



HORMEL FOODS CORPORATE RESPONSIBILITY

2018 CR Report

About This Report



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

For the last 13 years, we have been proud to share our corporate responsibility efforts and achievements. Our 2018 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 2018 Hormel Foods Corporate Responsibility Report is an annual report designed to provide useful information for our stakeholders, who include employees, customers, consumers, investors, suppliers, nongovernmental organizations, government agencies and communities. It follows the GRI Standards established by the Global Reporting Initiative (GRI) and covers anecdotal and benchmark data from fiscal year 2018, 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 2017.



Our Goals

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

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

CONTACT US

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

Email

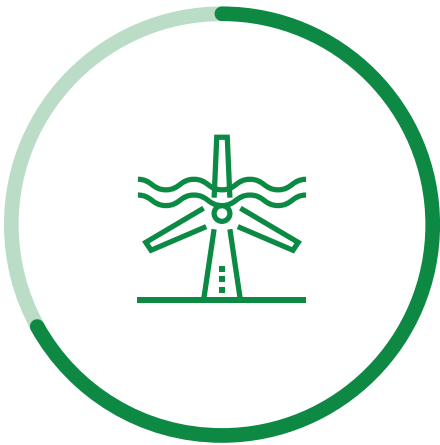
SUSTAINABILITY@HORMEL.COM

Call Consumer Engagement

1-800-523-4635

Use our Contact Form

HORMELFOODS.COM/ABOUT/CONTACT-US



GREENHOUSE GAS EMISSIONS

GOAL: Reduce GHG emissions by 10% by 2020.

PROGRESS

In 2018, we reduced over 8,900 metric tons of GHG emissions from our manufacturing operations — 67 percent of our goal when combined with our previous progress.



ENERGY ⊕ GOAL SURPASSED

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

PROGRESS

In 2018, we reduced energy use by more than 128,000 MMBtu and surpassed our nonrenewable energy use reduction goal.



WATER ⊕ GOAL SURPASSED

GOAL: Reduce water use by 10% by 2020.

PROGRESS

After exceeding our goal to reduce water use in 2016, we implemented additional projects that reduced water use by over 61 million gallons in 2018.

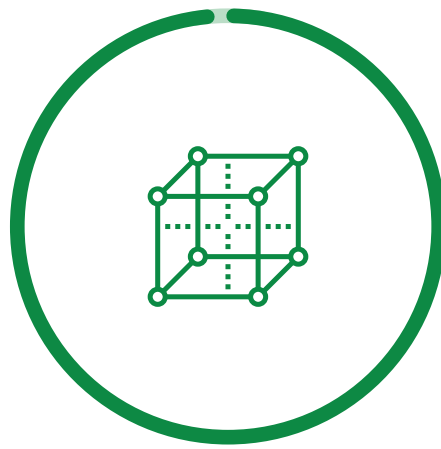


SOLID WASTE **GOAL SURPASSED**

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

PROGRESS

After surpassing our goal in 2014, we continue to achieve additional reductions. In 2018, we implemented projects that reduced the amount of solid waste sent to landfills by 72 tons.



PACKAGING MINIMIZATION

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

PROGRESS

In 2018, we reduced product packaging by 2.5 million pounds* — 99 percent of our goal when combined with our previous progress.



ANIMAL WELFARE

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

PROGRESS

In 2018, more than 2,000 audits were conducted to ensure the accountability of our standards.

SODIUM REDUCTION

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

28%

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

15%

Hormel® chili with beans

11%

Hormel® Cure 81® retail hams

18%

Hormel® smoked pork loins

28%

Hormel® Canadian bacon

19%

Hormel® Compleats® microwave meals

8%

Hormel® refrigerated entrees

21%

Valley Fresh® chicken and turkey



INNOVATION

GOAL: Deliver 15% of sales from new products developed and launched in the previous five years.

PROGRESS

At the end of 2018, over 14% of our sales came from innovative new items.



EMPLOYEE SAFETY

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

PROGRESS

	2017	2018
Total Case Incident Rate	2.72	2.7
Days Away From Work Injury And Illness	0.58	0.46
Days Away, Restricted Or Transfer	1.87	1.89



INCLUSION AND DIVERSITY

GOAL: Promote a more inclusive and diverse workplace.

PROGRESS

We have nine employee resource groups in place to support our efforts.



COMMUNITIES

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

PROGRESS

We donated more than \$15 million in cash and products in 2018 — a company record.

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



From our CEO

We are proud of the progress we have made as a leading corporate citizen in our industry and are excited to share our 13th annual report with you.

At Hormel Foods, we know that building social value and creating economic value are not competing goals, and we are inspired to do our part in making the world a better place. In fact, we continue to be recognized for our efforts. We were honored to once again be named as one of the 100 Best Corporate Citizens by Corporate Responsibility Magazine. In addition, we were named one of the World's Best Employers by Forbes, a Best for Vets Employer by Military Times, and received a Global Impact Award from Convoy of Hope for our in-kind donations.

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

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

I'm pleased to share the following 2018 highlights in these areas:



OUR GOALS

After surpassing our goal to reduce solid waste sent to landfills and water use by 10 percent by 2020, we continued to implement projects to achieve further reductions. We are pleased to report that we surpassed our nonrenewable energy use reduction goal in 2018. We remain on track to achieve our goal to reduce product packaging by 25 million pounds by 2020, and we expect to meet our greenhouse gas emissions reduction goal in 2020 as we work with our partners to bring a 74 MW renewable wind field online.



WATER STEWARDSHIP

In addition to reducing water use by 61 million gallons, we helped launch the Cedar River Watershed Partnership – a public-private partnership aimed at improving water quality in this watershed within our supply chain. The partnership held several events for farmers in 2018 and helps farmers in the watershed in southern Minnesota become certified through the Minnesota Agricultural Water Quality Certification Program.



ANIMAL WELFARE AND ANTIBIOTIC STEWARDSHIP

To ensure the accountability of our high standards for animal care throughout our supply chain, more than 2,000 audits were conducted. In calendar year 2018, Hormel Foods along with other food companies, retailers, livestock producers and trade and professional associations, announced a comprehensive framework to strengthen stewardship of antibiotic use in food animals. The framework was part of a two-year dialogue with stakeholders, moderated by the Farm Foundation and Pew Charitable Trusts, to ensure that antibiotics are used judiciously throughout production to protect animal and public health.



SODIUM REDUCTION AND CLEAN-LABEL INITIATIVE EFFORTS

We launched over 600 new retail and foodservice items, with many targeted toward our sodium reduction and clean-label initiative efforts.



INCLUSION, DIVERSITY, AND EMPLOYEE SAFETY

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



CHARITABLE GIVING

We donated \$15 million in cash and products. This includes \$7.2 million in hunger donations, our donation of 2.5 million cans of SPAMMY® (a shelf-stable poultry product to help prevent childhood malnutrition in Guatemala), and more than \$967,000 in education donations.

I would like to thank all of our team members as well as our partners and suppliers, as it takes everyone working together to achieve these outstanding results. And while we celebrate these achievements, we realize there is more to accomplish on this journey.

Please read more about our progress in this report. As always, I encourage you to email sustainability@hormel.com to share any feedback you may have about our report or our corporate responsibility efforts.

