



# HORMEL FOODS CORPORATE RESPONSIBILITY

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**2020 CR Report**



[CSR.HORMELFOODS.COM](http://CSR.HORMELFOODS.COM)

# About This Report

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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 15 years, we have been proud to share our corporate responsibility efforts and achievements. Our 2020 report has been developed in collaboration with the Hormel Foods Corporate Responsibility Council and other company experts, and was reviewed and approved by the council, experts and the respective vice presidents who oversee relevant topics. Our report has also been reviewed by our executive-level Corporate Responsibility Steering Committee.

As in past years, this 2020 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 2020, 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 2019.

#### **CONTACT US**

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

Email

**[SUSTAINABILITY@HORMEL.COM](mailto:SUSTAINABILITY@HORMEL.COM)**

Call Consumer Engagement

**1-800-523-4635**

Use our Contact Form

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



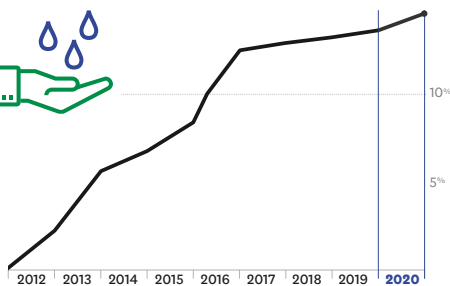
## Our Goals

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

Our packaging minimization goal was established in fiscal year 2012, and we also monitored progress toward goals designed to support animal care, sodium reduction, innovation, employee safety, inclusion and diversity, and communities. Many of our 2020 goals supported the UN Sustainable Development Goals to end poverty, protect the planet and ensure prosperity for all.

In 2021, we were pleased to announce our new set of corporate responsibility goals — 20 qualitative and quantitative goals we aim to achieve by 2030. These goals were based on our robust key topics assessment process that identifies and prioritizes the topics most relevant to our business and our stakeholders. In addition, we aimed to set goals that helped support the UN Sustainable Development Goals. Additional information about our 20 By 30 Challenge can be found on our corporate website.



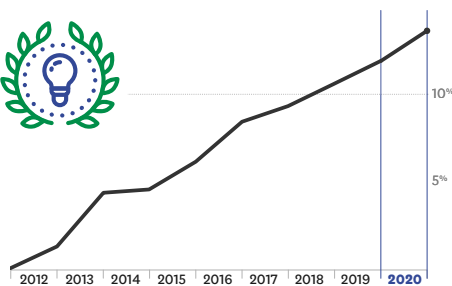


### WATER

**GOAL:** Reduce water use by 10% by 2020.

#### PROGRESS

After exceeding our goal to reduce water use in 2016, we implemented additional projects that reduced water use by 119 million gallons in 2020.

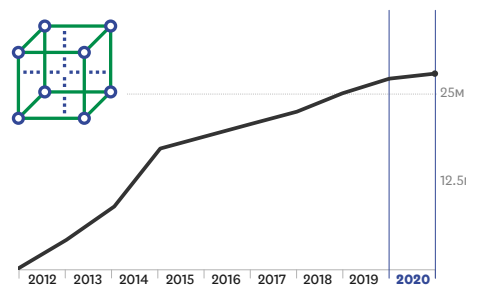
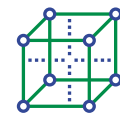


### ENERGY

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

#### PROGRESS

In 2020, we reduced energy use by more than 98,000 MMBtu. We have surpassed our reduction target by 32 percent.

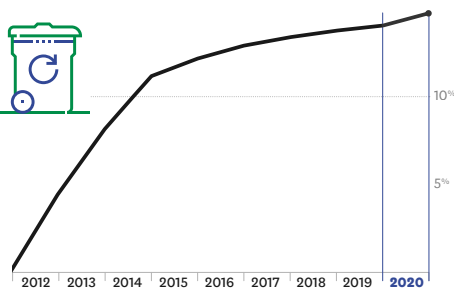


### PACKAGING MINIMIZATION

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

#### PROGRESS

After surpassing our goal in 2019, we continue to achieve additional reductions. In 2020, we reduced product packaging by more than 553,000 pounds.\*

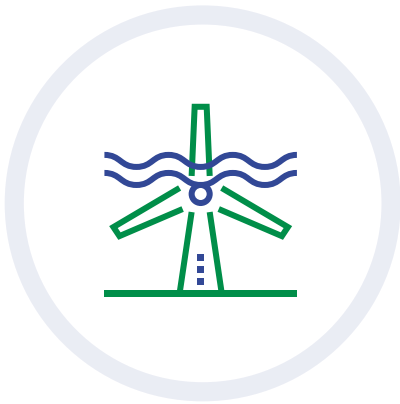


### SOLID WASTE

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

#### PROGRESS

After surpassing our goal in 2014, we continue to achieve additional reductions. In 2020, we implemented projects that reduced the amount of solid waste sent to landfills by 38 tons.



### GREENHOUSE GAS EMISSIONS

**GOAL:** Reduce GHG emissions by 10% by 2020.

**PROGRESS**

In 2020, we reduced over 5,700 metric tons of GHG emissions from our manufacturing operations — 83 percent of our goal when combined with our previous progress.



### ANIMAL WELFARE

**GOAL:** Maintain our high standards for animal welfare and handling throughout our entire supply chain.

**PROGRESS**

In 2020, more than 1,900 audits were conducted to ensure our standards are being met.



### INNOVATION

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

**PROGRESS**

At the end of 2020, 15 percent of our sales came from innovative new items.

### SODIUM REDUCTION

**GOAL:** Reduce sodium levels in select products within our branded retail product portfolio by an average of 15% by 2020.

**PROGRESS**

30%

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

16%

Hormel® chili with beans

11%

Hormel® Cure 81® retail hams

15%

Hormel® smoked pork loins

26%

Hormel® Canadian bacon

19%

Hormel® Compleats® microwave meals

7%

Hormel® refrigerated entrees

20%

Valley Fresh® chicken and turkey



### EMPLOYEE SAFETY

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

**PROGRESS**                      2019    **2020**

Total Case Incident Rate	2.6	<b>2.6</b>
Days Away From Work Injury And Illness	0.5	<b>0.6</b>
Days Away, Restricted Or Transfer	1.8	<b>1.7</b>



### INCLUSION AND DIVERSITY

**GOAL:** Promote a more inclusive and diverse workplace.

**PROGRESS**

In 2020, 52% of our team was represented by ethnic minorities.



### COMMUNITIES

**GOAL:**

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

**PROGRESS**

We donated more than \$8.2 million in cash and products in 2020.

\*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 15<sup>th</sup> annual report with you.

Welcome, and thank you for visiting the 2020 Hormel Foods Corporate Responsibility Report. At Hormel Foods, we know that building social value and creating economic value are not competing goals, and we are inspired to do our part in making the world a better place. In fact, we continue to be recognized for our efforts. For the 12<sup>th</sup> year in a row, we were honored to be named one of the 100 Best Corporate Citizens by 3BL Media. We were also named one of America's Most Responsible Companies by Newsweek, one of the 50 Best Companies to Sell For by Selling Power and a Best for Vets Employer by Military Times.

As part of *Our Food Journey*<sup>™</sup>, 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.**

Despite the significant challenges the COVID-19 pandemic presented, I'm pleased to share the following 2020 highlights in these areas:



### OUR GOALS

Our commitment to making the world in which we live a better place has never wavered. We're proud that we surpassed our 2020 nonrenewable energy use, water use, solid waste sent to landfills and product packaging reduction goals, and achieved our goal to deliver 15 percent of sales from innovative new items. We're also excited for the next chapter of our journey — our 20 By 30 Challenge. Our future corporate responsibility reports will provide updates on our progress in achieving these commitments.





### ANIMAL CARE AND ANTIBIOTIC STEWARDSHIP

We are known as a leader throughout the industry for our high standards for animal care. To ensure our standards are being met throughout our supply chain, more than 1,900 audits were conducted in 2020. In January 2021, we also launched our first Antibiotic Stewardship Report that provides comprehensive, detailed and transparent information about our antibiotic stewardship program and metrics from some of the farms in our supply chain over the last several years.



### INNOVATION, SODIUM REDUCTION AND CLEAN PRODUCT LABELS

In addition to achieving our goal to deliver 15 percent of sales from innovative new items, we once again introduced more than 500 innovative new retail and foodservice products throughout the year to meet the growing needs of our global consumers. We also continued our clean-label initiative to simplify the ingredient statements of many of our products and our sodium reduction efforts.



### INCLUSION, DIVERSITY AND SAFETY

Inclusion and diversity are critical elements of our future success. It's our inclusive culture that empowers our inspired team members to bring forth their ideas to make our company the best it can be. In 2020, we partnered with a wide array of business associations to support inclusion and diversity both internally and externally. To support education and equity, we assisted several nonprofit organizations and announced our Inspired Pathways program. The Inspired Pathways program is a game-changing initiative that provides the opportunity of a free, two-year-college education for the dependent children of our team members. This monumental program will help many first-generation college students.

