Corporate Social Responsibility
2014 SUMMARY
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By definition, CSR is a company’s impact on its workforce, the environment, and the community in which it resides.

Mr. Hershey practiced this philosophy in business and in life – before the term CSR was even coined. From creating an all-encompassing town for his employees to live, work, and enjoy their free time – to establishing, along with his wife, Catherine, a school for orphan boys, Mr. Hershey consistently leveraged his business successes to help others.

These admirable actions ring true within HE&R today. I am proud to share the HE&R Corporate Social Responsibility – 2014 Summary with you. CSR activity and giving back are priorities for our company. Within these pages you will see efforts highlighted from employee volunteerism, in-kind and monetary donations, sponsorship activations, recycling programs, and more. As you will read throughout this report, HE&R’s CSR platform focuses on four pillars:

- Environment
- Community
- Workplace
- Marketplace & Guest Focus

The foundation of our CSR philosophy is our support of the Milton Hershey School®, founded in 1909 by Mr. & Mrs. Hershey. As the largest home and school in the world, it provides a premier education and an abundance of opportunities for children in grades pre-K-12. Our core purpose is to fulfill the dream of our founder by providing value to the School. It is my great honor to report that in 2014, we paid a dividend of $7.8 million, the largest in our company's history.

The legacy of Milton S. Hershey is one which endures today through the astute business practices he successfully established decades ago. Today, our employees strive to live by our company’s core values of Devoted to the Legacy, Selfless Spirit of Service, Team-Focused, and Respectful of Others. On behalf of nearly 1,600 full-time and 6,200 seasonal/part-time employees, thank you for giving us the opportunity to maintain the legacy of Mr. Hershey while providing memorable experiences for the millions of visitors to Hershey The Sweetest Place On Earth®.

Thank you,

Bill Simpson
President & CEO
Hershey Entertainment & Resorts
FOUNDED IN 1927 BY MILTON S. HERSHEY

- 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
- Approximate annual revenues of $297 million
- 1,600 full-time and 6,200 seasonal and part-time employees

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

TEAM - FOCUSED
Supporting one another as we work towards common goals and earning each others’ trust

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

HERSHEY
PROVIDED COMMITTED TO OUR LEGACY OF EXCELLENCE

OWN
DELIGHT
ANTICIPATE
INSPIRE

ONE COMPANY
MANY PERSPECTIVES

“Teamwork Sells THE HERSHEY IDEA”
HE&R AND ITS SUBSIDIARIES OPERATE

COMMERCIAL GROUP
• Hershey® Cleaners
• Hershey® Nursery

DOWNTOWN RESTAURANT GROUP
• Café Zooka
• 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

HERSHEY BEARS
• Longest continually operating member club in the AHL
• More Calder Cup wins than any other team, with 11 championships in franchise history

HERSHEY® COUNTRY CLUB
• 45 holes of challenging golf in a legendary setting with private-club service
• Dine at the member-only Hogan Grill

HERSHEY GARDENS
• More than 75 years of beauty
• 23 acres of themed gardens, seasonal displays, 5,000 rose bushes, a children’s garden, and a seasonal Butterfly House
HERSHEY® LODGE
- Full service resort with 665 guest rooms and suites
- More than 100,000 square feet of meeting space
- Dining options include The Forebay, Hershey® Grill, The Bears’ Den,® Lebbie Lebkicher’s,® and Cocoa Beanery

HERSHEYPARK®
- More than 70 rides and attractions on 121 beautiful acres
- 13 world-class roller coasters
- More than 20 kiddie rides
- 15 water attractions including a lazy river and wave pool

HERSHEYPARK® STADIUM
- Most prominent outdoor stadium between Philadelphia and Pittsburgh
- Hosts annual Summer Concert Series, PIAA Football and Soccer Championships, and the BIG 33 Football Classic
- Accommodates up to 30,000 people

HERSHEYPARK® CAMPING RESORT
- More than 300 open and shaded sites, including cabins, on 55 acres

THE HOTEL HERSHEY®
- Historic hotel with 276 guest rooms, suites, and Woodside Cottages
- More than 25,000 square feet of meeting space
- Dining options include The Circular®, Trevi 5, Harvest, Iberian LoungeSM, and Cocoa Beanery

