



HORMEL  
FOODS  
CORPORATE  
RESPONSIBILITY

# Global Impact Report 2021

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



# About This Report

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

---

For the last 16 years, we have been proud to share our corporate responsibility efforts and achievements. Our 2021 report has been developed in collaboration with the Hormel Foods Corporate Responsibility Council and other company experts, and was reviewed and approved by the council, experts and the respective vice presidents who oversee relevant topics.

Our 2021 Global Impact Report is an annual report designed to provide useful information for our stakeholders, who include employees, customers, consumers, investors, suppliers, nongovernmental organizations, government agencies and communities. It follows the GRI Standards established by the Global Reporting Initiative (GRI) and covers data from fiscal year 2021, unless otherwise noted. All other boundary-related information for this report can be found in the boundary and measurement section (pg. 16). Our previous reports covered fiscal years 2006 to 2020.

## Forward-looking Statements

This report contains “forward-looking statements” within the meaning of the federal securities laws. The forward-looking statements may concern the company’s goals, strategies or other expressions regarding matters that are not historical facts. These statements are typically accompanied by the words “plans,” “intends,” “expects,” “may,” “could,” “believes,” “would,” “might,” “anticipates” or similar terms. These forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including the risk that we will be unable to achieve our goals or execute our strategies because of market, competitive or other conditions. Please refer to the cautionary statements regarding “Risk Factors” and “Forward-Looking Statements” that appear in our most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which can be accessed at [hormelfoods.com](http://hormelfoods.com) in the “Investors” section, for additional information. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statements.

## Materiality

We are reporting against our material topics, or key topics, identified through our internal assessment and stakeholder engagement. For purposes of this report, we use the GRI’s definition of materiality, which is different from the definition used for filings with the Securities and Exchange Commission (SEC). The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information for SEC reporting purposes.



### CONTACT US

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

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

Call Consumer Engagement  
**1-800-523-4635**

Use our Contact Form  
[HORMELFOODS.COM/ABOUT/CONTACT-US](http://HORMELFOODS.COM/ABOUT/CONTACT-US)



## Our Goals

As part of *Our Food Journey™*, we're committed to continuous improvement. We have established 20 qualitative and quantitative goals to achieve by the end of 2030 to make the world a better place.



Our **20 By 30 Challenge** follows our previous set of sustainability goals in which we achieved significant reductions in our packaging, nonrenewable energy use, greenhouse gas (GHG) emissions, water use and solid waste sent to landfills. We developed our new goals based on our robust key topics assessment process that identifies and prioritizes the topics most relevant to our business and our stakeholders. In addition to this process, we aimed to set goals that helped support the UN Sustainable Development Goals.

In continuing with our corporate responsibility leadership, we will strive to achieve 20 corporate responsibility goals by 2030 and will report on our progress annually.

Hormel Foods has been named one of America's Most Responsible Companies by *Newsweek* magazine for three consecutive years, and one of the 100 Best Corporate Citizens by 3BL Media 13 times.

We've established the following 20 qualitative and quantitative goals & commitments for 2030.

## Products (1-3) Supports UN Sustainable Development Goals 2, 3 & 12.



1

**GOAL:** Continue to offer high-quality, safe, affordable and convenient products that meet a wide range of consumer preferences and needs.

**2021 PROGRESS:**

We launched over 400 new retail and foodservice items to continue to meet consumer preferences and needs.



2

**GOAL:** Continue our clean-label initiative and efforts to reduce added sugars and sodium in our products and increase desirable ingredients to nourish a diverse population.

**2021 PROGRESS:**

Throughout the year, we focused on efforts to reduce added sugars and sodium in our products. We created a sugar-free lemon and chocolate pudding for a major retail customer and reduced sodium in foodservice products such as our *Hormel*<sup>®</sup> reduced sodium oven roasted turkey breast log, *Jennie-O*<sup>®</sup> reduced sodium turkey breast and *Natural Choice*<sup>®</sup> reduced sodium pot roast.



3

**GOAL:** Achieve 15% of sales from new products each year.\*

\*Based on net sales for new items launched within the previous three years and the projected sales for items scheduled to launch in the next two years, divided by total reported sales for the year.

**2021 PROGRESS:**

In 2021, 15% of our sales came from innovative new items.\*

## Supply Chain (4-6) Supports UN Sustainable Development Goals 3, 8, 10 & 12.



4

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

**2021 PROGRESS:**

More than 2,300 audits were conducted to ensure our standards are being met.



5

**GOAL:** Advance our antibiotic stewardship efforts and pilot an antibiotic use measurement and reporting system.

**2021 PROGRESS:**

We published a report that provides details about our antibiotic stewardship program and metrics from some of the farms in our supply chain.



6

**GOAL:** Continue to increase our purchasing spend annually with small and diverse businesses.

**2021 PROGRESS:**

Our purchasing spend with diverse businesses (small businesses, women-owned businesses, minority-owned businesses and veteran-owned businesses) was \$1.3 billion (2021 calendar year).

## Environment (7-13) Supports the Sustainable Development Goals 6, 7, 12 & 13.



# 7

**GOAL:** Match 100% of our energy with renewable sourcing.

**2021 PROGRESS:**

We initiated or completed several renewable energy wind and solar efficiency projects that we anticipate will help us achieve 100% of our domestic renewable energy sourcing by the end of 2022.



# 8

**GOAL:** Demonstrate climate leadership by establishing a science-based target (SBT) for the reduction of GHG emissions by 2023.

**2021 PROGRESS:**

We are on track to have an approved science-based target by 2023.



# 9

**GOAL:** Advance our water stewardship efforts through initiatives in our top six priority watersheds.

**2021 PROGRESS:**

We assessed several potential projects to help us achieve our goal.

In addition to the environmental sustainability goals listed below, each year we aim to achieve a 1% reduction in GHG emissions, energy use and solid waste sent to landfills, and a 2% reduction in water use. We also aim to achieve annual efficiency gains of 1% in energy and water use.



# 10

**GOAL:** Reduce organic waste discharge from our manufacturing facilities by 10% to decrease energy use and GHG emissions, and improve water quality.

**2021 PROGRESS:**

Through our various projects, we are working diligently to reduce the amount of waste discharge from our facilities. We are currently evaluating wastewater-loading reduction and treatment-improvement opportunities and will provide additional updates in future reports.



# 11

**GOAL:** Support regenerative agriculture initiatives.

**2021 PROGRESS:**

We assessed several regenerative agriculture projects. In addition, our Applegate subsidiary launched the Applegate Naturals® Do Good Dog™ hot dog made with beef raised on verified regenerative U.S. grasslands.



# 12

**GOAL:** Focus on packaging sustainability efforts through research, innovation, on-package communications and optimizing package weight and shipping efficiencies.

**2021 PROGRESS:**

Our packaging team's sustainability initiatives resulted in more than 727,000 pounds in savings.\*\* In addition, we added How2Recycle logos onto more than 250 items.

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

**People (14-18)** Supports UN Sustainable Development Goals 4, 5, 8 & 10.



**13**

**GOAL:** Work toward zero food waste.

**2021 PROGRESS:**

We began the initial assessment of food waste in our supply chain and published tips for consumers to help reduce food waste at home.



**14**

**GOAL:** Promote and protect human rights within our operations and our supply chain.

**2021 PROGRESS:**

More than 880 hours were dedicated to human rights training.



**15**

**GOAL:** Provide the opportunity of a free two-year college education for all of our team members' dependent high school graduates.

**2021 PROGRESS:**

We provided support to over 150 students through our Inspired Pathways program.



**16**

**GOAL:** Foster a sense of belonging for everyone, where people feel respected and valued by empowering them with opportunities, equitable treatment and a voice to make Hormel Foods better for all. In addition, our goal is to increase the number of women in salaried roles by 25% and the number of underrepresented racial and ethnic minorities in salaried roles by 25% by 2025.

**2021 PROGRESS:** We increased the number of women in salaried roles by 2.8% and the number of underrepresented racial and ethnic minorities in salaried roles by 9.1% compared to 2020.



**17**

**GOAL:** Provide a safe workplace for all team members and reduce our injury rates each year.

**2021 PROGRESS:**

	2020	2021
Total Case Incident Rate	2.6	<b>2.3</b>
Days Away From Work Injury And Illness	0.6	<b>0.6</b>
Days Away, Restricted Or Transfer	1.7	<b>1.4</b>

---

## Community (19-20) Supports UN Sustainable Development Goals 2 & 10.



# 18

**GOAL:** Invest in our team members by providing an average of at least 25 hours of training per team member annually.

**2021 PROGRESS:**

We invested more than 713,000 total hours on training in 2021. This equated to approximately 38 hours of training per team member, surpassing our annual goal.



# 19

**GOAL:** Provide the equivalent of 70 million meals to those in need through cash and product donations.\*\*\*

**2021 PROGRESS:**

We continued our commitment to helping end hunger around the world by donating a total of \$6.6 million (or more than 8.4 million individual meals\*\*\*) to hunger-relief efforts, including products we donated to food banks and disaster-relief efforts. We are on track to achieve our goal to provide the equivalent of 70 million meals to those in need through cash and product donations by 2030.\*\*\*



# 20

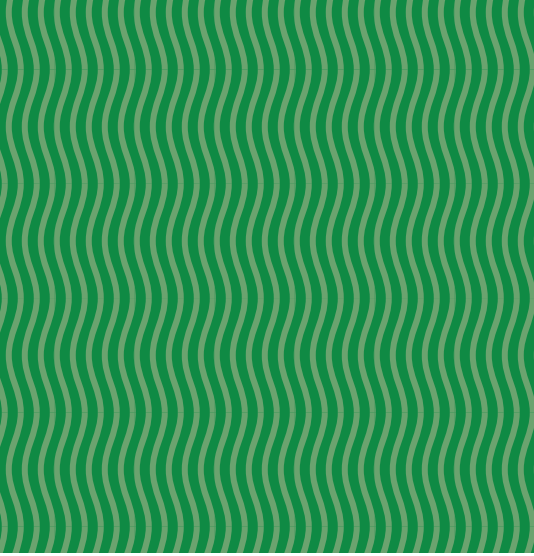
**GOAL:** Create a food-secure community program and share blueprint and findings globally.

**2021 PROGRESS:**

We began our initial efforts to create a unique food-secure community program in Austin, Minn., home to our World Headquarters and flagship plant, which included conducting research, gathering feedback and writing a draft project plan with internal and external experts.

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





## From our CEO

We are proud of the progress we have made on *Our Food Journey™* in 2021 and are excited to share our 16th report with you.

I want to take this opportunity to reaffirm our commitment to our corporate citizenship and environmental, social and governance (ESG) efforts. For over 130 years, we've been making a difference, with our people, in our communities and with our products. We do this by producing high-quality, safe, affordable and convenient food products while being an unwavering steward of the environment. We are on a mission with *Our Food Journey™* — one that compels us to do our part every day to make the world a better place and to continue to raise the bar on our ESG efforts.

As part of *Our Food Journey™*, we strive to produce food responsibly for our customers and consumers around the world by focusing on three strategic pillars:

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

In 2021, we made excellent progress in several important areas that are covered in more detail in this report. Let me share a few highlights:



### OUR UPDATED GOALS

In 2021, we launched our updated set of corporate responsibility and ESG goals – our **20 By 30 Challenge**. As part of *Our Food Journey™*, we have set 20 qualitative and quantitative goals and commitments to achieve by the end of 2030. Our new goals are based on a key topics assessment process that helps us identify and prioritize the issues most relevant to our business and our stakeholders. These goals also support the UN Sustainable Development Goals.



## ENVIRONMENTAL SUSTAINABILITY

We initiated or completed several renewable energy wind and solar projects

and are on track to have an approved science-based target for the reduction of greenhouse gas (GHG) emissions by 2023. We continued to reduce our GHG emissions, energy use, water use, solid waste sent to landfills and product packaging. We also assessed several regenerative agriculture projects, and our Applegate subsidiary launched the *Applegate Naturals® Do Good Dog™* hot dog made with beef raised on verified regenerative U.S. grasslands.



## ANIMAL CARE AND ANTIBIOTIC STEWARDSHIP

We have developed industry-leading animal welfare standards for animal care and handling throughout our supply chain. To ensure our rigorous animal welfare standards are met, more than 2,300 audits were conducted in 2021.

We continued our antibiotic stewardship work and published our first Antibiotic Stewardship Report in 2021, which provides comprehensive, detailed and transparent information about our antibiotic stewardship program and metrics from some of the farms in our supply chain.



## PRODUCTS, NUTRITION AND ACQUISITIONS

Producing safe, quality products to help feed the world inspires us every day. We introduced more than 400 innovative new retail and foodservice products throughout the year and achieved our goal to generate 15% of sales from innovative new items.\* We also focused on efforts to reduce added sugars and sodium in our products and continued our clean-label initiative. We are always exploring ways to make our products even better, and that includes adding to our extensive brand portfolio.

In June 2021, we announced the largest acquisition in our company's history — the *Planters®* snack nuts business. This acquisition is providing a springboard to amplify our scale in the snacking and entertaining category.



## INCLUSION, DIVERSITY AND SAFETY

Our inclusive culture empowers our inspired team

members to be more innovative, collaborative and engaged. I am incredibly proud of the diversity reflected in our global team and in our actions in supporting our team members and their families.

Equity in education has become an important effort at Hormel Foods. We pioneered a groundbreaking college degree program, Inspired Pathways, for the dependent children of our team members. The 2021-2022 academic year was the first year of this program. In 2021, we provided support to over 150 students. This included many first-generation college students.

Safety First has always been an important Cultural Belief for Hormel Foods. In 2021, we continued to take heightened precautions to keep our team members safe due to the COVID-19 pandemic. In addition, we conducted safety training for an average of over 15,000 team members every month and completed approximately 1,000 safety assessments each month companywide.

## CHARITABLE GIVING



Being a good corporate citizen means doing our part to support our communities and using our size and position to enrich the lives of others. In 2021, we contributed more than \$8.5 million in cash and products to help others. This included \$6.6 million in hunger-relief donations (or more than 8.4 million individual meals\*\*), our donation of 2.1 million cans of *SPAMMY®* (a shelf-stable product to help prevent childhood malnutrition in Guatemala) and more than \$960,000 to support educational institutions and our Inspired Pathways program students.

## FOOD SECURITY



Hormel Foods has always been willing to take on tough issues and none is more challenging than food insecurity, certainly heightened by the pandemic. We have been focused on solutions to hunger in our communities for decades, but in 2021 we made a commitment to do even more.

One of our 20 By 30 Challenge goals is to create a food-secure community program and to share our blueprint and findings globally, beginning in our hometown of Austin, Minn.

This is not only an important company goal, but also a personal one too. In 2021, my wife, Tammy, and I supported the establishment of a first-of-its kind endowed faculty chair to focus on hunger and poverty at Baylor University. Craig Gundersen, renowned food security expert and professor of economics, was appointed as the first Snee Family Endowed Chair with the Baylor Collaborative on Hunger and Poverty. Baylor University is a leader in this area and works closely with other colleges and universities, hunger nonprofits and the government to address food insecurity solutions.