Throughout the COVID-19 pandemic, we kept our promise to maintain a Safety-First culture by launching our KEEP COVID OUT! campaign. Our efforts included proactive and transparent educational materials; a paid leave and pay protection program; access to personal protective equipment; enhanced sanitation procedures and daily wellness screenings. In addition, we paid more than \$11 million in special cash bonuses to our essential production professionals. We also opened a state-of-the-art health center located in Austin, Minn., close to our global headquarters and flagship plant, which improves access to high-quality, affordable health care for Hormel Foods team members and their dependent family members.



### CHARITABLE GIVING

Being a good corporate citizen means doing our part every day to lift up our communities and use our size and position to make a difference. Therefore, in 2020 we donated more than \$8.2 million in cash and products. This includes \$6.4 million in donations to fight hunger, COVID-19 and disaster-relief efforts, our donation of 1.9 million cans of SPAMMY® (a shelf-stable product to help prevent childhood malnutrition in Guatemala) and more than \$1 million in education donations.

Thanks to the incredible effort and dedication of our team members, partners and suppliers, we continue to achieve outstanding results. We look forward to working together to advance our efforts even more through our 20 By 30 Challenge.

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

Thank you,  
**Jim Snee**

**Chairman of the Board, President and Chief Executive Officer**

## Key Topics Assessment

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

Our next full key topics assessment process will be conducted in 2021.

### 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

<b>Waste management</b>	Environment – Waste
<b>Wastewater management</b>	Environment – Water
<b>Water use</b>	Environment – Water
<b>PEOPLE</b>	
<b>KEY TOPICS</b>	<b>LOCATION</b>
<b>Employee health and wellness</b>	People – Safety, Health & Wellness
<b>Employee recruitment and retention</b>	People – About Our Team
<b>Human Rights</b>	People – Human Rights
<b>Inclusion and diversity</b>	People – Inclusion & Diversity
<b>Occupational health and safety</b>	People – Safety, Health & Wellness
<b>COMMUNITY</b>	
<b>KEY TOPICS</b>	<b>LOCATION</b>
<b>Community impacts</b>	Environment People Community
<b>Distribution of profits</b>	Community 2020 Annual Report
<b>Food relief</b>	Community – Hunger
<b>Philanthropy</b>	Community – Philanthropy



## Stakeholder Feedback

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

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

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

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

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

## EMPLOYEES

(Current, prospective and retired)

### How Hormel Foods Engages

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

### Stakeholder Interests

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

### How We Respond To Their Interests

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

### Ongoing Results Of Engagement

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

## CUSTOMERS

### How Hormel Foods Engages

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

### Stakeholder Interests

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

### How We Respond To Their Interests

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

### Ongoing Results Of Engagement

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

## SUPPLIERS

### How Hormel Foods Engages

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

### Stakeholder Interests

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

### How We Respond To Their Interests

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

### 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)
- 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 (less than 50 percent operational and financial control), 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
<b>Audits of ingredient suppliers</b>	Does not include Applegate, Cidade do Sol and Fontanini Foods
<b>Diverse businesses</b>	Includes suppliers in the company's tracking system; only includes applicable vendor categories
<b>New vendors</b>	Includes all active suppliers in the company's tracking system
<b>Animal care audits</b>	Includes all audits in our corporate and Jennie-O Turkey Store tracking systems

## ENVIRONMENT

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

## PEOPLE

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

## COMMUNITY

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

## GRI Content Index

The 2020 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 2020 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	2020 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 Team

<b>102-9</b>	Supply chain	Supply Chain
<b>102-10</b>	Significant changes to the organization and its supply chain	2020 Annual Report
<b>102-11</b>	Precautionary Principle or approach	Ethics, Governance and Risk
<b>102-12</b>	External initiatives	Products - Food Safety & Quality Supply Chain - Antibiotic Stewardship Hogs Turkeys
<b>102-13</b>	Membership of associations	Raising Our Animals

### STRATEGY

<b>GRI STANDARD</b>	<b>DESCRIPTION</b>	<b>LOCATION/INFORMATION</b>
<b>102-14</b>	Statement from senior decision-maker	About This Report - CEO Letter
<b>102-15</b>	Key impacts, risks and opportunities	About This Report - CEO Letter About This Report - Our Goals Ethics, Governance and Risk 2020 Annual Report

### ETHICS AND INTEGRITY

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

### GOVERNANCE

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

<b>102-24</b>	Nominating and selecting the highest governance body	Ethics, Governance and Risk
<b>102-25</b>	Conflicts of interest	About Hormel Foods - Governance & Financials Ethics, Governance and Risk
<b>102-26</b>	Role of highest governance body in setting purpose, values and strategy	About Hormel Foods - Governance & Financials
<b>102-28</b>	Evaluating the highest governance body's performance	2020 Proxy
<b>102-29</b>	Identifying and managing economic, environmental and social impacts	Ethics, Governance and Risk
<b>102-30</b>	Effectiveness of risk management process	About Hormel Foods - Governance & Financials
<b>102-31</b>	Review of economic, environmental and social topics	About Hormel Foods - Governance & Financials Ethics, Governance and Risk
<b>102-32</b>	Highest governance body's role in sustainability reporting	About Hormel Foods - Governance & Financials About This Report About This Report - Key Topics Assessment
<b>102-33</b>	Communicating critical concerns	About Hormel Foods - Governance & Financials Ethics, Governance and Risk
<b>102-35</b>	Remuneration policies	Ethics, Governance and Risk
<b>102-36</b>	Process for determining remuneration	Ethics, Governance and Risk
<b>102-37</b>	Stakeholder involvement in remuneration	Ethics, Governance and Risk

### STAKEHOLDER ENGAGEMENT

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



## REPORTING PRACTICES

<b>102-45</b>	Entities included in the consolidated financial statements	2020 Annual Report
<b>102-46</b>	Defining report content and topic boundaries	About This Report - Key Topics Assessment About This Report - Stakeholder Feedback
<b>102-47</b>	List of material topics	About This Report - Key Topics Assessment
<b>102-48</b>	Restatements of information	None
<b>102-49</b>	Changes in reporting	About This Report - Boundary & Measurement
<b>102-50</b>	Reporting period	About This Report
<b>102-51</b>	Date of most recent report	About This Report
<b>102-52</b>	Reporting cycle	About This Report
<b>102-53</b>	Contact point for questions regarding the report	About This Report
<b>102-54</b>	Claims of reporting in accordance with the GRI Standards	<i>The 2020 Hormel Foods Corporate Responsibility Report is developed in accordance with the core option</i>
<b>102-55</b>	GRI content index	<i>This is our content index</i>
<b>102-56</b>	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
<b>103-1</b>	Explanation of the material topic and its boundary	About This Report - Boundary & Measurement About This Report - Key Topics Assessment About This Report - Stakeholder Feedback
<b>103-2</b>	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: <a href="http://hormelfoods.com/responsibility">hormelfoods.com/responsibility</a></i>  <i>Information about our responsibilities, commitments, goals and targets and other initiatives can be found in this report</i>
<b>103-3</b>	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	Community 2020 Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	Ethics, Governance and Risk 2020 Annual Report
201-3	Defined benefit plan obligations and other retirement plans	2020 Annual Report

### GRI 301: MATERIALS

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

### GRI 302: ENERGY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
302-1	Energy consumption within the organization	Environment - Energy
302-3	Energy intensity	Environment - Energy
302-4	Reduction of energy consumption	Environment - Energy

### GRI 303: WATER

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

### GRI 305: EMISSIONS

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

### GRI 306: EFFLUENTS AND WASTE

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

### GRI 307: ENVIRONMENTAL COMPLIANCE

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

### GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

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

### GRI 401: EMPLOYMENT

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
401-1	New employee hires and turnover	People - About Our Team
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 Team

### 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 - Human Rights 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**

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

**GRI 415: PUBLIC POLICY**

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

**GRI 416: CUSTOMER HEALTH AND SAFETY**

<b>GRI STANDARD</b>	<b>DESCRIPTION</b>	<b>LOCATION/INFORMATION</b>
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**

<b>GRI STANDARD</b>	<b>DESCRIPTION</b>	<b>LOCATION/INFORMATION</b>
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**

<b>GRI STANDARD</b>	<b>DESCRIPTION</b>	<b>LOCATION/INFORMATION</b>
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
<b>FP1</b>	Percentage of purchased volume from suppliers compliant with the company's sourcing policy	Supply Chain
<b>FP3</b>	Percentage of working time lost due to industrial disputes, strikes and/or lock-outs by country	People - Inclusion & Diversity
<b>FP5</b>	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
<b>FP6</b>	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
<b>FP8</b>	Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements	Products - Consumer Education & Information
<b>FP11</b>	Percentage and total of animals raised and/or processed, by species and breed type, per housing type	Raising Our Animals
<b>FP12</b>	Policies and practices on antibiotic, anti-inflammatory, hormone and/or growth promotion treatments, by species and breed type	Supply Chain - Antibiotic Stewardship
<b>FP13</b>	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

For additional information about our environmental efforts and performance, please see our CDP climate change response

