

Corporate Responsibility Report

2013



HORMEL
FOODS
CORPORATE
RESPONSIBILITY

The 2013 Hormel Foods Corporate Responsibility Report provides information useful to our stakeholders, which include customers, employees, consumers, investors, communities, government agencies and non-profit organizations. It covers anecdotal and benchmark data from fiscal year 2013 (November 2012 to October 2013), unless otherwise noted. Our previous reports covered fiscal years 2006 to 2012.



2020 Goals

Water, solid waste, air and energy goals were established in fiscal year 2012 and are being measured against base year 2011 at company-owned and international manufacturing locations. Our packaging minimization goal was established in fiscal year 2012 and it is to reduce packaging by 25 million pounds by 2020.

Progress Made

Goal: Energy

Reduce 10 percent of non-renewable energy use by 2020



2013 Progress:

Reduced 204,000 MMBtu; 45 percent of goal when combined with our 2012 progress

Goal: Air

Reduce 10 percent of greenhouse gas emissions by 2020



2013 Progress:

Reduced 17,000 metric tons CO₂-e; 22 percent of goal when combined with our 2012 progress

Goal: Water

Reduce 10 percent of water use by 2020



2013 Progress:

Reduced 0.154 billion gallons of water; 56 percent of goal when combined with our 2012 progress

Goal: Solid Waste

Reduce 10 percent of solid waste sent to landfill by 2020



2013 Progress:

Reduced 1,000 tons; 81 percent of goal when combined with our 2012 progress

Goal: Packaging Minimization

Reduce product packaging by 25 million pounds by 2020



2013 Progress:

Reduced packaging by 4.72 million pounds; 35 percent of goal when combined with 2012 progress

Goal: Sodium Reduction

Reduce sodium levels in select products within branded retail product portfolio by an average of 15 percent by 2020



2013 Progress:

Hormel® Cure 81® retail hams: 14 percent reduction
Hormel® chili with beans: 18 percent reduction
Hormel® Compleats® microwave meals: 16 percent reduction
Hormel® Canadian bacon: 23 percent reduction
CHI-CHI'S® and *Herdez®* branded tortillas: 32 percent reductionⁱ
Hormel® Always Tender® marinated meats: 17 percent reductionⁱⁱ
ⁱⁱ *CHI-CHI'S®* and *Herdez®* branded tortillas and *Hormel® Always Tender®* marinated meats have been added to the list of selected products for the sodium reduction initiative since the 2012 CR Report

Goal: Innovation

Earn \$3 billion in total sales from products created since 2000 by the year 2016



2013 Progress:

On track to meet this goal

Goal: Diversity and Inclusion

Promote a more diverse and inclusive workplace



2013 Progress:

Employee resource group membership increased to approximately 800 members (up from approximately 200 in 2012), and we piloted an efficacy training program for women

Goal: People Safety

Perform better than the Bureau of Labor Statistics (BLS) industry average for Total Case Incident Rate (TCIR), Days Away from Work Injury Illness (DAFWII) and Days Away Restricted Transfer (DART) each year



2013 Progress:

TCIR: Outperformed the BLS industry average by 39.6 percent with a rate of 3.8¹
 DAFWII: Outperformed the BLS industry average by 50 percent with a rate of 0.5¹
 DART: Outperformed the BLS industry average by 39.5 percent with a rate of 2.6¹
¹Percentage calculated using 2012 BLS industry average for NAICS 3116

Boundary and Measurement

The boundary of the report includes all entities that Hormel Foods “exercises control or significant influence with regard to financial and operating policies and practices,” as defined by the Global Reporting Initiative’s (GRI) Boundary Protocol, unless otherwise indicated. Water use, greenhouse gas (GHG) emissions and energy use data are from Hormel Foods manufacturing facilities in the U.S. and China. Employee data is from all U.S. manufacturing locations and corporate and research and development offices, but not international operations.

For our environmental data, we report the information by normalization on tons of production from each location in which we are gathering this information. Normalization helps account for variations in size and production at different facilities, and it provides an accurate picture of our efficiency improvements.

Our numerous suppliers, which are independent businesses, provide us with packaging materials, ingredients, transportation and animals for our operations. We do not publicly report on their performance because of the sheer breadth and variety of suppliers and because they operate as independent businesses. Both our suppliers and our joint ventures are required to follow government standards and are closely monitored by government regulatory agencies. Where applicable, we discuss these government standards in this report. For suppliers, we have established the Hormel Foods Supplier Responsibility Principles, a set of guidelines and expectations for our suppliers. For the independent family farmers who supply a majority of our hogs, we require producers and their employees who work with animals to participate in industry training and education programs.

MORE IN THIS REPORT | Stakeholder Feedback





The information within this report covers topics based on GRI indicators and relevancy to our business and our stakeholders. As we selected content, we assessed key issues 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 and helps us understand which issues to anticipate or address and which 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.

To decide which 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, government officials and communities.

The analysis included interviews, SRI (socially responsible investor) inquiries/questionnaires, meetings, conferences and media coverage, by which we determined the main topics of interest to stakeholders. From there, we prioritized the topics based on their importance to the business (i.e., would a topic affect whether or not we were able to operate).

View the materiality matrix on page 9 for the results of our analysis.

Employees (current, prospective, and retired)

 How Hormel Foods engages	 Stakeholder interests	 How we respond to their interests	 Ongoing results of engagement
<ul style="list-style-type: none"> Biennial engagement survey Intranet (daily) Newsletters (Inside Hormel Foods magazine) Annual town hall meetings with the CEO and senior executives at various plants Departmental meetings Annual performance reviews Recruitment tours (college campuses, job fairs) Taste tests Retiree website 	<ul style="list-style-type: none"> Company information Strategic vision, employee and retiree benefits Compensation Diversity Employee safety Community outreach 	<ul style="list-style-type: none"> Include benefits information in materials for employees and in the CR Report Measure and include safety and demographic data in the CR Report Hold annual Road Show meetings to help communicate the vision to employees at all levels 	<ul style="list-style-type: none"> Improved safety Increased employee retention, engagement Improved communications of company vision and motivated employees Community support and retiree engagement/involvement

Retailers

 How Hormel Foods engages	 Stakeholder interests	 How we respond to their interests	 Ongoing results of engagement
<ul style="list-style-type: none"> Conferences One-on-one meetings Facility and farm tours Sales meetings 	<ul style="list-style-type: none"> Food safety Healthy food Innovation Food prices Animal care 	<ul style="list-style-type: none"> Integrate customer feedback into product development Provide relevant information through quarterly Responsibility Post newsletters Respond to questionnaires Connect customers with internal experts 	<ul style="list-style-type: none"> Increased understanding of the business and practices Demonstration of our best practices Identification of risks and opportunities Development of retailer relationship

Suppliers

 How Hormel Foods engages	 Stakeholder interests	 How we respond to their interests	 Ongoing results of engagement
<ul style="list-style-type: none"> One-on-one meetings Supplier Quality Management System Supplier site tours Supplier site audits 	<ul style="list-style-type: none"> Standards required to remain/become a supplier of Hormel Foods 	<ul style="list-style-type: none"> Created Supplier Responsibility Principles Recognize top suppliers through annual awards Participate in ongoing dialogue 	<ul style="list-style-type: none"> Improvement of quality from suppliers More accountability for suppliers Improvement of supplier relations Improvement of supply base

Investors/analysts

 How Hormel Foods engages	 Stakeholder interests	 How we respond to their interests	 Ongoing results of engagement
<ul style="list-style-type: none"> Rankings, questionnaires One-on-one meetings 	<ul style="list-style-type: none"> New product development Food prices Commodity costs Code of ethics Governance Environmental impact 	<ul style="list-style-type: none"> Respond to multiple questionnaires or verification of data from analyst Compiling rankings and indices 	<ul style="list-style-type: none"> Correct information Benchmark data

Consumers

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
<ul style="list-style-type: none"> Consumer hotline Consumer research Twitter handles Facebook pages; brand sites 	<ul style="list-style-type: none"> Food safety Healthy food Food prices 	<ul style="list-style-type: none"> Answer questions through hotline, Twitter handles Provide more proactive information and take suggestions through Twitter handles 	<ul style="list-style-type: none"> Improved consumer loyalty Correction of misinformation Helpful suggestions for how to improve our business Better understanding of our consumers' concerns and likes to help provide the best products on the market

Government

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
<ul style="list-style-type: none"> One-on-one meetings with members of Congress and staff, regulatory agencies Public forums via panels Plant tours for elected officials Engagement in associations, subcommittees Reports and regulatory filings Hormel Political Action Committee 	<ul style="list-style-type: none"> Commodity costs Animal care Food safety Local community concerns Regulatory climate 	<ul style="list-style-type: none"> Updates to management on key issues Engage in ongoing dialogues on these issues 	<ul style="list-style-type: none"> Better understanding of our practices and processes Communication of our culture, commitment to community and impact we have on the industry and in communities Positive business policies

Philanthropic partners

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
<ul style="list-style-type: none"> Charitable Trust Committee Conferences Disaster response, matching gifts Plant community donations One-on-one meetings and visits 	<ul style="list-style-type: none"> Hunger relief in local communities where we have operations 	<ul style="list-style-type: none"> Developed more formal hunger and community giving strategy Provide resources to plant managers to give to local hunger-relief efforts Engage in social media to support partners 	<ul style="list-style-type: none"> Formal hunger strategy Employee engagement Community involvement Relationship building in communities

NGOs

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
<ul style="list-style-type: none"> Annual meetings with the Consumer Federation of America Biannual meetings with Interfaith Center on Corporate Responsibility (ICCR) 	<ul style="list-style-type: none"> Animal care Water Standards for suppliers Human rights Food deserts Cost of rising food prices Global food system Food safety 	<ul style="list-style-type: none"> Consider topics raised in our reporting and operating practices Maintain ongoing dialogue to incorporate a variety of changes to business practices and explain business practices 	<ul style="list-style-type: none"> Improved two-way conversation about industry and business practices Identification of risks to the business or larger issues in the industry

Communities where manufacturing facilities are located, and international communities suffering from malnutrition

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
<ul style="list-style-type: none"> Representation and participation in community organizations (meetings, volunteering) Sponsorships Plant community donations Community events Local media relations Visits to Guatemala 	<ul style="list-style-type: none"> Community involvement Philanthropy Environmental impact from operations 	<ul style="list-style-type: none"> Hold meetings to discuss local concerns Invest in community infrastructure Discuss food safety and health and nutrition during trips to Guatemala Developed product to help address malnutrition in children internationally 	<ul style="list-style-type: none"> Relationship building in communities Employee engagement Positive corporate reputation Larger number of community groups engaged



In addition, Hormel Foods participates in an advisory group commenting on a Global Social Compliance Program (GSCP) from The Consumer Goods Forum. Through the GSCP, our company and our fellow members have the opportunity to leverage our efforts to increase the impact of our responsible sourcing programs, achieve greater scale and advance the

industry as a whole, boosting supplier and factory/farm development across the board. We decided to actively engage in the development of its framework and contribute to building the GSCP reference tools and processes. Their fundamental aim is to provide a common interpretation of working and environmental requirements across geographies and sectors.

CEO LETTER



Jeffrey M. Ettinger

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

Thank you for your interest in corporate responsibility at Hormel Foods and for visiting our 2013 Corporate Responsibility Report. I am happy to share the progress we have made as we work to be a leading corporate citizen within our industry.

Environment

We are well on our way to meeting our second round of environmental goals by 2020. These goals were established in 2012 and were set against a baseline of 2011. At the end of fiscal year 2013, we reached more than one-third of our target reduction goals in each of the following categories: energy, water use and solid waste. Additionally, we exceeded our goal to reduce packaging by 4 million pounds a year.

Nutrition and Wellness

Our goal is to reduce sodium in select products by an average of 15 percent by 2020. We have already exceeded this goal in five out of six categories and are exploring additional opportunities for sodium reduction. We also added two new healthy options to our CHI-CHI'S® tortilla portfolio last year and continue to offer products that help consumers make balanced choices.

