UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31 , 2024
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______to_______
Commission file number 1-183

HERSHEY

THE HERSHEY CO MPANY

(Exact name of registrant as specified in its charter)

Delaware	**23-0691590**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

19 East Chocolate Avenue , Hershey , PA 17033
(Address of principal executive offices and Zip Code)
(717) 534-4200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, one dollar par value	HSY	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: Class B Common Stock, one dollar par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐
Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒
If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 28, 2024 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the voting and non-voting common equity held by non-affiliates was $ 26,717,916,357 . Class B Common Stock is not listed for public trading on any exchange or market system. However, Class B shares are convertible into shares of Common Stock at any time on a share-for-share basis. Determination of aggregate market value assumes all outstanding shares of Class B Common Stock held by non-affiliates were converted to Common Stock as of June 28, 2024. The market value indicated is calculated based on the closing price of the Common Stock on the New York Stock Exchange on June 28, 2024 ($ 183.83 per share).

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Common Stock, one dollar par value— 147,797,121 shares, as of February 10, 2025.
Class B Common Stock, one dollar par value— 54,613,514 shares, as of February 10, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

THE HERSHEY COMPANY
Annual Report on Form 10-K
For the Fiscal Year Ended December 31, 2024

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Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K, including the exhibits hereto and the information incorporated by reference herein, contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Many of these forward-looking statements can be identified by the use of words such as “anticipate,” “assume,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “future,” “intend,” “plan,” “potential,” “predict,” “project,” “strategy,” “target” and similar terms, and future or conditional tense verbs like “could,” “may,” “might,” “should,” “will” and “would,” among others. Forward-looking statements are predictions only and actual results could differ materially from management’s expectations due to a variety of factors, including those described below in Item 1A. “Risk Factors” and in Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” All forward-looking statements attributable to us or persons working on our behalf are expressly qualified in their entirety by such risk factors. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. The forward-looking statements that we make in this Annual Report on Form 10-K are based on management’s current views and assumptions regarding future events and speak only as of their dates. We assume no obligation to update developments of these risk factors or to announce publicly any revisions to any of the forward-looking statements that we make, or to make corrections to reflect future events or developments, except as required by the federal securities laws.

PART I

Item 1. *BUSINESS*

The Hershey Company was incorporated under the laws of the State of Delaware on October 24, 1927 as a successor to a business founded in 1894 by Milton S. Hershey. In this report, the terms "Hershey," "Company," "we," "us" or "our" mean The Hershey Company and its wholly-owned subsidiaries and entities in which it has a controlling financial interest, unless the context indicates otherwise.

Hershey is a global confectionery leader known for making more moments of goodness through chocolate, sweets, mints and other great tasting snacks. We are the largest producer of quality chocolate in North America, a leading snack maker in the United States and a global leader in chocolate and non-chocolate confectionery. We market, sell and distribute our products under more than 90 brand names in approximately 70 countries worldwide.

Reportable Segments

The Company reports its operations through three segments: (i) North America Confectionery, (ii) North America Salty Snacks and (iii) International. This organizational structure aligns with how our Chief Operating Decision Maker ("CODM") manages our business, including resource allocation and performance assessment, and further aligns with our product categories and the key markets we serve.

- ***North America Confectionery* –** This segment is responsible for our traditional chocolate and non-chocolate confectionery market position in the United States and Canada. This includes our business in chocolate and non-chocolate confectionery, gum and refreshment products, protein bars, spreads, snack bites and mixes, as well as pantry and food service lines. This segment also includes our retail operations, including Hershey's Chocolate World stores in Hershey, Pennsylvania; New York, New York; Las Vegas, Nevada; Niagara Falls (Ontario) and Singapore, as well as operations associated with licensing the use of certain of the Company's trademarks and products to third parties around the world.
- ***North America Salty Snacks* –** This segment is responsible for our salty snacking products in the United States. This includes ready-to-eat popcorn, baked and trans fat free snacks, pretzels and other snacks.
- ***International* –** International is a combination of all other operating segments that are not individually material, including those geographic regions where we operate outside of North America. We currently have operations and manufacture product in Mexico, Brazil, India and Malaysia, primarily for consumers in these regions, and also distribute and sell confectionery products in export markets of Asia, Latin America, Middle East, Europe, Africa and other regions.

Financial and other information regarding our segments is provided in our Management's Discussion and Analysis and Note 13 to the Consolidated Financial Statements.

Business Acquisitions

On November 8, 2024, we completed the acquisition of the Sour Strips brand from Actual Candy, LLC. Sour Strips is an emerging sour candy brand and is available in a wide range of food distribution channels in the United States.

On May 31, 2023, we completed the acquisition of certain assets that provide additional manufacturing capacity from Weaver Popcorn Manufacturing, Inc. ("Weaver"), a leader in the production and co-packing of microwave popcorn and ready-to-eat popcorn, and former co-manufacturer of the Company's *SkinnyPop* brand.

Products and Brands

Our principal product offerings include chocolate and non-chocolate confectionery products; gum and mint refreshment products and protein bars; snack items such as popcorn, pretzels, spreads, snack bites and mixes; and pantry items, such as baking ingredients, toppings and beverages.

- Within our North America Confectionery segment, our product portfolio includes a wide variety of chocolate offerings marketed and sold under the renowned brands of *Hershey's*, *Reese's* and *Kisses*, along with other popular chocolate and non-chocolate confectionery brands such as *Jolly Rancher*, *Almond Joy*, *Brookside, barkTHINS*, *Cadbury, Good & Plenty*, *Heath*, *Kit Kat®*, *Payday*, *Rolo®*, *Twizzlers*, *Sour Strips, Whoppers* and *York*. Our protein bar products include *ONE* bar and our gum and mint products include *Ice Breakers* mints and chewing gum, *Breath Savers* mints and *Bubble Yum* bubble gum. We also have pantry items, including baking products, toppings and sundae syrups sold under the *Hershey's, Reese's, Heath* and *Lily's* brands, as well as *Hershey's* and *Reese's* chocolate spreads and snack bites and mixes.

- Within our North America Salty Snacks segment, we have our salty snack items. This includes ready-to-eat *SkinnyPop* popcorn, baked and trans fat free *Pirates Booty* snacks and *Dot's Homestyle Pretzels* snacks.
- Within our International segment, we manufacture, market and sell many of these same brands, as well as other brands that are marketed regionally, such as *Pelon Pelo Rico* confectionery products in Mexico, *IO-IO* snack products in Brazil and *Sofit* beverage products in India.

Principal Customers and Marketing Strategy

Our customers are mainly wholesale distributors, chain grocery stores, mass merchandisers, chain drug stores, vending companies, wholesale clubs, convenience stores, dollar stores, concessionaires and department stores. The majority of our customers, with the exception of wholesale distributors, resell our products to end-consumers in retail outlets in North America and other locations worldwide.

In 2024, approximately 27% of our consolidated net sales were made to McLane Company, Inc., one of the largest wholesale distributors in the United States ("U.S.") to convenience stores, drug stores, wholesale clubs and mass merchandisers and the primary distributor of our products to Wal-Mart Stores, Inc.

The foundation of our marketing strategy is our strong brand equities, product innovation and the consistently superior quality of our products. We devote considerable resources to the identification, development, testing, manufacturing and marketing of new products. We utilize a variety of promotional programs directed towards our customers, as well as advertising and promotional programs for consumers of our products, to stimulate sales of certain products at various times throughout the year.

In conjunction with our sales and marketing efforts, our efficient product distribution network helps us maintain sales growth and provide superior customer service by facilitating the shipment of our products from our manufacturing plants to strategically located distribution centers. We primarily use common carriers to deliver our products from these distribution points to our customers.

Raw Materials and Pricing

Cocoa products, including cocoa liquor, cocoa butter and cocoa powder processed from cocoa beans, are the most significant raw materials we use to produce our chocolate products. These cocoa products are purchased directly from third-party suppliers, who source cocoa beans that are grown principally in Far Eastern, West African, Central and South American regions. West Africa accounts for approximately 70% of the world's supply of cocoa beans.

Adverse changes in climate or extreme weather, crop disease, political unrest and other problems in cocoa-producing countries have caused price fluctuations in the past, but have never resulted in the total loss of a particular producing country's cocoa crop and/or exports. In the event that a significant disruption occurs in any given country, we believe cocoa from other producing countries and from current physical cocoa stocks in consuming countries would provide a significant supply buffer.

Our trading company in Switzerland performs all aspects of cocoa procurement, including price risk management, physical supply procurement and sustainable sourcing oversight. The trading company optimizes the supply chain for our cocoa requirements, with a strategic focus on gaining real time access to cocoa market intelligence. It also provides us with the ability to recruit and retain world class commodities traders and procurement professionals and enables enhanced collaboration with commodities trade groups, the global cocoa community and sustainable sourcing resources.

We also use substantial quantities of sugar, corn products, Class II and IV dairy products, wheat products, peanuts, almonds and energy in our production process. Most of these inputs for our domestic and Canadian operations are purchased from suppliers in the United States. For our international operations, inputs not locally available may be imported from other countries.

We change prices and weights of our products when necessary to accommodate changes in input costs, the competitive environment and profit objectives, while at the same time maintaining consumer value. Price increases and weight changes help to offset increases in our input costs, including raw and packaging materials, fuel, utilities, transportation costs and employee benefits. When we implement price increases, there is usually a time lag between the effective date of the list price increases and the impact of the price increases on net sales, in part because we typically honor previous commitments to planned consumer and customer promotions and merchandising events subsequent to the effective date of the price increases. In addition, promotional allowances may be increased subsequent to the effective date, delaying or partially offsetting the impact of price increases on net sales.

Competition

Many of our confectionery and salty snack brands enjoy wide consumer acceptance and are among the leading brands sold in the marketplace in North America and certain international markets. We sell our brands in highly competitive markets with many other global multinational, national, regional and local firms. Some of our competitors are large private companies, as well as large retailers, that have significant resources and substantial international operations. Competition in our product categories is based on product innovation, product quality, price, brand recognition and loyalty, effectiveness of marketing and promotional activity, the ability to identify and satisfy consumer preferences, as well as convenience and service. We have also experienced increased competition from other snack items, and through innovation and acquisitions, we are continuing to expand the boundaries of our brands to capture new snacking occasions.

Working Capital, Seasonality and Backlog

Our sales are typically higher during the third and fourth quarters of the year, representing seasonal and holiday-related sales patterns. We manufacture primarily for stock and typically fill customer orders within a few days of receipt. Therefore, the backlog of any unfilled orders is not material to our total annual sales. Additional information relating to our cash flows from operations and working capital practices is provided in our Management's Discussion and Analysis.

Trademarks, Service Marks and License Agreements

We own various registered and unregistered trademarks and service marks. The trademarks covering our key product brands are of material importance to our business. Depending on the country, trademarks remain valid for as long as they are in use or their registration status is maintained. Trademark registrations generally are renewable for fixed terms. We follow a practice of seeking trademark protection in the United States and other key international markets where our products are sold. We also grant trademark licenses to third parties to produce and sell pantry items, flavored milks and various other products primarily under the *Hershey's* and *Reese's* brand names.

Furthermore, we have rights under license agreements with several companies to manufacture and/or sell and distribute certain products. Our rights under these agreements are extendible on a long-term basis at our option. Our most significant licensing agreements are as follows:

Company	Brand	Location	Requirements
Kraft Foods Ireland Intellectual Property Limited/Cadbury UK Limited	*York* *Peter Paul Almond Joy* *Peter Paul Mounds*	Worldwide	None
Cadbury UK Limited	*Cadbury* *Caramello*	United States	Minimum sales requirement exceeded in 2024
Société des Produits Nestlé SA	*Kit Kat®* *Rolo®*	United States	Minimum unit volume sales exceeded in 2024
Iconic IP Interests, LLC	*Good & Plenty* *Heath* *Jolly Rancher* *Milk Duds* *Payday* *Whoppers*	Worldwide	None

Research and Development

We engage in a variety of research and development activities in a number of countries, including the U.S., Mexico, Brazil, India and Malaysia. We develop new products, improve the quality of existing products, improve and modernize production processes and develop and implement new technologies to enhance the quality and value of both current and proposed product lines. Information concerning our research and development expense is contained in Note 1 to the Consolidated Financial Statements.

Food Quality and Safety Regulation

The manufacture and sale of consumer food products is highly regulated. In the U.S., our activities are subject to regulation by various government agencies, including the Food and Drug Administration, the Department of Agriculture, the Federal Trade Commission, the Department of Commerce and the Environmental Protection Agency, as well as various state and local agencies. Similar agencies also regulate our businesses outside of the U.S.

We believe our Product Excellence Program provides us with an effective product quality and safety program. This program is integral to our global supply chain platform and is intended to ensure that all products we purchase, manufacture and distribute are safe, are of high quality and comply with applicable laws and regulations.

Through our Product Excellence Program, we evaluate our supply chain including ingredients, packaging, processes, products, distribution and the environment to determine where product quality and safety controls are necessary. We identify risks and establish controls intended to ensure product quality and safety. Various government agencies and third-party firms, as well as our quality assurance staff, conduct audits of all facilities that manufacture our products to assure effectiveness and compliance with our program and applicable laws and regulations.

Environmental Considerations

Beyond ordinary operating and capital expenditures that we make to comply with government regulations, including environmental laws and regulations, Hershey has made several voluntary commitments to drive long-term growth and business resilience and reduce our environmental impacts, including efforts to eliminate commodity-driven deforestation and reduce greenhouse gas ("GHG") emissions across our own operations and supply chain. Our climate change related investments and expenditures primarily focus on our Scope 1 and 2 GHG emissions, Forest Land and Agriculture ("FLAG") emissions and non-FLAG emissions consistent with global environmental standards. The annual operating and capital expenditures associated with ordinary course payments and additional climate change commitments are not material with respect to our results of operations, capital expenditures or competitive position.

Sustainability

The Company's commitment to sustainability started with our founder's belief in responsible citizenship. He was a purpose-driven leader who believed we could use chocolate to Make More Moments of Goodness in the world for our consumers today and for many generations to come. This belief resulted in a strong investment in local communities and the establishment of Milton Hershey School for disadvantaged kids. We continue that legacy today through our global sustainability strategy: Our Shared Goodness Promise, which guides how we empower the remarkable people who make and sell our brands, interact with farming communities that grow our ingredients, deliver on our commitments to consumers, customers, and external stakeholders, protect the environment and support children and youth.

To learn more about our Sustainability-related goals, progress and initiatives, as well as review our annual ESG Report and accompanying suite of Environmental, Social and Governance ("ESG") reporting frameworks, policies, and disclosures, access the Sustainability section of our website at: https://www.thehersheycompany.com/en_us/sustainability.html. Information found on the Company's website is not part of this Annual Report on Form 10-K or any other report filed with the United States Securities and Exchange Commission ("SEC").

Financial Information by Geographic Area

Our principal operations and markets are located in the United States. The percentage of total consolidated net sales for our businesses outside of the United States was 12.8% for 2024, 12.7% for 2023 and 12.5% for 2022. The percentage of total long-lived assets outside of the United States was 15.4% as of December 31, 2024 and 17.4% as of December 31, 2023.

Human Capital

As of December 31, 2024, the Company employed approximately 18,540 full-time and 1,490 part-time employees worldwide. Collective bargaining agreements covered approximately 6,525 employees, or approximately 33% of the Company's employees worldwide. During 2025, agreements are expected to be negotiated for certain employees at seven facilities, none of which are within the United States, comprising approximately 69% of total employees under collective bargaining agreements. We believe our efforts in managing our workforce have been effective, as evidenced by a strong culture and a good relationship between the Company and our employees.

We are a purpose-driven company and for more than a century, our iconic brands have been built on a foundation of community investment and connections between people around the world. We could not have achieved this without our remarkable employees who make our purpose a reality. As a result, our human capital strategies are material to our operations and core to the long-term success of the Company.

- *Our People, Safety and Employee Engagement* . Our employees are among our most important resources and are critical to our continued success. We provide a workplace that develops, supports and motivates our people. The overall well-being and safety of our employees remains one of our top priorities. We continue to invest in training, workplace resources and leading systems and processes to ensure the responsible management of all facilities. Additionally, continuous listening surveys are distributed throughout the year to all employees globally to hear their thoughts on the Company's direction and their place in it. These continuous touchpoints allow for real-time feedback and action from the Company. These surveys are further supplemented with quarterly and informative enterprise summits and team "Ask Me Anything" meetings, which, in conjunction with the continuous listening surveys, generate stronger employee engagement with the Company's strategy, initiatives and leadership.

- *Talent Acquisition, Development and Training*. Hiring and developing our employees is critically important to our operations and we are focused on creating experiences and programs that foster growth and performance. We provide all employees the chance to learn, grow and own their work. We have partnered with leading online content experts and increased internal learning development to expand our catalog of online and classroom courses. Additionally, we co-created a culture of development with the enthusiastic support of our employees. Through individual development plans, learning opportunities, feedback and coaching, employees can build careers at The Hershey Company, as evidenced by the fact that the majority of our executive officers were promoted from within the organization (see Information about Our Executive Officers).
- *Compensation, Benefits and Wellness*. In addition to offering competitive, fair and transparent compensation, we also offer a suite of benefits, including comprehensive health and meaningful retirement benefits to eligible employees, tying incentive compensation to both business and individual performance, offering parental leave and adoption benefits and maintaining an employee stock purchase plan. We also provide a number of innovative programs designed to promote physical and emotional well-being, including ergonomic workspaces, a state-of-the-art fitness center at our Hershey, Pennsylvania campus and private rooms designed for quiet reflection, prayer or wellness breaks. The Company also offers SmartFlex benefits which is our suite of policies that allows individuals to create their own balance between work and personal life, including flexing work time based on work priorities or personal commitments, such as caring for children or family members. We believe that this flexibility improves productivity, boosts job satisfaction and increases employee engagement. Additionally, the Company offers a “Best of Both” flexible work model for corporate and commercial employees to balance work and personal well-being. This model allows employees the option to work either remotely, in-office, or both, depending on individual needs, personal schedules and work demands. This offers the benefits of flexibility and in-person collaboration, while maintaining productivity and overall job satisfaction.
- *Togetherness*. We believe our business is stronger when we practice our Company value of Togetherness. Our people-focused programs help advance innovation, business growth and create a strong company culture that is fair, which enables us to delight consumers with beloved snacking brands. Our gender representation includes women occupying many of the top positions in the Company, including Chief Executive Officer and Chairman of the Board, Chief Accounting Officer and President, Salty Snacks, and approximately 50% representation across the Company. Additionally, four of our 10 Board members are women (40% representation). In 2024, we maintained fair and equitable pay achievements, including aggregate salary U.S. gender pay equity and aggregate U.S. salary people of color pay equity. Further, our eight employee-led Business Resource Groups, which include Abilities First, Black Heritage, Asian and Pacific Islander, GenH (Generations), Latino, Prism (LGBTQ), Veterans and Women’s, are open to all and play a critical role in providing mentoring and career development opportunities for all, delivering commercial business insights, and connecting people to the Company and the communities where we do business. In 2024, the Company was recognized among the World’s Most Ethical Companies as rated by Ethisphere, achieved global Great Place to Work certifications, and was recognized as a Best Place to Work for Disability Inclusion based on our Disability Equality Index score.
- *Community and Social Impact*. Our philanthropy and volunteerism efforts reflect how we live out the Company’s value of making a difference and our purpose of Making More Moments of Goodness, from supporting causes our employees care about to investing in the long-term success of the communities where we live and work. We work closely with counterparts in each of our plant and office locations across the United States and globally to identify local community needs and craft tailored approaches to provide support. This work includes forging partnerships with local non-governmental organizations, providing grants and contributions and organizing volunteer service activities and employee fundraisers.

Business Realignment Activities and Strategic Initiatives

From time to time, we implement business realignment activities to support key strategic initiatives designed to maintain long-term growth. Further to such goal, in February 2024, the Board of Directors approved the Advancing Agility & Automation Initiative, which is a multi-year productivity program to improve supply chain and manufacturing-related spend, optimize selling, general and administrative expenses, leverage new technology and business models to further simplify and automate processes, and generate long-term savings.

In 2023, we completed our International Optimization Program, an initiative which began in the fourth quarter of 2020 and was designed to increase our operating effectiveness and efficiency, to reduce our costs and/or to generate savings that can be reinvested in other areas of our business.

Costs associated with business realignment activities are classified in our Consolidated Statements of Income as described in Note 9 to the Consolidated Financial Statements.

Available Information

The Company's website address is www.thehersheycompany.com. We file or furnish annual, quarterly and current reports, proxy statements and other information, including amendments to these reports, with the SEC. You may obtain a copy of any of these reports, free of charge, from the Investors section of our website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The SEC maintains an Internet site that also contains these reports at www.sec.gov. In addition, copies of the Company's annual report will be made available, free of charge, on written request to the Company.

We have a Code of Conduct that applies to our Board of Directors ("Board") and all Company officers and employees, including, without limitation, our Chief Executive Officer and "senior financial officers" (including the Chief Financial Officer, Chief Accounting Officer and persons performing similar functions). You can obtain a copy of our Code of Conduct, as well as our Corporate Governance Guidelines and charters for each of the Board's standing committees, from the Investors section of our website at: https://www.thehersheycompany.com/en_us/investors.html. If we change or waive any portion of the Code of Conduct that applies to any of our directors, executive officers or senior financial officers, we will post that information on our website. Information found on the Company's website is not part of this Annual Report on Form 10-K or any other report filed with the SEC.

Item 1A. *RISK FACTORS*

You should carefully read the following discussion of significant factors, events and uncertainties when evaluating our business and the forward-looking information contained in this Annual Report on Form 10-K. The events and consequences discussed in these risk factors could materially and adversely affect our business, operating results, liquidity and financial condition. While we believe we have identified and discussed below the key risk factors affecting our business, these risk factors do not identify all the risks we face, and there may be additional risks and uncertainties that we do not presently know or that we do not currently believe to be significant that may have a material adverse effect on our business, performance or financial condition in the future.

Risks Related to Our Business and Operations

Our Company's reputation or brand image might be impacted as a result of issues or concerns relating to the quality and safety of our products, ingredients or packaging, human and workplace rights, and other environmental, social or governance matters, which in turn could result in litigation or otherwise negatively impact our operating results.

In order to sell our iconic, branded products, we need to maintain a good reputation with our customers, consumers, suppliers, vendors and employees, among others. Issues related to the quality and safety of our products, ingredients or packaging could jeopardize our Company's image and reputation. We have in the past recalled or removed certain products from store shelves, and may in the future need to do so again in the future. Negative publicity related to these types of concerns, or related to product contamination or product tampering, whether valid or not, could decrease demand for our products or cause production and delivery disruptions. In addition, negative publicity related to our environmental, social or governance practices could also impact our reputation with customers, consumers, suppliers and vendors.

We have been in the past and in the future could potentially be subject to litigation or government actions as a result of issues or concerns relating to the quality and safety of our products, ingredients or packaging, human and workplace rights, and other environmental, social or governance matters, which could result in payments of fines or damages. Costs associated with these potential actions, as well as the potential impact on our reputation or ability to sell our products, could negatively affect our operating results.

Disruption to our manufacturing operations or supply chain could impair our ability to produce or deliver finished products, resulting in a negative impact on our operating results.

Approximately 74% of our manufacturing capacity is located in the United States. Disruption to our global manufacturing operations or our supply chain could result from, among other factors, the following:

- Natural disasters;
- Pandemics, epidemics, coronavirus disease and/or other outbreak of disease;
- Climate change and severity of extreme weather;
- Fires or explosions;
- Terrorism or other acts of violence;
- Labor strikes or other labor activities;
- Unavailability of raw or packaging materials;
- Third party service provider disruptions, such as cyber breaches or system failures;
- Operational and/or financial instability of key suppliers, and other vendors or service providers; and
- Suboptimal production planning which could impact our ability to cost-effectively meet product demand.

We believe that we take adequate precautions to mitigate the impact of possible disruptions. We have strategies and plans in place to manage disruptive events if they were to occur, including our global supply chain strategies and our principle-based global labor relations strategy. If we are unable, or find that it is not financially feasible, to effectively plan for, mitigate or manage operational stability and business resiliency risks, particularly within our international markets and snacks portfolio, due to the potential impacts of such disruptive events on our manufacturing operations or supply chain, our financial condition and results of operations could be negatively impacted if such events were to occur.

We might not be able to hire, engage and retain the talented global human capital we need to drive our growth strategies.

Our future success depends upon our ability to identify, hire, develop, engage and retain talented personnel across the globe. Competition for global talent is intense, and we might not be able to identify and hire the personnel we need to continue to evolve and grow our business. In particular, if we are unable to hire the right individuals to fill new or existing senior management positions as vacancies arise, our business performance may be adversely impacted.

Activities related to identifying, recruiting, hiring and integrating qualified individuals require significant time and attention. We may also need to invest significant amounts of cash and equity to attract talented new employees, and we may never realize returns on these investments.

In addition to hiring new employees, we must continue to focus on retaining and engaging the talented individuals we need to sustain our core business and lead our developing businesses into new markets, channels and categories. This may require significant investments in training, coaching and other career development and retention activities. If we are not able to effectively retain and grow our talent, our ability to achieve our strategic objectives will be adversely affected, which may negatively impact our financial condition and results of operations.

Risks associated with climate change and other environmental impacts, and increased focus and evolving views of our customers, stockholders and other stakeholders on climate change issues, could negatively affect our business and operations.

Climate-related changes can increase variability in, or otherwise impact, natural disasters, including weather patterns, with the potential for increased frequency and severity of significant weather events, natural hazards, rising mean temperature and sea levels, and long-term changes in precipitation patterns. Climate change or weather-related disruptions to our supply chain can impact the availability and cost of materials needed for manufacturing, which may increase insurance and other operating costs.

Increased focus on climate change has led to legislative and regulatory efforts to combat both potential causes and adverse impacts of climate change, including regulation of GHG emissions. New or increasing laws and regulations related to GHG emissions and other climate change related concerns may adversely affect us, our suppliers and our customers, and may require the Company to invest in additional capital investments to maintain compliance. Our value chain faces similar challenges as our products rely on agricultural ingredients and a global supply chain. Climate change poses a significant and increasing risk to global food production systems and to the safety and resilience of the communities where we live, work and source our ingredients. The GHG impacts of land-use change are most pronounced in our cocoa supply chain, where we have already been working for several years to prevent deforestation and build climate resilience. Additionally, any non-compliance with legislative and regulatory requirements could negatively impact our reputation and ability to do business.

Investors, customers, advisory services, government regulators and other market participants may be focused on the environmental or sustainability practices, disclosures and performance of companies. We believe our sustainability practices, disclosures and performance are focused on the most material risks and opportunities to our business and support our environmental goals and continue to evolve to meet the growing needs of our stakeholders. However, if our environmental goals do not meet investor or other external stakeholder expectations and standards, our access to capital may be negatively impacted. An enforcement action for non-compliance with regulations or reporting requirements could harm our reputation, financial position and ability to grow. A failure to meet investor or other external stakeholder expectations or standards may adversely affect our results of operations, ability to manage our liquidity, or ability to implement our strategies.

The Company publishes its environmental goals, with a particular focus on achieving an absolute reduction in our Scope 1 and 2 GHG emissions, Forest Land and Agriculture (FLAG) emissions, and non-FLAG emissions consistent with global environmental standards. The costs of our voluntary commitments may be greater than expected, and there can be no assurance the Company will achieve its goals, or meet the evolving sustainability expectations and standards of our investors or other external stakeholders. Any failure to achieve our goals, a perception of our failure to act responsibly with respect to the environment, or failure to respond to new or evolving legal and regulatory requirements or other sustainability concerns could adversely affect our business, reputation and increase risk of litigation.

The effects and costs of climate change, or any failure to meet related requirements and expectations, could have a negative impact on our reputation, financial condition and results of operations.

Risks Related to the Industry in Which We Operate

Increases in raw material and energy costs along with the availability of adequate supplies of raw materials could affect future financial results.

We use many different commodities for our business, including cocoa products, sugar, corn products, dairy products, wheat products, peanuts, almonds, natural gas and diesel fuel.

Commodities are subject to price volatility and changes in supply caused by numerous factors, including:

- Commodity market fluctuations;
- Currency exchange rates;
- Imbalances between supply and demand;
- Rising levels of inflation and interest rates related to domestic and global economic conditions or supply chain issues;
- The effects of climate change and extreme weather on crop yield and quality;
- Speculative influences;
- Trade agreements among producing and consuming nations;
- Supplier compliance with commitments;
- Import/export requirements for raw materials and finished goods;
- Political unrest in producing countries;
- Introduction of living income premiums or similar requirements;
- Changes in governmental agricultural programs and energy policies; and
- Other events beyond our control such as the impacts on the business or supply chain arising from the ongoing conflict between Russia and Ukraine.

Although we use forward contracts and commodity futures and options contracts to hedge commodity prices where possible, commodity price increases ultimately result in corresponding increases in our raw material and energy costs. For example, our cost of sales during the year ended 2024 compared to the same period of 2023 experienced an incremental $563.0 million of favorable mark-to-market activity on our commodity derivative instruments intended to economically hedge future years' commodity purchases, more than offsetting higher commodity costs. During the year ended 2024, market prices for the majority of our exchange traded commodities increased, including cocoa, which has increased approximately 130% since the beginning of the year.

We continue to monitor and use our risk management strategy where possible to hedge commodity prices in order to mitigate corresponding increases in our raw materials and energy costs, however, if we are unable to offset cost increases for major raw materials and energy, there could be a negative impact on our financial condition and results of operations.

Price increases may not be sufficient to offset cost increases and maintain profitability or may result in sales volume declines associated with pricing elasticity.

We may be able to pass some or all raw material, energy and other input cost increases to customers by increasing the selling prices of our products or decreasing the size of our products; however, higher product prices or decreased product sizes may also result in a reduction in sales volume and/or consumption. If we are not able to increase our selling prices or reduce product sizes (including if inflation outpaces our pricing elasticity) sufficiently, or in a timely manner, to offset increased raw material, energy or other input costs, including packaging, freight, tariffs, direct labor, overhead and employee benefits, or if our sales volume decreases significantly, there could be a negative impact on our financial condition and results of operations.

Market demand for new and existing products could decline.

We operate in highly competitive markets and rely on continued demand for our products. To generate revenues and profits, we must sell products that appeal to our customers and to consumers. Our continued success is impacted by many factors, including the following:

- Effective retail execution;
- Appropriate advertising campaigns and marketing programs;
- Our ability to secure adequate shelf space at retail locations;
- Our ability to drive sustainable innovation and maintain a strong pipeline of new products in the confectionery and broader snacking categories;
- Our ability to react to changes in product category consumption;
- Our response to consumer demographics and trends, including but not limited to, trends relating to store trips and the impact of the growing digital commerce channel; and
- Consumer health and wellness concerns, including weight management (i.e., use of medications, dieting) and the consumption of certain ingredients.

There continues to be competitive product and pricing pressures in the markets where we operate, as well as challenges in maintaining profit margins. We must maintain mutually beneficial relationships with our key customers, including retailers and distributors, to compete effectively. Our largest customer, McLane Company, Inc., accounted for approximately 27% of our consolidated net sales in 2024. McLane Company, Inc. is one of the largest wholesale distributors in the United States to convenience stores, drug stores, wholesale clubs and mass merchandisers, including Wal-Mart Stores, Inc.

Increased marketplace competition could hurt our business.

The global confectionery and snacks packaged goods industry is intensely competitive and consolidation in this industry continues. Some of our competitors are large private companies, as well as large retailers, that have significant resources and substantial international operations. We continue to experience increased levels of in-store activity for other snack items, which has pressured confectionery category growth. In order to protect our existing market share or capture increased market share in this highly competitive retail environment, we may be required to increase expenditures for promotions and advertising, and must continue to introduce and establish new products. Due to inherent risks in the marketplace associated with advertising and new product introductions, including uncertainties about trade and consumer acceptance, increased expenditures may not prove successful in maintaining or enhancing our market share and could result in lower sales and profits. In addition, we may incur increased credit and other business risks because we operate in a highly competitive retail environment.

Risks Related to Strategic Initiatives

Our financial results may be adversely impacted by the failure to successfully execute or integrate acquisitions, divestitures and joint ventures.

From time to time, we may evaluate potential acquisitions, divestitures or joint ventures that align with our strategic objectives. The success of such activity depends, in part, upon our ability to identify suitable buyers, sellers or business partners; perform effective assessments prior to contract execution; negotiate contract terms; and, if applicable, obtain government approval. These activities may present certain financial, managerial, staffing and talent, and operational risks, including diversion of management's attention from existing core businesses; difficulties integrating or separating businesses from existing operations; and challenges presented by acquisitions or joint ventures which may not achieve sales levels and profitability that justify the investments made. If the acquisitions, divestitures or joint ventures are not successfully implemented or completed, there could be a negative impact on our financial condition, results of operations and cash flows.

In 2024, we completed the acquisition of the Sour Strips brand from Actual Candy, LLC. Sour Strips is an emerging sour candy brand. In 2023, we completed the acquisition of certain assets that provide additional manufacturing capacity from Weaver Popcorn, a manufacturer of *SkinnyPop* popcorn, which helped us strengthen our supply chain capabilities. While we believe significant operating synergies can be obtained in connection with these acquisitions, achievement of these synergies will be driven by our ability to successfully leverage Hershey's resources, expertise, capability-building, distribution locations and customer base. In addition, the acquisitions of Dot's and Pretzels in

2021 were important steps in our journey to expand our breadth in snacking, as they should enable us to bring scale and category management capabilities to a key sub-segment of the warehouse snack aisle. If we are unable to successfully couple Hershey's scale and expertise in brand building with the existing operations of our acquired brands, it may impact our ability to expand our snacking footprint at our desired pace.

Our international operations may not achieve projected growth objectives, which could adversely impact our overall business and results of operations.

In 2024, 2023 and 2022, respectively, we derived approximately 12.8%, 12.7% and 12.5% of our net sales from customers located outside of the United States. Additionally, approximately 15% of our total long-lived assets were located outside of the United States as of December 31, 2024. As part of our strategy, we have made investments outside of the United States, particularly in Canada, Malaysia, Mexico, Brazil and India. As a result, we are subject to risks and uncertainties relating to international sales and operations, including:

- The inability to manage operational stability and business resiliency within our international markets due to unforeseen global economic and environmental changes resulting in business interruption, supply constraints, inflation, deflation or decreased demand;
- The inability to establish, develop and achieve market acceptance of our global brands in international markets;
- Difficulties and costs associated with compliance and enforcement of remedies under a wide variety of complex laws, treaties and regulations;
- Unexpected changes in regulatory environments;
- Political and economic instability, including the possibility of civil unrest, terrorism, mass violence or armed conflict;
- Nationalization of our properties by foreign governments;
- Tax rates that may exceed those in the United States and earnings that may be subject to withholding requirements and incremental taxes upon repatriation;
- Potentially negative consequences from changes in tax laws;
- The imposition of tariffs on U.S. imports and retaliatory tariffs in response, quotas, trade barriers, other trade protection measures and import or export licensing requirements;
- Increased costs, disruptions in shipping or reduced availability of freight transportation;
- The impact of currency exchange rate fluctuations between the U.S. dollar and foreign currencies;
- Failure to gain sufficient profitable scale in certain international markets resulting in an inability to cover manufacturing fixed costs or resulting in losses from impairment or sale of assets; and
- Failure to recruit, retain and build a talented and engaged global workforce.

If we are not able to achieve our projected international growth objectives and mitigate the numerous risks and uncertainties associated with our international operations, there could be a negative impact on our financial condition and results of operations.

We may not fully realize the expected cost savings and/or operating efficiencies associated with our strategic initiatives or restructuring programs, which may have an adverse impact on our business.

We depend on our ability to evolve and grow, and as changes in our business environment occur, we may adjust our business plans by introducing new strategic initiatives or restructuring programs to meet these changes. Recently introduced strategic initiatives include our efforts to continue to expand our presence in digital commerce, to transform our manufacturing, commercial and corporate operations through digital technologies and to enhance our data analytics capabilities to develop new commercial insights. If we are not able to capture our share of the expanding digital commerce market, if we do not adequately leverage technology to improve operating efficiencies or if we are unable to develop the data analytics capabilities needed to generate actionable commercial insights, our business performance may be impacted, which may negatively impact our financial condition and results of operations.

Additionally, from time to time we implement business realignment activities to support key strategic initiatives designed to maintain long-term sustainable growth, such as the International Optimization Program, which we commenced in the fourth quarter of 2020 and completed in 2023. This program was intended to increase our operating effectiveness and efficiency, to reduce our costs and/or to generate savings that can be reinvested in other areas of our business. Additionally, in February 2024, the Board of Directors approved the Advancing Agility & Automation

Initiative, which is a multi-year productivity program to improve supply chain and manufacturing-related spend, optimize selling, general and administrative expenses, leverage new technology and business models to further simplify and automate processes, and generate long-term savings. We cannot guarantee that we will be able to successfully implement these strategic initiatives and restructuring programs, that we will achieve or sustain the intended benefits under these programs, or that the benefits, even if achieved, will be adequate to meet our long-term growth and profitability expectations, which could in turn adversely affect our business.

