



GLOBAL IMPACT REPORT 2022



The Power of Food

Food has the power to change lives, lift up communities and bring people together.

Our team of 20,000 inspired people donated the forks to create this visionary work of art, representing the power that food has to make a difference in the world.

This sculpture is dedicated to them and to the community of Austin, Minn., our hometown since 1891.



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Our Path

“At Hormel Foods, we firmly believe that being a successful company means more than just delivering exceptional products to consumers. It means understanding and embracing our global impact — the broader responsibility we have to the planet and society.”

JIM SNEE

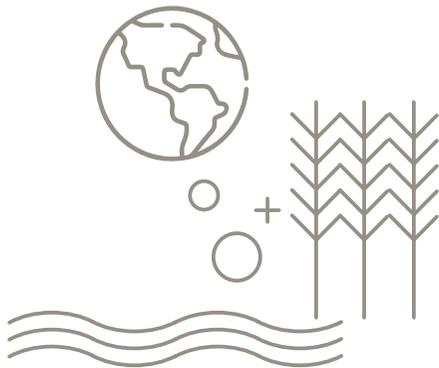
CHAIRMAN OF THE BOARD,
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Message From Our CEO



At Hormel Foods, we firmly believe that being a successful company means more than just delivering exceptional products to consumers. It means understanding and embracing our global impact – the broader responsibility we have to the planet and society. From competitive wages and benefits to tackling some of the world's most significant issues like food insecurity and equity in education, Hormel Foods is making a difference. This impact goes far beyond business transactions; it's about shaping a future where communities thrive, individuals prosper and the planet flourishes.

Hormel Foods has consistently demonstrated its leadership as a corporate citizen, setting an exemplary standard for responsible and impactful business practices. Our philosophy goes beyond charitable donations; it's rooted in the belief that we have a crucial role to play in shaping the well-being of the communities where we live and work. With this mindset, Hormel Foods has become a model for how corporate entities can positively influence their communities.



This past year, we elevated the concept of impact at the company to an even higher level, including the creation of a new global impact team. This team is charged with understanding and amplifying the good work of Hormel Foods, ensuring we are focusing on those areas and opportunities that will have the most meaningful impact for our team members, customers, partners and stockholders. Our dedication is evident through the transformational projects we've undertaken and the lives we are impacting.

Throughout this report, we demonstrate that transparency and accountability are the cornerstones of our corporate citizenship initiatives. We recognize the importance of being forthright about our actions, challenges and progress. By sharing *Our Food Journey™* openly, we not only invite stakeholders to join us in our efforts but also hold ourselves accountable for the promises we make. This level of transparency builds trust, fosters a sense of shared purpose and enables positive change.

Our engagement within the communities we serve is characterized by authenticity and dedication. We recognize that thriving communities are the backbone of our success, and as such, we actively contribute to their betterment. By working closely with local organizations, schools and government entities, we align these efforts with the aspirations and challenges faced by the people we aim to serve.

Additionally, our commitment to environmental sustainability is integral to our identity. Through meticulous resource management, waste reduction and energy-efficient operations, we're contributing to a cleaner, healthier planet. By embracing innovative technologies and pursuing sustainable practices, we're reducing our ecological footprint and demonstrating our dedication to preserving the environment.

Message From Our CEO

CONTINUED

Our progress toward our 20 By 30 Challenge goals is a testament to our commitment to sustainability and continuous improvement. These ambitious targets guide us in areas such as reducing greenhouse gas (GHG) emissions, conserving water and enhancing waste reduction. As we work toward these goals, we strive to set an example for our industry, demonstrating that responsible business practices can drive positive impact. Hormel Foods has made solid progress, including:

- Committing to the advancement of our antibiotic stewardship efforts and piloting an antibiotic-use measurement and reporting system.
- Matching 100% of our domestic energy use in fiscal 2022 with renewable sourcing.
- Being on track to have an approved science-based target in 2023 for the reduction of GHG emissions.
- Investing in sustainable agricultural practices through a 50,000-acre pilot project in Minnesota that is designed to generate positive outcomes in environmental impact measurement, water stewardship, carbon removals and agricultural resilience.
- Providing the opportunity of a free two-year college education to more than 150 young people — including many first-generation college students — as part of our groundbreaking college degree program, Inspired Pathways.
- Contributing more than \$11.4 million in cash and products, including \$9.3 million in hunger-relief donations.
- Making solid progress on our commitment to create a food-secure community program in Austin, Minn., with the additional goal of sharing the blueprint and findings globally.

As a result of these efforts – and many more – we continued to receive accolades for our corporate impact and responsibility. We were named for the first time one of America’s most trusted companies and for the third year in a row one of America’s most responsible companies by Newsweek, named one of the 100 best corporate citizens by 3BL Media, ranked No. 61 on the U.S. Environmental Protection Agency’s Fortune 500® list of the largest green power users from the Green Power Partnership and ranked for the first time in the Investor’s Business Daily annual report of the 100 best ESG companies. These awards are a true testament to our team and the impact we are having.

To our 20,000 team members, thank you for continuing to be an integral part of producing food responsibly and the work you do to make a difference in our communities. We take pride in our journey and the positive impact we’ve made, and we remain steadfast in our resolve to continue being a force for good. Together, we are pleased to share with you the progress we have made in this Global Impact Report and on *Our Food Journey*™.



JIM SNEE

CHAIRMAN OF THE BOARD, PRESIDENT
AND CHIEF EXECUTIVE OFFICER



Guided by *Our Food Journey™*, this Global Impact Report provides an overview of our company’s ESG strategy, goals and results.



Investing in our people and partners

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

 [LEARN MORE](#)



Improving communities and the world

We understand the responsibility that comes with our name.

 [LEARN MORE](#)



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.

 [LEARN MORE](#)

The electronic version of this report contains links to additional online material. To obtain more information while reading a printed version, visit [HormelFoods.com](https://www.hormelfoods.com) and click on the [2022 Global Impact Report](#).

About Hormel Foods

We are not just inspired to make great food; we are inspired to make a difference.

Hormel Foods Corporation, based in Austin, Minn., is a global branded food company with over \$12 billion in annual revenue across more than 80 countries worldwide. Its brands include *Planters*®, *Skippy*®, *SPAM*®, *Hormel*® *Natural Choice*®, *Applegate*®, *Justin's*®, *Wholly*®, *Hormel*® *Black Label*®, *Columbus*®, *Jennie-O*® and more than 30 other beloved brands. The company is a member of the S&P 500 Index and the S&P 500 Dividend Aristocrats, was named one of Fortune magazine's World's Most Admired Companies, listed on the "Best Companies to Work For" list by U.S. News & World Report, named on the "Global 2000 World's Best Employers" list by Forbes magazine for three years, is one of Newsweek magazine's Most Trustworthy

Companies in America and has appeared on its America's Most Responsible Companies list for four consecutive years, and listed in the Investor's Business Daily annual report of the 100 Best ESG Companies as well as one of Barron's 100 most sustainable companies. The company lives by its purpose statement — *Inspired People. Inspired Food.*™ — to bring some of the world's most trusted and iconic brands to tables across the globe. To learn about our brands, business and financial performance, please visit our website and [2022 Annual Report](#).



Our Food Journey™

For more than 130 years, Hormel Foods has brought innovation, beloved brands, and outstanding value through our products to our customers, communities and stockholders. We're not just inspired to make great food; we are dedicated to making a difference where we live and work.

Our Food Journey™ guides our global impact, sustainability and corporate citizenship. Recognizing the interconnectedness of our actions with the world at large, we are committed to minimizing our environmental footprint while maximizing positive contributions. Through innovative practices and investments in making a difference, we continually strive to reduce waste, conserve resources and build stronger communities. Our dedication to sustainability extends from responsible sourcing of ingredients to energy-efficient operations, exemplifying our pledge to safeguard the planet for future generations. As a corporate citizen, we actively engage with communities, supporting local initiatives, philanthropic endeavors and team member volunteerism. We firmly believe that our success is inseparable from the well-being of the world around us, and we relentlessly pursue

avenues to make a meaningful and lasting impact through every facet of our operations. We are dedicated to producing food responsibly for customers and consumers, and creating products that improve people's lives.

At Hormel Foods, we are committed to making good food available to everyone. Our team of passionate people is a collection of innovators, foodies, scientists, entrepreneurs, advocates and ambassadors who collaborate to build a distinctly different type of company — one that enables us to maintain our leadership position in feeding the world's growing population and truly understands the positive impacts we can generate. We are proud of our capabilities to efficiently produce delicious food and help ensure equal access to affordable, safe and nutritious products with ingredients people recognize.



Our Food Journey™

CONTINUED



Responsible business and good stewardship go hand in hand with environmental conservation and operational improvements that are designed to make our food supply safer, more sustainable and ultimately better for our industry, our people and our consumers. Given our leadership role in helping to address global food security, we recognize the importance of adhering to the highest ethical standards while maintaining a culture of integrity, and creating social and economic value through our products.

Investing in our People and Partners

We understand the power of partnerships to accomplish more in this world. Our partnership approach includes our team of 20,000 inspired people. It is our focus



on building a collaborative culture that has earned us a spot as one of the world's best employers. This spirit of collaboration extends to our long-term partnerships with a world-class group of suppliers, partners, customers and retailers. We work together to strive for continuous improvement, unmatched responsibility and increased 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 being a global food company. As one of the most revered food companies in the world, we believe that it is our obligation to serve as a good neighbor and steward of our environmental and social impacts while creating safe, wholesome food for all. We are committed to uplifting the communities where we operate, and we know that even small changes or actions can in fact lead to large-scale and meaningful outcomes. In 2022, we donated more than \$11.4 million to causes that we are passionate about,¹ including hunger relief, education and community support.

Creating Products that Improve the Lives of Others

As a global branded food company, we know how to create high-quality products for consumers and customers, and as we do, we aim never to lose sight of the fact that we are in an advantaged position to use our size and scale to help feed the world. We believe good food should be available to everyone as we ensure access to foods that are affordable, safe, nutritious and delicious. As part of our commitment to supporting people's nutritional needs through our products, we have focused on providing foods that are made with simpler and more recognizable ingredients and promoting cleaner food labels that help consumers feel empowered and informed about the food choices they make. To help address food insecurity within underserved communities and pursue opportunities to improve their wellness, we support food security initiatives in our hometowns and in communities such as Guatemala through Project SPAMMY® and in the creation of functional food items that are designed for patients with various health conditions. We will continue to lead the way in producing products that improve the lives of people around the world.

¹ Reported amount is based on corporate donation records, which may not capture all donations.

Our 20 By 30 Challenge

As part of *Our Food Journey*™, we remain committed to continuously improving our sustainability performance and evolving our environmental, social and governance (ESG) strategies. In an effort to contribute to a sustainable future, we have established the 20 By 30 Challenge – comprising 20 qualitative and quantitative goals to be achieved by 2030 – which directs our actions toward making the world a better place and creating meaningful outcomes that support the United Nations (UN) Sustainable Development Goals (SDGs).

Our 20 By 30 Challenge is built upon our five ESG pillars – Products, Supply Chain, Environment, People and Community – and prioritized focused areas within each pillar, which are identified through our robust key topics assessment process. In alignment with our leadership team overseeing our ESG efforts, we plan to report our progress against the attainment of our 20 By 30 goals on an annual basis.



In continuing with our corporate responsibility leadership, we are working to achieve 20 goals by 2030. All of them follow our previous set of sustainability goals in which we achieved significant reductions in packaging, nonrenewable energy use, GHG emissions, water use and solid waste sent to landfills. In addition, they are based on our robust key topics assessment process that identifies and prioritizes the topics most relevant to our business and our stakeholders. Finally, they are helping to support the UN Sustainable Development Goals.

Below is a summary of our 2022 progress toward our goals and initiatives that support the UN SDGs:

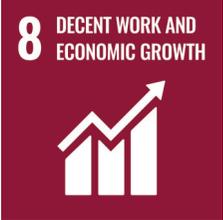
Products (Goals 1-3)

Hormel Foods Goal	2022 Progress	UN SDGs
<p>1 Continue to offer high-quality, safe, affordable and convenient products that meet a wide range of consumer preferences and needs.</p>	<p>We launched more than 400 new retail and foodservice items to continue to meet consumer preferences and needs.</p>	 
<p>2 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.</p>	<p>We continued to focus on efforts to reduce added sugars and sodium in our products throughout the year, including the launch of reduced-sodium options in our <i>Hormel</i>® turkey chili with bean, <i>Hormel</i>® turkey chili no bean and <i>Hormel</i>® chunky chili no bean.</p>	
<p>3 Achieve 15% of sales from new products each year.²</p>	<p>In 2022, we reached 13% of sales from innovative items.³</p>	

² 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.

³ Includes MegaMex Foods.

Supply Chain (Goals 4-6)

Hormel Foods Goal	2022 Progress	UN SDGs
<p>4 Maintain high standards for animal care and handling throughout our supply chain.</p>	<p>We conducted more than 2,800 audits to ensure that our standards are being met.</p>	 
<p>5 Advance our antibiotic stewardship efforts and pilot an antibiotic use measurement and reporting system.</p>	<p>We continued to share our efforts and progress through our annual Antibiotic Stewardship Report.</p>	 
<p>6 Continue to increase our purchasing spend annually with small and diverse businesses.</p>	<p>Our total purchasing spend with diverse businesses, including small, women-owned, minority-owned and veteran-owned businesses, was over \$1.5 billion across Tier 1 and Tier 2 suppliers in calendar year 2022.</p>	 

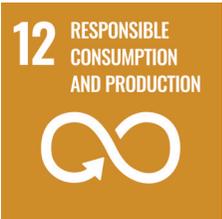
In addition to our 20 By 30 Challenge goals, each year we aim to achieve a 1% reduction in GHG emissions, energy use, and solid waste sent to landfills. We also work to improve our energy and water intensities by 1% on an annual basis.

Environment (Goals 7-10)

Hormel Foods Goal		2022 Progress	UN SDGs	
7	Match 100% of our energy with renewable sourcing.	In 2022, 100% of our U.S. and 96% of global electricity usage were matched with renewable sources.		
8	Demonstrate climate leadership by establishing a science-based target (SBT) for the reduction of GHG emissions by 2023.	We completed our SBTs submission to the Science Based Targets initiative (SBTi) in July 2022 for final validation and approval of our emissions-reduction goals.		
9	Advance our water stewardship efforts through initiatives in our top six priority watersheds.	In 2022, we became a lead sponsor of a 50,000-acre pilot project in Minnesota as part of the Ecosystem Services Market Consortium (ESMC) Eco-Harvest market program, which is designed to generate positive outcomes in environmental impact measurement, water stewardship, carbon removals and agricultural resilience.		
10	Reduce organic waste discharge from our manufacturing facilities by 10% to decrease energy use and GHG emissions and improve water quality. ⁴	We achieved a 21% reduction in organic waste discharge in 2022. Due to the variability in organic discharge test results, this goal will be replaced by a wastewater-management and water-reduction target.		

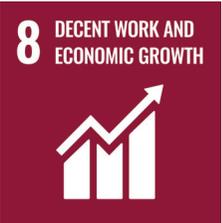
⁴ Starting in 2023, we will transition our focus on organic waste reduction to investing in wastewater treatment projects in collaboration with municipal partners and reducing water use by 10% by 2030 from a 2022 baseline to systematically reduce impacts of organic matter in waste discharges and water footprints of our business.

Environment (Goals 11-13)

Hormel Foods Goal	2022 Progress	UN SDGs
<p>11 Support regenerative agriculture initiatives.</p>	<p>We started to explore a deforestation-free supply chain in alignment with SBTi's Forest Land and Agriculture Guidance (FLAG). Our Applegate (Bridgewater, N.J.) subsidiary continued to provide the <i>Applegate Naturals® Do Good Dog™</i> hot dog product made with beef raised on verified regenerative U.S. grasslands and received two product awards in 2022.</p>	 
<p>12 Focus on packaging sustainability efforts through research, innovation, on-package communications, and optimizing package weight and shipping efficiencies.</p>	<p>Our packaging team's sustainability initiatives resulted in more than 1.5 million pounds in material savings.⁵ In addition, we added the How2Recycle logo to 300 items.</p>	 
<p>13 Work toward zero food waste.</p>	<p>We continued to prioritize food donation opportunities and provide consumers with useful tips to reduce household food waste.</p>	

⁵ Savings are based on an annual rolling average and include all projects captured by the corporate packaging development group.

People (Goals 14-18)

Hormel Foods Goal		2022 Progress	UN SDGs
14	Promote and protect human rights within our operations and our supply chain.	In 2022, more than 159,930 hours were dedicated to human rights training.	
15	Provide the opportunity of a free two-year college education for all our team members' dependent high school graduates.	We provided the opportunity of a free two-year college education to 177 students through our Inspired Pathways program.	
16	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. ⁶	<p>The company's total population of team members from underrepresented racial/ethnic groups is 59% across our U.S. workforce. To continue to increase the sense of belonging at Hormel Foods, we undertook numerous initiatives throughout our operations.</p> <p>We expanded inclusive workspaces in our production facilities to include the provision of lactation rooms, gender-neutral restrooms and updated wellness facilities.</p>	 
17	Provide a safe workplace for all team members and reduce our injury rates each year.	We continued to strive to reduce injury rates and maintain a safe workplace for all team members. Our rates are far below the industry average.	 
18	Invest in our team members by providing an average of at least 25 hours of training per team member annually.	On average, we provided 58 training hours per team member in 2022.	

⁶ Hormel Foods has updated its Goal No. 16 to be more reflective of the company's broader commitment to inclusion and belonging for the enterprise.

Community (Goals 19-20)

Hormel Foods Goal	2022 Progress	UN SDGs
<p>19 Provide the equivalent of 70 million meals to those in need through cash and product donations.⁷</p>	<p>We continued our commitment to helping end hunger around the world by donating a total of \$9.3 million (or more than 9.4 million individual meals) to hunger-relief efforts. We are on track to achieve our goal of providing the equivalent of 70 million meals to those in need through cash and product donations by 2030.</p>	 
<p>20 Create a food-secure community program and share blueprint and findings globally.</p>	<p>We successfully launched the Hometown Food Security Project in Austin, Minn., with the United Way of Mower County and coalition partners.</p>	

⁷ Using the Feeding America estimations of \$1 donated = 10 meals and 1.2 pounds donated = one meal.

Key Topics Assessment

To inform our strategic priorities in our sustainability efforts, we review and assess the importance to our organization of existing and emerging key ESG topics every other year. In 2022, we conducted another comprehensive key topics assessment with a global consulting firm to update our prioritized list of topics that reflect the most relevant and impactful ESG matters to our business and our stakeholders. To start, we selected 36 topics for evaluation, based on our prior assessment, industry research, peer benchmarking and understanding of global ESG trends. To holistically capture diverse perspectives of ESG priorities for our company from our people and value chain partners, we solicited input from various internal and external stakeholder groups through surveys and interviews to rank and prioritize our key topics. The stakeholders we engaged throughout our process include our senior leadership team, subject-matter experts, functional leaders, team members, investors, consumers, and nonprofit organizations and trade associations. This review includes the company's Board of Directors through annual presentations and discussion.

Upon completion of the assessment, we updated and expanded our key topics list to 11 top ESG priorities for our organization and validated analysis results with our Board, senior executives and important functional groups. The results of the key topics assessment are used to inform our goals, initiatives, measurement and reporting to drive continuous improvement and support our programs that contribute to a sustainable future.



KEY TOPICS

- Team Member Living Wages
- Team Member Health, Safety and Well-being
- Team Member Human Rights
- Eco-Friendly Packaging
- Animal Well-being
- GHG Emissions and Climate Impact
- Diversity, Equity and Inclusion
- Regenerative Agriculture
- Food Waste and Loss
- Nutrition Access and Affordability
- Hunger Relief

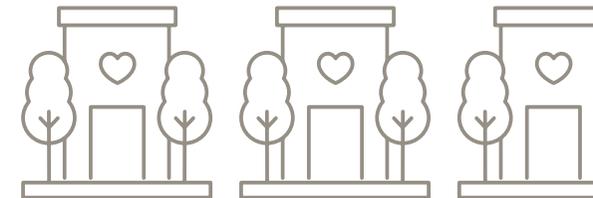
Stakeholder Engagement



Stakeholder interests and feedback shape our business and sustainability strategies that are integral to drive economic and social value in the products we deliver as well as the well-being of the people and communities we serve. Our stakeholders are involved in our regular key topics assessments and ongoing dialogue that enables us to understand their concerns, questions and feedback on our business. Through engagement activities, we diligently monitor and capture topics that reflect diverse stakeholder needs and can be of future interest or importance to our organization.

As part of our commitment toward feeding the global population in a responsible and ethical manner, we participate and maintain memberships in over 50 nonprofit organizations, academic institutions and industry consortiums at global, national and local levels to assist with the discussions, partnerships and innovations in important

sustainability and business topics. We focus our industry engagement on topics and efforts that include sustainable agriculture, animal welfare, and food science and research. Our active participation and advocacy of the missions of the organizations we engage, such as our representation as board directors or committee members of various associations, empower us to facilitate sustainability actions and advancements in the agriculture and food industries. For more information about our stakeholder engagement efforts and industry memberships, please refer to Appendix A.



2022 Awards

We strive to ensure that our standards for responsible business conduct are followed at all levels of our organization. The following list presents a small sample of the external recognitions we received in 2022 that validate the effectiveness of our practices and actions toward responsible and ethical business.



Newsweek America's Most Trustworthy Companies: Hormel Foods was named to Newsweek's inaugural annual ranking of the most trusted U.S. public companies. The list is based on Americans' perceptions of businesses' practices of fair treatment to their customers and employees that provide long-term financial value.



Newsweek America's Most Responsible Companies: For the third year in a row, we were recognized as one of the top 500 most responsible U.S.-based publicly traded companies for conducting business with integrity and accountability.



Investor's Business Daily (IBD) Annual Report of the 100 Best ESG Companies: We were listed on IBD's top 100 best ESG companies for 2022 for performing sustainable and ethical business conduct while surpassing economic performance and profitability goals.



3BL Media's 100 Best Corporate Citizens: For the 13th time, we were proud to be named one of the 100 best corporate citizens by 3BL Media for showcasing our leadership on ESG issues and ensuring transparency in our company practices.



Progressive Grocer Category Captain Award: In 2022, our retail sales group was recognized by Progressive Grocer for our innovative solutions in promoting data-driven product pricing decisions and inventory management that support long-term sales growth.



3BL Media's Responsible CEO of the Year: Our chief executive officer (CEO) was named the Responsible CEO of the Year by 3BL Media for his proven record of ESG leadership.



No. 61 on the U.S. Environmental Protection Agency's (EPA's) Green Power Partnership Fortune 500® Partners List: As of 2022, we were ranked 61st of the largest green power users among Fortune 500 companies in EPA's Green Power Partnership program.



Military Times Best for Vets Employer: For the 10th consecutive year, we were named one of the top employers for U.S. military service members and veterans.

Our Structure

“There is a commitment throughout our global operations to living our Cultural Beliefs and operating with the highest ethical business principles and standards. Whether it is doing what is right in our own backyard or halfway around the world, we are known for our uncompromising integrity and our uncommon approach to being an outstanding corporate citizen.”

PIERRE LILLY

SENIOR VICE PRESIDENT AND
CHIEF COMPLIANCE OFFICER

Our Structure

In 2022, our chairman of the board, president and CEO was named the Responsible CEO of the Year by 3BL Media, and we continued to implement strategies and policies that promote sound risk management, ethical behaviors, compliance and industry engagement throughout our organization.



At Hormel Foods, our day-to-day business operations are guided by our commitment to corporate responsibility and business integrity. In support of this commitment, we promote product and operational excellence while adopting best practices of ESG management.

Corporate Governance

We strive to ensure that our standards for responsible business conduct are followed at all levels of our organization, including our leadership. Our approach to corporate governance practices is well received and externally recognized. In 2022, our CEO was named the Responsible CEO of the Year by 3BL Media for his bold and innovative leadership on ESG commitments.

Management Approach

Our Board oversees all activities of the company, including business strategy and risk management, and supports ESG progress. The Board is organized and operated based on principles outlined in our [Corporate Governance Guidelines](#). The Board fulfills its duties with the support of three committees: audit, compensation and governance, each of which operates under a written charter. Our Board regularly evaluates the effectiveness of our management practices, tracks progress toward our goals regarding business performance and ESG outcomes, and identifies opportunities to evolve our strategies for effective corporate governance. The Board also evaluates its own performance via an annual self-assessment.

