



HORMEL FOODS CORPORATE RESPONSIBILITY

2019 CR Report



CSR.HORMELFOODS.COM

About This Report

Our progress is measured not only in the dollars we make, but in the lives we touch and the communities we lift.

For the last 14 years, we have been proud to share our corporate responsibility efforts and achievements. Our 2019 report has been developed in collaboration with the Hormel Foods Corporate Responsibility Council and other company experts, and was reviewed and approved by the council, experts and the respective vice presidents who oversee relevant topics. Our report has also been reviewed by our executive-level Corporate Responsibility Steering Committee.

As in past years, this 2019 Hormel Foods Corporate Responsibility Report is an annual report designed to provide useful information for our stakeholders, who include employees, customers, consumers, investors, suppliers, nongovernmental organizations, government agencies and communities. It follows the GRI Standards established by the Global Reporting Initiative (GRI) and covers anecdotal and benchmark data from fiscal year 2019, unless otherwise noted. All other boundary-related information for this report can be found in the boundary and measurement section. Our previous reports covered fiscal years 2006 to 2018.

CONTACT US

We gladly welcome your feedback about this report and/or corporate responsibility at Hormel Foods.

Email

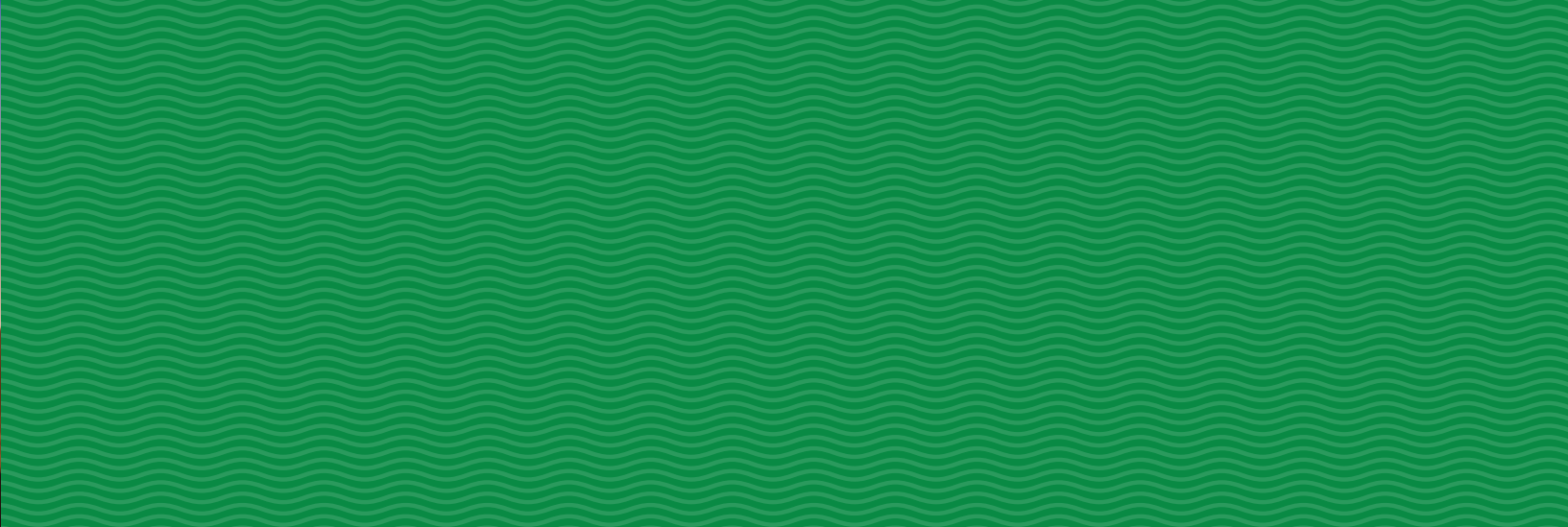
SUSTAINABILITY@HORMEL.COM

Call Consumer Engagement

1-800-523-4635

Use our Contact Form

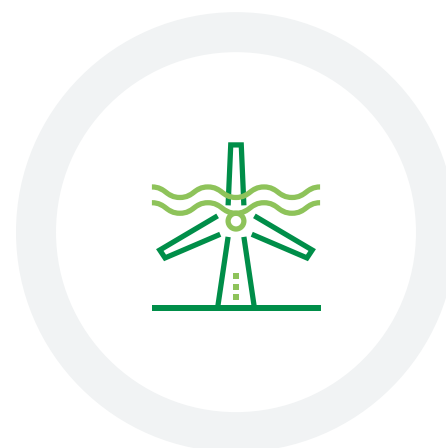
[HORMELFOODS.COM/ABOUT/CONTACT-US](https://www.hormelfoods.com/about/contact-us)



Our Goals

Our 2020 environmental goals are being measured against base year 2011 and include greenhouse gas (GHG) emissions, energy, water and solid waste.

Our packaging minimization goal was established in fiscal year 2012, and we also monitor progress toward goals designed to support animal care, sodium reduction, innovation, employee safety, inclusion and diversity, and communities. Many of our goals support the Sustainable Development Goals to end poverty, protect the planet and ensure prosperity for all.



GREENHOUSE GAS EMISSIONS

GOAL: Reduce GHG emissions by 10% by 2020.

PROGRESS

In 2019, we reduced over 8,500 metric tons of GHG emissions from our manufacturing operations — 77 percent of our goal when combined with our previous progress.



ENERGY

GOAL: Reduce nonrenewable energy use by 10% by 2020.

PROGRESS

In 2019, we reduced energy use by more than 44,000 MMBtu. We have surpassed our reduction target by 18 percent.



WATER

GOAL: Reduce water use by 10% by 2020.

PROGRESS

After exceeding our goal to reduce water use in 2016, we implemented additional projects that reduced water use by over 93 million gallons in 2019.

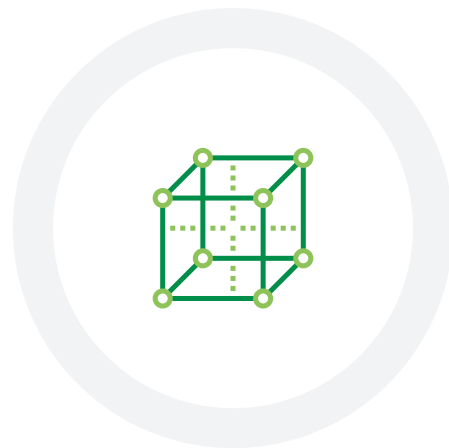


SOLID WASTE

GOAL: Reduce solid waste sent to landfills by 10% by 2020.

PROGRESS

After surpassing our goal in 2014, we continue to achieve additional reductions. In 2019, we implemented projects that reduced the amount of solid waste sent to landfills by 13 tons.



PACKAGING MINIMIZATION

GOAL: Reduce product packaging by 25 million pounds by 2020.

PROGRESS

In 2019, we reduced product packaging by 1.5 million pounds* and surpassed our goal.



ANIMAL WELFARE

GOAL: Maintain the highest standards for animal welfare and handling throughout our entire supply chain.

PROGRESS

In 2019, more than 1,800 audits were conducted to ensure our standards are being met.



INNOVATION

GOAL: Deliver 15% of sales in the year 2020 generated from products created in the last five years.

PROGRESS

At the end of 2019, 14.7% of our sales came from innovative new items.



EMPLOYEE SAFETY

GOAL: Provide a safe workplace for all employees and reduce our injury/illness rates each year.

PROGRESS

	2018	2019
Total Case Incident Rate	2.7	2.6
Days Away From Work Injury And Illness	.46	.52
Days Away, Restricted Or Transfer	1.89	1.77



INCLUSION AND DIVERSITY

GOAL: Promote a more inclusive and diverse workplace.

PROGRESS

In 2019, 52% of our team was represented by ethnic minorities.

SODIUM REDUCTION

GOAL: Reduce sodium levels in select products within our branded retail product portfolio by an average of 15%.

PROGRESS

29%

CHI-CHI'S®, Herdez® and La Victoria® tortillas

15%

Hormel® chili with beans

11%

Hormel® Cure 81® retail hams

17%

Hormel® smoked pork loins

28%

Hormel® Canadian bacon

18%

Hormel® Compleats® microwave meals

7%

Hormel® refrigerated entrees

21%

Valley Fresh® chicken and turkey



COMMUNITIES

GOAL: Help others through our focus areas of hunger, education and supporting the local communities where we operate.

PROGRESS

We donated more than \$7 million in cash and products in 2019.

*Savings are estimated annualized savings based on a full year of volume.



From our CEO

We are proud of the progress we have made as a leading corporate citizen in our industry and are excited to share our 14th annual report with you.

Welcome, and thank you for visiting the 2019 Hormel Foods Corporate Responsibility Report. At Hormel Foods, we know that building social value and creating economic value are not competing goals, and we are inspired to do our part in making the world a better place. In fact, we continue to be recognized for our efforts. We were honored to once again be named one of the 100 Best Corporate Citizens by Corporate Responsibility Magazine. We were also named one of America's Most Responsible Companies by Newsweek, one of the World's Best Employers by Forbes and a Best for Vets Employer by Military Times.

As part of *Our Food Journey™*, we aim to produce food responsibly for customers and consumers around the world by:

- Investing in our people and partners;
- Improving communities around the world; and
- Creating products that improve the lives of others.

I'm pleased to share the following 2019 highlights in these areas:



OUR GOALS

After surpassing our goals to reduce solid waste sent to landfills, water use and nonrenewable energy use by 10 percent by 2020 in previous years, we continued to implement projects to achieve further reductions. We are also pleased to report that in 2019 we surpassed our goal to reduce product packaging by 25 million pounds by 2020.



ANIMAL CARE AND ANTIBIOTIC STEWARDSHIP

To ensure our high standards for animal care are being met throughout our supply chain, more than 1,800 audits were conducted. In 2019, we made a commitment to report the antibiotic usage for some of the farms within our supply chain. This report will be published in January of 2021, and we will share our report and recommendations through this pilot project with others in the industry.



SODIUM REDUCTION AND CLEAN-LABEL INITIATIVE EFFORTS

We launched over 500 new retail and foodservice items, with many targeted toward our sodium reduction and clean-label initiative efforts.



INCLUSION, DIVERSITY AND EMPLOYEE SAFETY

Our inspired employees are the cornerstone of our company. We continue to place great emphasis on our inclusion and diversity efforts and have nine employee resource groups in place. We also continue to put the safety of our employees first by focusing on training, audits and improving our safety performance year over year.



CHARITABLE GIVING

We donated more than \$7 million in cash and products. This includes \$5.9 million in donations to fight hunger, our donation of 2.5 million cans of SPAMMY® (a shelf-stable poultry product to help prevent childhood malnutrition in Guatemala) and more than \$780,000 in education donations.

I would like to thank all of our team members as well as our partners and suppliers, as it takes everyone working together to achieve these outstanding results. And while we celebrate these achievements, we realize there is more to accomplish on this journey. In fact, we look forward to advancing our efforts even more and announcing our new corporate responsibility goal set.

Please read more about our progress in this online report. As always, email Sustainability@Hormel.com to share any feedback you may have about our report or our corporate responsibility efforts.

Thank you,

Jim Snee
Chairman of the Board,
President and Chief Executive Officer

Key Topics Assessment

On a biennial basis, we use a third party to help research, analyze and assess the key topics affecting Hormel Foods and the food industry.

To inform our reporting and corporate responsibility objectives, Hormel Foods engaged with BSR, a nonprofit sustainability consultancy and business network, in 2017 to help us identify, prioritize and understand the topics most relevant to our business and our stakeholders. Topics were identified based on our prior assessment, industry trends and global corporate responsibility megatrends. The topics were then prioritized based on input from senior executives, our Corporate Responsibility Council and key external stakeholders, who offer a broad and diverse perspective on Hormel Foods. We engaged senior executives representing key business functions and members of our Corporate Responsibility Council to validate our assessment and key topics.

ABOUT THIS REPORT/ABOUT HORMEL FOODS

KEY TOPICS	LOCATION
Business ethics	Ethics, Governance & Risk
Corporate responsibility governance	About Hormel Foods – Governance & Financials
Lobbying, disclosure and political contributions	About Hormel Foods – Public Policy
Responsible marketing	About Hormel Foods – Responsible Marketing
Transparency, reporting and stakeholder engagement	About This Report – Stakeholder Feedback

PRODUCTS

KEY TOPICS	LOCATION
Consumer education and information	Products – Consumer Education & Information
Consumer health and safety	Products – Nutrition & Wellness Products – Food Safety & Quality Products – Consumer Education & Information
Food safety and quality	Products – Food Safety & Quality
Food access and affordability	Products – Food Access & Affordability
GMOs	Products – Ingredients
Nutrition and wellness	Products – Nutrition & Wellness
Safe packaging	Products – Food Safety & Quality

SUPPLY CHAIN

KEY TOPICS	LOCATION
Animal care	Supply Chain – Animal Care
Antibiotics	Supply Chain – Antibiotic Stewardship
Farmer livelihoods	Supply Chain – Farmer Livelihoods
Responsible sourcing and supply chain management	Supply Chain
Sustainable agriculture	Supply Chain – Sustainable Agriculture

ENVIRONMENT

KEY TOPICS	LOCATION
Air emissions	Environment – Greenhouse Gas Emissions
Climate change	Environment
Energy use and efficiency	Environment – Energy
Environmental compliance	About This Report – Data Summary Environment
Food waste and loss	Environment – Waste
Packaging footprint	Environment – Packaging
Renewable energy	Environment – Energy
Sustainable agriculture	Environment – Water

Waste management	Environment – Waste
Wastewater management	Environment – Water
Water use	Environment – Water
PEOPLE	
KEY TOPICS	LOCATION
Employee health and wellness	People – Safety, Health & Wellness
Employee recruitment and retention	People – About Our Employees
Human Rights	People – Human Rights
Inclusion and diversity	People – Inclusion & Diversity
Occupational health and safety	People – Safety, Health & Wellness
COMMUNITY	
KEY TOPICS	LOCATION
Community impacts	Environment People Community
Distribution of profits	Community 2019 Annual Report
Food relief	Community – Hunger
Philanthropy	Community – Philanthropy

Stakeholder Feedback

The information within this report covers topics based on Global Reporting Initiative Standards and relevancy to our business and our stakeholders.

