p>			
	103-2	The management approach and its components	<p>Supplier Code of Conduct</p> <p>Shared Goodness Promise pp. 9-10</p> <p>Shared Business: Sourcing Responsibly p. 23</p> <p>About This Report: Working With Integrity p. 61</p> <p>Shared Business: Using Cocoa for Good p. 24</p> <p>Shared Business: Growing Opportunity in Cocoa Communities p. 25</p> <p>Shared Business: Expanding Education Opportunities p. 26</p> <p>Shared Business: Spotlight on Sustainable Sugar p. 28</p> <p>Shared Business: Partnering for Better Palm Oil p. 31</p> <p>Shared Business: Creating Community Impact With Coconut p. 32</p> <p>Cocoa for Good</p>			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-3	Evaluation of the management approach	<p>Cocoa for Good</p> <p>About This Report: Working With Integrity p. 61</p> <p>Shared Business: Sourcing Responsibly p. 23</p>			
GRI 409: Forced Or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>CocoaAction</p> <p>About This Report: Working With Integrity p. 61</p> <p>Shared Business: Sourcing Responsibly p. 23</p> <p>Palm oil facts</p> <p>Shared Business: Using Cocoa for Good p. 24</p> <p>Shared Business: Growing Opportunity in Cocoa Communities p. 25</p> <p>Shared Business: Expanding Education Opportunities p. 26</p> <p>Shared Business: Spotlight on Sustainable Sugar p. 28</p> <p>Shared Business: Partnering for Better Palm Oil p. 31</p> <p>Shared Business: Creating Community Impact With Coconut p. 32</p>			

Supplier Social Assessment

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>At Hershey, we expect our suppliers to comply with our Supplier Code of Conduct, which sets forth compliance with social criteria such as health and safety and protection of human rights. We also have specific responsible sourcing guidelines for key ingredients such as pulp and paper, responsible palm oil, sugar, and cocoa. In March 2018 we launched our Cocoa for Good strategy, which commits half a billion dollars to help cocoa communities and elevate youth.</p> <p>Cocoa for Good</p> <p>Shared Business pp. 21-37</p>			
	103-2	The management approach and its components	<p>Shared Business pp. 21-37</p> <p>About This Report: Working With Integrity p. 61</p> <p>The Big Picture: Our Challenges p. 6</p> <p>Shared Goodness Promise pp. 9-10</p> <p>Global sourcing policies</p> <p>Supplier Code of Conduct</p>			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-3	Evaluation of the management approach	Shared Business pp. 21-37 Cocoa for Good			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Shared Business pp. 21-37 About This Report: Performance Indicators pp. 64-67 We expect adherence to our Supplier Code of Conduct and reserve the right to conduct third-party social audits, that include social, environmental, and health and safety criteria.	a	Information unavailable.	We are in the process of rolling out our new supplier scorecard and may report on this in future once our data collection process and program have been established.
	414-2	Negative social impacts in the supply chain and actions taken	Together with our suppliers we promote sustainable and inclusive cocoa production, with special attention to women and youth in cocoa communities. We expect adherence to our Supplier Code of Conduct and reserve the right to conduct third-party social audits, that include social, environmental, and health and safety criteria. What We Are Proud Of: The Challenges We Faced pp. 5-6 Shared Business pp. 21-37 About This Report: Performance Indicators pp. 64-67 Cocoa for Good	a, b, d, e		