Our audit committee has oversight responsibility for our financial reporting process, internal controls and risk mitigation. In collaboration with an independent auditor, the committee oversees the preparation and audit of our annual financial statements to ensure robust and accurate financial and business information for our stakeholders, in compliance with reporting regulations. Our compensation committee is responsible for establishing executive compensation and benefits programs, which are competitive within the industry, in a transparent manner. To assist the Board in adopting effective succession planning processes and governance practices, our governance committee is entrusted with the responsibilities of identifying qualified Board member candidates, maintaining our corporate governance guidelines and overseeing our ESG activities. For more information about the committees and their charters, please visit our [Governance webpage](#).



Corporate Governance

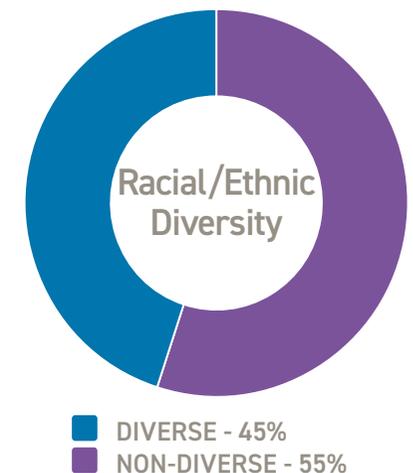
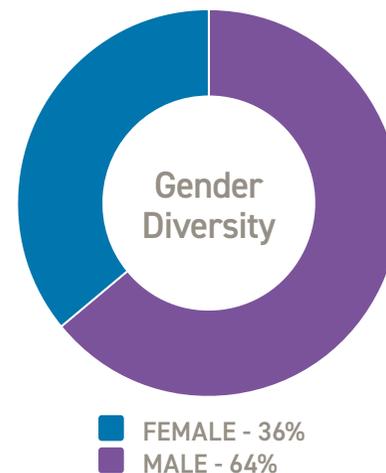
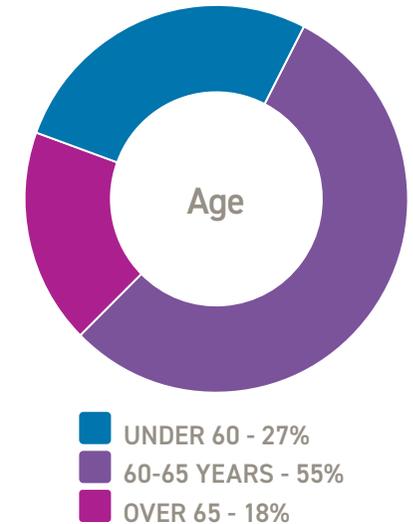
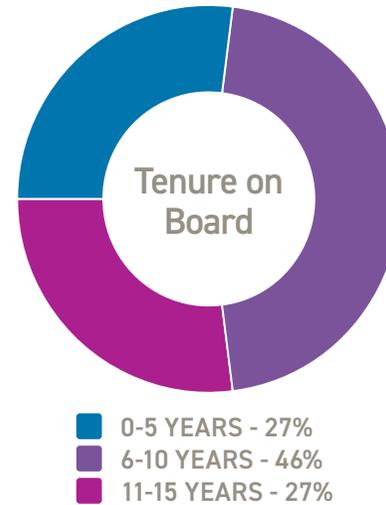
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Composition, Diversity and Competence of Management

We believe that Board diversity and experience with sustainable development principles empower us to drive innovation in our business and decision-making processes that yield better outcomes. Women leadership is valued within our organization, and we have received a 3+ rating in the 50/50 Women on Boards Gender Diversity Directory that validates the representation of three or more women on our 11-person Board.

We follow a robust director election process and consider the diverse backgrounds of the candidates, including parameters such as race, gender, education, experience, skills and other qualifications. Our Board strives to maintain an appropriate balance of knowledge, expertise and diversity on the Board, which supports the continued success of our organization. We provide our Board and governance committee with presentations of our ESG performance as well as educational resources to help inform conscientious and sustainable business decisions. For more information about our Board nomination process, composition and diversity, please refer to our [Proxy Statement](#).

3+
rating in the 50/50
Women on Boards
Gender Diversity
Directory



Corporate Governance

CONTINUED

Risk Oversight

With oversight from our audit committee, our enterprise risk management team maintains a process to continually assess and manage current and potential risks that our business faces globally, including those concerning economic, environmental and social topics. Our approach to risk management is focused on evaluating risk exposures, monitoring new and emerging risks, and providing regular updates to senior management and the Board to ensure prompt responses, communication and preparedness for a variety of risks.

Executive Compensation

Our executive compensation program reflects our commitment to aligning stockholders' long-term interests with our business imperatives and ESG priorities. To advance our principle of perpetuating financial sustainability throughout the organization, we deploy a performance-based approach to inform and determine executive compensation that is aimed at retaining highly qualified officers and providing incentives to create stockholder value.

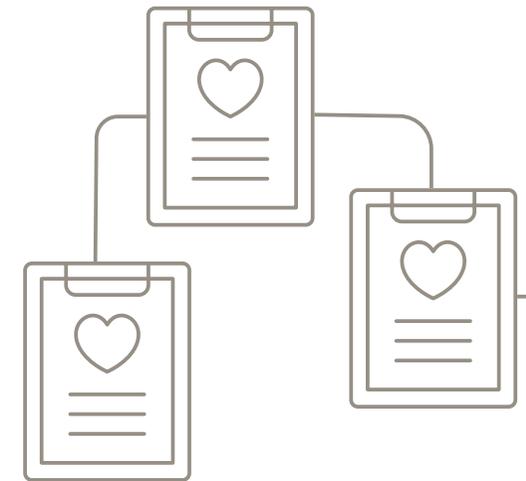
Our strategy for fair and competitive compensation is informed by insights gained from peer benchmarking and market analysis prepared by an external independent consultancy that annually reviews and provides recommendations for our pay decisions. We strive to ensure transparency in our compensation establishment procedures and final results. For more information about our compensation strategy, including our executive pay ratio, please refer to our [Proxy Statement](#).

Corporate Responsibility Governance

Our commitment to responsible business practices is underpinned by sound ESG governance and leadership. To effectively execute strategies that provide measurable, positive sustainability outcomes and progress toward our 20 By 30 Challenge goals, we have established the ESG Council, which reports to the company's chairman, president and CEO, and is comprised of senior leaders who guide and oversee our ESG initiatives.

Our ESG Council is jointly chaired by senior vice presidents from corporate communications; research, development and quality; and compliance functions. It ensures successful execution of our ESG strategy. Through the company's global impact team, environmental sustainability team and compliance team, the council works closely with subject-matter experts to ensure ESG practices and standards are part of our daily operations. These groups support ESG programs and sustainability actions through cross-functional efforts and representation from various business departments, including sustainability, environmental engineering, research and development, inclusion and diversity, compliance, supply chain, human resources, operations, finance, insights and innovation, procurement, sales and legal.

The company's Board of Directors oversees ESG and CR activities. The purpose of the governance committee includes assisting our Board in maintaining our corporate governance guidelines and in its oversight of our environmental, social and governance activities.



Ethics and Compliance



At Hormel Foods, we place great emphasis on making good decisions, treating people with respect and ensuring that we are upholding the highest business ethics standards that have enabled us to achieve long-term success. Throughout our global operations, we operate with integrity and accountability, in line with our unwavering commitment to being a good corporate citizen.

In an effort to foster an ethically sound culture, we require stringent compliance with our [Code of Ethical Business Conduct](#) (rev. 2021) and monitor potential code violations with guidance from our compliance committee, which is chaired by the company's senior vice president and chief compliance officer with representation from our internal audit, human resources, operations, information technology and legal functions. The code applies to all levels of our global team members and outlines our standards, practices and processes to address a variety of business ethics and ESG topics, which are reviewed annually by our audit committee to ensure quality and clarity. Issues covered by our code include, but are not limited to, regulatory compliance, conflicts of interest, fair competition, anti-corruption, human rights, data privacy and product integrity. Through compliance training, reporting and corrective actions, we strive to effectively prevent and resolve any violations of our code and regulations that are applicable to our business. Hormel Foods team members are trained annually on the company's Code of Ethical Business Conduct. In 2022, approximately 82% of production professionals and 96% of knowledge-worker team members completed the training.

Conflicts of Interest

Competing interests, which could have an impact on our ability to make objective decisions for our entire business or threaten the well-being of our stakeholders, are managed, tracked, communicated and mitigated throughout our organization to protect stakeholders' trust in our company and our ability to serve our customers. On an annual basis, we invest in our conflict of interest disclosure campaign and invite our Board and senior leadership to discuss reports of potential and substantiated conflict-of-interest cases.

In 2022, we reviewed and addressed disclosures of potential conflicts of interest presented in business relationships, employment and engagements with external organizations and government agencies with approximately 570 leaders within our global operations. We provide training and updates on our approaches toward ensuring that conflicts of interest are properly avoided, monitored and mitigated in our business activities while being transparent about our performance.



Ethics and Compliance

CONTINUED

Anti-Corruption

We are committed to conducting our work honestly and with integrity by maintaining compliance with applicable laws, and we never tolerate any bribes or other corrupt practices. All team members and third-party partners acting on behalf of our company are required to comply with the U.S. Foreign Corrupt Practices Act (FCPA), the United Kingdom Bribery Act and other similar anti-corruption regulations in other jurisdictions where we operate. We avoid circumstances that could lead to any kind of improper payment or bribery.



Whistleblowing Mechanism

Prompt and effective reporting and corrective actions are vital to our business ethics and compliance strategy. Within our organization and throughout our value chain, every team member and individual is encouraged to speak up in case of suspected or confirmed unethical conduct or when guidance is needed to manage violations of our policies or laws. We offer various methods for everyone to file reports of concerns securely and without fear of retaliation. Reports can be made by speaking to our compliance team, or by submitting a case through our dedicated reporting [website](#) or by calling our hotline, both of which are administered independently by a third party. Additionally, our website and hotline allow for anonymous reporting of concerns and are available 24/7 globally with support provided by native-language communication specialists for callers in non-U.S. countries. For more information about our whistleblowing policy and practices, please refer to our [Code of Ethical Business Conduct](#).

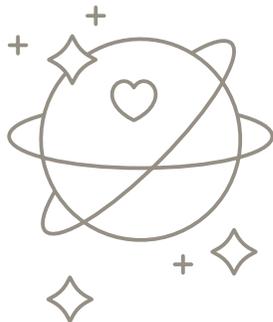
Management of Violations

We value feedback and disclosures of violations submitted through our communication channels, which enable early detection of and intervention in any misconduct that could deteriorate our reputation or relationships with our stakeholders. All reports and contacts regarding violation cases are treated confidentially, and we strive to efficiently initiate investigations, identify root causes, and implement corrective or disciplinary actions in an effort to maintain and adhere to our ethical standards. We escalate issues and provide updates to the audit committee, compliance committee and executive officers and incorporate their guidance into our compliance strategy. To effectively address violations, we provide training, conduct policy reviews, issue written or verbal warnings, or make termination decisions to avoid recurrence of unethical conduct or noncompliance incidents. By tracking year-over-year performance through our data dashboard and reinforcing our compliance programs, we strive to continue to embed business integrity into our daily operations.



Public Policy

Hormel Foods does not currently use corporate funds to make direct contributions to candidates, political parties, political action committees (PACs), super PACs, political committees, 527 groups, ballot question committees, 501(c)(4) organizations or to pay for independent expenditures. As a global food company, Hormel Foods actively engages in discussions about issues that matter.



Our lobbying activities vary according to the subject matter and may involve working with legislators, the House and Senate agricultural committees, the U.S. Department of Agriculture (USDA), and the U.S. Food and Drug Administration (FDA). We maintain relationships with these parties to facilitate open discussions and ensure that accurate information is appropriately disseminated for important issues within our industry.

In 2022, we spent over \$597,000 on lobbying efforts, primarily focused on issues that are important to the food industry. From our political action committee (PAC) funded by team members,⁸ we contributed \$5,000 to the North American Meat Institute PAC and \$5,000 to the Consumer Brands Association PAC.



⁸ Does not include Applegate.

Our Products

“Good food should be accessible, affordable, nutritious, delicious and above all, safe. We want consumers to benefit from the knowledge and expertise we’ve gained in more than a century. At the same time, we listen to them, including young people who are just starting to select their own food items. Our goal is always to respond with the kind of inspired products that will continue to enrich people’s lives far into the future.”

KEVIN MYERS, PH.D.

SENIOR VICE PRESIDENT, R&D
AND QUALITY CONTROL

Our Products

We launched more than 400 new items in 2022,⁹ including specially designed items for the underserved patient community and an expansion of our plant-based product portfolio to support food justice, security and accessibility for all.

Producing some of the most trusted and well-known food products in the world inspires us every day. We believe that good food is affordable, safe, nutritious and delicious, and should be made available to everyone. We produce food to help feed the world while promoting healthy food choices by advancing our clean labels, sodium reduction and product innovation. By continuing to diversify our product portfolio, we help meet consumers' dietary preferences and nutritional needs through a wide range of food options.



2022 Product Highlights

9 clean-label projects completed

7 product awards received

13% of sales from innovative new items

⁹ Includes MegaMex Foods.

Progress Toward 20 By 30 Challenge Goals

Hormel Foods Goal	2022 Progress	UN SDGs
<p>1 Continue to offer high-quality, safe, affordable and convenient products that meet a wide range of consumer preferences and needs.</p>	<p>We launched more than 400 new retail and foodservice items to continue to meet consumer preferences and needs.</p>	 
<p>2 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.</p>	<p>We continued to focus on efforts to reduce added sugars and sodium in our products throughout the year, including the launch of reduced-sodium options in our <i>Hormel</i>® turkey chili with bean, <i>Hormel</i>® turkey chili no bean and <i>Hormel</i>® chunky chili no bean.</p>	
<p>3 Achieve 15% of sales from new products each year.¹⁰</p>	<p>In 2022, we reached 13% of sales from innovative items.¹¹</p>	

¹⁰ 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.

¹¹ Includes MegaMex Foods.

Nutrition and 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 and continuing our clean-label initiative and efforts that help people meet their dietary requirements with nutritious food options. Our team works tirelessly to develop products that support the health and wellness of our consumers. As a result of our efforts, we launched more than 400 new retail and foodservice items in 2022¹² and continued to direct our investment toward increasing transparency in our products, providing specially designed items for the underserved patient community and expanding our plant-based product portfolio to provide alternative sources of protein to our consumers.

To respond to consumer needs and market trends for nutritious and functional food products, we have established our Health, Science and Wellness Advisory Council, which sets strategies for advancing healthy solutions in our product portfolio. Through collaboration with a cross-functional team consisting of research and development, marketing, consumer insights, regulatory affairs and packaging, the council advises our approaches to pursuing opportunities

and engaging in internal and external partnerships for developing and distributing products that support healthy diets and informed food choices.

We are proud to report that we have a variety of products certified by independent outside entities, including Whole30®, American Heart Association, Vegan Awareness Foundation, The Non-GMO Project and others. In addition, we have an entire division — Hormel Health Labs — that has been developing and producing products for populations with special dietary needs. In Europe, 10 SKUs of *Skippy*® peanut butter products in the market are free of palm oil to meet the variety of consumers' food preferences.

Clean-Label Initiative

In an effort to enable consumers to make better food decisions, we have established our clean-label initiative, which aims to simplify the ingredient statements of our retail products through the removal or replacement of ingredients while still delivering the great taste that shoppers expect. Through the initiative, our products are evaluated for opportunities to shorten ingredient lists, use ingredients that are

familiar to consumers, and remove artificial colors and flavors to provide clearer and easy-to-follow product information to inform decision-making.

Our Foodservice division is dedicated to promoting clean labels on our products, and innovation efforts continue to be chef inspired with easily recognized ingredients, smart sodium levels and on-trend preparation methods to ensure accurate ingredients and menu items are reflected in commercial kitchens. We have a diverse portfolio of product innovations and successes, including *Hormel*® *Fire Braised*™ meats, *Hormel*® *Natural Choice*® meats and *Hormel*® *Fuse*™ burgers. These items are 100% natural — minimally processed, free of artificial ingredients, zero preservatives, no artificial colors, and no nitrites or nitrates (except for those that occur naturally) — and are produced with no gluten-containing ingredients, where applicable.

¹² Includes MegaMex Foods.

Nutrition and Wellness

CONTINUED

In 2022, nine clean-label projects were completed,¹³ including a new *Jennie-O*® seasoned frozen burger that is made with all-natural ingredients and contains no binders or phosphates. We also reformulated *Hormel*® elbow macaroni and cheese to incorporate a simpler ingredient statement and call out the use of real cheese on product packaging.

Reduced-Sodium Products

We are dedicated to helping consumers address and manage nutritional and health concerns in food products. Based on consumer research and feedback, we actively initiate sodium-reduction research and product reformulation initiatives to reach the preferred sodium levels in our products. In 2022, we were proud to launch reduced-sodium options in our *Hormel*® chunky chili and *Hormel*® turkey chili product line. Moving forward, we will continue to nourish a global population of diverse dietary preferences and decrease added sodium and sugars in our products while promoting the use of desirable, more nutritious ingredients whenever possible.

Hormel Health Labs

Our Hormel Health Labs division provides food options for healthcare centers, special care facilities, caregivers and individuals to help meet the dietary requirements of people with various health conditions. As a leading provider of nutritious foods for people at risk of malnutrition, which spans many illnesses and disorders, including cancer, kidney disease, diabetes, digestive challenges, cardiovascular disease and more, Hormel Health Labs offers a wide variety of highly fortified functional foods and beverages through multiple product lines.

Hormel Health Labs is a leader in providing nutritional food options for people with swallowing difficulties (dysphagia). Through the *Thick & Easy*® line of foods, beverages and mixes, Hormel Health Labs delivers products that help people continue to enjoy their favorite items safely. We continue to optimize *Thick & Easy*® products and end-user instruction in response to increasing global adoption and implementation of the International Dysphagia Diet Standardization Initiative (IDDSI) guidelines. In 2022, we introduced a new size of *Thick & Easy*® dry thickener packets to adjust the thickening of beverages to appropriate levels, engaged

the U.S. IDDSI Group (USIRG) to implement the IDDSI guide and trained healthcare professionals at tradeshow events on the use of our products to advance our contributions to providing safe and nutritious products for the patient communities in need.

For more information about *Thick & Easy*® products and our Hormel Health Labs initiatives, please visit [Hormel Health Labs](#).

- VegNews Best Products for Vegans — awarded to *Justin's*® peanut butter cups products;
- 2022 Mindful Awards — awarded to *Justin's*® almond butter products;
- Cosmopolitan Snack Awards — awarded to *Justin's*® dark chocolate chip almond butter protein bars; and
- Prepared Foods' Spirit of Innovation Awards: Best Foodservice Product/Front of House — awarded to Hormel Foods Foodservice *Happy Little Plants*® plant-based meatball.



Plant-Based Protein Options

We are proud to offer a wide range of plant-based retail and foodservice items, including but not limited to the *Planters*® brand and *Skippy*® peanut butter products, *Justin's*® nut butter products and *Burke*® plant-based products. The list at the left presents our 2022 recognitions that showcase our innovation in providing high-quality plant-based products.

In 2022, our Foodservice division launched a new vegetarian pepperoni-style frozen topping item, adding to the current *Happy Little Plants*® plant-based toppings portfolio that includes chorizo-style and Italian-style crumbles and meatball-style products. As part of our dedication to supporting consumers' food preferences, we look forward to continuing to expand our portfolio and capabilities to introduce innovative and tasty plant-based food options.

¹³ Includes all projects captured through our corporate tracking systems; however, all projects may not be captured.

Food Safety and Quality

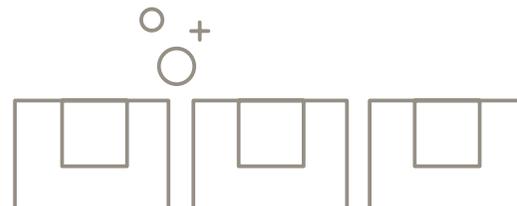


“I oversee the critically important food safety and quality programs, but the real credit goes to 20,000 Hormel Foods team members who are committed every day to being the best they can be. They are the ones behind brands and products that are loved, enjoyed and most of all — trusted — by our consumers worldwide.”

RICHARD CARLSON
VICE PRESIDENT OF
QUALITY MANAGEMENT

At Hormel Foods, product safety and quality are paramount priorities. Our robust food safety and sanitation systems are developed based on the Hazard Analysis and Critical Control Points (HACCP) principles to ensure the competency of our quality management program. We follow a rigorous assurance process and strive to raise food-safety awareness throughout our organization to hold ourselves accountable for the safety of our products. Our approach to food safety and quality assurance is anchored by our mission to:

- Prepare, package and distribute ready-to-eat meat and food products that are free from microbiological, chemical or physical hazards; and
- Provide clearly defined specifications, programs and services to ensure that our products meet the quality requirements of our company, regulatory agencies and customers.



Food Safety Management

Our systems are supervised by our quality and food safety professionals, independent third-party auditors, the USDA and the FDA. Our food safety steering committee oversees the operation of three important food safety task forces: prevention and detection, assurance and training. To drive improvement, our quality management team members continuously challenge themselves to meet aggressive ambitions for better food safety performance.

Quality Assurance

We work with experienced auditors to obtain certification of our compliance with the HACCP and food safety management systems that are guided by various Global Food Safety Initiative (GFSI) audit methodologies. We are proud that our facilities have achieved Safe Quality Food (SQF), British Retail Consortium (BRC) Global Food Safety Standard or FSSC 22000 certifications that attest compliance with

the GFSI requirements, showcasing the effectiveness of our safety management strategy. We deploy a robust internal system to actively track and improve audit results for the rare facilities that do not achieve our quality certification expectations in a given year.

Throughout our production and assurance processes, we strive to quickly detect and address any potential hazards or deficiencies in the quality of products we deliver. In 2022, Skippy Foods, LLC voluntarily recalled a limited number of code dates of *Skippy*® reduced-fat creamy peanut butter spread and *Skippy*® creamy peanut butter blended with plant protein, due to a possible issue with manufacturing equipment. We properly notified all retailers that received the affected product, and there were no consumer complaints or filed safety concerns associated with the case.

Food Safety and Quality

CONTINUED



Safe Packaging

The packaging of our products plays an important role in ensuring food safety. Our packaging scientists determine the best packaging techniques for all products based on thorough reviews and assessments of safety risks considering the entire product production and use phase, including the manufacturing, transportation to customers and consumer usage stages. A variety of packaging materials and options are used, including modified atmosphere packaging, vacuum packaging and packaging designed for low-acid, shelf-stable foods. Prior to transportation and distribution to retailers, all products are required to undergo multiple stages of safety checks and balances to verify and demonstrate quality excellence.

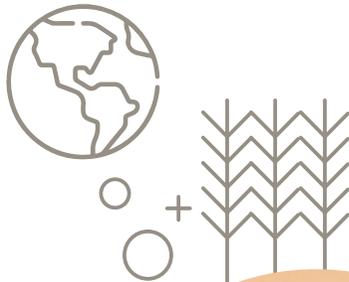
Product Quality Training

To equip our team members with the appropriate knowledge and skills to manage product safety in all stages of the design, production and delivery processes, we invest extensive time and resources in the development of comprehensive safety training programs and educational campaigns for our team members. In 2022, we hosted our fourth annual Global Food Safety Awareness Week across our enterprise, featuring a series of events and engagement initiatives that were aimed at disseminating information to global team members concerning the importance of product quality to our business and our management approaches.



Food Access and Affordability

As a leading global food company, we understand the importance of providing access to affordable, nutritious food to nourish the world's growing population. Our efforts to promote food security and affordability are focused on providing and donating shelf-stable SPAMMY® items and offering a variety of sizes at various prices for most of our products. For more information about our in-kind donations to help support food access as well as food security, please visit the [Community](#) section of this report.



Project SPAMMY[®]



In 2008, Hormel Foods developed and introduced SPAMMY®, a fortified, shelf-stable turkey spread, to help address childhood malnutrition throughout the world. Project SPAMMY® has strengthened hundreds of thousands of families, with tens of millions of servings being distributed since the program's inception. So committed is the company to the effort, team members have traveled to Guatemala to make a difference in the lives of children and families.