—  
These are just a few of our accomplishments in 2021. Thanks to the incredible efforts and dedication of our team members, partners and suppliers, Hormel Foods continues to make a difference. We are committed to continuing our mission to be one of the top corporate citizens in the world as we advance our efforts even more through our 20 By 30 Challenge.

Feeding people is an awesome responsibility; one that we take seriously. As a global branded food company, we understand the responsibility that comes with our size and scale, not only for consumers, employees and shareholders, but also to our customers and communities. Our 20,000 inspired team members are committed to *Our Food Journey™*, and we are confident we can continue to be a force for positive change in the world.

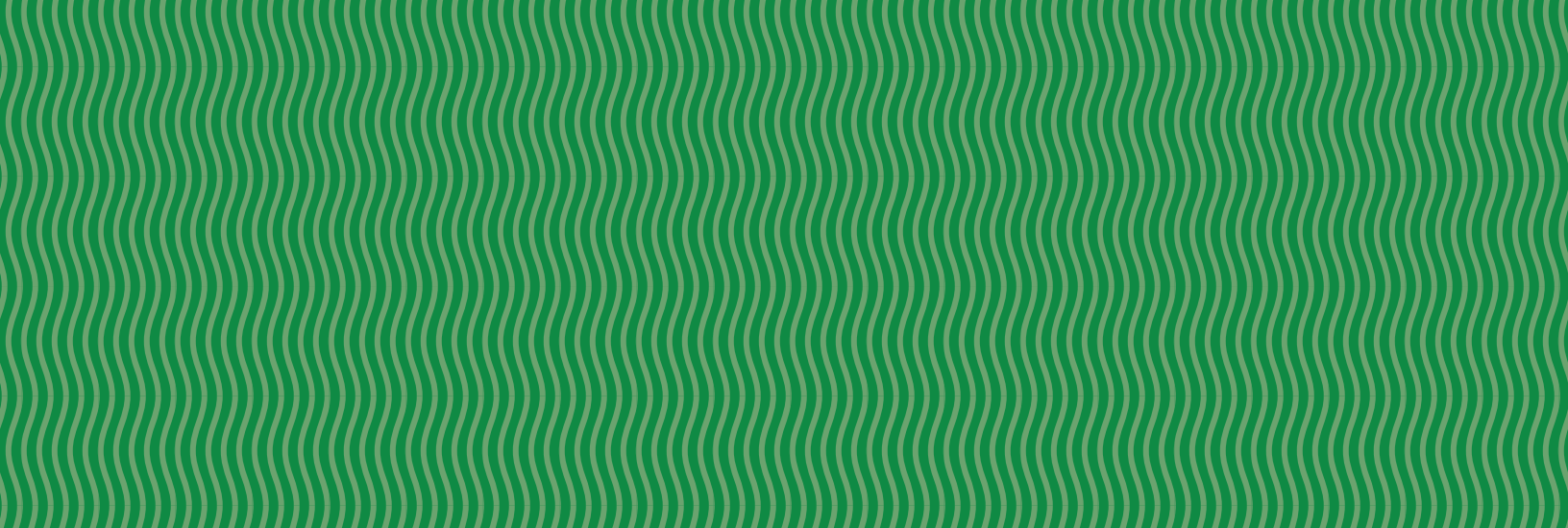
As you learn more about *Our Food Journey™* by reading this report, please email [sustainability@hormel.com](mailto:sustainability@hormel.com) to share any feedback you may have about our ESG efforts.

Thank you,

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

\*Based on net sales for new items launched within the previous three years and the projected sales for items scheduled to launch in the next two years, divided by total reported sales for the year.

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



## Key Topics Assessment

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

To inform our reporting and objectives, Hormel Foods engaged BSR, a nonprofit sustainability consultancy and business network, in 2017/2018 to help us identify, prioritize and understand the topics most relevant to our business and our stakeholders. Topics were identified based on our prior assessment, industry trends and global corporate responsibility megatrends. The topics were then prioritized based on input from senior executives, our Corporate Responsibility Council and key external stakeholders, who offer a broad and diverse perspective on Hormel Foods. We engaged senior executives representing key business functions and members of our Corporate Responsibility Council to validate our assessment and key topics.

We are conducting a full key topics assessment in 2022 with a third party.

## ABOUT THIS REPORT/ABOUT HORMEL FOODS

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

## PRODUCTS

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

## SUPPLY CHAIN

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

## ENVIRONMENT

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

## PEOPLE

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

## COMMUNITY

KEY TOPICS	LOCATION
Community impacts	Environment People Community
Distribution of profits	Community 2020 Annual Report
Food relief	Community – Hunger
Philanthropy	Community – Philanthropy



## Stakeholder Feedback

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

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

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

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

View the key topics assessment section (pg. 10) for the results of our analysis.

## EMPLOYEES

(Current, prospective and retired)

### How Hormel Foods Engages

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

### Stakeholder Interests

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

### How We Respond To Their Interests

- Charitable giving
- Employee benefits
- Through our corporate responsibility goals and progress
- Inclusion and diversity initiatives and employee resource groups
- Safety program and goals

### Ongoing Results Of Engagement

- Community support and retiree engagement and involvement
- Improved safety
- Employee engagement and retention

## CUSTOMERS

### How Hormel Foods Engages

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

### Stakeholder Interests

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

### How We Respond To Their Interests

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

### Ongoing Results Of Engagement

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

## SUPPLIERS

### How Hormel Foods Engages

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

### Stakeholder Interests

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

### How We Respond To Their Interests

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

### Ongoing Results Of Engagement

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

## INVESTORS/ANALYSTS

### How Hormel Foods Engages

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

### Stakeholder Interests

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

### How We Respond To Their Interests

- Animal care standards and antibiotic stewardship efforts
- Development of company policies
- Through our corporate responsibility goals and progress
- Respond to questionnaires/inquiries
- Verify data from analysts compiling rankings and indices

### Ongoing Results Of Engagement

- Benchmark data
- Correct information
- Feedback for future initiatives

## CONSUMERS

### How Hormel Foods Engages

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

### Stakeholder Interests

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

### **How We Respond To Their Interests**

- Animal care standards and antibiotic stewardship efforts
- Answer questions through hotline and social media channels
- Through our corporate responsibility goals and progress
- Promote more proactive information and take suggestions
- Robust food safety program and training
- Sodium reduction and clean-label initiative efforts
- Use insights for new product development

### **Ongoing Results Of Engagement**

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

## **GOVERNMENT**

### **How Hormel Foods Engages**

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

### **Stakeholder Interests**

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

### **How We Respond To Their Interests**

- Animal care standards and antibiotic stewardship efforts
- Engage in ongoing dialogue about these issues
- Through our corporate responsibility goals and progress
- Robust food safety program and training
- Updates to management about key issues

### **Ongoing Results Of Engagement**

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

## **NONGOVERNMENTAL ORGANIZATIONS**

### **How Hormel Foods Engages**

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

### **Stakeholder Interests**

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

### **How We Respond To Their Interests**

- Animal care standards and antibiotic stewardship efforts
- Charitable giving
- Consider topics raised in our reporting and operating practices
- Developed formal hunger and community giving strategy
- Development of company policies
- Through our corporate responsibility goals and progress
- Maintain ongoing dialogue to incorporate a variety of changes to business practices and explain business practices

### **Ongoing Results Of Engagement**

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

## **COMMUNITIES**

### **How Hormel Foods Engages**

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

### **Stakeholder Interests**

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

### **How We Respond To Their Interests**

- Charitable giving
- Consider topics raised in our reporting and operating practices
- Developed formal hunger and community giving strategy
- Through our corporate responsibility goals and progress
- Hold meetings to discuss local concerns
- Invest in community infrastructure

### **Ongoing Results Of Engagement**

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



## Boundary & Measurement

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

Unless otherwise noted, the report does not include MegaMex Foods, Fresherized Foods, Okinawa Hormel Ltd. and Purefoods – Hormel Company, over which Hormel Foods has less than 50% operational and financial control.

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

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

## SUPPLY CHAIN

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

## ENVIRONMENT

CATEGORY	EXCEPTIONS/ADDITIONAL INFORMATION
Environment	Includes U.S. manufacturing locations, and co-pack and joint venture locations over which we have operational control
Logistics	Does not include Applegate, international and our <i>Planters</i> <sup>®</sup> business
Packaging projects, material savings and How2Recycle labeling	Includes all projects captured by the corporate packaging development group
Product packaging that is recyclable and/or made from recycled materials	Includes strategic suppliers in the company's tracking system
Unique packaging items	Includes all packaging items in the company's tracking system

## PEOPLE

CATEGORY	EXCEPTIONS/ADDITIONAL INFORMATION
People	Data (employment type, gender, tenure, age and ethnic minority percentages) and collective bargaining does not include international
Safety and safety training	Does not include our <i>Planters</i> <sup>®</sup> business and international
Training	Includes training captured by our corporate talent development department (may not include everything); does not include international

## COMMUNITY

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

## GRI Content Index

Our 2021 Global Impact Report follows the standards developed by the Global Reporting Initiative (GRI), the internationally recognized standard for responsibility reporting.

This chart explains the GRI standards that are included in our report and where they are located online. In addition, we have included references to the corresponding UN Sustainable Development Goals (SDGs) based on the “Linking the SDGs and GRI Standards” reference material. Our 2021 report is developed in accordance with the GRI core option.

### GRI 102: GENERAL DISCLOSURES

#### ORGANIZATIONAL PROFILE

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
102-1	Name of the organization	<i>Hormel Foods Corporation</i> About Hormel Foods
102-2	Activities, brands, products and services	About Hormel Foods
102-3	Location of headquarters	<i>Austin, Minn.</i>
102-4	Location of operations	About Hormel Foods
102-5	Ownership and legal form	2021 Annual Report
102-6	Markets served	About Hormel Foods
102-7	Scale of the organization	About Hormel Foods

<b>102-8</b>	Information about employees and other workers	People - About Our Team <i>Supports UN SDGs 8 and 10</i>
<b>102-9</b>	Supply chain	Supply Chain
<b>102-10</b>	Significant changes to the organization and its supply chain	2021 Annual Report
<b>102-11</b>	Precautionary Principle or approach	Ethics, Governance and Risk
<b>102-12</b>	External initiatives	Products - Food Safety & Quality Supply Chain - Antibiotic Stewardship Hogs Turkeys
<b>102-13</b>	Membership of associations	Raising Our Animals

### STRATEGY

<b>GRI STANDARD</b>	<b>DESCRIPTION</b>	<b>LOCATION/INFORMATION</b>
<b>102-14</b>	Statement from senior decision-maker	About This Report - CEO Letter
<b>102-15</b>	Key impacts, risks and opportunities	About This Report - CEO Letter About This Report - Our Goals Ethics, Governance and Risk 2021 Annual Report

### ETHICS AND INTEGRITY

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

### GOVERNANCE

<b>GRI STANDARD</b>	<b>DESCRIPTION</b>	<b>LOCATION/INFORMATION</b>
<b>102-18</b>	Governance structure	About Hormel Foods - Governance & Financials Ethics, Governance and Risk
<b>102-19</b>	Delegating authority	About Hormel Foods - Governance & Financials
<b>102-20</b>	Executive-level responsibility for economic, environmental and social topics	About Hormel Foods - Governance & Financials
<b>102-21</b>	Consulting stakeholders on economic, environmental and social topics	Ethics, Governance and Risk <i>Supports UN SDG 16</i>
<b>102-22</b>	Composition of the highest governance body and its committees	Ethics, Governance and Risk <i>Supports UN SDGs 5 and 16</i>

<b>102-23</b>	Chair of the highest governance body	About Hormel Foods - Governance & Financials Ethics, Governance and Risk <i>Supports UN SDG 16</i>
<b>102-24</b>	Nominating and selecting the highest governance body	Ethics, Governance and Risk <i>Supports UN SDGs 5 and 16</i>
<b>102-25</b>	Conflicts of interest	About Hormel Foods - Governance & Financials Ethics, Governance and Risk <i>Supports UN SDG 16</i>
<b>102-26</b>	Role of highest governance body in setting purpose, values and strategy	About Hormel Foods - Governance & Financials <i>Supports UN SDG 16</i>
<b>102-28</b>	Evaluating the highest governance body's performance	2021 Proxy <i>Supports UN SDG 16</i>
<b>102-29</b>	Identifying and managing economic, environmental and social impacts	Ethics, Governance and Risk <i>Supports UN SDG 16</i>
<b>102-30</b>	Effectiveness of risk management process	About Hormel Foods - Governance & Financials
<b>102-31</b>	Review of economic, environmental and social topics	About Hormel Foods - Governance & Financials Ethics, Governance and Risk
<b>102-32</b>	Highest governance body's role in sustainability reporting	About Hormel Foods - Governance & Financials About This Report About This Report - Key Topics Assessment
<b>102-33</b>	Communicating critical concerns	About Hormel Foods - Governance & Financials Ethics, Governance and Risk <i>Supports UN SDG 16</i>
<b>102-35</b>	Remuneration policies	Ethics, Governance and Risk
<b>102-36</b>	Process for determining remuneration	Ethics, Governance and Risk
<b>102-37</b>	Stakeholder involvement in remuneration	Ethics, Governance and Risk <i>Supports UN SDG 16</i>

## STAKEHOLDER ENGAGEMENT

<b>GRI STANDARD</b>	<b>DESCRIPTION</b>	<b>LOCATION/INFORMATION</b>
<b>102-40</b>	List of stakeholder groups	About This Report - Stakeholder Feedback
<b>102-41</b>	Collective bargaining agreements	People - About Our Team <i>Supports UN SDG 8</i>
<b>102-42</b>	Identifying and selecting stakeholders	About This Report - Stakeholder Feedback
<b>102-43</b>	Approach to stakeholder engagement	About This Report - Stakeholder Feedback
<b>102-44</b>	Key topics and concerns raised	About This Report - Stakeholder Feedback

## REPORTING PRACTICES

<b>102-45</b>	Entities included in the consolidated financial statements	2021 Annual Report
<b>102-46</b>	Defining report content and topic boundaries	About This Report - Key Topics Assessment About This Report - Stakeholder Feedback
<b>102-47</b>	List of material topics	About This Report - Key Topics Assessment
<b>102-48</b>	Restatements of information	<i>None</i>
<b>102-49</b>	Changes in reporting	About This Report - Boundary & Measurement
<b>102-50</b>	Reporting period	About This Report
<b>102-51</b>	Date of most recent report	About This Report
<b>102-52</b>	Reporting cycle	About This Report
<b>102-53</b>	Contact point for questions regarding the report	About This Report
<b>102-54</b>	Claims of reporting in accordance with the GRI Standards	<i>Our 2021 Global Impact Report is developed in accordance with the core option</i>
<b>102-55</b>	GRI content index	<i>This is our content index</i>
<b>102-56</b>	External assurance	<i>Our report is reviewed by our internal audit department; it is not externally assured</i>

