

Welcome to your CDP Forests Questionnaire 2023

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

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 on the "Global 2000 World's Best Employers" list by Forbes magazine for three years, is one of Fortune magazine's most admired companies, has appeared on the "100 Best Corporate Citizens" list by 3BL Media 13 times, and has received numerous other awards and accolades for its corporate responsibility and community service efforts. 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. For more information, visit www.hormelfoods.com and <http://csr.hormelfoods.com/>.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	November 1, 2021	October 31, 2022

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

Timber products



Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

We are not disclosing the timber products used to produce our packaging materials or the timber products used in processing, such as natural smoke ovens. Our packaging strategy is in alignment with the reduction of raw material use, procurement of sustainable supply, and increased recyclability. Our packaging reduction efforts are integrated with our focus on product quality, protection, and a positive customer and consumer experience. Our packaging scientists work closely with our suppliers to identify and implement material reduction projects.

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Cattle products

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

No, but we do have embedded commodities

Soy

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

Hormel Foods has completed a high-level evaluation of its soy supply and believes this to be a comparatively low risk area due to a relatively low volume of purchase and primary domestic supply. The second tier supplier soy supply is currently being evaluated in more detail.

Other - Rubber

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Cocoa

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

Hormel Foods purchases small amounts of cocoa for manufacturing. We believe this to be a comparatively low risk area due to the very low volume of purchases. The cocoa supply will be evaluated in more detail in a prioritized fashion.

Other - Coffee

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

Hormel Foods purchases small amounts of coffee for manufacturing use as an ingredient. We believe this to be a comparatively low risk area due to the very low volume of purchases. The coffee supply will be evaluated in more detail in a prioritized fashion.

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Operational control

F0.6

(F0.6) Select the countries/areas in which you operate.

Brazil

China

United States of America

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker Symbol	HRL

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Palm oil

Activity

Using as input into product manufacturing

Form of commodity

Refined palm oil

Source

Contracted suppliers (processors)

Country/Area of origin

Malaysia

% of procurement spend

<1%

Comment

A small amount of our food products contain refined palm oil as an ingredient. The percent of procurement spend is an estimate. The actual spend may deviate from the estimate based on supply and changes in production volume.

Cattle products

Activity

Using as input into product manufacturing

Form of commodity

Beef

Source

Contracted suppliers (processors)

Country/Area of origin



Australia
 Brazil
 Canada
 Mexico
 United States of America
 Uruguay

% of procurement spend

1-5%

Comment

Beef is used as an ingredient in food products. The percent of procurement spend is an estimate. The actual spend may deviate from the estimate based on supply and changes in production volume.

F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Palm oil	1-5%	Refined palm oil is used as a component of manufacturing, primarily as a stabilizer in natural peanut butter products. The percent of revenue is an estimate. The actual revenue may deviate from the estimate based on supply and changes in production volume.
Cattle products	11-20%	Beef is used an ingredient in manufacturing for product lines such as chili and stew. The percent of revenue is an estimate. The actual revenue related to cattle products may deviate from the estimate based on supply and changes in production volume.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Palm oil	Consumption data available, disclosing
Cattle products	Data available, but not disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

.....



Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

758,180

Metric for commodity production/ consumption volume

Other, please specify

Pounds

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

77

Please explain

All palm oil purchased is RSPO supply with 100% trackability to the mill level and 77% trackability to the plantation level.

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Palm oil – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

0

% of DCF production/consumption volume verified through monitoring systems

0

% of DCF production/consumption volume physically certified

100

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

100

Palm oil – Non DCF

% of non-DCF production/consumption volume from unknown origin

0

% of non-DCF production/consumption volume traceable only as far as country level

100

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

0

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

100

F1.5c

(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Not disclosing

% of total production/consumption volume

100

Please explain

Data on country of origin provided by the supplier.

F1.5d

(F1.5d) Why is your organization not disclosing production and/or consumption data for your disclosed commodity(ies)?

	Primary reason	Please explain
Cattle products	Data considered confidential	The volume of cattle products used is considered business confidential. Information related to volume used will be considered for disclosure in subsequent reporting.

F1.5f

(F1.5f) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

Does the source of your organization's biofuel material come from smallholders?

