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

# FORM 10-Q

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

**For the quarterly period ended September 27, 2026**
**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**



# THE HERSHEY COMPANY

(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)

**Not Applicable**
(Former name or former address, if changed since last report)

**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 |

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. (Check one):

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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—146,366,875 shares, as of October 26, 2026.
Class B Common Stock, one dollar par value—54,613,514 shares, as of October 26, 2026.

**THE HERSHEY COMPANY**
**Quarterly Report on Form 10-Q**
**For the Period Ended September 27, 2026**

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**PART I — FINANCIAL INFORMATION**
**Item 1. Financial Statements.**

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

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | **September 27, 2026** | **September 28, 2025** | **September 27, 2026** | **September 28, 2025** |
| **Net sales** | $ 3,275,510 | $ 3,181,418 | $ 9,166,983 | $ 8,601,555 |
| Cost of sales | 1,764,483 | 2,144,084 | 5,169,917 | 5,823,681 |
| **Gross profit** | 1,511,027 | 1,037,334 | 3,997,066 | 2,777,874 |
| Selling, marketing and administrative expense | 692,869 | 600,540 | 1,889,461 | 1,762,419 |
| Business realignment costs | 505 | 2,211 | 6,618 | 18,840 |
| **Operating profit** | 817,653 | 434,583 | 2,100,987 | 996,615 |
| Interest expense, net | 48,675 | 51,474 | 148,456 | 142,131 |
| Other (income) expense, net | 975 | 11,199 | 3,553 | 9,808 |
| **Income before income taxes** | 768,003 | 371,910 | 1,948,978 | 844,676 |
| Provision for income taxes | 187,189 | 95,590 | 475,394 | 281,434 |
| **Net income** | $ 580,814 | $ 276,320 | $ 1,473,584 | $ 563,242 |
| | | | | |
| **Net income per share—basic:** | | | | |
| Common stock | $ 2.96 | $ 1.40 | $ 7.48 | $ 2.85 |
| Class B common stock | $ 2.69 | $ 1.27 | $ 6.79 | $ 2.58 |
| | | | | |
| **Net income per share—diluted:** | | | | |
| Common stock | $ 2.88 | $ 1.36 | $ 7.27 | $ 2.77 |
| Class B common stock | $ 2.69 | $ 1.27 | $ 6.78 | $ 2.59 |

**See Notes to Unaudited Consolidated Financial Statements.**

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

| | For the Three Months Ended | | | | | | For the Nine Months Ended | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | September 27, 2026 | | | September 28, 2025 | | | September 27, 2026 | | | September 28, 2025 | | |
| | 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 | Pre-Tax Amount | Tax (Expense) Benefit | After-Tax Amount |
| **Net income** | | | $ 580,814 | | | $ 276,320 | | | $ 1,473,584 | | | $ 563,242 |
| **Other comprehensive income, net of tax:** | | | | | | | | | | | | |
| Foreign currency translation adjustments: | | | | | | | | | | | | |
| Foreign currency translation gains (losses) during period | $ 748 | | 748 | $ (2,190) | $ — | (2,190) | $ (1,310) | | (1,310) | $ 29,355 | $ — | 29,355 |
| Pension and post-retirement benefit plans: | | | | | | | | | | | | |
| Net actuarial gain (loss) and service cost | (6,024) | 1,384 | (4,640) | 14,418 | (3,465) | 10,953 | 3,136 | (843) | 2,293 | 14,351 | (3,609) | 10,742 |
| Reclassification to earnings | 4,050 | (954) | 3,096 | 13,479 | (3,243) | 10,236 | 13,920 | (3,349) | 10,571 | 19,244 | (4,613) | 14,631 |
| Cash flow hedges: | | | | | | | | | | | | |
| Gains (losses) on cash flow hedging derivatives | (6,817) | 2,163 | (4,654) | 400 | (571) | (171) | (11,171) | 3,148 | (8,023) | (6,030) | 771 | (5,259) |
| Reclassification to earnings | 9,058 | (2,354) | 6,704 | 2,206 | (634) | 1,572 | 19,832 | (5,308) | 14,524 | 5,672 | (1,275) | 4,397 |
| **Total other comprehensive income (loss), net of tax** | $ 1,015 | $ 239 | 1,254 | $ 28,313 | $ (7,913) | 20,400 | $ 24,407 | $ (6,352) | 18,055 | $ 62,592 | $ (8,726) | 53,866 |
| **Comprehensive income** | | | $ 582,068 | | | $ 296,720 | | | $ 1,491,639 | | | $ 617,108 |

**See Notes to Unaudited Consolidated Financial Statements.**

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

| | September 27, 2026 (unaudited) | December 31, 2025 |
|---|---|---|
| **ASSETS** | | |
| **Current assets:** | | |
| Cash and cash equivalents | $ 676,688 | $ 925,859 |
| Accounts receivable—trade, net | 1,113,419 | 729,547 |
| Inventories | 1,608,756 | 1,429,254 |
| Prepaid expenses and other | 463,592 | 504,239 |
| Total current assets | 3,862,455 | 3,588,899 |
| **Property, plant and equipment, net** | 3,496,716 | 3,529,608 |
| **Goodwill** | 2,985,813 | 2,996,005 |
| **Other intangibles** | 2,422,394 | 2,475,698 |
| **Other non-current assets** | 1,098,092 | 1,123,285 |
| **Deferred income taxes** | 27,357 | 27,802 |
| Total assets | $ 13,892,827 | $ 13,741,297 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **Current liabilities:** | | |
| Accounts payable | $ 1,414,863 | $ 1,255,701 |
| Accrued liabilities | 1,049,633 | 970,597 |
| Accrued income taxes | 20,469 | 63,725 |
| Short-term debt | 436,012 | 218,546 |
| Current portion of long-term debt | 197,843 | 503,327 |
| Total current liabilities | 3,118,820 | 3,011,896 |
| **Long-term debt** | 4,492,634 | 4,681,194 |
| **Other long-term liabilities** | 626,345 | 731,917 |
| **Deferred income taxes** | 779,312 | 679,540 |
| Total liabilities | 9,017,111 | 9,104,547 |
| **Stockholders' equity:** | | |
| The Hershey Company stockholders' equity | | |
| Preferred stock, shares issued: none in 2026 and 2025 | — | — |
| Common stock, shares issued: 166,939,511 at September 27, 2026 and December 31, 2025 | 166,939 | 166,939 |
| Class B common stock, shares issued: 54,613,514 at September 27, 2026 and December 31, 2025 | 54,614 | 54,614 |
| Additional paid-in capital | 1,461,186 | 1,426,651 |
| Retained earnings | 6,109,635 | 5,495,449 |
| Treasury—common stock shares, at cost: 20,580,446 at September 27, 2026 and 18,713,369 at December 31, 2025 | (2,687,363) | (2,259,553) |
| Accumulated other comprehensive loss | (229,295) | (247,350) |
| Total stockholders' equity | 4,875,716 | 4,636,750 |
| Total liabilities and stockholders' equity | $ 13,892,827 | $ 13,741,297 |

**See Notes to Unaudited Consolidated Financial Statements.**

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

| | Nine Months Ended | |
|---|---|---|
| | **September 27, 2026** | **September 28, 2025** |
| **Operating Activities** | | |
| Net income | $ 1,473,584 | $ 563,242 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 405,371 | 371,180 |
| Stock-based compensation expense | 53,145 | 46,453 |
| Deferred income taxes | 72,026 | 37,790 |
| Unrealized (gains) losses on derivative contracts | (20,867) | 541,137 |
| Contingent consideration adjustments | 43,797 | — |
| Other | 96,516 | 77,524 |
| Changes in assets and liabilities, net of business acquisition: | | |
| Accounts receivable—trade, net | (385,736) | (156,979) |
| Inventories | (183,244) | (445,014) |
| Prepaid expenses and other current assets | 33,679 | (231,742) |
| Accounts payable and accrued liabilities | 140,286 | 453,642 |
| Accrued income taxes | (16,005) | 158,869 |
| Contributions to pension and other benefit plans | (8,935) | (9,978) |
| Other assets and liabilities | (64,814) | (55,310) |
| Net cash provided by operating activities | 1,638,803 | 1,350,814 |
| **Investing Activities** | | |
| Capital additions (including software) | (304,986) | (316,537) |
| Receipts related to equity investments in tax credit qualifying partnerships | 14,436 | 14,261 |
| Purchase of intangible assets | — | (73,597) |
| Other investing activities | (3,521) | (6,309) |
| Net cash used in investing activities | (294,071) | (382,182) |
| **Financing Activities** | | |
| Net increase (decrease) in short-term debt | 220,444 | (1,102,467) |
| Long-term borrowings, net of debt issuance costs | — | 1,984,545 |
| Repayment of long-term debt and finance leases | (504,778) | (604,641) |
| Cash dividends paid | (859,224) | (813,955) |
| Repurchase of common stock | (439,354) | — |
| Proceeds from exercised stock options | 16,891 | 17,258 |
| Taxes withheld and paid on employee stock awards | (18,161) | (17,182) |
| Contingent consideration paid | (16,632) | — |
| Net cash used in financing activities | (1,600,814) | (536,442) |
| Effect of exchange rate changes on cash and cash equivalents | 6,911 | 81 |
| Net (decrease) increase in cash and cash equivalents | (249,171) | 432,271 |
| Cash and cash equivalents, beginning of period | 925,859 | 730,746 |
| Cash and cash equivalents, end of period | $ 676,688 | $ 1,163,017 |
| **Supplemental Disclosure** | | |
| Interest paid | $ 180,038 | $ 156,433 |
| Income taxes paid | 403,873 | 110,558 |

**See Notes to Unaudited Consolidated Financial Statements.**

**HERSHEY COMPANY**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**
**For the Three Months Ended September 27, 2026 and September 28, 2025**
**(in thousands)**
**(unaudited)**

| | Preferred Stock | Common Stock | Class B Common Stock | Additional Paid-in Capital | Retained Earnings | Treasury Common Stock | Accumulated Other Comprehensive (Loss) Income | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance, June 28, 2026** | $ — | $ 166,939 | $ 54,614 | $ 1,447,283 | $ 5,814,164 | $ (2,689,761) | $ (230,549) | $ 4,562,690 |
| Net income | | | | | 580,814 | | | 580,814 |
| Other comprehensive income | | | | | | | 1,254 | 1,254 |
| Dividends (including dividend equivalents): | | | | | | | | |
| Common Stock, $1.452 per share | | | | | (213,253) | | | (213,253) |
| Class B Common Stock, $1.320 per share | | | | | (72,090) | | | (72,090) |
| Stock-based compensation | | | | 16,892 | | | | 16,892 |
| Exercise of stock options and incentive-based transactions | | | | (2,989) | | 2,374 | | (615) |
| Repurchase of common stock (including excise tax) | | | | | | 24 | | 24 |
| **Balance, September 27, 2026** | $ — | $ 166,939 | $ 54,614 | $ 1,461,186 | $ 6,109,635 | $ (2,687,363) | $ (229,295) | $ 4,875,716 |

| | Preferred Stock | Common Stock | Class B Common Stock | Additional Paid-in Capital | Retained Earnings | Treasury Common Stock | Accumulated Other Comprehensive (Loss) Income | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance, June 29, 2025** | $ — | $ 166,939 | $ 54,614 | $ 1,387,873 | $ 5,442,869 | $ (2,267,253) | $ (270,424) | $ 4,514,618 |
| Net income | | | | | 276,320 | | | 276,320 |
| Other comprehensive income | | | | | | | 20,400 | 20,400 |
| Dividends (including dividend equivalents): | | | | | | | | |
| Common Stock, $1.370 per share | | | | | (203,828) | | | (203,828) |
| Class B Common Stock, $1.245 per share | | | | | (67,994) | | | (67,994) |
| Stock-based compensation | | | | 15,597 | | | | 15,597 |
| Exercise of stock options and incentive-based transactions | | | | 4,215 | | 5,118 | | 9,333 |
| **Balance, September 28, 2025** | $ — | $ 166,939 | $ 54,614 | $ 1,407,685 | $ 5,447,367 | $ (2,262,135) | $ (250,024) | $ 4,564,446 |





**THE HERSHEY COMPANY**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**
**For the Nine Months Ended September 27, 2026 and September 28, 2025**
**(in thousands)**
**(unaudited)**

| | Preferred Stock | Common Stock | Class B Common Stock | Additional Paid-in Capital | Retained Earnings | Treasury Common Stock | Accumulated Other Comprehensive (Loss) Income | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance, December 31, 2025** | $ — | $ 166,939 | $ 54,614 | $ 1,426,651 | $ 5,495,449 | $ (2,259,553) | $ (247,350) | $ 4,636,750 |
| Net income | | | | | 1,473,584 | | | 1,473,584 |
| Other comprehensive income | | | | | | | 18,055 | 18,055 |
| Dividends (including dividend equivalents): | | | | | | | | |
| Common Stock, $4.356 per share | | | | | (643,128) | | | (643,128) |
| Class B Common Stock, $3.960 per share | | | | | (216,270) | | | (216,270) |
| Stock-based compensation | | | | 51,584 | | | | 51,584 |
| Exercise of stock options and incentive-based transactions | | | | (17,049) | | 15,779 | | (1,270) |
| Repurchase of common stock (including excise tax) | | | | | | (443,589) | | (443,589) |
| **Balance, September 27, 2026** | $ — | $ 166,939 | $ 54,614 | $ 1,461,186 | $ 6,109,635 | $ (2,687,363) | $ (229,295) | $ 4,875,716 |

| | Preferred Stock | Common Stock | Class B Common Stock | Additional Paid-in Capital | Retained Earnings | Treasury Common Stock | Accumulated Other Comprehensive (Loss) Income | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance, December 31, 2024** | $ — | $ 166,939 | $ 54,614 | $ 1,377,226 | $ 5,698,316 | $ (2,278,551) | $ (303,890) | $ 4,714,654 |
| Net income | | | | | 563,242 | | | 563,242 |
| Other comprehensive income | | | | | | | 53,866 | 53,866 |
| Dividends (including dividend equivalents): | | | | | | | | |
| Common Stock, $4.110 per share | | | | | (610,210) | | | (610,210) |
| Class B Common Stock, $3.735 per share | | | | | (203,981) | | | (203,981) |
| Stock-based compensation | | | | 46,799 | | | | 46,799 |
| Exercise of stock options and incentive-based transactions | | | | (16,340) | | 16,416 | | 76 |
| **Balance, September 28, 2025** | $ — | $ 166,939 | $ 54,614 | $ 1,407,685 | $ 5,447,367 | $ (2,262,135) | $ (250,024) | $ 4,564,446 |

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

The unaudited consolidated financial statements provided in this report include the accounts of The Hershey Company (the "Company," "Hershey," "we" or "us") and our majority-owned subsidiaries and entities in which we have a controlling financial interest after the elimination of intercompany accounts and transactions. 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. Other investments that are not controlled, and over which we do not have the ability to exercise significant influence, are accounted for under the cost method. Both equity method investments and cost, less impairment, investments are included as other non-current assets in the Consolidated Balance Sheets.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial reporting and with the rules and regulations for reporting on Form 10-Q. Accordingly, they do not contain certain information and disclosures required by GAAP for comprehensive financial statements. The financial statements reflect all adjustments (consisting of normal recurring adjustments) which are, in our opinion, necessary for a fair presentation of the results of operations, financial position, and cash flows for the indicated periods.

Operating results for the quarter ended September 27, 2026 may not be indicative of the results that may be expected for the year ending December 31, 2026 because of seasonal effects on our business. These financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2025 (our "2025 Annual Report on Form 10-K"), which provides a more complete understanding of our accounting policies, financial position, operating results and other matters.

### Recent Accounting Pronouncements

***Recently Adopted Accounting Pronouncements***

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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. We adopted the provisions of this ASU in the fourth quarter of 2025 and applied the provisions on a prospective basis.

***Recently Issued Accounting Pronouncements Not Yet Adopted***

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.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. This ASU modernizes the capitalization guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. Under this ASU, costs are capitalized when management has authorized and committed funding and it is probable the project will be completed and the software used as intended. ASU 2025-06 is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted and the amendments in this update permit an entity to apply the new guidance using a prospective, retrospective or modified transition approach. 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

LesserEvil, LLC

On November 18, 2025, we completed the acquisition of LesserEvil, LLC ("LesserEvil"), previously a privately held company that produces and sells organic popcorn and puffed snack products to retailers and distributors in the United States and Canada, which complements Hershey's existing product portfolio and brings additional manufacturing capacity. The initial cash consideration paid for LesserEvil totaled $769,090 and consisted of cash on hand and short-term borrowings; however, the Company may be required to pay additional contingent consideration ranging from zero to a maximum of $200,000 if certain defined earnings targets are met over a multi-year period. Acquisition-related costs for the LesserEvil acquisition were immaterial.

The acquisition has been accounted for as a business combination and, accordingly, LesserEvil has been included within the North America Salty Snacks segment from the date of acquisition. The purchase consideration, inclusive of the acquisition date fair value of the contingent consideration, was allocated to assets acquired and liabilities assumed based on their respective fair values as follows:

| | Final Allocation |
|---|---|
| Goodwill | $ 281,929 |
| Other intangible assets | 604,500 |
| Current assets acquired, including cash and cash equivalents | 65,060 |
| Property, plant and equipment, net | 17,785 |
| Other non-current assets, primarily operating lease ROU assets | 28,214 |
| Current liabilities assumed | (21,141) |
| Other long-term liabilities, primarily operating lease liabilities | (22,054) |
| Deferred income taxes | (144,143) |
| Net assets acquired | $ 810,150 |

The purchase price allocation presented above has been finalized as of the second quarter of 2026. The measurement period adjustments to the initial allocation were based on more detailed information obtained about the specific assets acquired and liabilities assumed, specifically, post-closing adjustments to the working capital acquired including certain holdbacks, as well as the valuation and step-up on property, plant and equipment.

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 not expected to be deductible for tax purposes and reflects the value of leveraging our brand building expertise, supply chain capabilities and retail relationships to accelerate growth and access to the portfolio of LesserEvil's products.

Other intangible assets include the following estimated useful lives and values:

| | Estimated Useful Life | Initial Allocation |
|---|---|---|
| Trademarks | Indefinite | $ 303,000 |
| Customer relationships | 20 years | 301,500 |
| Other intangible assets | | $ 604,500 |

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. We paid a portion of contingent consideration in April 2026. 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 was finalized as of the second quarter of 2025 and includes an immaterial amount of measurement period adjustments. The measurement period adjustments to the initial allocation were based on more detailed information obtained about the specific assets acquired and liabilities assumed, specifically, post-closing adjustments to the working capital acquired.

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.