## GRI 103: MANAGEMENT APPROACH

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

### GRI 201: ECONOMIC PERFORMANCE

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
201-1	Direct economic value generated and distributed	Community 2021 Annual Report <i>Supports UN SDGs 8 and 9</i>
201-2	Financial implications and other risks and opportunities due to climate change	Ethics, Governance and Risk 2021 Annual Report <i>Supports UN SDG 13</i>
201-3	Defined benefit plan obligations and other retirement plans	2021 Annual Report

### GRI 301: MATERIALS

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
301-1	Materials used by weight or volume	Environment - Packaging <i>Supports UN SDGs 8 and 12</i>
301-2	Recycled input materials used	Environment - Packaging <i>Supports UN SDGs 8 and 12</i>

### GRI 302: ENERGY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
302-1	Energy consumption within the organization	Environment - Energy <i>Supports UN SDGs 7, 8, 12 and 13</i>
302-3	Energy intensity	Environment - Energy <i>Supports UN SDGs 7, 8, 12 and 13</i>
302-4	Reduction of energy consumption	Environment - Energy <i>Supports UN SDGs 7, 8, 12 and 13</i>

### GRI 303: WATER AND EFFLUENTS

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
303-1	Interactions with water as a shared resource	Environment - Water <i>Supports UN SDGs 6 and 12</i>
303-2	Management of water discharge-related impacts	Environment - Water <i>Supports UN SDG 6</i>
303-3	Water withdrawal	Environment - Water <i>Supports UN SDG 6</i>
303-4	Water discharge	Environment - Water <i>Supports UN SDG 6</i>
303-5	Water consumption	Environment - Water <i>Supports UN SDG 6</i>

### GRI 305: EMISSIONS

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
305-1	Direct (Scope 1) GHG emissions	Environment - Greenhouse Gas Emissions <i>Supports UN SDGs 3, 12, 13, 14 and 15</i>
305-2	Energy indirect (Scope 2) GHG emissions	Environment - Greenhouse Gas Emissions <i>Supports UN SDGs 3, 12, 13, 14 and 15</i>
305-4	GHG emissions intensity	Environment - Greenhouse Gas Emissions <i>Supports UN SDGs 13, 14 and 15</i>
305-5	Reduction of GHG emissions	Environment - Greenhouse Gas Emissions <i>Supports UN SDGs 13, 14 and 15</i>

### GRI 306: WASTE

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
306-1	Waste generation and significant waste-related impacts	Environment - Waste Environment <i>Supports UN SDGs 3, 6, 11 and 12</i>
306-2	Management of significant waste-related impacts	Environment - Waste Environment <i>Supports UN SDGs 3, 6, 8, 11 and 12</i>
306-3	Waste generated	Environment - Waste <i>Supports UN SDGs 3, 11 and 12</i>
306-4	Waste diverted from disposal	Environment - Waste <i>UN SDGs 3, 11 and 12</i>
306-5	Waste directed to disposal	Environment - Waste <i>Supports UN SDGs 3, 11 and 12</i>

### GRI 307: ENVIRONMENTAL COMPLIANCE

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
307-1	Noncompliance with environmental laws and regulations	About This Report - Data Summary <i>Supports UN SDG 16</i>

### GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

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



### GRI 401: EMPLOYMENT

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
401-1	New employee hires and turnover	People - About Our Team <i>We disclose our turnover percentage but do not report our new employee hires</i> Supports UN SDGs 5, 8 and 10
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits Why Hormel Foods? Supports UN SDGs 3, 5 and 8

### GRI 403: OCCUPATIONAL HEALTH AND SAFETY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
403-1	Occupational health and safety management system	People - Safety, Health & Wellness Safety Supports UN SDG 8
403-2	Hazard identification, risk assessment and incident identification	People - Safety, Health & Wellness Safety Supports UN SDG 8
403-3	Occupational health services	People - Safety, Health & Wellness Safety Supports UN SDG 8
403-4	Worker population, consultation and communication on occupational health and safety	People - Safety, Health & Wellness Safety Supports UN SDGs 8 and 16
403-5	Worker training on occupational health and safety	People - Safety, Health & Wellness Safety Supports UN SDGs 8
403-6	Promotion of worker health	People - Safety, Health & Wellness Supports UN SDGs 3
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People - Safety, Health & Wellness Safety Supplier Code of Conduct Supports UN SDGs 8
403-8	Workers covered by an occupational health and safety management system	People - Safety, Health & Wellness Safety Supports UN SDGs 8
403-9	Work-related injuries	People - Safety, Health & Wellness Supports UN SDGs 3, 8 and 16

### GRI 404: TRAINING AND EDUCATION

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
404-1	Average hours of training per year per employee	People - Training Supports UN SDGs 4, 5, 8 and 10
404-2	Programs for upgrading employee skills and transition assistance programs	People - Training Professional Development Supports UN SDG 8

### GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
405-1	Diversity of governance bodies and employees	People - Inclusion & Diversity Supports UN SDGs 5 and 8

### GRI 406: NONDISCRIMINATION

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
406-1	Incidents of discrimination and corrective actions taken	People - Inclusion & Diversity Supports UN SDGs 5 and 8

### GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	People - About Our Team Supports UN SDG 8

### GRI 408: CHILD LABOR

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
408-1	Operations and suppliers at significant risk for incidents of child labor	People - Human Rights Supply Chain Supports UN SDGs 5, 8 and 16

### GRI 409: FORCED OR COMPULSORY LABOR

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	People - Human Rights Supply Chain Supports UN SDGs 5 and 8

### GRI 412: HUMAN RIGHTS ASSESSMENT

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

### GRI 414: SUPPLIER SOCIAL ASSESSMENT

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain <i>Supports UN SDGs 5, 8 and 16</i>

### GRI 415: PUBLIC POLICY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
415-1	Political contributions	About Hormel Foods - Public Policy <i>Supports UN SDG 16</i>

### GRI 416: CUSTOMER HEALTH AND SAFETY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
416-1	Assessment of health and safety impacts of products and service categories	Products - Nutrition & Wellness
416-2	Incidents of noncompliance concerning the health and safety impacts of products and services	Products - Food Safety & Quality <i>Supports UN SDG 16</i>

### GRI 417: MARKETING AND LABELING

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
417-1	Requirements for product and service information and labeling	Products - Consumer Education & Information <i>Supports UN SDG 12</i>
417-2	Incidents of noncompliance concerning product and service information and labeling	Products - Food Safety & Quality <i>Supports UN SDG 16</i>
417-3	Incidents of noncompliance concerning marketing communications	About Hormel Foods - Responsible Marketing <i>Supports UN SDG 16</i>

### GRI 418: CUSTOMER PRIVACY

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<i>No incidents to report</i> <i>Supports UN SDG 16</i>

### GRI FOOD PROCESSING SECTOR SUPPLEMENT

GRI STANDARD	DESCRIPTION	LOCATION/INFORMATION
FP1	Percentage of purchased volume from suppliers compliant with the company's sourcing policy	Supply Chain
FP3	Percentage of working time lost due to industrial disputes, strikes and/or lock-outs by country	People - Inclusion & Diversity <i>Supports UN SDG 8</i>
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 <i>Supports UN SDG 2</i>
FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars	Products - Nutrition & Wellness  <i>We disclose examples of our efforts to reduce added sugars and sodium in our products</i>  <i>We will work to include the percentage of total sales volume by product category that are lowered in saturated fat, trans fats, sodium and added sugars in future reports</i>  <i>Supports UN SDG 2</i>
FP8	Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements	Products - Consumer Education & Information <i>Supports UN SDG 2</i>
FP11	Percentage and total of animals raised and/or processed, by species and breed type, per housing type	Raising Our Animals <i>We disclose housing types, but do not disclose percentages</i>
FP12	Policies and practices on antibiotic, anti-inflammatory, hormone and/or growth promotion treatments, by species and breed type	Supply Chain - Antibiotic Stewardship <i>Supports UN SDG 2</i>
FP13	Total number of incidents of noncompliance with laws and regulations and adherence with voluntary standards related to transportation, handling and slaughter practices for live terrestrial and aquatic animals	Supply Chain - Animal Care

## Data Summary

Additional data/information can be found in each section of this report. For additional information about our environmental efforts and performance, please see our [CDP climate change response](#) and [CDP water security response](#).

TYPE	UNIT	2020	2021
<b>Employees worldwide</b>	Number (approximate)	More than 19,000 62% male 38% female 52% ethnic minorities	More than 20,000 62% male 38% female 57% ethnic minorities
<b>Countries where our products are sold</b>	Number (approximate)	80	80
<b>Countries where our products are manufactured</b>	Number	See our <a href="#">corporate website</a>	See our <a href="#">corporate website</a>
<b>U.S. manufacturing facilities</b>	Number	More than 30	More than 40
<b>Net sales</b>	U.S. dollars, millions	\$9.6 billion	\$11.4 billion
<b>Categories in which our brands held the No. 1 or No. 2 share</b>	Number	More than 40	More than 40
<b>Capital expenditures</b>	U.S. dollars, thousands	\$368 million	\$232 million
<b>Income tax expense</b>	U.S. dollars, thousands	\$206 million	\$217 million
<b>Community investments</b>	U.S. dollars, thousands	\$8.2 million	\$8.5 million
<b>New items launched (retail and foodservice)</b>	Number	More than 500	More than 400
<b>Clean-label projects completed</b>	Number	12	13
<b>Product recalls</b>	Number	1	0
<b>Purchases from new suppliers</b>	Percentage	5%	3%
<b>Purchases from diverse businesses</b>	U.S. dollars, thousands	NA	\$1.3 billion
<b>Animal care audits</b>	Number	More than 1,900	More than 2,300

TYPE	UNIT	2020	2021
<b>Air emissions</b>	Metric tons CO2-e	Total emissions: 730,739 metric tons  Direct: 276,021 metric tons  Indirect: 454,718 metric tons  Emissions reduction from our manufacturing facilities: 5,700 metric tons  Normalized emissions for our manufacturing facilities: 0.288 metric tons of CO2-e per ton of products sold	Total emissions: 1.2 million metric tons  Direct: 668,817 metric tons  Indirect: 517,537 metric tons  Emissions reduction from our manufacturing facilities: 21,364 metric tons  Normalized emissions for our manufacturing facilities: 0.492 metric tons of CO2-e per ton of products sold
<b>Energy use</b>	Direct: MMBtu/sales tonnage Indirect: Kilowatt hours (kWh)/sales tonnage	Total: NA Energy savings: 98,000+ MMBtu Normalized direct: 2.18 MMBtu/sales tonnage Normalized indirect: 309 kWh/sales tonnage	Total: 7.7 million MMBtu Energy savings: nearly 98,000 MMBtu Normalized direct: 2.03 MMBtu/sales tonnage Normalized indirect: 338 kWh/sales tonnage
<b>Water use</b>	Cubic meters/sales tonnage	Total: 4.65 billion gallons Water reduction project savings: 119 million gallons Normalized usage: 7.9 cubic meters/sales tonnage	Total: 4.5 billion gallons Water reduction project savings: 42 million gallons Normalized usage: 7 cubic meters/sales tonnage
<b>Solid waste</b>	Pounds/sales tonnage	Total: NA Solid waste savings: 38 tons Normalized total solid waste: 0.022 tons/sales tonnage	Total: 44,051 tons Solid waste savings: 509 tons Normalized total solid waste: 0.018 tons/sales tonnage
<b>Packaging reduction</b>	Pounds, thousands	553,000 pounds	727,000 pounds
<b>Environmental noncompliance</b>	Number of individual findings	3*	6*
<b>Employee turnover rate</b>	Percentage	22.5% total	Salaried: 9% Hourly: 42%
<b>Total Case Incident Rate (TCIR)</b>	Number of recordable incidents per 100 full-time employees	2.6	2.3
<b>Days Away from Work Injury and Illness (DAFWII)</b>	Number of cases that involve days away from work per every 100 full-time employees	0.6	0.6
<b>Days Away, Restricted or Transfer (DART)</b>	Number of injuries or illnesses resulting in days away from work, restricted work activity or job transfer per every 100 full-time employees	1.7	1.4
<b>Training hours</b>	Average number of hours per employee	30	38

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

# About Hormel Foods

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

We're not just inspired to make great food, we're inspired to make a difference. Hormel Foods, based in Austin, Minn., is a global branded food company with \$11 billion in annual revenue. Our brands include *SKIPPY*<sup>®</sup>, *SPAM*<sup>®</sup>, *Planters*<sup>®</sup>, *Hormel*<sup>®</sup> *Natural Choice*<sup>®</sup>, *Jennie-O*<sup>®</sup>, *Applegate*<sup>®</sup>, *Justin's*<sup>®</sup>, *WHOLLY*<sup>®</sup>, *Hormel*<sup>®</sup> *Black Label*<sup>®</sup> and many more.

Throughout 2021, Hormel Foods received numerous awards from publications, including being named one of America's Most Responsible Companies by Newsweek magazine, one of the 50 Best Companies to Sell For by Selling Power, a Best for Vets Employer by Military Times and one of the World's Top Female-Friendly Companies by Forbes. In addition, we were recognized with several Impact Awards by Progressive Grocer for our educational support and food security social responsibility programs.

## 2021 at Hormel Foods

**20K<sup>+</sup>**

team members  
worldwide

**80<sup>+</sup>**

countries where our  
products are sold

**\$11.4**

billion net sales

**\$232**

million in capital expenditures

**\$217**

million income tax expense

**40<sup>+</sup>**

manufacturing facilities  
(end of fiscal 2021)

**\$8.5<sup>+</sup>**

million provided in cash and  
products to help others



## Governance & Financials

At Hormel Foods, we recognize that our sustainability practices must align with our financial goals, and thus, corporate responsibility serves as a guide to our day-to-day business operations. In this way, we excel as a company and improve our corporate responsibility performance while adhering to high ethical standards.

# 15%

Dividends over the past 10 years have grown almost 15% on average.

### CORPORATE GOVERNANCE

The Hormel Foods Board of Directors oversees all activities of the company and assumes the responsibility to ensure that its performance is based on strong ethical practices and is aligned with our Code of Ethical Business Conduct. In fiscal 2021, the Hormel Foods Board of Directors consisted of 12 members, 11 of whom were independent. Four of our Board of Director members were women and five were persons of color.

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

### CORPORATE RESPONSIBILITY GOVERNANCE

The Hormel Foods Corporate Responsibility (CR) Steering Committee is comprised of company executives who provide direction and approval for the company's corporate responsibility activities. The chair of the committee provides regular updates to our chief executive officer.

In addition, the Governance Committee of the Hormel Foods Board of Directors has oversight of our corporate responsibility activities. Additional information about the responsibilities of this committee can be found on our corporate website at: [investor.hormelfoods.com/governance](http://investor.hormelfoods.com/governance).

