Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) 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/.

W-FB0.1a/W-AC0.1a

(W-FB0.1a/W-AC0.1a) Which activities in the food, beverage, and tobacco and/or agricultural commodities sectors does your organization engage in?

Agriculture

Processing/Manufacturing

W0.2

(W0.2) 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

W0.3

(W0.3) Select the countries/areas in which you operate.

Brazil

China
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) 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

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Good quality freshwater throughout the supply chain is vital to the production of food products. Water of potable quality, regardless of level of treatment needed, is necessary for safe production and sanitation. While the food industry is becoming more efficient in its water

			use, sufficient amounts and its use will be vital into the future.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Vital	Good quality freshwater throughout the supply chain is vital to the production of food products. Water of potable quality, regardless of level of treatment needed, is necessary for safe production and sanitation. While the food industry is becoming more efficient in its water use, sufficient amounts and its use will be vital into the future.

W-FB1.1a/W-AC1.1a

(W-FB1.1a/W-AC1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Maize/corn	10-20	Sourced	Maize/corn is an important commodity for live production and as a component to food production. The range of percent of revenue reported is an estimate only and may vary from the range with changes in supply or product mix.
Soy	10-20	Sourced	Soy is an important commodity for live production and as a component to food products. The range of percent of revenue reported is an estimate only and may vary from the range with changes in supply or product mix.
Poultry & hog	61-80	Both	Poultry (turkey and chicken) and pork are important commodities to several product lines. Turkey is primarily produced within our operational boundary and pork is exclusively sourced. The range of percent of revenue reported is an estimate only and may vary from the range with changes in supply or product mix.
Nuts	10-20	Sourced	Peanuts and tree nuts are important commodities to several product lines, primarily under the Planters brand. The range of percent of revenue reported is an estimate only and may vary from the range with changes in supply or product mix.

Cattle products	10-20	Sourced	Cattle products, beef, is an important ingredient to several product lines. The range of percent of revenue reported is an estimate only and may vary from the range with changes in supply or product mix.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Continuously	In-line flow meter.	In most cases monitoring and reporting the volume of water withdrawn is a regulated and required practice. In the cases where it is not required by regulation, understanding the volume of water withdrawn is an important tool for evaluating water supply risk, cost control, and an important input to the ongoing management of our water programs.
Water withdrawals – volumes by source	100%	Continuously	In-line flow meter.	Monitoring water withdrawals by source is an important piece of information in the evaluation of water supply risk and opportunity.
Water withdrawals quality	100%	Other, please specify	Laboratory analysis.	Monitoring water quality, directly or indirectly, is an

		Variable by source		important piece of processing information and imperative to operations.
Water discharges – total volumes	100%	Continuously	In-line flow meter.	In nearly all cases monitoring and reporting the volume of the water discharged is a regulated and required practice. In the rare cases where it is not required by regulation, understanding the quantitative nature of the water discharged is an important tool for evaluating water risk and opportunity, and it is important information for the ongoing management of our water programs.
Water discharges – volumes by destination	100%	Continuously	In-line flow meter.	Monitoring the volume of water discharge by destination is important to understanding the organization's impact on our shared resources and necessary to track cost and regulatory changes. The health and viability of the destination source is an important

				metric for our internal and external stakeholders.
Water discharges – volumes by treatment method	100%	Continuously	Review of technology employed in wastewater treatment.	The operational efficiency and cost of water discharge are important measurements. Monitoring discharge volume by treatment method allows us to identify areas for improvement and increased efficiency in treatment method.
Water discharge quality – by standard effluent parameters	100%	Other, please specify Variable by location.	Laboratory analysis.	In most cases measuring the water discharge quality is a regulated and required practice to ensure the limits established to protect water quality are met. The measurements also provide important information to our operations that enables the maximization of treatment efficiency with cost control. In the rare cases where measuring water discharge quality is not required, the need to understand our impact on the environment and operational