TYPE	UNIT	2019	2020
<b>Employees worldwide</b>	Number (approximate)	More than 18,000	More than 19,000
<b>Countries where our products are sold</b>	Number (approximate)	80	80
<b>Countries where our products are manufactured</b>	Number	See our corporate website	See our corporate website
<b>U.S. manufacturing facilities</b>	Number	More than 30	More than 30
<b>Net sales</b>	U.S. dollars, millions	9,497	9,608
<b>Categories in which our brands held the No. 1 or No. 2 share</b>	Number	More than 40	More than 40
<b>Capital expenditures</b>	U.S. dollars, thousands	293,838	367,501
<b>Income tax expense</b>	U.S. dollars, thousands	230,567	206,393
<b>Community investments</b>	U.S. dollars, thousands	7,565	8,210
<b>New items launched (retail and foodservice)</b>	Number	More than 500	More than 500
<b>Clean-label projects completed</b>	Number	3	12



<b>Sodium reduction</b>	Percent reduction	<i>CHI-CHI'S®</i> , <i>Herdez®</i> and <i>La Victoria®</i> tortillas: 29  <i>Hormel®</i> Canadian bacon: 28  <i>Hormel®</i> chili with beans: 15  <i>Hormel® Compleats®</i> microwave meals: 18  <i>Hormel® Cure 81®</i> retail hams: 11  <i>Hormel®</i> refrigerated entrees: 7  <i>Hormel®</i> smoked pork loins: 17  <i>Valley Fresh®</i> chicken and turkey: 21	<i>CHI-CHI'S®</i> , <i>Herdez®</i> and <i>La Victoria®</i> tortillas: 30  <i>Hormel®</i> Canadian bacon: 26  <i>Hormel®</i> chili with beans: 16  <i>Hormel® Compleats®</i> microwave meals: 19  <i>Hormel® Cure 81®</i> retail hams: 11  <i>Hormel®</i> refrigerated entrees: 7  <i>Hormel®</i> smoked pork loins: 15  <i>Valley Fresh®</i> chicken and turkey: 20
<b>Product recalls</b>	Number	2	1
<b>Purchases from new suppliers</b>	Percentage	1.7	5
<b>Purchases from diverse businesses</b>	Percentage	27	27
<b>Animal care audits</b>	Number	More than 1,800	More than 1,900
<b>Air emissions</b>	Metric tons CO2-e	Direct: 265,000 Indirect: 498,000	Direct: 276,021 Indirect: 454,718
<b>Energy use</b>	Direct: MMBtu/sales tonnage Indirect: Kilowatt hours (kWh)/sales tonnage	Direct: 1.86 Indirect: 298	Direct: 2.18 Indirect: 309
<b>Water use</b>	Cubic meters/sales tonnage	7	7.9
<b>Solid waste</b>	Pounds/sales tonnage	22.2	26.1
<b>Packaging reduction</b>	Pounds, thousands	1,502	553
<b>Environmental noncompliance</b>	Number of individual findings	1*	3*
<b>Employee turnover rate</b>	Percentage	22	22.5
<b>Total Case Incident Rate (TCIR)</b>	Number of recordable incidents per 100 full-time employees	2.6	2.6
<b>Days Away from Work Injury and Illness (DAFWII)</b>	Number of cases that involve days away from work per every 100 full-time employees	0.5	0.6
<b>Days Away, Restricted or Transfer (DART)</b>	Number of injuries or illnesses resulting in days away from work, restricted work activity or job transfer per every 100 full-time employees	1.8	1.7
<b>Training hours</b>	Average number of hours per employee	28	30

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

# About Hormel Foods



Our brands held the No. 1 or No. 2 share  
in more than 40 categories.

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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*<sup>®</sup>, *SPAM*<sup>®</sup>, *Hormel*<sup>®</sup> *Natural Choice*<sup>®</sup>, *Applegate*<sup>®</sup>, *Justin's*<sup>®</sup>, *Wholly*<sup>®</sup>, *Hormel*<sup>®</sup> *Black Label*<sup>®</sup> and many more.

We were honored in 2020 to be ranked No. 77 on the 100 Best Corporate Citizens list by 3BL Media, and to be named one of America's Most Responsible Companies by Newsweek.

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### 2020 at Hormel Foods

**19K<sup>+</sup>**  
team members worldwide

**80**  
countries where  
products are sold

**\$9.6**  
billion net sales

**\$368M**  
in capital expenditures

**\$206M**  
income tax expense

**30<sup>+</sup>**  
manufacturing facilities  
(end of fiscal 2020)

**\$8.2M<sup>+</sup>**  
donated in cash  
and products





## Governance & Financials

Since 2010, our average dividend growth rate has been 16 percent per year.

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 high standards of ethics.

# 14

members on Hormel Foods Board of Directors

twelve independent, four women and six persons of color

### CORPORATE GOVERNANCE

The Board of Directors oversees all activities of Hormel Foods and assumes the responsibility to ensure that the company's performance is based on strong ethical practices and is aligned with our Code of Ethical Business Conduct. In fiscal 2020, the Hormel Foods Board of Directors consisted of 13 members, 12 of whom were independent. Four of our Board of Director members were women and six were persons of color.

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

### CORPORATE RESPONSIBILITY GOVERNANCE

The Hormel Foods Corporate Responsibility (CR) Steering Committee is comprised of company executives. The group's role is to provide direction and approval for the company's environmental, social and governance activities. The chair of the committee reports directly to our chief executive officer.

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

### FINANCIALS

Fiscal year 2020 marked the 54<sup>th</sup> consecutive year the company has increased its annual dividend. Since 2010, the average dividend growth rate has been 16 percent per year.

Hormel Foods continues to deliver strong financial results. Earnings per share in 2020 decreased 14 cents compared to the previous year. Since 2010, our earnings per share have grown at an average annual rate of 8.6 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 2020 Annual Report.



**\$616K**  
spent on lobbying

## Public Policy

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

As a leader in the industry, we are involved in lobbying efforts to help create an open dialogue about our company's mission. In 2020, our lobbying efforts and activities primarily focused on agriculture, food labeling, health and labor/workplace issues, U.S. trade policies, COVID-19 aid packages and COVID-19 vaccine distribution.

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 open discussion and that accurate information on these issues is appropriately disseminated.

In calendar year 2020, we spent \$616,000 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 Consumer Brands Association PAC. Individual contributions to political parties are allowed, but the company does not directly contribute to political parties.



## Responsible Marketing

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

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 government regulations and legislation, as well as the advertising industry's self-regulation system of codes.

In 2020, we did not have any incidents of noncompliance with regulations or voluntary codes concerning marketing communications.

**0** incidents of noncompliance with regulations or voluntary codes concerning marketing communications



# Products





**We launched over 500 new items in 2020.**

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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. Throughout the COVID-19 pandemic, we continued to produce food to help feed the world while also advancing our sodium reduction, clean label and innovation efforts. We also continued to diversify our portfolio of products to offer consumers a wide range of options to meet their needs.

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

## 2020 Product Highlights

**12**  
clean-label projects  
completed

**6**  
products recognized  
with Progressive Grocer  
Editors' Picks awards

**FOOD NETWORK  
MAGAZINE AWARDS**  
several products recognized  
by Food Network Magazine

**15%**  
of our sales came from  
innovative new items

### OUR SODIUM REDUCTION PROGRESS

**30%**  
*CHI-CHI'S®*, *Herdez®* and  
*La Victoria®* tortillas

**16%**  
*Hormel®*  
chili with beans

**11%**  
*Hormel® Cure 81®*  
retail hams

**15%**  
*Hormel®*  
smoked pork loins

**26%**  
*Hormel®*  
Canadian bacon

**19%**  
*Hormel® Compleats®*  
microwave meals

**7%**  
*Hormel®*  
refrigerated entrees

**20%**  
*Valley Fresh®*  
chicken and turkey



## Nutrition & Wellness

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

### CLEAN-LABEL INITIATIVE

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

In 2020, we initiated four clean-label projects, and 12 clean-label projects were completed. Those completed in 2020 included *Hormel® Natural Choice®* hardwood smoked lunch meats, *SKIPPY®* peanut butter blended with plant protein, *SKIPPY®* P.B. bites and *Justin's®* refrigerated almond butter protein bars.

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. The company has a diverse portfolio of innovative product successes, including *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 had set an important sodium reduction goal: By 2020, we aimed to reduce sodium levels in select products within our branded retail portfolio by an average of 15 percent.

# 12

clean-label projects  
were completed in 2020

## SODIUM REDUCTION BY PRODUCT CATEGORY

30%

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

16%

Hormel®  
chili with beans

11%

Hormel® Cure 81®  
retail hams

15%

Hormel®  
smoked pork loins

26%

Hormel®  
Canadian bacon

19%

Hormel® Compleats®  
microwave meals

7%

Hormel®  
refrigerated entrees

20%

Valley Fresh®  
chicken and turkey

## PERCENT OF SODIUM REDUCTION BY CATEGORY\*

100%

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

94%

Hormel®  
chili with beans

35%

Hormel® Cure 81®  
retail hams

89%

Hormel®  
smoked pork loins

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

89%

Hormel®  
Canadian bacon

72%

Hormel® Compleats®  
microwave meals

99%

Hormel®  
refrigerated entrees

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 people with 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.