ZOOAMERICA® NORTH AMERICAN WILDLIFE PARK
- 11-acre, walk-through zoo
- Home to more than 200 native North American animals
Serving more than 2,000 children, the Milton Hershey School (MHS) is the world’s largest residential pre-kindergarten through grade 12 school and home. Its mission is to nurture and educate children in social and financial need to lead fulfilling and productive lives. MHS was established in 1909 by Milton and Catherine Hershey, who created and endowed a trust with their fortune to help as many children as possible in perpetuity. For more information about the school, visit mhskids.org.
We are also proud to help prepare students for fulfilling and productive lives by providing educational support and career opportunities. Working with educators at the school, HE&R team members serve on advisory committees in planning curricula and programs that prepare students to enter their chosen career. At HE&R, you’ll find MHS students interning, and other students job shadowing or working as full-time, part-time, or seasonal employees. MHS seniors have the opportunity to work in co-op programs, resulting in more than $26,000 in co-op wages for the 2014 school year. In each case, all students are supervised and mentored by our employee partners, who help them to gain valuable real-life experiences.

MHS is not just a school but also a home; its program is year-round and children live on campus in student homes. These homes, and the houseparents at each home, are at the core of the children’s experience while they are enrolled at MHS. Each child is cared for by committed houseparents with childcare experience. While the students continue to have contact with family members, there are several programs to help students develop a sense of belonging within both the school and Hershey communities.

One such program is Project Fellowship (PF), which pairs our employees with MHS student homes in fun and rewarding relationships. The mission of PF is to build a bridge and foster a sense of connection and community between MHS students and houseparents and participating employees and their family members. Those involved find a variety of ways to give MHS children a sense of family, including helping with homework; attending their sporting events, concerts, and other extracurricular activities; celebrating birthdays and holidays; and other simple, yet meaningful experiences that are part of growing up. We have supported this heartwarming program for years, and are proud to be one of the largest participants in the PF program. Sponsoring as many as 21 student homes, several hundred HE&R employees and family members have given their time while building important relationships with MHS children and houseparents.

As a premier entertainment and cultural destination, we help to enrich the lives of MHS students by annually donating hundreds of tickets to events at Hershey Theatre, Hersheypark Stadium, and Giant Center (including the exclusive use of a Founder’s Suite), and Hersheypark Season Passes for all MHS students and houseparents – collectively worth more than $340,000 in 2014.
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.

**Hershey Entertainment & Resorts®**

**ENVIRONMENT**
Reduce our ecological footprint and demonstrate care for our environment

**COMMUNITY**
Be a positive, productive, informed, and involved member 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

_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._
We recognize that our businesses impact shared natural resources, and are committed to being environmentally responsible by using those resources efficiently. We educate our employees and guests, and work collaboratively with our suppliers and the surrounding community, on initiatives to sustain our Earth.

Led by a Strategic Planning Committee, our company-wide Green Teams work to integrate environmental considerations into daily decisions and actions.

The following pages will show how we honor the Hershey legacy of caring for the environment by providing experiences and products that are clean, green, and family friendly.

“There is not a person alive who should not plant a tree, not for the shade that you’ll enjoy, but for those who are coming after.” — H. C. Hershey
We have identified key challenges with our energy management practices and are actively working on a Roadmap to Energy Management. Our overall utility usage increased by only 1% as compared to the previous year, despite adding incremental operations.

HE&R elected to participate in a Demand Response Program with our electric provider. The term “Demand Response” describes an energy-saving strategy employed specifically when there is heavy demand on the electric grid. The closer demand for electricity reaches the state’s electricity supply, the greater the risk for electrical emergencies.

As a company, we reduced our usage by two megawatts when our community’s grid was stressed and in danger of brownouts and blackouts.

We reduced water consumption/use by 13.7%, saving 20,000,000 gallons of water – enough to fill 30 Olympic-sized swimming pools.

We reduced electricity use by 1.6%, saving 921,000 kwh - enough to power 90 average homes for one full year.