Risks Related to Governmental and Regulatory Changes

Changes in governmental laws, regulations and policies could increase our costs and liabilities or impact demand for our products.

Changes in U.S. and non-U.S. laws, regulations and policies and the manner in which they are interpreted or applied may alter our business environment. These negative impacts could result from changes in food and drug laws, laws related to advertising and marketing practices, accounting standards, taxation compliance and requirements, tariffs on U.S. imports and retaliatory tariffs in response, competition laws, employment laws, import/export requirements and environmental laws, among others. For example, the European Union's Deforestation Regulation ("EUDR") will require the Company to conduct extensive diligence on seven commodities, including cocoa, palm oil and soy, as well as products derived from these commodities, such as chocolate, and the value chain, to ensure the goods do not result from recent deforestation, forest degradation, or breaches of local laws in order to sell such products in the European Union market or exported from it. The EUDR is scheduled to be effective in December 2025, following a one-year postponement. The EUDR, and other current or proposed regulations in markets in which we operate, are likely to increase our compliance costs, could depress sales in such markets if our products are not in compliance by applicable effective dates, and could result in fines and penalties or reputational harm if we do not fully comply. It is possible that we could become subject to additional liabilities in the future resulting from changes in laws and regulations that could result in an adverse effect on our financial condition and results of operations.

Political, economic and/or financial market conditions, including impacts on our business arising from the ongoing conflict between Russia and Ukraine, could negatively impact our financial results.

Our operations are impacted by consumer spending levels and impulse purchases, which are affected by general macroeconomic conditions, consumer confidence, employment levels, the availability of consumer credit and interest rates on that credit, consumer debt levels, energy costs and other factors. Volatility in food and energy costs, sustained global recessions, broad political instability, rising unemployment, pandemic, or other outbreak of disease, climate change, weather, natural and other disasters, changing consumer demand, and declines in personal spending could adversely impact our revenues, profitability and financial condition.

Changes in financial market conditions may make it difficult to access credit markets on commercially acceptable terms, which may reduce liquidity or increase borrowing costs for our Company, our customers and our suppliers. A significant reduction in liquidity could increase counterparty risk associated with certain suppliers and service providers, resulting in disruption to our supply chain and/or higher costs, and could impact our customers, resulting in a reduction in our revenue, or a possible increase in bad debt expense.

Additionally, in February 2022, Russia invaded Ukraine and this conflict is still ongoing. In response, the U.S. and other countries have imposed sanctions on Russia and may impose further sanctions that could damage or disrupt international commerce and the global economy. With respect to the conflict between Russia and Ukraine, the situation remains dynamic and subject to rapid and possibly material change. The Company's efforts to manage and mitigate any direct or indirect effects from this conflict may ultimately be unsuccessful, and the effectiveness of these efforts depends on factors beyond our control, including the duration of the conflict and potential governmental actions. The potential effects of the ongoing conflict between Russia and Ukraine may also impact many of the other risk factors described herein.

Risks Related to Digital Transformation, Cybersecurity and Data Privacy

Disruptions, failures or security breaches of our information technology infrastructure could have a negative impact on our operations.

Information technology is critically important to our business operations. We use information technology to manage all business processes including manufacturing, financial, logistics, sales, marketing and administrative functions. These processes collect, interpret and distribute business data and communicate internally and externally with employees, suppliers, customers and other third parties.

We are regularly the target of cyber, ransomware and other security threats. Therefore, we continuously monitor and update our information technology networks and infrastructure to prevent, detect, address and mitigate the risk of unauthorized access, misuse, computer viruses and other events that could have a security impact. We invest in industry standard security technology to protect the Company's data and business processes against risk of data security breach and cyber attack. Our data security management program includes identity, trust, vulnerability and threat management business processes as well as adoption of standard data protection policies. We measure our data security effectiveness through industry-accepted methods and remediate significant findings. Additionally, we certify our major technology suppliers and any outsourced services through accepted security certification standards. We maintain and routinely test backup systems and disaster recovery, along with external network security penetration testing by an independent third party as part of our business resiliency preparedness. We also have processes in place to prevent disruptions resulting from our implementation of new software and systems. Employees are trained annually on cybersecurity wellness and our acceptable use policy and we have implemented phishing simulations to increase awareness and compliance. We also currently maintain a cyber insurance policy that provides coverage for security breaches; however, such insurance may not be sufficient in type or amount to cover us against claims related to security breaches, cyber-attacks and other related breaches.

We have been subject to cyber attacks, ransomware and other security breaches, though these incidents historically have not had a significant impact on our business operations. The techniques that are used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time, and the sophistication of efforts by hackers to gain unauthorized access to information systems has continued to increase in recent years and may continue to do so. Despite continued vigilance in these areas, disruptions in or failures of information technology systems are possible and could have a negative impact on our operations or business reputation. Failure of our systems, including failures due to cyber attacks, ransomware or other security breaches that would prevent the ability of systems to function as intended, could cause transaction errors, loss of customers and sales, and could have negative consequences to our Company, our employees and those with whom we do business. This in turn could have a negative impact on our financial condition and results or operations. In addition, the cost to remediate any damages to our information technology systems suffered as a result of a cyber attack, ransomware or other security breach could be significant.

Complications with the design or implementation of our new enterprise resource planning system could adversely impact our business and operations.

We rely extensively on information systems and technology to manage our business and summarize operating results. We are in the process of a multi-year implementation of a new global enterprise resource planning ("ERP") system; specifically, in April 2024, we operationalized the final phase of our project by implementing our new ERP system in the North America Confectionery segment and select business units included in our International segment. This ERP system replaces our legacy operating and financial systems and is designed to accurately maintain the Company's financial records, enhance operational functionality and provide timely information to the Company's management team related to the operation of the business. The ERP system implementation process has required, and will continue to require, the investment of significant personnel and financial resources as we support post-implementation efforts and system functionality. We may not be able to successfully support post-implementation efforts without experiencing delays, increased costs and other difficulties. Any disruptions or difficulties in using our ERP system could result in harm to our business, including our ability to forecast, manufacture or facilitate the shipment of our product, record net sales and collect our outstanding receivables. If we are unable to successfully manage post-implementation efforts related to our new ERP system as planned, our financial positions, results of operations and cash flows could be negatively impacted. Additionally, if the ERP system does not operate as intended, the effectiveness of our internal control over financial reporting could be adversely affected or our ability to assess those controls adequately could be further delayed.

Item 1B. *UNRESOLVED STAFF COMMENTS*

None.

Item 1C. *CYBERSECURITY*

Cybersecurity Risk Management and Strategy

Information technology is important to our business operations, and we are committed to protecting the privacy, security and integrity of our data, as well as our employee and customer data. The Company has a comprehensive cybersecurity program in place for assessing, identifying and managing cybersecurity risks that is designed to protect its systems and data from unauthorized access, use or other security impact, that is aligned with the National Institute of Standards and Technology ("NIST"). This program is integrated into the Company's overall Enterprise Risk Management and Resiliency process.

We continuously monitor and update our information technology networks and infrastructure to prevent, detect, address and mitigate risks associated with unauthorized access, misuse, computer viruses and other events that could have a security impact. We invest in industry standard security technology to protect the Company's data and business processes against risk of cybersecurity incidents. Our data security management program includes identity, trust, vulnerability and threat management business processes, as well as adoption of standard data protection policies. We measure our data security effectiveness by benchmarking against industry-accepted methods and we work to remediate any significant findings. We maintain and routinely test backup systems and disaster recovery and also have processes in place to prevent disruptions resulting from our implementation of new software and systems.

The Company has a comprehensive incident response plan to address cybersecurity incidents. The Company's incident response plan includes procedures for identifying, containing and responding to cybersecurity incidents and is subject to regular review and assessment to ensure that it is effective in protecting the Company's information technology. To date, the Company believes that its cybersecurity program has been effective in protecting the confidentiality, integrity, and availability of its information; however, the Company cannot guarantee that its cybersecurity program will be successful in preventing all cybersecurity incidents. Further, we currently maintain a cyber insurance policy that provides coverage for security breaches; however, such insurance may not be sufficient in type or amount to cover us against claims related to security breaches, cyber-attacks and other related breaches.

The Company engages external parties , including consultants, computer security firms and risk management and governance experts, to enhance its cybersecurity oversight. In order to oversee and identify risks from cybersecurity threats associated with the Company's use of third-party service providers, we also have a third-party risk management program designed to help protect against the misuse of information technology by third parties and business partners, which includes certification of our major technology suppliers and any outsourced services through accepted security certification standards.

While we are regularly subject to cybersecurity attacks, ransomware and other security breaches, the Company has not experienced any material cybersecurity incidents or a series of related unauthorized occurrences for the year ended December 31, 2024. The Company does not believe that there are currently any known risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company or its business strategy, results of operations or financial condition. However, as discussed under "Item 1A. Risk Factors," specifically the risks titled "Disruptions, failures or security breaches of our information technology infrastructure could have a negative impact on our operations," the sophistication of cyber, ransomware and other security threats continues to increase, and the preventative actions we take to reduce the risk of these incidents and protect our systems and information may be insufficient. Accordingly, no matter how well designed or implemented our controls are, we will not be able to anticipate all cybersecurity attacks, ransomware and other security breaches and we may not be able to implement effective preventive measures against such security breaches in a timely manner.

Cybersecurity Governance and Oversight

The Company's Board of Directors has a mix of experiences, skills, qualifications and backgrounds to support strategy and risk oversight, including expertise in cybersecurity and oversight of cybersecurity matters. This oversight is achieved through the Company's Finance and Risk Management ("F&RM") Committee, which is comprised of five members of our Board of Directors, and one Board member who serves in an ex-officio capacity. The F&RM Committee is responsible for reviewing key enterprise risks identified through our Enterprise Risk Management and Resiliency process, which includes information security strategies and risks, as well as data privacy and protection risks and mitigation strategies (collectively, "Information Security"). At each regularly scheduled F&RM Committee meeting, management, through the Company's Chief Information Security Officer ("CISO"), reports on Information Security controls, audits, guidelines and developments and the F&RM Committee is notified between such updates regarding significant new cybersecurity threats or incidents.

The CISO, who reports to the Chief Technology Officer ("CTO"), oversees a dedicated Information Security team that is supported by the Privacy Center of Excellence, and works in partnership with internal audit to review certain information technology-related internal controls with our independent auditors as part of the overall internal controls process. The Chief Information Officer ("CIO"), who also reports to the CTO, focuses on our technology modernization priorities, integrating innovative technology solutions to support our business goals, and leading enterprise-wide IT transformation initiatives. Our CTO, who reports to the Chief Executive Officer, has oversight of our Information Security team and leads the company's global technology strategy, architecting and deploying digital capabilities that are innovative, flexible and prepared to meet the changing needs of our consumers, retail partners and employees.

The CISO's cybersecurity experience includes over thirty years of Information Technology experience, including twenty years within the Information Security field. The CISO's Information Security roles have included security engineering, security architecture, strategy development and execution, risk and compliance management and identity and access management and incident response. The Company's CIO has over twenty years of experience, including leading digital transformation and global information technology governance. The Company's CTO has over twenty years of experience, including deep expertise in developing cutting-edge automated systems, supply chain planning, optimization and simulation, artificial intelligence and predictive analytics. Additional experience held by the CTO is described further under Information about Our Executive Officers .

To ensure our employees are educated on potential cybersecurity threats or actions, we train our executive officers and global workforce on an ongoing basis in the event of a potential cyber threat or cybersecurity incident. Our Company-wide Information Security training program includes security awareness training, including regular phishing simulations, acceptable use training, cyber wellness trainings and other targeted trainings throughout the year. Additional training mechanisms we may use to assess, identify, and manage risks from cybersecurity threats, include simulations, tabletop exercises and response readiness tests to test our preparedness and incident response process. These trainings provide employees the opportunity to gain an understanding of the various forms of cybersecurity incidents and enable our employees to handle and report any suspicious activity or threat.

Item 2. *PROPERTIES*

Our principal properties include the following:

Country	Location	Type	Status (Own/Lease)
United States	Hershey, Pennsylvania (3 principal plants)	Manufacturing—confectionery products and pantry items	Own
	Lancaster, Pennsylvania	Manufacturing—confectionery products	Own
	Hazleton, Pennsylvania	Manufacturing—confectionery products	Own
	Robinson, Illinois	Manufacturing—confectionery products and pantry items	Own
	Stuarts Draft, Virginia	Manufacturing—confectionery products and pantry items	Own
	Edgerton, Kansas	Manufacturing—salty snack products	Own
	Bluffton, Indiana	Manufacturing—salty snack products	Lease
	Plymouth, Indiana	Manufacturing—salty snack products	Lease
	Lawrence, Kansas	Manufacturing—salty snack products	Lease
	Whitestown, Indiana	Manufacturing—salty snack products	Lease
	Annville, Pennsylvania	Distribution	Own
	Palmyra, Pennsylvania	Distribution	Own
	Edwardsville, Illinois	Distribution	Own
	Ogden, Utah	Distribution	Own
	Kennesaw, Georgia	Distribution	Lease
	Whitestown, Indiana	Distribution	Lease
	Hershey, Pennsylvania	Corporate administrative	Lease
	New York, New York	Retail	Lease
Canada	Brantford, Ontario	Distribution	Own
Mexico	Monterrey, Mexico	Manufacturing—confectionery products	Own
	El Salto, Mexico	Manufacturing—confectionery products and pantry items	Own
Malaysia	Johor, Malaysia	Manufacturing—confectionery products	Own

In addition to the locations indicated above, we also own or lease several other properties and buildings worldwide which we use for manufacturing, sales, distribution and administrative functions. Our facilities are well maintained and generally have adequate capacity to accommodate seasonal demands, changing product mixes and certain additional growth. We regularly improve our facilities to incorporate the latest technologies. The largest facilities are located in Hershey, Lancaster and Hazleton, Pennsylvania; Monterrey and El Salto, Mexico; and Stuarts Draft, Virginia. The U.S., Canada and Mexico facilities in the table above primarily support our North America Confectionery and North America Salty Snacks segments, while the Malaysia facility primarily serves our International segment. As discussed in Note 13 to the Consolidated Financial Statements, we do not manage our assets on a segment basis given the integration of certain manufacturing, warehousing, distribution and other activities in support of our global operations.

Item 3. *LEGAL PROCEEDINGS*

Information on legal proceedings is included in Note 15 to the Consolidated Financial Statements.

Item 4. *MINE SAFETY DISCLOSURES*

Not applicable.

SUPPLEMENTAL ITEM. INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The executive officers of the Company, their positions and, as of February 10, 2025, their ages are set forth below.

Name	Age	Positions Held During the Last Five Years
Andrew Archambault (1)	51	President, U.S. Confection (February 2025)
Deepak Bhatia (2)	51	Senior Vice President, Chief Technology Officer (October 2023)
Michele G. Buck	63	Chairman of the Board, President and Chief Executive Officer (October 2019)
Rohit Grover	52	President, International (April 2019)
Jennifer L. McCalman (3)	47	Vice President, Chief Accounting Officer (February 2021); Senior Director, Global Controller (March 2019)
Jason R. Reiman	53	Senior Vice President, Chief Supply Chain Officer (June 2019)
Christopher M. Scalia	49	Senior Vice President, Chief Human Resources Officer (January 2020); Vice President, Global Human Resources (March 2018)
James Turoff	48	Senior Vice President, General Counsel and Secretary (May 2021); Acting General Counsel (December 2020); Vice President, Deputy General Counsel (March 2019)
Veronica Villasenor	45	President, Salty Snacks (February 2025); Vice President, General Manager Salty Snacks (April 2023); Vice President, General Manager Dot's and Pretzels, Inc. (August 2022); Vice President, Marketing US Confection (July 2021); Vice President, Marketing Chocolate (February 2020)
Steven E. Voskuil	56	Senior Vice President, Chief Financial Officer (February 2021); Senior Vice President, Chief Financial Officer and Chief Accounting Officer (November 2019)

There are no family relationships among any of the above-named officers of our Company.

(1) Mr. Archambault was appointed President, U.S. Confection effective February 3, 2025. Prior to joining our Company he was President, U.S. Refreshment Beverages (November 2023), President, Commercial & Beverage Concentrates (August 2022), Chief Customer Officer (October 2018), and Senior Vice President of Commercial Strategy (December 2017) for Keurig Dr. Pepper (formerly Keurig Green Mountain), a beverage and coffeemaker company.

(2) Mr. Bhatia was appointed Senior Vice President, Chief Technology Officer effective October 23, 2023. Prior to joining our Company he was the Vice President of Supply Chain Optimization Technologies (August 2021) and Vice President of Technology, Inventory Planning & Control in Supply Chain Optimization Technologies (March 2019) at Amazon.com, Inc., a multinational technology company.

(3) Ms. McCalman was appointed Vice President, Chief Accounting Officer effective February 23, 2021. Prior to joining our Company she was Senior Director and Assistant Controller for Keurig Dr. Pepper (formerly Keurig Green Mountain) (May 2017), a beverage and coffeemaker company.

Our Executive Officers are generally appointed each year at the organization meeting of the Board in May.

PART II

Item 5. *MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

Our Common Stock is listed and traded principally on the New York Stock Exchange under the ticker symbol "HSY." The Class B Common Stock ("Class B Stock") is not publicly traded.

The closing price of our Common Stock on December 31, 2024 (the last business day of the of the fiscal year) was $169.35. There were 23,068 stockholders of record of our Common Stock and 5 stockholders of record of our Class B Stock as of December 31, 2024.

We paid $1,084.8 million in cash dividends on our Common Stock and Class B Stock in 2024 and $889.1 million in 2023. The annual dividend rate on our Common Stock in 2024 was $5.480 per share.

On February 5, 2025, our Board declared a quarterly dividend of $1.370 per share of Common Stock payable on March 14, 2025, to stockholders of record as of February 17, 2025. It is the Company's 380th consecutive quarterly Common Stock dividend. A quarterly dividend of $1.245 per share of Class B Stock also was declared.

Unregistered Sales of Equity Securities and Use of Proceeds

None.

Issuer Purchases of Equity Securities

There were no purchases of shares of Common Stock made by or on behalf of Hershey, or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934, as amended) of Hershey, for each fiscal month in the three months ended December 31, 2024.

In July 2018, our Board of Directors approved a $500 million share repurchase authorization to repurchase shares of our Common Stock. As a result of the February 2023 Stock Purchase Agreement with Hershey Trust Company, as trustee for the Milton Hershey School Trust (the "School Trust"), the July 2018 share repurchase authorization was completed. In May 2021, our Board of Directors approved an additional $500 million share repurchase authorization, which was completed as of March 31, 2024. In December 2023, our Board of Directors approved an additional $500 million share repurchase authorization. This program commenced after the existing May 2021 authorization was completed and is to be utilized at management's discretion. Approximately $470 million remains available for repurchases under our December 2023 share repurchase authorization. We are authorized to purchase our outstanding shares in open market and privately negotiated transactions. The program has no expiration date and acquired shares of Common Stock will be held as treasury shares. Purchases under approved share repurchase authorizations are in addition to our practice of buying back shares sufficient to offset those issued under incentive compensation plans.

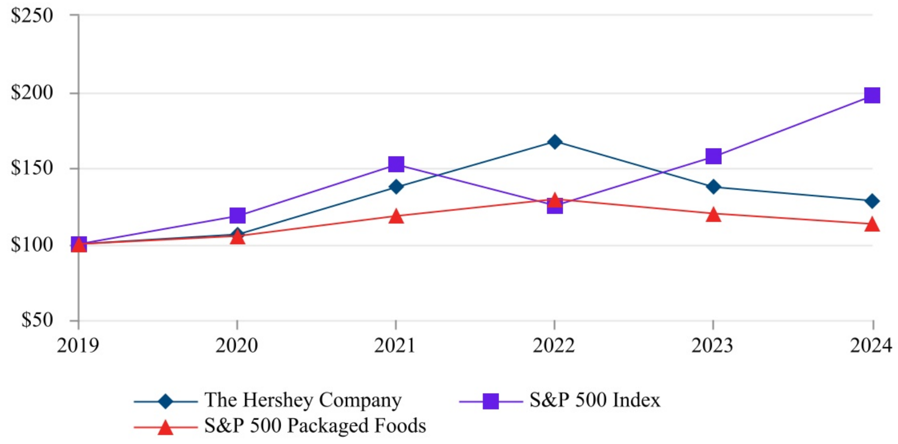
In February 2023, the Company entered into a Stock Purchase Agreement with Hershey Trust Company, as trustee for the School Trust, pursuant to which the Company purchased 1,000,000 shares of the Company's Common Stock from the School Trust at a price equal to $239.91 per share, for a total purchase price of $239.9 million.

In February 2022, the Company entered into a Stock Purchase Agreement with Hershey Trust Company, as trustee for the School Trust, pursuant to which the Company purchased 1,000,000 shares of the Company's Common Stock from the School Trust at a price equal to $203.35 per share, for a total purchase price of $203.4 million.

Stockholder Return Performance Graph

The following graph compares our cumulative total stockholder return (Common Stock price appreciation plus dividends, on a reinvested basis) over the last five fiscal years with the Standard & Poor's 500 Index and the Standard & Poor's 500 Packaged Foods Index.

Comparison of 5 Year Cumulative Total Return*
Among The Hershey Company, the S&P 500 Index,
and the S&P 500 Packaged Foods Index



Company/Index	December 31, 2019		2020		2021		2022		2023		2024	
The Hershey Company	$	100	$	106	$	137	$	167	$	137	$	128
S&P 500 Index	$	100	$	118	$	152	$	125	$	157	$	197
S&P 500 Packaged Foods Index	$	100	$	105	$	118	$	129	$	120	$	113

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Item 6. ***[RESERVED]***

Item 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

This Management's Discussion and Analysis ("MD&A") is intended to provide an understanding of Hershey's financial condition, results of operations and cash flows by focusing on changes in certain key measures from year to year. The MD&A should be read in conjunction with our Consolidated Financial Statements and accompanying Notes included in Item 8 of this Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed elsewhere in this Annual Report on Form 10-K, particularly in Item 1A. "Risk Factors."

The MD&A is organized in the following sections:

- Business Model and Growth Strategy
- Overview
- Trends Affecting Our Business
- Consolidated Results of Operations
- Segment Results
- Liquidity and Capital Resources
- Critical Accounting Policies and Estimates

BUSINESS MODEL AND GROWTH STRATEGY

We are the largest producer of quality chocolate in North America, a leading snack maker in the United States and a global leader in chocolate and non-chocolate confectionery. We report our operations through three segments: (i) North America Confectionery, (ii) North America Salty Snacks and (iii) International, as discussed in Note 13 to the Consolidated Financial Statements.

Our vision is to be a leading snacking powerhouse. We aspire to be a leader in meeting consumers' evolving snacking needs while strengthening the capabilities that drive our growth. We are focused on four strategic imperatives to ensure the Company's success now and in the future:

- *Drive Core Confection Business and Broaden Participation in Snacking* . We continue to be the undisputed leader in U.S. confection by taking actions to deepen our consumer connections and utilize our beloved brands to deliver meaningful innovation, while also diversifying our portfolio to capture profitable and incremental growth across the broader snacking continuum.
    - Our products frequently play an important role in special moments among family and friends. Seasons are an important part of our business model and for consumers, as they are highly anticipated, cherished times, centered around traditions. For us, it's an opportunity for our brands to be part of many connections during the year when family and friends gather.
    - Innovation is an important lever in this variety-seeking category and we are leveraging work from our proprietary demand landscape analytical tool to shape our future innovation and make it more impactful. We are becoming more disciplined in our focus on platform innovation, which should enable sustainable growth over time and significant extensions to our core.
    - To expand our breadth in snacking and become a leading snacking powerhouse, we are focused on continuing to expand the boundaries of our core confection brands to capture new snacking occasions and increasing our exposure into new snack categories through acquisitions.

- *Deliver Profitable International Growth*. We are focused on ensuring that we efficiently allocate our resources to the areas with the highest potential for profitable growth. We have reset our international investment strategy, while holding fast to our belief that our targeted emerging market strategy will deliver long-term, profitable growth. The uncertain macroeconomic environment in many of these markets is expected to continue and we aim to ensure our investments in these international markets are appropriate relative to the size of the opportunity.

- *Expand Competitive Advantage through Differentiated Capabilities*. In order to generate actionable insights, we must acquire, integrate, access and utilize vast sources of the right data in an effective manner. We are working to leverage our advanced data and analytical techniques to gain a deep understanding of our consumers, our customers, our shoppers, our end-to-end supply chain, our retail environment and key economic drivers at both a macro and precision level, including digital transformation and new media models. In addition, we are in the process of transforming our supply chain capabilities and enterprise resource planning system, which will enable employees to work more efficiently and effectively.

- *Responsibly Manage Our Operations to Ensure the Long-Term Sustainability of Our Business, Our Planet and Our People*. We are a purpose-driven company and for more than a century, our iconic brands have been built on a foundation of community investment and connections between people around the world. We could not have achieved this without our remarkable employees who make our purpose a reality. We believe our long-standing values make our Company a special place to work.
    - We believe our employees are among our most important resources and are critical to our continued success. We utilize continuous listening surveys that are distributed throughout the year to all employees globally to hear their thoughts on the Company's direction and their place in it. These continuous touchpoints allow for real-time feedback and action from the Company. These surveys are further supplemented with quarterly and informative enterprise summits and team "Ask Me Anything" meetings, which, in conjunction with the continuous listening surveys, generate stronger employee engagement with the Company's strategy, initiatives and leadership.
    - Our diverse and inclusive culture makes the difference across all areas of the business. Our gender representation includes women occupying many of the top positions in the Company, including Chief Executive Officer and Chairman of the Board, Chief Accounting Officer and President, Salty Snacks, and approximately 50% representation across the Company. Additionally, four of our 10 Board members are women (40% representation). In 2024, we maintained fair and equitable pay achievements, including aggregate salary U.S. gender pay equity and aggregate U.S. salary people of color pay equity.
    - We continue to make progress on our ESG priorities and continue to elevate these ESG initiatives for a greater global impact. Through our focus on sustainability and social impact across our value chain, we continue to improve and focus on the lives of cocoa farmers and cocoa communities, the environmental priorities of climate change and the role of packaging in our business, responsibly and sustainably sourcing the inputs to our products and increasing investments in human rights and diversity initiatives and growing diverse representation across the organization.

OVERVIEW

Hershey is a global confectionery leader known for making more moments of goodness through chocolate, sweets, mints and other great tasting snacks. We are the largest producer of quality chocolate in North America, a leading snack maker in the United States and a global leader in chocolate and non-chocolate confectionery. We market, sell and distribute our products under more than 90 brand names in approximately 70 countries worldwide.

Our principal product offerings include chocolate and non-chocolate confectionery products; gum and mint refreshment products and protein bars; pantry items, such as baking ingredients, toppings and beverages; and snack items such as spreads, bars, and snack bites and mixes, popcorn and pretzels.

Business Acquisitions

On November 8, 2024, we completed the acquisition of the Sour Strips brand from Actual Candy, LLC. Sour Strips is an emerging sour candy brand and is available in a wide range of food distribution channels in the United States.

On May 31, 2023, we completed the acquisition of certain assets that provide additional manufacturing capacity from Weaver Popcorn Manufacturing, Inc. ("Weaver"), a leader in the production and co-packing of microwave popcorn and ready-to-eat popcorn, and former co-manufacturer of the Company's *SkinnyPop* brand.

TRENDS AFFECTING OUR BUSINESS

Throughout 2024, U.S. consumer behavior continued to shift and evolve, as cost fatigue and labor markets restrict income growth and constrain consumer spending and purchasing patterns. As a result, consumer behavior related to our products has shifted. As such, for the year ended December 31, 2024,we continued to experience a dynamic macroeconomic environment, including price volatility related to select commodities, resulting in corresponding incremental costs and gross margin pressures, and net sales and net income declines. Despite specific actions taken to mitigate these gross margin pressures, we continue to experience overall declines in consumer demands for our products, and higher prices for direct materials used to manufacture our products were, and continue to be, the primary incremental cost to our business (see Consolidated Results of Operations included in this MD&A). We utilize many exchange traded commodities for our business that are subject to price volatility, specifically cocoa products, which experienced a market price increase of approximately 70% throughout 2024 (see Item 7A - Quantitative and Qualitative Disclosures about Market Risk included in this Annual Report on Form 10-K).

Furthermore, certain geopolitical events, specifically the conflict between Russia and Ukraine, as well as the imposition of tariffs on U.S. imports and retaliatory tariffs in response, have increased global economic and political uncertainty. For the year ended December 31, 2024, neither the conflict between Russia and Ukraine, nor the imposition of tariffs on U.S. imports and retaliatory tariffs, had a material impact on our commodity prices or supply availability. However, we are continuing to monitor each of these events for any significant escalation or expansion of economic or supply chain disruptions or broader inflationary costs, which may result in material adverse effects on our results of operations.

As of December 31, 2024, we believe we have sufficient liquidity to satisfy our key strategic initiatives and other material cash requirements in both the short-term and in the long-term; however, we continue to evaluate and take action, as necessary, to preserve adequate liquidity and ensure that our business can operate effectively during the current economic environment. We continue to monitor our discretionary spending across the organization (see Liquidity and Capital Resources included in this MD&A).

Based on the length and severity of the fluctuating macroeconomic environment, including price volatility for our commodities, the possibility of a recession, changes in consumer shopping and consumption behavior, and changes in geopolitical events, including the ongoing conflict between Russia and Ukraine, we may experience increasing supply chain costs, higher inflation and other impacts to our business. We will continue to evaluate the nature and extent of these potential and evolving impacts on our business, consolidated results of operations, segment results, liquidity and capital resources.

CONSOLIDATED RESULTS OF OPERATIONS

For the years ended December 31,	2024	2023	2022	Percent Change 2024 vs 2023	Percent Change 2023 vs 2022
In millions of dollars except per share amounts					
Net sales	$ 11,202.3	$ 11,165.0	$ 10,419.3	0.3 %	7.2 %
Cost of sales	5,901.4	6,167.2	5,920.5	(4.3)%	4.2 %
Gross profit	5,300.9	4,997.8	4,498.8	6.1 %	11.1 %
Gross margin	*47.3 %*	*44.8 %*	*43.2 %*		
Selling, Marketing & Administrative ("SM&A") expense	2,373.6	2,436.5	2,236.0	(2.6)%	9.0 %
SM&A expense as a percent of net sales	*21.2 %*	*21.8%*	*21.5%*		
Business realignment costs	29.1	0.4	2.0	NM	(77.8)%
Operating profit	2,898.2	2,560.9	2,260.8	13.2 %	13.3 %
Operating profit margin	*25.9 %*	*22.9 %*	*21.7 %*		
Interest expense, net	165.7	151.8	137.6	9.1 %	10.3 %
Other (income) expense, net	258.6	237.2	206.1	9.0 %	15.1 %
Provision for income taxes	252.7	310.1	272.3	(18.5)%	13.9 %
Effective income tax rate	*10.2 %*	*14.3 %*	*14.2 %*		
Net income	$ 2,221.2	$ 1,861.8	$ 1,644.8	19.3 %	13.2 %
Net income per share—diluted	$ 10.92	$ 9.06	$ 7.96	20.5 %	13.8 %

Note: Percentage changes may not compute directly as shown due to rounding of amounts presented above.

NM = not meaningful

Net Sales

2024 compared with 2023

Net sales were $11,202.3 million in 2024 compared to $11,165.0 million in 2023, an increase of $37.3 million, or 0.3%. The net sales increase reflects a favorable price realization of approximately 3% primarily due to higher list prices in the North America Confectionery and International segments, partially offset by declines in North America Salty Snacks. The increase was partially offset by a volume decrease of approximately 2% due to declines in the North America Confectionery and International segments, partially offset by an increase in North America Salty Snacks. The increase was further offset by a minimal unfavorable impact from foreign currency exchange rates.

2023 compared with 2022

Net sales were $11,165.0 million in 2023 compared to $10,419.3 million in 2022, an increase of $745.7 million, or 7.2%. The net sales increase reflects a favorable price realization of 8.3% due to higher list prices across all segments and by a favorable impact from foreign currency exchange rates of 0.2%. The increase was slightly offset by a volume decrease of 1.3% due to a decrease in consumer demand primarily in everyday core U.S. confection brands.

Key U.S. Marketplace Metrics

For the full year 2024, our total U.S. retail takeaway increased 0.8% in the expanded multi-outlet combined plus convenience store channels (MULO+ w/ Convenience), which includes candy, mint, gum, salty snacks and grocery items. Our U.S. candy, mint and gum ("CMG") consumer takeaway increased 0.1% and experienced a CMG market share decline of 59 basis points. Our Salty consumer takeaway increased 4.2% and experienced a Salty market share increase of 11 basis points.

The CMG consumer takeaway and market share information reflect measured channels of distribution accounting for approximately 90% of our U.S. confectionery retail business. These channels of distribution primarily include food, drug, mass merchandisers and convenience store channels, plus Wal-Mart Stores, Inc., partial dollar, club and military channels. These metrics are based on measured market scanned purchases as reported by Circana, the Company's market insights and analytics provider, and provide a means to assess our retail takeaway and market position relative to the overall category.

Cost of Sales and Gross Margin

2024 compared with 2023

Cost of sales were $5,901.4 million in 2024 compared to $6,167.2 million in 2023, a decrease of $265.8 million, or 4.3%. The decrease included $637.9 million of favorable costs, driven by an incremental $563.0 million of favorable mark-to-market activity on our commodity derivative instruments intended to economically hedge future years' commodity purchases (See Item 7A - Quantitative and Qualitative Disclosures About Market Risk for more information) and lower costs, primarily related to lower sales volume, in line with the declines in net sales noted above. The decrease was partially offset by $372.1 million of higher costs, primarily driven by higher commodity costs from cocoa, higher supply chain costs, unfavorable mix and incremental business realignment costs.

Gross margin was 47.3% in 2024 compared with 44.8% in 2023, an increase of 250 basis points. The increase was driven by favorable year-over-year mark-to-market impact from commodity derivative instruments, favorable price realization and volume declines. The increase was partially offset by higher commodity costs, unfavorable product mix and increased business realignment costs.

2023 compared with 2022

Cost of sales were $6,167.2 million in 2023 compared with $5,920.5 million in 2022, an increase of $246.7 million, or 4.2%. The increase included $356.2 million of unfavorable costs driven by higher supply chain costs, including higher labor costs partially offset by lower logistics costs, and unfavorable mix. The increase was further driven by an incremental $97.7 million of unfavorable mark-to-market activity on our commodity derivative instruments intended to economically hedge future years' commodity purchases. These increases were partially offset by $207.2 million of favorable supply chain productivity and price realization.

Gross margin was 44.8% in 2023 compared with 43.2% in 2022, an increase of 160 basis points. The increase was driven by favorable price realization and increased supply chain productivity. The increase was partially offset by unfavorable activity on our mark-to-market impact from commodity derivative instruments, higher supply chain costs, including higher labor costs and increased waste. The increase was further driven by unfavorable mix and foreign exchange rates.

Selling, Marketing and Administrative

2024 compared with 2023

Selling, marketing and administrative ("SM&A") expenses were $2,373.6 million in 2024 compared to $2,436.5 million in 2023, a decrease of $62.9 million, or 2.6%. The decrease was driven by lower corporate expenses. Total advertising and related consumer marketing expenses declined 0.1%% driven by North America Confectionery, significantly offset by increased spending in North America Salty Snacks. SM&A expenses, excluding advertising and related consumer marketing, decreased approximately 3.8% in 2024 driven by lower compensation and benefit costs across segments.

2023 compared with 2022

SM&A expenses were $2,436.5 million in 2023 compared to $2,236.0 million in 2022, an increase of $200.5 million, or 9.0%. The increase was driven by increased corporate expenses. Total advertising and related consumer marketing expenses increased 12.2% driven by North America Confectionery and North America Salty Snacks. SM&A expenses, excluding advertising and related consumer marketing, increased approximately 7.5% in 2023 driven by higher compensation costs and investments in capabilities and technology across segments.

Business Realignment Activities

We periodically undertake business realignment activities designed to increase our efficiency and focus our business in support of our key growth strategies. In 2024, 2023 and 2022, we recorded business realignment costs of $29.1 million, $0.4 million and $2.0 million, respectively. The 2024 costs related primarily to the Advancing Agility &

Automation Initiative that the Board of Directors approved in February 2024. The Advancing Agility & Automation Initiative, which is a multi-year productivity program to improve supply chain and manufacturing-related spend, optimize selling, general and administrative expenses, leverage new technology and business models to further simplify and automate processes, and generate long-term savings. The 2023 and 2022 costs related primarily to the International Optimization Program, a program focused on optimizing our China operating model to improve our operational efficiency and provide for a strong, sustainable and simplified base going forward. Costs associated with business realignment activities are classified in our Consolidated Statements of Income as described in Note 9 to the Consolidated Financial Statements.

