

CORPORATE SOCIAL RESPONSIBILITY | 2016 SUMMARY



"I HAVE ONLY ONE DESIRE IN THE REMAINING YEARS ALLOTTED ME, TO SEE THAT THE PEOPLE OF HERSHEY, WHICH INCLUDES MY EMPLOYEES, SHALL RECEIVE EVERYTHING THAT I COULD POSSIBLY DO TO MAKE NOT ONLY THEIR PLACE OF LIVING, BUT THEIR LIVES, MORE PLEASANT." Allotted Me, TO SEE





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"I AM MORE INTERESTED THAN EVER IN MAINTAINING AND IMPROVING THE MORALE AND EFFICIENCY OF ALL OF MY COMPANIES. I WANT TO DEVOTE THE REST OF MY LIFE TO THAT END, FOR THE SCHOOL." - MILTON S. HERSHEY, APRIL 1924



LETTER FROM OUR CEO

At Hershey Entertainment & Resorts Company (HE&R), we are fortunate to have the example of our founder, Milton S. Hershey, to emulate for our corporate social responsibility (CSR) practices and beliefs. CSR means different things to different people. At HE&R, it means supporting our environment, community and our valued team members. This approach is similar to the practices that Mr. Hershey demonstrated throughout his life of caring for his community.

The foundation of our CSR philosophy is rooted in our company's core purpose, to support Milton Hershey School (MHS). Founded in 1909 by Milton and Catherine Hershey, MHS is the largest home and school in the world giving children in need a nurturing environment and an abundance of educational opportunities. With more than 2,000 students currently enrolled in grades pre-kindergarten through 12th, MHS now counts 10,000+ alumni, affectionately known as 'Milts,' among the beneficiaries of the Hersheys' enduring legacy. It is my honor to report that in 2016, HE&R paid a dividend to MHS of \$13,884,000, the largest in our company's history.

From employee volunteerism, in-kind and monetary donations, sponsorship activations, extensive community partnerships and environmental programs, Mr. Hershey's example continues through our CSR activities today. Our CSR platform focuses on four pillars:

- Environment
- Community
- Workplace
- Marketplace & Guest Focus

Our team members are encouraged to give back to the community while living by our company's core values:

- Devoted to the Legacy
- · Selfless Spirit of Service
- Team-Focused
- Respectful of Others

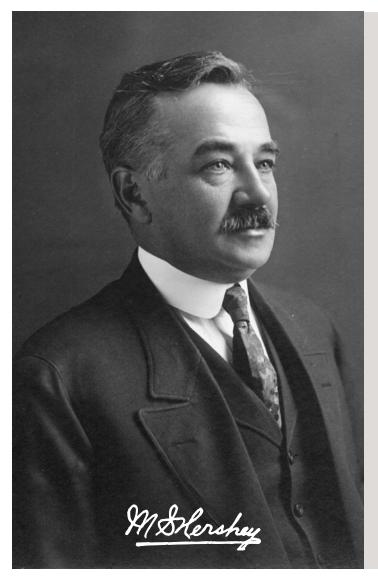
On behalf of more than 8,000 full-time and seasonal/part-time employees, thank you for taking the time to review our 2016 Corporate Social Responsibility Summary. We look forward to continuing to build on our current practices and programs while honoring our founder.

Thank you,

John Lawn President & CEO

Hershey Entertainment & Resorts

ABOUT US



- Privately owned by Hershey Trust Company, Trustee for the Milton Hershey School Trust, as the sole shareholder
- Milton Hershey School®, the world's largest residential school for children in social and financial need, is the sole beneficiary of the Trust
- Premier entertainment and hospitality company
- 1,700 full-time and 7,000 seasonal and part-time employees
- Annual revenues in excess of \$334 million



CORE PURPOSE & VALUES

Hershey Entertainment & Resorts is proud to help fulfill the dream of our founder, Milton S. Hershey, by providing value to Milton Hershey School, the largest home and school in the world, as it continues to provide opportunities for children in need.

DEVOTED TO THE LEGACY

Acting in a manner that reflects the dedication and integrity of our founder



SELFLESS SPIRIT OF SERVICE

Serving our employees and their families, our guests, our community, and our environment

> OWN DELIGHT

ANTICIPATE INSPIRE

TEAM - FOCUSED

Supporting one another as we work towards common goals and earning each others' trust

"Teamwork Sells THE HERSHEY IDEA"

Molershey

RESPECTFUL OF OTHERS

Treating all people with dignity, while respecting their differences and ideas

> ONE COMPANY MANY PERSPECTIVES

HE&R AND ITS SUBSIDIARIES OPERATE



COMMERCIAL GROUP

- Hershey® Laundry
- Hershey® Nursery



DOWNTOWN RESTAURANT GROUP

- Cocoa Beanery®
- Devon Seafood + Steak
- Houlihan's Restaurant + Bar



GIANT CENTER™

- Home to the AHL Hershey Bears hockey team, concerts, and basketball, wrestling, and ice shows
- Accommodates up to 12,500 people
- Opened in 2002



HERSHEY BEARS®

- Longest continually operating member club in the AHL
- More Calder Cup wins than any other team, with 11 championships in franchise history
- Celebrating 80 years in the 2017-2018 season



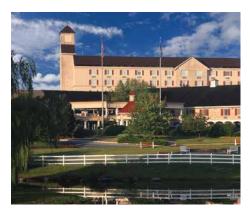
HERSHEY® COUNTRY CLUB

- 45 holes of challenging golf in a legendary setting with private-club
- Ideal setting for weddings and events
- Golf has been played in Hershey since