Innovation

We remain dedicated to perpetual innovation in an effort to provide the best available products for our consumers. At Hormel Foods, we are 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 data, observations, conversations and ethnographic research.

Our innovation is purpose driven. In addition to our own experience, we talk and listen to our consumers so that we understand their needs and desires, applying our creativity to finding solutions that fill voids in the global marketplace.

In 2022, 13% of our sales were from new products,¹⁴ and more than 400 new retail and foodservice items were launched.¹⁵ In recognition of our innovations, our *Planters*[®] sweet and spicy dry roasted peanuts were named to the Progressive Grocer 2022 Editors' Picks of best new products.

Product Development and Innovation

Our product innovation strategies are shaped by collaborations and guidance from all levels of functional leaders, business units and working groups as well as insights into consumer preferences to ensure that our brands and products remain current and relevant to the market. Through quarterly reviews on innovation focus areas of strategy, technology and product development, our leadership team ensures that resources, critical issues and needs are aligned with our company's strategic priorities. Our innovation progress is also managed through this same quarterly review, with support from our corporate innovation and stage gate team, which is responsible for major pipeline development and overall pipeline health throughout the enterprise.

To help inform and manage innovation pipelines, we deploy a centralized companywide governance system to measure key indicators for necessary decision checks and gatekeeping that

allow us to better allocate resources and align our development efforts with our product-creation priorities. By updating our management system in accordance with our operating model and needs for project planning and monitoring, we are able to apply a scoring methodology to systematically identify, compare and pursue product opportunities based on strategic fit, while providing transparency and visibility in our decision-making process throughout our company.

In an effort to promote creativity and knowledge sharing, we hold an annual innovation summit for team members involved in the product development process to exchange experiences and ideas, and we host an annual Best of the Best competition to highlight and recognize outstanding

innovations. In 2022, our MegaMex team won the competition with the new and improved *Herdez*[®] avocado hot sauce. Made with real avocados, this new product is the first of its kind in the hot-sauce category, featuring a unique, tangy and well-balanced flavor that complements a variety of cuisines.

If you want to know how to make things better, go to the source. That's the philosophy behind the Hormel Foods Best of the Best program, an annual competition in which internal teams present projects focused on continuous improvement processes with a sustainability focus. It's become a time-honored tradition and a source of great pride for team members. The final four teams travel to Austin, Minn., to meet with and share their results with the leadership team.



¹⁴ 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.

¹⁵ Includes MegaMex Foods.

Consumer Education and Information



We're committed to ensuring the food we offer worldwide is tasty, wholesome and above all, safe for our consumers. To maintain this commitment, we understand that it is imperative to provide consumers with precise and credible information that they need to determine which products meet their nutritional requirements.

We believe the best way of doing so is through accurate and transparent labeling so that consumers can see easily and right away that the products they are buying, cooking and eating are up to their expectations. Our labeling practices follow industry best practices and applicable regulations to ensure the presentation of product information is easily understandable and truthful. We also have a large and knowledgeable team that is available to answer questions submitted via our website through phone, email and other communication channels regarding our products, including their ingredients and nutritional content.

To provide easily accessible information for a portion of products in our portfolio, we employ SmartLabel, a widely used platform created by the Consumer Brands Association, that is designed to provide detailed product information beyond the package label across a wide array of food and consumer goods categories. In addition, we are using the newer front-of-packaging labeling system that was also developed by the Consumer Brands Association on a number of our *Planters*® and *Corn Nuts*® products to display key nutrition information on the front of packages with an aim to support more efficient product information gathering and purchasing decision-making processes.

We follow FDA and USDA regulations for nutrient content claims on packages to educate consumers on nutritional attributes. These claims include, but are not limited to, low fat, fat free, low sodium, reduced sodium, lite, lightly salted or high in protein. Product labeling about bioengineered food ingredients that are used in our products is included on packaging in accordance with the National Bioengineered Food Disclosure Standard.

Consumer Education and Information

CONTINUED

Product Labeling

The accuracy and completeness of nutrition-label panels are critical to ensure that our products are delivering the expected dietary values to our consumers. In addition to the information that is available on packages, we provide nutritional content on our product websites to provide consumers with easily accessible information wherever they are located.

Product labels are developed by our team of highly trained technical label experts who leverage decades of industry experience in incorporating mandatory and voluntary informational elements into label development. Our internal nutrition label program continuously evaluates products to ensure accurate nutrition-facts-panel information on packaging.

We manage our labeling and formulation controls through integrated software systems. The systems maintain profiles of all ingredients and the associated suppliers, and are designed to identify all allergens (e.g., milk, wheat, soy, peanuts, tree nuts, eggs, fish, crustacean shellfish, sesame), sensitive ingredients (e.g., sulfate, MSG), country of origin, supplying production 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 consumer engagement and shopper insights teams collaborate with our dedicated cultural anthropologist to regularly interact with our consumers and customers to provide information and answer questions via various channels, including email, website, phone, mail and social media. Through these engagement efforts, we remain up to date on diverse and evolving product needs within our consumer base, fulfill information requests and track satisfaction levels of our products. In 2022, the consumer team fielded more than 111,600 contacts. As we continue to seek opportunities to strengthen our approaches to consumer interaction, education and customer services, we are focused on adopting effective communication methods, such as a chat function on our platform, that empower our team to promptly engage with and respond to our consumers.



Responsible Marketing

Across our business activities, 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, the largest advertising trade association in the U.S. that works on behalf of its members on policies, regulations and other issues affecting the marketing industry, we actively support partnerships and



advocacy programs related to responsible marketing practices that allow us to build stronger brands through effective and ethical advertising strategies. In 2022, we had zero noncompliance events associated with our marketing communications.¹⁶

Our marketing efforts are focused on recognizing the successes of our foodservice operators and business partners, the quality and diversity of our product portfolio and our contributions to help feed the world's population that demonstrate our impacts and commitment to improving food security and building a future where humanity can thrive. We utilize responsible marketing practices to guide our communication activities, including influencer partnerships, social media promotion and press releases, to convey our strategies and investments in various hunger-relief and sustainability campaigns in collaboration with community and nonprofit organizations. The short list below presents select marketing initiatives and associated impacts we have generated with external partners.

National Honey Month Celebration

In September 2022, our Justin's (Boulder, Colo.) company partnered with the [National Honey Board](#) to celebrate National Honey Month with a Honey Saves Hives campaign whereby social media influencers were engaged to share Justin's pollinator conservation efforts with consumers. Approximately \$93,000 was donated through the campaign.

Advocacy for Regenerative Agriculture

Our Applegate subsidiary supported [Regenerate America™](#), a diverse bipartisan coalition of farmers, businesses, nonprofits and citizens working together to transform the 2023 Farm Bill via a monetary donation of \$50,000. Through a series of social media posts on Instagram, Twitter and Facebook, Applegate encouraged consumers to sign a petition for regenerative agriculture and make their voices heard. Applegate also held a giveaway event on social media that was focused on encouraging consumers to utilize a virtual photo booth for promoting and supporting the mission of Regenerate America™, the Applegate "Food that Regenerates the Land" video and regenerative agriculture practices, which resulted in an additional \$5,000 monetary donation to Regenerate America™.



¹⁶ We define noncompliance events as any incidents that result in fines or penalties issued by U.S. regulatory agencies. Hormel Foods did not have any FDA, USDA or U.S. Federal Trade Commission warnings, penalties or fines associated with marketing regulations during 2022.

Our Supply Chain

“Because it touches virtually every area of the company, supply chain is in the enviable sustainability position of bringing the company together while driving significant waste out of the organization. That includes sharing assets, reducing food miles and so much more.”

JEN EHRESMANN

VICE PRESIDENT, SUPPLY CHAIN

Our Supply Chain

Our total purchasing spend with diverse businesses was over \$1.5 billion across Tier 1 and Tier 2 suppliers in calendar year 2022. Our supply chain management efforts are focused on ensuring the quality and safety of ingredients, and supporting the health and lives of animals and farmers in our value chain.

At Hormel Foods, our multifaceted global supply chain includes suppliers of food ingredients, packaging materials, transportation and more. We work with credible and responsible vendors who share our values and comply with our standards of ethical business behaviors that enable us to deliver quality products and add economic and social value to society. By maintaining strong relationships with our

suppliers and deploying robust sourcing policies and risk management programs, we remain committed to collectively building a sustainable future for the global food system, elevating diversity in our supplier base, and promoting the well-being of animals and farmers who support our mission of feeding the world's population.

2022 Supply Chain Management Highlights

100%

of our sourced palm oil is RSP0-certified sustainable palm oil

0

noncompliance incidents of hog and turkey processing practices¹⁷

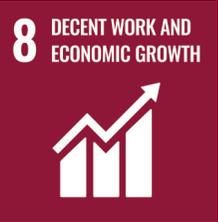
Ensured the continued alignment of our antibiotic stewardship programs with several WHO guidelines on Use of Medically Important Antimicrobials in Food-Producing Animals



+

¹⁷ As reflected in the number of notices of intended enforcement from the USDA's Food Safety and Inspection Service concerning material noncompliance incidents with laws and regulations in relation to our hog and turkey transportation, handling and processing practices.

Progress Toward 20 By 30 Challenge Goals

Hormel Foods Goal	2022 Progress	UN SDGs	
<p>4 Maintain high standards for animal care and handling throughout our supply chain.</p>	<p>We conducted more than 2,800 audits to ensure that our standards are being met.</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>
<p>5 Advance our antibiotic stewardship efforts and pilot an antibiotic use measurement and reporting system.</p>	<p>We continued to share our efforts and progress through our annual Antibiotic Stewardship Report.</p>	 <p>10 REDUCED INEQUALITIES</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
<p>6 Continue to increase our purchasing spend annually with small and diverse businesses.</p>	<p>Our total purchasing spend with diverse businesses, including small, women-owned, minority-owned and veteran-owned businesses, was over \$1.5 billion across Tier 1 and Tier 2 suppliers in calendar year 2022.</p>		

Supply Chain

CONTINUED

Supplier Code of Conduct

Across our business, we implement multiple policies to ensure that our suppliers follow the highest standards for ethical, accountable, and responsible operations and production processes. All of our suppliers are required to comply with our [Supplier Code of Conduct](#), our Code of Ethical Business Conduct and other applicable company policies to demonstrate that the products and services we receive from them adhere to our principles for environmental and social responsibility. Our Supplier Code of Conduct defines our expectations of vendors' operations and services in five areas – product quality and safety, human rights, animal care, environmental management and business integrity – and provides a mechanism to report noncompliance with our policy and requirements. In the instance of a supplier code violation, we require the noncompliant supplier to promptly implement corrective actions and prevent recurrence. If appropriate corrective actions cannot be agreed upon or are not made, we reserve the right to suspend or discontinue purchases

from the vendor. For more information about our Supplier Code of Conduct and other supplier policies, please visit our [Supplier Code of Conduct webpage](#).

Sustainable Sourcing

Sustainable agricultural production practices are vital to an environmentally sound, socially responsible and economically viable food value chain. Our responsible sourcing approach for agricultural products is focused on advancing the traceability of palm oil and the sustainability of beef supplied by our South American vendors. In the spirit of continuous improvement, we have established a goal to achieve 100% palm oil traceability to the plantation level by the end of 2025. As of the end of 2022, we have made significant progress toward this commitment by buying 100% RSPO-certified sustainable palm oil from our suppliers.

Our [Palm Oil Sourcing Policy and Palm Oil Action Plan](#) describe our commitment to palm oil traceability, responsible sourcing principles, and reporting and assessment requirements of our suppliers. Under the Palm Oil Action Plan, our vendors are obligated to annually report their progress in verifying responsible palm oil production

practices and to work with our internal and external assessment teams to evaluate the performance of plantations in their supply chains. The annual disclosure and evaluation process is led by the Hormel Foods Palm Oil Council, which provides strategic recommendations and supports program implementation by reviewing supplier reports and assessment findings. Through its leadership, guidance and engagement with vendors, the council facilitates continuous improvement of suppliers' compliance with our sustainable palm oil purchasing principles and attainment of our 100% traceability goal.

In alignment with industry best practices, we follow the criteria and principles of the Global Roundtable for Sustainable Beef (GRSB) in our partnership with our South American beef suppliers to drive better sustainability performance in our beef value chain. As part of our strategy, we collaborate closely with beef vendors and enforce audit requirements to ensure the integrity of their environmental monitoring systems for farms supplying cattle. By verifying the quality of suppliers' environmental management programs, which can include the utilization of geospatial analysis tools, collection of

deforestation data and tracking of human rights risks, we aim to retrieve high-quality data from vendors' monitoring systems in order to continuously refine our strategy for effectively addressing any potential negative impacts derived from animal husbandry. For more information about our South American beef-sourcing strategies, please visit our [Supply Chain webpage](#).

Supplier Assessment and Engagement

All of our supply chain and business partners play a key role in the success of our business. We seek to work with parties that do business with integrity and follow the highest standards of ethical and responsible conduct depicted in our supplier policies. By implementing due diligence, ongoing performance management, and audit and engagement activities, we strive to effectively achieve our objective of robust supply chain management. The long-standing relationships that we have established with our world-class suppliers allow us to maintain stability and drive continued sustainability progress in our supply chains. In calendar year 2022, approximately 7% of our purchases were from new suppliers.



Supply Chain

CONTINUED

Prior to entering a procurement contract with our vendors, they must agree to follow our supplier responsibility principles, which were designed to ensure that the quality of products and services we receive from them follow our commitment to responsible environmental and social performance.

As part of our approach to supply chain management and risk mitigation, we follow a supplier quality management process to regularly evaluate our vendors based on the condition, delivery, service, technology and price of their solutions and products. Our ingredient suppliers are subject to additional food safety measurements and certification requirements in our contractual relationships to further ensure product integrity.

Sustainability Evaluation and Management

In 2022, we continued to engage with our suppliers to evaluate their ESG performance and the maturity of their management approaches, which covered aspects relating to vendors' human rights policies and practices. We reserve the right to require

third-party ESG audits at our suppliers' locations based on the results of the vendor sustainability assessment.

To drive improvement in our supplier base, we meet with our top vendors to discuss their initiatives and review service metrics in an effort to enhance sustainability within our supply chain while ensuring the alignment of vendors' performance and capabilities with our business strategy. The focus areas in our supplier engagements include environmental and social responsibility as well as business drivers for the upcoming year. We report our internal results through a third party.

Food Safety Audits

As part of our commitment to product quality, we require all ingredient suppliers to complete third-party food safety audits on a regular basis. Additionally, we performed 17 food safety supplemental audits in 2022 with our prioritized, high-risk suppliers who supply ingredients with an elevated risk of a food safety hazard that warrant extra due diligence.¹⁸ If suppliers are found to be noncompliant with our product

safety standards, we work to ensure that appropriate corrective or disciplinary action is taken — up to and including termination of our procurement contracts.

Supplier Diversity Program

We continue to pursue annual increases in our purchasing spend with small and diverse businesses. In addition to ensuring our suppliers' compliance with our product and food safety standards, 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 2022, our total purchasing spend with small and diverse businesses was over \$1.5 billion across Tier 1 and Tier 2 suppliers,¹⁹ including the spend with independent, family-owned hog farms.



¹⁸ Does not include international audits.

¹⁹ Includes suppliers of applicable vendor categories in the company's tracking system.



Animal Care

As part of our 20 By 30 Challenge, we have an unwavering commitment to maintaining high animal welfare standards – not only because it is the right thing to do, but also because we believe that fostering a positive human-animal relationship allows us to reach our sustainability goals, maintain the highest product quality, ensure food safety and protect human health. We support the health and well-being of farm animals by improving the quality of their lives and living environment, which in turn enables us to ensure ethical farming practices, reduce risks of animal disease outbreaks, and provide better and safer products.

Across our business, we maintain a zero-tolerance policy toward the mistreatment of animals. Our strict animal care requirements are overseen and advised by veterinarians, third-party experts and a team of animal welfare professionals at our company, including our animal welfare committees for hogs and turkeys, to ensure best practices and compliance with laws that are focused on preventing animal cruelty. Our Animal Stewardship Policy serves as our enterprise-wide guideline toward ethical animal farming practices, and we conduct regular assessments and audits to verify that our animal welfare requirements are being met in our operations and supply chain.²⁰ In addition to the animal care principles outlined in our policy, we have specific quality assurance requirements for hogs and turkeys as well as responsible production expectations for chickens, which are further described in the following sections and on our [Animal Care webpage](#).

Animal Stewardship Policy

As part of our dedication to implementing the best animal stewardship practices, we have developed industry-leading animal welfare standards in conjunction with livestock care experts, including renowned authorities on humane animal husbandry. The veterinarians and animal behavior experts we work with help us create a blueprint that ensures every animal is raised in a healthy environment and treated with care, respect and compassion throughout its life. We work to ensure our network of family farmers understands and shares these values.

To uphold our animal welfare standards, the following principles are adopted to guide our animal care and handling procedures:

- All farms will provide a balanced and nutritious diet, and clean drinking water.
- A safe and humane environment will be furnished for every animal throughout its life, including minimized stress, managed social needs and controlled 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 with appropriate preventive and, if necessary, medical care, including veterinary oversight and the prompt treatment of sick animals. When deemed medically necessary by animal experts, we use antibiotics responsibly.
- We will follow clearly documented humane procedures in the event an animal needs to be euthanized.

In addition to these principles, our Applegate subsidiary has additional animal care requirements. Applegate works with third-party certifiers such as [Global Animal Partnership®](#) and [Certified Humane®](#) to require and ensure that all suppliers meet externally verified animal welfare standards and that all animals used in Applegate products are raised and handled in ways that honor the [Five Freedoms of Animal Welfare](#).

2,800+
audits conducted
to ensure that our animal care
standards are being met

²⁰ Includes all audits in our corporate and Jennie-O tracking systems.

Animal Care

CONTINUED

Hogs

All of our hog producers, including our company-owned sow farm, are required to maintain adherence to all applicable local and national laws and participate in our Animal Welfare Quality Assurance Program that prescribes the proper way to transport and treat hogs on their farms. With guidance and leadership from our corporate animal welfare steering committee as well as an animal welfare committee at each hog harvesting facility, we strive to ensure that our standards for hog treatment are aligned with best practices and are successfully executed by all relevant team members and suppliers.

Animal Welfare Quality Assurance and Compliance

As part of our Animal Welfare Quality Assurance Program, all of the hog farms in our supply chain are subject to third-party audits and regular training requirements to continuously improve their animal care and handling approaches. Our quality assurance and operations personnel perform daily internal audits at our processing facilities to certify compliance with fair animal treatment

regulations and our quality assurance standards. As part of our regulatory compliance strategy, we have dedicated part of our production to be compliant with California Proposition 12 and Massachusetts Question 3 Space Requirements for Animal Housing. For additional information about our quality assurance requirements related to hogs and compliance with California Proposition 12 and Massachusetts Question 3, please visit our [Animal Care webpage](#).

Hog Processing Audits

In 2022, 53 external audits were performed by outside auditors. Internally, we participated in 1,072 formal audits, including 54 audits that were conducted by company management at our processing facilities on an unannounced, random basis. As a result of our rigorous auditing efforts in 2022, we did not receive any notices of intended enforcement from the USDA's Food Safety and Inspection Service concerning material noncompliance incidents with laws and regulations in relation to our hog transportation, handling and processing practices.

Turkeys

Jennie-O has stringent training requirements and follows the animal welfare guidelines set forth by the [National Turkey Federation](#) (NTF) as the auditing criteria for our hatcheries, farms and processing facilities. All of our turkey farming, handling practices and standards, which apply to our team members, independent suppliers and contract suppliers, are regularly assessed by the Jennie-O Animal Welfare Review Board to ensure accountability. We are proud to consistently score in the highest category according to NTF's standards.

Turkey Handling Training and Due Diligence

Prior to working with turkeys at Jennie-O farms and processing facilities, new team members are required to undergo a thorough training program to familiarize themselves with animal care and handling techniques related to their respective jobs. Training for all applicable team members is ongoing, and we perform monthly, annual and periodic audits at our various facilities to evaluate and verify successful execution of our best-practice turkey raising and treatment guidelines by our workers. These audits gauge team members' compliance with handling procedures and turkey welfare standards for factors such as air quality and access to food and water.

1,100+
hog audits in 2022

1,600+
turkey audits in 2022

Animal Care

CONTINUED



Jennie-O requires all independent and contract suppliers to follow a two-step process to ensure that high animal welfare standards are applied when handling turkeys. We require independent and

contract producers to complete company-provided training in animal handling before they receive a conditional supplier status to supply turkeys for our business. Final approved supplier status is granted after Jennie-O team members in the turkey procurement area perform an on-site inspection and an audit of the independent and contract producer's operations. We require ongoing reviews of independent and contract producers' turkey handling practices every three years.

Live Production and Processing Audits

We participate in regular audits at our turkey live production and processing facilities to ensure adherence to applicable regulations and our animal welfare standards. In 2022, we did not have any notices of intended enforcement from the USDA's Food Safety and Inspection Service as a result of material noncompliance incidents with laws and regulations related to our turkey transportation, handling and processing practices.

Throughout 2022, 1,328 internal audits were conducted by the Jennie-O live production quality assurance department, and 302 NTF

standard-compliant audits were performed by our managers and supervisors of live production. Due to an outbreak of highly pathogenic avian influenza (HPAI) across the U.S. in 2022, out of an abundance of caution for the health and well-being of our team members and our animals, zero audits were conducted by external assessors at our live production facilities to prevent potential human or animal infections with HPAI.

Daily internal audits at Jennie-O processing facilities conducted by quality assurance and operations personnel help maintain our high animal welfare and safety standards. Jennie-O participated in eight internal formal audits and 61 audits that were conducted by company managers at processing facilities on an unannounced, random basis. As outlined above, zero audits were performed by outside auditors at our processing facilities due to the outbreak of HPAI.

Chickens

In line with consumers' growing expectations and demand for cruelty-free poultry products, we have invested in sourcing 100% cage-free shell and liquid eggs for our global brands and pledged to improve broiler-chicken welfare as outlined

in our [Broiler Chicken Commitment](#). This commitment, led by our Applegate team, allows us to actively engage our suppliers to progressively adopt changes to animal-raising systems in order to ensure better welfare outcomes for broiler chickens. The commitments of Applegate include:

- Enhanced environmental enrichments, including at least three inches of friable litter, continuous light and dark periods, and added functional enrichments;
- A maximum stocking density of 6 pounds per square foot, which is 20% more space than conventional standards; and
- Third-party audits for animal welfare.

Applegate serves on the U.S. Working Group for Broiler Welfare alongside other leading food companies. For more information about our roadmap to improve the welfare of broiler chickens, please visit our [Broiler Chicken Commitment](#).

Antibiotic Stewardship

At Hormel Foods, we understand the importance of responsibly using antibiotics within all animal agriculture settings, and as part of our 20 By 30 Challenge. We are committed to advancing our antibiotic stewardship efforts and piloting an antibiotic use measurement and reporting system to drive improvement and transparency in responsible antimicrobial use. By emerging as a leader in the establishment of a thoughtful antibiotic stewardship program, we have not only invested in innovative approaches to raising animals without antibiotics but have also served as stewards of alternative approaches to animal health and well-being by minimizing the need for antibiotics. In alignment with our [Animal Stewardship Policy](#), we use antibiotics responsibly and solely for necessary medical care purposes, and we never utilize medically important antibiotics for increasing profitability, such as for animal growth promotion, feed efficiency or weight gain. In particular, our Applegate subsidiary maintains a strict no-antibiotics-ever policy for its Applegate® branded products.

In an effort to progress toward our 20 By 30 Challenge goal for enhancing our ongoing antibiotic stewardship efforts, we have made the following commitments:

- 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.
- Strive to eliminate the routine use of medically important antibiotics at our Jennie-O farms in 2022 and on our company-owned sow farm by 2025.²¹ We launched a study in January 2022 with our veterinary partner to identify the changes needed to eliminate routine antibiotic use. Subsequently, we will implement any identified changes as long as they align with our high animal welfare standards.

Antibiotic Stewardship Framework

Protecting human health and the health of our animals from possible negative impacts of animal antibiotic overuse is of the utmost importance to our business and fuels our

commitment to antibiotic stewardship. Our comprehensive stewardship program is focused on four core principles surrounding management, use of preventive medicine, veterinary oversight and continuous improvement in our antibiotic use practices to responsibly utilize or reduce antimicrobials while promoting health outcomes of animals in our supply chain.