Product Innovation

Last year I set a goal for the company to achieve \$3 billion in total sales of products created since 2000 by 2016, following the successful completion of similar challenges in years prior. We are currently on track to achieve this goal. Additionally, in January 2013, Hormel Foods acquired the SKIPPY® peanut butter business and has fully integrated the operations, logistics and sales of the brand into our Grocery Products division domestically.

Philanthropy

In fiscal year 2013, Hormel Foods donated more than \$9 million in cash and in-kind donations, with \$6.5 million specifically focused on hunger donations. We also continued our donations of SPAMMY®, a shelf-stable poultry product fortified with vitamins and minerals that is distributed to malnourished children in Guatemala. This year we donated 2.4 million cans of SPAMMY® through our partnership with Food for the Poor and Caritas Arquidiocesana.

Annual data that measures progress and goals in corporate responsibility can easily be identified throughout this online report as well as in a fully downloadable PDF, which can be found at HormelFoods.com/csr. Information about our corporate responsibility initiatives that remains consistent year after year — such as our industry-leading animal care practices, environmental policies and information about our corporate governance — continues to be located within the corporate responsibility section of www.hormelfoods.com.

We have made significant strides and our stakeholders can be assured that we will continue our corporate responsibility efforts in concert with our internal principles platform, Our Way, which helps to emphasize corporate responsibility in the fabric and strategy of our business. Please share feedback on our report to help us continue to improve and expand upon our efforts each year.

Sincerely,

Jeffrey M. Ettinger
Chairman of the Board,
President and Chief Executive Officer



MATERIALITY MATRIX

To decide what information to report, we listened to stakeholders and prioritized topics based on the topics' importance to stakeholders and importance to the business, i.e., would a topic affect whether or not we were able to operate? Our stakeholders are employees, customers, consumers, investors, suppliers, government officials and communities. For this report, we analyzed "materiality" as defined by GRI to report on its indicators.

A materiality assessment was conducted to further review feedback from stakeholders, internal and external inputs and insights from subject-matter experts in various departments throughout the company. The materiality assessment shows our analysis by subject area and priority.

PEOPLE/WORKPLACE

Diversity

Diversity among our employee workforce and Hormel Foods Board of Directors is a relatively high concern to stakeholders who see diversity as a global strategic issue, with focus on minorities and women in management.

Employee Safety

Employee safety affects employees' livelihood, productivity and safety of products; also impacted by national and state laws. Customers are interested in how to minimize safety risks, and investors believe health and safety risks are important.

Employee Benefits / Compensation

The company's competitiveness and success is influenced by the talent at Hormel Foods, and it is ethical and lawful to pay employees fairly and good business for professional development to be a priority. For these reasons, benefits, development and compensation are business issues important to the company and of interest to stakeholders.

Human Rights

Consistent policies of human rights, in alignment with international standards and national laws, are of interest and concern for stakeholders.

CONSUMERS

Quality Food

Quality, nutritious food and meat products are important to the health of the population and continued sales of products from Hormel Foods.

Innovation

Product innovation is key to continued sales and growth for Hormel Foods. The company monitors consumer trends and demands and continues to challenge itself to grow sales, which is spurred by new products.

Food Safety

Food prices are determined by the cost of production and manufacturing and are affected by changes in commodity costs, as well as production, including sustainability efforts.

Food Prices

Food safety directly affects the safety of our customers and integrity of our products; also influenced by national and state laws.

ECONOMICS/GOVERNANCE

Compensation

The company's competitiveness and success is influenced by the talent at Hormel Foods, and it is ethical and lawful to pay employees fairly. For these reasons, compensation is a material business issue and of interest to stakeholders.

Ethics

Ethical management, as it relates to business oversight and ethical business practices, is of importance to stakeholders and to the company.

Financial Contributions Disclosure

Of interest to stakeholders is transparency of financial contributions, especially related to political contributions.

Food Safety

Food safety directly affects the safety of our customers and integrity of our products; also influenced by national and state laws.

ENVIRONMENT

Energy Consumption

Energy consumption continues to be one of the most material topics, with investors and customers all asking for disclosure and performance.

Water Use

Operations in which Hormel Foods has significant (or majority) control are under the company's water use reduction goal, as it is part of the company's direct environmental footprint. Stakeholders are increasingly concerned about companies' use of water, especially in water scarce or stressed regions.

MATERIALITY MATRIX continued

Air Emissions

Operations in which Hormel Foods has significant (or majority) control are under the company's air emissions goal, as it is part of the company's direct environmental footprint.

Packaging

The packaging of consumer goods impacts the environment, so we employ efforts to use the minimal amount of packaging necessary while maintaining food safety and quality and work with suppliers to find new solutions to use less packaging or materials that are recycled or recyclable.

Solid Waste / Recycling

As part of manufacturing products, solid waste has a direct impact on the company's environmental footprint at plants, farms and in the company's corporate office, thus Hormel Foods factors in solid waste minimization as a company goal. An emerging issue among stakeholders is food waste.

Climate Change

Climate change has the potential to impact our business through environmental effects to our operations and national and state regulations that could cause our operations to change. It is integrated into our multi-disciplinary companywide risk management processes at Hormel Foods. We monitor the impact national and state regulation will have on our business and plan accordingly, including setting goals to reduce greenhouse gas emissions and energy use from our operations.

PRODUCTS

Food Safety

Food safety directly affects the safety of our customers and integrity of our products; also influenced by national and state laws.

Nutrition and Transparency

Quality, healthy food and meat products are important to the health of the population and continued sales of products from Hormel Foods. Stakeholders are also increasingly asking for transparency in labeling of products.

Supply Chain

Supply chain is one of the most watched topics across industries, with various implications for companies. Socially responsible investors and customers continue to call for companies to influence suppliers to be more responsible or risk being associated or blamed for issues in the supply chain. The business practices of suppliers can directly impact Hormel Foods. For example, new technologies employed by packaging suppliers allow the company to use less material and thus reduce our materials use. Conversely, suppliers who are not upholding standards of human rights or responsible sourcing of their own materials can negatively impact the commitments of Hormel Foods.

Animal Care

Producing quality brand name food and meat products for consumers starts with industry-leading animal care practices, including transportation and handling. This topic is also influenced by national and state laws. Customers, NGOs and consumers all care that we are upholding animal welfare standards.

GRI CONTENT INDEX

The 2013 Hormel Foods Corporate Responsibility Report uses the G3 Guidelines developed by the Global Reporting Initiative (GRI), the internationally recognized standard for responsibility reporting. We use the Food Processing Sector Supplement, which is part of the G3 Guidelines but also includes other topics specific to our sector. The GRI Guidelines help us determine material issues not addressed by stakeholder feedback and best practices

research. This chart explains which indicators are included in the report and where they are located online. The 2013 Hormel Foods Corporate Responsibility Report is self-declared Application Level B as confirmed by the Global Reporting Initiative (GRI). We plan to report against the G4 guidelines for our 2014 report, released May 2015. At this time, our report is not externally assured.

* denotes partially reported

Profile Disclosure / Description	Reported
Strategy and Analysis	
1.1 Statement from the most senior decision-maker of the organization.	Letter from the CEO
1.2 Description of key impacts, risks and opportunities.	Letter from the CEO Goals Governance 2013 Annual Report, pages 27-29

Profile Disclosure / Description	Reported
Organizational Profile	
2.1 Name of the organization.	About Hormel Foods
2.2 Primary brands, products and/or services.	About Hormel Foods Our Brands
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	About Hormel Foods Business Divisions
2.4 Location of organization's headquarters.	About Hormel Foods
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	About Hormel Foods
2.6 Nature of ownership and legal form.	Corporate Profile
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	About Hormel Foods

Profile Disclosure / Description	Reported
Organizational Profile	
2.8 Scale of the reporting organization.	About Hormel Foods 2013 Annual Report, page 1-22
2.9 Significant changes during the reporting period regarding size, structure or ownership.	Letter from the CEO About Hormel Foods
2.10 Awards received in the reporting period.	About This Report

Profile Disclosure / Description	Reported
Report Parameters	
3.1 Reporting period (e.g., fiscal/calendar year) for information provided.	About This Report
3.2 Date of most recent previous report (if any).	Past Reports
3.3 Reporting cycle (annual, biennial, etc.).	About This Report
3.4 Contact point for questions regarding the report or its contents.	Feedback
3.5 Process for defining report content.	Materiality Matrix Stakeholder Feedback
3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	About This Report
3.7 State any specific limitations on the scope or boundary of the report.	About This Report
3.8* Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	About This Report We report on all entities that Hormel Foods exercises control or significant influence with regard to financial and operating policies and practices. We do not publically report on entities outside of this boundary due to the sheer breadth and variety of suppliers and because they operate as independent businesses. Furthermore we do not report on leased facilities as they do not impact the comparability in reporting from period to period.

Profile Disclosure / Description	Reported
Report Parameters	
3.9 Data measurement techniques and the basis of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	About This Report

3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Data Summary (see footnotes)
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	About This Report
3.12 Table identifying the location of the Standard Disclosures in the report.	GRI Content Index
3.13 Policy and current practice with regard to seeking external assurance for the report.	GRI Content Index

Profile Disclosure / Description	Reported
Government, Communities and Engagement	
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Ethics and Conduct, Corporate Governance Corporate Governance
4.2 Indicate whether the chair of the highest governance body is also an executive officer.	Corporate Governance
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Corporate Governance Director Independence Standards
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Board Communication
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Corporate Governance

Profile Disclosure / Description	Reported
Government, Communities and Engagement	
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate Governance
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.	Corporate Governance 2013 Proxy, pages 2-3
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance and the status of their implementation.	Ethics and Conduct Principles Platform Supplier Responsibility Principles Environmental Policy
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	Risk Management 2013 Annual Report, pages 27-29
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	2013 Proxy, pages 6-7
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization	N/A. Does not exist. We evaluate risks using an Enterprise Risk Management system. We have multiple goals to reduce environmental impacts and do not have serious threats of "irreversible damage."
4.12 Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses.	Animal Care Food Safety and Quality
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Industry Representation
4.14 List of stakeholder groups engaged by the organization.	Stakeholder Feedback

Profile Disclosure / Description	Reported
Government, Communities and Engagement	
4.15 Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Feedback
4.16* Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder Feedback We report on the frequency of meetings with several stakeholders (ICCR, CFPB, employees), but the frequency of meetings with each and every stakeholder is considered proprietary information.
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Stakeholder Feedback

Profile Disclosure / Description	Reported
All Aspects of Sourcing	
FP1* Percentage of purchased volume from suppliers compliant with company's sourcing policy.	Supply Chain
FP2* Percentage of purchased volume that is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard.	We purchase the majority of our raw materials, equipment and services domestically within the regions where we manufacture our products. Supply Chain Additional information is not available in how to track progress. 100 percent of purchased hogs come from independent farms that are PQA Plus Certified.



About

Profile Disclosure / Description	Reported
Economic	
EC1* Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Communities 2013 Annual Report, page 13-18, 24, 58-59
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	2013 Annual Report, page 28
EC3 Coverage of the organization's defined benefit plan obligations.	Annual Report page 45
EC4 Significant financial assistance received from government.	We did not receive significant assistance from the government; therefore, this indicator is not applicable
EC5* Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Compensation Ratio of standard entry-level wage compared to local minimum wage is not reported. To report the ratio would be proprietary information; rather, we report the measures we take to ensure fair wages are given to all employees as part of our commitment to our employees.
EC6* Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Supply Chain Supply Chain: We purchase the majority of our raw materials, equipment and services domestically within the regions where we manufacture our products.
EC7* Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	People
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.	Communities
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.	Risk Management

Profile Disclosure / Description	Reported
Environmental	
EN1* Materials used by weight or volume.	Not available: Due to the breadth of our operations and amount of materials used, we do not have an exact measurement of all materials used by weight. We estimate more than 4,600 types of materials are used in our operations, so we work to reduce packaging through our packaging minimization initiative
EN2 Percentage of materials used that are recycled input materials.	Packaging Minimization
EN3* Direct energy consumption by primary energy source.	Energy We report our direct energy consumption at our U.S. manufacturing facilities, which is the amount of natural gas, fuel oil and propane used, in MMBtu which equates to 4,428,890 gigajoules. Our indirect energy consumption, which is the amount of electricity we use, is reported in kWh, which equates to 2,628,000 gigajoules.
EN4* Indirect energy consumption by primary source.	Energy Indirect energy GJ/thousand pounds of production (in gigajoules): We report our direct energy consumption at our U.S. manufacturing facilities, which is the amount of natural gas, fuel oil and propane used, in MMBtu which equates to 4,428,890 gigajoules. Our indirect energy consumption, which is the amount of electricity we use, is reported in kWh, which equates to 2,628,000 gigajoules.
EN5 Energy saved due to conservation and efficiency improvements.	Best of the Best Awards Energy
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	N/A: This is not applicable to our business because we do not produce products or services that meet this criteria (i.e., that provide energy-efficient or renewable energy based products and services.)
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	Energy Best of the Best Award Winner Best of the Best
EN8 Total water withdrawal by source.	Water
EN9 Water sources significantly affected by withdrawal of water.	Not Material: Not material because our operations are not in areas that significantly affect water sources with our withdrawal.
EN10 Percentage and total volume of water recycled and reused.	Water The term "recycled" and "reused" do not sufficiently describe our operations. We reuse water in our manufacturing operations.