Comment

The organization does not produce or consume biofuel derived from palm oil.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

During the last 5 years

Known or estimated deforestation/ conversion footprint (hectares)

0

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Supplier data, including sourcing maps provided for palm oil purchase.

Forest risk commodity

Cattle products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Partial consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

During the last 5 years

Known or estimated deforestation/ conversion footprint (hectares)

0

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Data and information provided by our suppliers.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Palm oil

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods

Issues considered

Availability of forest risk commodities

Climate change

Tariffs or price increases

Social impacts

Stakeholders considered

Customers

Investors

Local communities

NGOs

Suppliers

Please explain

The Hormel Foods organization has implemented a formal Enterprise Risk Management (ERM) program to review significant risks and opportunities in many functional areas that have current or potential impact, including issues related to greenhouse gases and

climate change. The ERM process is a disciplined and integrated approach that supports the alignment of strategy, process, governance, people and technology to allow the organization to identify, prioritize and effectively manage critical risks and opportunities. The ERM process includes a formal analysis of the risk exposures, identifies known and anticipated risks, reviews in-place controls, and associated financial risk and/or opportunity. Risks are divided by priority areas, such as regulatory and supply chain, with a senior executive team assigned to each priority area. The organization revisits the ERM process at a frequency of no less than annually to assure that control measures are active for identified areas of risk and to reassess new risks and relative priority. ERM results are reviewed with top level management and the Hormel Foods Board of Directors.

Cattle products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods

Issues considered

Availability of forest risk commodities

Climate change

Tariffs or price increases

Stakeholders considered

Customers

Investors

Local communities

NGOs

Suppliers

Please explain

To ensure compliance with our requirements, our beef suppliers have monitoring systems in place for farms supplying cattle, which use satellite images and geo-referenced maps of farms, deforestation data and information from public agencies regarding embargoed areas and human rights. We also require and review independent audits of the environmental monitoring systems of our suppliers.

The Hormel Foods organization has implemented a formal Enterprise Risk Management (ERM) program to review significant risks and opportunities in many functional areas that have current or potential impact, including issues related to greenhouse gases and climate change. The ERM process is a disciplined and integrated approach that supports the alignment of strategy, process, governance, people and technology to allow the organization to identify, prioritize and effectively manage critical risks and opportunities. The ERM process includes a formal analysis of the risk exposures, identifies known and anticipated risks, reviews in-place controls, and associated financial risk and/or opportunity. Risks are divided by priority areas, such as regulatory and supply chain, with a senior executive team assigned to each priority area. The organization revisits the ERM process at a frequency of no less than annually to assure that control measures are active for identified areas of risk and to reassess new risks and relative priority. ERM results are reviewed with top level management and the Hormel Foods Board of Directors.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping
Palm oil	Yes, we have partially mapped the value chain
Cattle products	Yes, we have partially mapped the value chain

F2.2a

(F2.2a) Provide details of your organization’s value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Palm oil

Scope of value chain mapping

Tier 1 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

Palm oil supply traced to the plantation.

Your own production and primary processing sites: attach a list of facility names and locations (optional)



Your suppliers’ production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity

Cattle products

Scope of value chain mapping

Tier 1 suppliers

% of total suppliers covered within selected tier(s)

10

Description of mapping process and coverage

Sourcing data from suppliers, certified regenerative lands.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers’ production and primary processing sites: attach a list of names and locations (optional)

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	
1	No, but we plan to in the next two years

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Palm oil	No
Cattle products	No

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

The Company’s operations are subject to the general risks of the food industry. Employee and food safety are imperative and are addressed with the highest of scrutiny to mitigate risks in these areas. An internal assessment process estimates the severity of a cost impact, the probability of an occurrence and the probability of detecting the risk for other areas where risk mitigation plans are deployed.