## 3. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying value of goodwill by reportable segment for the nine months ended September 27, 2026 are as follows:

| | North America Confectionery | North America Salty Snacks | International | Total |
|---|---|---|---|---|
| Balance at December 31, 2025 | $ 2,039,098 | $ 946,143 | $ 10,764 | $ 2,996,005 |
| Measurement period adjustments | — | (7,213) | — | (7,213) |
| Foreign currency translation | (3,158) | — | 179 | (2,979) |
| Balance at September 27, 2026 | $ 2,035,940 | $ 938,930 | $ 10,943 | $ 2,985,813 |





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

| | September 27, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| Intangible assets subject to amortization: | | | | |
| Trademarks | $ 1,824,766 | $ (374,536) | $ 1,803,973 | $ (335,974) |
| Customer-related | 854,606 | (220,678) | 855,556 | (185,995) |
| Patents | 7,707 | (7,707) | 7,944 | (7,944) |
| Total | 2,687,079 | (602,921) | 2,667,473 | (529,913) |
| Intangible assets not subject to amortization: | | | | |
| Trademarks | 338,236 | | 338,138 | |
| Total other intangible assets | $ 2,422,394 | | $ 2,475,698 | |

Total amortization expense for the three months ended September 27, 2026 and September 28, 2025 was $24,953 and $21,202, respectively. Total amortization expense for the nine months ended September 27, 2026 and September 28, 2025 was $74,898 and $62,958, respectively.

## 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. As of September 27, 2026, we maintained a $1.875 billion unsecured revolving credit facility with the option to increase the aggregate amount of the commitments by up to $1 billion with the consent of the lenders. The credit facility is scheduled to expire on October 21, 2030; 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 credit agreements governing the credit facility contain certain financial and other covenants, customary representations, warranties and events of default. As of September 27, 2026, we were in compliance with all covenants pertaining to the credit facility, and we had no significant compensating balance agreements that legally restricted access to these funds. For more information, refer to the Consolidated Financial Statements included in our 2025 Annual Report on Form 10-K.

In addition to the revolving credit facility, we maintain lines of credit with domestic and international commercial banks. Commitment fees relating to our revolving credit facility and lines of credit are not material. Short-term debt consisted of the following:

| | September 27, 2026 | December 31, 2025 |
|---|---|---|
| Short-term foreign bank borrowings against lines of credit | $ 166,896 | $ 218,546 |
| U.S. commercial paper | 269,116 | — |
| Total short-term debt | $ 436,012 | $ 218,546 |
| Weighted average interest rate on outstanding commercial paper | 4.0 % | — % |





**Long-term Debt**

Long-term debt consisted of the following:

| Debt Type and Rate | Maturity Date | September 27, 2026 | December 31, 2025 |
|---|---|---|---|
| 2.300% Notes (1) | August 15, 2026 | — | 500,000 |
| 7.200% Debentures | August 15, 2027 | 193,639 | 193,639 |
| 4.550% Notes | February 24, 2028 | 500,000 | 500,000 |
| 4.250% Notes | May 4, 2028 | 350,000 | 350,000 |
| 2.450% Notes | November 15, 2029 | 300,000 | 300,000 |
| 4.750% Notes | February 24, 2030 | 500,000 | 500,000 |
| 1.700% Notes | June 1, 2030 | 350,000 | 350,000 |
| 4.950% Notes | February 24, 2032 | 500,000 | 500,000 |
| 4.500% Notes | May 4, 2033 | 400,000 | 400,000 |
| 5.100% Notes | February 24, 2035 | 500,000 | 500,000 |
| 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) | | 75,646 | 73,510 |
| Net impact of interest rate swaps, debt issuance costs and unamortized debt discounts | | (28,808) | (32,628) |
| Total long-term debt | | 4,690,477 | 5,184,521 |
| Less—current portion | | 197,843 | 503,327 |
| Long-term portion | | $ 4,492,634 | $ 4,681,194 |

(1) In August 2026, we repaid $500,000 of 2.300% Notes due upon their maturity.

**Interest Expense**

Net interest expense consists of the following:

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 27, 2026 | September 28, 2025 | September 27, 2026 | September 28, 2025 |
| Interest expense | $ 56,060 | $ 61,456 | $ 170,749 | $ 176,817 |
| Capitalized interest | (2,870) | (2,257) | (7,055) | (9,732) |
| Interest expense | 53,190 | 59,199 | 163,694 | 167,085 |
| Interest income | (4,515) | (7,725) | (15,238) | (24,954) |
| Interest expense, net | $ 48,675 | $ 51,474 | $ 148,456 | $ 142,131 |




## 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 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.

### 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 $646,026 as of September 27, 2026 and $973,083 as of December 31, 2025.

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 18 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 $167,956 at September 27, 2026 and $223,962 at December 31, 2025. 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 $87,106 at September 27, 2026 and $59,970 at December 31, 2025. The change in fair value on these instruments is recorded directly in cost of sales or selling, marketing and administrative ("SM&A") expense, depending on the nature of the underlying exposure.

### 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 September 27, 2026 and December 31, 2025 was $40,610 and $35,896, respectively.

The following table presents the classification of derivative assets and liabilities within the Consolidated Balance Sheets as of September 27, 2026 and December 31, 2025:

| | September 27, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Assets (1) | Liabilities (1) | Assets (1) | Liabilities (1) |
| **Derivatives designated as cash flow hedging instruments:** | | | | |
| Foreign exchange contracts | $ 2,512 | $ 1,201 | $ 691 | $ 3,095 |
| | | | | |
| **Derivatives not designated as hedging instruments:** | | | | |
| Commodities futures and options (2) | 12,341 | 1,182 | 465 | 20,829 |
| Deferred compensation derivatives | 486 | — | 775 | — |
| Foreign exchange contracts | 14 | 906 | 1,752 | — |
| | 12,841 | 2,088 | 2,992 | 20,829 |
| **Total** | $ 15,353 | $ 3,289 | $ 3,683 | $ 23,924 |

(1) Derivative 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 September 27, 2026, amounts reflected on a net basis in assets were assets of $85,844 and liabilities of $82,241, 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. The comparable amounts reflected on a net basis in liabilities at December 31, 2025 were assets of $46,467 and liabilities of $63,531. At September 27, 2026 and December 31, 2025, the remaining amount reflected in assets and liabilities related to the fair value of other non-exchange traded derivative instruments, respectively.

**Income Statement Impact of Derivative Instruments**

The effect of derivative instruments on the Consolidated Statements of Income for the three months ended September 27, 2026 and September 28, 2025 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 accumulated OCI (“AOCI”) into income (b) | |
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| Commodities futures and options | $ 81,867 | $ 32,745 | $ — | $ — | $ — | $ — |
| Foreign exchange contracts | 349 | 212 | (6,817) | 400 | (8,117) | (56) |
| Interest rate swap agreements | — | — | — | — | (941) | (2,150) |
| Deferred compensation derivatives | 486 | 2,249 | — | — | | — |
| Total | $ 82,702 | $ 35,206 | $ (6,817) | $ 400 | $ (9,058) | $ (2,206) |

The effect of derivative instruments on the Consolidated Statements of Income for the nine months ended September 27, 2026 and September 28, 2025 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 accumulated OCI ("AOCI") into income (b) | |
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| Commodities futures and options | $ 138,825 | $ (52,657) | $ — | $ — | $ — | $ — |
| Foreign exchange contracts | (1,122) | 8,594 | (11,171) | (6,030) | (14,886) | 1,052 |
| Interest rate swap agreements | — | — | — | — | (4,946) | (6,724) |
| Deferred compensation derivatives | 3,200 | 7,012 | — | — | | — |
| Total | $ 140,903 | $ (37,051) | $ (11,171) | $ (6,030) | $ (19,832) | $ (5,672) |

(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 pre-tax net loss 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 $5,284 as of September 27, 2026. 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 not have any Level 3 financial assets or liabilities, nor were there any transfers between levels during the periods presented.





The following table presents assets and liabilities that were measured at fair value in the Consolidated Balance Sheets on a recurring basis as of September 27, 2026 and December 31, 2025:

| | Assets / Liabilities | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **September 27, 2026:** | | | | |
| Derivative Instruments: | | | | |
| Assets: | | | | |
| Foreign exchange contracts (1) | $ — | $ 2,526 | $ — | $ 2,526 |
| Deferred compensation derivatives (2) | $ — | $ 486 | $ — | $ 486 |
| Commodities futures and options (3) | $ 12,341 | $ — | $ — | $ 12,341 |
| Liabilities: | | | | |
| Foreign exchange contracts (1) | $ — | $ 2,107 | $ — | $ 2,107 |
| Commodities futures and options (3) | $ 1,182 | $ — | $ — | $ 1,182 |
| **December 31, 2025:** | | | | |
| Assets: | | | | |
| Foreign exchange contracts (1) | $ — | $ 2,443 | $ — | $ 2,443 |
| Commodities futures and options (3) | $ 465 | $ — | $ — | $ 465 |
| Liabilities: | | | | |
| Foreign exchange contracts (1) | $ — | $ 3,095 | $ — | $ 3,095 |
| Deferred compensation derivatives (3) | — | 775 | — | 775 |
| Commodities futures and options (3) | $ 20,829 | $ — | $ — | $ 20,829 |

(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 September 27, 2026 and December 31, 2025 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 issues 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 | |
|---|---|---|---|---|
| | September 27, 2026 | December 31, 2025 | September 27, 2026 | December 31, 2025 |
| Current portion of long-term debt | $ 201,702 | $ 498,788 | $ 197,843 | $ 503,327 |
| Long-term debt | 3,957,884 | 4,373,815 | 4,492,634 | 4,681,194 |
| Total | $ 4,159,586 | $ 4,872,603 | $ 4,690,477 | $ 5,184,521 |

**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.

2025 Activity

In connection with the acquisition of LesserEvil in 2025, 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.

**Fair Value of Contingent Consideration**

Contingent consideration liabilities associated with prior business combinations, as discussed in Note 2, are recorded at fair value each period, with changes in fair value recognized in earnings. These liabilities are primarily included within accrued liabilities, with the remaining amounts included within other long-term liabilities, in the Consolidated Balance Sheets. The related changes in fair value are reflected within SM&A expenses in the Consolidated Statements of Income.

The following table presents the liability activity for contingent consideration for the nine months ended September 27, 2026:

| | Total |
|---|---|
| Liability balance at December 31, 2025 | $ 77,820 |
| Changes in fair value | 43,797 |
| Payments | (19,087) |
| Liability balance at September 27, 2026 | $ 102,530 |

**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 consolidated balance sheet.

Right-of-use ("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 are allocated to the lease 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 for the three months ended September 27, 2026 and September 28, 2025 were as follows:

| | | Three Months Ended | |
|---|---|---|---|
| **Lease expense** | **Classification** | **September 27, 2026** | **September 28, 2025** |
| Operating lease cost | Cost of sales or SM&A (1) | $ 16,054 | $ 15,651 |
| Finance lease cost: | | | |
| Amortization of ROU assets | Depreciation and amortization (1) | 2,196 | 1,896 |
| Interest on lease liabilities | Interest expense, net | 1,169 | 1,096 |
| Net lease cost (2) | | $ 19,419 | $ 18,643 |

The components of lease expense for the nine months ended September 27, 2026 and September 28, 2025 were as follows:

| | | Nine Months Ended | |
|---|---|---|---|
| **Lease expense** | **Classification** | **September 27, 2026** | **September 28, 2025** |
| Operating lease cost | Cost of sales or SM&A (1) | $ 48,700 | $ 45,677 |
| Finance lease cost: | | | |
| Amortization of ROU assets | Depreciation and amortization (1) | 6,656 | 6,248 |
| Interest on lease liabilities | Interest expense, net | 3,509 | 3,345 |
| Net lease cost (2) | | $ 58,865 | $ 55,270 |

(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.

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

| | **September 27, 2026** | **December 31, 2025** |
|---|---|---|
| Weighted-average remaining lease term (years) | | |
| Operating leases | 10.1 | 10.2 |
| Finance leases | 24.0 | 25.2 |
| | | |
| Weighted-average discount rate | | |
| Operating leases | 4.6 % | 4.6 % |
| Finance leases | 6.2 % | 6.3 % |





Supplemental balance sheet information related to leases were as follows:

| Leases | Classification | September 27, 2026 | December 31, 2025 |
|---|---|---|---|
| **Assets** | | | |
| Operating lease ROU assets | Other non-current assets | $ 292,916 | $ 325,345 |
| | | | |
| Finance lease ROU assets, at cost | Property, plant and equipment, gross | 83,000 | 83,714 |
| Accumulated amortization | Accumulated depreciation | (26,895) | (26,073) |
| Finance lease ROU assets, net | Property, plant and equipment, net | 56,105 | 57,641 |
| | | | |
| Total leased assets | | $ 349,021 | $ 382,986 |
| | | | |
| **Liabilities** | | | |
| Current | | | |
| Operating | Accrued liabilities | $ 51,336 | $ 49,583 |
| Finance | Current portion of long-term debt | 5,271 | 4,499 |
| Non-current | | | |
| Operating | Other long-term liabilities | 252,276 | 285,925 |
| Finance | Long-term debt | 70,375 | 69,011 |
| Total lease liabilities | | $ 379,258 | $ 409,018 |

The maturities of our lease liabilities as of September 27, 2026 were as follows:

| | Operating leases | Finance leases | Total |
|---|---|---|---|
| 2026 (rest of year) | $ 16,121 | $ 2,607 | $ 18,728 |
| 2027 | 62,811 | 9,321 | 72,132 |
| 2028 | 43,622 | 7,774 | 51,396 |
| 2029 | 39,690 | 5,031 | 44,721 |
| 2030 | 32,977 | 4,596 | 37,573 |
| Thereafter | 191,486 | 129,339 | 320,825 |
| Total lease payments | 386,707 | 158,668 | 545,375 |
| Less: Imputed interest | 83,095 | 83,022 | 166,117 |
| Total lease liabilities | $ 303,612 | $ 75,646 | $ 379,258 |

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

| | Nine Months Ended | |
|---|---|---|
| | September 27, 2026 | September 28, 2025 |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | $ 48,269 | $ 43,965 |
| Operating cash flows from finance leases | 3,509 | 3,345 |
| Financing cash flows from finance leases | 4,799 | 4,595 |
| | | |
| ROU assets obtained in exchange for lease liabilities: | | |
| Operating leases | $ 5,686 | $ 33,158 |
| Finance leases | 7,033 | 62 |

## 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 were $169,392 and $176,567 as of September 27, 2026 and December 31, 2025, respectively.

## 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 $400,000.

Since inception through September 27, 2026, we recognized total costs associated with the AAA Initiative of $211,924. 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.

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

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 27, 2026 | September 28, 2025 | September 27, 2026 | September 28, 2025 |
| Cost of sales | $ 283 | $ — | $ 283 | $ — |
| Selling, marketing and administrative expense | 12,480 | 8,366 | 28,086 | 32,729 |
| Business realignment costs | 505 | 2,211 | 6,618 | 18,840 |
| Costs associated with business realignment activities | $ 13,268 | $ 10,577 | $ 34,987 | $ 51,569 |

Costs recorded by program during the three and nine months ended September 27, 2026 and September 28, 2025 related to these activities were as follows:

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 27, 2026 | September 28, 2025 | September 27, 2026 | September 28, 2025 |
| Advancing Agility & Automation Initiative: | | | | |
| Severance and employee benefit costs | $ 505 | $ 2,211 | $ 6,618 | $ 18,840 |
| Other program costs | 12,763 | 8,366 | 28,369 | 32,729 |
| Total | $ 13,268 | $ 10,577 | $ 34,987 | $ 51,569 |

The following table presents the liability activity for costs qualifying as exit and disposal costs for the nine months ended September 27, 2026:

| | Total |
|---|---|
| Liability balance at December 31, 2025 (1) | $ 8,590 |
| 2026 business realignment charges (2) | 6,618 |
| Cash payments | (4,332) |
| Liability balance at September 27, 2026 (1) | $ 10,876 |

(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 majority of our taxable income is generated in the United States and taxed at the United States statutory rate of 21%. The effective tax rates for the nine months ended September 27, 2026 and September 28, 2025 were 24.4% and 33.3%, respectively. The 2026 effective tax rate was lower due to the impact of tax reserves and foreign rate differentials related to mark-to-market activity. Relative to the statutory rate, the 2026 effective tax rate was primarily impacted by state taxes and foreign rate differential.

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, 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.

Organization for Economic Cooperation and Development

In December 2021, 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. The Company is subject to OECD Pillar Two regulations, in certain jurisdictions which have enacted legislation. The existing legislation does not have a material impact on the Company's effective tax rate. The Company will continue to monitor the impact as additional legislation is enacted, including the "side by side" administrative guidance released by the OECD in January 2026 which would exempt U.S.-parented companies from certain aspects of the global minimum tax regime.

## 11. PENSION AND OTHER POST-RETIREMENT BENEFIT PLANS

### Net Periodic Benefit Cost

The components of net periodic benefit cost for the three months ended September 27, 2026 and September 28, 2025 were as follows:

| | Pension Benefits | | Other Benefits | |
|---|---|---|---|---|
| | Three Months Ended | | Three Months Ended | |
| | September 27, 2026 | September 28, 2025 | September 27, 2026 | September 28, 2025 |
| Service cost | $ 2,716 | $ 3,544 | $ 30 | $ 29 |
| Interest cost | 8,280 | 9,253 | 1,252 | 1,235 |
| Expected return on plan assets | (12,200) | (12,029) | — | — |
| Amortization of prior service credit | (757) | (888) | (97) | (96) |
| Amortization of net loss | 1,156 | 3,554 | 990 | 312 |
| Settlement loss | 2,758 | 10,597 | — | — |
| Total net periodic benefit cost | $ 1,953 | $ 14,031 | $ 2,175 | $ 1,480 |

We made contributions of $164 and $2,601 to our pension plans and other benefits plans, respectively, during the third quarter of 2026. In the third quarter of 2025, we made contributions of $254 and $3,181 to our pension plans and other benefit plans, respectively. The contributions in 2026 and 2025 also included benefit payments from our non-qualified pension plans and post-retirement benefit plans.

The components of net periodic benefit cost for the nine months ended September 27, 2026 and September 28, 2025 were as follows:

| | Pension Benefits | | Other Benefits | |
|---|---|---|---|---|
| | Nine Months Ended | | Nine Months Ended | |
| | September 27, 2026 | September 28, 2025 | September 27, 2026 | September 28, 2025 |
| Service cost | $ 8,658 | $ 10,583 | $ 90 | $ 85 |
| Interest cost | 24,282 | 27,722 | 3,763 | 3,695 |
| Expected return on plan assets | (36,931) | (36,086) | — | — |
| Amortization of prior service credit | (2,267) | (2,667) | (291) | (288) |
| Amortization of net loss | 4,866 | 10,661 | 2,971 | 941 |
| Settlement loss | 8,641 | 10,597 | — | — |
| Total net periodic benefit cost | $ 7,249 | $ 20,810 | $ 6,533 | $ 4,433 |

We made contributions of $838 and $8,097 to our pension plans and other benefits plans, respectively, during the first nine months of 2026. In the first nine months of 2025, we made contributions of $1,366 and $8,612 to our pension plans and other benefit plans, respectively. The contributions in 2026 and 2025 also included benefit payments from our non-qualified pension plans and post-retirement benefit plans.

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

During the first nine months of 2026, we recognized pension settlement charges in The Hershey Retirement Plan for Salaried and Hourly Employees due to lump sum withdrawals by employees retiring or leaving the Company. The non-cash settlement charges, which represent the acceleration of a portion of the respective plan's accumulated unrecognized actuarial loss, were triggered when the cumulative lump sum distributions exceeded the plan's anticipated annual service and interest costs. In connection with the third quarter 2026 settlements, the related plan assets and liabilities were remeasured using a discount rate as of the remeasurement date that was 110 basis points higher than the rate as of December 31, 2025 and an expected rate of return on plan assets of 7.0%, which was consistent with the rate as of December 31, 2025.