Our robust antibiotic stewardship framework follows relevant standards established by international and domestic governing authorities, including those suggested or enforced by the USDA and the FDA. We report annually on our stewardship progress through our [Antibiotic Stewardship Report](#). This stand-alone report is issued on an annual basis and provides updates on our efforts in implementing our antibiotic stewardship strategy, which is focused on reducing and ensuring responsible use of antibiotics as well as investing in raised-without-antibiotics products and stakeholder partnerships.

Support of the WHO Guidelines

Our antibiotic stewardship commitments and practices align with several of the World Health Organization (WHO) guidelines on Use of Medically Important Antimicrobials in Food-Producing Animals.

- The company already supports a number of WHO guidelines, and it recently made significant commitments that correspond to WHO principles.
- The company agrees with the WHO guidelines that the use of medically important antibiotics should be reduced, including in food-producing animals, while acknowledging the need to account for any concerns related to animal welfare.
- The company also made commitments to strive to achieve a reduction in the use of medically important antimicrobials, as per WHO guidelines. These reduction goals are published on the Hormel Foods website, and progress is illustrated in our annual Antibiotic Stewardship Report.

²¹ As defined in the "Critically Important Antimicrobials for Human Medicine: 6th Revision" by WHO. 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, injection 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.

Antibiotic Stewardship

CONTINUED

- Hormel Foods agrees with the WHO to eliminate use of medically important antimicrobials for growth promotion, based on the current guidance published by the FDA.
- While Hormel Foods is aligned with several key points contained in the WHO guidelines, there are a few notable areas, specifically recommendations where WHO itself has stated that a recommendation is a “conditional recommendation, with very low-quality evidence,” that the company is undertaking further study with its antimicrobial working group.

Reducing the Use of Antibiotics

Reducing the need for antibiotics has been and continues to be a business imperative for our company and value chain. We focus our efforts on reducing antibiotic use while keeping our animals healthy through ongoing monitoring of antibiotic usage, more effective animal health management tactics and better husbandry techniques. Building upon our collaboration with a leading veterinary clinic, we have identified long-term health strategies for our company-owned sow farm. In 2022, with a continued

focus on reducing mortality and morbidity losses of our herd, we implemented several initiatives to improve the health and immune system of our piglets, which allowed us to reduce antibiotic-based medical treatment. The initiatives we pursued encompass better herd heat control, improved sanitation for preparing farrowing of newborn piglets and our processing routine, and a more effective vaccination strategy. These initiatives enable more stabilized control against infection of reproductive and respiratory viruses within our piglet population, leading to higher productivity and improved prevention of disease.

Responsible Use of Antibiotics

We comply with FDA’s industry guidance that eliminates the use of medically important antibiotics for growth promotion. While we continue to pursue opportunities in reducing antibiotic use, we believe that the responsible use of antibiotics supports the appropriate treatment of sick animals. When antibiotics are needed to properly care for an animal, we work to ensure that only approved medications and dosage levels are used under the direction of a veterinarian.

Producing Raised-Without-Antibiotics Products

Investing in antibiotic alternatives empowers us to produce raised-without-antibiotics products. Our Applegate, Columbus Craft Meats (Hayward, Calif.) and Jennie-O (Wilmar, Minn.) companies offer products and foodservice items that are raised without antibiotics. Our Applegate subsidiary represents a significant commitment in this regard, with a product portfolio produced entirely from animals raised without antibiotics. If antibiotics are given to an animal, that animal is not allowed to enter the Applegate supply chain. We also continue to evaluate ways to use antibiotic-free solutions such as prebiotics, probiotics, and essential oils to effectively maintain turkey health and welfare at our Jennie-O farms. For more information about our research findings concerning antibiotic alternatives, please refer to our [white paper](#).

Partnering with Stakeholders

To further demonstrate our commitment to antibiotic stewardship, we have engaged in conversations and partnerships with various leading nongovernmental organizations, independent veterinarians, and other prominent experts and stakeholders to

discuss and continue to support meaningful, collective actions on addressing this important topic. Through our representation as members, officers or directors of the boards of many animal welfare and research organizations, including the National Institute of Antimicrobial Resistance Research and Education, we proactively support dialogue around the challenges and possible solutions toward antibiotics reduction and mitigation of antimicrobial resistance. By continuously participating in industry discussions and initiatives, we seek to review, explore and pursue research opportunities in an effort to promote sectorwide responsible use of antibiotics and reasonable reduction or elimination of antimicrobials in farm animals. For more information about our industry involvement in this important topic, please visit our [Raising Our Animals webpage](#) and our [Antibiotic Stewardship Report](#).



Farmer Livelihoods

Supporting the livelihoods of farmers is important to our business, as we rely upon hundreds of family farmers to supply quality ingredients and livestock for our products. Many family farmers have been suppliers to our company for multiple generations, and we value and seek to continuously strengthen our well-established partnerships with our growers by offering long-term animal sourcing and raising agreements. Through our relationships, our hog producers are provided with a strong market and demand for their animals, leading to continuous business opportunities and income that support their communities. In addition to animal purchasing agreements, our Jennie-O subsidiary offers long-term farming contracts with turkey growers.

Under this arrangement, Jennie-O owns and provides the turkeys, feed and veterinary care, and the farmers get paid for raising the turkeys and for using Jennie-O facilities.

We are proud to have many representatives who engage in various industry organizations that support the advancements of agricultural practices and farmer livelihoods, such as the Colorado Farm Bureau, the Minnesota AgriGrowth Council and the Minnesota Turkey Growers Association. For more information about our industry collaboration and memberships, please refer to [Appendix A](#) and visit our [Raising Our Animals webpage](#).



Our Planet

“It’s essential for today’s exceptional companies to do more than offer a sought-after product or service – environmental stewardship must be woven into strategy and operations. At Hormel Foods, we have a roadmap to climate leadership. Our 20 By 30 Challenge goals keep us focused on environmental management, with the goal of leaving the planet better than we found it.”

TYLER HULSEBUS

VICE PRESIDENT, ENGINEERING

Our Planet

We reduced packaging materials by more than 1.5 million pounds, submitted our SBTs for validation in 2022 and executed a series of sustainability projects and efforts to continuously improve our environmental footprint and management strategies.

At Hormel Foods, we are inspired to make the world a better place by continuously improving our operational efficiency and minimizing environmental impacts when producing products for our customers and consumers around the world. In this spirit, we have pledged to demonstrate climate leadership through our environmental programs and achieve our 20 By 30 Challenge goals. Our [Environmental Policy Statement](#) describes our commitments to investing in environmental stewardship and maintaining a robust environmental management system as well as complying with all applicable regulations and company policies. By identifying and pursuing opportunities to reduce our greenhouse gas (GHG) emissions, energy, water and waste footprints and prioritize eco-friendly

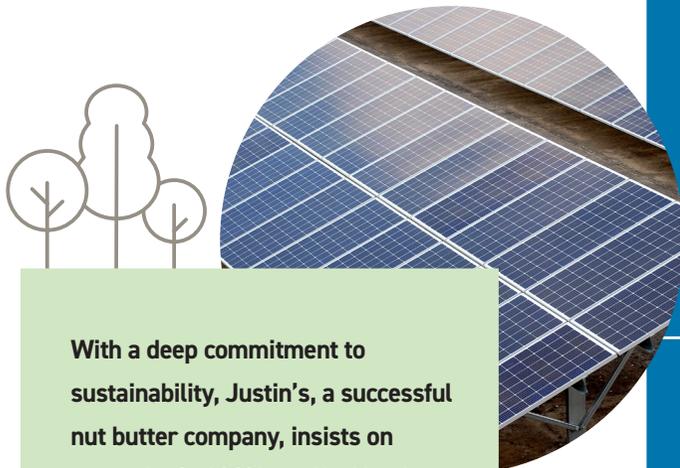
packaging solutions and sustainable agricultural products, we strive to continually generate positive contributions to the conservation of natural resources and ecosystems that are integral to the health and well-being of all species and future generations.

We have expanded the reporting scope of our GHG emissions, energy and water metrics from domestic manufacturing facilities to companywide performance. Therefore, efficiency gains compared to the prior year for the aforementioned environmental topics are not available in this report. We look forward to sharing our progress using 2022 as the baseline moving forward.



2022 Environmental Highlights

Through projects that were part of the annual Sustainability Best of the Best competition and other efficiency-improvement initiatives, we achieved the following environmental savings in 2022:



With a deep commitment to sustainability, Justin's, a successful nut butter company, insists on cocoa that's 100% certified by the Rainforest Alliance. When palm oil is needed, the company ensures it is certified by the Roundtable for Sustainable Palm Oil and that its harvesting doesn't harm orangutans in the wild.



110K+
gigajoules of energy saved

13.3K
metric tons of carbon dioxide equivalent (CO₂e) avoided

93MM+
gallons of water saved

751
tons of solid waste to landfill reduced

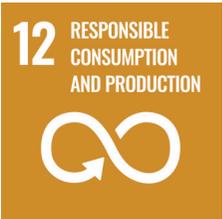
1.5MM+
pounds of packaging materials saved

Progress Toward 20 By 30 Challenge Goals

Hormel Foods Goal		2022 Progress	UN SDGs
7	Match 100% of our energy with renewable sourcing.	In 2022, 100% of our U.S. and 96% of global electricity usage were matched with renewable sources.	 
8	Demonstrate climate leadership by establishing a science-based target (SBT) for the reduction of GHG emissions by 2023.	We completed our SBTs submission to the Science Based Targets initiative (SBTi) in July 2022 for final validation and approval of our emissions-reduction goals.	
9	Advance our water stewardship efforts through initiatives in our top six priority watersheds.	In 2022, we became a lead sponsor of a 50,000-acre pilot project in Minnesota as part of the Ecosystem Services Market Consortium (ESMC) Eco-Harvest market program, which is designed to generate positive outcomes in environmental impact measurement, water stewardship, carbon removals and agricultural resilience.	 
10	Reduce organic waste discharge from our manufacturing facilities by 10% to decrease energy use and GHG emissions and improve water quality. ²²	We achieved a 21% reduction in organic waste discharge in 2022. Due to the variability in organic discharge test results, this goal will be replaced by a wastewater-management and water-reduction target.	

²² Starting in 2023, we will transition our focus on organic waste reduction to investing in wastewater treatment projects in collaboration with municipal partners and reducing water use by 10% by 2030 from a 2022 baseline to systematically reduce impacts of organic matter in waste discharges and water footprints of our business.

Progress Toward 20 By 30 Challenge Goal

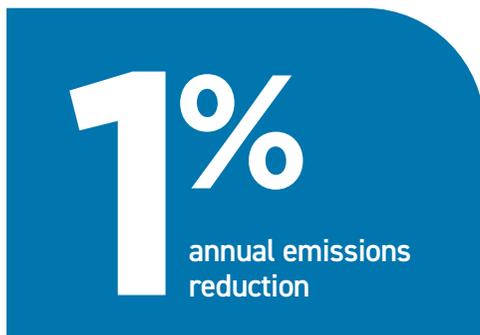
Hormel Foods Goal	2022 Progress	UN SDGs
<p>11 Support regenerative agriculture initiatives.</p>	<p>We started to explore a deforestation-free supply chain in alignment with SBTi's Forest Land and Agriculture Guidance (FLAG). Our Applegate (Bridgewater, N.J.) subsidiary continued to provide the <i>Applegate Naturals® Do Good Dog™</i> hot dog product made with beef raised on verified regenerative U.S. grasslands and received two product awards in 2022.</p>	 
<p>12 Focus on packaging sustainability efforts through research, innovation, on-package communications, and optimizing package weight and shipping efficiencies.</p>	<p>Our packaging team's sustainability initiatives resulted in more than 1.5 million pounds in material savings.²³ In addition, we added the How2Recycle logo to 300 items.</p>	 
<p>13 Work toward zero food waste.</p>	<p>We continued to prioritize food donation opportunities and provide consumers with useful tips to reduce household food waste.</p>	

In addition to the 20 By 30 Challenge environmental sustainability goals listed above, 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 work to improve our energy and water intensities by 1% on an annual basis.

²³ Savings are based on an annual rolling average and include all projects captured by the corporate packaging development group.

Greenhouse Gas Emissions

Building upon achievements that we made in previous years, we have continued to incorporate emissions-reduction programs in the operations of our sites, into our strategy development and team member engagement processes, and within our product transportation activities. As part of our 20 By 30 Challenge, we continued to progress toward our goal of achieving an annual 1% emissions reduction and establishing an SBT by 2023. In July 2022, we submitted our proposed SBTs to the SBTi for validation. We are pleased to report that we are on track to have approved SBTs by the end of 2023.



Climate-linked Incentives

To encourage the execution of impactful emissions-reduction programs, we provide the opportunity for monetary and nonmonetary incentives to all our team members in an effort to lower our carbon footprint across the company. Our incentive programs, highlighted by the annual Hormel Foods Continuous Improvement Process and Sustainability Best of the Best competitions, are aimed at investing in and recognizing projects that drive efficiency improvement and promote behavioral changes toward sustainable operations, including emissions and energy use reduction initiatives. Through the Sustainability Best of the Best competition, we recognize top projects that showcase exceptional outcomes in decreasing our water use, energy use and GHG emissions, and removing solid waste from landfills with a monetary reward. Winners of the competition are also provided recognition through a series of sustainability events and opportunities to share their successes with senior management and our team members across the globe.

Logistics

Given our worldwide presence, we rely on transportation via truck, train and ship to deliver our products to customers. We strive to transport our products as efficiently as possible by structuring pallet loads, reviewing product mixes and improving route planning to minimize our carbon intensity and our impact on air quality.

We recognize that our methods of intermodal shipments need to be reassessed on a regular basis, and we continue to evaluate best practices to ensure efficiency in our transportation strategy. Intermodal shipments combine the best attributes of truck and rail shipping. For long distances, this method of mixed transportation can reduce fuel use and GHG emissions by 70%, compared to truck-only moves.²⁴ In 2022, we had over 11,990 intermodal shipments. In comparison with shipping solely by truck, these shipments accounted for approximately 16.7 million miles and saved more than 1.9 million gallons of diesel fuel.



²⁴ Based on an average of the following sources:
Truckloads are 65% less efficient than rail cars (U.S. EPA Office of Transportation and Air Quality).
Updated trucks prove to be 75% less efficient than locomotives (Association of American Railroads).

Greenhouse Gas Emissions

CONTINUED

PROGRESSIVE
PROCESSING FACILITY



SAVED
156
METRIC
TONS OF
CO₂e

PER YEAR

ALMA FOODS
FACILITY



SAVED
218
METRIC
TONS OF
CO₂e

PER YEAR

Project Highlights

In 2022, our Progressive Processing (Dubuque, Iowa) facility switched from using compressed air to a sonic blower in its packaging equipment to reduce energy use. This upgrade led to an annual reduction of 220,500 kWh in electricity usage and an avoidance of 156 metric tons of CO₂e per year, equivalent to emissions from an average gasoline-powered car driving over 400,000 miles.²⁵

Our Alma (Kansas) Foods facility worked with a thermal process authority to optimize the required cook times for its refrigerated and foodservice products. By reducing cooking times, the facility achieved an annual decrease in natural gas usage of 4,000 MMBtu, saving 218 metric tons of CO₂e per year. The annual saving is equivalent to preventing emissions from approximately 25,000 gallons of burned gasoline.

Performance

Our total 2022 Scope 1 and 2 GHG emissions were approximately 1.1 million metric tons, and approximately 658,000 metric tons applying market-based calculations for Scope 2 emissions. We continued to pursue emissions-reduction opportunities. In 2022, projects submitted to the Sustainability Best of the Best competition contributed to a reduction of over 13,300 metric tons of emissions within our operations. Normalized Scope 1 and 2 (market-based) GHG emissions were 0.053 metric tons of CO₂e per \$1,000 (USD) of revenue. We annually report our GHG emissions and relevant management efforts in our Global Impact Report and on the CDP Climate Change Questionnaire. For additional emissions data, please refer to [Appendix D](#) and our most recent [CDP Climate Change Questionnaire](#).

²⁵ Using the U.S. EPA Greenhouse Gas Equivalencies Calculator to calculate impacts of emissions savings. Retrieved from <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

Energy

We strive to maximize our utilization of renewable energy and pursue energy-efficiency projects to reduce our GHG emissions while achieving optimized energy use. To operationalize our commitment to clean energy, we maintain a goal to match 100% of our electricity use with renewable sourcing by 2030. On an annual basis, we have also committed to reducing both our energy consumption and intensity by 1%. In 2022, 100% of our U.S. and 96% of global electricity usage was matched with renewable sources.

As of the end of our fiscal year 2022, we were ranked 61st of the largest green power users among Fortune 500 companies on the U.S. EPA's Green Power Partnership Fortune 500® Partners List.²⁶ Since then, our ranking has improved to 20th on the list by increasing renewable sourcing.²⁷

As we continue to work toward our energy goals, we look forward to further exploring opportunities to sustainably and efficiently utilize energy for our operations.

Renewable Energy Initiatives

We have continued to grow our renewable energy portfolio of solar and wind projects. Across the U.S., we are involved with and support three solar projects at our facilities and subscribe to community solar projects that impact a total of six production locations. Additionally, the long-term virtual power purchase agreement (VPPA) that we signed for procuring a portion of clean energy from the 298-MW Haystack wind farm in Nebraska came online in 2022, joining the Western Trails wind project that came online in 2021. Through these VPPAs, we are receiving verified renewable energy certificates (RECs) to reduce the carbon footprint associated with our purchased electricity. For more information about the Haystack wind project, please refer to the [press release](#).

Project Highlights

In an effort to reduce natural gas and electricity use, our Century Foods International (Sparta, Wis.) facility reassessed the cleaning practices for its

agglomeration system. By optimizing the dry time of the system for cleaning, the Century Foods facility decreased annual energy consumption by over 600 MMBtu — enough energy to power an average car to drive over 80,000 miles.²⁸

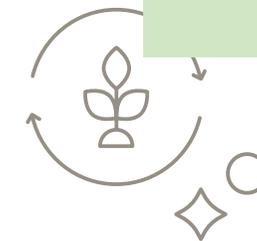
In 2022, our Lloyd's Barbeque (Mendota Heights, Minn.) facility worked on improving the efficiency of hot gas bypass in its refrigeration system. Through the project, the facility was able to reach a reduction of 394,200 kWh per year in electricity use, the equivalent energy to power 54 homes for one year.

Performance

Our normalized energy usage in 2022 was 1.03 gigajoules per thousand U.S. dollars of revenue. In 2022, we implemented projects that resulted in reduced energy use of over 110,000 gigajoules. For additional energy data, please refer to [Appendix D](#) and our most recent [CDP Climate Change Questionnaire](#).



Not only is Hormel Foods working to power its production facilities with renewable energy, the company is sharing the benefits with members of the surrounding area. In Phase 1 of the solar energy project at the Montevideo (Minn.) Plant, the company made renewable power available to residents, a move that saves them money while reducing their carbon footprints. Phase 2 of the project is geared toward the energy needs of the production facility, meeting an estimated 10% of its needs.



²⁶ U.S. EPA. (2022). Fortune 500® Partners List. Retrieved from https://www.epa.gov/system/files/documents/2022-12/fortune500_oct2022.pdf.

²⁷ Representing the ranking at this time of disclosure. U.S. EPA. (2023). Fortune 500® Partners List. Retrieved from <https://www.epa.gov/greenpower/green-power-partnership-fortune-500r-partners-list>.

²⁸ Using the U.S. EPA Greenhouse Gas Equivalencies Calculator to calculate impacts of energy savings. Retrieved from <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

Water

The availability of good-quality fresh water throughout our operations and supply chain is vital to the safe production of our products and sanitization of our facilities. We strive to be good water stewards by pursuing opportunities to improve our water efficiency, support watershed conservation efforts and properly address water stress and wastewater discharge. Our water-management efforts are anchored by the following 20 By 30 Challenge and sustainability goals:

- Advance our water stewardship efforts through initiatives in our top six priority watersheds;

- Reduce organic waste discharge from our manufacturing facilities by 10% in an effort to decrease energy use and GHG emissions and improve water quality;²⁹ and

- Achieve an efficiency gain of 1% in water use on an annual basis.

In line with our Sustainable Agriculture Policy, we have completed a high-level water risk assessment of our top suppliers to identify our high-risk watersheds through our participation in the AgWater Challenge, a water stewardship project led by Ceres and World Wildlife Fund. The results are used to inform our strategies of protecting our prioritized watersheds and encouraging regenerative agriculture and environmentally friendly business activities. In 2022, we became the lead sponsor of a 50,000-acre pilot project located throughout central and southern Minnesota, which is coordinated by the ESMC as part of its Eco-Harvest market program and The Nature Conservancy (TNC). By partnering with other sponsors, we help provide financial incentives for farmers to participate in the pilot and adopt sustainable agriculture practices that create positive environmental, social and economic outcomes, and facilitate the measurement and generation of certified water and carbon credits. The results of the project will not only support the development of a water-quality credit

framework in Minnesota but also will help improve water stewardship, emissions removals and agricultural resilience in the region. For more information, please refer to the [press release](#).

Water Stress Management

We continue to monitor our water usage using various tools to evaluate our operations to determine the business risk associated with water scarcity. Our water sources for our U.S. manufacturing facilities are solely from municipal utilities.

After careful evaluation, we have confirmed that we do not have manufacturing sites that are located in areas defined as water-scarce regions by the Food and Agriculture Organization of the United Nations. However, using the World Resources Institute's (WRI's) Aqueduct Water Risk Atlas tool, we have identified two production locations in the U.S. and three internationally that are in regions defined as overall high or extremely high water risk by WRI Aqueduct Water Risk Atlas. As we continue to strengthen

our water stewardship initiatives, we will continue to monitor water risk in these areas and implement programs to mitigate any identified water risks.



Hormel Foods is the lead sponsor of a 50,000-acre agriculture pilot project.



²⁹ Due to the variability in organic discharge test results, this goal will be replaced by a wastewater management and water-reduction target. Starting in 2023, we will transition our focus on organic waste reduction to investing in wastewater-treatment projects in collaboration with municipal partners and reducing water use by 10% by 2030 from a 2022 baseline to systematically reduce impacts of organic matter in waste discharges and water footprints of our business.

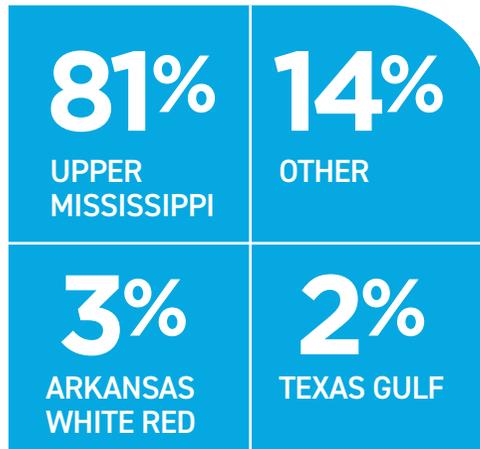
Water

CONTINUED

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, we follow applicable effluent discharge standards.

In 2022, treated process water from our manufacturing locations was distributed to the following watersheds:³⁰



Project Highlights

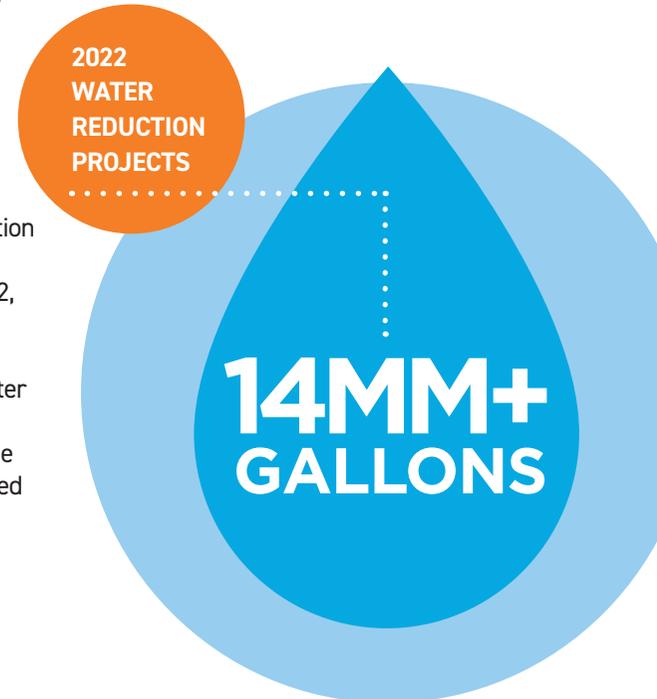
In 2022, our Progressive Processing facility underwent a water-use reduction initiative, our first project supported by Iowa’s Water Infrastructure Fund program, which is designed to support innovative sustainability actions with an aim to increase water resilience in the state. Through rigorous analyses, the facility identified an opportunity to use excess reverse osmosis concentrate (ROC) in replacing treated soft water that was used in the bubbler tanks as part of the retorts’ thermal processing controls. By reusing the ROC water, it is estimated that the annual water savings can reach approximately 7.3 million gallons, representing a 9% reduction in total facility water use and enough water for an average family to use for over 65 years.