IN 2014, HE&R RECYCLED MORE THAN:

- 505.04 tons of cardboard
- 128 tons to wood
- 96.25 tons of paper
- 113 tons of glass
- 156 tons of metal
- 34.07 tons of aluminum
- 32.3 tons of plastic
- 57.5 tons of cooking oil

The recycling of this quantity of packaging and raw materials avoided their manufacturing and disposal, thereby conserving…

1 The environmental benefits shown here represent the difference in natural resource consumption and GHG emissions that result from using recycled inputs versus virgin inputs. MTCE = metric tons of carbon equivalent. Sources: U.S. Environmental Protection Agency, International Aluminum Institute, National Association for PET Container Resources, Institute of Scrap Recycling Industries, Earth Works Group Recycler’s Handbook, One Earth Recycle, National Recycling Coalition, and Waste Management.
RECYCLING & WASTE MANAGEMENT

HE&R has focused on environmental issues since 1937, when founder Milton S. Hershey established the first recycling center in Hershey, PA – decades before recycling became a common practice. Today, we continually find secondary use for all of our waste.

- Last year, we recycled more than 27,000 pounds of magazine and glossy paper to benefit Ronald McDonald House Charities.
- Over the past two years, the Executive Chef at Hersheypark Entertainment Complex minimized food waste by sending more than 5,146 pounds of excess perishable and shelf-stable food to Channels Food Rescue, a charitable non-profit organization assisting those in need.

HE&R teamed up with the Hershey Entities to offer employees a Free eWaste Recycling Day. In total, we collected more than 26,000 pounds – that’s 13 tons – of material that we responsibly recycled and kept out of area landfills.

Our paperless eProcurement system has proven to increase overall efficiency and saved more than 67,068 pieces of paper, an increase of 27.7% from 2013.

In 2014, we printed more than 11 million pieces of HE&R collateral on at least 10% post-consumer waste paper stock.

- Animals at ZooAmerica were the lucky recipients of more than 6,500 pounds of select food waste from The Hotel Hershey. This project, initiated by the Executive Chef who is passionate about not wasting food, supplements select animal dietary needs.

- 9,563 MATURE TREES
  This represents enough saved timber resources to produce more than 124 million sheets of newspaper!

- 171,101 GALLONS OF OIL
  This provides enough energy to heat and cool more than 845 homes for one year!

- 3,118 CUBIC YARDS OF LANDFILL AIRSPACE
  This represents enough airspace to fulfill the municipal waste disposal needs for 4,104 people for one year!

- 1,933,404 MILLION KW-HRS OF ELECTRICITY
  Enough to power more than 147 homes for one full year!

- 9,563 MATURE TREES
  This represents enough saved timber resources to produce more than 124 million sheets of newspaper!

- 171,101 GALLONS OF OIL
  This provides enough energy to heat and cool more than 845 homes for one year!

- 3.7 MILLION GALLONS OF WATER
  Enough to meet the fresh water needs of more than 18,454 people for a year!

- 6,623 POUNDS OF AIR POLLUTANTS
  The recycling of these materials prevented air pollutants from being released.

- 42,544 GALLONS OF GASOLINE
  This represents enough gasoline to drive more than 1.17 million miles!
ZooAmerica North American Wildlife Park plays an active role in wildlife and environment conservation – key examples include:

**ZooAmerica** was awarded by the National Military Fish & Wildlife Association for its contributions toward the reintroduction of the beautiful and endangered butterfly, the Regal Fritillary.

In 2014, **ZooAmerica** rescued Rainier, an orphaned, one-month-old, mountain lion cub – found malnourished and dehydrated on a porch near Spokane, WA.

Since the 1950s, Pennsylvania’s barn owl population has decreased by 50%. **ZooAmerica** staff and Milton Hershey School students have linked together to create and place owl nest boxes in local barns and on Milton Hershey School property. In addition to providing homes for barn owls, this creates natural rodent control.

We are committed to keeping both the East and West courses of **Hershey Country Club** Certified Audubon Cooperative Sanctuaries. To obtain and retain certification, our golf course maintenance team must demonstrate that they maintain a high environmental quality in a number of areas, including outreach and education, wildlife and habitat management, water quality management, chemical use reduction and safety, water conservation, and environmental planning.