Operating Profit and Operating Profit Margin

2024 compared with 2023

Operating profit was $2,898.2 million in 2024 compared to $2,560.9 million in 2023, an increase of $337.3 million, or 13.2%. The increase was predominantly due to higher gross profit and lower SM&A expenses partially offset by higher business realignment costs, as noted above. Operating profit margin increased to 25.9% in 2024 from 22.9% in 2023 by the same factors noted above in gross margin.

2023 compared with 2022

Operating profit was $2,560.9 million in 2023 compared to $2,260.8 million in 2022, an increase of $300.1 million, or 13.3%. The increase was predominantly due to higher gross profit, partially offset by higher SM&A expenses, as noted above. Operating profit margin decreased to 22.9% in 2023 from 21.7% in 2022 by the same factors noted above in gross margin.

Interest Expense, Net

2024 compared with 2023

Net interest expense was $165.7 million in 2024 compared to $151.8 million in 2023, an increase of $13.9 million, or 9.1%. The increase was primarily due to higher short-term debt balances in 2024 compared to 2023, specifically related to outstanding commercial paper. The increase in the expense was partially offset by a decrease in short-term foreign bank borrowings and an increase in interest income

2023 compared with 2022

Net interest expense was $151.8 million in 2023 compared to $137.6 million in 2022, an increase of $14.2 million, or 10.3%. The increase was primarily due to higher rates on short-term debt balances in 2023 versus 2022, specifically related to outstanding commercial paper borrowings, and higher rates on long-term debt balances, specifically related to the $350 million 4.25% Notes due in May 2028 and $400 million 4.50% Notes due in May 2033, each of which were issued in May 2023. The increase in the expense was partially offset by an increase in interest income.

Other (Income) Expense, Net

2024 compared with 2023

Other (income) expense, net totaled an expense of $258.6 million in 2024 versus an expense of $237.2 million in 2023, an increase of $21.4 million, or 9.0%. The increase in the net expense was primarily driven by an increase of $32.8 million of higher write-downs on equity investments qualifying for tax credits in 2024 versus 2023, partially offset by a decrease of $10.6 million of lower non-service cost components of net periodic benefit cost relating to pension and other post-retirement benefit plans.

2023 compared with 2022

Other (income) expense, net totaled an expense of $237.2 million in 2023 versus an expense of $206.1 million in 2022, an increase of $31.1 million, or 15.1%. The increase in the net expense was primarily driven by an increase of $22.2 million of higher write-downs on equity investments qualifying for tax credits in 2023 versus 2022 and an increase of $9.5 million of higher non-service cost components of net periodic benefit cost relating to pension and other post-retirement benefit plans.

Income Taxes and Effective Tax Rate

2024 compared with 2023

Our effective income tax rate was 10.2% for 2024 compared with 14.3% for 2023 . Relative to the 21% s tatutory rate, the 2024 effective tax rate benefited from investment tax credits, partially offset by state taxes. The 2023 effective rate, relative to the 21% statutory rate, benefited from investment tax credits, partially offset by state taxes.

2023 compared with 2022

Our effective income tax rate was 14.3% for 2023 compared with 14.2% for 2022. Relative to the 21% statutory rate, the 2023 effective tax rate benefited from investment tax credits, partially offset by state taxes. The 2022 effective rate, relative to the 21% statutory rate, benefited from investment tax credits, partially offset by state taxes.

Net Income and Earnings Per Share-diluted

2024 compared with 2023

Net income was $2,221.2 million in 2024 compared to $1,861.8 million in 2023, an increase of $359.4 million, or 19.3%. Earnings Per Share ("EPS")-diluted was $10.92 in 2024 compared to $9.06 in 2023, an increase of $1.86, or 20.5%. The increase in both net income and EPS-diluted was driven primarily by higher gross profit, lower SM&A expenses and lower income taxes, partially offset by higher business realignment costs and higher other income and expenses. Our 2024 EPS-diluted benefited from lower weighted-average shares outstanding as a result of share repurchases pursuant to our Board-approved repurchase programs.

2023 compared with 2022

Net income was $1,861.8 million in 2023 compared to $1,644.8 million in 2022, an increase of $217.0 million, or 13.2%. EPS-diluted was $9.06 in 2023 compared to $7.96 in 2022, an increase of $1.1, or 13.8%. The increase in both net income and EPS-diluted was driven primarily by higher gross profit, partially offset by higher SM&A expenses, higher income taxes, and higher other income and expenses. Our 2023 EPS-diluted also benefited from lower weighted-average shares outstanding as a result of share repurchases pursuant to our Board-approved repurchase programs.

SEGMENT RESULTS

The summary that follows provides a discussion of the results of operations of our three segments: North America Confectionery, North America Salty Snacks and International. For segment reporting purposes, we use “segment income” to evaluate segment performance and allocate resources. Segment income excludes unallocated general corporate administrative expenses, unallocated mark-to-market gains and losses on commodity derivatives, business realignment and impairment charges, acquisition-related costs and other unusual gains or losses that are not part of our measurement of segment performance. These items of our operating income are largely managed centrally at the corporate level and are excluded from the measure of segment income reviewed by our Chief Operating Decision Maker, Michele Buck, Chairman of the Board, President, and Chief Executive Officer, and used for resource allocation and internal management reporting and performance evaluation. Segment income and segment income margin, which are presented in the segment discussion that follows, are non-GAAP measures and do not purport to be alternatives to operating income as a measure of operating performance. We believe that these measures are useful to investors and other users of our financial information in evaluating ongoing operating profitability as well as in evaluating operating performance in relation to our competitors, as they exclude the activities that are not directly attributable to our ongoing segment operations. Refer to Note 13 Segment Information in our audited consolidated financial statements for reconciliations of net sales for our reportable segments to consolidated total net sales and of segment operating income to consolidated income before taxes.

Our segment results, including a reconciliation to our consolidated results, were as follows:

For the years ended December 31,	**2024**	**2023**	**2022**
In millions of dollars			
Net Sales:			
North America Confectionery	$ 9,118.6	$ 9,123.1	$ 8,536.5
North America Salty Snacks	1,135.7	1,092.7	1,029.4
International	948.0	949.2	853.4
Total	$ 11,202.3	$ 11,165.0	$ 10,419.3
Segment Income:			
North America Confectionery	$ 2,945.7	$ 3,117.0	$ 2,811.1
North America Salty Snacks	199.4	158.3	159.9
International	111.5	148.3	107.9
Total segment income	3,256.6	3,423.6	3,078.9
Unallocated corporate expense (1)	701.2	800.4	735.5
Unallocated mark-to-market (gains) losses on commodity derivatives (2)	(460.4)	58.9	78.2
Costs associated with business realignment activities	117.5	3.4	4.4
Operating profit	2,898.3	2,560.9	2,260.8
Interest expense, net	165.7	151.8	137.6
Other (income) expense, net	258.6	237.2	206.2
Income before income taxes	$ 2,474.0	$ 2,171.9	$ 1,917.0

(1) Includes centrally-managed (a) corporate functional costs relating to legal, treasury, finance and human resources, (b) expenses associated with the oversight and administration of our global operations, including warehousing, distribution and manufacturing, information systems and global shared services, (c) non-cash stock-based compensation expense, (d) acquisition-related costs and (e) other gains or losses that are not integral to segment performance.

(2) Net losses (gains) on mark-to-market valuation of commodity derivative positions recognized in unallocated derivative losses (gains). See Note 13 to the Consolidated Financial Statements.

North America Confectionery

The North America Confectionery segment is responsible for our chocolate and non-chocolate confectionery market position in the United States and Canada. This includes developing and growing our business in chocolate and non-chocolate confectionery, gum and refreshment products, protein bars, spreads, snack bites and mixes, as well as pantry and food service lines. While a less significant component, this segment also includes our retail operations, including Hershey's Chocolate World stores in Hershey, Pennsylvania; New York, New York; Las Vegas, Nevada; Niagara Falls (Ontario) and Singapore, as well as operations associated with licensing the use of certain trademarks and products to third parties around the world. North America Confectionery accounted for 81.4%, 81.7% and 81.9% of our net sales in 2024, 2023 and 2022, respectively. North America Confectionery results for the years ended December 31, 2024, 2023 and 2022 were as follows:

				Percent Change	
For the years ended December 31,	**2024**	**2023**	**2022**	**2024 vs 2023**	**2023 vs 2022**
In millions of dollars					
Net sales	$ 9,118.6	$ 9,123.1	$ 8,536.5	— %	6.9 %
Segment income	2,945.7	3,117.0	2,811.1	(5.5)%	10.9 %
Segment margin	*32.3 %*	*34.2 %*	*32.9 %*		

2024 compared with 2023

Net sales of our North America Confectionery segment were $9,118.6 million in 2024 compared to $9,123.1 million in 2023, a decrease of $4.5 million. The decrease was driven by volume declines of approximately 4% driven by a decrease in everyday core U.S. confection brands. The decrease was partially offset by a favorable price realization of approximately 4% due to price increases on certain products across our portfolio, and a minimal benefit from the 2024 acquisition of Sour Strips. There was no impact from foreign currency exchange rates.

Our North America Confectionery segment also includes licensing and owned retail. This includes our Hershey's Chocolate World stores in the United States (3 locations), Niagara Falls (Ontario) and Singapore. Our net sales for licensing and owned retail increased approximately 3.5% during 2024 compared to 2023.

Our North America Confectionery segment income was $2,945.7 million in 2024 compared to $3,117.0 million in 2023, a decrease of $171.3 million, or 5.5%. The decrease was primarily due to higher commodity costs, higher supply chain costs, and unfavorable product mix. The decrease was partially offset by favorable price realization, lower volume, and lower advertising and related consumer marketing costs.

2023 compared with 2022

Net sales of our North America Confectionery segment were $9,123.1 million in 2023 compared to $8,536.5 million in 2022, an increase of $586.6 million, or 6.9%. The increase reflected a favorable price realization of 9.0% due to price increases on certain products across our portfolio. The increases were partially offset by a volume decrease of 1.9% driven by a decrease in everyday core U.S. confection brands, and an unfavorable impact from foreign currency exchange rates of 0.2%.

Our North America Confectionery segment also includes licensing and owned retail. This includes our Hershey's Chocolate World stores in the United States (3 locations), Niagara Falls (Ontario) and Singapore. Our net sales for licensing and owned retail increased approximately 12.1% during 2023 compared to 2022.

Our North America Confectionery segment income was $3,117.0 million in 2023 compared to $2,811.1 million in 2022, an increase of $305.9 million, or 10.9%. The increase was primarily due to favorable price realization and supply chain productivity, partially offset by higher supply chain costs, including higher labor costs, as well as unfavorable product mix.

North America Salty Snacks

The North America Salty Snacks segment is responsible for our grocery and snacks market positions, including our salty snacking products. North America Salty Snacks accounted for 10.1%, 9.8% and 9.9% of our net sales in 2024, 2023 and 2022, respectively. North America Salty Snacks results for the years ended December 31, 2024, 2023 and 2022 were as follows:

				Percent Change	
For the years ended December 31,	**2024**	**2023**	**2022**	**2024 vs 2023**	**2023 vs 2022**
In millions of dollars					
Net sales	$ 1,135.7	$ 1,092.7	$ 1,029.4	3.9 %	6.1 %
Segment income	199.4	158.3	159.9	26.0 %	(1.0)%
Segment margin	*17.6 %*	*14.5 %*	*15.5 %*		

2024 compared with 2023

Net sales for our North America Salty Snacks segment were $1,135.7 million in 2024 compared to $1,092.7 million in 2023, an increase of $43.0 million, or 3.9%. The increase reflected a volume increase of approximately 5%, primarily related to *Dot's Homestyle Pretzels* snacks. The increase was partially offset by unfavorable price realization of approximately 1% driven primarily by *SkinnyPop* and *Dot's Homestyle Pretzels* snacks.

Our North America Salty Snacks segment income was $199.4 million in 2024 compared to $158.3 million in 2023 an increase of $41.1 million, or 26.0%. The increase was primarily driven by higher volume, favorable commodity costs, and lower supply chain costs. The increase was partially offset by higher advertising and related consumer marketing costs and unfavorable price realization.

2023 compared with 2022

Net sales for our North America Salty Snacks segment was $1,092.7 million in 2023 compared to $1,029.4 million in 2022, an increase of $63.3 million, or 6.1%. The increase reflected a favorable price realization of 5.4% due to price increases on products across our portfolio, primarily *SkinnyPop* and *Dot's Homestyle Pretzels* snacks, and a volume increase of 0.7%, primarily related to *Dot's Homestyle Pretzels* snacks.

Our North America Salty Snacks segment income was $158.3 million in 2023 compared to $159.9 million in 2022, a decrease of $1.6 million, or 1.0%. The decrease was primarily due to increased advertising and related consumer marketing costs and costs related to the voluntary removal of certain *Paqui* branded items in 2023. The decrease was partially offset by favorable price realization and favorable product mix.

International

The International segment includes all other countries where we currently manufacture, import, market, sell or distribute chocolate and non-chocolate confectionery and other products. We currently, have operations and manufacture product in Mexico, Brazil, India and Malaysia, primarily for consumers in these regions, and also distribute and sell confectionery products in export markets of Latin America, as well as Europe, Asia, the Middle East and Africa ("MEA") and other regions. International results, which accounted for 8.5%, 8.5% and 8.2% of our net sales in 2024, 2023 and 2022, respectively. International results for the years ended December 31, 2024, 2023 and 2022 were as follows:

				Percent Change	
For the years ended December 31,	**2024**	**2023**	**2022**	**2024 vs 2023**	**2023 vs 2022**
In millions of dollars					
Net sales	$ 948.0	$ 949.2	$ 853.4	(0.1)%	11.2 %
Segment income	111.5	148.3	107.9	(24.8)%	37.4 %
Segment margin	*11.8 %*	*15.6 %*	*12.6 %*		

2024 compared with 2023

Net sales of our International s egment were $948.0 million in 2024 compared to $949.2 million in 2023, a decrease of $1.2 million, or 0.1%. The decrease reflected an unfavorable impact from foreign currency exchange rates of approximately 1%, primarily driven by Mexico and Brazil, and a volume decrease of approximately 1%. The decline was partially offset by a favorable price realization of approximately 2%, driven by price increases across the segment. The net sales decrease was primarily attributable Mexico, Brazil and Latin America, where sales declined 5.7%, partially offset by net sales increases in Europe, MEA, and World Travel Retail, where net sales increased 13.1%.

Our International segment income was $111.5 million in 2024 compared to $148.3 million in 2023, a decrease of $36.8 million, or 24.8%, primarily resulting from higher commodity costs and unfavorable foreign currency exchange rates, partially offset by favorable price realization and decreased supply chain costs.

2023 compared with 2022

Net sales of our International segment were $949.2 million in 2023 compared to $853.4 million in 2022, an increase of $95.8 million, or 11.2%. The increase reflected a favorable price realization of 4.7%, driven by price increases across the segment, a favorable impact from foreign currency exchange rates of 3.4%, primarily driven by Mexico, and a volume increase of 3.1%. The net sales increase was primarily attributable to World Travel Retail, Mexico and Brazil & Latin America, where net sales increased 15.6%, 14.3% and 13.0%, respectively.

Our International segment income was $148.3 million in 2023 compared to $107.9 million in 2022, an increase of $40.4 million, or 37.4%, primarily resulting from favorable price realization, favorable foreign currency exchange rates, and minimal volume increases, partially offset by increased supply chain costs.

Unallocated Corporate Expense

Unallocated corporate expense includes centrally-managed (a) corporate functional costs relating to legal, treasury, finance and human resources, (b) expenses associated with the oversight and administration of our global operations, including warehousing, distribution and manufacturing, information systems and global shared services, (c) non-cash stock-based compensation expense and (d) other gains or losses that are not integral to segment performance.

Unallocated corporate expense totaled $701.2 million in 2024 as compared to $800.4 million in 2023, a decrease of $99.2 or, or 12.4%. The decrease was primarily driven by lower compensation and benefit costs, decreased investments in capabilities and technology, as a result of the completion of the upgrade of a new ERP system across the enterprise in 2024, and lower acquisition and integration related costs.

Unallocated corporate expense totaled $800.4 million in 2023 as compared to $735.5 million in 2022, an increase of $64.9 million, or 8.8%. The increase was primarily driven by incremental investments in capabilities and technology, higher compensation costs, and an increase in acquisition and integration related costs.

LIQUIDITY AND CAPITAL RESOURCES

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing and financing activities. Significant factors affecting liquidity include cash flows generated from operating activities, capital expenditures, acquisitions, dividends, repurchases of outstanding shares, the adequacy of available commercial paper and bank lines of credit, and the ability to attract long-term capital with satisfactory terms. We generate substantial amounts of cash from operations and remain in a strong financial position, with sufficient liquidity available for capital reinvestment, strategic acquisitions and the payment of dividends.

Cash Flow Summary

The following table is derived from our Consolidated Statements of Cash Flows:

In millions of dollars	2024	2023	2022
Net cash provided by (used in):			
Operating activities	$ 2,531.6	$ 2,323.2	$ 2,327.8
Investing activities	(960.3)	(1,198.7)	(787.4)
Financing activities	(1,296.5)	(1,148.3)	(1,415.7)
Effect of exchange rate changes on cash and cash equivalents	54.0	(38.2)	9.9
Increase (decrease) in cash and cash equivalents	$ 328.8	$ (62.0)	$ 134.6

Operating activities

Our principal source of liquidity is cash flow from operations. Our net income and, consequently, our cash provided by operations are impacted by sales volume, seasonal sales patterns, timing of new product introductions, profit margins and price changes. Sales are typically higher during the third and fourth quarters of the year due to seasonal and holiday-related sales patterns. Generally, working capital needs peak during the summer months. We meet these needs primarily with cash on hand, bank borrowings or the issuance of commercial paper.

We generated cash of $2.5 billion from operating activities in 2024, an increase of $208.4 million compared to $2.3 billion in 2023. The increase in net cash provided by operating activities was mainly driven by the following factors:

- In the aggregate, select net working capital items, specifically, trade accounts receivable, inventory, accounts payable and accrued liabilities, generated cash of $102.2 million in 2024, compared to consuming cash of $209.0 million in 2023. This $311.2 million fluctuation was mainly driven by a decrease in cash used by accounts receivable due to a decrease in sales of everyday core U.S. confection brands, a decrease in accounts payable and accrued liabilities due to the timing of vendor and supplier payments, and lower inventory levels.

- Timing of income tax payments contributed to a decrease in operating cash of $17.1 million in 2024, compared to a decrease of $32.5 million in 2023. This $15.4 million fluctuation was primarily due to the variance in actual tax expense for 2024 relative to the timing of quarterly estimated tax payments. We paid cash of $201.8 million for income taxes during 2024, compared to $303.9 million in the same period of 2023.
- The increase in cash provided by operating activities was partially offset by the following net cash outflows:
  - Net income adjusted for non-cash charges to operations (including depreciation, amortization, stock-based compensation, deferred income taxes, write-down of equity investments, unrealized gains and losses on derivative contracts and other charges) resulted in $92.4 million of lower cash flow in 2024 relative to 2023.
  - Other assets and liabilities consumed cash of $138.2 million in 2024, compared to $100.4 million in 2023. This $37.8 million fluctuation was primarily due to our 2023 purchase of an irrevocable group annuity contract to settle a portion of our post retirement benefit obligation, partially offset by the timing of certain prepaid expenses and other current assets.

We generated cash of $2.32 billion from operating activities in 2023, an increase of $4.6 million compared to $2.33 billion in 2022. The decrease in net cash provided by operating activities was mainly driven by the following factors:

- In the aggregate, select net working capital items, specifically, trade accounts receivable, inventory, accounts payable and accrued liabilities, consumed cash of $209.0 million in 2023, compared to $8.6 million in 2022. This $200.4 million fluctuation was mainly driven by mainly driven by an increase in cash used by accounts receivable due to an increase in sales of U.S. seasonal products and the timing of vendor and supplier payments.
- Timing of income tax payments contributed to a decrease in operating cash of $32.5 million in 2023, compared to an increase of $5.0 million in 2022. This $37.5 million fluctuation was primarily due to the variance in actual tax expense for 2023 relative to the timing of quarterly estimated tax payments. We paid cash of $303.9 million for income taxes during 2023 compared to $221.3 million in the same period of 2022.
- Other assets and liabilities consumed cash of $100.4 million in 2023, compared to $25.7 million in 2022. This $74.7 million fluctuation was primarily due to our purchase of an irrevocable group annuity contract to settle a portion of our post retirement benefit obligation.
- The decrease in cash provided by operating activities was partially offset by the following net cash inflows:
  - Net income adjusted for non-cash charges to operations (including depreciation, amortization, stock-based compensation, deferred income taxes, write-down of equity investments and other charges) resulted in $256.7 million of higher cash flow in 2023 relative to 2022.

Pension and Post-Retirement Activity. We recorded net periodic benefit costs of $32.8 million, $43.2 million and $36.3 million in 2024, 2023 and 2022, respectively, relating to our benefit plans (including our defined benefit and other post retirement plans). The main drivers of fluctuations in expense from year to year are assumptions in formulating our long-term estimates, including discount rates used to value the service and interest costs and the amortization of actuarial gains and losses.

The funded status of our qualified defined benefit pension plans is dependent upon many factors, including returns on invested assets, the level of market interest rates and the level of funding. We contribute cash to our plans at our discretion, subject to applicable regulations and minimum contribution requirements. Cash contributions to our pension and post retirement plans totaled $15.6 million, $27.6 million and $78.5 million in 2024, 2023 and 2022, respectively.

Investing activities

Our principal uses of cash for investment purposes relate to purchases of property, plant and equipment and capitalized software, as well as acquisitions of businesses, partially offset by proceeds from sales of property, plant and equipment. We used cash of $960.3 million for investing activities in 2024 compared to $1.2 billion in 2023, with the decrease in cash spend driven by a decrease of investments in capabilities and technology as well as a lower level of acquisition activity. We used cash of $0.8 billion for investing activities in 2022, with the increase in 2023 in cash spend driven by an increase of investments in capabilities and technology as well as a higher level of acquisition activity.

Primary investing activities include the following:

- *Capital spending*. Capital expenditures, including capitalized software, primarily to support our ERP system implementation, capacity expansion, innovation and cost savings, were $605.9 million in 2024, $771.1 million in 2023 and $519.5 million in 2022. The decrease in our 2024 capital expenditures is largely driven by the wind down of our key strategic initiatives, including completion of the upgrade of a new ERP system across the enterprise in 2024. We expect 2025 capital expenditures, including capitalized software, of approximately $425 million to $450 million, as capital spending as a percentage of sales is expected to return to historical levels. We intend to use our existing cash and internally generated funds to meet our 2025 capital requirements.
- *Investments in partnerships qualifying for tax credits*. We make investments in partnership entities that in turn make equity investments in projects eligible to receive federal historic and energy tax credits. We invested approximately $285.5 million in 2024, $256.8 million in 2023 and $275.5 million in 2022 in projects qualifying for tax credits.
- *Business acquisitions*. In 2024, we spent $75.5 million to acquire the Sour Strips brand from Actual Candy, LLC (November 2024). In 2023, we spent $165.8 million to acquire Weaver (May 2023). In 2022, we had no acquisition activity. Further details regarding our business acquisition activity is provided in Note 2 to the Consolidated Financial Statements.
- *Other investing activities*. In 2024, 2023, and 2022, our other investing activities were minimal.

Financing activities

Our cash flow from financing activities generally relates to the use of cash for purchases of our Common Stock and payment of dividends, offset by net borrowing activity and proceeds from the exercise of stock options. Financing activities in 2024 used cash of $1.3 billion, compared to cash used of $1.1 billion in 2023. We used cash of $1.4 billion for financing activities in 2022.

The majority of our financing activity was attributed to the following:

- *Short-term borrowings, net.* In addition to utilizing cash on hand, we use short-term borrowings (commercial paper and bank borrowings) to fund seasonal working capital requirements and ongoing business needs. In 2024, our short-term borrowings increased $607.0 million predominately through the issuance of short-term commercial paper, partially offset by a decrease in short-term foreign bank borrowings. In 2023, our short-term borrowings increased $26.0 million predominately through the issuance of short-term commercial paper, as well as an increase in short-term foreign bank borrowings. In 2022, we used cash of $245.6 million to reduce a portion of our short-term commercial paper borrowings originally used to fund our 2021 acquisitions of Dot's and Pretzels, partially offset by an increase in short-term foreign bank borrowings.
- *Long-term debt borrowings and repayments*. In November 2024, we repaid $300 million of 2.050% Notes due upon maturity. In May 2023, we repaid $250 million of 2.625% Notes and $500 million of 3.375% Notes due upon their maturities. In May 2023, we issued $350 million of 4.250% Notes due in May 2028 and $400 million of 4.500% Notes due in May 2033 (the "2023 Notes"). Proceeds from the issuance of the 2023 Notes, net of discounts and issuance costs, totaled $744.1 million. In 2022, long-term debt activity was minimal. In 2025, we expect our long-term debt repayments to approximate $600 million upon the maturity of $300 million of 0.900% Notes due in June 2025 and $300 million of 3.200% Notes due in August 2025.

- *Dividend payments*. Total dividend payments to holders of our Common Stock and Class B Common Stock were $1,084.8 million in 2024, $889.1 million in 2023 and $775.0 million in 2022. Dividends per share of Common Stock increased 23.0% to $5.480 per share in 2024 compared to $4.456 per share in 2023, while dividends per share of Class B Common Stock increased 23.0% in 2024. Details regarding our 2024 cash dividends paid to stockholders are as follows:

	Quarter Ended			
In millions of dollars except per share amounts	**March 31, 2024**	**June 30, 2024**	**September 29, 2024**	**December 31, 2024**
Dividends paid per share – Common stock	$ 1.370	$ 1.370	$ 1.370	$ 1.370
Dividends paid per share – Class B common stock	$ 1.245	$ 1.245	$ 1.245	$ 1.245
Total cash dividends paid	$ 273.4	$ 270.5	$ 270.4	$ 270.5
Declaration date	February 7, 2024	May 2, 2024	July 31, 2024	November 6, 2024
Record date	February 20, 2024	May 17, 2024	August 16, 2024	November 18, 2024
Payment date	March 15, 2024	June 14, 2024	September 16, 2024	December 16, 2024

- *Share repurchases*. We repurchase shares of Common Stock to offset the dilutive impact of treasury shares issued under our equity compensation plans. The value of these share repurchases in a given period varies based on the volume of stock options exercised and our market price. In addition, we periodically repurchase shares of Common Stock pursuant to Board-authorized programs intended to drive additional stockholder value. Details regarding our share repurchases are as follows:

In millions	**2024**	**2023**	**2022**
Milton Hershey School Trust repurchase (1)(2)	$ —	$ 239.9	$ 203.4
Shares repurchased in the open market under pre-approved share repurchase programs (2)	400.0	—	—
Shares repurchased in the open market to replace Treasury Stock issued for stock options and incentive compensation	$ 94.2	$ 25.0	$ 185.6
Cash used for total share repurchases (excluding excise tax)	$ 494.2	$ 264.9	$ 389.0
Total shares repurchased under pre-approved share repurchase programs	2.0	1.0	—

(1) In February 2023 and 2022, the Company entered into a Stock Purchase Agreement with Hershey Trust Company, as trustee for the School Trust, pursuant to which the Company purchased 1,000,000 shares in 2023 and 2022 of the Company's Common Stock from the School Trust at a price equal to $239.91 per share, for a total purchase price of $239.9 million in 2023. In 2022 the Company purchased the common stock at a price equal to $203.35 per share, for a total purchase price of $203.4 million. As a result of the 2023 share repurchase, our July 2018 share repurchase authorization program was completed.

(2) In July 2018, our Board of Directors approved a $500 million share repurchase authorization to repurchase shares of our Common Stock. As a result of the February 2023 Stock Purchase Agreement with Hershey Trust Company, as trustee for the School Trust, the July 2018 share repurchase authorization was completed. In May 2021, our Board of Directors approved an additional $500 million share repurchase authorization, which was completed as of March 31, 2024. In December 2023, our Board of Directors approved an additional $500 million share repurchase authorization. This program commenced after the existing May 2021 authorization was completed and is to be utilized at management's discretion. Approximately $470 million remains available for repurchases under our December 2023 share repurchase authorization. We are authorized to purchase our outstanding shares in open market and privately negotiated transactions. The program has no expiration date and acquired shares of Common Stock will be held as treasury shares. Purchases under approved share repurchase authorizations are in addition to our practice of buying back shares sufficient to offset those issued under incentive compensation plans.

- *Proceeds from the exercise of stock options, including tax benefits.* In 2024 we received $14.7 million from employee exercises of stock options and paid $32.8 million of employee taxes withheld from share-based awards.

In 2023 we received $26.0 million from employee exercises of stock options and paid $35.0 million of employee taxes withheld from share-based awards. In 2022 we received $34.2 million from employee exercises of stock options and paid $35.5 million of employee taxes withheld from share-based awards. Variances are driven primarily by the number of shares exercised and the share price at the date of grant.

Financial Condition

At December 31, 2024, our cash and cash equivalents totaled $730.7 million. At December 31, 2023, our cash and cash equivalents totaled $401.9 million. Our cash and cash equivalents at the end of 2024 increased $328.8 million compared to the 2023 year-end balance as a result of the net uses of cash outlined in the previous discussion.

Approximately 80% of the balance of our cash and cash equivalents at December 31, 2024 was held by subsidiaries domiciled outside of the United States. A majority of this balance is distributable to the United States without material tax implications, such as withholding tax. We intend to continue to reinvest the remainder of the earnings outside of the United States for which there would be a material tax implication to distributing for the foreseeable future and, therefore, have not recognized additional tax expense on these earnings. We believe that our existing sources of liquidity are adequate to meet anticipated funding needs at comparable risk-based interest rates for the foreseeable future. Acquisition spending and/or share repurchases could potentially increase our debt. Operating cash flow and access to capital markets are expected to satisfy our various short- and long-term cash flow requirements, including acquisitions and capital expenditures.

We maintain debt levels we consider prudent based on our cash flow, interest coverage ratio and percentage of debt to capital. We use debt financing to lower our overall cost of capital which increases our return on stockholders' equity. Our total short- and long-term debt was $5.1 billion and $4.8 billion at December 31, 2024 and December 31, 2023, respectively. Our total debt increased in 2024 primarily due to an increase of $587 million in short-term debt, primarily driven by commercial paper, partially offset by the repayment of $300 million of 2.050% Notes due upon their maturity in November 2024.

As a source of short-term financing, we maintain a $1.35 billion unsecured revolving credit facility with the option to increase borrowings by an additional $500 million with the consent of the lenders. As of December 31, 2024, the termination date of this agreement is April 26, 2028, however, we may extend the termination date for up to two additional one-year periods upon notice to the administrative agent under the facility. We may use these funds for general corporate purposes, including commercial paper backstop and business acquisitions. As of December 31, 2024, we had $204 million of available capacity under the agreement. The unsecured revolving credit agreement contains certain financial and other covenants, customary representations, warranties and events of default. We were in compliance with all covenants as of December 31, 2024.

In addition to the revolving credit facility, we maintain lines of credit in various currencies with domestic and international commercial banks. As of December 31, 2024, we had available capacity of $230 million under these lines of credit.

Furthermore, we have a current shelf registration statement filed with the SEC that allows for the issuance of an indeterminate amount of debt securities. Proceeds from the debt issuances and any other offerings under the current registration statement may be used for general corporate requirements, including reducing existing borrowings, funding the repurchase of shares of our common stock, financing capital additions and funding contributions to our pension plans, future business acquisitions and working capital requirements.

Our ability to obtain debt financing at comparable risk-based interest rates is partly a function of our existing cash-flow-to-debt and debt-to-capitalization levels as well as our current credit rating.

We believe that our existing sources of liquidity are adequate to meet anticipated funding needs at comparable risk-based interest rates for the foreseeable future. Acquisition spending and/or share repurchases could potentially increase our debt. Operating cash flow and access to capital markets are expected to satisfy our various short- and long-term cash flow requirements, including acquisitions and capital expenditures.

Equity Structure

We have two classes of stock outstanding – Common Stock and Class B Stock. Holders of the Common Stock and the Class B Stock generally vote together without regard to class on matters submitted to stockholders, including the election of directors. Holders of the Common Stock have 1 vote per share. Holders of the Class B Stock have 10 votes per share. Holders of the Common Stock, voting separately as a class, are entitled to elect one-sixth of our Board. With respect to dividend rights, holders of the Common Stock are entitled to cash dividends 10% higher than those declared and paid on the Class B Stock.

Hershey Trust Company, as trustee for the trust established by Milton S. and Catherine S. Hershey that has as its sole beneficiary Milton Hershey School, maintains voting control over The Hershey Company. In addition, three representatives of Hershey Trust Company currently serve as members of the Company's Board. In performing their responsibilities on the Company's Board, these representatives may from time to time exercise influence with regard to the ongoing business decisions of our Board or management. Hershey Trust Company, as trustee for the Trust, in its role as controlling stockholder of the Company, has indicated it intends to retain its controlling interest in The Hershey Company. The Company's Board, and not the Hershey Trust Company board, is solely responsible and accountable for the Company's management and performance.

Pennsylvania law requires that the Office of Attorney General be provided advance notice of any transaction that would result in Hershey Trust Company, as trustee for the Trust, no longer having voting control of the Company. The law provides specific statutory authority for the Attorney General to intercede and petition the court having jurisdiction over Hershey Trust Company, as trustee for the Trust, to stop such a transaction if the Attorney General can prove that the transaction is unnecessary for the future economic viability of the Company and is inconsistent with investment and management considerations under fiduciary obligations. This legislation makes it more difficult for a third party to acquire a majority of our outstanding voting stock and thereby may delay or prevent a change in control of the Company.

Material Cash Requirements

The following table summarizes our future material cash requirements as of December 31, 2024:

	Payments due by Period				
In millions of dollars	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Short-term debt (primarily U.S. commercial paper)	$ 1,307.0	$ 1,307.0	$ —	$ —	$ —
Long-term notes (excluding finance lease obligations)	3,743.6	600.0	693.6	650.0	1,800.0
Interest expense (1)	1,122.0	114.5	195.5	133.8	678.2
Operating lease obligations (2)	427.6	52.6	95.4	54.3	225.3
Finance lease obligations (3)	163.8	10.0	11.6	8.6	133.6
Unconditional purchase obligations (4)	1,777.7	1,143.4	510.6	27.4	96.3
Total obligations	$ 8,541.7	$ 3,227.5	$ 1,506.7	$ 874.1	$ 2,933.4

(1) Includes the net interest payments on fixed rate debt associated with long-term notes.

(2) Includes the minimum rental commitments (including imputed interest) under non-cancelable operating leases primarily for offices, retail stores, warehouses and distribution facilities.

(3) Includes the minimum rental commitments (including imputed interest) under non-cancelable finance leases primarily for offices and warehouse facilities, as well as machinery and equipment and vehicles.

(4) Purchase obligations consist primarily of fixed commitments for the purchase of raw materials to be utilized in the normal course of business. Amounts presented include fixed price forward contracts and unpriced contracts that were valued using market prices as of December 31, 2024. The amounts presented in the table do not include items already recorded in accounts payable or accrued liabilities at year-end 2024, nor does the table reflect cash flows we are likely to incur based on our plans, but are not obligated to incur. Such amounts are part of normal operations and are reflected in historical operating cash flow trends. We do not believe such purchase obligations will adversely affect our liquidity position.

In entering into contractual obligations, we have assumed the risk that might arise from the possible inability of counterparties to meet the terms of their contracts. We mitigate this risk by performing financial assessments prior to contract execution, conducting periodic evaluations of counterparty performance and maintaining a diverse portfolio of qualified counterparties. Our risk is limited to replacing the contracts at prevailing market rates. We do not expect any significant losses resulting from counterparty defaults.

These obligations impact our liquidity and capital resource needs. To meet those cash requirements, we intend to use our existing cash and internally generated funds. To the extent necessary, we may also borrow under our existing unsecured revolving credit facility or under other short-term borrowings, and depending on market conditions and upon the significance of the cost of a particular Note maturity or acquisition to our then-available sources of funds, to obtain additional short- and long-term financing. We believe that cash provided from these sources will be adequate to meet our future short- and long-term cash requirements.

Asset Retirement Obligations

We have a number of facilities that contain varying amounts of asbestos in certain locations within the facilities. Our asbestos management program is compliant with current applicable regulations, which require that we handle or dispose of asbestos in a specified manner if such facilities undergo major renovations or are demolished. We do not have sufficient information to estimate the fair value of any asset retirement obligations related to these facilities. We cannot specify the settlement date or range of potential settlement dates and, therefore, sufficient information is not available to apply an expected present value technique. We expect to maintain the facilities with repairs and maintenance activities that would not involve or require the removal of significant quantities of asbestos.

Income Tax Obligations

Liabilities for unrecognized income tax benefits are excluded from the table above as we are unable to reasonably predict the ultimate amount or timing of a settlement of these potential liabilities. See Note 10 to the Consolidated Financial Statements for more information.