By using automatic evisceration equipment and sensors, the Jennie-O Melrose (Minn.) Plant was able to monitor and optimize water usage in the evisceration process. The facility reduced water usage by almost 12 million gallons per year, equivalent to an approximately 4% locationwide water reduction. The amount of saved water would be able to supply an average family for 110 years.

Performance

We consistently look for ways to improve our equipment and production processes and engage our team members on an ongoing basis to achieve water-use reduction and increased production efficiencies through behavior-based initiatives. In 2022, we successfully implemented projects that reduced water use by over 93 million gallons. Approximately 4% of our total water withdrawal was from areas with high or extremely high water risk as defined by the WRI Aqueduct Water Risk Atlas. Normalized water usage in 2022 was 0.001 thousand

cubic meters per \$1,000 (USD) of revenue. We annually share our water progress and performance in our Global Impact Report and via the CDP Water Security Questionnaire. For additional water data, please refer to [Appendix D](#) and our most recent [CDP Water Security Questionnaire](#).



³⁰ Percentage denotes the breakdown of wastewater distribution to each location.

Waste

We understand the importance of robust waste management to the advancement of a circular economy, food security and resource efficiency. Reducing solid-waste generation across our operations continues to be an important environmental initiative for our organization. Our approach to waste reduction is informed by our 20 By 30 Challenge and sustainability goals, including:

- Achieving an annual 1% reduction in solid waste sent to landfills; and
- Working toward zero food waste.

Zero Food Waste

In an effort to support a future without food waste, we continue to drive momentum in diverting wasted food and scraps from disposal and provide consumers with tips that are focused on helping reduce household food waste. Depending on the nature of the 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. We have specifically designed and packaged a variety

of products to limit the amount of wasted food, such as shelf-stable options and single-serving-size options.

Our company has a rich history of donating food to people in need, and we aim to prioritize donation opportunities before evaluating food waste for beneficial end use. For more information about our food donation efforts, please refer to the [Community](#) section of this report.

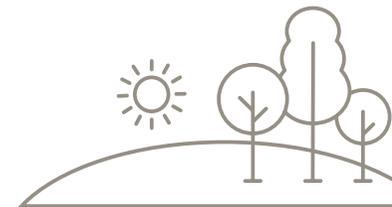
Hazardous Waste Handling

Certain Hormel Foods operations generate low volumes of regulated hazardous waste. Most locations are well within the federal definition of a conditionally exempt small quantity generator, generating 100 kilograms or less of hazardous waste per month. All our company and subsidiary locations adhere to strict operational standards that have been designed to ensure compliance with all applicable hazardous-waste rules.

Our operations also generate small quantities of other regulated substances, such as used oil and universal waste. As with the generation of hazardous waste, we follow strict standards for handling these substances to ensure adherence to regulatory requirements.

Project Highlights

In Brazil, Cidade do Sol, our company responsible for the *Ceratti*® brand, has sent 100% of the byproduct generated in the effluent treatment station to be transformed into organic fertilizers through composting. The strategy diverts the sludge sent to landfills, contributing to a reduction of GHG emissions. The program led to a reduction of 72% of CO₂e emissions as compared to landfill disposal.



Performance

In 2022, we achieved a 2% reduction in total solid waste generation and reduced the amount of waste sent to landfills by 1% compared to the prior year. Through various waste diversion and recovery initiatives, we were able to reduce solid waste sent to landfills by 751 tons. We will continue to invest in resource recycling and reusing activities to reduce the waste intensity of our processes. For additional waste data, please refer to [Appendix D](#).

2022 Waste Project Highlights

1%
reduction in waste sent to landfills

Packaging

Understanding that small changes often lead to major impacts, Hormel Foods is constantly searching for opportunities to use less material and to encourage recycling. In 2022 alone, the team lightened product packaging by more than 1.5 million pounds. Recent highlights include redesigning *Planters*® and *Justin's*® brand jars to reduce plastic, changing packaging for *Hormel*® *Square Table*™ entrees and dialing back the thickness of the board in *Jennie-O*® ground-turkey boxes.

Product packaging is essential to ensure food safety; however, we recognize the potential threat to the environment derived from packaging materials throughout their life cycles. As a responsible corporate citizen, one of our 20 By 30 Challenge goals is to focus on sustainable packaging efforts through research, innovation, on-package recycling communications, and optimized package weight and shipping efficiencies. We have a dedicated group of packaging team members who regularly evaluate our packaging design, collaborates with all departments and examines our entire supply chain to consistently look for opportunities to prioritize sustainable solutions and decrease our environmental footprint of packaging.



Packaging

CONTINUED

Sustainable Packaging Projects

We are pleased to have made progress in each of the sustainable packaging priorities specified in our 20 By 30 Challenge goal, including investing in weight-savings initiatives by adopting material reduction techniques and investigating increased use of post-consumer recycled (PCR)/post-industrial recycled (PIR) content. In 2022, we were able to reduce product packaging by over 1.5 million pounds by initiating four weight-reduction and sustainable packaging projects and completing 15 projects,³¹ including those for *Planters*® barty bottle, *Jennie-O*® tray pack, *Don Miguel*® mini tacos and burritos and Foodservice raw bacon.

Planters® Barty Bottle



440k+
POUNDS OF MATERIAL SAVED

The newly designed peanut-shaped packaging is made with 8% less plastic than our prior 16-ounce bottle, which provides an annual saving of 440,000 pounds of plastic materials. For more information, please see the [press release](#).

Jennie-O® tray pack



1.04MM+
POUNDS OF MATERIAL SAVED

We conducted audits to review all aspects of the packaging lines at Jennie-O for its ground-turkey, burger and dinner-sausage tray pack lines. Based on the results of these audits, we pursued the opportunity to decrease the size of the corrugate layer pad by optimizing the corrugate board combinations, which resulted in eliminating over 1 million pounds of corrugated material annually.

Don Miguel® mini tacos and burritos thinner plastic film



127k+
POUNDS OF MATERIAL SAVED

By decreasing the thickness of one of the plastic films used for our mini taco and burrito items, we were able to remove over 127,000 pounds of plastic per year from product packaging. The new, thinner plastic film was verified to maintain the same packaging performance through numerous line trials and quantitative testing protocols.

Raw-bacon-box style change



93k+
POUNDS OF MATERIAL SAVED

We redesigned the layout of corrugated boxes for our foodservice raw-bacon product while meeting structural requirements in order to improve efficiency with an automated case erector, which in turn led to an annual saving of over 93,000 pounds of material per year.

Additionally, our Applegate subsidiary utilized over 75,000 pounds of PCR and PIR content in its hot dog film and product packaging in 2022 to continue to enhance sustainability in its products. We are proud of our achievements in 2022, and we look forward to continuing to invest in impactful packaging-reduction strategies.

³¹ Savings are based on an annual rolling average and include all projects captured by the corporate packaging development group.

Packaging

CONTINUED

Recyclable Packaging

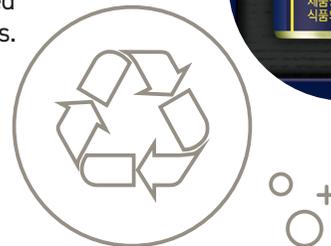
Across our brands, we use more than 79,700 unique items to package and produce our products, including corrugated paperboard, labels, films, cans, plastic bags, displays, glass containers, metal closures and plastic closures.³² In 2022, approximately 84% of our product packaging by weight was recyclable, and 34% of packaging was made from recycled materials, representing a 4% increase compared to the previous year.³³

In Asia, we've continued to invest in packaging recyclability. In China, we have successfully delivered 100% recyclable packaging for our *Skippy*® 3-kilogram peanut butter product. By replacing polyethylene terephthalate (PET) with other recyclable materials, we have increased the recyclability of the *Skippy*® packaging from 85% to 100%, leading to an annual avoidance of 5,500 pounds of plastic consumption and an annual cost saving of approximately \$35,000.³⁴ In South Korea, we offer label-free gift sets for our signature *SPAM*® products. The *SPAM*® label-free gift set is entirely

wrapped in paper, which is easy to recycle, completely mitigating the need for plastic packaging. As of June 2022, our *SPAM*® product line in South Korea achieved a reduction of about 830 tons of plastic from 2018, equivalent to removing 3,260 tons of carbon from the atmosphere.

On-Package Communications

We continue to add the How2Recycle logo to our packaging to communicate recycling instructions to our consumers. By adopting this standardized labeling system launched by the nonprofit organization GreenBlue, we join the force of hundreds of consumer brands in providing transparent and credible recycling guidance. In 2022, we added the How2Recycle logo to 300 items, and we will continue to add this information to our products as packaging or labeling updates are made. In line with our 20 By 30 goal pertaining to sustainable packaging, we plan to have the How2Recycle logo on 95% of our retail packaged products in the United States.



³² Includes all packaging and product items in the company's tracking system, which represents 80-85% of total volume.

³³ Product packaging that is recyclable and/or made from recycled materials includes strategic suppliers in the company's tracking system by weight, which represents 80-85% total packaging spend.

³⁴ Equivalent to 240,000 renminbi (RMB).

Regenerative Agriculture

At Hormel Foods, one of our 20 By 30 Challenge goals is to support regenerative agriculture initiatives as we recognize the critical role that sustainable agricultural practices play in supporting the world's food demands while protecting natural resources, restoring soil health and mitigating climate

change. We procure livestock, poultry, maize/corn, soy, peanuts and other ingredients to produce our products, and we understand that the mass production of these agricultural commodities could negatively affect the long-term health of land and ecosystems. To promote sustainable farming strategies, we proactively participate in partnerships with farmers, policymakers and nonprofits to explore and assist with the adoption of agricultural practices that support a harmonious relationship between people and natural resources, and work to source commodities that are produced in line with verified regenerative agriculture practices.

Coalition and Partnership

We engage in multiple coalitions and provide incentives for our farmers to employ innovative techniques that support regenerative agriculture. As an active member, our Applegate subsidiary supports Kiss the Ground nonprofit organization, which is a part of the Regenerate America™ coalition, National Young Farmers Coalition and other organizations to promote collaborative initiatives in creating a resilient agriculture system.

In 2022, we completed our support for the first cropping year of the ESMC-TNC Minnesota regenerative agriculture project. Through our sponsorship, we continue to help accelerate the adoption of sustainable agriculture programs, and measurement and verification of positive environmental outcomes.

Sustainable Agriculture and Forests Policy

To communicate our values and dedication to supporting regenerative agriculture, we have developed a [Sustainable Agriculture Policy](#) that describes our aim to improve the sustainable use of land and natural resources, which applies to our direct suppliers, including our family farms and growers. In response to the rise of a global trend to address emissions and biodiversity impacts associated with deforestation, we have committed to pursuing a deforestation-free supply chain in alignment with SBTi's Forest Land and Agriculture Guidance (FLAG). In 2023, we plan to initiate a detailed review of our forest footprint and associated deforestation risks of the agricultural commodities we procure, which will enable us to develop a deforestation-free approach and policy, as well as seeking verified zero-deforestation targets by 2025 in accordance with the timeline suggested by FLAG.



Regenerative Agriculture

CONTINUED

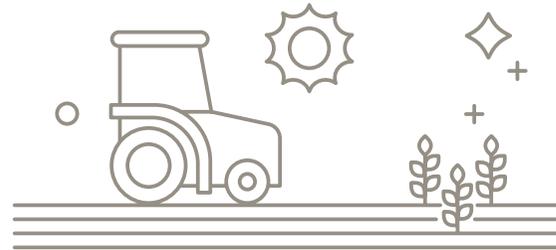
Regenerative Agriculture at Applegate

Our Applegate subsidiary is a leader in purchasing regenerative agricultural ingredients for its meat products. Through leading industry partnerships, such as the Savory Institute's Land to Market program, the world's first outcomes-based verified regenerative sourcing solution, Applegate continues to advocate for regenerative farming practices through its leadership and procurement strategy. In 2022, Gina Asoudegan, then vice president of mission and regenerative agriculture at Applegate, was named to the Fast Company's list of Most Creative People in Business for her efforts and thought leadership on regenerative agriculture. For more information, please refer to the [press release](#).

Since the launch of the *Applegate Naturals® Do Good Dog™* hot dog, the first nationally available 100% natural, grass-fed hot dog made from beef raised on verified

regenerative U.S. grasslands, the product has received several accolades and public recognition. In 2022, the product was awarded a People's award in the 65 Best Supermarket Products of the Year hot dog category and Prepared Food's Spirit of Innovation Awards.

As we work to promote sustainable agricultural practices and help mitigate impacts on ecosystems and forests, we annually report via the [CDP Forests Questionnaire](#) and remain committed to sharing our progress and initiatives with our stakeholders. For more information, please refer to our [strategy to address deforestation](#).



“As we face the daunting challenges of feeding a growing global population while protecting the planet, we believe advancing regenerative agriculture practices is a smart and responsible choice.”

MARK COFFEY

GROUP VICE PRESIDENT OF SUPPLY CHAIN

Our People

“We work hard to ensure every one of our team members feels valued. As a company, we’re proud of our reputation for caring about our people, our consumers, our communities and our planet.”

KATIE LARSON

SENIOR VICE PRESIDENT,
HUMAN RESOURCES

Our People

We provided approximately 58 hours of learning and development per team member in 2022, including comprehensive job-specific, safety and leadership trainings.



As one of the most trusted food companies in the world, we maintain an unwavering commitment to empower, support and inspire our people to make a difference and drive continuous excellence in their roles within our company and throughout the food industry. Our team members are the cornerstone of our successes and help to fulfill our purpose of *Inspired People. Inspired Food™*. As we continue to prioritize the growth, development, engagement and safety of our team members, we seek to

foster a culture that respects the diversity of our workforce and human rights within our value chain. We collectively work toward a more just and equitable future for all team members through our thought leadership and engagement initiatives.



2022 People Highlights

49%

team members with 5+ years of service

59%

U.S. team members from underrepresented racial/ethnic groups

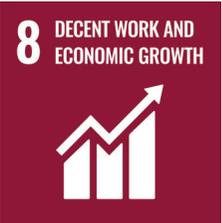
11

employee resource groups

1.16MM+

total training hours

Progress Toward 20 By 30 Challenge Goals

Hormel Foods Goal	2022 Progress	UN SDGs
<p>14 Promote and protect human rights within our operations and our supply chain.</p>	<p>In 2022, more than 159,930 hours were dedicated to human rights training.</p>	
<p>15 Provide the opportunity of a free two-year college education for all our team members' dependent high school graduates.</p>	<p>We provided the opportunity of a free two-year college education to 177 students through our Inspired Pathways program.</p>	
<p>16 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.³⁵</p>	<p>The company's total population of team members from underrepresented racial/ethnic groups is 59% across our U.S. workforce. To continue to increase the sense of belonging at Hormel Foods, we undertook numerous initiatives throughout our operations.</p> <p>We expanded inclusive workspaces in our production facilities to include the provision of lactation rooms, gender-neutral restrooms and updated wellness facilities.</p>	 
<p>17 Provide a safe workplace for all team members and reduce our injury rates each year.</p>	<p>We continued to strive to reduce injury rates and maintain a safe workplace for all team members. Our rates are far below the industry average.</p>	 
<p>18 Invest in our team members by providing an average of at least 25 hours of training per team member annually.</p>	<p>On average, we provided 58 training hours per team member in 2022.</p>	

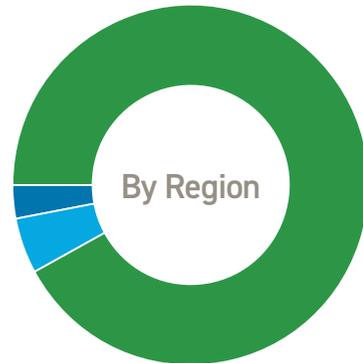
³⁵ Hormel Foods has updated its Goal No. 16 to be more reflective of the company's broader commitment to inclusion and belonging for the enterprise.

About Our Team

Our team members are the driving force behind our innovation, improvement and success. Thus, our talent strategy is focused on onboarding and training our professionals to create world-class experience throughout our organization. The tenure of our team members is an important indicator of our effectiveness in supporting the careers and well-being of our workforce and reflects overall company performance. We are proud to report that 49% of our team members had five or more years of service, and our 37-person officer team had an average of 25 years of service as of 2022.

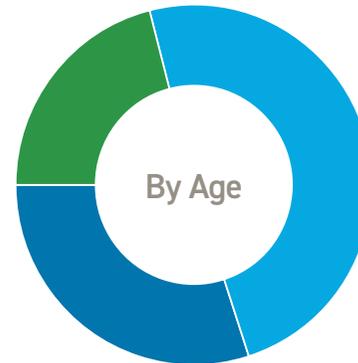
2022 Team Member Breakdowns³⁶

Team Members by Location



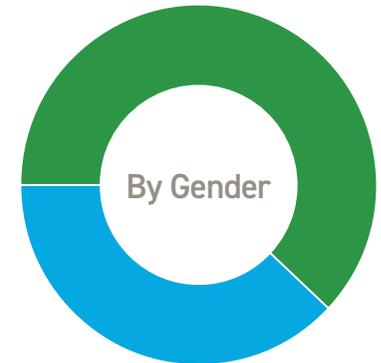
- 92% U.S.
- 5% Asia
- 3% Other Countries

Age Workforce Demographics



- 21% Under Age 30
- 49% Between Ages 30 and 50
- 30% Over Age 50

Team Members Worldwide
20K+ Team Members



- 62% Male
- 38% Female

ABOUT THEIR TENURE

49% of team members with 5+ years of service

- 37% female; 63% male
- 24% salaried; 76% hourly

Of those 49% with 5+ years of service

- 30% had 20+ years of service
 - 37% female; 63% male
 - 27% salaried; 73% hourly
- 9% had 30+ years of service
 - 33% female; 67% male
 - 29% salaried; 71% hourly

ABOUT THEIR JOB TYPE

17% salaried

- 34% female; 66% male
- 20% team members from underrepresented racial/ethnic groups

83% hourly

- 39% female; 61% male
- 65% team members from underrepresented racial/ethnic groups
- 1% part time
- 7% temporary
- 20% covered by collective bargaining agreements

³⁶ Unless otherwise noted, employment data (employment type, gender, tenure, age and underrepresented racial/ethnic groups) and collective bargaining ratios presented in this report do not include international team members.

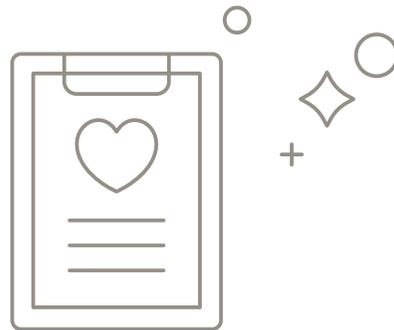
Safety, Health and Wellness

Our consistent focus on the safety, health and wellness of our team members is a top priority for the company. By implementing robust learning, facility inspection and hazard management programs, as well as providing health care resources, we continue to maintain a safe workplace, improve our performance, and support the physical and mental well-being of all team members.



Safety Management

Health and safety are systematically integrated into our operational and audit processes in addition to team member communications with the goal of avoiding incidents and eliminating potential hazards that can lead to life-changing consequences. Our dedicated safety department is tasked with developing and administering companywide policies and regular facility audits to ensure the safety of people working at our sites and our compliance with the U.S. Occupational Safety and Health Administration (OSHA) standards and our safety protocols. The policies apply to our team members, suppliers, contractors and visitors who perform their duties at our facilities.



On a semimonthly basis, we hold companywide safety conference calls with production safety personnel to discuss and improve our safety programs. A safety committee led by team members is in place at each production facility to promote effective safety communications and management. The committee is chaired by a dedicated safety manager or co-chaired by a team member and safety manager who oversees compliance with applicable safety regulations and company policies, monitors safety performance and management mechanisms, and supports production-location audits and training programs for all team members. We administer a Safety Excellence recognition program that honors locations delivering superior safety results and instills our principles of safety into everyday operations. We drive team member engagement through the utilization of our Safety Awareness Mascot (SAM), which is featured in our safety communications and introduced to brand our hazard management process and increase team members' understanding of our approaches.

1,080+

average safety assessments completed each month companywide³⁷

17K+

team members received monthly safety training

Robust safety program

State-of-the-art health center located in Austin, Minn.

³⁷ Unless otherwise noted, safety training and inspections data presented in this report does not include workers at Planters locations and international business.

Safety, Health and Wellness

CONTINUED

Safety Training and Inspections

To empower team members to take charge of their safety and that of their colleagues, we deploy companywide monthly safety trainings and assessments as well as quarterly lockout-tagout inspections at our sites, including but not limited to our production, processing, and research and development facilities. At the beginning of each month, our safety managers are required to submit safety training reports through our management system that helps to validate each production facility's progress toward the completion of our required monthly safety education. Through this process, we closely monitor and track the fulfillment of our training requirements and identify opportunities to encourage and promote team member engagement and learning of safety skills. In 2022, we provided monthly training to over 17,000 team members, completed an average of over 1,080 safety assessments each month and conducted an average of more than 8,400 lockout-tagout inspections per quarter.³⁸ These results reflect an achievement rate of over 98% for our safety education, evaluation and examination requirements.

Injury/Illness Rates

As part of our 20 By 30 Challenge, we strive to provide a safe workplace for all team members and steadily reduce our injury rates over time. We observed a slight increase in our 2022 safety incident and injury rates due to a higher turnover rate at our manufacturing facilities that reflected business impacts of the COVID-19 pandemic, leading to less experienced team members on the production floor. However, we continued to enforce strict safety requirements, and our safety performance consistently surpassed the industry average of the animal processing and production sector.³⁹ Through our robust safety training and management programs, we continued to maintain an impeccable zero-fatality record in 2022.

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 2022, our TCIR rate was 2.6, significantly lower than the industry average of 5.9.

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 2022, our DAFWII rate was 0.7, far below the industry average of 2.9.

Days Away, Restricted or Transferred

Days Away, Restricted or Transferred (DART) measures the days a team member has restricted work activity or job transfer, or both. In 2022, our DART rate was 1.7, below the industry average of 1.8.



³⁸ Data does not include workers at Planters locations and international business.

³⁹ Industry averages referred to in this section are based on 2021 U.S. Bureau of Labor Statistics (BLS) industry averages for North American Industry Classification System (NAICS) 3116 regarding animal processing and production, which represent the most recent data that is available at the time of this report. Our safety rates are calculated per 100 full-time team members.

Safety, Health and Wellness

CONTINUED



Health and Wellness

We recognize that our team members perform best when they are healthy, therefore enabling us to deliver optimal performance and improved results. In addition to our healthcare benefits package, we implement our Inspired Health program that is designed to cultivate and maintain a culture of health and wellness, focusing on encouraging and empowering team members to make healthy lifestyle choices

through awareness programs and positive behavioral changes. By expanding our wellness programs and partnering with healthcare providers, we remain dedicated to offering our team members the best available resources in support of their long-term health. As a replacement for our biometric screening resource in response to the impacts of the COVID-19 pandemic and increasingly flexible work arrangements, we have introduced participation-based incentives that encourage preventive visits and engagement in wellness challenges.

Wellness Resources

Through partnerships with healthcare and insurance providers, we provide team members with access to programs that help address a variety of health issues and conditions, including diabetes, weight management and tobacco cessation.