HERSHEYSM THEATRE

- Seats 1,904 people
- Premier performing arts center presenting touring Broadway shows, music and family shows
- Opened in 1933



HERSHEY® LODGE

- Full-service resort with 665 guest rooms and suites, and more than 100,000 square feet of meeting space
- Hershey's Water Works at Hershey $Lodge^{\rm SM}$ indoor pool complex
- Dining options include The Forebay, HersheySM Grill, The Bears' DenSM, Fire & GrainSM, and Cocoa Beanery
- Opened in 1967



HERSHEYPARK®

- More than 70 rides and attractions on 121 acres
- 13 roller coasters
- More than 20 kiddie rides
- 14 water attractions including a lazy river and wave pool
- Food & beverage offerings include allergy-friendly options, Chick-fil-A®, and much more
- Opened in 1907



HERSHEYPARK® CAMPING RESORT

- More than 300 open and shaded sites, including cabins, on 55 acres
- Activities include swimming, basketball, a picnic area, and a Family Fun Center
- Opened in 1963



HERSHEYPARK® STADIUM

- Most prominent outdoor stadium between Philadelphia and Pittsburgh
- Hosts annual Summer Concert Series, PIAA Football and Soccer Championships
- Accommodates up to 30,000 people
- Opened in 1939



THE HOTEL HERSHEY®

- Historic hotel with 276 guest rooms, suites, and Woodside Cottages
- Dining options include The Circular®, Trevi 5SM, HarvestSM, Iberian LoungeSM, and Cocoa Beanery
- The Spa At The Hotel HersheySM, a full-service spa, opened in 2001
- Opened in 1933



ZOOAMERICA® NORTH AMERICAN WILDLIFE PARK

- 11-acre, walk-through zoo
- Home to more than 200 native North American animals representing more than 60 species from five regions of North America
- Opened as ZooAmerica in 1978

MORE THAN \$486,600

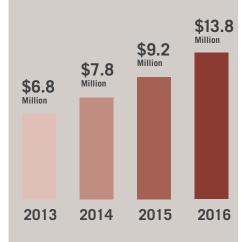
On an annual basis, HE&R donates hundreds of tickets to events at *Hershey*SM *Theatre*, *Hersheypark*[®] *Stadium*, and *Giant Center*SM arena (including the exclusive use of a suite) to help MHS students experience cultural and sporting events. We also provide *Hersheypark* Season Passes to MHS students, houseparents and staff members. In 2016, these experiences were collectively worth more than \$486,600.



MILTON HERSHEY SCHOOL RELATIONSHIP

Since 1909, Milton Hershey School (MHS) has provided a positive, structured home life to help children gain the skills to be successful in all aspects of life. Today, MHS serves more than 2,000 children from income eligible families. Welcoming students from pre-kindergarten through grade 12, MHS is the world's largest residential school and home giving students access to award-winning programs, top-notch teachers, ongoing healthcare, wonderful mentors and alumni services.

THE FOUNDATION OF OUR COMPANY'S FINANCIAL SUPPORT TO MHS IS OUR ANNUAL CASH DIVIDEND. SINCE 2011, WE'VE BEEN PROUD TO HAVE INCREASED THAT **DIVIDEND EVERY YEAR.**



DIVIDENDS PAID TO MILTON HERSHEY

SCHOOL FOR EACH RESPECTIVE YEAR'S

PERFORMANCE.

The investment income generated by the Milton Hershey School Trust is used to fund the operations of MHS, its sole beneficiary. Among the Trust's assets are all of the shares of stock of HE&R. Our company's core purpose is to provide value to MHS, which we do in many ways every day.

Throughout the year, HE&R aids MHS with educational support and career opportunities through internships, job shadowing, mentoring activities, seasonal employment and academic needs. MHS seniors have the opportunity to work in HE&R co-op programs, gaining a wide array of professional experience from all aspects of our company. This program gives students valuable real-life experience to help ensure a positive future beyond MHS.

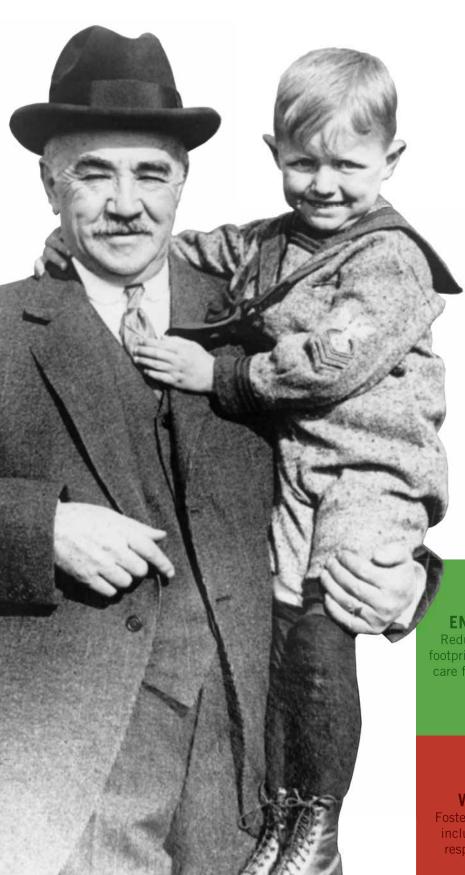
MHS is not just a school - it's a home, too. Students live on campus in student homes with houseparents and 8-12 other students. Student homes are at the core of the children's experience providing a nurturing environment and there are several programs to help students develop a sense of belonging within the MHS and Hershey communities.