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 [HormelHealthLabs.com](http://HormelHealthLabs.com) for more information.



## Food Safety & Quality

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

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 (FDA).

In 2020, we issued one product recall for elevated aflatoxin results in *SKIPPY*® 16-ounce *Super Chunk*® peanut butter. Aflatoxin levels in the 2019 peanut crop were higher than average due to various weather impacts. This was an FDA Class III recall, which means the recalled products are unlikely to cause injury or illness.

All team members 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. Our Hormel Foods quality management team members continue to drive improvement by challenging themselves to meet aggressive key results for food safety improvement.

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).

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





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

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

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

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



## Consumer Education & Information

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

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

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

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

Our in-house consumer engagement team is another excellent resource for consumers and is available to provide information and answer questions via mail, phone, email and social media. In 2020, this team fielded more than 99,000 contacts.

# 99K<sup>+</sup>

contacts fielded by our in-house consumer engagement team in 2020





# 15%

of sales in 2020 were generated from products created in the last five years

## NEW OPTIONS & RECOGNITION

In 2020, we launched over 500 retail and foodservice items. These items included *Applegate® Well Carved™* burgers and *SKIPPY®* peanut butter with plant protein. Our *Hormel®* pepperoni cup n' crisp and *SKIPPY®* creamy peanut butter and natural peanut butter spread squeeze pouches were selected as winners of the 2020 Food Network Magazine Awards. In addition, the following products were recognized with Progressive Grocer Editors' Picks awards:

- ***Applegate® Naturals®* uncured slow cooked ham;**
- ***Herdez®* cremosa salsas;**
- ***Hormel®* pepperoni cup n' crisp;**
- ***Justin's®* dark chocolate crispy peanut butter cups;**
- ***Wholly®* diced avocado; and**
- ***Wholly®* smashed avocado.**

## Innovation

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

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

Our innovation goal was to deliver 15 percent of sales in the year 2020 generated from products created in the last five years. We are proud to report that we achieved this goal

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 team members 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 2020, our MegaMex Foods *Herdez Taqueria Street Sauce®* products team was named the champion for the development of these authentic and bold sauce items.

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 2020, the consumer engagement team fielded more than 99,000 contacts.

# Supply Chain





## We purchased 27 percent of our resources from diverse businesses in calendar year 2020.

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

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### **SUPPLIER CODE OF CONDUCT AND SOURCING POLICIES**

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

In addition, we work closely with our palm oil and South American beef suppliers to ensure that they comply with these principles as well as additional requirements we have outlined. We made a commitment to source only sustainable palm oil that is fully traceable to the plantation level by the end of 2020. We have made significant progress toward this commitment and reached 74 percent of our goal. We will continue to work with our suppliers to reach 100 percent traceability to the plantation level, which we estimate will be completed by the end of 2025.

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

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

### **SUPPLIER ASSESSMENT**

We have established supplier quality management (SQM), which evaluates our suppliers based on quality, delivery, service, technology and price. Our ingredient suppliers are subject to additional measurements to further ensure quality and food safety. Suppliers that exceed our established standards are eligible for our annual Hormel Foods Spirit of Excellence Awards. In 2020 alone, we recognized 65 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 2020 we conducted an additional 14 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 2020 only 5 percent of our purchases

were from new suppliers. We are continually looking for ways to assess our current supplier relationships to ensure that environmental/social risks are addressed. In 2018, we completed a high-level water risk assessment of our top suppliers. In addition, we meet with our top suppliers annually to evaluate their initiatives and collaborate on projects to address key issues such as environmental and social risks. We also report our internal results through a third party for our customers.

### **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 2020 we purchased 27 percent of our resources from diverse businesses (small businesses, women-owned businesses, minority-owned businesses and veteran-owned businesses). This percentage includes independent family-owned hog farms.



## Animal Care

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

We have a commitment to unwavering animal welfare standards — 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 accountability to our standards.

### ANIMAL STEWARDSHIP POLICY

Hormel Foods is dedicated to doing things the right way in everything we do. That includes our animal stewardship practices.

**To maintain our standards, we have developed the following principles to guide our animal care and handling procedures:**

- 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 environmental conditions.
- 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 provided with the best in preventive and, if necessary, medical care, including veterinary oversight and the identification of prompt treatment of sick animals. When medically necessary, we use antibiotics responsibly.
- We will follow clearly documented humane procedures in the event an animal needs to be euthanized.

# 1.9K<sup>+</sup>

audits were conducted to ensure our standards are being met

### 2020 SPIRIT OF EXCELLENCE

# 2

awards for provisions

# 11

awards for procurement

We have developed industry-leading standards in conjunction with animal care experts, including renowned authorities on humane animal husbandry. These veterinarians and animal behavior experts help us to create a blueprint that ensures 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. 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. Our Applegate subsidiary has additional animal care requirements as well. Applegate works with third-party certifiers like *Global Animal Partnership*® and *Certified Humane*® to ensure animals are raised and handled in ways that honor the Five Freedoms of Animal Welfare. Applegate requires all its suppliers to meet third-party certified animal welfare standards. For more information about our animal care and antibiotic stewardship efforts, please visit our corporate website: [HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility).

# 1.1K<sup>+</sup>

hog audits

## HOGS

All of our hog producers participate in the Hormel Foods Quality Assurance Program. This program certifies 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 2020, we recognized two suppliers in the provisions category and 11 suppliers in the procurement category.

Quality assurance and operations personnel perform daily internal audits in our processing facilities to maintain our high standards. In 2020, two external audits were performed by outside auditors in our processing facilities. Internally, we participated in 1,057 formal audits, and 110 audits were conducted by company management at our processing facilities on an unannounced, random basis.

In 2020, 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.

# 850<sup>+</sup>

turkey audits

## TURKEYS

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

In 2020, 482 internal audits were conducted by the Jennie-O Turkey Store live production quality assurance department, and 282 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 our high standards. Jennie-O Turkey Store participated in four internal formal audits, and 84 audits were conducted by company managers at processing facilities on an unannounced, random basis. Due to the restrictions put into place to protect our production professionals during the COVID-19 pandemic, no external audits were performed by outside auditors in our processing facilities.

In 2020, 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.

We have not only invested in raising animals without antibiotics, we have also been stewards of alternative approaches to animal health and well-being to minimize the need for antibiotics. We never use medically important antibiotics for growth promotion, feed efficiency or weight gain.

**Protecting human health and the health of our animals is of the utmost importance, and we are proud of our ongoing stewardship efforts. We focus our efforts the following ways:**

→ Reducing the use of antibiotics – Reducing the need for antibiotics has been and continues to be important to us. We 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 veterinary clinic to help define long-term health strategies for our company-owned sow farm. We also continue to research ways to use products such as prebiotics, probiotics and essential oils to maintain turkey health and welfare. 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 guidance 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.

→ Producing raised-without-antibiotics products – Hormel Foods has invested in producing raised-without-antibiotics products. In fact, our *Applegate*® brand represents 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, we offer several raised-without-antibiotics foodservice items, *Columbus*® products and *Jennie-O*® products.

→ Partnering with stakeholders — To further demonstrate our commitment to this important issue, in 2015 we formed an Antibiotic Working Group comprised of internal subject-matter experts, leading nongovernmental organizations, including the Pew Charitable Trusts and Farm Foundation, independent veterinarians and other stakeholders to discuss and continue to advance this important industry topic. We also review and explore research opportunities and will continue to participate in industry antibiotic initiatives. Additionally, we are working to support broader dialogue around the challenges of addressing antimicrobial resistance through membership in the Business Council of the United Nations as well as the National Institute of Antimicrobial Resistance Research and Education.

In 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.

We are proud to share more about our efforts in our Antibiotic Stewardship Report, launched January 2021. This special supplemental report provides more details about our antibiotic stewardship program and metrics from some of the farms in our supply chain. This comprehensive and transparent report provides antibiotic usage data over the last few years for 75 percent of Jennie-O Turkey Store's turkey supply, as well as for three systems that support our Hormel Foods pork supply and one that supports our Applegate business. In addition, the report provides detailed information about our antibiotic stewardship program, which is based on four principals: management, preventive medicine, veterinary oversight and continuous improvement.

Our research in the areas of probiotics, prebiotics and essential oils further demonstrates our commitment to stewardship practices. We are summarizing these efforts in a white paper that will be released in 2021.





## 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, including our family farms and growers.

We helped launch the Cedar River Watershed Partnership — a public-private partnership aimed at improving water quality

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### SUSTAINABLE AGRICULTURE

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.

### REGENERATIVE AGRICULTURE

Hormel Foods is committed to supporting regenerative agriculture initiatives. Our Applegate subsidiary launched *The New Food Collective™* brand in 2019. This premium brand uses pasture-raised meats and small-batch production methods. The first test product of *The New Food Collective™* featured fresh sausages made from the first pork to be certified by the American Grassfed Association. *The New Food Collective™* brand team is committed to sourcing from farmers and ranchers who use regenerative agricultural practices that are designed to improve soil, water retention and biodiversity.