## 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.

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:

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 27, 2026 | September 28, 2025 | September 27, 2026 | September 28, 2025 |
| Pre-tax compensation expense | $ 18,298 | $ 15,451 | $ 53,145 | $ 46,453 |
| Related income tax benefit | 4,465 | 3,294 | 12,967 | 15,478 |

Compensation expenses for stock compensation plans are primarily included in SM&A expense. As of September 27, 2026, total stock-based compensation expense related to non-vested awards not yet recognized was $92,849 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.

A summary of activity relating to grants of stock options for the period ended September 27, 2026 is as follows:

| Stock Options | Shares | Weighted-Average Exercise Price (per share) | Weighted-Average Remaining Contractual Term | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Outstanding at beginning of year | 368,560 | $110.30 | 2.2 years | |
| Granted | 545 | $208.99 | | |
| Exercised | (175,588) | $101.42 | | |
| Forfeited | (708) | $229.75 | | |
| Expired | (2,836) | $165.00 | | |
| Outstanding as of September 27, 2026 | 189,973 | $117.53 | 1.9 years | $ 9,747 |
| Options exercisable as of September 27, 2026 | 185,623 | $116.09 | 1.7 years | $ 9,741 |

The weighted-average fair value of options granted was $46.01 and $33.91 per share for the periods ended September 27, 2026 and September 28, 2025 respectively. The fair value was estimated on the date of grant using a Black-Scholes option-pricing model and the following weighted-average assumptions:

| | Nine Months Ended | |
|---|---|---|
| | September 27, 2026 | September 28, 2025 |
| Dividend yields | 3.0 % | 3.0 % |
| Expected volatility | 24.4 % | 22.3 % |
| Risk-free interest rates | 4.1 % | 4.2 % |
| Expected term in years | 6.2 | 6.3 |

The total intrinsic value of options exercised was $19,268 and $12,265 for the periods ended September 27, 2026 and September 28, 2025, respectively.

**Performance Stock Units and Restricted Stock Units**

Under the EICP, we grant PSUs to select executives and other key employees. Vesting is contingent upon the achievement of certain performance objectives. We grant PSUs over three-year performance cycles. If we meet targets for financial measures at the end of the applicable three-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 PSU grants during the nine months ended September 27, 2026 and September 28, 2025 can range from 0% to 250% of the targeted amounts.

We recognize the compensation expenses associated with PSUs ratably over the three-year term. Compensation expenses are 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.

During the nine months ended September 27, 2026 and September 28, 2025, we awarded RSUs to certain executive officers and other key employees under the EICP. We also awarded RSUs to non-employee directors.

We recognize the compensation expenses 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 expenses associated with non-employee director RSUs is recognized ratably over the vesting period, net of estimated forfeitures.

A summary of activity relating to grants of PSUs and RSUs for the period ended September 27, 2026 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 | 1,038,893 | $192.65 |
| Granted | 360,004 | $228.51 |
| Performance assumption change (1) | (54,873) | $195.07 |
| Vested | (275,665) | $216.84 |
| Forfeited | (105,890) | $186.53 |
| Outstanding as of September 27, 2026 | 962,469 | $199.69 |

(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 weighted average 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.

| | Nine Months Ended | |
|---|---|---|
| | September 27, 2026 | September 28, 2025 |
| Units granted | 360,004 | 643,726 |
| Weighted-average fair value at date of grant | $ 228.51 | $ 168.32 |
| Monte Carlo simulation assumptions: | | |
| Estimated values | $ 128.04 | $ 110.81 |
| Dividend yields | 2.5 % | 3.2 % |
| Expected volatility | 24.6 % | 22.2 % |

The fair value of shares vested totaled $58,449 and $12,265 for the periods ended September 27, 2026 and September 28, 2025, respectively.

Deferred PSUs, deferred RSUs and deferred stock units representing directors' fees totaled 217,717 units as of September 27, 2026. 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 Chief Operating Decision Maker ("CODM"), Kirk Tanner, 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 as the measure of segment performance used for incentive compensation purposes.

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.

Our segment net sales and earnings for the three months ended September 27, 2026 and September 28, 2025 were as follows:

| For the three months ended September 27, 2026 | North America Confectionery | North America Salty Snacks | International | Total |
|---|---|---|---|---|
| Net sales | $ 2,656,461 | $ 392,683 | $ 226,366 | $ 3,275,510 |
| Cost of sales | 1,395,636 | 278,103 | 203,812 | |
| SM&A expense | 311,138 | 67,192 | 52,562 | |
| Total segment income (loss) | $ 949,687 | $ 47,388 | $ (30,008) | $ 967,067 |
| Unallocated corporate expense (1) | | | | 249,498 |
| Unallocated mark-to-market gains on commodity derivatives | | | | (113,352) |
| Costs associated with business realignment activities (see Note 9) | | | | 13,268 |
| Operating profit | | | | $ 817,653 |
| Interest expense, net (see Note 4) | | | | 48,675 |
| Other (income) expense, net (see Note 17) | | | | 975 |
| Income before income taxes | | | | $ 768,003 |

| For the three months ended September 28, 2025 | North America Confectionery | North America Salty Snacks | International | Total |
|---|---|---|---|---|
| Net sales | $ 2,615,600 | $ 321,020 | $ 244,798 | $ 3,181,418 |
| Cost of sales | 1,752,225 | 206,267 | 209,843 | |
| SM&A expense | 291,900 | 57,006 | 48,562 | |
| Total segment income (loss) | $ 571,475 | $ 57,747 | $ (13,607) | $ 615,615 |
| Unallocated corporate expense (1) | | | | 194,705 |
| Unallocated mark-to-market gains on commodity derivatives | | | | (24,250) |
| Costs associated with business realignment activities (see Note 9) | | | | 10,577 |
| Operating profit | | | | $ 434,583 |
| Interest expense, net (see Note 4) | | | | 51,474 |
| Other (income) expense, net (see Note 17) | | | | 11,199 |
| Income before income taxes | | | | $ 371,910 |

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

Our segment net sales and earnings for the nine months ended September 27, 2026 and September 28, 2025 were as follows:

| For the nine months ended September 27, 2026 | North America Confectionery | North America Salty Snacks | International | Total |
|---|---|---|---|---|
| Net sales | $ 7,319,949 | $ 1,130,598 | $ 716,436 | $ 9,166,983 |
| Cost of sales | 3,982,913 | 785,975 | 586,822 | |
| SM&A expense | 889,185 | 200,355 | 149,508 | |
| Total segment income (loss) | $ 2,447,851 | $ 144,268 | $ (19,894) | $ 2,572,225 |
| Unallocated corporate expense (1) | | | | 622,326 |
| Unallocated mark-to-market gains on commodity derivatives | | | | (186,075) |
| Costs associated with business realignment activities (see Note 9) | | | | 34,987 |
| Operating profit | | | | $ 2,100,987 |
| Interest expense, net (see Note 4) | | | | 148,456 |
| Other (income) expense, net (see Note 17) | | | | 3,553 |
| Income before income taxes | | | | $ 1,948,978 |

| For the nine months ended September 28, 2025 | North America Confectionery | North America Salty Snacks | International | Total |
|---|---|---|---|---|
| Net sales | $ 7,001,208 | $ 914,337 | $ 686,010 | $ 8,601,555 |
| Cost of sales | 4,342,071 | 581,440 | 512,239 | |
| SM&A expense | 887,357 | 166,817 | 138,857 | |
| Total segment income | $ 1,771,780 | $ 166,080 | $ 34,914 | $ 1,972,774 |
| Unallocated corporate expense (1) | | | | 536,659 |
| Unallocated mark-to-market losses on commodity derivatives | | | | 387,932 |
| Costs associated with business realignment activities (see Note 9) | | | | 51,568 |
| Operating profit | | | | $ 996,615 |
| Interest expense, net (see Note 4) | | | | 142,131 |
| Other (income) expense, net (see Note 17) | | | | 9,808 |
| Income before income taxes | | | | $ 844,676 |

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

Activity within the unallocated mark-to-market adjustment for commodity derivatives is as follows:

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 27, 2026 | September 28, 2025 | September 27, 2026 | September 28, 2025 |
| Net (gains) losses on mark-to-market valuation of commodity derivative positions recognized in income | $ (81,867) | $ (32,745) | $ (138,825) | $ 52,657 |
| Net (losses) gains on commodity derivative positions reclassified from unallocated to segment income | (31,485) | 8,495 | (47,250) | 335,275 |
| Net (gains) losses on mark-to-market valuation of commodity derivative positions recognized in unallocated derivative (gains) losses | $ (113,352) | $ (24,250) | $ (186,075) | $ 387,932 |

As of September 27, 2026, 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 $596,307. Based on our forecasts of the timing of the recognition of the underlying hedged items, we expect to reclassify net pre-tax gains on commodity derivatives of $410,510 to segment operating results in the next twelve months.

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

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 27, 2026 | September 28, 2025 | September 27, 2026 | September 28, 2025 |
| North America Confectionery | $ 80,050 | $ 78,752 | $ 237,925 | $ 221,311 |
| North America Salty Snacks | 26,165 | 19,414 | 78,424 | 63,587 |
| International | 7,777 | 7,276 | 22,844 | 20,174 |
| Corporate | 22,282 | 22,342 | 66,178 | 66,108 |
| Total | $ 136,274 | $ 127,784 | $ 405,371 | $ 371,180 |

Additional information regarding our net sales disaggregated by geographical region is as follows:

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 27, 2026 | September 28, 2025 | September 27, 2026 | September 28, 2025 |
| Net sales: | | | | |
| United States | $ 2,905,223 | $ 2,799,716 | $ 8,055,170 | $ 7,552,700 |
| All other countries | 370,287 | 381,702 | 1,111,813 | 1,048,855 |
| Total | $ 3,275,510 | $ 3,181,418 | $ 9,166,983 | $ 8,601,555 |

## 14. TREASURY STOCK ACTIVITY

A summary of our treasury stock activity is as follows:

| | Nine Months Ended September 27, 2026 | |
|---|---|---|
| | Shares | Dollars |
| | | In thousands |
| Shares repurchased in the open market under pre-approved share repurchase programs | 1,030,614 | $ 200,000 |
| Shares repurchased in the open market to replace Treasury Stock issued for stock options and incentive compensation | 1,215,696 | 239,354 |
| Total share repurchases | 2,246,310 | 439,354 |
| Shares issued for stock options and incentive compensation | (379,233) | $ (15,779) |
| Total net share repurchases | 1,867,077 | 423,575 |
| Excise tax associated with net share repurchases (1) | — | $ 4,235 |
| Net change | 1,867,077 | $ 427,810 |

(1) A corresponding liability for excise tax associated with net share repurchases is classified on our Consolidated Balance Sheets within accrued liabilities.

In December 2023, our Board of Directors approved a $500 million share repurchase authorization. As a result of the share repurchase authorization, approximately $270 million remains available for repurchases under our December 2023 share repurchase authorization. In June 2026, our Board of Directors approved an additional $500 million share repurchase authorization. This program is to commence after the existing 2023 authorization is completed and is to be utilized at management's discretion. 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.

## 15. 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.





## 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.

| | Three Months Ended | | | |
|---|---|---|---|---|
| | September 27, 2026 | | September 28, 2025 | |
| | Common Stock | Class B Common Stock | Common Stock | Class B Common Stock |
| Basic earnings per share: | | | | |
| Numerator: | | | | |
| Allocation of distributed earnings (cash dividends paid) | $ 212,742 | $ 72,090 | $ 203,137 | $ 67,994 |
| Allocation of undistributed earnings | 221,080 | 74,902 | 3,889 | 1,300 |
| Total earnings—basic | $ 433,822 | $ 146,992 | $ 207,026 | $ 69,294 |
| Denominator (shares in thousands): | | | | |
| Total weighted-average shares—basic | 146,541 | 54,614 | 148,363 | 54,614 |
| Earnings Per Share—basic | $ 2.96 | $ 2.69 | $ 1.40 | $ 1.27 |
| Diluted earnings per share: | | | | |
| Numerator: | | | | |
| Allocation of total earnings used in basic computation | $ 433,822 | $ 146,992 | $ 207,026 | $ 69,294 |
| Reallocation of total earnings as a result of conversion of Class B common stock to Common stock | 146,992 | — | 69,294 | — |
| Reallocation of undistributed earnings | — | (205) | — | (3) |
| Total earnings—diluted | $ 580,814 | $ 146,787 | $ 276,320 | $ 69,291 |
| Denominator (shares in thousands): | | | | |
| Number of shares used in basic computation | 146,541 | 54,614 | 148,363 | 54,614 |
| Weighted-average effect of dilutive securities: | | | | |
| Conversion of Class B common stock to Common shares outstanding | 54,614 | — | 54,614 | — |
| Employee stock options | 68 | — | 176 | — |
| Performance and restricted stock units | 469 | — | 341 | — |
| Total weighted-average shares—diluted | 201,692 | 54,614 | 203,494 | 54,614 |
| Earnings Per Share—diluted | $ 2.88 | $ 2.69 | $ 1.36 | $ 1.27 |

The earnings per share calculations for the three months ended September 27, 2026 and September 28, 2025 excluded 14 and 12 stock options (in thousands), respectively, that would have been antidilutive.





| | Nine Months Ended | | | |
|---|---|---|---|---|
| | September 27, 2026 | | September 28, 2025 | |
| | Common Stock | Class B Common Stock | Common Stock | Class B Common Stock |
| Basic earnings per share: | | | | |
| Numerator: | | | | |
| Allocation of distributed earnings (cash dividends paid) | $ 642,954 | $ 216,270 | $ 609,974 | $ 203,981 |
| Allocation of undistributed earnings | 459,640 | 154,720 | (187,827) | (62,886) |
| Total earnings—basic | $ 1,102,594 | $ 370,990 | $ 422,147 | $ 141,095 |
| Denominator (shares in thousands): | | | | |
| Total weighted-average shares—basic | 147,495 | 54,614 | 148,234 | 54,614 |
| Earnings Per Share—basic | $ 7.48 | $ 6.79 | $ 2.85 | $ 2.58 |
| Diluted earnings per share: | | | | |
| Numerator: | | | | |
| Allocation of total earnings used in basic computation | $ 1,102,594 | $ 370,990 | $ 422,147 | $ 141,095 |
| Reallocation of total earnings as a result of conversion of Class B common stock to Common stock | 370,990 | — | 141,095 | — |
| Reallocation of undistributed earnings | — | (471) | — | 135 |
| Total earnings—diluted | $ 1,473,584 | $ 370,519 | $ 563,242 | $ 141,230 |
| Denominator (shares in thousands): | | | | |
| Number of shares used in basic computation | 147,495 | 54,614 | 148,234 | 54,614 |
| Weighted-average effect of dilutive securities: | | | | |
| Conversion of Class B common stock to Common shares outstanding | 54,614 | — | 54,614 | — |
| Employee stock options | 89 | — | 187 | — |
| Performance and restricted stock units | 513 | — | 238 | — |
| Total weighted-average shares—diluted | 202,711 | 54,614 | 203,273 | 54,614 |
| Earnings Per Share—diluted | $ 7.27 | $ 6.78 | $ 2.77 | $ 2.59 |

The earnings per share calculations for the nine months ended September 27, 2026 and September 28, 2025 excluded 14 and 27 stock options (in thousands), respectively, that would have been antidilutive.





## 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:

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 27, 2026 | September 28, 2025 | September 27, 2026 | September 28, 2025 |
| Non-service cost components of net periodic benefit cost relating to pension and other post-retirement benefit plans (see Note 11) | 1,382 | 11,938 | 5,034 | 14,575 |
| Other (income) expense, net | (407) | (739) | (1,481) | (4,767) |
| Total | $ 975 | $ 11,199 | $ 3,553 | $ 9,808 |

## 18. SUPPLEMENTAL BALANCE SHEET INFORMATION

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

| | September 27, 2026 | December 31, 2025 |
|---|---|---|
| **Inventories:** | | |
| Raw materials | $ 768,778 | $ 762,391 |
| Goods in process | 321,512 | 294,374 |
| Finished goods | 1,213,704 | 1,074,690 |
| Inventories at First In First Out | 2,303,994 | 2,131,455 |
| Adjustment to Last In First Out | (695,238) | (702,201) |
| Total inventories | $ 1,608,756 | $ 1,429,254 |
| **Prepaid expenses and other:** | | |
| Prepaid expenses | $ 141,066 | $ 201,527 |
| Other current assets | 322,526 | 302,712 |
| Total prepaid expenses and other | $ 463,592 | $ 504,239 |
| **Property, plant and equipment:** | | |
| Land | $ 197,041 | $ 199,559 |
| Buildings | 2,127,584 | 2,102,794 |
| Machinery and equipment | 4,604,471 | 4,515,447 |
| Construction in progress | 371,524 | 324,998 |
| Property, plant and equipment, gross | 7,300,620 | 7,142,798 |
| Accumulated depreciation | (3,803,904) | (3,613,190) |
| Property, plant and equipment, net | $ 3,496,716 | $ 3,529,608 |
| **Other non-current assets:** | | |
| Pension | $ 70,391 | $ 64,520 |
| Capitalized software, net | 320,282 | 351,285 |
| Operating lease ROU assets | 292,916 | 325,345 |
| Investments in unconsolidated affiliates | 169,392 | 176,567 |
| Other non-current assets | 245,111 | 205,568 |
| Total other non-current assets | $ 1,098,092 | $ 1,123,285 |

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

| | September 27, 2026 | December 31, 2025 |
|---|---|---|
| **Accounts payable:** | | |
| Accounts payable—trade | $ 961,870 | $ 831,204 |
| Supplier finance program obligations | 319,735 | 300,332 |
| Other | 133,258 | 124,165 |
| Total accounts payable | $ 1,414,863 | $ 1,255,701 |
| **Accrued liabilities:** | | |
| Payroll, compensation and benefits | $ 261,831 | $ 311,241 |
| Advertising, promotion and product allowances | 453,021 | 373,940 |
| Operating lease liabilities | 51,336 | 49,583 |
| Other | 283,445 | 235,833 |
| Total accrued liabilities | $ 1,049,633 | $ 970,597 |
| **Other long-term liabilities:** | | |
| Post-retirement benefits liabilities | $ 93,389 | $ 98,101 |
| Pension benefits liabilities | 38,839 | 42,987 |
| Operating lease liabilities | 252,276 | 285,925 |
| Other | 241,841 | 304,904 |
| Total other long-term liabilities | $ 626,345 | $ 731,917 |
| **Accumulated other comprehensive loss:** | | |
| Foreign currency translation adjustments | $ (137,819) | $ (136,508) |
| Pension and post-retirement benefit plans, net of tax | (94,755) | (107,620) |
| Cash flow hedges, net of tax | 3,279 | (3,222) |
| Total accumulated other comprehensive loss | $ (229,295) | $ (247,350) |

## Item 2. 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. This MD&A should be read in conjunction with our Unaudited Consolidated Financial Statements and accompanying notes included in this Quarterly Report on Form 10-Q for the quarterly period ended September 27, 2026 ("this Quarterly Report on Form 10-Q"). This discussion contains a number of forward-looking statements, all of which are based on current expectations. Actual results may differ materially. Refer to the Safe Harbor Statement below as well as the Risk Factors and other information contained in our 2025 Annual Report on Form 10-K for information concerning the key risks to achieving future performance goals.