One such program is Project Fellowship (PF), pairing HE&R team members with MHS student homes to create fun and rewarding relationships via ongoing activities and connections. The mission of PF is to foster a sense of connection and community between MHS students and participating employees and their family members. Those involved in this unique program assist MHS students with homework, attend sporting events, enjoy dinners at the student homes, and celebrate seasonal events and birthdays, and much more. The program is a winwin for the students, houseparents and our team members who find it very rewarding. HE&R has supported this important program for years. Sponsoring as many as 25 student homes, an estimated 372 HE&R employees and family members give their time and focus to MHS students. HE&R has supported this worthwhile program for years, and is proud to be one of its largest participants.





FOR MORE INFORMATION ABOUT THE SCHOOL, VISIT MHSKIDS.ORG.



CORPORATE SOCIAL RESPONSIBILITY

Building on Milton S. Hershey's legacy, we strive to create positive experiences for our guests and conduct our business in a socially responsible manner while demonstrating care for our employees, our community and our environment.

ENVIRONMENT

Reduce our ecological footprint and demonstrate care for our environment

COMMUNITY

Be a positive, productive, informed of the communities in which we live and work

WORKPLACE

Foster a desirable, safe, inclusive, healthy and respectful workplace

MARKETPLACE & GUEST FOCUS

Engage in fair and ethical dealings with our business partners and guests where we live and work

ENVIRONMENT

"The more beautiful you make something which people can see and use, the more enjoyment they will get out of it. At least that is the way it looks to me." Milton S. Hershey, 1938

OUR COMPANY-WIDE GREEN TEAMS WORK TO INTEGRATE **ENVIRONMENTAL CONSIDERATIONS INTO DAILY** OPERATIONS ACROSS THE DESTINATION.

As a company, we are committed to working with our employees, guests, suppliers and partners to be responsible stewards of our shared environment. We want to honor and protect the legacy of Mr. Hershey by caring for the environment while delivering a clean, green, family-focused experience.

FOCUS AREAS

- **Energy & Natural Resources**
- Recycling & Waste Management
- Wildlife & Habitat
- **Education &** Communication



ENERGY & NATURAL RESOURCES

We are continually reviewing our practices for opportunities to reduce our impact on the environment. Here are some highlights of the results of recent initiatives:

- We reduced water usage by 8% year-over-year, saving 12,200,000 gallons of water - enough to fill 18 Olympic-sized swimming pools.
- We changed the parking lot lights at the Entertainment Complex from 1000 Watt Metal Halide lights to LED lights. This effort is estimated to save our company nearly 1 million kWh annually, enough to power nearly 100 average sized homes for a year.
- At both The Hotel Hershey and Hershey Lodge, electric car-sharing stations were installed. Guests are welcome to use the stations free of charge.
- Despite growing our businesses and adding an attraction at Hersheypark®, we used 311,000 kWh less of electricity in 2016 than in 2015, saving 0.5%.

- Since select parts of The Hotel Hershey require yearround cooling, we upgraded two chillers at the property that are more efficient and pull the outside air to cool the property instead of using electricity in select areas of the building throughout the winter.
- HE&R participates in the Demand Response Program in partnership with our electric provider. The term "Demand Response" describes an energy saving strategy employed specifically when there is heavy demand on the electric grid. When the demand for electricity nears the state's electricity supply, the greater the risk for electrical emergencies. When our company participates in this program, we help lessen the burden on our community's electrical grid.

RECYCLING & WASTE MANAGEMENT

Many may not realize that Milton S. Hershey established the first recycling center in Hershey, PA in 1937, long before it was commonplace. Fast forward decades later and our company continues to reduce, reuse and recycle.

- In 2016, HE&R recycled more than 17,000 pounds of magazine and glossy paper benefitting Ronald McDonald House Charities.
- Our paperless eProcurement system has saved more than 77,893 pieces of paper, an increase of 1.17% from 2015, and has increased overall efficiency.
- In 2016, we printed more than 14.2 million pieces of HE&R collateral on at least 10% post-consumer waste paper stock.
- In a new initiative, the company recycled more than 23,000 gallons of cooking oil.





Animals at *ZooAmerica* were the lucky recipients of select food waste from The Hotel Hershey. The Executive Chef at The Hotel Hershey spearheads a program that benefits the residents of ZooAmerica with more than 6,500 pounds of select food waste used as feed for the Zoo's residents.

BENEFITS OF RECYCLING

IN 2016, HE&R RECYCLED MORE THAN:

- 66.8 tons of cardboard
- 22.3 tons of paper
- 109.9 tons of glass
- 31.4 tons of aluminum
- 31.4 tons of plastic

THESE RECYCLING **EFFORTS CONSERVED** THE FOLLOWING



This represents enough saved timber resources to produce 16,542,226 sheets of newspaper.



623,059 GALLONS OF WATER

Enough to meet the fresh water needs of 8,307 people for a year.



LANDFILL AIRSPACE

This represents enough airspace to meet the disposal needs of 1,384 people.



CO EQUIVALENT

Reducing greenhouse gas emissions.



123,830 KW-HRS OF ELECTRICITY Enough to power 69 homes for a full year.