Profile Disclosure / Description	Reported
Environmental	
EN11 Location and size of land owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	N/A: We do not report on this issue since the disclosure does not relate to our business because we do not have significant operations located in land designated as protected areas of high biodiversity.
EN12 Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	N/A: We do not report on this issue since the disclosure does not relate to our business because we do not have significant operations (thus, no products) that impact protected areas high in biodiversity.
EN13 Habitats protected or restored.	N/A: We do not operate in areas where habitats are in need of being protected or restored.
EN14 Strategies, current actions and future plans for managing impacts on biodiversity.	N/A: We do not operate in areas where habitats are in need of being protected or restored.
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	N/A: We do not operate in areas where habitats are in need of being protected or restored.
EN16 Total direct and indirect greenhouse gas emissions by weight.	Air
EN17 Other relevant indirect greenhouse gas emissions by weight.	Air
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	Air
EN19 Emissions of ozone-depleting substances by weight.	Not material: Our primary refrigeration is ammonia based (not a GHG or ODS). We do have some ODS in use, such as R-22 (a Class II ODS), but its use is very minor by comparison and therefore is not material. The capture of the refrigerant is highly regulated, and we employ practices to minimize the risk of ODS losses related to equipment failure and incidental loss. Our organization does not produce ODS.
EN20 NOx, SOx and other significant air emissions by type and weight.	Air Our operations track and record criteria air pollutant emissions, including NOx (Nitrogen oxides), SO2 (Sulfur dioxide), CO (Carbon monoxide) and PM (particulate matter). These emissions are reported as required by local, state, and federal requirements.
EN21* Total water discharge by quality and destination.	Water
EN22* Total weight of waste by type and disposal method.	Solid Waste Management

Profile Disclosure / Description	Reported
Environmental	
EN23 Total number and volume of significant spills.	We did not have any significant spills for this reporting period.
EN24 Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	We have zero international shipments of hazardous waste.
EN25 Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	The majority of our water is discharged to publicly owned treatment works, which in turn discharge in combination with other treated water to typically larger rivers. We do not discharge to wetlands or other highly sensitive water bodies.
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Packaging Minimization
EN27* Percentage of products sold and their packaging materials that are reclaimed by category.	N/A: We report the amount of our product packaging materials that are recyclable or recycled and the amount of solid waste we prevent from going to the landfill through recycling or land spreading application. We do not have the exact total of products sold and packaging materials that are reclaimed as we do not have a process in place to capture this.
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Data Summary, Environmental noncompliance line
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Logistics
EN30 Total environmental protection expenditures and investments by type.	Environment
Profile Disclosure / Description	
Social: Labor Practices and Decent Work	
LA1 Total workforce by employment type, employment contract and region.	About Our Employees (see Job Type Chart)
LA2* Total number and rate of employee turnover by age group, gender and region.	Tenure
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Benefits

Profile Disclosure / Description	Reported
Social: Labor Practices and Decent Work	
LA4 Percentage of employees covered by collective bargaining agreements.	About Our Employees (see Job Type Chart)
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	About Our Employees
FP3 Percentage of working time lost due to industrial disputes, strikes and/or lock-outs by country.	About Our Employees
LA6* Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Safety and Well-Being
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Safety
LA8 Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.	Benefits
LA9 Health and safety topics covered in formal agreements with trade unions.	Safety & Well-Being
LA10 Average hours of training per year per employee by employee category.	Training
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Professional Development
LA12 Percentage of employees receiving regular performance and career development reviews.	Performance Review Program

Profile Disclosure / Description	Reported
Social: Labor Practices and Decent Work	
LA13* Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Diversity Report BOD by women and minority and companywide minority numbers. We report women and minority group of our Board of Directors, but we do not report according to hourly and salaried employees.
LA14 Ratio of basic salary of men to women by employee category.	Not material: We do not report on the ratio, but we do report on how we employ an independent third party analysis to statistically review pay differences by gender, minority and age to ensure non-discriminatory pay practices.

Profile Disclosure / Description	Reported
Social: Human Rights	
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Human Rights
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not available: While we do not report human rights screening of suppliers, we have developed the Supplier Responsibility Principles, which will detail standards for suppliers related to environment, safety, human rights, etc. In fiscal year 2011, we rolled out these principles to some of our key suppliers.
HR3* Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	People
HR4 Total number of incidents of discrimination and actions taken.	About Our Employees
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	About Our Employees
HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fair Employment Practices and Workplace Conduct

Profile Disclosure / Description	Reported
Social: Human Rights	
HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fair Employment Practices and Workplace Conduct
HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not material: We do not report on security practices because it is not material to our operations, which are largely in the United States and under the regulations of the USDA and federal agencies.
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken.	Not material: We do not report on this because Hormel Foods does not operate in areas at significant risk to indigenous rights. See Human Rights section.

Profile Disclosure / Description	Reported
Social: Society	
SO1* Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	Human Rights: We do not have a management system for entering, existing and operating.
FP4 Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need.	Products in Emerging Markets Sodium Reduction Hunger
SO2 Percentage and total number of business units analyzed for risks related to corruption.	Risk Management and Ethics & Conduct

SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.	Ethics & Conduct
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Profile Disclosure / Description	Reported
Social: Society	
SO5* Public policy positions and participation in public policy development and lobbying.	Public Policy
SO6 Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	Public Policy
SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	There have been no legal actions for anti-competitive behavior, etc.
SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	We have had no fines or non-monetary sanctions for non-compliance with laws and regulations (based on our understanding of significant as defined by the SEC).

Profile Disclosure / Description	Reported
Social: Product Responsibility	
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Innovation Sodium Reduction
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Food Safety and Quality
FP5 Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.	Food Safety and Quality
FP6* Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and sugars.	Sodium Reduction
FP7 Percentage of total sales volume of consumer products, by product category, that contain increased fiber, vitamins, minerals, phytochemicals or functional food additives.	Not material: 77 percent of our products are meat, which are not allowed to be fortified according to USDA guidelines.

PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Packaging and Labeling
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Profile Disclosure / Description	Reported
Social: Product Responsibility	
FP8 Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements.	Packaging and Labeling
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Food Safety and Quality
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Innovation
PR6 Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	Responsible Marketing
PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.	Responsible Marketing
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	We did not have any incidents to report.
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	We do not report on this because Hormel Foods has not incurred significant fines for non-compliance with laws and regulations concerning the provision and use of products.
FP9 Percentage and total of animals raised and/or processed, by species and breed type.	Hogs and Turkeys
FP10 Policies and practices, by species and breed type, related to physical alterations and the use of anesthetic.	Not available: We follow industry standards for animal care and are committed to continuing to improve our practices. We base our animal husbandry practices on the best scientific data available, new technologies and hands-on experience. We will make a determination of our reporting as it relates to this specific indicator for future reports.

Profile Disclosure / Description	Reported
Social: Product Responsibility	
FP11 Percentage and total of animals raised and/or processed, by species and breed type, per housing type.	Hogs and Turkeys Raising our Animals
FP12 Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type.	Medications
FP13 Total number of incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals.	Animal Care

DATA SUMMARY

All Numbers from 2013			
	Unit	2012	2013
Employees worldwide	Number (approximate)	19,700	19,800
Countries where our products are marketed	Number (approximate)	More than 40	More than 40
Countries where our products are manufactured	Number	11	11
U.S. Manufacturing facilities	Number	41	44
Net sales	U.S. dollars, millions	8,230	8,751
Brands that hold No. 1 or No. 2 market share	Number (as of October 2013)	34	35
Capital expenditures	U.S. dollars, thousands	132,303	106,762
Income taxes	U.S. dollars, thousands	253,374	268,431
Community investments	U.S. dollars, thousands	7,600	9,100

DATA SUMMARY

All Numbers from 2013			
	Unit	2012	2013
Energy use	Direct: MMBtu per ton of production kWh per ton of production Indirect: Kilowatt hours (kWh) per thousand pounds of production	Direct energy: 1.68 Indirect energy: 292	Direct: 1.69 Indirect: 294
Water use	Cubic meters/ton of production	7.7	7.3
Solid waste	Pounds per ton production sent to landfill	24.4	24.2
Air emissions	Metric tons CO2-e	Direct: 227,000 ⁱ Indirect: 530,000	Direct: 223,000 Indirect: 544,000
Packaging reduction	Pounds, thousands	4,050	4,720
Environmental noncompliance	Number of individual findings	1 ⁱⁱ	2 ⁱⁱⁱ
Sodium reduction	% reduction	<i>Hormel</i> ® Canadian bacon: 22 <i>Hormel</i> ® Cure 81® retail hams: 14 <i>Hormel</i> ® chili with beans: 18 <i>Hormel</i> ® Compleats® microwave meals: 16	<i>Hormel</i> ® Canadian bacon: 23 <i>Hormel</i> ® Compleats® microwave meals: 16 <i>Hormel</i> ® Cure 81® retail hams: 14 <i>Hormel</i> ® chili with beans: 18 <i>CHI-CHI'S</i> ® and <i>Herdez</i> ® branded tortillas: 32 <i>Hormel</i> ® Always Tender® marinated meats: 17
TCIR	Number of recordable incidents per 100 full-time employees	4.6	3.8
DAFWII	Number of cases that involve days away from work per every 100 full-time employees	0.6	0.5
DART	Number of injuries or illnesses resulting in days away from work, restricted work activity or job transfer per ever 100 full-time employees	3.0	2.6

ⁱMeasurement has changed from reporting normalized for production numbers to metric tons.

ⁱⁱOne Notice of Violation (NOV) at the state level was received related to wastewater pretreatment operations. The NOV did not result in a monetary fine. All issues raised by the NOV have been addressed and the plant is currently in compliance with all requirements.

ⁱⁱⁱTwo non-monetary sanctions were received at the state level. One was administrative in nature for a late compliance report that was promptly resolved. The second action was a negotiated compliance schedule that will result in an upgraded wastewater pretreatment system. The upgrade is scheduled for completion in 2014.

CR AWARDS

OVERALL CR RANKINGS AND AWARDS

100 Best Corporate Citizens (No. 31, U.S. list)



Corporate Responsibility (CR) magazine

50 Best Companies to Sell For (No. 13)



Selling Power magazine

Men's Health 125 Best Packaged Foods for Men



Peloponnese® country gourmet mixed olives

Best Places to Work for Recent Grads



Experience, Inc.

Best Employers for Veterans (No. 33)



Military Times EDGE

Top 100 Military Friendly Employers (No. 59)



G.I. Jobs magazine

2013 Sustainable Supply Chain of the Year



Refrigerated & Frozen Foods magazine

Corporate Equality Index (Ranked 60 out of 100)



Human Rights Campaign

PRODUCTS

Men's Health 125 Best Packaged Foods for Men



Peloponnese® country gourmet mixed olives

WORKPLACE

50 Best Companies to Sell For (No. 13)



Selling Power magazine

Best Places to Work for Recent Grads



Experience, Inc.

Best Employers for Veterans (No. 33)



Military Times EDGE

Top 100 Military Friendly Employers (No. 59)



G.I. Jobs magazine

About Hormel Foods

Based in Austin, Minn., Hormel Foods is a multinational manufacturer and marketer of high quality, brand name food and meat products for consumers throughout the world.

