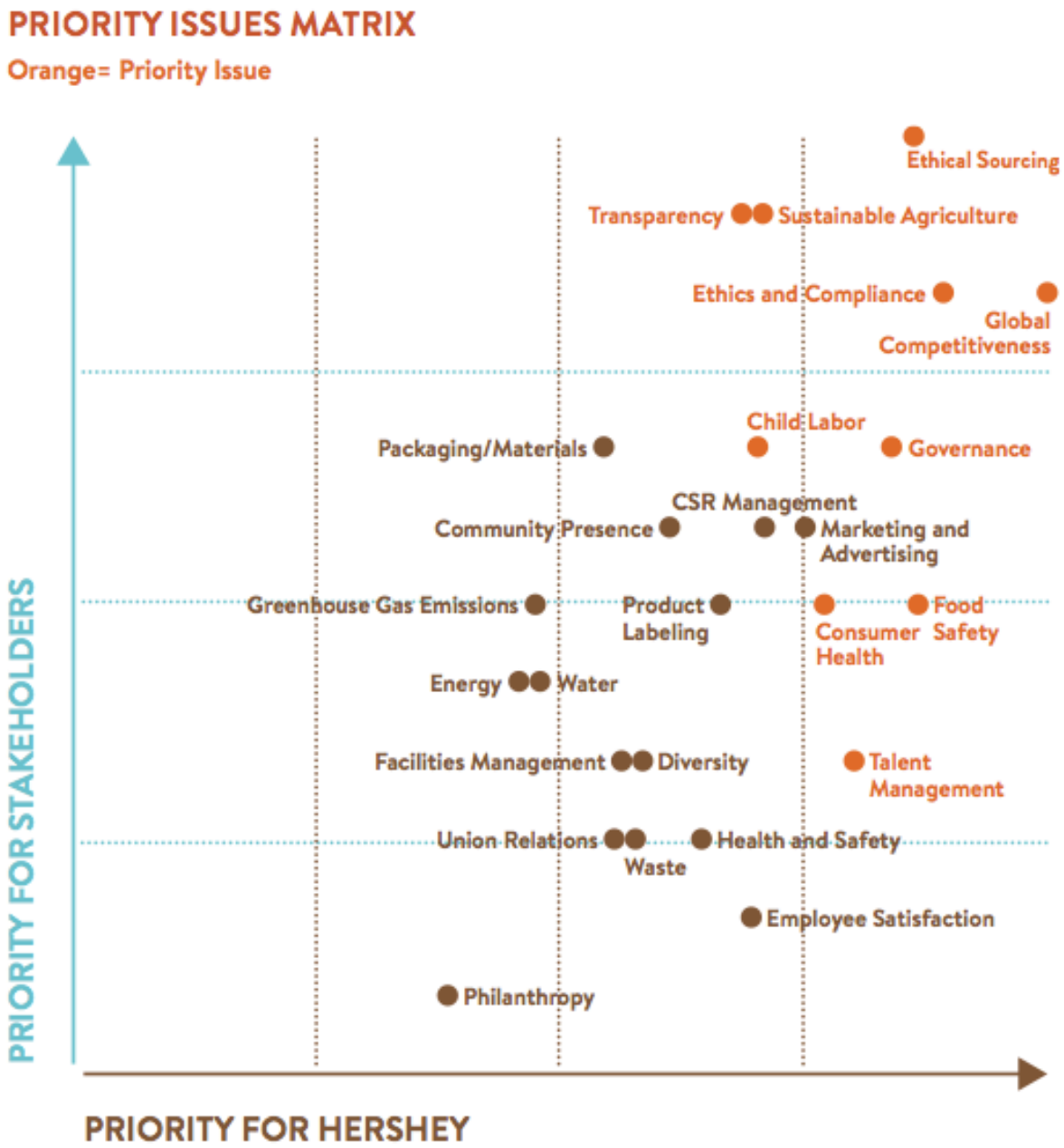
www.materialitytracker.net **RESULTS**

Company:	The Hershey Company
Sector:	Foods (chocolate manufacturing)
Report Year:	2013
Headquarters:	Hershey, USA
Standard Application:	GRI G4
Format:	Matrix



HERSHEY'S PRIORITY ISSUES

Ethical sourcing: understanding and addressing human rights, workplace safety and environmental issues throughout our supply chain; farmer livelihoods; third-party certification of raw materials; and ongoing development of our supplier code of conduct

Global competitiveness: issues related to our ability to grow and remain competitive internationally in developing markets as well as those in which we have a long-standing presence; long-term strategic planning; and overall management quality

Ethics and compliance: systems, processes and performance relating to ethical operation and compliance with applicable policies and regulation.