Recent Accounting Pronouncements

Information on recently adopted and issued accounting standards is included in Note 1 to the Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements requires management to use judgment and make estimates and assumptions. We believe that our most critical accounting policies and estimates relate to the following:

- Accrued Liabilities for Trade Promotion Activities
- Pension and Other Post-Retirement Benefits Plans
- Business Acquisitions, Valuation and Impairment of Goodwill and Other Intangible Assets
- Income Taxes

Management has discussed the development, selection and disclosure of critical accounting policies and estimates with the Audit Committee of our Board. While we base estimates and assumptions on our knowledge of current events and actions we may undertake in the future, actual results may ultimately differ from these estimates and assumptions. Other significant accounting policies are outlined in Note 1 to the Consolidated Financial Statements.

Accrued Liabilities for Trade Promotion Activities

We promote our products with advertising, trade promotions and consumer incentives. These programs include, but are not limited to, discounts, coupons, rebates, in-store display incentives and volume-based incentives. We expense advertising costs and other direct marketing expenses as incurred. We recognize the costs of trade promotion and consumer incentive activities as a reduction to net sales along with a corresponding accrued liability based on estimates at the time of revenue recognition. These estimates are based on our analysis of the programs offered, historical trends, expectations regarding customer and consumer participation, sales and payment trends and our experience with payment patterns associated with similar programs offered in the past. The estimated costs of these programs are reasonably likely to change in future periods due to changes in trends with regard to customer and consumer participation, particularly for new programs and for programs related to the introduction of new products. Differences between estimated expense and actual program performance are recognized as a change in estimate in a subsequent period and are normally not significant. During 2024, 2023, and 2022, actual annual promotional costs have not deviated from the estimated amount by more than 3%. Our trade promotion and consumer incentive accrued liabilities totaled $221.3 million and $194.0 million at December 31, 2024 and 2023, respectively.

Pension and Other Post-Retirement Benefits Plans

We sponsor a number of defined benefit pension plans. The primary plan is The Hershey Retirement Plan for Salaried and Hourly Employees. This is a cash balance plan that provides pension benefits for most U.S. employees hired prior to January 1, 2007. We also sponsor two post-retirement benefit plans: health care and life insurance. The health care plan is contributory, with participants' contributions adjusted annually. The life insurance plan is non-contributory.

For accounting purposes, the defined benefit pension and OPEB plans require assumptions to estimate the projected and accumulated benefit obligations, including the following variables: discount rate; expected salary increases; certain employee-related factors, such as turnover, retirement age and mortality; expected return on assets; and health care cost trend rates. These and other assumptions affect the annual expense and obligations recognized for the underlying plans. Our assumptions reflect our historical experiences and management's best judgment regarding future expectations. Our related accounting policies, accounting balances and plan assumptions are discussed in Note 11 to the Consolidated Financial Statements.

Pension Plans

Changes in certain assumptions could significantly affect pension expense and benefit obligations, particularly the estimated long-term rate of return on plan assets and the discount rates used to calculate such obligations:

- Long-term rate of return on plan assets . The expected long-term rate of return is evaluated on an annual basis. We consider a number of factors when setting assumptions with respect to the long-term rate of return, including current and expected asset allocation and historical and expected returns on the plan asset categories. Actual asset allocations are regularly reviewed and periodically rebalanced to the targeted allocations when considered appropriate. Investment gains or losses represent the difference between the expected return estimated using the long-term rate of return and the actual return realized. For 2024, we increased the expected return on plan assets assumption to 6.8% from the 6.7% assumption used during 2023. The historical average return (compounded annually) over the 20 years prior to December 31, 2024 was approximately 6.8%.

As of December 31, 2024, our plans had cumulative unrecognized investment and actuarial losses of approximately $165 million. We amortize the unrecognized net actuarial gains and losses in excess of the corridor amount, which is the greater of 10% of a respective plan's projected benefit obligation or the fair market value of plan assets. These unrecognized net losses may increase future pension expense if not offset by (i) actual investment returns that exceed the expected long-term rate of investment returns, (ii) other factors, including reduced pension liabilities arising from higher discount rates used to calculate pension obligations or (iii) other actuarial gains when actual plan experience is favorable as compared to the assumed experience. A 100 basis point decrease or increase in the long-term rate of return on pension assets would correspondingly increase or decrease annual net periodic pension benefit expense by approximately $7 million.

- Discount rate. We utilize a full yield curve approach in the estimation of service and interest costs by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. This approach provides a more precise measurement of service and interest costs by improving the correlation between the projected cash flows to the corresponding spot rates along the yield curve. This approach does not affect the measurement of our pension and other post-retirement benefit liabilities but generally results in lower benefit expense in periods when the yield curve is upward sloping.

  A 100 basis point decrease (increase) in the weighted-average pension discount rate would increase the annual net periodic pension benefit expense by approximately $5 million or decrease the annual net periodic pension benefit expense by $4 million, respectively, and the December 31, 2024 pension liability would increase by approximately $50 million or decrease by approximately $43 million, respectively.

Pension expense for defined benefit pension plans is expected to be approximately $13 million in 2025. Pension expense beyond 2025 will depend on future investment performance, our contributions to the pension trusts, changes in discount rates and various other factors related to the covered employees in the plans.

Other Post-Employment Benefit Plans

Changes in significant assumptions could affect consolidated expense and benefit obligations, particularly the discount rates used to calculate such obligations:

- Discount rate. The determination of the discount rate used to calculate the benefit obligati ons of the OPEB plans is discussed in the pension plans section above. A 100 basis point decrease (increase) in the discount rate assumption for these plans would not be material to the OPEB plans' consolidated expense and the December 31, 2024 benefit liability would increase by approximately $9 million or decrease by approximately $7 million, respectively.

Business Acquisitions, Valuation and Impairment of Goodwill and Other Intangible Assets

We use the acquisition method of accounting for business acquisitions. Under the acquisition method, the results of operations of the acquired business have been included in the consolidated financial statements since the respective dates of the acquisitions. The assets acquired and liabilities assumed are recorded at their respective estimated fair values at the date of the acquisition. Any excess of the purchase price over the estimated fair values of the identifiable net assets acquired is recorded as goodwill. Significant judgment is often required in estimating the fair value of assets acquired, particularly intangible assets. As a result, we normally obtain the assistance of a third-party valuation specialist in estimating fair values of tangible and intangible assets. The fair value estimates are based on available historical information and on expectations and assumptions about the future, considering the perspective of marketplace participants. While management believes those expectations and assumptions are reasonable, they are inherently uncertain. Unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions.

Goodwill and indefinite-lived intangible assets are not amortized, but instead, are evaluated for impairment annually or more often if indicators of a potential impairment are present. Our annual impairment tests are conducted at the beginning of the fourth quarter.

We test goodwill for impairment by performing either a qualitative or quantitative assessment. If we choose to perform a qualitative assessment, we evaluate economic, industry and company-specific factors in assessing the fair value of the related reporting unit. If we determine that it is more likely than not that the fair value of the reporting unit is less than its carrying value, a quantitative test is then performed. Otherwise, no further testing is required. For those reporting units tested using a quantitative approach, we compare the fair value of each reporting unit with the carrying amount of the reporting unit, including goodwill. If the estimated fair value of the reporting unit is less than the carrying amount of the reporting unit, impairment is indicated, requiring recognition of a goodwill impairment charge for the differential (up to the carrying value of goodwill). We test individual indefinite-lived intangible assets by comparing the estimated fair values with the book values of each asset.

We determine the fair value of our reporting units and indefinite-lived intangible assets using an income approach. Under the income approach, we calculate the fair value of our reporting units and indefinite-lived intangible assets based on the present value of estimated future cash flows. Considerable management judgment is necessary to evaluate the impact of operating and macroeconomic changes and to estimate the future cash flows used to measure fair value. Our estimates of future cash flows consider past performance, current and anticipated market conditions and internal projections and operating plans which incorporate estimates for sales growth and profitability, and cash flows associated with taxes and capital spending. Additional assumptions include forecasted growth rates, estimated discount rates, which may be risk-adjusted for the operating market of the reporting unit, and estimated royalty rates that would be charged for comparable branded licenses. We believe such assumptions also reflect current and anticipated market conditions and are consistent with those that would be used by other marketplace participants for similar valuation purposes. Such assumptions are subject to change due to changing economic and competitive conditions.

We also have intangible assets, consisting primarily of certain trademarks, customer-related intangible assets and patents obtained through business acquisitions, that are expected to have determinable useful lives. The costs of finite-lived intangible assets are amortized to expense over their estimated lives. Our estimates of the useful lives of finite-lived intangible assets consider judgments regarding the future effects of obsolescence, demand, competition and other economic factors. We conduct impairment tests when events or changes in circumstances indicate that the carrying value of these finite-lived assets may not be recoverable. Undiscounted cash flow analyses are used to determine if an impairment exists. If an impairment is determined to exist, the loss is calculated based on the estimated fair value of the assets.

Results of Impairment Tests

At December 31, 2024, the net book value of our goodwill totaled $2.7 billion. As it relates to our 2024 annual testing performed at the beginning of the fourth quarter, we tested all of our reporting units using a qualitative assessment and determined that no quantitative testing was deemed necessary. Based on our testing, all of our reporting units had an excess fair value well over their respective carrying values. There were no other events or circumstances that would indicate that impairment may exist. We had no goodwill impairment charges in 2024, 2023 or 2022.

Income Taxes

We base our deferred income taxes, accrued income taxes and provision for income taxes upon income, statutory tax rates, the legal structure of our Company, interpretation of tax laws and tax planning opportunities available to us in the various jurisdictions in which we operate. We file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. We are regularly audited by federal, state and foreign tax authorities; a number of years may elapse before an uncertain tax position, for which we have unrecognized tax benefits, is audited and finally resolved. From time to time, these audits result in assessments of additional tax. We maintain reserves for such assessments.

We apply a more-likely-than-not threshold to the recognition and derecognition of uncertain tax positions. Accordingly, we recognize the amount of tax benefit that has a greater than 50% likelihood of being ultimately realized upon settlement. Future changes in judgments and estimates related to the expected ultimate resolution of uncertain tax positions will affect income in the quarter of such change. While it is often difficult to predict the final outcome or the timing of resolution of any particular uncertain tax position, we believe that our unrecognized tax benefits reflect the most likely outcome. Accrued interest and penalties related to unrecognized tax benefits are included in income tax expense. We adjust these unrecognized tax benefits, as well as the related interest, in light of changing facts and circumstances, such as receiving audit assessments or clearing of an item for which a reserve has been established. Settlement of any particular position could require the use of cash. Favorable resolution would be recognized as a reduction to our effective income tax rate in the period of resolution.

We believe it is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax assets, net of valuation allowances. Our valuation allowances are primarily related to U.S. capital loss carryforwards and various foreign jurisdictions' net operating loss carryforwards and other deferred tax assets for which we do not expect to realize a benefit. Refer to Note 10 to the Consolidated Financial Statements for further discussion of our deferred tax assets and liabilities.

Item 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

We use certain derivative instruments to manage our interest rate, foreign currency exchange rate and commodity price risks. We monitor and manage these exposures as part of our overall risk management program.

We enter into interest rate swap agreements and foreign currency forward exchange contracts for periods consistent with related underlying exposures. We enter into commodities futures and options contracts and other derivative instruments for varying periods. These commodity derivative instruments are intended to be, and are effective as, economic hedges of market price risks associated with anticipated raw material purchases, energy requirements and transportation costs. We do not hold or issue derivative instruments for trading purposes and are not a party to any instruments with leverage or prepayment features.

In entering into these contracts, we have assumed the risk that might arise from the possible inability of counterparties to meet the terms of their contracts. We mitigate this risk by entering into exchange-traded contracts with collateral posting requirements and/or by performing financial assessments prior to contract execution, conducting periodic evaluations of counterparty performance and maintaining a diverse portfolio of qualified counterparties. We do not expect any significant losses from counterparty defaults.

Refer to Note 1 and Note 5 to the Consolidated Financial Statements for further discussion of these derivative instruments and our hedging policies.

Interest Rate Risk

The total amount of short-term debt, net of cash, amounted to net debt of $576 million and net debt of $318 million, respectively, at December 31, 2024 and 2023. A hypothetical 100 basis point increase in interest rates applied to this variable-rate short-term debt as of December 31, 2024 would have changed interest expense by approximately $7.0 million for 2024 and $3.1 million for 2023.

We consider our current risk related to market fluctuations in interest rates on our remaining debt portfolio, excluding fixed-rate debt converted to variable rates with fixed-to-floating instruments, to be minimal since this debt is largely long-term and fixed-rate in nature. Generally, the fair market value of fixed-rate debt will increase as interest rates fall and decrease as interest rates rise. A 100 basis point increase in market interest rates would decrease the fair value of our fixed-rate long-term debt at December 31, 2024 and December 31, 2023 by approximately $169 million and $203 million, respectively. However, since we currently have no plans to repurchase our outstanding fixed-rate instruments before their maturities, the impact of market interest rate fluctuations on our long-term debt does not affect our results of operations or financial position.

Foreign Currency Exchange Rate Risk

We are exposed to currency fluctuations related to manufacturing or selling products in currencies other than the U.S. dollar. We may enter into foreign currency forward exchange contracts to reduce fluctuations in our long or short currency positions relating primarily to purchase commitments or forecasted purchases for equipment, raw materials and finished goods denominated in foreign currencies. We also may hedge payment of forecasted intercompany transactions with our subsidiaries outside of the United States. We generally hedge foreign currency price risks for periods from 3 to 12 months.

A summary of foreign currency forward exchange contracts and the corresponding amounts at contracted forward rates is as follows:

December 31,	2024		2023	
	Contract Amount	Primary Currencies	Contract Amount	Primary Currencies
In millions of dollars				
Foreign currency forward exchange contracts to purchase foreign currencies	$ 184.2	Euros Malaysian ringgit British pound	$ 88.8	Euros Malaysian ringgit British pound
Foreign currency forward exchange contracts to sell foreign currencies	$ 140.2	Canadian dollars Brazilian reals Japanese yen	$ 155.3	Canadian dollars Brazilian reals Japanese yen

The fair value of foreign currency forward exchange contracts represents the difference between the contracted and current market foreign currency exchange rates at the end of the period. We estimate the fair value of foreign currency forward exchange contracts on a quarterly basis by obtaining market quotes of spot and forward rates for contracts with similar terms, adjusted where necessary for maturity differences. At December 31, 2024 and 2023, the net fair value of these instruments was an asset of $0.7 million. In addition, assuming an unfavorable 10% change in year-end foreign currency exchange rates, the fair value of these instruments would have declined by $32.3 million and $20.2 million, respectively, generally offset by a reduction in foreign exchange associated with our transactional activities.

Commodities—Price Risk Management and Futures Contracts

Our most significant raw material requirements include cocoa products, sugar, corn products, dairy products, wheat, peanuts and almonds. The cost of cocoa products and prices for related futures contracts and costs for certain other raw materials historically have been subject to wide fluctuations attributable to a variety of factors. These factors include:

- Commodity market fluctuations;
- Currency exchange rates;
- Imbalances between supply and demand;
- Rising levels of inflation and interest rates related to domestic and global economic conditions or supply chain issues;
- The effects of climate change and extreme weather on crop yield and quality;
- Speculative influences;
- Trade agreements among producing and consuming nations;
- Supplier compliance with commitments;
- Import/export requirements for raw materials and finished goods;
- Political unrest in producing countries;
- Introduction of living income premiums or similar requirements;
- Changes in governmental agricultural programs and energy policies; and
- Other events beyond our control such as the impacts on the business or supply chain arising from the ongoing conflict between Russia and Ukraine.

We use futures and options contracts and other commodity derivative instruments in combination with forward purchasing of cocoa products, sugar, corn products, certain dairy products, wheat products, natural gas and diesel fuel primarily to mitigate price volatility and provide visibility to future costs within our supply chain. Currently, active futures contracts are not available for use in pricing our other major raw material requirements, primarily peanuts and almonds. We attempt to minimize the effect of future raw material and energy price fluctuations by using derivatives and forward purchasing to cover future manufacturing requirements generally for 3 to 24 months. However, dairy futures liquidity is not as developed as many of the other commodity futures markets and, therefore, it can be difficult to hedge dairy costs for extended periods of time. We use diesel fuel futures to minimize price fluctuations associated with our transportation costs. Our commodity procurement practices are intended to mitigate price volatility and provide visibility to future costs, but also may potentially limit our ability to benefit from possible price decreases. Our costs for major raw materials will not necessarily reflect market price fluctuations because of our forward purchasing and hedging practices.

Cocoa Products

During 2024, average cocoa futures contract prices increased 131.5% compared with 2023 based on the Intercontinental Exchange futures contract. The production forecast for the 2024 - 2025 season is up over 30% combined in Ghana and Ivory Coast, due to better weather and significantly improved farmer prices. Higher cocoa prices to the consumer has lowered consumption and a return to a surplus production environment is expected in the 2024 - 2025 growing season. The table below shows annual average cocoa futures prices and the highest and lowest monthly averages for each of the calendar years indicated. The prices reflect the monthly averages of the close prices of the nearest active futures trading contracts (second position) on the Intercontinental Exchange.

	Cocoa Futures Contract Prices (dollars per pound)				
	2024	**2023**	**2022**	**2021**	**2020**
Annual Average	$ 3.45	$ 1.49	$ 1.13	$ 1.14	$ 1.11
High	4.75	1.90	1.22	1.27	1.29
Low	1.99	1.19	1.06	1.04	1.00

Source: The Cocoa Merchants Association of America Inc.

Our costs for cocoa products will not necessarily reflect market price fluctuations because of our forward purchasing and hedging practices, premiums and discounts reflective of varying delivery times, and supply and demand for our specific varieties and grades of cocoa liquor, cocoa butter and cocoa powder. As a result, the average futures contract prices are not necessarily indicative of our average costs.

Sugar

The price of sugar is subject to price supports under U.S. farm legislation, which establishes import quotas and duties to support the price of sugar. As a result, sugar prices paid by users in the U.S. are currently higher than prices on the world sugar market. The U.S. delivered east coast refined sugar prices traded in a range of $0.56 to $0.62 per pound during 2024. Prices softened in 2024, driven by large domestic beet and cane crops, as well as overall healthy supply.

Corn Products

We use corn futures to price our corn sweetener product requirements. A projected record yield for the 2024 U.S. crop kept U.S. supplies healthy and drove prices down compared to 2023. Corn prices traded in the range from $3.90 to $4.85 per bushel during 2024. Corn sweetener prices remained consistent due to tight capacity utilization throughout the industry.

Dairy Products

During 2024, prices for fluid dairy milk ranged from a low of $0.194 per pound to a high of $0.223 per pound, on a Class IV milk basis. Fluid dairy milk prices were higher than 2023 due to decreases in global milk production linked to HPAI avian flu virus and blue tongue virus which impacted herd in the U.S. and Europe, respectively.

Wheat Products

In 2024 we continued utilizing soft and hard wheat futures as a risk management tool for our flour purchasing. Improved U.S. wheat production across the aggregate classes combined with weak global demand has resulted in lower prices across the calendar year. Hard wheat prices traded in the range of $5.35 to $7.45 per bushel during 2024, while soft wheat prices traded in the range of $5.25 to $7.21 per bushel during 2024.

Peanuts and Almonds

Peanut prices in the U.S. ranged from a low of $0.57 per pound to a high of $0.71 per pound during 2024. Prices in 2024 averaged slightly higher than 2023, primarily driven by increased export demand in the first half of the year. Almond prices traded in the range of $2.15 per pound to $2.90 per pound during 2024. Prices in 2024 averaged higher than 2023, driven by a smaller crop size and lower availability of small sized almonds.

Changes in the Value of Futures Contracts

We make or receive cash transfers to or from commodity futures brokers on a daily basis reflecting changes in the value of futures contracts on the Intercontinental Exchange or various other exchanges. These changes in value represent unrealized gains and losses. The cash transfers offset higher or lower cash requirements for the payment of future invoice prices of raw materials, energy requirements and transportation costs.

Commodity Sensitivity Analysis

Our open commodity derivative contracts had a notional value of $667.4 million as of December 31, 2024 and $94.9 million as of December 31, 2023. At the end of 2024, the potential change in fair value of commodity derivative instruments, assuming a 10% decrease in the underlying commodity price, would have increased our net unrealized losses in 2024 by $1.0 million, generally offset by a reduction in the cost of the underlying commodity purchases.

Item 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of The Hershey Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of The Hershey Company (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, cash flows, and stockholders' equity for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 18, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Accrued Liabilities for Trade Promotion Activities

Description of the Matter	The unsettled portion of the Company's obligation for trade promotion activities at December 31, 2024 was $221.3 million. As discussed in Note 1 of the consolidated financial statements, the Company promotes its products through programs such as, but not limited to, discounts, coupons, rebates, in-store display incentives, and volume-based incentives. The Company recognizes the estimated costs of these trade promotion activities as a component of variable consideration when determining the transaction price. The unsettled portion of the Company's obligation for trade promotion activities is included in accrued liabilities in the consolidated balance sheet. Auditing management's calculation of the unsettled portion of the Company's obligation for trade promotion activities was subjective and required judgment as a result of the nature of the required estimates and assumptions. In particular, the estimates required an analysis of the programs offered, expectations regarding customer and consumer participation, and experience with historical payment patterns.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to the Company's calculation of the accrued liabilities for trade promotion activities. For example, we tested controls over management's review of the completeness of the promotional activities as well as the significant assumptions and the data inputs utilized in the calculations. To test the unsettled portion of the Company's obligation for trade promotion activities, we performed audit procedures that included, among others, assessing (1) the expected value estimation methodology used by management, (2) whether all material trade promotion activities were properly included in management's estimate, and (3) the assumptions discussed above and the underlying data used in its analyses. Specifically, when evaluating the assumptions, we compared them to historical trends, third party data, and assumptions used in prior periods, and inspected management's retrospective review of actual trade promotion activities compared to previous estimates. We also performed sensitivity analyses of assumptions to evaluate the changes in the estimate that would result from changes in the assumptions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2016.

Philadelphia, Pennsylvania
February 18, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of The Hershey Company

Opinion on Internal Control Over Financial Reporting

We have audited The Hershey Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, The Hershey Company (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

As indicated in the accompanying Management’s Annual Report on Internal Control over Financial Reporting, management’s assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of the acquisition of the Sour Strips brand from Actual Candy, LLC (“Sour Strips”) on November 8, 2024, which is included in the 2024 consolidated financial statements of the Company and constituted less than 1% of total assets as of December 31, 2024 and less than 1% of net sales for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Sour Strips.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, cash flows, and stockholders' equity for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) and our report dated February 18, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
February 18, 2025

THE HERSHEY COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)

For the years ended December 31,	2024	2023	2022
Net sales	$ 11,202,263	$ 11,164,992	$ 10,419,294
Cost of sales	5,901,375	6,167,176	5,920,509
Gross profit	5,300,888	4,997,816	4,498,785
Selling, marketing and administrative expense	2,373,621	2,436,508	2,236,009
Business realignment costs	29,035	441	1,989
Operating profit	2,898,232	2,560,867	2,260,787
Interest expense, net	165,655	151,785	137,557
Other (income) expense, net	258,641	237,218	206,159
Income before income taxes	2,473,936	2,171,864	1,917,071
Provision for income taxes	252,697	310,077	272,254
Net income	$ 2,221,239	$ 1,861,787	$ 1,644,817
Net income per share—basic:			
Common stock	$ 11.22	$ 9.31	$ 8.22
Class B common stock	$ 10.20	$ 8.52	$ 7.47
Net income per share—diluted:			
Common stock	$ 10.92	$ 9.06	$ 7.96
Class B common stock	$ 10.18	$ 8.50	$ 7.45
Dividends paid per share:			
Common stock	$ 5.480	$ 4.456	$ 3.874
Class B common stock	$ 4.980	$ 4.050	$ 3.522

See Notes to Consolidated Financial Statements.

THE HERSHEY COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	For the years ended December 31,								
	2024			2023			2022		
	Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount	Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount	Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount
Net income			$ 2,221,239			$ 1,861,787			$ 1,644,817
Other comprehensive income (loss), net of tax:									
Foreign currency translation adjustments:									
Foreign currency translation gains (losses) during period	$ (90,036)	$ —	(90,036)	$ 22,659	$ —	22,659	$ (10,340)	$ —	(10,340)
Pension and post-retirement benefit plans:									
Net actuarial (loss) gain	(18,617)	4,252	(14,365)	(39,454)	9,191	(30,263)	(32,970)	7,481	(25,489)
Reclassification to earnings	25,055	(5,988)	19,067	28,612	(6,895)	21,717	31,009	(7,392)	23,617
Cash flow hedges:									
(Losses) gains on cash flow hedging derivatives	11,036	(5,989)	5,047	954	(30)	924	2,056	(74)	1,982
Reclassification to earnings	3,931	2,544	6,475	10,866	(3,648)	7,218	10,200	(3,088)	7,112
Total other comprehensive income (loss), net of tax	$ (68,631)	$ (5,181)	(73,812)	$ 23,637	$ (1,382)	22,255	$ (45)	$ (3,073)	(3,118)
Comprehensive income			$ 2,147,427			$ 1,884,042			$ 1,641,699

See Notes to Consolidated Financial Statements.

THE HERSHEY COMPANY
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

December 31,	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 730,746	$ 401,902
Accounts receivable—trade, net	800,402	823,617
Inventories	1,254,094	1,340,996
Prepaid expenses and other	974,215	345,588
Total current assets	3,759,457	2,912,103
Property, plant and equipment, net	3,458,853	3,309,678
Goodwill	2,705,753	2,696,050
Other intangibles	1,873,866	1,879,229
Other non-current assets	1,111,867	1,061,427
Deferred income taxes	37,065	44,454
Total assets	$ 12,946,861	$ 11,902,941
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,159,177	$ 1,086,183
Accrued liabilities	807,341	867,815
Accrued income taxes	51,036	29,457
Short-term debt	1,306,976	719,839
Current portion of long-term debt	604,965	305,058
Total current liabilities	3,929,495	3,008,352
Long-term debt	3,190,210	3,789,132
Other long-term liabilities	688,259	660,673
Deferred income taxes	424,243	345,698
Total liabilities	8,232,207	7,803,855
Stockholders' equity:		
The Hershey Company stockholders' equity		
Preferred stock, shares issued: none in 2024 and 2023	—	—
Common stock, shares issued: 166,939,511 in 2024 and 2023	166,939	166,939
Class B common stock, shares issued: 54,613,514 in 2024 and 2023	54,614	54,614
Additional paid-in capital	1,377,226	1,345,580
Retained earnings	5,698,316	4,562,263
Treasury—common stock shares, at cost: 19,169,956 in 2024 and 17,160,099 in 2023	(2,278,551)	(1,800,232)
Accumulated other comprehensive loss	(303,890)	(230,078)
Total stockholders' equity	4,714,654	4,099,086
Total liabilities and stockholders' equity	$ 12,946,861	$ 11,902,941

See Notes to Consolidated Financial Statements.

THE HERSHEY COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

For the years ended December 31,	2024	2023	2022
Operating Activities			
Net income	$ 2,221,239	$ 1,861,787	$ 1,644,817
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	455,255	419,815	378,959
Stock-based compensation expense	44,414	81,021	65,991
Deferred income taxes	73,235	16,233	36,889
Write-down of equity investments	243,311	210,484	188,286
Unrealized gains on derivative contracts	(513,800)	—	—
Other	76,604	103,287	120,818
Changes in assets and liabilities, net of business acquisitions and divestitures:			
Accounts receivable—trade, net	4,456	(102,080)	(38,165)
Inventories	68,831	(157,153)	(186,963)
Prepaid expenses and other current assets	(89,809)	(22,444)	(14,507)
Accounts payable and accrued liabilities	28,901	50,234	216,479
Accrued income taxes	(17,093)	(32,481)	5,005
Contributions to pension and other benefit plans	(15,599)	(27,581)	(78,547)
Other assets and liabilities	(48,349)	(77,932)	(11,225)
Net cash provided by operating activities	2,531,596	2,323,190	2,327,837
Investing Activities			
Capital additions (including software)	(605,942)	(771,109)	(519,481)
Equity investments in tax credit qualifying partnerships	(285,499)	(256,815)	(275,534)
Business acquisitions, net of cash and cash equivalents acquired	(75,500)	(165,818)	—
Other investing activities	6,627	(4,934)	7,639
Net cash used in investing activities	(960,314)	(1,198,676)	(787,376)
Financing Activities			
Net increase (decrease) in short-term debt	607,006	26,049	(245,633)
Long-term borrowings, net of debt issuance costs	—	744,092	—
Repayment of long-term debt and finance leases	(306,359)	(755,414)	(4,741)
Cash dividends paid	(1,084,802)	(889,071)	(775,030)
Repurchase of common stock	(494,191)	(264,913)	(388,964)
Exercise of stock options	14,663	26,015	34,158
Taxes withheld and paid on employee stock awards	(32,818)	(35,009)	(35,515)
Net cash used in financing activities	(1,296,501)	(1,148,251)	(1,415,725)
Effect of exchange rate changes on cash and cash equivalents	54,063	(38,250)	9,887
Increase (decrease) in cash and cash equivalents	328,844	(61,987)	134,623
Cash and cash equivalents, beginning of period	401,902	463,889	329,266
Cash and cash equivalents, end of period	$ 730,746	$ 401,902	$ 463,889
Supplemental Disclosure			
Interest paid	$ 179,777	$ 160,729	$ 131,757
Income taxes paid	201,799	303,942	221,321

See Notes to Consolidated Financial Statements.

THE HERSHEY COMPANY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

	Preferred Stock	Common Stock	Class B Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Common Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance, January 1, 2022	$ —	$ 160,939	$ 60,614	$ 1,260,331	$ 2,719,936	$ (1,195,376)	$ (249,215)	$ 2,757,229
Net income					1,644,817			1,644,817
Other comprehensive loss							(3,118)	(3,118)
Dividends (including dividend equivalents):								
Common Stock, $ 3.874 per share					(567,839)			(567,839)
Class B Common Stock, $ 3.522 per share					(207,133)			(207,133)
Stock-based compensation				65,909				65,909
Conversion of Class B Common Stock into Common Stock		2,500	(2,500)					—
Exercise of stock options and incentive-based transactions				(29,668)		28,311		(1,357)
Repurchase of common stock						(388,964)		(388,964)
Balance, December 31, 2022	—	163,439	58,114	1,296,572	3,589,781	(1,556,029)	(252,333)	3,299,544
Net income					1,861,787			1,861,787
Other comprehensive income							22,255	22,255
Dividends (including dividend equivalents):								
Common Stock, $ 4.456 per share					(663,410)			(663,410)
Class B Common Stock, $ 4.050 per share					(225,895)			(225,895)
Conversion of Class B Common Stock into Common Stock		3,500	(3,500)					—
Stock-based compensation				81,130				81,130
Exercise of stock options and incentive-based transactions				(32,122)		23,128		(8,994)
Repurchase of common stock						(267,331)		(267,331)
Balance, December 31, 2023	—	166,939	54,614	1,345,580	4,562,263	(1,800,232)	(230,078)	4,099,086
Net income					2,221,239			2,221,239
Other comprehensive income (loss)				25,317			(73,812)	(48,495)
Dividends (including dividend equivalents):								
Common Stock, $ 5.480 per share					(813,211)			(813,211)
Class B Common Stock, $ 4.980 per share					(271,975)			(271,975)
Stock-based compensation				45,091				45,091
Exercise of stock options and incentive-based transactions				(38,762)		20,607		(18,155)
Repurchase of common stock (including excise tax)						(498,926)		(498,926)
Balance, December 31, 2024	$ —	$ 166,939	$ 54,614	$ 1,377,226	$ 5,698,316	$ (2,278,551)	$ (303,890)	$ 4,714,654

See Notes to Consolidated Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

The Hershey Company together with its wholly-owned subsidiaries and entities in which it has a controlling interest, (the "Company," "Hershey," "we" or "us") is a global confectionery leader known for its branded portfolio of chocolate, sweets, mints and other great tasting snacks. The Company has more than 90 brands worldwide including such iconic brand names as *Hershey's, Reese's, Kisses, Jolly Rancher* and *Ice Breakers,* which are marketed, sold and distributed in approximately 70 countries worldwide. Hershey's structure is designed to ensure continued focus on North America, coupled with an emphasis on profitable growth in our focus international markets. The Company currently operates through three segments that are aligned with its management structure and the key markets it serves: (i) North America Confectionery, (ii) North America Salty Snacks and (iii) International. For additional information on our segment presentation, see Note 13.

Basis of Presentation

Our consolidated financial statements include the accounts of The Hershey Company and its majority-owned or controlled subsidiaries. Intercompany transactions and balances have been eliminated. We have a controlling financial interest if we own a majority of the outstanding voting common stock and minority shareholders do not have substantive participating rights, we have significant control through contractual or economic interests in which we are the primary beneficiary or we have the power to direct the activities that most significantly impact the entity's economic performance. We use the equity method of accounting when we have a 20% to 50% interest in other companies and exercise significant influence. In addition, we use the equity method of accounting for our investments in partnership entities which make equity investments in projects eligible to receive federal historic and energy tax credits. See Note 10 for additional information on our equity investments in partnership entities qualifying for tax credits. Other investments that are not controlled, and over which we do not have the ability to exercise significant influence, are accounted for at cost, less impairments. Both equity method and cost, less impairment investments are included as Other non-current assets in the Consolidated Balance Sheets. For additional information on our investments in unconsolidated affiliates, see Note 8.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying disclosures. Our significant estimates and assumptions include, among others, pension and other post-retirement benefit plan assumptions, valuation assumptions of goodwill and other intangible assets, useful lives of long-lived assets, marketing and trade promotion accruals and income taxes. These estimates and assumptions are based on management's best judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and the effects of any revisions are reflected in the consolidated financial statements in the period that they are determined. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates.

Revenue Recognition

The majority of our revenue contracts represent a single performance obligation related to the fulfillment of customer orders for the purchase of our products, including chocolate, sweets, mints and other grocery and snack offerings. Net sales reflect the transaction prices for these contracts based on our selling list price which is then reduced by estimated costs for trade promotional programs, consumer incentives, and allowances and discounts associated with aged or potentially unsaleable products. We recognize revenue at the point in time that control of the ordered product(s) is transferred to the customer, which is typically upon delivery to the customer or other customer-designated delivery point. Amounts billed and due from our customers are classified as accounts receivables on the balance sheet and require payment on a short-term basis.

Our trade promotional programs and consumer incentives are used to promote our products and include, but are not limited to, discounts, coupons, rebates, in-store display incentives, and volume-based incentives. The estimated costs associated with these programs and incentives are based upon our analysis of the programs offered, expectations regarding customer and consumer participation, historical sales and payment trends, and our experience with payment patterns associated with similar programs offered in the past. The estimated costs of these programs are reasonably likely to change in future periods due to changes in trends with regard to customer and consumer participation, particularly for new programs and for programs related to the introduction of new products. Differences between estimated expense and actual program performance are recognized as a change in estimate in a subsequent period and are normally not significant. During 2024, 2023 and 2022, actual promotional costs have not deviated from the estimated amount by more than 3 %. The Company's unsettled portion remaining in accrued liabilities at year-end for these activities was $ 221,275 and $ 194,032 at December 31, 2024 and 2023, respectively.

We also recognize a minor amount of royalty income (less than 1% of our consolidated net sales) from sales-based licensing arrangements, pursuant to which revenue is recognized as the third-party licensee sales occur. Shipping and handling costs incurred to deliver product to the customer are recorded within cost of sales. Sales, value add and other taxes we collect concurrent with revenue producing activities are excluded from revenue.

The majority of our products are confectionery or confectionery-based and, therefore, exhibit similar economic characteristics, as they are based on similar ingredients and are marketed and sold through the same channels to the same customers. In connection with our recent acquisitions, we have expanded our portfolio of salty snacking products, which also exhibit similar economic characteristics to our confectionery products and are sold through the same channels to the same customers. See Note 13 for revenues reported by geographic segment, which is consistent with how we organize and manage our operations, as well as product line net sales information.

In 2024, 2023 and 2022, approximately 27 %, 28 % and 28 %, respectively, of our consolidated net sales were made to McLane Company, Inc., one of the largest wholesale distributors in the United States to convenience stores, drug stores, wholesale clubs and mass merchandisers and the primary distributor of our products to Wal-Mart Stores, Inc.

Cost of Sales

Cost of sales represents costs directly related to the manufacture and distribution of our products. Primary costs include raw materials, packaging, direct labor, overhead, shipping and handling, warehousing and the depreciation of manufacturing, warehousing and distribution facilities. Manufacturing overhead and related expenses include salaries, wages, employee benefits, utilities, maintenance and property taxes.