2013 at Hormel Foods

19,800 EMPLOYEES WORLDWIDE 

MORE THAN 40 COUNTRIES
WHERE OUR PRODUCTS ARE MARKETED 

OPERATIONS IN **6** COUNTRIES 

44 MANUFACTURING FACILITIES 

\$8,751,654,000 NET SALES 

35 BRANDS HELD THE
No. 1 + No. 2 MARKET SHARE 

\$106,762,000 CAPITAL EXPENDITURES 

\$268,431,000 INCOME TAXES 

\$9,100,000 COMMUNITY INVESTMENTS 

For more information about our products, please visit hormelfoods.com.

Financials & Governance

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

Financials



For 48 consecutive years, the company has increased its annual dividend. Since 2007, the return has been an annual dividend that increased an average of 15 percent per year.

Hormel Foods continues to grow, achieving sales growth of 6 percent, and increasing earnings per share by 5 percent in 2013 to a record \$1.95 per share.

Governance and Policies

The Board of Directors oversees all activities at Hormel Foods and assumes the ultimate responsibility of ensuring that the company's performance is based on strong ethical practices and aligned with the Code of Ethical Business Conduct. In 2013, the Hormel Foods Board of Directors consisted of 12 members, 10 of whom were independent. Of the 2013 12-member Board of Directors, there were four women and three persons of color.

More information about our board structure can be found in the 2013 Proxy Statement.

To read more about our corporate governance and our policies on risk management, performance-based executive compensation and our anonymous compliance hotline and website, visit the Corporate Governance section of hormelfoods.com.

Public Policy

In 2013, we spent \$406,350 in lobbying. From our Political Action Committee (PAC), we contributed \$5,000 to the American Meat Institute PAC and \$5,000 to the Grocery Manufacturers Association PAC. Individual contributions to political parties are allowed, but the company does not directly contribute to political parties.



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 2013, our lobbying efforts and

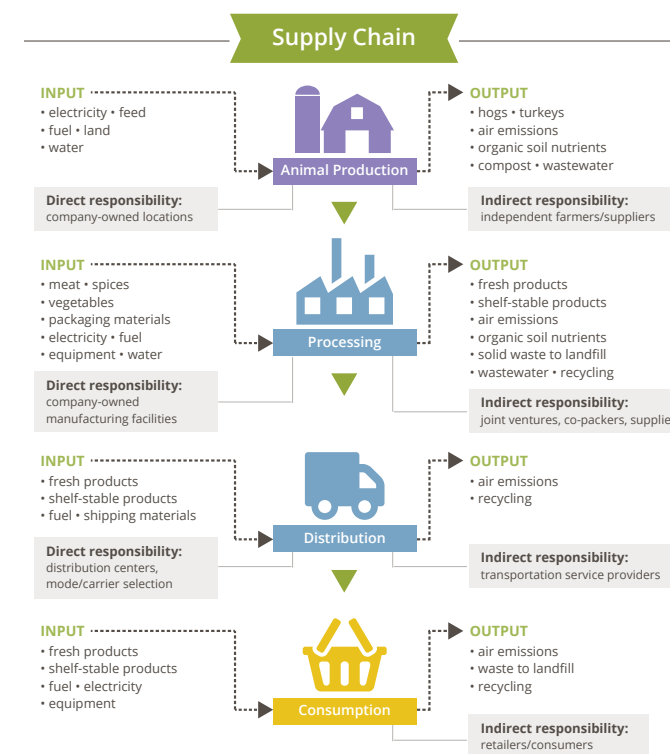
activities primarily focused on agriculture, health and labor/workplace issues.

Activities vary according to the issue and may involve working with legislators, the House and Senate Agricultural Committees, the U.S. Department of

Agriculture (USDA) and the Food and Drug Administration (FDA). We maintain a good relationship with these parties in order to ensure an open discussion and that accurate information on these issues is appropriately disseminated.

Supply Chain

At Hormel Foods, our multifaceted supply chain includes suppliers of hogs, turkeys, ingredients, packaging materials and transportation. We recognize the crucial role of the supply chain in our ability to operate responsibly, and in 2011, we introduced our Supplier Responsibility Principles to our key suppliers.



We expect our suppliers to operate according to our ethical business practices. 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 the quality and food safety of our supply chain. In fiscal year 2013, we conducted 104 audits of our ingredient suppliers based on food safety standards that are recognized by the Global Food Safety Initiative (GFSI), an internationally recognized, third-party food safety management system. If suppliers are found to be non-compliant, appropriate action is taken — up to and including termination of partnership. Suppliers that exceed our established standards are eligible for our annual Hormel Foods Spirit of Excellence Awards. In 2013, we awarded 90 suppliers for their performance.

Furthermore, we are beginning to develop a formal supplier assessment process and will report on our progress in future reports.

In addition to ensuring our suppliers comply with the food safety standards recognized by GFSI, we make a concerted effort to give diverse companies such as women-owned and minority-owned businesses the opportunity to supply quality product options that meet our company's growing business needs. As a result of our supplier diversity program, in fiscal year 2013, we purchased 20 percent of our resources from diverse businesses (small businesses, women-owned businesses and minority-owned businesses). Of these diverse businesses, approximately 2 percent were women-owned or minority-owned businesses. This data includes the independent family-owned hog farmers.

In 2013, Hormel Foods also implemented a sustainable palm oil policy. Hormel Foods recognizes the unique environmental and social risks associated with palm oil. These risks require additional due diligence in sourcing, education and training to ensure the palm oil in our supply chain is not associated with deforestation, child or forced labor, or plantation expansion on carbon-rich peatlands.

Hormel Foods shares the goal of our suppliers of developing a sustainable palm oil policy in order to:

- Protect rainforests;
- Protect ecosystems;
- Protect peatlands;
- Protect high carbon stock forests;
- Protect human rights;
- Improve social standards; and
- Help feed the world in a sustainable way.

While Hormel Foods is a relatively minor user of palm oil, we realize that responsible sourcing of even small amounts of this ingredient can make a difference. Therefore, we purchase 100 percent of our palm oil from Roundtable on Sustainable Palm Oil (RSPO) certified sources. In addition, we are committed to purchasing only fully traceable palm oil by the end of 2014 and will report our progress toward this goal in our future corporate social responsibility reports. For more information, read our full palm oil policy found on hormelfoods.com.

Learn more about Supply Chain on hormelfoods.com.



Environment

Hormel Foods is dedicated to producing products in a sustainable and responsible manner. This principle continues to guide our company as it has for more than 120 years, since George A. Hormel founded Hormel Foods.

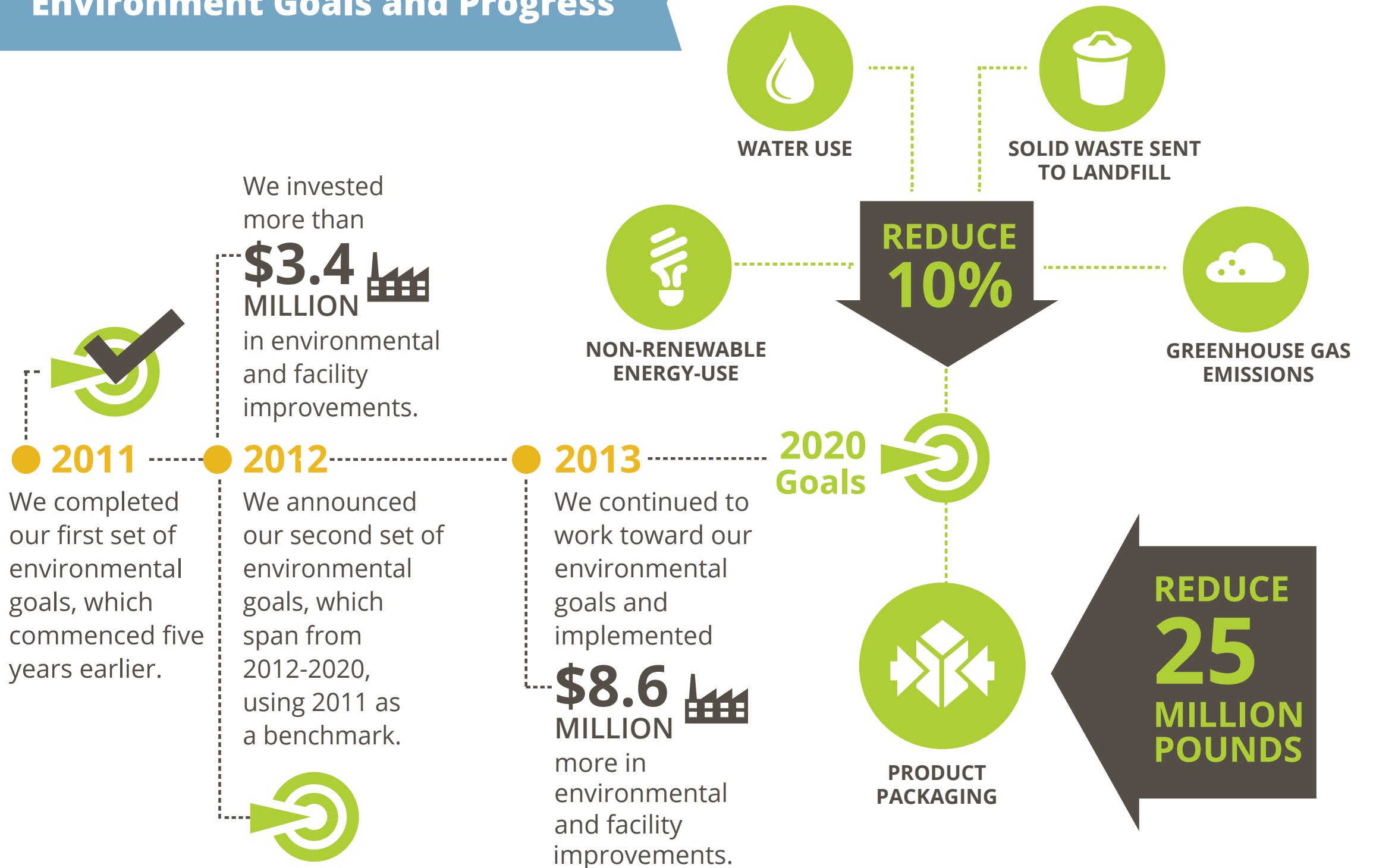
Our goals are established on absolute reductions. To help meet these environmental goals across the company, we invest in our facilities and establish specific metrics to improve the efficiency of our operations. We will report our goal progress and will continue to report normalized results.



The Weifang SKIPPY® Foods Plant Team Focuses on the Environment

Following the acquisition of SKIPPY® peanut butter, continuing to encourage employee engagement in the area of environmental impact awareness at the plant in Weifang, China was a priority for the company. The plant team held several activities to raise awareness of "greener" living and production within their facilities. Events included team activities, a poster display and brainstorming activities about how to live/work better, and plant personnel were trained on carbon dioxide, water, waste and energy reduction within their facilities.

Environment Goals and Progress

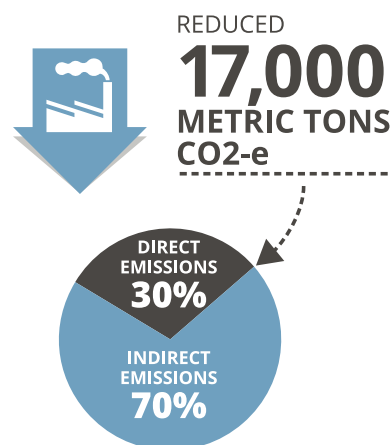


AIR



2013 Progress:

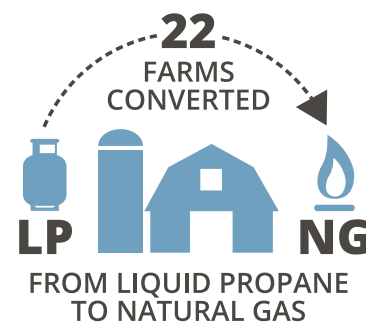
As established from our 2011 base year, our target is to reduce greenhouse gas (GHG) emissions by 77,000 metric tons of carbon dioxide equivalent (CO₂-e) by 2020. In fiscal 2013, we implemented projects that resulted in a reduction of 17,000 metric tons of GHG emissions from our manufacturing operations, reaching 22 percent of our goal when combined with our 2012 progress. Of the total GHG emissions, direct GHG emissions were approximately 30 percent and indirect GHG emissions were approximately 70 percent. Normalized GHG emissions for manufacturing plants were .31 metric tons CO₂-e per ton of production, down 1.5 percent from the prior year level. We are currently on pace to reach our 2020 goal.