				concerns justify additional monitoring.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	100%	Other, please specify Variable by location.	Laboratory analysis.	In most cases measuring the water discharge quality is a regulated and required practice to ensure the limits established to protect water quality are met. The measurements also provide important information to our operations that enables the maximization of treatment efficiency with cost control. In the rare cases where measuring water discharge quality is not required, the need to understand our impact on the environment and operational concerns justify additional monitoring.
Water discharge quality – temperature	76-99	Other, please specify Variable by location.	Temperature meter/probe.	Discharge temperatures are monitored at several locations as required by the discharge authorization or as needed for process information.
Water consumption – total volume	100%	Continuously	In-line meter.	Measuring the consumptive use of water is an

				important metric to evaluate the efficiency of our operations, control costs, and is a critical measurement to ensure our overall sustainability objectives related to water use are met.
Water recycled/reused	76-99	Continuously	In-line meter.	Water recycled and reused is measured at primary manufacturing locations and where recycle and reuse is a material aspect of a location's water use.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Continuously	Sanitation and wash services are monitored for proper operation and use to ensure compliance with good manufacturing practices.	Wash services are provided for all employees at all locations. Water supply to wash services are monitored as a component of the locations primarily water meter; sub metering is not in place for employee wash facilities. Water use for wash services is de minimis to the total operational water use.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	17,520	Lower	Increase/decrease in efficiency	Lower	Increase/decrease in efficiency	Total water use decreased by 2% from the prior year, with the reduction attributed to improved efficiency in manufacturing plant water use.
Total discharges	15,269	Higher	Increase/decrease in business activity	About the same	Increase/decrease in business activity	Higher wastewater discharge volume is attributed to additional facilities with low product inclusion and evaporation factors included in the Fiscal 2022 inventory.
Total consumption	17,520	Lower	Increase/decrease in efficiency	Lower	Increase/decrease in efficiency	Total water consumption decreased 2% from the prior year, with the reduction attributed to improved efficiency in manufacturing. This trend

						is expected to continue long-term through continuous improvement efforts.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	1-10	About the same	Increase/decrease in efficiency	Lower	Increase/decrease in efficiency	WRI Aqueduct	Water reduction is expected to continue long-term through continuous improvement efforts.

W-FB1.2e/W-AC1.2e

(W-FB1.2e/W-AC1.2e) For each commodity reported in question W-FB1.1a/W-AC1.1a, do you know the proportion that is produced/sourced from areas with water stress?

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain

Maize/corn	No, not currently but we intend to obtain this data within the next two years	No, not currently but we intend to collect this data within the next two years	Hormel Foods does not produce maize (corn) products. We are developing systems to improve data exchange for sourced commodities. Initiatives designed to focus on water risk and GHG emission reduction and will likely involve maize.
Soy	No, not currently but we intend to obtain this data within the next two years	No, not currently but we intend to collect this data within the next two years	Hormel Foods does not produce soy) products. We are developing systems to improve data exchange for sourced commodities. Initiatives designed to focus on water risk and GHG emission reduction and will likely involve maize.
Poultry & hog	Yes	Yes	Poultry and hog sourcing has been mapped and does not include areas of known water stress.
Cattle products	No, not currently but we intend to obtain this data within the next two years	No, not currently but we intend to collect this data within the next two years	Hormel Foods is currently updating our assessment of cattle sourcing locations and will evaluate water irks in more detail as specific sourcing location information becomes available.
Nuts	No, not currently but we intend to obtain this data within the next two years	No, not currently but we intend to collect this data within the next two years	Hormel Foods has completed a third-party review of water risk in the peanut growing regions of the United States. There are plants to collect additional data related to the tree nut supply chain.

W-FB1.2f/W-AC1.2f

(W-FB1.2f/W-AC1.2f) What proportion of the produced agricultural commodities reported in W-FB1.1a/W-AC1.1a originate from areas with water stress?