Thank you,
Jim Snee

Chairman of the Board,
President and Chief Executive Officer

Key Topics Assessment

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

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

ABOUT THIS REPORT/ABOUT HORMEL FOODS

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

PRODUCTS	
KEY TOPICS	LOCATION
Consumer education and information	Products – Consumer Education & Information
Consumer health and safety	Products – Nutrition & Wellness Products – Food Safety & Quality Products – Consumer Education & Information
Food safety and quality	Products – Food Safety & Quality
Food access and affordability	Products – Food Access & Affordability
GMOs	Products – Ingredients
Nutrition and wellness	Products – Nutrition & Wellness
Safe packaging	Products – Food Safety & Quality
SUPPLY CHAIN	
KEY TOPICS	LOCATION
Animal care	Supply Chain – Animal Care
Antibiotics	Supply Chain – Antibiotic Stewardship
Farmer livelihoods	Supply Chain – Farmer Livelihoods
Responsible sourcing and supply chain management	Supply Chain
Sustainable agriculture	Supply Chain – Sustainable Agriculture
ENVIRONMENT	
KEY TOPICS	LOCATION
Air emissions	Environment – Greenhouse Gas Emissions
Climate change	Environment
Energy use and efficiency	Environment – Energy
Environmental compliance	About This Report – Data Summary Environment
Food waste and loss	Environment – Waste
Packaging footprint	Environment – Packaging
Renewable energy	Environment – Energy
Sustainable agriculture	Environment – Water
Waste management	Environment – Waste
Wastewater management	Environment – Water
Water use	Environment – Water

PEOPLE

KEY TOPICS	LOCATION
Employee health and wellness	People – Safety, Health & Wellness
Employee recruitment and retention	People – About Our Employees
Human Rights	People – Human Rights
Inclusion and diversity	People – Inclusion & Diversity
Occupational health and safety	People – Safety, Health & Wellness

COMMUNITY

KEY TOPICS	LOCATION
Community impacts	Environment People Community
Distribution of profits	Community 2018 Annual Report
Food relief	Community – Hunger
Philanthropy	Community – Philanthropy

Stakeholder Feedback

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

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

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

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

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

EMPLOYEES

(Current, prospective and retired)

How Hormel Foods Engages

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

Stakeholder Interests

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

How We Respond To Their Interests

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

Ongoing Results Of Engagement

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

CUSTOMERS

How Hormel Foods Engages

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

Stakeholder Interests

- Animal care and antibiotics
- Environmental sustainability
- Food access and affordability

- Food safety and quality
- Responsible marketing
- Responsible sourcing and supply chain management
- Safe packaging

How We Respond To Their Interests

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

Ongoing Results Of Engagement

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

SUPPLIERS

How Hormel Foods Engages

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

Stakeholder Interests

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

How We Respond To Their Interests

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

Ongoing Results Of Engagement

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

INVESTORS/ANALYSTS

How Hormel Foods Engages

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

Stakeholder Interests

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

How We Respond To Their Interests

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

Ongoing Results Of Engagement

- Benchmark data
- Correct information

CONSUMERS

How Hormel Foods Engages

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

Stakeholder Interests

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

How We Respond To Their Interests

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

Ongoing Results Of Engagement

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

GOVERNMENT

How Hormel Foods Engages

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

Stakeholder Interests

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

How We Respond To Their Interests

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

Ongoing Results Of Engagement

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

NONGOVERNMENTAL ORGANIZATIONS

How Hormel Foods Engages

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

Stakeholder Interests

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

Stakeholder engagement

- Sustainable agriculture
- Transparency and reporting

How We Respond To Their Interests

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

Ongoing Results Of Engagement

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

COMMUNITIES

How Hormel Foods Engages

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

Stakeholder Interests

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

How We Respond To Their Interests

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

Ongoing Results Of Engagement

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

Boundary & Measurement

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

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

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

ABOUT HORMEL FOODS

CATEGORY	EXCEPTIONS/ADDITIONAL INFORMATION
No. of employees, countries where products are sold, categories in which our brands held the No. 1 or No. 2 share and manufacturing facilities	Includes all
Financial information	As reported and defined in the company's Annual Report
Lobbying and political action committee	Does not include Applegate

PRODUCTS

CATEGORY	EXCEPTIONS/ADDITIONAL INFORMATION
Clean-label initiative projects	Includes all projects captured through our corporate tracking systems; however, all projects may not be captured
Sodium reduction	Only includes brands listed, which include brands from Hormel Foods and MegaMex Foods

SUPPLY CHAIN

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

ENVIRONMENT

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

PEOPLE

CATEGORY	EXCEPTIONS/ADDITIONAL INFORMATION
People	Data (employment type, gender and tenure) and collective bargaining does not include international
Safety and safety training	Does not included Cidade do Sol, Columbus Craft Meats and international
Training	Includes training captured by our corporate learning and development department (may not include everything); does not include international and Fontanini Italian Meats and Sausages

COMMUNITY

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

GRI Content Index

The 2018 Hormel Foods Corporate Responsibility Report follows the standards developed by the Global Reporting Initiative (GRI), the internationally recognized standard for responsibility reporting.

This chart explains the GRI Standards that are included in our report and where they are located online. The 2018 Hormel Foods Corporate Responsibility Report is developed in accordance with the core option.

GRI 102: GENERAL DISCLOSURES		
ORGANIZATIONAL PROFILE		
GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
102-1	Name of the organization	<i>Hormel Foods Corporation</i>
102-2	Activities, brands, products and services	About Hormel Foods
102-3	Location of headquarters	<i>Austin, Minn.</i>
102-4	Location of operations	About Hormel Foods
102-5	Ownership and legal form	2018 Annual Report
102-6	Markets served	About Hormel Foods
102-7	Scale of the organization	About Hormel Foods
102-8	Information about employees and other workers	People - About Our Employees
102-9	Supply chain	Supply Chain

102-10	Significant changes to the organization and its supply chain	2018 Annual Report
102-11	Precautionary Principle or approach	Ethics, Governance and Risk
102-12	External initiatives	Products - Food Safety & Quality Supply Chain - Antibiotic Stewardship Hogs Turkeys
102-13	Membership of associations	Raising Our Animals

STRATEGY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
102-14	Statement from senior decision-maker	About This Report - CEO Letter
102-15	Key impacts, risks and opportunities	About This Report - CEO Letter About This Report - Our Goals Ethics, Governance and Risk 2018 Annual Report

ETHICS AND INTEGRITY

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

GOVERNANCE

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

102-24	Nominating and selecting the highest governance body	Ethics, Governance and Risk
102-25	Conflicts of interest	About Hormel Foods - Governance & Financials Ethics, Governance and Risk
102-26	Role of highest governance body in setting purpose, values and strategy	About Hormel Foods - Governance & Financials
102-28	Evaluating the highest governance body's performance	2018 Proxy
102-29	Identifying and managing economic, environmental and social impacts	Ethics, Governance and Risk
102-30	Effectiveness of risk management process	About Hormel Foods - Governance & Financials
102-31	Review of economic, environmental and social topics	About Hormel Foods - Governance & Financials Ethics, Governance and Risk
102-32	Highest governance body's role in sustainability reporting	About Hormel Foods - Governance & Financials About This Report About This Report - Key Topics Assessment
102-33	Communicating critical concerns	About Hormel Foods - Governance & Financials Ethics, Governance and Risk
102-35	Remuneration policies	Ethics, Governance and Risk
102-36	Process for determining remuneration	Ethics, Governance and Risk
102-37	Stakeholder involvement in remuneration	Ethics, Governance and Risk

STAKEHOLDER ENGAGEMENT

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

REPORTING PRACTICES

102-45	Entities included in the consolidated financial statements	2018 Annual Report
102-46	Defining report content and topic boundaries	About This Report - Key Topics Assessment About This Report - Stakeholder Feedback
102-47	List of material topics	About This Report - Key Topics Assessment
102-48	Restatements of information	None
102-49	Changes in reporting	About This Report - Boundary & Measurement
102-50	Reporting period	About This Report
102-51	Date of most recent report	About This Report
102-52	Reporting cycle	About This Report
102-53	Contact point for questions regarding the report	About This Report
102-54	Claims of reporting in accordance with the GRI Standards	<i>The 2018 Hormel Foods Corporate Responsibility Report is developed in accordance with the core option</i>
102-55	GRI content index	<i>This is our content index</i>
102-56	External assurance	<i>Our report is reviewed by our internal audit department; it is not externally assured</i>

GRI 103: MANAGEMENT APPROACH

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

GRI 201: ECONOMIC PERFORMANCE

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
201-1	Direct economic value generated and distributed	Communities 2018 Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	Ethics, Governance and Risk 2018 Annual Report
201-3	Defined benefit plan obligations and other retirement plans	2018 Annual Report