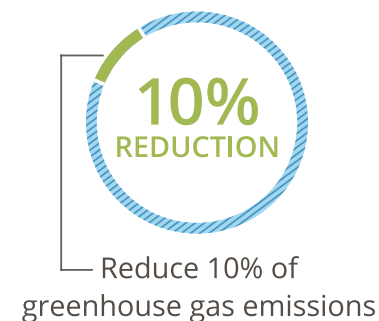
Recent projects to reduce air emissions include the following:

Converting farms from LP to natural gas:

Our Jennie-O Turkey Store live production team implemented an initiative to convert several farms from liquid propane (LP) to cleaner burning natural gas. In 2013, 22 farms and one feed mill were converted from LP to natural gas, which included 122 individual buildings, 12,000 heaters, and the installation of approximately 81 miles of underground pipeline. By converting these farms, the team lowered emissions by 979kg CO₂-e / 1,000 gallons of LP converted to natural gas. The anticipated emissions reduction from this project will be equivalent to taking more than 675 cars off the road.



2020 Goal

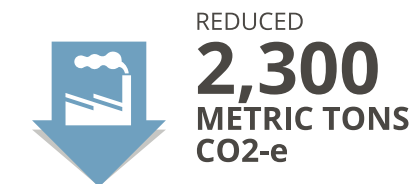


2013 Progress

We are currently on pace to reach our 2020 goal.

Implementing heat recovery technology:

The team at the Fremont (Neb.) Plant identified an opportunity to recover waste heat from the cooking and cooling process of select products. Water and heat recovery equipment were integrated into the recently installed retort cooker addition. This project reduced GHG emissions by 2,300 metric tons CO₂-e in 2013.



LOGISTICS



Hormel Foods sells products worldwide and relies on transportation via truck, train and ship

to deliver our products to customers. To minimize our impact on air quality, we transport our products as efficiently as possible by structuring pallet loads, reviewing product mixes and improving route planning. Load factors averaged approximately 36,930 pounds (or 88 percent) of vehicle weight capacity in 2013.

We will continue to assess our practices in the method of intermodal shipments and maximize use of them when possible. Intermodal shipments combine the best attributes of both truck and rail shipping. For long distances, this method of transportation can cut fuel use and greenhouse gas emissions by 65 percent compared to truck-only moves.¹ In fiscal year 2013, we had approximately 5,600 intermodal shipments. These shipments accounted for 7.4 million miles and saved more than 760,000 gallons of diesel fuel versus shipping solely by truck.

5,600 INTERMODAL SHIPMENTS

ACCOUNTED FOR
7,400,000 MILES

AND SAVED MORE THAN
760,000 GALLONS DIESEL FUEL

2020 Goal

We will continue to assess our practices in the method of intermodal shipments (combining the best attributes of both truck and rail shipping) and maximize use of them when possible. We do this because it helps reduce greenhouse gas emissions by 65 percent.

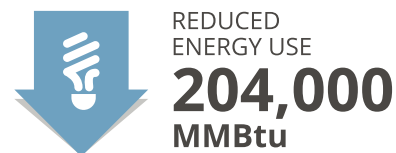
2013 Progress

We had approximately 5,600 intermodal shipments.

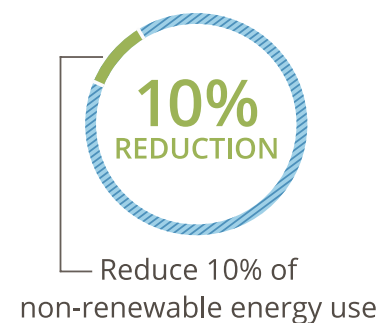
¹ According to the U.S. Environmental Protection Agency Office of Transportation and Air Quality, intermodal shipments can cut fuel use and greenhouse gas emissions by 65 percent compared to truck-only moves.

ENERGY

2013 Progress:
During 2013 we implemented projects that reduced energy use by 204,000 MMBtu, which, when combined with our 2012 results, fulfills 45 percent of our target of 664,000 MMBtu by 2020. Normalized direct energy (MMBtu/ton production) in 2013 was 1.69 and normalized indirect energy (kWh/ton production) in 2013 was 294.



2020 Goal



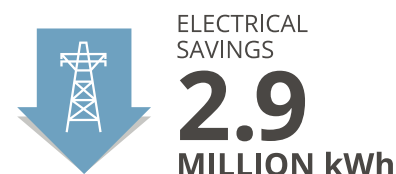
2013 Progress

During 2013 we implemented projects that reduced energy use by 204,000 MMBtu, which, when combined with our 2012 results, fulfills 45 percent of our target of 664,000 MMBtu by 2020. Normalized direct energy (MMBtu/ton production) in 2013 was 1.69 and normalized indirect energy (kWh/ton production) in 2013 was 294.

Recent projects to reduce energy consumption:

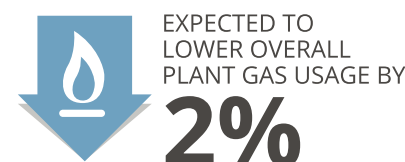
Energy conservation project:

The team at the Austin (Minn.) Plant uncovered an opportunity to reduce the energy required to operate its ammonia refrigeration system by reducing ammonia discharge pressure, as well as determining various obstacles to fully utilize the condensing capacity that had been previously installed. In order to solve this problem, the team implemented a new condenser that utilized only 33 percent of capacity and lowered the discharge pressure. This project resulted in reduced compressor horsepower and associated electrical savings of approximately 2.9 kWh.



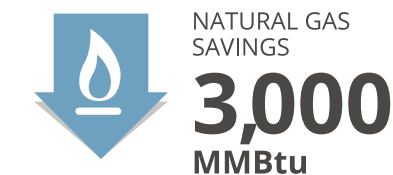
Gas conservation project:

The team at Progressive Processing (Dubuque, Iowa) identified an opportunity to reduce gas usage. Oven gas usage made up 11 percent of plant total usage, and by optimizing product output temperatures and burner use the team captured roughly 8 percent of the process savings, and will realize another 12 to 15 percent improvement in 2014. These improvements are expected to lower the overall plant gas usage by 2 percent.



Efficiency improvement project:

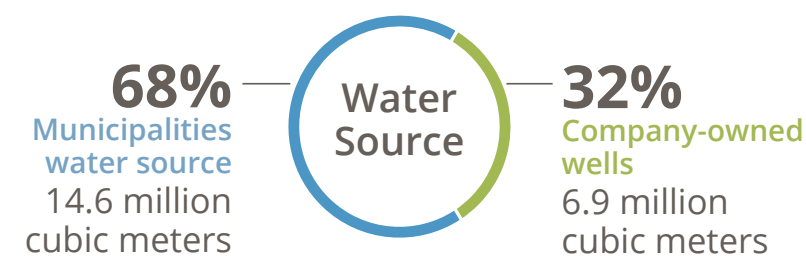
When it was time to make equipment replacements, the team at the Jennie-O Turkey Store Willmar Ave. Plant (Willmar, Minn.) assessed the plant's efficiency and processes to determine opportunities for improvement. The team installed more efficient equipment as replacements were made, and implemented process and procedure changes to ensure ongoing improvements within the plant. Overall the plant's efficiency improvements resulted in electrical savings of more than 162,000 kWh, as well as natural gas savings of more than 3,000 MMBtu.



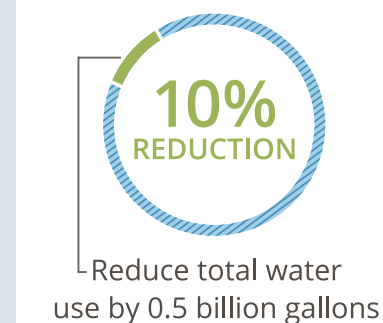
WATER

Monitoring and improving our water usage practices continues to be a priority for Hormel Foods. Our water sources include municipal utilities and company-owned wells. Water reduction achievements are accomplished through ongoing equipment improvements and behavior-based initiatives with employees at our operations. Normalized usage (cubic meters/tons of production) for 2013 was 7.3, a five percent reduction from the prior year level.

Aside from water usage, scarcity and sourcing from water stressed regions is a growing concern across all industries - including the food industry. In addition to monitoring our water usage, we also evaluated our operations to determine the business risk associated with water scarcity. After careful evaluation, we learned that Hormel Foods does not have manufacturing operations in areas defined as water scarce regions by the World Resource Institute (annual renewable water supply per person < 1,700 cubic meters/person/year). Hormel Foods does have manufacturing locations in California that are identified as overall high risk using the World Resources Institute Aqueduct Water Risk Atlas. Hormel Foods continues to drive water reduction and efficiency improvements at these and all manufacturing locations.



2020 Goal



2013 Progress

Our target is to reduce total water use by 0.5 billion gallons by 2020. During 2013 we implemented projects that reduced water use by 0.154 billion gallons or 56 percent of our goal when combined with our 2012 progress. Total water use during 2013 was 4.8 billion gallons. We are currently on pace to achieve our water reduction goal prior to 2020.

2013 Progress:

Our target is to reduce total water use by 0.5 billion gallons by 2020. During 2013 we implemented projects that reduced water use by 0.154 billion gallons or 56 percent of our goal when combined with our 2012 progress. Total water use during 2013 was 4.8 billion gallons. We are currently on pace to achieve our water reduction goal prior to 2020.



REDUCED WATER USE
0.154 BILLION GALLONS

Recent projects to reduce water consumption have included:

Implementing new spray nozzles:

At the Jennie-O Turkey Store Faribault (Minn.) Plant, the team reduced water use while maintaining a priority of food safety by implementing new nozzle types. The new nozzles provided the best performance while saving water. By implementing these new nozzles, the projected water savings is more than 22,000,000 gallons per year.



PROJECTED WATER SAVINGS PER YEAR
22,000,000 GALLONS

Reducing total water usage:

Our Beloit (Wis.) Plant reduced the amount of water needed to cool product in a stork cooker. The team installed piping and equipment from an under-utilized cooling tower and added a closed loop cooling system with the existing cooling system as a back-up. These improvements reduced water usage by more than 38,000,000 gallons in 11 months.



REDUCED WATER USE BY MORE THAN
38,000,000 GALLONS

WASTE



At Hormel Foods, we understand the importance of minimizing the amount of solid waste sent to landfills through our operations.

In addition to solid waste generation, a growing environmental concern is food waste. Food waste contributes to unnecessary resource use and the resulting environmental impact, including contribution to greenhouse gas emissions, worldwide. On the manufacturing side, a report conducted by Business for Social Responsibility and commissioned by the Food Waste Reduction Alliance found that food waste generated through manufacturing tends to be unused ingredients, unfinished product, or trimmings, peels and other unavoidable food waste.¹ Hormel Foods makes 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, a feedstock for anaerobic digestion, a composting substrate, or as a synthetic nutrient substitute.



2013 Progress:

In 2013, our operations implemented projects that reduced the amount of solid waste sent to landfill by 1,000 tons. Our 2020 goal is to reduce solid waste to landfills by 3,300 tons, and with this year's progress we have achieved 81 percent of our total goal. We are on track to achieve our 2020 goal sooner than anticipated. Normalized total solid waste (pounds/ton production) for 2013 was 24.2, improving slightly from the prior year level.



REDUCED SOLID WASTE SENT TO LANDFILL
1,000 TONS

Recent projects to reduce solid waste sent to landfills include the include:

Achieving zero waste to landfill:

Century Foods International (Sparta, Wis.) was selected as the 2013 Environmental Sustainability Best of the Best champion for reaching a recycling rate of 93 percent and achieving zero percent waste to landfill status at all four plant locations by the end of 2013.