**Hershey Lodge** joined the beekeeping community by welcoming 30,000 Italian honeybees that live in three hives at a remote location on property. This initiative was introduced by an Executive Chef with three goals in mind:

1. Add to decreasing honeybee population
2. Help pollinate local plants
3. Harvest honey

2,000 SHRUBS, TREES, PERENNIALS
In 2014, the **Hershey Nursery** planted more than 2,000 shrubs, trees, and perennials throughout HE&R properties. The team used native plants in many of their landscaping designs.

**30,000 ITALIAN HONEYBEES**
In 2014, ZooAmerica conducted outreach programs to 286 groups with programs ranging from native Pennsylvania species to endangered species, desert animals, and more.

HE&R provides “Green” fun facts and articles in our employee newsletter, Dateline Hershey, teaching employees the practice and benefit of ‘greening’ their homes.

HE&R’s Annual “Earth Day” celebration educates our employees and guests about our commitment to sustainability programs that reduce our environmental impact.
Community

Giving back to communities is one of Milton S. Hershey’s founding principles. A great entrepreneur and philanthropist, he measured success not in dollars, but in terms of a good product to pass on to the public, and still more in the usefulness of those dollars for the benefit of everyone. Building on the examples shown by Mr. Hershey, we are committed to be a positive, productive, informed, and involved member of the communities in which we live and work.

“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.” Milton S. Hershey

FOCUS AREAS
• Corporate Philanthropy
• Contribution of Expertise & Volunteerism
CORPORATE PHILANTHROPY

IN-KIND DONATIONS
In-kind donations are non-cash requests for types of goods and services that the company provides in its normal course of business.

MONETARY DONATIONS
Monetary donations are granted to eligible organizations and causes that request monetary support for a cause or event.

Employee- or guest-generated donations are donations that come directly from employee or guest support of a charitable event or initiative. Typically, HE&R will use either its facilities and/or resources to help execute an event that is open to its employees and the public for participation.

In selecting initiatives and causes to support, we consider the needs of communities where our employees and their families live and work. At the heart of our community efforts is the well-being of children, especially those at risk. While we consider the broader needs of society, other causes with a compelling connection to HE&R include Education, Civic & Community, Arts & Culture, Health & Human Services, and Environment.
CORPORATE PHILANTHROPY

HE&R contributed more than $2,105,470 in cash, goods, and services through company-, employee-, and guest-generated giving to deserving causes.

This total contribution is separate from our support of Milton Hershey School (page 8), as we view that support outside of corporate giving and more aptly, central to our core purpose and foundational to our existence.

The following examples show additional ways our company makes a difference in our community.

IN 2014, THE SWEET TREATS MADE MORE THAN 380 APPEARANCES

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

CHILDREN’S MIRACLE NETWORK

We have a long-standing and proud partnership with Children’s Miracle Network (CMN), a nonprofit organization dedicated to raising funds for children’s hospitals across North America. Our employees spent countless hours in preparation and execution of events benefiting CMN’s mission -- helping to raise more than $198,000. In addition, HE&R also sponsored events and provided goods/services totaling more than $27,000 to this very worthy cause.

UNITED WAY

We have an enduring partnership with United Way (UW) in its mission of improving lives by mobilizing the caring power of communities around the world to advance the common good. For the 2013/2014 campaign, HE&R, its employees and retirees contributed more than $244,400 to UW. Funds were raised from pledge cards, the company matching gift, and employee engagement which included 65 fundraising events, from trike drag races to chili cook-offs.

HERSHEY FOOD BANK AND COMMUNITY OUTREACH

HE&R supports the mission of Hershey Food Bank and Community Outreach as they serve the Derry Township community by providing food and assistance with the temporary needs of families and individuals in financial distress. Our 2014 gift of $10,000 is part of a 5-year, $50,000 pledge. In addition, HE&R also sponsored events and provided goods and services totaling more than $9,000 to support this very worthy cause.
Hersheypark® donated tickets valued at more than $304,000

GIVE KIDS THE WORLD
Through leveraging our core assets and competencies to help enrich the lives of children, Hersheypark donated tickets valued at more than $304,000 to community elementary schools and Give Kids the World, a non-profit organization that exists to fulfill the wishes of children with life-threatening illnesses.

