



**HORMEL  
FOODS  
CORPORATE  
RESPONSIBILITY**

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**2016 Report**

*Our Food Journey*

A photograph of a cornfield at sunset. The foreground is filled with rows of golden-brown corn stalks, some in sharp focus and others blurred. In the background, a white barn with a blue roof and a tall blue silo are visible, surrounded by green trees under a clear, light blue sky. The text "About This Report" is overlaid in white, bold, serif font, with a horizontal line underneath it.

# About This Report

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**F**or the last 11 years, we have been proud to share our corporate responsibility efforts and achievements.

Our 2016 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. Additionally, the report has also been reviewed by our executive-level Corporate Responsibility Steering Committee.

As in past years, this 2016 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 G4 Guidelines established by the Global Reporting Initiative (GRI) and covers anecdotal and benchmark data from fiscal year 2016, 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 2015.

We gladly welcome your feedback about this report and/or corporate responsibility at Hormel Foods. Please do so by emailing:

→ [sustainability@hormel.com](mailto:sustainability@hormel.com)

If you have comments or questions related to our products, please contact our consumer engagement team by phone/online:

→ 1 (800) 523-4635

→ [hormelfoods.com/About/Contact-Us](http://hormelfoods.com/About/Contact-Us)

#### GRI Indicators

G4-28  
Reporting period (e.g., fiscal/calendar year) for information provided.

G4-29  
Date of most recent previous report (if any).

G4-30  
Reporting cycle (annual, biennial, etc.).

G4-31  
Provide the contact point for questions regarding the report or its contents.

G4-48  
Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.



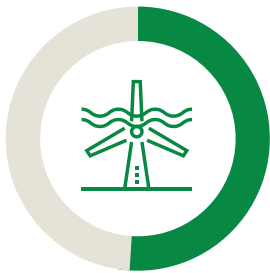
## Our Goals

Our 2020 environmental goals are being measured against base year 2011 and include greenhouse gas 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 welfare, sodium reduction, innovation, employee safety, diversity and inclusion, and communities. Many of our goals support the Sustainable Development Goals to end poverty, protect the planet and ensure prosperity for all.

### GREENHOUSE GAS (GHG) EMISSIONS

Reduce GHG emissions by 10% by 2020.



# 51%

**OF OUR 2020 GOAL**

In 2016, we reduced over 9,000 metric tons of GHG emissions from our manufacturing operations – 51% of our goal when combined with our previous progress.

### SOLID WASTE

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



# 94

**TONS OF SOLID WASTE**

After surpassing our goal in 2014, we continue to achieve additional reductions – in 2016 alone we reduced the amount of solid waste sent to landfills by 94 tons.

### ENERGY

Reduce nonrenewable energy use by 10% by 2020.



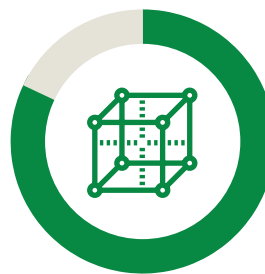
# 84%

**OF OUR 2020 GOAL**

In 2016, we reduced our energy use by more than 157,000 MMBtu – 84% of our goal when combined with our previous progress.

### PACKAGING MINIMIZATION

Reduce product packaging by 25 million pounds by 2020.



# 82%

**OF OUR 2020 GOAL**

In 2016, we reduced product packaging by 1.9 million pounds - 82% of our goal when combined with our previous progress.

### WATER

Reduce water use by 10% by 2020.



# 31%

**OVER OUR GOAL**

In 2016, we reduced water use by 239 million gallons – exceeding our goal by 31% when combined with our previous progress.

### ANIMAL WELFARE

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



# 2K+

**AUDITS CONDUCTED**

In 2016, more than 2,000 audits were conducted to ensure the accountability of our standards, and we publicly announced our antibiotic stewardship efforts.

### SODIUM REDUCTION

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



**36%**

*CHI-CHI'S*<sup>®</sup>, *Herdez*<sup>®</sup>  
and *La Victoria*<sup>®</sup> tortillas

**21%**

*Hormel*<sup>®</sup>  
Canadian bacon

**12%**

*Hormel*<sup>®</sup>  
chili with beans

**21%**

*Hormel*<sup>®</sup> *Compleats*<sup>®</sup>  
microwave meals

**12%**

*Hormel*<sup>®</sup> *Cure 81*<sup>®</sup>  
retail hams

**13%**

*Hormel*<sup>®</sup> refrigerated  
entrées (new category)

**19%**

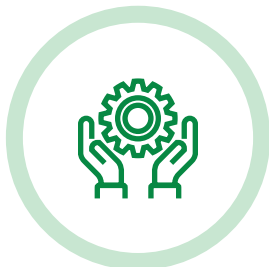
*Hormel*<sup>®</sup> smoked pork  
loins (new category)

**25%**

*Valley Fresh*<sup>®</sup>  
chicken and turkey

### INNOVATION

Deliver 15% of sales from new products developed and launched in the previous five years (new goal in 2016).



We will report our innovation progress in future reports.

### EMPLOYEE SAFETY

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



**65.8%**

reduction of Total Case Incident Rate (TCIR) since 2006

**28.9%**

reduction of Days Away From Work Injury and Illness (DAFWII) since 2006

**56.9%**

reduction of Days Away, Restricted or Transfer (DART) since 2006

### DIVERSITY AND INCLUSION

Promote a more diverse and inclusive workplace.



### Perfect Score

An additional employee resource group was formed, and we received a perfect score on the Human Rights Campaign Foundation's Corporate Equality Index.

### COMMUNITIES

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



**\$10.9M**

2016 was a record year for our giving, with \$10.9 million in cash and product donations.



## CEO Letter

We are proud of the progress we have made as a leading corporate citizen in our industry and are excited to share our 11th annual report with you.

Welcome, and thank you for visiting the 2016 Hormel Foods Corporate Responsibility Report. At Hormel Foods, we are inspired to do our part in making the world a better place.

We continue to produce food responsibly for customers and consumers around the world through five focus areas: the environment, animal welfare, our products, people and communities. We work hard to advance our efforts every year, and this past year was no exception.

In fact, we are proud to report that we:



### **SURPASSED OUR 2020 WATER REDUCTION GOAL**

In 2016 alone, we implemented projects that reduced water usage by 239 million gallons. We are also on track to achieve our remaining 2020 environmental goals.



### **ANNOUNCED OUR PARTICIPATION IN THE CERES AND WORLD WILDLIFE FUND AGWATER CHALLENGE**

Through this initiative, we will work with growers in our supply chain to reduce water use and improve water quality.



### **CONDUCTED MORE THAN 2,000 AUDITS**

These audits ensure the accountability of our animal welfare standards. We also publicly announced our antibiotic stewardship efforts.



### **CONTINUED OUR SODIUM REDUCTION AND CLEAN-LABEL INITIATIVE EFFORTS**

In 2016, we added two additional sodium-reduction product categories.

#### GRI Indicators

G4 - 1  
Statement from the most senior decision-maker of the organization.

G4 - 2  
Description of key impacts, risks and opportunities.

G4 - 13  
Significant changes during the reporting period regarding size, structure or ownership, or supply chain.





### LAUNCHED SEVERAL NEW ON-THE-GO OFFERINGS

These included three varieties of *Hormel*® *REV*® bites, *Hormel Gatherings*™ culinary pairings products and two new varieties of *SKIPPY*® P.B. bites. We also acquired Justin's LLC, owner of the *Justin's*® brand and a pioneer in nut-butter based snacking.



### CONTINUED TO ADVANCE OUR DIVERSITY, INCLUSION AND EMPLOYEE SAFETY EFFORTS

In 2016, an additional employee resource group was formed, and we achieved a perfect score on the Human Rights Campaign Foundation's Corporate Equality Index.



### HAD A RECORD YEAR FOR OUR CHARITABLE GIVING, WITH \$10.9 MILLION IN CASH AND PRODUCT DONATIONS

This includes \$7.4 million in hunger donations, our donation of 2.7 million cans of *SPAMMY*® (a shelf-stable poultry product to help prevent childhood malnutrition in Guatemala), and more than \$826,000 in education donations.



### CELEBRATED THE 125TH ANNIVERSARY OF OUR COMPANY

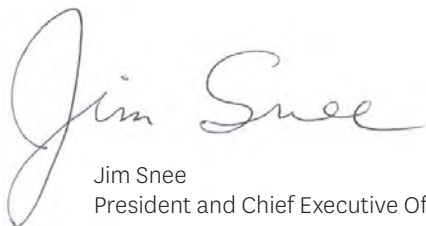
We also launched our new purpose statement — *Inspired People. Inspired Food.*™

We continue to be recognized for our work in these important areas and were honored to once again be named as one of the 100 Best Corporate Citizens by Corporate Responsibility Magazine.

I would like to thank all of our employees worldwide 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.

Please read more about our progress within this report. As always, please email [sustainability@hormel.com](mailto:sustainability@hormel.com) to share any feedback you may have about our report or our corporate responsibility efforts.

Thank you,



Jim Snee  
President and Chief Executive Officer

### GRI Indicators

G4-18  
Process for defining the report content and aspect boundaries; how the organization has implemented the reporting principles for defining report content.

G4-19  
Material aspects identified in the process for defining report content.

G4-20  
Boundary for each material aspect, including if it is material for all entities within the organization, and any specific limitation to the aspect boundary.

G4 - 48  
Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.

## Key Topics Assessment

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

We simultaneously engage with stakeholders inside and outside of the organization to help determine the overall significance and priority of each topic within our report. Our stakeholders include our employees, customers, consumers, investors, suppliers, nongovernmental organizations, government agencies and communities. This assessment is reviewed and approved by the Hormel Foods Corporate Responsibility Council and the executive-level Corporate Responsibility Steering Committee. For this report, we analyzed the topics according to the aspects of the Global Reporting Initiative's G4 Framework.

The following table summarizes the topics of interest for our stakeholders regarding our corporate responsibility reporting, based on our feedback and analysis process.

TITLE	DESCRIPTION	MORE INFORMATION
<b>Animal welfare (i.e., standards, audits, sow housing and antibiotics)</b>	How we ensure the proper treatment of animals at company-owned farms and by our suppliers	Animal Welfare
<b>Bribery and anti-corruption</b>	How we ensure an ethically sound culture	About Hormel Foods
<b>Conflict minerals</b>	Compliance with the Securities and Exchange Commission rule on conflict minerals	Products
<b>Diversity and inclusion</b>	Our commitment to fostering a diverse and inclusive work environment	People
<b>Employee satisfaction and trends (i.e., employee demographics, turnover rate, training, compensation and benefits)</b>	How we attract and retain our employees	People
<b>Food safety</b>	How we ensure food safety and quality	Products

<b>TITLE</b>	<b>DESCRIPTION</b>	<b>MORE INFORMATION</b>
<b>Food waste</b>	How we minimize food waste	Environment and Products
<b>Genetically modified organisms (GMOs)</b>	About the use of genetically modified food ingredients	Products
<b>Greenhouse gas (GHG) emissions</b>	How we reduce GHG emissions	Environment
<b>Hazardous waste</b>	About our waste handling practices	Environment
<b>Hunger relief</b>	How we help with hunger relief	Communities
<b>Lobbying disclosure and political contributions</b>	About our legislative affairs	About Hormel Foods
<b>Nutrition and wellness</b>	About our nutrition and wellness initiatives	Products
<b>Occupational health and safety</b>	How we ensure a safe work environment	People
<b>Palm oil sourcing</b>	Our palm oil sourcing commitments	About Hormel Foods
<b>Philanthropy (i.e., volunteerism and donations)</b>	How we give back to communities	Communities
<b>Product labeling and communications</b>	How we ensure the accuracy of information about our products	Products
<b>Solid waste</b>	How we reduce our solid waste sent to landfills	Environment
<b>Supply chain management (i.e., principles, assessments and supplier diversity)</b>	About our supply chain and our expectations of suppliers	About Hormel Foods
<b>Corporate responsibility governance</b>	About our corporate responsibility structure	About Hormel Foods
<b>Water</b>	How we reduce water usage	Environment
<b>Human rights</b>	How we respect the rights of all workers	People



## Stakeholder Feedback

The information within this report covers topics based on Global Reporting Initiative indicators 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.