Selling, Marketing and Administrative Expense

Selling, marketing and administrative expense ("SM&A") represents costs incurred in generating revenues and in managing our business. Such costs include advertising and other marketing expenses, selling expenses, research and development costs, administrative and other indirect overhead costs, amortization of capitalized software and intangible assets and depreciation of administrative facilities. Research and development costs, charged to expense as incurred, totaled $ 55,798 in 2024, $ 50,030 in 2023 and $ 46,943 in 2022. Advertising expense is also charged to expense as incurred and totaled $ 600,094 in 2024, $ 604,853 in 2023 and $ 517,677 in 2022. Prepaid advertising expense was $ 1,351 as of December 31, 2024. There was no prepaid advertising expense as of December 31, 2023.

Cash Equivalents

Cash equivalents consist of highly liquid debt instruments, time deposits and money market funds with original maturities of three months or less. The fair value of cash equivalents approximates the carrying amount.

Accounts Receivable—Trade

In the normal course of business, we extend credit to customers that satisfy pre-defined credit criteria, based upon the results of our recurring financial account reviews and our evaluation of current and projected economic conditions. Our primary concentration of credit risk is associated with McLane Company, Inc., one customer served principally by our North America Confectionery segment. As of December 31, 2024, McLane Company, Inc. accounted for approximately 23 % of our total accounts receivable. No other customer accounted for more than 10% of our year-end accounts receivable. We believe that we have little concentration of credit risk associated with the remainder of our customer base. Accounts receivable-trade in the Consolidated Balance Sheets is presented net of allowances for bad debts and anticipated discounts of $ 40,487 and $ 31,663 at December 31, 2024 and 2023, respectively.

Inventories

Inventories are valued at the lower of cost or net realizable value, adjusted for the value of inventory that is estimated to be excess, obsolete or otherwise unsaleable. As of December 31, 2024, approximately 75 % of our inventories, representing the majority of our United States ("U.S.") inventories, were valued under the last-in, first-out ("LIFO") method. For the remainder of our inventories in the U.S. and inventories for our international businesses, cost is determined by either first-in, first-out ("FIFO") or average cost. LIFO cost of inventories valued using the LIFO method was $ 945,335 as of December 31, 2024 and $ 741,040 as of December 31, 2023. The adjustment to LIFO, as shown in Note 19 , approximates the excess of replacement cost over the stated LIFO inventory value. The net impact of LIFO liquidations during 2024 was $ 32,139 . The net impact of LIFO acquisitions and liquidations was not material to 2023 or 2022.

Property, Plant and Equipment

Property, plant and equipment is stated at cost and depreciated on a straight-line basis over the estimated useful lives of the assets, as follows: 3 to 15 years for machinery and equipment; and 25 to 40 years for buildings and related improvements. At December 31, 2024 and December 31, 2023, property, plant and equipment included assets under finance lease arrangements with net book values totaling $ 62,484 and $ 69,863 , respectively. Total depreciation expense for the years ended December 31, 2024, 2023 and 2022 was $ 292,170 , $ 265,604 and $ 253,582 , respectively, and included depreciation on assets recorded under finance lease arrangements. Maintenance and repairs are expensed as incurred. We capitalize applicable interest charges incurred during the construction of new facilities and production lines and amortize these costs over the assets' estimated useful lives.

We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. We measure the recoverability of assets to be held and used by a comparison of the carrying amount of long-lived assets to future undiscounted net cash flows expected to be generated. If these assets are considered to be impaired, we measure impairment as the amount by which the carrying amount of the assets exceeds the fair value of the assets. We report assets held for sale or disposal at the lower of the carrying amount or fair value less cost to sell.

We assess asset retirement obligations on a periodic basis and recognize the fair value of a liability for an asset retirement obligation in the period in which it is incurred if a reasonable estimate of fair value can be made. We capitalize associated asset retirement costs as part of the carrying amount of the long-lived asset.

Computer Software

We capitalize costs associated with software developed or obtained for internal use when both the preliminary project stage is completed and it is probable the software being developed will be completed and placed in service. Capitalized costs include only (i) external direct costs of materials and services consumed in developing or obtaining internal-use software, (ii) payroll and other related costs for employees who are directly associated with and who devote time to the internal-use software project and (iii) interest costs incurred, when material, while developing internal-use software. We cease capitalization of such costs no later than the point at which the project is substantially complete and ready for its intended purpose.

The unamortized amount of capitalized software totaled $ 367,087 and $ 360,205 at December 31, 2024 and 2023, respectively. We amortize software costs using the straight-line method over the expected life of the software, generally 3 to 7 years. Accumulated amortization of capitalized software was $ 476,611 and $ 395,410 as of 2024 and 2023, respectively. Such amounts are recorded within other assets in the Consolidated Balance Sheets.

We review the carrying value of software and development costs for impairment in accordance with our policy pertaining to the impairment of long-lived assets.

Goodwill and Other Intangible Assets

Goodwill and indefinite-lived intangible assets are not amortized, but are evaluated for impairment annually or more often if indicators of a potential impairment are present. Our annual impairment tests are conducted at the beginning of the fourth quarter. We test goodwill for impairment by performing either a qualitative or quantitative assessment. If we choose to perform a qualitative assessment, we evaluate economic, industry and company-specific factors in assessing the fair value of the related reporting unit. If we determine that it is more likely than not that the fair value of the reporting unit is less than its carrying value, a quantitative test is then performed. Otherwise, no further testing is required. For those reporting units tested using a quantitative approach, we compare the fair value of each reporting unit with the carrying amount of the reporting unit, including goodwill. If the estimated fair value of the reporting unit is less than the carrying amount of the reporting unit, impairment is indicated, requiring recognition of a goodwill impairment charge for the differential (up to the carrying value of goodwill). We test individual indefinite-lived intangible assets by comparing the estimated fair values with the book values of each asset.

(amounts in thousands, except share data or if otherwise indicated)

We determine the fair value of our reporting units and indefinite-lived intangible assets using an income approach. Under the income approach, we calculate the fair value of our reporting units and indefinite-lived intangible assets based on the present value of estimated future cash flows. Considerable management judgment is necessary to evaluate the impact of operating and macroeconomic changes and to estimate the future cash flows used to measure fair value. Our estimates of future cash flows consider past performance, current and anticipated market conditions and internal projections and operating plans which incorporate estimates for sales growth and profitability, and cash flows associated with taxes and capital spending. Additional assumptions include forecasted growth rates, estimated discount rates, which may be risk-adjusted for the operating market of the reporting unit, and estimated royalty rates that would be charged for comparable branded licenses. We believe such assumptions also reflect current and anticipated market conditions and are consistent with those that would be used by other marketplace participants for similar valuation purposes. Such assumptions are subject to change due to changing economic and competitive conditions.

The cost of intangible assets with finite useful lives is amortized on a straight-line basis. Our finite-lived intangible assets consist primarily of certain trademarks, customer-related intangible assets and patents obtained through business acquisitions. The weighted-average amortization period for our finite-lived intangible assets is approximately 27 years, which is primarily driven by recently acquired trademarks. If certain events or changes in operating conditions indicate that the carrying value of these assets, or related asset groups, may not be recoverable, we perform an impairment assessment and may adjust the remaining useful lives. See Note 3 for additional information regarding the results of impairment tests.

Supplier Finance Program Obligations

We have agreements with two third-party financial institutions to facilitate a supplier finance program which allows qualifying suppliers to sell their receivables from the Company to the financial institution. These participating suppliers negotiate their outstanding receivable arrangements directly with the financial institution, and our rights and obligations to our suppliers are not impacted. We have no economic interest in a supplier’s decision to enter into these agreements. Once a qualifying supplier elects to participate in the supplier finance program and reaches an agreement with a financial institution, they elect which individual Company invoices they sell to the financial institution. However, all Company payments to participating suppliers are paid to the financial institution on the invoice due date, regardless of whether the individual invoice is sold by the supplier to the financial institution. The financial institution pays the supplier on the invoice due date for any invoices that were not previously sold under the supplier finance program. Our obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted by our suppliers’ decisions to sell amounts under these arrangements. The payment of these obligations is included in cash provided by operating activities in the Consolidated Statements of Cash Flows. The rollforward of the Company’s outstanding obligations confirmed as valid under its supplier finance program, which are included in Accounts Payable in the Consolidated Balance Sheets, for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Supplier finance program obligations outstanding at beginning of the year	$ 149,261	$ 105,293
Invoice amounts added during the year	860,250	585,872
Invoice amounts paid during the year	(794,389)	(541,904)
Supplier finance program obligations outstanding at end of the year	$ 215,122	$ 149,261

Currency Translation

The financial statements of our foreign entities with functional currencies other than the U.S. dollar are translated into U.S. dollars, with the resulting translation adjustments recorded as a component of other comprehensive income (loss). Assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the balance sheet date, while income and expense items are translated using the average exchange rates during the period. In 2024, the Company recorded a reclassification related to foreign currency between additional paid-in capital and other comprehensive income (loss). This adjustment did not have a material impact on our consolidated financial statements.

Derivative Instruments

We use derivative instruments principally to offset exposure to market risks arising from changes in commodity prices, foreign currency exchange rates and interest rates. See Note 5 for additional information on our risk management strategy and the types of instruments we use.

Derivative instruments are recognized on the Consolidated Balance Sheets at their fair values. When we become party to a derivative instrument and intend to apply hedge accounting, we designate the instrument for financial reporting purposes as a cash flow or fair value hedge. The accounting for changes in fair value (gains or losses) of a derivative instrument depends on whether we have designated it and it qualified as part of a hedging relationship, as noted below:

- Changes in the fair value of a derivative that is designated as a cash flow hedge are recorded in accumulated other comprehensive income (“AOCI”) to the extent effective and reclassified into earnings in the same period or periods during which the transaction hedged by that derivative also affects earnings.
- Changes in the fair value of a derivative that is designated as a fair value hedge, along with the offsetting loss or gain on the hedged asset or liability that is attributable to the risk being hedged, are recorded in earnings, thereby reflecting in earnings the net extent to which the hedge is not effective in achieving offsetting changes in fair value.
- Changes in the fair value of a derivative not designated as a hedging instrument are recognized in earnings in cost of sales or SM&A, consistent with the related exposure.

For derivatives designated as hedges, we assess, both at the hedge’s inception and on an ongoing basis, whether they are highly effective in offsetting changes in fair values or cash flows of hedged items. The ineffective portion, if any, is recorded directly in earnings. In addition, if we determine that a derivative is not highly effective as a hedge or that it has ceased to be a highly effective hedge, we discontinue hedge accounting prospectively.

We do not hold or issue derivative instruments for trading or speculative purposes and are not a party to any instruments with leverage or prepayment features.

Cash flows related to the derivative instruments we use to manage interest, commodity or other currency exposures are classified as operating activities.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. This ASU requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”), an amount for other segment items with a description of the composition, and disclosure of the title and position of the CODM. ASU 2023-07 is effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. We adopted the provisions of this ASU in the fourth quarter of 2024 and applied the provisions retrospectively to each period presented in the consolidated financial statements. Adoption of the new standard did not have a material impact on our consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The ASU is intended to provide temporary optional expedients and exceptions to the GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. Entities may apply this ASU upon issuance through December

31, 2022 on a prospective basis. We early adopted the provisions of this ASU in the first quarter of 2022. Adoption of the new standard did not have a material impact on our consolidated financial statements.

In September 2022, the FASB issued ASU No. 2022-04, *Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations* . This ASU requires a buyer in a supplier finance program to disclose qualitative and quantitative information about the program including the program's nature, activity during the period, changes from period to period and potential magnitude. ASU 2022-04 is effective for annual periods beginning after December 15, 2022 and interim periods within those annual periods. A rollforward of obligations during the annual period, including the amount of obligations confirmed and obligations subsequently paid, is effective for annual periods beginning after December 15, 2023 with early adoption permitted. This ASU should be applied retrospectively to each period in which a balance sheet is presented, except for the amendment on rollforward information, which should be applied prospectively. We early adopted provisions of this ASU in the fourth quarter of 2022, with the exception of the amendment on rollforward information, which we adopted in the fourth quarter of 2023. Adoption of the new standard did not have a material impact on our consolidated financial statements.

In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers.* This ASU requires an acquirer to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with *Revenue from Contracts with Customers (Topic 606)* rather than adjust them to fair value at the acquisition date. ASU 2021-08 is effective for annual periods beginning after December 15, 2022 and interim periods within those annual periods. This ASU should be applied prospectively to business combinations occurring on or after the date of adoption. As a result, we adopted the provisions of this ASU in the first quarter of 2023, and was applied to acquisitions since the date of adoption.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* . This ASU requires public business entities on an annual basis to disclose specific categories in a tabular rate reconciliation and provide additional information for reconciling items that meet a five percent quantitative threshold. Additionally, the ASU requires all entities to disclose the amount of income taxes paid disaggregated by federal, state, and foreign taxes, as well as individual jurisdictions where income taxes paid are equal to or greater than five percent of total income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted and the updated should be applied on a prospective basis, with a retrospective application permitted in the financial statements. We are currently evaluating the impact of the new standard on our consolidated financial statements and related disclosures. As a result, we intend to adopt the provisions of this ASU in the fourth quarter of 2025.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.* This ASU requires entities to disclose certain additional expense information including, among other items, purchases of inventory, employee compensation, depreciation and intangible asset amortization included within each Consolidated Statement of Income expense caption. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and the update should be applied on a prospective basis, with a retrospective application permitted in the financial statements. We are currently evaluating the impact of the new standard on our consolidated financial statements and related disclosures.

No other new accounting pronouncement issued or effective during the fiscal year had or is expected to have a material impact on our consolidated financial statements or disclosures.

2. BUSINESS ACQUISITIONS

Acquisitions of businesses are accounted for as business combinations and, accordingly, the results of operations of the businesses acquired have been included in the consolidated financial statements since the respective dates of the acquisitions. The purchase price for each acquisition is allocated to the assets acquired and liabilities assumed.

In conjunction with acquisitions noted below, we used various valuation techniques to determine fair value of the assets acquired, with the primary techniques being discounted cash flow analysis, relief-from-royalty, a form of the multi-period excess earnings and the with-and-without valuation approaches, which use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy. Inputs to these valuation approaches require significant judgment including: (i) forecasted sales, growth rates and customer attrition rates, (ii) forecasted operating margins, (iii) royalty rates and discount rates used to present value future cash flows, (iv) the amount of synergies expected from the acquisition, (v) the economic useful life of assets and (vi) the evaluation of historical tax positions. In certain acquisitions, historical data is limited; therefore, we base our estimates and assumptions on budgets, business plans, economic projections, anticipated future cash flows and marketplace data.

2024 Activity

Sour Strips

On November 8, 2024, we completed the acquisition of the Sour Strips brand from Actual Candy, LLC. Sour Strips is an emerging sour candy brand and is available in a wide range of food distribution channels in the United States. The initial cash consideration paid for Sour Strips was deemed immaterial and consisted of cash on hand and short-term borrowings; however, the Company may be required to pay additional contingent consideration if certain defined targets are met over a multi-year period. Acquisition-related costs for the Sour Strips acquisition were immaterial.

The acquisition has been accounted for as a business combination and, accordingly, Sour Strips has been included within the North America Confectionery segment from the date of acquisition. The purchase consideration, inclusive of the acquisition date fair value of the contingent consideration, was allocated to minimal net assets acquired, goodwill and other intangible assets. The purchase price allocation is preliminary as we are in the process of evaluating additional information necessary to finalize the valuation of assets acquired and liabilities assumed as of the acquisition date including, but not limited to, post-closing adjustments to the working capital acquired. The final fair value determination is not expected to result in material adjustments to our preliminary purchase price allocation, including other intangible assets and goodwill. We expect to finalize the purchase price allocation by mid-2025.

Goodwill was determined as the excess of the purchase price over the fair value of the net assets acquired (including the identifiable intangible assets). The goodwill derived from this acquisition is expected to be deductible for tax purposes and reflects the value of leveraging our brand building expertise, commercial capabilities and retail relationships to accelerate growth.

Other intangible assets include trademarks valued at $ 41,800 and customer relationships valued at $ 41,300 . Trademarks were assigned an estimated useful life of 22 years and customer relationships were assigned estimated useful lives ranging from 14 to 16 years.

2023 Activity

Manufacturing Capacity

On May 31, 2023, we completed the acquisition of certain assets that provide additional manufacturing capacity from Weaver Popcorn Manufacturing, Inc. (“Weaver”), a leader in the production and co-packing of microwave popcorn and ready-to-eat popcorn, and former co-manufacturer of the Company’s *SkinnyPop* brand. The cash consideration paid for Weaver totaled $ 165,818 and consisted of cash on hand and short-term borrowings. Acquisition-related costs for the Weaver acquisition were immaterial.

The acquisition has been accounted for as a business combination and, accordingly, Weaver has been included within the North America Salty Snacks segment from the date of acquisition. The purchase consideration was allocated to assets acquired and liabilities assumed based on their respective fair values and consisted of $ 85,231 to goodwill,

(amounts in thousands, except share data or if otherwise indicated)

$ 79,136 to property, plant and equipment, net and $ 1,451 to other net assets acquired. The purchase price allocation has been finalized as of the fourth quarter of 2023 and did not include measurement period adjustments.

Goodwill was determined as the excess of the purchase price over the fair value of the net assets acquired. The goodwill derived from this acquisition is deductible for tax purposes and reflects the value of leveraging our supply chain capabilities to accelerate growth and access to our portfolio of salty snacks products.

3. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying value of goodwill by segment for the years ended December 31, 2024 and 2023 are as follows:

	North America Confectionery	North America Salty Snacks	International	Total
Goodwill	$ 2,023,403	$ 571,770	$ 374,131	$ 2,969,304
Accumulated impairment loss	(4,973)	—	(357,375)	(362,348)
Balance at January 1, 2023	2,018,430	571,770	16,756	2,606,956
Acquired during the period	—	85,231	—	85,231
Foreign currency translation	2,401	—	1,462	3,863
Balance at December 31, 2023	2,020,831	657,001	18,218	2,696,050
Acquired during the period (see Note 2)	20,723	—	—	20,723
Foreign currency translation	(8,697)	—	(2,323)	(11,020)
Balance at December 31, 2024	$ 2,032,857	$ 657,001	$ 15,895	$ 2,705,753

We had no goodwill impairment charges in 2024, 2023 or 2022.

The following table provides the gross carrying amount and accumulated amortization for each major class of intangible asset:

December 31,	2024		2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Intangible assets subject to amortization:				
Trademarks	$ 1,721,159	$ (282,819)	$ 1,703,029	$ (249,947)
Customer-related	552,594	(151,409)	513,910	(123,282)
Patents	7,579	(7,579)	8,233	(8,233)
Total	2,281,332	(441,807)	2,225,172	(381,462)
Intangible assets not subject to amortization:				
Trademarks	34,341		35,519	
Total other intangible assets	$ 1,873,866		$ 1,879,229	

Total amortization expense for the years ended December 31, 2024, 2023 and 2022 was $ 84,640 , $ 88,771 and $ 79,690 , respectively.

Amortization expense for the next five years, based on current intangible asset balances, is estimated to be as follows:

Year ending December 31,	2025	2026	2027	2028	2029
Amortization expense	$ 82,221	$ 82,174	$ 81,081	$ 81,081	$ 79,553

(amounts in thousands, except share data or if otherwise indicated)

4. SHORT AND LONG-TERM DEBT

Short-term Debt

As a source of short-term financing, we utilize cash on hand and commercial paper or bank loans with an original maturity of three months or less. We maintain a $ 1.35 billion unsecured revolving credit facility with the option to increase borrowings by an additional $ 500 million with the consent of the lenders. This facility is scheduled to expire on April 26, 2028; however, we may extend the termination date for up to two additional one-year periods upon notice to the administrative agent under the facility.

The unsecured committed revolving credit agreement contains a financial covenant whereby the ratio of (a) pre-tax income from operations from the most recent four fiscal quarters to (b) consolidated interest expense for the most recent four fiscal quarters may not be less than 2.0 to 1.0 at the end of each fiscal quarter. The credit agreement also contains customary representations, warranties and events of default. Payment of outstanding advances may be accelerated, at the option of the lenders, should we default in our obligation under the credit agreement. As of December 31, 2024, we are in compliance with all affirmative and negative covenants and the financial covenant pertaining to our credit agreement. There were no significant compensating balance agreements that legally restricted these funds.

In addition to the revolving credit facility, we maintain lines of credit with domestic and international commercial banks. Our credit limit in various currencies was $ 391,279 at December 31, 2024 and $ 411,553 at December 31, 2023. These lines permit us to borrow at the respective banks' prime commercial interest rates, or lower. Commitment fees relating to our revolving credit facility and lines of credit are not material. Short-term debt consisted of the following:

	December 31, 2024	December 31, 2023
Short-term foreign bank borrowings against lines of credit	$ 161,364	$ 192,278
U.S. commercial paper	1,145,612	527,561
Total short-term debt	$ 1,306,976	$ 719,839
Weighted average interest rate on outstanding commercial paper	4.5 %	5.4 %

The maximum amount of short-term borrowings outstanding during 2024 and 2023 was $ 1,321,274 and $ 859,773 , respectively. The weighted-average interest rate on short-term borrowings outstanding was 4.8 % as of December 31, 2024 and 5.8 % as of December 31, 2023.

(amounts in thousands, except share data or if otherwise indicated)

Long-term Debt

Long-term debt consisted of the following:

December 31,	Maturity Date	2024	2023
2.050 % Notes (1)	November 15, 2024	—	300,000
0.900 % Notes	June 1, 2025	300,000	300,000
3.200 % Notes	August 21, 2025	300,000	300,000
2.300 % Notes	August 15, 2026	500,000	500,000
7.200 % Debentures	August 15, 2027	193,639	193,639
4.250 % Notes (2)	May 4, 2028	350,000	350,000
2.450 % Notes	November 15, 2029	300,000	300,000
1.700 % Notes	June 1, 2030	350,000	350,000
4.500 % Notes (2)	May 4, 2033	400,000	400,000
3.375 % Notes	August 15, 2046	300,000	300,000
3.125 % Notes	November 15, 2049	400,000	400,000
2.650 % Notes	June 1, 2050	350,000	350,000
Finance lease obligations (see Note 7)		73,802	76,385
Net impact of interest rate swaps, debt issuance costs and unamortized debt discounts		(22,266)	(25,834)
Total long-term debt		3,795,175	4,094,190
Less—current portion		604,965	305,058
Long-term portion		$ 3,190,210	$ 3,789,132

(1) In November 2024, we repaid $ 300,000 of 2.050 % Notes due upon their maturity.

(2) During the second quarter of 2023, we issued $ 350,000 of 4.250 % Notes due in May 2028 and $ 400,000 of 4.500 % Notes due in May 2033 (together, the “2023 Notes”). Proceeds from the issuance of the 2023 Notes, net of discounts and issuance costs, totaled $ 744,092 . The 2023 Notes were issued under a shelf registration on Form S-3 filed in May 2021 that registered an indeterminate amount of debt securities.

Aggregate annual maturities of our long-term Notes (excluding finance lease obligations and net impact of interest rate swaps, debt issuance costs and unamortized debt discounts) are as follows for the years ending December 31:

2025	$ 600,000
2026	500,000
2027	193,639
2028	350,000
2029	300,000
Thereafter	1,800,000

Our debt is principally unsecured and of equal priority. None of our debt is convertible into our Common Stock.

(amounts in thousands, except share data or if otherwise indicated)

Interest Expense

Net interest expense consists of the following:

For the years ended December 31,	2024	2023	2022
Interest expense	$ 194,240	$ 176,066	$ 148,226
Capitalized interest	(19,923)	(14,555)	(8,131)
Interest expense	174,317	161,511	140,095
Interest income	(8,662)	(9,726)	(2,538)
Interest expense, net	$ 165,655	$ 151,785	$ 137,557

5. DERIVATIVE INSTRUMENTS

We are exposed to market risks arising principally from changes in foreign currency exchange rates, interest rates and commodity prices. We use certain derivative instruments to manage these risks. These include interest rate swaps to manage interest rate risk, foreign currency forward exchange contracts to manage foreign currency exchange rate risk, and commodities futures and options contracts to manage commodity market price risk exposures.

In entering into these contracts, we have assumed the risk that might arise from the possible inability of counterparties to meet the terms of their contracts. We mitigate this risk by entering into exchanged-traded contracts with collateral posting requirements and/or by performing financial assessments prior to contract execution, conducting periodic evaluations of counterparty performance and maintaining a diverse portfolio of qualified counterparties. We do not expect any significant losses from counterparty defaults.

Commodity Price Risk

We enter into commodities futures and options contracts and other commodity derivative instruments to reduce the effect of future price fluctuations associated with the purchase of raw materials, energy requirements and transportation services. We generally hedge commodity price risks for 3 - to 24 - month periods. Our open commodity derivative contracts had a notional value of $ 667,421 as of December 31, 2024 and $ 94,917 as of December 31, 2023.

Derivatives used to manage commodity price risk are not designated for hedge accounting treatment. Therefore, the changes in fair value of these derivatives are recorded as incurred within cost of sales. As discussed in Note 13, we define our segment income to exclude gains and losses on commodity derivatives until the related inventory is sold, at which time the related gains and losses are reflected within segment income. This enables us to continue to align the derivative gains and losses with the underlying economic exposure being hedged and thereby eliminate the mark-to-market volatility within our reported segment income.

Foreign Exchange Price Risk

We are exposed to foreign currency exchange rate risk related to our international operations, including non-functional currency intercompany debt and other non-functional currency transactions of certain subsidiaries. Principal currencies hedged include the euro, Canadian dollar, Japanese yen, British pound, Brazilian real, Malaysian ringgit, Mexican peso and Swiss franc. We typically utilize foreign currency forward exchange contracts to hedge these exposures for periods ranging from 3 to 12 months. The contracts are either designated as cash flow hedges or are undesignated. The net notional amount of foreign exchange contracts accounted for as cash flow hedges was $ 79,028 at December 31, 2024 and $ 80,068 at December 31, 2023. The effective portion of the changes in fair value on these contracts is recorded in other comprehensive income and reclassified into earnings in the same period in which the hedged transactions affect earnings. The net notional amount of foreign exchange contracts that are not designated as accounting hedges was $ 123,014 at December 31, 2024 and $ 13,665 at December 31, 2023. The change in fair value on these instruments is recorded directly in cost of sales or selling, marketing and administrative expense, depending on the nature of the underlying exposure.

(amounts in thousands, except share data or if otherwise indicated)

Interest Rate Risk

In order to manage interest rate exposure, from time to time, we enter into interest rate swap agreements to protect against unfavorable interest rate changes relating to forecasted debt transactions. These swaps, which are settled upon issuance of the related debt, are designated as cash flow hedges and the gains and losses that are deferred in other comprehensive income are being recognized as an adjustment to interest expense over the same period that the hedged interest payments affect earnings.

Equity Price Risk

We are exposed to market price changes in certain broad market indices related to our deferred compensation obligations to our employees. To mitigate this risk, we use equity swap contracts to hedge the portion of the exposure that is linked to market-level equity returns. These contracts are not designated as hedges for accounting purposes and are entered into for periods of 3 to 12 months. The change in fair value of these derivatives is recorded in SM&A expense, together with the change in the related liabilities. The notional amount of the contracts outstanding at December 31, 2024 and 2023 was $ 30,524 and $ 22,867 , respectively.

The following table presents the classification of derivative assets and liabilities within the Consolidated Balance Sheets as of December 31, 2024 and 2023:

December 31,	2024		2023	
	Assets (1)	Liabilities (1)	Assets (1)	Liabilities (1)
Derivatives designated as cash flow hedging instruments:				
Foreign exchange contracts	$ 8,598	$ 3,280	$ 1,219	$ 1,670
Derivatives not designated as hedging instruments:				
Commodities futures and options (2)	514,623	14,321	66	679
Deferred compensation derivatives	460	—	2,343	—
Foreign exchange contracts	164	4,800	1,123	—
	515,247	19,121	3,532	679
Total	$ 523,845	$ 22,401	$ 4,751	$ 2,349

(1) Derivatives assets are classified on our Consolidated Balance Sheets within prepaid expenses and other as well as other non-current assets. Derivative liabilities are classified on our Consolidated Balance Sheets within accrued liabilities and other long-term liabilities.

(2) As of December 31, 2024, amounts reflected on a net basis in assets were assets of $ 533,115 and liabilities of $ 32,998 , which are associated with cash transfers receivable or payable on commodities futures contracts reflecting the change in quoted market prices on the last trading day for the period and the fair value of options contracts based on quoted market prices. The comparable amounts reflected on a net basis in liabilities at December 31, 2023 were assets of $ 29,881 and liabilities of $ 30,493 . At December 31, 2024 and 2023, the remaining amount reflected in assets and liabilities related to the fair value of other non-exchange traded derivative instruments, respectively.

(amounts in thousands, except share data or if otherwise indicated)

Income Statement Impact of Derivative Instruments

The effect of derivative instruments on the Consolidated Statements of Income for the years ended December 31, 2024 and 2023 was as follows:

	Non-designated Hedges		Cash Flow Hedges			
	Gains (losses) recognized in income (a)		Gains (losses) recognized in other comprehensive income ("OCI")		Gains (losses) reclassified from AOCI into income (b)	
	2024	2023	2024	2023	2024	2023
Commodities futures and options	$ 509,870	$ (53,085)	$ —	$ —	$ —	$ —
Foreign exchange contracts	(4,781)	1,111	11,036	(4,860)	5,268	(1,150)
Interest rate swap agreements	—	—	—	5,814	(9,199)	(9,716)
Deferred compensation derivatives	4,772	4,119	—	—	—	—
Total	$ 509,861	$ (47,855)	$ 11,036	$ 954	$ (3,931)	$ (10,866)

(a) Gains (losses) recognized in income for non-designated commodities futures and options contracts were included in cost of sales. Gains (losses) recognized in income for non-designated foreign currency forward exchange contracts and deferred compensation derivatives were included in selling, marketing and administrative expenses.

(b) Gains (losses) reclassified from AOCI into income for foreign currency forward exchange contracts were included in selling, marketing and administrative expenses. Losses reclassified from AOCI into income for interest rate swap agreements were included in interest expense.

The amount of pretax net losses on derivative instruments, including interest rate swap agreements and foreign currency forward exchange contracts expected to be reclassified into earnings in the next 12 months was approximately $ 4,088 as of December 31, 2024. This amount is primarily associated with interest rate swap agreements.

6. FAIR VALUE MEASUREMENTS

Accounting guidance on fair value measurements requires that financial assets and liabilities be classified and disclosed in one of the following categories of the fair value hierarchy:

Level 1 – Based on unadjusted quoted prices for identical assets or liabilities in an active market.

Level 2 – Based on observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Based on unobservable inputs that reflect the entity's own assumptions about the assumptions that a market participant would use in pricing the asset or liability.

We did no t have any Level 3 financial assets or liabilities, nor were there any transfers between levels during the periods presented.

(amounts in thousands, except share data or if otherwise indicated)

The following table presents assets and liabilities that were measured at fair value in the Consolidated Balance Sheets on a recurring basis as of December 31, 2024 and 2023:

	Assets / Liabilities			
	Level 1	**Level 2**	**Level 3**	**Total**
December 31, 2024:				
Derivative Instruments:				
Assets:				
Foreign exchange contracts (1)	$ —	$ 8,761	$ —	$ 8,761
Deferred compensation derivatives (2)	—	460	—	460
Commodities futures and options (3)	514,623	—	—	514,623
Liabilities:				
Foreign exchange contracts (1)	—	8,080	—	8,080
Commodities futures and options (3)	14,321	—	—	14,321
December 31, 2023:				
Assets:				
Foreign exchange contracts (1)	$ —	$ 2,342	$ —	$ 2,342
Deferred compensation derivatives (2)	—	2,343	—	2,343
Commodities futures and options (3)	66	—	—	66
Liabilities:				
Foreign exchange contracts (1)	—	1,670	—	1,670
Commodities futures and options (3)	679	—	—	679

(1) The fair value of foreign currency forward exchange contracts is the difference between the contract and current market foreign currency exchange rates at the end of the period. We estimate the fair value of foreign currency forward exchange contracts on a quarterly basis by obtaining market quotes of spot and forward rates for contracts with similar terms, adjusted where necessary for maturity differences.

(2) The fair value of deferred compensation derivatives is based on quoted prices for market interest rates and a broad market equity index.

(3) The fair value of commodities futures and options contracts is based on quoted market prices.

Other Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and short-term debt approximated fair values as of December 31, 2024 and December 31, 2023 because of the relatively short maturity of these instruments.

The estimated fair value of our long-term debt is based on quoted market prices for similar debt issuances and is, therefore, classified as Level 2 within the valuation hierarchy. The fair values and carrying values of long-term debt, including the current portion, were as follows:

	Fair Value		Carrying Value	
At December 31,	**2024**	**2023**	**2024**	**2023**
Current portion of long-term debt	$ 597,547	$ 297,842	$ 604,965	$ 305,058
Long-term debt	2,734,322	3,413,411	3,190,210	3,789,132
Total	$ 3,331,869	$ 3,711,253	$ 3,795,175	$ 4,094,190

(amounts in thousands, except share data or if otherwise indicated)

Other Fair Value Measurements

In addition to assets and liabilities that are recorded at fair value on a recurring basis, GAAP requires that, under certain circumstances, we also record assets and liabilities at fair value on a nonrecurring basis.

2024 Activity

In connection with the acquisition of Sour Strips in 2024, as discussed in Note 2, we used various valuation techniques to determine fair value, with the primary techniques being discounted cash flow analysis and the relief-from-royalty, a form of the multi-period excess earnings, which use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy. Additionally, we estimated the fair value of the contingent consideration using a Monte Carlo simulation model.

2023 Activity

In connection with the acquisition of Weaver during 2023, as discussed in Note 2 , we used various valuation techniques to determine fair value, with the primary technique being the cost approach to value personal property, which uses significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy.

7. LEASES

We lease office and retail space, warehouse and distribution facilities, land, vehicles, and equipment. We determine if an agreement is or contains a lease at inception. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and liabilities are based on the estimated present value of lease payments over the lease term and are recognized at the lease commencement date.

As most of our leases do not provide an implicit rate, we use our estimated incremental borrowing rate in determining the present value of lease payments. The estimated incremental borrowing rate is derived from information available at the lease commencement date.

Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. A limited number of our lease agreements include rental payments adjusted periodically for inflation. Our lease agreements generally do not contain residual value guarantees or material restrictive covenants.

For real estate, equipment and vehicles that support selling, marketing and general administrative activities the Company accounts for the lease and non-lease components as a single lease component. These asset categories comprise the majority of our leases. The lease and non-lease components of real estate and equipment leases supporting production activities are not accounted for as a single lease component. Consideration for such contracts is allocated to the lease component and non-lease components based upon relative standalone prices either observable or estimated if observable prices are not readily available.

The components of lease expense were as follows:

Lease expense	Classification	2024	2023
Operating lease cost	Cost of sales or SM&A (1)	$ 53,141	$ 48,577
Finance lease cost:			
Amortization of ROU assets	Depreciation and amortization (1)	9,017	8,140
Interest on lease liabilities	Interest expense, net	4,702	4,593
Net lease cost (2)		$ 66,860	$ 61,310

(1) Supply chain-related amounts were included in cost of sales.

(2) Net lease cost does not include short-term leases, variable lease costs or sublease income, all of which are immaterial.

(amounts in thousands, except share data or if otherwise indicated)

Information regarding our lease terms and discount rates were as follows:

	2024	2023
Weighted-average remaining lease term (years)		
Operating leases	12.4	14.4
Finance leases	25.9	25.9
Weighted-average discount rate		
Operating leases	3.7 %	3.5 %
Finance leases	6.3 %	6.2 %

Supplemental balance sheet information related to leases were as follows:

Leases	Classification	2024	2023
Assets			
Operating lease ROU assets	Other non-current assets	$ 337,739	$ 307,976
Finance lease ROU assets, at cost	Property, plant and equipment, gross	87,999	89,335
Accumulated amortization	Accumulated depreciation	(25,515)	(19,472)
Finance lease ROU assets, net	Property, plant and equipment, net	62,484	69,863
Total leased assets		$ 400,223	$ 377,839
Liabilities			
Current			
Operating	Accrued liabilities	$ 40,636	$ 34,494
Finance	Current portion of long-term debt	5,666	5,900
Non-current			
Operating	Other long-term liabilities	304,767	277,089
Finance	Long-term debt	68,136	70,485
Total lease liabilities		$ 419,205	$ 387,968

(amounts in thousands, except share data or if otherwise indicated)

The maturity of our lease liabilities as of December 31, 2024 were as follows:

	Operating leases	Finance leases	Total
2025	$ 52,557	$ 9,951	$ 62,508
2026	48,923	6,824	55,747
2027	46,511	4,796	51,307
2028	28,973	4,366	33,339
2029	25,375	4,231	29,606
Thereafter	225,278	133,638	358,916
Total lease payments	427,617	163,806	591,423
Less: Imputed interest	82,214	90,004	172,218
Total lease liabilities	$ 345,403	$ 73,802	$ 419,205

Supplemental cash flow and other information related to leases were as follows:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 48,757	$ 45,176
Operating cash flows from finance leases	$ 4,702	$ 4,593
Financing cash flows from finance leases	$ 6,507	$ 5,381
ROU assets obtained in exchange for lease liabilities:		
Operating leases	$ 71,804	$ 18,469
Finance leases	$ 3,875	$ 7,448

8. INVESTMENTS IN UNCONSOLIDATED AFFILIATES

We invest in partnerships that make equity investments in projects eligible to receive federal historic and renewable energy tax credits. The tax credits, when realized, are recognized as a reduction of tax expense under the flow-through method, at which time the corresponding equity investment is written-down to reflect the remaining value of the future benefits to be realized. The equity investment write-down is reflected within other (income) expense, net in the Consolidated Statements of Income (see Note 17).