The MD&A is organized in the following sections:


- Overview
- Trends Affecting Our Business
- Consolidated Results of Operations
- Segment Results
- Liquidity and Capital Resources
- Safe Harbor Statement


### 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 ("U.S.") and a global leader in chocolate and non-chocolate confectionery. We market, sell and distribute our products under more than 85 brand names in approximately 65 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 Acquisition***

On November 18, 2025, we completed the acquisition of LesserEvil, LLC ("LesserEvil"), previously a privately held company that produces and sells organic popcorn and puffed snack products to retailers and distributors in the United States and Canada. The acquisition complements Hershey's existing portfolio and increases manufacturing capacity.





**TRENDS AFFECTING OUR BUSINESS**

Throughout the first nine months of 2026, we experienced net sales growth, driven primarily by pricing actions, successful implementation of acquisitions, and continued consumer demand for our brands, despite declines in sales volume, the persistently dynamic macroeconomic environment and ongoing pressures on our business. Higher logistics and supply chain costs continue to challenge the business and drive incremental costs (see Consolidated Results of Operations included in this MD&A). Additionally, we utilize many exchange traded commodities for our business that are subject to price volatility, specifically cocoa products, which experienced a market price increase during the quarter after declining throughout the first six months of 2026 (see Part I, Item 3 - Quantitative and Qualitative Disclosures About Market Risk included in this Quarterly Report on Form 10-Q).

Furthermore, changes in global trade policies, including tariffs on U.S. imports, and certain geopolitical events, specifically the conflict in the Middle East, continue to increase global economic and political uncertainty. We are continuing to monitor the ongoing regulations related to tariffs, specifically those applicable to goods imported into the U.S. from Canada, Mexico and other countries, as well as export markets, and the impact of tariff refunds on our business. As such, the scope and length of tariffs, including their effects on the broader economy and our business, continues to evolve. Additionally, we are actively monitoring the ongoing conflict in the Middle East and the potential impact on our business, specifically supply chain disruptions and elevated freight costs. For the first nine months of 2026, this conflict did not have a material impact on our commodity prices or supply availability. However, we are continuing to monitor 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 September 27, 2026, 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, fluctuations in consumer shopping and consumption behavior, and ongoing changes in geopolitical events, including the imposition of tariffs, retaliatory tariffs and tariff refunds, as well as the conflict in the Middle East, we may continue to experience increasing supply chain costs, higher inflation which may put pressure on consumer spending, and other impacts to our business. We will continue to evaluate the nature and extent of these evolving impacts on our business, consolidated results of operations, segment results, liquidity and capital resources.





**CONSOLIDATED RESULTS OF OPERATIONS**

| In millions of dollars except per share amounts | Three Months Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| | September 27, 2026 | September 28, 2025 | Percent Change | September 27, 2026 | September 28, 2025 | Percent Change |
| Net sales | $ 3,275.5 | $ 3,181.4 | 3.0 % | $ 9,167.0 | $ 8,601.6 | 6.6 % |
| Cost of sales | 1,764.5 | 2,144.1 | (17.7)% | 5,170.0 | 5,823.7 | (11.2)% |
| Gross profit | 1,511.0 | 1,037.3 | 45.7 % | 3,997.0 | 2,777.9 | 43.9 % |
| *Gross margin* | *46.1 %* | *32.6 %* | | *43.6 %* | *32.3 %* | |
| Selling, marketing & administrative ("SM&A") expenses | 692.8 | 600.5 | 15.4 % | 1,889.4 | 1,762.4 | 7.2 % |
| *SM&A expense as a percent of net sales* | *21.2 %* | *18.9 %* | | *20.6 %* | *20.5 %* | |
| Business realignment activities | 0.5 | 2.2 | (77.2)% | 6.6 | 18.8 | (64.9)% |
| Operating profit | 817.7 | 434.6 | 88.1 % | 2,101.0 | 996.6 | 110.8 % |
| *Operating profit margin* | *25.0 %* | *13.7 %* | | *22.9 %* | *11.6 %* | |
| Interest expense, net | 48.7 | 51.5 | (5.4)% | 148.5 | 142.1 | 4.5 % |
| Other (income) expense, net | 1.0 | 11.2 | (91.3)% | 3.6 | 9.8 | (63.8)% |
| Provision for income taxes | 187.2 | 95.6 | 95.8 % | 475.3 | 281.4 | 68.9 % |
| *Effective income tax rate* | *24.4%* | *25.7%* | | *24.4%* | *33.3%* | |
| Net income | $ 580.8 | $ 276.3 | 110.2 % | $ 1,473.6 | $ 563.2 | 161.6 % |
| Net income per share—diluted | $ 2.88 | $ 1.36 | 111.8 % | $ 7.27 | $ 2.77 | 162.5 % |

NOTE: Percentage changes may not compute directly as shown due to rounding of amounts presented above.
NM = not meaningful

**Results of Operations - Third Quarter 2026 vs. Third Quarter 2025**

**Net Sales**

Net sales were $3,275.5 million in the third quarter of 2026 compared to $3,181.4 million in the same period of 2025, an increase of $94.1 million, or 3.0%. The net sales increase reflects a favorable price realization of approximately 11%, primarily related to pricing actions across all segments. Additionally, the 2025 acquisition of LesserEvil contributed approximately a 2% benefit. There was minimal impact from foreign currency exchange rates. The increase was partially offset by a volume decrease of approximately 10%, primarily driven by volume declines in the North America Confectionery and International segments, which more than offset the volume growth in the North America Salty Snacks segment.

*Key U.S. Marketplace Metrics*

For the third quarter of 2026, our total U.S. retail takeaway increased 2.2% 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 0.8% and experienced a CMG market share decline. Our Salty consumer takeaway, excluding LesserEvil, increased 4.0% in the third quarter of 2026 and experienced a Salty, excluding LesserEvil, market share increase.

The consumer takeaway and market share information reflect measured channels of distribution accounting for approximately 90% of our U.S. confectionery and salty snack retail businesses. These channels of distribution primarily include food, drug, mass merchandisers and convenience store channels, 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**

Cost of sales were $1,764.5 million in the third quarter 2026 compared to $2,144.1 million in the same period of 2025, a decrease of $379.6 million, or 17.7%. The decrease was driven by $367.0 million primarily related to lower commodity costs, net savings related to our AAA Initiative, tariff refunds and $49.1 million of favorable mark-to-market activity on our commodity derivative instruments intended to economically hedge future years' commodity purchases (See Part I, Item 3 - Quantitative and Qualitative Disclosures About Market Risk included in this Quarterly Report on Form 10-Q for more information). The decrease was partially offset by $36.2 million related to higher freight and logistics expenses.

Gross margin was 46.1% in the third quarter of 2026 compared to 32.6% in the same period of 2025, an increase of 1,350 basis points. The increase was driven by favorable net price realization, favorable derivative mark-to-market activity, tariff refunds, and net savings related to our AAA Initiative, partially offset by volume declines and higher freight and logistics expenses.

**SM&A Expenses**

SM&A expenses were $692.8 million in the third quarter of 2026 compared to $600.5 million in the same period of 2025, an increase of $92.3 million, or 15.4%. SM&A expenses, excluding advertising and related consumer marketing, increased 14.5% in the third quarter of 2026, driven by higher capability and technology investments, partially offset by lower compensation and benefit costs, as well as net savings related to our AAA Initiative versus the prior year. Advertising and related consumer marketing expenses increased 17.1%, driven by the expansion of national brand campaigns in the North America Confectionery and North America Salty Snacks 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. Excluding the portion recorded within Cost of Sales and SM&A expenses (as noted above), we recorded business realignment costs of $0.5 million during the third quarter of 2026 versus $2.2 million in the third quarter of 2025. The costs related to the AAA Initiative, which commenced in 2024, focused on leveraging new technology to improve supply chain and manufacturing-related spend, and optimize selling, general and administrative expenses. Costs associated with business realignment activities are classified in our Consolidated Statements of Income as described in Note 9 to the Unaudited Consolidated Financial Statements.

**Operating Profit and Operating Profit Margin**

Operating profit was $817.7 million in the third quarter of 2026 compared to $434.6 million in the same period of 2025, an increase of $383.1 million, or 88.1%. The increase was primarily due to higher gross profit, as well as lower business realignment expenses, partially offset by increased SM&A expenses, as noted above. Operating profit margin increased to 25.0% in 2026 from 13.7% in 2025, driven by the same factors noted above that resulted in higher gross margin for the period.

**Interest Expense, Net**

Net interest expense was $48.7 million in the third quarter of 2026 compared to $51.5 million in the same period of 2025, a decrease of $2.8 million, or 5.4%. The decrease was primarily due to lower long-term debt balances, partially offset by lower interest income.

**Other (Income) Expense, Net**

Other (income) expense, net was expense of $1.0 million in the third quarter of 2026 versus expense of $11.2 million in the third quarter of 2025, a change of $10.2 million. The decrease in net expense was predominantly driven by a decrease of $10.6 million in non-service cost components of net periodic benefit cost relating to pension and other post-retirement benefit plans in the third quarter of 2026 versus the same period of 2025.

**Income Taxes and Effective Tax Rate**

The effective income tax rate was 24.4% for the third quarter of 2026 compared with 25.7% for the third quarter of 2025. The 2026 effective tax rate was lower due to the impact of tax reserves and foreign rate differentials related to mark-to-market activity. Relative to the 21% statutory rate, the 2026 effective tax rate was primarily impacted by state taxes and foreign rate differential. Relative to the 21% statutory rate, the 2025 effective tax rate was primarily impacted by state taxes, foreign rate differentials and tax reserves.

**Net Income and Earnings Per Share-diluted**

Net income was $580.8 million in the third quarter of 2026 compared to $276.3 million in the same period of 2025, an increase of $304.5 million, or 110.2%. EPS-diluted was $2.88 in the third quarter of 2026 compared to $1.36 in the third quarter of 2025, an increase of $1.52, or 111.8%. The increase in both net income and EPS-diluted was driven by higher gross profit, lower other (income) expense, lower business realignment costs, and lower interest expense, partially offset by higher SM&A expenses and higher income taxes. Higher income taxes were driven by higher income before income taxes, partially offset by a lower effective tax rate.

**Results of Operations - First Nine Months 2026 vs. First Nine Months 2025**

**Net Sales**

Net sales were $9,167.0 million in the first nine months of 2026 compared to $8,601.6 million during the same period of 2025, an increase of $565.4 million, or 6.6%. The net sales increase was driven by favorable price realization of approximately 11% within our North America Confectionery and International segments. Additionally, the 2025 acquisition of LesserEvil contributed approximately a 2% benefit. Further, there was minimal impact from foreign currency exchange rates. The net sales increase was partially offset by a volume decrease of approximately 7%, driven by volume declines in the North America Confectionery and International segments, which more than offset the volume growth in the North America Salty Snacks segment.

*Key U.S. Marketplace Metrics*

For the first nine months of 2026, our total U.S. retail takeaway increased 3.8% 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. CMG consumer takeaway increased 2.2%, despite a CMG market share decline. Our Salty consumer takeaway, excluding LesserEvil, increased 6.7% and experienced a Salty, excluding LesserEvil, market share increase.

**Cost of Sales and Gross Margin**

Cost of sales were $5,170.0 million in the first nine months of 2026 compared to $5,823.7 million in the same period of 2025, a decrease of $653.7 million, or 11.2%. The decrease was driven by $1,039.5 million primarily related to lower commodity costs, net savings related to our AAA Initiative, tariff refunds and $191.5 million of favorable mark-to-market activity on our commodity derivative instruments intended to economically hedge future years' commodity purchases (See Part I, Item 3 - Quantitative and Qualitative Disclosures About Market Risk included in this Quarterly Report on Form 10-Q for more information). The decrease was partially offset by $385.8 million, primarily related to increased supply chain costs and unfavorable mix.

Gross margin was 43.6% in the first nine months of 2026 compared to 32.3% in the same period of 2025, an increase of 1,130 basis points. The increase was driven by favorable net price realization, net savings related to our AAA Initiative and tariff refunds, partially offset by unfavorable supply chain costs and volume declines.

**SM&A Expenses**

SM&A expenses were $1,889.4 million in the first nine months of 2026 compared to $1,762.4 million in the same period of 2025, an increase of $127.0 million, or 7.2%. SM&A expenses, excluding advertising and related consumer marketing, increased 7.6% in the first nine months of 2026 as compared to the first nine months of 2025, driven by higher capability and technology investments. Advertising and related consumer marketing expenses increased 6.4%, driven by increased spending across all 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. Excluding the portion recorded within Cost of Sales and SM&A expenses (as noted above), we recorded business realignment costs of $6.6 million during the first nine months of 2026 versus $18.8 million in the first nine months of 2025. The costs related to the AAA Initiative, which commenced in 2024, focused on leveraging new technology to improve supply chain and manufacturing-related spend, and optimize selling, general and administrative expenses. Costs associated with business realignment activities are classified in our Consolidated Statements of Income as described in Note 9 to the Unaudited Consolidated Financial Statements.

**Operating Profit and Operating Profit Margin**

Operating profit was $2,101.0 million in the first nine months of 2026 compared to $996.6 million in the same period of 2025, an increase of $1,104.4 million, or 110.8%. The increase was driven by higher gross profit and lower business realignment activities, partially offset by higher SM&A expense, as noted above. Operating profit margin increased to 22.9% in the first nine months of 2026 from 11.6% in the same period in 2025, driven by the same factors that resulted in higher gross margin for the period.

**Interest Expense, Net**

Net interest expense was $148.5 million in the first nine months of 2026 compared to $142.1 million in the same period of 2025, an increase of $6.4 million, or 4.5%. The increase was primarily due to lower interest income, partially offset by lower long-term debt balances.

**Other (Income) Expense, Net**

Other (income) expense, net was expense of $3.6 million in the first nine months of 2026 versus expense of $9.8 million in the first nine months of 2025, a change of $6.2 million. The decrease in net expense was predominantly driven by a decrease of $9.5 million in non-service cost components of net periodic benefit cost relating to pension and other post-retirement benefit plans, partially offset by lower other corporate income of $3.3 million.

**Income Taxes and Effective Tax Rate**

Our effective income tax rate was 24.4% for the first nine months of 2026 compared with 33.3% for the first nine months of 2025. The 2026 effective tax rate was lower due to the impact of tax reserves and foreign rate differentials related to mark-to-market activity. Relative to the 21% statutory rate, the 2026 effective tax rate was primarily impacted by state taxes and foreign rate differential. Relative to the 21% statutory rate, the 2025 effective tax rate was primarily impacted by state taxes, foreign rate differentials and tax reserves.

**Net Income and Earnings Per Share-diluted**

Net income was $1,473.6 million in the first nine months of 2026 compared to $563.2 million in the same period of 2025, an increase of $910.4 million, or 161.6%. EPS-diluted was $7.27 in the first nine months of 2026 compared to $2.77 in the same period of 2025, an increase of $4.50, or 162.5%. The increase in both net income and EPS-diluted was driven by higher gross profit, lower business realignment costs, and lower other (income) expense, partially offset by higher SM&A expenses, higher income taxes, and higher interest expense. Higher income taxes were driven by higher income before income taxes, partially offset by a lower effective tax rate.





**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, Kirk Tanner, President and Chief Executive Officer. 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 unaudited 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:

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| In millions of dollars | September 27, 2026 | September 28, 2025 | September 27, 2026 | September 28, 2025 |
| Net Sales: | | | | |
| North America Confectionery | $ 2,656.5 | $ 2,615.6 | $ 7,319.9 | $ 7,001.2 |
| North America Salty Snacks | 392.7 | 321.0 | 1,130.6 | 914.3 |
| International | 226.4 | 244.8 | 716.4 | 686.0 |
| Total | $ 3,275.5 | $ 3,181.4 | $ 9,167.0 | $ 8,601.6 |
| | | | | |
| Segment Income (Loss): | | | | |
| North America Confectionery | $ 949.7 | $ 571.5 | $ 2,447.9 | $ 1,771.8 |
| North America Salty Snacks | 47.4 | 57.7 | 144.3 | 166.1 |
| International | (30.0) | (13.6) | (19.9) | 34.9 |
| Total segment income | 967.1 | 615.6 | 2,572.2 | 1,972.8 |
| Unallocated corporate expense (1) | 249.5 | 194.7 | 622.3 | 536.7 |
| Unallocated mark-to-market (gains) losses on commodity derivatives (2) | (113.4) | (24.3) | (186.1) | 387.9 |
| Costs associated with business realignment activities | 13.3 | 10.6 | 35.0 | 51.6 |
| Operating profit | 817.7 | 434.6 | 2,101.0 | 996.6 |
| Interest expense, net | 48.7 | 51.5 | 148.5 | 142.1 |
| Other (income) expense, net | 1.0 | 11.2 | 3.6 | 9.8 |
| Income before income taxes | $ 768.0 | $ 371.9 | $ 1,949.0 | $ 844.7 |

(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 and integration-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 Unaudited 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 results, which accounted for 81.1% and 82.2% of our net sales for the three months ended September 27, 2026 and September 28, 2025, respectively, were as follows:

| | Three Months Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| In millions of dollars | September 27, 2026 | September 28, 2025 | Percent Change | September 27, 2026 | September 28, 2025 | Percent Change |
| Net sales | $ 2,656.5 | $ 2,615.6 | 1.6 % | $ 7,319.9 | $ 7,001.2 | 4.6 % |
| Segment income | 949.7 | 571.5 | 66.2 % | 2,447.9 | 1,771.8 | 38.2 % |
| Segment margin | *35.8 %* | *21.8 %* | | *33.4 %* | *25.3 %* | |

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

**Results of Operations - Third Quarter 2026 vs. Third Quarter 2025**

Net sales of our North America Confectionery segment were $2,656.5 million in the third quarter of 2026 compared to $2,615.6 million in the same period of 2025, an increase of $40.9 million, or 1.6%. The increase was driven by favorable price realization of approximately 13%, primarily due to the pricing

action announced in 2025. Volume declined approximately 11%, driven primarily by price elasticity. Additionally, there was no impact from foreign currency exchange rates.

Our North America Confectionery segment income was $949.7 million in the third quarter of 2026 compared to $571.5 million in the same period of 2025, an increase of $378.2 million, or 66.2%. The increase was driven primarily by net price realization, lower net commodity costs, tariff refunds, and supply chain productivity and net savings related to our AAA Initiative, partially offset by lower volumes and higher advertising and related consumer marketing investments.

**Results of Operations - First Nine Months 2026 vs. First Nine Months 2025**

Net sales of our North America Confectionery segment were $7,319.9 million in the first nine months of 2026 compared to $7,001.2 million in the same period of 2025, an increase of $318.7 million, or 4.6%. The increase was driven by favorable price realization of approximately 13%, primarily due to the pricing action announced in 2025. Volume declined approximately 8%, driven primarily by price elasticity. Additionally, there was minimal impact from foreign currency exchange rates.

Our North America Confectionery segment income was $2,447.9 million in the first nine months of 2026 compared to $1,771.8 million in the same period of 2025, an increase of $676.1 million, or 38.2%. The increase was driven primarily by net price realization, lower commodity costs, tariff refunds, and net savings related to our AAA Initiative, partially offset by lower volumes and higher advertising and related consumer marketing investments.