### GRI Indicators

G4 – 18

Process for defining the report content and aspect boundaries; how the organization has implemented the reporting principles for defining report content.

G4 – 24

List of stakeholder groups engaged by the organization.

G4 – 25

Basis for identification and selection of stakeholders with whom to engage.

G4 – 26

Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

G4 – 27

Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting, and name of stakeholder group.

**View the key topics assessment section (page 9) for the results of our analysis.**

## EMPLOYEES

### How Hormel Foods engages

- Biennial engagement survey
- Intranet (*daily*)
- Monthly location-specific newsletters and quarterly companywide magazine
- Annual town hall meetings with the CEO and executives at various plants
- Departmental meetings (*ongoing*)
- Annual performance reviews
- Ongoing recruitment tours (college campuses, job fairs)

### Stakeholder interests

- Company information
- Strategic vision, employee and retiree benefits
- Compensation
- Diversity
- Employee safety
- Community outreach

### How we respond to their interests

- Include benefits information in materials for employees and in our corporate responsibility report
- Measure and include safety and demographic data in our corporate responsibility report
- Hold annual meetings to communicate company goals and progress to employees at all levels

### Ongoing results of engagement

- Improved safety
- Increased employee engagement and retention
- Improved communication of the company's progress and motivated employees
- Community support and retiree engagement and involvement

## CUSTOMERS

### How Hormel Foods engages

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

### Stakeholder interests

- Food safety
- Healthy food
- Food prices
- Animal welfare
- Environment

### How we respond to their interests

- Integrate customer feedback into product development
- Respond to questionnaires and inquiries
- Connect customers with internal experts

### Ongoing results of engagement

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

## SUPPLIERS

### How Hormel Foods engages

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

### Stakeholder interests

- Standards required to remain/become a supplier of Hormel Foods

### How we respond to their interests

- Requirements outlined in our Supplier Responsibility Principles
- Recognize top suppliers through annual awards
- Participate in ongoing dialogue

### Ongoing results of engagement

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

## INVESTORS/ANALYSTS

### How Hormel Foods engages

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

### Stakeholder interests

- New product development
- Food prices
- Commodity costs
- Code of ethics
- Governance
- Environmental impact

### How we respond to their interests

- Respond to questionnaires/inquiries
- Verify data from analysts compiling rankings and indices

### Ongoing results of engagement

- Correct information
- Benchmark data

## CONSUMERS

### How Hormel Foods engages

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

### Stakeholder interests

- Food safety
- Healthy food
- Food prices

### How we respond to their interests

- Answer questions through hotline and social media channels
- Promote more proactive information and take suggestions

### Ongoing results of engagement

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

## GOVERNMENT

### How Hormel Foods engages

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

### Stakeholder interests

- Commodity costs
- Animal welfare
- Food safety
- Local community concerns
- Regulatory climate

### How we respond to their interests

- Updates to management about key issues
- Engage in ongoing dialogue about these 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

## PHILANTHROPIC PARTNERS

### How Hormel Foods engages

- Charitable Trust Committee (*quarterly*)
- Conferences (*ongoing*)
- Disaster response and matching gifts (*ongoing*)
- Plant community donations
- One-on-one meetings and visits (*ongoing*)

### Stakeholder interests

- Hunger relief efforts

### **How we respond to their interests**

- Developed formal hunger and community giving strategy
- Provide resources to plant locations to give to local organizations to help with hunger relief
- Engage in social media to support partners
- Provide donations for disaster relief

### **Ongoing results of engagement**

- Formal hunger strategy
- Employee engagement
- Community involvement
- Relationship-building in communities

## **NONGOVERNMENTAL ORGANIZATIONS (NGOs)**

### **How Hormel Foods engages**

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

### **Stakeholder interests**

- Animal welfare
- Water
- Supplier Responsibility Principles
- Human rights
- Cost of rising food prices
- Global food system
- Food safety

### **How we respond to their interests**

- Consider topics raised in our reporting and operating practices
- Maintain ongoing dialogue to incorporate a variety of changes to business practices and explain business practices

### **Ongoing results of engagement**

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

## **COMMUNITIES**

### **How Hormel Foods engages**

- Representation and participation in community organizations (*ongoing*)
- Sponsorships (*ongoing*)
- Plant community donations (*ongoing*)
- Community events (*ongoing*)
- Local media relations (*ongoing*)
- Visits to Guatemala (*several times per year*)

### **Stakeholder interests**

- Community involvement
- Philanthropy
- Environmental impact from our operations

### **How we respond to their interests**

- Hold meetings to discuss local concerns
- Invest in community infrastructure
- Developed product to address malnutrition in children internationally
- Provide information about food safety, health and nutrition through Project SPAMMY®

### **Ongoing results of engagement**

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

### GRI Indicators

G4 - 17  
Entities included in the organization’s consolidated financial statements or equivalent documents, and any entity included not covered by this report.

G4 - 20  
Boundary for each material aspect, including if it is material for all entities within the organization, and any specific limitation to the aspect boundary.

G4 - 21  
Boundary for each material aspect outside of the organization if material, including entities and locations to which it is material, as well as limitations.

G4 - 23  
Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.

## Boundary & Measurement

The boundary of the report includes all entities that Hormel Foods “exercises control or significant influence with regard to financial and operating policies and practices,” as defined by the Global Reporting Initiative’s Boundary Protocol.

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 or additional information about what parts of the company are or are not included in this report, by section.

ABOUT HORMEL FOODS	
CATEGORY	EXCEPTIONS
No. of employees, countries where products are sold, brands that held the No. 1 or No. 2 market share and manufacturing facilities	Includes all
Audits of ingredient suppliers	Does not include Applegate
Diverse businesses	Does not include international and Applegate, and only includes applicable vendor categories
New vendors	Includes all active suppliers in the company’s tracking system
Financial information	As reported and defined in the company’s Annual Report
Lobbying and political action committee	Does not include Applegate



## ENVIRONMENT

CATEGORY	EXCEPTIONS
Environment	Includes U.S. manufacturing locations and co-pack and joint venture locations with operational control
Logistics	Does not include Applegate, Justin's and international
Packaging projects and material savings	Includes all projects and savings captured by the corporate R&D 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

## ANIMAL WELFARE

CATEGORY	EXCEPTIONS
Animal welfare	Does not include international and Applegate

## PRODUCTS

CATEGORY	EXCEPTIONS
Clean-label initiative projects	Includes all projects captured through our corporate tracking systems; however, all projects may not be captured
Partially hydrogenated oils	Includes products captured through our corporate tracking systems; however, all products may not be captured
Sugar amounts	Includes products captured through our corporate tracking systems; however, all products may not be captured
Sodium reduction	Only includes brands listed, which include brands from Hormel Foods and MegaMex Foods

## PEOPLE

CATEGORY	EXCEPTIONS
People	Data (employment type, gender and tenure) and collective bargaining does not include international
Safety and safety training	Does not include Applegate, Justin's, international and CytoSport
Employee engagement survey	Does not include Applegate, CytoSport, Jennie-O Turkey Store, union plant employees at the Austin Plant and Fremont Plant, and international plant employees
Training	Includes training captured by our corporate learning and development department (may not include everything); does not include international

## COMMUNITIES

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

## GRI Indicators

G4 - 22

Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).

G4 - EN3

Energy consumption within the organization.

G4 - EN4

Energy consumption outside of the organization.

G4 - EN20

Emissions of ozone-depleting substances.

G4 - EN29

Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations.

## Data Summary

TYPE	UNIT	2015	2016
Employees worldwide	Number (approximate)	20,713	More than 21,000
Countries where our products are sold	Number (approximate)	60	70
Countries where our products are manufactured	Number	See our corporate site	See our corporate site
U.S. manufacturing facilities	Number	More than 40	More than 30
Net sales	U.S. dollars, millions	9,264	9,523
Categories in which our brands held the No. 1 or No. 2 share	Number	More than 30	More than 30
Capital expenditures	U.S. dollars, thousands	144,063	255,524
Income tax expense	U.S. dollars, thousands	369,879	426,698
Community investments	U.S. dollars, thousands	7,734	10,974
Energy use	Direct: MMBtu/sales tonnage Indirect: Kilowatt hours (kWh)/sales tonnage	Direct: 1.68 Indirect: 295	Direct: 1.68 Indirect: 290

TYPE	UNIT	2015	2016
Water use	Cubic meters/sales tonnage	7.4	7.3
Solid waste	Pounds/sales tonnage	26	21.9
Air emissions	Metric tons CO2-e	Direct: 354,000 Indirect: 488,000	Direct: 363,000 Indirect: 481,000
Packaging reduction	Pounds, thousands	1,616	1,866
Environmental noncompliance	Number of individual findings	8*	4*
Sodium reduction	Percent reduction	<i>CHI-CHI'S®</i> and <i>Herdez®</i> tortillas: 34  <i>Hormel®</i> Canadian bacon: 23  <i>Hormel®</i> chili with beans: 14  <i>Hormel® Compleats®</i> microwave meals: 23  <i>Hormel® Cure 81®</i> retail hams: 17  <i>Valley Fresh®</i> chicken and turkey: 25	<i>CHI-CHI'S®</i> and <i>Herdez®</i> and <i>La Victoria®</i> tortillas: 36  <i>Hormel®</i> Canadian bacon: 21  <i>Hormel®</i> chili with beans: 12  <i>Hormel® Compleats®</i> microwave meals: 21  <i>Hormel® Cure 81®</i> retail hams: 12  <i>Hormel®</i> refrigerated entrées: 13 (new category in 2016)  <i>Hormel®</i> smoked pork loins: 19 (new category in 2016)  <i>Valley Fresh®</i> chicken and turkey: 25
Total Case Incident Rate (TCIR)	Number of recordable incidents per 100 full-time employees	3.2	3.1
Days Away from Work Injury and Illness (DAFWII)	Number of cases that involve days away from work per every 100 full time employees	0.5	0.6
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	2.2	2.2

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



# About Hormel Foods

**H**ormel Foods, based in Austin, Minn., is a global branded food company with over \$9.5 billion in annual revenue. Our brands include *SKIPPY*<sup>®</sup>, *SPAM*<sup>®</sup>, *Hormel*<sup>®</sup> *Natural Choice*<sup>®</sup>, *Applegate*<sup>®</sup>, *Justin's*<sup>®</sup>, *Wholly Guacamole*<sup>®</sup>, *Hormel*<sup>®</sup> *Black Label*<sup>®</sup> and more than 30 other beloved brands.

We were honored in 2016 as one of the 100 Best Corporate Citizens by Corporate Responsibility magazine for the eighth consecutive year. We also celebrated our 125th anniversary and announced our new vision for the future – *Inspired People. Inspired Food.*<sup>™</sup>

**30+**  
**Categories**

**OUR BRANDS HOLD THE NO. 1 OR NO. 2  
SHARE IN MORE THAN 30 CATEGORIES**



“People genuinely like to be here. They are intelligent, creative and hardworking people with a common goal: to create food that our consumers love.”