To select content, we assessed key topics in our industry and engaged with stakeholders to understand their concerns, questions and feedback. This dialogue gives us a picture of future topics of interest to our stakeholder groups, helps us understand the issues to anticipate and/or address, and outlines the questions we can help answer. We engage with stakeholders who have an active role or stake in our business, as well as those who help us improve as a company and are looking to engage in constructive dialogue.

In determining the information to report, we conducted a process to identify topics based on the interest of our stakeholders — a group that includes employees, customers, consumers, investors, suppliers, nongovernmental organizations, government agencies and communities.

The analysis included interviews, socially responsible investor (SRI) inquiries/questionnaires, customer questionnaires, consumer feedback, meetings, conferences and media coverage. From there, we prioritized the topics based on their importance to the business.

View the key topics assessment section for the results of our analysis.

EMPLOYEES

(Current, prospective and retired)

How Hormel Foods Engages

- Annual performance reviews
- Annual town hall meetings with the CEO and executives at various plants
- Departmental meetings (ongoing)
- Engagement surveys (ongoing)
- Intranet (daily)
- Monthly location-specific newsletters, weekly companywide newsletter and companywide magazine published several times a year
- Ongoing recruitment events (college campuses, job fairs)
- Social media (daily)

Stakeholder Interests

- Community impacts
- Distribution of profits
- Employee health and wellness
- Employee recruitment and retention
- Environmental sustainability
- Inclusion and diversity
- Occupational health and safety
- Philanthropy

How We Respond To Their Interests

- Charitable giving
- Employee benefits
- Environmental sustainability goals
- Inclusion and diversity initiatives and employee resource groups
- Safety program and goals

Ongoing Results Of Engagement

- Community support and retiree engagement and involvement
- Improved safety
- Increased employee engagement and retention

CUSTOMERS

How Hormel Foods Engages

- Conferences (ongoing)
- Facility and farm tours (ongoing)
- One-on-one meetings (ongoing)
- Questionnaires (ongoing)
- Sales meetings (ongoing)

Stakeholder Interests

- Animal care and antibiotics
- Environmental sustainability
- Food access and affordability
- Food safety and quality
- Responsible marketing
- Responsible sourcing and supply chain management
- Safe packaging

How We Respond To Their Interests

- Animal care standards and antibiotic stewardship efforts
- Connect customers with internal experts
- Environmental sustainability goals
- Integrate customer feedback into product development
- Respond to questionnaires and inquiries
- Robust food safety program and training

Ongoing Results Of Engagement

- Demonstration of our best practices
- Development of customer relationships
- Identification of risks and opportunities
- Increased understanding of the business and practices

SUPPLIERS

How Hormel Foods Engages

- One-on-one meetings (ongoing)
- Supplier site audits (ongoing)
- Supplier site tours (ongoing)
- Supplier Quality Management System (ongoing)

Stakeholder Interests

- Animal care and antibiotics
- Farmer livelihoods
- Responsible sourcing and supply chain management
- Sustainable agriculture

How We Respond To Their Interests

- Animal care standards and antibiotic stewardship efforts
- Participate in ongoing dialogue
- Recognize top suppliers through annual awards
- Requirements outlined in our Supplier Responsibility Principles

Ongoing Results Of Engagement

- Increased accountability
- Improvement of supplier relationships
- Improvement of supply base
- Improvement of quality from suppliers

INVESTORS/ANALYSTS

How Hormel Foods Engages

- One-on-one meetings (ongoing)
- Rankings/questionnaires (annually)

Stakeholder Interests

- Animal care and antibiotics
- Corporate responsibility governance
- Environmental sustainability
- Human rights
- Sustainable agriculture

How We Respond To Their Interests

- Animal care standards and anti-biotic stewardship efforts
- Development of company policies
- Environmental sustainability goals
- Respond to questionnaires/inquiries
- Verify data from analysts compiling rankings and indices

Ongoing Results Of Engagement

- Benchmark data
- Correct information

CONSUMERS

How Hormel Foods Engages

- Consumer hotline (daily)
- Consumer research (ongoing)
- Social media (daily)
- Websites (daily)

Stakeholder Interests

- Animal care and antibiotics
- Consumer education and information
- Consumer health and safety
- Environmental sustainability
- Food access and affordability
- Food safety and quality
- GMOs
- Nutrition and wellness
- Safe packaging

How We Respond To Their Interests

- Animal care standards and antibiotic stewardship efforts
- Answer questions through hotline and social media channels
- Environmental sustainability goals
- Promote more proactive information and take suggestions
- Robust food safety program and training
- Sodium reduction efforts
- Use insights for new product development

Ongoing Results Of Engagement

- Better understanding of our consumers' concerns and interests to help provide the best products on the market
- Correct information
- Helpful suggestions for how to improve our business/products
- Improved consumer loyalty

GOVERNMENT

How Hormel Foods Engages

- Engagement in associations and subcommittees (ongoing)
- Hormel Foods Political Action Committee (ongoing)
- One-on-one meetings with members of Congress and regulatory agencies (ongoing)
- Public forums via panels (ongoing)
- Plant tours for elected officials (ongoing)
- Reports and regulatory filings (ongoing)

Stakeholder Interests

- Animal care and antibiotics
- Community impacts
- Environmental sustainability
- Food safety and quality
- Lobbying disclosure and political contributions

How We Respond To Their Interests

- Animal care standards and antibiotic stewardship efforts
- Engage in ongoing dialogue about these issues
- Environmental sustainability goals
- Robust food safety program and training
- Updates to management about key issues

Ongoing Results Of Engagement

- Better understanding of our practices and processes
- Communication of our culture, commitment to communities and the impact we have on the industry and in communities
- Positive business policies

NONGOVERNMENTAL ORGANIZATIONS

How Hormel Foods Engages

- Meetings (ongoing)
- Response to questions/concerns (ongoing)

Stakeholder Interests

- Animal care and antibiotics
- Business ethics
- Community impacts
- Corporate responsibility governance
- Distribution of profits
- Environmental sustainability
- Food relief
- Nutrition and wellness
- Human rights
- Lobbying disclosure and political contributions
- Philanthropy
- Responsible sourcing and supply chain management
- Stakeholder engagement
- Sustainable agriculture
- Transparency and reporting

How We Respond To Their Interests

- Animal care standards and antibiotic stewardship efforts
- Charitable giving
- Consider topics raised in our reporting and operating practices
- Developed formal hunger and community giving strategy
- Developed Project SPAMMY® hunger-relief program
- Development of company policies
- Environmental sustainability goals
- Maintain ongoing dialogue to incorporate a variety of changes to business practices and explain business practices
- Reporting

Ongoing Results Of Engagement

- Identification of risks to the business or larger issues in the industry
- Improved two-way conversation about the industry and business practices

COMMUNITIES

How Hormel Foods Engages

- Charitable giving (ongoing)
- Community events (ongoing)
- Local media relations (ongoing)
- Representation and participation in community organizations (ongoing)
- Sponsorships (ongoing)
- Volunteer efforts (ongoing)

Stakeholder Interests

- Community impacts
- Distribution of profits
- Environmental sustainability
- Employee recruitment and retention
- Food relief
- Philanthropy
- Sustainable agriculture

How We Respond To Their Interests

- Charitable giving
- Consider topics raised in our reporting and operating practices
- Developed formal hunger and community giving strategy
- Developed Project SPAMMY® hunger-relief program
- Environmental sustainability goals
- Hold meetings to discuss local concerns
- Invest in community infrastructure

Ongoing Results Of Engagement

- Employee engagement
- Large number of community groups engaged
- Positive community relations
- Positive corporate reputation

Boundary & Measurement

The boundary of the report includes all entities over which Hormel Foods exercises control or significant influence with regard to financial and operating policies and practices.

Unless otherwise noted, the report does not include MegaMex Foods (less than 50 percent operational and financial control), Fresherized Foods (acquisition of a joint venture), Okinawa Hormel Ltd. (less than 50 percent operational and financial control) and Purefoods – Hormel Company (less than 50 percent operational and financial control).

The following chart explains exceptions to this and gives additional information about what parts of the company are or are not included in this report, by section.

ABOUT HORMEL FOODS	
CATEGORY	EXCEPTIONS/ADDITIONAL INFORMATION
No. of employees, countries where products are sold, categories in which our brands held the No. 1 or No. 2 share and manufacturing facilities	Includes all
Financial information	As reported and defined in the company's Annual Report
Lobbying and political action committee	Does not include Applegate
PRODUCTS	
CATEGORY	EXCEPTIONS/ADDITIONAL INFORMATION
Clean-label initiative projects	Includes all projects captured through our corporate tracking systems; however, all projects may not be captured
Sodium reduction	Only includes brands listed, which include brands from Hormel Foods and MegaMex Foods

SUPPLY CHAIN	
CATEGORY	EXCEPTIONS/ADDITIONAL INFORMATION
Audits of ingredient suppliers	Does not include Applegate, Justin's, Cidade do Sol and Fontanini Italian Meats and Sausages
Diverse businesses	Includes suppliers in the company's tracking system; only includes applicable vendor categories
New vendors	Includes all active suppliers in the company's tracking system
Animal care audits	Includes all audits in our corporate and Jennie-O Turkey Store tracking systems

ENVIRONMENT	
CATEGORY	EXCEPTIONS/ADDITIONAL INFORMATION
Environment	Includes U.S. manufacturing locations and co-pack and joint venture locations with operational control
Logistics	Does not include Applegate and international
Packaging projects and material savings	Includes all projects and savings captured by the corporate packaging development group
Product packaging that is recyclable and/or made from recycled materials	Includes strategic suppliers in the company's tracking system
Unique packaging items	Includes all packaging items in the company's tracking system

PEOPLE	
CATEGORY	EXCEPTIONS/ADDITIONAL INFORMATION
People	Data (employment type, gender and tenure) and collective bargaining does not include international
Safety and safety training	Does not include international
Training	Includes training captured by our corporate talent development department (may not include everything); does not include international

COMMUNITY	
CATEGORY	EXCEPTIONS/ADDITIONAL INFORMATION
Cash and product donation amounts	Amounts provided are donations recorded through our corporate donation records, which may not capture everything

GRI Content Index

The 2019 Hormel Foods Corporate Responsibility Report follows the standards developed by the Global Reporting Initiative (GRI), the internationally recognized standard for responsibility reporting.

This chart explains the GRI Standards that are included in our report and where they are located online. The 2019 Hormel Foods Corporate Responsibility Report is developed in accordance with the core option.