**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 results, which accounted for 12.0% and 10.1% of our net sales for the three months ended September 27, 2026 and September 28, 2025, respectively, were as follows:

| | Three Months Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| In millions of dollars | September 27, 2026 | September 28, 2025 | Percent Change | September 27, 2026 | September 28, 2025 | Percent Change |
| Net sales | $ 392.7 | $ 321.0 | 22.3 % | $ 1,130.6 | $ 914.3 | 23.7 % |
| Segment income | 47.4 | 57.7 | (17.9)% | 144.3 | 166.1 | (13.1)% |
| Segment margin | *12.1 %* | *18.0 %* | | *12.8 %* | *18.2 %* | |

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

**Results of Operations - Third Quarter 2026 vs. Third Quarter 2025**

Net sales of our North America Salty Snacks segment were $392.7 million in the third quarter of 2026 compared to $321.0 million in the same period of 2025, an increase of $71.7 million, or 22.3%. The increase was predominantly due to the acquisition of LesserEvil in November 2025, which provided a benefit of approximately 20%. Further, volume increased approximately 1%, primarily driven by *Dot's Homestyle Pretzel*s. Price realization increased approximately 1% primarily driven by *Dot's Homestyle Pretzels* and *SkinnyPop.*

Our North America Salty Snacks segment income was $47.4 million in the third quarter of 2026 compared to $57.7 million in the same period of 2025, a decrease of $10.4 million, or 17.9%. The decrease was driven by higher supply chain costs, increased net commodity costs and higher consumer marketing costs.

**Results of Operations - First Nine Months 2026 vs. First Nine Months 2025**

Net sales of our North America Salty Snacks segment were $1,130.6 million in the first nine months of 2026 compared to $914.3 million in the same period of 2025, an increase of $216.3 million, or 23.7%. The increase was predominantly due to the acquisition of LesserEvil in November 2025, which provided a benefit of approximately 21%. Further, volume increased approximately 3%, primarily related to *Dot's Homestyle Pretzels.* The net sales increase was partially offset by price realization declines of approximately 1%, primarily driven by *SkinnyPop* and *Pirates Booty*.

Our North America Salty Snacks segment income was $144.3 million in the first nine months of 2026 compared to $166.1 million in the same period of 2025, a decrease of $21.8 million, or 13.1%. The decrease was primarily due to higher supply chain costs, including costs related to a voluntary temporary product withdrawal, and increased SM&A expenses, partially offset by increased volume.

**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-Pacific ("APAC"), the Middle East and Africa ("MEA") and other regions. International results, which accounted for 6.9% and 7.7% of our net sales for the three months ended September 27, 2026 and September 28, 2025, respectively, were as follows:

| | Three Months Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| In millions of dollars | September 27, 2026 | September 28, 2025 | Percent Change | September 27, 2026 | September 28, 2025 | Percent Change |
| Net sales | $ 226.4 | $ 244.8 | (7.5)% | $ 716.4 | $ 686.0 | 4.4 % |
| Segment (loss) income | (30.0) | (13.6) | 120.5 % | (19.9) | 34.9 | (157.0)% |
| Segment margin | *(13.3)%* | *(5.6)%* | | *(2.8)%* | *5.1 %* | |

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

**Results of Operations - Third Quarter 2026 vs. Third Quarter 2025**

Net sales of our International segment were $226.4 million in the third quarter of 2026 compared to $244.8 million in the same period of 2025, a decrease of $18.4 million, or 7.5%. The decrease was due to volume declines of approximately 14%, primarily driven by price elasticity across markets. The decrease was partially offset by favorable price realization of approximately 4%, resulting from strategic pricing actions across key markets. The decrease was further offset by a favorable impact from foreign currency exchange rates of approximately 2%.

Our International segment generated a loss of $30.0 million in the third quarter of 2026 compared to a loss of $13.6 million in the third quarter of 2025, a decrease of $16.4 million, or 120.5%, driven by higher commodity and manufacturing costs and lower volumes, partially offset by favorable price realization, net savings related to our AAA Initiative, and favorable mix.

**Results of Operations - First Nine Months 2026 vs. First Nine Months 2025**

Net sales of our International segment were $716.4 million in the first nine months of 2026 compared to $686.0 million in the same period of 2025, an increase of $30.4 million, or 4.4%. The increase was driven by a favorable price realization of approximately 8%, primarily due to strategic pricing actions across key markets. The increase was also due to a favorable impact from foreign currency exchange rates of approximately 4%. The increase was partially offset by volume declines of approximately 8% across certain key markets.

Our International segment generated a loss of $19.9 million in the first nine months of 2026 compared to income of $34.9 million in the first nine months of 2025, a decrease of $54.8 million, or 157.0%, driven by higher supply chain costs and higher commodity and manufacturing costs, partially offset by favorable price realization, favorable mix, and net savings related to our AAA Initiative.

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

In the third quarter of 2026, unallocated corporate expense totaled $249.5 million, as compared to $194.7 million in the third quarter of 2025, an increase of $54.8 million, or 28.1%. The increase was primarily driven by continued investments in technology and higher acquisition and integration costs, partially offset by lower compensation and benefits costs.

In the first nine months of 2026, unallocated corporate expense totaled $622.3 million, as compared to $536.7 million in the first nine months of 2025, an increase of $85.7 million, or 16.0%. The increase was primarily driven by continued investments in technology and higher acquisition and integration costs, partially offset by lower compensation and benefits costs.

## LIQUIDITY AND CAPITAL RESOURCES

Historically, our primary source of liquidity has been cash generated from operations. Domestic seasonal working capital needs, which typically peak during the summer months, are generally met by utilizing cash on hand, bank borrowings or the issuance of commercial paper. Commercial paper may also be issued, from time to time, to finance ongoing business transactions, such as the repayment of long-term debt, business acquisitions and for other general corporate purposes.

At September 27, 2026, our cash and cash equivalents totaled $676.7 million, a decrease of $249.2 million compared to the 2025 year-end balance. Additional detail regarding the net uses of cash are outlined in the following discussion. Additionally, at September 27, 2026, we had outstanding short- and long-term debt totaling $5.1 billion, of which $197.8 million was classified as the current portion of long-term debt. Of the $197.8 million, $193.6 million represents the aggregate principal amount of our 7.200% Debentures due upon maturity on August 15, 2027. We believe we can satisfy these debt obligations with cash generated from our operations, issuing new debt, and/or by borrowing on our unsecured credit facility.

A substantial majority of our cash and cash equivalents at September 27, 2026 was held by subsidiaries domiciled outside of the United States. A majority of our cash and cash equivalents balance is distributable to the United States without material tax implications, such as withholding tax. We intend to continue to reinvest the remainder of this balance 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.

**Cash Flow Summary**

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

| In millions of dollars | Nine Months Ended September 27, 2026 | Nine Months Ended September 28, 2025 |
|---|---|---|
| Net cash provided by (used in): | | |
| Operating activities | 1,638.8 | 1,350.8 |
| Investing activities | (294.1) | (382.2) |
| Financing activities | (1,600.8) | (536.4) |
| Effect of exchange rate changes on cash and cash equivalents | 6.9 | 0.1 |
| Net change in cash and cash equivalents | $ (249.2) | $ 432.3 |

***Operating activities***

We generated cash of $1,638.8 million from operating activities in the first nine months of 2026, an increase of $288.0 million compared to $1,350.8 million in the same period of 2025. This increase in net cash provided by operating activities was mainly driven by the following factors:

- Net income adjusted for non-cash charges to operations (including depreciation, amortization, stock-based compensation, deferred income taxes, unrealized gains and losses on derivative contracts, contingent consideration adjustments and other charges) resulted in $486.2 million of higher cash flow in 2026 relative to 2025.
- Other assets and liabilities consumed cash of $31.1 million in 2026, compared to $287.1 million in 2025. This $255.9 million fluctuation was primarily driven by the timing of certain prepaid expenses and other current assets.
- The variance in operating cash flows related to income taxes reflects timing differences between actual tax expense and quarterly estimated tax payments. We paid cash of $403.9 million for income taxes during 2026, compared to $110.6 million in the same period of 2025.
- The increase in cash provided by operating activities was partially offset by the following net cash outflows:
    - In the aggregate, select net working capital items, specifically, trade accounts receivable, inventory, accounts payable and accrued liabilities, consumed cash of $428.7 million in 2026, compared to consuming cash of $148.4 million in 2025. This $280.3 million fluctuation was mainly driven by an increase in trade accounts receivable, as a result of timing of sales and collections, partially offset by a decrease in accounts payable and accrued liabilities, due to the timing of vendor and supplier payments, and lower inventory levels.

***Investing activities***

We used cash of $294.1 million for investing activities in the first nine months of 2026, a decrease of $88.1 million compared to $382.2 million in the same period of 2025. This decrease in net cash used in investing activities was mainly driven by the following factors:

- *Capital spending*. Capital expenditures, including capitalized software, capacity expansion, innovation and cost savings, were $305.0 million in the first nine months of 2026 compared to $316.5 million in the same period of 2025. The decrease in our 2026 capital expenditures is largely driven by the wind down of our key strategic initiatives, as we expect 2026 capital expenditures, including capitalized software, to be in the range of approximately $425 million to $475 million, reflecting a trend towards historical levels. We intend to use our existing cash and internally generated funds to meet our 2026 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 renewable energy tax credits. We received payments of approximately $14.4 million in the first nine months of 2026, which is consistent with the same period of 2025 of approximately $14.3 million.





- *Intangible assets*. We had no purchases of intangible assets in 2026. In 2025, we purchased the Fulfil brand in North America for $73.6 million.
- *Other investing activities*. In the first nine months of 2026 and 2025, our other investing activities were minimal.

***Financing activities***

We used cash of $1,600.8 million for financing activities in the first nine months of 2026, an increase of $1,064.4 million compared to $536.4 million in the same period of 2025. This increase in net cash used in financing activities was mainly driven by the following factors:

- *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. During the first nine months of 2026, we generated cash of $220.4 million predominately through the issuance of short-term commercial paper, partially offset by a decrease in short-term foreign bank borrowings. During the first nine months of 2025, we used cash of $1.1 billion predominately to reduce outstanding short-term commercial paper borrowings.
- *Long-term debt borrowings and repayments*. During the first nine months of 2026, we repaid $500 million of 2.300% Notes due in August 2026. We had no long-term borrowings during the first nine months of 2026. During the first nine months of 2025, we issued $500 million of 4.550% Notes due in February 2028, $500 million of 4.750% Notes due in February 2030, $500 million of 4.950% Notes due in February 2032 and $500 million of 5.100% Notes due in February 2035 (together, the "2025 Notes"). Proceeds from the issuance of the 2025 Notes, net of discounts and issuance costs, totaled $2.0 billion. Additionally, we repaid $300 million of 0.900% Notes due upon maturity and $300 million of 3.200% Notes due upon maturity in June and August 2025, respectively.
- *Dividend payments*. Total dividend payments to holders of our Common Stock and Class B Common Stock were $859.2 million during the first nine months of 2026, an increase of $45.3 million compared to $814.0 million in the same period of 2025. Details regarding our 2026 cash dividends paid to stockholders are as follows:

| | Quarter Ended | | |
|---|---|---|---|
| **In millions of dollars except per share amounts** | **March 29, 2026** | **June 28, 2026** | **September 27, 2026** |
| Dividends paid per share – Common stock | $ 1.452 | $ 1.452 | $ 1.452 |
| Dividends paid per share – Class B common stock | $ 1.320 | $ 1.320 | $ 1.320 |
| Total cash dividends paid | $ 288.0 | $ 286.4 | $ 284.8 |
| Declaration date | February 4, 2026 | April 29, 2026 | July 29, 2026 |
| Record date | February 17, 2026 | May 15, 2026 | August 14, 2026 |
| Payment date | March 16, 2026 | June 15, 2026 | September 15, 2026 |

- *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:

| | Nine Months Ended | |
|---|---|---|
| **In millions** | **September 27, 2026** | **September 28, 2025** |
| Shares repurchased in the open market under pre-approved share repurchase programs (1) | $ 200.0 | $ — |
| Shares repurchased in the open market to replace Treasury Stock issued for stock options and incentive compensation | 239.4 | — |
| Cash used for total share repurchases (excluding excise tax) | $ 439.4 | $ — |
| Total shares repurchased under pre-approved share repurchase programs | 1.0 | — |

(1) In December 2023, our Board of Directors approved a $500 million share repurchase authorization. As a result of the share repurchase authorization, approximately $270 million remains available for repurchases under our December 2023 share repurchase authorization. In June 2026, our Board of Directors approved an additional $500 million share repurchase authorization. This program is to commence after the existing 2023 authorization is completed and is to be utilized at management's discretion. 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 exercised stock options and employee tax withholding.* During the first nine months of 2026, we received $16.9 million from employee exercises of stock options and paid $18.2 million of employee taxes withheld from share-based awards. During the first nine months of 2025, we received $17.3 million from employee exercises of stock options and paid $17.2 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.
- *Contingent consideration paid.* During the first nine months of 2026, we paid $16.6 million of contingent consideration related to previous business combination activity. During the first nine months of 2025, there was no contingent consideration paid.

**Recent Accounting Pronouncements**

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

**Critical Accounting Estimates**

For information regarding the Company's critical accounting estimates, refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2025 Annual Report on Form 10-K. There have been no material changes to the Company's critical accounting estimates since December 31, 2025.





**Safe Harbor Statement**

We are subject to changing economic, competitive, regulatory and technological risks and uncertainties that could have a material impact on our business, financial condition or results of operations. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we note the following factors that, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions that we have discussed directly or implied in this Quarterly Report on Form 10-Q. 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.

The factors that could cause our actual results to differ materially from the results projected in our forward-looking statements include, but are not limited to the following:

- Our Company's reputation or brand image might be impacted as a result of issues, concerns or regulatory changes 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;
- 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;
- We might not be able to hire, engage and retain the talented global human capital we need to drive our growth strategies;
- 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;
- Increases in raw material and energy costs along with the availability of adequate supplies of raw materials could continue to affect future financial results;
- Price increases may not be sufficient to offset cost increases and maintain profitability or may result in sales volume declines associated with pricing elasticity;
- Market demand for new and existing products could decline;
- Increased marketplace competition could hurt our business;
- Our financial results may be adversely impacted by the failure to successfully execute or integrate acquisitions, divestitures and joint ventures;
- Our international operations may not achieve projected growth objectives, which could adversely impact our overall business 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;
- Changes in governmental laws, regulations and policies, including taxes and tariffs, could increase our costs and liabilities or impact demand for our products;
- Political, economic and/or financial market conditions, including impacts on our business arising from the ongoing conflict in the Middle East, could negatively impact our financial results;

- Disruptions, failures or security breaches of our information technology infrastructure could have a negative impact on our operations and financial results;

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

- Such other matters as discussed in our 2025 Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q for the quarters ended March 29, 2026 and June 28, 2026, and this Quarterly Report on Form 10-Q, including Part II, Item 1A, "Risk Factors."

We undertake no obligation to publicly update or revise any forward-looking statements to reflect actual results, changes in expectations or events or circumstances after the date this Quarterly Report on Form 10-Q is filed.

**Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

**Interest Rate Risk**

The total amount of short-term debt, net of cash, resulted in a net cash position of $241 million and $707 million, at September 27, 2026 and December 31, 2025, respectively. A hypothetical 100 basis point increase in interest rates applied to this variable-rate short-term debt as of September 27, 2026 would have changed interest expense by approximately $3.3 million for the first nine months of 2026 and $7.7 million for 2025.

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 September 27, 2026 and December 31, 2025 by approximately $210 million and $236 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.

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. The potential decline in fair value of foreign currency forward exchange contracts resulting from a hypothetical near-term adverse change in market rates of 10% was $31.5 million as of September 27, 2026 and $38.7 million as of December 31, 2025, generally offset by a reduction in foreign exchange associated with our transactional activities.

**Commodities—Price Risk Management and Derivative Contracts**

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. Significant changes impacting our commodity price risk management since our 2025 Annual Report on Form 10-K are described below.

*Cocoa Products*

During the first nine months of 2026, the average cocoa futures contract price was $2.08 per pound, with a trading range of $1.48 to $2.72 per pound, based on the Intercontinental Exchange futures contract. This average cocoa futures contract price represents a decline of approximately 43% compared to the 2025 annual average of $3.65 per pound.

The cocoa supply-demand outlook as of September 2026 shows that the 2025 – 2026 season is likely to end with a historically large surplus. For the 2026 – 2027 season, the outlook remains broadly balanced, with some analysts projecting a deficit and others projecting a small surplus. While demand has declined over the past three years, some analysts predict a slight recovery in the upcoming season. Activity on the two major futures exchanges has also improved during the quarter, with trading volumes approaching more normal levels following considerable declines in 2024 and 2025.

Our costs for cocoa products will not necessarily reflect market price fluctuations because of our forward purchasing and hedging practices (including amount and duration thereof), 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. We generally hedge commodity price risks for 3- to 24-month periods. As a result, the average market prices are not necessarily indicative of our average costs.

*Commodity Sensitivity Analysis*

Our open commodity derivative contracts had a notional value of $646.0 million as of September 27, 2026 and $973.1 million as of December 31, 2025. At the end of the third quarter of 2026, the potential change in fair value of commodity derivative instruments, assuming a 10% decrease in the underlying commodity price, would have decreased our net unrealized losses by $51.0 million, generally offset by a reduction in the cost of the underlying commodity purchases.

For additional information about our market risks, see Item 7A under Part II of our 2025 Annual Report on Form 10-K.

## Item 4. CONTROLS AND PROCEDURES

### Evaluation of Disclosure Controls and Procedures

We have established 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")) designed to ensure that information required to be disclosed in our 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, and such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of September 27, 2026. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 27, 2026.

### Changes in Internal Controls Over Financial Reporting

There have been no changes to the Company's internal control over financial reporting during the quarter ended September 27, 2026, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II — OTHER INFORMATION

### Item 1. Legal Proceedings.

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

### Item 1A. Risk Factors.

When evaluating an investment in our Common Stock, investors should consider carefully, among other things, the risk factors previously disclosed in Part I, Item 1A, "Risk Factors," of our 2025 Annual Report on Form 10-K and the information contained in this Quarterly Report on Form 10-Q and our other reports and registration statements filed with the SEC.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

**Issuer Purchases of Equity Securities**

There were no purchases of our Common Stock made by or on behalf of Hershey, or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Exchange Act) of Hershey, during the three months ended September 27, 2026.

During the three months ended September 27, 2026, no shares of Common Stock were purchased in open market transactions in connection with our standing authorization to buy back shares sufficient to offset those issued under incentive compensation plans, which authorization does not have a dollar or share limit and is not included in our share repurchase authorizations described in the following paragraph.

In December 2023, our Board of Directors approved a $500 million share repurchase authorization. As a result of the share repurchase authorization, approximately $270 million remains available for repurchases under our December 2023 share repurchase authorization. In June 2026, our Board of Directors approved an additional $500 million share repurchase authorization. This program is to commence after the existing 2023 authorization is completed and is to be utilized at management's discretion. 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.

### Item 3. Defaults Upon Senior Securities.

Not applicable.

### Item 4. Mine Safety Disclosures.

Not applicable.