RONALD MCDONALD HOUSE
HE&R has been a friend of Ronald McDonald House (RMH) since it opened in 1984. The house provides a loving home-away-from-home for families of sick or injured children receiving critical medical care at Penn State Hershey Children’s Hospital. Throughout the year, HE&R hosted charitable events like the Hershey 10K and Hershey Bears jersey auctions, provided goods/services, and sponsored RMH events providing more than $55,000 of support. In addition, our 2014 gift of $10,000 is part of a 5-year, $50,000 pledge to support families and kids in need.

PROVIDED MORE THAN $55,000 OF SUPPORT

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 $50,000 to area educational improvement organizations.

FRIENDS OF INTERNATIONAL HOUSE
HE&R’s 2014 gift of $15,000 is part of a 4-year, $65,000 pledge to Friends of International House. International House was designed to provide a warm and friendly environment where foreign and U.S. students, scholars, and interns can live and learn from one another through their everyday activities. In 2014, approximately 1.6% of our workforce were students from our International Cultural Exchange Program and International Internship Program, which is a cultural exchange program that allows college students to work in the United States while experiencing American culture. This program enhances our inclusion efforts and provides cultural enrichment for both the international employees and HE&R employees.
CORPORATE PHILANTHROPY

HERSHEY COMMUNITY GARDEN
HE&R partnered with the Hershey Entities to fund and build the 123-plot Hershey Community Garden (HCG) where community residents and employees have a place to plant vegetables and flowers while cultivating friendships. Our garden plot is shared with The Hershey Company, and volunteers from both companies care for the garden. In 2014, the Garden celebrated its 1st anniversary and together with other gardeners throughout HCG, we donated more than 600 pounds of fresh produce to people in need in our community.

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 their 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 2014 contribution of $25,000 is part of a 4-year, $100,000 pledge to make a positive impact in our region.

DOWNTOWN HERSHEY ASSOCIATION
The newly developed Downtown Hershey Association (DHA) is a diverse group of volunteers made up of Derry Township residents, business leaders, and government officials working collaboratively to enhance the beauty and livability of the downtown, attract new businesses, and improve the quality of life for everyone. HE&R is proud to be acknowledged by DHA for outstanding efforts, support, and cooperation in the development and revitalization plan. Our 2014 gift of $10,000 will assist DHA in moving forward with development.

NEW YORK UNIVERSITY SCHOOL OF CONTINUING AND PROFESSIONAL STUDIES
As a leader in the hospitality and entertainment industries, 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 2014 scholarship of $5,000 is part of a 10-year, $50,000 pledge to support financially needy and deserving students enrolled at the Tisch Center.
CONTRIBUTION OF EXPERTISE & VOLUNTEERISM

We offer resources and make 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 community-improvement activities.

**JUNIOR ACHIEVEMENT OF CENTRAL PENNSYLVANIA**

Through monetary funding and in-person assistance, HE&R supports Junior Achievement of Central Pennsylvania (JA). JA serves students in our area by educating and inspiring them on the topics of free enterprise, business, and economics. Our investment in their programs included a contribution of $12,500 and employee volunteerism, which impacted more than 800 students. Our participation in JA programs helped students develop the skills and confidence they need to achieve future success.

**HERSHEY FOOD BANK AND COMMUNITY OUTREACH**

Following a successful capital campaign to build a new facility, the Hershey Food Bank and Community Outreach, working in partnership with HE&R, hosted the 3rd annual Feed the Need fundraiser where HE&R Chefs volunteered their time and expertise in preparing dinner, raising $64,000. Money raised from this event represents one-third of the Hershey Food Bank’s operating budget.

**PENN STATE HERSHEY CHILDREN’S MIRACLE NETWORK**

Our partnership with Penn State Hershey Children’s Miracle Network (CMN) reaches far beyond our financial contribution. Our employees volunteer in a variety of ways. From planning and staffing the Hershey® Half Marathon and the Tour de Chocolate Town bike event, to Hershey’s Character hospital bed visits and Hershey Bears hockey players visiting a miracle child’s family, we are proud to make a difference.