### FINANCIALS

Fiscal year 2021 marked the 55th consecutive year the company has increased its annual dividend. Dividends over the past 10 years have grown almost 15% on average.

Hormel Foods continues to deliver strong financial results. Diluted earnings per share in 2021 were the same as the previous year. Since 2011, our diluted earnings per share have grown at a compound annual growth rate of 6.7%.

To read more about additional governance topics, such as risk management, visit our corporate website. To read more about our financial performance, please see our 2021 Annual Report.





**\$595K+**

In calendar year 2021, we spent over \$595,000 on lobbying.

**0**

incidents

In 2021, we did not have any incidents of noncompliance with regulations or voluntary codes concerning marketing communications.

## Public Policy

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

As a leader in the industry, we are involved in lobbying efforts to help create an open dialogue about our company's mission. In 2021, these efforts and activities primarily focused on agriculture, food labeling, health and labor/workplace issues, U.S. trade policies, COVID-19 aid packages and COVID-19 vaccine distribution.

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

In calendar year 2021, we spent over \$595,000 on lobbying. From our employee-funded Political Action Committee (PAC), we contributed \$5,000 to the North American Meat Institute PAC and \$5,000 to the Consumer Brands Association PAC. Individual contributions to political parties are allowed, but the company does not directly contribute to political parties or individual candidates.

## Responsible Marketing

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

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

# Products

**PRODUCING SAFE, QUALITY PRODUCTS TO HELP FEED THE WORLD**

We launched over 400+ new items in 2021.

---

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

We believe good food should be available to everyone – food that is affordable, safe, nutritious and delicious. Throughout the COVID-19 pandemic, we continued to produce food to help feed the world while also advancing our sodium-reduction, clean-label and innovation efforts. We also continued to diversify our portfolio of products to offer consumers a wide range of options to meet their needs.

In June 2021, we acquired the *Planters*<sup>®</sup> snack nuts business. The acquisition included the *Planters*<sup>®</sup>, *NUT-rition*<sup>®</sup>, *Planters*<sup>®</sup> Cheez Balls and *Corn Nuts*<sup>®</sup> brands, and complements our other snacking brands such as *Hormel Gatherings*<sup>®</sup>, *Columbus*<sup>®</sup>, *Justin's*<sup>®</sup>, *SKIPPY*<sup>®</sup>, *Herdez*<sup>®</sup> and *WHOLLY*<sup>®</sup>.

---

## 2021 Product Highlights

13

clean-label projects completed

6

products recognized with Progressive Grocer Editors' Picks awards

15%

of our sales came from innovative new items



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



### **20 BY 30 CHALLENGE GOALS**

As part of our 20 By 30 Challenge, we are striving to achieve the following goals by 2030:

- Continue to offer high-quality, safe, affordable and convenient products that meet a wide range of consumer preferences and needs.
- Continue our clean-label initiative and efforts to reduce added sugars and sodium in our products and increase desirable ingredients to nourish a diverse population.
- Achieve 15% of sales from new products each year.\*

These ambitions help support UN Sustainable Development Goals 2, 3 and 12.

\*Based on net sales for new items launched within the previous three years and the projected sales for items scheduled to launch in the next two years, divided by total reported sales for the year.



**13**  
Clean-label  
Projects  
were completed in 2021

## Nutrition & Wellness

As part of our 20 By 30 Challenge, we are committed to offering a wide array of high-quality, safe, affordable and convenient products that meet the preferences and needs of consumers.

Our team worked tirelessly to deliver on our commitment and as a result, we launched over 400 new retail and foodservice products. Examples of some of our new products that launched in 2021 are: *Hormel*™ pretzel bites and cheese tray, *Hormel*® *Black Label*® classic country style bacon and *Applegate Naturals*® *Do Good Dog*™ hot dog.

Our Health, Science and Wellness Advisory Council (a cross-functional team consisting of research and development, marketing, consumer insights, regulatory affairs and packaging) is in place to discuss and respond to health and wellness issues, and consumer trends. The council develops initiatives and strategies for our entire product portfolio.

Throughout the year, we focused on efforts to reduce added sugars and sodium in our products. For example, we created a sugar-free lemon and chocolate pudding for a major retail customer and reduced sodium in foodservice products such as our *Hormel*® reduced sodium oven roasted turkey breast log, *Jennie-O*® reduced sodium turkey breast and *Natural Choice*® reduced sodium pot roast. We will continue to nourish a diverse population and reduce added sodium and sugars in our products while increasing desirable ingredients whenever possible.

## CLEAN-LABEL INITIATIVE

We continue to advance our clean-label initiative to simplify the ingredient statements of many of our retail products through the removal or replacement of ingredients, while still delivering the great-tasting items that consumers expect. This means products are evaluated for opportunities to simplify ingredient lists, use ingredients familiar to consumers, and remove artificial colors and flavors.

In 2021, 13 clean-label projects were completed. These included *Hormel*<sup>®</sup> *Natural Choice*<sup>®</sup> hardwood smoked lunchmeats, *SKIPPY*<sup>®</sup> peanut butter spread no sugar added, *Justin's*<sup>®</sup> refrigerated protein bars and *Hormel*<sup>®</sup> *Culinary Cookers*<sup>™</sup> products.

Our Foodservice division is focusing on clean labels as well. Knowing foodservice operators and their patrons desire their ingredients and menu items to reflect what they find in their pantries, all Hormel Foods Foodservice innovation efforts will continue to be chef-inspired with easily recognized ingredients, smart sodium levels and on-trend preparation methods. The company has a diverse portfolio of innovative product successes, including *Hormel*<sup>®</sup> *Fire Braised*<sup>™</sup> meats, *Hormel*<sup>®</sup> *Natural Choice*<sup>®</sup> meats and *Hormel*<sup>®</sup> *FUSE*<sup>™</sup> burgers. These items are 100% natural (minimally processed with no artificial ingredients) with zero preservatives, no artificial colors, and no nitrites or nitrates except for those that occur naturally. In addition, they have no gluten-containing ingredients.

## HORMEL HEALTH LABS

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

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

Please visit [HormelHealthLabs.com](https://www.HormelHealthLabs.com) for more information.

## PLANT-BASED PROTEIN OPTIONS

We are proud to offer a wide array of plant-based retail and foodservice items. Examples include our line of *SKIPPY*<sup>®</sup> peanut butter products, *Justin's*<sup>®</sup> nut butter products and our *Happy Little Plants*<sup>®</sup> products. Our Burke Corporation subsidiary, a leader in foodservice fully cooked meats and ingredients, launched *Burke*<sup>®</sup> alternatives plant-based products in 2020. Powered by pea protein, *Burke*<sup>®</sup> alternatives products include a fully cooked crumble and uncooked ground products. Our acquisition of the *Planters*<sup>®</sup> snack nuts business in 2021, which includes the *Planters*<sup>®</sup>, *NUT-rition*<sup>®</sup>, and *Corn Nuts*<sup>®</sup> brands, has expanded our plant-based protein options even further.



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

## Food Safety & Quality

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

Food safety systems are overseen by company personnel, independent third parties, the U.S. Department of Agriculture and the U.S. Food and Drug Administration. We are happy to report that as a result of our ongoing food safety efforts, we did not issue any product recalls in 2021.

All team members receive food safety training appropriate for their responsibilities within the company. In addition, the Hormel Foods Food Safety Steering Committee oversees the operation of three important food safety task forces: prevention and detection, assurance, and training. Our Hormel Foods quality management team members continue to drive improvement by challenging themselves to meet aggressive key results for food safety improvement.

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

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

For more information about our food safety and quality program, visit our corporate website.

[HormelFoods.com/responsibility/products](https://www.hormelfoods.com/responsibility/products)



In 2021, Hormel Foods donated **\$6.6 million** in cash and products to support **hunger-relief efforts**.

## Food Access & Affordability

As a global branded food company, we understand the importance of access to affordable, nutritious food to nourish the world's growing population.

We focus our efforts on donating products to help those in need, supporting hunger-relief organizations and offering a wide variety of products to meet the needs of consumers. In 2021, Hormel Foods donated \$6.6 million in cash and products to support hunger-relief efforts (or more than 8.4 million individual meals\*). This includes our donation of 2.1 million cans of our SPAMMY® product, a shelf-stable poultry product designed to help prevent childhood malnutrition in Guatemala.

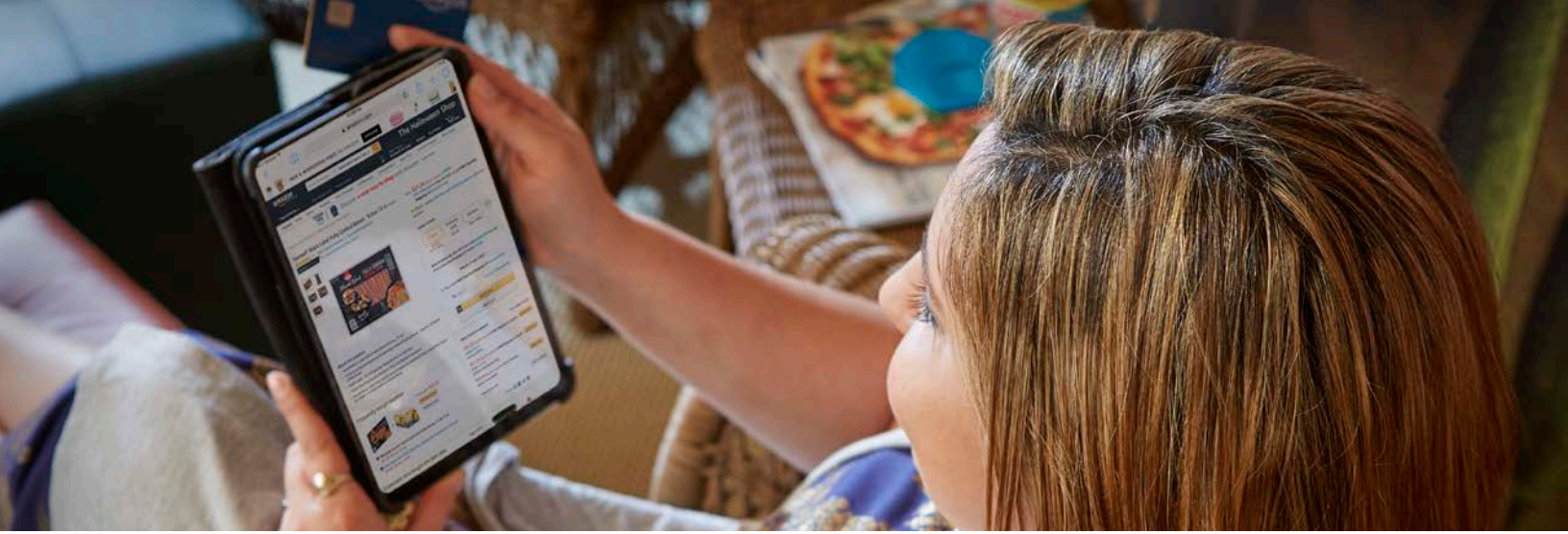
We produce food items that range from meat products and shelf-stable meals to peanut butter, guacamole products and more. We offer a variety of sizes at various prices for most of our products.

For additional information about the wide variety of our brands and products, please visit our corporate website.

[HormelFoods.com/brands](https://www.HormelFoods.com/brands)

For information about our efforts to donate products to help those in need and support hunger-relief organizations, please visit the community section (pg. 71) of this report.

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



**89K<sup>+</sup>**  
Contacts

Our in-house consumer engagement team fielded more than 89,000 contacts in 2021.

## Consumer Education & Information

It is important to provide consumers with the information they need to determine which products meet their nutritional needs.

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

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

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

Our in-house consumer engagement team, another excellent resource for consumers, is available to provide information and answer questions via mail, phone, email and social media. In 2021, this team fielded more than 89,000 contacts.





# 15%

## Sales From New Items

Fifteen percent of sales in 2021 were generated from new products.\*

### NEW OPTIONS & RECOGNITION

In 2021, we launched over 400 retail and foodservice items. These items included the *Hormel*™ pretzel bites and cheese tray, *Hormel*® *Black Label*® classic country style bacon and *Applegate Naturals*® *Do Good Dog*™ hot dog. Our *Hormel*™ pretzel bites and cheese tray was selected as a winner of the 2021 Food Network Magazine's Supermarket Awards. In addition, the following products were recognized with Progressive Grocer Editors' Picks awards:

- *Herdez*® avocado hot sauce;
- *Hormel*® *Black Label*® thick cut ranch bacon;
- *Hormel*™ *Black Label*™ *Breakfast Combos*™ products;
- *Hormel*™ pretzel bites and cheese tray;
- *Justin's*® refrigerated protein bars; and
- *SKIPPY*® peanut butter squeeze pouch.

\*Based on net sales for new items launched within the previous three years and the projected sales for items scheduled to launch in the next two years, divided by total reported sales for the year.

## Innovation

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

We continue to focus on understanding the ever-changing needs of our consumers and customers through observations, conversations and ethnography. This work feeds our innovation efforts as we design products that meet the lifestyles, life stages and needs of our global consumer base. As part of our 20 By 30 Challenge, our goal is to achieve 15% of sales from new products each year.\* We are proud to report we achieved this goal in 2021.

Our innovation management team supports our product innovation efforts and is responsible for major new product development projects in our company. We have a system for measuring key indicators to help manage the new product innovation process and a formalized companywide governance system to maintain the necessary checks and balances of our product innovation process. In addition, we hold an annual summit for team members involved in innovation and have an Innovation Steering Committee that meets quarterly to review the company's innovation progress.

We established our internal Innovation Best of the Best competition to recognize teams and highlight our focus on successful innovation. In 2021, our *WHOLLY*® convenience avocado product team was named our Innovation Best of the Best champion for creating a no added preservatives line of diced and smashed avocados in a ready-to-use format.

Our consumer and shopper insights team, along with our dedicated cultural anthropologist, regularly engages with our consumers and customers to ensure our brands and products remain current and relevant. In addition, our consumer engagement team is dedicated to maintaining strong relationships with our consumers. In 2021, the consumer engagement team fielded more than 89,000 consumer contacts. Through these efforts, we keep the cultural reference of food front and center to all decisions.

# Supply Chain

Our purchasing spend with diverse businesses was \$1.3 billion in calendar year 2021.

## ENSURING SUSTAINABLE AND ETHICAL PRACTICES

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

### SUPPLIER CODE OF CONDUCT AND SOURCING POLICIES

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

In addition, we work closely with our palm oil and South American beef suppliers to ensure they comply with these principles as well as additional requirements we have outlined. We made a commitment to source only sustainable palm oil that is fully traceable to the plantation level by the end of 2025. We have made significant progress toward this commitment and reached 77% of our goal at the end of 2021. We will continue working with our suppliers to reach our 100% traceability goal.