– LYNN, 3 YEARS OF SERVICE

## 2016 Highlights

**21K<sup>+</sup>**

employees worldwide

**70<sup>+</sup>**

countries where our products are sold

**\$9.5B**

net sales

**\$256M**

in capital expenditures

**\$427M**

income tax expense

**30<sup>+</sup>**

manufacturing facilities  
\*end of fiscal 2016

**\$10.9M**

donated in cash and products

### GRI Indicators

G4-3  
Name of the organization.

G4-4  
Primary brands, products and/or services.

G4-5  
Location of the organization’s headquarters.

G4-6  
Number of countries where the organization operates, and the names of countries with either significant operations or that are specifically relevant to the sustainability issues covered in the report.

G4-8  
Markets served  
(including geographic breakdown, sectors served and types of customers/beneficiaries).

G4-9  
Scale of the reporting organization.

For more information about the company, please visit [HormelFoods.com](http://HormelFoods.com).



**3%**

In 2016, only 3 percent of our purchases were from new suppliers.

**89**

**SPIRIT OF EXCELLENCE AWARDS**

Given to suppliers for performance.

## Supply Chain

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

### SUPPLIER RESPONSIBILITY PRINCIPLES

We introduced our Supplier Responsibility Principles to our key suppliers in 2011. By 2015, we had shared them with all of our suppliers to ensure everyone is operating in a sustainable and responsible manner.

### SUPPLIER ASSESSMENT

We expect every one of our suppliers (domestic and international) to operate according to our ethical business practices. All of our purchases are derived from suppliers that are compliant with our sourcing policy, and we strictly enforce suspension of any supplier not in accordance with such policies. Additionally, 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 2016 alone, we recognized 89 suppliers for their performance.

To exemplify our commitment to supply chain sustainability management, we require third-party food safety audits for all of our ingredient suppliers. In addition to the third-party food safety audits, in 2016 we conducted an additional 55 food safety supplemental audits. If suppliers are found to be noncompliant, appropriate action is taken — up to and including termination.

Hormel Foods values the long-standing relationships we have established with our suppliers. In fact, in calendar year 2016 only 3 percent of our purchases were from new suppliers. We are continuously looking for ways to assess our current supplier relationships to ensure that environmental/social risks are addressed and mitigated. To that end, in 2014 we completed a category-level assessment process to identify risks. As a next step, we are working with our suppliers in categories where risks have been identified. In addition, in 2016 we assessed 41 suppliers on environmental and social risks.

To read our full palm oil policy and action plan, please visit [HormelFoods.com](http://HormelFoods.com).

### 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 2016 we purchased 23 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.

### PALM OIL SOURCING POLICY

Hormel Foods recognizes the unique environmental and social risks associated with palm oil. These risks require additional due diligence in sourcing, education and training to ensure the palm oil in our supply chain is not associated with human rights issues, deforestation or plantation expansion on carbon-rich peatlands.

While Hormel Foods is a relatively minor user of palm oil, we realize that responsible sourcing of even the smallest amount of this ingredient can make a difference. Therefore, we are dedicated to only purchasing palm oil from suppliers that comply with our sourcing principles.

In 2015, the Hormel Foods Palm Oil Council updated our palm oil policy and action plan moving forward. We had made an

initial commitment to purchase only fully traceable palm oil by the end of 2014. We met this commitment by working with our suppliers and achieved traceability to the mill level. In the spirit of continuous improvement, our updated commitment is to purchase only sustainable palm oil that is fully traceable to the plantation level by 2019.

In addition, in 2015 all of our suppliers published sourcing policies for their entire operations that meet our principles and implementation timelines.

### GRI Indicators

G4-12  
Description of the organization's supply chain.

G4-EN32  
Percentage of new suppliers that were screened using environmental criteria.

G4-FP1  
Percentage of purchased volume from suppliers compliant with the company's sourcing policy.

G4-LA14  
Percentage of new suppliers that were screened using labor practices criteria.

G4-SO9  
Percentage of new suppliers that were screened using criteria for impacts on society.

## GRI Indicators

G4-34  
Governance structure of the organization, including committees under the highest governance body responsible for decision-making on economic, environmental and social impacts.

G4-35  
Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.

G4-36  
Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.

G4-39  
Report whether the chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reason for the arrangement).

G4-41  
Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: cross-board membership, cross-shareholding with suppliers and other stakeholders, existence of controlling shareholder, related party disclosures.

G4-42  
Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social impacts.

G4-43  
Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.

G4-46  
Report the highest governance body's role in reviewing the effectiveness of the organization's risk management process for economic, environmental and social topics.

G4-47  
Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.

G4-48  
Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures all material aspects are covered.

G4-49  
Report the process for communicating critical concerns to the highest governance body.

# 29%

## INCREASE IN EARNINGS PER SHARE

Hormel Foods continues to grow, increasing earnings per share by 29 percent in 2016 to a record \$1.64 per share.

## 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.

### GOVERNANCE AND POLICIES

The Board of Directors oversees all activities at Hormel Foods and assumes the ultimate responsibility of ensuring that the company's performance is based on strong ethical practices and is aligned with the Code of Ethical Business Conduct.

In 2016, the Hormel Foods Board of Directors consisted of 15 members, 12 of whom were independent. On the 2016 Board of Directors, there were four women and five persons of color.

### CORPORATE RESPONSIBILITY OVERSIGHT

In calendar year 2015, Hormel Foods implemented a Corporate Responsibility (CR) Steering Committee. The CR Steering Committee is comprised of company executives, and the group's role is to provide direction and approval for the company's environmental, social and governance activities. The chair of the CR Steering Committee is Lori Marco, senior vice

Additional information about the responsibilities of our CR Steering Committee can be found on [HormelFoods.com](http://HormelFoods.com).

Additional information about our board structure can be found in our [Proxy Statement](#).

To read more about additional governance topics, such as risk management, visit the corporate governance section on [HormelFoods.com](http://HormelFoods.com).

president of external affairs and general counsel, who reports to the company's chief executive officer. The 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 was added to the responsibility of the Governance Committee of our Board of Directors.

### FINANCIALS

For 51 consecutive years, the company has increased its annual dividend. Since 2011, the average dividend growth rate is 18 percent per year.

Hormel Foods continues to grow, increasing earnings per share by 29 percent in 2016 to a record \$1.64 per share.





## 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 2016, our lobbying efforts and activities primarily focused on agriculture, food labeling, health and labor/workplace issues.

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 2016, we spent \$490,683 on lobbying. From our 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.



In calendar year 2016, we spent \$490,683 in lobbying.

### GRI Indicators

G4-S06

Total value of political contributions by country and recipient/beneficiary.



# Environment

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## **Exceeded our 2020 water reduction goal**

**WE SURPASSED OUR WATER REDUCTION GOAL  
AND JOINED THE CERES AND WORLD WILDLIFE  
FUND AGWATER CHALLENGE**

**W**e are inspired to do our part in making the world a better place. That's why we place great emphasis on the environment when producing products for customers and consumers around the world.

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

In addition to these goals, we also 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.

### **GRI Indicators**

G4-EN31  
Total environmental protection expenditures  
and investments by type.



Hormel Foods cares about its people, the environment and the quality of products it makes. That is what makes me love coming to work every day.

- PAT, 21 YEARS OF SERVICE

## 2016 Environmental Highlights

REDUCED  
GHG EMISSIONS

**9k**

metric tons

NORMALIZED  
DIRECT ENERGY

**1.68**

MMBtu/sales tonnage

PACKAGING  
POUNDS SAVED

**1.9M**

through sustainability initiatives

### 2020 GOAL

Reduce non-renewable energy use, water use, solid waste sent to landfills and greenhouse gas emissions by 10 percent, and reduce product packaging by 25 million pounds.

### 2016 PROGRESS

In 2016, we were proud to announce our participation in the Ceres and World Wildlife Fund AgWater Challenge. Through this initiative, we will work with growers in our supply chain to reduce water use and improve water quality. We will provide updates on our progress through this challenge in future reports.



**\$4.8M**

IN FACILITY IMPROVEMENTS

### Solid Waste Reduction Goal Surpassed

We surpassed our goal of reducing solid waste sent to landfills in 2014 and continue to implement projects to achieve additional reductions.

### Water Reduction Goal Surpassed

We surpassed our water reduction goal during 2016 and will continue to drive projects to achieve additional reductions.

### We Are On Track To Achieve Our Remaining Environmental Goals

We implemented more than \$4.8 million in facility improvements in 2016 and joined the Ceres and World Wildlife Fund AgWater Challenge to work with growers in our supply chain to reduce water use and improve water quality.

For additional information about the AgWater Challenge, or to learn more about the environmental policies at Hormel Foods, we invite you to read our environment section on [HormelFoods.com](http://HormelFoods.com).



## 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 that 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 (CO<sub>2</sub>-e) by 2020.

In 2016, we implemented projects that resulted in a reduction of over 9,000 metric tons of GHG emissions from our manufacturing operations, reaching 51 percent of our goal when combined with our progress since 2012. Of the total GHG emissions, direct GHG emissions were approximately 43 percent and indirect GHG emissions were approximately 57 percent. Normalized GHG emissions for manufacturing plants were 0.325 metric tons CO<sub>2</sub>-e per ton of products sold, up 0.4 percent from the prior year level. We are currently on pace to reach our 2020 goal.

**9K**  
METRIC TON REDUCTION

In 2016, we implemented projects that resulted in a reduction of over 9,000 metric tons of GHG emissions from our manufacturing operations.

**92K**  
METRIC TONS IN GHG EMISSIONS

Our goal is to implement projects that reduce GHG emissions by 92,000 metric tons of carbon dioxide equivalent (CO<sub>2</sub>-e) by 2020.

**51%**  
OF OUR 2020 GOAL

In 2016, we reached 51 percent of our goal when combined with our progress since 2012.

### GRI Indicators

G4-EN15  
Direct greenhouse gas (GHG) emissions.

G4-EN16  
Energy indirect greenhouse gas (GHG) emissions.

G4-EN19  
Reduction of greenhouse gas (GHG) emissions.

G4-EN30  
Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

## RENEWABLE ENERGY INITIATIVES

We have purchased wind power renewable energy certificates to offset the purchased electricity demand of our Osceola (Iowa) Food facility, offsetting 35 million kilowatt hours of energy. The use of this green power offsets power at the facility that produces most of the company's *Hormel® Natural Choice®* deli meats products.

In 2016, we also continued to support the renewable energy markets by subscribing to community solar gardens at five manufacturing locations, including entering into a co-sponsorship with Westar Energy to develop its first community solar garden near Wichita, Kan., where we manufacture most of our *Hormel® Natural Choice®* bacon products. We look forward to continuing our support of renewable energy through additional solar power initiatives in 2017.

## RECENT PROJECTS TO REDUCE AIR EMISSIONS

### DIRECT GHG EMISSIONS SAVED

**675**  
METRIC TONS

#### Austin (Minn.) Plant

Our team investigated steam usage in the soup stock process and prioritized areas for improvement. By implementing projects that improved the efficiency of the steam use, the plant was able to save more than 675 metric tons of direct GHG emissions – enough to offset the GHG emissions from 1.6 million miles driven by an average passenger vehicle.

### DIRECT GHG EMISSIONS SAVED

**790**  
METRIC TONS

#### Knoxville (Iowa) Plant

Our team looked at ways to improve the efficiency of drying sausage. The team completed an energy and air balance study to determine the current conditions and then identified changes that would improve production and reduce energy use. The plant documented changes that reduced over 790 metric tons of direct GHG emissions annually – enough to offset over 91,000 gallons of gasoline consumed.