Additionally, we acquire ownership interests in emerging snacking businesses and startup companies, which vary in method of accounting based on our percentage of ownership and ability to exercise significant influence over decisions relating to operating and financial affairs. These investments afford the Company the rights to distribute brands that the Company does not own to third-party customers primarily in North America. Net sales and expenses of our equity method investees are not consolidated into our financial statements; rather, our proportionate share of earnings or losses are recorded on a net basis within other (income) expense, net in the Consolidated Statements of Income.

Both equity method investments and cost, less impairment, investments are reported within other non-current assets in our Consolidated Balance Sheets. We regularly review our investments and adjust accordingly for capital contributions, dividends received and other-than-temporary impairments. Total investments in unconsolidated affiliates was $ 212,928 and $ 207,177 as of December 31, 2024 and December 31, 2023, respectively.

(amounts in thousands, except share data or if otherwise indicated)

9. BUSINESS REALIGNMENT ACTIVITIES

We periodically undertake business realignment activities designed to increase our efficiency and focus our business in support of our key growth strategies.

Advancing Agility & Automation Initiative

On February 2, 2024, the Board of Directors of the Company approved a multi-year productivity initiative ("Advancing Agility & Automation Initiative" or "AAA Initiative") to improve supply chain and manufacturing-related spend, optimize selling, general and administrative expenses, leverage new technology and business models to further simplify and automate processes, and generate long-term savings.

The Company estimates that the AAA Initiative will result in total pre-tax costs of $ 200,000 to $ 250,000 from inception through 2026. This estimate primarily includes program office execution and third-party costs supporting the design and implementation of the new organizational structure of $ 100,000 to $ 120,000 , as well as implementation and technology capability costs of $ 55,000 to $ 70,000 . Additionally, we expect to incur employee severance and related separation benefits of $ 45,000 to $ 60,000 as we facilitate workforce reductions and reallocate resources to further drive the Company's strategic priorities. The cash portion of the total cost is estimated to be $ 175,000 to $ 225,000 . At the conclusion of the program in 2026, ongoing annual savings are expected to be approximately $ 300,000 .

Since inception through December 31, 2024, we recognized total costs associated with the AAA Initiative of $ 117,536 . These charges predominantly included employee severance and related separation benefits related to workforce reductions and third-party costs supporting the design and implementation of the new organizational structure, as well as technology capability costs. The costs and related benefits of the AAA Initiative predominantly relates to the North America Confectionery segment and Corporate. However, segment operating results do not include these business realignment expenses because we evaluate segment performance excluding such costs.

2020 International Optimization Program

In the fourth quarter of 2020, we commenced a program ("International Optimization Program") to streamline resources and investments in select international markets, including the optimization of our China operating model that will improve our operational efficiency and provide for a strong, sustainable and simplified base going forward.

The International Optimization Program was originally expected to total pre-tax costs of $ 50,000 to $ 75,000 , with cash costs in the range of $ 40,000 to $ 65,000 , primarily related to workforce reductions of approximately 350 positions outside of the United States, costs to consolidate and relocate production, and third-party costs incurred to execute these activities. The costs and related benefits of the International Optimization Program relate to the International segment. However, segment operating results do not include these business realignment expenses because we evaluate segment performance excluding such costs. This program was completed in 2023.

For the years ended December 31, 2023 and 2022, we recognized total costs associated with the International Optimization Program of $ 3,440 and $ 4,417 , respectively. These charges predominantly included third-party charges in support of our initiative to transform our China operating model, as well as severance and employee benefit costs. Since inception, we have incurred pre-tax charges to execute the program totaling $ 53,799 .

Costs associated with business realignment activities are classified in our Consolidated Statements of Income as follows:

For the years ended December 31,	2024	2023	2022
Cost of sales	$ 12,168	$ 527	$ 3
Selling, marketing and administrative expense	76,333	2,472	2,425
Business realignment costs	29,035	441	1,989
Costs associated with business realignment activities	$ 117,536	$ 3,440	$ 4,417

(amounts in thousands, except share data or if otherwise indicated)

Costs recorded by program in 2024, 2023 and 2022 related to these activities were as follows:

For the years ended December 31,	2024	2023	2022
Advancing Agility & Automation Initiative:			
Severance and employee benefit costs	$ 29,035	$ —	$ —
Other program costs	88,501	—	—
International Optimization Program:			
Severance and employee benefit costs	$ —	$ 441	$ 2,001
Other program costs	—	2,999	2,416
Total	$ 117,536	$ 3,440	$ 4,417

The following table presents the liability activity for costs qualifying as exit and disposal costs for the year ended December 31, 2024:

	Total
Liability balance at December 31, 2023 (1)	$ —
2024 business realignment charges (2)	29,035
Cash payments	(18,618)
Liability balance at December 31, 2024 (1)	$ 10,417

(1) The liability balances reflected above are reported within accrued liabilities and other long-term liabilities.

(2) The costs reflected in the liability roll-forward represent employee-related charges.

10. INCOME TAXES

The components of income before income taxes were as follows:

For the years ended December 31,	2024	2023	2022
Domestic	$ 1,796,428	$ 1,832,771	$ 1,816,622
Foreign	677,508	339,093	100,449
Income before income taxes	$ 2,473,936	$ 2,171,864	$ 1,917,071

The components of our provision for income taxes were as follows:

For the years ended December 31,	2024	2023	2022
Current:			
Federal	$ 23,345	$ 141,753	$ 121,968
State	85,746	83,802	85,741
Foreign	70,371	68,289	27,656
	179,462	293,844	235,365
Deferred:			
Federal	21,223	28,191	34,848
State	3,616	(9,531)	3,393
Foreign	48,396	(2,427)	(1,352)
	73,235	16,233	36,889
Total provision for income taxes	$ 252,697	$ 310,077	$ 272,254

(amounts in thousands, except share data or if otherwise indicated)

Deferred taxes reflect temporary differences between the tax basis and financial statement carrying value of assets and liabilities. The significant temporary differences that comprised the deferred tax assets and liabilities are as follows :

December 31,	**2024**	**2023**
Deferred tax assets:		
Post-retirement benefit obligations	$ 23,503	$ 24,969
Accrued expenses and other reserves	83,263	85,601
Stock-based compensation	16,656	21,656
Derivative instruments	—	12,268
Lease liabilities	98,915	90,405
Accrued trade promotion reserves	18,706	18,796
Net operating loss carryforwards	98,159	110,342
Capital loss carryforwards	8,002	—
Other	87,525	83,011
Gross deferred tax assets	434,729	447,048
Valuation allowance	(117,239)	(114,149)
Total deferred tax assets	317,490	332,899
Deferred tax liabilities:		
Property, plant and equipment, net	295,911	271,465
Acquired intangibles	254,884	228,711
Lease ROU assets	78,852	71,150
Inventories	10,736	13,250
Derivative instruments	37,558	—
Pension	8,440	10,001
Other	18,287	39,566
Total deferred tax liabilities	704,668	634,143
Net deferred tax liabilities	$ (387,178)	$ (301,244)
Included in:		
Non-current deferred tax assets, net	$ 37,065	$ 44,454
Non-current deferred tax liabilities, net	(424,243)	(345,698)
Net deferred tax liabilities	$ (387,178)	$ (301,244)

Changes in deferred taxes were primarily due to acquired intangibles, derivative instruments and accelerated tax depreciation on property, plant and equipment.

The valuation allowances as of December 31, 2024 and 2023 were primarily related to various foreign jurisdictions' net operating loss carryforwards and other deferred tax assets that we do not expect to realize.

(amounts in thousands, except share data or if otherwise indicated)

The following table reconciles the federal statutory income tax rate with our effective income tax rate:

For the years ended December 31,	2024	2023	2022
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %
Increase (reduction) resulting from:			
State income taxes, net of Federal income tax benefits	2.4	2.8	3.2
Foreign rate differences	(1.2)	(1.0)	(0.1)
Historic and solar tax credits	(9.4)	(9.5)	(9.9)
Tax contingencies	(1.6)	1.1	0.4
Stock compensation	(0.2)	(0.5)	(0.7)
Other, net	(0.8)	0.4	0.3
Effective income tax rate	10.2 %	14.3 %	14.2 %

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

December 31,	2024	2023
Balance at beginning of year	$ 149,625	$ 148,345
Additions for tax positions taken during prior years	7,207	11,567
Reductions for tax positions taken during prior years	(4,913)	(26)
Additions for tax positions taken during the current year	9,339	6,194
Settlements	(201)	(9,838)
Expiration of statutes of limitations	(43,479)	(6,617)
Balance at end of year	$ 117,578	$ 149,625

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was $ 88,230 as of December 31, 2024 and $ 122,706 as of December 31, 2023.

We report accrued interest and penalties related to unrecognized tax benefits in income tax expense. We recognized a net tax benefit of $ 7,068 in 2024, and a net tax expense of $ 12,027 and $ 4,862 in 2023 and 2022, respectively, for interest and penalties. Accrued net interest and penalties were $ 30,286 as of December 31, 2024 and $ 37,355 as of December 31, 2023.

The Company and its subsidiaries file tax returns in the United States, including various state and local returns, and in other foreign jurisdictions. We are routinely audited by taxing authorities in our filing jurisdictions, and a number of these disputes are currently underway, including multi-year controversies at various stages of review, negotiation and litigation in Mexico, Canada, Switzerland and the United States. The outcome of tax audits cannot be predicted with certainty, including the timing of resolution or potential settlements. If any issues addressed in our tax audits are resolved in a manner not consistent with management's expectations, we could be required to adjust our provision for income taxes in the period such resolution occurs. Based on our current assessments, we believe adequate provision has been made for all income tax uncertainties.

We reasonably expect reductions in the liability for unrecognized tax benefits of approximately $ 5,462 within the next 12 months because of the expiration of statutes of limitations and settlements of tax audits.

As of December 31, 2024, we had approximately $ 1.1 billion of undistributed earnings of our international subsidiaries. We continue to reinvest the remainder of the earnings outside of the United States for which there would be a material tax implication to distributing, such as withholding tax, for the foreseeable future and, therefore, have not recognized additional tax expense on these earnings beyond the one-time U.S. repatriation tax due under the 2017 Tax Cuts and Jobs Act.

Organization for Economic Cooperation Development

The Organization for Economic Cooperation and Development ("OECD") introduced Global Anti-Base Erosion and Profit Shifting Pillar Two regulations which aim to ensure that multi-national entities that exceed the threshold revenue levels are subject to a minimum effective tax rate of 15% in jurisdictions where they operate. Numerous countries, including European Union member states, have enacted, or are expected to enact, related legislation with general implementation of a global minimum tax as of January 1, 2025. The Company is subject to OECD Pillar Two regulations, which may result in additional tax liabilities in jurisdictions where the effective tax rate falls below the 15% threshold. The Company has evaluated and will continue to monitor the impact of these new rules but does not anticipate that they will have a material impact on the Company's effective tax rate.

Investments in Partnerships Qualifying for Tax Credits

We invest in partnerships which make equity investments in projects eligible to receive federal historic and energy tax credits. The investments are accounted for under the equity method and reported within other non-current assets in our Consolidated Balance Sheets. The tax credits, when realized, are recognized as a reduction of tax expense under the flow-through method, at which time the corresponding equity investment is written-down to reflect the remaining value of the future benefits to be realized. For the years ended December 31, 2024, 2023 and 2022 we recognized investment tax credits and related outside basis difference benefits totaling $ 300,597 , $ 251,827 and $ 228,819 , respectively, and we wrote-down the equity investment by $ 243,311 , $ 210,484 and $ 188,286 , respectively, to reflect the realization of these benefits. The equity investment write-down is reflected within other (income) expense, net in the Consolidated Statements of Income (see Note 17).

11. PENSION AND OTHER POST-RETIREMENT BENEFIT PLANS

We sponsor a number of defined benefit pension plans. The primary plan is The Hershey Retirement Plan for Salaried and Hourly Employees. This is a cash balance plan that provides pension benefits for most U.S. employees hired prior to January 1, 2007. We also sponsor two post-retirement benefit plans: health care and life insurance. The health care plan is contributory, with participants' contributions adjusted annually. The life insurance plan is non-contributory.

(amounts in thousands, except share data or if otherwise indicated)

Obligations and Funded Status

A summary of the changes in benefit obligations, plan assets and funded status of these plans is as follows:

	Pension Benefits		Other Benefits	
December 31,	**2024**	**2023**	**2024**	**2023**
Change in benefit obligation				
Projected benefit obligation at beginning of year	$ 822,035	$ 830,285	$ 100,311	$ 164,889
Service cost	15,323	14,991	131	221
Interest cost	38,675	41,205	4,852	7,171
Actuarial (gain) loss	(5,337)	23,187	4,845	38,789
Curtailment	—	—	—	(740)
Settlement	(64,665)	(66,132)	—	(88,689)
Currency translation and other	(5,008)	2,466	(2,143)	(324)
Benefits paid	(22,341)	(23,967)	(12,033)	(21,006)
Projected benefit obligation at end of year	778,682	822,035	95,963	100,311
Change in plan assets				
Fair value of plan assets at beginning of year	836,843	848,432	—	—
Actual return on plan assets	30,626	70,096	—	—
Employer contributions	3,566	6,576	12,033	21,006
Settlement	(64,665)	(66,132)	—	(88,689)
Annuity purchase	—	—	—	88,689
Currency translation and other	(4,052)	1,838	—	—
Benefits paid	(22,341)	(23,967)	(12,033)	(21,006)
Fair value of plan assets at end of year	779,977	836,843	—	—
Funded status at end of year	$ 1,295	$ 14,808	$ (95,963)	$ (100,311)
Amounts recognized in the Consolidated Balance Sheets:				
Other assets	$ 41,298	$ 48,506	$ —	$ —
Accrued liabilities	(6,166)	(4,749)	(8,957)	(9,593)
Other long-term liabilities	(33,837)	(28,949)	(87,006)	(90,718)
Total	$ 1,295	$ 14,808	$ (95,963)	$ (100,311)
Amounts recognized in Accumulated Other Comprehensive Income (Loss), net of tax:				
Actuarial net (loss) gain	$ (117,030)	$ (129,184)	$ (10,903)	$ (7,704)
Net prior service credit	4,631	8,561	1,205	527
Net amounts recognized in AOCI	$ (112,399)	$ (120,623)	$ (9,698)	$ (7,177)

The projected benefit obligation during 2024 was impacted by actuarial gain of $ 5,337 which was mainly the result of the discount rate assumption increasing from 5.1 % at December 31, 2023 to 5.5 % at December 31, 2024. The accumulated benefit obligation for all defined benefit pension plans was $ 753,886 as of December 31, 2024 and $ 789,257 as of December 31, 2023.

(amounts in thousands, except share data or if otherwise indicated)

Plans with accumulated benefit obligations in excess of plan assets were as follows:

December 31,	2024	2023
Projected benefit obligation	$ 46,812	$ 40,278
Accumulated benefit obligation	41,853	33,812
Fair value of plan assets	7,138	6,695

Plans with projected benefit obligations in excess of plan assets were as follows:

December 31,	2024	2023
Projected benefit obligation	$ 49,539	$ 84,416
Accumulated benefit obligation	42,897	71,046
Fair value of plan assets	9,536	50,718

Net Periodic Benefit Cost

The components of net periodic benefit cost were as follows:

	Pension Benefits			Other Benefits		
For the years ended December 31,	**2024**	**2023**	**2022**	**2024**	**2023**	**2022**
Amounts recognized in net periodic benefit cost						
Service cost	$ 15,323	$ 14,991	$ 17,500	$ 131	$ 221	$ 302
Interest cost	38,675	41,205	30,491	4,852	7,171	4,603
Expected return on plan assets	(51,193)	(48,978)	(47,637)	—	—	—
Amortization of prior service credit	(5,493)	(5,658)	(5,651)	(151)	(50)	—
Amortization of net (gain) loss	15,248	19,846	16,060	557	(966)	(92)
Curtailment credit	—	—	—	—	(740)	—
Settlement loss	14,894	15,254	20,692	—	926	—
Total net periodic benefit cost	$ 27,454	$ 36,660	$ 31,455	$ 5,389	$ 6,562	$ 4,813
Change in plan assets and benefit obligations recognized in AOCI, pre-tax						
Actuarial net (gain) loss	$ (15,513)	$ (32,720)	$ 22,609	$ 4,609	$ 38,698	$ (26,212)
Prior service cost (credit)	5,436	5,670	5,601	(963)	(736)	—
Total recognized in other comprehensive (income) loss, pre-tax	$ (10,077)	$ (27,050)	$ 28,210	$ 3,646	$ 37,962	$ (26,212)
Net amounts recognized in periodic benefit cost and AOCI	$ 17,377	$ 9,610	$ 59,665	$ 9,035	$ 44,524	$ (21,399)

The non-service cost components of net periodic benefit cost relating to pension and other post-retirement benefit plans is reflected within other (income) expense, net in the Consolidated Statements of Income (see Note 17).

(amounts in thousands, except share data or if otherwise indicated)

Assumptions

The weighted-average assumptions used in computing the year end benefit obligations were as follows:

	Pension Benefits		Other Benefits	
December 31,	**2024**	**2023**	**2024**	**2023**
Discount rate	5.5 %	5.1 %	5.7 %	5.2 %
Rate of increase in compensation levels	3.6 %	3.6 %	4.0 %	4.0 %
Interest crediting rate	4.6 %	4.8 %	N/A	N/A

The weighted-average assumptions used in computing net periodic benefit cost were as follows:

	Pension Benefits			Other Benefits		
For the years ended December 31,	**2024**	**2023**	**2022**	**2024**	**2023**	**2022**
Discount rate	5.1 %	5.5 %	2.7 %	5.2 %	5.5 %	2.9 %
Expected long-term return on plan assets	6.6 %	6.2 %	4.9 %	N/A	N/A	N/A
Rate of compensation increase	3.6 %	3.4 %	3.5 %	N/A	N/A	N/A

The Company's discount rate assumption is determined by developing a yield curve based on high quality corporate bonds with maturities matching the plans' expected benefit payment streams. The plans' expected cash flows are then discounted by the resulting year-by-year spot rates. We base the asset return assumption on current and expected asset allocations, as well as historical and expected returns on the plan asset categories.

We utilize a full yield curve approach in the estimation of service and interest costs by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. This approach provides a more precise measurement of service and interest costs by improving the correlation between the projected cash flows to the corresponding spot rates along the yield curve. This approach does not affect the measurement of our pension and other post-retirement benefit liabilities, but generally results in lower benefit expense in periods when the yield curve is upward sloping.

For purposes of measuring our post-retirement benefit obligation at December 31, 2024, we assumed a 6.9 % annual rate of increase in the per capita cost of covered health care benefits for 2025, grading down to 4.9 % by 2033. For purposes of measuring our post-retirement benefit obligation at December 31, 2023, we assumed a 6.4 % annual rate of increase in the per capita cost of covered health care benefits for 2024, grading down to 5.0 % by 2030.

The valuations and assumptions reflect adoption of the Society of Actuaries updated Pri-2012 mortality tables with MP-2021 generational projection scales, which we adopted as of December 31, 2021. The Society of Actuaries did not update the Pri-2012 mortality tables in 2023 or 2024.

Plan Assets

We broadly diversify our pension plan assets across public equity, fixed income, diversified credit strategies and diversified alternative strategies asset classes. Our target asset allocation for our major domestic pension plans as of December 31, 2024 was as follows:

Asset Class	Target Asset Allocation
Cash	1 %
Equity securities	27 %
Fixed income securities	48 %
Alternative investments, including real estate, listed infrastructure and other	24 %

As of December 31, 2024, actual allocations were consistent with the targets and within our allowable ranges. We expect the level of volatility in pension plan asset returns to be in line with the overall volatility of the markets within each asset class.

(amounts in thousands, except share data or if otherwise indicated)

The following table sets forth by level, within the fair value hierarchy (as defined in Note 6), pension plan assets at their fair values as of December 31, 2024:

	Quoted prices in active markets of identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Investments Using NAV as a Practical Expedient (1)	Total
Cash and cash equivalents	$ 981	$ 32,404	$ —	$ 598	$ 33,983
Equity securities:					
International all-cap	—	—	—	483	483
Global all-cap (a)	—	—	—	204,421	204,421
Fixed income securities:					
U.S. government/agency	—	—	—	156,146	156,146
Corporate bonds (b)	—	—	—	59,602	59,602
International government/corporate bonds (c)	—	—	—	27,303	27,303
Diversified credit (d)	—	—	—	120,259	120,259
Alternative investments:					
Global diversified assets (e)	—	—	—	63,497	63,497
Real assets fund (f)	—	—	—	114,283	114,283
Total pension plan assets	$ 981	$ 32,404	$ —	$ 746,592	$ 779,977

The following table sets forth by level, within the fair value hierarchy, pension plan assets at their fair values as of December 31, 2023:

	Quoted prices in active markets of identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Investments Using NAV as a Practical Expedient (1)	Total
Cash and cash equivalents	$ 909	$ 42,202	$ —	$ 600	$ 43,711
Equity securities:					
International all-cap	—	—	—	395	395
Global all-cap (a)	—	—	—	209,245	209,245
Fixed income securities:					
U.S. government/agency	—	—	—	186,095	186,095
Corporate bonds (b)	—	—	—	60,293	60,293
International government/corporate bonds (c)	—	—	—	29,254	29,254
Diversified credit (d)	—	—	—	123,081	123,081
Alternative investments:					
Global diversified assets (e)	—	—	—	68,856	68,856
Real assets fund (f)	—	—	—	115,913	115,913
Total pension plan assets	$ 909	$ 42,202	$ —	$ 793,732	$ 836,843

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy but are included to reconcile to the amounts presented in our Obligations and Funded Status table.

(amounts in thousands, except share data or if otherwise indicated)

(a) This category comprises equity funds that primarily track the MSCI World Index or MSCI All Country World Index.
(b) This category comprises fixed income funds primarily invested in investment grade and high yield bonds.
(c) This category comprises fixed income funds primarily invested in Canadian and other international bonds.
(d) This category comprises fixed income funds primarily invested in high yield bonds, loans, securitized debt and emerging market debt.
(e) This category comprises diversified funds invested across alternative asset classes.
(f) This category comprises funds primarily invested in publicly traded real estate securities, publicly listed infrastructure securities and real estate debt.

The fair value of the Level 1 assets was based on quoted prices in active markets for the identical assets. The fair value of the Level 2 assets was determined by management based on an assessment of valuations provided by asset management entities and was calculated by aggregating market prices for all underlying securities.

Investment objectives for our domestic plan assets are:

- To ensure high correlation between the value of plan assets and liabilities;
- To maintain careful control of the risk level within each asset class; and
- To focus on a long-term return objective.

We believe that there are no significant concentrations of risk within our plan assets as of December 31, 2024. We comply with the rules and regulations promulgated under the Employee Retirement Income Security Act of 1974 ("ERISA") and we prohibit investments and investment strategies not allowed by ERISA. We do not permit direct purchases of our Company's securities or the use of derivatives for the purpose of speculation. We invest the assets of non-domestic plans in compliance with laws and regulations applicable to those plans.

Cash Flows and Plan Termination

Our policy is to fund domestic pension liabilities in accordance with the limits imposed by the ERISA, federal income tax laws and the funding requirements of the Pension Protection Act of 2006. We fund non-domestic pension liabilities in accordance with laws and regulations applicable to those plans.

We made total contributions to the pension plans of $ 3,566 during 2024. In 2023, we made total contributions of $ 6,576 to the pension plans. For 2025, minimum funding requirements for our pension plans are approximately $ 1,936 .

Total benefit payments expected to be paid to plan participants, including pension benefits funded from the plans and other benefits funded from Company assets, are as follows:

	Expected Benefit Payments					
	2025	2026	2027	2028	2029	2030-2034
Pension Benefits	$ 119,232	$ 80,359	$ 103,062	$ 72,257	$ 70,008	$ 291,879
Other Benefits	8,957	8,372	7,918	7,569	7,303	32,483

Annuitization of Other Post Employment Benefits

On August 21, 2023, the Hershey Employee Benefits Committee approved the purchase of an irrevocable group annuity contract with an insurance company for eligible retirees of The Hershey Company Retiree Medical and Life Insurance Plan to cover their medical benefits. On August 31, 2023, we paid $ 88,689 for the irrevocable group annuity contract. As a result of this transaction, we remeasured the projected benefit obligation and recognized a $ 926 non-cash pre-tax settlement charge during the quarter ended October 1, 2023.

Savings Plans

The Company sponsors several defined contribution plans to provide retirement benefits to employees. Contributions to The Hershey Company 401(k) Plan and similar plans for non-domestic employees are based on a portion of eligible pay up to a defined maximum. All matching contributions were made in cash. Expense associated with the defined contribution plans was $ 74,094 in 2024, $ 67,763 in 2023 and $ 61,477 in 2022.

(amounts in thousands, except share data or if otherwise indicated)

12. STOCK COMPENSATION PLANS

Share-based grants for compensation and incentive purposes are made pursuant to the Equity and Incentive Compensation Plan ("EICP"). The EICP provides for grants of one or more of the following stock-based compensation awards to employees, non-employee directors and certain service providers upon whom the successful conduct of our business is dependent:

- Non-qualified stock options ("stock options");
- Performance stock units ("PSUs") and performance stock;
- Stock appreciation rights;
- Restricted stock units ("RSUs") and restricted stock; and
- Other stock-based awards.

As of December 31, 2024, 68.5 million shares were authorized and approved by our stockholders for grants under the EICP. The EICP also provides for the deferral of stock-based compensation awards by participants if approved by the Compensation and Human Capital Committee of our Board and if in accordance with an applicable deferred compensation plan of the Company. Currently, the Compensation and Human Capital Committee has authorized the deferral of PSU and RSU awards by certain eligible employees under the Company's Deferred Compensation Plan. Our Board has authorized our non-employee directors to defer any portion of their cash retainer, committee chair fees and RSUs awarded that they elect to convert into deferred stock units under our Directors' Compensation Plan.

At the time stock options are exercised or PSUs and RSUs become payable, Common Stock is issued from our accumulated treasury shares. Dividend equivalents are credited on RSUs on the same date and at the same rate as dividends paid on our Common Stock. Dividend equivalents are charged to retained earnings and included in accrued liabilities until paid.

Awards to employees eligible for retirement prior to the award becoming fully vested are amortized to expense over the period through the date that the employee first becomes eligible to retire and is no longer required to provide service to earn the award. In addition, historical data is used to estimate forfeiture rates and record share-based compensation expense only for those awards that are expected to vest.

For the periods presented, compensation expense for all types of stock-based compensation programs and the related income tax benefit recognized were as follows:

For the years ended December 31,	2024	2023	2022
Pre-tax compensation expense	$ 44,414	$ 81,021	$ 65,991
Related income tax benefit	5,418	11,910	9,635

Compensation expenses for stock compensation plans are primarily included in SM&A expense. As of December 31, 2024, total stock-based compensation expense related to non-vested awards not yet recognized was $ 53,368 and the weighted-average period over which this amount is expected to be recognized was approximately 1.7 years.

Stock Options

The exercise price of each stock option awarded under the EICP equals the closing price of our Common Stock on the New York Stock Exchange on the date of grant. Each stock option has a maximum term of 10 years. Grants of stock options provide for pro-rated vesting, typically over a four-year period. Expense for stock options is based on grant date fair value and recognized on a straight-line method over the vesting period, net of estimated forfeitures.

(amounts in thousands, except share data or if otherwise indicated)

A summary of activity relating to grants of stock options for the year ended December 31, 2024 is as follows:

Stock Options	Shares	Weighted-Average Exercise Price (per share)	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at beginning of the period	726,701	$ 105.67	3.3 years	
Granted	2,455	$ 192.49		
Exercised	(146,202)	$ 102.02		
Forfeited	(1,555)	$ 147.98		
Expired	(1,565)	$ 147.98		
Outstanding as of December 31, 2024	579,834	$ 106.73	2.7 years	$ 36,872
Options exercisable as of December 31, 2024	566,004	$ 104.69	2.6 years	$ 36,756

The weighted-average fair value of options granted was $ 45.95 , $ 57.65 and $ 37.28 per share in 2024, 2023 and 2022, respectively. The fair value was estimated on the date of grant using a Black-Scholes option-pricing model and the following weighted-average assumptions:

For the years ended December 31,	2024	2023	2022
Dividend yields	2.0 %	1.7 %	1.9 %
Expected volatility	21.3 %	20.9 %	21.1 %
Risk-free interest rates	4.3 %	4.1 %	1.9 %
Expected term in years	6.3	6.3	6.3

- “Dividend yields” means the sum of dividends declared for the four most recent quarterly periods, divided by the average price of our Common Stock for the comparable periods;
- “Expected volatility” means the historical volatility of our Common Stock over the expected term of each grant;
- “Risk-free interest rates” means the U.S. Treasury yield curve rate in effect at the time of grant for periods within the contractual life of the stock option; and
- “Expected term” means the period of time that stock options granted are expected to be outstanding based on historical data.

The total intrinsic value of options exercised was $ 14,018 , $ 35,474 and $ 40,882 in 2024, 2023 and 2022, respectively.

As of December 31, 2024, there was $ 545 of total unrecognized compensation expense related to non-vested stock option awards granted under the EICP, which we expect to recognize over a weighted-average period of 0.8 years.

(amounts in thousands, except share data or if otherwise indicated)

The following table summarizes information about stock options outstanding as of December 31, 2024:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding as of 12/31/24	Weighted-Average Remaining Contractual Life in Years	Weighted-Average Exercise Price	Number Exercisable as of 12/31/24	Weighted-Average Exercise Price
$ 60.68 - $ 99.90	337,308	2.6	$ 97.24	337,308	$ 97.24
$ 99.91 - $ 107.95	116,610	1.9	$ 107.68	116,610	$ 107.68
$ 107.96 - $ 240.90	125,916	3.7	$ 131.25	112,086	$ 124.00
$ 60.68 - $ 240.90	579,834	2.7	$ 106.73	566,004	$ 104.69

Performance Stock Units and Restricted Stock Units

Under the EICP, we grant PSUs to selected executives and other key employees. Vesting is contingent upon the achievement of certain performance objectives. We grant PSUs over 3 -year performance cycles. If we meet targets for financial measures at the end of the applicable 3 -year performance cycle, we award a resulting number of shares of our Common Stock to the participants. The number of shares may be increased to the maximum or reduced to the minimum threshold based on the results of these performance metrics in accordance with the terms established at the time of the award.

For PSUs granted, the target award is a combination of a market-based total shareholder return and performance-based components. For market-based condition components, market volatility and other factors are taken into consideration in determining the grant date fair value and the related compensation expense is recognized regardless of whether the market condition is satisfied, provided that the requisite service has been provided. For performance-based condition components, we estimate the probability that the performance conditions will be achieved each quarter and adjust compensation expenses accordingly. The performance scores of PSUs granted in 2024, 2023, and 2022 can range from 0 % to 250 % of the targeted amounts.

We recognize the compensation expense associated with PSUs ratably over the 3 -year term. Compensation expense is based on the grant date fair value because the grants can only be settled in shares of our Common Stock. The grant date fair value of PSUs is determined based on the Monte Carlo simulation model for the market-based total shareholder return component and the closing market price of the Company's Common Stock on the date of grant for performance-based components.

In 2024, 2023 and 2022, we awarded RSUs to certain executive officers and other key employees under the EICP. We also awarded RSUs quarterly to non-employee directors.

We recognize the compensation expense associated with employee RSUs over a specified award vesting period based on the grant date fair value of our Common Stock. We recognize expense for employee RSUs based on the straight-line method. The compensation expense associated with non-employee director RSUs is recognized ratably over the vesting period, net of estimated forfeitures.

(amounts in thousands, except share data or if otherwise indicated)

A summary of activity relating to grants of PSUs and RSUs for the period ended December 31, 2024 is as follows:

Performance Stock Units and Restricted Stock Units	**Number of units**	**Weighted-average grant date fair value for equity awards (per unit)**
Outstanding at beginning of year	1,039,691	$ 198.31
Granted	392,046	$ 194.43
Performance assumption change (1)	(301,291)	$ 210.95
Vested	(506,293)	$ 179.10
Forfeited	(85,350)	$ 210.01
Outstanding at end of year	538,803	$ 204.65

(1) Reflects the net number of PSUs above and below target levels based on the performance metrics.

The following table sets forth information about the fair value of the PSUs and RSUs granted for potential future distribution to employees and non-employee directors. In addition, the table provides assumptions used to determine the fair value of the market-based total shareholder return component using the Monte Carlo simulation model on the date of grant.

For the years ended December 31,	**2024**	**2023**	**2022**
Units granted	392,046	341,374	313,285
Weighted-average fair value at date of grant	$ 194.43	$ 241.41	$ 211.85
Monte Carlo simulation assumptions:			
Estimated values	$ 84.13	$ 118.90	$ 100.41
Dividend yields	2.8 %	1.7 %	1.8 %
Expected volatility	18.5 %	19.2 %	25.3 %

- “Estimated values” means the fair value for the market-based total shareholder return component of each PSU at the date of grant using a Monte Carlo simulation model;
- “Dividend yields” means the sum of dividends declared for the four most recently quarterly periods, divided by the average price of our Common Stock for the comparable periods;
- “Expected volatility” means the historical volatility of our Common Stock over the expected term of each grant.

The fair value of shares vested totaled $ 96,946 , $ 106,243 and $ 105,668 in 2024, 2023 and 2022, respectively.

Deferred PSUs, deferred RSUs and deferred stock units representing directors’ fees totaled 249,411 units as of December 31, 2024. Each unit is equivalent to one share of the Company’s Common Stock.

13. SEGMENT INFORMATION

The Company reports its operations through three segments: (i) North America Confectionery, (ii) North America Salty Snacks and (iii) International. This organizational structure aligns with how our CODM, Michele Buck, Chairman of the Board, President, and Chief Executive Officer manages our business, including resource allocation and performance assessment, and further aligns with our product categories and the key markets we serve.

- ***North America Confectionery –*** This segment is responsible for our traditional chocolate and non-chocolate confectionery market position in the United States and Canada. This includes our business in chocolate and non-chocolate confectionery, gum and refreshment products, protein bars, spreads, snack bites and mixes, as well as pantry and food service lines. This segment also includes our retail operations, including Hershey's Chocolate World stores in Hershey, Pennsylvania; New York, New York; Las Vegas, Nevada; Niagara Falls (Ontario) and Singapore, as well as operations associated with licensing the use of certain of the Company's trademarks and products to third parties around the world.
- ***North America Salty Snacks –*** This segment is responsible for our salty snacking products in the United States. This includes ready-to-eat popcorn, baked and trans fat free snacks, pretzels and other snacks.
- ***International –*** International is a combination of all other operating segments that are not individually material, including those geographic regions where we operate outside of North America. We currently have operations and manufacture product in Mexico, Brazil, India and Malaysia, primarily for consumers in these regions, and also distribute and sell confectionery products in export markets of Asia, Latin America, Middle East, Europe, Africa and other regions.

For segment reporting purposes, the CODM uses "segment income" to evaluate segment performance and allocate resources, including considering budget-to-actual variances and prior year-to-actual variances on a monthly basis. Segment income excludes unallocated general corporate administrative expenses, unallocated mark-to-market gains and losses on commodity derivatives, business realignment and impairment charges, acquisition-related costs and other unusual gains or losses that are not part of our measurement of segment performance. These items of our operating profit are managed centrally at the corporate level and are excluded from the measure of segment income reviewed by the CODM as well the measure of segment performance used for incentive compensation purposes.

Accounting policies associated with our operating segments are generally the same as those described in Note 1.

As discussed in Note 5, derivatives used to manage commodity price risk are not designated for hedge accounting treatment. These derivatives are recognized at fair market value with the resulting realized and unrealized (gains) losses recognized in unallocated derivative (gains) losses outside of the reporting segment results until the related inventory is sold, at which time the related gains and losses are reallocated to segment income. This enables us to align the derivative gains and losses with the underlying economic exposure being hedged and thereby eliminate the mark-to-market volatility within our reported segment income.

Certain manufacturing, warehousing, distribution and other activities supporting our global operations are integrated to maximize efficiency and productivity. As a result, assets and capital expenditures are not managed on a segment basis and are not included in the information reported to the CODM for the purpose of evaluating performance or allocating resources. We disclose depreciation and amortization that is generated by segment-specific assets, since these amounts are included within the measure of segment income reported to the CODM.