WILDLIFE & HABITAT

ZooAmerica North American Wildlife Park plays an active role in wildlife and environment conservation. In 2016, ZooAmerica rescued Murphy, a cinnamon phase Black Bear from Montana Fish, Wildlife and Parks when he was abandoned by his mother. Several Zoo residents including the falcon, opossum, barn owl, armadillo and Great Horned Owl, came to ZooAmerica® North American Wildlife Park from local wildlife rehabilitators.

Since the 1950s, Pennsylvania's barn owl population has decreased by 50%. ZooAmerica staff, campers, and Milton Hershey School® students have linked together to create and place owl nest boxes in local barns and on Milton Hershey School property. To date, the Zoo has placed 18 barn owl nest boxes and 24 American kestrel nest boxes on Milton Hershey School property. In addition to providing homes for barn owls, this creates natural rodent control.

Since 2010, all three Hershey® golf courses have been named a Certified Audubon Cooperative Sanctuary by Audubon International. To maintain this distinction, our course maintenance team continually demonstrates high environmental quality in a number of areas such as outreach and education, wildlife and habitat management, water quality management, chemical use reduction and safety, water conservation and environmental planning.

In 2016, the Hershey Nursery planted more than 1,800 shrubs, trees, and perennials throughout our properties. The team used native plants in many of the landscaping designs with an emphasis on the rain gardens located near the new pool at Hershey Lodge®.

Hershey Lodge is part of the vibrant beekeeping community with 60,000 Italian Honey Bees that live in three hives at a remote location on the property. This initiative was introduced by a member of the culinary team to help increase the declining honey bee population and to help pollinate local plants. Team members from Hershey Lodge are assisting The Hershey Company in starting a similar program. Currently, The Hershey Company now has two colonies near its Tech Center.







OVER THE LAST YEAR, TWO IMPORTANT INITIATIVES WERE INTRODUCED TO THE COMPANY – BOTH BY EMPLOYEES – TO BETTER OUR ENVIRONMENT.



THE CRAYON INITIATIVE

Two of our employees, who are also mother and daughter, saw an opportunity for the company to participate in The Crayon Initiative, a group that collects used crayons, remanufactures and provides them to children's hospitals around the country. A number of our

restaurants are participating in the initiative. To date, more than 597 pounds of used crayons have been donated to The Crayon Initiative.

CLEAN THE WORLD

We have partnered with Clean the World, an organization devoted to recycling soap and other discarded hygiene products that are donated to women's shelters across the country and people in need around the globe. The recycling effort is led by housekeeping staffs at Hershey Lodge and The Hotel Hershey who collect and donate hygiene products left in guest rooms. In its early inception, hundreds of pounds of product have been collected.

MORE THAN 16,000

GUESTS PARTICIPATED IN EDUCATIONAL OPPORTUNITIES ON-SITE THROUGH A VARIETY OF PROGRAMS, TOURS, CAMPS AND CLASSES.

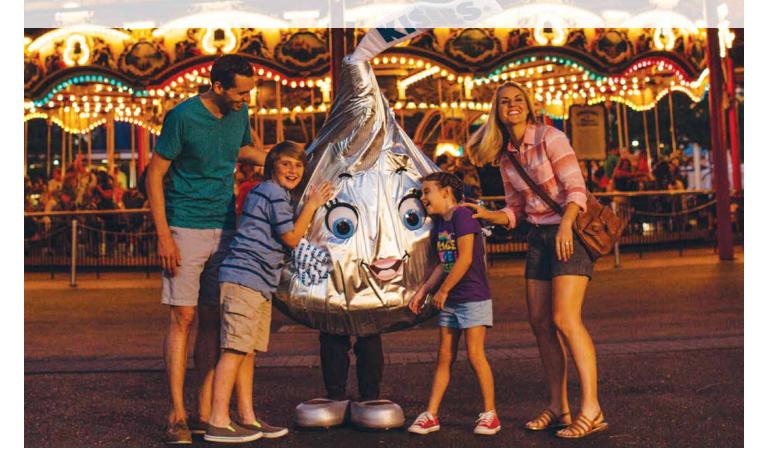
ZooAmerica also conducted outreach programs to 280 groups at off-site locations.



FAMILY VOLUNTER SUPPORT COMMUNITY LIVE CONTRIBUTE DONATE PARTNER PHILANTHROPY CONNECT

"What good is money unless you use it for the benefit of the community and of humanity in general?" Milton Hershey, 1923

WHEN SELECTING INITIATIVES AND CAUSES TO SUPPORT, WE CONSIDER THE NEEDS OF THE COMMUNITIES WHERE OUR EMPLOYEES AND THEIR FAMILIES LIVE, WORK AND PLAY.



CORPORATE PHILANTHROPY

At the heart of our community efforts is the well-being of children, especially those at risk. While we consider the broader range of causes, we focus on supporting initiatives with a compelling connection to education, civic & community, arts & culture, health & human services and our environment. All organizations are required to be a 501(c)(3) to receive support from HE&R.

FOCUS AREAS

- Corporate Philanthropy
- Contribution of Expertise & Volunteerism

HE&R DONATIONS FALL INTO THREE CATEGORIES:

- 1. In-Kind: Non-cash requests for goods and services that the company provides within the normal course of business.
- 2. Monetary: Granted to eligible organizations and causes to help support an event or cause.
- 3. Employee- or Guest-Generated: Use of HE&R facilities and/or resources to help execute an event that is open to the public and our employees.