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

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

### SUPPLIER ASSESSMENT

We have established supplier quality management (SQM), which evaluates our suppliers based on quality, delivery, service, technology and price. Our ingredient suppliers are subject to additional measurements to further ensure quality and food safety. Suppliers that exceed our established standards are eligible for our annual Hormel Foods Spirit of Excellence Awards. In 2021 alone, we recognized 61 suppliers for their performance.

In 2021, we implemented an online survey assessment process with our suppliers to evaluate their environmental, social and governance (ESG) performance. Third-party audits may be conducted based on the results of these assessments. We will report additional information about this initiative in future reports. We also meet with our top suppliers annually to evaluate their initiatives and review service metrics along with diverse business spend and sustainability. This includes environmental and social responsibility, as well as business drivers for the upcoming year. We report our internal results through a third party for our customers.

**61**  
Spirit Of Excellence  
Awards  
given to suppliers for performance

As part of our commitment to supply chain sustainability management, we require all ingredient suppliers to have third-party food safety audits. In addition, in 2021 we conducted eight food safety supplemental audits. If suppliers are found to be noncompliant, appropriate action is taken — up to and including termination.

Hormel Foods values the long-standing relationships we have established with our suppliers. In fact, in calendar year 2021 only 3% of our purchases were from new suppliers.



### SUPPLIER DIVERSITY PROGRAM

We aim to continue to increase our purchasing spend annually with small and diverse businesses. In addition to ensuring our suppliers comply with the food safety standards recognized by the Global Food Safety Initiative (GFSI), we make a concerted effort to give diverse companies, such as small, women-owned, minority-owned and veteran-owned businesses, the opportunity to supply quality products that meet our company's growing

business needs. In calendar year 2021, our purchasing spend with small and diverse businesses was \$1.3 billion. This amount includes independent family-owned hog farms.

For additional information about our supply chain, please visit our [corporate website](#).



### 20 BY 30 CHALLENGE GOALS

As part of our 20 By 30 Challenge, we are striving to achieve the following goals by 2030:

- Maintain high standards for animal care and handling throughout our supply chain.
- Advance our antibiotic stewardship efforts and pilot an antibiotic use measurement and reporting system.
- Continue to increase our purchasing spend annually with small and diverse businesses.

These ambitions help support UN Sustainable Development Goals 3, 8, 10 and 12.



**2,300<sup>+</sup>**  
Audits

More than 2,300 audits were conducted to ensure our standards are being met.

**2021**  
Spirit Of  
Excellence  
Awards

**2**  
awards for provisions

**10**  
awards for procurement

## Animal Care

As part of our 20 By 30 Challenge, we are committed to maintaining high standards for animal care and handling throughout our supply chain.

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

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

### ANIMAL STEWARDSHIP POLICY

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

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

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

# 1,100+

Hog Audits

We have developed industry-leading standards in conjunction with animal care experts, including renowned authorities on humane animal husbandry. These veterinarians and animal behavior experts help us to create a blueprint that ensures every animal is raised in a healthy environment and treated with care, respect and compassion throughout its life. Our network of family farm suppliers understands and shares these values.

Hormel Foods has a zero-tolerance policy toward the mistreatment of animals.

We have strict requirements related to animal care, overseen by veterinarians, third-party experts and a team of animal welfare professionals at Hormel Foods.

In addition to these principles, we have additional requirements for hogs and turkeys. Our Applegate subsidiary has additional animal care requirements as well. Applegate works with third-party certifiers such as Global Animal Partnership® and Certified Humane® to ensure animals are raised and handled in ways that honor the Five Freedoms of Animal Welfare. Applegate requires all its suppliers to meet third-party certified animal welfare standards. For more information about our animal care and antibiotic stewardship efforts, please visit our corporate website.

[HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility)

# 1,100+

Turkey Audits

## HOGS

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

Our annual Spirit of Excellence Awards recognize hog producers that exemplify our commitment to quality at Hormel Foods. In 2021, we recognized two suppliers in the provisions category and 10 suppliers in the procurement category.

Quality assurance and operations personnel perform daily internal audits in our processing facilities to maintain our high standards. In 2021, 51 external audits were performed by outside auditors in our processing facilities. Internally, we participated in 1,088 formal audits, and 17 audits were conducted by company management at our processing facilities on an unannounced, random basis.

In 2021, we did not have any notices of intended enforcement from the Food Safety and Inspection Service as a result of material noncompliance with laws and regulations related to our transportation, handling and slaughtering practices.

For additional information about our quality assurance requirements related to hogs, including information about California Proposition 12 and Massachusetts Question 3 compliance, please visit our corporate website.

## TURKEYS

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

In 2021, 854 internal audits were conducted by the Jennie-O Turkey Store live production quality assurance department, and 284 production National Turkey Federation audits were performed by managers and supervisors of live production. In addition, seven audits were conducted by external auditors at our live production facilities.

Daily internal audits at Jennie-O Turkey Store processing facilities conducted by quality assurance and operations personnel help maintain our high standards. Jennie-O Turkey Store participated in seven internal formal audits, and 70 audits were conducted by company managers at processing facilities on an unannounced, random basis. Four additional audits were also performed by outside auditors in our processing facilities.

In 2021, we did not have any notices of intended enforcement from the Food Safety and Inspection Service as a result of material noncompliance with laws and regulations related to our transportation, handling and slaughtering practices.



We have published a report that provides more details about our antibiotic stewardship program and metrics from some of the farms in our supply chain.

## Antibiotic Stewardship

We understand the importance of using antibiotics responsibly in all settings, including animal agriculture. That's why we are committed to advancing our antibiotic stewardship efforts and piloting an antibiotic use measurement and reporting system through our 20 By 30 Challenge,

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

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

→ **Reducing the use of antibiotics** — Reducing the need for antibiotics has been and continues to be important to us. We focus our efforts on keeping our animals healthy so antibiotics aren't needed. For example, we employ seven veterinarians at our Jennie-O Turkey Store subsidiary and partnered with a leading veterinary clinic to help define long-term health strategies for our company-owned sow farm. We also continue to research ways to use products such as prebiotics, probiotics and essential oils to maintain turkey health and welfare (learn more in [our white paper](#)). In addition, veterinarians monitor and evaluate the health and welfare of all our animals, as well as our antibiotic use, on an ongoing basis.

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

→ **Producing raised-without-antibiotics products** — Hormel Foods has invested in producing raised-without-antibiotics products. In fact, our Applegate® brand represents a significant commitment in this regard. Our Applegate® product portfolio is produced entirely from animals raised without antibiotics. If antibiotics are given to an animal, that animal does not enter the Applegate supply chain. In addition, we offer several raised-without-antibiotics foodservice items, Columbus® products and Jennie-O® products.



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

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

The 15 core components of the antibiotic stewardship framework are based on the importance of veterinary guidance and partnership, disease prevention strategies and optimal treatment approaches, as well as effective record-keeping and a culture of continuous improvement and commitment to antibiotic stewardship.

The components address education, implementation and evaluation steps for phasing in stewardship programs. The framework's guiding principles are intended to help ensure stewardship programs have a clear scientific basis, are transparent, minimize the risk of unintended consequences, encourage alternatives to antibiotics, and focus on long-term sustainability.

We are proud to share more about our efforts in our Antibiotic Stewardship Report. In alignment with our 20 By 30 Challenge goal to pilot an antibiotic use measurement and reporting system, this special supplemental report provides more details about our antibiotic stewardship program and metrics from some of the farms in our supply chain. This comprehensive and transparent report provides antibiotic usage data over the last few years for most of Jennie-O Turkey Store's turkey supply, as well as for three systems that support our Hormel Foods pork supply. In addition, the report provides detailed information about our antibiotic stewardship program, which is based on four principals: management, preventive medicine, veterinary oversight and continuous improvement.

**We are also committed to the following next steps:**

→ We will strive to achieve a 10% year-over-year reduction in medically important antibiotic use at our company-owned turkey farms and company-owned sow farm, with the understanding that health challenges may arise that could result in the goal not being met during certain years.

→ We began including the use of medically important antibiotics, by class, in our antibiotic stewardship report for our company-owned turkey farms and our company-owned sow farm in 2021. We will include the use of medically important antibiotics, by class, for the remaining farms that are already included in our antibiotic stewardship report beginning with calendar year 2022.

→ We will strive to eliminate the routine use of medically important antibiotics at our Jennie-O Turkey Store farms beginning in 2022, and on our company-owned sow farm by 2025.\* We currently use one medically important antibiotic at our company-owned sow farm. We will launch a study in 2022 with our veterinary partner to identify the changes needed to eliminate the routine use of this antibiotic (such as potential management changes and husbandry techniques). Subsequently, we will implement any identified changes as long as they align with our high animal welfare standards.

→ We will look for an opportunity to pilot the Certified Responsible Antibiotic Use (CRAU) Pork Standard with a partner supplier from wean to finish.

We will report our progress on these commitments in future reports, our antibiotic stewardship reports and on our corporate website.

\*As defined in the "Critically Important Antimicrobials for Human Medicine: 6th Revision" by the World Health Organization. Routine use means antibiotic use for disease prevention purposes. For example, treating all animals in a flock or herd at a certain time as a regular practice (such as at weaning or before shipping) is by definition routine use even if administered to individual animals of that flock or herd by injection. In addition, antibiotics delivered through animal feed, water, injectable or any other delivery mechanism, to a group of animals that has not been diagnosed with a transmissible bacterial infection is also considered routine use.



**We assessed several regenerative agriculture projects.** In addition, our Applegate subsidiary launched the *Applegate Naturals® Do Good Dog™* hot dog made with beef raised on verified regenerative U.S. grasslands.

## Regenerative Agriculture

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

That's why we have developed a **Sustainable Agriculture Policy** that applies to our direct suppliers, including our family farms and growers.

Regenerative agriculture can help restore soil, prevent erosion and mitigate climate change. One of our 20 By 30 Challenge goals is to support regenerative agriculture initiatives. We assessed several regenerative agriculture projects in 2021. In addition, our Applegate subsidiary launched the *Applegate Naturals® Do Good Dog™* hot dog made with beef raised on verified regenerative U.S. grasslands.





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

## Farmer Livelihoods

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

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

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

[HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility)

# Environment

## ADVANCING ENVIRONMENTAL SUSTAINABILITY

We are inspired to do our part to make the world a better place. That's why we place great emphasis on minimizing environmental impacts when producing products for our customers and consumers around the world. In this spirit, we're committed to demonstrating climate leadership through our environmental programs and 20 By 30 Challenge goals.



We are on track to have an **approved science-based target** for the reduction of greenhouse gas (GHG) emissions by 2023.

## Our Environmental Progress

### GHG EMISSIONS

We implemented projects that resulted in a reduction of over **21,000 metric tons** of GHG emissions from our domestic manufacturing facilities. In addition, we are on track to have an approved science-based target by 2023.

### ENERGY

We implemented projects that resulted in reduced energy use of nearly **98,000 MMBtu**. We were also able to improve our overall energy efficiency per sales ton by 1.3% and initiated or completed several renewable energy wind and solar projects that we anticipate will help us achieve 100% of our domestic renewable energy sourcing by the end of 2022.

### WATER

We successfully implemented projects that reduced water use by over **42 million gallons**. We also improved our annual water efficiency by 14%.

### WASTE

We implemented numerous projects that helped us reduce the amount of solid waste sent to landfills by more than **500 tons**, achieving our annual 1% reduction goal. In addition, we began the initial assessment of food waste in our supply chain as we work toward zero food waste.

### PACKAGING

Our packaging team's sustainability initiatives resulted in more than **727,000 pounds in savings**.\* In addition, we

added How2Recycle logos onto more than 250 items, including many *Hormel® Compleats®* microwave meals and *Hormel® Cure 81®* ham products.

### REGENERATIVE AGRICULTURE

We assessed several regenerative agriculture projects. In addition, our Applegate subsidiary launched the *Applegate Naturals® Do Good Dog™* hot dog made with beef raised on **verified regenerative** U.S. grasslands.

### FACILITY IMPROVEMENTS

We implemented more than **\$1.5 million in facility improvements** related to environmental sustainability efforts.\*\*

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

\*\*Excludes wastewater improvements.

## 2021 Environmental Highlights

### REDUCED GHG EMISSIONS

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

**\$1.5M<sup>+</sup>**

**IN FACILITY IMPROVEMENTS\*\***

### POUNDS IN SAVINGS\*

**727K<sup>+</sup>**  
pounds\*



### 20 BY 30 CHALLENGE GOALS

As part of our 20 By 30 Challenge, we are striving to achieve the following goals by 2030:

- Demonstrate climate leadership by establishing a science-based target (SBT) for the reduction of GHG emissions by 2023.
- Match 100% of our energy with renewable sourcing.
- Advance our water stewardship efforts through initiatives in our top six priority watersheds.
- Reduce organic waste discharge from our manufacturing facilities by 10% to decrease energy use and GHG emissions, and improve water quality.
- Work toward zero food waste.
- Focus on packaging sustainability efforts through research, innovation, on-package communications and optimizing package weight and shipping efficiencies.
- Support regenerative agriculture initiatives.

These ambitions help support UN Sustainable Development Goals 6, 7, 12 and 13.

In addition to our goals listed above, each year we aim to achieve a 1% reduction in energy use and solid waste sent to landfills, and a 2% reduction in water use. We also aim to achieve annual efficiency gains of 1% in energy and water use.

For additional information about our environmental sustainability progress, please visit the greenhouse gas emissions, energy, water, waste, packaging and regenerative agriculture sections of this report. Please also visit our corporate website for our Environmental Sustainability Policy and information about how we manage environmental compliance, and our [CDP climate change response](#) for additional information.



We are on track to have an **approved science-based target** for the reduction of greenhouse gas (GHG) emissions by 2023.

## Greenhouse Gas Emissions

In 2021, we implemented projects that resulted in a reduction of over 21,000 metric tons of GHG emissions from our domestic manufacturing facilities.

### GHG EMISSIONS SUMMARY

Total GHG emissions	1,186,354 metric tons
Direct GHG emissions	668,817 metric tons
Direct GHG emissions percentage	56%
Indirect GHG emissions	517,537 metric tons
Indirect GHG emissions percentage	44%
GHG emissions reduction from manufacturing facilities	21,364 metric tons
GHG emissions reduction percentage	7%
Normalized GHG emissions for our manufacturing facilities	0.492 metric tons of CO <sub>2</sub> -e per ton of products sold

Total GHG emissions for the year were 1.2 million metric tons (direct GHG emissions were 56% and indirect GHG emissions were 44%). Normalized GHG emissions for our manufacturing facilities were 0.492 metric tons of CO<sub>2</sub>-e per ton of products sold, which is a 14% reduction from the prior year. This is attributed to efficiency improvements in natural gas use.