(amounts in thousands, except share data or if otherwise indicated)

Our segment net sales and earnings were as follows:

For the year ended December 31, 2024	North America Confectionery	North America Salty Snacks	International	Total
Net sales	$ 9,118,590	$ 1,135,720	$ 947,953	$ 11,202,263
Cost of sales	4,984,764	719,850	642,634	
SM&A expense	1,188,138	216,480	193,800	
Total segment income	$ 2,945,688	$ 199,390	$ 111,519	$ 3,256,597
Unallocated corporate expense (1)				701,266
Unallocated mark-to-market gains on commodity derivatives				(460,437)
Costs associated with business realignment activities (see Note 9)				117,536
Operating profit				$ 2,898,232
Interest expense, net (see Note 4)				165,655
Other (income) expense, net (see Note 17)				258,641
Income before income taxes				$ 2,473,936

For the year ended December 31, 2023	North America Confectionery	North America Salty Snacks	International	Total
Net sales	$ 9,123,139	$ 1,092,689	$ 949,164	$ 11,164,992
Cost of sales	4,781,671	726,569	601,175	
SM&A expense	1,224,424	207,787	199,730	
Total segment income	$ 3,117,044	$ 158,333	$ 148,259	$ 3,423,636
Unallocated corporate expense (1)				800,390
Unallocated mark-to-market losses on commodity derivatives				58,939
Costs associated with business realignment activities (see Note 9)				3,440
Operating profit				$ 2,560,867
Interest expense, net (see Note 4)				151,785
Other (income) expense, net (see Note 17)				237,218
Income before income taxes				$ 2,171,864

For the year ended December 31, 2022	North America Confectionery	North America Salty Snacks	International	Total
Net sales	$ 8,536,480	$ 1,029,405	$ 853,409	$ 10,419,294
Cost of sales	4,573,435	704,589	560,258	
SM&A expense	1,151,979	164,881	185,224	
Total segment income	$ 2,811,066	$ 159,935	$ 107,927	$ 3,078,928
Unallocated corporate expense (1)				735,542
Unallocated mark-to-market losses on commodity derivatives				78,182
Costs associated with business realignment activities (see Note 9)				4,417
Operating profit				$ 2,260,787
Interest expense, net (see Note 4)				137,557
Other (income) expense, net (see Note 17)				206,159
Income before income taxes				$ 1,917,071

(1) Includes centrally-managed (a) corporate functional costs relating to legal, treasury, finance, and human resources, (b) expenses associated with the oversight and administration of our global operations, including warehousing, distribution and manufacturing, information systems and global shared services, (c) non-cash stock-based

(amounts in thousands, except share data or if otherwise indicated)

compensation expense, (d) acquisition-related costs and (e) other gains or losses that are not integral to segment performance.

Activity within the unallocated mark-to-market losses (gains) on commodity derivatives is as follows:

For the years ended December 31,	2024	2023	2022
Net (gains) losses on mark-to-market valuation of commodity derivative positions recognized in income	$ (509,870)	$ 53,085	$ (44,569)
Net gains on commodity derivative positions reclassified from unallocated to segment income	49,433	5,854	122,751
Net (gains) losses on mark-to-market valuation of commodity derivative positions recognized in unallocated derivative losses (gains)	$ (460,437)	$ 58,939	$ 78,182

As of December 31, 2024, the cumulative amount of mark-to-market gains on commodity derivatives that have been recognized in our consolidated cost of sales and not yet allocated to reportable segments was $ 410,230 . Based on our forecasts of the timing of the recognition of the underlying hedged items, we expect to reclassify net pretax gains on commodity derivatives of $ 143,779 to segment operating results in the next twelve months.

Depreciation and amortization expense included within segment income presented above is as follows:

For the years ended December 31,	2024	2023	2022
North America Confectionery	$ 259,502	$ 238,786	$ 228,399
North America Salty Snacks	86,446	85,566	68,600
International	24,793	23,699	23,148
Corporate	84,514	71,764	58,812
Total	$ 455,255	$ 419,815	$ 378,959

Additional information regarding our net sales and long-lived assets disaggregated by geographical region is as follows:

For the years ended December 31,	2024	2023	2022
Net sales:			
United States	$ 9,771,343	$ 9,752,314	$ 9,121,166
Other	1,430,920	1,412,678	1,298,128
Total	$ 11,202,263	$ 11,164,992	$ 10,419,294
Long-lived assets:			
United States	$ 2,925,420	$ 2,732,787	$ 2,272,811
Other	533,433	576,891	496,891
Total	$ 3,458,853	$ 3,309,678	$ 2,769,702

14. EQUITY AND TREASURY STOCK ACTIVITY

We had 1,055,000,000 authorized shares of capital stock as of December 31, 2024. Of this total, 900,000,000 shares were designated as Common Stock, 150,000,000 shares were designated as Class B Common Stock (“Class B Stock”) and 5,000,000 shares were designated as Preferred Stock. Each class has a par value of one dollar per share.

Holders of the Common Stock and the Class B Stock generally vote together without regard to class on matters submitted to stockholders, including the election of directors. The holders of Common Stock have 1 vote per share and the holders of Class B Common Stock have 10 votes per share. However, the Common Stock holders, voting separately as a class, are entitled to elect one-sixth of the Board. With respect to dividend rights, the Common Stock holders are entitled to cash dividends 10 % higher than those declared and paid on the Class B Common Stock.

(amounts in thousands, except share data or if otherwise indicated)

Class B Stock can be converted into Common Stock on a share-for-share basis at any time. During 2024, no shares of Class B Stock were converted into Common Stock. During 2023 and 2022, 3,500,000 shares and 2,500,000 shares, respectively, of Class B Stock were converted to Common Stock by Hershey Trust Company, as trustee for the Milton Hershey School Trust (the "School Trust").

Changes in the outstanding shares of Common Stock for the past three years were as follows:

For the years ended December 31,	2024	2023	2022
Shares issued	221,553,025	221,553,025	221,553,025
Treasury shares at beginning of year	(17,160,099)	(16,588,308)	(15,444,011)
Stock repurchases:			
Shares repurchased in the open market under pre-approved share repurchase programs	(2,022,064)	—	—
Milton Hershey School Trust repurchase	—	(1,000,000)	(1,000,000)
Shares repurchased in the open market to replace Treasury Stock issued for stock options and incentive compensation	(483,033)	(127,609)	(824,701)
Stock issuances:			
Shares issued for stock options and incentive compensation	495,240	555,818	680,404
Treasury shares at end of year	(19,169,956)	(17,160,099)	(16,588,308)
Net shares outstanding at end of year	202,383,069	204,392,926	204,964,717

On August 16, 2022, the IRA was signed into law, which enacted a 1% excise tax on share repurchases beginning after December 31, 2022. As of December 31, 2024 and December 31, 2023, Hershey's excise tax associated with net share repurchases was $ 4.7 million and $ 2.4 million, respectively. A corresponding liability for the December 31, 2024 excise tax associated with net share repurchases is classified on our Consolidated Balance Sheets within accrued liabilities.

In July 2018, our Board of Directors approved a $ 500 million share repurchase authorization to repurchase shares of our Common Stock. As a result of the February 2023 Stock Purchase Agreement with Hershey Trust Company, as trustee for the School Trust, the July 2018 share repurchase authorization was completed. In May 2021, our Board of Directors approved an additional $ 500 million share repurchase authorization, which was completed as of March 31, 2024. In December 2023, our Board of Directors approved an additional $ 500 million share repurchase authorization. This program commenced after the existing May 2021 authorization was completed and is to be utilized at management's discretion. Approximately $ 470 million remains available for repurchases under our December 2023 share repurchase authorization. We are authorized to purchase our outstanding shares in open market and privately negotiated transactions. The program has no expiration date and acquired shares of Common Stock will be held as treasury shares. Purchases under approved share repurchase authorizations are in addition to our practice of buying back shares sufficient to offset those issued under incentive compensation plans. Purchases under approved share repurchase authorizations are in addition to our practice of buying back shares sufficient to offset those issued under incentive compensation plans.

Hershey Trust Company

Hershey Trust Company, as trustee for the School Trust and as direct owner of investment shares, held 2,105,749 shares of our Common Stock as of December 31, 2024. As trustee for the School Trust, Hershey Trust Company held 54,612,012 shares of the Class B Common Stock as of December 31, 2024, and was entitled to cast approximately 79 % of all of the votes entitled to be cast on matters requiring the vote of both classes of our common stock voting together. Hershey Trust Company, as trustee for the School Trust, or any successor trustee, or Milton Hershey School, as appropriate, must approve any issuance of shares of Common Stock or other action that would result in it not continuing to have voting control of our Company.

Stock Purchase Agreements

In February 2023, the Company entered into a Stock Purchase Agreement with Hershey Trust Company, as trustee for the School Trust, pursuant to which the Company purchased 1,000,000 shares of the Company's Common Stock from the School Trust at a price equal to $ 239.91 per share, for a total purchase price of $ 239,910 . As a result of this repurchase, our July 2018 share repurchase authorization program was completed in February 2023.

In February 2022, the Company entered into a Stock Purchase Agreement with Hershey Trust Company, as trustee for the School Trust, pursuant to which the Company purchased 1,000,000 shares of the Company's Common Stock from the School Trust at a price equal to $ 203.35 per share, for a total purchase price of $ 203,350 .

15. COMMITMENTS AND CONTINGENCIES

Purchase obligations

We enter into certain obligations for the purchase of raw materials. These obligations are primarily in the form of forward contracts for the purchase of raw materials from third-party brokers and dealers. These contracts minimize the effect of future price fluctuations by fixing the price of part or all of these purchase obligations. Total obligations consisted of fixed price contracts for the purchase of commodities and unpriced contracts that were valued using market prices as of December 31, 2024.

The cost of commodities associated with the unpriced contracts is variable as market prices change over future periods. We mitigate the variability of these costs to the extent that we have entered into commodities futures contracts or other commodity derivative instruments to hedge our costs for those periods. Increases or decreases in market prices are offset by gains or losses on commodities futures contracts or other commodity derivative instruments. Taking delivery of and making payments for the specific commodities for use in the manufacture of finished goods satisfies our obligations under the forward purchase contracts. For each of the three years in the period ended December 31, 2024, we satisfied these obligations by taking delivery of and making payment for the specific commodities.

As of December 31, 2024, we had entered into agreements for the purchase of raw materials with various suppliers. Subject to meeting our quality standards, the purchase obligations covered by these agreements were as follows as of December 31, 2024:

in millions	**2025**	**2026**	**2027**	**2028**	**2029**
Purchase obligations	$ 1,143.4	$ 496.7	$ 13.9	$ 13.7	$ 13.7

Environmental contingencies

We have a number of facilities that contain varying amounts of asbestos in certain locations within the facilities. Our asbestos management program is compliant with current applicable regulations, which require that we handle or dispose of asbestos in a special manner if such facilities undergo major renovations or are demolished. We do not have sufficient information to estimate the fair value of any asset retirement obligations related to these facilities. We cannot specify the settlement date or range of potential settlement dates and, therefore, sufficient information is not available to apply an expected present value technique. We expect to maintain the facilities with repairs and maintenance activities that would not involve or require the removal of significant quantities of asbestos.

Legal contingencies

The Company is subject to certain legal proceedings and claims arising out of the ordinary course of our business, which cover a wide range of matters including trade regulation, product liability, advertising, contracts, environmental issues, patent and trademark matters, labor and employment matters, human and workplace rights matters and tax. While it is not feasible to predict or determine the outcome of such proceedings and claims with certainty, in our opinion these matters, both individually and in the aggregate, are not expected to have a material effect on our financial condition, results of operations or cash flows.

Collective Bargaining

As of December 31, 2024, the Company employed approximately 18,540 full-time and 1,490 part-time employees worldwide. Collective bargaining agreements covered approximately 6,525 employees, or approximately 33 % of the Company's employees worldwide. During 2025, agreements will be negotiated for certain employees at seven facilities, none of which are within the United States, comprising approximately 69 % of total employees under collective bargaining agreements. We currently expect that we will be able to renegotiate such agreements on satisfactory terms when they expire.

16. EARNINGS PER SHARE

We compute basic earnings per share for Common Stock and Class B common stock using the two-class method. The Class B common stock is convertible into Common Stock on a share-for-share basis at any time. The computation of diluted earnings per share for Common Stock assumes the conversion of Class B common stock using the if-converted method, while the diluted earnings per share of Class B common stock does not assume the conversion of those shares.

We compute basic and diluted earnings per share based on the weighted-average number of shares of Common Stock and Class B common stock outstanding as follows:

For the years ended December 31,	2024		2023		2022	
	Common Stock	Class B Common Stock	Common Stock	Class B Common Stock	Common Stock	Class B Common Stock
Basic earnings per share:						
Numerator:						
Allocation of distributed earnings (cash dividends paid)	$ 812,826	$ 271,975	$ 663,176	$ 225,895	$ 567,897	$ 207,133
Allocation of undistributed earnings	851,549	284,889	728,175	244,541	637,438	232,349
Total earnings—basic	$ 1,664,375	$ 556,864	$ 1,391,351	$ 470,436	$ 1,205,335	$ 439,482
Denominator (shares in thousands):						
Total weighted-average shares—basic	148,349	54,614	149,499	55,239	146,713	58,822
Earnings Per Share—basic	$ 11.22	$ 10.20	$ 9.31	$ 8.52	$ 8.22	$ 7.47
Diluted earnings per share:						
Numerator:						
Allocation of total earnings used in basic computation	$ 1,664,375	$ 556,864	$ 1,391,351	$ 470,436	$ 1,205,335	$ 439,482
Reallocation of total earnings as a result of conversion of Class B common stock to Common stock	556,864	—	470,436	—	439,482	—
Reallocation of undistributed earnings	—	(753)	—	(987)	—	(1,201)
Total earnings—diluted	$ 2,221,239	$ 556,111	$ 1,861,787	$ 469,449	$ 1,644,817	$ 438,281
Denominator (shares in thousands):						
Number of shares used in basic computation	148,349	54,614	149,499	55,239	146,713	58,822
Weighted-average effect of dilutive securities:						
Conversion of Class B common stock to Common shares outstanding	54,614	—	55,239	—	58,822	—
Employee stock options	285	—	424	—	571	—
Performance and restricted stock units	239	—	385	—	469	—
Total weighted-average shares—diluted	203,487	54,614	205,547	55,239	206,575	58,822
Earnings Per Share—diluted	$ 10.92	$ 10.18	$ 9.06	$ 8.50	$ 7.96	$ 7.45

The earnings per share calculations for the years ended December 31, 2024, 2023 and 2022 excluded 13 , 15 and 5 stock options (in thousands), respectively, that would have been antidilutive.

(amounts in thousands, except share data or if otherwise indicated)

17. OTHER (INCOME) EXPENSE, NET

Other (income) expense, net reports certain gains and losses associated with activities not directly related to our core operations. A summary of the components of other (income) expense, net is as follows:

For the years ended December 31,	2024	2023	2022
Write-down of equity investments in partnerships qualifying for historic and renewable energy tax credits (see Note 8)	$ 243,311	$ 210,484	$ 188,286
Non-service cost components of net periodic benefit cost relating to pension and other post-retirement benefit plans (see Note 11)	17,389	28,010	18,466
Other (income) expense, net	(2,059)	(1,276)	(593)
Total	$ 258,641	$ 237,218	$ 206,159

18. RELATED PARTY TRANSACTIONS

Hershey Trust Company, as trustee for the trust established by Milton S. and Catherine S. Hershey that has as its sole beneficiary the School Trust, maintains voting control over The Hershey Company.

In any given year, we may engage in certain transactions with Hershey Trust Company, Milton Hershey School, the Milton Hershey School Trust and companies owned by and/or affiliated with any of the foregoing. Most transactions with these related parties are immaterial and do not require disclosure, but certain transactions are more significant in nature and have been deemed material for disclosure.

There were no material related party transactions with Hershey Trust Company and/or its affiliates for the year ended December 31, 2024. A summary of material related party transactions with Hershey Trust Company and/or its affiliates for the years ended December 31, 2023 and 2022 is noted below.

Sale and Donation of Property, Plant and Equipment

In May 2022, the Company entered into a Purchase and Sale Agreement (the "Purchase Agreement") with Hershey Trust Company, as trustee for the School Trust, pursuant to which the Company agreed to sell certain real and personal property consisting of approximately six acres of land located in Hershey, Pennsylvania, together with portions of a building located on the land. Additionally, in June 2022, the Company entered into a Donation Agreement with Hershey Trust Company, as trustee for The M.S. Hershey Foundation, pursuant to which the Company agreed to donate a portion of the building concurrently with the closing of the Purchase Agreement. The sale and donation transactions closed in June 2022. Total proceeds from the sale were approximately $ 6,300 (net of transaction and closing costs), resulting in a loss of $ 13,568 , which was recorded in the SM&A expense caption within the Consolidated Statements of Income. The fair values of the disposed assets were supported by a proposed sales price submitted by a third-party buyer received prior to executing the Purchase Agreement.

Stock Purchase Agreements

In February 2023 and February 2022, the Company entered into Stock Purchase Agreements with Hershey Trust Company, as trustee for the School Trust, pursuant to which the Company purchased shares of its Common Stock from the School Trust (see Note 14).

(amounts in thousands, except share data or if otherwise indicated)

19. SUPPLEMENTAL BALANCE SHEET INFORMATION

The components of certain asset accounts included within our Consolidated Balance Sheets are as follows:

December 31,	2024	2023
Inventories:		
Raw materials	$ 477,592	$ 481,111
Goods in process	204,674	192,232
Finished goods	990,785	948,974
Inventories at FIFO	1,673,051	1,622,317
Adjustment to LIFO	(418,957)	(281,321)
Total inventories	$ 1,254,094	$ 1,340,996
Prepaid expenses and other:		
Prepaid expenses	$ 269,792	$ 227,567
Other current assets	704,423	118,021
Total prepaid expenses and other	$ 974,215	$ 345,588
Property, plant and equipment:		
Land	$ 194,502	$ 180,751
Buildings	1,991,937	1,763,070
Machinery and equipment	4,147,530	3,861,006
Construction in progress	478,842	644,244
Property, plant and equipment, gross	6,812,811	6,449,071
Accumulated depreciation	(3,353,958)	(3,139,393)
Property, plant and equipment, net	$ 3,458,853	$ 3,309,678
Other non-current assets:		
Pension	$ 41,298	$ 48,506
Capitalized software, net	367,087	360,205
Operating lease ROU assets	337,739	307,976
Investments in unconsolidated affiliates	212,928	207,177
Other non-current assets	152,815	137,563
Total other non-current assets	$ 1,111,867	$ 1,061,427

(amounts in thousands, except share data or if otherwise indicated)

The components of certain liability and stockholders' equity accounts included within our Consolidated Balance Sheet accounts are as follows:

December 31,	2024	2023
Accounts Payable:		
Accounts Payable—trade	$ 807,918	$ 630,536
Supplier finance program obligations	215,122	149,261
Other	136,137	306,386
Total accounts payable	$ 1,159,177	$ 1,086,183
Accrued liabilities:		
Payroll, compensation and benefits	$ 226,774	$ 261,961
Advertising, promotion and product allowances	359,986	343,444
Operating lease liabilities	40,636	34,494
Other	179,945	227,916
Total accrued liabilities	$ 807,341	$ 867,815
Other long-term liabilities:		
Post-retirement benefits liabilities	$ 87,006	$ 90,718
Pension benefits liabilities	33,837	28,949
Operating lease liabilities	304,767	277,089
Other	262,649	263,917
Total other long-term liabilities	$ 688,259	$ 660,673
Accumulated other comprehensive loss:		
Foreign currency translation adjustments	$ (177,741)	$ (87,706)
Pension and post-retirement benefit plans, net of tax	(122,098)	(126,800)
Cash flow hedges, net of tax	(4,051)	(15,572)
Total accumulated other comprehensive loss	$ (303,890)	$ (230,078)

Item 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

None.

Item 9A. *CONTROLS AND PROCEDURES*

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"), as of December 31, 2024. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of December 31, 2024.

Design and Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the Company's reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

Management's report on the Company's internal control over financial reporting appears on the following page. During the second quarter of 2024, we completed the process of our multi-year implementation of a new global enterprise resource planning ("ERP") system, which replaced our then-existing operating and financial systems. The ERP system is designed to accurately maintain the Company's financial records, enhance operational functionality, and provide timely information to the Company's management team related to the operation of the business. During the third quarter of 2022, we completed the implementation of one operating segment that is included in our International segment. In July 2023, we completed the transition to our new consolidated financial reporting book of record. During October 2023, we completed the implementation of our new ERP system in the North America Salty Snacks segment. We completed the implementation of our new ERP system in the North America Confectionery segment and select operating segments included in our International segment in April 2024. The implementation of the new ERP system resulted in material changes to our internal controls over financial reporting. The Company has updated the internal controls as appropriate and will continue to monitor the impact of the implementation on our financial reporting business processes. There have been no changes to the Company's internal control over financial reporting during the fourth quarter of 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of The Hershey Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The Company's internal control system was designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control–Integrated Framework (2013 edition)*. Based on this assessment, management concluded that, as of December 31, 2024, the Company's internal control over financial reporting was effective based on those criteria.

Management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of the acquisition of the Sour Strips brand from Actual Candy, LLC ("Sour Strips") on November 8, 2024, which is included in the 2024 consolidated financial statements of the Company and constituted less than 1% of total assets as of December 31, 2024 and less than 1% of net sales for the year then ended. This exclusion is in accordance with the guidance issued by the U.S. Securities and Exchange Commission that allows companies to exclude acquisitions from management's report on internal control over financial reporting for the first year after the acquisition.

The Company's independent auditors have audited, and reported on, the Company's internal control over financial reporting as of December 31, 2024.

Item 9B. *OTHER INFORMATION*

Director and Executive Officer Trading

A portion of our directors' and officers' compensation is in the form of equity awards and, from time to time, they may engage in open-market transactions with respect to their Company securities for diversification or other personal reasons. All such transactions in Company securities by directors and officers must comply with the Company's Insider Trading Policy, which requires that transactions be in accordance with applicable U.S. federal securities laws that prohibit trading while in possession of material nonpublic information. Rule 10b5-1 under the Exchange Act provides an affirmative defense that enables directors and officers to prearrange transactions in the Company's securities in a manner that avoids concerns about initiating transactions while in possession of material nonpublic information.

During the three months ended December 31, 2024, no directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of securities that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any other Rule 10b5-1 trading arrangements or "non-Rule 10b5–1 trading arrangements" (as defined by S-K Item 408(c)).

Item 9C. *DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS*

None.

PART III

Item 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.*

The information regarding executive officers of the Company required by Item 401 of SEC Regulation S-K is incorporated herein by reference from the disclosure included under the caption "Supplemental Item. Information About Out Executive Officers" at the end of Part I of this Annual Report on Form 10-K.

The information required by Item 401 of SEC Regulation S-K concerning the directors and nominees for director of the Company, together with a discussion of the specific experience, qualifications, attributes and skills that led the Board to conclude that the director or nominee should serve as a director at this time, will be located in the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders (the "Proxy Statement") in the section entitled "Proposal No. 1 – Election of Directors," which information is incorporated herein by reference.

Information regarding the identification of the Audit Committee as a separately-designated standing committee of the Board and information regarding the status of one or more members of the Audit Committee as an "audit committee financial expert" will be located in the Proxy Statement in the section entitled "Corporate Governance – Committees of the Board," which information is incorporated herein by reference.

Information regarding our Code of Conduct applicable to our directors, officers and employees is located in Part I of this Annual Report on Form 10-K, under the heading "Available Information."

Information regarding the Company's Insider Trading Policy required by Item 408(b) of SEC Regulation S-K will be located in the Proxy Statement in the section entitled "Other Compensation Policies and Practices", which information is incorporated herein by reference.

To the extent disclosure of any delinquent form under Section 16(a) of the Securities Exchange Act of 1934 is made by the Company, such disclosure will be set forth in our Proxy Statement under the caption "Delinquent Section 16(a) Reports" and is incorporated herein by reference.

Item 11. *EXECUTIVE COMPENSATION.*

Information regarding the compensation of each of our named executive officers, including our Chief Executive Officer that is required by this Item 11 will be located in the Proxy Statement in the section entitled "Compensation Discussion & Analysis" and is incorporated herein by reference. Information regarding the compensation of our directors will be located in the Proxy Statement in the section entitled "Non-Employee Director Compensation," which information is incorporated herein by reference.

The information required by Item 407(e)(4) of SEC Regulation S-K will be located in the Proxy Statement in the section entitled "Compensation Committee Interlocks and Insider Participation," which information is incorporated herein by reference.

The information required by Item 407(e)(5) of SEC Regulation S-K will be located in the Proxy Statement in the section entitled "Compensation Committee Report," which information is incorporated herein by reference.

Item 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.*

Information concerning ownership of our voting securities by certain beneficial owners, individual nominees for director, the named executive officers, including persons serving as our Chief Executive Officer and Chief Financial Officer, and directors and executive officers as a group, will be located in the Proxy Statement in the section entitled "Share Ownership of Directors, Management and Certain Beneficial Owners," which information is incorporated herein by reference.

Information regarding all of the Company's equity compensation plans will be located in the Proxy Statement in the section entitled "Compensation Committee Report – Equity Compensation Plan Information," which information is incorporated herein by reference.

Item 13. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.***

Information regarding transactions with related persons will be located in the Proxy Statement in the section entitled “Certain Transactions and Relationships,” which information is incorporated herein by reference. Information regarding director independence will be located in the Proxy Statement in the section entitled “Corporate Governance – Director Independence,” which information is incorporated herein by reference.

Item 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES.***

Information regarding “Principal Accounting Fees and Services,” including the policy regarding pre-approval of audit and non-audit services performed by our Company’s independent auditors, will be located in the Proxy Statement in the section entitled “Information about Our Independent Auditors,” which information is incorporated herein by reference.

PART IV

Item 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

Item 15(a)(1): Financial Statements

The audited consolidated financial statements of The Hershey Company and its subsidiaries and the Report of Independent Registered Public Accounting Firm thereon, as required to be filed, are located under Item 8 of this Annual Report on Form 10-K.

Item 15(a)(2): Financial Statement Schedule

Schedule II—Valuation and Qualifying Accounts for The Hershey Company and its subsidiaries for the years ended December 31, 2024, 2023 and 2022 is filed as part of this Annual Report on Form 10-K as required by Item 15(c).

We omitted other schedules because they are not applicable or the required information is set forth in the consolidated financial statements or notes thereto.

Item 15(a)(3): Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Annual Report on Form 10-K.

EXHIBIT INDEX

Exhibit Number	Description
3.1	The Company's Restated Certificate of Incorporation, as amended, is incorporated by reference from Exhibit 3 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 3, 2005.
3.2	The Company's By-laws, as amended and restated as of February 21, 2017, are incorporated by reference from Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.
4.1	The Company has issued certain long-term debt instruments, no one class of which creates indebtedness exceeding 10% of the total assets of the Company and its subsidiaries on a consolidated basis. These classes consist of the following: 1) 0.900% Notes due 2025 2) 3.200% Notes due 2025 3) 2.300% Notes due 2026 4) 7.200% Debentures due 2027 5) 4.250% Notes due 2028 6) 2.450% Notes due 2029 7) 1.700% Notes due 2030 8) 4.500% Notes due 2033 9) 3.375% Notes due 2046 10) 3.125% Notes due 2049 11) 2.650% Notes due 2050 12) Other Obligations The Company undertakes to furnish copies of the agreements governing these debt instruments to the Securities and Exchange Commission upon its request.
4.2	The Company's Description of Common Stock and Class B Common Stock registered under Section 12 of the Exchange Act is incorporated by reference from Exhibit 4.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.
10.1(a)	*Kit Kat*® and *Rolo*® License Agreement (the "License Agreement") between the Company and Rowntree Mackintosh Confectionery Limited is incorporated by reference from Exhibit 10(a) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1980.#

10.1(b)	Amendment to the License Agreement is incorporated by reference from Exhibit 19 to the Company’s Quarterly Report on Form 10-Q for the quarter ended July 3, 1988.#
10.1(c)	Assignment of the License Agreement by Rowntree Mackintosh Confectionery Limited to Société des Produits Nestlé SA as of January 1, 1990 is incorporated by reference from Exhibit 19 to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 1990.#
10.2	*Peter Paul/York* Domestic Trademark & Technology License Agreement between the Company and Cadbury Schweppes Inc. (now Kraft Foods Ireland Intellectual Property Limited) dated August 25, 1988, is incorporated by reference from Exhibit 2(a) to the Company’s Current Report on Form 8-K dated September 8, 1988.#
10.3	*Cadbury* Trademark & Technology License Agreement between the Company and Cadbury Limited (now Cadbury UK Limited) dated August 25, 1988, is incorporated by reference from Exhibit 2(a) to the Company’s Current Report on Form 8-K dated September 8, 1988.#
10.4(a)	Trademark and Technology License Agreement between Huhtamäki (now Iconic IP Interests, LLC) and the Company dated December 30, 1996, is incorporated by reference from Exhibit 10 to the Company’s Current Report on Form 8-K filed February 26, 1997.
10.4(b)	Amended and Restated Trademark and Technology License Agreement between Huhtamäki (now Iconic IP Interests, LLC) and the Company is incorporated by reference from Exhibit 10.2 to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 1999.
10.5	Five Year Credit Agreement dated as of April 26, 2023, among the Company and the banks, financial institutions and other institutional lenders listed on the respective signature pages thereof (“Lenders”), Bank of America, N.A., as administrative agent for the Lenders, JPMorgan Chase Bank, N.A. and Citibank, N.A., as syndication agents, Royal Bank of Canada, as documentation agent, and BofA Securities, Inc., JPMorgan Chase Bank, N.A., Citibank, N.A., RBC Capital Markets, and U.S. Bank National Association, as joint lead arrangers and joint book managers, is incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed April 26, 2023.
10.6	Stock Purchase Agreement, dated February 13, 2023, between Milton Hershey School Trust, by its trustee, Hershey Trust Company, and The Hershey Company, is incorporated by reference from Exhibit 10.1 to the Company’s Current Report on Form 8-K filed February 15, 2023.
10.7	Stock Purchase Agreement, dated February 14, 2022, between Milton Hershey School Trust, by its trustee, Hershey Trust Company, and The Hershey Company, is incorporated by reference from Exhibit 10.1 to the Company’s Current Report on Form 8-K filed February 16, 2022.
10.8	Amended and Restated Master Supply Agreement between the Company and Barry Callebaut, AG, dated August 31, 2021, is incorporated by reference from Exhibit 10.7 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.†
10.9	The Company’s Equity and Incentive Compensation Plan, amended and restated February 22, 2011, and approved by our stockholders on April 28, 2011, is incorporated by reference from Appendix B to the Company’s proxy statement filed March 15, 2011.+
10.10(a)	Form of Notice of Award of Restricted Stock Units (February 26, 2019 - February 22, 2021 version) is incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.+
10.10(b)	Form of Notice of Award of Restricted Stock Units (effective February 23, 2021) is incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 4, 2021.+
10.10(c)	Form of Notice of Award of Restricted Stock Units (3-year vest, effective February 23, 2021) is incorporated by reference from Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q for the quarter ended April 4, 2021.+
10.11(a)	Form of Notice of Special Award of Restricted Stock Units (pro-rata vest, February 26, 2019 - February 22, 2021 version) is incorporated by reference from Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.+
10.11(b)	Form of Notice of Special Award of Restricted Stock Units (pro-rata vest, effective February 23, 2021) is incorporated by reference from Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q for the quarter ended April 4, 2021.+
10.11(c)	Form of Notice of Special Award of Restricted Stock Units (3-year cliff vest, effective February 26, 2019) is incorporated by reference from Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.+
10.12(a)	Terms and Conditions of Nonqualified Stock Option Awards under the Equity and Incentive Compensation Plan (February 15, 2016 - February 21, 2017 version) is incorporated by reference from Exhibit 10.12(b) to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016.+
10.12(b)	Terms and Conditions of Nonqualified Stock Option Awards under the Equity and Incentive Compensation Plan (February 22, 2017 - February 25, 2019 version) is incorporated by reference from Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q for the quarter ended April 2, 2017.+

10.12(c)	Terms and Conditions of Nonqualified Stock Option Awards under the Equity and Incentive Compensation Plan (February 26, 2019 - February 22, 2021 version) is incorporated by reference from Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.+
10.12(d)	Terms and Conditions of Nonqualified Stock Option Awards under the Equity and Incentive Compensation Plan (effective February 23, 2021) is incorporated by reference from Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 4, 2021.+
10.13(a)	Form of Notice of Award of Performance Stock Units (February 26, 2019 - February 22, 2021 version) is incorporated by reference from Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.+
10.13(b)	Form of Notice of Award of Performance Stock Units (effective February 23, 2021) is incorporated by reference from Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 4, 2021.+
10.14	The Long-Term Incentive Program Participation Agreement is incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K filed February 18, 2005.+
10.15	The Company's Deferred Compensation Plan, Amended and Restated as of June 27, 2012, is incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 1, 2012.+
10.16(a)	The Company's Supplemental Executive Retirement Plan, Amended and Restated as of October 2, 2007, is incorporated by reference from Exhibit 10.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007.+
10.16(b)	First Amendment to the Company's Supplemental Executive Retirement Plan, Amended and Restated as of October 2, 2007, is incorporated by reference from Exhibit 10.5 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008.+
10.17(a)	The Company's Compensation Limit Replacement Plan, Amended and Restated as of January 1, 2009, is incorporated by reference from Exhibit 10.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008.+
10.17(b)	First Amendment to the Company's Compensation Limit Replacement Plan, Amended and Restated as of December 31, 2023 is incorporated by reference from Exhibit 10.18(b) to the Company's Annual Report on Form 10-K filed February 20, 2024.+
10.18	The Company's Executive Benefits Protection Plan (Group 3A), Amended and Restated as of June 27, 2012, is incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 1, 2012.+
10.19	The Company' s Executive Benefits Protection Plan (Group 3), Amended and Restated as of June 27, 2012, is incorporated by reference from Exhibit 10.18 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.+
10.20(a)	Employee Confidentiality and Restrictive Covenant Agreement, amended as of February 18, 2013, is incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013.+
10.20(b)	Employee Confidentiality and Restrictive Covenant Agreement, amended as of October 10, 2016, is incorporated by reference from Exhibit 10.21(b) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.+
10.20(c)	Employee Confidentiality and Restrictive Covenant Agreement, amended as of September 8, 2021, is incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 4, 2021.+
10.21	Executive Employment Agreement, effective as of March 1, 2017, by and between the Company and Michele G. Buck is incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K/A filed February 24, 2017.+
10.22	The Company's Directors' Compensation Plan, Amended and Restated as ofJanuary 1, 2025.*
19	The Hershey Company Insider Trading Policy, Amended and Restated as of February 27, 2023 is incorporated herein by reference from Exhibit 19 to the Company's Annual Report on Form 10-K filed February 20, 2024
21.1	Subsidiaries of the Registrant.*
23.1	Consent of Ernst & Young LLP.*
31.1	Certification of Michele G. Buck, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Steven E. Voskuil, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Michele G. Buck, Chief Executive Officer, and Steven E. Voskuil, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**

97	The Hershey Company Compensation Recovery Policy, effective October 2, 2023, is incorporated herein by reference from Exhibit 97 to the Company's Annual Report on Form 10-K filed February 20, 2024
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
104	The cover page from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, formatted in Inline XBRL and contained in Exhibit 101.

*	Filed herewith
**	Furnished herewith
+	Management contract, compensatory plan or arrangement
†	Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K
#	Pursuant to Instruction 1 to Regulation S-T Rule 105(d), no hyperlink is required for any exhibit incorporated by reference that has not been filed with the SEC in electronic format

Item 16. ***FORM 10-K SUMMARY***

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, this 18th day of February, 2025.

THE HERSHEY COMPANY

(Registrant)

By: /s/ STEVEN E. VOSKUIL

Steven E. Voskuil

Senior Vice President, Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the date indicated.