Customer Health and Safety

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	At Hershey, building a strong food safety culture is a top priority and supports the high level of trust that consumers have in our company. Sharing Our Purpose: Q&A with Michele Buck p. 7			
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GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-2	The management approach and its components	<p>Everyone at Hershey has the responsibility to ensure food safety regardless of their role. Our Product Excellence Program (PEP) defines food safety, food quality and regulatory compliance requirements for our enterprise-wide operations. The program incorporates industry standards set forth by the GFSI, and in many cases, we exceed those standards. Our goal is to attain food-safety certification recognized by the GFSI at all our wholly owned manufacturing and joint-venture operations and contract manufacturing/co-packing facilities. As of 2017, we have obtained GFSI certification in 15 of 17 (or 88%) of our wholly owned facilities and in one joint-venture facility.</p> <p>Our PEP is designed to identify and prevent food safety risks throughout our supply chain, supported by audits from government agencies, third-party firms and our in-house quality-assurance staff. Globally, approximately 84% of our current contract manufacturers and copackers have attained GFSI certification, including 100% in the United States and Canada, with the remainder working toward certification as a condition of future business.</p> <p>Our Shared Goodness Promise pp. 9-10</p> <p>About This Report: Working With Integrity p. 61</p>			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-3	Evaluation of the management approach	<p>In 2017, our Quality and Regulatory Compliance team continued to enhance our supplier quality programs and compliance to FSMA requirements. The team reestablished and strengthened our packaging supplier program to include minimum requirements for approving new packaging suppliers, publishing a Packaging Quality Expectations Manual, increasing audits of our suppliers, and tracking our packaging suppliers in the same records database as our ingredient suppliers. The team continued the journey on ingredient supplier quality through publication of the Ingredient Quality Expectations Manual and clarification of requirements for foreign material control. These program enhancements are aligned with the forefront of the FSMA Preventive Controls regulations.</p> <p>Additionally to further our compliance to FSMA regulations we enhanced our food safety program relative to Foreign Supplier Verification Program requirements This regulation requires us to assure that all foreign manufacturing facilities (THC owned facilities and contract manufacturers) meet the same level of public health protection as manufacturers inside the US. Planning and preparation began for upcoming compliance with the Intentional Adulteration (IA) Rule. Our team is working to develop a robust Food Defense program that aims to reduce or significantly minimize hazards that may be introduced with the intention to cause wide scale public health harm. We continue to define the requirements and will be ready to implement by the compliance deadline of July 2019. Additionally, the US Regulatory Compliance team worked to update product labels to comply with the Food & Drug Administration Revision of the Nutrition and Supplement Facts Label and Serving Size Rules. These updates to nutrition and serving size information ensure that consumers have access to the information they need to make informed decisions about the foods they eat. The team is on track to have all label revisions completed by the January 1, 2020 compliance deadline.</p>			
GRI 416: Customer Health And Safety 2016	416-1	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>In 2017 there was a voluntary withdraw of a minimal quantity of Hershey miniatures for a quality issue. In Australia there was a distributor issued recall due to an ingredient statement labeling issue for assorted items including Cookies N Crème bars, Vanilla baking chips, Cookie'n'crème Kisses, Milk Kisses with Almonds.</p>			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Marketing and Labeling						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Responsible labeling and transparency regarding the ingredients in our snacks and responsible marketing to children is an absolute must at Hershey. It helps to ensure our consumers can make informed decisions for their lifestyles and families. Shared Business: Our Food Philosophy p. 33 Markets where our products are sold. Key markets include: Brazil, Canada, China, India, Mexico and United States.			
	103-2	The management approach and its components	Shared Business: Our Food Philosophy p. 33 Our Shared Goodness Promise pp. 9-10 Shared Business: SmartLabel™ Empowering Choice p. 34 About This Report: Working With Integrity p. 61 SmartLabel™ Sharing what's inside Children's Food and Beverage Advertising Initiative: The Hershey Company Pledge			
	103-3	Evaluation of the management approach	Shared Business: SmartLabel™ Empowering Choice p. 34 Our Consumer Relations department reviews and answers all consumer-related questions and concerns about the ingredients and labeling on our snacks. It also proactively reviews social media, and engages individual consumers as well as retail partners to ensure our transparency, labeling, and marketing practices align with their expectations. In 2017, based on ongoing consumer feedback, we continued to roll out the SmartLabel™ program.			
GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	Shared Business: SmartLabel™ Empowering Choice p. 34 In 2017, Hershey had zero incidents of non-compliance concerning the labeling of our snacks.			
	417-3	Incidents of non-compliance concerning marketing communications	Shared Business: SmartLabel™ Empowering Choice p. 34 In 2017 Hershey had zero incidents of non-compliance concerning marketing communications in relation to regulations or voluntary codes.			