By collaborating with an industry-leading service provider, we offer a free employee assistance program (EAP) that supports the mental health and work-life balance of our team members. The EAP is available 24/7 and can be accessed by phone, website or mobile application. In an effort to promote healthy lifestyles, we have a Weight

Watchers reimbursement plan to assist team members with their weight-loss journey and a tobacco surcharge to encourage a reduction in tobacco use.

Bravo Wellness Platform

In 2022, we improved the coverage of our wellness program by adding Jennie-O team members to Bravo Wellness, our health engagement platform. All 20,000 of our team members now can utilize resources available through the system. The portal offers tools for healthy eating, weight loss, exercise and fitness, smoking cessation, financial wellness challenges, stress management and holistic well-being support.

Hormel Health Center

Our Hormel Health Center is a state-of-the-art health center for our team members and their dependent family members who are located close to our global headquarters and flagship production facility in Austin, Minn. In partnership with Premise Health, which operates the facility, the center improves access to high-quality, affordable healthcare services, including primary care, acute care, annual physical and preventive examinations, biometric screenings, allergy and flu shots, physical therapy, condition

management and more. Building upon our long-term relationship with the renowned Mayo Clinic, the center works with the Mayo Clinic to provide additional resources, such as radiology and specialty service referrals for areas such as cardiology, orthopedics, dermatology and behavioral health. Through regular and same-day appointments, as well as virtual visits, the center serves eligible team members and their dependents on our health plans. In 2022, the Hormel Health Center supported approximately 5,400 visits.



Learning and Development

The talent of our team members is our most valuable asset and is essential for us to deliver unmatched products and services to our consumers. In order to continue our tradition of fostering long-term employment by promoting career mobility, we provide learning opportunities and performance management resources throughout the careers of our team members. Through our competitive compensation and employee assistance programs, we share our business success, support team members with fair pay, and offer easily accessible benefits and resources that meet their evolving needs.

As part of our 20 By 30 Challenge goal to invest in our team members by providing an average of at least 25 hours of training per team member annually, we continuously expand our learning programs and surpass our talent development goal. In 2022, our team members received 58 hours of training per person on average, totaling over 1.16 million training hours among our workforce.⁴⁰ Our 2022 efforts and focused areas for talent development include:

- Providing relevant and timely learning opportunities;
- Leveraging science-based learning theories to promote better application and mastery of subject-specific knowledge;
- Launching foundational programs to help onboard new team members and support change management;

- Enhancing the accessibility of our professional development content for our global workforce; and
- Refining our talent development approach in alignment with evolving and new business processes and role responsibilities.

Learning and Development Resources

Our team members receive learning and development resources on a wide range of topics through a variety of platforms, including:

- Oracle Learning: An information hub for our office team members to find and sign up for in-person, virtual and self-paced learning opportunities, as well as to review certifications and transcripts of their learning outcomes;
- Alchemy: A web-based platform that offers interactive, translated education on a variety of topics, including workplace and food safety for our production professionals; and

- Coach: An observational tool that equips our supervisors with proper resources to assess and ensure a smooth transfer of knowledge to team members regarding job responsibilities and safety practices on the production floor.

In addition to safety and general onboarding learnings, our program delivers education regarding accountability, communication, management, negotiation, sales and other important professional development topics. In 2022, we were focused on creating new



⁴⁰ Data reflects training hours of U.S.-based parent company team members that are captured by our corporate talent development department and may not include all trainings. Data does not include international team members or reflect informal learning opportunities.

Learning and Development

CONTINUED

onboarding programs for people leaders and making our on-demand educational content available to our global team. We have created various learning modules and curriculums that support our new-hire onboarding process, system protection and innovation for our finance, information technology (IT) and business strategies. This includes the launch of our cybersecurity and business application development education. As part of our dedication to supporting knowledge sharing and the development of our global workforce, we have made our key educational content available in seven languages to support better learning outcomes for our international team members or those who prefer to learn in their native language.

Performance Management and Engagement

We believe an engaged, developed workforce leads to a more innovative, productive and competitive business. Acute performance management and team member engagement allow us to create a thriving workplace for all while aligning our talent strategy with business needs.

Our performance management approach is focused on ongoing conversations between team members and leaders to drive clarity, focus and alignment. Documented performance conversations, or check-ins, occur multiple times per year. The end-of-the-year check-in resulted in nearly 100% completion across the organization. The valuable insights and feedback that we gain from performance reviews and engagement activities empower us to execute effective programs for supporting team members' growth within our organization and ensuring positive team member experiences. In 2022, we conducted performance reviews for 98% of our salaried team members and with 94% of our office and 100% of production hourly workers. By incorporating findings from engagement surveys, we continuously refine our programs, processes and policies toward creating a more coherent and dedicated workforce.



Leader Development

We develop a strong team member base and create talent pipelines by investing in our leadership development strategy that supports our succession planning and team management, allowing us to maintain and advance our business competencies. In 2022, we introduced a new leadership development program to onboard and develop leaders with customized professional development content, plus knowledge sharing and networking opportunities with their peers. Over 700 leaders embarked on the 18-month development program to increase their skills, capabilities and connections with their team members.

Compensation and Benefits

We have a pay-for-performance philosophy and an equitable compensation strategy to provide fair remuneration to all people working at our organization — regardless of their gender, race, age or other characteristics that may undermine their ability to receive impartial recognition of their contributions — with the goal of supporting the careers and well-being of our team members and retaining top talent.

Our generous compensation and benefits package is provided to all our global salaried team members and aligns with national and regional best practices. All full-time, U.S.-based team members are eligible for paid vacation, professional development, disability coverage, life insurance, healthcare, confidential counseling, retirement programs and education assistance. Part-time and seasonal team members may be entitled to benefits based on the number of hours worked per week and length of service. As part of our benefits program, in 2022 we reimbursed over \$321,000 for tuition expenses of eligible team members who pursued education while working, in line with our efforts in supporting professional development and continuous growth.

Through our benefits program, we strive to support the wellness of all people on whom we have a direct impact, including the dependents of our team members. We provide scholarships to dependent students of our eligible team members to assist with their pursuit of learning opportunities in higher education. For more information about our scholarship programs, please refer to the [Philanthropy](#) section of this report.

Inclusion and Diversity

At Hormel Foods, we believe a diverse workforce cultivates an environment filled with unique perspectives that drive innovation and enable us to create a better, more inclusive workplace. Our approach to fostering a diverse culture is shaped by leadership and initiatives of our Inclusion and Diversity Guiding Coalition, employee resource groups and external partnerships in order to ensure equal opportunities while encouraging diverse and inclusive voices in our decision-making process. As an example of our welcoming and inclusive culture, for the 10th year in a row, we were named one of the best employers for veterans by Military Times.

To operationalize our commitment to inclusion and diversity, we diligently work toward our 20 By 30 Challenge goal of

fostering a sense of inclusion and belonging for all team members across the enterprise. Our executives are held accountable for the attainment of our diversity target through

our executive compensation program, which reflects our commitment to aligning stockholders' long-term interest with our business imperatives and ESG priorities.

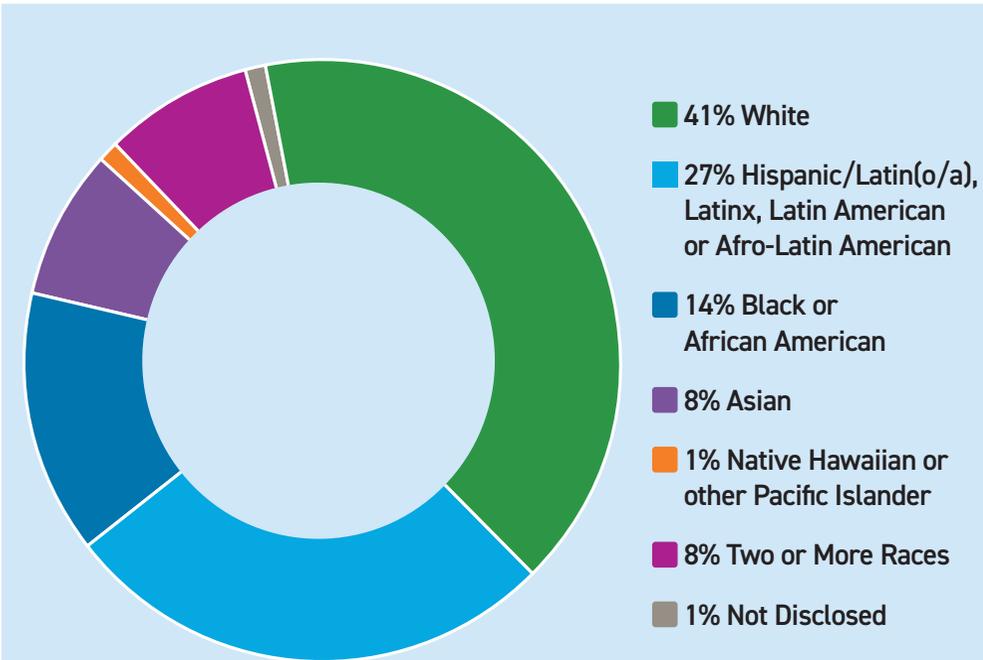
For more information about executive compensation, please refer to the [Corporate Governance](#) section of this report and our [Proxy Statement](#).



Inclusion and Diversity

CONTINUED

2022 Race/Ethnicity Representation of our U.S. Team Members

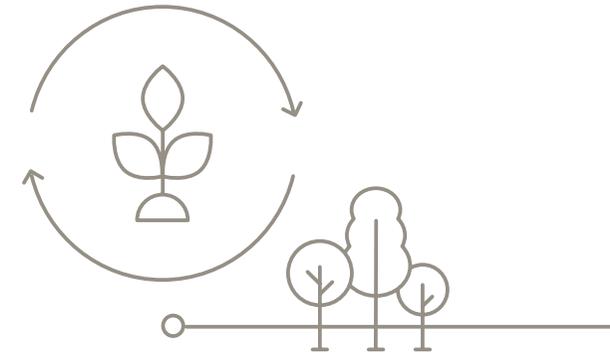


Inclusion and Diversity Guiding Coalition

Our Inclusion and Diversity Guiding Coalition is focused on building a more inclusive and equitable environment for all and helping to incorporate inclusion and diversity considerations into our business and people strategies. The coalition is represented by a diverse group of members from different divisions, departments and subsidiaries of our company that reflect the broad range of demographics and perspectives of our team members. With its thought leadership and insights into the strengths and needs of a diverse talent base, 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 coalition was instrumental in championing initiatives for inclusive workspaces in our production facilities, including the provision of lactation rooms, gender-neutral restrooms and updated locker facilities.



Inclusion and Diversity

CONTINUED

Employee Resource Groups

Our employee resource groups (ERGs) are integral to supporting our mission of creating a workplace where our team members feel welcomed, respected and valued. All of our ERGs are volunteer led, and membership in each group is open to all team members across our company. The ERGs are a critical part of bolstering our inclusion and diversity efforts in three key aspects:

- **Workplace:** How we acquire, develop and retain talented team members.
- **Marketplace:** How we make our products relevant to increasingly diverse consumers.
- **Community:** How we continue to be a good corporate citizen in the areas where we live and work.

In 2022, we were proud to support 11 ERGs that advocate for cultural, gender and ethnic diversity and inclusion, provide support for young professionals and people with disabilities, and promote professional development. We have recently launched two new ERGs: Hormel Employees Amplifying Lives Through Health to create

a community correlated to dysphagia and nutrition recovery; and Advocate Change, Champion Effective and Supportive Solutions to elevate awareness of disabilities and promote a safe environment for all.

Our 11 ERGs include:

- **Advocate Change, Champion Effective and Supportive Solutions;**
- **Black Leaders and Allies Advancing Cultural Knowledge;**
- **Hormel Asian American Professionals Association;**
- **Hormel Employees Amplifying Lives Through Health;**
- **Hormel Food and Agriculture Resource Members;**
- **Hormel Foods Women’s Insights Network;**
- **Hormel Integrating Relevant Experiences;**
- **Hormel Military Veterans Engagement Team;**

- **Hormel Professionals Representing Out and United Individuals & Allies;**
- **Hormel Young Professionals Enterprise; and**
- **Nuestra Gente (Hormel Foods Hispanic Resource Group).**

For more information, please visit our [Employee Resources Group webpage](#).

Inclusion and Diversity Partnerships

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, Comunidades Latinas Unidas en Servicio (CLUES), the Society of Women Engineers and other multicultural business organizations. In 2022, we supported the United Negro College Fund (UNCF) scholarship and participated in the National Black MBA Association career fair in an effort to support students from underserved communities and pursue diversity recruiting opportunities.



Human Rights

Promoting and protecting human rights within our operations and supply chain is a steadfast commitment of our organization. We treat people with the utmost dignity and respect and do not tolerate any form of labor abuse, human trafficking or violation of labor laws. Our human rights practices and expectations for our operations, partners and suppliers are a part of our [Human Rights and Modern Slavery Policy](#), [Code of Ethical Business Conduct](#), [Supplier Code of Conduct](#) and supplier contracts.



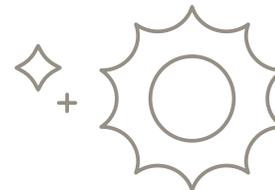
Through training, stakeholder engagement, compliance management and industry partnership, we actively participate in dialogues and initiatives that allow us to ensure fair labor treatment across our value chain. Our team members are annually trained on policies and procedures concerning aspects of human rights that are relevant to our operations. In 2022, more than 159,930 hours were dedicated to human rights training, which was primarily focused on providing education to our operations and supply chain team members.⁴¹

Freedom of Association

We respect the rights of team members to choose whether they want to be represented by a collective bargaining unit, and we do not have any operations in which the right to exercise freedom of association is at significant risk. As of 2022, approximately 20% of our U.S.-based team members were covered by collective bargaining agreements. We had one work stoppage in 2022.

Regulatory Compliance

With oversight from our audit committee, our compliance team upholds accountability for local and national worker laws that are enforced in the domestic regions where we operate. By reporting, tracking and investigating possible violations, our compliance program enables us to assure that our operations and the labor practices of our suppliers align with working conditions requirements presented within regulations and our policies — including our Code of Ethical Business Conduct and Supplier Code of Conduct. In order to facilitate anonymous feedback and address human rights concerns, we provide a global hotline number and website that are operated by an independent, third-party organization. In 2022, there were no human rights incidents determined to be violations of our Code of Ethical Business Conduct or Supplier Code of Conduct.



Partnership and Endorsement

As a member of the Consumer Goods Forum, we actively support its coalition on human rights and priority principles to improve the lives of workers around the world. We also value and respect the international principles, guidelines and goals aimed at protecting human rights, including:

- International Bill of Human Rights;
- International Labour Organization Conventions;
- International Labour Organization’s Declaration on Fundamental Principles and Rights at Work;
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises;
- UN Declaration of Human Rights;
- UN Global Compact’s 10 Principles;
- UN Guiding Principles on Business and Human Rights; and
- UN Sustainable Development Goals.

⁴¹ Some of the human rights training hours may be included in the total team member training hours presented in the Learning and Development section of this report.

Our Communities

“As a global branded food company, we continue to focus on being a thought leader and change-maker in the world of food. Our leadership in food security, environmental sustainability and even our groundbreaking community-college program demonstrate our commitment to our communities, our inspired people and this planet.”

WENDY WATKINS

SENIOR VICE PRESIDENT,
CHIEF COMMUNICATIONS OFFICER

Our Communities

We continued to invest in various philanthropic and community engagement activities throughout our global operations to make the world a better place, including \$11.4 million in charitable and in-kind donations.

We remain inspired to help others and build a thriving future for all. From cash and product donations to educational support and volunteer activities, we continually look for ways to do our part

in making the world a better place. We contribute to many impactful causes that we are passionate about, such as scholarships for post-secondary education, food security and disaster response.



2022 Community Support Highlights⁴²

496K

cans of SPAMMY® donated

\$345K

to 42 local charities in our production communities

\$862K+

educational support⁴³

\$11.4MM

contributed in cash and products

\$9.3MM

hunger-relief donations

⁴² Reported amounts are based on corporate donation records, which may not capture all donations.

⁴³ This figure does not include the company's expense for Inspired Pathways, which is considered an employee benefit.

Progress Toward 20 By 30 Challenge Goals

Hormel Foods Goal	2022 Progress	UN SDGs
<p>19 Provide the equivalent of 70 million meals to those in need through cash and product donations.⁴⁴</p>	<p>We continued our commitment to helping end hunger around the world by donating a total of \$9.3 million (or more than 9.4 million individual meals) to hunger-relief efforts. We are on track to achieve our goal of providing the equivalent of 70 million meals to those in need through cash and product donations by 2030.</p>	 
<p>20 Create a food-secure community program and share blueprint and findings globally.</p>	<p>We successfully launched the Hometown Food Security Project in Austin, Minn., with the United Way of Mower County and coalition partners.</p>	

We are pleased to report that we contributed \$11.4 million in cash and products to uplift our communities in 2022, inclusive of \$9.3 million in hunger-relief donations that are equivalent to 9.4 million individual meals. To help prevent childhood malnutrition in Guatemala, we donated approximately 496,000 cans of SPAMMY®, our shelf-stable poultry product, to those in need. As part of our dedication to

providing underserved students with learning and growth opportunities, we funded more than \$862,000⁴⁵ in matching gifts and scholarships in 2022.

The Hormel Foundation

The Hormel Foundation is a nonprofit 501(c)(3) organization established in 1941 by our founder, George A. Hormel, and his son, Jay C. Hormel. One of the

top giving foundations in Minnesota, The Hormel Foundation primarily supports charitable, educational and scientific organizations in Austin, Minn., including The Hormel Institute. In 2022, the foundation approved \$14.7 million in grants as part of its annual contribution budget. The Hormel Foundation is the largest shareholder of Hormel Foods and operates independently of the company. For more information, please visit [The Hormel Foundation](#).

The Hormel Institute

Founded in 1942 by Jay C. Hormel, The Hormel Institute of the University of Minnesota has been making significant scientific discoveries for eight decades that are aimed at improving human health. For the past 20 years, The Hormel Institute has employed its cutting-edge technologies and capabilities to find better ways to prevent, detect and treat cancer, and has become a globally recognized biomedical research center. For more information, please visit [The Hormel Institute](#).

⁴⁴ Using the Feeding America estimations of \$1 donated = 10 meals and 1.2 pounds donated = one meal.

⁴⁵ This figure does not include the company's expense for Inspired Pathways, which is considered an employee benefit.

Food Security



In alignment with our commitment to help end hunger around the world, we continue to invest resources in addressing food crises and scarcity facing vulnerable populations in our global community, including those who have been significantly impacted by food supply disruptions resulting from the COVID-19 pandemic. Through strategic nonprofit partnerships and community-based programs, we strive to unlock opportunities to efficiently provide access to adequate food with the goal of assisting them in recovering from malnutrition or poor health conditions.

We are proud to partner with organizations such as Feeding America, Convoy of Hope, Food For The Poor, Caritas Arquidiocesana,

Conscious Alliance, Beast Philanthropy, Second Harvest and community-based food pantries to advance our efforts in disaster assistance and hunger relief. Each year, these nonprofits help us distribute our products to people, promoting food security and building community resilience against food system disruptions. In 2022, we donated a total of \$9.3 million in hunger-relief donations — representing more than 9.4 million individual meals — to food banks and disaster relief organizations in our neighborhoods. We are on track to achieve our 20 By 30 Challenge goal of providing an equivalent of 70 million meals through cash and product donations to those in need by 2030.⁴⁶

Aside from charitable and product donations, we have made significant progress in introducing our unique food-secure community program in Austin, Minn., — home to our headquarters and flagship production facility. In this program, we invest resources and efforts into conducting research, gathering stakeholder feedback, and developing a project plan with our internal and external experts who are focused on ensuring food security in our Austin, Minn., community.

The milestones we reached in 2022 in formalizing the program include:

- Launched the [Hometown Food Security Project](#) in Mower County, Minn. This project is a collaborative effort between various local and regional stakeholders who are committed to making a positive impact on alleviating hunger throughout our community and beyond.
- In May 2022, Hormel Foods convened the [Toward Food Security 2025: A Case for Change Summit](#), which brought together over 40 leaders from more than 20 local organizations to discuss the challenges of providing food assistance and ending hunger in Mower County.
- In June 2022, the Hometown Food Security Project Coalition was established, composed of leaders from nonprofits, schools and universities, and community organizations, including United Way, The Salvation Army, Austin Public Schools, Riverland Community College, Mower County Senior Center, the Welcome Center, the Mayo Clinic, Hormel Foods, and Mower County Health and Human Services. With resources and logistics support from Hormel Foods, this coalition is tasked with

leading the planning and implementation of the project. The coalition’s work has been informed by the expertise and thought leadership of subject-matter experts, including the [Baylor Collaborative on Hunger and Poverty](#) (BCHP) and Attention Span Media. Within the first six months since its inception, the coalition has helped close donation gaps, cover culinary staffing needs for community meals and improve interagency coordination.

- In August 2022, the coalition formed a core operations team to drive progress, including the undertaking of a community-needs assessment utilizing BCHP’s Toolkit for Developing and Strengthening Hunger Free Community Coalitions. The team began weekly meetings with support from our Agile process expert to collaboratively push the organizational process forward.
- In October 2022, several Hormel Foods leaders and coalition members participated in BCHP’s [Together at the Table: Hunger and Poverty Summit](#), a two-day event that featured speakers and received participation from policy analysts, researchers, nonprofit leaders and food-security experts.



⁴⁶ Using the Feeding America estimations of \$1 donated = 10 meals and 1.2 pounds donated = one meal.

Food Security

CONTINUED

Additional Food Security Efforts

Hormel Foods Community Donations Program

• Through the Hormel Foods Community Donations Program, we sponsor our U.S. manufacturing facilities and our subsidiaries to make contributions to hunger-relief organizations in their communities. In 2022, we donated more than \$345,000 to 42 charities through this program.

Disaster Response

• We once again partnered with Convoy of Hope to assist with hunger-relief efforts through our disaster-response program by providing several monetary and product donations. Product donations included donations of *Herdez*® guacamole hot sauce, *Skippy*® peanut butter and *Hormel*® homestyle mashed potatoes.

Fighting Hunger

• As a result of a co-branded effort between Justin's and Applegate, we made a \$30,000 donation, equivalent to 300,000 meals,⁴⁷ in addition to the Applegate donation of 19,000 pounds of product to support Conscious Alliance's Fight Hunger In Its Tracks campaign, which was aimed at

providing equitable access to food during the holiday season. By encouraging peers to make meaningful contributions to hunger-relief efforts, the two companies' involvement enabled Conscious Alliance to recruit 11 other organizations to participate in the campaign and raise an additional \$47,000 in grants.

- In celebration of the 2022 Hunger Action Month, Justin's donated \$15,000 to Conscious Alliance's Feed Good consumer matching campaign to drive meaningful, positive changes in building a resilient and healthy food system for all.
- By teaming up with Beast Philanthropy, Jennie-O donated 10,000 turkeys to brighten up the 2021 Thanksgiving holiday for families in need within the Greenville, N.C., community (during fiscal year 2022). The donation represents a value of \$266,000 and 120,000 servings of turkey, making it the single largest philanthropic contribution and food-security effort in the 80-year history of Jennie-O.

Skippy® Donation

• We donated approximately 15,000 jars of *Skippy*® peanut butter products to food banks and nonprofits in Europe and Asia, including a Singapore-based food charity, Food from the Heart. Our donations were aimed at supporting the nutritional needs of people living below the poverty line or those suffering from a significant humanitarian crisis. In April 2022, we donated over 2,340 jars of *Skippy*® crunchy peanut butter to aid vulnerable Ukrainians in overcoming the challenging time and impacts resulting from the Russo-Ukrainian War.

Project SPAMMY®

• We continue to provide *SPAMMY*®, a shelf-stable poultry product fortified with vitamins and minerals, to help malnourished children in Guatemala. By working with Food for The Poor and Caritas Arquidiocesana to distribute the product to family centers and orphanages, we donated approximately 496,000 cans of *SPAMMY*® in 2022. In total, we've donated more than 26 million cans of *SPAMMY*® since the initiative began.

Hometown Celebration Concert

• In 2022, we hosted a Hometown Celebration concert in Austin, Minn., for team members and community members to enjoy at no cost, with the goal of promoting and raising funds for local and regional hunger-relief efforts in partnership with Conscious Alliance. A Hometown Community Food Packing event was held prior to the concert, creating 6,000 assembled snack kits to be distributed to local youth programs in Mower County. Participants were encouraged to donate canned food items, leading to a total of 1,179 pounds of food being donated to the United Way of Mower County and the Salvation Army. At the end of the event, we successfully raised approximately \$40,000 to enhance food security in our communities.