GRI 301: MATERIALS

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
301-1	Materials used by weight or volume	Environment - Packaging
301-2	Recycled input materials used	Environment - Packaging

GRI 302: ENERGY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
302-1	Energy consumption within the organization	Environment - Energy
302-2	Energy consumption outside of the organization	Environment - Energy
302-4	Reduction of energy consumption	Environment - Energy

GRI 303: WATER

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
303-1	Water withdrawal by source	Environment - Water
303-2	Water sources significantly affected by withdrawal of water	Environment - Water

GRI 305: EMISSIONS

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
305-1	Direct (Scope 1) GHG emissions	Environment - Greenhouse Gas Emissions
305-2	Energy indirect (Scope 2) GHG emissions	Environment - Greenhouse Gas Emissions
305-5	Reduction of GHG emissions	Environment - Greenhouse Gas Emissions

GRI 306: EFFLUENTS AND WASTE

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
306-1	Water discharge by quality and destination	Environment - Water

GRI 307: ENVIRONMENTAL COMPLIANCE

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
307-1	Noncompliance with environmental laws and regulations	About This Report - Data Summary

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain

GRI 401: EMPLOYMENT

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
401-1	New employee hires and turnover	People - About Our Employees
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits Why Hormel Foods?

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
403-1	Workers representation in formal joint management-worker health and safety committees	Safety
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	People - Safety, Health & Wellness

GRI 404: TRAINING AND EDUCATION

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
404-1	Average hours of training per year per employee	People - Training
404-2	Programs for upgrading employee skills and transition assistance programs	People - Training Professional Development

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
405-1	Diversity of governance bodies and employees	People - Inclusion & Diversity

GRI 406: NONDISCRIMINATION

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
406-1	Incidents of discrimination and corrective actions taken	People - Inclusion & Diversity

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	People - About Our Employees

GRI 408: CHILD LABOR

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
408-1	Operations and suppliers at significant risk for incidents of child labor	People - Human Rights Supply Chain

GRI 409: FORCED OR COMPULSORY LABOR

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	People - Human Rights Supply Chain

GRI 412: HUMAN RIGHTS ASSESSMENT

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
412-1	Operations that have been subject to human rights reviews or impact assessments	People - Human Rights <i>Some Hormel Foods operations had social performance assessments completed by customers/third parties</i>
412-2	Employee training on human rights policies or procedures	People - Training Human Rights
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human Rights

GRI 414: SUPPLIER SOCIAL ASSESSMENT

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain

GRI 415: PUBLIC POLICY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
415-1	Political contributions	About Hormel Foods - Public Policy

GRI 416: CUSTOMER HEALTH AND SAFETY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
416-1	Assessment of health and safety impacts of products and service categories	Products - Nutrition & Wellness
416-2	Incidents of noncompliance concerning the health and safety impacts of products and services	Products - Food Safety & Quality

GRI 417: MARKETING AND LABELING

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
417-1	Requirements for product and service information and labeling	Products - Consumer Education & Information
417-2	Incidents of noncompliance concerning product and service information and labeling	Products - Food Safety & Quality
417-3	Incidents of noncompliance concerning marketing communications	About Hormel Foods - Responsible Marketing

GRI 418: CUSTOMER PRIVACY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<i>No incidents to report</i>

GRI FOOD PROCESSING SECTOR SUPPLEMENT

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

Data Summary

TYPE	UNIT	2017	2018
Employees worldwide	Number (approximate)	More than 19,000	More than 20,000
Countries where our products are sold	Number (approximate)	80	80
Countries where our products are manufactured	Number	See our corporate website	See our corporate website
U.S. manufacturing facilities	Number	More than 30	More than 30
Net sales	U.S. dollars, millions	9,168	9,546
Categories in which our brands held the No. 1 or No. 2 share	Number	More than 35	More than 40
Capital expenditures	U.S. dollars, thousands	221,286	389,607
Income tax expense	U.S. dollars, thousands	431,542	168,702
Community investments	U.S. dollars, thousands	7,774	15,648
New items launched (retail and foodservice)	Number	More than 520	More than 600
Clean-label projects completed	Number	6	14

Sodium reduction	Percent reduction	<i>CHI-CHI'S®</i> , <i>Herdez®</i> and <i>La Victoria®</i> tortillas: 28 <i>Hormel®</i> Canadian bacon: 27 <i>Hormel®</i> chili with beans: 14 <i>Hormel® Compleats®</i> microwave meals: 19 <i>Hormel® Cure 81®</i> retail hams: 12 <i>Hormel®</i> refrigerated entrees: 8 <i>Hormel®</i> smoked pork loins: 19 <i>Valley Fresh®</i> chicken and turkey: 20	<i>CHI-CHI'S®</i> , <i>Herdez®</i> and <i>La Victoria®</i> tortillas: 28 <i>Hormel®</i> Canadian bacon: 28 <i>Hormel®</i> chili with beans: 15 <i>Hormel® Compleats®</i> microwave meals: 19 <i>Hormel® Cure 81®</i> retail hams: 11 <i>Hormel®</i> refrigerated entrees: 8 <i>Hormel®</i> smoked pork loins: 18 <i>Valley Fresh®</i> chicken and turkey: 21
Product recalls	Number	1	2
Purchases from new suppliers	Percentage	16	4
Purchases from diverse businesses	Percentage	23	29
Animal care audits	Number	More than 2,000	More than 2,000
Air emissions	Metric tons CO ₂ -e	Direct: 220,000 Indirect: 417,000	Direct: 216,000 Indirect: 478,000
Energy use	Direct: MMBtu/sales tonnage Indirect: Kilowatt hours (kWh)/sales tonnage	Direct: 1.75 Indirect: 285	Direct: 1.67 Indirect: 282
Water use	Cubic meters/sales tonnage	7.3	6.3
Solid waste	Pounds/sales tonnage	23.5	18.2
Packaging reduction	Pounds, thousands	1,668	2,504
Environmental noncompliance	Number of individual findings	3*	3*
Employee turnover rate	Percentage	14	21
Total Case Incident Rate (TCIR)	Number of recordable incidents per 100 full-time employees	2.72	2.7
Days Away from Work Injury and Illness (DAFWII)	Number of cases that involve days away from work per every 100 full-time employees	0.58	0.46
Days Away, Restricted or Transfer (DART)	Number of injuries or illnesses resulting in days away from work, restricted work activity or job transfer per every 100 full-time employees	1.87	1.89
Training hours	Average number of hours per employee	23	26

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

About Hormel Foods



40⁺

OUR BRANDS HELD THE NO. 1 OR NO. 2
SHARE IN MORE THAN 35 CATEGORIES.

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

We were honored in 2018 to be No. 16 on the 100 Best Corporate Citizens list by Corporate Responsibility magazine.

2018 at Hormel Foods

20K⁺

employees worldwide

80

countries where
products are sold

\$9.5

billion net sales

\$390M

in capital
expenditures

\$169M

income tax expense

30⁺

manufacturing facilities
*end of fiscal 2018

\$15M⁺

donated in cash
and products



15%

Since 2008, our average dividend growth rate has been 15 percent per year.

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 fiscal 2018, the Hormel Foods Board of Directors consisted of 12 members, 11 of whom were independent. There were three women and five persons of color on the 2018 Board of Directors.

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

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. Our CR Council (comprised of cross-functional subject-matter experts) reports to the CR Steering Committee.

In addition, oversight of our sustainability, environmental and corporate social responsibility activities was formally added to the responsibility of the Governance Committee of our Board of Directors. Additional information about the responsibilities of this committee can be found on our corporate website.

FINANCIALS

Fiscal year 2018 marked the 52nd consecutive year the company has increased its annual dividend. Since 2008, the average dividend growth rate has been 15 percent per year.