GRI Standard	Disclosure #	GRI Disclosure	Cross Reference or Answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Animal Welfare						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Shared Business: Working for Improved Animal Welfare p. 27 The Hershey Company is dedicated to a transparent supply chain and we have a long history of safe and high-quality consumer products. Farm animal welfare is a key priority with respect to sourcing animal protein (dairy, egg, and meat) ingredients. Our farm animal welfare position is that the ingredients supplied to The Hershey Company will meet or exceed our high-quality standards.		Information not available.	Hershey does not own any animals and we therefore do not track or have this data; however, we work with our suppliers to uphold the Five Freedoms of animal rights.
	103-2	The management approach and its components	Shared Business: Working for Improved Animal Welfare p. 30 Our Shared Goodness Promise pp. 9-10 About This Report: Working With Integrity p. 61 Farm Animal Welfare Position Source Map			
	103-3	Evaluation of the management approach	Shared Business: Working for Improved Animal Welfare p. 30 Farm Animal Welfare Position			
GRI G4: Animal Welfare 2013	G4-FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type	Shared Business: Working for Improved Animal Welfare p. 30 Farm Animal Welfare Position			

HERSHEY'S MATERIAL ISSUES ACROSS THE VALUE CHAIN

		Value chain				
		Key: • Moderate •• Significant ••• Major				
Material issues	Definition	Raw ingredients sourcing	Tier 1 suppliers	Hershey	Customers	Consumers
Consumer Wellness and Lifestyle	Conditions impacting consumer decisions, including consumers' evolving relationship with food and purchasing behaviors, consumers becoming more conscious about their lifestyle, development and sale of products that support consumer lifestyles, such as low-sugar products and transparency around ingredients.	•••	••	•••	•••	•••
Employee Engagement	Employee satisfaction, job security, wages and benefits, quality of work environment and company culture, work-life balance, employee wellness programs, employee confidence in company strategy/direction.	•	••	•••	•••	•••
Food Safety	Food quality and safety policies and procedures, food safety standards and regulations, recalls, quality certifications such as GFSI facilities, food traceability, Product E-xcellence Program.	•••	•••	•••	•••	•••
Global Competitiveness	Global economic and financial conditions, as well as geopolitical changes influencing these conditions, ability to compete internationally in fast-growing markets, industry success, seasonality, company strategy for global growth, changes in consumer behavior affecting financial conditions.	•	••	•••	•••	•••
Greenhouse Gas Emissions and Climate Change	Greenhouse gas reduction and mitigation, carbon regulation, climate risks and opportunities, climate adaptation planning, carbon offsets, transportation emissions, agricultural emissions, climate change impacts on supply chain, especially related to agriculture.	•••	•••	•••	•••	••
Labor Conditions and Standards	Fair, decent and legal working conditions at Hershey facilities and within our supply chain, elimination of forced and illegal labor and human trafficking within Hershey's supply chain.	•••	•••	•••	•	•••
Product Ingredients and Transparency	Simple ingredients, uses of artificial colors and preservatives, gluten-free and other allergen-friendly products, management of ingredients or alternatives to use; policies and practices for communicating ingredients and nutritional information to consumers, front-of-package labeling, labeling requirements, SmartLabel™, GMO labeling, allergen labeling.	•	••	•••	•••	•••
Supply Chain Sourcing	Management of and adherence to Supplier Code of Conduct, supply chain transparency and disclosure, supplier audits, sustainable supply chain policies, supplier diversity, supplier due diligence, practices to ensure supply chain continuity. Sourcing of virgin materials, including pulp, paper and palm oil, sustainable cocoa, support of responsible agricultural practices in supply chain, training farmers on good agricultural practices, such as soil health and to improve livelihoods, proper use of pesticides and fertilizer, assisting farmers in achieving certifications including Fair Trade and UTZ.	•••	•••	•••	••	•
Talent Management	Attracting and retaining employees, recruiting strategies, professional development, training, performance reviews, succession planning, workforce retention, turnover rates.	•	•	•••	•	•