### INDIRECT GHG EMISSIONS SAVED

**99**  
METRIC TONS

#### Skippy Foods (Little Rock, Ark.)

Our team completed lighting improvement projects, replacing older inefficient lighting with high-efficiency LED lamps. The changes improved lighting levels and saved 99 metric tons of indirect GHG emissions – enough to offset the electricity use of 22 homes for one year.

## 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 90 percent of vehicle weight capacity in 2016.

We recognize that our methods of intermodal shipments need to be reassessed on a regular basis and thus, we 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 compared to truck-only moves.

In 2016, we had over 8,200 intermodal shipments. These shipments accounted for approximately 13.6 million miles and saved more than 650,000 million gallons of diesel fuel versus shipping solely by truck.



## Energy

In 2016, we continued to make progress toward our energy reduction goal, resulting in reduced energy use exceeding 157,000 MMBtu. When combined with our results since 2012, this fulfills 84 percent of our target of 692,000 MMBtu by 2020.

**84%**  
**OF OUR 2020 GOAL**

In 2016, we continued to make progress toward our energy reduction goal, resulting in reduced energy use exceeding 157,000 MMBtu.

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We look forward to continuing our support of renewable energy through additional solar power initiatives in 2017.

### GRI Indicators

G4-EN5  
Energy intensity.

G4-EN6  
Reduction of energy consumption.

### 2016 PROGRESS

Normalized direct energy (MMBtu/sales tonnage) was 1.68 and normalized indirect energy (kWh/sales tonnage) was 290, with indirect energy efficiency improving from the prior-year level. We are currently on pace to achieve our 2020 goal.

### NORMALIZED DIRECT ENERGY

**1.68**  
MMBtu/sales tonnage

### NORMALIZED DIRECT ENERGY

**290**  
kWh/sales tonnage

### RENEWABLE ENERGY INITIATIVES

We have purchased wind power renewable energy certificates to offset the purchased electricity demand of our Osceola (Iowa) Food facility, offsetting 35 million kilowatt hours of energy. The use of this green power offsets power at the facility that produces most of the company's *Hormel® Natural Choice®* deli meats products.

In 2016, we also continued to support the renewable energy markets by subscribing to community solar gardens at five manufacturing locations, including entering into a co-sponsorship with Westar Energy to develop their first community solar garden near Wichita, Kan., where we manufacture most of our *Hormel® Natural Choice®* bacon products. We look forward to continuing our support of renewable energy through additional solar power initiatives in 2017.

### RECENT PROJECTS TO REDUCE ENERGY CONSUMPTION

**380K+**  
SAVED KILOWATT HOURS

#### Swiss American Sausage Company (Lathrop, Calif.)

Our team tackled a refrigeration system improvement project that targeted the optimization of the system pressure. By optimizing the settings of the system, the plant was able to save over 380,000 kilowatt hours of electricity.

**345K+**  
SAVED KILOWATT HOURS

#### The Progressive Processing (Dubuque, Iowa)

Our team identified a process that eliminated the need to use compressed air to remove water from the exterior of cans. This process change reduced over 345,000 kilowatt hours of electricity.

**450K+**  
SAVED KILOWATT HOURS

#### Jennie-O Turkey Store (Faribault, Minn.)

Our team identified areas of outdated lighting and worked with a team of energy experts to install a highly efficient LED system. This project led to the elimination of stocking anything but LED lighting for replacement use and will save the facility over 450,000 kilowatt hours of electricity per year.





## Water

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

Our target is to implement projects that reduce total water use by 0.5 billion gallons by 2020. During 2016, we successfully implemented projects that reduced water use by 239 million gallons, exceeding our goal by 31 percent when combined with our progress since 2012. Total manufacturing water use during 2016 was 4.99 billion gallons. We will continue to focus on water reduction and efficiency improvements as we work to establish a new goal.

Our water sources include municipal utilities and company-owned wells. 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 2016 was 7.3, even with the prior year's level.

In addition to monitoring our water usage, we evaluated our operations to determine the business risk associated with water scarcity. After careful evaluation, we learned that Hormel Foods does not have manufacturing operations in areas defined as water-scarce regions by the World Resources Institute. 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.

In 2016, we also announced our participation in the Ceres and World Wildlife Fund AgWater Challenge to work with growers in our supply chain to reduce water use and improve water quality. We will provide updates on our progress through this challenge in future reports.

Additional information about the AgWater Challenge can be found on [HormelFoods.com](http://HormelFoods.com).

# 239M

GALLON REDUCTION

During 2016, we successfully implemented projects that reduced water use by 239 million gallons.



**2020 GOAL EXCEEDED BY 30%**

In 2016, we exceeded our 2020 goal by 31 percent when combined with progress since 2012.

### GRI Indicators

G4-EN8  
Total water withdrawal by source.

G4-EN22  
Total weight of waste by type and disposal method.  
For more information, please visit the Environment page on [hormelfoods.com](http://hormelfoods.com).

### RECENT PROJECTS TO REDUCE WATER USAGE

# 164M

GALLONS OF FRESH WATER SAVED PER YEAR

#### Austin (Minn.) Plant

Our team added enough reverse osmosis capacity to exceed boiler demand and eliminated single-pass cooling of air compressors. This project reduced boiler water chemical use and provided adequate cooling through heat exchangers on the air compressor, saving over 164 million gallons of fresh water per year.

# 12M

GALLONS OF FRESH WATER SAVED PER YEAR

#### Jennie-O Turkey Store (Barron, Wis.)

Our team identified a way to optimize the refrigeration load and eliminate a compressor room. By doing so, the plant was able to eliminate compressor cooling water, saving over 12 million gallons of fresh water per year.

# 20M

GALLONS OF FRESH WATER SAVED PER YEAR

#### Beloit (Wis.) Plant

Our team eliminated the use of fresh water for single-pass cooling of the air compressors in the engine room. Changing to a closed-loop cooling system will save the plant 20 million gallons of fresh water per year.

### 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):

# 74%

Upper Mississippi

# 11%

Missouri

# 7%

California

# 3%

South Atlantic

# 2%

Souris/Red River

# 1%

Texas Gulf

# 2%

other watersheds



## 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. 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.

To learn about our efforts in 2016, visit the communities section (page 75) of this report. To learn more about our initiatives to decrease food waste at the consumer level, please visit the products section (page 56) of this report.

# 94

TON REDUCTION

In 2016 alone, our operations implemented projects that reduced the amount of solid waste sent to landfills by 94 tons.

### GRI Indicators

G4-EN23  
Total weight of waste by type and disposal method.

## 2016 PROGRESS

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

In 2016 alone, our operations implemented projects that reduced the amount of solid waste sent to landfills by 94 tons. These reductions helped offset the impacts seen with increased production and poor performance in the recycling markets, resulting in normalized total solid waste (pounds/sales tonnage) for 2016 of 21.9, a 15 percent reduction from the prior year level.

**15%**  
REDUCTION

In 2016 our normalized total solid waste (pounds/sales tonnage) for 2016 of 21.9, a 15 percent reduction from the prior year level.

## REDUCING SOLID WASTE SENT TO LANDFILLS

**40+**  
TONS PER YEAR IMPROVEMENT  
IN RECYCLING VOLUME

### Atlanta Plant (Tucker, Ga.)

Our team was able to extend their solid waste avoidance and recycling improvement efforts as production volumes increased. By staying focused on the separation of materials, the plant was able to improve recycling volume by over 40 tons per year.

**50**  
TONS OF LANDFILL  
WASTE SAVED

### Progressive Processing (Dubuque, Iowa)

Our team continued toward their goal of zero waste to landfills by identifying an outlet for soft-plastic waste that is no longer accepted by area recyclers. As an alternative to landfills, the team worked to qualify the material for use in an area waste-to-energy boiler. By doing this, the plant avoided sending 50 tons per year of soft-plastic waste to a landfill.



## 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 other departments and examines the entire supply chain for sustainability initiatives that will benefit all divisions. In calendar year 2016, this team initiated 42 total projects and completed 27 projects. Combined, these projects resulted in 1.9 million pounds in savings.\* When combined with our progress made since 2012, these savings represent 82 percent of our goal to reduce product packaging by 25 million pounds by 2020.

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

# 1.9M

POUNDS

In 2016, our packaging team's sustainability initiatives resulted in 1.9 million pounds in savings.

# 82%

OF OUR 2020 GOAL

In 2016 we reached 82 percent of our 2020 goal to reduce product packaging by 25 million pounds when combined with progress made since 2012.

\*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.

### GRI Indicators

G4-EN1  
Materials used by weight or volume.

G4-EN2  
Percentage of materials used that are recycled input materials.

G4-EN27  
Extent of impact mitigation of environmental impacts of products and services.

## PRODUCT PACKAGING

Hormel Foods uses more than 9,000 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 80 percent of our product packaging by weight is recyclable and/or made from recycled materials.

## PROJECTS TO ACHIEVE PACKAGING MINIMIZATION\*

**239K<sup>+</sup>**  
POUNDS OF MATERIAL SAVED

### Grocery Products And CHEP

We were able to eliminate using paperboard slip sheets on pallets for our Grocery Products items by utilizing the CHEP pallet-pool program. This change resulted in a material savings of more than 239,000 pounds.

**196K<sup>+</sup>**  
POUNDS OF MATERIAL SAVED

### Corrugated Box Design

By adding an automated piece of equipment to our *Hormel® Natural Choice®* core deli line, we were able to design a corrugated box that uses less corrugated material and eliminates the need for tape. These changes resulted in a material savings of more than 196,000 pounds.

**626K<sup>+</sup>**  
POUNDS OF MATERIAL SAVED

### Plastic Jar Weight Reduction

By reducing the gram weight for the 15- and 16.3-ounce plastic jars for *SKIPPY®* peanut butter products from 26 to 22 grams, we were able to achieve a material savings of more than 626,000 pounds.

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



## Recognition

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

**44**  
ENTRIES

In 2016, there were 44 Best of the Best entries generated across all Hormel Foods business segments.

### INTERNAL RECOGNITION

In 2016, there were 44 entries generated across all Hormel Foods business segments. The Austin (Minn.) Plant team was chosen as the 2016 Environmental Sustainability Best of the Best champion for their water reduction project, which documented savings in excess of 164 million gallons.

To learn more about this project, please visit the water section (page 42) of this report. Also see our environmental sustainability policy for more information about the commitment our company has made to environmental sustainability objectives.

### EXTERNAL RECOGNITION

In 2016, our continued dedication to reducing our environmental footprint resulted in recognition by a number of independent sources:



#### North American Meat Institute EMS Implementation Recognition

The North American Meat Institute recognized 25 Hormel Foods and subsidiary manufacturing plants for implementing an environmental management system (EMS). The plants received Tier 3 recognition, indicating full EMS implementation without third-party certification.



#### North American Meat Institute Environmental Achievement Award Recognition

The North American Meat Institute recognized our Beloit (Wis.) Plant. The team was the second-place recipient of the Resource Conservation Achievement Award. More information about this team's accomplishments can be found in the water section of this report.



#### Wastewater Operator of the Year

Larry Reinke, supervisor of the Jennie-O Turkey Store (Barron, Wis.) wastewater plant, was awarded the Wisconsin Wastewater Operators' Association Northwest Region Operator of the Year Award.



## EMPLOYEE ENGAGEMENT IN ENVIRONMENTAL INITIATIVES

We are dedicated to fostering an environment at Hormel Foods where employees are engaged in our sustainability initiatives.