Agricultural commodities	% of total agricultural commodity produced in areas with water stress	Please explain
Poultry & hog	Less than 1%	Poultry and hog sourcing has been mapped and does not include areas of known water stress.

W-FB1.2g/W-AC1.2g

(W-FB1.2g/W-AC1.2g) What proportion of the sourced agricultural commodities reported in W-FB1.1a/W-AC1.1a originate from areas with water stress?

Agricultural commodities	% of total agricultural commodity sourced from areas with water stress	Please explain
Poultry & hog	Less than 1%	Poultry and hog sourcing has been mapped and does not include areas of known water stress.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant				The company uses a de minimis quantity of rainwater for non-potable use in our LEED Gold Austin, Minn. headquarters.
Brackish surface water/Seawater	Not relevant				Not applicable to the organization.
Groundwater – renewable	Not relevant				The company does not own or operates groundwater wells identified as renewable.
Groundwater – non-renewable	Relevant	213	Lower	Increase/decrease in business activity	Groundwater withdrawals were less than the prior fiscal year due to a decrease in

					live production activity in the poultry business.
Produced/Entrained water	Not relevant				Not applicable to the organization.
Third party sources	Relevant	17,307	Lower	Increase/decrease in efficiency	There was a 2% decrease in third party sourced water from the prior reporting year.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	1,562	Higher	Increase/decrease in business activity	Discharges to fresh surface water increased due to increases in business activity in manufacturing locations with direct discharges.
Brackish surface water/seawater	Not relevant				Not relevant to the organization. Hormel Foods does not discharge to brackish surface water or seawater.

Groundwater	Not relevant				Not relevant to the organization. Hormel Foods does not discharge to groundwater.
Third-party destinations	Relevant	14,383	About the same	Increase/decrease in business activity	The stable wastewater discharge volume is attributed to water savings efforts combined with additional facilities with low product inclusion and evaporation factors included in the Fiscal 2022 inventory.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant					The organization does not use tertiary treatment methods.
Secondary treatment	Relevant	1,227	About the same	Increase/decrease in efficiency	1-10	Secondary treatment

						is employed prior to the direct discharge of effluent.
Primary treatment only	Relevant	13,156	Higher	Increase/decrease in business activity	91-99	Primary treatment is used prior to discharging to municipal partners for further treatment.
Discharge to the natural environment without treatment	Not relevant					The company does not discharge effluent to the environment without treatment.
Discharge to a third party without treatment	Not relevant					The company does not discharge effluent to a third party without treatment.
Other	Not relevant					There are no other scenarios for water discharge that are relevant to the organization.

W1.2k

(W1.2k) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

	Emissions to water in the reporting year (metric tonnes)	Category(ies) of substances included	List the specific substances included	Please explain
Row 1	0	Priority substances listed under the EU Water Framework Directive	Benzene, trichloromethane (chloroform), lead, mercury, and nickel.	Nitrate, phosphate and pesticides data are not available. The sites do not discharge the list of specific substances included and identified as priority substances under the EU Water Framework Directive.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	12,459,000,000	17,520	711,130.136986301	The water use efficiency is expected to improve going forward with the implementation of continuous improvement efforts related wo water efficiency.

W-FB1.3/W-AC1.3

(W-FB1.3/W-AC1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a/W-AC1.1a?

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Maize/corn	No, not currently but we intend to collect/calculate this data within the next two years	No, not currently but we intend to collect/calculate this data within the next two years	Initiatives to review commodity water intensity for Maize are planned for implementation within the next two years.