F3.1c

(F3.1c) Why does your organization not consider itself to be exposed to forests-related risks with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Palm oil	Risks exist, but no substantive impact anticipated	The Hormel Foods organization has implemented a formal Enterprise Risk Management (ERM) program to review significant risks and opportunities in many functional areas that have current or potential impact, including issues related to greenhouse gases and climate change. The ERM process is a disciplined and integrated approach that supports the alignment of strategy, process, governance, people and technology to allow the organization to identify, prioritize and effectively manage critical risks and opportunities. The ERM process includes a formal analysis of the risk exposures, identifies known and anticipated risks, reviews in-place controls, and associated financial risk and/or opportunity. Risks are divided by priority areas, such as regulatory and supply chain, with a senior executive team assigned to each priority area. The organization revisits the ERM process at a frequency of no less than annually to assure that control measures are active for identified areas of risk and to reassess new risks and relative priority. ERM results are reviewed with top level management and the Hormel Foods Board of Directors.
Cattle products	Risks exist, but no substantive impact anticipated	The Hormel Foods organization has implemented a formal Enterprise Risk Management (ERM) program to review significant risks and opportunities in many functional areas that have current or potential impact, including issues related to greenhouse gases and climate change. The ERM process is a disciplined and integrated approach that supports the alignment of strategy, process, governance, people and technology to allow the organization to identify, prioritize and effectively manage critical risks and opportunities. The ERM process includes a formal analysis of the risk exposures, identifies known and anticipated risks, reviews in-place controls, and associated financial risk and/or opportunity. Risks are divided by priority areas, such as regulatory and supply chain, with a senior executive team assigned to each priority area. The organization revisits the ERM process at a

		frequency of no less than annually to assure that control measures are active for identified areas of risk and to reassess new risks and relative priority. ERM results are reviewed with top level management and the Hormel Foods Board of Directors.
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F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Palm oil	No
Cattle products	Yes

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Cattle products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Sales of new products/services

Company-specific description

The Applegate DO GOOD DOG™ hot dog is made with beef raised on verified regenerative U.S. grassland and has created an opportunity to review positive impacts related to the sustainable production of cattle products. All Applegate supplied beef is grass-fed and finished in countries identified as not-at-risk for deforestation.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Data related to financial impact of the Applegate DO GOOD DOG™ and other grass-fed beef products are being collected and analysed.

Cost to realize opportunity

Strategy to realize opportunity

The cost to realize the opportunity is an estimate for the Applegate DO GOOD DOG™. The estimate does not include the cost to realize opportunities related to grass-fed beef.

F3.2b

(F3.2b) Why does your organization not consider itself to have forests-related opportunities?

Palm oil

Primary reason

Evaluation in progress

Please explain

Hormel Foods will continue to work with its supply chain partners to identify and evaluate opportunities related to RSPO and mill traced palm oil supply.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual or committee	Responsibilities for forest-related issues
Board-level committee	Hormel Foods Board of Director's Governance Committee has the responsibility of reviewing ESG program. This includes the decision to set a Science Based Target by 2023 as part of our 20 by 30 challenged. As part of this commitment, we will agree to follow SBTi's Forest Land and Agriculture (FLAG) Guidance,. The guidance requires that Hormel Foods commit to no-deforestation across its primary deforestation-linked commodities. We anticipate our commitment to be finalized by December 31, 2024.

F4.1b

(F4.1b) Provide further details on the board’s oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Overseeing acquisitions, mergers, and divestitures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding risk management policies Reviewing and guiding strategy	The Hormel Foods Board of Directors Governance Committee reviews all ESG Issues. As an example, Hormel foods has committed to setting a Science Based Target by 2023 as part of our 20 by 30 challenge. Once validated, the SBTi goals will be made public and the company will track progress against the goals, including reporting publicly its progress. Hormel Foods will report our progress at a minimum frequency of annual through CDP and through our external Global Impact Report.

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

Our diverse Board of Directors consists of individuals with executive leadership experience with large organizations, including several with a background in food/agriculture with competence on climate-related issues facing the industry.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Other committee, please specify Hormel Foods Corporate Responsibility Steering Committee	Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	As important matters arise	Corporate leadership will identify issues as they arise and address with appropriate functional areas.
Risk committee	Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	Annually	Hormel Foods undertakes a formal Enterprise Risk Management process annually. As a part of the ERM process forest-related risks and opportunities are assessed.
Procurement manager	Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	More frequently than quarterly	The director of purchasing ensures the management of forest-related risks and opportunities throughout the year.
Corporate responsibility committee	Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	Half-yearly	The corporate responsibility committee meets quarterly and communicates formally to the Board annually, or more frequently if needed.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	Hormel Foods does not currently provide incentives to C-suite employees or board members specific to the management of forest-related issues.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope

Company-wide

Commodity coverage

Cattle products

Palm oil

Soy

Timber products

Other – Cocoa

Other – Coffee

Content

Commitment to eliminate deforestation

Commitment to resolving both social and environmental issues in own operations and supply chain

Commitment to protect rights and livelihoods of local communities

Commitments beyond regulatory compliance


Commitment to transparency

Description of business dependency on forests

List of timebound milestones and targets

Document attachment

1

 Hormel Foods Supply-Chain Deforestation.pdf

Please explain

As part of our publicly-stated 20 by 30 challenge, Hormel Foods has committed to setting a Science Based Target by 2023. Through this commitment, we will agree to follow SBTi’s Forest Land and Agriculture (FLAG) Guidance.

Additionally, Hormel Foods is committing to a detailed review of the company’s forest footprint in 2023. Once completed, we will review appropriate independently verified deforestation-free approaches and communicate targets for a verified deforestation-free supply chain by 2025. While we are not reporting on some of the commodities listed under the coverage, we intend to explore expansion of disclosure as we proceed under FLAG Guidance.

Additional information can be found on our website:
<https://www.hormelfoods.com/responsibility/our-approach-to-issues-that-matter/supply-chain/deforestation/>

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Forest risk commodity	Public commitments made
Palm oil	Yes
Cattle products	Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify
 Global Roundtable for Sustainable Beef (GRSB) and the Roundtable on Sustainable Palm Oil (RSPO)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Palm oil

Criteria

No conversion of natural ecosystems
Zero gross deforestation/ no deforestation

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2020

Forest risk countries/areas that the cutoff date applies to

Indonesia
Malaysia

Reason for selecting cutoff date

In line with supplier commitments

Commitment target date

<2017

Please explain

Hormel Foods purchases RSPO-certified palm oil. We made an initial commitment that by the end of 2014, we would purchase only fully traceable palm oil. We met this commitment by working with our suppliers and achieved traceability to the mill level. In the spirit of continuous improvement, we will continue to work with our suppliers to reach 100% traceability to the plantation level, which we estimate will be completed by the end of 2025. We have made significant progress toward this commitment and have reached 77% of our goal.

Forest risk commodity

Cattle products

Criteria

Zero gross deforestation/ no deforestation
Restoration and compensation to address past deforestation and conversion
Avoidance of negative impacts on threatened and protected species and habitats
No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%



Cutoff date

No cutoff date

Forest risk countries/areas that the cutoff date applies to

Australia
Brazil

Reason for selecting cutoff date

In line with supplier commitments

Commitment target date

<2017

Please explain

Hormel Foods is committed to supporting a sustainable supply chain. We require suppliers to comply with all applicable laws and regulations, and our Supplier Code of Conduct. These requirements outline our expectations for food quality, product integrity, human rights and labor standards, environmental practices, business ethics, animal care and continuous improvement. We source beef from suppliers who share these commitments and follow the principles and criteria of the Global Roundtable for Sustainable Beef (GRSB).

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	Hormel Foods has included forest related issues in long-term objectives by establishing targets for performance and supplier expectations.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	Hormel Foods has established a strategy for achieving the publicly available objectives related to forest product risks.
Financial planning	Yes, forests-related issues are integrated	5-10	Any potential financial impact for forest-related issues, including potential long-term impacts, is evaluated as a component of the annual Enterprise Risk Management process.

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Palm oil

Year target was set

2014

Target coverage

Company-wide

Target category

Traceability

Metric

% of volume traceable to traceability point

Traceability point

Plantation

Third-party certification scheme

Base year

2015

Base year figure

0

Target year

2025

Target year figure

100

Reporting year figure

100

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Underway

Is this target linked to a commitment?

Other environmental commitments

Please explain

All suppliers are required to report the locations of plantations, mills and refineries from which they source. They must also report annually their progress in verifying the palm oil they source meets responsible production practices. The documentation is reviewed by the Hormel Foods Palm Oil Council. In addition, to ensure compliance with our sourcing principles, Hormel Foods requires suppliers to assess plantations in its supply chain (through internal and external assessment teams) and submit reports and findings annually, which will be reviewed by the Hormel Foods Palm Oil Council.