GReen Our Way (GROW) is an internal team, started in 2010, that aims to assemble and evaluate sustainability metrics, increase awareness with education and events, and improve sustainability at our Corporate Office campus (Austin, Minn.).

In 2016, the team successfully implemented a number of projects, including:



### Beat the Peak Week

The Beat the Peak Week aimed to increase awareness of peak alerts and electrical usage at the corporate campus. The final event during Beat the Peak Week was Lights Out Day on June 5 in which employees were asked to reduce their electrical usage by limiting non-essential lighting and equipment.



### Adopt a Highway

Twice a year, Hormel Foods employees volunteer to clean a section of the highway in the Austin, Minn., area. During 2016, our plant managers from across the country gathered in Austin and helped with the clean-up effort.



### Lunch and Learns

Throughout the year, the team organized and hosted several lunch-and-learn opportunities for employees on environmental topics.



### Recycling Initiatives

The team held denim and athletic shoe recycling drives for employees. The denim was donated to an organization that recycles denim into insulation, and therefore keeps textile waste out of landfills and helps with building efforts in communities around the country. The shoes were donated to a company that grinds down worn-out athletic shoes and turns them into surfaces such as running tracks.

A close-up photograph of several white piglets in a wicker basket. The piglets are looking in various directions, some towards the camera. The lighting is warm and soft, highlighting the texture of their skin and the woven pattern of the basket. The text 'Animal Welfare' is overlaid in the center in a white, serif font, with a horizontal line underneath it.

# Animal Welfare

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# 2K<sup>+</sup> Audits

MORE THAN 2,000 AUDITS WERE  
CONDUCTED TO ENSURE THE ACCOUNT-  
ABILITY OF OUR STANDARDS

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**S**ince 1891, we have strived to maintain the highest standards for animal welfare and handling throughout our entire supply chain.

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

#### GRI Indicators

G4-15  
Externally developed economic, environmental and social charters, principles or other initiatives the organization subscribes to or endorses.



Animal care is an absolute priority at Hormel Foods.

- JOSE, FOUR YEARS OF SERVICE

## 2016 Animal Welfare Highlights

### ONGOING GOAL

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

### 2016 SPIRIT OF EXCELLENCE AWARDS

4

awards for provisions

23

awards for procurement

### ANTIBIOTIC STEWARDSHIP



in 2016, we publicly announced our antibiotic stewardship efforts

### HOG QUALITY ASSURANCE AUDITS

3

by outside auditors

1,193

internal formal

57

internal random

### TURKEY QUALITY ASSURANCE AUDITS

607

internal

by Jennie-O Turkey Store

32

production

National Turkey Federation audits by live production managers and supervisors

9

external in the calendar year 2016

6

internal formal processing

102

internal random processing

To learn more about animal welfare at Hormel Foods, visit the animal care section of [HormelFoods.com](http://HormelFoods.com).



I am extremely proud to work for a company that produces food responsibly and is a good corporate citizen.

- KELLY, SEVEN YEARS OF SERVICE

## Hogs

All hog producers and employees who care for our hogs 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 2016, we awarded 89 suppliers with Spirit of Excellence Awards for their roles in the company's continuous improvement process throughout the last year. This includes four awards in the provisions category and 23 awards in the pork procurement category.

Quality assurance and operations personnel perform daily internal audits in our processing facilities to maintain the highest animal care practices. In 2016, three external audits were performed by outside auditors in our processing facilities. Internally, we participated in 1,193 formal audits, and 57 audits were conducted by company management at our processing facilities on an unannounced, random basis. In 2016, there were no incidents of noncompliance with laws and regulations, and/or voluntary standards related to our transportation, handling and slaughtering practices.

At our Hormel Foods company-owned farm, we raise our hogs in climate-controlled barns. Raising animals indoors is beneficial because our housing systems keep animals healthier, protecting them from predators, diseases and extreme weather conditions. We constantly monitor scientific research to understand the best animal treatment practices.

For information about our antibiotic stewardship efforts and our animal care practices, visit the animal care section of [HormelFoods.com](http://HormelFoods.com).

0

NONCOMPLIANCE RECORDS RECEIVED

There were no incidents of noncompliance with laws and regulations, and/or voluntary standards related to our transportation, handling and slaughtering practices.

4

Spirit of Excellence awards for provision

23

Spirit of Excellence awards for pork procurement

1,193

audits conducted by company management

### GRI Indicators

G4-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.



0

**NONCOMPLIANCE  
RECORDS RECEIVED**

We did not receive any noncompliance records for laws and regulations, and/or voluntary standards related to transportation, handling and slaughtering practices.

607

internal audits conducted by Jennie-O Turkey Store

**GRI Indicators**

G4-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.

## Turkeys

Jennie-O Turkey Store follows the animal welfare guidelines from the National Turkey Federation and the Global Food Safety Initiative guidelines for food safety as the auditing criteria for our hatcheries, grower farms and processing plants. We are proud to consistently score in the highest category.

In 2016, 607 internal audits were conducted by the Jennie-O Turkey Store live production quality assurance department, as well as 32 production National Turkey Federation audits by managers and supervisors of live production.

Daily internal audits at Jennie-O Turkey Store processing facilities conducted by quality assurance and operations personnel help maintain the highest animal care practices. In calendar year 2016, nine external audits were performed by outside auditors. Internally, Jennie-O Turkey Store participated in six formal audits, and 102 audits were conducted by company managers at processing facilities on an unannounced, random basis.

In 2016, we did not receive any noncompliance records for laws and regulations, and/or voluntary standards related to transportation, handling and slaughtering practices.

For information about our antibiotic stewardship efforts and animal care practices, visit the animal care section of [HormelFoods.com](http://HormelFoods.com).

# Products



# 47

## Clean-Label Projects

WE ADDED TWO PRODUCT CATEGORIES TO OUR SODIUM REDUCTION EFFORTS AND ALSO INITIATED 47 CLEAN-LABEL PROJECTS

---

**P**roducing some of the most trusted and well-known food products in the world inspires us every day. 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, we've implemented a clean-label initiative to simplify the ingredient statements of many of our retail products and have set a new innovation goal: to deliver 15 percent of sales from new products developed and launched in the previous five years.

---

“

I enjoy working with my team and the developers to see what new innovations the team has and which of those ideas flourish in the marketplace.

– THERESE, 1 YEAR OF SERVICE

More information about our products can be found on [HormelFoods.com](https://www.hormelfoods.com).



“

I love Hormel Foods for being an honest, trustworthy and safe company to work for. I love that we are producing quality products that are feeding the world!

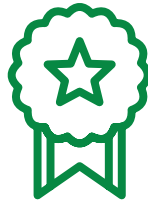
- NICOLE, 16 YEARS OF SERVICE

## 2016 Product Highlights



**97%**

of our products contain 5g or less sugar/serving



**HERDEZ®** Guacamole Salsa  
winner of our Innovation Best of the Best competition

**127K+**

contacts fielded by our consumer engagement team



**ACQUIRED JUSTIN'S, LLC**

### SODIUM REDUCTION PROGRESS

**36%**

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

**21%**

Hormel® Canadian bacon

**12%**

Hormel® chili with beans

**21%**

Hormel® Compleats® microwave meals

**12%**

Hormel® Cure 81® retail hams

**13%**

Hormel® refrigerated entrées\*

**19%**

Hormel® smoked pork loins\*

**25%**

Valley Fresh® chicken and turkey

\*New category in 2016



All employees receive food safety training appropriate for their responsibilities within the company. For more information, visit our corporate site.

## 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 every product produced.

Food safety systems are overseen by company personnel, independent third parties, the U.S. Department of Agriculture and the U.S. Food and Drug Administration.

The safety of our products is of utmost important to us. In 2016, out of an abundance of caution, we issued two voluntary recalls. One recall was for 153 cases of a single code date of *SKIPPY*<sup>®</sup> reduced fat creamy peanut butter spread. The second recall was for 450 pounds of *Dinty Moore*<sup>®</sup> beef stew.

### GRI Indicators

G4-15

Externally developed economic, environmental and social charters, principles or other initiatives the organization subscribes or endorses.

G4-PR2

The total number of incidents of noncompliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

G4-PR4

The total number of incidents of noncompliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.



## Nutrition & Wellness

Our Health, Science and Wellness Advisory Council (a cross-functional team consisting of research and development, marketing, consumer insights, regulatory affairs and packaging) meets regularly to discuss health and wellness, consumer trends, and initiatives and strategies for our product portfolio.

**70%**  
REDUCTION

Our work over the past several years has resulted in a 70 percent reduction in the number of products containing partially hydrogenated oils.

### GRI Indicators

G4-FP6

Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and sugars.

G4-FP7

The percentage of total sales volume of consumer products, by product category, that contain increased fiber, vitamins, minerals, phytochemicals or functional food additives.

## CLEAN-LABEL INITIATIVE

**47**  
CLEAN-LABEL PROJECTS  
INITIATED IN 2016

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 2016, we initiated 47 clean-label projects. Those completed in 2016 included *Valley Fresh*<sup>®</sup> chicken breast raised without antibiotics and *Hormel Vital Cuisine*<sup>™</sup> meals.

In addition to the company's retail products clean-label efforts, the company's food service division is focusing on clean labels as well. Knowing that food service operators and their patrons desire their ingredients and menu items to reflect what they find in their own pantries, all Hormel Foods Foodservice 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*<sup>®</sup> *Fire Braised*<sup>™</sup> meats, *Hormel*<sup>®</sup> *Natural Choice*<sup>®</sup> meats and *Hormel*<sup>®</sup> *FUSE*<sup>™</sup> patties. These items are 100 percent all natural with zero preservatives, no artificial colors, no nitrites or nitrates added, and have no gluten-containing ingredients.

## PARTIALLY HYDROGENATED OILS AND SUGAR

**97%**  
PRODUCTS CONTAIN 5G  
OR LESS SUGAR PER SERVING

We continue to implement projects to eliminate partially hydrogenated oils (PHOs), the source of artificial trans fats. Our work over the past several years has resulted in a 70 percent reduction in the number of products containing PHOs. We will continue to work closely with our ingredient suppliers to find suitable alternatives that do not compromise product flavor or texture.

Additionally, the products in our portfolio already contain low amounts of sugar. Approximately 97 percent of our portfolio had five grams of sugar or less per serving in 2016.

## 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.

\*New category in 2016

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

### SODIUM REDUCTION BY PRODUCT CATEGORY

**36%**

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

**21%**

*Hormel®* Canadian bacon

**12%**

*Hormel®* chili with beans

**21%**

*Hormel® Compleats®*  
microwave meals

**12%**

*Hormel® Cure 81®* retail hams

**13%**

*Hormel®* refrigerated entrées\*

**19%**

*Hormel®* smoked pork loins\*

**25%**

*Valley Fresh®* chicken and turkey

### PERCENT OF SODIUM REDUCTION BY CATEGORY\*\*

**99%**

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

**71%**

*Hormel®* Canadian bacon

**76%**

*Hormel®* chili with beans

**72%**

*Hormel® Compleats®*  
microwave meals

**50%**

*Hormel® Cure 81®* retail hams

**99%**

*Hormel®* refrigerated entrées\*

**90%**

*Hormel®* smoked pork loins\*

**99%**

*Valley Fresh®* chicken and turkey

We also reduced the sodium  
in our *Hormel® Mary Kitchen®*  
corned beef hash



“We brought together researchers in both the health and culinary fields to ensure a thorough understanding of a patient’s needs during various phases of treatment.”