102-8

Total number of Hershey employees by employment contract (permanent and temporary), by gender.	Total	Female	Male
Total	16,910	7,621	8,300
Permanent	15,360	6,620	7,749
Temporary	1,550	1,001	551

Total number of employees by employment contract (permanent and temporary), by region.	Permanent	Temporary
Globally	14,369	1,552
United States	7,484	1,421
Non-U.S.	6,885	131
Asia	1,449	-
Africa	-	-
North America	742	112
Europe	13	-
Latin America and The Caribbean	4,681	19

102-13 – MEMBER ORGANIZATIONS

Leadership and Sustainability	Commerce	Food and Manufacturing and Industry Groups	Ethical Sourcing and Sustainable Agriculture	Employee Engagement	Knowledge and Innovation
Sustainable Brands	Council for Better Business Bureau	Center for Food Integrity	World Cocoa Foundation	Thurgood Marshall College Fund	Pennovation
Committee for Encouraging Corporate Philanthropy	National Confectioners Association	International Food Information Council	International Cocoa Initiative	Human Rights Campaign	Carnegie Mellon University
	Pennsylvania Chamber of Business and Industry	National Association of Manufacturers	UTZ Certified	Network of Executive Women	Institute for the Future
	Business Council for International Understanding	Sweetener Users Association	The Forest Trusts	National Organization on Disability	Knowledge Leadership Council
	Con Mexico	Cocoa Merchants Association of America	Sedex Information Exchange	National Black MBA Association (NBMBA)	
	ASHOCO	Peanut and Treenut Processors Association	Roundtable on Sustainable Palm Oil (RSPO)	Hispanic IT Executive Council	
	American Association of Importers and Exporters	American Dairy Products Institute	Dun & Bradstreet	National Business Group on Health	
	Canadian Association of Importers and Exporters	University of Nebraska/ Allergen Center		CAHRS	
			ABIA-Brazilian association of Food industries	HR Policy Association	
			ABICAB-Brazil (Choc, Cocoa, Peanut, Candy)		
			Food and Drink Federation - FDF UK		
			ILSI Middle East & North America		
			CIFTI-FICCI-India		
			China National Food Industry Association		
Food and Consumer Products—Canada					
International Chewing Gum Association (ICGA)					
ALAIAB					
ILSI North America					
Food Information Asia (FIA)					

302-1

Direct energy used in 2017

Fuels	MWh in 2016	Megajoules in 2016
Propane	156.8	564480
Natural gas	530842.5	1911033000
Distillate fuel oil No. 2	6587.5	23715000
Motor gasoline	1658.7	5971320
Biogas	96907.4	348866640
Electricity consumed	457973.6	1648704960
Total	1094126.5	3938855400

401-1 – NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

401-1	Age Group					Gender		Region					
	18-24	25-34	35-44	45-54	55+	Male	Female	Asia	Africa	North America	Europe	L.A.C.	Oceania
a. Total number and rate of new employee hires during the period January 1, 2017 to December 31, 2017	2,482	1,765	937	480	197	2,747	3,334	309	0.00	1,969	6	3,797	0.00
	136.70%	45.90%	25.20%	12.90%	6.50%	32.60%	42.40%	22.25%	0.00	40.63%	52.75%	35.50%	0.00
b. Total number and rate of employee turnover during the period January 1, 2017 to December 31, 2017	2,039	1,800	1,015	507	375	2,589	3,270	612	0.00	1,727	3	3,516	0.00
	112.30%	46.80%	27.20%	13.70%	12.50%	30.70%	41.60%	35.33%	0.00	19.95%	34.65%	34.10%	0.00

401-3

Parental leave	Female	Male	Total
Entitled to parental leave	42	63	105
Took intermittent	1	17	18
Took continuous	38	23	61
Number of employees who did not elect	3	23	26
Returned to work after parental leave	41	63	104
Return-to-work rate	98%	100%	99%



THE HERSHEY COMPANY / 2017 GRI INDEX