SUPPORTING OUR COMMUNITY

Throughout 2016, our company, employee and guests contributed more than \$2,557,074 in cash, goods and services to deserving causes. This total contribution is separate from our support of Milton Hershey School®, as we view that support outside of corporate giving and more aptly, central to our core purpose and foundational to our existence.

CHILDREN'S MIRACLE NETWORK

Our long-standing partnership with Children's Miracle Network (CMN), a nonprofit organization dedicated to raising funds for children's hospitals across North America, is one in which our employees take great pride and effort. Last year, we raised more than \$160,700 through a number of events including the *Hershey*[®] Half Marathon and Hershey® 10K. In addition, HE&R also provided goods/ services and sponsored additional events totaling more than \$14,700 to this very worthy cause.

RONALD MCDONALD HOUSE

Since it opened in 1984, our company has been a proud supporter of Ronald McDonald House (RMH). By offering a nurturing environment for families, RMH provides a comfortable haven for children receiving critical medical care at Penn State Children's Hospital. Throughout the year, our company hosted charitable events, provided goods/services and sponsored RMH events providing more than \$55,000 of support. In addition, our 2016 gift of \$10,000 is part of a 5-year, \$50,000 pledge to support families and kids in need.

UNITED WAY

HE&R hosted its annual 2016 United Way (UW) campaign to help support dozens of organizations in our area. Last year, our company, employees and retirees contributed more than \$245,880 to UW which helps support an array of causes and people including basic needs, health, employment and education.

HARRISBURG REGIONAL CHAMBER & CAPITAL REGION **ECONOMIC DEVELOPMENT CORPORATION**

HE&R's support of the Harrisburg Regional Chamber & Capital Region Economic Development Corporation confirms our commitment to its mission to be a catalyst for policy change, job creation, business growth and enhancing the quality of life in Cumberland, Dauphin and Perry Counties. Our 2016 contribution of \$25,000 is part of a 4-year, \$100,000 pledge to make a positive impact in our region.



HERSHEY COMMUNITY GARDEN

In 2014, the 123-plot Hershey Community Garden (HCG) opened through a collaboration with the Hershey Entities to fund and build a place where community members could plant and harvest vegetables while cultivating friendships. Our garden plot is shared with The Hershey Company, and volunteers from both companies care for the garden. Last year, we donated more than 1,018 pounds of fresh produce to people in need across our community.



IN AN EFFORT TO HELP ENRICH THE LIVES OF CHILDREN, HERSHEYPARK DONATED TICKETS VALUED AT MORE THAN \$395,900 TO AREA ELEMENTARY SCHOOLS AND GIVE KIDS THE WORLD, A NON-PROFIT ORGANIZATION THAT EXISTS TO FULFILL THE WISHES OF CHILDREN WITH LIFE-THREATENING ILLNESSES.

THE FOUNDATION FOR ENHANCING COMMUNITIES

In 2016, HE&R donated \$40,000 to The Foundation for Enhancing Communities (TFEC). This longstanding organization aggregates gifts from individuals, families, organizations, institutions and through bequests and planned gifts, that are then distributed to the community through TFEC's discretionary and donor-designated grant making programs.

DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

In order to expand educational opportunities for area students, HE&R worked with the Department of Community & Economic Development by awarding \$100,000 to area educational improvement organizations as part of the Educational Improvement Tax Credit Program.

DOWNTOWN HERSHEY ASSOCIATION

The active Downtown Hershey Association (DHA) is a dedicated group of volunteers including Derry Township residents, business leaders and government officials working collaboratively to enhance the beauty and livability of the downtown area. The group also spearheads a number of community events attracting new businesses to Hershey. With our 2016 gift of \$10,000, we are pleased to assist DHA in continuing to improve the quality of life for everyone.

IN 2016, THE SWEET TREATS MADE MORE THAN 563 **APPEARANCES**

The most popular group of volunteers at HE&R are the Hershey's CharactersSM. Visits from various life-size characters like the Hershey's Bar, Reese's and Hershey's Kiss delight kids of all ages. Their visits included Penn State Children's Hospital, Ronald McDonald House, area schools and various community events.



CONTRIBUTION OF EXPERTISE & VOLUNTEERISM

Our company offers resources and makes the professional skills of our employee partners available to eligible organizations and the communities they serve. We also encourage and support employee participation in a wide range of communityimprovement activities.

HERSHEY BEARS® HOCKEY

As the oldest continually operating franchise in the AHL, Hershey Bears hockey has developed a deeply rooted relationship with our community spanning nearly 80 seasons. We are extremely proud of the team's exceptional involvement in our community.

A number of jersey auctions were conducted throughout the 2015/2016 season. Through that popular fundraising vehicle, we donated more than \$43,300 to Wounded Warriors, Veteran's Trust Fund/PA Department of Military, Hershey Heroes, Multiple Sclerosis Society, United Disabilities Services and more. The annual Pink the Rink event raised more than \$28,500 for breast cancer awareness efforts and programs. Throughout the course of the season, we donated \$14,500 of concourse space to nonprofits on game-days.

ADDITIONAL OUTREACH EFFORTS INCLUDED:

- School visits promoting health, wellness and literacy.
- Distribution of 1,376 game tickets to military personnel.
- Ongoing support of the United Disabilities Services Dog Program.