Hormel Foods continues to deliver strong financial results. Earnings per share in 2018 increased 29 cents compared to the previous year. Since 2008, our earnings per share have grown at an average annual rate of 13.6 percent.

To read more about additional governance topics, such as risk management, visit our corporate website. To read more about our financial performance, please see our 2018 Annual Report.



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 2018, our lobbying efforts and activities primarily focused on agriculture, food labeling, health and labor/workplace issues, and U.S. trade policies.

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

In calendar year 2018, we spent \$747,000 on lobbying. From our employee-funded Political Action Committee (PAC), we contributed \$5,000 to the North American Meat Institute PAC and \$5,000 to the Grocery Manufacturers Association PAC. Individual contributions to political parties are allowed, but the company does not directly contribute to political parties.

\$747K

In calendar year 2018, we spent \$747,000 on lobbying.



O

In 2018, we did not have any incidents of non-compliance concerning marketing communications.

Responsible Marketing

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

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

In 2018, we did not have any incidents of noncompliance with regulations or voluntary codes concerning marketing communications.

Products



600+

WE LAUNCHED OVER 600 NEW RETAIL
AND FOODSERVICE ITEMS IN 2018.

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

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

We have a goal to reduce sodium levels in select products within our branded retail portfolio by an average of 15 percent by 2020. In addition, we've implemented a clean-label initiative to simplify the ingredient statements of many of our 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.

2018 Product Highlights

14

clean-label projects
completed

9

products recognized
with Progressive Grocer
Editors' Picks awards

HORMEL® NATURAL CHOICE® SNACKS

winner in our Innovation
Best of the Best competition

HERDEZ® GUACAMOLE

winner of the GMA* Award for
Innovation and Creativity
*Grocery Manufacturers Association

OUR SODIUM REDUCTION PROGRESS

28%

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

19%

Hormel® Compleats®
microwave meals

18%

Hormel®
smoked pork loins

28%

Hormel®
Canadian bacon

11%

Hormel® Cure 81®
retail hams

21%

Valley Fresh®
chicken and turkey

15%

Hormel®
chili with beans

8%

Hormel®
refrigerated entrees



14

In 2018, 14 clean-label projects were completed.

Nutrition & Wellness

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

CLEAN-LABEL INITIATIVE

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

In 2018, we initiated 13 clean-label projects, and 14 clean-label projects were completed. Those completed in 2018 included several of our foodservice products and our retail *La Victoria*[®] enchilada sauces.

In addition to the company's retail products clean-label efforts, our Foodservice division is focusing on clean labels as well.

Knowing that foodservice operators and their patrons desire their ingredients and menu items to reflect what they find in their pantries, all Hormel Foods 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*[®] *Fire Braised*[™] meats, *Hormel*[®] *Natural Choice*[®] meats and *Hormel*[®] *FUSE*[™] burgers. These items are 100 percent natural (minimally processed with no artificial ingredients) with zero preservatives, no artificial colors, no nitrites or nitrates except for those naturally occurring, and have no gluten-containing ingredients.

SODIUM REDUCTION

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

SODIUM REDUCTION BY PRODUCT CATEGORY

28%
 CHI-CHI'S®, Herdez®
 and La Victoria® tortillas

28%
 Hormel®
 Canadian bacon

15%
 Hormel®
 chili with beans

19%
 Hormel® Compleats®
 microwave meals

11%
 Hormel® Cure 81®
 retail hams

8%
 Hormel®
 refrigerated entrees

18%
 Hormel®
 smoked pork loins

21%
 Valley Fresh®
 chicken and turkey

PERCENT OF SODIUM REDUCTION BY CATEGORY*

100%
 CHI-CHI'S®, Herdez®
 and La Victoria® tortillas

90%
 Hormel®
 Canadian bacon

94%
 Hormel®
 chili with beans

55%
 Hormel® Compleats®
 microwave meals

39%
 Hormel® Cure 81®
 retail hams

99%
 Hormel®
 refrigerated entrees

90%
 Hormel®
 smoked pork loins

100%
 Valley Fresh®
 chicken and turkey

HORMEL HEALTH LABS

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

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

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

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



Food Safety & Quality

Hormel Foods has a Food Safety Steering Committee that oversees the operation of three important food safety task forces.

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

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.

In 2018, we issued two product recalls – one for *Herb-Ox*[®] beef granulated bouillon due to an undeclared allergen (approximately 4,400 cases), and one for *SPAM*[®] classic and *Hormel*[®] *Black Label*[®] luncheon loaf due to a mechanical failure that resulted in equipment damage and a manufacturing issue (approximately 14,200 cases).

All employees receive food safety training appropriate for their responsibilities within the company. In addition, Hormel Foods has a Food Safety Steering Committee that oversees the operation of three important food safety task forces: Prevention and Detection, Assurance and Training.

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

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

For more information about our food safety and quality program, visit our corporate website: [HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility).



All employees receive food safety training appropriate for their responsibilities within the company.

We have supported a mobile market that serves low-income neighborhoods.

Food Access & Affordability

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

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

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

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

For more information about our efforts to donate products to help those in need and support hunger-relief organizations, please visit the community section of this report. For more information about the wide variety of our brands and products, please visit our corporate website.



Consumer Education & Information

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

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

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

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

Our in-house consumer engagement team is another excellent resource for consumers and is available to provide information and answer questions via mail, phone, email and social media. In 2018, this team fielded more than 111,000 contacts.

111K⁺

Our in-house consumer engagement team fielded more than 111,000 contacts in 2018.



2020 GOAL

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

600+

new products

We launched over 600 retail and foodservice items in 2018.

15%

At the end of 2018, we are proud to report that over 14 percent of our sales came from innovative new items.

Innovation

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

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

We recently introduced a new innovation goal: to deliver 15 percent of sales in the year 2020 generated from products created in the last five years. At the end of 2018, we are proud to report that over 14 percent of our sales came from innovative new items.

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

In 2014, we established an internal Innovation Best of the Best competition to recognize teams and highlight our focus on successful innovation. In 2018, the *Hormel® Natural Choice®* snacks team was named the winner.

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 2018, the consumer engagement team fielded more than 111,000 contacts.

Strategic acquisitions continue to be a focus for the company for continued growth and additional innovation opportunities. Listed below are some of our recent acquisitions:

Applegate Farms, LLC

In 2015, we acquired Applegate Farms, LLC, owner of the *Applegate*® 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 Applegate a faster path to expanded offerings in this high-growth category.

Justin's LLC

In 2016, we acquired Justin's LLC, owner of the *Justin's*® brand and a pioneer in nut butter-based snacking.

Cidade do Sol and Fontanini Italian Meats and Sausages

In 2017, we acquired Cidade do Sol, a growing, branded, value-added meats company in Brazil. The company offers more than 70 products in 15 categories including authentic meats such as mortadella, sausage and salami for Brazilian retail and foodservice markets under the popular *Ceratti*® brand. We also acquired Fontanini Italian Meats and Sausages, a branded foodservice business, from Capitol Wholesale Meats, Inc. Fontanini specializes in authentic Italian meats and sausages, as well as a variety of other premium meat products including pizza toppings and meatballs.

NEW OPTIONS & RECOGNITION

In 2018, we launched over 600 retail and foodservice items. These items included *SKIPPY*® P.B. & Jelly Minis and *Jennie-O*® ground chicken. We also received the Grocery Manufacturers Association Award for Innovation and Creativity for *Herdez*® guacamole salsa, and the following products were recognized with Progressive Grocer Editors' Picks awards:

- ***Applegate Naturals*® cheeses;**
- ***Applegate Naturals*® peppered Genoa salami;**
- ***Columbus*® raised without antibiotics uncured Genoa salame;**
- ***Herdez Taqueria Street Sauce*® products;**
- ***Hormel*® *Black Label*® real bacon bits singles;**
- ***Hormel*® *Natural Choice*® stacks;**
- ***Jennie-O*® premium peri peri chicken breast;**
- ***Wholly*® *Simply Avocado*® dip and spread; and**
- ***Wholly*® guacamole snack cups.**

Supply Chain



80+

**WE ASSESSED OVER 80 SUPPLIERS
ON ENVIRONMENTAL
AND SOCIAL RISKS IN 2018.**

71

SPIRIT OF EXCELLENCE AWARDS
given to suppliers for performance

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

SUPPLIER RESPONSIBILITY PRINCIPLES AND SOURCING POLICIES

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

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

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

For more information about our palm oil and South American beef sourcing requirements, please visit our corporate website.