As many in the world are calling for a carbon-neutral economy, Hormel Foods is preparing to join thousands of other businesses and financial institutions working with the Science Based Targets initiative (SBTi) to reduce emissions in line with climate science. As part of our 20 By 30 Challenge, it is our goal to demonstrate climate leadership by establishing a science-based target for the reduction of GHG emissions by 2023. In 2021, we worked on our Scope 3 GHG emissions analysis in preparation for submitting our preliminary goal to the SBTi for approval in 2022. We are pleased to report that we are on track to have an approved science-based target by 2023.



## RECENT PROJECTS TO REDUCE AIR EMISSIONS

# 2,000+

metric tons - GHG emissions saved

### Beloit (Wis.) Plant

The team at our Beloit Plant, which produces products such as *Hormel*<sup>®</sup> chili and *Hormel*<sup>®</sup> *Mary Kitchen*<sup>®</sup> hash, reduced natural gas usage by replacing steam heaters in the shipping and receiving area with energy-efficient infrared dock heaters. The new equipment allowed the plant to save more than 37,000 MMBtu of natural gas and reduced GHG emissions by more than 2,000 metric tons annually. This is enough savings to offset the GHG emissions from **providing energy to over 245 homes for one year.\***

# 1,600+

metric tons - GHG emissions saved

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

Team members at our Jennie-O Turkey Store Barron Plant were challenged to improve the efficiency of the plant's ammonia refrigeration system. Through hard work and determination, the team was able to save more than 2.3 million kWh of electricity annually and reduced GHG emissions by more than 1,600 metric tons, which is **equivalent to the emissions from over 350 gasoline-powered passenger vehicles driven for one year.\***

## RENEWABLE ENERGY INITIATIVES

One of our other 20 By 30 Challenge goals is to match 100% of our energy with renewable sourcing. That's why we are excited to have a portfolio of renewable energy wind and solar projects that were initiated or completed in 2021. Examples of these projects include the Western Trails wind project in Texas, Caddo wind site in southern Oklahoma and Haystack wind project in Nebraska. At the end of 2021, we achieved 7% of our global renewable energy sourcing goal. We anticipate we will achieve 100% of our domestic renewable energy sourcing by the end of 2022.

We also continued to support the renewable energy markets by subscribing to community solar gardens at five manufacturing locations, including our newest solar energy project that came online in 2021 at our Jennie-O Turkey Store facility in Montevideo, Minn. The 1.75-megawatt array will power more than 10% of the plant with renewable energy. We look forward to continuing our support of renewable energy through additional initiatives in the future.

## LOGISTICS

Given our worldwide presence, Hormel Foods relies on transportation via truck, train and ship to deliver our products to customers. We do so in a way that minimizes our impact on air quality. We transport our products as efficiently as possible by structuring pallet loads, reviewing product mixes and improving route planning. In 2021, load factors averaged approximately 60% of vehicle weight capacity. This was down from 79% the previous year primarily driven by COVID-19 challenges that caused reduced inventories and inventory allocations impacting truck weights.

We recognize that our methods of intermodal shipments need to be reassessed on a regular basis, and we continue to evaluate best practices. Intermodal shipments combine the best attributes of truck and rail shipping. For long distances, this method of transportation can reduce fuel use and GHG emissions by 70%, compared to truck-only moves.\*\* In 2021, we had over 9,300 intermodal shipments. Versus shipping solely by truck, these shipments accounted for approximately 15.3 million miles and saved more than 1.8 million gallons of diesel fuel.

To increase efficiencies, in 2020 we initiated a new logistics model that helps reduce the miles traveled from our distribution centers by moving them closer to our customers.

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

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

\*\*Average of the following sources:

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

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

**98K<sup>+</sup>**  
**MMBtu REDUCTION**  
 (nearly)

In 2021, we implemented projects that resulted in reduced energy use of nearly 98,000 MMBtu and initiated or completed several renewable energy wind and solar efficiency projects that we anticipate will help us achieve **100% of our domestic renewable energy sourcing by the end of 2022.**

## Energy

### ENERGY SUMMARY

Total energy use	7,680,877 MMBtu
Total direct energy use	4,897,638 MMBtu
Total indirect energy use	815,720,844 kWh
Percent of on-site renewable power	<1%
Percent of power use offset with renewable energy	7%
Energy savings	97,975 MMBtu
Energy reduction percentage	-6%
Efficiency gain percentage, total energy	1.3%
Efficiency gain percentage, direct energy	0.9%
Efficiency gain percentage, indirect energy	0.4%
Normalized energy	3.18 MMBtu/sales tonnage
Normalized direct energy	2.03 MMBtu/sales tonnage
Normalized indirect energy	338 kWh/sales tonnage

In 2021, we implemented projects that resulted in reduced energy use of nearly 98,000 MMBtu. Our total energy use was 7.7 million MMBtu.

### 2021 PROGRESS

Normalized direct energy (MMBtu/sales tonnage) in 2021 was 2.03 and normalized indirect energy (kWh/sales tonnage) was 338. Both direct and indirect energy use decreased over the prior year amounts due to efficiency improvements.

### NORMALIZED DIRECT ENERGY

**2.03**

MMBtu/sales tonnage

### NORMALIZED INDIRECT ENERGY

**388**

kWh/sales tonnage

## RECENT PROJECTS TO REDUCE ENERGY CONSUMPTION

# 40K<sup>+</sup>

MMBtu

### Dold Foods (Wichita, Kan.)

To reduce and improve the plant's overall energy consumption, team members at Dold Foods, which produces products such as *Hormel® Black Label®* bacon, optimized the facility's energy supply. The team devised a way to alternate its makeup air units and exhaust fans in designated areas, scheduled preventive maintenance tasks with no down time and reduced combustion emissions. The project saved annual natural gas and electrical resources amounting to over 40,000 MMBtu — **enough energy to offset over 5.5 million miles driven by an average gasoline-powered passenger vehicle.\***

# 108K<sup>+</sup>

kWh/month

### Knoxville (Iowa) Plant

A team at our Knoxville Plant, which produces products such as *Hormel®* pepperoni, replaced a condenser with a new equivalent condenser and connected it to a central sump to improve water treatment. After replacing the old condenser, the team achieved a savings of 108,000 kWh per month — **enough energy to power over 175 homes for one year.\***

## RENEWABLE ENERGY INITIATIVES

One of our 20 By 30 Challenge goals is to match 100% of our energy with renewable sourcing. That's why we are excited to have a portfolio of renewable energy wind and solar projects that were initiated or completed in 2021. Examples of these projects include the Western Trails wind project in Texas, Caddo wind site in southern Oklahoma and Haystack wind project in Nebraska. At the end of 2021, we achieved 7% of our global renewable energy sourcing goal. We anticipate we will achieve 100% of our domestic renewable energy sourcing by the end of 2022.

We also continued to support the renewable energy markets by subscribing to community solar gardens at five manufacturing locations, including our newest solar energy project that came online in 2021 at our Jennie-O Turkey Store facility in Montevideo, Minn. The 1.75-megawatt array will power more than 10% of the plant with renewable energy. We look forward to continuing our support of renewable energy through additional initiatives in the future.

For additional information about our environmental efforts and performance, please see our [CDP climate change response](#).

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



**2020 GOAL EXCEEDED BY**

**106%**

when combined with progress since 2012

**42M<sup>+</sup>**

gallon reduction

In 2021, we successfully implemented projects that reduced water use by over 42 million gallons. We also improved our annual water efficiency by 14%.

## Water

### WATER SUMMARY

Total water use	4.46 billion gallons
Water use change	14% reduction
Water reduction project savings	42.2 million gallons
Water use, reduction percent of annual use	1%
Normalized usage	7 cubic meters/sales tonnage
Efficiency change	14%
Organic waste discharge reduction percentage	Base year being established

In 2021, we successfully implemented projects that reduced water use by over 42 million gallons. Our total manufacturing water use during 2021 was 4.5 billion gallons.

### 2021 PROGRESS

Our water sources for our domestic manufacturing facilities are solely municipal utilities. We consistently look for ways to improve our equipment and engage our employees on an ongoing basis to achieve water use reduction through behavior-based initiatives. Normalized usage (cubic meters/sales tonnage) for 2021 was 7, a 14% decrease compared to our prior-year level.

Each year, we aim to achieve a 2% reduction in water use and an annual efficiency gain of 1% in water use. In 2021, we achieved a 14% reduction in water use. Our annual water use efficiency improved 14%. These results were due to the implementation of water reduction projects and increased production efficiencies.

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



**RECENT PROJECTS TO REDUCE WATER USAGE**

**9.2M<sup>+</sup>**  
gallons of water saved

**Jennie-O Turkey Store Barron (Wis.) Plant**

Our Jennie-O Turkey Store team saw an opportunity to save energy for the plant’s underfloor heating system and water rail sprayers. Quickly drafting a plan, the team reclaimed heat from an air compressor to eliminate underground heaters and developed a system that would automatically control the supply of water to the rail sprayers as needed. As a result, the heat recovery project saved over 700,000 kWh of energy annually and over 9.2 million gallons of water, **which is enough water to run an average shower head continually for seven years.**

**59K<sup>+</sup>**  
gallons of water saved

**Atlanta Plant (Tucker, Ga.)**

There was an opportunity at our Atlanta Plant, which produces products such as *Hormel*® chili and *Dinty Moore*® stew, to reduce the water needed to clean plastic buckets prior to recycling them. In addition to reducing over 50,000 pounds of waste sent to landfills, the plant achieved a savings of over 59,000 gallons of water annually, **which is enough water to fill over 375,000 20-ounce bottles of water.**

**WATER WITHDRAWAL SOURCE**

**84%** Groundwater      **14%** Surface water

**GROUNDWATER SOURCES**

**45%** Prairie Du Chien-Jordan Aquifer      **41%** Other      **14%** Quaternary Buried Artesian Aquifer

We have published our **Sustainable Agriculture Policy** and completed a high-level water risk assessment of our top suppliers through our participation in the AgWater Challenge. We are committed to advancing our water stewardship efforts through initiatives in our top six priority watersheds through our 20 By 30 Challenge. In 2021, we assessed several potential projects designed to help us achieve our goal. We look forward to sharing additional progress toward this goal in future reports.

**WASTEWATER MANAGEMENT**

The efficient treatment of process water is an important part of our operations and a key focus of our environmental programs. Whether by direct discharge or indirect discharge via municipal wastewater systems, treated process water from our manufacturing locations is distributed to the following watersheds (percentage denotes the breakdown of wastewater distribution to each location).

Upper Mississippi      Texas Gulf      Arkansas White Red      Other watersheds

**85%**      **6%**      **3%**      **6%**

For additional information, please see our **CDP water security response**.



**500<sup>+</sup>**  
ton reduction

We implemented numerous projects that helped us reduce the amount of solid waste sent to landfills by more than 500 tons, achieving our annual 1% reduction goal.

**RECENT PROJECTS TO REDUCE WASTE**

**36** tons recycled

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

The team at our Fontanini Foods facility, which produces a variety of foodservice meats and sausages, identified an opportunity to recycle spice bags. The team implemented a process to collect the bags and installed a bailer to make it easier to recycle them. As a result, 36 tons of spice sacks are now being recycled each year, **which is equivalent to recycling more than five garbage trucks of waste instead of sending it to a landfill.**

**250<sup>+</sup>** gallons recycled

**Osceola (Iowa) Food**

Team members at our Osceola Food facility, which produces *Hormel® Cure 81®* hams and *Hormel® Natural Choice®* products, saw an opportunity to improve their hydraulic horsepower pumps. Through testing and analysis, they determined the oil from these pumps could be recycled to a quality better than new and used in other hydraulic equipment. After tracking and monitoring quarterly oil usage, the team installed higher efficiency filtration systems to keep the oil clean. As a result, the team was able to decrease new oil usage by 1,000 gallons and recycle 250 gallons of used oil.

**Waste**

**WASTE SUMMARY**

Solid waste total	44,696 tons
Solid waste savings	509 tons
Solid waste sent to landfills reduction percentage	1%
Efficiency gain percentage	16%
Normalized total solid waste	0.018 tons/sales tonnage
Additional metrics	41,719 tons – sent to landfill 2,977 tons – waste to energy 49,179 tons – recycled 120,839 tons – beneficial use

**Reducing solid-waste generation across our operations continues to be an important environmental initiative for Hormel Foods.**

In 2021, we implemented numerous projects that helped us reduce the amount of solid waste sent to landfills by more than 500 tons, achieving our annual 1% reduction goal. Our normalized total solid waste for 2021 was 0.018 tons per salable ton.

One of our 20 By 30 Challenge goals is to reduce organic waste discharge from our manufacturing facilities by 10% to decrease energy use and greenhouse gas emissions, and improve water quality. Through our various projects, we are working diligently to reduce the amount of waste discharge from our facilities. We are currently evaluating wastewater-loading reduction and treatment-improvement opportunities and will provide additional updates in future reports.

As part of our 20 By 30 Challenge, we are also working toward zero food waste. In 2020, we joined the 10x20x30 food waste initiative that brings together some of the world’s largest food retailers and suppliers to halve food loss and waste by 2030. This effort supports and takes a holistic approach to waste reduction and fighting food loss. In 2021, we began the initial assessment of food waste in our supply chain and published tips for consumers to help reduce food waste at home.

Hormel Foods has a rich history of donating food to those in need. To learn about our efforts, please visit the community section (pg. 71) of this report.

In addition, we divert food waste to beneficial end uses. Depending on the nature of the food waste and the location of the generation, our food waste can be used as animal feed, as feedstock for anaerobic digestion, as a composting substrate or as a synthetic nutrient substitute.



**727K<sup>+</sup>**

pound reduction

In 2021, we reduced product packaging by more than 727,000 pounds and added How2Recycle logos onto more than 250 items.\*

## Packaging

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

### 2021 PROJECTS SUPPORTING PACKAGING SUSTAINABILITY

**165K<sup>+</sup>**

pounds of material saved

#### **Justin's® Polyethylene Terephthalate (PET) Jars**

We are transitioning our Justin's® jars to those that use 30% less plastic in 2022. The new jars, which were redesigned, tested, and approved in 2021, will **save more than 165,000 pounds of material annually.**

**382K<sup>+</sup>**

pounds of material saved

#### **Hormel® Fully Cooked Entrees**

The packaging for Hormel® fully cooked entrees was redesigned to include 25% of material from post-consumer recycling. The project **saves more than 382,000 pounds of virgin material each year.**

**23K<sup>+</sup>**

pounds of material saved

#### **Club Party Trays**

By reducing the tray height on PET plastic trays and eliminating the shrink sleeve from the tray locking design, the packaging team was able to **save more than 23,000 pounds of plastic annually** for a club party tray product.