Nuts	No, not currently but we intend to collect/calculate this data within the next two years	No, not currently but we intend to collect/calculate this data within the next two years	Initiatives to review commodity water intensity for peanuts and tree nuts are planned for implementation within the next two years.
Cattle products	No, not currently but we intend to collect/calculate this data within the next two years	No, not currently but we intend to collect/calculate this data within the next two years	Hormel Foods is currently updating its review of cattle sourcing locations. Water intensity data will become more visible as we approach fully traceable by 2025.
Soy	No, not currently but we intend to collect/calculate this data within the next two years	No, not currently but we intend to collect/calculate this data within the next two years	Initiatives to review commodity water intensity for soy are planned for implementation within the next two years.
Poultry & hog	Yes	Yes	Hormel Foods reviews the water intensity of pork production annually. Initiatives to review commodity water intensity for sourced pork are planned for implementation within the next two years. Hormel Foods and the Jennie-O Turkey Store subsidiary review the water intensity of turkey production annually.

W-FB1.3a/W-AC1.3a

(W-FB1.3a/W-AC1.3a) Provide water intensity information for each of the agricultural commodities identified in W-FB1.3/W-AC1.3 that you produce.

Agricultural commodity

Poultry & hog

Water intensity value (m3/denominator)

0.7

Numerator: water aspect

Total water withdrawals

Denominator

Other, please specify

Average head count

Comparison with previous reporting year

About the same

Please explain

The intensity figure presented is for pork and is used as a relative indicator of the resource efficiency of the operation. The number provided is an estimate based on available information and is subject to change with additional analysis.

Agricultural commodity

Poultry & hog

Water intensity value (m3/denominator)

0.02

Numerator: water aspect

Total water withdrawals

Denominator

Other, please specify

Average head count

Comparison with previous reporting year

About the same

Please explain

The poultry (turkey) intensity figure is used as a relative indicator of the resource efficiency of the operation. The number provided is an estimate based on available information and is subject to change with additional analysis.

W-FB1.3b/W-AC1.3b

(W-FB1.3b/W-AC1.3b) Provide water intensity information for each of the agricultural commodities identified in W-FB1.3/W-AC1.3 that you source.

Agricultural commodities

Poultry & hog

Water intensity value (m3/denominator)

0.02

Numerator: Water aspect

Total water withdrawals

Denominator

Other, please specify

Total head count

Comparison with previous reporting year

About the same

Please explain

The poultry (turkey) intensity figure is used as a relative indicator of the resource efficiency of the operation. The number provided is an estimate based on available information and is subject to change with additional analysis.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	Our products do not contain substances classified as hazardous by a regulatory authority.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement
Suppliers	Yes
Other value chain partners (e.g., customers)	Yes

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Supplier impacts on water availability
Supplier impacts on water quality

Number of suppliers identified as having a substantive impact

0

% of total suppliers identified as having a substantive impact

None

Please explain

Hormel Foods has reviewed water risk among its top suppliers by spend. No specific instance of a supplier having a substantive impact on water quality or availability was identified during the review, We will continue to engage our supply chain on environmental programs, including water risk, in the coming years.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	No, but we plan to introduce water-related requirements within the next two years	

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services

% of suppliers by number

Less than 1%

% of suppliers with a substantive impact

None

Rationale for your engagement

Hormel Foods is the lead sponsor of the Ecosystem Services Market Consortium's Minnesota project being led by The Nature Conservancy. This project is a pilot to incentivize producers to accelerate the adoptions of regenerative agriculture practices. Pre and post change in-field measurements related to water quality, greenhouse gas emissions and soil health will be collected and analyzed during the pilot period.

Impact of the engagement and measures of success

Accelerated adoption of regenerative agriculture practices leading to the improvement of soil health, protection of area watersheds and reduction of greenhouse gas emissions.

Comment

Additional information on the pilot and outcomes will be communicated through our annual Global Impact Report at www.csr.hormelfoods.com.

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder
Investors & shareholders

Type of engagement
Education / information sharing

Details of engagement
Educate and work with stakeholders on understanding and measuring exposure to water-related risks

Rationale for your engagement
Discuss the key environmental program areas and path forward with interested stakeholders.

