

GLOBAL CHALLENGES FACED BY HERSHEY'S

Hershey's has turned itself from a local shop in Lancaster, Pennsylvania, into a worldwide confectionary giant known for its excellent innovations and development. The company is now reputed to be among the few healthiest chocolate brands in the whole world, having relatively low chocolate content. Today, Hershey has revenues of more than \$7 billion today and operates in 90 countries with over 20,000 employees in the whole world (THE HERSHEY COMPANY, 2025). The company has also been praised time and again for its adherence to sustainability as well as environmental conservation.

1

ECONOMIC RISK MANAGEMENT

Hershey's has a strong balance sheet, proper debt profile management, and an optimised capital structure managing the financial risks associated with the business. The debt-equity ratio of the company is low, it uses derivatives to manage foreign currency and commodity price risks. This approach minimises the possibility of risk, reduces transaction costs, and maximises profit for the company. It has a fair spread across North America, Asia, and Latin America, which eventually helps the company reduce its reliance on one single market (Hershey's 2022 Annual Report). Apart from this, it follows macroeconomic trends- inflation, interest rates, and currency fluctuations, through the help of which it can modify its price, production, and sourcing strategies.



4

OPERATIONAL RISK MANAGEMENT

Operational risk management at Hershey's is conducted with the help of robust quality control systems, resilient supply chain networks and a strong cybersecurity posture. The broader process includes the utilisation of a company policy called the Global Quality Policy (Hersheyland, 2025). The identification of operational risks is also crucial to the process and Hershey's strives to identify them and mitigate them effectively through frequent assessments.

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SOCIO-CULTURAL AND ETHICAL DRIVERS AFFECTING BUSINESS STRATEGY

The business strategy of Hershey's is a multi-layered one, with socio-cultural and ethical considerations. This is the reason, therefore, it becomes easy for the company to adapt to changing values and norms (Hershey, 2020). It is responsible for its practices and embraces cultural diversity with local tastes. All legal compliance and sustainability issues can be addressed through ethics. Reducing environmental impact as well as addressing climate change and social justice concerns are some of the most significant priorities of the company.

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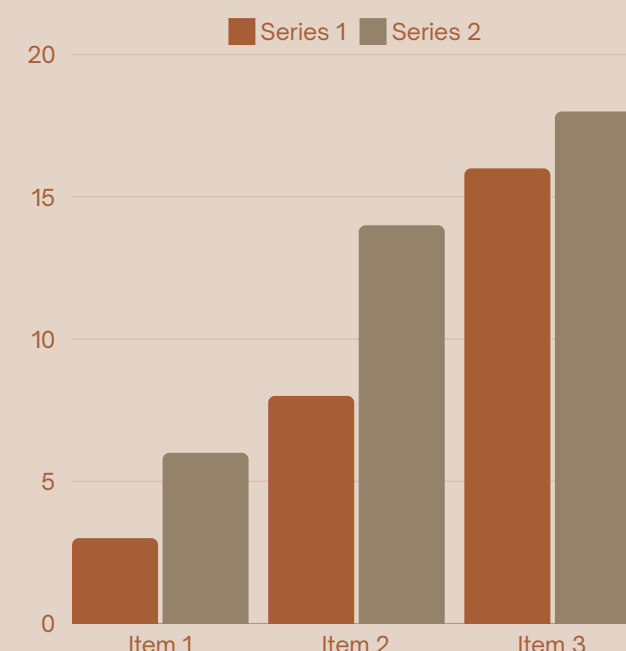
LEGAL & REGULATORY CHALLENGES IN FOREIGN MARKETS

Legal and regulatory measures taken by Hershey include food product regulations and so on. These are the rules that the company has to adhere to in order to function smoothly. Food safety law compliance, labelling, and packaging are just a few of the requirements that create issues for the company (European Union, 2025). Moreover, the company earns intellectual property protection in foreign markets. Hershey has even had legal tussles with China for copyright infringement.

3

STRATEGIC SOLUTIONS

Establishing a compliance department together with a framework for risk management could help Hershey's deal with all the legal and regulatory hurdles. It has to do community networking, training employees, and developing a strong supply chain management system (Liberty Mutual Business Insurance, 2022). Seeking expert advice and developing a crisis management plan would have minimised risk exposure while enhancing the reputation of a responsible business.



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