Many family farmers have been suppliers to us for multiple generations

## Farmer Livelihoods

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

Through our long-term relationships, hog producers are ensured a market for their animals. In addition to these agreements, our Jennie-O Turkey Store subsidiary 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 for the use of their facilities.

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



# Environment



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

To minimize our environmental impact, we set goals to reduce our nonrenewable energy use, water use, solid waste sent to landfills and greenhouse gas (GHG) emissions by 10 percent by 2020 at our domestic manufacturing facilities. These goals were 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 aimed to reduce our product packaging by 25 million pounds by 2020. Our packaging team regularly evaluates our packaging designs, consistently looking for minimization opportunities.

## 2020 Environmental Highlights

### REDUCED GHG EMISSIONS

**5.7K<sup>+</sup>**  
metric tons

### REDUCED ENERGY USE

**98K<sup>+</sup>**  
MMBtu

### REDUCED WATER USE

**119M**  
gallons

### REDUCED SOLID WASTE

**38**  
tons (sent to landfills)

### REDUCED PRODUCT PACKAGING

**533K<sup>+</sup>**  
pounds\*

## Our Environmental Progress

### GHG EMISSIONS

In 2020, we implemented projects that resulted in a reduction of over 5,700 metric tons of GHG emissions from our domestic manufacturing operations, reaching 83 percent of our goal when combined with our progress since 2012. While we did not reach our 2020 goal, we are excited to have a portfolio of renewable energy and efficiency projects in development that will exceed the goal level in the coming years.

### ENERGY

In 2020, we implemented projects that resulted in reduced energy use exceeding 98,000 MMBtu. When combined with our results since 2012, we have surpassed our reduction target of 692,000 MMBtu by 32 percent.

### WATER

After surpassing our 2020 goal in 2016 to reduce water use by 0.5 billion gallons, we have continued to achieve additional reductions. In 2020, we successfully implemented projects that reduced water use by 119 million gallons, exceeding our goal by 106 percent when combined with our progress since 2012.

### SOLID WASTE

We surpassed our solid waste sent to landfills reduction goal in 2014. In 2020, we implemented projects that reduced the amount of solid waste sent to landfills by 38 tons.

### PACKAGING

In 2020, our packaging team's sustainability initiatives resulted in more than 553,000 pounds in savings.\* When combined with our progress made since 2012, we have surpassed our goal to reduce product packaging by 25 million pounds by 2020 by nearly 7 percent.

### FACILITY IMPROVEMENTS

We implemented more than \$3.9 million in facility improvements related to environmental sustainability efforts.\*\*

For information about how we manage environmental compliance, please visit [HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility). For additional information about our environmental efforts and performance, please see our CDP climate change response.

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

\*\*Excludes wastewater improvements.





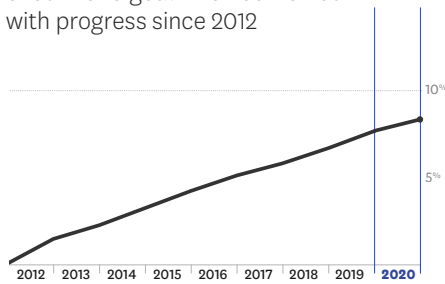
**OUR 2020 GOAL**

**92K**

metric ton reduction in GHG emissions

**83%**

of our 2020 goal when combined with progress since 2012



**Greenhouse Gas Emissions**

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

As established from our 2011 base year, our goal was to implement projects that reduce GHG emissions by 92,000 metric tons of carbon dioxide equivalent (CO<sub>2</sub>-e) by 2020. In 2020, we implemented projects that resulted in a reduction of over 5,700 metric tons of GHG emissions from our domestic manufacturing operations, reaching 83 percent of our goal when combined with our progress since 2012. Of the total GHG emissions, direct GHG emissions were approximately 61 percent and indirect GHG emissions were approximately 39 percent. Normalized GHG emissions for manufacturing plants were 0.288 metric tons of CO<sub>2</sub>-e per ton of products sold, down 10 percent from the prior-year level. While we did not reach our goal in 2020, we are excited to have a portfolio of renewable energy and efficiency projects in development that will exceed the goal level in the coming years.

**RENEWABLE ENERGY INITIATIVES**

We support the renewable energy markets by subscribing to community solar gardens at five manufacturing locations, including a co-sponsorship with Westar Energy for its first community solar garden near Wichita, Kan., where we manufacture most of our *Hormel® Natural Choice®* bacon products. In calendar 2020, we celebrated the completion of a solar energy project at our Swiss American Sausage Company facility in Lathrop, Calif. The solar array consists of approximately 2,000 panels constructed on both roof and ground space and is projected to supply more than 15 percent of the plant’s annual electricity consumption.

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

## RECENT PROJECTS TO REDUCE AIR EMISSIONS

# 2.8K<sup>+</sup>

metric tons

### **Burke Corporation (Nevada, Iowa)**

Our Burke team had a goal to recover utility system waste heat for preheating hot water for sanitation and eliminate once-through cooling water. The project was established to hold expenses to less than 1 percent year over year and to align with corporate sustainability goals to reduce water, natural gas and electrical consumption. The team utilized data analysis to review and invest in new production equipment and utility systems to eliminate once-through cooling water for operation. The new equipment and systems allowed the plant to save more than 13 million gallons of water, 49,000 MMBtu of natural gas and 537,000 kWh of electricity. In addition, it resulted in the reduction of greenhouse gas emissions by more than 2,800 metric tons annually. Combined, this carbon dioxide savings is equivalent to eliminating over 300,800 gallons of gasoline.\*

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

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

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

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

# 1.4K<sup>+</sup>

metric tons

### **Fontanini Foods (McCook, Ill.)**

Our Fontanini team had a goal to reduce and reuse as much water as possible at its facility. Through reverse osmosis and an oven heat recovery process, the team monitored water flow rates and temperatures, and implemented several operational improvements to water treatment systems. This improved consistency and simplified operations. The project resulted in annual savings of 27.3 million gallons of water, 27,000 MMBtu of energy consumption and reduced greenhouse gas emissions by more than 1,400 metric tons. This is the greenhouse gas reduction equivalent of taking over 310 cars off the road.\*

## 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. In 2020, load factors averaged approximately 79 percent of vehicle weight capacity. This was down from 91 percent the previous year, driven by COVID-19 related challenges.

We recognize that our methods of intermodal shipments need to be reassessed on a regular basis, and 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 2020, we had nearly 6,800 intermodal shipments. These shipments accounted for approximately 10.2 million miles and saved approximately 1.2 million gallons of diesel fuel, versus shipping solely by truck.

To increase efficiencies even more, in fiscal year 2020 we initiated a new logistics model that helped reduce the miles traveled from our distribution centers by moving them closer to our customers. Examples include moving customers from our distribution centers in Eldridge, Iowa, and Stockton, Calif., to more approximate delivery locations in Hutchins, Texas, and from Eldridge, Iowa, and Fairburn, Ga., to Groveport, Ohio. This new initiative helped save more than 2.2 million miles traveled compared to the previous year.



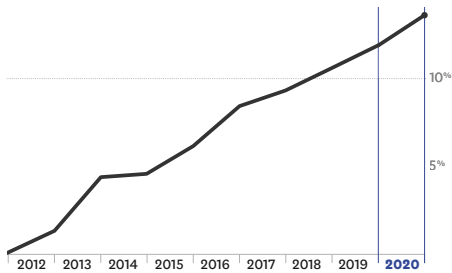
# 98K<sup>+</sup>

MMBtu energy reduction

**2020 GOAL EXCEEDED BY**

# 32%

When combined with our results since 2012, we have surpassed our reduction target of 692,000 MMBtu by 32 percent



## Energy

In 2020, we implemented projects that resulted in reduced energy use exceeding 98,000 MMBtu. When combined with our results since 2012, we have surpassed our reduction target of 692,000 MMBtu by 32 percent.



## 2020 PROGRESS

Normalized direct energy (MMBtu/sales tonnage) in 2020 was 2.18, and normalized indirect energy (kWh/sales tonnage) in 2020 was 309. Our normalized direct and indirect energy use both increased as a result of a reduction in production volume.

## NORMALIZED DIRECT ENERGY

# 2.18

MMBtu/sales tonnage

## NORMALIZED INDIRECT ENERGY

# 309

kWh/sales tonnage

## RENEWABLE ENERGY INITIATIVES

We continue to support the renewable energy markets by subscribing to community solar gardens at five manufacturing locations, including a co-sponsorship with Westar Energy for its first community solar garden near Wichita, Kan., where we manufacture most of our *Hormel® Natural Choice®* bacon products. In fiscal year 2020, we celebrated the completion of a solar energy project at our Swiss American Sausage Company facility in Lathrop, Calif. The solar array consists of approximately 2,000 panels constructed on both roof and ground space and is projected to supply more than 15 percent of the plant's annual electricity consumption.