Impact of the engagement and measures of success
Sharing of program status and alignment of goals and priorities.

Type of stakeholder
Customers

Type of engagement
Education / information sharing

Details of engagement
Run an engagement campaign to educate stakeholders about your water-related performance and strategy

Rationale for your engagement
Discuss the key environmental program areas and path forward with interested stakeholders.

Impact of the engagement and measures of success
Sharing of program status and alignment of goals and priorities.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	Yes	Enforcement orders or other penalties	Fines, enforcement orders or other penalties but none that are considered as significant

W2.2b

(W2.2b) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Type of penalty

Enforcement order

Financial impact

61,547

Country/Area & River basin

United States of America

Other, please specify

Wichita River Basin

Type of incident

Abstraction without a permit or abstraction that exceeded permit

Description of penalty, incident, regulatory violation, significance, and resolution

Consent Order received from the POTW for exceedances of FOG discharge limits and conditions. The site implemented corrective actions and is currently in compliance with all limits and conditions.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	Analytical testing as required by permit and ordinance requirements.

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Oil

Description of water pollutant and potential impacts

Polar fats, oils and greases from the manufacturing of food products. Potential impacts include sewer blockage and high organic loading.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Industrial and chemical accidents prevention, preparedness, and response
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Upgrading of process equipment/methods

Please explain

Manufacturing sites have developed clean-up, spill prevention and slug control plans to minimize the loss of fats, oils and greases into the industrial drains. Facilities are equipped with primary pretreatment operations, and some with secondary treatment systems, to remove fats, oils and greases to levels significantly below ordinance and permitted limits prior to discharge.

Water pollutant category

Other nutrients and oxygen demanding pollutants

Description of water pollutant and potential impacts

Organic material containing nitrogen, phosphorus and substances with measurable biochemical oxygen demand.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Resource recovery
Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Provision of best practice instructions on product use
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

Please explain

Manufacturing sites have developed clean-up, spill prevention and slug control plans to minimize the loss of organic material into the industrial drains. Facilities are equipped with primary pretreatment operations, and some with secondary treatment systems, to remove organic material below ordinance and permitted limits prior to discharge.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management

Tools and methods used

WRI Aqueduct
Enterprise Risk Management

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Employees
Local communities
NGOs
Regulators
Water utilities at a local level

Comment

Hormel Foods has engaged a third-party consultant to lead our water risk assessment process. A full analysis of Hormel Foods and top supplier locations was completed during 2018 and refreshed in 2020.

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Databases
Other

Tools and methods used

WRI Aqueduct
Regional government databases

Internal company methods
External consultants

Contextual issues considered

Stakeholders considered

Customers
Investors
Local communities
NGOs
Regulators
Suppliers

Comment

Hormel Foods has engaged a third-party consultant to lead our annual water risk assessment process, including water risk analysis of our top ten suppliers by spend. A high-level water risk assessment of the top suppliers was completed in 2018 and is refreshed annually. Based on the analysis Hormel Foods has developed a questionnaire to exchange relevant program information with our supply chain partners.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	Hormel Foods has engaged a third-party consultant to lead our annual water risk assessment process, including water risk analysis of our top ten suppliers by spend. Processes are in place to formally access water related issues in the corporation's Enterprise Risk Management process.	The risk assessment process includes evaluation of several quantitative and qualitative pieces of information related to water risk, including physical, reputational and regulatory.	Analyiss includes stakeholders with interest in water quality and quantity, reputational and regulatory issues.	Higher risks are assigned investigative and corrective action steps, and then are reassessed to determine the relative change in risk. Higher ERM risks are brought forward to senior management and the Board of Directors for review.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Substantive financial or strategic impact is defined as 1) an extremely high risk ranking as determined by the internal water-risk review process or 2) water risk with financial impacts exceeding levels established by the internal Enterprise Risk Management (ERM) process (scoring and ranking is reviewed and updated annually).