93% RECYCLING RATE



0% SOLID WASTE TO LANDFILL STATUS

2020 Goal



Reduce 10% of solid waste sent to landfill

2013 Progress

In 2013, our operations implemented projects that reduced the amount of solid waste sent to landfill by 1,000 tons. Our 2020 goal is to reduce solid waste to landfills by 3,300 tons, and with this year's progress we have achieved 81 percent of our total goal. We are on track to achieve our 2020 goal sooner than anticipated. Normalized total solid waste (pounds/ton production) for 2013 was 24.2.

¹ BSR and the Food Waste Reduction Alliance

Solid waste reduction:

The team at the Atlanta Plant (Tucker, Ga.) implemented a "think green" campaign to reduce the amount of recyclables and compostable items that were being thrown away in the trash. Using pictures, video and meetings, the plant team reduced 260 tons of solid waste to landfills.



PACKAGING



Hormel Foods has a group of employees dedicated to packaging design who continuously look for minimization opportunities, and each member participates in an initiative to reduce materials in packaging. In 2013, each member of the team had a goal to identify 500,000 pounds of materials savings, amounting to a group goal to reduce packaging by 4 million pounds a year. The packaging team works with all departments and examines the entire supply chain for initiatives related to sustainability that will benefit all divisions. In 2013, this team initiated more than 60 total projects and completed 37 projects. Combined, these projects resulted in 4.72 million pounds in savings.

Product Packaging:

Hormel Foods uses approximately 4,600 unique items to package and produce our products, including corrugated paperboard, labels, films, cans, plastic bags, displays, glass containers, metal closures, and plastic closures. Approximately 80 percent of our product packaging by weight is recyclable and/or made from recycled materials.



Examples of successful projects include:

Excess space was eliminated inside the brown carton of our *Hormel® Natural Choice®* deli meat packaging. By reducing the packaging from roughly 8 inches wide to 6.55 inches wide, we were able to reduce the amount of paperboard, film, zipper and corrugated used, which resulted in a savings of roughly 800,000 pounds of packaging material.



We optimized the shipping case design for our retail 1 lb. *Hormel®* bacon by changing from a full overlap case to a 1-inch overlap case. This resulted in a savings of more than 364,000 pounds.



2020 Goal



2013 Progress

Reduced packaging by 4.72 million pounds; 35 percent of goal when combined with 2012 progress

We introduced a machine set up case and palletizer for our *Hormel®* cooked hams line. Our cases were redesigned to run on the automated line, which resulted in an annual savings of 596,000 pounds.



We switched to an industry standard tote bin design and eliminated an internal insert, which amounted to a savings of more than 1,279,000 pounds.



We eliminated j-board (paper carrier board) by moving to a fully printed film for our 1 lb. retail turkey bacon. This resulted in a savings of 314,132 pounds.



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.

RECOGNITION



Internal Recognition

Annually, Hormel Foods rewards and recognizes internal teams that have identified areas for efficiency improvements and implemented changes through the internal Environmental Sustainability Best of the Best annual competition. In 2013, there were 59 entries generated throughout all Hormel Foods business segments. The winner was Century Foods International (Sparta, Wis.) for projects that reached a recycle rate of 93 percent and zero waste to landfill status at all four of their plants.

To learn more about the other finalists, please visit the environmental section of hormelfoods.com. Also see our environmental sustainability policy for more information about the commitment our company has made toward environmental sustainability objectives.

External Recognition

In 2013, we continued our dedication to improving our environmental footprint and were recognized by a number of independent sources for these achievements in environmental sustainability including:

American Meat Institute (AMI) Environmental Recognition Awards:

Twenty-six (96 percent) of our eligible manufacturing sites received an American Meat Institute (AMI) Environmental Recognition Award for the development and implementation of a formal Environmental Management System.

Polar Bears International (PBI) Paw of Approval Award:

Polar Bears International (PBI) and the Sparta High School Earth Club honored Century Foods International (Sparta, Wis.), with a Paw of Approval award. PBI awards the Paw of Approval to a company or organization that works to reduce its impact on the environment, especially in the areas of greenhouse gas and carbon reducing strategies. The Century Foods environmental team began a landfill waste reduction project in 2008, and in 2013, set the goal to have operation of all four plants at 100 percent recycling or a zero carbon footprint.

2013 Progress

We continued our dedication to improving our environmental footprint and were recognized by a number of independent sources for these achievements in environmental sustainability.

BEST OF THE BEST



Since our founding in 1891, Hormel Foods has been committed to the highest standards for animal care and handling. We uphold these standards through means such as on-site assessments that help us ensure our employees are practicing safe and ethical animal care. They also help us formulate the animal care portion of our Supplier Responsibility Principles, which encourage our suppliers to follow our commitment to responsible environmental and social performance.

2013 Quality Assurance Audits



HOGS



All hog producers and the employees who care for hogs participate in the Hormel Foods Quality Assurance Program. As part of this program, suppliers are certified in the proper way to transport animals and the proper way to treat animals on their farms. Their farms are subject to random audits by third parties.

Through our annual Spirit of Excellence Awards, we recognize hog producers that exemplify the commitment to quality at Hormel Foods. In 2013, we awarded 90 suppliers with a Spirit of Excellence Award for their roles in the company's continuous improvement process throughout the last year. This includes 40 awards in the pork procurement category and one award in the provisions category.

We perform daily internal audits in our processing facilities that are conducted by quality assurance and operations personnel to maintain the highest animal care practices. In fiscal year 2013, 12 external audits were performed by outside auditors in our processing facilities. Internally, we participated in 1,148 formal audits and 123 audits were conducted by company management at our processing facilities on an unannounced, random basis. In 2013, we received no incidents of noncompliance with laws and regulations and voluntary standards related to transportation, handling and slaughtering practices.

To learn about animal care at Hormel Foods, visit the Animal Care section of hormelfoods.com.



EXTERNAL AUDITS

12 BY OUTSIDE AUDITORS

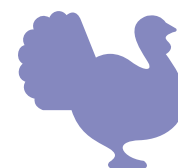
INTERNAL AUDITS

1148 FORMAL
123 RANDOM

NONCOMPLIANCE

0 INCIDENTS

TURKEYS



We use the National Turkey Federation animal welfare guidelines and the Global Food Safety Initiative guidelines for food safety as the audit criteria for our hatcheries, grower farms and processing plants, and we consistently score in the highest category.

In fiscal year 2013, 903 internal audits were conducted by the Jennie-O Turkey Store live production quality assurance department, as well as 55 production National Turkey Federation audits by live production managers and supervisors.

We perform daily internal audits in our processing facilities that are conducted by quality assurance and operations personnel to maintain the highest animal care practices. In fiscal year 2013, four external audits were performed by outside auditors in our processing facilities. Internally, we participated in eight formal audits and 109 audits were conducted by company management at our processing facilities on an unannounced, random basis.

To learn more about animal care at Hormel Foods, visit the Animal Care section of hormelfoods.com.



LIVE PRODUCTION AUDITS

903 BY JENNIE-O TURKEY STORE

55 PRODUCTION NATIONAL TURKEY FEDERATION AUDITS BY LIVE PRODUCTION MANAGERS AND SUPERVISORS

PROCESSING AUDITS

4 EXTERNAL

8 FORMAL INTERNAL

109 RANDOM INTERNAL

By 2020, we aim to reduce sodium levels in select products within our branded retail portfolio by an average of 15 percent.



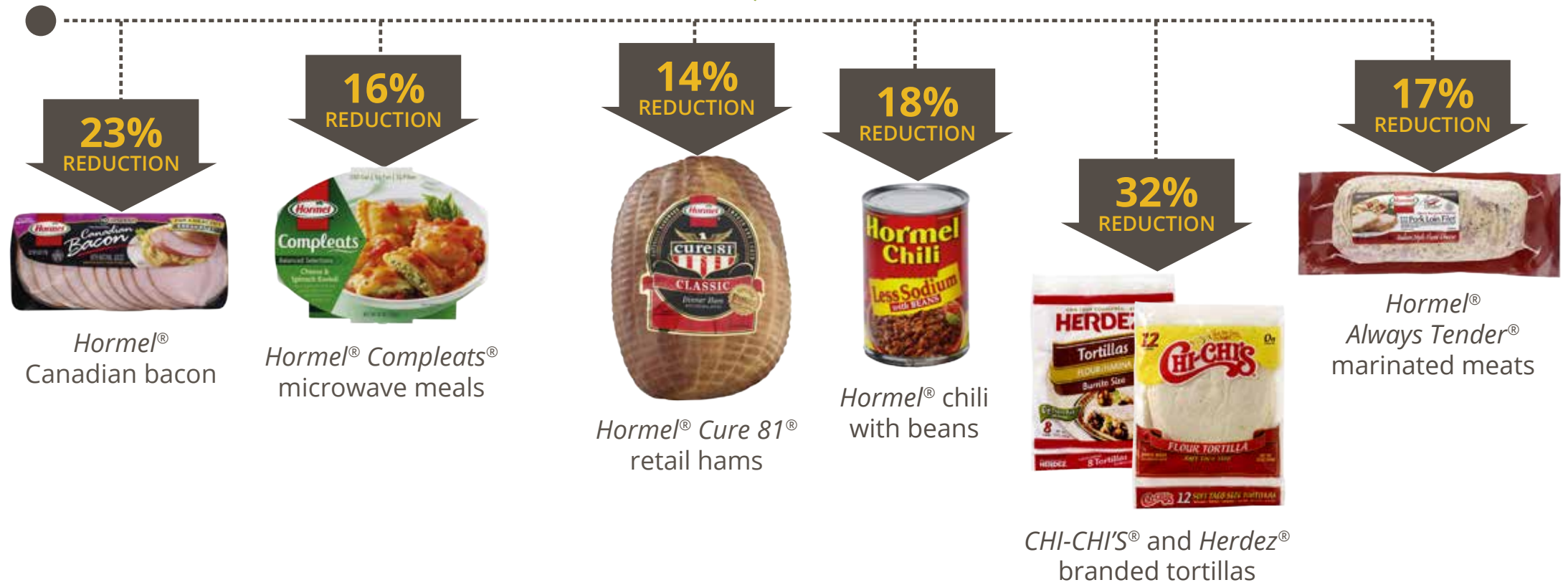
In January, Hormel Foods acquired the iconic SKIPPY® peanut butter business and has fully integrated the operations, logistics and sales of the brand into its Grocery Products division domestically.

Sodium Reduction Initiatives

2020 GOAL



2011 BASELINE



2013 PROGRESS

Product Innovation



To help drive strategic innovation, Jeffrey M. Ettinger, chairman of the board, president and chief executive officer, issued the Billion Dollar Challenge to all Hormel Foods employees. The goal of the challenge was for Hormel Foods to generate \$1 billion in sales from new products launched between fiscal year 2000 and fiscal year 2009. The company met the Billion Dollar Challenge in fiscal year 2007, announcing this achievement in the fourth quarter of 2007 and year-end earnings releases.

Following the completion of the Billion Dollar Challenge, a goal was set to achieve \$2 billion in sales by 2012 from new products created since 2000. This goal

was also successfully met, and our current challenge – \$3B by 2016 – was developed.

The \$3B by 2016 Challenge, to achieve \$3 billion in total sales of products created since 2000 by the end of 2016, is underway and we are on track to achieve this goal.

In January 2013, Hormel Foods acquired the iconic SKIPPY® peanut butter products and has fully integrated the operations, logistics and sales of the brand into its Grocery Products division domestically, where it has performed well. The SKIPPY® brand will be a key driver of our international growth plans, especially in China.

As part of our product innovation approach, we have a team dedicated to innovation management. They are

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. Additionally, we have formalized an organization-wide governance system to maintain the necessary checks and balances.

Our consumer response team interacts directly with our customers on a daily basis to address product questions and gain valuable insight regarding consumer preferences. In 2013, the team fielded more than 124,000 contacts via email, toll-free lines and postal mail. These insights help us respond to changing consumer tastes and information needs appropriately.