JUNIOR ACHIEVEMENT OF CENTRAL PENNSYLVANIA

Through monetary funding and in-person assistance, HE&R supports Junior Achievement of Central Pennsylvania (JA), which serves students in our area by educating and inspiring them on the topics of free enterprise, business and economics. Our investment in these programs included a contribution of \$12,500 and 85 employee volunteers.

HERSHEY FOOD BANK

For the sixth straight year, we were pleased to partner with the Hershey Food Bank and Community Outreach in hosting the annual Feed the Need fundraiser. By leveraging the expertise and talent of several HE&R chefs, the event raised \$70,000 which represents onethird of the Hershey Food Bank's operating budget.

WORKPLACE

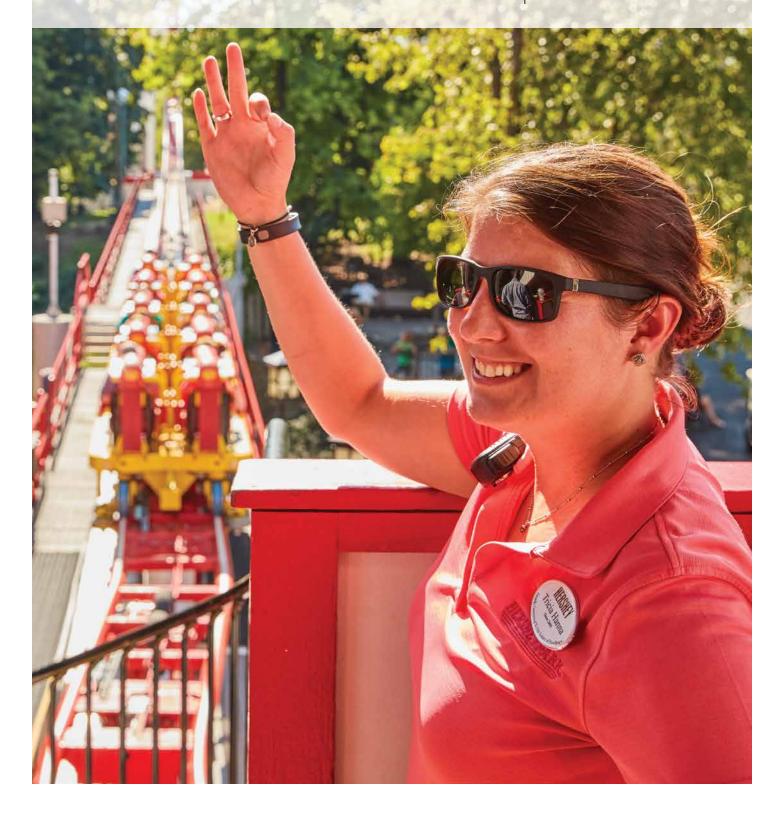
"The help-the-other-fellow principle is the only one that will succeed in modern business." Milton Hershey, 1929

THE FOLLOWING PAGES DEMONSTRATE HOW WE EMPOWER, ENCOURAGE AND SUPPORT OUR EMPLOYEES.

We know our success is a direct result of how our team members treat our guests, each other and themselves. HE&R cultivates a safe, inclusive, healthy, and respectful workplace.

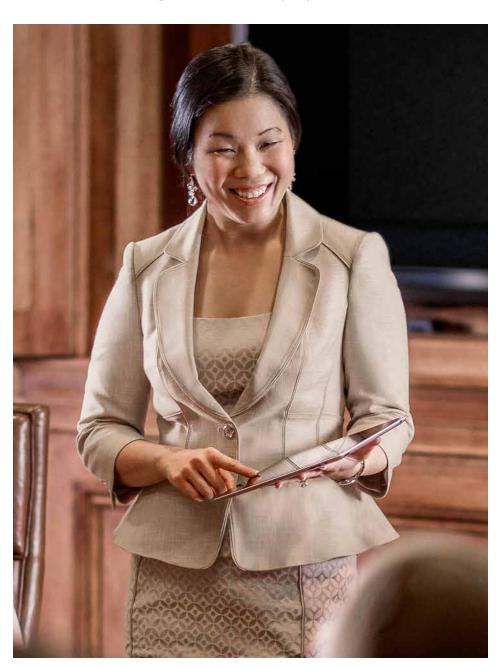
FOCUS AREAS

- Inclusive & Respectful Workplace
- Win-Win Employee Partnership
- Wellness & Safety



INCLUSIVE & RESPECTFUL WORKPLACE

Annually, the employees of HE&R welcome more than 6 million guests to Hershey The Sweetest Place On Earth®. We believe that a broad range of backgrounds, experiences and perspectives gives us an advantage in understanding and meeting the needs of our guests and employees.



WOMEN IN LEADERSHIP (WIL)

Women in Leadership (WIL) provides professional development and networking opportunities for HE&R employees that are aligned with the Company Core Purpose and Values, while also offering advocacy and programs to recruit, retain and develop women. Throughout the year, this employee-led group hosts networking events and shares relevant information to help grow future leaders of the company.

EMPLOYEES FAST FACTS

AGES 14-89

51% of all full-time employees started in part-time positions.

30% of all managers started in part-time positions.

13% of our total full-time workforce are Legacy employees. "Legacy" team members have served our company for more than 25 years as a full-time employee.

4.3% of the workforce in the 2016 peak season was made up of students from our International Cultural Exchange Program, a program that allows college students to work in seasonal and intern positions while experiencing American culture and enhancing our inclusion efforts.