GRI 102: GENERAL DISCLOSURES		
ORGANIZATIONAL PROFILE		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
102-1	Name of the organization	<i>Hormel Foods Corporation</i>
102-2	Activities, brands, products and services	About Hormel Foods
102-3	Location of headquarters	<i>Austin, Minn.</i>
102-4	Location of operations	About Hormel Foods
102-5	Ownership and legal form	2019 Annual Report
102-6	Markets served	About Hormel Foods
102-7	Scale of the organization	About Hormel Foods
102-8	Information about employees and other workers	People - About Our Employees

102-9	Supply chain	Supply Chain
102-10	Significant changes to the organization and its supply chain	2019 Annual Report
102-11	Precautionary Principle or approach	Ethics, Governance and Risk
102-12	External initiatives	Products - Food Safety & Quality Supply Chain - Antibiotic Stewardship Hogs Turkeys
102-13	Membership of associations	Raising Our Animals

STRATEGY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
102-14	Statement from senior decision-maker	About This Report - CEO Letter
102-15	Key impacts, risks and opportunities	About This Report - CEO Letter About This Report - Our Goals Ethics, Governance and Risk 2019 Annual Report

ETHICS AND INTEGRITY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
102-16	Values, principles, standards and norms of behavior	Ethics, Governance and Risk
102-17	Mechanisms for advice and concerns about ethics	Ethics, Governance and Risk

GOVERNANCE

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
102-18	Governance structure	About Hormel Foods - Governance & Financials Ethics, Governance and Risk
102-19	Delegating authority	About Hormel Foods - Governance & Financials
102-20	Executive-level responsibility for economic, environmental and social topics	About Hormel Foods - Governance & Financials
102-21	Consulting stakeholders on economic, environmental and social topics	Ethics, Governance and Risk
102-22	Composition of the highest governance body and its committees	Ethics, Governance and Risk
102-23	Chair of the highest governance body	About Hormel Foods - Governance & Financials Ethics, Governance and Risk

102-24	Nominating and selecting the highest governance body	Ethics, Governance and Risk
102-25	Conflicts of interest	About Hormel Foods - Governance & Financials Ethics, Governance and Risk
102-26	Role of highest governance body in setting purpose, values and strategy	About Hormel Foods - Governance & Financials
102-28	Evaluating the highest governance body's performance	2019 Proxy
102-29	Identifying and managing economic, environmental and social impacts	Ethics, Governance and Risk
102-30	Effectiveness of risk management process	About Hormel Foods - Governance & Financials
102-31	Review of economic, environmental and social topics	About Hormel Foods - Governance & Financials Ethics, Governance and Risk
102-32	Highest governance body's role in sustainability reporting	About Hormel Foods - Governance & Financials About This Report About This Report - Key Topics Assessment
102-33	Communicating critical concerns	About Hormel Foods - Governance & Financials Ethics, Governance and Risk
102-35	Remuneration policies	Ethics, Governance and Risk
102-36	Process for determining remuneration	Ethics, Governance and Risk
102-37	Stakeholder involvement in remuneration	Ethics, Governance and Risk

STAKEHOLDER ENGAGEMENT

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
102-40	List of stakeholder groups	About This Report - Stakeholder Feedback
102-41	Collective bargaining agreements	People - About Our Employees
102-42	Identifying and selecting stakeholders	About This Report - Stakeholder Feedback
102-43	Approach to stakeholder engagement	About This Report - Stakeholder Feedback
102-44	Key topics and concerns raised	About This Report - Stakeholder Feedback

REPORTING PRACTICES

102-45	Entities included in the consolidated financial statements	2019 Annual Report
102-46	Defining report content and topic boundaries	About This Report - Key Topics Assessment About This Report - Stakeholder Feedback
102-47	List of material topics	About This Report - Key Topics Assessment
102-48	Restatements of information	None
102-49	Changes in reporting	About This Report - Boundary & Measurement
102-50	Reporting period	About This Report
102-51	Date of most recent report	About This Report
102-52	Reporting cycle	About This Report
102-53	Contact point for questions regarding the report	About This Report
102-54	Claims of reporting in accordance with the GRI Standards	<i>The 2019 Hormel Foods Corporate Responsibility Report is developed in accordance with the core option</i>
102-55	GRI content index	<i>This is our content index</i>
102-56	External assurance	<i>Our report is reviewed by our internal audit department; it is not externally assured</i>

GRI 103: MANAGEMENT APPROACH

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
103-1	Explanation of the material topic and its boundary	About This Report - Boundary & Measurement About This Report - Key Topics Assessment About This Report - Stakeholder Feedback
103-2	The management approach and its components	About This Report - CEO Letter About This Report - Our Goals <i>Information about our policies and practices can be found in the appropriate category in the Responsibility section of our corporate website: hormelfoods.com/responsibility</i> <i>Information about our responsibilities, commitments, goals and targets and other initiatives can be found in this report</i>
103-3	Evaluation of the management approach	About This Report - CEO Letter About This Report - Data Summary About This Report - Our Goals <i>We evaluate the effectiveness of our management approach for each key topic through stakeholder feedback, benchmarking external performance rankings and evaluating/monitoring our progress toward our goals</i>

GRI 201: ECONOMIC PERFORMANCE		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
201-1	Direct economic value generated and distributed	Communities 2019 Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	Ethics, Governance and Risk 2019 Annual Report
201-3	Defined benefit plan obligations and other retirement plans	2019 Annual Report
GRI 301: MATERIALS		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
301-1	Materials used by weight or volume	Environment - Packaging
301-2	Recycled input materials used	Environment - Packaging
GRI 302: ENERGY		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
302-1	Energy consumption within the organization	Environment - Energy
302-3	Energy intensity	Environment - Energy
302-4	Reduction of energy consumption	Environment - Energy
GRI 303: WATER		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
303-1	Water withdrawal by source	Environment - Water
303-2	Water sources significantly affected by withdrawal of water	Environment - Water
GRI 305: EMISSIONS		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
305-1	Direct (Scope 1) GHG emissions	Environment - Greenhouse Gas Emissions
305-2	Energy indirect (Scope 2) GHG emissions	Environment - Greenhouse Gas Emissions
305-5	Reduction of GHG emissions	Environment - Greenhouse Gas Emissions

GRI 306: EFFLUENTS AND WASTE		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
306-1	Water discharge by quality and destination	Environment - Water
GRI 307: ENVIRONMENTAL COMPLIANCE		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
307-1	Noncompliance with environmental laws and regulations	About This Report - Data Summary
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain
GRI 401: EMPLOYMENT		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
401-1	New employee hires and turnover	People - About Our Employees
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits Why Hormel Foods?
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
403-1	Workers representation in formal joint management-worker health and safety committees	Safety
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	People - Safety, Health & Wellness
GRI 404: TRAINING AND EDUCATION		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
404-1	Average hours of training per year per employee	People - Training
404-2	Programs for upgrading employee skills and transition assistance programs	People - Training Professional Development

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
405-1	Diversity of governance bodies and employees	People - Inclusion & Diversity
GRI 406: NONDISCRIMINATION		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
406-1	Incidents of discrimination and corrective actions taken	People - Inclusion & Diversity
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	People - About Our Employees
GRI 408: CHILD LABOR		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
408-1	Operations and suppliers at significant risk for incidents of child labor	People - Human Rights Supply Chain
GRI 409: FORCED OR COMPULSORY LABOR		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	People - Human Rights Supply Chain
GRI 412: HUMAN RIGHTS ASSESSMENT		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
412-1	Operations that have been subject to human rights reviews or impact assessments	People - Human Rights <i>Some Hormel Foods operations had social performance assessments completed by customers/third parties</i>
412-2	Employee training on human rights policies or procedures	People - Training Human Rights
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human Rights

GRI 414: SUPPLIER SOCIAL ASSESSMENT		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain
GRI 415: PUBLIC POLICY		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
415-1	Political contributions	About Hormel Foods - Public Policy
GRI 416: CUSTOMER HEALTH AND SAFETY		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
416-1	Assessment of health and safety impacts of products and service categories	Products - Nutrition & Wellness
416-2	Incidents of noncompliance concerning the health and safety impacts of products and services	Products - Food Safety & Quality
GRI 417: MARKETING AND LABELING		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
417-1	Requirements for product and service information and labeling	Products - Consumer Education & Information
417-2	Incidents of noncompliance concerning product and service information and labeling	Products - Food Safety & Quality
417-3	Incidents of noncompliance concerning marketing communications	About Hormel Foods - Responsible Marketing
GRI 418: CUSTOMER PRIVACY		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<i>No incidents to report</i>

GRI FOOD PROCESSING SECTOR SUPPLEMENT

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
FP1	Percentage of purchased volume from suppliers compliant with the company's sourcing policy	Supply Chain
FP3	Percentage of working time lost due to industrial disputes, strikes and/or lock-outs by country	People - Inclusion & Diversity
FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	Food Safety and Quality
FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars	Products - Nutrition & Wellness
FP8	Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements	Products - Consumer Education & Information
FP11	Percentage and total of animals raised and/or processed, by species and breed type, per housing type	Raising Our Animals
FP12	Policies and practices on antibiotic, anti-inflammatory, hormone and/or growth promotion treatments, by species and breed type	Supply Chain - Antibiotic Stewardship
FP13	Total number of incidents of noncompliance with laws and regulations and adherence with voluntary standards related to transportation, handling and slaughter practices for live terrestrial and aquatic animals	Supply Chain - Animal Care

Data Summary

TYPE	UNIT	2018	2019
Employees worldwide	Number (approximate)	More than 20,000	More than 18,000
Countries where our products are sold	Number (approximate)	80	80
Countries where our products are manufactured	Number	See our corporate website	See our corporate website
U.S. manufacturing facilities	Number	More than 30	More than 30
Net sales	U.S. dollars, millions	9,546	9,497
Categories in which our brands held the No. 1 or No. 2 share	Number	More than 40	More than 40
Capital expenditures	U.S. dollars, thousands	389,607	293,838
Income tax expense	U.S. dollars, thousands	168,702	230,567
Community investments	U.S. dollars, thousands	15,648	7,565
New items launched (retail and foodservice)	Number	More than 600	More than 500
Clean-label projects completed	Number	14	3

About Hormel Foods

Sodium reduction	Percent reduction	<i>CHI-CHI'S®</i> , <i>Herdez®</i> and <i>La Victoria®</i> tortillas: 28 <i>Hormel®</i> Canadian bacon: 28 <i>Hormel®</i> chili with beans: 15 <i>Hormel® Compleats®</i> microwave meals: 19 <i>Hormel® Cure 81®</i> retail hams: 11 <i>Hormel®</i> refrigerated entrees: 8 <i>Hormel®</i> smoked pork loins: 18 <i>Valley Fresh®</i> chicken and turkey: 21	<i>CHI-CHI'S®</i> , <i>Herdez®</i> and <i>La Victoria®</i> tortillas: 29 <i>Hormel®</i> Canadian bacon: 28 <i>Hormel®</i> chili with beans: 15 <i>Hormel® Compleats®</i> microwave meals: 18 <i>Hormel® Cure 81®</i> retail hams: 11 <i>Hormel®</i> refrigerated entrees: 7 <i>Hormel®</i> smoked pork loins: 17 <i>Valley Fresh®</i> chicken and turkey: 21
Product recalls	Number	2	2
Purchases from new suppliers	Percentage	4	1.7
Purchases from diverse businesses	Percentage	29	27
Animal care audits	Number	More than 2,000	More than 1,800
Air emissions	Metric tons CO2-e	Direct: 216,000 Indirect: 478,000	Direct: 265,000 Indirect: 498,000
Energy use	Direct: MMBtu/sales tonnage Indirect: Kilowatt hours (kWh)/sales tonnage	Direct: 1.67 Indirect: 282	Direct: 1.86 Indirect: 298
Water use	Cubic meters/sales tonnage	6.3	7
Solid waste	Pounds/sales tonnage	18.2	22.2
Packaging reduction	Pounds, thousands	2,504	1,502
Environmental noncompliance	Number of individual findings	3*	1*
Employee turnover rate	Percentage	21	22
Total Case Incident Rate (TCIR)	Number of recordable incidents per 100 full-time employees	2.7	2.6
Days Away from Work Injury and Illness (DAFWII)	Number of cases that involve days away from work per every 100 full-time employees	0.46	0.52
Days Away, Restricted or Transfer (DART)	Number of injuries or illnesses resulting in days away from work, restricted work activity or job transfer per every 100 full-time employees	1.89	1.77
Training hours	Average number of hours per employee	26	28

*Notice(s) of noncompliance from state or federal agencies



We're not just inspired to make great food, we're inspired to make a difference. Hormel Foods, based in Austin, Minn., is a global branded food company with \$9 billion in annual revenue. Our brands include *SKIPPY*®, *SPAM*®, *Hormel*® *Natural Choice*®, *Applegate*®, *Justin's*®, *Wholly*®, *Hormel*® *Black Label*® and many more.

We were honored in 2019 to be No. 37 on the 100 Best Corporate Citizens list by Corporate Responsibility Magazine. We were also named one of America's Most Responsible Companies by Newsweek, one of the World's Best Employers by Forbes and a Best for Vets Employer by Military Times.

Governance & Financials

At Hormel Foods, we recognize that our sustainability practices directly align with our financial goals and thus, sustainability serves as a guide to our day-to-day business operations. In this way, we excel as a company and improve our sustainability performance while adhering to the highest standards of ethics.

14

members on Hormel Foods Board of Directors
Thirteen independent, three women and six persons of color.

2019 at Hormel Foods

18K+
employees worldwide

80
countries where products are sold

\$9.5
billion net sales

\$294M
in capital expenditures

\$231M
income tax expense

30+
manufacturing facilities
*end of fiscal 2019

\$7M+
donated in cash and products

GOVERNANCE AND POLICIES

The Board of Directors oversees all activities of Hormel Foods and assumes the ultimate responsibility of ensuring that the company's performance is based on strong ethical practices and is aligned with our Code of Ethical Business Conduct. In fiscal 2019, the Hormel Foods Board of Directors consisted of 14 members, 13 of whom were independent. There were three women and six persons of color on the 2019 Board of Directors.

Additional information about our board structure can be found in our Proxy Statement.

CORPORATE RESPONSIBILITY OVERSIGHT

Hormel Foods has a Corporate Responsibility (CR) Steering Committee comprised of company executives. The CR Steering Committee's role is to provide direction and approval for the company's environmental, social and governance activities. Our CR Council (comprised of cross-functional subject-matter experts) reports to the CR Steering Committee.

In addition, oversight of our sustainability, environmental and corporate social responsibility activities is the responsibility of the Governance Committee of our Board of Directors. Additional information about the responsibilities of this committee can be found on our corporate website: [HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility).