Our business can be categorized under five product platforms and many of our new products can be grouped under those platforms:



Convenience meals



Value-added protein products



Value-added fresh meat



Solution products aimed at the foodservice deli market



Snacking



2013 Progress

The \$3B by 2016 Challenge was set to achieve



We are on track to achieve this goal.

Food Safety and Quality

Hormel Foods has implemented robust food safety and sanitation systems based on Hazard Analysis and Critical Control Points (HACCP) principles to ensure the safety of every product produced. Company personnel, independent third parties, the U.S. Department of Agriculture and the Food and Drug Administration oversee these food safety systems. As a result of these efforts, in 2013 we did not issue any product recalls.


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

Read more about Food Safety and Quality at hormelfoods.com.

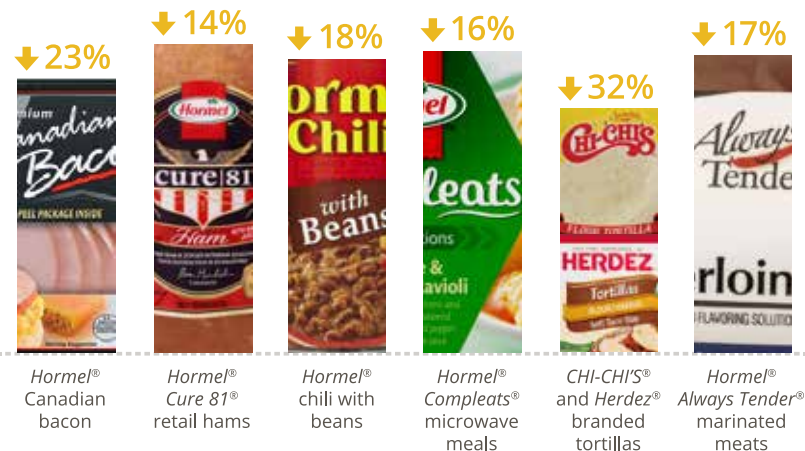


0 PRODUCT RECALLS IN **2013**

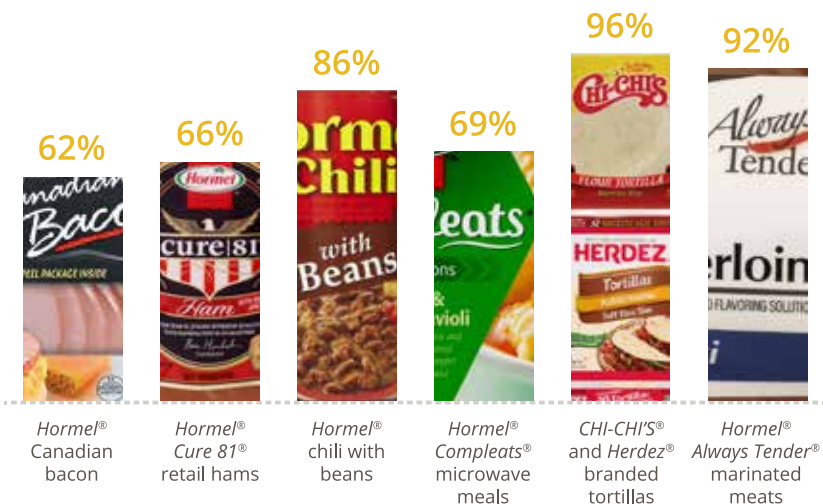
Sodium Reduction

 Our wellness taskforce meets quarterly and has set an important sodium reduction goal: by 2020, we aim to reduce sodium levels in select products within our branded retail portfolio by an average of 15 percent. The graphic below identifies the results from the 2013 Sodium Reduction Analysis:

Sodium reduction by product category



Percent of sodium reduced products by category¹



¹Percent of items within category with a sodium reduction or developed with decreased sodium parameters

New Options

In 2013, we added two healthy options to our tortilla portfolio:




CHI-CHI'S® 100 calorie fajita style tortillas are high in fiber and meet Food and Drug Administration (FDA) standards for "healthy."




CHI-CHI'S® high fiber fajita style tortillas are high in fiber, are made from whole wheat flour plus a blend of multigrains, and meet FDA standards for "healthy."

Portion Control and Minimizing Food Waste

Hormel Foods offers a variety of products to help consumers with portion control, while at the same time minimizing the amount of food waste from leftover food. Examples include our *Dinty Moore®* microwave cups, *Hormel®* microwave cups, *Hormel® Compleats®* microwave meals and *Hormel® Kids Kitchen®* microwave cups.

2020 Goal 



15% REDUCTION

Reduce sodium levels in select products by an average of 15%

2013 Progress

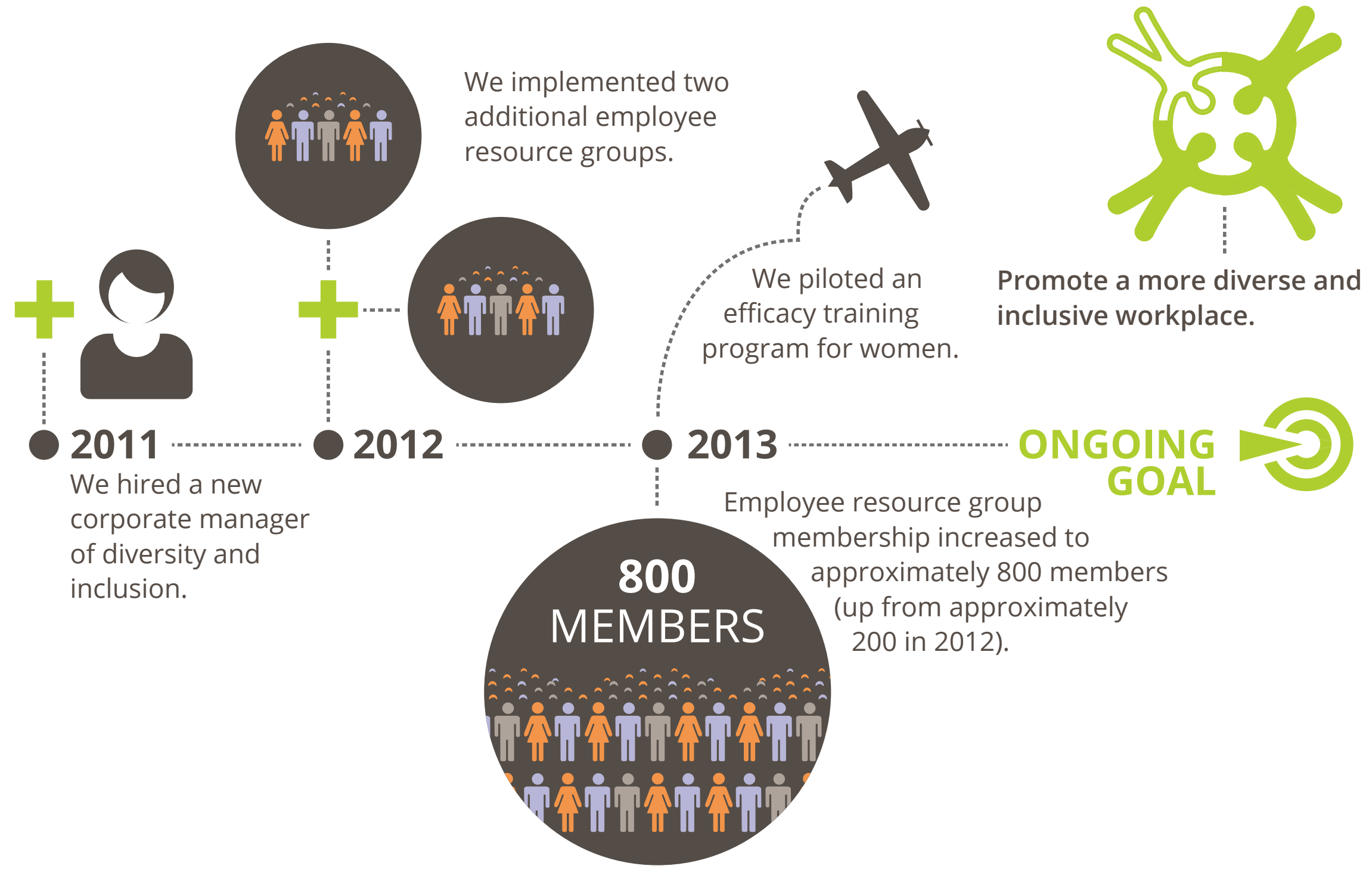
We have reached a 15% sodium reduction in many categories and continue to explore additional categories to reduce sodium.

Hormel Foods recognizes the importance and impact that employees have on all areas of our business. That is why we place priority in ensuring the growth, development and engagement of our employees.

More information on our employees, benefits, fair employment practices and employee engagement, can be found on hormelfoods.com.



DIVERSITY



ABOUT OUR EMPLOYEES



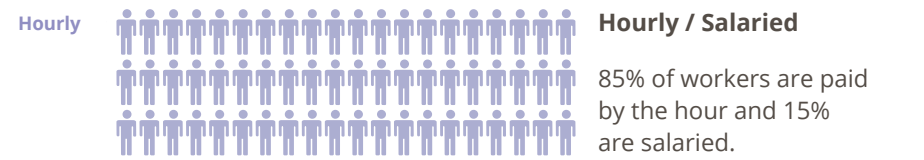
Tenure

At Hormel Foods, our people are the driving force behind our innovation, improvement and success. We consider the tenure of our employees an important indicator of our overall success. We're proud of our employee tenure numbers, because they tell us that Hormel Foods is not only a great place to work, but also a corporation that offers professional opportunities and challenges for employees to grow. In 2013 our turnover rate for all employees was 13.3 percent. Also, we are proud to report that 63 percent of our employees had five or more years of service, and our 32-person officer team has an average of 27 years of service.

For more information about our people, please visit hormelfoods.com and review our employee engagement, human rights and immigration information.



Job Type



Job Type



Discrimination

Hormel Foods employs an independent third-party analysis to statistically review pay information by gender, minority and age to ensure nondiscriminatory pay practices, of which none were found.

In 2013, there were zero incidents of discrimination. There were also no industrial disputes, strikes and/or lock-outs. Therefore, we did not lose any hours of working time.

SAFETY



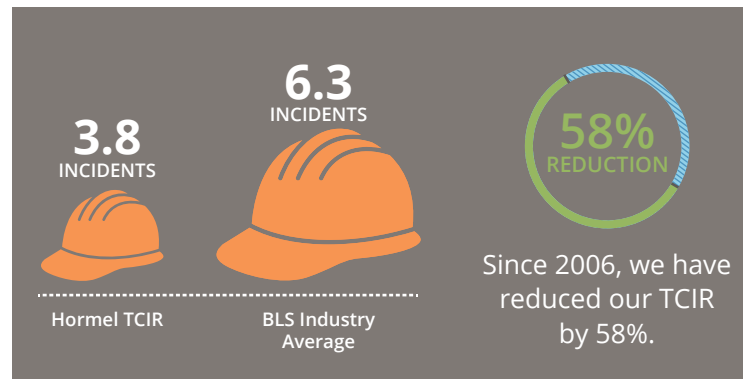
Hormel Foods is known for its award-winning safety programs. Our dedicated corporate safety department develops and administers companywide safety policies to ensure the safety of each employee and compliance with Occupational Safety and Health Administration (OSHA) standards. The corporate safety department also conducts annual safety audits of our manufacturing plants to ensure compliance with company safety policies.

Injury/Illness Rates

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

Total Case Incident Rate

OSHA calculates the Total Case Incident Rate (TCIR) as the number of OSHA recordable incidents multiplied by 200,000 hours and divided by the total hours worked that year. In 2013, the TCIR at Hormel Foods of 3.8, indicated we performed better than the BLS industry average for TCIR. Since 2006, we have reduced our TCIR by 58 percent.