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

## RECENT PROJECTS TO REDUCE ENERGY CONSUMPTION

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

# 649K<sup>+</sup>

kWh

### West Central Turkeys (Pelican Rapids, Minn.)

Our West Central Turkeys team replaced one-fourth of the plant's lighting with LED lights. The team replaced over 300 fixtures, with the goal to have the entire plant converted over to LED lighting by 2022. The project saves more than 649,000 kWh of electricity per year – enough energy to power 83 homes for a year.\*

# 109K<sup>+</sup>

kWh

### Dan's Prize Long Prairie and Browerville (Minn.) Plants

To decrease kilowatt use and control rising electrical costs, our Dan's Prize team replaced incandescent lighting with efficient LED technology. The team replaced nearly 200 incandescent lights, saving more than 109,000 kWh per year – enough energy to charge over 9.3 million smartphones.\*

# 231K<sup>+</sup>

kWh

### Osceola (Iowa) Food

Our Osceola Food team continued to implement its strategic energy management plan. Through the execution of the plan and working with a cross-functional team to identify efficiency projects, the team was able to save more than 231,000 kWh of electricity per year – enough energy to power 19 homes for a year.\*

For additional information about our environmental efforts and performance, please see our CDP climate change response.



# 119M

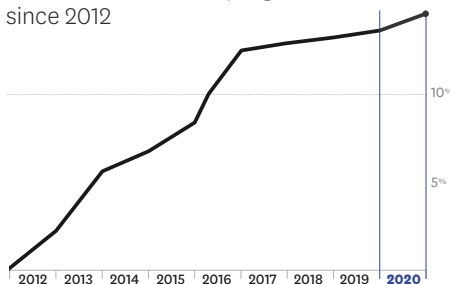
gallon reduction

In 2020, we successfully implemented projects that reduced water use by 119 million gallons

**2020 GOAL EXCEEDED BY**

# 106%

when combined with progress since 2012



## Water

In 2020, we successfully implemented projects that reduced water use by 119 million gallons.

After surpassing our 2020 goal in 2016 to reduce water use by 0.5 billion gallons, we have continued to achieve additional reductions. In 2020, we successfully implemented projects that reduced water use by 119 million gallons, exceeding our goal by 106 percent when combined with our progress since 2012. Our total manufacturing water use during 2020 was 4.65 billion gallons.

Our water sources for our domestic manufacturing facilities are solely 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 2020 was 7.9, a nearly 13 percent increase compared to our prior-year level, which was primarily a result of reduction in production volume.

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. In the past, 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 southern Minnesota watershed become certified through the Minnesota Agricultural Water Quality Certification Program.

### WATER WITHDRAWAL SOURCE

**88%**  
groundwater

**12%**  
surface water

### GROUNDWATER SOURCES

**45%**  
Prairie Du Chien-  
Jordan Aquifer

**41%**  
Other

**14%**  
Quaternary Buried  
Artesian Aquifer

### RECENT PROJECTS TO REDUCE WATER USAGE

**31M<sup>+</sup>**  
gallons of water saved

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

The team at our Jennie-O Turkey Store Willmar Ave. Plant was able to save more than 31 million gallons of water annually by partnering with an equipment manufacturer to redesign the spray headers and nozzles used for equipment sanitation. The project also reduced the amount of energy needed to cool the water to 32 degrees Fahrenheit. Through this initiative, the team saved enough water to offset running a shower for over 28 years.

**9.5M**  
gallons of water saved

#### Burke Corporation (Nevada, Iowa)

A cross-functional team at our Burke facility saved 9.5 million gallons of water annually by installing a reverse osmosis water treatment system instead of a standard water softener. This not only saved water, it contributed to natural gas savings and reduced the amount of chlorides that would need to be removed in wastewater treatment. The plant saved enough water to fill over 60 million 20-ounce water bottles.

**18M**  
gallons of water saved

#### Austin (Minn.) Plant

The engineering team at our Austin Plant reduced city water usage by nearly 18 million gallons a year by switching to a closed chilling loop for the heat exchanger on a hydrostatic steam cooker. By finding an alternative way to cool the steam cooker, the plant saved enough water to offset washing your hands under a low-flow faucet for over 22 years.

### WASTEWATER MANAGEMENT

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

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

Upper Mississippi

**87%**

South  
Atlantic Gulf

**4%**

Texas Gulf

**3%**

Arkansas  
White Red

**2%**

Other watersheds

**4%**

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



# 38

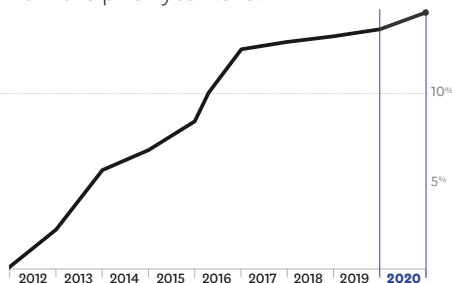
ton reduction

In 2020, our operations implemented projects that reduced the amount of solid waste sent to landfills by 38 tons

### 2020 GOAL EXCEEDED

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.

In 2020, our operations implemented projects that reduced the amount of solid waste sent to landfills by 38 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 2020 of 26.1 pounds per salable ton, a 15 percent increase from the prior-year level.



## Waste

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

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

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

In addition, in 2020 we joined the 10x20x30 food waste initiative that brings together some of the world’s largest food retailers and suppliers to halve food loss and waste by 2030. This effort supports and takes a holistic approach to waste reduction and fighting food loss. We will provide progress updates on our food waste reduction efforts and this initiative in future corporate responsibility reports.

Hormel Foods has a rich history of donating food to those in need. To learn about our efforts in 2020, visit the community section of this report.

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





## Packaging

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

The packaging team collaborates with all departments and examines the entire supply chain for sustainability initiatives that will benefit all divisions. In calendar year 2020, this team initiated five projects and completed eight projects. Combined, these projects resulted in more than 553,000 pounds in savings.\*

### RECENT PROJECTS TO REDUCE PRODUCT PACKAGING\*

# 36K

pounds of material saved

#### **Hormel® Black Label® Microwave Ready Bacon Packaging**

In 2020, the company purchased equipment that altered the packaging for the *Hormel® Black Label®* microwave ready bacon product line. This alteration saved nearly 36,000 pounds of paperboard annually.

# 20K+

pounds of material saved

#### **CHI-CHI'S® Tortilla Box**

In 2020, the company reduced the size of our *CHI-CHI'S®* foldable tortillas box to better fit the product. This alteration resulted in a material savings of more than 20,000 pounds of paperboard annually.

# 195K

pounds of material saved

#### **Wholly® Guacamole Paperboard Design**

The company changed the design of our paperboard packaging on some of our *Wholly®* guacamole products from a fully enclosed carton to a wrap-around sleeve. This change reduced our paperboard packaging use by 195,000 pounds annually.

### 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 84 percent of our product packaging, by weight, is recyclable and/or made from recycled materials.

# 553K+

pound reduction

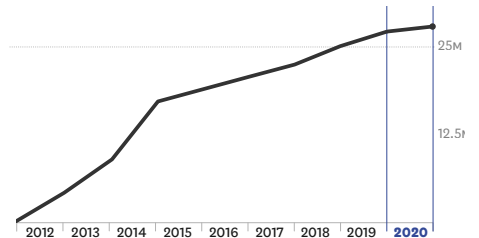
In 2020, we reduced product packaging by more than 553,000 pounds\*

### 2020 GOAL EXCEEDED BY

# 7%

When combined with our progress made since 2012, we have surpassed our goal to reduce product packaging by 25 million pounds by 2020 by nearly 7 percent.

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.



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



In 2020, 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.

In 2020, we received project entries from across the company in our Sustainability Best of the Best competition. Our Jennie-O Turkey Store Willmar Ave. Plant (Willmar, Minn.) team was named the winner for its water reduction project that is saving more than 31 million gallons of water annually. To learn more about this project, please visit the water section of this report. Also see our Environmental Sustainability Policy for more information about the commitment our company has made to environmental sustainability objectives.

In addition to our Sustainability Best of the Best competition, our Swiss American Sausage Company facility in Lathrop, Calif., was awarded third place in the Resource Conservation category of the North American Meat Institute Environmental Achievement Awards for its innovative solar array project. The Swiss American Sausage Company's solar array is comprised of approximately 2,000 panels constructed on both roof and ground space and is projected to supply more than 15 percent of the plant's annual electricity consumption.

# People





We provided approximately 30 hours of training per team member in 2020.

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

Our team members are the cornerstone of our company and of the fulfillment of our purpose of — *Inspired People. Inspired Food.™* That's why we place great importance on the growth, development and engagement of our people, which in turn, helps with retention. In addition, our top priority is always to keep our people safe. Throughout the COVID-19 pandemic, we took prudent action to protect our global workforce. You can find more information about these efforts in the safety, health & wellness section of this report.

## Our Team 2020

### ONGOING GOALS

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

### TEAM MEMBER BREAKDOWN

**19K<sup>+</sup>**

team members  
worldwide

### BY LOCATION

**22%**

under age 30

**92.5%**

United States

**49%**

of our team members  
had five or more years  
of service

**49%**

between age 30-50

**4.9%**

Asia

**52%**

of our team  
represented by  
ethnic minorities\*

**29%**

over age 50

**2.6%**

other countries

### Inspired Pathways Program

free two-year college  
education for the  
dependents of our  
team members\*

**9**

employee resource groups

**530K<sup>+</sup>**

training hours

\*See additional information in the  
inclusion & diversity section of this report.