Target reference number

Target 2

Forest risk commodity

Palm oil

Year target was set

2014

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

Third-party certification scheme

RSPO Mass Balance

Base year

2015

Base year figure

0

Target year

2025

Target year figure

100

Reporting year figure

100

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Achieved

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

Hormel Foods only purchases 100% RSPO-certified palm oil, and we are now at 100% trackability to the plantation level.

Target reference number

Target 3

Forest risk commodity

Cattle products

Year target was set

2022

Target coverage

Company-wide

Target category

Engagement with direct suppliers

Metric

% of direct suppliers with public time-bound action plans in place

Traceability point

Third-party certification scheme



Base year

2022

Base year figure

90

Target year

2025

Target year figure

100

Reporting year figure

90

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

Underway

Is this target linked to a commitment?

Other environmental commitments

Please explain

Hormel Foods seeks to source beef from suppliers who share these commitments and follow the principles and criteria of the Global Roundtable for Sustainable Beef (GRSB). To ensure compliance with our requirements, our beef suppliers have monitoring systems in place for farms supplying cattle, which use satellite images and geo-referenced maps of farms, deforestation data and information from public agencies regarding embargoed areas and human rights. We also require and review independent audits of the environmental monitoring systems of our suppliers. If a supplier is found to be in violation of our sourcing principles, Hormel Foods will require the supplier to implement corrective actions. If reasonable/appropriate corrective actions cannot be agreed to, Hormel Foods will suspend or discontinue purchases from the supplier.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions
Palm oil	Yes	Volume from direct and indirect suppliers	Hormel Foods established and met a traceability goal to the mill level and achieved 77% traceability at the plantation level. Please refer to our corporate responsibility report for details about this and other	Not applicable

			program results at https://www.hormelfoods.com/responsibility/ .	
Cattle products	Yes	Volume from direct suppliers only	To ensure compliance with our requirements, our beef suppliers have monitoring systems in place for farms supplying cattle, which use satellite images and geo-referenced maps of farms, deforestation data and information from public agencies regarding embargoed areas and human rights. We also require and review independent audits of the environmental monitoring systems of our suppliers. If a supplier is found to be in violation of our sourcing principles.	Not applicable

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Palm oil	Plantation	Malaysia	100
Cattle products	Country	Australia Brazil Canada Mexico United States of America	100

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Palm oil	Yes	100
Cattle products	No, but we plan to adopt a third-party certification scheme within the next two years	

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used

% of total production/consumption volume certified

100

Form of commodity

Refined palm oil

Volume of production/ consumption certified

100

Metric for volume

Other, please specify
Percent

Is this certified by more than one scheme?

No

Please explain

Hormel Foods only purchases RSPO certified palm oil, and during Fiscal 2022 achieved 100% traceability to the plantation level.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

A system to control, monitor or verify compliance	
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments
Cattle products	Yes, we have a system in place for our no conversion and/or deforestation commitments

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Description of control systems

RSPO certification for palm oil purchases.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

100%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Retain & engage
Suspend & engage
Exclude

% of non-compliant suppliers engaged

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

Hormel Foods established and met a traceability goal to the mill level and in Fiscal 2022 achieved a goal of traceability at the plantation level. Please refer to our corporate responsibility report for details about this and other program results at <https://www.hormelfoods.com/responsibility/>.

Forest risk commodity

Cattle products

Operational coverage

Supply chain

Description of control systems

We source beef from suppliers who follow the principles and criteria of the Global Roundtable for Sustainable Beef (GRSB).