SUPPLIER ASSESSMENT

We have established supplier quality management (SQM), which evaluates our suppliers based on quality, delivery, service, technology and price. Our ingredient suppliers are subject to additional measurements to further ensure quality and food safety. Suppliers that exceed our established standards are eligible for our annual Hormel Foods Spirit of Excellence Awards. In 2018 alone, we recognized 71 suppliers for their performance. To exemplify our commitment to supply chain sustainability management, we require third-party food safety audits of all of our ingredient suppliers. In addition to the third-party food safety audits, in 2018 we conducted an additional 40 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

2018 only approximately 4 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. In 2017, we completed a high-level water risk assessment of our top suppliers. We also assessed over 80 suppliers on environmental and social risks in 2018.

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 2018 we purchased 29 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.



2K⁺

audits

More than 2,000 audits were conducted to ensure the accountability of our standards.



ANTIBIOTIC STEWARDSHIP

Read more about our antibiotic stewardship efforts at www.HormelFoods.com

2018 SPIRIT OF EXCELLENCE

3

awards for provisions

19

awards for procurement

Animal Care

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

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

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

ANIMAL WELFARE PRINCIPLES

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

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

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

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

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

In addition to these principles, we have additional requirements for hogs and turkeys and our Applegate subsidiary has additional animal care requirements as well. For more information about our animal care and antibiotic stewardship efforts, please visit our corporate website.

HOGS

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

Our annual Spirit of Excellence Awards recognize hog producers that exemplify our commitment to quality at Hormel Foods. In 2018, we recognized three suppliers in the provisions category and 19 suppliers in the procurement category.

Quality assurance and operations personnel perform daily internal audits in our processing facilities to maintain the highest animal care practices. In 2018, two external audits were performed by outside auditors in our processing facilities. Internally, we participated in over 1,100 formal audits, and over 130

audits were conducted by company management at our processing facilities on an unannounced, random basis.

In 2018, we did not have any notices of intended enforcement from the Food Safety and Inspection Service as a result of material noncompliance with laws and regulations related to our transportation, handling and slaughtering practices

TURKEYS

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

In 2018, 550 internal audits were conducted by the Jennie-O Turkey Store live production quality assurance department,

and over 160 production National Turkey Federation audits were performed 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. Jennie-O Turkey Store participated in nine internal formal audits, and over 80 audits were conducted by company managers at processing facilities on an unannounced, random basis.

In 2018, we did not have any notices of intended enforcement from the Food Safety and Inspection Service as a result of material noncompliance with laws and regulations related to our transportation, handling and slaughtering practices.



Antibiotic Stewardship

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

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

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

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

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

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

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

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

The 15 core components of the antibiotic stewardship framework are based on the importance of veterinary guidance and partnership, disease prevention strategies and optimal treatment approaches, as well as effective record keeping and a culture of continuous improvement and commitment to antibiotic stewardship. The components address education, implementation and evaluation steps for phasing in stewardship programs. The framework's guiding principles are intended to help ensure that stewardship programs have a clear scientific basis, are transparent, minimize the risk of unintended consequences, encourage alternatives to antibiotics, and focus on long-term sustainability.

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



Sustainable Agriculture

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

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

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

In 2018, we helped launch the
Cedar River Watershed Partnership
— a public-private partnership
aimed at improving water quality.



Farmer Livelihoods

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

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

In addition, we are proud to have representatives serving as members, officers and directors of the boards of many industry organizations that support agriculture and farmer livelihoods. For more information about our industry collaboration, please visit our corporate website.

Many family farmers
have been suppliers to us
for multiple generations.

Environment





**IN 2018, WE SURPASSED OUR
NONRENEWABLE ENERGY
USE REDUCTION GOAL**

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

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

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

2018 Environmental Highlights

REDUCED GHG EMISSIONS BY

8.9K⁺
metric tons

REDUCED ENERGY USE BY

128K⁺
MMBtu

REDUCED WATER USE BY

61M
gallons

REDUCED SOLID WASTE BY

72
tons (sent to landfills)

REDUCED PRODUCT PACKAGING BY

2.5M
pounds

Our Environmental Progress

2020 GOALS

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

GHG EMISSIONS

In 2018, we implemented projects that resulted in a reduction of over 8,900 metric tons of GHG emissions from our domestic manufacturing operations, reaching 67 percent of our goal when combined with our progress since 2012. We expect to meet our GHG emissions reduction goal in 2020 as we work with our partners to bring a 74 MW renewable wind field online.

ENERGY

In 2018, we implemented projects that resulted in reduced energy use exceeding 128,000 MMBtu. We are pleased to report we surpassed our nonrenewable energy use reduction goal in 2018.

WATER

After exceeding our goal to reduce water use in 2016, we implemented additional projects that reduced water use by 61 million gallons in 2018. In addition, we have developed and published our Sustainable Agriculture Policy, completed a high-level water risk assessment of our top suppliers and are a founding member of the Cedar River Watershed Partnership.

SOLID WASTE

We surpassed our solid waste sent to landfills reduction goal in 2014. In 2018, we implemented projects that reduced the amount of solid waste sent to landfills by 72 tons.

PACKAGING

In 2018, our packaging team's sustainability initiatives resulted in 2.5 million pounds in savings.* When combined with our progress made since 2012, these savings represent 99 percent of our goal to reduce product packaging by 25 million pounds by 2020.

FACILITY IMPROVEMENTS

We implemented more than \$2.2 million in facility improvements related to environmental sustainability efforts.

For information about how we manage environmental compliance, please visit our corporate website: hormelfoods.com/responsibility.

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



Greenhouse Gas Emissions

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

As established from our 2011 base year, our goal is to implement projects that reduce GHG emissions by 92,000 metric tons of carbon dioxide equivalent (CO₂-e) by 2020. In 2018, we implemented projects that resulted in a reduction of over 8,900 metric tons of GHG emissions from our domestic manufacturing operations, reaching 67 percent of our goal when combined with our progress since 2012. Of the total GHG emissions, direct GHG emissions were approximately 31 percent and indirect GHG emissions were approximately 69 percent. Normalized GHG emissions for manufacturing plants were 0.289 metric tons of CO₂-e per ton of products sold, up 1 percent from the prior-year level. We expect to meet our GHG emissions reduction goal in 2020 as we work with our partners to bring a 74 MW renewable wind field online.

92K

metric ton reduction in GHG emissions

Our goal is to implement projects that reduce GHG emissions by 92,000 metric tons of carbon dioxide equivalent (CO₂-e) by 2020.

8.9K⁺

metric tons reduction

In 2018, we implemented projects that resulted in a reduction of over 8,900 metric tons of GHG emissions from our manufacturing operations.

67%

OF OUR 2020 GOAL

when combined with progress since 2012.

RENEWABLE ENERGY INITIATIVES

We support the renewable energy markets by subscribing to community solar gardens at five manufacturing locations, including a co-sponsorship with Westar Energy for its first community solar garden near Wichita, Kan., where we manufacture most of our *Hormel® Natural Choice®* bacon products.

We look forward to continuing our support of renewable energy through additional solar power initiatives and the addition of a 74 MW renewable wind field that will be brought online in 2020.

RECENT PROJECTS TO REDUCE AIR EMISSIONS

INDIRECT GHG EMISSIONS SAVED

41+

metric tons

Jennie-O Turkey Store Benson Ave. Plant (Willmar, Minn.)