Signature	Title	Date
/s/ MICHELE G. BUCK	Chairman of the Board, President and Chief Executive Officer	February 18, 2025
Michele G. Buck	(Principal Executive Officer)	
/s/ STEVEN E. VOSKUIL	Senior Vice President, Chief Financial Officer	February 18, 2025
Steven E. Voskuil	(Principal Financial Officer)	
/s/ JENNIFER L. MCCALMAN	Vice President, Chief Accounting Officer	February 18, 2025
Jennifer L. McCalman	(Principal Accounting Officer)	
/s/ VICTOR L. CRAWFORD	Lead Independent Director	February 18, 2025
Victor L. Crawford		
/s/ MARY KAY HABEN	Director	February 18, 2025
Mary Kay Haben		
/s/ M. DIANE KOKEN	Director	February 18, 2025
M. Diane Koken		
/s/ HUONG MARIA T. KRAUS	Director	February 18, 2025
Huong Maria T. Kraus		
/s/ ROBERT M. MALCOLM	Director	February 18, 2025
Robert M. Malcolm		
/s/ KEVIN M. OZAN	Director	February 18, 2025
Kevin M. Ozan		
/s/ ANTHONY J. PALMER	Director	February 18, 2025
Anthony J. Palmer		
/s/ JUAN R. PEREZ	Director	February 18, 2025
Juan R. Perez		
/s/ CORDEL ROBBIN-COKER	Director	February 18, 2025
Cordel Robbin-Coker		

THE HERSHEY COMPANY AND SUBSIDIARIES
SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS
For the Years Ended December 31, 2024, 2023 and 2022

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts	Deductions from Reserves	Balance at End of Period
In thousands of dollars					
For the year ended December 31, 2024					
Allowances deducted from assets					
Accounts receivable—trade, net (a)	$ 31,663	$ 238,284	$ —	$ (229,460)	$ 40,487
Valuation allowance on net deferred taxes (b)	114,149	19,801	—	(16,711)	117,239
Inventory obsolescence reserve (c)	41,839	48,548	—	(45,682)	44,705
Total allowances deducted from assets	$ 187,651	$ 306,633	$ —	$ (291,853)	$ 202,431
For the year ended December 31, 2023					
Allowances deducted from assets					
Accounts receivable—trade, net (a)	$ 26,001	$ 248,022	$ —	$ (242,360)	$ 31,663
Valuation allowance on net deferred taxes (b)	137,531	6,927	—	(30,309)	114,149
Inventory obsolescence reserve (c)	29,354	73,687	—	(61,202)	41,839
Total allowances deducted from assets	$ 192,886	$ 328,636	$ —	$ (333,871)	$ 187,651
For the year ended December 31, 2022					
Allowances deducted from assets					
Accounts receivable—trade, net (a)	$ 28,837	$ 228,463	$ —	$ (231,299)	$ 26,001
Valuation allowance on net deferred taxes (b)	184,896	9,578	—	(56,943)	137,531
Inventory obsolescence reserve (c)	19,472	44,497	—	(34,615)	29,354
Total allowances deducted from assets	$ 233,205	$ 282,538	$ —	$ (322,857)	$ 192,886

(a) Includes allowances for doubtful accounts, anticipated discounts and write-offs of uncollectible accounts receivable.
(b) Includes adjustments to the valuation allowance for deferred tax assets that we do not expect to realize, as well as the release of valuation allowances.
(c) Includes adjustments to the inventory reserve, transfers, disposals and write-offs of obsolete inventory.

Exhibit 10.22

THE HERSHEY COMPANY

DIRECTORS' COMPENSATION PLAN

(Amended and Restated Effective as of January 1, 2025)

1
PURPOSE

The purposes of the Directors' Compensation Plan ("Plan") are to provide Directors of The Hershey Company ("Company") with payment alternatives for the retainer and fees payable for services as members of the Board of Directors ("Board") of the Company or as a chair of any committee thereof (together, "Director Fees"), to provide Directors the opportunity to elect to receive all or a portion of the Directors Fees in Deferred Stock Units ("DSUs"), each representing an obligation of the Company to issue one share of common stock of the Company, $1.00 par value per share ("Common Stock"), and to promote the alignment of interests between such Directors and the stockholders of the Company by paying a portion of each Director's compensation in Restricted Stock Units ("RSUs"), each RSU representing an obligation of the Company to issue one share of Common Stock. The Plan is intended to comply with Internal Revenue Code ("Code") section 409A and official guidance issued thereunder (collectively, "Section 409A"). Notwithstanding anything herein to the contrary, this Plan shall be interpreted, operated and administered in a manner consistent with this intention.

2

ELIGIBILITY

Any Director of the Company who is not an employee of the Company or any of its subsidiaries shall be eligible to participate in the Plan. Except as the context may otherwise require, references in this Plan to a "Director" shall mean only those directors of the Company who are participants in the Plan.

3

PAYMENT

(1) **Director Fees.** A Director shall be entitled to Director Fees, in such amounts as shall be determined from time to time by the Board, for services on the Board and as a chair of any committee of the Board. Pursuant to Section 4 hereof, and in accordance with Plan rules, a Director may elect to have payment of Directors Fees made currently in cash and/or Common Stock or deferred for subsequent payment in cash or Common Stock; provided that if paid currently, fees payable for services as a chair of any committee of the Board shall be payable only in cash. Any shares of Common Stock payable under this Section 3(a) shall be paid by the issuance to the Director of a number of shares of Common Stock equal to the cash amount of the retainer and/or fees so payable divided by the Fair Market Value of one share of Common Stock, as defined in Section 12 hereof, as of the date of the payment. Any fractional share of Common Stock resulting from such payment shall be rounded to the nearest whole share. The Company shall issue share certificates to the Director for the shares of Common Stock acquired or, if requested in writing by the Director and permitted under the Company's Automatic Dividend Reinvestment Plan, the shares acquired shall be added to the Director's

account under such plan. As of the date on which the part or whole of the retainer and/or fees is payable in shares of Common Stock, the Director shall be a stockholder of the Company with respect to such shares. Unless otherwise elected in Section 4, any remaining Director Fees shall be payable in cash.

1. **Restricted Stock Units.** A Director shall also be entitled to receive RSUs, in such amounts as shall be determined from time to time by the Board, for services on the Board. Unless otherwise directed by the Board, RSUs shall be awarded to each Director on the first day of January, April, July and October. The number of full and fractional RSUs so awarded shall be determined by dividing such amount by the Fair Market Value of one share of Common Stock on the date of the award.

Directors whose membership on the Board commences on a day which is not the first day of any January, April, July or October, shall be awarded a pro rata number of RSUs with respect to the quarter during which the Director joined the Board equal to the number of RSUs awarded to each Director who was a member of the Board on the first day of the applicable quarter, multiplied by a fraction, the numerator of which equals the number of days remaining in the quarter after the first day on which such Director became a member of the Board, and the denominator of which equals the total number of days in the quarter.

A Restricted Stock Unit Account shall be established on the books of the Company in the name of each Director. During the period of the Director’s membership on the Board, the Director’s Restricted Stock Unit Account shall be subject to credits, adjustment and substitution to reflect any dividend or other distribution on the outstanding Common Stock or any split or consolidation or other change affecting the Common Stock. Any such credit, adjustment or substitution shall be made in a manner similar to that set forth in Section 6(a) and 6(b) with respect to Deferred Stock Compensation Accounts. RSUs awarded (together with credits, adjustments or substitutions attributable thereto) shall vest upon the first anniversary of the day upon which such RSUs were awarded, or such other date or dates as set forth by the Board at the time of the award; provided, that the vesting of such RSUs shall be accelerated to the date of termination of the Director’s membership on the Board by reason of retirement, death or disability, or for any reason following a Change in Control (as defined in the Company’s Executive Benefits Protection Plan (Group 3A)), or such other circumstances as the Board, in its sole discretion, shall at any time determine. In the case of a Director who is also a director of Hershey Trust Company, the vesting of RSUs shall be accelerated to the date of termination of such Director’s membership on the Board in the event such Director is not renominated for election to the Board due to, as a result of, or in anticipation of, the expiration of any term limit applicable to directors of Hershey Trust Company. For purposes of this Plan, termination of a Director’s membership on the Board at anytime following the Director’s 60th birthday or following the Director’s completion of 13 years of service as a member of the Board shall be deemed a retirement. The portion of a Director’s Restricted Stock Unit Account attributable to RSUs which becomes vested in accordance with the second preceding sentence shall, unless deferred by the Director into the Director’s Deferred Stock Compensation Account pursuant to an election made under Section 4, be paid in a lump sum in accordance with Section 7(c).

If payment hereunder would result in the issuance of a fractional share of Common Stock, such fractional share shall be issued to the Director. The Company shall issue share certificates to the Director, or the Director’s designated beneficiary, for the shares of Common Stock represented by the Director’s vested RSUs, or if requested in writing by the Director and permitted under the Company’s Automatic Dividend Reinvestment Plan, the shares to be distributed shall be added to the Director’s account under such plan. As of the date on which the Director is entitled to receive payment of shares of Common Stock, a Director shall be a stockholder of the Company with respect to such shares.

4

ELECTIONS

a. **Director Fee Payment and RSU Payment Alternatives.** A Director may elect any one of the following alternatives with respect to payment of Director Fees and RSUs:

i. to receive currently full payment of Director Fees in cash and/or Common Stock, as set forth in Section 3(a) above, on the date or dates on which the Director Fees are payable;

i. to defer payment of all or a portion of the Director Fees for subsequent payment in cash (a "Cash Deferral Election");

i. to defer payment of all or a portion of the Director Fees for subsequent payment in shares of Common Stock (a "Stock Deferral Election");

i. to defer payment of all or a portion of the RSUs for subsequent payment in shares of Common Stock (also a "Stock Deferral Election"); or

i. a combination of (2), (3) and (4).

b. **General Section 409A Definitions**. For purposes of this Plan, the following words shall have the meanings set forth below:

i. "Change in Control Event" means an event described in IRS regulations or other guidance under Code section 409A(a)(2)(A)(v).

ii. "Separation from Service" or "Separate from Service" means a "separation from service" within the meaning of Code section 409A(a)(2)(A)(i).

a. **Filing and Effectiveness of Elections.** The election by a Director to receive payment of Director Fees other than as set forth in Section 4(a)(1) on the date on which the Director Fees are otherwise payable, or to receive payment of shares of Common Stock attributable to the RSUs other than on the date on which the shares are otherwise payable, is made by filing with the Secretary of the Company, or its delegate, a Notice of Election in the form prescribed by the Company (an "Election"), including filing such Election electronically. In order to be effective for any calendar year, an Election must be received by the Secretary of the Company, or its delegate, on or before December 31 of the preceding calendar year. An Election may not be modified or terminated after the beginning of a calendar year for which it is effective.

Notwithstanding the foregoing, a Director may file a Notice of Election on or before 30 days after the Director's initial election to the office of Director, provided that the Election shall be irrevocable and effective as of 30 days after the Director's initial election and such Election shall apply as of the first day of the next calendar quarter for the remainder of the calendar year.

A Director must file a new Notice of Election on or before December 31 immediately preceding the next calendar year for such calendar year. If no new Notice of Election is made, then Director Fees earned or RSUs which vest at any time for which an Election is not effective shall be paid as set forth in Section 4(a)(1) on the date when the Director Fees or Section 7 on the date the shares attributable to such RSUs are otherwise payable, as applicable. Any Election shall terminate on the date a Director Separates from Service. In addition to establishing the amount of each year's deferral, a Director may elect from the following time and form of payment alternatives:

i. Change in Control Event. Notwithstanding any provision in the Plan to the contrary, a Director may make an Election each year to have the portion of his or her Deferred Cash Compensation Account and Deferred Stock Compensation Account (collectively referred to hereafter as the "Account Balance") related to amounts deferred under such Election (and earnings thereon) distributed in the form selected on the first business day next succeeding the 59th day following the earlier of: (x) the date of a Change in Control Event; or (y) the date of the Director's Separation from Service; provided that with respect to his or her Elections and the portions of Account Balances related to amounts earned during a service period beginning on and after January 1, 2025, such amounts (and related earnings) will be paid as of the first business day of the second month following the month of the applicable distribution event.

i. Installment Form of Payment. Notwithstanding any provision in the Plan to the contrary, a Director may make an Election each year to have the portion of the Account Balance related to amounts deferred under such Election (and earnings thereon) distributed in annual installments over a period of up to 15 years with payments commencing on the first business day next succeeding the 59th day following the applicable payment date; provided that with respect to his or her Elections and the portions of Account Balances related to amounts earned during a service period beginning on and after January 1, 2025, such amounts (and related earnings) will be paid as of the first business day of the second month following the month of the applicable distribution event. Subsequent installment payments will be made each subsequent anniversary of the original payment date (without regard to any delay in the initial installment payment that may be required by Section 7(b)).

a. **Cash Deferral Elections.** Director Fees deferred pursuant to a Cash Deferral Election shall be deferred and paid as provided in Sections 5 and 7.

a. **Stock Deferral Elections.** Director Fees and RSUs deferred pursuant to a Stock Deferral Election shall be deferred and paid as provided in Sections 6 and 7.

5

DEFERRED CASH COMPENSATION ACCOUNT

(1) **General.** The amount of any Director Fees deferred in accordance with a Cash Deferral Election shall be credited on the date on which such Director Fees are otherwise payable to a deferred cash compensation account maintained by the Company in the name of the Director (a "Deferred Cash Compensation Account"). A separate Deferred Cash Compensation Account shall be maintained for each calendar year for which a Director has made a Cash Deferral Election or as otherwise may be agreed between the Director and the Company.

1. **Adjustment for Earnings or Losses.** The amount in the Director’s Deferred Cash Compensation Account shall be adjusted to reflect net earnings, gains or losses in accordance with the provisions of The Hershey Company Deferred Compensation Plan relating to Investment Credits and Investment Options. The adjustment for earnings, gains or losses shall be equal to the amount determined under (1) below as follows:

    a. ***Deemed Investment Options.*** The total amount determined by multiplying the rate earned (positive or negative) by each fund available (taking into account earnings distributed and share appreciation (gains) or depreciation (losses) on the value of shares of the fund) for the applicable period by the portion of the balance in the Director’s Deferred Cash Compensation Account as of the end of each such period, respectively, which is deemed to be invested in such fund pursuant to paragraph (2) below. Subject to elimination, modification or addition by the Board, the funds available for the Director’s election of deemed investments pursuant to paragraph (2) below shall be one or more of the funds available (excluding Common Stock) under the Investment Options of The Hershey Company Deferred Compensation Plan.

    a. ***Deemed Investment Elections***.

(1) The Director shall designate, on a form prescribed by the Company, the percentage of the deferred Director Fees that are to be deemed to be invested in the available funds under paragraph (1) above. Said designation shall be effective on a date specified therein and remain in effect and apply to all subsequent deferred Director Fees until changed as provided below.

(2) A Director may elect to change, on such basis as permitted from time to time by the Board, the deemed investment election under paragraph (A) above with respect to future deferred Director Fees among one or more of the options then available by written notice to the Secretary of the Company, or its delegate, on a form prescribed by the Company (or other form of notice permitted by the Company), at such time and in such manner as permitted by the Board, with such change to be effective for Director Fees credited to the Deferred Cash Compensation Account on and after the effective date of the change.

1. A Director may elect to reallocate the balance of his or her Deferred Cash Compensation Account, subject to limitations imposed by the Board, on such basis as permitted from time to time by the Board, among the deemed investment options then available. A Director may make such an election by written notice to

the Secretary of the Company, or its delegate, on a form prescribed by the Company (or other form of notice permitted by the Company), at such time and in such manner as permitted by the Board, with such transfer to be based on the value of the Deferred Cash Compensation Account on the last day preceding the effective date of the transfer election.

1. The election of deemed investments among the options provided above shall be the sole responsibility of each Director. The Company and Board members are not authorized to make any recommendation to any Director with respect to such election. Each Director assumes all risk connected with any adjustment to the value of his or her Deferred Cash Compensation Account. Neither the Board nor the Company in any way guarantees against loss or depreciation.

1. All payments from the Plan shall be made pro-rata from the portion of the Director’s Deferred Cash Compensation Account which is deemed to be invested in such funds as may be available from time to time for deemed investment elections under the Plan.

1. The Company shall not be required or obligated to invest any amounts in the funds provided as deemed investment options, and such funds shall be used solely to measure investment performance. Further, the Company shall not be precluded from providing for its liabilities hereunder by investing in such funds or in any other investments deemed to be appropriate by the Board.

(1) **Manner of Payment.** The balance of a Director’s Deferred Cash Compensation Account will be paid to the Director or, in the event of the Director’s death, to the Director’s designated beneficiary. A Director may elect at the time of filing the Notice of Election for a Cash Deferral Election to receive payment of the Director Fees in annual installments rather than a lump sum, provided that the payment period for installment payments shall not exceed fifteen years following the applicable payment date, as described in Section 7 hereof. The amount of any installment shall be determined by multiplying (i) the balance in the Director’s Deferred Cash Compensation Account on the date of such installment by (ii) a fraction, the numerator of which is one and the denominator of which is the number of remaining unpaid installments (including the installment payment then being determined). The balance of the Deferred Cash Compensation Account shall be appropriately reduced on the date of payment to the Director to reflect the installment payment made hereunder. Amounts held pending distribution pursuant to this Section 5(c) shall continue to be credited with the earnings, gains or losses as described in Section 5(b) hereof.

6

DEFERRED STOCK COMPENSATION ACCOUNT

(1) **General**. The amount of any Director Fees and RSUs deferred in accordance with a Stock Deferral Election shall be credited to a deferred stock compensation account maintained by the Company in the name of the Director (a “Deferred Stock Compensation Account”). A separate Deferred Stock Compensation Account shall be maintained for each calendar year for which a Director has made a Stock Deferral Election or as otherwise may be agreed between the Director and the Company. On each date on which Director Fees and/or RSUs become vested and are otherwise payable and a Stock Deferral Election applicable to such Directors Fees and/or RSUs is effective for a Director, the Director’s Deferred Stock Compensation Account for that calendar year shall be credited with a number of full and fractional Deferred Stock Units (“DSUs”) equal, in the case of Director Fees, to the cash amount of the Director Fees payable divided by the Fair Market Value of one share of Common Stock on the date on which such Director Fees are payable and, in the case of RSUs, to the number of RSUs which became vested and were otherwise payable. If a dividend or distribution is paid on the Common Stock in cash or property other than Common Stock, on the date of payment of the dividend or distribution to holders of Common Stock, each Deferred Stock Compensation Account shall be credited with a number of full and fractional DSUs equal to the number of full and fractional DSUs credited to such Account on the date fixed for determining the stockholders entitled to receive such dividend or distribution times the amount of the dividend or distribution paid per share of Common Stock divided by the Fair Market Value of one share of Common Stock on the date on which the dividend or distribution is paid, it being intended that the number of full and fractional DSUs credited as a result of the dividend or distribution shall be equal to the number of full and fractional shares that would be issued if the DSUs credited to the Account were actual shares participating in the Company’s dividend reinvestment plan. If the dividend or distribution is paid in property, the amount of the dividend or

distribution shall equal the fair market value of the property on the date on which the dividend or distribution is paid. The Deferred Stock Compensation Account of a Director shall be charged on the date of distribution with any distribution of shares of Common Stock made to the Director from such Account pursuant to Section 6(c) hereof.

1. **Adjustment and Substitution.** The number of DSUs credited to each Deferred Stock Compensation Account shall be proportionately adjusted to reflect any dividend or other distribution on the outstanding Common Stock payable in shares of Common Stock or any split or consolidation of the outstanding shares of Common Stock. If the outstanding Common Stock shall, in whole or in part, be changed into or exchangeable for a different class or classes of securities of the Company or securities of another Company or cash or property other than Common Stock, whether through reorganization, reclassification, recapitalization, merger, consolidation or otherwise, the Board shall adopt such amendments to the Plan as it deems necessary to carry out the purposes of the Plan, including the continuing deferral of any amount of any Deferred Stock Compensation Account.

1. **Manner of Payment**. The balance of a Director's Deferred Stock Compensation Account will be paid in shares of Common Stock to the Director or, in the event of the Director's death, to the Director's designated beneficiary. A Director may elect at the time of filing of the Notice of Election for a Stock Deferral Election to receive payment of the shares of Common Stock credited to the Director's Deferred Stock Compensation Account in annual installments rather than a lump sum, provided that the payment period for installment payments shall not exceed fifteen years following the applicable payment date, as described in Section 7 hereof. The number of shares of Common Stock distributed in each installment shall be determined by multiplying (i) the number of DSUs credited to such Director's Deferred Stock Compensation Account on the date of payment of such installment, by (ii) a fraction, the numerator of which is one and the denominator of which is the number of remaining unpaid installments (including the installment payment then being determined). To the extent an installment payment would result in the issuance of a fractional share of Common Stock, then (I) to the extent the Account relates to deferrals related to service prior to 2025 (and earnings thereon), the result will be rounded down to the nearest whole

number of shares, and (II) to the extent the Account relates to deferrals related to service on and after January 1, 2025 (and earnings thereon), such fractional share shall not be issued and cash in lieu of such fractional share shall be paid to the Director based on the Fair Market Value of one share of Common Stock on the date of such payment.

The balance of the number of DSUs credited to such Director's Deferred Stock Compensation Account shall be appropriately reduced in accordance with this Section 6(c) to reflect the installment payments made hereunder. DSUs remaining in a Deferred Stock Compensation Account pending distribution of shares of Common Stock pursuant to this Section 6(c) shall continue to be credited with respect to dividends or distributions paid on the Common Stock pursuant to Section 6(a) hereof and shall be subject to adjustment pursuant to Section 6(b) hereof. If a lump sum payment or the final installment payment hereunder would result in the issuance of a fractional share of Common Stock, such fractional share shall not be issued and cash in lieu of such fractional share shall be paid to the Director based on the Fair Market Value of one share of Common Stock on the date immediately preceding the date of such payment. The Company shall issue share certificates to the Director, or the Director's designated beneficiary, for the shares of Common Stock distributed hereunder, or if requested in writing by the Director and permitted under the Company's Automatic Dividend Reinvestment Plan, the shares to be distributed shall be added to the Director's account under such plan. As of the date on which the

Director is entitled to receive payment of shares of Common Stock, a Director shall be a stockholder of the Company with respect to such shares.

7

PAYMENT COMMENCEMENT DATE

(1) **Payment of Account Balance Upon Separation.** Unless otherwise elected by the Director under Section 4, payment of the Director's Account Balance shall be distributed to the Director in a lump sum on the first business day next succeeding the 59th day following the date of the Director's Separation from Service (e.g., when the Director ceases to be a member of the Board for any reason and no longer provides services to the Board or the Company); provided that with respect to his or her Elections and the portions of Account Balances related to amounts earned during a service period beginning on and after January 1, 2025, such amounts (and related earnings) will be paid as of the first business day of the second month following the month of the applicable distribution event.

1. **Distribution to Key Employees**. Notwithstanding any Elections or anything herein to the contrary, in the case of a Separation from Service of a Key Employee (as defined below), no payments may be made before the date which is six months after the date of the Key Employee's Separation from Service (hereinafter called the "Waiting Period"); provided, however, in the event of the Key Employee's death during the Waiting Period, distribution shall be made on the first business day next succeeding the 59th day following the date of the Key Employee's death (provided that with respect to his or her Elections and the portions of Account Balances related to amounts earned during a service period beginning on and after January 1, 2025 (and related earnings thereon), distribution shall be made as of the first business day of the second month following the month of the Key Employee's death). Any payments that would otherwise be made during the Waiting Period shall be accumulated and paid in the first month following the Waiting Period, and thereafter, made in accordance with the Director's Election, if any, in Section 4. During the Waiting Period, a Key Employee's Account Balance will continue to accrue investment

credits in accordance with Section 5. For purposes of this Section 7(b), "Key Employee" means a "specified employee" under Section 409A(a)(2)(B)(i) (i.e., a key employee (as defined under Code section 416(i) (without regard to paragraph (5) thereof)) of a corporation any stock in which is publicly traded on an established securities market or otherwise) and applicable Treasury regulations and other guidance under Section 409A. Key Employees shall be determined in accordance with Section 409A and pursuant to the methodology established by the Company.

1. **Payment of RSUs**. Payment of shares of Common Stock attributable to a Director's Restricted Stock Unit Account which become vested on or prior to the Director's Separation from Service and for which the Director has not made an effective Stock Deferral Election shall be paid in a lump sum on the earlier of: (1) the date of the Director's Separation from Service; or (2) the first anniversary of the date of grant. In the event of payment upon the Director's Separation from Service, the vested portion of the RSUs shall be paid to the Director, subject to Section 7(b), on the first business day next succeeding the 59th day following the date of such event; provided that with respect to his or her Elections and the portions of Account Balances related to amounts earned during a service period beginning on and after January 1, 2025 (and related earnings thereon), such amounts will be paid, subject to Section 7(b), as of the first business day of the second month following the month of the applicable distribution event. Otherwise, payments upon the first anniversary of the

date of grant shall be paid as soon as practicable and within the period permitted under Section 409A.

1. **Effect of Taxation**. If a portion of the Director's Account Balance is includible in income under Section 409A, such portion shall be distributed immediately to the Director.

8

DEATH BENEFITS; BENEFICIARY DESIGNATION

A Director may designate, in the Beneficiary Designation form prescribed by the Company, any person to whom a lump sum payment of cash or shares of Common Stock shall be paid on the first business day next succeeding the 59th day following the date of the Director's death if he or she dies before receiving payment of any or all amounts due hereunder; provided that with respect to the portions of Account Balances related to amounts earned during a service period beginning on and after January 1, 2025, such amounts (and related earnings thereon) will be paid as of the first business day of the second month following the month of the applicable distribution event.

A beneficiary designation will be effective only after the signed beneficiary designation form is filed with the Secretary of the Company, or its delegate, while the Director is alive and will cancel all beneficiary designations signed and filed earlier. If the Director fails to designate a beneficiary, or if all designated beneficiaries of the Director die before the Director or before complete payment of any or all amounts due hereunder, any remaining unpaid amounts shall be paid on the first business day next succeeding the 59th day following the date of the Director's death in one lump sum payment to the estate of the last to die of the Director or the Director's designated beneficiaries, if any; provided that with respect to the portions of Account Balances related to amounts earned during a service period beginning on and after January 1, 2025, such amounts (and related earnings thereon) will be paid as of the first business day of the second month following the month of the applicable distribution event.

9

NON-ALIENABILITY OF BENEFITS

Neither the Director nor any beneficiary designated by the Director shall have the right to, directly or indirectly, alienate, assign, transfer, pledge, anticipate or encumber (except by reason of death) any amount that is or may be payable hereunder, nor shall any such amount be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Director or the Director's designated beneficiary or to the debts, contracts, liabilities, engagements, or torts of any Director or designated beneficiary, or transfer by operation of law in the event of bankruptcy or insolvency of the Director or any beneficiary, or any legal process.

10

NATURE OF ACCOUNTS

Any Restricted Stock Unit Account, Deferred Cash Compensation Account or Deferred Stock Compensation Account shall be established and maintained only on the books and records of the Company, and no assets or funds of the Company or the Plan or shares of Common Stock of the Company shall be removed from the claims of the Company's general or judgment creditors or otherwise made available until such amounts are actually payable to Directors or their designated beneficiaries as provided herein. The Plan constitutes a mere promise by the Company to make payments in the future. The Directors and their designated beneficiaries shall have the status of, and their rights to receive a payment of cash or shares of Common Stock under the Plan shall be no greater than the rights of, general unsecured creditors of the Company. No person shall be entitled to any voting rights with respect to shares credited to any RSU or Deferred Stock Compensation Account which is not yet payable to a Director or the Director's designated beneficiary. The Company shall not be obligated under any circumstance to fund its financial obligations under the Plan, and the Plan is intended to constitute an unfunded plan for tax purposes. However, the Company may, in its discretion, set aside funds in a trust or other vehicle, subject to the claims of its creditors, in order to assist it in meeting its obligations under the Plan, if such arrangement will not cause the Plan to be considered a funded deferred compensation plan under the Code.

11

ADMINISTRATION OF PLAN; HARDSHIP WITHDRAWAL

Full power and authority to construe, interpret, and administer the Plan shall be vested in the Board. Decisions of the Board shall be final, conclusive, and binding upon all parties.

Notwithstanding the terms of a Cash Deferral Election or a Stock Deferral Election made by a Director hereunder, the Board may, in its sole discretion, permit the withdrawal of amounts credited to a Deferred Cash Compensation Account or shares credited to a Deferred Stock Compensation Account with respect to Director Fees previously payable, or permit the early vesting and payment of RSUs previously awarded, upon the request of a Director or the Director's representative, if the Board determines that the Director is confronted with an "unforeseeable emergency," as described in Code section 409A(a)(2)(A)(vi). An unforeseeable emergency is a severe financial hardship to the Director resulting from illness or accident of the Director, the Director's spouse, beneficiary or dependent, loss of the Director's property due to casualty or similar extraordinary and unforeseeable circumstances beyond the Director's control, which hardship cannot be relieved through insurance, cessation of deferrals under the Plan or liquidation of assets that would not cause a severe financial hardship. Cash needs arising from foreseeable events, such as the purchase or building of a house or education expenses, will not be considered to be the result of an unforeseeable financial emergency. The Director shall provide to the Board such evidence as the Board, in its discretion, may require to demonstrate that such emergency exists and financial hardship would occur if the withdrawal were not permitted. The withdrawal shall be limited to the amount or to the number of shares, as the case may be, necessary to meet the emergency. Payment shall be made within 30 days after the Board approves the payment and determines the amount of the payment or number of shares which shall be withdrawn. In the case of a distribution as a result of an unforeseeable emergency from the Deferred Cash Compensation Account or Deferred Stock Compensation Account, payment shall be made in a single lump sum from the portion of the Deferred Cash Compensation Account or Deferred Stock Compensation Account, as applicable, with the largest number and in reverse order of installment payments, in each case in accordance with Section 5(b)(2)(E) if the distribution is from the Deferred Cash Compensation Account. No Director shall participate in any decision of the Board regarding such Director's request for a withdrawal under this Section 11.

12

FAIR MARKET VALUE

The Fair Market Value of the Common Stock ("Fair Market Value") on a single date shall be the closing price of the Common Stock on the applicable date (or if not a trading date, the next following trading date). The closing price of the Common Stock for a single date shall be as reported in the New York Stock Exchange Composite Transactions Report (or in such other reliable publication as the Board or its delegate, in its discretion, may determine to rely upon).

13

SECURITIES LAWS; ISSUANCE OF SHARES; NONCERTIFICATED SHARES

The obligation of the Company to issue or credit shares of Common Stock under the Plan shall be subject to (i) the effectiveness of a registration statement under the Securities Act of 1933, as amended, with respect to such shares, if deemed necessary or appropriate by counsel for the Company, (ii) the condition that the shares shall have been listed (or authorized for listing upon official notice of issuance) upon each stock exchange, if any, on which the Common Stock shares may then be listed and (iii) all other applicable laws, regulations, rules and orders which may then be in effect. If, on the date on which any shares of Common Stock would be issued sufficient shares of Common Stock are not available under the Plan or the Company is not obligated to issue shares pursuant to this Section 13, then no shares of Common Stock shall be issued but rather, in the case of Common Stock to be issued currently, cash shall be paid in payment of the Director Fees payable. The Board shall adopt appropriate rules and regulations to carry out the intent of the immediately preceding sentence if the need for such rules and regulations arises. To the extent the Plan provides for issuance of share certificates to reflect the transfer of shares of Common Stock, the transfer of such shares may be effected on a noncertificated or "book-entry" basis.

14

GOVERNING LAW

The provisions of this Plan shall be interpreted and construed in accordance with the laws of the State of Delaware.

15

EFFECTIVE DATE; AMENDMENT AND TERMINATION

The Plan was adopted by the Board on December 4, 1996, and became effective as of January 1, 1997. The Plan was previously amended and restated effective October 2, 2001, December 3, 2002, June 14, 2007, November 11, 2007, December 4, 2007, February 13, 2008, and December 2, 2008. The Plan, as amended and restated herein, shall be effective as of January 1, 2025. The Board may amend or terminate the Plan at any time, provided that no such amendment or termination shall adversely affect rights with respect to amounts or shares then credited to any Deferred Cash Compensation Account or Deferred Stock Compensation Account, unless the Board determines, in its sole discretion, that all such amounts shall be distributed upon Plan termination in accordance with the requirements under Section 409A. Upon termination of the Plan, no further deferrals of Director Fees or RSUs shall be permitted; however, earnings, gains and losses shall continue to be credited to the Account Balance in accordance with Section 5 until such amounts are fully distributed.

16

AUTHORIZED SHARES; DESIGNATION AS AWARD UNDER EQUITY AND INCENTIVE COMPENSATION PLAN

Shares issued hereunder with respect to RSUs and DSUs credited prior to April 17, 2007 shall be deemed issued as part of the aggregate of 300,000 (reflecting prior stock splits and stock dividends and as shall be adjusted and subject to adjustment to reflect future stock splits and stock dividends) shares of Common Stock previously authorized for issuance hereunder. Effective as of April 17, 2007, the crediting of RSUs and the ability to make elections to receive Directors Fees in shares of Common Stock or to defer payment of Directors Fees and RSUs and have such fees and/or RSUs credited as DSUs shall constitute a non-employee directors award under The Hershey Company Equity and Incentive Compensation Plan (the “EICP”). This Plan and the related Notice of Election and other documents contemplated hereunder shall constitute the award agreement for purposes of the EICP and shares of Common Stock issued with respect to such RSUs, Directors Fees or DSUs shall be deemed issued from the shares authorized for issuance under the EICP.

THE HERSHEY COMPANY

By: */s/ James Turoff*

James Turoff
Senior Vice President, General Counsel and Secretary

Exhibit 21.1

SUBSIDIARIES OF REGISTRANT

Below is a listing of our major subsidiaries as of December 31, 2024, their jurisdictions of incorporation, and the name under which they do business. Each is wholly owned unless otherwise noted.

Subsidiary Name	Jurisdiction of Incorporation
Hershey Netherlands B.V.	The Netherlands
Hershey Canada, Inc.	Canada
Hershey Mexico S.A. de C.V.	Mexico
Hersmex S. de R.L. de C.V.	Mexico
Servicios de Hersmex S. de R.L. de C.V.	Mexico
Fantastic Candy Brands LLC	Delaware
Hershey Chocolate & Confectionery LLC	Delaware
Hershey International LLC	Delaware
CSH Foods, Inc.	Delaware
The Hershey Sourcing Company	Delaware
The Hershey Sales Company	Delaware
The Hershey Investment Company, LLC	Delaware
The Hershey Licensing Company	Delaware
The Hershey Insurance Company of Vermont	Vermont
Ripple Brand Collective, LLC	New York
The Hershey Salty Snacks Sales Company	Delaware
ONE Brands, LLC	Delaware
Artisan Confections Company, LLC	Delaware
Lily's Sweets, LLC	Pennsylvania
The Hershey Salty Snacks Company	Delaware
Pretzel's, Inc.	Delaware
Hershey Caribe, Inc.	Puerto Rico
Hershey UK Holding Limited	United Kingdom
Hershey UK Finance Limited	United Kingdom
Hershey Trading GmbH	Switzerland
Hershey India Private Limited	India
Nutrine Confectionery Company Private Limited	India
Hershey (China) Investment Management Co., Ltd.	China
Hershey Chocolate Sales (Shanghai) Co., Ltd.	China
Hershey Japan Co., Ltd.	Japan
Hershey Philippines, Inc.	Philippines
Regional Operating HQ	Philippines
Hershey Asia Pacific Pte. Ltd.	Singapore
Hershey Malaysia Sdn. Bhd.	Malaysia
Hershey (Thailand) Co. Ltd.	Thailand
Hershey do Brasil Ltda.	Brazil

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-279759) pertaining to the prospectus for the sale of Debt Securities of The Hershey Company,

(2) Registration Statement (Form S-8 No. 333-174123) pertaining to the Equity and Incentive Compensation Plan of The Hershey Company,

(3) Registration Statement (Form S-8 No. 333-143764) pertaining to the Equity and Incentive Compensation Plan of The Hershey Company,

(4) Registration Statement (Form S-8 No. 333-107706) pertaining to the Directors' Compensation Plan of Hershey Foods Corporation,

(5) Registration Statement (Form S-8 No. 333-72100) pertaining to the 2001 Nonqualified Stock Option Agreement of Hershey Foods Corporation,

(6) Registration Statement (Form S-8 No. 333-72112) pertaining to the Broad-Based Stock Option Plan of Hershey Foods Corporation,

(7) Registration Statement (Form S-8 No. 333-52509) pertaining to the Key Employee Incentive Plan of Hershey Foods Corporation, and

(8) Registration Statement (Form S-8 No. 333-25853) pertaining to the Directors' Compensation Plan of Hershey Foods Corporation;

of our reports dated February 18, 2025, with respect to the consolidated financial statements of The Hershey Company and the effectiveness of internal control over financial reporting of The Hershey Company included in this Annual Report on Form 10-K of The Hershey Company for the year ended December 31, 2024.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
February 18, 2025

Exhibit 31.1

CERTIFICATION

I, Michele G. Buck, certify that:

1. I have reviewed this Annual Report on Form 10-K of The Hershey Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MICHELE G. BUCK

Michele G. Buck
Chief Executive Officer
February 18, 2025

Exhibit 31.2

CERTIFICATION

I, Steven E. Voskuil, certify that:

1. I have reviewed this Annual Report on Form 10-K of The Hershey Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ STEVEN E. VOSKUIL

Steven E. Voskuil
Chief Financial Officer
February 18, 2025

Exhibit 32.1

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of The Hershey Company (the “Company”) hereby certify that the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 18, 2025 /s/ MICHELE G. BUCK

Michele G. Buck
Chief Executive Officer

Date: February 18, 2025 /s/ STEVEN E. VOSKUIL

Steven E. Voskuil
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.