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Risk assessment is completed annually assisted by third-party experts and is included in the Enterprise Risk Management review process. No substantive risks were identified in the most recent review process.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Evaluation in progress	Hormel Foods completed its first water-risk assessment of supply chain partners in 2017. Hormel Foods has issued a comprehensive questionnaire to top suppliers seeking addition information to gauge water related risks. Evaluation of our supplier base has increased with additional surveys.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No

W4.3b

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

	Primary reason	Please explain
Row 1	Opportunities exist, but none with potential to have a substantive financial or strategic impact on business	Water-related opportunities are evaluated during the annual risk assessment process. Hormel Foods takes steps to realize all opportunities presented, but none have been identified to-date with a substantive financial or strategic impact to the business.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

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

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to prevent, minimize, and control pollution Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to water stewardship and/or collective action Commitments beyond	Please see https://www.hormelfoods.com/responsibility/environment/ for detailed information on Hormel Foods environmental sustainability programs, including links to our Environmental Policy and Sustainable Agriculture Policy.

		regulatory compliance Reference to company water-related targets	

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Other, please specify Committee appointed by the Board	Board of individuals/sub-set of the Board or other committee appointed by the Board. The committee includes at least one Board member.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Sporadic - as important matters arise	Monitoring implementation and performance Providing employee incentives Reviewing and guiding corporate responsibility strategy Reviewing and guiding risk management policies Setting performance objectives	Updates related to water risk and opportunity are brought for Board review as frequently as needed to meet business objectives.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	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.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Sustainability committee

Water-related responsibilities of this position

Assessing water-related risks and opportunities
Managing water-related risks and opportunities
Conducting water-related scenario analysis
Setting water-related corporate targets
Monitoring progress against water-related corporate targets
Managing value chain engagement on water-related issues

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

A cross-functional sustainability committee reviews items related to water risks and opportunities. A progress report, including performance and review of targets and objectives, is provided to senior leadership. Relevant items noted from the sustainability committee are reviewed quarterly to the Board.

Name of the position(s) and/or committee(s)

Risk committee

Water-related responsibilities of this position

Assessing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Annually

Please explain

The risk committee meets annually to assess risk, including risk associated with water programs. Any items presenting a significant risk would be brought forward to senior leadership and the Board.

Name of the position(s) and/or committee(s)

Environment/Sustainability manager

Water-related responsibilities of this position

Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

The Director of Environmental Sustainability is responsible for assessing and managing water related risk, including participation in the Sustainability and Risk Committees. As important matters arise, the incumbent may be called upon to present or roll-up information to senior leadership and the Board.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	No, and we do not plan to introduce them in the next two years.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Internal review with key stakeholders takes place if there are known direct or indirect activities related to water policy and water commitments. The director of sustainability and vice president of legislative affairs discuss any initiatives to ensure consistency with established policies and commitments.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

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

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Water-related issues are reviewed during business planning sessions.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	The environmental sustainability strategy document includes planning for achievement of long-term objectives and targets.
Financial planning	Yes, water-related issues are integrated	5-10	The annual financial review and budgeting process includes an evaluation of projects and watch list initiatives in the one to three-year time frame.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

10

Anticipated forward trend for CAPEX (+/- % change)

10

Water-related OPEX (+/- % change)

5

Anticipated forward trend for OPEX (+/- % change)

5

Please explain

Increases in water and wastewater treatment requirements and increased program fees and related expenses.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	The organization currently does not use climate-related scenario analysis.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

There are no current plans to implement an internal price on water within the next two years.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	Other, please specify Lack of standard definition of low water impact product.	Hormel Foods manufactures products with an ever-improving water footprint and produces certain products that, by comparison, are low water impact. However, at this time there is not a common definition of what constitutes a low water impact product and/or service. Without a standard definition, claiming that a product or service has low water impact may create confusion with investors, customers and consumers. We are hopeful that over the next two years we can work

			toward a standard, scientifically sound and widely-accepted definition.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Yes	
Water withdrawals	Yes	
Water, Sanitation, and Hygiene (WASH) services	Yes	
Other	No, and we do not plan to within the next two years	No other water program targets have been set at this time.