– CHET RAO, PH.D., STRATEGY AND BUSINESS MANAGER AT HORMEL FOODS

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### CANCER NUTRITION PRODUCTS

In 2014, we initiated a partnership with the Cancer Nutrition Consortium (CNC) to develop a line of food and beverage products to support the nutrition needs of patients recovering from cancer and other ailments. In 2015, we launched *Hormel Vital Cuisine*™ high-protein shakes and whey powders and made them available directly to consumers for home delivery at [www.homecarenutrition.com/vital-cuisine](http://www.homecarenutrition.com/vital-cuisine). A line of *Hormel Vital Cuisine*™ meals was launched in 2016.

“During product development, we brought together researchers in both the health and culinary fields to ensure a thorough understanding of a patient’s needs during various phases of treatment,” said Chet Rao, Ph.D., strategy and business manager at Hormel Foods. “This product line was thoughtfully crafted, since many product attributes such as flavor, texture and ingredients are known to affect patients differently during their recovery, during which eating and drinking can be challenging.”

In 2016, the *Hormel Vital Cuisine*™ brand team sponsored several American Cancer Society (ACS) events, including Making Strides Against Breast Cancer and Relay For Life. *Hormel Vital Cuisine*™ products were also donated to several ACS Hope Lodges, which are free temporary lodging centers for patients and their caregivers near treatment centers.

Hormel Foods gives a portion of all *Hormel Vital Cuisine*™ product sales to the CNC. The mission of the CNC is to improve cancer patients’ quality of life by raising awareness about their experiences with food, taste and nutrition during cancer treatment.

For additional information, visit  
[homecarenutrition.com/vital-cuisine](http://homecarenutrition.com/vital-cuisine).



## Products & Food Waste

We understand that just like us, many consumers are looking for ways to reduce food waste.

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.

We produce a variety of products to help consumers with portion control, while simultaneously minimizing the amount of waste from leftover food, such as: *Dinty Moore*® microwave cups, *Hormel*® *REV*® wraps, *SKIPPY*® singles and *Wholly Guacamole*® minis.

We also produce a variety of canned foods and shelf-stable microwaveable meals that have a long shelf life. These products also have an additional benefit – they do not require the energy needed for refrigeration when being shipped or stored. Examples of our shelf-stable products include: *Hormel*® chili, *Dinty Moore*® beef stew, *Hormel*® *Compleats*® microwave meals and *Valley Fresh*® turkey and chicken.



We produce a variety of products to help consumers with portion control, while simultaneously minimizing the amount of waste from leftover food.

Hormel Foods has a rich history of donating food to those in need. To learn about our efforts in 2016, visit the communities section of this report (page 75). For information about our efforts to divert food waste from landfills, visit the environment section (page 35) of this report.



# 127K

contacts fielded by our consumer engagement team



**ACQUIRED JUSTIN'S, LLC**

### GRI Indicators

G4-PR1  
Percentage of significant product and service categories for which health and safety are assessed for improvement.

G4-PR5  
Results of surveys measuring customer satisfaction.

## Product Innovation

To continue to offer new options to meet the needs of consumers around the world, we focus our innovation efforts on healthy/holistic lifestyle, on-the-go options, multicultural options and global options.

In 2016, we launched 600 new retail and foodservice items. In addition, we recently introduced a new innovation goal: to deliver 15 percent of sales from new products developed and launched in the previous five years.

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 this product innovation process, and in 2014 we created an Innovation Steering Committee that meets quarterly to review the company's innovation progress.

In 2014, we also established an Innovation Best of the Best competition category to highlight our focus on successful innovation. In 2016, five entries from multiple business units entered the competition and the *Herdez*<sup>®</sup> guacamole salsa team was named the winner. The team started with a strategic goal of driving growth in the salsa category. *Herdez*<sup>®</sup> guacamole salsa is modeled after flavors of local taco shops, or taquerias, which offer various types of salsas and sauces. Until now, consumers have never been able to buy a shelf-stable version of a guacamole salsa.

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 2016, the consumer engagement team fielded more than 127,000 contacts.

In 2015, we acquired Applegate Farms, LLC, owner of the *Applegate*<sup>®</sup> brand (the No. 1 brand in the natural and organic prepared meats category). As a growing number of consumers choose natural and organic products, this purchase provides Hormel Foods and the *Applegate*<sup>®</sup> brand a faster path to expanded offerings in this high-growth category. In addition, we acquired Justin's LLC, owner of the *Justin's*<sup>®</sup> brand and a pioneer in nut butter-based snacking, in 2016.



## In 2016, we launched 600 new retail and foodservice items.

### NEW OPTIONS

In 2016, we rolled out several new items, with a focus on expanding our on-the-go offerings for today's busy consumers. These items included:

three varieties of  
**HORMEL® REV® BITES**



**HORMEL GATHERINGS®**  
culinary pairings products



four varieties of  
**JENNIE-O® TURKEY BREAST STICKS**



two varieties of  
**HORMEL® REV® WRAPS**



two new varieties of  
**SKIPPY® P.B. BITES**





# People

**A**t Hormel Foods, our employees 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 employees, which in turn, helps with retention.

More information about our employment practices, benefits, safety programs and employee engagement can be found on [HormelFoods.com](https://www.hormelfoods.com).

# 27

## Training hours on average per employee

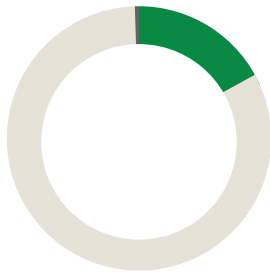
WE PROVIDED OVER 500,000 HOURS OF TRAINING TO OUR EMPLOYEES – APPROXIMATELY 27 HOURS OF TRAINING PER EMPLOYEE

### 2016 People Highlights

#### ONGOING GOALS

We aim to promote a more diverse and inclusive workplace, provide a safe workplace for all employees, and reduce our injury/illness rates each year.

#### ABOUT OUR WORKFORCE IN 2016



**17%**  
salaried

**83%**  
hourly

**<1%**  
temporary



**>92%**  
in the US

**7%**  
in Asia

**<1%**  
in other countries

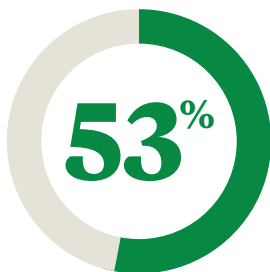
**9**

employee resource groups

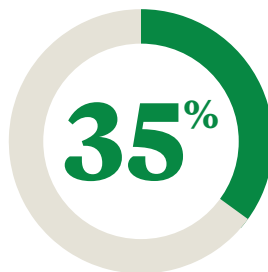


award-winning safety programs

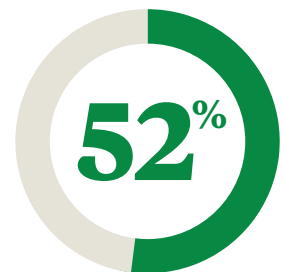
**526K+**  
training hours



employees with 5+ years of service



of workforce represented by women



of workforce represented by ethnic minorities



# 17%

In 2016, our turnover rate for all employees was 17 percent.

### GRI Indicators

G4-10  
Employees by contract and gender; permanent employees by employment type and gender; workforce by employees and supervised workers and gender; workforce by region and gender; portion of work performed by workers who are self-employed or by individuals other than employees or supervised workers; significant variations in employment numbers.

G4-11  
Percentage of total employees covered by collective bargaining agreements.

G4-FP3  
Percentage of working time lost due to industrial disputes, strikes and/or lockouts by country.

G4-HR4  
Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.

G4-LA1  
Total workforce by employment type, employment contract and region, broken down by gender.

G4-LA4  
Percentage of employees covered by collective bargaining agreements.

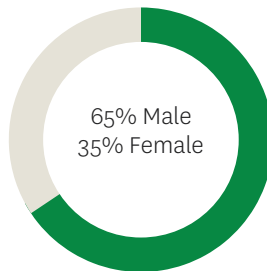
## About Our Employees

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 2016, our turnover rate for all employees was 17 percent. Additionally, we are proud to report that 53 percent of our employees had five or more years of service, and our 36-person officer team had an average of 26 years of service.

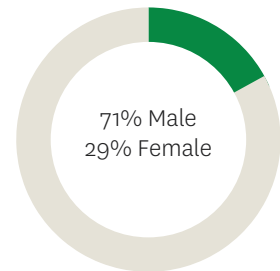
# 19K+

employees worldwide



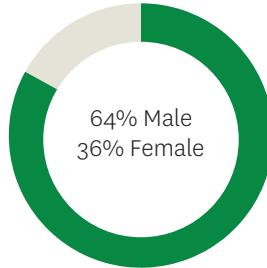
# 17%

of employees are salaried



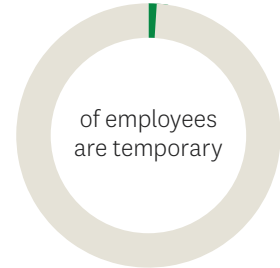
# 83%

of employees are hourly

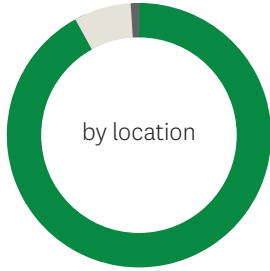


# 1%

of employees are temporary



**ABOUT OUR EMPLOYEES**

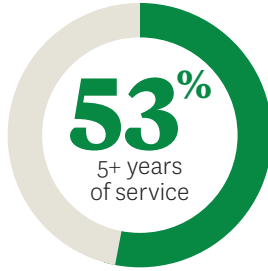


**>92%**  
In the US

**7%**  
In Asia

**<1%**  
In other countries

**ABOUT THEIR TENURE**



of those 53%

**14%**  
with 20+ years of service

**5%**  
with 30+ years of service

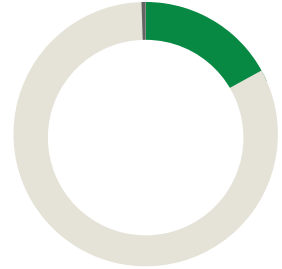
**65%**  
male

**35%**  
female

**79%**  
hourly

**21%**  
salaried

**ABOUT THEIR JOB TYPE**



**83%**  
hourly

**17%**  
salaried

**<1%**  
part-time

**29%**  
covered by collective bargaining agreements

Hormel Foods adheres to the National Labor Relations Act and respects the right of workers to choose whether or not they want to organize a collective bargaining unit. There are no operations in which the right to exercise freedom of association and collective bargaining is at significant risk.

For more information about our people, visit [HormelFoods.com](https://www.HormelFoods.com).



# 1,100

**SAFETY ASSESSMENTS**

We complete more than 1,100 safety assessments each month companywide.

## Safety

Hormel Foods is known for its award-winning safety programs.

Our dedicated corporate safety department develops and administers company-wide policies to ensure the safety of each employee 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 the creation of the 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.

### GRI Indicators

G4-LA6  
Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and by gender.

### ILLNESS/INJURY RATES

Our commitment to safety is evidenced by our injury/illness incident rates, which are better than the Bureau of Labor Statistics (BLS) industry average for North American Industry Classification System (NAICS) 3116 Animal Slaughtering and Processing.

**65.8%**  
TCIR REDUCTION

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 2016, the TCIR at Hormel Foods of 3.11 indicated we performed better than the BLS industry average for TCIR. Since 2006, we have reduced our TCIR by 65.8 percent.

**28.9%**  
DAFWII REDUCTION

Days Away from Work Injury and Illness (DAFWII) measures an injury or illness that involves one or more days away from work. In 2016, the DAFWII rate at Hormel Foods of 0.64 indicated we performed better than the BLS industry average. Since 2006, we have reduced our DAFWII rate by 28.9 percent.