**114K<sup>+</sup>**

pounds of material saved

#### **Columbus® Turkey Bacon**

By improving the palletization pattern of Columbus® turkey bacon, the packaging team was able to reduce the number of pallets and trucks needed to ship the product. The reduction of pallets needed **saves more than 114,000 pounds of material annually.**

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

The packaging team collaborates with all departments and examines the entire supply chain for sustainability initiatives. One of our 20 By 30 Challenge goals is to focus on packaging sustainability efforts through research, innovation, on-package communications and optimizing package weight and shipping efficiencies. In 2021, we are pleased to have made progress in each of these areas. Numerous weight-savings projects were researched by implementing material reductions and investigating increased use of post-consumer recycled (PCR)/post-industrial recycled (PIR) content. In calendar year 2021, the packaging team initiated 25 projects and completed 13 projects. Combined, these projects resulted in more than 727,000 pounds of material savings.\*

Hormel Foods uses more than 73,000 unique items to package and produce our products, including corrugated paperboard, labels, films, cans, plastic bags, displays, glass containers, metal closures and plastic closures. Approximately 83% of our product packaging, by weight, is recyclable, and more than 30% is made from recycled materials.

### **ON-PACKAGE COMMUNICATIONS**

We are pleased to report that we are adding **How2Recycle** logos onto our packaging. How2Recycle is a standardized labeling system that communicates recycling instructions to consumers. In 2021, we added How2Recycle logos onto more than 250 items, including many *Hormel® Compleats®* microwave meals and *Hormel® Cure 81®* ham products. We will continue to add this information to our product packaging as packaging or labeling updates are made.



**We assessed several regenerative agriculture projects.** In addition, our Applegate subsidiary launched the *Applegate Naturals® Do Good Dog™* hot dog made with beef raised on verified regenerative U.S. grasslands.



We were recognized on the **U.S. Environmental Protection Agency's (EPA's) Fortune 500 list of the largest green power users from the Green Power Partnership (GPP).**

## Regenerative Agriculture

To learn more about our regenerative agriculture efforts, please see the supply chain section of this report.

---

## Recognition

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

In 2021, we received project entries from across the company in our Sustainability Best of the Best competition. Our Osceola (Iowa) Food team was named the winner for their project that focused on the recycling and reuse of hydraulic oil. The team was able to decrease new oil usage by 1,000 gallons from the 2020 average and recycle, via a filtering device, 250 gallons of used hydraulic oil. To learn more about this project, please visit the waste section of this report.

In 2022, Hormel Foods was recognized on the EPA's Fortune 500 list of the largest green power users from the GPP. The company's renewable wind and solar projects that were implemented in 2021 offset more than 53 million kilowatt-hours of power annually, which represents 7% of the total power needs of the company's operations.

# People

We provided approximately 38 hours of training per team member in 2021.

## ENHANCING LIVELIHOODS

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

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

## 2021 TEAM MEMBER BREAKDOWN

### TEAM MEMBERS BY LOCATION

92%

United States

5%

Asia

3%

other countries

### AGE WORKFORCE DEMOGRAPHICS

21%

under age 30

49%

between age 30-50

30%

over age 50

### TEAM MEMBERS WORLDWIDE

20K<sup>+</sup>

62%

male

38%

female



### 20 BY 30 CHALLENGE GOALS

As part of our 20 By 30 Challenge, we are striving to achieve the following goals by 2030:

- Promote and protect human rights within our operations and our supply chain.
- Provide the opportunity of a free two-year college education for all our team members' high school graduates.
- Foster a sense of belonging for everyone, where our team members feel respected and valued by empowering them with opportunities, equitable treatment and a voice to make Hormel Foods better for all. In addition, we aim to increase the number of women in salaried roles by 25% and the number of underrepresented racial and ethnic minorities in salaried roles by 25% by 2025.
- Provide a safe workplace for all our team members and reduce our injury rates each year.
- Invest in our team members by providing an average of at least 25 hours of training per team member annually.

These ambitions help support UN Sustainable Development Goals 4, 5, 8 and 10.

## Additional Highlights

# 38

training hours on average per team member

# 9

Employee Resource Groups

# 50%

Team Members with 5+ years of service

# 57%

Of Our Team represented by ethnic minorities\*



### INSPIRED PATHWAYS PROGRAM

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



### A TOP FEMALE-FRIENDLY EMPLOYER

by Forbes

# 713K

training hours

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

## About Our Team

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

We are proud to report that 50% of our team members had five or more years of service, and our 38-person officer team had an average of 25 years of service in 2021. Our turnover rate was 9% for salaried team members and 42% for hourly team members.

### ABOUT OUR TEAM

**20K<sup>+</sup>**

team members  
worldwide

**62%**

male

**38%**

female

### ABOUT THEIR TENURE

**50%**

employees with 5+  
years of service

63% male; 37% female  
74% hourly; 26% salaried

#### OF THOSE 50% WITH FIVE OR MORE YEARS OF SERVICE:

**29%**

#### HAD 20+ YEARS OF SERVICE

64% male; 36% female  
72% hourly; 28% salaried

**9%**

#### HAD 30+ YEARS OF SERVICE

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

### ABOUT THEIR JOB TYPE

**19%**

salaried  
67% male; 33% female  
20% Ethnic Minorities

**81%**

hourly  
61% male; 39% female  
65% Ethnic Minorities

**1%**

part-time

**6%**

temporary

**20%**

Covered by CBAs  
(collective bargaining  
agreements)

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

\*See additional information in the inclusion & diversity section (pg. 68) of this report.





# 1,000

We completed approximately 1,000 safety assessments each month companywide to help ensure the safety of our team members.

# 15K

Team Members received monthly safety training



Robust Safety Program



State-Of-The-Art Health Center located in Austin, Minn.

## Safety, Health & Wellness

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

### COVID-19 SAFETY EFFORTS

Due to the COVID-19 pandemic, the company led with its Cultural Belief of Safety First as we continued to take heightened precautions to keep our team members safe in 2021. These included but were not limited to:

- Most office team members worked remotely until June 2021, when we began a phased approach of returning to work in our offices.
- We provided constant transparent and timely communication at all times during the pandemic, resulting in team members' citing the company's COVID-19 information as the most reliable source throughout the pandemic, based on company survey data. Communications were translated into more than a dozen languages.
- We continued to provide access to masks and personal protective face coverings for our plant professional team members.
- In addition to our high level of cleaning and sanitizing as part of our routine operations, we continued our enhanced sanitation procedures in all high-traffic and high-touch areas. Under the guidance of health care professionals, we continued to take our team members' temperatures and conducted wellness screenings prior to entering our facilities. We also provided on-site testing for team members.
- We continued social distancing in our production facilities by having staggered start times and staggered break times, and spreading out team members during breaks by using areas outside of the normal cafeteria spaces.
- Our company's Event Evaluation Committee, consisting of senior leaders, along with our risk management, operations and human resources teams, continued to work collaboratively to identify and mitigate risks, and develop processes to continue to provide a safe, secure working environment.
- We led the industry with educational and informational materials through our KEEP COVID OUT! campaign, cited as a blue-ribbon effort by the Centers for Disease Control and Prevention.

- We continued to provide our pay protection program to provide paid leave and benefits to any team members who were feeling unwell, quarantined due to close contact or who tested positive for COVID-19.
- We partnered with leading physicians and other health care experts from Mayo Clinic to host several town halls with our CEO to inform and educate our global workforce about COVID-19.
- We created a vaccine awareness campaign called Count Me In! and provided information to help our team members get vaccinations. We also held vaccination clinics at some of our locations.
- We provided mental health resources to our team members throughout the pandemic, including free virtual resources.

Additional information about our leading efforts to keep our team members safe throughout the pandemic can be found on our corporate website.

## **INJURY/ILLNESS RATES**

Our dedicated corporate safety department develops and administers companywide policies to ensure the safety of our team members and compliance with Occupational Safety and Health Administration (OSHA) standards. These policies also apply to our suppliers, contractors and visitors while they are visiting our facilities. The corporate safety department also conducts regular audits of our production facilities to ensure compliance with company safety policies.

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

One of our 20 By 30 Challenge goals is to provide a safe workplace for all team members and reduce our injury rates each year. We consistently perform better than the Bureau of Labor Statistics (BLS) industry average for North American Industry Classification System (NAICS) 3116 Animal Slaughtering and Processing for our injury/illness incident rates. We are pleased that we reduced our Total Case Incident Rate and Days Away, Restricted or Transfer rate in 2021. In addition, we did not have any workplace fatalities.

### 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 2021, the TCIR at Hormel Foods was 2.3, which is better than the BLS industry average of 6.7.

### Days Away From Work Injury And Illness

Days Away from Work Injury and Illness (DAFWII) measures an injury or illness that involves one or more days away from work. In 2021, the DAFWII rate at Hormel Foods was 0.6, which is better than the BLS industry average of 3.9.

### Days Away, Restricted Or Transfer

Days Away, Restricted or Transfer (DART) measures the days a team member has restricted work activity or job transfer, or both. In 2021, our DART rate was 1.4, which is better than the BLS industry average of 5.7.

DESCRIPTION	2020	2021
Total Case Incident Rate	2.6	2.3
Days Away From Work Injury And Illness	0.6	0.6
Days Away, Restricted Or Transfer	1.7	1.4

## SAFETY TRAINING

Hormel Foods conducts safety training for an average of over 15,000 team members in our locations every month and completes approximately 1,000 safety assessments each month companywide. In 2021, Hormel Foods conducted an average of over 7,800 lockout-tagout (LOTO) inspections per quarter and held semimonthly companywide safety conference calls with plant safety personnel.

## HEALTH AND WELLNESS

We recognize our team members perform best when they are healthy, and that optimal performance is necessary for us to achieve our Key Results. In addition to our health care benefits package, our Inspired Health program aims to cultivate and maintain a culture of health and wellness that is focused on encouraging and empowering team members to make healthy lifestyle choices through awareness, prevention and positive health behavior changes. This program includes biometric screenings, on-site fitness centers and fitness center discounts, an online health university with robust information and resources, a tobacco cessation program, wellness challenges, confidential health and wellness support 24 hours a day, seven days a week, and more. Due to COVID-19, we were unable to provide biometric screenings in 2021; however, we offered an alternative to our team members to continue to promote health and wellness.

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



# 38

Average Training Hours

We provided approximately 38 hours of training per team member in 2021.

# 880+

human rights training hours

## Training

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

One of our 20 By 30 Challenge goals is to invest in our team members by providing an average of at least 25 hours of training per team member annually. We are proud to report that we invested more than 713,000 total hours on training in 2021. This equated to approximately 38 hours of training per team member, surpassing our annual goal. In 2020, we implemented two new learning platforms for our team members: Link and Oracle Learning. Link was introduced to provide enhanced, consistent learning opportunities for our production professionals. The web-based platform offers interactive, translated education on a variety of topics, including workplace safety and food safety. The Oracle Learning platform provides a hub for our office team members to find and sign up for in-person, virtual and self-paced learning opportunities, as well as view their transcripts. In 2021, we further enhanced the learning for our production professionals by introducing Coach, which is an observational tool used by supervisors to ensure knowledge transfer on the production floor. This tool helps us ensure our team members understand their jobs and how to stay safe. For additional information about our learning programs, please visit our corporate website.

Team members are also trained on policies and procedures concerning aspects of human rights relevant to our operations. In 2021, more than 880 hours were dedicated to human rights training. (Some of these hours may be included in our total training hours.)



## 2021 Highlights

57%

In 2021, 57% of our team was represented by ethnic minorities.

38%

Of Our Team represented by women



Diverse Board Of Directors  
four women and six persons of color



Best Employers For Veterans  
according to Military Times



A Top Female-Friendly Company  
by Forbes

9

Employee Resource Groups

## Inclusion & Diversity

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

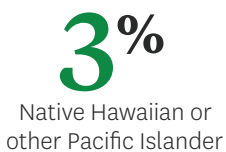
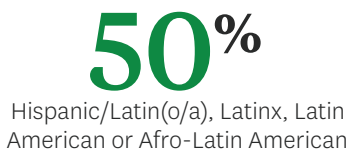
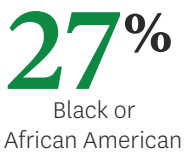
Hormel Foods is committed to having an inclusive workplace. We were proud to be named one of the Best Employers for Veterans by Military Times, and one of the World's Top Female-Friendly Companies by Forbes. We have nine employee resource groups (ERGs) in place to support our mission to create a workplace where our team members feel welcomed, respected and valued. Membership in each group is open to all team members across the company. Our ERGs are:

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

For more information about our ERGs, please visit our corporate website.  
**[HormelFoods.com/careers](https://HormelFoods.com/careers).**

The company's Inclusion and Diversity Guiding Coalition helps shape the business and people strategies of Hormel Foods. Additional information about our Inclusion and Diversity Guiding Coalition can be found below.

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



In 2021, we held a spotlight charities campaign to help support inclusion, diversity and hunger relief. The featured organizations for the spotlight charities campaign were: Hollaback!, The Trevor Project and Feeding America. Hormel Foods matched team member and retiree donations to the organizations during the campaign time frame. In total, more than \$34,000 was donated to these nonprofits through this effort.\*

The 2021-2022 academic year was the first year of our Inspired Pathways program, which provides the opportunity of a free two-year college education for the dependent children of our team members. This monumental program helps many first-generation college students. In 2021, we provided support to over 150 students. For additional information, please visit the philanthropy section (pg. 75) of this report.

Executives of our company are held accountable for creating an inclusive, diverse workplace through their yearly incentive plans, which include a component focused on overall belonging scores and the representation of women and underrepresented minorities in our salaried positions. One of our 20 By 30 Challenge goals is to increase the number of women in salaried roles by 25% and the number of underrepresented racial and ethnic minorities in salaried roles by 25% by 2025. In 2021, we increased the number of women in salaried roles by 2.8% and the number of underrepresented racial and ethnic minorities in salaried roles by 9.1% compared to 2020.

### ABOUT OUR TEAM

**19% were salaried:** Male: 67%, Female: 33%, Ethnic Minorities: 20%

**Of Our Salaried Team Members, 52% Were Managers:** Male: 72%, Female: 28%, Ethnic Minorities: 20%

**Of Our Salaried Team Members, 3% Were Directors:** Male: 74%, Female: 26%, Ethnic Minorities: 9%

**Our Officer Team:** Male: 71%, Female: 29%, Ethnic Minorities: 11%

**81% Were Hourly:** Male: 61%, Female: 39%, Ethnic Minorities: 65%

**Age Workforce Demographics:** Under 30 (21%), Between 30-50 (49%), Over 50 (30%)

In addition, 2% of our team members self-identified as having veteran status, and 2% of our team members self-identified as having a disability.

We work hard to ensure we engage in equitable pay practices so our team members are compensated fairly and appropriately, regardless of gender, race, age or any other protected status. In 2021, there were no substantiated reports of pay discrimination. In addition, we did not have any labor stoppages, strikes or lockouts and, as a result, we did not lose any hours of working time.

### INCLUSION AND DIVERSITY GUIDING COALITION

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

→ **Strengthening the company's alignment around the business value of inclusion and diversity;**

→ **Attracting and developing a talented workforce; and**

→ **Building and retaining inclusive leaders and teams.**

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

\*Some of these donations occurred in calendar year 2021.