# 22.5%

turnover rate

In 2020, our turnover rate for all employees was 22.5 percent

## About Our Team

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

In 2020, our turnover rate for all team members was 22.5 percent. Additionally, we are proud to report that 49 percent of our team members had five or more years of service, and our 35-person officer team had an average of 26 years of service.

## About Our Team 2020

### ABOUT OUR TEAM

**19K<sup>+</sup>**

team members  
worldwide

**68%**  
male

**32%**  
female

### ABOUT THEIR TENURE

**49%**

employees with 5+  
years of service

**OF THOSE 49%**  
**30%**

#### HAD 20+ YEARS OF SERVICE

64% male; 36% female  
71% hourly; 29% salaried

**9%**

#### HAD 30+ YEARS OF SERVICE

67% male; 33% female  
68% hourly; 32% salaried

### ABOUT THEIR JOB TYPE

**19%**

salaried  
68% male; 32% female

**81%**

hourly  
60% male; 40% female

**1%**

part-time

**3%**

temporary

**20%**

Covered by CBAs  
(collective bargaining  
agreements)

Hormel Foods adheres to the National Labor Relations Act and respects the rights of employees to choose whether or not they want to organize in 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.



**14K<sup>+</sup>**

team members received safety training



robust safety program

**4.7K**

team members served through  
state-of-the-art health center

## **Safety, Health & Wellness**

Our constant focus on the safety, health and wellness of our team members is a top priority for the company.

## COVID-19 SAFETY EFFORTS

Due to the COVID-19 pandemic, nearly all of our team members who worked in an office setting were able to work remotely; however, because we are an essential business, our production professionals needed to continue to come into our facilities to produce products to help feed the world. Our company's Event Evaluation Committee, consisting of senior leaders, along with our risk management, operations and human resources teams, worked collaboratively to identify and mitigate risks, and develop processes to continue to provide a safe, secure working environment.

From the very beginning, we were proactive in communicating often to our team members to ensure they knew it was OK, and encouraged, to stay home when feeling unwell. We provided educational materials and were transparent about our efforts through our KEEP COVID OUT! campaign, implemented a pay protection program to provide paid leave and benefits to any team members who were feeling unwell, quarantined due to close contact or who tested positive for COVID-19, and paid more than \$11 million in special cash bonuses to our production professionals. We also held several town halls about COVID-19 for all of our team members with health care experts from the Mayo Clinic.

In addition to our high level of cleaning and sanitizing as part of our routine operations, we implemented further enhanced sanitation procedures in all high-traffic and high-touch areas. Under the guidance of health care professionals, we also took our team members' temperatures and implemented daily wellness screenings prior to entering our facilities.

Most of our locations have on-site nurses who are available to answer questions, consult and advise team members. We provided information to help our team members get access to local testing for COVID-19. Social distancing was implemented in our production facilities by having staggered start times, staggered break times and spreading out team members during breaks by using areas outside of the normal cafeteria spaces. We also provided access to masks and personal protective face coverings in our production facilities, providing further protections for our teams.

## KEEP COVID OUT! campaign

We provided educational materials and were transparent about our efforts



## INJURY/ILLNESS RATES

Our dedicated corporate safety department develops and administers companywide policies to ensure the safety of our team members and compliance with Occupational Safety and Health Administration (OSHA) standards. The corporate safety department also conducts regular audits of our production facilities to ensure compliance with company safety policies.

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

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

### 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 2020, the TCIR at Hormel Foods was 2.6, which is better than the BLS industry average of 4.3.

### Days Away From Work Injury And Illness

Days Away from Work Injury and Illness (DAFWII) measures an injury or illness that involves one or more days away from work. In 2020, the DAFWII rate at Hormel Foods was 0.6, which is better than the BLS industry average of 1.

### Days Away, Restricted Or Transfer

Days Away, Restricted or Transfer (DART) measures the days an employee has restricted work activity or job transfer, or both. In 2020, our DART rate was 1.7, which is better than the BLS industry average of 3.

DESCRIPTION	2019	2020
Total Case Incident Rate	2.6	2.6
Days Away From Work Injury And Illness	0.5	0.6
Days Away, Restricted Or Transfer	1.8	1.7

## **SAFETY TRAINING**

Hormel Foods conducts safety training for an average of 14,818 team members in our locations every month and completes approximately 1,000 safety assessments each month companywide. In 2020, Hormel Foods conducted an average of 7,450 lockout-tagout (LOTO) inspections per quarter and held semimonthly companywide safety conference calls with plant safety personnel.

## **HEALTH AND WELLNESS**

We recognize that our team members perform best when they are healthy, and that optimal performance is necessary for us to achieve our Key Results. In addition to our health care 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. Due to COVID-19, we were unable to provide biometric screenings in 2020; however, we offered an alternative to our team members to continue to promote health and wellness.

In addition, in 2020 we opened a state-of-the-art health center for our team members, close to our global headquarters and flagship production facility in Austin, Minn. In partnership with Premise Health, which operates the facility, the clinic improves access to high-quality, affordable health care for our team members and their dependent family members. The health center builds on the existing relationship between Hormel Foods and the renowned Mayo Clinic. With the dedicated health center and additional resources provided by Mayo Clinic, such as radiology and specialty service referrals for areas like cardiology, orthopedics, dermatology and behavioral health, team members and their dependents have full access to care when they need it. In total, this health center serves approximately 4,700 eligible individuals on the company's health plans, including team members, their dependents ages 2 and older, and retirees under the age of 65.



# 30

training hours

We provided approximately 30 hours of training per team member in 2020, and launched two new learning platforms

# 3.8K

human rights training hours

## Training

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

We invested more than 530,000 total hours on training in 2020. This equated to approximately 30 hours of training per team member. We also launched two new learning platforms for our team members: Link and Oracle Learning. Link was introduced to provide enhanced, consistent learning opportunities for our production professionals. The web-based platform offers interactive, translated education on a variety of topics, including workplace safety and food safety. The Oracle Learning platform provides a hub for our office team members to find and sign up for learning opportunities we have available, as well as view their transcripts. For additional information about our learning programs, please visit our corporate website: [HormelFoods.com/responsibility](https://HormelFoods.com/responsibility).

Team members are also trained on policies and procedures concerning aspects of human rights that are relevant to our operations. In 2020, approximately 3,800 hours were dedicated to human rights training. (Some of these hours may be included in our total training hours.)



## Inclusion & Diversity

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

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

In 2020, we launched a spotlight charities campaign to help support education and equity. The featured organizations for the spotlight charities campaign were: Minorities in Agriculture, Natural Resources and Related Sciences (MANRRS); the NAACP Legal Defense and Educational Fund; and UNCF. Hormel Foods provided a donation of \$100,000 split equally among the organizations. In addition, the company matched team member and retiree donations to the organizations. In total, more than \$250,000 was donated to these organizations through this effort. Some of the funds are being used to establish Hormel Foods scholarships with MANRRS and the UNCF.

We also announced our Inspired Pathways program, which will provide the opportunity of a free two-year college education for the dependent children of our team members beginning with the 2021-2022 academic year. This monumental program will help many first-generation college students. For additional information, please visit the philanthropy section of this report.

Senior leaders of our company (directors and officers) are held accountable to creating an inclusive, diverse workplace through their yearly incentive plans, which focus on overall belonging scores and the representation of women and underrepresented minorities in our salaried positions.



Diverse board of directors; four women and six persons of color  
Best Employers for Veterans according to *Military Times*

**\$250K+**

donated in total to MANRRS, NAACP Legal Defense and Educational Fund, and UNCF

## 2020 Highlights

52%

of our workforce  
was represented by  
ethnic minorities:

28%

Black or  
African American

51%

Latinx

15%

Asian

1%

American Indian  
or Alaska Native

3%

Native Hawaiian or  
other Pacific Islander

2%

Two or More Races

9

employee resource groups

Hormel Foods is committed to having an inclusive workplace and has nine employee resource groups (ERGs):

- **Black Leaders and Allies Advancing Cultural Knowledge;**
- **Hormel Asian American Professionals Association;**
- **Hormel Food and Agriculture Resource Members;**
- **Hormel Integrating Relevant Experiences;**
- **Hormel Military Veterans Engagement Team;**
- **Hormel Professionals Representing Out and United Individuals & Allies;**
- **Hormel Young Professionals Enterprise;**
- **Nuestra Gente (Hormel Foods Hispanic Resource Group); and**
- **Women's Insights Network.**

These groups help us better understand diverse groups of consumers and relate to diverse team members. Read more about these ERGs on our corporate website: [HormelFoods.com/responsibility](https://HormelFoods.com/responsibility).