**59.6%**  
DART REDUCTION

Days Away, Restricted or Transfer (DART) measures the days an employee has restricted work activity or job transfer, or both. In 2016, our DART rate was 2.24, which means we performed better than the BLS industry average. Since 2006, we have reduced our DART rate by 56.9 percent.

### SAFETY TRAINING

Hormel Foods conducts safety training for an average of 17,059 employees in our locations every month, and completes more than 1,100 safety assessments each month companywide. In 2016, Hormel Foods conducted an average of 7,600 lockout-tagout (LOTO) inspections per quarter and held semi-monthly companywide safety conference calls with plant safety personnel.

**7,600**  
LOCKOUT-TAGOUT INSPECTIONS

In 2016, Hormel Foods conducted an average of 7,600 lockout-tagout (LOTO) inspections per quarter.



For additional information about our training programs, please visit [HormelFoods.com](http://HormelFoods.com).



We conduct performance reviews with more than 99 percent of our salaried employees and 100 percent of our office hourly and plant hourly employees.

#### GRI Indicators

G4-LA11  
Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.

# 27

## AVERAGE TRAINING HOURS

The total hours spent on training in fiscal year 2016 was 526,242. This equated to approximately 27 hours of training per employee.

#### GRI Indicators

G4-HR2  
Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

G4-LA9  
Average hours of training per year per employee by gender and employee category.

G4-LA10  
Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

## Professional Development

We understand how important it is for our people to feel valued and challenged.

That's why we conduct annual performance reviews with more than 99 percent of salaried employees, 100 percent of office hourly employees and 100 percent (informal) of plant hourly employees. Reviews for salaried and office hourly employees include an assessment of current job performance and mutual employee/supervisor goal-setting for the coming year. Our career discussion process encourages conversations between managers and employees regarding work-life balance, career development, training needs and opportunities.

Additionally, we periodically conduct an Employee Engagement Survey to better understand what engagement at Hormel Foods really means to our employees and how it can be enhanced. In 2015, our engagement score of 67 percent continued to outperform the manufacturing industry average. While the score is slightly lower than our previous survey results, likely due to the expansion of the survey to additional locations, we continue to work toward achieving open communication, job satisfaction and collaborative work environments.

## Training

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

The total hours spent on training in fiscal year 2016 was 526,242. This equated to approximately 27 hours of training per employee.

Employees are also trained on policies and procedures concerning aspects of human rights that are relevant to our operations. In 2016, approximately 7,150 hours were spent on human rights training (some of these hours may be included in our total training hours as well).





35% of the workforce was female

0

incidents of discrimination, strikes or lockouts in 2016



Best Employers for Veterans according to Military Times

## Diversity & Inclusion

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; Hormel Foods Women Our Way; Hormel Professionals Representing Out and United Individuals; 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 site .

We regularly conduct an analysis to statistically review pay information by gender, minority and age to ensure nondiscriminatory pay practices. In 2016, there were no reported incidents of discrimination that were substantiated. There were also no industrial disputes, strikes or lockouts. Therefore, Hormel Foods did not lose any hours of working time.

9

### RESOURCE GROUPS

Hormel Foods is committed to having an inclusive workplace and has nine employee resource groups.



### DIVERSE BOARD OF DIRECTORS

Out of our 15 members there were four women and five persons of color.



### PERFECT SCORE

Human Rights Campaign Foundation's Corporate Equality Index.

### GRI Indicators

G4-HR3

The total number of incidents of discrimination and corrective actions taken.

G4-LA12

Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.

# Communities

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# \$10.9M

## In cash and product donations

2016 WAS A RECORD YEAR FOR OUR GIVING,  
WITH \$10.9 MILLION IN CASH AND PRODUCT DONATIONS

**A**t Hormel Foods, we're inspired to help others. 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're proud that 2016 was a record year for our giving, with \$10.9 million in cash and product donations. This includes \$7.4 million in hunger donations, our donation of 2.7 million cans of SPAMMY® shelf-stable poultry product to help prevent childhood malnutrition in Guatemala, and more than \$826,000 in education donations.

### GRI Indicators

#### G4-EC1

Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

Sector addition: Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promotes healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need.

#### G4-EC7

Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.



Hormel Foods has a great history of philanthropy, which makes me proud. I love that I get to work for a company that is so concerned about the world we live in.

– STEPHANIE, TWO YEARS OF SERVICE

## 2016 Community Highlights

### NOTABLE 2016 DONATIONS

**2.7M**

cans of SPAMMY®

**\$350K**

to local charities in 35 communities

**9K**

PB&J sandwiches for local charities

### COMMUNITY DONATIONS

**\$7.4M**

hunger donations including products we donated to food banks and disaster relief efforts

**\$826K**

education donations including cash donations made through our Matching Gifts Program

### 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.



Hormel Foods is a stand-up kind of company because we are not just concerned about the company; we are out there helping others around the world and making a difference in many people’s lives.

– RITA, TWO YEARS OF SERVICE



## Hunger

In 2016, we continued our commitment to helping end hunger around the world by donating a total of \$7.4 million (or 7.4 million individual meals\*) to hunger relief efforts, including products we donated to food banks and disaster relief efforts.

\*Using the Feeding America estimations:  
\$1 donated = 11 meals | 1.2 pounds donated = 1 meal.

# 9K

PB&J sandwiches donated

Our foodservice sales team made 9,000 PB&J sandwiches in an hour for local charities.

More information about the ways we help those in need can be found on [HormelFoods.com](http://HormelFoods.com).

## EXAMPLES OF OUR HUNGER RELIEF EFFORTS

# 2.7M

CANS OF SPAMMY®

### 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 2.7 million cans of SPAMMY® in 2016 to help 30,000 families, and many of our employees and their guests made the journey to Guatemala to help with the project. In total, we've donated approximately 14 million cans of SPAMMY® since its inception.

We continue to engage with stakeholders to determine the best ways to scale Project SPAMMY® to other countries around the world. In recognition of our Project SPAMMY® efforts, we were recognized in 2016 with a Leadership in Community Service and Corporate Responsibility Communitas Award.

# \$350K

TO LOCAL CHARITIES

### Hormel Foods Plant Community Donations Program

Through the Hormel Foods Plant Community Donations Program, Hormel Foods provides funds to its U.S. manufacturing facilities to share with local hunger relief organizations in their communities. In 2016, a total of \$350,000 was donated to local charities in 35 communities.

For example, our Algona (Iowa) Plant donated \$10,000 to the Food Bank of Iowa to support the Kossuth County Backpack Program. The Backpack Program provides sacks of kid-friendly, easy-to-prepare foods to low-income elementary school children on weekends when they do not have access to the federal free and reduced-price meal program.

# 125K+

POUNDS OF FOOD

### Helping Flint, Mich.

Hormel Foods donated a semi-trailer of protein-rich products to help Flint, Mich., families dealing with the recent water and economic crisis. The donation, which was organized by the United Food and Commercial Workers International Union, included food donations from several food manufacturers to the Food Bank of Eastern Michigan. Combined, the donation totaled more than 125,000 pounds of food.

# 70K

POUNDS OF PRODUCTS

### Disaster Response

To support those affected by disaster situations, we donated more than 70,000 pounds of products to assist with Hurricane Matthew relief efforts in the United States and Haiti. The donation of shelf-stable products such as SKIPPY® peanut butter, SPAM® products, Hormel® Compleats® microwave meals and Hearty Creations™ products was distributed by Convoy of Hope in the United States and Food For The Poor in Haiti. In addition, we donated more than 34,000 pounds of products, such as SKIPPY® peanut butter and Hormel® chili microwave cups, to assist with flood relief efforts in Louisiana.

# 24K

POUNDS OF PRODUCTS

### Community Outreach Event

We donated more than 24,000 pounds of products for a Convoy of Hope community outreach event in Wichita, Kan. Food, health and dental screenings, haircuts and career service training were provided at the event to help those in need.

# 9K

PB&J SANDWICHES

### Project PB&J® Spreading Party

Our foodservice sales team partnered with Which Wich® Superior Sandwiches for a Project PB&J® Spreading Party during a national sales meeting in Minneapolis, Minn. The team surpassed their goal of making 9,000 PB&J sandwiches made with SKIPPY® peanut butter in an hour. After the event, all of the sandwiches were donated to local charities to help those in need.



## Education & Supporting Communities

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.



We are proud to be a partner in a one-on-one reading program for kindergartners in Austin, Minn.

For more information about the ways we give back and support communities, visit [HormelFoods.com](https://www.hormelfoods.com).

## 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 pursuing careers in culinary arts or a program related to foodservice management. The program is administered by the National Restaurant Educational Foundation. In 2016, 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 partnerships. Many of our employees volunteered their time to participate during the 2015-2016 school year.

**\$100K**  
DONATED

### Building a Healthy Community Donation

Our Dan's Prize subsidiary (Long Prairie, Minn.) donated \$100,000 to the Building a Healthy Community campaign to construct a new CentraCare Health medical facility in Long Prairie. The new medical campus will replace an existing 60-year-old facility that will better serve the rural community. Construction of the new facility is expected to be completed in 2017.

**16**  
UNDERGRAD  
SCHOLARSHIPS AWARDED

### Undergraduate College Scholarships

For the 50th consecutive year, Hormel Foods awarded 16 undergraduate college scholarships to children of full-time, retired and deceased employees 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.

**\$500K**  
TO DESTINATION PLAYGROUND

### Jennie-O Turkey Store Destination Playground Initiative

Our Jennie-O Turkey Store subsidiary donated \$500,000 to the Destination Playground initiative in Willmar, Minn. The funds will be used to build a community playground that will offer a place for all children to play and will include handicapped-accessible equipment.

**3**  
GOLDEN EXCELLENCE  
SCHOLARSHIPS

### Jennie-O Turkey Store Golden Excellence Scholarship Program

Since the Jennie-O Turkey Store Golden Excellence Scholarship Program began 33 years ago, 90 sons and daughters of team members have received Golden Excellence Scholarships totaling more than \$400,000. Scholarship recipients are chosen primarily based on their exceptional scholastic abilities, including grade point averages and college entrance exam scores. In 2016, Jennie-O Turkey Store awarded three Golden Excellence Scholarships.



## GRI Content Index

The 2016 Hormel Foods Corporate Responsibility Report follows the G4 Guidelines developed by the Global Reporting Initiative (GRI), the internationally-recognized standard for responsibility reporting.

We use the Food Processing Sector Supplement, which is part of the G4 Guidelines but also includes other topics specific to our sector. These guidelines help us determine topics not addressed by stakeholder feedback. This chart explains the indicators that are included in our report and where they are located online. The 2016 Hormel Foods Corporate Responsibility Report is “in accordance” with the core option.

Our 2016 report is our third report that has been formally reviewed by the Hormel Foods internal audit department. At this time, our report is not externally assured.

### GRI Indicators

G4 - 32  
 “In accordance” option organization has chosen by which to report; GRI Content Index for the chosen option; reference to the external assurance report if externally assured.

G4 - 33  
 Organization’s policy and practice with regard to external assurance, including scope and basis of external assurance, relationship between organization and assurance providers, and whether the highest governance body is involved in seeking assurance for report.