**MILTON HERSHEY SCHOOL PROJECT FELLOWSHIP**

Milton Hershey School Project Fellowship (PF) is a volunteer program which pairs our employees with MHS student homes through fun and rewarding activities. From planning and staffing the Hershey® Half Marathon and the Tour de Chocolate Town bike event, to Hershey’s Character hospital bed visits and Hershey Bears hockey players visiting a miracle child’s family, we are proud to make a difference.

**HERSHEY BEARS**

The Hershey Bears organization earned the American Hockey League (AHL) Eastern Conference Team Business Award for Exceptional Community Relations Efforts. As the oldest continually operating franchise in the AHL, the Hershey Bears have developed a significant relationship with our community that spans all 78 seasons. During the 2014/2015 season, the Bears collaborated with more than 45 groups focused on assisting people in need, honoring our veterans, supporting the youth, and helping animals. Outreach efforts included visiting schools to promote health, wellness, and literacy; distributing 1,100 game tickets to military personnel; supporting the United Disabilities Services Dog Program for 12 seasons; and providing personal interactions between Hershey Bears players and CMN children and their families. We are proud of the team’s exceptional involvement in our community.
Workplace

The following pages show some of the ways we’re making a difference. Our success depends on the guest experience and hospitality delivered by our employee partners and we are dedicated to the selection, development, acknowledgment, and advancement of highly motivated individuals who are committed to our legacy of excellence. We foster a desirable, safe, inclusive, healthy, and respectful workplace.

FOCUS AREAS

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

“In many particularly big industries, a lot of men spend a lot of time polishing up the machinery and the brass door knobs, but it is my idea here to polish up the human element.”

McKinsey
INCLUSIVE & RESPECTFUL WORKPLACE

Every year, the employees of HE&R welcome more than 6 million guests from down the street and around the world. The more perspectives we have within our company, the more welcoming we are to all who visit.

We believe that a broad range of backgrounds, experiences, and perspectives gives us an advantage in understanding and meeting the needs of our consumers.
INCLUSIVE & RESPECTFUL WORKPLACE

Our Employee Resource Groups connect employee partners to collaborate and address specific business needs. It is an opportunity that allows the voices of employees to be heard and the power of diverse thinking to influence corporate culture.

TRAINING & COMPLIANCE
To ensure we’re fostering an environment of inclusion for our employees, guests, and vendors, we conduct mandatory training for all full-time employees. Two such trainings are “Inclusion Works” and “Harassment/Code of Conduct.” On a biennial basis, we require all employees, officers, and directors to complete our “Code of Conduct and Ethics” training. We also encourage employees and others to promptly report concerns about suspected unethical behavior to us via a confidential third party.

THE VISTA SCHOOL
We have an enduring 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. We have employed several Vista students and graduates to date. HE&R is honored to be counted as one of the school’s pioneers in hiring individuals on the spectrum.

WOMEN IN LEADERSHIP (WIL)
More than a decade ago, a small group of women at HE&R had a vision for a company-supported program to provide opportunities for female managers to enhance their leadership skills and potential for advancement. WIL has evolved over time and the company’s commitment to this effort remains strong. WIL has recently broadened participation to include all salaried exempt employees and surveyed this group to determine how it may best provide value to HE&R.

WORKPLACE INCLUSION COMMITTEE (WIC)
The WIC is a cross-functional resource group that provides guidance and recommendations for HE&R’s inclusion strategies with a focus on the Employee Life Cycle, including recruiting, onboarding, and retention. Recently, WIC provided updates for our HersheyJobs.com and HersheyPA.com websites to help emphasize our inclusive environment and “Respectful of Others” core value.

SUCCESS-ABILITIES COMMITTEE
This committee strives to remove barriers to accessibility through better awareness of people’s individual abilities. The group provides education and guidance on working with and serving employees and guests with disabilities. Over the last year, the group facilitated training programs for more than 200 employees. Topics included HE&R Disabilities Programs for our Guests and Autism Awareness. Two key training topics that were delivered to our employees the summer of 2015 are Policies and Practices for Guests and Employees with Service Animals and Disability Sensitivity Awareness.

EMPLOYEE ENGAGEMENT
HE&R deploys an organization-wide employee engagement survey every other year. The survey is designed to measure the extent to which employees believe our workplace is consistent with our strategic direction and core values. The results also serve as a trending benchmark to track the success of initiatives meant to deliver improvements.