# 880+

human rights training hours

In 2021, more than 880 hours were dedicated to human rights training.

## Human Rights

Through our 20 By 30 Challenge, we are committed to promoting and protecting human rights within our operations and in our supply chain.

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

Hormel Foods team members are trained on policies and procedures concerning aspects of human rights that are relevant to our operations. In 2021, more than 880 hours were dedicated to human rights training. (Some of these hours may be included in our total training hours in the training section (pg. 67) of this report.)

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

In 2021, we implemented a survey assessment process with our suppliers to evaluate their environmental, social and governance (ESG) performance, which includes their human rights policies and practices. Third-party audits may be conducted based on the results of these assessments. We will report additional information about this initiative in future reports.

For additional information about our human rights efforts, please visit our corporate website.

[HormelFoods.com/responsibility](https://www.hormelfoods.com/responsibility)

# Community

BEING A GOOD NEIGHBOR

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

## Notable 2021 Support

**\$8.5M**

We contributed \$8.5 million in cash and products to help others in 2021.

**2.1M**

cans of SPAMMY®

**\$370K**

to 44 local charities in our communities

**\$6.6M**

Hunger-Relief Donations

**\$960K+**

Education Support



### 20 BY 30 CHALLENGE GOALS

We focus our philanthropic efforts on three areas: hunger, education and supporting the local communities in which we operate. These efforts closely align with our business initiatives, and over the years we've learned they are also the areas our team members are most passionate about. In our quest to help others, and as part of our 20 By 30 Challenge, we are striving to achieve the following goals by 2030:

- Provide the equivalent of 70 million meals through cash and product donations to those in need.\*
- Create a food-secure community program and share our blueprint and findings globally.
- Provide the opportunity of a free two-year college education for all of our team members' high school graduates.

These ambitions help support UN Sustainable Development Goals 2 and 10.

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





We are pleased to report that we contributed \$8.5 million in cash and products to help others in 2021. This included \$6.6 million in hunger-relief donations (or more than 8.4 million individual meals\*), our donation of 2.1 million cans of SPAMMY® (a shelf-stable poultry product to help prevent childhood malnutrition in Guatemala) and more than \$960,000 to support educational institutions and our Inspired Pathways program students.

Our groundbreaking Inspired Pathways program provides the opportunity of a free two-year college education to the dependent children of our team members. This monumental program helps many first-generation college students. We welcomed our first class of Inspired Pathways students in the 2021-2022 academic year. You can find out more about our contributions and philanthropic efforts in the hunger and philanthropy sections of this report.

### **THE HORMEL FOUNDATION**

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

[TheHormelFoundation.com](https://TheHormelFoundation.com)

### **THE HORMEL INSTITUTE**

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

[HI.UMN.edu](https://HI.UMN.edu)



# 8.4M<sup>+</sup>

We donated more than 8.4 million individual meals in 2021.\*



## Hunger

We are proud to partner with organizations such as Feeding America, Convoy of Hope, Food For The Poor, Caritas Arquidiocesana, Conscious Alliance and food pantries in our communities. Each year, these organizations help us distribute our products to those in need.

### 20 BY 30 CHALLENGE GOALS

As part of our 20 By 30 Challenge, we are striving to achieve the following hunger-relief goals by 2030:

- Provide the equivalent of 70 million meals through cash and product donations to those in need.\*
- Create a food-secure community program and share our blueprint and findings globally.

These ambitions help support Goal 2 of the UN Sustainable Development Goals.

In 2021, we helped people impacted by the COVID-19 pandemic and continued our commitment to helping end hunger around the world by donating a total of \$6.6 million (or more than 8.4 million individual meals\*) to hunger-relief efforts, including products we donated to food banks and disaster-relief efforts. We are on track to achieve our goal to provide the equivalent of 70 million meals through cash and product donations to those in need by 2030.\* In addition, we began our initial efforts to create a unique food-secure community program in Austin, Minn., home to our World Headquarters and flagship plant. These efforts included conducting research, gathering feedback and writing a draft project plan with internal and external experts. We look forward to advancing this initiative in the coming years with our community partners and will share our blueprint and findings globally.

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

## EXAMPLES OF OUR HUNGER-RELIEF EFFORTS

### Hormel Foods Community Donations Program

#### \$370,000 Donated To Local Charities

Through the Hormel Foods Community Donations Program, Hormel Foods provides funds to its U.S. manufacturing facilities and subsidiaries to share with hunger-relief organizations in their communities. In 2021, we donated \$370,000 to 44 charities in our communities through this program.

For example, our Dold Foods (Wichita, Kansas) facility donated \$10,000 to the Kansas Food Bank, and our Beloit (Wis.) Plant donated \$10,000 to Beloit Meals on Wheels.

### Disaster Response

#### Disaster-Relief Donations

We once again partnered with Convoy of Hope to assist with hunger-relief efforts through our Disaster-Response Program. In 2021, we provided several monetary and product donations to Convoy of Hope to help with its disaster-response efforts and other programs. Product donations included donations of *Hormel™ Black Label™* egg bites and *Healthy Shot®* protein beverage products. Convoy of Hope responded to numerous disasters in 2021, including the COVID-19 pandemic, earthquake in Haiti, flooding in Tennessee and Typhoon In-fa.

### Hams For Hunger® Program

#### 1.2+ Million Meals\*\*

Through our *Hams for Hunger®* program, we work with our retail partners to donate *Hormel® Cure 81®* hams to food banks and other organizations throughout the U.S. In 2021, more than 1.2 million meals were provided through this program.\*\*

### National PB&J Day Donation

#### 60,000+ Pounds Donated

We donated more than 60,000 pounds of *SKIPPY®* peanut butter products to Conscious Alliance for National PB&J Day. The food was distributed to those in need in the Chicago area and Colorado's Front Range Urban Corridor, and to children living on the Pine Ridge Reservation in South Dakota.

Cavanaugh Bell, an extraordinary 8-year-old who overcame the darkness and pain of being bullied and created the anti-bullying nonprofit Cool & Dope, helped Conscious Alliance load trucks for the Pine Ridge Reservation donation. With the help of his mother, Llacey Simmons, he provides food and other necessities to underserved communities, including children and their families on the Pine Ridge Reservation. Cavanaugh has earned the affection of Americans near and far, including Vice President Kamala Harris.

### Project SPAMMY®

#### 2.1 Million Cans Of SPAMMY® Donated

We specifically designed and developed *SPAMMY®*, a shelf-stable poultry product fortified with vitamins and minerals, to help malnourished children in Guatemala. Working with Food For The Poor and Caritas Arquidiocesana to distribute the product to family centers and orphanages, we donated 2.1 million cans of *SPAMMY®* in 2021. In total, we've donated more than 25 million cans of *SPAMMY®* since the initiative began.

### Virtual Concert of Hope & Thanks

#### \$35,000 Donation

Hormel Foods held several virtual concerts in 2021 for team members and to help raise funds for hunger relief. For example, the company held a Holiday Concert of Hope & Thanks event, featuring singer-songwriter Phillip Phillips, who won the 11th season of "American Idol." The company made a \$35,000 donation to Conscious Alliance to help the organization with its hunger-relief efforts as part of the event. In addition, team members participated in an online auction to help raise additional funds for the nonprofit.

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

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

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



# 150

In 2021, we provided support to over **150 students** through our Inspired Pathways program.



## Philanthropy

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

As part of our 20 By 30 Challenge, we are striving to achieve the following goal pertaining to education by 2030: Provide the opportunity of a free two-year college education for all of our team members' high school graduates. This ambition helps support Goal 10 of the UN Sustainable Development Goals.

From scholarship opportunities to volunteer efforts and donations, we are proud of our ongoing philanthropic efforts. We are pleased to report that in 2021, we provided support to over 150 students through our Inspired Pathways program. Our Inspired Pathways program, which provides the opportunity of a free two-year college education for the dependent children of our team members, is fulfilling our goal. We also held several Inspired Giving spotlight charity campaigns in 2021. Additional information about these initiatives and some of our other philanthropic efforts can be found below.

### EXAMPLES OF OUR EFFORTS

#### Inspired Giving Spotlight Charities Campaigns

**\$40,000+ Donated\***

We held several Inspired Giving spotlight charity campaigns in 2021. Through these campaigns, Hormel Foods matched the donations of our team members and retirees during the campaign time frames. In total, more than \$40,000 was donated to Big Brothers and Big Sisters International, Feeding America, Hollaback!, The Savory Institute, The Trevor Project and World Central Kitchen.\*

#### Inspired Pathways

**150+ Students were provided support**

The 2021-2022 academic year was the first year of our Inspired Pathways program, which provides the opportunity of a free two-year college education for the dependent children of our team members. This monumental program helps many first-generation college students. In 2021, we provided support to over 150 students.

[HormelInspiredPathways.com](https://www.hormelinspiredpathways.com)

## ACTS OF SUBSTANCE DONATIONS

### \$50,000 Donated To Charities

To help celebrate the company's acquisition of the *Planters*<sup>®</sup> snacking portfolio in 2021 and welcome the *Mr. Peanut*<sup>®</sup> character to his new home in Minnesota, Hormel Foods donated \$10,000 to five Minnesota charities for a total of \$50,000. Donations were made to Cedar Valley Services, the Jeremiah Program, Make-A-Wish Minnesota, Meals on Wheels (Duluth) and the Thielen Foundation. In addition, the company surprised four Minnesotans who add substance to their communities and make their neighbors' days a little better by giving each one a \$10,000 check.

### ABC Food Tours

#### \$20,000 Donated

We partnered with ABC Food Tours in 2021 to support its mission to provide equitable educational resources to marginalized students in New York City and break the oppressive cycle of poverty via programs focused on food/fitness, mentorship and skills-based training. The organization was founded by Matt James, a TV personality and former star of "The Bachelor." In addition to making a \$20,000 donation, Hormel Foods participated in the Oliver Scholars Mentorship Program.

ABC Food Tours and Oliver Scholars partnered to provide accessible educational resources to underserved New York City students. The Oliver Scholars helped create a two-week boot camp for middle school students from P.S. 188 (The Island School). The camp featured guest speakers, activities and content related to career development. Several Hormel Foods team members participated in a panel discussion during the camp. In addition, Hormel Foods donated bags of groceries that were distributed to the students at the end of the camp. The bags were filled with *SKIPPY*<sup>®</sup> peanut butter, *CHI-CHI'S*<sup>®</sup> salsa, *Hormel*<sup>®</sup> chili, a *Hormel*<sup>®</sup> *Compleats*<sup>®</sup> microwave meal and *Hormel*<sup>®</sup> pepperoni. Also included were recipe ideas and information about how to reduce food waste.

### Free SPAM<sup>®</sup> Museum

For more than 30 years, our team members at the *SPAM*<sup>®</sup> Museum have been bringing the world together one *SPAM*<sup>®</sup> brand story at a time. The mission of telling the story of *SPAM*<sup>®</sup>, the iconic brand that began in 1937, is just part of what the *SPAM*<sup>®</sup> Museum is all about. There is something for everyone, including history lessons, experiential education, a play area and interactive exhibits. Though it is a national — and even international— destination, the free museum is an irreplaceable part of the local community. Virtual tours are available for those who are unable to visit in person.

### Crisis Assistance Relief Effort (CARE) Program

The company's CARE Program is designed to help team members and their families in emergency or hardship situations. Scenarios such as needing emergency housing in the case of a house fire or to offset costs of a funeral for an immediate family member are examples where the CARE Program provides assistance. The CARE Program is funded primarily by donations from team members. Each year, employee groups hold events to raise funds.

### Hormel Heroes Scholarships

#### \$20,000 Awarded In Scholarships

Hormel Foods created the Hormel Heroes Scholarship Program to support students with military backgrounds who are pursuing careers in culinary arts or a program related to foodservice management. The program is administered by the National Restaurant Educational Foundation. In 2021, we awarded two \$10,000 scholarships.

### Undergraduate College Scholarships

#### 14 Undergrad Scholarships Awarded

For the 55th consecutive year, Hormel Foods awarded 14 undergraduate college scholarships to children of full-time, retired and deceased team members of Hormel Foods and its subsidiaries. Hormel Foods has provided funds for the scholarship program since 1966, and recipients receive awards of \$2,000 per year for four years. These students showed exemplary scholastic abilities and leadership qualities, outstanding standardized test scores and significant involvement in their schools and communities.

### Jennie-O Turkey Store Scholarships

#### 39 Scholarships Awarded

Each year, our Jennie-O Turkey Store subsidiary awards continuing education scholarships in the amount of \$1,000 and Golden Excellence Scholarships in the amount of \$6,000 to selected children of team members. In 2021, Jennie-O Turkey Store awarded 37 students with \$1,000 scholarships and two students with \$6,000 scholarships.

### Inspired Volunteer Ambassador Challenge

Our team members support nonprofits in their communities, electing to help others through monetary donations as well as volunteering their time and talents. In 2021, we held an Inspired Volunteer Ambassador Challenge, which was launched during the company's annual Spirit Week festivities. Team members were encouraged to volunteer during the one-month challenge timeframe and record their hours in our Inspired Giving system. Over 360 volunteer hours were recorded through this initiative, and the top companywide volunteer was recognized.\*\* We also provided a donation to the top volunteer's charity of choice.

\*Some of these donations occurred in calendar year 2021.

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



# OUR FOOD JOURNEY™

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

— JIM SNEE

Chairman of the Board, President and Chief Executive Officer

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

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

Since the beginning, we’ve believed that social responsibility is more than giving away a percentage of our profits at the end of the year. While we are committed to many worthy

causes, including cancer research and fighting childhood hunger, it is our core business – efficiently producing delicious food for the world’s growing population – of which we are most proud. We believe in making good food available to everyone. This means ensuring access to affordable, safe, nutritious and delicious foods with recognizable ingredients.

Good business and good stewardship go hand in hand with environmentalism, water and energy conservation, and improvements designed to make

our food supply safer and ultimately better for us all. Given our role in helping to feed America and the world for more than 125 years, we know that building social value and creating economic value are not competing goals. For us, there is no daylight between good citizenship and good business.

## Investing IN OUR PEOPLE AND PARTNERS

We understand the power of partnerships — with our inspired team and those we work with.

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

## Improving COMMUNITIES AND THE WORLD

We understand the responsibility that comes with our name.

We know that small changes or actions can in fact lead to large-scale and meaningful impact. Nowhere is this more evident than in the work Hormel Foods is doing to lift up communities around the world. In 2020, we donated more than \$8 million to causes we care about – hunger, education and even cancer research. As one of the most admired food companies in the world, it is our obligation to create safe, wholesome food for all; be a good neighbor and motivated steward of our water, energy and land; and do our part to reduce food waste.

## Creating PRODUCTS THAT IMPROVE THE LIVES OF OTHERS

As a global branded food company, we know how to create beloved brands, and as we do, we never lose sight of the fact that we have a higher obligation to use our size and scale to help feed the world’s growing population.

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