Monitoring and verification approach

First-party verification

% of total volume in compliance

91-99%



% of total suppliers in compliance

91-99%

Response to supplier non-compliance

- Retain & engage
- Suspend & engage
- Exclude

% of non-compliant suppliers engaged

<10%

Procedures to address and resolve non-compliance with suppliers

- Providing information on appropriate actions that can be taken to address non-compliance
- Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

To ensure compliance with our requirements, our beef suppliers have monitoring systems in place for farms supplying cattle, which use satellite images and geo-referenced maps of farms, deforestation data and information from public agencies regarding embargoed areas and human rights. We also require and review independent audits of the environmental monitoring systems of our suppliers. If a supplier is found to be in violation of our sourcing principles, Hormel Foods will require the supplier to implement corrective actions. If reasonable/appropriate corrective actions cannot be agreed to, Hormel Foods will suspend or discontinue purchases from the supplier.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Palm oil	No, we do not assess legal compliance	Hormel Foods requires RSPO certified supply, but does not have a mechanism in place to formally assess the legal compliance of all local regulations and standards. Hormel Foods maintains a confidential reporting system where internal and external stakeholders can report allegations of noncompliance for investigation.
Cattle products	No, we do not assess legal compliance	Hormel Foods requires its beef suppliers to adhere to the principles and criteria of the Global Roundtable for Sustainable Beef (GRSB) but does not have a mechanism in place to formally assess the legal compliance of all local regulations and standards. Hormel Foods maintains a confidential reporting system where internal and external

		stakeholders can report allegations of noncompliance for investigation.
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F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Please explain
Palm oil	No, not working with smallholders	Hormel Foods does not directly work with smallholders in the palm oil supply chain, but indirectly through RSPO smallholder engagement.
Cattle products	No, not working with smallholders	Hormel Foods does not work directly with smallholders in the cattle products supply chain.

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Palm oil

Are you working with direct suppliers?

No, not working with direct suppliers

Action(s) on forests-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

Hormel Foods engages our palm oil suppliers on ESG issues but does not currently provide a formal mechanism of support to improve their capacity to comply with our forest-related risk policies or requirements.

% of suppliers engaged by procurement spend covered by engagement

Explain the impact of your engagement on the selected action

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Cattle products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Innovation and collaboration

Details of engagement

Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

Description of engagement

Hormel Foods engages our suppliers of cattle products with the exchange of our Sustainable Agriculture Policy, Supplier Responsibility Principles, and specifics on our beef supply action plan.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

Through engagement our suppliers have provided information related to their efforts to reach a deforestation free supply chain within the boundaries of our organization al goal.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Unknown

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity



Palm oil

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

Hormel Foods works directly with first-tier suppliers to manage and mitigate deforestation risks.

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Cattle products

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

Hormel Foods works directly with first-tier suppliers to manage and mitigate deforestation risks.

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No, we do not engage in landscape/jurisdictional approaches, but we plan to in the next two years	Important, but not an immediate priority	Hormel Foods works directly with first-tier suppliers to manage and mitigate deforestation risks. Additional steps will be evaluated in a prioritized fashion.

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

No

Activities

Country/Area

Subnational area

Initiatives

Please explain

Hormel Foods works directly with first-tier suppliers to manage and mitigate deforestation risks. Additional steps will be evaluated in a prioritized fashion.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

No

Activities

Country/Area

Subnational area

Initiatives

Please explain

Hormel Foods works directly with first-tier suppliers to manage and mitigate deforestation risks. Additional steps will be evaluated in a prioritized fashion.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

No, and we do not plan to implement project(s) within the next two years

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

In progress

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

Hormel Foods is committed to partnering with suppliers and key stakeholders in a collaborative manner to understand and improve complex supply chain issues related to forest products.

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

Hormel Foods is committed to partnering with suppliers and key stakeholders in a collaborative manner to understand and improve complex supply chain issues related to forest products.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

Hormel Foods is committed to partnering with suppliers and key stakeholders in a collaborative manner to understand and improve complex supply chain issues related to forest products.

Forest risk commodity

Cattle products

Coverage



Supply chain

Main measure

Greater supplier awareness/engagement

Comment

Hormel Foods is committed to partnering with suppliers and key stakeholders in a collaborative manner to understand and improve complex supply chain issues related to forest products.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

For additional information on Hormel Foods Corporate Responsibility programs visit <https://csr.hormelfoods.com>. For information specific to palm oil and beef supply see <https://www.hormelfoods.com/responsibility/our-approach-to-issues-that-matter/supply-chain/>.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Director of Environmental Sustainability	Environment/Sustainability manager