FINANCIALS

Fiscal year 2019 marked the 53rd consecutive year the company has increased its annual dividend. Since 2009, the average dividend growth rate has been 16 percent per year.

Hormel Foods continues to deliver strong financial results. Earnings per share in 2019 decreased 6 cents compared to the previous year. Since 2009, our earnings per share have grown at an average annual rate of 11 percent.

To read more about additional governance topics, such as risk management, visit our corporate website. To read more about our financial performance, please see our 2019 Annual Report.



\$614K
spent on lobbying

Public Policy

Hormel Foods recognizes there are several legislative issues that directly affect the food industry.

As a leader in the industry, we are involved in lobbying efforts to help create an open dialogue about our company's mission. In 2019, our lobbying efforts and activities primarily focused on agriculture, food labeling, health and labor/workplace issues, and U.S. trade policies.

Activities vary according to the issue and may involve working with legislators, the House and Senate Agricultural Committees, the U.S. Department of Agriculture and the Food and Drug Administration. We maintain a relationship with these parties in order to ensure an open discussion and that accurate information on these issues is appropriately disseminated.

In calendar year 2019, we spent \$614,000 on lobbying. From our employee-funded Political Action Committee (PAC), we contributed \$5,000 to the North American Meat Institute PAC and \$5,000 to the Grocery Manufacturers Association PAC. Individual contributions to political parties are allowed, but the company does not directly contribute to political parties.

Responsible Marketing

All advertising done by or on behalf of our company complies with the advertising industry's self-imposed guidelines, government regulations and legislation.

As a member of the Association of National Advertisers, which works on behalf of marketers on policies, regulations and other issues affecting members, Hormel Foods is committed to ensuring all advertising done by or on behalf of our company complies with the advertising industry's self-regulation system of codes. These self-imposed guidelines complement government regulations and legislation.

In 2019, we did not have any incidents of noncompliance with regulations or voluntary codes concerning marketing communications.

0

incidents of noncompliance with regulations or voluntary codes concerning marketing communications

Products

Producing some of the most trusted and well-known food products in the world inspires us every day.

We believe good food should be available to everyone – food that is affordable, safe, nutritious and delicious. We continue to diversify our portfolio of products to offer consumers a wide range of options to meet their needs.

We have a goal to reduce sodium levels in select products within our branded retail portfolio by an average of 15 percent by 2020. In addition, our clean-label initiative simplifies the ingredient statements of many of our products, and our innovation goal focuses on delivering 15 percent of sales in the year 2020 generated from products created in the last five years.



2019 Product Highlights

26

clean-label projects completed

5

products recognized with Progressive Grocer Editors' Picks awards

PEOPLE FOOD AWARDS
several products recognized by People magazine

14.7%

of our sales came from innovative new items

OUR SODIUM REDUCTION PROGRESS

29%

CHI-CHI'S®, Herdez® and La Victoria® tortillas

15%

Hormel® chili with beans

11%

Hormel® Cure 81® retail hams

17%

Hormel® smoked pork loins

28%

Hormel® Canadian bacon

18%

Hormel® Compleats® microwave meals

7%

Hormel® refrigerated entrees

21%

Valley Fresh® chicken and turkey

Nutrition & Wellness

We have a Health, Science and Wellness Advisory Council (a cross-functional team consisting of research and development, marketing, consumer insights, regulatory affairs and packaging) in place that discusses health and wellness, consumer trends, and initiatives and strategies for our product portfolio.

CLEAN-LABEL INITIATIVE

We have implemented a clean-label initiative to simplify the ingredient statements of many of our retail products through the removal or replacement of ingredients, while still delivering great-tasting items that consumers expect. This means products are evaluated for a simpler ingredient list, using ingredients familiar to consumers, and no artificial colors or flavors.

In 2019, we initiated 26 clean-label projects, and three clean-label projects were completed. Those completed in 2019 included Applegate® sliced roast beef and Applegate® foodservice sliced roasted chicken.

In addition to the company's retail products clean-label efforts, our Foodservice division is focusing on clean labels as well. Knowing that foodservice operators and their patrons desire their ingredients and menu items to reflect what they find in

their pantries, all Hormel Foods Food-service innovation efforts will continue to be chef-inspired with easily recognized ingredients, smart sodium levels and on-trend preparation methods. Innovation product successes include Hormel® Fire Braised™ meats, Hormel® Natural Choice® meats and Hormel® FUSE™ burgers. These items are 100 percent natural (minimally processed with no artificial ingredients) with zero preservatives, no artificial colors, no nitrites or nitrates except for those naturally occurring, and have no gluten-containing ingredients

SODIUM REDUCTION

Our Health, Science and Wellness Advisory Council has set an important sodium reduction goal: By 2020, we aim to reduce sodium levels in select products within our branded retail portfolio by an average of 15 percent.



SODIUM REDUCTION BY PRODUCT CATEGORY

29%

CHI-CHI'S®, Herdez® and La Victoria® tortillas

15%

Hormel® chili with beans

11%

Hormel® Cure 81® retail hams

17%

Hormel® smoked pork loins

28%

Hormel® Canadian bacon

18%

Hormel® Compleats® microwave meals

8%

Hormel® refrigerated entrees

21%

Valley Fresh® chicken and turkey

PERCENT OF SODIUM REDUCTION BY CATEGORY*

100%

CHI-CHI'S®, Herdez® and La Victoria® tortillas

97%

Hormel® chili with beans

34%

Hormel® Cure 81® retail hams

90%

Hormel® smoked pork loins

92%

Hormel® Canadian bacon

56%

Hormel® Compleats® microwave meals

99%

Hormel® refrigerated entrees

100%

Valley Fresh® chicken and turkey

*Percent of item sales within category with a sodium reduction or developed with decreased sodium parameters

HORMEL HEALTH LABS

Our Hormel Health Labs subsidiary provides food options for health care centers, special care facilities, caregivers and individuals to meet the dietary needs of various conditions. Hormel Health Labs is a leader in providing nutrition resources to people with swallowing difficulties (dysphagia) through the *Thick & Easy*® line of food, beverages and mixes designed to help people continue to enjoy their favorite items safely and tastily.

Hormel Health Labs is also a leader in nutrition for people at risk of malnutrition, which spans many conditions, including cancer treatment, kidney disease, diabetes and cardiovascular disease, to name a few. Through multiple product lines, we offer a wide variety of highly fortified functional food and beverages.

Please visit the Hormel Health Labs website for more information: HormelHealthLabs.com.

Food Safety & Quality

Hormel Foods has robust food safety and sanitation systems based on Hazard Analysis and Critical Control Points principles to ensure the safety of our products.

All employees receive food safety training appropriate for their responsibilities within the company. In addition, Hormel Foods has a Food Safety Steering Committee that oversees the operation of three important food safety task forces: Prevention and Detection, Assurance and Training. In 2019, we committed \$2.9 million to upgrade our foreign material prevention and detection systems.

The packaging of our products also plays an important role in ensuring food safety. Our packaging scientists determine the best packaging techniques for all of our products. A variety of packaging materials and options are used, including modified atmosphere packaging, vacuum packaging and packaging designed for low-acid, shelf-stable foods.

As we prepare products to be sold, they undergo multiple stages, checks and balances. Our packaging scientists do a thorough review of products, taking into account the entire manufacturing process, as well as customer and consumer usage.

For more information about our food safety and quality program, visit our corporate website: HormelFoods.com/responsibility.

\$2.9M

toward upgrading our foreign material prevention and detection systems



Food Access & Affordability

As a global branded food company, we understand the importance of food access and affordability in feeding the world's growing population.

As such, we focus our efforts on donating products to help those in need, supporting hunger-relief organizations and offering a wide variety of products to meet the needs of consumers.

For example, we produce everything from meat products and shelf-stable meals and meat items, to peanut butter and guacamole products. We offer a variety of sizes at various price points for most of our products.

In addition, for the past several years our *Hormel® Natural Choice®* brand team has supported the Twin Cities Mobile Market. This grocery store on wheels goes directly into low-income neighborhoods to sell fresh fruits, vegetables, meats, dairy products and basic dry goods at below-market prices.

For more information about our efforts to donate products to help those in need and support hunger-relief organizations, please visit the community section of this report. For more information about the wide variety of our brands and products, please visit our corporate website: [HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility).

Consumer Education & Information

It is important to provide consumers with the information they need so they can determine what products meet their nutritional needs and prepare them safely.

The accuracy of nutrition-label panels is critical to ensure our products are delivering the expected dietary needs of our consumers. We operate an ongoing internal nutrition-label verification program to ensure all nutrition-panel information is accurate. We also provide nutritional information on our product websites to give consumers easy access to this important product information.

All product labels are developed by our team of highly trained technical label experts. This team has decades of industry experience in label development in accordance with mandatory and voluntary labeling elements.

We manage our labeling and formulation controls through an integrated software system, which maintains profiles and specifications of all ingredients, as well as the associated suppliers. This system is designed to identify all allergens (e.g., milk, wheat, soy, peanuts, tree nuts, eggs, fish, crustacean shellfish); sensitive ingredients (e.g., sulfate, MSG); country of origin; supplying plant location; date of purchase; nutrition information; and other detailed specifications. All elements of this database are maintained through a working relationship with our suppliers.

Our in-house consumer engagement team is another excellent resource for consumers and is available to provide information and answer questions via mail, phone, email and social media. In 2019, this team fielded more than 114,000 contacts.

114K+

contacts fielded by our in-house consumer engagement team



Supply Chain

NEW OPTIONS & RECOGNITION

In 2019, we launched over 500 retail and foodservice items. These items included global fusions *Hormel® Natural Choice®* snacks and *Applegate Naturals®* pepperoni and cheddar snack packs. Our *Applegate®* blend burger and *Justin's®* maple cashew butter were selected as winners of the 2019 People Food Awards by People magazine. In addition, the following products were recognized with Progressive Grocer Editors' Picks awards:

- ***Applegate®* charcuterie plates;**
- ***Applegate® The Great Organic Blend Burger™* products;**
- ***Applegate Naturals®* pepperoni and cheese snack packs;**
- **Global fusions *Hormel® Natural Choice®* snacks; and**
- ***SKIPPY®* P.B. & Jelly Minis**

Innovation

At Hormel Foods, we're inspired by the quest of our founder George A. Hormel to "Originate, don't imitate."

We continue to direct our attention to understanding the ever-changing needs of our consumers and customers through observations, conversations and ethnography. This work feeds our innovation efforts as we design products that meet the lifestyles, life stages and needs of our global consumer base.

Our innovation goal is to deliver 15 percent of sales in the year 2020 generated from products created in the last five years. At the end of 2019, we are proud to report that 14.7 percent of our sales came from innovative new items.

As part of our product innovation approach, we have a team dedicated to innovation management. This team is responsible for major new product development projects in our company, and we have a system for measuring key indicators to help manage the new-product innovation process. We also have formalized a companywide governance system to maintain the necessary checks and balances of our product innovation process, hold an annual summit for employees involved in innovation and have an Innovation Steering Committee that meets monthly to review the company's innovation progress.

In 2014, we established an internal Innovation Best of the Best competition to recognize teams and highlight our focus on successful innovation. In 2019, the *Hormel® Natural Choice™* and *Applegate®* stacks team was named the champion.

Our consumer engagement team is dedicated to maintaining strong relationships with our consumers, while ascertaining consumer tastes and preferences in changing demographics. By interacting with consumers on a daily basis, our team can better evaluate consumer needs. In 2019, the consumer engagement team fielded more than 114,000 contacts.



At Hormel Foods, our multifaceted supply chain includes suppliers of hogs, turkeys, ingredients, packaging materials and transportation.

SUPPLIER RESPONSIBILITY PRINCIPLES AND SOURCING POLICIES

All of our suppliers are required to follow our Supplier Responsibility Principles to ensure the quality of products and services we receive from our suppliers adheres to our commitments to responsible environmental and social performance. In partnership, we deliver quality products and add value to society.

In addition, we work closely with our palm oil and South American beef suppliers to ensure that they comply with these principles as well as additional requirements we have outlined. We made a commitment to source only sustainable palm oil that is fully traceable to the plantation level by the end of 2020. We are pleased to report that we are making progress toward this commitment and will share additional information in future reports.

If a supplier is found to be in violation of our Supplier Responsibility Principles/sourcing policies, we require the supplier to implement corrective actions. If appropriate corrective actions cannot be agreed to or are not made, Hormel Foods will suspend or discontinue purchases from the supplier.

For more information about our palm oil and South American beef sourcing requirements, please visit our corporate website [HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility).

SUPPLIER ASSESSMENT

We have established supplier quality management (SQM), which evaluates our suppliers based on quality, delivery, service, technology and price. Our ingredient suppliers are subject to additional measurements to further ensure quality and food safety. Suppliers that exceed our established standards are eligible for our annual Hormel Foods Spirit of Excellence Awards. In 2019 alone, we recognized 64 suppliers for their performance.

To exemplify our commitment to supply chain sustainability management, we require third-party food safety audits of all of our ingredient suppliers. In addition to the third-party food safety audits, in 2019 we conducted an additional 27 food safety supplemental audits. If suppliers are found to be noncompliant, appropriate action is taken — up to and including termination.