OUR VISTA SCHOOL
We have an enduring 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. We have employed several Vista students and graduates to date. HE&R is honored to be counted as one of the school’s pioneers in hiring individuals on the spectrum.

WOMEN IN LEADERSHIP (WIL)
More than a decade ago, a small group of women at HE&R had a vision for a company-supported program to provide opportunities for female managers to enhance their leadership skills and potential for advancement. WIL has evolved over time and the company’s commitment to this effort remains strong. WIL has recently broadened participation to include all salaried exempt employees and surveyed this group to determine how it may best provide value to HE&R.

WORKPLACE INCLUSION COMMITTEE (WIC)
The WIC is a cross-functional resource group that provides guidance and recommendations for HE&R’s inclusion strategies with a focus on the Employee Life Cycle, including recruiting, onboarding, and retention. Recently, WIC provided updates for our HersheyJobs.com and HersheyPA.com websites to help emphasize our inclusive environment and “Respectful of Others” core value.

SUCCESS-ABILITIES COMMITTEE
This committee strives to remove barriers to accessibility through better awareness of people’s individual abilities. The group provides education and guidance on working with and serving employees and guests with disabilities. Over the last year, the group facilitated training programs for more than 200 employees. Topics included HE&R Disabilities Programs for our Guests and Autism Awareness. Two key training topics that were delivered to our employees the summer of 2015 are Policies and Practices for Guests and Employees with Service Animals and Disability Sensitivity Awareness.

EMPLOYEE ENGAGEMENT
HE&R deploys an organization-wide employee engagement survey every other year. The survey is designed to measure the extent to which employees believe our workplace is consistent with our strategic direction and core values. The results also serve as a trending benchmark to track the success of initiatives meant to deliver improvements.
EMPLOYEE METRICS:
We recognize and honor “Legacy” individuals who have served our company for more than 25 years as a full-time employee. Legacy employees equal 14% of our total full-time workforce.

EMPLOYEE METRICS (PEAK SEASON):
In 2014, approximately 1.6% of the workforce was made up of students from our International Cultural Exchange Program. This program allows college students to work in seasonal and intern positions while experiencing American culture. This program enhances our inclusion efforts and provides cultural enrichment for both international and HE&R employees. We are proud to have provided employment to students from eight different countries.

WE ARE THE LARGEST SINGLE SITE EMPLOYER OF YOUTH IN PENNSYLVANIA

14-92 YEARS OLD

Our employee age range is from 14-92.
WIN-WIN EMPLOYEE PARTNERSHIP

Milton S. Hershey believed that business is a matter of human service. One of our company’s Core Values – Selfless Spirit of Service – addresses our commitment to serving our employees and their families.

We offer our employee partners rewarding work, competitive compensation, benefit programs that enhance their quality of life, and a variety of personal and professional development opportunities.

INVESTING IN OUR EMPLOYEE PARTNERS:

| 49% OF ALL FULL-TIME EMPLOYEES STARTED IN PART-TIME POSITIONS. | 29% OF ALL MANAGERS STARTED IN PART-TIME POSITIONS. |

HE&R firmly believes that our employees greatly impact the success of the organization. We provide outstanding service recognition programs, and in 2014 awarded more than $99,000 in gift cards to employees who demonstrated “Selfless Spirit of Service.”

AWARDED MORE THAN $99,000 IN GIFT CARDS TO EMPLOYEES WHO DEMONSTRATED SELFLESS SPIRIT OF SERVICE

CONTINUING EDUCATION

Tuition assistance funds are awarded to employees who successfully complete approved courses at an accredited institution.

In 2014, we added a learning management system which makes professional development resources more available to all employees and provides another example of HE&R’s efforts to invest in employee development.

HE&R encourages the financial support of schools, colleges, and universities in order to ensure the continued availability of a quality higher education.

• The company matches personal gifts of full-time employees to eligible institutions.
• As a leader in the hospitality and entertainment industries, 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 2014 scholarship of $5,000 is part of a 10-year, $50,000 pledge to support financially needy and deserving students enrolled at the Tisch Center.
• Our ongoing support of the PA State System of Higher Education included a 2014 gift of $7,500 to assist in funding five hospitality scholarships and the annual Student Business Plan competition.
HE&R IS COMMITTED TO IMPROVING THE HEALTH AND WELL-BEING OF OUR EMPLOYEES AND THEIR FAMILIES.