### INCLUSION AND DIVERSITY GUIDING COALITION

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

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

The Inclusion and Diversity Guiding Coalition has been instrumental in bringing the company's Talent Champion Program to life. This program pairs under-represented minority talent with an executive sponsor to provide opportunities to gain exposure across the organization. Additionally, this team has been pivotal in championing for inclusive workspaces in our production facilities, including lactation rooms, gender-neutral restrooms and updated locker rooms.

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 2020, there were no substantiated reports of pay discrimination. In addition, we did not have any labor stoppages, strikes or lockouts; therefore, we did not lose any hours of working time.





## 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 Code of Conduct 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 2020, around 3,800 hours were dedicated to human rights training. (Some of these hours may be included in our total training hours in the training section of this report.)

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

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

**3.8K**  
human rights training hours

# Community



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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 in which we operate. These areas closely align with our business initiatives, and over the years we've learned they are also the areas our team members are most passionate about.

In 2020, we helped people impacted by the COVID-19 pandemic and continued our commitment to helping end hunger around the world. We are pleased to report that we donated \$8.2 million in cash and products. This includes \$6.4 million in hunger-relief donations, our donation of 1.9 million cans of *SPAMMY*<sup>®</sup> (a shelf-stable poultry product to help prevent childhood malnutrition in Guatemala) and more than \$1 million in education donations. We also announced our Inspired Pathways program, which will provide the opportunity of a free two-year college education for the dependent children of our team members.

## Notable 2020 Donations

**1.9M**

cans of SPAMMY®

**\$350K**

to 40 local charities  
in our communities

**1.3M<sup>+</sup>**

meals\* through  
*Hams for Hunger*® program

**\$6.4M**

hunger-relief donations  
including donations for COVID-19  
and our disaster-relief efforts

**\$1M<sup>+</sup>**

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 at:

**[TheHormelFoundation.com](http://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 at: **[HI.UMN.edu](http://HI.UMN.edu)**.

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





## Hunger

In 2020, we helped people impacted by the COVID-19 pandemic and continued our commitment to helping end hunger around the world by donating a total of \$6.4 million (or more than 6.7 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 each year.

**6.7M**  
individual meals donated\*

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



## EXAMPLES OF OUR HUNGER-RELIEF EFFORTS

### COVID-19 Support

When the COVID-19 pandemic began, we made a pledge to provide \$1 million in cash and product donations to assist hunger-relief organizations with their COVID-19 efforts, in addition to our regular ongoing hunger-relief efforts. Feeding America, Convoy of Hope and nonprofit organizations in our plant communities were among those organizations that received funding and donations. For example, we donated 40,000 cases of *SKIPPY*® P.B. and Jelly minis to Convoy of Hope and Feeding America, and 40,000 pounds of *SKIPPY*® peanut butter to the Arkansas Foodbank. We also held numerous virtual Concert of Hope & Thanks events throughout the pandemic, all of which included company hunger-relief donations and opportunities for attendees to donate as well.

In Austin, Minn., home to the company's world headquarters and flagship production facility, we implemented a unique program that helped local restaurants, a nonprofit organization and senior citizens. The company purchased meals from local restaurants for several months and donated them to the Mower County Senior Center for distribution to seniors. This unique program solved a need in the community, and more than 50,000 meals were provided through this initiative.

### 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 1.9 million cans of *SPAMMY*® in 2020. In total, we've donated more than 23 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 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 2020, we donated \$350,000 to 40 charities in our 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.

### No Kid Hungry Campaign

We participated in the Dine, Shop & Share for No Kid Hungry campaign in 2020, aimed at raising funds to help ensure kids received the meals they needed to learn. In addition to a monetary contribution to support the campaign, we donated \$10,000 to match donations made through a special Hormel Foods donation link on the campaign website.

### Disaster Response

2020 was a devastating year in terms of natural disasters around the world. We once again partnered with Convoy of Hope to assist with hunger-relief efforts through our Disaster-Response Program. In 2020, we provided numerous donations to Convoy of Hope to help with its disaster-response efforts and other programs, including 40,000 cases of *SKIPPY*® P.B. and Jelly minis, more than 540,000 pounds of foodservice breakfast sausages, among numerous others. Convoy of Hope responded to more than 60 disasters in 2020, including Hurricane Sally and Hurricane Laura.

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

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

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

### **Hams For Hunger® Program**

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 2020, more than 1.3 million meals were provided through this program.\*\*

### **Good Feeds Us All Tour**

Our *Hormel® Natural Choice®* brand team went on the road in 2020 to support organizations and people throughout the United States who work for the betterment of others. They called the effort the Good Feeds Us All Tour, which brought to life the brand's advertising campaign of the same name. With total monetary donations of more than \$200,000, the Good Feeds Us All Tour made stops from Dallas, Texas, where team members highlighted and helped The Birthday Party Project – an organization that throws themed birthday parties for underserved kids in temporary housing – to visiting the United Service Organizations, Inc. (Washington D.C. Metro) to focus on providing services and assistance to military personnel and their families. Other organizations that received support through the tour included Be Strong, JDRF and many food pantries that are part of the Feeding America network.

### **Pine Ridge Indian Reservation**

In calendar year 2020, our Justin's subsidiary donated more than 38,000 meals and over 300,000 units of product to Conscious Alliance to support programs on the Pine Ridge Indian Reservation in South Dakota, including the backpack program for students at Isna Wica Owayawa (Loneman School).\*\*\* The backpack program provides bags of healthy, kid-friendly food for students for weekends.



## Philanthropy

We announced our Inspired Pathways program in 2020, which will provide the opportunity of a free two-year college education for the dependent children of our team members.

We know how important it is to support education, as well as initiatives that build better communities and help others.

From scholarship opportunities to volunteer efforts and donations, we are proud of our ongoing efforts. We are proud to report that we launched several new philanthropic initiatives in 2020: an Inspired Giving Spotlight Charities Campaign Program, our 10 Under 20 Food Heroes Awards program and our Inspired Pathways program. More information about these exciting new efforts can be found below.

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

## EXAMPLES OF OUR EFFORTS

### Inspired Giving Spotlight Charities Campaign Program

We launched our Inspired Giving Spotlight Charities Campaign Program in 2020. Our first campaign helped support education and equity. The featured organizations for the campaign were: Minorities in Agriculture, Natural Resources and Related Sciences (MANRRS); the NAACP Legal Defense and Educational Fund; and UNCF. Hormel Foods provided a donation of \$100,000 split equally among the organizations. In addition, the company matched team member and retiree donations. In total, more than \$250,000 was donated to these organizations through this effort. Some of the funds are being used to establish Hormel Foods scholarships with MANRRS and the UNCF. The company will hold several different spotlight charities campaigns each year through this program.

### Inspired Pathways

We announced our Inspired Pathways program in 2020, which will provide the opportunity of a free two-year college education to the dependent children of our team members, beginning with the 2021-2022 academic year. The program supports education and equity, and comes at a time when paying for college has become a hardship for many people.

“When you think about how a college education can change lives and start a ripple effect that will be felt for generations, that’s the change-maker Hormel Foods wants to be,” said Jim Snee, chairman of the board, president and chief executive officer of Hormel Foods. Additional information about this program can be found at [HormelInspiredPathways.com](https://www.hormel.com/InspiredPathways).

### 10 Under 20 Food Heroes Awards Program

To recognize young heroes doing remarkable work to help others, and to inspire others to do the same, we launched our 10 Under 20 Food Heroes Awards program in 2020. Nine young people – most not old enough to drive – and an organization filled with preteens received high honors from Hormel Foods through this initiative. They were all recognized and shared their stories during the company’s first-ever Spirit Week virtual event. In addition to recognizing these heroes, the company provided grants of \$5,000 to help them continue to do their work. Hormel Foods also provided a \$10,000 grant to Joshua’s Heart Foundation, whose founder served as the program ambassador for this inaugural group of heroes. From hunger relief to food waste initiatives and more, we were proud to honor these young heroes and support their causes.

### Hormel Heroes Scholarships

Hormel Foods created the Hormel Heroes Scholarship Program to support female students with military backgrounds who are pursuing careers in culinary arts or a program related to foodservice management. The program is administered by the National Restaurant Educational Foundation. In 2020, we awarded two \$10,000 scholarships.

### Undergraduate College Scholarships

For the 54<sup>th</sup> consecutive year, Hormel Foods awarded 16 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 of \$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 children of team members. In 2020, Jennie-O Turkey Store awarded 50 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 by volunteering their time and talents. Due to the COVID-19 pandemic, many in-person volunteer initiatives were not held; however, our Jennie-O Turkey Store team members were still able to help out and reported a total of more than 4,900 volunteer hours in 2020.\* We are in the process of capturing this information for all our locations so we can include it in future reports.

\*Self-reported by team members – includes work and personal time.

# OUR FOOD JOURNEY™

## ***Our Food Journey™***

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

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

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

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

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

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





## Investing IN OUR PEOPLE AND PARTNERS

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

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



## Improving COMMUNITIES AND THE WORLD

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

We know that small changes or actions can in fact lead to large-scale and meaningful impact. Nowhere is this more evident than in the work Hormel Foods is doing to lift up communities around the world. In 2020, we donated more than \$8 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.