We are continuously looking for ways to assess our current supplier relationships to ensure that environmental/social risks are addressed and mitigated. In 2018, we completed a high-level water risk assessment of our top suppliers. We also assessed 12 suppliers on environmental and social risks in 2019.

SUPPLIER DIVERSITY PROGRAM

In addition to ensuring our suppliers comply with the food safety standards recognized by the Global Food Safety Initiative (GFSI), we make a concerted effort to give diverse companies such as small, women-owned, minority-owned and veteran-owned businesses the opportunity to supply quality products that meet our company's growing business needs. As a result of our supplier diversity program, in calendar year 2019 we purchased 27 percent of our resources from diverse businesses (small businesses, women-owned businesses, minority-owned businesses and veteran-owned businesses). This percentage includes independent family-owned hog farms.

Animal Care

We have a long history of striving to maintain the highest standards for animal welfare and handling throughout our entire supply chain.

We have a commitment to unwavering animal welfare standards and environmental stewardship — not because someone is watching, but because it is the right thing to do.

To verify that our animal welfare requirements are being met, we conduct assessments and audits. In addition, we have several animal welfare committees in place to ensure our standards are being met.

ANIMAL WELFARE PRINCIPLES

Our goal is to maintain the highest standards for animal welfare and handling throughout our entire supply chain.

To maintain our standards, we have developed the following principles:

- All farms will provide a balanced and nutritious diet and water.
- A safe and humane environment will be furnished for every animal throughout its life, including minimizing stress, managing social needs and controlling temperature.
- Every facility will be properly maintained with the animals' well-being in mind, including appropriate facilities and space and the utilization of compassionate, stress-reducing techniques during handling.
- Animals will be raised to be healthy and provided with the best in medical care, including veterinary oversight and the identification of prompt treatment of sick animals. When medically necessary, we use antibiotics responsibly and focus on reducing the use of antibiotics that are important to human health.
- We will follow clearly documented humane procedures in the event an animal needs to be euthanized.

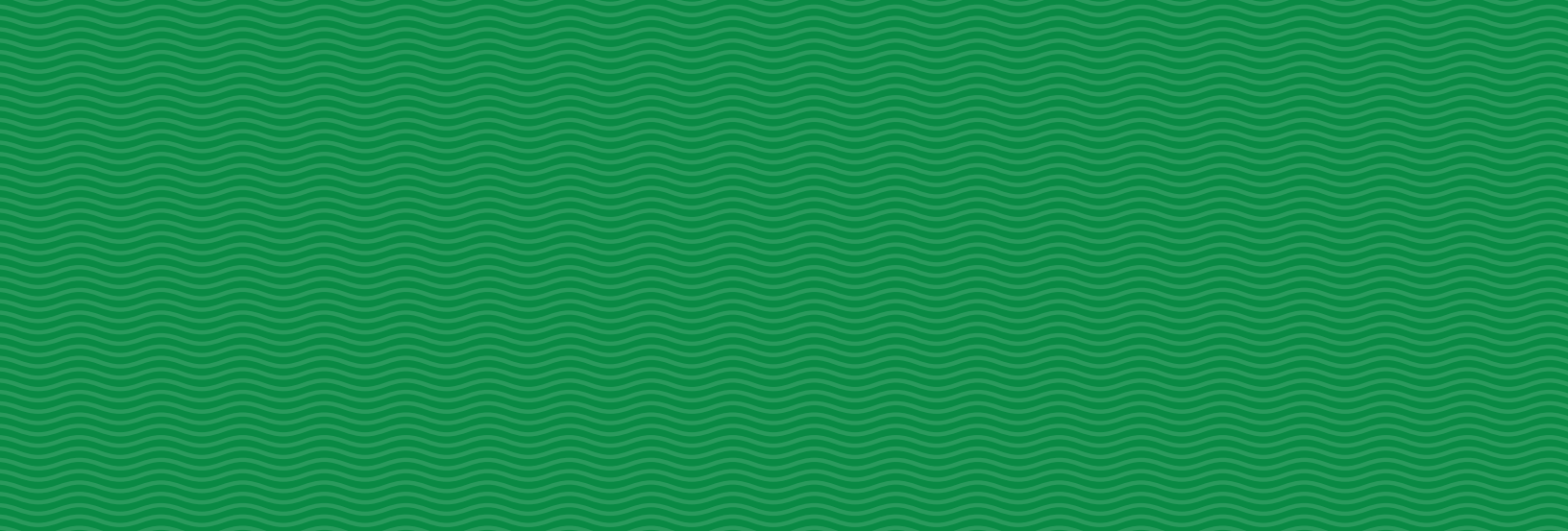
2019 SPIRIT OF EXCELLENCE

5

awards for provisions

21

awards for procurement



We developed our standards in conjunction with animal care experts, including renowned authorities on humane animal husbandry, to ensure that every animal is raised in a healthy environment and treated with care, respect and compassion throughout its entire life. Our network of family farm suppliers understands and shares these values.

Hormel Foods has a zero-tolerance policy regarding the mistreatment of animals through abuse or neglect. We have strict requirements related to animal care, overseen by veterinarians, third-party experts and a team of animal welfare professionals at Hormel Foods.

In addition to these principles, we have additional requirements for hogs and turkeys, and our Applegate subsidiary has additional animal care requirements as well. For more information about our animal care and antibiotic stewardship efforts, please visit our corporate website: [HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility).

HOGS

All hog producers participate in the Hormel Foods Quality Assurance Program. This program certifies them in the proper way to transport and treat animals on their farms. In addition, all farms are subject to third-party audits.

Our annual Spirit of Excellence Awards recognize hog producers that exemplify our commitment to quality at Hormel Foods. In 2019, we recognized five suppliers in the provisions category and 21 suppliers in the procurement category.

Quality assurance and operations personnel perform daily internal audits in our processing facilities to maintain the highest animal care practices. In 2019, one external audit was performed by outside auditors in our processing facilities. Internally, we participated in 1,059 formal audits, and 49 audits were conducted by company management at our processing facilities on an unannounced, random basis.

In 2019, we did not have any notices of intended enforcement from the Food Safety and Inspection Service as a result of material noncompliance with laws and regulations related to our transportation, handling and slaughtering practices.

TURKEYS

Jennie-O Turkey Store follows the animal welfare guidelines of the National Turkey Federation as the auditing criteria for our hatcheries, farms and processing plants. We are proud to consistently score in the highest category.

In 2019, 460 internal audits were conducted by the Jennie-O Turkey Store live-production quality assurance department, and 216 production National Turkey Federation audits were performed by managers and supervisors of live production.

Quality assurance and operations personnel perform daily audits at Jennie-O Turkey Store processing facilities in order to uphold the highest animal care practices. Jennie-O Turkey Store participated in four internal formal audits, and 84 audits were conducted by company managers at processing facilities on an unannounced, random basis. Eight external audits were performed by outside auditors in our processing facilities.

In 2019, we did not have any notices of intended enforcement from the Food Safety and Inspection Service as a result of material noncompliance with laws and regulations related to our transportation, handling and slaughtering practices.

Antibiotic Stewardship

We understand the importance of using antibiotics responsibly in all settings, including animal agriculture, and our responsibility to reduce the use of medically important antibiotics in order to maintain their effectiveness.

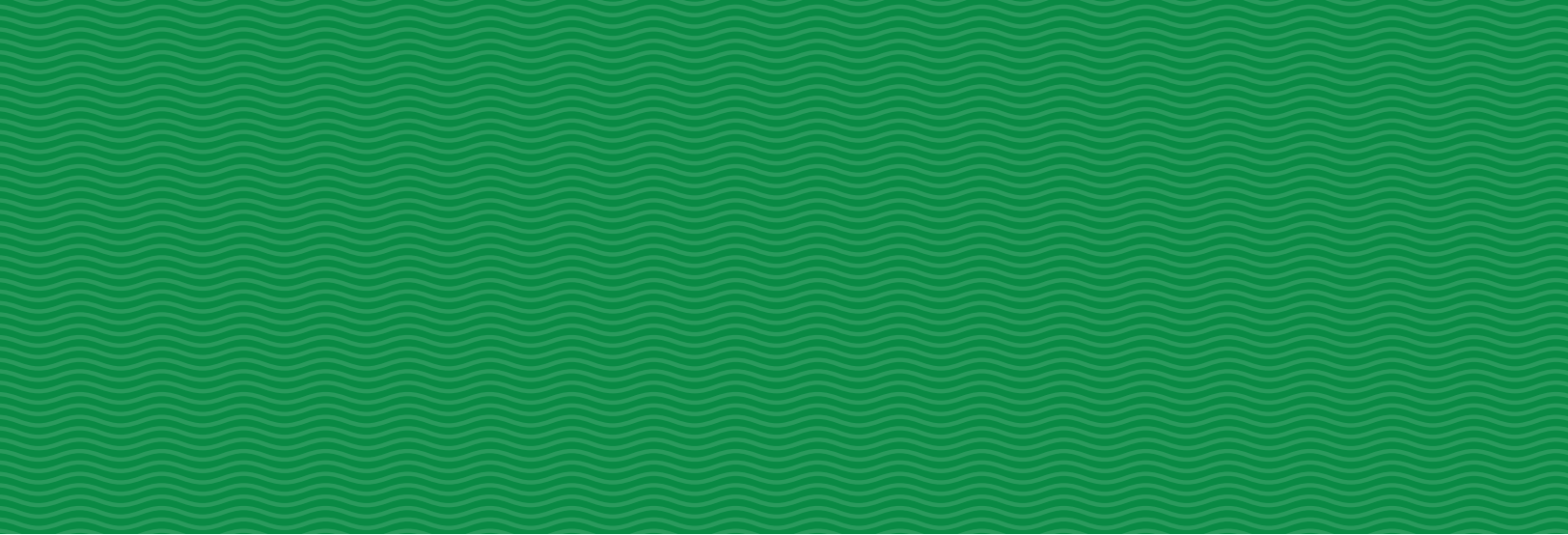
In calendar year 2018, Hormel Foods, along with other food companies, retailers, livestock producers and trade and professional associations, announced a comprehensive framework to strengthen stewardship of antibiotic use in food animals. The framework was part of a two-year dialogue with stakeholders, moderated by the Farm Foundation and Pew Charitable Trusts, to ensure that antibiotics are used judiciously throughout production to protect animal and public health.

The 15 core components of the antibiotic stewardship framework are based on the importance of veterinary guidance and partnership, disease prevention strategies and optimal treatment approaches, as well as effective record keeping and a culture of continuous improvement and commitment to antibiotic stewardship. The components address education, implementation and evaluation steps for phasing in stewardship programs.

The framework's guiding principles are intended to help ensure that stewardship programs have a clear scientific basis, are transparent, minimize the risk of unintended consequences, encourage alternatives to antibiotics and focus on long-term sustainability.

A key component of the industry framework is reporting and measurement. Hormel Foods is working with others in the industry to create a systemwide measurement plan and protocol that can be used consistently within the farm industry.

In 2019, we made a commitment to report the antibiotic usage for some of the farms within our supply chain. This report will be published in January of 2021. We will share our report and recommendations through this pilot project with others in the industry.



Protecting human health and the health of our animals is of the utmost importance, and we are proud of our ongoing stewardship efforts:

→ Reducing the use of antibiotics – Reducing the need for antibiotics has been and continues to be important to us. We continue to focus our efforts on keeping our animals healthy so that antibiotics aren't needed. For example, we employ seven veterinarians at our Jennie-O Turkey Store subsidiary and partnered with a leading animal veterinary clinic to help define long-term health strategies for our company-owned hog farm. We also continue to research ways to use products such as probiotics and phytobiotics to maintain animal health and welfare for turkeys. In addition, veterinarians monitor and evaluate the health and welfare of all of our animals, as well as our antibiotic use, on an ongoing basis.

→ Responsible use of antibiotics – We comply with the U.S. Food and Drug Administration's industry guidelines that eliminates the use of medically important antibiotics for growth promotion. While we continue to make reductions in antibiotic use, we believe the responsible use of antibiotics includes the appropriate treatment of sick animals. When antibiotics are needed to properly care for an animal, only approved medications and dosage levels are used under the direction of a veterinarian. In addition, Hormel Foods has a leading animal welfare auditing program, and ensuring the responsible use of antibiotics is a key part of that program.

→ Raised without antibiotics – Hormel Foods has invested in producing raised-without-antibiotics products. In fact, our purchase of Applegate is a significant commitment in this regard.

Our *Applegate*® product portfolio is produced entirely from animals raised without antibiotics. If antibiotics are given to an animal, that animal does not enter the Applegate supply chain. In addition, our Jennie-O Turkey Store subsidiary produces several raised-without-antibiotics products.

→ Partnerships – To further demonstrate our commitment to this important issue, in 2015 we formed an Antibiotic Working Group comprised of internal subject-matter experts, leading nongovernmental organizations, including the Pew Charitable Trusts and Farm Foundation, veterinarians and other stakeholders to discuss and continue to advance this important industry topic. We also review and explore research opportunities and participate in industry antibiotic initiatives.

Sustainable Agriculture

Hormel Foods recognizes the critical role that sustainable agricultural practices play in meeting the world's food demands while protecting our natural resources.

That's why we have developed a Sustainable Agriculture Policy that applies to our direct suppliers, contract animal producers and growers of feed grain.