⁴⁷ Using the Conscious Alliance estimation of \$1 donated = 2 meals.

Philanthropy

From providing educational opportunities to supporting volunteerism and making donations, we are proud of our ongoing philanthropic efforts in building better communities and helping people in need. We offer multiple tuition assistance and scholarship programs for students within our extended family that align with our

dedication to promoting access to higher education. As part of our 20 By 30 Challenge, we strive to fulfill our goal of providing the opportunity of a free two-year college education for all of our team members' high school graduates through our Inspired Pathways program.

development in the food industry. By offering part-time internships, the brand creates hands-on work experience for students while they complete their high school education. In 2022, we had 20 apprentices who worked with us in various administrative areas.

Cidade do Sol, the Brazilian company responsible for the Ceratti® brand, does far more than produce stellar products. The company is working with Itacolomi Institute to give high school students exposure to the food industry through part-time internships and other opportunities for firsthand experience as they complete their classroom learning. In 2022 alone, 20 apprentices worked in product registration, tracking, water and soil treatment, and other areas.



Our Education Assistance Efforts Inspired Pathways

- The 2022-2023 academic year was the second year of our Inspired Pathways program, which provides the opportunity of a free two-year college education for the dependent children of our U.S. team members. Focusing on supporting first-generation college students and learning opportunities at community colleges, the program helps students to pursue higher education that can change their lives and enable their future generations to thrive. In 2022, we provided financial aid to 177 students through the program.

Hands-on Education

- In Brazil, Cidade do Sol, maker of the famous Ceratti® brand, has partnered with the Itacolomi Institute since 2008 to pave the way for over 100 primary school students' learning and professional

Undergraduate College Scholarships

- For the 56th consecutive year, Hormel Foods awarded 11 undergraduate college scholarships to children of our full-time, retired and deceased team members of our company and subsidiaries. We fund talented students through the National Merit Scholarship Corporation, helping those who demonstrate outstanding academic performance, exemplary leadership qualities and significant involvement in extracurricular activities pursue post-secondary education at accredited academic institutions. Recipients of this program are awarded \$2,000 per year for four years toward their college degree. For more information about our 2022 undergraduate college scholarship winners, please visit our [press release](#).

Philanthropy

CONTINUED

Hormel Heroes Scholarship

• We've established 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 Association Educational Foundation. In 2022, we awarded two \$10,000 scholarships.

Jennie-O Scholarships

• Each year, our Jennie-O 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 2022, Jennie-O awarded 52 students with \$1,000 scholarships and two students with \$6,000 scholarships.

Columbus Cares Scholarship

• Our Columbus Cares scholarship is targeted to children of our eligible Columbus team members who are between 17 and 26 in age and are preparing to enter vocational or higher education institutions or are currently enrolled in such schools. A \$1,000 scholarship is annually awarded to up to five students.

Our Community Investment Efforts

Inspired Giving — Education and Causes

• Through annually held Inspired Giving spotlight charity campaigns and year-round team member giving, we matched the donations of our team members and retirees to support a wide array of causes that help strengthen our communities. In 2022, our team members raised over \$1 million for nonprofits, focusing on hunger relief and educational support.

Applegate Giving Tuesday Campaign

• As part of our celebration of 2022 Giving Tuesday, Applegate matched donations totaling \$35,000 to After School All Stars, a nonprofit organization that provides free, comprehensive after-school programs that keep children safe and help them succeed in school and life.

Free SPAM® Museum

• For more than 30 years, our team members at the SPAM® Museum have been telling the world the success story of SPAM®, our iconic brand that began in 1937. Though it is a national — and even international — destination, the admission-free museum is an irreplaceable part of the local community, providing history lessons, experiential education, a play area and interactive exhibits.

Crisis Assistance Relief Effort (CARE) Program

• Our 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 through annual fundraising campaigns initiated by team members.



Our Details

Our Details

For the past 17 years, we have been proud to share our corporate responsibility efforts and sustainability achievements. This 2022 Global Impact Report has been designed to share high-quality ESG information with our internal and external stakeholders, and was developed and reviewed in collaboration with our global impact, environmental sustainability and compliance teams. Unless otherwise noted, information presented within this report represents our performance in the fiscal year that started on Nov. 1, 2021, and ended on Oct. 30, 2022, in line with the financial reporting period of our [2022 Annual Report](#). All financial figures included throughout the report are in U.S. dollars unless otherwise specified.

This report has been prepared with reference to the 2021 Global Reporting Initiative (GRI) Standards and follows the reporting guidance and principles of Sustainability Accounting Standards Board (SASB) Processed Foods and Meat, Poultry & Dairy Standards. Projects and initiatives featured in this report include information about the Hormel Foods efforts that support the select UN SDGs. Content within this report has been reviewed and approved by our ESG Council, internal experts and vice presidents who oversee relevant ESG topics across our business.

Aside from this report, we annually report to CDP regarding our climate change, water security, and forests-related strategies and performance. For more information, please visit our Global Impact [webpage](#).

Reporting Boundary

The boundary of this report includes all entities over which Hormel Foods exercises control or has significant influence with regard to financial and operating policies and practices. When relevant, information about joint venture partners may also be included. Except where otherwise stated, the report does not present information on MegaMex Foods, Okinawa Hormel Ltd., Purefoods – Hormel Company and other entities over which Hormel Foods has less than 50% operational and financial control.

In this report, we have expanded the reporting scope of our GHG emissions, energy and water metrics from manufacturing facilities to companywide performance. Therefore, efficiency gains compared to the prior year for the aforementioned environmental topics are not available in this report. We look forward to sharing our progress using 2022 as the baseline moving forward.

Our Details

CONTINUED

Forward-Looking Statements

This report contains “forward-looking statements” within the meaning of the U.S. 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. 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.

For additional information, 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 in the Investors section.

Materiality

We report against our material topics, or key topics, identified through our internal assessment and stakeholder engagement. For the purposes of this report, we use GRI’s definition of materiality, which is different from the definition used for filings with the U.S. 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: GLOBAL-IMPACT@hormel.com

Call Consumer Engagement: 1-800-523-4635

Use our Contact Form:

HORMELFOODS.COM/ABOUT/CONTACT-US

Appendices

Appendix A: Stakeholder Engagement and Industry Involvement

Stakeholder Group	How Hormel Foods Engages	Stakeholder Interests	How We Respond to Their Interests	Ongoing Results of Engagement
<p>Team Members (Current, prospective and retired)</p>	<ul style="list-style-type: none"> • Annual performance reviews • Annual town hall meetings with the chief executive officer (CEO) and executives, and various production locations • Department 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) 	<ul style="list-style-type: none"> • Community impacts • Distribution of profits • Team member health and wellness • Team member recruitment and retention • Environmental sustainability • Inclusion and diversity • Occupational health and safety • Philanthropy 	<ul style="list-style-type: none"> • Charitable giving • Team member benefits • Through our corporate responsibility goals and progress • Inclusion and diversity initiatives and employee resource groups • Safety program and goals 	<ul style="list-style-type: none"> • Community support and retiree engagement and involvement • Improved safety • Team member engagement and retention
<p>Customers</p>	<ul style="list-style-type: none"> • Conferences (ongoing) • Facility and farm tours (ongoing) • One-on-one meetings (ongoing) • Questionnaires (ongoing) • Sales meetings (ongoing) 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Demonstration of our best practices • Development of customer relationships • Identification of risks and opportunities • Increased understanding of the business and practices

Stakeholder Group	How Hormel Foods Engages	Stakeholder Interests	How We Respond to Their Interests	Ongoing Results of Engagement
Suppliers	<ul style="list-style-type: none"> • One-on-one meetings (ongoing) • Supplier site audits (ongoing) • Supplier site tours (ongoing) • Supplier quality management system (ongoing) 	<ul style="list-style-type: none"> • Animal care and antibiotics • Farmer livelihoods • Responsible sourcing and supply chain management • Sustainable agriculture 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Increased accountability • Improvement of supplier relationships • Improvement of supply base • Improvement of quality from suppliers
Investors/Analysts	<ul style="list-style-type: none"> • One-on-one meetings (ongoing) • Rankings/questionnaires (annually) • Conferences (ongoing) 	<ul style="list-style-type: none"> • Animal care and antibiotics • Corporate responsibility and governance • Environmental sustainability • Human rights • Sustainable agriculture 	<ul style="list-style-type: none"> • Animal care standards and antibiotic stewardship efforts • Development of company policies • Through our corporate responsibility goals and progress • Respond to questionnaires/inquires • Verify data from analysts compiling rankings and indices 	<ul style="list-style-type: none"> • Benchmark data • Correct information • Feedback for future initiatives
Consumers	<ul style="list-style-type: none"> • Consumer hotline (daily) • Consumer research (ongoing) • Social media (daily) • Websites (daily) 	<ul style="list-style-type: none"> • Animal care and antibiotics • Consumer education and information • Consumer health and safety • Environmental sustainability • Food access and affordability • Food safety and quality • Genetically modified organisms (GMOs) • Nutrition and wellness • Safe packaging 	<ul style="list-style-type: none"> • 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 initiatives • Use insights for new product development 	<ul style="list-style-type: none"> • 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

Stakeholder Group	How Hormel Foods Engages	Stakeholder Interests	How We Respond to Their Interests	Ongoing Results of Engagement
Government	<ul style="list-style-type: none"> • Engagement in associations and subcommittees (ongoing) • One-on-one meetings with members of Congress and regulatory agencies (ongoing) • Public forums via panels (ongoing) • Production facility tours for elected officials (ongoing) • Reports and regulatory filings (ongoing) 	<ul style="list-style-type: none"> • Animal care and antibiotics • Community impacts • Environmental sustainability • Food safety and quality • Lobbying disclosure and political contributions 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Meetings (ongoing) • Response to questions/concerns • Questionnaires/surveys 	<ul style="list-style-type: none"> • Animal care and antibiotic stewardship • Business ethics • Community impacts • Corporate responsibility and governance • Distribution of profits • Environmental sustainability • Food relief • Nutrition and wellness • Human rights • Lobbying disclosures and political contributions • Philanthropy • Responsible sourcing and supply chain management • Stakeholder engagement • Sustainable agriculture • Transparency and reporting 	<ul style="list-style-type: none"> • Animal care standards and antibiotic stewardship efforts • Charitable giving • Consider topics raised in our reporting and operating practices • 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 	<ul style="list-style-type: none"> • Identification of risks to the business or larger issues in the industry • Improved two-way conversation about the industry and business practices

Stakeholder Group	How Hormel Foods Engages	Stakeholder Interests	How We Respond to Their Interests	Ongoing Results of Engagement
Communities	<ul style="list-style-type: none"> • Charitable giving (ongoing) • Community events (ongoing) • Local media relations (ongoing) • Representation and participation in community organizations (ongoing) • Sponsorships (ongoing) • Volunteer efforts (ongoing) 	<ul style="list-style-type: none"> • Community impacts • Distribution of profits • Environmental sustainability • Team member recruitment and retention • Food relief • Philanthropy • Sustainable agriculture 	<ul style="list-style-type: none"> • Charitable giving • Consider topics raised in our reporting and operating practices • Formal hunger and community giving strategy • Through our corporate responsibility goals and progress • Meetings to discuss local concerns • Invest in community infrastructure 	<ul style="list-style-type: none"> • Team member engagement • Large number of community groups engaged • Positive community relations • Positive corporate reputation
Industry Associations	<ul style="list-style-type: none"> • Representation and participation in trade and industry associations at global, national and local levels (ongoing) 	<ul style="list-style-type: none"> • Animal care and antibiotic stewardship • Environmental sustainability • Farmer livelihoods • Food safety and quality • Sustainable agriculture 	<ul style="list-style-type: none"> • Public policy advocacy on agriculture, food labeling, health and labor/workplace issues, and U.S. trade policies • Participate in ongoing dialogue to create transparency and accurate information 	<ul style="list-style-type: none"> • Improved two-way conversation about industry and business practices • Engagement activities and discussions to influence legislation

Hormel Foods engages with a variety of nonprofit, academic institutions and industry consortiums, and employees serve as members, officers and directors of the boards of many organizations, including:

- Alliance for the Future of Agriculture in Nebraska
- American Association of Poultry Pathologists
- American College of Poultry Veterinarians (and its Continuing Education Committee)
- American Meat Science Association
- American Veterinary Medical Association (and its Agricultural Liaison Committee and Clinical Practitioners Advisory Committee)
- Animal Agriculture Alliance
- Association of Avian Pathologists (and its Animal Welfare Committee and Drugs and Therapeutics Committee)
- Association of Veterinarians in Turkey Production
- Business for Social Responsibility
- Colorado Farm Bureau
- Colorado Livestock Association
- Colorado Pork Producers Association (and its board of directors)
- Consumer Brands Association
- Foundation of Meat and Poultry Research and Education
- Global Food Safety Initiative
- Institute of Food Technologists
- International Association of Food Protection
- Midwest Poultry Research Committee
- Minnesota Board of Animal Health (and its Emergency Disease Management Committee)
- Minnesota Agricultural Utilization Research Institute
- Minnesota AgriGrowth Council (and its board of directors)
- Minnesota Poultry Federation
- Minnesota Turkey Growers Association (and its board of directors)
- Minnesota Turkey Research and Promotion Council
- National Grain and Feed Association
- National Pork Board
- National Pork Producers Council (and its Animal Health and Food Security Policy Committee)
- National Restaurant Association
- North American Meat Institute (and its board of directors, Animal Welfare Committee and Scientific Affairs Committee)
- National Turkey Federation and its committees, including:
 - Board of Directors
 - Executive Committee
 - Health and Welfare Committee
 - Live Production Committee
 - Technical and Regulatory Affairs Committee
 - Turkey Health Task Force
- National Peanut Council
- National Young Farmers Coalition
- Poultry Science Association
- Professional Animal Auditor Certification Organization
- Protein PACT (and its State of Wisconsin Livestock Facility Siting Review Board)
- The National Institute of Antimicrobial Resistance Research and Education
- United States Animal Health Association
- University of Wisconsin (and its Meat Science Advisory Board and Poultry Science Advisory Committee)
- U.S. Poultry & Egg Association (and its Research Advisory Committee)
- Wisconsin Poultry & Egg Association
- Women’s Foodservice Forum
- World Poultry Association

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

Appendix B: Global Reporting Initiative (GRI) Index

Statement of use	Hormel Foods Corporation has reported the information cited in this GRI content index for the period from Nov. 1, 2021 to Oct. 30, 2022, with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Disclosures		Report Location and Response
GRI 2: General Disclosures 2021	2-1 Name of the organization	Hormel Foods Corporation
	2-2 Entities included in the organization's sustainability reporting	About this Report
	2-3 Reporting period, frequency, and contact point	About this Report
	2-4 Restatements of information	None
	2-5 External assurance	Our report is reviewed by our internal audit department. Information presented within this report is not externally assured.
	2-6 Activities, value chain, and other business relationships	About Hormel Foods; 2022 Annual Report
	2-7 Employees	About our Team; Appendix D
	2-8 Workers who are not employees	Appendix D We employ temporary workers to support production demand at our manufacturing facilities.
	2-9 Governance structure and composition	Corporate Governance; Proxy Statement
	2-10 Nomination and selection of the highest governance body	Proxy Statement
	2-11 Chair of the highest governance body	Proxy Statement
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance; Proxy Statement
	2-13 Delegation of responsibility for managing impacts	Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	About This Report
	2-15 Conflicts of interest	Ethics and Compliance
	2-16 Communication of critical concerns	Ethics and Compliance
	2-17 Collective knowledge of the highest governance body	Corporate Governance
	2-18 Evaluation of the performance of the highest governance body	Proxy Statement
	2-19 Remuneration policies	Corporate Governance; Proxy Statement
	2-20 Process to determine remuneration	Corporate Governance; Proxy Statement

GRI Disclosures		Report Location and Response
	2-21 Annual total compensation ratio	Proxy Statement
	2-22 Statement on sustainable development strategy	From Our CEO
	2-23 Policy commitments	Human Rights
	2-24 Embedding policy commitments	Ethics and Compliance; Supply Chain; Human Rights
	2-25 Processes to remediate negative impacts	Ethics and Compliance; Code of Ethical Business Conduct
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and Compliance; Code of Ethical Business Conduct
	2-27 Compliance with laws and regulations	Appendix D
	2-28 Membership associations	Appendix A
	2-29 Approach to stakeholder engagement	Stakeholder Engagement; Appendix A
	2-30 Collective bargaining agreements	About Our Team; Appendix D
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Key Topics Assessment
	3-2 List of material topics	Key Topic Assessment
	3-3 Management of material topics	Throughout the report
GRI 201: Economic Performance 2016	3-3 Management of material topics	2022 Annual Report
	201-1 Direct economic value generated and distributed	2022 Annual Report
	201-2 Financial implications and other risks and opportunities due to climate change	2022 Annual Report ; CDP Climate Change Questionnaire
	201-3 Defined benefit plan obligations and other retirement plans	2022 Annual Report
GRI 301: Materials 2016	3-3 Management of material topics	Packaging
	301-1 Materials used by weight or volume	Appendix D
	301-2 Recycled input materials used	Packaging; Appendix D
GRI 302: Energy 2016	3-3 Management of material topics	Energy
	302-1 Energy consumption within the organization	Energy; Appendix D
	302-3 Energy intensity	Energy; Appendix D
	302-4 Reduction of energy consumption	Energy; Appendix D

GRI Disclosures		Report Location and Response
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Water
	303-1 Interactions with water as a shared resource	Water
	303-2 Management of water discharge-related impacts	Water
	303-3 Water withdrawal	Water; Appendix D
	303-4 Water discharge	Water; Appendix D
	303-5 Water consumption	Water; Appendix D
GRI 305: Emissions 2016	3-3 Management of material topics	Greenhouse Gas Emissions
	305-1 Direct (Scope 1) Greenhouse Gas (GHG) emissions	Appendix D
	305-2 Energy indirect (Scope 2) GHG emissions	Appendix D
	305-4 GHG emissions intensity	Greenhouse Gas Emissions; Appendix D
	305-5 Reduction of GHG emissions	Greenhouse Gas Emissions; Appendix D
GRI 306: Waste 2020	3-3 Management of material topics	Waste
	306-1 Waste generation and significant waste-related impacts	Waste
	306-2 Management of significant waste-related impacts	Waste
	306-3 Waste generated	Appendix D
	306-4 Waste diverted from disposal	Appendix D
	306-5 Waste directed to disposal	Appendix D
GRI 308: Supplier Environmental Assessment 2016	3-3 Management approach	Supply Chain
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain
GRI 401: Employment 2016	3-3 Management approach	Learning and Development
	401-1 New employee hires and employee turnover	About Our Team; Appendix D
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Learning and Development

GRI Disclosures		Report Location and Response
GRI 403: Occupational Health and Safety 2018	3-3 Management approach	Safety, Health and Wellness
	403-1 Occupational health and safety management system	Safety, Health and Wellness
	403-2 Hazard identification, risk assessment, and incident investigation	Safety, Health and Wellness
	403-3 Occupational health services	Safety, Health and Wellness
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safety, Health and Wellness
	403-5 Worker training on occupational health and safety	Safety, Health and Wellness
	403-6 Promotion of worker health	Safety, Health and Wellness
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety, Health and Wellness
	403-8 Workers covered by an occupational health and safety management system	Safety, Health and Wellness
	403-9 Work-related injuries	Safety, Health and Wellness
GRI 404: Training and Education 2016	3-3 Management approach	Learning and Development
	404-1 Average hours of training per employee	Learning and Development; Appendix D
	404-2 Programs for upgrading employee skills and transition assistance programs	Learning and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Learning and Development; Appendix D
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management approach	Inclusion and Diversity
	405-1 Diversity of governance bodies and employees	Corporate Governance; Inclusion and Diversity; Appendix D
GRI 406: Non-discrimination 2016	3-3 Management approach	Inclusion and Diversity
	406-1 Incidents of discrimination and corrective actions taken	Inclusion and Diversity
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management approach	Human Rights
	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights
GRI 408: Child Labor 2016	3-3 Management approach	Human Rights
	408-1: Operations and suppliers at significant risk for incidents of child labor	Human Rights

GRI Disclosures		Report Location and Response
GRI 409: Forced or Compulsory Labor 2016	3-3: Management approach	Human Rights
	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights
GRI 414: Supplier Social Assessment	3-3: Management approach	Supply Chain
	414-2: Negative social impacts in the supply chain and actions taken	Supply Chain
GRI 415: Public Policy 2016	3-3: Management Approach	Public Policy
	415-1 Political contributions	Public Policy; Appendix D
GRI 416: Customer Health and Safety 2016	3-3: Management Approach	Food Safety and Quality
	416-1: Assessment of the health and safety impacts of product and service categories	The percentage of products assessed for safety improvements is currently not tracked. Food safety is a top priority in everything we do and is built into our Cultural Belief of Safety First. Our approach to product safety is constantly evolving and built into our practices of incident prevention and continuous improvement. For more information about our food-safety strategy, please refer to the Food Safety and Quality section of this report.
	416-2: Incidents of noncompliance concerning the health and safety impacts of products and services	Food Safety and Quality; Appendix D
GRI 417: Marketing and Labeling 2016	3-3: Management Approach	Consumer Education and Information; Responsible Marketing
	417-1: Requirements for product and service information and labeling	Consumer Education and Information
	417-2: Incidents of noncompliance concerning product and service information and labeling	Appendix D
	417-3: Incidents of noncompliance concerning marketing communications	Responsible Marketing; Appendix D
GRI 418: Customer Privacy 2016	3-3: Management approach	Privacy Policy
	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no incidents in 2022.

Appendix C: Sustainability Accounting Standards Board (SASB) Index

Below are the Hormel Foods responses to the SASB Processed Foods and Meat, Poultry & Dairy Standards.

Topic	Metric	Code	Response
Energy Management	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	FB-PF-130a.1 FB-MP-130a.1	(1) 12,798,986 gigajoules (2) 99% (3) <1%
Greenhouse Gas Emissions	Gross global Scope 1 Emissions	FB-MP-110a.1	635,226 metric tons of CO2e
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	FB-MP-110a.2	The amount of water withdrawn and used was 17,585 cubic meters, and 4% was from water-stressed areas.
Water Management	(1) Total water withdrawn, (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	FB-PF-140a.1 FB-MP-140a.1	(1) 4.62 billion gallons (2) 6%
	Number of incidents of noncompliance associated with water quantity and/or quality permits, standards, and regulations	FB-PF-140a.2 FB-MP-140a.3	We received two water-related notices in 2022. Corrective actions were promptly implemented after we discovered the issues.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-PF-140a.3 FB-MP-140a.2	Water management risks are assessed annually by third-party experts and included in the enterprise risk management review process. Hormel Foods engages top suppliers through surveys to gather water risk information. For more information, please visit the Water section of this report.