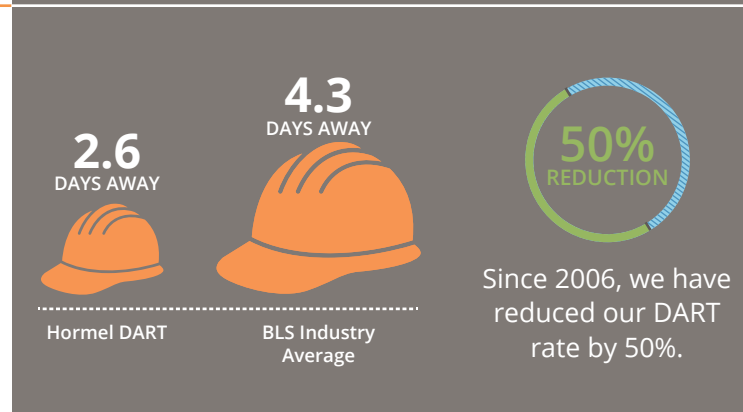
Injury and Illness

Days Away from Work Injury and Illness (DAFWII) measures an injury or illness that involves one or more days away from work. In 2013, the DAFWII rate at Hormel Foods of 0.5, indicated we performed better than the BLS industry average. Since 2006, we have reduced our DAFWII rate by 44 percent.



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 2013, our DART rate was 2.6, meaning that we performed better than the BLS industry average. Since 2006, we have reduced our DART rate by 50 percent.



Safety Training

Hormel Foods conducts safety training for an average of 15,870 employees and supervisors in our locations each month, and completes more than 1,072 safety assessments each month companywide. In 2013, Hormel Foods conducted an average of 7,203 lockout-tagout (LOTO) inspections per quarter, and held bi-monthly, companywide safety conference calls with plant safety personnel.



Industry-Recognized Safety

Our meat processing plants annually receive recognition for their outstanding safety performance from the American Meat Institute (AMI). The National Safety Council, a non-government, not-for-profit public service organization, develops and administers the program for the AMI Foundation.





People

PROFESSIONAL DEVELOPMENT

Performance Review Program



We understand how important it is for our employees to feel both valued and challenged, so we conduct regular

performance reviews annually with more than 92 percent of salaried employees; 80 percent of office hourly employees; and 63 percent of plant hourly employees. Reviews for salaried and office hourly employees include an assessment of current job performance and mutual employee/supervisor goal-setting for the next year. The process also considers work-life balance, career development, training needs and opportunities and current job performance.



2013
EMPLOYEES RECEIVING PERFORMANCE REVIEWS



92% SALARIED EMPLOYEES



80% OFFICE HOURLY EMPLOYEES



63% PLANT HOURLY EMPLOYEES

Training

To support our tradition of fostering long-term careers, employees receive formal training throughout their career at Hormel Foods, applicable to their levels of responsibility and expertise. The total hours spent on training in fiscal year 2013 was 295,813. This equaled about 14.9 hours of training per employee. You can find an in-depth analysis of training hours per employee group at hormelfoods.com.

Our employees are also trained on policies and procedures concerning aspects of human rights that are relevant to our operations at Hormel Foods. In fiscal year 2013, the total hours spent on human rights training was 4,000.



295,813 TOTAL HOURS
14.9 HOURS PER EMPLOYEE



4,000 TOTAL HOURS

DIVERSITY



Hormel Foods has demonstrated its commitment to fostering diversity by including it among the company's key strategies. In total, we have implemented seven employee resource groups: Hormel African American Resource Group, Hormel Asian American Professionals Association, Nuestra Gente: Hormel Foods Hispanic Resource Group, Hormel Foods Women Our Way, Hormel Professionals Representing Out and United Individuals, Hormel Young Professionals Enterprise, and Hormel Military Veterans Engagement Team. Read about these employee resource groups on hormelfoods.com.

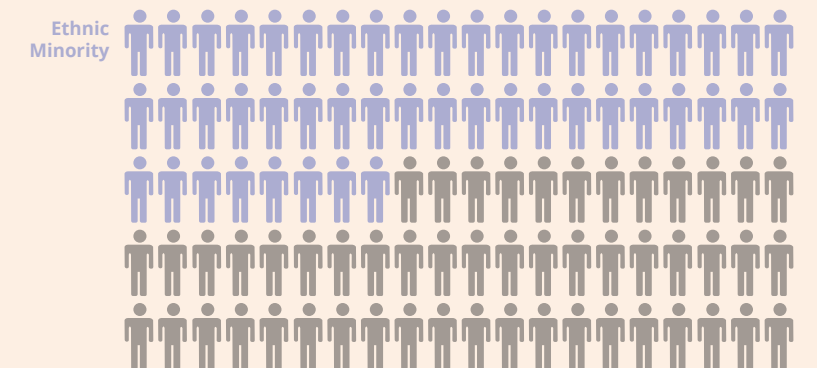
Women

Companywide, women represented 34% of our workforce in fiscal year 2013.



Ethnic Minority

Our ethnic minority workforce represented 48% in fiscal year 2013.



Board of directors

Of our 12-member Board of Directors in 2013, there were four women and three persons of color.



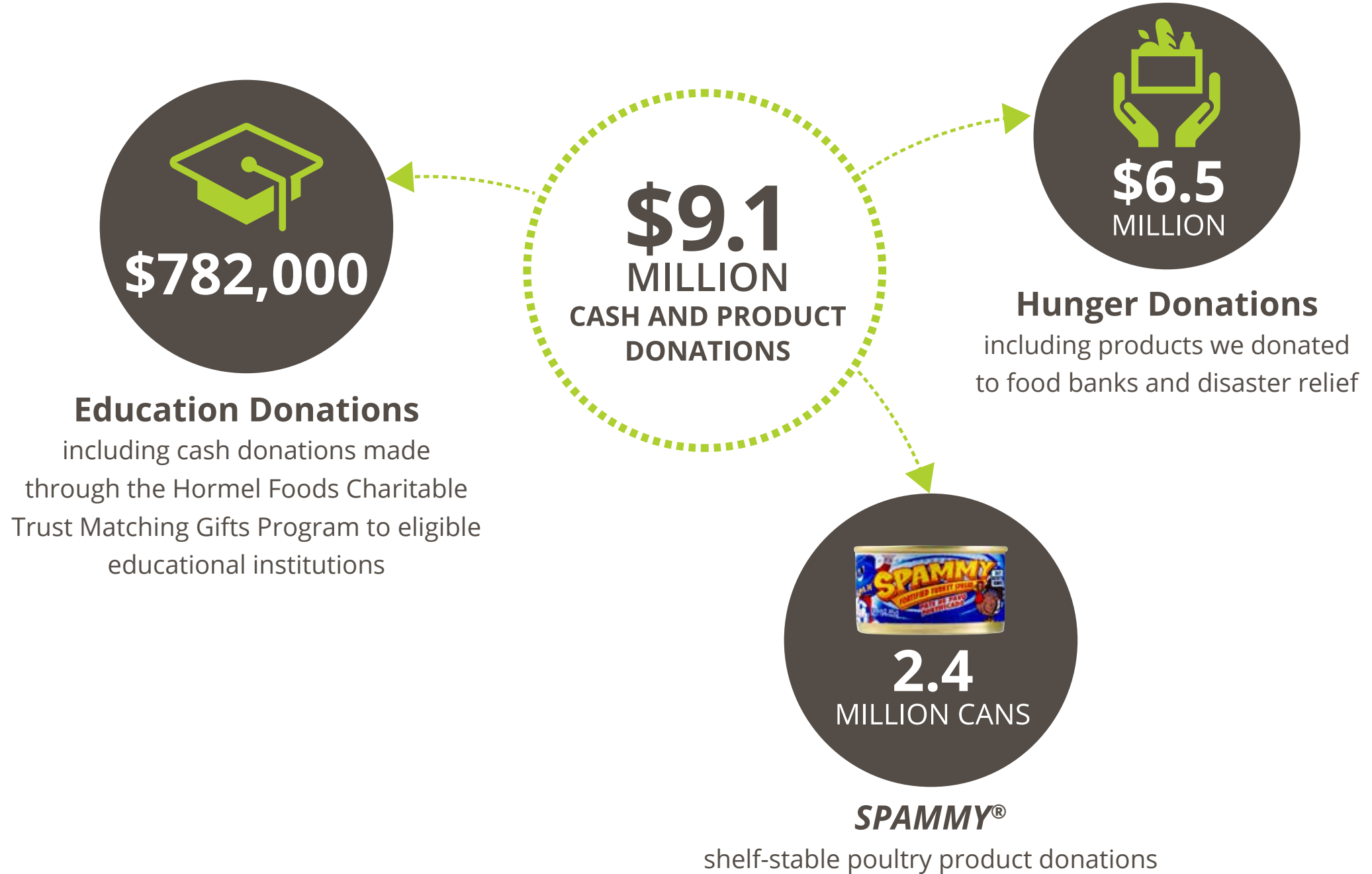


Communities

We believe in making our communities better — they are our neighborhoods, and we invest in making them great places to live, work and play. This is our responsibility, intrinsic to our culture and our heritage.



2013 Community Donations





Communities

HUNGER



In 2013, we continued our domestic and international commitment to doing our part to end hunger, what we call the "On Our Way to Ending Hunger" program. Within the pillars of Nourish, Collaborate and Motivate, we forged important partnerships that provided local assistance through donations to hunger relief organizations.



Donated 52 million individual meals

Hormel Foods donated an estimated 52 million individual meals through 2013 On Our Way to Ending Hunger efforts (using the Feeding America estimation of \$1 donated = 8 meals).

Contributed 2.4 million pounds of product

Hormel Foods contributed 2.4 million pounds of product to food banks, local food shelves and feeding programs in 2013.

Donated 3,456 cans of Hormel® chili with beans, Stagg® chili and Hormel® Mary Kitchen® roast beef hash

Hormel Foods contributed 3,456 cans of Hormel® chili with beans, Stagg® chili and Hormel® Mary Kitchen® roast beef hash to the American Institute of Architects (AIA) Honolulu eighth annual Canstruction competition. All product was donated to the Hawaii Foodbank after the event.

Donated 1,400 pounds of product as part of Chilimania

The Beloit (Wis.) Plant sponsored the 24th annual Chilimania festival in Edgerton, Wis., an event that attracts 3,000-4,000 spectators and 60 cooks. Plant representatives offered Hormel® chili samples and CHI-CHI'S® chips and salsa throughout the event, and the plant matched public donations from the festival's canned food drive, sending 1,400 pounds of product to the Outreach Community Food Pantry.

Donated more than \$220,000 to local plant communities

As part of the Hormel Foods Plant Community Donation program, the company donated more than \$220,000 to local charities in 21 communities.

Project SPAMMY® employee engagement trips

Since 2012, Hormel Foods employees have traveled to Guatemala to participate firsthand in Project SPAMMY®, the company's effort to help malnourished children in Guatemala in partnership with Food for the Poor and Caritas Arquidiocesana. As part of the effort, Hormel Foods provides SPAMMY®, a shelf-stable poultry product fortified with vitamins and minerals. During their time in Guatemala, employees and their families have learned more about the Guatemalan culture, interacted with the children involved in Project SPAMMY® and participated in project operations.

In fiscal year 2013, we donated 2.4 million cans of SPAMMY® through our partnership with Food for the Poor and Caritas Arquidiocesana, and 44 employees made the journey to Guatemala.

EDUCATION



For the 47th consecutive year, Hormel Foods awarded more than a dozen undergraduate college scholarships to children of full-time, retired and deceased employees of Hormel Foods and its subsidiaries. Recipients receive awards amounting to \$2,000 per year for four years.

These students showed exemplary scholastic abilities and leadership qualities, outstanding standardized test scores and significant involvement in their school and community.

Jennie-O Turkey Store also awarded education scholarships to employees, their dependents and graduating seniors who plan to attend an accredited two-year technical/vocational college or a four-year college or university to obtain a bachelor's degree.



more than **12** college scholarships

DISASTER RELIEF



In November 2012, we donated approximately 110,400 Hormel® Compleats® microwave meals and approximately 156,000 packs of Hormel® pizza toppings white chicken cuts to Feeding America to aid in relief efforts for areas affected by Hurricane Sandy.

Read more about our community involvement on hormelfoods.com.

HURRICANE SANDY RELIEF



110,400 HORMEL® COMPLEATS® MICROWAVE MEALS



156,000 HORMEL® PIZZA TOPPINGS WHITE CHICKEN CUTS



Hormel Foods Corporate Responsibility Report | hormelfoods.com/csr