In 2017, we completed a high-level water risk assessment of our top suppliers through our participation in the AgWater Challenge. We have also completed our first water risk questionnaire set with key suppliers to gain additional insight into the supply chain management of water risks. In 2018, we helped launch the Cedar River Watershed Partnership — a public-private partnership aimed at improving water quality in this watershed within our supply chain. The partnership has held several events for farmers, including a field day educational event that focused on maximizing soil health. A priority of the partnership is helping farmers in the watershed become certified through the Minnesota Agricultural Water Quality Certification Program. We will continue to be engaged in this initiative, will promote water quality certification within our supply chain, and will continue to explore additional ways to promote sustainable agriculture.



Environment

Farmer Livelihoods

Ensuring the livelihoods of farmers is important to us, as we rely upon hundreds of family farmers for hogs and turkeys. In fact, many family farmers have been suppliers to us for multiple generations.

Through our long-term relationships with hog producers, farmers are ensured a market for their animals. In addition to these agreements, our Jennie-O Turkey Store subsidiary offers long-term agreements to contract growers. Under this arrangement, Jennie-O Turkey Store owns and provides the turkeys, feed and veterinary care, and the farmers get paid for raising the turkeys and for the use of their facilities.

In addition, we are proud to have representatives serving as members, officers and directors of the boards of many industry organizations that support agriculture and farmer livelihoods. For more information about our industry collaboration, please visit our corporate website: [HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility).

We are inspired to do our part in making the world better. That's why we place great emphasis on minimizing environmental impacts when producing products for customers and consumers around the world. Our efforts include a focus on protecting water quality, reducing fresh-water use and improving our mix of renewable energy sources, recognizing the importance of these actions in light of the effects of climate change.

To minimize our environmental impact, we set goals to reduce our nonrenewable energy use, water use, solid waste sent to landfills and greenhouse gas (GHG) emissions by 10 percent by 2020 at our domestic manufacturing facilities. These goals are established on a target to implement projects that provide absolute reductions equaling 10 percent of our base-year level (2011). We invest in our facilities and establish specific metrics to improve the efficiency of our operations to help meet these environmental goals across the company.

In addition to these goals, we aim to reduce our product packaging by 25 million pounds by 2020. Our packaging team regularly evaluates our packaging design, consistently looking for minimization opportunities.

2019 Environmental Highlights

REDUCED GHG EMISSIONS BY

8.5K⁺
metric tons

REDUCED ENERGY USE BY

44K⁺
MMBtu

REDUCED WATER USE BY

93M
gallons

REDUCED SOLID WASTE BY

13
tons (sent to landfills)

REDUCED PRODUCT PACKAGING BY

1.5M
pounds

Our Environmental Progress

2020 GOALS

Reduce nonrenewable energy use, water use, solid waste sent to landfills and GHG emissions by 10 percent, and reduce product packaging by 25 million pounds.

GHG EMISSIONS

In 2019, we implemented projects that resulted in a reduction of over 8,500 metric tons of GHG emissions from our domestic manufacturing operations, reaching 77 percent of our goal when combined with our progress since 2012. While we do not anticipate that we will reach our goal in 2020, we are excited to have a portfolio of renewable energy and efficiency projects in development that will exceed the goal level in the coming years.

ENERGY

In 2019, we implemented projects that resulted in reduced energy use exceeding 44,000 MMBtu. When combined with our results since 2012, we have surpassed our reduction target of 692,000 MMBtu by 18 percent.

WATER

After surpassing our 2020 goal in 2016 to reduce water use by 0.5 billion gallons, we have continued to achieve additional reductions. In 2019, we successfully implemented projects that reduced water use by 93 million gallons, exceeding our goal by 82 percent when combined with our progress since 2012.

SOLID WASTE

We surpassed our solid waste sent to landfills reduction goal in 2014. In 2019, we implemented projects that reduced the amount of solid waste sent to landfills by 13 tons.

PACKAGING

In 2019, our packaging team's sustainability initiatives resulted in 1.5 million pounds in savings.* When combined with our progress made since 2012, we have surpassed our goal to reduce product packaging by 25 million pounds by 2020.

FACILITY IMPROVEMENTS

We implemented more than \$6 million in facility improvements related to environmental sustainability efforts.

For information about how we manage environmental compliance, please visit our corporate website: [HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility).
*Savings are estimated annualized savings based on a full year of volume



OUR 2020 GOAL

92K

metric ton reduction in GHG emissions

77%

of our 2020 goal when combined with progress since 2012

Greenhouse Gas Emissions

At Hormel Foods, we have a number of projects in place that help reduce our greenhouse gas (GHG) emissions, ranging from improvements to our facilities to the way we transport our products to our customers.

As established from our 2011 base year, our goal is to implement projects that reduce GHG emissions by 92,000 metric tons of carbon dioxide equivalent (CO₂-e) by 2020. In 2019, we implemented projects that resulted in a reduction of over 8,500 metric tons of GHG emissions from our domestic manufacturing operations, reaching 77 percent of our goal when combined with our progress since 2012. Of the total GHG emissions, direct GHG emissions were approximately 35 percent and indirect GHG emissions were approximately 65 percent. Normalized GHG emissions for manufacturing plants were 0.322 metric tons of CO₂-e per ton of products sold, up 11 percent from the prior-year level. While we do not anticipate that we will reach our goal in 2020, we are excited to have a portfolio of renewable energy and efficiency projects in development that will exceed the goal level in the coming years.

RENEWABLE ENERGY INITIATIVES

We support the renewable energy markets by subscribing to community solar gardens at five manufacturing locations, including a co-sponsorship with Westar Energy for its first community solar garden near Wichita, Kan., where we manufacture most of our *Hormel® Natural Choice®* bacon products. In calendar 2019, we celebrated the completion of a solar energy project at our Swiss American Sausage Company facility in Lathrop, Calif. The solar array consists of approximately 2,000 panels constructed on both roof and ground space and is projected to supply more than 15 percent of the plant’s annual electricity consumption.

We look forward to continuing our support of renewable energy through additional initiatives in the future.

RECENT PROJECTS TO REDUCE AIR EMISSIONS

200

metric tons

Atlanta Plant (Tucker, Ga.)

Our Atlanta Plant team implemented a sub-metering and real-time analytics program to gather additional insights into the plant’s energy consumption. The program enabled the plant to identify priority projects, and led to the investment of a new high-efficiency air compressor that reduced electrical usage by more than 290,000 kWh. This project resulted in the reduction of greenhouse gas emissions by more than 200 metric tons annually – enough to offset the consumption of over 23,000 gallons of gasoline.*

750+

metric tons

Skippy Foods (Little Rock, Ark.)

Our Skippy Foods team implemented an energy-efficient air compressor and dryer system. This project resulted in an annual reduction of more than 1 million kWh of electricity and 2.4 million gallons of water. The project helped reduce more than 750 metric tons of greenhouse gas emissions – enough to offset over 1.8 million miles driven by the average passenger car.*

LOGISTICS

With our worldwide presence, Hormel Foods relies on transportation via truck, train and ship to deliver our products to customers. We do so in a way that minimizes our impact on air quality. We transport our products as efficiently as possible by structuring pallet loads, reviewing product mixes and improving route planning. Load factors averaged approximately 91 percent of vehicle weight capacity in 2019.

We recognize that our methods of intermodal shipments need to be reassessed on a regular basis and continue to evaluate best practices. Intermodal shipments combine the best attributes of truck and rail shipping. For long distances, this method of transportation can cut fuel use and GHG emissions by 70 percent, compared to truck-only moves.** In 2019, we had over 9,200 intermodal shipments. These shipments accounted for approximately 14.8 million miles and saved approximately 1.8 million gallons of diesel fuel, versus shipping solely by truck.

*According to the United States Environmental Protection Agency’s Greenhouse Gas Equivalencies Calculator

**Average of the following sources: Truckloads are 65 percent less efficient than rail (U.S. Environmental Protection Agency Office of Transportation and Air Quality)

Updated trucks prove to be 75 percent less efficient than locomotives (Association of American Railroads)

For additional information, please see our CDP climate change response.



44K⁺
MMBtu energy reduction

Energy

In 2019, we implemented projects that resulted in reduced energy use exceeding 44,000 MMBtu. When combined with our results since 2012, we have surpassed our reduction target of 692,000 MMBtu by 18 percent. We will continue to implement additional energy reduction projects as we work to establish a new goal.

2019 PROGRESS

Normalized direct energy (MMBtu/sales tonnage) in 2019 was 1.86, and normalized indirect energy (kWh/sales tonnage) in 2019 was 298. Our normalized direct and indirect energy use both increased due to extremely cold weather conditions.

NORMALIZED DIRECT ENERGY

1.86
MMBtu/sales tonnage

NORMALIZED INDIRECT ENERGY

298
kWh/sales tonnage

RENEWABLE ENERGY INITIATIVES

We continue to support the renewable energy markets by subscribing to community solar gardens at five manufacturing locations, including a co-sponsorship with Westar Energy for its first community solar garden near Wichita, Kan., where we manufacture most of our *Hormel® Natural Choice®* bacon products. In calendar 2019, we celebrated the completion of a solar energy project at our Swiss American Sausage Company facility in Lathrop, Calif. The solar array consists of approximately 2,000 panels constructed on both roof and ground space and is projected to supply more than 15 percent of the plant's annual electricity consumption.

RECENT PROJECTS TO REDUCE ENERGY CONSUMPTION

728K⁺
kWh

Osceola (Iowa) Food

Our Osceola Food team implemented a strategic energy management plan. Through the implementation of the plan and working with a local energy company to identify efficiency projects, the team was able to save more than 1,300 MMBtu of natural gas and 728,000 kWh of electricity per year – enough energy to charge over 75 million cell phones.*

1.3M⁺
kWh

West Central Turkeys (Pelican Rapids, Minn.)

Our West Central Turkeys team installed LED lighting and a new high-capacity sliced-meats line. Team members also assessed and tuned up the refrigeration system. By implementing these changes, taking advantage of rebate opportunities and working with local utility companies, the team was able to reduce electrical usage annually by more than 1.3 million kWh – enough energy to power over 100 homes for a year.*

*According to the Environmental Protection Agency's Greenhouse Gas Equivalencies Calculator



2020 GOAL EXCEEDED BY

82%

when combined with progress since 2012.

4.45B

gallon reduction

Total manufacturing water use during 2019 was 4.45 billion gallons.

Water

Water usage continues to be a top priority for all of our stakeholders and thus, continues to be a priority at Hormel Foods.

After surpassing our 2020 goal in 2016 to reduce water use by 0.5 billion gallons, we have continued to achieve additional reductions. In 2019, we successfully implemented projects that reduced water use by 93 million gallons, exceeding our goal by 82 percent when combined with our progress since 2012. Total manufacturing water use during 2019 was 4.45 billion gallons. We will continue to focus on water reduction and efficiency improvements as we work to establish a new goal.

Our water sources for our domestic manufacturing facilities are solely from municipal utilities. We consistently look for ways to improve our equipment and engage our employees on an ongoing basis to achieve water use reduction through behavior-based initiatives. Normalized usage (cubic meters/sales tonnage) for 2019 was 7, an 11 percent increase compared to our prior-year level.

In addition to monitoring our water usage, we evaluate our operations to determine the business risk associated with water scarcity. After careful evaluation, we confirmed that Hormel Foods does not have manufacturing operations in areas defined as water-scarce regions by the Food and Agriculture Organization of the United Nations. We have identified three manufacturing facilities that are located in regions defined as overall high risk, using the World Resources Institute's Aqueduct Water Risk Atlas. Access-to-water risk remains low at all domestic manufacturing locations, and we remain committed to driving water reduction and efficiency improvements at these and all manufacturing locations.

We have published our Sustainable Agriculture Policy and completed a high-level water risk assessment of our top suppliers through our participation in the AgWater Challenge. We have also completed our first water risk questionnaire set with key suppliers to gain additional insight into the supply chain management of water risks. In 2018, we helped launch the Cedar River Watershed Partnership — a public-private partnership aimed at improving water quality. The partnership has held several events for farmers, including a field day educational event that focused on maximizing soil health. A priority of the partnership is helping farmers in the watershed in southern Minnesota become certified through the Minnesota Agricultural Water Quality Certification Program. We will continue to be engaged in this initiative, will promote water quality certification within our supply chain and will continue to explore additional ways to promote sustainable agriculture.

WATER WITHDRAWAL SOURCE

83%
groundwater

17%
surface water

GROUNDWATER SOURCES

47%
Prairie Du Chien-Jordan Aquifer

37%
Other

16%
Quaternary Buried Artesian Aquifer

RECENT PROJECTS TO REDUCE WATER USAGE

5M

gallons of water saved

Osceola (Iowa) Food

A cross-functional team at our Osceola Food manufacturing plant was able to save nearly 5 million gallons of water annually by focusing on the optimization of production schedules. The end result was better utilization of the equipment and elimination of unnecessary wash downs. This project saved enough water to fill over 31 million 20-ounce bottles.