Our Jennie-O Turkey Store Benson Ave. Plant team needed to find a way to heat the location's office space after the municipality eliminated the district heating program. Rather than purchasing expensive fossil fuel-burning furnaces, the team incorporated existing steam systems into a new heating loop for the office. The project resulted in an annual savings of over 41 metric tons of indirect GHG emissions – the energy equivalent to driving a vehicle over 100,000 miles.*

141+

metric tons

Progressive Processing (Dubuque, Iowa)

Our Progressive Processing team installed a new lighting control panel and controller to take advantage of skylights in select areas of the plant. The new controller turns off unnecessary lights when the natural lighting is at a sufficient level. This small addition resulted in an annual savings of over 141 metric tons of indirect GHG emissions – enough to offset the emissions from 77 tons of burned coal.*

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

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 88 percent of vehicle weight capacity in 2018.

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 by 70 percent, compared to truck-only moves.* In 2018, we had over 8,200 intermodal shipments. These shipments accounted for approximately 13.2 million miles and saved approximately 1.6 million gallons of diesel fuel, versus shipping solely by truck.

*Average of the following sources:

Truckloads are 65 percent less efficient than rail (U.S. Environmental Protection Agency Office of Transportation and Air Quality)

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

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



Energy

In 2018, we implemented projects that resulted in reduced energy use exceeding 128,000 MMBtu. When combined with our results since 2012, we have surpassed our reduction target of 692,000 MMBtu by 12 percent. We will continue to implement additional energy reduction projects as we work to establish a new goal.

We look forward to continuing our support of renewable energy through additional solar power initiatives and the addition of a 74 MW renewable wind field that will be brought online in 2020.

SURPASSED OUR 2020 GOAL

In 2018, we surpassed our energy use reduction goal.

2018 PROGRESS

Normalized direct energy (MMBtu/sales tonnage) in 2018 was 1.67 and normalized indirect energy (kWh/sales tonnage) in 2018 was 282. Our normalized direct and indirect energy use improved, compared to our prior-year level.

NORMALIZED DIRECT ENERGY

1.67
MMBtu/sales tonnage

NORMALIZED INDIRECT ENERGY

282
kWh/sales tonnage

RENEWABLE ENERGY INITIATIVES

We continue to support the renewable energy markets by subscribing to community solar gardens at five manufacturing locations, including a co-sponsorship with Westar Energy for its first community solar garden near Wichita, Kan., where we manufacture most of our *Hormel® Natural Choice®* bacon products.

RECENT PROJECTS TO REDUCE ENERGY CONSUMPTION

100K⁺
MMBtu

Austin (Minn.) Plant

Our Austin Plant was able to identify an alternative to using boiler steam for heating sanitation water. The team focused on the design and installation of the most efficient heat recovery system available to fit the plant's needs. Through the addition of ammonia heat exchangers and a hot water storage tank, the plant was able to save over 100,000 MMBtu of natural gas per year with an additional 17 million gallons of water savings. This is enough energy to power over 600 homes for a year, and enough water to serve nearly 500 homes for a year.*

1M⁺
kWh

Columbus Craft Meats (Hayward, Calif.)

At our Columbus Craft Meats facilities, the team took advantage of improved efficiencies and reduced costs of LED lighting. Through careful planning and execution, they were able to replace all of the lights in two manufacturing locations with low-wattage, high-output LED bulbs. This retrofit resulted in an annual savings of over 1 million kWh of electricity – enough energy to charge over 90 million smartphones.*

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



Water

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

After surpassing our 2020 goal in 2016 to reduce water use by 0.5 billion gallons, we have continued to achieve additional reductions. In 2018, we successfully implemented projects that reduced water use by 61 million gallons, exceeding our goal by 64 percent when combined with our progress since 2012. Total manufacturing water use during 2018 was 4 billion gallons. We will continue to focus on water reduction and efficiency improvements as we work to establish a new goal.

Our water sources for our domestic manufacturing facilities are solely from municipal utilities. We consistently look for ways to improve our equipment and engage our employees on an ongoing basis to achieve water use reduction through behavior-based initiatives. Normalized usage (cubic meters/sales tonnage) for 2018 was 6.3, a 14 percent improvement, compared to our prior-year level.

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

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

61M

gallon reduction

During 2018, we successfully implemented projects that reduced water use by 61 million gallons.

2020 GOAL EXCEEDED BY

64%

when combined with progress since 2012.

RECENT PROJECTS TO REDUCE WATER USAGE

8M⁺

gallons of water saved

Austin (Minn.) Plant

Our Austin Plant team recognized an opportunity to automate the cooling of products coming off a cook line. By adding a simple temperature control package and an automatic valve, the team was able to save more than 8 million gallons of water annually – enough to fill over 51 million 20-ounce bottles of water.

15M⁺

gallons of water saved

Jennie-O Turkey Store Willmar Ave. Plant (Willmar, Minn.)

Our Jennie-O Turkey Store Willmar Ave. Plant team took simple steps to achieve great water savings. Among the projects implemented were the installation of a recirculating water loop system and improving the efficiency of the water nozzles throughout the facility. These actions have resulted in annual savings of over 15 million gallons of water per year – enough to offset the average water use in 872,000 residential showers.

6.8M

gallons of water saved

Osceola (Iowa) Food

Our Osceola Food team worked hard to identify opportunities that would allow team members to clean equipment better while using less water. Partnering with equipment experts, the team identified an opportunity to retrofit an existing cleaning system with a new spray bar system, which improved cleaning and resulted in a reduction of 6.8 million gallons of water – enough to wash over 226,000 large loads of laundry in a high-efficiency clothes washer.

WASTEWATER MANAGEMENT

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

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

Upper Mississippi

86%

Missouri

3.2%

South Atlantic

5.6%

Souris/Red River

2.5%

Other watersheds

2.7%



Waste

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

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

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

Hormel Foods has a rich history of donating food to those in need. To learn about our efforts in 2018, visit the community section of this report.

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

72

ton reduction

In 2018, our operations implemented projects that reduced the amount of solid waste sent to landfills by 72 tons.

2018 PROGRESS

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

In 2018, our operations implemented projects that reduced the amount of solid waste sent to landfills by 72 tons. These reductions helped offset the impacts from challenges in the recycling and alternative disposal markets, resulting in normalized total solid waste (pounds/sales tonnage) for 2018 of 18.2 pounds per salable ton, a 23 percent decrease from the prior-year level.

RECENT PROJECTS TO REDUCE LANDFILL WASTE

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).

REDUCED SOLID WASTE

16⁺

tons (sent to landfills)

Creative Contract Packaging (Aurora, Ill.)

Often waste can be reduced by changing to a more efficient package size. Our Creative Contract Packaging team used this knowledge to identify a more efficient packaging size for incoming liquid ingredients. By switching from smaller nonreturnable containers to larger returnable plastic totes, they were able to reduce waste sent to landfills by more than 16 tons.

REDUCED SOLID WASTE

18⁺

tons (sent to landfills)

Lloyd's Barbeque Company (Mendota Heights, Minn.)

Our Lloyd's Barbeque Company team demonstrated once again that simple changes can have a big impact. The team identified a single-source recycling outlet for all common and office areas, sourced a better metal recycling vendor and identified a new outlet for recycling plastic barrels. These changes resulted in an annual reduction of more than 18 tons of solid waste sent to landfills.



Packaging

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

The packaging team collaborates with all departments and examines the entire supply chain for sustainability initiatives that will benefit all divisions. In calendar year 2018, this team initiated 28 projects and completed 27 projects. Combined, these projects resulted in 2.5 million pounds in savings.* When combined with our progress made since 2012, these savings represent 99 percent of our goal to reduce product packaging by 25 million pounds by 2020.

PRODUCT PACKAGING

Hormel Foods uses more than 12,000 unique items to package and produce our products, including corrugated paperboard, labels, films, cans, plastic bags, displays, glass containers, metal closures and plastic closures. Approximately 87 percent of our product packaging, by weight, is recyclable and/or made from recycled materials.