### Item 5. 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 September 27, 2026, 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 6. Exhibits.**

The following exhibits are filed as part of this Quarterly Report on Form 10-Q:

| Exhibit Number | Description |
|---|---|
| 3.1 | Restated Certificate of Incorporation, as amended by the Company's Stockholders on May 6, 2025, is incorporated by reference from Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 2025. |
| 3.2 | The Company's By-laws, as amended and restated as of December 5, 2025, are incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K filed December 5, 2025. |
| 10.1 | Service Agreement, dated July 14, 2026, by and between Hershey UK Finance LTD and Amanda Almond.+ |
| 31.1 | Certification of Kirk Tanner, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.* |
| 31.2 | Certification of Dave Hulays, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.* |
| 32.1 | Certification of Kirk Tanner, Chief Executive Officer, and Dave Hulays, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.** |
| 101.INS | Inline 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 | Inline XBRL Taxonomy Extension Schema |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase |
| 104 | The cover page from the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 27, 2026, formatted in Inline XBRL and contained in Exhibit 101. |

| | |
|---|---|
| * | Filed herewith |
| ** | Furnished herewith |
| + | Management contract, compensatory plan or arrangement |





**SIGNATURES**

Pursuant to the requirements 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.

**THE HERSHEY COMPANY**
**(Registrant)**

Date: October 29, 2026

*/s/ Dave Hulays*

Dave Hulays
Senior Vice President, Chief Financial Officer
(Principal Financial Officer)

Date: October 29, 2026

*/s/ Jennifer L. McCalman*

Jennifer L. McCalman
Senior Vice President, Chief Accounting Officer
(Principal Accounting Officer)





**HERSHEY UK FINANCE LTD.**

**and**

**AMANDA ALMOND**

# SERVICE AGREEMENT

**THIS AGREEMENT** is entered into between the parties on 14th July 2026.

**PARTIES**

(1) **HERSHEY UK FINANCE LTD.** a company incorporated and registered in England and Wales with company number 10071374 and whose registered office is at 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU (the "**Company**"); and

(2) **AMANDA ALMOND** of 73 Abbey Gardens, Upper Woolhampton, Reading, Berkshire, RG7 5TZ (the "**Executive**").

**AGREED TERMS**

**1. Definitions**

1.1 The following terms shall have the following meanings unless the context requires otherwise:

"**Board**" means the board of directors of the Company or any person or committee of the board duly appointed by it;

"**Capacity**" means as agent, consultant, officer, director, employee, owner, partner, shareholder or otherwise;

"Commencement Date" means [INSERT]

"**Confidential Information**" means trade secrets, and confidential information (in whatever form, including, without limitation, in written, oral, visual or electronic form or stored on any magnetic or optical disk or memory) wherever located relating to the business, products, assets, affairs and finances of any Group Company or any of its or their clients, suppliers, customers, agents, shareholders or management, including, without limitation:

(a) any business, financial and/or strategic information and/or plans including without limitation price, profit and cost information and statistics, discount structures, sales statistics and forecasts, business plans, models and programmes, commercial terms, terms of business, investments, joint ventures, potential business opportunities, expansion plans, marketing plans, surveys and strategies, product and process research and development projects, project activities; and acquisition and divestiture strategies, plans and project activities, business forms, lists and details regarding the remuneration of employees, their experience and other information relating to those employed or engaged by the Company and/or any Group Company (including, without limitation, the terms of this Agreement);

(b) technical data and know-how including, without limitation, manufacturing processes; manuals, recipes and ingredient percentages, formulae, computer programs, processes, methods, inventions, databases, know-how, research activities, training techniques,

marketing data, operating procedures, operating policies, operating practices, and designs, engineering drawings, new product information;

(c) disputes, litigation, legal strategies, potential disputes, potential litigation and/or legal advice;

(d) names, addresses and/or contact details of customers, potential customers, clients, potential clients, suppliers and/or potential suppliers and lists of actual and potential customers, clients and suppliers;

(e) products and/or services in the course of development;

(f) information in respect of which there is an obligation of confidentiality to a third party; and

(g) any information which is identified as being “confidential” or information described as “confidential” or secret in nature;

which (in each case) the Executive creates, develops, learns, receives or obtains in connection with the Executive’s employment before or after the date of this Agreement, whether or not such information (if in anything other than oral form) is marked confidential;

"**Copies**" means copies or records of any Confidential Information in whatever form (including, without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory) and wherever located including, without limitation, extracts, analysis, studies, plans, compilations or any other way of representing or recording and recalling information which contains, reflects or is derived or generated from Confidential Information;

"**Garden Leave**" means any period during which the Company has exercised its rights under clause 29;

“**Grant Date**” means The Hershey Company’s next practicable scheduled monthly grant date following the Commencement Date;

"**Group Company**" means the Company, The Hershey Company, and any group undertaking (as such term is defined in section 1161(5) of the Companies Act 2006) of the Company in any jurisdiction from time to time;

"**Intellectual Property Rights**" means patents, rights to Inventions, copyright and related rights, trademarks, service marks, trade names and domain names, rights in get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database rights, topography rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

"**Invention**" means any invention, idea, discovery, development, improvement or innovation, whether or not patentable or capable of registration, and whether or not recorded in any medium;

"**Permitted Investment**" has the meaning given to it in clause 23.2; "**PSUs**" means Performance

Stock Units;

"**RSUs**" means Restricted Stock Units; and

"**Termination**" means the termination of the Executive's employment under this Agreement however caused, whether lawful or not, and "**Termination Date**" means the date of Termination.

1.2 In this Agreement, unless the context otherwise requires:

1.2.1 words in the singular include the plural and, in the plural, include the singular;

1.2.2 any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

1.2.3 the headings are inserted for convenience only and shall not affect its construction;

1.2.4 reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension or re-enactment and includes any subordinate legislation for the time being in force made under it;

1.2.5 the Schedules shall form part of this Agreement, shall have effect as if set out in full in the body of this Agreement and any reference to this Agreement includes the Schedules; and

1.2.6 reference to any regulator or other body includes a reference to any successor.

## 2. Term of Employment

2.1 Subject to satisfaction of the pre-conditions in clause 3.1, the Executive's employment under the terms of this Agreement shall commence on the Commencement Date. Subject to clauses 3 (Pre-Conditions and Warranties), 27 (Payment in Lieu of Notice) and 28 (Termination Without Notice), this Agreement, and the Executive's employment under it, can be terminated by either party giving the other not less than six months' prior notice in writing at any time.

2.2 No previous employment with the Company or any other employer counts as part of the Executive's period of continuous employment with the Company.

2.3 No probationary period applies to the Executive's employment.

## 3. Pre-Conditions and Warranties

3.1 The Executive's employment under this Agreement is conditional upon:

3.1.1 the Executive having produced to the Company for inspection original documents proving the Executive's right to work lawfully in the United Kingdom;

3.1.2 the Company having obtained and being satisfied with the results of such screening as the Company shall determine; and

3.1.3 the Executive entering into the Grantee Confidentiality and Restrictive Covenant Agreement with the Company prior to the Commencement Date.

3.1.4 the Executive having produced proof of a Bachelor degree from University of Edinburgh.

3.2 The Executive represents and warrants that:

3.2.1 all information provided to the Company by or on behalf of the Executive during the recruitment process is true, complete and not misleading;

3.2.2 the Executive is entitled to work in the United Kingdom without any additional approvals; and

3.2.3 the Executive is not prevented by the terms of any agreement or court order from commencing employment with the Company on the Commencement Date and that there are no express or implied terms of any contract with (or other obligation to) any third party that could prevent or hinder the performance of the Executive's duties to any Group Company.

3.3 It is a condition of this employment that the Executive has and maintains during the course of this employment, valid United Kingdom immigration permission which permits the Executive to be employed by the Company in the role for which the Executive is employed. The Executive must notify the Company immediately if at any time the Executive does not meet this condition. The Executive must produce to the Company for inspection the documents proving this right to the Company's satisfaction prior to the Commencement Date and otherwise upon request.

3.4 If the Executive fails to satisfy any of the pre-conditions in clause 3.1, is in breach of any of the warranties in clause 3.2 or fails to satisfy any of the conditions set out in clause 3.3

then the Company shall be entitled to terminate this Agreement and the Executive's employment under it immediately without notice with no liability to make any payment or otherwise to the Executive.

**4. Duties**

4.1 The Executive shall serve the Company as the President International of the Company or in such other role/s as the Chief Executive Officer of The Hershey Company ("CEO") or Board may reasonably determine.

4.2 The Executive acknowledges that they are a fiduciary of the Company and the Group Companies. During the employment the Executive shall:

4.2.1 devote the whole of their working time, attention and abilities to the business of the Company and any other Group Company for which the Executive is required to work from time to time;

4.2.2 faithfully and diligently exercise such powers and perform such duties for each Group Company as may from time to time be assigned by the Company;

4.2.3 comply with all reasonable and lawful directions given by the Company;

4.2.4 promptly make such reports to the CEO or Board in connection with the affairs of each Group Company on such matters and at such times as are reasonably required;

4.2.5 report their own wrongdoing (including, without limitation, any act or omission which constitutes a breach of this Agreement) and any wrongdoing or proposed or potential wrongdoing of any other employee, officer or consultant of any Group Company (including any act or omission which might reasonably constitute a breach of the duties owed by that person to any Group Company) to the CEO or Board immediately on becoming aware of it;

4.2.6 use their utmost endeavours to promote, protect, develop and extend the business of each Group Company;

4.2.7 comply with their common law, statutory, regulatory and fiduciary duties;

4.2.8 use best endeavours to ensure that each Group Company complies in all material respects with the rules, procedures, policies and codes of any professional organisation or association of which it is a member;

4.2.9 exercise the Executive's powers jointly with such other person that the Company may appoint; and

4.2.10 at all times conduct the business of each Group Company for which the Executive is responsible in a lawful and ethical manner.

## 5. Policies and Procedures

5.1 The Executive will read and comply strictly at all times with:

5.1.1 any rules, policies and procedures of any Group Company that apply to the Executive at all times including, without limitation, its Code of Conduct, Code of Ethics, Data Protection policy, Insider Trading policy, Anti-Trust policy, Appropriate Use policy, Discrimination and Harassment policies, and Anti-Fraud/Bribery/Corruption policies; and

5.1.2 any other laws, regulations and codes material to the conduct of the business of the Company or any Group Company.

5.2 Although the Company's rules, policies and procedures do not form part of this Agreement, and may be varied from time to time, failure to comply with them will be a breach of this Agreement and may result in disciplinary action up to and including dismissal.

5.3 The Company shall have the right to appoint a person to act jointly with the Executive and, if the CEO or Board considers it necessary or expedient to do so the CEO or Board may transfer some or all of the Executive's duties to another person.

## 6. Place of Work

6.1 The normal place of work of the Executive is the Executive's home address of 73 Abbey Gardens, Upper Wollhampton, Reading, Berkshire, RG7 5TZ or such other location as the Company may require from time to time.

6.2 The Executive agrees to travel on any business of any Group Company (both within the United Kingdom and abroad) as may be required for the proper performance of the Executive's duties.

6.3 It is not anticipated that the Executive will be required to work outside the United Kingdom for any continuous period of more than one month.

Where the Executive is permitted to work from home the Executive will comply with the Company's Remote Working Policies and will only work from a home in the United Kingdom.

## 7. Hours of Work

7.1 The Executive will work such hours as are required for the proper and efficient performance of their duties. These hours may be varied by the Company in its sole and absolute discretion.

7.2 The Executive agrees that the limit on weekly working time contained in Regulation 4 of The Working Time Regulations 1998 does not apply because Regulation 20 applies to the Executive.

**8. Salary**

8.1 The Executive shall be paid a basic salary of £520,000 per annum subject to deductions required by law. The Executive's salary shall accrue from day to day, shall be payable in equal monthly instalments on or about the 25th of each month.

8.2 The Company may deduct from the salary or any other sums payable to the Executive any money owed to any Group Company by the Executive, including without limitation any overpayment made by the Company to the Executive. Without limitation to this, the Executive will reimburse the Company upon demand for the personal use of any Company credit card, any other unauthorized transactions entered into by the Executive or any overpayments made to the Executive. The Company shall be entitled to deduct such employee pension contributions from the Executive's salary as may be required.

**9. Expenses**

The Company shall reimburse any reasonable travel, hotel, entertainment and other out of pocket expenses wholly, exclusively and necessarily incurred by the Executive in the proper performance of the Executive's duties under this Agreement subject always to the rules and policies of the Company from time to time and subject to the Executive providing receipts or other evidence of payment as the Company may require.

**10. Sign-On Bonus**

10.1 The Executive shall be entitled to receive a Sign-on bonus of £30,000 (the "**Sign-On Bonus**") (subject to deductions required by law) as an initial and one-off sign on bonus payment. The Sign-On Bonus will be paid as a lump sum within 30 days of the Commencement Date (the "**Sign-On Payment Date**") unless the Executive gives notice of resignation, or their employment terminates for any reason prior to the Sign-On Payment Date.

10.2 In the event that the Executive has given notice to the Company to terminate their employment under clause 2.1, they shall be required to repay to the Company (on demand, within one week of the Termination Date) a proportion of the gross Sign-On Bonus as set out below and that this will be recoverable as a debt as follows:

10.2.1 where the Termination Date however caused is up to the first six (6) months following the Commencement Date: 100%

10.2.2 where the Termination Date however caused is more than six (6) months and up to twelve (12) months after the Commencement Date: 75%

10.2.3 where the Termination Date however caused is more than twelve (12) months and up to eighteen (18) months following the Commencement Date: 50%

10.2.4 where the Termination Date however caused is more than eighteen (18) months after the Commencement Date: 25%

10.2.5 where the Termination Date however caused is more than twenty-four (24) months after the Commencement Date: 0%

10.3 In each case, the Executive agrees that any amount that is repayable under this clause may be collected by the Company, either directly or indirectly, from any:

10.3.1 payment of any kind due to the Executive from the Company including, without limitation, accrued salary, holiday pay, final salary, and expense reimbursements to the fullest extent permitted by applicable law; and/or

10.3.2 the forfeiture or cancellation of any equity interest owned by the Executive in any Group Company, whether now existing or hereafter formed, and regardless of the form such equity interest takes (e.g., RSUs, PSUs, or otherwise).

**11. In-Lieu of Bonus**

11.1 The Executive shall be entitled to receive an in-lieu of bonus of £235,000 the "**In-Lieu of Bonus**") (subject to deductions required by law) as an initial and one-off bonus payment to compensate the Executive for the bonus that they would forfeit from the former employer. The In-Lieu of Bonus will be paid as a lump sum within 30 days of the Commencement Date (the "**In-Lieu of Bonus Payment Date**") unless the Executive gives notice of resignation, or their employment terminates for any reason prior to the In-Lieu of Bonus Payment Date.

11.2 In the event that the Executive has given notice to the Company to terminate their employment under clause 2.1, they shall be required to repay to the Company (on demand, within one week of the Termination Date) a proportion of the gross In-Lieu of Bonus as set out below and that this will be recoverable as a debt as follows:

11.2.1 where the Termination Date however caused is up to the first six (6) months following the Commencement Date: 100%

11.2.2 where the Termination Date however caused is more than six (6) months and up to twelve (12) months after the Commencement Date: 75%

11.2.3 where the Termination Date however caused is more than twelve (12) months and up to eighteen (18) months following the Commencement Date: 50%

11.2.4 where the Termination Date however caused is more than eighteen (18) months after the Commencement Date: 25%

11.2.5 where the Termination Date however caused is more than twenty-four (24) months after the Commencement Date: 0%

11.3 In each case, the Executive agrees that any amount that is repayable under this clause may be collected by the Company, either directly or indirectly, from any:

11.3.1 payment of any kind due to the Executive from the Company including, without limitation, accrued salary, holiday pay, final salary, and expense reimbursements to the fullest extent permitted by applicable law; and/or

11.3.2 the forfeiture or cancellation of any equity interest owned by the Executive in any Group Company, whether now existing or hereafter formed, and regardless of the form such equity interest takes (e.g., RSUs, PSUs, or otherwise).

**12. Incentive Programs**

12.1 Subject to the rules of the Company's One Hershey Incentive Program (the "**Program**"), the Executive shall be entitled to participate in the Program, on such terms and taking into account such factors as the Company may decide, in its sole and absolute discretion, which may include, without limitation such financial and non-financial targets as the Company may communicate from time to time which shall provide the Executive with an opportunity to be considered each year for a target entitlement equivalent to 85% of the Executive's basic salary (or a pro rata amount based on the Executive's Commencement Date in for the 2026 or 2027 bonus). Any bonus, if payable, shall usually be paid in March following the relevant calendar year. The Company shall be entitled to determine whether such targets have been met and where such targets have been met in full or part shall have a discretion to determine whether to make payments and, if so, in what amount and when.

12.2 The Company may suspend, alter or discontinue any bonus payment(s) or any bonus plan and its eligibility requirements at any time (whether generally or in relation to the Executive only) at its sole and absolute discretion. If the Executive receives any bonus payment the Company is not obliged to make any further bonus payments and any bonus payment will not become part of the Executive's contractual remuneration or fixed salary. To be eligible to receive a bonus payment, the Executive must be in the Company's employment and not under notice of termination, given or received on the date that the bonus is paid. Bonus entitlement does not accrue in the course of a year, and the Executive is not entitled to payment of a bonus, or any pro rata portion of it, if the Executive leaves employment prior to the date that the bonus is paid.

12.3 The Executive shall not be eligible to be considered for any bonus nor shall any bonus be paid if the Executive (or any matter for which the Executive is directly or indirectly responsible) is subject to any disciplinary action or investigation (whether internal or

external) at the date any bonus is being considered and/or at the bonus payment date (as applicable) although the Company may reconsider the matter upon the conclusion of the disciplinary action or investigation in question.

**13. LTI at Target**

13.1 The Executive will be eligible to participate in The Hershey Company's Long-Term Incentive Program ("**LTIP**"). LTIP is for a select group of Group Company leaders focused on delivering long-term shareholder value. Eligibility for long-term equity awards is reviewed on an annual basis, and participation is and remains strictly subject to approval by The Hershey Company's Compensation and Human Capital Committee of the Board of Directors (in its absolute and sole discretion) and the LTIP Plan Documentation (as defined in clause 13.3) at all times. The Executive's annual long-term equity target is USD 1,350,000 (the "**LTI at Target**"), which is intended to be comprised as follows:

(a) RSUs with a value of USD 472,500; and

(b) PSUs with a value of USD 877,500,

and will be reviewed each year by The Hershey Company's Compensation and Human Capital Committee of the Board of Directors.

13.2 Subject to the warranties and pre-conditions at clause 3 being satisfied and provided that the Executive remains continuously employed by the Company under this Agreement at November 1, 2026 in good standing and not under notice, whether given or received by the Company, and save as provided by clause 13.3, the Executive will be granted LTI at Target from January 1, 2027 (although no contractual commitment is given to the timing of the grant).

13.3 Any entitlement to LTI at Target and the Executive's participation in the LTIP under this clause is strictly subject to the rules of the LTIP plan, the grant documentation, applicable vesting schedule (all as the relevant issuing Group Company may determine and as may be amended from time to time) (the" **LTIP Plan Documentation**") and the Executive's execution of such documentation. Nothing in this Agreement shall override the terms of the LTIP Plan Documentation.