4.6M+

gallons of water saved

Rochelle (Ill.) Foods

The engineering and production teams at our Rochelle Foods facility partnered with an equipment manufacturer to optimize the efficiency of manufacturing equipment. Through this project, the team was able to identify an opportunity to reduce the water use in one piece of equipment by over 90 percent, resulting in a reduction of over 4.6 million gallons of water annually. This project offset the water needed to run a low-flow shower head continuously for over 3 years.

WASTEWATER MANAGEMENT

The efficient treatment of process water is an important part of our operations and a key focus of our environmental programs. Our goal extends beyond full compliance to developing collaborative partnerships in the communities where we operate.

Whether by direct discharge or indirect discharge via municipal wastewater systems, treated process water from our manufacturing locations is distributed to the following watersheds (percentage denotes the breakdown of wastewater distribution to each location).

Upper Mississippi

86%

Missouri

4%

South Atlantic Gulf

4%

Arkansas White Red

2%

Souris Red Rainy

2%

Other watersheds

2%



13

ton reduction

In 2019, our operations implemented projects that reduced the amount of solid waste sent to landfills by 13 tons.

2019 PROGRESS

After surpassing our 2020 goal in 2014 to reduce solid waste sent to landfills by 3,500 tons per year, we have continued to implement projects to achieve additional reductions as we work to establish a new goal.

In 2019, our operations implemented projects that reduced the amount of solid waste sent to landfills by 13 tons. These reductions helped offset the impacts from challenges in the recycling and alternative disposal markets, resulting in normalized total solid waste (pounds/sales tonnage) for 2019 of 22.2 pounds per salable ton, a 21 percent increase from the prior-year level.

Waste

Reducing our solid waste generation across our operations continues to be an important environmental topic that we work to address. After surpassing our 2020 goal in 2014, we continued to implement projects to achieve additional reductions.

As a member of the Grocery Manufacturers Association, we support the Food Waste Reduction Alliance's efforts to:

- Reduce food waste by half by 2020, based on 2016 levels;
- Increase the amount of food donations; and
- Recycle unavoidable food waste by diverting it from landfills.

Hormel Foods has a rich history of donating food to those in need. To learn about our efforts in 2019, visit the community section of this report.

We make every effort to divert food waste to the most beneficial end use possible. Depending on the nature of the food waste and the location of the generation, our food waste can be used as animal feed, as feedstock for anaerobic digestion, as a composting substrate or as a synthetic nutrient substitute.

Packaging

Hormel Foods has a dedicated group of employees that regularly evaluates our packaging design, consistently looking for minimization opportunities.

The packaging team collaborates with all departments and examines the entire supply chain for sustainability initiatives that will benefit all divisions. In calendar year 2019, this team initiated 22 projects and completed 17 projects. Combined, these projects resulted in 1.5 million pounds in savings.* When combined with our progress made since 2012, we have surpassed our goal to reduce product packaging by 25 million pounds by 2020.

PRODUCT PACKAGING

Hormel Foods uses more than 12,000 unique items to package and produce our products, including corrugated paperboard, labels, films, cans, plastic bags, displays, glass containers, metal closures and plastic closures. Approximately 86 percent of our product packaging, by weight, is recyclable and/or made from recycled materials.

RECENT PROJECTS TO REDUCE PRODUCT PACKAGING*

10K⁺

pounds of material saved

Box Changes

In 2019, we changed the box type for some of our deli dry sausage products and Hormel® pepperoni stix. This conversion resulted in a material savings of more than 10,000 pounds.

89K⁺

pounds of material saved

Bottle Type Optimization

We switched to a clearer and more squeezable plastic bottle type for our Herdez® Taqueria Street Sauce® items. This change required numerous rounds of testing from a cross-functional team. The new bottle type is thinner and resulted in a material savings of more than 89,000 pounds.

SURPASSED OUR 2020 GOAL

When combined with our progress made since 2012, we have surpassed our goal to reduce product packaging by 25 million pounds by 2020.

Note: Due to the breadth of input materials used in production and packaging, we cannot report on the total weight of materials used throughout the company until we have a reliable process to measure and track this information.

489K⁺

pounds of material saved

Tray Change

We reduced our corrugate SPAM® products tray height by ¼ inch, which decreased our material usage by more than 489,000 pounds. This change required a cross-functional team comprised of engineering, operations, purchasing, vendors, production professionals and our packaging team.

*Savings are estimated annualized savings based on a full year of volume



People

Recognition

Through our internal Sustainability Best of the Best annual competition, we recognize and reward Hormel Foods teams that have identified improvement opportunities and implemented changes.

In 2019, we received project entries from across the company in our Sustainability Best of the Best competition. The Atlanta Plant (Tucker, Ga.) team was named the winner for its project that reduced electrical usage by more than 290,000 kWh and greenhouse gas emissions by more than 200 metric tons annually. To learn more about this project, please visit the greenhouse gas emissions section of this report. Also see our Environmental Sustainability Policy for more information about the commitment our company has made to environmental sustainability objectives.

In addition to our Sustainability Best of the Best competition, the Colorado Department of Public Health and Environment awarded our Mountain Prairie Farms location (Las Animas, Colo.) with a Gold Award. The Environmental Leadership Program recognizes Colorado organizations for going above and beyond compliance with state and federal regulations in their commitment to continual environmental improvement.

As one of the most trusted food companies in the world, our inspired people are making a difference around the world. Our team members are the cornerstone of our company and of the fulfillment of our purpose of — *Inspired People. Inspired Food.*™ That’s why we place great importance on the growth, development and engagement of our people, which in turn, helps with retention.

Our Team 2019

ONGOING GOALS

We aim to promote a more inclusive and diverse workplace and provide a safe workplace for all team members.

TEAM MEMBER BREAKDOWN

17%
salaried

83%
hourly

5%
temporary

BY LOCATION

92%
United States

5%
Asia

3%
other countries

48%
employees
with 5+ years
of service

38%
of workforce
represented by
women

52%
of workforce
represented by
ethnic minorities

9

employee resource groups



robust safety program

492K

training hours



22%

turnover rate

In 2019, our turnover rate for all employees was 22 percent.

About Our Team

Our people are the driving force behind our innovation, improvement and success. We consider the tenure of our employees an important indicator of our overall company performance, and we're proud of our tenure figures.

In 2019, our turnover rate for all team members was 22 percent. Additionally, we are proud to report that 48 percent of our team members had five or more years of service, and our 36-person officer team had an average of 26 years of service.

About Our Team 2019

ABOUT OUR TEAM

18K+

team members worldwide
68% male; 38% female

ABOUT THEIR TENURE

48%

employees with 5+ years of service

OF THOSE 48%

29%

HAD 20+ YEARS OF SERVICE

66% male; 34% female
69% hourly; 31% salaried

9%

HAD 30+ YEARS OF SERVICE

67% male; 33% female
68.5% hourly; 31.5% salaried

ABOUT THEIR JOB TYPE

83%

hourly
61% male; 39% female

17%

salaried

2%

part-time

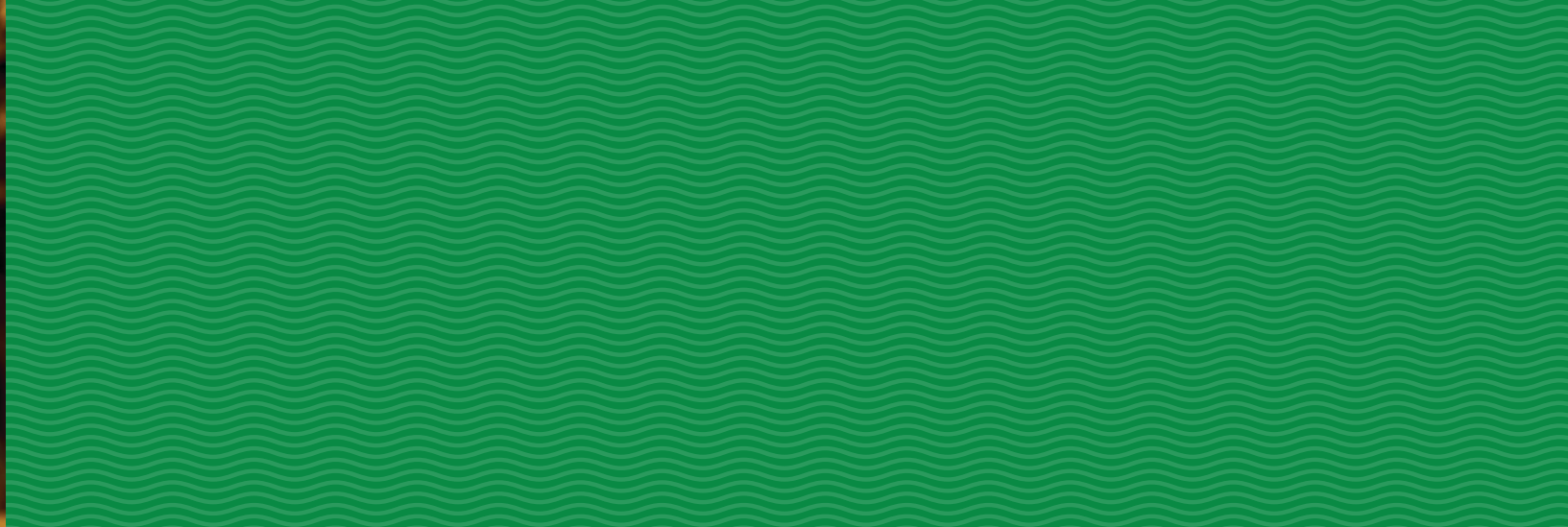
5%

temporary

19%

Covered by CBAs
(collective bargaining agreements)

Hormel Foods adheres to the National Labor Relations Act and respects the rights of employees to choose whether or not they want to organize a collective bargaining unit. We do not have any operations in which the right to exercise freedom of association and collective bargaining is at significant risk.



Safety, Health & Wellness

Our constant focus on the safety of our team members is a top priority for the company and is demonstrated by our results that continually exceed industry benchmarks.

Our dedicated corporate safety department develops and administers companywide policies to ensure the safety of each team member and compliance with Occupational Safety and Health Administration (OSHA) standards. The corporate safety department also conducts annual audits of our manufacturing plants to ensure compliance with company safety policies.

One example of how Hormel Foods instills the principles of safety into everyday operations is through our Safety Awareness Mascot (SAM). The Hormel Foods safety department introduced SAM in 2015 to brand the safety process and increase employee understanding of the company's safety principles. Hormel Foods also holds a biennial safety conference for its safety managers from across the country and has a Safety Elite recognition program that recognizes locations that have achieved superior performance.

INJURY/ILLNESS RATES

Our goal is to provide a safe workplace for all team members and reduce our injury/illness rates each year. Our injury/illness incident rates are better than the Bureau of Labor Statistics (BLS) industry average for North American Industry Classification System (NAICS) 3116 Animal Slaughtering and Processing.

Total Case Incident Rate

OSHA calculates the Total Case Incident Rate (TCIR) as the number of OSHA recordable incidents multiplied by 200,000 hours and divided by the total hours worked that year. In 2019, the TCIR at Hormel Foods was 2.6, which is better than the BLS industry average of 4.3.

Days Away From Work Injury And Illness

Days Away from Work Injury and Illness (DAFWII) measures an injury or illness that involves one or more days away from work. In 2019, the DAFWII rate at Hormel Foods was 0.52, which is better than the BLS industry average of 1.

Days Away, Restricted Or Transfer

Days Away, Restricted or Transfer (DART) measures the days an employee has restricted work activity or job transfer, or both. In 2019, our DART rate was 1.77, which is better than the BLS industry average of 3.

DESCRIPTION	2018	2019
Total Case Incident Rate	2.7	2.6
Days Away From Work Injury And Illness	0.46	0.52
Days Away, Restricted Or Transfer	1.89	1.77

SAFETY TRAINING

Hormel Foods conducts safety training for an average of 14,832 team members in our locations every month and completes more than 1,000 safety assessments each month companywide. In 2019, Hormel Foods conducted an average of 7,456 lockout-tagout (LOTO) inspections per quarter and held semi-monthly companywide safety conference calls with plant safety personnel.

HEALTH AND WELLNESS

We recognize that our team members perform best when they are healthy, and that optimal performance is necessary for us to achieve our Key Results. In addition to our healthcare benefits package, our Inspired Health program aims to cultivate and maintain a culture of health and wellness that is focused on encouraging and empowering team members to make healthy lifestyle choices through awareness, prevention and positive health behavior changes. This program includes biometric screenings, on-site fitness

centers and fitness center discounts, an online health university with robust information and resources, a tobacco cessation program, wellness challenges, confidential health and wellness support 24 hours a day, seven days a week, and more.

To keep health and wellness top of mind for our team members, our company's intranet features a wellness blog that shares tips and inspiring stories of team members who are making healthy lifestyle choices.



28
average training hours

4.3K
human rights training hours

Training

In order to support our tradition of fostering long-term employment by promoting from within, employees receive formal training throughout their careers at Hormel Foods, applicable to their levels of responsibility and expertise.

We spent approximately 492,000 total hours on training in 2019. This equated to approximately 28 hours of training per team member. For additional information about our training programs, please visit our corporate website:

HormelFoods.com/responsibility.

Team members are also trained on policies and procedures concerning aspects of human rights that are relevant to our operations. In 2019, approximately 4,300 hours were spent on human rights training. (Some of these hours may be included in our total training hours.)