### GENERAL STANDARD DISCLOSURES

#### STRATEGY AND ANALYSIS

GENERAL STANDARD DISCLOSURES	PAGE
G4-1	About This Report – CEO Letter
G4-2	About This Report – CEO Letter About This Report – Our Goals Responsibility – Ethics, Governance and Risk 2016 Annual Report

## ORGANIZATIONAL PROFILE

GENERAL STANDARD DISCLOSURES	PAGE
G4-3	About Hormel Foods
G4-4	About Hormel Foods
G4-5	About Hormel Foods
G4-6	About Hormel Foods
G4-7	Corporate Profile
G4-8	About Hormel Foods
G4-9	About Hormel Foods
G4-10	People – About Our Employees <i>All employees tracked are considered supervised, not contractors.</i>
G4-11	People – About Out Employees
G4-12	About Hormel Foods – Supply Chain
G4-13	About This Report – CEO Letter
G4-14	Responsibility – Ethics, Governance and Risk We evaluate risks using an enterprise risk management system. <i>We have multiple goals to reduce environmental impacts and do not have serious threats of irreversible damage.</i>
G4-15	Animal Welfare Products – Food Safety and Quality
G4-16	Responsibility – Animal Care

## IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

GENERAL STANDARD DISCLOSURES	PAGE
G4-17	About This Report – Boundary and Measurement
G4-18	About This Report – Key Topics Assessment About This Report – Stakeholder Feedback
G4-19	About This Report – Key Topics Assessment
G4-20	About This Report – Boundary and Measurement About This Report – Key Topics Assessment
G4-21	About This Report – Boundary and Measurement
G4-22	About This Report – Data Summary
G4-23	About This Report – Boundary and Measurement

## GENERAL STANDARD DISCLOSURES (CONTINUED)

### STAKEHOLDER ENGAGEMENT

GENERAL STANDARD DISCLOSURES	LOCATION
G4-24	About This Report – Stakeholder Feedback
G4-25	About This Report – Stakeholder Feedback
G4-26	About This Report – Stakeholder Feedback
G4-27	About This Report – Stakeholder Feedback

### REPORT PROFILE

GENERAL STANDARD DISCLOSURES	LOCATION
G4-28	About This Report
G4-29	About This Report
G4-30	About This Report
G4-31	About This Report
G4-32	About This Report – Content Index
G4-33	About This Report – Content Index

### GOVERNANCE

GENERAL STANDARD DISCLOSURES	LOCATION
G4-34	About Hormel Foods – Governance and Financials Responsibility – Ethics, Governance and Risk
G4-35	About Hormel Foods – Governance and Financials
G4-36	About Hormel Foods – Governance and Financials
G4-37	Responsibility – Ethics, Governance and Risk
G4-38	Responsibility – Ethics, Governance and Risk
G4-39	About Hormel Foods – Governance and Financials Responsibility – Ethics, Governance and Risk
G4-40	Responsibility – Ethics, Governance and Risk
G4-41	About Hormel Foods – Governance and Financials Responsibility – Ethics, Governance and Risk
G4-42	About Hormel Foods – Governance and Financials
G4-43	About Hormel Foods – Governance and Financials
G4-44	2016 Proxy
G4-45	Responsibility – Ethics, Governance and Risk
G4-46	About Hormel Foods – Governance and Financials
G4-47	About Hormel Foods – Governance and Financials Responsibility – Ethics, Governance and Risk

## GOVERNANCE (CONTINUED)

GENERAL STANDARD DISCLOSURES	LOCATION
G4-48	About Hormel Foods - Governance & Financials About This Report About This Report - Key Topics Assessment
G4-49	About Hormel Foods - Governance and Financials Responsibility - Ethics, Governance and Risk
G4-51	Responsibility - Ethics, Governance and Risk
G4-52	Responsibility - Ethics, Governance and Risk
G4-53	Responsibility - Ethics, Governance and Risk

## ETHICS AND INTEGRITY

GENERAL STANDARD DISCLOSURES	LOCATION
G4-56	About Hormel Foods - Supply Chain Responsibility - Ethics, Governance and Risk
G4-57	Responsibility - Ethics, Governance and Risk

## SPECIFIC STANDARD DISCLOSURES

### ECONOMIC

ECONOMIC		
MATERIAL ASPECTS	DMA AND INDICATORS	OMISSIONS
<b>Economic Performance</b>	G4-DMA About This Report – Key Topics Assessment  G4-EC1 Communities Responsibility – Products  G4-EC2 Responsibility – Ethics, Governance and Risk 2016 Annual Report  G4-EC3 2016 Annual Report	
<b>Indirect Economic Impacts</b>	G4-DMA About This Report – Key Topics Assessment  G4-EC7 Communities  G4-EC8 Responsibility – Ethics, Governance and Risk	
<b>Procurement Practices</b>	G4-DMA About This Report – Key Topics Assessment  G4-FP1 About Hormel Foods – Supply Chain	

### ENVIRONMENTAL

ENVIRONMENTAL		
MATERIAL ASPECTS	DMA AND INDICATORS	OMISSIONS
<b>Materials</b>	G4-DMA About This Report – Key Topics Assessment  G4-EN1 Environment – Packaging  G4-EN2 Environment – Packaging	
<b>Energy</b>	G4-DMA About This Report – Key Topics Assessment  G4-EN3 About This Report – Data Summary  G4-EN4 About This Report – Data Summary  G4-EN5 Environment – Energy  G4-EN6 Environment – Energy	

## ENVIRONMENTAL (CONTINUED)

MATERIAL ASPECTS	DMA AND INDICATORS	OMISSIONS
<b>Water</b>	G4-DMA About This Report – Key Topics Assessment  G4-EN8 Environment – Water	
<b>Emissions</b>	G4-DMA About This Report – Key Topics Assessment  G4-EN15 Environment – Greenhouse Gas Emissions  G4-EN16 Environment – Greenhouse Gas Emissions  G4-EN19 Environment – Greenhouse Gas Emissions  G4-EN20 About This Report – Data Summary	
<b>Effluents and Waste</b>	G4-DMA About This Report – Key Topics Assessment  G4-EN22 Environment – Water  G4-EN23 Environment – Waste	
<b>Products and Services</b>	G4-DMA About This Report – Key Topics Assessment  G4-EN27 Environment – Packaging	
<b>Compliance</b>	G4-DMA About This Report – Key Topics Assessment  G4-EN29 About This Report – Data Summary	
<b>Transport</b>	G4-DMA About This Report – Key Topics Assessment  G4-EN30 Environment – Greenhouse Gas Emissions	
<b>Overall</b>	G4-DMA About This Report – Key Topics Assessment  G4-EN31 Environment	
<b>Supplier Environmental Assessment</b>	G4-DMA About This Report – Key Topics Assessment  G4-EN32 About Hormel Foods – Supply Chain	

**SPECIFIC STANDARD DISCLOSURES (CONTINUED)**

**ENVIRONMENTAL (CONTINUED)**

<b>MATERIAL ASPECTS</b>	<b>DMA AND INDICATORS</b>	<b>OMISSIONS</b>
Environmental Grievance Mechanisms	G4-DMA About This Report – Key Topics Assessment  G4-EN34 Responsibility – Environment	

**SOCIAL - LABOR PRACTICES AND DECENT WORK**

<b>MATERIAL ASPECTS</b>	<b>DMA AND INDICATORS</b>	<b>OMISSIONS</b>
Employment	G4-DMA About This Report – Key Topics Assessment  G4-LA1 People – About Our Employees  G4-LA2 Responsibility – People	
Labor/Management Relations	G4-DMA About This Report – Key Topics Assessment  G4-FP3 People – About Our Employees  G4-LA4 People – About Our Employees	
Occupational Health and Safety	G4-DMA About This Report – Key Topics Assessment  G4-LA5 Responsibility – People  G4-LA6 People – Safety	
Training and Education	G4-DMA About This Report – Key Topics Assessment  G4-LA9 People – Training  G4-LA10 People – Training  G4-LA11 People – Professional Development	
Diversity and Equal Opportunity	G4-DMA About This Report – Key Topics Assessment  G4-LA12 People – Diversity and Inclusion	

## SOCIAL - LABOR PRACTICES AND DECENT WORK (CONTINUED)

MATERIAL ASPECTS	DMA AND INDICATORS	OMISSIONS
Supplier Assessment for Labor Practices	G4-DMA About This Report – Key Topics Assessment  G4-LA14 About Hormel Foods – Supply Chain	

## SOCIAL - HUMAN RIGHTS

MATERIAL ASPECTS	DMA AND INDICATORS	OMISSIONS
Investment	G4-DMA About This Report – Key Topics Assessment  G4-HR1 Responsibility – People  G4-HR2 People – Training Responsibility – People	
Nondiscrimination	G4-DMA About This Report – Key Topics Assessment  G4-HR3 People – Diversity and Inclusion	
Freedom of Association and Collective Bargaining	G4-DMA About This Report – Key Topics Assessment  G4-HR4 People – About Our Employees	
Child Labor	G4-DMA About This Report – Key Topics Assessment  G4-HR5 Responsibility – People	
Forced or Compulsory Labor	G4-DMA About This Report – Key Topics Assessment  G4-HR6 Responsibility – People	

## SOCIETY

MATERIAL ASPECTS	DMA AND INDICATORS	OMISSIONS
Anti-corruption	G4-DMA About This Report – Key Topics Assessment  G4-SO3 Responsibility – Ethics, Governance and Risk	
Public Policy	G4-DMA About This Report – Key Topics Assessment  G4-SO6 About Hormel Foods – Public Policy	



**SPECIFIC STANDARD DISCLOSURES (CONTINUED)**

**SOCIETY (CONTINUED)**

<b>MATERIAL ASPECTS</b>	<b>DMA AND INDICATORS</b>	<b>OMISSIONS</b>
<b>Compliance</b>	<p>G4-DMA About This Report – Key Topics Assessment</p> <p>G4-SO8 <i>We have had no fines or nonmonetary sanctions for noncompliance with laws and regulations (based on our understanding of significant as defined by the SEC).</i></p>	
<b>Supplier Assessment for Impacts on Society</b>	<p>G4-DMA About This Report – Key Topics Assessment</p> <p>G4-SO9 About This Report – Supply Chain</p>	
<b>Animal Welfare</b>	<p>G4-DMA About This Report – Key Topics Assessment</p> <p>G4-FP9 Responsibility – Animal Care</p> <p>G4-FP11 Responsibility – Animal Care</p> <p>G4-FP12 Responsibility – Animal Care</p> <p>G4-FP13 Animal Welfare - Hogs Animal Welfare - Turkeys</p>	

**PRODUCT RESPONSIBILITY**

<b>MATERIAL ASPECTS</b>	<b>DMA AND INDICATORS</b>	<b>OMISSIONS</b>
<b>Customer Health and Safety</b>	<p>G4-DMA About This Report – Key Topics Assessment</p> <p>G4-FP5 Responsibility – Products</p> <p>G4-FP6 Products – Nutrition and Wellness</p> <p>G4-FP7 Products – Nutrition and Wellness</p> <p>G4-PR1 Products – Innovation</p> <p>G4-PR2 Products – Food Safety and Quality</p>	

**PRODUCT RESPONSIBILITY (CONTINUED)**

<b>MATERIAL ASPECTS</b>	<b>DMA AND INDICATORS</b>	<b>OMISSIONS</b>
<p><b>Product and Service Labeling</b></p>	<p>G4-DMA About This Report – Key Topics Assessment</p> <p>G4-PR3 Responsibility – Products</p> <p>G4-PR4 Products – Food Safety and Quality</p> <p>G4-PR5 Products – Product Innovation</p>	
<p><b>Marketing Communications</b></p>	<p>G4-DMA About This Report – Key Topics Assessment</p> <p>G4-PR6 Responsibility – Products</p> <p>G4-PR7 Responsibility – Products</p>	
<p><b>Customer Privacy</b></p>	<p>G4-DMA About This Report – Key Topics Assessment</p> <p>G4-PR8 <i>We did not have any incidents to report.</i></p>	