WE ARE THE LARGEST SINGLE SITE EMPLOYER OF YOUTH IN THE STATE OF PENNSYLVANIA.



OUR EMPLOYEE RESOURCE GROUPS CONNECT EMPLOYEES AND PROMOTE COLLABORATION, DIVERSE THINKING AND TEAMWORK AS BUSINESS NEEDS ARE ADDRESSED. IT IS AN OPPORTUNITY FOR EMPLOYEE VOICES TO BE HEARD AND VALUED. INFLUENCING OUR CORPORATE CULTURE.

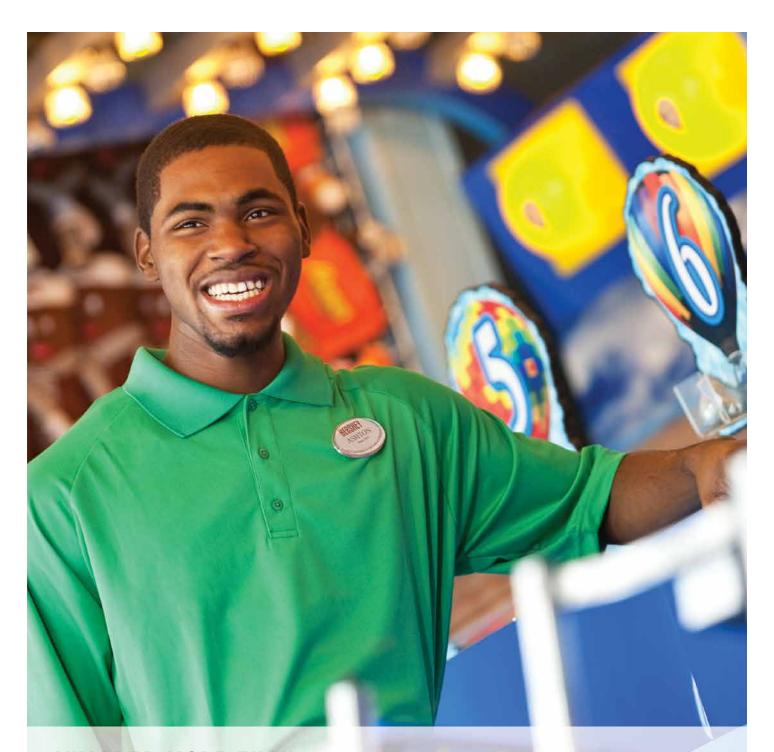
SUCCESS-ABILITIES

Employee education is paramount when serving and accommodating guests with a wide range of abilities. The Success-Abilities initiative strives to remove barriers to accessibility through better awareness of everyone's individual abilities. It provides education and guidance on working with and serving employees and guests with disabilities.

We have an ongoing partnership with The Vista School, a non-profit organization dedicated to preparing children with Autism Spectrum Disorder to succeed in the community with increased independence. Since 2014, HE&R has collaborated with The Vista School and Vista Adult Services on an important employment program for current students and adults on the autism spectrum. What started as an opportunity to engage students has turned into an important and valued source of employment for our company. HE&R is honored to be counted as one of the school's pioneers in this vital program.

WORKPLACE INCLUSION COMMITTEE

The Workforce Inclusion Committee (WIC) is committed to maintaining a work environment driven by our Core Values, specifically 'Respectful of Others.' The goal of WIC, a cross-functional resource group, is to bring focus and awareness to a diverse workforce, foster an inclusive environment and treat all people with dignity while respecting our differences.



AWARDED MORE THAN \$139,550

IN GIFT CARDS TO EMPLOYEES WHO WENT ABOVE AND BEYOND TO OWN, ANTICIPATE, DELIGHT OR INSPIRE FELLOW TEAM MEMBERS AND THEIR FAMILIES, OUR GUESTS, THE COMMUNITY AND/OR ENVIRONMENT.

Milton S. Hershey believed that business is a matter of human service. That spirit remains today as HE&R continually invests in our employees and provides outstanding service recognition programs.

WIN-WIN EMPLOYEE PARTNERSHIP

CONTINUING EDUCATION

Tuition assistance funds are awarded to employees who successfully complete approved courses at an accredited institution. Additionally, HE&R encourages the financial support of local and regional educational institutions to ensure the continued availability of a quality higher education.

- The company matches personal gifts of full-time employees to eligible institutions.
- Our company matches employee donations made to the Hershey Entertainment & Resorts Employee Support Fund, a 501(c)(3) nonprofit fund founded and funded by employees to provide short-term immediate financial assistance to team members experiencing unforeseen hardship. Since 2003, the Employee Support Fund disbursed \$516,583 to employees in their time of need.
- As a leader in the hospitality and entertainment industry, we are proud to support the Preston Robert Tisch Center for Hospitality, Tourism & Sports Management at the New York University School of Continuing and Professional Studies. Our annual \$5,000 scholarship continues through 2020.
- Our ongoing support of the Pennsylvania State System of Higher Education included a 2016 gift of \$7,500 to assist in funding five hospitality scholarships and the annual Student Business Plan competition.

WELLNESS & SAFETY

On a biennial basis, all employees are required to complete "Code of Conduct and Ethics" training. Additional mandatory compliance training classes are conducted throughout the year. Employees are encouraged to promptly report any concerns about suspected unethical behavior to HE&R via a confidential third party partner.

Each HE&R property has a Safety Committee that is responsible for monitoring safety performance, safety inspections and administering safety programs.