RECENT PROJECTS TO REDUCE PRODUCT PACKAGING*

413K⁺

pounds of material saved

Box Design Change

A box design change was made for Hormel[®] side dishes that resulted in less corrugate use. This conversion resulted in a material savings of more than 413,000 pounds.

28K⁺

pounds of material saved

Jar Height Optimization

We reduced the jar height of our Herb Ox[®] bouillon jars, which resulted in less plastic and corrugate use and improved shipping efficiencies. These changes resulted in a material reduction of over 28,000 pounds.

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

2.5M

pounds saved

In 2018, our packaging team's sustainability initiatives resulted in 2.5 million pounds in savings.

99%

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.

In 2018, we received project entries from across the company in our Sustainability Best of the Best competition.

Recognition

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

INTERNAL RECOGNITION

In 2018, we received project entries from across the company in our Sustainability Best of the Best competition. The Austin (Minn.) Plant team was chosen as the champion for their focus on the design and installation of the most efficient heat recovery system available to fit the plant's needs. The project resulted in an annual energy savings of over 100,000 MMBtu of natural gas per year with an additional 17 million gallons of water savings. To learn more about this project, please visit the energy section 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 2018, our continued dedication to reducing our environmental footprint resulted in recognition by a number of independent sources.

Colorado Department Of Public Health And Environment

Awarded our Mountain Prairie Farms location (Las Animas, Colo.) with a Gold Award. The Environmental Leadership Program recognizes Colorado organizations for going above and beyond compliance with state and federal regulations in their commitment to continual environmental improvement.

North American Meat Institute

Recognized several of our locations for implementing an environmental management system (EMS). These locations received Tier 3 recognition, including full EMS implementation without third-party certification.

North American Meat Institute

The North American Meat Institute recognized several Hormel Foods locations for implementing an environmental management system (EMS). These locations received Tier 3 recognition, indicating full EMS implementation without third-party certification.

ProFood World

Gave our Beloit (Wis.) Plant team an award for solid waste stream optimization efforts.

Walmart

Recognized the company as a Giga-Guru in their Project Gigaton program for our efforts to reduce greenhouse gas emissions.

People



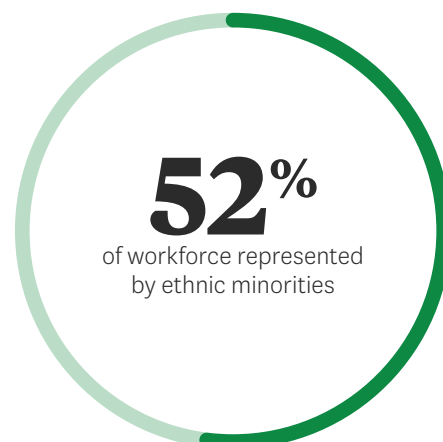
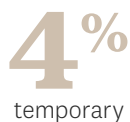
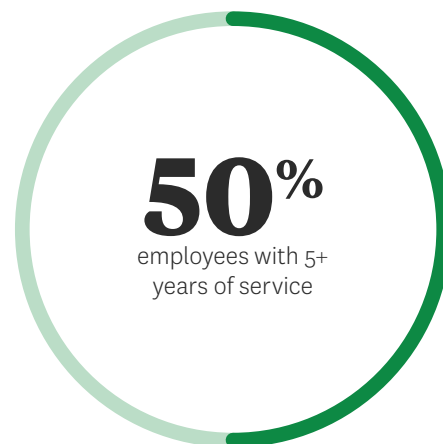
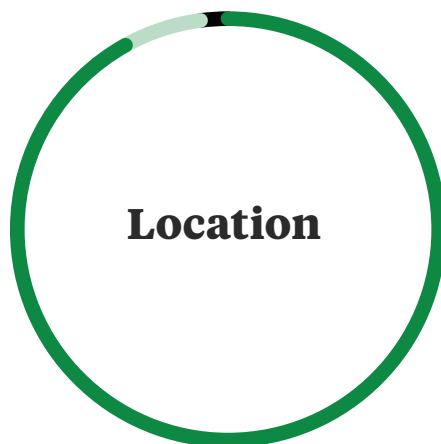
26
TRAINING HOURS
ON AVERAGE
PER TEAM MEMBER

As one of the most trusted food companies in the world, our inspired people are making a difference around the world. 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.

2018 Workforce

ONGOING GOALS

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



robust safety program



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 2018, our turnover rate for all team members was 21 percent. Additionally, we are proud to report that 50 percent of our team members had five or more years of service, and our 36-person officer team had an average of 26 years of service.

21%

turnover rate

In 2018, our turnover rate for all employees was 21 percent.

20K+

TEAM MEMBERS WORLDWIDE

63% male; 37% female

ABOUT OUR EMPLOYEES

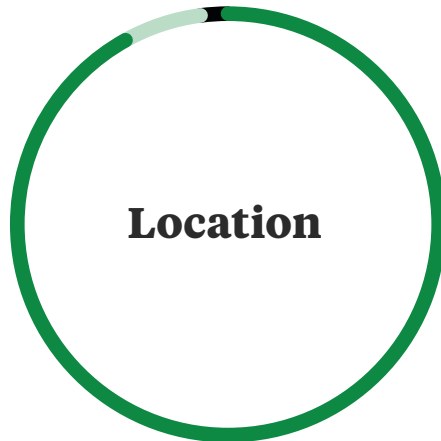


17%
salaried
(male 70%) (female 30%)

83%
hourly

4%
temporary

2%
part-time



92%
United States

6%
Asia

2%
other countries

ABOUT THEIR TENURE



OF THOSE 50%
29%
HAD 20+ YEARS OF SERVICE
67% male; 33% female
72% hourly; 28% salaried

10%
HAD 30+ YEARS OF SERVICE
70% male; 30% female
69% hourly; 31% salaried

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

25%
Covered by CBAs*
*Collective Bargaining Agreements



Safety, Health & Wellness

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

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

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

1K⁺

safety assessments

Hormel Foods completes more than 1,000 safety assessments each month companywide.

INJURY/ILLNESS RATES

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

Total Case Incident Rate

OSHA calculates the Total Case Incident Rate (TCIR) as the number of OSHA recordable incidents multiplied by 200,000 hours and divided by the total hours worked that year. In 2018, the TCIR at Hormel Foods was 2.7, which is better than the BLS industry average of 4.8.

Days Away From Work Injury And Illness

Days Away from Work Injury and Illness (DAFWII) measures an injury or illness that involves one or more days away from work. In 2018, the DAFWII rate at Hormel Foods was 0.46, which is better than the BLS industry average of 0.9.

Days Away, Restricted Or Transfer

Days Away, Restricted or Transfer (DART) measures the days an employee has restricted work activity or job transfer, or both. In 2018, our DART rate was 1.89, which is better than the BLS industry average of 3.5.

DESCRIPTION	2017	2018
Total Case Incident Rate	2.72	2.7
Days Away From Work Injury And Illness	0.58	0.46
Days Away, Restricted Or Transfer	1.87	1.89

SAFETY TRAINING

Hormel Foods conducts safety training for an average of 15,745 team members in our locations every month and completes more than 1,000 safety assessments each month companywide. In 2018, Hormel Foods conducted an average of 7,781 lockout-tagout (LOTO) inspections per quarter and held semi-monthly company-wide safety conference calls with plant safety personnel.

HEALTH AND WELLNESS

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

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

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



Training

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

We spent approximately 488,000 total hours on training in 2018. This equated to approximately 26 hours of training per team member. For additional information about our training programs, please visit our corporate website.

Team members are also trained on policies and procedures concerning aspects of human rights that are relevant to our operations. In 2018, approximately 9,900 hours were spent on human rights training. (Some of these hours may be included in our total training hours.)

26

average training hours

We spent approximately 488,000 total hours on training in 2018. This equated to approximately 26 hours of training per team member.

9.9K

human rights training hours

In 2018, around 9,900 hours were spent on human rights training.



9

employee resource groups

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



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



Best Employers for Veterans according to Military Times.