Topic	Metric	Code	Response
Land Use & Ecological Impacts	Amount of animal litter and manure generated, percentage managed according to a nutrient management plan	FB-MP-160a.1	We have a robust manure and litter management plan in place that we are required to follow by law, and our grower partners are encouraged to follow a nutrient management plan through our contractual agreements.
	Percentage of pasture and grazing land managed to conservation plan criteria	FB-MP-160a.2	Our Applegate subsidiary reports 46 million (domestic and international) acres for beef production in its supply chain, which meets the conservation plan criteria set forth by the Natural Resources Conservation Service (NRCS) as part of the Applegate standard.
	Animal protein production from concentrated animal feeding operations	FB-MP-160a.3	Data is not available at this time of disclosure.
Food Safety	Global Food Safety Initiative (GFSI) audit (1) nonconformance rate and (2) associated corrective action rate for (a) major and (b) minor nonconformances	FB-PF-250a.1 FB-MP-250a.1	Nonconformance and corrective action rates are considered confidential to our business. We provide audit reports to our customers upon request for the purchased product items. For more information about our food safety assurance programs, please visit the Food Safety and Quality section of this report.
	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	FB-PF-250a.2	Data is not available at this time of disclosure.
	Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification program	FB-MP-250a.2	Data is not available at this time of disclosure.
	(1) Total number of notices of food safety violation received (2) Percentage corrected	FB-PF-250a.3	(1) Any potential instances of regulatory noncompliance are publicly available. These findings are primarily used to communicate opportunities for improvement by our respective regulatory authorities, and the vast majority are not representative of an imminent food safety risk to our operations or products. All instances of citation are remediated to meet or exceed all regulatory guidelines and requirements. (2) 100%

Topic	Metric	Code	Response
	(1) Number of recalls issued and (2) Total amount of food product recalled	FB-PF-250a.4 FB-MP-250a.3	(1) 1 (2) 161,692 pounds Skippy Foods, LLC voluntarily recalled 161,692 total pounds of a limited number of code dates of <i>Skippy</i> ® reduced-fat creamy peanut butter spread, <i>Skippy</i> ® reduced-fat chunky peanut butter spread and <i>Skippy</i> ® creamy peanut butter blended with plant protein due to a possible issue with manufacturing equipment. Skippy Foods, LLC, out of an abundance of caution and with an emphasis on the quality of its products, issued the recall to ensure that consumers were made aware of the issue. The manufacturing facility's internal detection systems identified the concern.
	Discussion of markets that ban imports of the entity's products	FB-MP-250a.4	At any time throughout any given year, countries may issue import bans due to animal disease outbreaks, such as highly pathogenic avian influenza, or tariff concerns. Our organization consistently monitors and seeks to comply with all pertinent import rules, restrictions and regulations both in the U.S. as well as the receiving country locations that are applicable to our products.
Health & Nutrition	Revenue from products labeled and/or marketed to promote health and nutrition attributes	FB-PF-260a.1	Data is considered confidential to our business.
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-PF-260a.2	We are dedicated to helping consumers address and manage nutritional and health concerns in food products. To enable consumers to make better food decisions, we have established our clean-label initiative, which aims to simplify the ingredient statements of our retail products through the removal or replacement of ingredients while still delivering the great taste that shoppers expect. Through the initiative, our products are evaluated for opportunities to shorten ingredient lists, use ingredients that are familiar to consumers, and remove artificial colors and flavors to provide clearer and easy-to-follow product information to inform decision-making. Based on consumer research and feedback, we actively initiate sodium-reduction research and product-reformulation initiatives to reach the preferred sodium levels in our products. For more information, please refer to the Nutrition and Wellness section of this report.

Topic	Metric	Code	Response
Product Labeling & Marketing	Percentage of advertising impressions: (1) Made on children and (2) Made on children promoting products that meet dietary guidelines	FB-PF-270a.1	Hormel Foods is committed to responsible marketing and advertising practices for our products, with accountability to all consumers. Furthermore, the company does not target marketing or advertising programs directly to children.
	Revenue from products labeled as (1) Containing genetically modified organisms (GMOs) and (2) Non-GMO	FB-PF-270a.2	Data is considered confidential to our business.
	Number of incidents of noncompliance with industry or regulatory labeling and/or marketing codes	FB-PF-270a.3	We did not have any U.S. Food and Drug Administration (FDA), U.S. Department of Agriculture (USDA) or U.S. Federal Trade Commission warnings, penalties or fines associated with product labeling and/or marketing regulations during 2022. We take compliance seriously and have internal teams that evaluate our labels and marketing for compliance with all relevant legal and regulatory requirements.
	Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices	FB-PF-270a.4	Hormel Foods is and has been a party to legal proceedings challenging various product claims made in its product labeling and/or marketing. We may have agreed to a settlement of certain of those legal proceedings solely for the purposes of avoiding the burden, expense, risk and uncertainty of litigation.
Packaging Lifecycle Management	(1) Total weight of packaging, (2) Percentage made from recycled and/or renewable materials, and (3) Percentage that is recyclable, reusable, and/or compostable	FB-PF-410a.1	(1) 388,666,368 pounds (2) 34% (3) 84%
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	FB-PF-410a.2	We invest in weight-reduction and sustainable packaging projects to reduce the environmental impacts of packaging materials. For more information, please refer to the Packaging section of this report.
Antibiotic Use in Animal Production	Percentage of animal production that received: (1) Medically important antibiotics, and (2) Not medically important antibiotics, by animal type	FB-MP-260a.1	Please refer to the Metrics section within our Antibiotic Stewardship Report .
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), and (2) Fatality rate	FB-MP-320a.1	(1) 2.6 (2) 0
	Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions	FB-MP-320a.2	We currently do not offer specific programs around chronic respiratory health conditions. Through our Hormel Health Center, team members have access to a wide variety of health and wellness services, including primary care, acute care, annual physicals, preventive exams and condition management. For more information, please refer to the Safety, Health and Wellness section of this report.

Topic	Metric	Code	Response
Animal Care & Welfare	Percentage of pork produced without the use of gestation crates	FB-MP-410a.1	<p>The company made a commitment to transition its company-owned sow farms to open sow housing by 2018. It met this commitment early, and today the company's farm operations use the latest open sow housing technology.</p> <p>The Hormel Foods wholly owned subsidiary Applegate has committed to 100% open sow housing in its supply chain. Applegate farmers use an open-pen system that allows for free movement. Organic pigs have outdoor access.</p>
	Percentage of cage-free shell egg sales	FB-MP-410a.2	This metric is not applicable to our business. We do not sell eggs.
	Percentage of production certified to a third-party animal welfare standard	FB-MP-410a.3	<p>Our company-owned properties, and Applegate and Jennie-O subsidiaries, as well as all applicable facilities throughout our supply chain, are 100% certified to animal welfare standards through National Pork Board's Pork Quality Assurance (PQA) Plus program, Transport Quality Assurance (TQA) certification and/or National Turkey Federation (NTF) guidelines.</p> <p>All individuals who transport hogs to Hormel Foods must have the National Pork Board's TQA certification. All sites where a producer raises hogs supplied to Hormel Foods must achieve PQA Plus Site Status as defined by the National Pork Board's PQA Plus program. This is attained through an on-farm assessment that evaluates compliance with welfare and well-being principles as part of the PQA Plus program. All team members at our company-owned hog farm are required to comply with qualifications outlined in our quality management system, which includes standard operating procedures, a personal pledge of proper conduct, and certifications in the National Pork Board's PQA Plus and TQA programs.</p> <p>Jennie-O requires all independent and contract suppliers to follow a two-step process to ensure the highest animal welfare standards are applied when handling turkeys. Results of internal and third-party audits conducted at company hatcheries, grower farms and processing facilities show adherence to NTF's animal welfare guidelines.</p>
Environmental & Social Impacts of Ingredient Supply Chain	Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard	FB-PF-430a.1	<p>At our Justin's wholly owned subsidiary, 100% of cocoa is Rainforest Alliance Certified and 100% of palm oil is certified through the Roundtable on Sustainable Palm Oil. At Hormel Foods, we have established a goal to achieve 100% palm oil traceability to the plantation level by the end of 2025. As of the end of 2022, we have made significant progress toward this commitment by buying 100% RSPO-certified sustainable palm oil from our suppliers.</p> <p>Hormel Foods will continue to review additional sourcing certifications and plans to provide further information in subsequent Impact reporting.</p>
	Suppliers' social and environmental responsibility audit (1) nonconformance rate and (2) associated corrective action rate for (a) major and (b) minor nonconformances	FB-PF-430a.2	While Hormel Foods does not publish data on nonconformance in this space, the company has a Supplier Code of Conduct that all suppliers within the global supply chain must follow. Issues that arise in violation of the company's policies pertaining to social or environmental responsibility are investigated and, where deemed appropriate, would result in disciplinary action up to and including cancelation of the partnership.

Topic	Metric	Code	Response
Environmental & Social Impacts of Animal Supply Chain	Percentage of livestock from suppliers implementing the Natural Resources Conservation Service (NRCS) conservation plan criteria or the equivalent	FB-MP-430a.1	All of the beef production in our Applegate subsidiary's supply chain implements the NRCS conservation plan.
	Percentage of supplier and contract production facilities verified to meet animal welfare standards	FB-MP-430a.2	Our company-owned properties and Applegate and Jennie-O subsidiaries, as well as all applicable facilities throughout our supply chain, are 100% certified to animal welfare standards through National Pork Board's PQA Plus and TQA programs, NTF guidelines or higher standards.
Ingredient Sourcing	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	FB-PF-440a.1	0% of the company's pork, turkey and domestic peanut supplies come from areas identified as high or extremely high water risk.
	List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations	FB-PF-440a.2	As part of the company's supplier code of conduct, Hormel Foods assesses key-ingredient suppliers that are most significant to our global impact profile on a regular basis for risks pertaining to performance and disclosure. Those ingredients are: pork, beef, broiler chickens, liquid and shell eggs, peanuts, cocoa and palm oil.
Animal & Feed Sourcing	Percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress	FB-MP-440a.1	None of Jennie-O animal feed sourcing is from high or extremely high baseline water stress regions. Data is not available at this time of disclosure for pork, beef or chicken.
	Percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress	FB-MP-440a.2	None of Jennie-O animal feed sourcing comes from contracted sources located in high or extremely high baseline water stress regions. Data is not available at this time of disclosure for pork, beef or chicken.
	Discussion of strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change	FB-MP-440a.3	Our Applegate subsidiary is developing a procurement strategy for purchasing meat products derived from animals raised with regenerative practices and principles that sequester carbon, increase soil biodiversity and improve water-holding capacity of soil.
Activity Metrics	Weight of products sold	FB-PF-000.A	2,092,800 metric tons
	Number of processing and manufacturing facilities	FB-PF-000.B FB-MP-000.A	Hormel Foods owns 41 manufacturing facilities, including processing and production sites.
	Animal protein production, by category; percentage outsourced	FB-MP-000.B	Hormel Foods owns and operates only one sow farm, with the majority of protein supplies being outsourced. The Jennie-O subsidiary uses a variety of contract growers in addition to company-owned turkey farms and facilities. Our Applegate subsidiary uses 100% third-party-supplied proteins in its products.

Appendix D: Performance Data

Business Profile		
Metric	2021	2022
Number of manufacturing facilities	40+	40+
Weight of products sold (metric tons)	-	2,092,800
Net sales (U.S. dollars)	\$11.4 billion	\$12.5 billion
Number of retail categories in which Hormel Foods brands held the No.1 or No. 2 share	40+	40+

Public Policy		
Metric	2021	2022
Spend on public advocacy and lobbying (U.S. dollars)	595,000 ⁴⁸	597,000

Products Nutrition and Wellness		
Metric	2021	2022
Number of clean-label projects completed ⁴⁹	13	9
Number of clean-label projects initiated	-	1

Food Safety and Quality		
Metric	2021	2022
Number of product recalls	0	1
Amount of products recalled (pounds)	0	161,692
Total number of incidents of noncompliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services, by:		
Number of incidents of noncompliance with regulations resulting in a fine or penalty	-	0
Number of incidents of noncompliance with regulations resulting in a warning	-	0
Number of incidents of noncompliance with voluntary code	-	0
Percentage of food safety violations corrected	-	100%

⁴⁸ Represents calendar year 2021 spend.

⁴⁹ Includes all projects captured through our corporate tracking systems; however, all projects may not be captured.

Consumer Education and Information		
Metric	2021	2022
Total number of incidents of noncompliance with regulations and/or voluntary codes concerning product and service information and labeling, by: ⁵⁰		
Number of incidents of noncompliance with regulations resulting in a fine or penalty	-	0
Number of incidents of noncompliance with regulations resulting in a warning	-	0
Number of incidents of noncompliance with voluntary code	-	0

Responsible Marketing		
Metric	2021	2022
Number of noncompliance incidents related to product marketing ⁵¹	-	0

Supply Chain Supplier Base and Diversity		
Metric	2021	2022
Percentage of new suppliers ⁵²	3%	7%
Diverse supplier spend (billion U.S. dollars) ⁵³	\$1.3	\$1.5 ⁵⁴
Number of ingredient supplier food safety audits	8	17

⁵⁰ We define noncompliance events as any incidents that result in fines or penalties issued by U.S. regulatory agencies. Hormel Foods did not have any FDA, USDA or U.S. Federal Trade Commission warnings, penalties or fines associated with product labeling regulations during 2022.

⁵¹ We define noncompliance events as any incidents that result in fines or penalties issued by U.S. regulatory agencies. Hormel Foods did not have any FDA, USDA or U.S. Federal Trade Commission warnings, penalties or fines associated with marketing regulations during 2022.

⁵² Includes all active suppliers in the company's tracking system.

⁵³ Includes suppliers of applicable vendor categories in the company's tracking system.

⁵⁴ Total spend with Tier 1 and Tier 2 suppliers.

Animal Care		
Metric	2021	2022
Total audits conducted ⁵⁵	2,300+	2,800+
Hog Audits		
Total audits conducted	1,100+	1,100+
External audits performed	51	53
Internal formal audits performed	1,088	1,072
Internal unannounced, random audits performed	17	54
Number of notices of intended enforcement from the Food Safety and Inspection Service as a result of noncompliance with laws and regulations related to transportation, handling and processing practices	0	0
Turkey Audits		
Total audits conducted	1,100+	1,600+
Internal audits conducted by the Jennie-O quality assurance department – live production	854	1,328
National Turkey Federation audits performed by managers and supervisors – live production	284	302
External audits performed – live production	7	0
Internal formal audits performed – processing	7	8
Internal unannounced, random audits performed – processing	70	61
External audits performed – processing	4	0
Number of notices of intended enforcement from the Food Safety and Inspection Service as a result of noncompliance with laws and regulations related to transportation, handling and processing practices	0	0

⁵⁵ Includes all audits in our corporate and Jennie-O tracking systems.

Environment⁵⁶ Environmental Compliance		
Metric	2021	2022
Number of environmental noncompliance incidents ⁵⁷	6	9

Greenhouse Gas (GHG) Emissions		
Metric	2021	2022
Direct (Scope 1) GHG emissions (metric tons CO2e)	668,817	635,226
Energy indirect (Scope 2) GHG emissions (metric tons CO2e) (location-based)	517,537	444,707
Energy indirect (Scope 2) GHG emissions (metric tons CO2e) (market-based)	-	22,680
Total Scope 1 and 2 (location-based) GHG Emissions (metric tons CO2e)	1,186,354	1,079,933
Total Scope 1 and 2 (market-based) GHG Emissions (metric tons CO2e)	-	657,906
Percentage of direct (Scope 1) GHG emissions out of total Scope 1 and 2 (location-based) emissions	56%	59%
Percentage of indirect (Scope 2) GHG emissions out of total Scope 1 and 2 (location-based) emissions	44%	41%
Percentage of indirect (Scope 2) GHG emissions out of total Scope 1 and 2 (market-based) emissions	-	3%
GHG emissions reduction from manufacturing facilities (metric tons CO2e)	21,364	13,316
Normalized Scope 1 and 2 (market-based) GHG emissions (metric tons CO2e per thousand U.S. dollars of revenue)	0.082	0.053

⁵⁶ We have expanded the reporting scope of our GHG emissions, energy and water metrics from manufacturing facilities to companywide performance. Therefore, efficiency gains compared to the prior year for the aforementioned environmental topics are not available in this report. Any significant changes in our emissions, energy and water footprints can be contributed to the change in the reporting scope. We look forward to sharing our progress using 2022 as the baseline moving forward.

⁵⁷ Notices of noncompliance issued by state or federal agencies.

Energy		
Metric	2021	2022
Total energy use (gigajoules)	8,103,325	12,798,986
Total direct energy use (gigajoules)	5,167,008	9,266,125
Total indirect energy use (gigajoules)	2,936,595	3,532,994
Normalized energy use (gigajoules per thousand U.S. dollars of revenue)	0.72	1.03
Normalized direct energy use (gigajoules per thousand U.S. dollars of revenue)	0.45	0.74
Normalized indirect energy use (gigajoules per thousand U.S. dollars of revenue)	0.26	0.28
Energy savings (gigajoules)	103,370	111,128
Percentage of grid electricity	-	99%
Percentage of on-site renewable energy	<1%	<1%
Percentage of renewable energy consumed out of total energy use	-	<1%
Percentage of power use offset with renewable sourcing	7%	96%

Water		
Metric	2021	2022
Water Use		
Total water use (thousand cubic meters)	16,883	17,585
Total water use from areas with water stress (thousand cubic meters)	-	717
Percentage of water consumed from areas with water stress	-	4%
Water reduction project savings (thousand cubic meters)	159	352
Normalized usage (thousand cubic meters per thousand U.S. dollars of revenue)	0.001	0.001
Water Withdrawal		
Total water withdrawal (thousand cubic meters)	-	17,585
Total water withdrawal from areas with water stress (thousand cubic meters)	-	717
Percentage of water withdrawn from areas with water stress	-	4%
Water withdrawal by source (%)		
Surface water	14%	17%
Groundwater	84%	83%
Water withdrawal – groundwater by source (%)		
Prairie Du Chien-Jordan Aquifer	45%	46%
Quaternary Buried Artesian Aquifer	14%	14%
Other	41%	40%
Water Discharge		
Total water discharge (thousand cubic meters)	-	15,748
Organic waste discharge reduction (%)	Base year established	21%
Wastewater distribution by location (%)		
Upper Mississippi	85%	81%
Texas Gulf	6%	2%
Arkansas White Red	3%	3%
Other watersheds	6%	14%
Water Compliance		
Number of incidents of noncompliance associated with water quantity and/or quality permits, standards and regulations	-	2

Waste		
Metric	2021	2022
Solid waste total (tons)	44,696	43,945
Solid waste savings (tons)	509	135
Percentage reduction of solid waste sent to landfills	1%	1%
Efficiency gain percentage	16%	6%
Normalized total solid waste (tons sent to landfills per thousand U.S. dollars of revenue)	0.004	0.003
Waste sent to landfills (tons)	41,719	41,226
Waste to energy (tons)	2,977	2,719
Waste recycled (tons)	49,179	42,223
Waste for beneficial use (tons)	120,839	122,018

Packaging		
Metric	2021	2022
Packaging reduction (pounds) ⁵⁸	727,000+	1,500,000+
Number of unique items to package and produce products ⁵⁹	73,000+	79,700+
Percentage of packaging by weight that is recyclable ⁶⁰	83%	84%
Percentage of packaging made from recycled materials	30%	34%
Total weight of packaging (pounds)	-	388,666,368
Total weight of nonrenewable materials used to produce or package products ⁶¹ (pounds)	-	163,367,243
Total weight of renewable materials used to produce or package products ⁶² (pounds)	-	225,299,125

⁵⁸ Includes all projects captured by the corporate packaging development group.

⁵⁹ Includes all packaging items in the company's tracking system.

⁶⁰ Product packaging that is recyclable and/or made from recycled materials includes strategic suppliers in the company's tracking system.

⁶¹ Including plastic, metal, labels and other materials.

⁶² Including corrugated, paperboard and glass.

About Our Team⁶³		
Team Member Demographics		
Metric	2021	2022
Number of team members globally	20,000+	20,000+
Team Members by Employment Contract		
Salaried team members	19%	17%
Hourly team members	81%	83%
Part-time team members	1%	1%
Temporary team members	6%	7%
Team Members by Region		
United States	92%	92%
Asia	5%	5%
Other Countries	3%	3%

Board Diversity		
Metric	2021	2022
Board of Directors by Age		
Under age 30	0%	0%
Between ages 30-50	0%	0%
Over age 50	100%	100%
Between ages 50-60	25%	27%
Between ages 60-65	50%	55%
Over age 65	25%	18%
Board Diversity		
Female	33%	36%
Male	67%	64%
Directors from underrepresented racial/ethnic groups	42%	45%

⁶³ Unless otherwise noted, employment data (employment type, gender, tenure, age and underrepresented racial/ethnic groups) presented in this report does not include international team members.

Team Member Diversity		
Metric	2021	2022
Team Members by Age		
Under age 30	21%	21%
Between ages 30-50	49%	49%
Over age 50	30%	30%
Team Member Diversity		
All team members		
Female	38%	38%
Male	62%	62%
U.S. team members from underrepresented racial/ethnic groups	57%	59%
Salaried team members		
Female	33%	34%
Male	67%	66%
U.S. team members from underrepresented racial/ethnic groups	20%	20%
Of salaried team members, managers	52%	57%
Female	28%	29%
Male	72%	71%
Officers from underrepresented racial/ethnic groups	20%	20%
Of salaried team members, directors	3%	4%
Female	26%	29%
Male	74%	71%
U.S. team members from underrepresented racial/ethnic groups	9%	8%

Team Member Diversity (continued)

Officer Team		
Female	29%	27%
Male	71%	73%
U.S. team members from underrepresented racial/ethnic groups	11%	11%
Hourly team members		
Female	39%	39%
Male	61%	61%
U.S. team members from underrepresented racial/ethnic groups	65%	65%
Race/Ethnicity Representation of our U.S. Team Members		
White	43%	41%
Hispanic/Latin(o/a), Latinx, Latin American or Afro-Latin American	29%	27%
Black or African American	15%	14%
Asian	8%	8%
American Indian or Alaska Native	1%	-
Native Hawaiian or other Pacific Islander	2%	1%
Two or more disclosed races	1%	8%
Not Disclosed	2%	1%

<i>Tenure</i>		
Metric	2021	2022
Tenure of the Board of Directors		
0-5 years on Board	25%	27%
6-10 years on Board	50%	46%
11-15 years on Board	25%	27%
Team Members		
Percentage of team members with 5+ years of service	50%	49%
Female	37%	37%
Male	63%	63%
Salaried team members	26%	24%
Hourly team members	74%	76%
Of the team members with 5+ years of service, percentage of team members with 20+ years of service	29%	30%
Female	36%	37%
Male	64%	63%
Salaried team members	28%	27%
Hourly team members	72%	73%
Of the team members with 5+ years of service, percentage of team members with 30+ years of service	9%	9%
Female	33%	33%
Male	67%	67%
Salaried team members	32%	29%
Hourly team members	68%	71%

Turnover Rate		
Metric	2021	2022
Salaried team members	9%	11%
Hourly team members	42%	44%

Safety, Health and Wellness⁶⁴		
Metric	2021	2022
Total case incident rate (TCIR) ⁶⁵	2.3	2.6
Days Away from Work Injury and Illness (DAFWII) ⁶⁶	0.6	0.7
Days Away, Restricted or Transferred (DART) ⁶⁷	1.4	1.7
Number of fatalities from work-related injuries	0	0
Number of safety assessments completed each month companywide	1,000	1,085
Number of team members required to complete safety training each month	15,000	17,043
Average number of lockout inspections conducted per quarter	7,800	8,445

⁶⁴ Safety training and inspections data does not include workers from Planters locations and international business.

⁶⁵ Number of recordable incidents per 100 full-time team members.

⁶⁶ Number of cases that involve days away from work per 100 full-time team members.

⁶⁷ Number of injuries or illnesses resulting in days away from work, restricted work activity or job transfer per 100 full-time team members.

Learning and Development		
Metric	2021	2022
Average annual training hours per salaried team member	38	58
Total training hours	713,000+	1,160,000+
Percentage of team members receiving performance reviews		
Salaried team members	99%	98%
Office hourly team members	100%	94%
Hourly team members in production facilities	100%	100%

Human Rights		
Metric	2021	2022
Total hours of human rights training	880	159,932
Percentage of total team members covered by collective bargaining agreements (U.S. only)	20%	20%
Number of worker stoppages or strikes	0	1

Cybersecurity		
Metric	2021	2022
Number of complaints or noncompliance incidents concerning customer privacy and data breaches	0	0

Community⁶⁸		
Metric	2021	2022
Total cash and in-kind donations (U.S. dollars)	\$8.5 million	\$11.4 million
Number of local charities supported with monetary donations	44	42
Amount donated to local charities (U.S. dollars)	\$370,000	\$345,000
Amount donated for hunger-relief efforts (U.S. dollars)	\$6.6 million	\$9.3 million
Number of SPAMMY® units donated within the reporting period	2.1 million	496,000
Number of SPAMMY® units donated since the inception of Project SPAMMY®	25 million	25.5 million
Number of individual meals donated	8.4 million	9.4 million
Amount donated for educational support (U.S. dollars)	\$960,000+	\$862,000+ ⁶⁹
Inspired Pathways Program		
Number of students supported through the program	150	177

⁶⁸ Amounts reported are based on corporate donation records, which may not capture all donations.

⁶⁹ This figure does not include the company's expense for Inspired Pathways, which is considered an employee benefit.

We take pride in our accomplishments as we continue our journey to be a force for good in the world.