**14. New Hire Equity**

14.1 Subject to the warranties and pre-conditions at clause 3 being satisfied and provided that the Executive remains continuously employed by the Company under this Agreement in good standing on October 31, 2026, and not under notice, whether given or received by the Company, the Executive will receive a one-time grant at a target of USD 675,000 as at the Grant Date, which is intended to be comprised as follows:

(a) RSUs with a value of USD 236,250, referenced by the closing price of the stock on the Grant Date and subject to the LTIP Plan Documentation, with the RSUs vesting in 33.33% increments over the next three years; and

(b) PSUs with a value of USD 438,750, referenced by the closing price of the stock on the Grant Date with target PSU grants intended to be made annually with a three-year performance cycle,

(together the "**New Hire Equity**").

14.2 Save as provided by clause 14.3 , the New Hire Equity will be awarded to the Executive on the Grant Date.

14.3 Any entitlement to New Hire Equity under this clause is strictly subject to at all times the rules of the LTIP Plan Documentation and the Executive's execution of such documentation. Nothing in this Agreement shall override the terms of the LTIP Plan Documentation.

**15. One-Time Equity**

15.1 Subject to the warranties and pre-conditions at clause 3 being satisfied and provided that the Executive remains continuously employed by the Company under this Agreement at the Grant Date in good standing and not under notice, whether given or received by the Company], the Executive will receive a one-time grant of RSUs in The Hershey Company with a value of USD 1,750,000 referenced by the closing price of the stock as at the Grant Date, as compensation for equity forfeited from her prior employer (the "**One-Time Equity**").

15.2 Save as provided by clause 15.3, the One-Time Equity award will be awarded to the Employee on the Grant Date and will be subject to 2-year ratable vesting.

15.3 Any entitlement to One-Time Equity under this clause is subject to the rules of the relevant plan/program, the grant documentation and applicable vesting schedule as the relevant Group Company may determine and as may be amended from time to time (and your execution of the documentation relating to the same). Nothing in this Agreement shall override such terms.

15.4 Any awards received by the Executive pursuant to any of the plans referenced in clauses 13 to 15 inclusive are provided to the Executive solely by the relevant issuing Group Company only. As such benefits received pursuant to such awards are separate from the Executive's employment relationship with and compensation received from the Company. Any awards granted to the Executive do not entitle the Executive to receive additional grants under the same or any other similar plan in the future.

**16. Pensions**

16.1 The Company shall comply with the employer pension duties in respect of the Executive in accordance with Part 1 of the Pensions Act 2008. Details will be provided to the Executive as required by law. Unless the Executive opts out, the Company will make a pension contribution equivalent to 12% of the Executive's basic salary each month during the employment into the DC pension plan based on statutory requirements up to qualifying earning, limit, updated annually. The remaining amount above the statutory requirements will be provided as a lump sum in December as income to invest as you choose for your retirement.

16.2 The Executive's participation in the Company's pension arrangements is subject to the rules of the relevant scheme and the statutory requirements as each are varied from time to time. The Company reserves the right to change the scheme provider, the funds available, the charging structure and the default fund from time to time.

**17. Other allowances**

17.1 The Executive will be entitled to the following annual allowances (subject to deductions required by law):

17.1.1 a contribution of £11,200 in respect of financial advice; and

17.1.2 a contribution of £1,100 in respect of tax preparation,

subject to the Executive providing evidence of receipt of the relevant advice to the Company and the Company's policies and procedures in force from time to time.

**18. Benefit Plans**

18.1 The Executive shall, during employment, be eligible to participate in the following benefit plans operated by the Company:

18.1.1 health insurance for the Executive, their spouse, civil partner and/or any unmarried children under 24; and

18.1.2 life assurance.

18.2 The Executive's participation in the benefit plans referred to in this clause are subject to:

18.2.1 the terms of that benefit plan, as amended or replaced from time to time;

18.2.2 the rules or the insurance policy of the relevant benefit provider, as amended or replaced from time to time; and

18.2.3 the Executive satisfying the normal underwriting requirements of the relevant benefits provider (which may involve a medical and/or a medical questionnaire) and the premium being at a rate which the Company considers reasonable.

18.3 The Company's obligation under this clause is limited to paying premiums to the relevant benefits provider. If the benefit provider refuses to accept a claim under the relevant benefit plan or refuses to provide a benefit (in whole or in part), the Company shall have no obligation or responsibility to make any payment or provide any benefit to or in respect of the Executive or to challenge that decision or to compensate the Executive or their spouse, civil partner or children.

18.4 The Company, in its sole and absolute discretion, reserves the right to replace, amend or discontinue each benefit plan (including the level of coverage, the provider or the policy) at any time notwithstanding any adverse impact that such change may have on any current or prospective benefit of the Executive under such schemes. The Company shall not be liable to provide the Executive with any replacement benefit of the same or similar kind or to pay any compensation in lieu of such benefit.

**19. Car Allowance**

19.1 The Company shall pay the Executive a car allowance of £12,000 per annum. This allowance will be paid in equal monthly instalments with the Executive's salary less income tax and national insurance contributions. The car allowance will not be treated as part of basic salary for any purpose and shall not be pensionable.

19.2 The allowance shall be deemed to include all the costs of the licence, insurance premiums and running costs of the car.

19.3 The Executive shall immediately inform the Company if they are disqualified from driving and if disqualified, they shall cease to be entitled to receive the allowance. The Executive shall ensure that a valid certificate of car insurance is maintained at all times. The Executive shall on request provide the Company with a copy of their car insurance and driving licence.

19.4 The car allowance does not constitute a contractual entitlement and can be varied or withdrawn by the Company, at its sole discretion, at any time. The Executive shall not be entitled to any car allowance during any period during which they are in receipt of benefits under the Company's permanent health insurance scheme.

**20. Holidays**

20.1 It is important that the Executive takes their holiday entitlement and the Company encourages the Executive to take their full holiday entitlement each year. During the Executive's employment, the Executive shall be entitled to 26 days' paid holiday in each holiday year together with the usual public holidays in England to be taken at times convenient to the Company and authorized in advance in accordance with the Company's holiday policy/usual practices.

20.2 The Executive will be permitted to participate in the Company's "Track Free Time Off" program, subject to the policies and procedures, a copy of which is available from Human Resources.

20.3 The Company's holiday year runs between January 1 and December 31. If the Executive's employment commences or terminates part way through a holiday year, the Executive's entitlement during that holiday year shall be calculated on a pro rata basis rounded up to the nearest whole day.

20.4 The Executive shall have no entitlement to any payment in lieu of accrued but untaken holiday except on Termination. Subject to the Company exercising its right to require the Executive to take any accrued but unused holiday entitlement in clause 20.6, on Termination the Executive will be entitled to pay in lieu of any accrued but untaken holiday for the holiday year in which termination takes place plus any untaken days permitted to be carried forward in the Company's holiday policy or as required by law. The amount of such payment in lieu shall be 1/260$^{th}$ of the Executive's salary for each untaken day of entitlement.

20.5 If on Termination the Executive has taken in excess of their accrued holiday entitlement, the Company shall be entitled to recover from the Executive by way of deduction from any payments due to the Executive or otherwise, one day's pay for each excess day calculated at 1/260$^{th}$ of the Executive's salary.

20.6 If either party has served notice to terminate the Executive's employment, the Company may require the Executive to take any accrued but unused holiday entitlement during the notice period. Any accrued but unused holiday entitlement shall be deemed to be taken during any period of Garden Leave.

**21. Sickness**

21.1 The Executive will be entitled to statutory sick pay in accordance with the prevailing rules of the statutory sick pay scheme. Any further payments will be discretionary, non-contractual and may be discontinued at any time.

21.2 The Executive must comply with the Company's sickness absence notification procedures. Any period of absence of up to seven consecutive calendar days may be self-certified and any period of absence of more than seven consecutive calendar days must be supported by doctor's certificate.

21.3 The Executive consents to undergo a medical examination by a doctor nominated by the Company at the Company's request and expense. The Executive accepts that the Company may require the Executive to provide consent for any medical report produced in connection with any such examination to be disclosed to the Company and the Company may discuss the contents of any such report with the relevant doctor or the Company's legal advisers.

21.4 The Company may terminate the Executive's employment in accordance with this Agreement for any reason (including, without limitation on the grounds of incapability) notwithstanding that such termination may deprive the Executive of Company Sick Pay and/or any current, future or prospective benefit scheme, including without limitation any applicable health insurance or permanent health insurance plan or other benefits.

**22. Directorships**

22.1 The Executive shall, if requested by the Company during the employment, serve as director of any Group Company as required by the Company from time to time. If so appointed, the Executive will:

22.1.1 comply with their duties as a director, including under the Companies Act 2006, and the articles of association (as amended from time to time) of any Group Company of which the Executive is a director or otherwise responsible; and

22.1.2 not do anything that would cause the Executive's disqualification as a director.

22.2 On Termination or at any time at the Company's request, the Executive shall:

22.2.1 immediately resign, without any claim for compensation, from any directorships in any Group Company; and

22.2.2 transfer to the Company or as it may direct, without payment, any shares or other securities held by the Executive in any Group Company, which are held as a nominee or trustee for or for the benefit of, any Group Company and deliver to the Company the related certificates and do all acts or things necessary to give effect to the same.

22.3 Except with the prior approval of the Board or as required by this Agreement the Executive shall not resign as a director of any Group Company.

22.4 By way of security for the Executive's obligations under this Agreement, the Executive hereby irrevocably appoints the Company to be their attorney to execute and do any such instrument or thing and generally to use the Executive's name for the purpose of giving the Company or its nominee the full benefit of this clause.

**23. Outside Activities and Interests**

23.1 The Executive shall not during the employment except as a representative of the Company or with the CEO and/or Board's prior written consent (whether directly or

indirectly, paid or unpaid) be employed, engaged, concerned or interested in any other actual or prospective business, organization, occupation or profession.

23.2 Nothing in this Agreement shall prevent the Executive from holding an investment by way of shares or other securities in any entity listed or dealt on a recognized stock exchange (a "**Permitted Investment**") provided always that during the term of the employment the Permitted Investment shall not constitute more than 3% of the issued share capital of the entity concerned and provided always that this does not give rise to any conflict of interest with the Company or any Group Company.

**24. Confidential Information**

24.1 The Executive acknowledges that prior to or during the employment the Executive will have access to Confidential Information. The Executive therefore agrees to accept the restrictions in this clause 24.

24.2 Without prejudice to the Executive's common law and fiduciary duties, and subject to clause 25 and Schedule 2, the Executive shall not prior to or during employment or at any time after Termination (howsoever arising) and whether for their own benefit or for the benefit of any third party or otherwise:

24.2.1 use any Confidential Information;

24.2.2 make or use any Copies; or

24.2.3 disclose to any person, company or other organisation whatsoever or publish any Confidential Information, except in the proper course of the Executive's duties, or as authorized by the CEO or Board in writing.

24.3 The Executive shall be responsible for protecting the confidentiality of the Confidential Information and shall:

24.3.1 use best endeavours to prevent the misuse or unauthorised disclosure or publication of Confidential Information by any person, company or organization; and

24.3.2 inform the Company immediately on becoming aware, or suspecting, that any such misuse or disclosure or publication has taken or may take place.

24.4 All Confidential Information and Copies shall be the property of the Company.

24.5 Save as authorized by the CEO or Board, the Executive shall not at any time prior to, during employment or after its termination (however caused) make or publish any

comment regarding the business of any Group Company or any of its current or former employees or directors to the media (including on social media).

**25. Raising Concerns at Work and Exceptions to Confidential Information Restrictions**

25.1 It is the Company's clear policy to operate in an ethical and lawful manner and to foster an environment which facilitates the internal reporting of matters of concern. It is the duty of the Executive to report to the CEO or Board any material breach by any Group Company of their legal or regulatory obligations of which the Executive is aware. Concerns should be reported, in writing, to the CEO or Board.

25.2 Nothing in this Agreement prevents the Executive from making any of the disclosures set out in SCHEDULE 2**.**

25.3 Nothing in this Agreement is intended to prevent or inhibit any report, disclosure or co-operation referred to in clause 25.2 or SCHEDULE 2 ("**Disclosure**") or to influence the substance of such Disclosure.

**26. Intellectual Property**

26.1 The Executive shall disclose to the Company details of all Inventions and of all works embodying Intellectual Property Rights made solely or jointly with others at any time during the course of employment which relate to, or are capable of being used in, the business of any Group Company whether or not in the course of their ordinary duties and whether or not made in working time (together, the "**Company IP**"). The Executive acknowledges that all Intellectual Property Rights subsisting (or which may in the future subsist) in such Company IP shall automatically, on creation, vest in the Company absolutely. To the extent that the Company IP does not vest automatically in the Company the Executive hereby assigns to the fullest extent permitted by law all right, title and interest in the Company IP to the Company with full title guarantee by way of a present assignment of all future rights and shall otherwise hold them on trust for the Company. The Executive agrees promptly to execute all documents and to do all acts as may, in the opinion of the Company, be necessary or desirable to give the Company full benefit of this clause.

26.2 The Executive irrevocably waives all "moral rights" under the Copyright, Designs and Patents Act 1988 (and, to the fullest extent permitted by law, all similar rights in other jurisdictions) which the Executive has or will have in any Company IP.

26.3 By way of security for the Executive's obligations under this Agreement, the Executive irrevocably appoints the Company to be the Executive's attorney to execute any instrument or to do anything and generally to use the executive's name for the purpose of giving the Company or its nominee the benefit of this clause. The Executive acknowledges in favour of a third party that a certificate in writing signed by the Company that any instrument or act falls within the authority conferred by this clause shall be conclusive evidence that such is the case.

26.4 The Executive agrees that the Executive's work for the Company will be the Executive's own original work and the Executive will not violate the intellectual property rights of third parties. The Company does not want and does not need any confidential

information relating to any former employer of the Executive and the Executive agrees not to copy, use or disclose such information.

**27. Payment in Lieu of Notice**

27.1 The Company may, in its sole and absolute discretion, terminate this Agreement and the Executive's employment under this Agreement at any time and with immediate effect by notifying the Executive that the Company is exercising its right under this clause 27 and that it will make a payment in lieu of notice ("**PILON**") to the Executive. The Executive's employment will terminate immediately or on such date as the Company notifies the Executive in writing and any PILON due to the Executive in accordance with the provisions of this clause 27 will be paid within one month of the Termination Date. The PILON will be equal to the basic salary (as at the Termination Date) which the Executive would have been entitled to receive under this Agreement during the notice period (or, if notice has already been given, during the remainder of the notice period) less deductions required by law.

27.2 The Executive shall have no right to receive a PILON unless the Company has exercised its discretion in clause 27.1. Nothing in this clause 27 shall prevent the Company from terminating the Executive's employment in breach.

27.3 Notwithstanding clause 27.1, the Executive shall not be entitled to any PILON if the Company would otherwise have been entitled to terminate the Executive's employment under this Agreement without notice in accordance with clause 28. In that case the Company shall also be entitled to recover from the Executive any PILON or any instalments already made.

27.4 The Company may, in its sole and absolute discretion, make the payment due under clause 27.1 either as a lump sum within one month of the Termination Date or in monthly instalments in arrear paid on the normal payroll dates starting with the month following the Termination Date and ending on the normal payroll date in the month when notice of termination would have expired.

**28. Termination Without Notice**

28.1 The Company may terminate the Executive's employment under this Agreement with immediate effect without notice and with no liability to make any further payment to the Executive (other than in respect of amounts accrued at the Termination Date) if in the reasonable opinion of the Company the Executive:

28.1.1 is guilty of gross misconduct; or

28.1.2 commits any serious or repeated breach or non-observance of any of the provisions of this Agreement or refuses or neglects to comply with any reasonable and lawful directions of the Company; or

28.1.3 is grossly negligent or grossly incompetent in the performance of their duties; or

28.1.4 is declared bankrupt or makes any arrangement with or for the benefit of their creditors or has a county court administration order made under the County Court Act 1984; or

28.1.5 is convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed); or

28.1.6 is disqualified from acting as a director or resigns as a director from the Company or any Group Company without the prior written approval of the Company; or

28.1.7 commits any material breach of the Company's policies or procedures; or

28.1.8 is no longer eligible to work in the United Kingdom; or

28.1.9 is guilty of any fraud or dishonesty or acts in any manner which brings or is likely to bring the Executive or any Group Company into disrepute or is materially adverse to the interests of any Group Company.

28.2 The rights of the Company under clause 28.1 are without prejudice to any other rights that it might have at law to terminate the Executive's employment or to accept any breach of this Agreement by the Executive as having brought the Agreement to an end. Any delay by the Company in exercising its rights to terminate shall not constitute a waiver thereof.

28.3 The Company may suspend the Executive from any or all of the Executive's duties during any period in which the Company is investigating any disciplinary matter involving the Executive or while any disciplinary procedure or regulatory investigation is outstanding. The Company may also suspend the Executive for such period as it considers fit if the Board considers that the Executive is failing to satisfactorily perform their duties or if the Board considers it necessary or expedient to do so to comply with its regulatory obligations or safeguard its legitimate interests. Any such suspension shall not constitute disciplinary action. During any period of suspension, the Company may impose the same conditions that apply to Garden Leave.

**29. Garden Leave**

29.1 Following service of notice to terminate the employment by either party, or if the Executive purports to terminate the employment in breach of contract, the Company may, in its sole and absolute discretion, by written notice place the Executive on Garden Leave for the whole or any part of the remainder of the employment.

29.2 During any period of Garden Leave:

29.2.1 the Company shall be under no obligation to provide any work to the Executive and may revoke any powers the Executive holds on behalf of any Group Company;

29.2.2 the Company may require the Executive to carry out alternative duties or to only perform such specific duties as are expressly assigned to the Executive, at such location (including the home of the Executive) as the Board may reasonably decide;

29.2.3 the Company may appoint another person to carry out the Executive's normal duties;

29.2.4 the Executive shall continue to receive their basic salary which the Executive would have been entitled to receive under this Agreement were the Executive not on Garden Leave and to receive contractual benefits in the usual way subject to the terms of any benefit scheme or arrangement but shall not be entitled to receive any bonus, commission or other incentive in respect of the period of Garden Leave;

29.2.5 the Executive shall remain an employee of the Company and bound by the terms of this Agreement (including any implied duties of good faith and fidelity);

29.2.6 the Executive shall be contactable during each working day (except during any periods expressly taken as holiday in the usual way in accordance with the Company's holiday policy);

29.2.7 the Company may exclude the Executive from any premises of any Group Company, require the Executive to return any Group Company property and remove the Executive's access from some or all of its information systems; and

29.2.8 the Company may require the Executive not to contact or deal with (or attempt to contact or deal with) any officer, employee, consultant, client or other business contact of any Group Company as it may reasonably determine.