Inclusion & Diversity

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

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

We work hard to ensure we engage in nondiscriminatory pay practices so that our team members are compensated fairly and appropriately, regardless of gender, race, age or any other protected status. In 2018, there were no substantiated reports of discrimination. There were also no industrial disputes, strikes or lockouts. Therefore, Hormel Foods did not lose any hours of working time.

37%

of workforce was female

0

reports of discrimination substantiated in 2018

52%

of workforce represented by ethnic minorities

0

strikes or lockouts in 2018



Human Rights

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

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

Hormel Foods team members are trained on policies and procedures concerning aspects of human rights that are relevant to our operations. In 2018, around 9,900 hours were spent on human rights training. (Some of these hours may be included in our total training hours in the training section of this report.)

In addition to these efforts, Hormel Foods is a member of the Consumer Goods Forum and Global Social Compliance Program, which have initiatives in place to work collaboratively to improve the lives of workers around the world.

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

9.9K

human rights training hours

In 2018, around 9,900 hours were spent on human rights training.

Communities



\$15M⁺

**WE DONATED MORE THAN \$15
MILLION IN CASH AND PRODUCTS
IN 2018 – A COMPANY RECORD.**

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

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

We are pleased to report that in 2018 we donated more than \$15 million in cash and products – a company record. This includes \$7.2 million in hunger donations, our donation of 2.5 million cans of *SPAMMY*[®] (a shelf-stable poultry product to help prevent childhood malnutrition in Guatemala), and more than \$967,000 in education donations.

2018 Donations

2.5M
cans of SPAMMY®

\$340K
to local charities
in 34 communities

1M⁺
meals* through
Hams for Hunger® program

\$7.2M
hunger donations including
products we donated to food banks
and disaster-relief efforts

\$967K
education donations including
cash donations made through
our Matching Gifts Program

THE HORMEL FOUNDATION

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

THE HORMEL INSTITUTE

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

*using the estimation of 3 ounces = 1 meal



Hunger

In 2018, we continued our commitment to helping end hunger around the world by donating a total of \$7.2 million (or 5.7 million individual meals*) to hunger-relief efforts, including products we donated to food banks and disaster-relief efforts. We are proud to partner with organizations such as Feeding America, Second Harvest Heartland, Convoy of Hope, Food For The Poor, Caritas Arquidiocesana and Conscious Alliance. Their teams help us distribute our products to those in need.

1M⁺
meals

Over 1 million meals were provided through our *Hams for Hunger*[®] program.**

EXAMPLES OF OUR HUNGER-RELIEF EFFORTS

Project SPAMMY®

We specifically designed and developed SPAMMY®, a shelf-stable poultry product fortified with vitamins and minerals, to help malnourished children in Guatemala. Working with Food For The Poor and Caritas Arquidiocesana to distribute the product to family centers and orphanages, we donated 2.5 million cans of SPAMMY® in 2018. Furthermore, many of our team members and their guests made the journey to Guatemala to help with the project. In total, we've donated approximately 19 million cans of SPAMMY® since the initiative began.

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

Hormel Foods Plant Community Donations Program

Through the Hormel Foods Community Donations Program, Hormel Foods provides funds to its U.S. manufacturing facilities and subsidiaries to share with local hunger-relief organizations in their communities. In 2018, \$340,000 was donated to local charities in 33 communities.

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

Disaster Response

2018 was a devastating year in terms of natural disasters around the world. We once again partnered with Convoy of Hope and others to assist with hunger-relief efforts through our Disaster-Response Program.

In 2018, we helped stock Convoy of Hope's warehouse with SPAM® products that could be used in these situations. We also donated \$10,000 to the organization to assist with its efforts. Convoy of Hope responded to Hurricane Michael, the California wildfires and many other major natural disasters. For our support of these and other efforts, Convoy of Hope honored Hormel Foods with its 2018 Global Impact Award. The award is based on in-kind donations and is only given to one organization each year.

Hams For Hunger®

Through our *Hams for Hunger*® program, we work with our retail partners to donate *Hormel*® *Cure 81*® hams to food banks and other organizations throughout the United States. In 2018, over 1 million meals were provided through this program.**

Pine Ridge Indian Reservation

Our Justin's subsidiary donates *Justin's*® squeeze packs to help support the Bring Nutrition Home Backpack Program. In 2018, 10,000 squeeze packs were donated. The program provides bags of healthy, kid-friendly food for students at Isna Wica Owayawa (Loneman School) on the Pine Ridge Indian Reservation in South Dakota for the weekend. All of the students (K-8) receive free and reduced price lunches at this school.***

During Hunger Action Month in September, Hormel Foods and Justin's donated products, and team members traveled to Pine Ridge to assemble 400 meal bags and help stock food-pantry shelves. Check out the video below for more information about this initiative.

In addition to these efforts, members of the Justin's team make an annual trip to the reservation in November to assemble and pass out meals.

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

**Using the estimation of 3 ounces = 1 meal

***<https://www.consciousalliance.org/project-entries/backpack-program-2/>



Philanthropy

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



We are proud to be a partner in a reading program for kindergartners.

EXAMPLES OF OUR EFFORTS

Community Rec Center

Hormel Foods provided a significant monetary donation and matched team member donations to help fund the building of a recreation center to serve the community of Austin, Minn., home of the company's Corporate Office and its flagship production facility. The project is scheduled for completion in late 2019.

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 2018, we awarded two \$10,000 scholarships.

Reading Program

We are proud to be a partner in a reading program for kindergartners in Austin, Minn. The program is designed to pair working professionals with students and provides an environment where students learn the joy of reading through one-on-one interactions. Many of our team members volunteered their time to participate during the 2017-2018 school year.

Undergraduate College Scholarships

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

Jennie-O Turkey Store Scholarships

Each year, our Jennie-O Turkey Store subsidiary awards Continuing Education Scholarships in the amount of \$1,000 and Golden Excellence Scholarships in the amount of \$6,000 to selected sons and daughters of team members. In 2018, Jennie-O Turkey Store awarded 66 students with \$1,000 scholarships and two students with \$6,000 scholarships.

Team Member Volunteer Hours

Our team members support organizations in their communities, electing to help others through monetary donations as well as volunteering their time and talents. In fact, our Jennie-O Turkey Store team members reported a total of more than 10,000 volunteer hours in 2018.* We are in the process of capturing this information for all our locations so we can include it in future reports.

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

Our Food Journey™

We're united to make a difference, with our people,
in our communities, and through our products.

JIM SNEE
CHIEF EXECUTIVE OFFICER

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

Our Food Journey™

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

Our team of inspired people, 20,000 strong, is a collection of innovators and foodies, scientists and entrepreneurs, advocates and ambassadors, working together to build a distinctly different type of company, one that truly understands our position in the world and the difference we can make.

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

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

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

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



Investing

**IN OUR PEOPLE
AND PARTNERS**

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

We understand the power of partnerships to accomplish more in this world. Our partnership approach includes our team of 20,000 inspired people. It is this focus that has earned us a spot as one of Forbes World's Best Employers, among other honors. This spirit of collaboration extends to our long-term partnerships with a world-class group of suppliers, partners and retailers. We work together to strive for continuous improvement, unmatched responsibility and transparency ranging from sustainable sourcing and human rights to uncompromising animal welfare and environmental stewardship.



Improving

**COMMUNITIES AND
THE WORLD**

**WE UNDERSTAND THE
RESPONSIBILITY THAT
COMES WITH OUR NAME.**

We know that small changes or actions can in fact lead to large-scale and meaningful impact. Nowhere is this more evident than in the work Hormel Foods is doing to lift up communities around the world. In 2018, we donated more than \$15 million to causes we care about – hunger, education and even cancer research. As one of the most admired food companies in the world, it is our obligation to create safe, wholesome food for all; be a good neighbor and motivated steward of our water, energy and land and do our part to reduce food waste.



Creating

**PRODUCTS THAT IMPROVE
THE LIVES OF OTHERS**

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

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