Our company matches employee donations made to the Employee Support Fund. This 501(c)(3) nonprofit fund was founded and funded by employees to provide short-term immediate financial assistance. Since 2003, the Employee Support Fund distributed $433,536 to employees in their time in need.

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.

We offer year-round education, events, and activities centered on employee/family health and well-being, financial fitness, and work life balance. Our annual Wellness Fair provides an educational opportunity for employees to engage with health care professionals.

In 2014, more than half of our full-time staff participated in health screenings. Employees have the opportunity to earn $100 for completing a biometric health screening and health risk assessment questionnaire. After completing the health screening, participants can earn an additional $100 by participating in wellness activities and classes.

HE&R won the 2013 Major Markets Workplace Wellness Award from Capital Blue Cross. Our award included $50,000 which was used in 2014/2015 to provide group and one-on-one fitness and nutritional counseling for our employees.
Our success depends on the trust our suppliers and guests place in us. We engage with stakeholders of all types and interests. Conversation and collaboration with stakeholder groups are effective tools for driving business value and demonstrating our commitment to quality corporate citizenship.

The following pages show more of the ways we continue to make a difference.

“Business is a matter of human service.” — Milton S. Hershey
SAFETY & SECURITY

The safety and security of guests and employees is our top priority. We take a visible and active role in embedding both important elements into the planning process for every project and business development initiative.

• During peak season, Hersheypark employs approximately 350 lifeguards who are certified in the thorough International Lifeguard Training Program through Jeff Ellis & Associates’ Comprehensive Aquatic Risk Management Program. The Park received the prestigious “Platinum International Aquatic Safety Award” given by Jeff Ellis & Associates. The Platinum Award recognizes performance in the top 10 percent of aquatic facilities in the world.

• Hersheypark has 75 state qualified inspectors that inspect more than 70 attractions on a daily basis, along with buildings, walkways, and grounds keeping our guests safe during all of our events.

• Hersheypark has more than 30 maintenance employees trained in rope rescue.

• HE&R has employees trained as 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), preparing the company for any and all hazards.

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

• HE&R also has more than 40 Emergency Medical Technicians and 15 Registered Nurses located throughout the destination.

• HE&R has 17 qualified “Fire Inspector I” certified employees. Of the 17, two are Occupational Safety & Health Administration (OSHA) authorized outreach trainers.

• Recognizing that consumer security and privacy is important, we have strict guidelines for opting in/out of emails and online communication and follow the safeguards provided in the Children’s Online Privacy & Protection Act.

HE&R EMPLOYEES

350 LIFEGUARDS
75 STATE QUALIFIED INSPECTORS
40 EMERGENCY MEDICAL TECHNICIANS
30 MAINTENANCE EMPLOYEES TRAINED IN ROPE RESCUE
17 QUALIFIED FIRE INSPECTORS
15 REGISTERED NURSES
2 OSHA AUTHORIZED OUTREACH TRAINERS
The success of our business depends on earning the trust of our guests, customers, partners, and stakeholders. That’s why we place such importance on strong governance practices and ethics.

- On a biennial basis, we require all employees, officers, and directors to complete the “Code of Conduct & Ethics” training. We also encourage employees and others to promptly report concerns about suspected unethical behavior or suggestions for process improvements through an internal compliance hotline.
- Through our Enterprise Risk Management program, our employees identify, evaluate, mitigate, and manage business risks.
- All employees, officers, and directors of HE&R and its subsidiaries are required to adhere to our Conflicts of Interest Policy.
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.

- 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 social media team listens and responds daily to consumer commentary across social platforms engaging guests in timely conversation. We then synthesize the commentary to learn what’s important to our guests to inform the development of future branded content and ensure our messaging is aligned with guests’ interests. We are continually testing new technology that will allow us to engage with guests via new and alternate channels within the marketplace.

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 diligently tracks 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

Based on 2014 data, the company spent about $8.2 million with businesses falling into at least one of the categories, of which about $3 million was spent with MBE, WBE, or VBE suppliers.