Through the instruction of in-house certified employee trainers, we provide regular CPR/AED and basic first aid training to any employee interested in becoming certified.

Annually, HE&R offers health screenings to all employees. Upon completion of the health screening and the health risk assessment questionnaire, employees are given \$100. Participants have the opportunity to earn an additional \$100 by participating in wellness activities and classes throughout the year.



MARKETPLACE & GUEST FOCUS

"Give them quality. That's the best kind of advertising in the world." Milton Hershey, 1953



When Mr. Hershey created the town Hershey, his goal was to have a place where his employees and townspeople could safely live, work and play. Preserving our reputation and our community includes working closely with trusted vendors and suppliers coupled with preserving the interests and wishes of our guests.

BUSINESS INTEGRITY

Our company places an importance on strong governance practices and ethics as our success depends on earning the trust of our guests, business associates, community members and stakeholders.

- On a biennial basis, we require all employees to complete the Code of Conduct & Ethics training. Additionally, all employees of HE&R and its subsidiaries are required to adhere to our Conflicts of Interest Policy.
- Via an internal, confidential compliance hotline, employees are strongly encouraged to report concerns of suspected unethical behavior or suggestions for improvements.
- Our extensive Enterprise Risk Management (ERM) program means it's the responsibility of every employee to identify, evaluate, mitigate and manage business risks across all of our properties.



SAFETY & SECURITY

Safety and security is the foundation of our brand and reputation.

- During the summer season, the 300+ lifeguards employed by Hersheypark are each certified through the rigorous International Lifeguard Training Program via Jeff Ellis & Associates' Comprehensive Aquatic Risk Management Program. We are proud that the Park has continually earned the prestigious "Platinum International Aquatic Safety Award" given by Jeff Ellis & Associates, an accolade recognizing performance in the top 10 percent of aquatic facilities in the world.
- We employ trained Certified Protection Professionals and Officers at numerous locations throughout the company. Many employees are also trained in the Federal Emergency Management Agency (FEMA) Incident Command Systems (ICS).
- Recognizing that consumer security and privacy is important, we have strict guidelines for opting in/out of emails and online communication. The company utilizes many online privacy and consumer protection safeguards.

SAFETY BY THE NUMBERS

75 state qualified ride inspectors that inspect more than 70 attractions at Hersheypark® Amusement Park daily.

MORE THAN 20 maintenance employees trained in rope rescue.

MORE THAN 100 certified lifeguards at our resort properties.

ACROSS THE DESTINATION

MORE THAN 40

Emergency Medical Technicians

15 Registered Nurses

9 qualified Fire Inspector I certified employees

COLLABORATION WITH STAKEHOLDERS & SUPPLIERS

We invest time and resources in actively listening to our guests and understanding their needs through quantitative and qualitative research. Our custom research programs help us identify ways to improve the customer experience while increasing brand awareness.

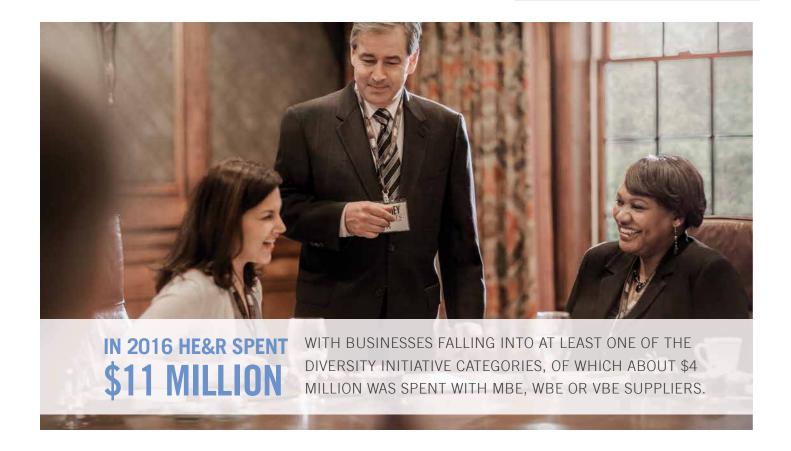
IN COOPERATION AND COLLABORATION WITH OUR SUPPLIERS, OUR PROCUREMENT TEAM IMPLEMENTED GUIDELINES THAT FOCUS ON A SUPPLIER DIVERSITY INITIATIVE.

Our supplier diversity initiative outlines our commitment to equal access to the company's procurement opportunities. The company endeavors to track its overall spend with suppliers falling into one or more of the following categories:

- **AFRICAN AMERICAN**
- **ASIAN PACIFIC AMERICAN**
- **HISPANIC AMERICAN**
- **MINORITY BUSINESS ENTERPRISE** (MBE)
- NATIVE AMERICAN, DISABLED **VETERANS OWNED**

- **VETERAN OWNED BUSINESS (VBE)**
- **WOMAN BUSINESS ENTERPRISE** (WBE)
- **SMALL DISADVANTAGED BUSINESS**
- **SMALL BUSINESS**
- **NON-PROFIT BUSINESS**

- We work with analytics partners to collect consumer insights used for strategic planning in delivering exceptional products and services to our guests and marketplace.
- Our company has more than 45 branded social media channels. Listening, monitoring and responding to guest questions and concerns in a timely and thorough manner is a key focus of the company. The commentary gathered helps to inform the future planning, staff training and necessary changes within the organization.





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