Sustainable agriculture: issues related to farming, such as soil health, pesticide use, deforestation and biodiversity; issues related to the sourcing of sustainable palm oil and forestry-product management; and third-party certification of agricultural and forestry products

Transparency: issues related to publicly sharing information about Hershey and its CSR efforts (policies, progress, level of disclosure)

Governance: issues related to corporate governance, board composition, independence of committees and leadership, anti-takeover measures and executive compensation; alignment of public policies and lobbying efforts

Child labor: issues related to child labor on supplier farms (including forced labor, trafficked labor and work instead of education)

Food safety: programs, policies and procedures that assure safety of incoming materials, manufacturing environment and processes and finished products

Consumer health: issues related to health and wellness, obesity, healthy kids, nutrition, active living, ingredients

Talent management: issues related to attracting and retaining employees, including professional development, succession planning, training and diversity and inclusion

We have mapped our priority issues to related GRI G4 Aspects in order to maintain consistency with the GRI Guidelines. Please visit the Our Value Chain and Value Chain and Impacts sections of this report.

We applied the GRI Reporting Principles for Defining Report Content as follows:

- We reviewed the full universe of environmental, social, governance and economic topics that could be relevant to our business operations and our stakeholders and confirmed the list of issues to be considered in the analysis.
- We reached out to stakeholders directly to seek their input on both the relative prioritization of these topics as well as their perceptions with regard to the issues' impacts across our value chain. In addition to direct engagement, we also analyzed a broad variety of sources that were representative of (or proxies for) the priorities and concerns of a wide range of individuals and organizations. These sources included investor and customer inquiries, questionnaires from respected ratings and rankings organizations, industry/trade association white papers, peer reports and analyses, policies and regulatory guidance, and employee comments and surveys. We combined insights from direct stakeholder engagement with the evaluation of stakeholder sources.
- We held internal interviews with managers and executives to understand internal company perspectives around the issues list. In order to arrive at the updated company prioritization, we combined insights from 2013 executive interviews with the results of a company survey conducted during the 2011 prioritization process.
- We mapped the resulting stakeholder and company prioritizations to a priority issues matrix, identifying the highest-scoring issues as priorities for our ongoing business success and ability to effectively manage CSR impacts.

VALUE CHAIN AND IMPACTS

EXTERNAL

INTERNAL

PRIORITY ISSUES	GRI G4 MATERIAL ASPECTS	VALUE CHAIN STAGES					
		Product R&D	Raw materials sourcing	Processing and packaging	Advertising and sales	Logistics and distribution	Consumer experience and feedback
Ethical Sourcing	Procurement practices/sourcing		EXT INT		EXT INT	EXT INT	EXT
	Supplier assessment for labor practices		EXT INT				
	Supplier assessment for impacts on society		EXT INT				
	Impacts on society grievance mechanisms		EXT INT				
	Labor practices grievance mechanisms		EXT INT				
Global Competitiveness	Anticompetitive behavior				EXT		EXT
	Economic performance	INT	EXT INT	INT	INT	EXT INT	EXT INT
Ethics and Compliance	Compliance (product responsibility)		EXT INT	EXT INT	EXT INT		
	Compliance (environment)		EXT INT	EXT INT			
	Marketing communications				EXT INT		
Sustainable Agriculture	Biodiversity		EXT INT				
	Supplier environmental assessment		EXT INT				
	Environmental grievance mechanisms		EXT INT				
Transparency	N/A	EXT INT	EXT INT	EXT INT	EXT INT	EXT INT	EXT INT
Governance	N/A	EXT INT	EXT INT	EXT INT	EXT INT	EXT INT	EXT INT
Child Labor	Public policy		EXT		EXT INT		EXT
	Child labor		EXT INT		EXT		EXT
	Forced or compulsory labor		EXT		EXT		EXT
	Supplier assessment for human rights		EXT INT				
	Human rights grievance mechanisms		EXT INT			EXT INT	EXT
Food Safety	Customer health and safety		EXT INT	EXT INT			
Consumer Health	Product and service labeling	EXT INT			EXT INT		
	Healthy and affordable food	EXT INT			EXT INT		EXT
Talent Management	Employment			EXT INT	INT		EXT INT
	Training and education	INT		INT	INT		

In compliance with the GRI G4 Guidance for Defining Report Content, we have mapped our priority issues to GRI G4 Material Aspects, as represented here. We have also identified where significant impacts associated with GRI G4 Material Aspects occur along Hershey's value chain. For full descriptions and definitions of GRI G4 Aspects, please see the GRI's Reporting Principles and Standard Disclosure Manual.