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Water pollution

Target coverage

Company-wide (direct operations only)

Quantitative metric

Reduction in concentration of pollutants

Year target was set

2020

Base year

2021

Base year figure
17,202,370

Target year
2022

Target year figure
13,572,485

Reporting year figure
13,572,485

% of target achieved relative to base year
100

Target status in reporting year
Achieved

Please explain
Hormel Foods set a target to reduce organic discharge mass ten percent by 2030. Hormel Foods achieved this goal in 2022 and is now retiring the goal. The goal will be replaced with our commitment to invest in wastewater treatment technologies in our operations and with our municipal partners to ensure improved treatment and the reduction of pollutants. Progress will be reported in subsequent annual Global Impact Reports.

Target reference number
Target 2

Category of target
Water withdrawals

Target coverage
Company-wide (direct operations only)

Quantitative metric
Reduction in total water withdrawals

Year target was set
2020

Base year
2021

Base year figure
17,878

Target year
2022

Target year figure

17,520

Reporting year figure

17,520

% of target achieved relative to base year

100

Target status in reporting year

Achieved

Please explain

Hormel Foods seeks to implement projects that reduce absolute water use by 2 percent per year and improve water efficiency 2 percent per year. This goal will be modified in subsequent years to reflect a longer-term water consumption reduction target.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, but we are actively considering verifying within the next two years

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain	Hormel Foods has visibility into the sourcing and use of plastics within the upstream supply chain and manufacturing under our operational control.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain

Row 1	Yes	Direct operations Supply chain Product use phase	Hormel Foods has documented systems in place to ensure that all plastic packaging materials comply with USDA, FDA and state regulations regarding the safe use of plastics in contact with food products.

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Please explain
Row 1	No, risks assessed, and none considered as substantive	Plastic-related risks are not believed to expose the organization to substantive financial or strategic risks. Associated risks are evaluated as part of our Enterprise Risk Management process. Our R&D packaging team works with suppliers and customers to maximize the packaging attributes in an effort to improve food safety, customer experience and promote the reduction of food waste. Hormel Foods has process in place to review emerging regulatory and non-regulatory issues related to packaging to ensure the any risks are evaluated and addressed as needed.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic packaging	Reduce the total weight of plastic packaging used and/or produced Reduce the total weight of virgin content in plastic packaging Increase the proportion of post-consumer recycled content in plastic packaging Increase the proportion of plastic packaging	The reduction of packaging material, increase in PCR and improved recyclability are part of the organization's overall packaging goals. Progress can be tracked in our annual Global Impact Report found at www.csr.hormelfoods.com

			that is recyclable in practice and at scale	

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	The company is not engaged in the production of plastics.
Production of durable plastic components	No	The company is not engaged in the production of plastics.
Production / commercialization of durable plastic goods (including mixed materials)	No	The company is not engaged in the production of plastics.
Production / commercialization of plastic packaging	No	The company is not engaged in the production of plastics.
Production of goods packaged in plastics	Yes	The organization uses plastics in the packaging of certain food products.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	Yes	The organization uses plastics in packaging of products bound for retail and food service.

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% post-industrial recycled content	Please explain
Plastic packaging used	39,504	% virgin fossil-based content % post-industrial recycled content	95.6	4.4	The % post-industrial recycled content figure reported is combined with and included includes post-consumer recycled content.

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is technically recyclable	Please explain
Plastic packaging used	% technically recyclable	45.1	The figure provide represents the percent of plastic packaging material that is recyclable.

W11. Sign off

W-FI

(W-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 water programs and other corporate responsibility efforts, please see our Global Impact Report found at www.csr.hormelfoods.com.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

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