Inclusion & Diversity

We believe a diverse workforce fosters innovation and cultivates an environment filled with unique perspectives

Hormel Foods is committed to having an inclusive workplace and has nine employee resource groups (ERGs): Hormel African American Resource Group; Hormel Asian American Professionals Association; Nuestra Gente (Hormel Foods Hispanic Resource Group); Women's Insights Network; Hormel Professionals Representing Out and United Individuals & Allies; Hormel Young Professionals Enterprise; Hormel Military Veterans Engagement Team; Hormel Food and Agriculture Resource Members; and Hormel Integrating Relevant Experiences. These groups help us better understand diverse groups of consumers and relate to diverse groups of employees. Read more about these ERGs on our corporate website: **HormelFoods.com/responsibility.**

In 2019, we partnered with a wide array of business associations to support inclusion and diversity both internally and externally. Some of our partners included the Society of Hispanic Professional Engineers, the National Association of Black Accountants, the National Society of Black Engineers, the Society of Women Engineers, and the Society of Asian Scientists and Engineers as well as other multicultural business organizations.

Additionally, in 2019 we launched the Hormel Foods Inclusion and Diversity Guiding Coalition, which is focused on creating the conditions for a more inclusive and equitable environment for all and helping to shape the business and people strategies of Hormel Foods. This group represents a range of demographics, perspectives and organizational functions from across the company. By providing input and insight, the coalition is actively engaged in:

- **Strengthening the company's alignment around the business value of inclusion and diversity;**
- **Enhancing the communities where we live and work;**
- **Attracting and developing a talented workforce; and**
- **Building and retaining inclusive leaders and teams.**

We work hard to ensure we engage in nondiscriminatory pay practices so that our team members are compensated fairly and appropriately, regardless of gender, race, age or any other protected status. In 2019, there were no substantiated reports of discrimination. There were also no industrial disputes, strikes or lockouts. Therefore, Hormel Foods did not lose any hours of working time.



Diverse board of directors; three women and six persons of color.

Best Employers for Veterans according to *Military Times*

World's Best Employers by *Forbes*

9
employee resource groups

38%
of our team was female

52%
of our team was represented by ethnic minorities

0
reports of discrimination substantiated in 2019

0
strikes or lockouts in 2019



Community

4.3K

human rights training hours

Human Rights

We are committed to promoting and protecting human rights within our operations and in our supply chain.

Our human rights practices and expectations are part of our Code of Ethical Business Conduct, other policies, Supplier Responsibility Principles and supplier contracts. In addition, our Human Rights Statement outlines additional measures we have in place to protect the rights of others.

Hormel Foods team members are trained on policies and procedures concerning aspects of human rights that are relevant to our operations. In 2019, around 4,300 hours were spent on human rights training. (Some of these hours may be included in our total training hours in the training section of this report.)

In addition to these efforts, as a member of the Consumer Goods Forum and various other organizations, we work collaboratively on initiatives to improve the lives of workers around the world.

For additional information about our human rights efforts, please visit our corporate website [HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility).

At Hormel Foods, we're inspired to help others. For us there is no daylight between good citizenship and good business. From cash and product donations to scholarships and volunteer initiatives, we continually look for ways to do our part in making the world a better place.

We focus our philanthropic efforts on three areas: hunger, education and supporting the local communities where we operate. These areas closely align with our business initiatives, and over the years we've learned they are also the areas our employees are most passionate about.

We are pleased to report that in 2019 we donated \$7.6 million in cash and products. This includes \$5.9 million in hunger-relief donations, our donation of 2.5 million cans of SPAMMY® (a shelf-stable poultry product to help prevent childhood malnutrition in Guatemala) and more than \$780,000 in education donations.

Notable 2019 Donations

2.5M
cans of SPAMMY®

\$310K
to local charities
in 3 communities

THE HORMEL FOUNDATION

The Hormel Foundation is a nonprofit 501(c)(3) organization established in 1941 by George A. Hormel and his son, Jay C. The Hormel Foundation supports charitable, educational and scientific organizations in Austin, Minn., including The Hormel Institute. It is one of the top giving foundations in Minnesota. Learn more about The Hormel Foundation at: TheHormelFoundation.com.

1M+
meals* through
Hams for Hunger® program

\$5.9M
hunger-relief donations (including
products we donated to food banks
and disaster-relief efforts)

THE HORMEL INSTITUTE

Started in 1942 by Jay C. Hormel, The Hormel Institute has a seven-decade history of making significant scientific discoveries aimed at improving the health of the world. For the past 20 years, The Hormel Institute has targeted its cutting-edge research on better ways to prevent, detect and treat cancer. Learn more about The Hormel Institute at: HI.UMN.edu.

\$780K+
education donations including
cash donations made through
our Matching Gifts Program

*Using the estimation of 3 ounces = 1 meal.



\$5.9M

total donations to
hunger-relief efforts,

Hunger

In 2019, we continued our commitment to helping end hunger around the world by donating a total of \$5.9 million (or 4.8 million individual meals*) to hunger-relief efforts, including products we donated to food banks and disaster-relief efforts. We are proud to partner with organizations such as Feeding America, Second Harvest Heartland, Convoy of Hope, Food For The Poor, Caritas Arquidiocesana and Conscious Alliance. Their teams help us distribute our products to those in need.

EXAMPLES OF OUR HUNGER-RELIEF EFFORTS

2.5M

cans of SPAMMY® donated

Project SPAMMY®

We specifically designed and developed SPAMMY®, a shelf-stable poultry product fortified with vitamins and minerals, to help malnourished children in Guatemala. Working with Food For The Poor and Caritas Arquidiocesana to distribute the product to family centers and orphanages, we donated 2.5 million cans of SPAMMY® in 2019. Furthermore, many of our team members and their guests made the journey to Guatemala to help with the project. In total, we've donated more than 21 million cans of SPAMMY® since the initiative began.

We continue to engage with stakeholders to determine the best ways to scale Project SPAMMY® to other countries around the world.

\$310K

donated to local charities

Hormel Foods Community Donations Program

Through the Hormel Foods Community Donations Program, Hormel Foods provides funds to its U.S. manufacturing facilities and subsidiaries to share with local hunger-relief organizations in their communities. In 2019, \$310,000 was donated to local charities in 31 communities.

For example, our Algona (Iowa) Plant donated \$10,000 to the Food Bank of Iowa, and our Atlanta Plant (Tucker, Ga.) donated \$10,000 to Hosea Feed the Hungry and Homeless.

Disaster Response

2019 was a devastating year in terms of natural disasters around the world. We once again partnered with Convoy of Hope and others to assist with hunger-relief efforts through our Disaster-Response Program.

In 2019, we helped stock Convoy of Hope's warehouse with Hormel® chili products that could be used in these situations. Convoy of Hope responded to more than 40 disasters in 2019, including tornadoes and flooding in the Midwest and Southern U.S. and Hurricane Dorian in the Bahamas.

1M+

meals provided

Hams For Hunger®

Through our Hams for Hunger® program, we work with our retail partners to donate Hormel® Cure 81® hams to food banks and other organizations throughout the United States. In 2019, more than 1 million meals were provided through this program.**

6.8K+

meals donated

Pine Ridge Indian Reservation

In calendar year 2019, our Justin's subsidiary donated more than 6,800 meals to Conscious Alliance to support programs on the Pine Ridge Indian Reservation in South Dakota, including the backpack program for students at Isna Wica Owayawa (Loneman School).*** The backpack program provides bags of healthy, kid-friendly food for students for the weekend.

In addition, each year team members make an annual trip to the reservation to assemble and pass out meals. Check out the video below about a trip from 2018.

*Using the Feeding America estimations of \$1 donated = 10 meals and 1.2 pounds donated = 1 meal.

**Using the estimation of 3 ounces = 1 meal.

***Using the Conscious Alliance estimation of 1 meal = 1 pound.



Philanthropy

We know how important it is to support education, as well as initiatives that build better communities. From scholarship opportunities to volunteer efforts and donations, we are proud of our ongoing efforts.

*Self-reported by employees – includes work and personal time.

EXAMPLES OF OUR EFFORTS

\$20K

awarded in scholarships
Hormel Heroes Scholarships

Hormel Foods created the Hormel Heroes Scholarship Program to support female students with military backgrounds who are pursuing careers in culinary arts or a program related to foodservice management. The program is administered by the National Restaurant Educational Foundation. In 2019, we awarded two \$10,000 scholarships.

Reading Program

We are proud to be a partner in a reading program for kindergartners in Austin, Minn. The program is designed to pair working professionals with students and provides an environment where students learn the joy of reading through one-on-one interactions. Many of our team members volunteered their time to participate during the 2018-2019 school year.

17

undergrad scholarships awarded

For the 52nd consecutive year, Hormel Foods awarded 17 undergraduate college scholarships to children of full-time, retired and deceased team members of Hormel Foods and its subsidiaries. Hormel Foods has provided funds for the scholarship program since 1966, and recipients receive awards amounting to \$2,000 per year for four years. These students showed exemplary scholastic abilities and leadership qualities, outstanding standardized test scores and significant involvement in their schools and communities.

57

scholarships awarded

Each year, our Jennie-O Turkey Store subsidiary awards continuing education scholarships in the amount of \$1,000 and Golden Excellence Scholarships in the amount of \$6,000 to selected sons and daughters of team members. In 2019, Jennie-O Turkey Store awarded 57 students with \$1,000 scholarships and two students with \$6,000 scholarships.

12K+

Jennie-O Turkey Store team member volunteer hours

Our team members support organizations in their communities, electing to help others through monetary donations as well as volunteering their time and talents. In fact, our Jennie-O Turkey Store team members reported a total of more than 12,000 volunteer hours in 2019.* We are in the process of capturing this information for all our locations so we can include it in future reports.

Our Food Journey™

JIM SNEE
CHIEF EXECUTIVE OFFICER

Jim Snee is chairman of the board, president and chief executive officer of Hormel Foods, one of the largest and most successful food companies in the world. Jim is the 10th president and chief executive officer in the company's 125-year history.

Our Food Journey™

At Hormel Foods, we're not just inspired to make great food. We're inspired to make a difference.

Our team of inspired people is a collection of innovators and foodies, scientists and entrepreneurs, advocates and ambassadors, working together to build a distinctly different type of company, one that truly understands our position in the world and the difference we can make.

Since the beginning, we've believed that social responsibility is more than giving away a percentage of our profits at the end of the year. While we are committed to many worthy causes, including cancer research and fighting childhood hunger, it is our core business – efficiently producing delicious food for the world's growing population – of which we are most proud. We believe in making good food available to everyone. This means ensuring access to affordable, safe, nutritious and delicious foods with recognizable ingredients.

Good business and good stewardship go hand in hand with environmentalism, water and energy conservation, and improvements designed to make our food supply safer and ultimately better for us all. Given our role in helping to feed America and the world for more than 125 years, we know that building social value and creating economic value are not competing goals. For us, there is no daylight between good citizenship and good business.

“ We know that building social value and creating economic value are not competing goals. And where Our Path Forward is our compass, Our Food Journey is our North Star.”

— JIM SNEE, Chairman of the Board, President and Chief Executive Officer



Investing

IN OUR PEOPLE
AND PARTNERS

WE UNDERSTAND THE
POWER OF PARTNERSHIPS —
WITH OUR INSPIRED TEAM
AND THOSE WE WORK WITH.

We understand the power of partnerships to accomplish more in this world. Our partnership approach includes our team of inspired people. It is this focus that has earned us a spot as one of Forbes World's Best Employers, among other honors. This spirit of collaboration extends to our long-term partnerships with a world-class group of suppliers, partners and retailers. We work together to strive for continuous improvement, unmatched responsibility and transparency ranging from sustainable sourcing and human rights to uncompromising animal welfare and environmental stewardship.



Improving

COMMUNITIES AND
THE WORLD

WE UNDERSTAND THE
RESPONSIBILITY THAT
COMES WITH OUR NAME.

We know that small changes or actions can in fact lead to large-scale and meaningful impact. Nowhere is this more evident than in the work Hormel Foods is doing to lift up communities around the world. In 2019, we donated more than \$7 million to causes we care about – hunger, education and even cancer research. As one of the most admired food companies in the world, it is our obligation to create safe, wholesome food for all; be a good neighbor and motivated steward of our water, energy and land and do our part to reduce food waste.



Creating

PRODUCTS THAT IMPROVE
THE LIVES OF OTHERS

AS A GLOBAL BRANDED FOOD COMPANY, WE KNOW HOW TO CREATE BELOVED BRANDS, AND AS WE DO WE NEVER LOSE SIGHT OF THE FACT THAT WE HAVE A HIGHER OBLIGATION TO USE OUR SIZE AND SCALE TO HELP FEED THE WORLD'S GROWING POPULATION.

We believe in good food being available to everyone as we ensure access to foods that are affordable, safe, nutritious and delicious. We have focused on transparency and cleaner labels with foods that are simpler with more recognizable ingredients and helping people feel good about the food choices they make. We have also used our expertise to produce food that gives back – from our childhood hunger relief efforts in Guatemala with Project SPAMMY® to creating products designed for those undergoing cancer treatment, we will continue to lead the way in creating products that improve the lives of others.