**30. Obligations Upon Termination**

30.1 On Termination, or on the Company exercising its right to place the Executive on Garden Leave under clause 29, or at the Company's request any time during the Executive's employment, the Executive shall unless otherwise directed by the Company:

30.1.1 immediately deliver to the Company:

a) all Confidential Information and Copies;

b) all property belonging to or leased by any Group Company in satisfactory condition, including, without limitation, all keys, security passes, identity badges, company credit cards, mobile telephones, computers, mobile devices, computer disks, tapes or other software storage media; and

c) all documents, books, materials, records, files, correspondence, papers, customer/ client lists, and other information relating to the business or affairs of any Group Company (on whatever media and wherever located) and any copies thereof relating to the business or affairs of any Group Company or its/their business contacts, which the Executive has in their possession or which is under the Executive's control;

30.1.2 absent a legal hold to the contrary, irretrievably delete any information relating to the business or affairs of any Group Company, including, without limitation, any Confidential Information and Copies and any such data and software which is licensed to any Group Company, that is stored on any magnetic or optical disk or memory or other equipment, including on any personal computer, personal device, personal email account, personal accounts on websites, and all matter derived from such sources which the Executive has in their possession or which is under the Executive's control outside the premises of any Group Company;

30.1.3 inform the Company of any passwords or other encryption used by the Executive on devices which are the property of any Group Company;

30.1.4 provide a signed statement confirming full compliance with the obligations under this clause with such reasonable evidence of compliance as the Company may request; and

30.1.5 not make publish or issue or cause to be made, published or issued any adverse, disparaging, untrue or derogatory statements concerning the Company, any Group Company, or any of their respective employees or officers or workers.

**31. Post Termination Restrictions**

The Executive agrees to be bound by the restrictive covenants contained in Schedule 1 to this Agreement.

**32. Statutory Particulars**

32.1 The Executive is subject to the Company's disciplinary and grievance procedures, copies of which are available from Human Resources although the Company reserves the right to deviate from these procedures in light of the Executive's seniority. These procedures do not form part of the Executive's contract of employment.

32.2 If the Executive wishes to raise a grievance or appeal a disciplinary decision the matter should be raised in writing with Senior Vice President, General Counsel.

32.3 There is no collective agreement which affects the Executive's employment or this Agreement.

32.4 The Company imposes mandatory training requirements in relation to the Executive and details of the Company's policies regarding the provision of training are available from the Human Resources Department. The Company bears the cost of this training.

32.5 The Executive may be eligible for other paid leave, including sick leave, maternity/paternity leave, adoption leave, shared parental leave, bereavement leave for immediate family as well as any other statutory leave entitlements under applicable UK legislation, in accordance with the Company's current policies, provided that the Executive complies with the relevant statutory and other conditions and requirements in order to be entitled to the leave and pay. Copies of the Company's policies (which do not form part of the Executive's terms and conditions of employment) are available from Human Resources Department. Any payment made in relation to such leave will be:

32.5.1 inclusive of any statutory entitlement to which the Executive may be entitled; and

32.5.2 subject to:

(a) the terms of the relevant policy as amended from time to time by the Company in its sole and absolute discretion; and

the Company's right to replace, amend or discontinue all and any benefits schemes in its sole and absolute discretion at any time.

**33. Workplace Privacy**

33.1 The Company will collect and process information relating to the Executive and the Executive's attention is drawn to the Company's Personnel Privacy Notice which [is on the Company's website.

33.2 The Executive consents to the Company monitoring their communication and electronic equipment including, without limitation, the Company's telephone, chat and e-mail systems, information stored on the Company's computer equipment (including all electronically stored information that is the property of the Company), recordings from the Company's closed circuit television cameras and any other computer equipment or other device used by the Executive in the performance of their duties.

**34. Indemnity and Assignment of Claims**

34.1 The Company will indemnify, hold the Executive harmless, and provide the Executive with a defense with respect to any civil claim, lawsuit, demand, or other legal proceeding, including any and all claims for damages, fees, expenses, and costs (including attorneys' fees and court costs) (collectively "Claims") brought against the

Executive because of, or related to, any act or service performed by the Executive as an employee of the Company, provided such act or service is within the scope of the Executive's authority and is performed by the Executive in good faith and with the reasonable belief that such act or service is in the best interest of the Company. This indemnification is in addition to any coverage provided to the Executive by some other authority, including director and officer liability insurance.

34.2 The Executive understands and agrees that, with respect to the Company's performance of its indemnity obligations under this section, the Company has the exclusive right to select counsel for the Executive, make any decisions concerning settlement or other resolution, and otherwise control the Executive's defense of Claims brought against the Executive. The Executive understands and agrees to fully cooperate with assigned counsel and make themself available to work with counsel and/or the Company in defending against any Claims. However, in the event a conflict of interest exists between the Company and the Executive that cannot be resolved via mutual waivers, the Company and the Executive agree to mutually select new independent counsel to solely represent the Executive at the Company's expense for reasonable fees and costs. In all instances, the Company's selection of counsel or decision to obtain separate counsel for the Executive will be done in consultation with the Executive and not unreasonably withheld by the Company.

**35. General**

35.1 The Executive will, at the request of the Company at any time after the Termination Date, co-operate with and provide assistance to any Group Company in any internal investigation, administrative, regulatory, quasi-judicial proceedings or any threatened or actual litigation concerning any Group Company where the Executive is aware of any facts or other matters which the Company reasonably considers is relevant to such process or legal proceedings (including, but not limited to, giving a candid and accurate account of events, giving statements/affidavits, meeting with their legal and other professional advisers, attending any legal hearing and giving evidence) and shall not cooperate with or otherwise give any information to any other party unless legally required to do so in which case the Executive will (so far as they are legally permitted to do so) give advance notice to the Company.

35.2 If the Executive's employment is terminated at any time by reason of any reconstruction or amalgamation of any Group Company, whether by winding up or otherwise, and the Executive is offered employment with any concern or undertaking involved in or resulting from the reconstruction or amalgamation on terms which (considered in their entirety) are no less favourable to any material extent than the terms of this Agreement, the Executive acknowledges and agrees that there shall be no claim against the Company or any undertaking arising out of or connected with such termination.

35.3 Executive will be eligible for the Executive Benefits Protection Program ("EBPP") 3A, which sets forth benefits following a Change in Control, termination from employment without Cause or resignation for Good Reason. Cause and Good Reason following a Change in Control are terms defined in the EBPP 3A. The benefits under the EBPP are inclusive of any PILON, Garden Leave, and/or statutory entitlement to which the Executive may be entitled.

35.4 This clause applies if the Executive subscribes for or is awarded shares in the Company or any Group Company or participates in any share option, restricted share, restricted share unit, long term incentive, carried interest, co-invest or any other form of profit sharing, incentive, bonus or equity plan or arrangement (each, an "**Incentive**") or may do so. Upon Termination, the Executive's rights (if any) in respect of each Incentive shall be solely determined by the articles of association, rules or other documents governing each Incentive which are in force on the Termination Date and the Executive hereby irrevocably waives all claims or rights of action in respect of the loss of any rights or benefits under or in respect of any Incentive granted or not yet granted to the Executive (including any loss relating to the lapse of, or their ineligibility to exercise, any share options, the value of any shares, the operation of any compulsory transfer provisions or the operation of any vesting criteria).

35.5 A notice given to a party under this Agreement shall be in writing in the English language and delivered in accordance with the provisions of this clause 35.5. It shall be delivered:

35.5.1 by hand (in the case of a notice to the Company) to the CEO or Chief Human Resources Officer of the Hershey Company ("CHRO") or (in the case of a notice to the Executive) to the Executive;

35.5.2 by first class post or other next day delivery service or by courier to the other party at the address given for that party in this Agreement or such other address as notified in writing from time to time; or

35.5.3 by email (in the case of a notice to the Company) to the Company email address of the CEO or CHRO and (in the case of a notice to the Executive) to their personal email address, or at such other email address as notified in writing from time to time.

Any such notice shall be deemed to have been received, if sent by first class post or other next day delivery service at 9am on the next working day after posting, if delivered by hand or sent by courier at the time of delivery, and if sent by email at the time of transmission.

35.6 This Agreement, any document referred to in it and the Grantee Confidentiality and Restrictive Covenant Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter including without limitation the offer letter sent to the Executive on June 25, 2026.

35.7 The Executive agrees that in entering into this Agreement the Executive does not rely on and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not expressly set out in this Agreement. The Executive waives any claim for innocent or negligent misrepresentation or negligent misstatement including in respect of any statement set out in this Agreement.

35.8 No other variation or agreed termination of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorized representatives). If the Executive commences employment or continues in employment without executing a copy of this Agreement and fails to object within one month of the Commencement Date then the Executive will be deemed to have agreed to its terms.

35.9 The Executive shall not be contractually entitled to receive any benefit from the Company which is not expressly provided for by this Agreement.

35.10 This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, and all the counterparts together shall constitute one and the same agreement.

35.11 No provision of this Agreement is intended to be enforceable by a third party who is not a party to this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999.

35.12 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the Commonwealth of Pennsylvania, United States of America.

35.13 Each party irrevocably agrees that the federal or state court for the United States District Court for the Middle District of Pennsylvania, or the Court of Common Pleas of Dauphin Country, Pennsylvania shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

## SCHEDULE 1

## POST TERMINATION RESTRICTIONS

(1) In this Schedule, the following terms not otherwise defined in the Agreement shall have the following meanings unless the context requires otherwise:

"**Look Back Period**" the period of 12 months before the Termination Date;

"**Restricted Business**" those parts of the business of the Company and any Group Company with which the Executive was either:

(a) involved to a material extent; or

(b) privy to Confidential Information, in each case during the Look

Back Period.

"**Restricted Client**" any firm, company or person who, during the Look Back Period was either a client or customer of or was otherwise in the habit of dealing with the Company or any Group Company and with (or in relation to) whom or which the Executive either:

(a) had material personal contact; or

(b) was privy to Confidential Information, in each case during the Look

Back Period.

"**Restricted Person**" anyone employed or engaged by or otherwise working for the benefit of the Company or any Group Company with (or in relation to) whom either the Executive:

(a) personally dealt to any material extent; or

(b) was privy to Confidential Information, in each case during the Look

Back Period.

"**Restricted Prospective Client**" any firm, company or person who was a prospective client or customer of the Company or any Group Company with whom or which the Company or any Group Company has been in negotiations during the Look Back Period or had expended significant time or resources and with whom or which the Executive:

(a) had material personal contact; or

(b) was privy to Confidential Information,

in each case during the Look Back Period.

(2) To protect the Confidential Information, trade secrets and business connections of the Company and each Group Company to which the Executive has access as a result of the employment, the Executive covenants with the Company (for itself and as trustee and agent for each Group Company) that the Executive shall not:

(a) for twelve (12) month(s) after the Termination Date, solicit or endeavour to entice away from the Company or any other Group Company the business or custom of a Restricted Client in competition with any Restricted Business; or

(b) for twelve (12) month(s) after the Termination Date, be involved with the provision of products or services to (or otherwise have any business dealings with) any Restricted Client in the course of any business concern which is in competition with any Restricted Business; or

(c) for twelve (12) month(s) after the Termination Date, solicit or endeavour to entice away from the Company or any other Group Company the business or custom of a Restricted Prospective Client in competition with any Restricted Business; or

(d) for twelve (12) month(s) after the Termination Date, be involved with the provision of products or services to (or otherwise have any business dealings with) any Restricted Prospective Client in the course of any business concern which is in competition with any Restricted Business; or

(e) for twelve (12) month(s) after the Termination Date, in the course of any business concern, offer to employ or engage or otherwise endeavour to entice away from the Company or any other Group Company any Restricted Person; or

(f) for twelve (12) month(s) after the Termination Date, in the course of any business concern which is in competition with any Restricted Business, employ or engage or otherwise facilitate the employment or engagement of any Restricted Person, whether or not such person would be in breach of contract as a result of such employment or engagement; or

(g) for twelve (12) month(s) after the Termination Date, be employed by, work for the benefit of, engaged by, interested in or concerned with any business concern which is (or intends to be) in competition with any Restricted Business for the purposes of providing services the same as or similar to those the Executive provided to the Company or any Group Company; or

(3) The Executive covenants with the Company (for itself and as trustee and agent for each Group Company) that the Executive shall not at any time after the Termination Date, represent any connection with any Group Company in any Capacity, other than as a former employee, or use any registered business names or trading names associated with any Group Company.

(4) None of the restrictions in this Schedule shall prevent the Executive from:

(a) holding a Permitted Investment; or

(b) being engaged or concerned in any business concern insofar as the Executive's duties or work shall relate solely to geographical areas where the business concern is not in competition with any Restricted Business.

(5) The restrictions imposed on the Executive by this Schedule apply to the Executive acting:

(a) directly or indirectly; and

(b) in any Capacity, on their own behalf or on behalf of, or in conjunction with, any firm, company or person.

(6) The periods for which the restrictions in paragraph (2)(a) to 2(g) above apply shall be reduced by any period that the Executive spends on Garden Leave immediately before the Termination Date.

(7) The Executive agrees that the restrictions contained in this Schedule shall apply in relation to all Restricted Clients notwithstanding that such Restricted Clients may have been introduced to the Company or any Group Company by the Executive.

(8) If the Executive receives an offer to be involved in a business concern in any Capacity during employment, or before the expiry of the restrictions set out in paragraph (2) above, the Executive shall give the person making the offer a copy of this Schedule and all relevant definitions and shall tell the Company the identity of that person as soon as possible after accepting the offer.

(9) Each sub-paragraph (2)(a) to (2)(g), each definition set out in this Schedule, each limb of each such definition and each operative word within each sub-paragraph or definition is agreed to be a separate and severable restriction, notwithstanding that they are combined together for the sake of brevity. The parties agree that if any such restrictions shall be held to be void but would be valid if part of: (a) the wording of such restriction were deleted, such restriction shall apply with such deletion or modification (including but not limited to a single word or words) as may be necessary to make it valid or effective; and (b) the wording of any definition were deleted, such restriction shall apply with such deletion or modifications (including but not limited to a single word or words) as may be necessary to make it valid or effective but the deletion or modification in that definition shall not apply to any other restriction, so that each definition is deemed to be repeated each time it is used.

(10) Notwithstanding that the duration of the restriction in sub-paragraph (2)(g) above (the "**Non-Compete Period**") is necessary to protect the legitimate interests of the Group and is reasonable in scope and duration, if, after the date of this Agreement, legislation is enacted that would impose a statutory limit on the duration of such restriction, the Executive acknowledges and agrees that the Non-Compete Period shall be reduced in time to the maximum of such statutory limit with such deletion or modification to the wording of such restriction as may be necessary to make the restriction valid or effective in accordance with such legislation.

(11) If the employment of the Executive is transferred to any firm, company, person or entity other than a Group Company (the "**New Employer**") pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006, the Executive will, if required, enter into an agreement with the New Employer containing post termination restrictions corresponding to those restrictions in this Schedule, protecting the confidential information, trade secrets and business connections of the New Employer.

(12) The Executive shall indemnify each Group Company against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by each Group Company arising out of or in connection with the Executive's actual or alleged breach of the obligations set out in this Schedule or in the event the Executive asserts that the obligations set out herein are unenforceable.

(13) The Executive enters into each of the restrictions in this Schedule for the benefit of the Company on its own behalf and as trustee for each Group Company. The Executive will, at the request and expense of the Company, enter into a separate agreement with any Group Company in which the Executive agrees to be bound by restrictions corresponding to those restrictions in this Schedule in relation to that Group Company.

(14) The Executive has had the opportunity to obtain legal advice on the terms of this Agreement. The Executive acknowledges that the restrictions are necessary to protect the legitimate interests of the Group and are reasonable in scope and duration.

(15) The Executive acknowledges that if the Executive breaches the restrictions set out in this Schedule the Company will suffer irreparable loss, damages will not be an adequate remedy and the Company should be entitled to injunctive relief.

## SCHEDULE 2 PERMITTED DISCLOSURES

The disclosures referred to in clause 25 of this Agreement are as follows:

1. making a "protected disclosure" within the meaning of Part 4A (Protected Disclosures) of the Employment Rights Act 1996;

2. in respect of criminal conduct where the Executive is or reasonably believes that they are a victim of that conduct (within the meanings of sections 1(1), 1(2) and 1(4) of the Victims and Prisoners Act 2024) to:

    a. the police or any other body tasked with investigating or prosecuting crime (e.g. the Health and Safety Executive, Financial Conduct Authority, Information Commissioner's Office, Serious Fraud Office), for the purpose of investigating or prosecuting the criminal conduct;
    b. a qualified lawyer, for the purpose of seeking legal advice about the criminal conduct;

c. any individual who is entitled to practise a regulated profession (such as a regulated healthcare professional), for the purpose of obtaining professional support in relation to the criminal conduct;
d. any individual who provides a service to support victims, for the purpose of obtaining support from that service in relation to criminal conduct;
e. a regulator of a regulated profession for the purpose of co-operating with the regulator in relation to the criminal conduct;
f. the Criminal Injuries Compensation Authority, for the purpose of a claim for compensation in relation to relevant conduct under the Criminal Injuries Compensation Scheme or the Victims of Overseas Terrorism Compensation Scheme;
g. a court or tribunal, for the purpose of issuing or pursuing any proceedings in relation to a decision of the Criminal Injuries Compensation Authority made in connection with a claim mentioned in paragraph 2(f) above;
h. a person who is authorised to receive information on behalf of a person mentioned in paragraphs 2(a) to (f) above, or on behalf of a court or tribunal mentioned in paragraph 2(g), for the purpose mentioned in the paragraph in question;
i. a child, parent or partner of the person making the disclosure, for the purpose of obtaining support in relation to the criminal conduct,

provided that, in each case, such disclosure is not made for the primary purpose of releasing the information into the public domain.

3. making a disclosure permitted under sections 135 and 136 of the Employment Rights Act 2025;

4. disclosing information to any professional advisers, including legal, tax advisor and/or medical professionals or counsellors where it is necessary to do so for the purposes of receiving professional advice and provided that such person is also bound by a duty of confidentiality (which remains unwaived);

5. reporting an offence or suspected offence to the police or any other applicable law enforcement agency and/or cooperating with the police or any other applicable law enforcement agency regarding a criminal investigation or prosecution;

6. complying with an order from a court or tribunal to disclose or give evidence;

7. reporting misconduct, wrongdoing or any serious breach of regulatory requirements to any supervisory authority responsible for supervising or regulating the relevant matter in question and/or cooperating with any such supervisory authority (including giving evidence at a hearing); or

8. making any other disclosure as required by law or regulation.

**EXECUTION:**

**This Agreement has been executed and delivered as a Deed and takes effect on the date stated at the beginning of it.**

Executed as a deed by HERSHEY UK FINANCE LTD. acting by **KATHLEEN PURCELL**, a director,

/s/Kathleen Purcell
.....
Signature

in the presence of:
/s/Kathleen H. Miller
.....
Witness's Signature
Name of witness Kathleen H. Miller

Address of witness

Occupation of witness

Assoc. Manager, Corporate Entity and Board Support

Signed as a deed by **AMANDA ALMOND**

/s/Amanda Almond
.....
Signature

in the presence of:

/s/Jason Almond
.....
Witness's Signature

Name of witness Address
of witness

Occupation of witness

Jason Almond
.....
Retired

**Exhibit 31.1**

**CERTIFICATION**

I, Kirk Tanner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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/ KIRK TANNER

**Kirk Tanner**
**Chief Executive Officer**
**(Principal Executive Officer)**
**October 29, 2026**

**Exhibit 31.2**

**CERTIFICATION**

I, Dave Hulays, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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/ DAVE HULAYS

**Dave Hulays**
**Chief Financial Officer**
**(Principal Financial Officer)**
**October 29, 2026**

**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, to the best of their knowledge, that the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 27, 2026 (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: October 29, 2026

/s/ KIRK TANNER

**Kirk Tanner**
**Chief Executive Officer**
**(Principal Executive Officer)**

Date: October 29, 2026

/s/ DAVE HULAYS

**Dave Hulays**
**Chief Financial Officer**
**(Principal 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.