The 2014 Hormel Foods Corporate Responsibility Report is an annual report designed to provide useful information for our stakeholders, which include customers, employees, consumers, investors, communities, government agencies and non-profit organizations. It covers anecdotal and benchmark data from fiscal year 2014 (November 2013 to October 2014), unless otherwise noted. Our previous reports covered fiscal years 2006 to 2013. The report is developed in collaboration with the Hormel Foods Corporate Responsibility Council and other company experts, and is reviewed and approved by the council, experts and the respective vice presidents that oversee relevant topics.

If you would like to provide feedback about this report or corporate responsibility at Hormel Foods, please email sustainability@hormel.com. If you have comments or questions related to our products, please contact our consumer response team at cresponse@hormel.com.

2020 Goals and Progress

Our current set of environmental goals for 2020 are being measured against base year 2011 and include water, solid waste, air and energy. Our packaging minimization goal was established in fiscal year 2012, and we also monitor progress against goals designed to support product innovation and the safety of our employees.

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**2020 Goals**

**Energy: Non-Renewable Energy Use**

- **2014 Progress**: Reduced 17,400 MMBtu
- **2020 Goals**: Reduce 10% of goal when combined with previous progress.

**Air: Greenhouse Gas Emissions**

- **2014 Progress**: We Reduced 2,500 metric tons CO2-e
- **2020 Goals**: Reduce 10% of goal when combined with previous progress.

---

**Solid Waste Sent To Landfill**

- **2014 Progress**: Reduced 1,500 tons
- **2020 Goals**: Reduce 10% of goal when combined with previous progress.

**Packaging Minimization**

- **2014 Progress**: Reduced packaging by 8.27 million pounds
- **2020 Goals**: Reduce 25 million pounds

---

**Water Use**

- **2014 Progress**: Reduced 0.082 billion gallons of water
- **2020 Goals**: 67% of goal when combined with previous progress.

---

**Innovation**

- **2016**
- **2000**
- **2016**
- **2000**

On track to meet this goal.

---

For more information about Hormel Foods visit hormelfoods.com/csr
2020 Goals

Diversity and Inclusion

Promote a more diverse and inclusive workplace.

- We added another employee resource group for a total of eight employee resource groups, and piloted an efficacy training program for people of color.

Sodium Reduction

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

People Safety

Perform better than the Bureau of Labor Statistics (BLS) industry average for:

- Total Case Incident Rate
- Days Away from Work Due to Illness
- Days Away, Restricted or Transfer

2014 Progress

Diversity and Inclusion

- We added another employee resource group for a total of eight employee resource groups, and piloted an efficacy training program for people of color.

Sodium Reduction

- 14% reduction Hormel® Cure 81® retail hams
- 16% reduction Hormel® Corned Beef® with bones
- 33% reduction Hormel® Real Montreal® seasoned hams

People Safety

- Outperformed BLS by 35%
- Outperformed BLS by 50%
- Outperformed BLS by 30%

Boundary and Measurement

The boundary of the report includes all entities that Hormel Foods "exercises control or significant influence with regard to financial and operating policies and practices." as defined by the Global Reporting Initiative’s (GRI) Boundary Protocol, unless otherwise indicated. The following chart explains exceptions to this or further information about what parts of the company are not included in this report, by section.

The boundary outlined below differs from previous reports due to additional clarification broken out by section of the report.

Environment

Includes all projects and savings captured by the R&D package development group

Product Packaging that is Recyclable and/or Made from Recycled Materials

Includes strategic suppliers in the company’s tracking system

Unique Packaging Items

Includes all packaging items in the company’s tracking system

Logistics

Does not include international

Environment

Does not include our Corporate Office, R&D, live production and international locations; includes co-pack and joint venture locations with operational control
Stakeholder Feedback

The information within this report covers topics based on GRI indicators and relevance to our business and our stakeholders. To select content, we assessed key issues in our industry and engaged with stakeholders to understand their concerns, questions and feedback. This dialogue gives us a picture of future topics of interest to our stakeholder groups and helps us understand which issues to anticipate or address and which questions we can help answer. We engage with stakeholders who have an active role or stake in our business, as well as those who help us improve as a company and are looking to engage in constructive dialogue.

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

The analysis included interviews, SRI (socially responsible investor) inquiries/questionnaires, meetings and media coverage, by which we determined the main topics of interest to stakeholders. From there, we prioritized the topics based on their importance to the business.

### Employees (current, prospective and retired)

<table>
<thead>
<tr>
<th>How Hormel Foods engages</th>
<th>Stakeholder interests</th>
<th>How we respond to their interests</th>
<th>Ongoing results of engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biennial engagement survey</td>
<td>Company information</td>
<td>Include benefits information in materials for employees and in our Corporate Responsibility Report</td>
<td>Improved safety</td>
</tr>
<tr>
<td>Intranet (daily)</td>
<td>Strategic vision, employee and retiree benefits</td>
<td>Measure and include safety and demographic data in our Corporate Responsibility Report</td>
<td>Increased employee retention, engagement</td>
</tr>
<tr>
<td>Monthly location-specific newsletters and companywide magazine (Inside Hormel Foods)</td>
<td>Compensation</td>
<td>Hold annual Road Show meetings to help communicate the vision to employees at all levels</td>
<td>Improved communication of company vision and motivated employees</td>
</tr>
<tr>
<td>Annual town hall meetings with the CEO and senior executives at various plants</td>
<td>Diversity</td>
<td></td>
<td>Community support and retiree engagement/ involvement</td>
</tr>
</tbody>
</table>

About This Report

Products

- Sodium Reduction
- New Retail and Line Extension Launches and Products in Development

People

- Safety & Safety Training
- Data (employment type, gender and tenure) and collective bargaining does not include international

Communities

- Cash and Product Donation Amounts
- Amounts provided are donations recorded through our corporate donation records, which may not capture everything

Animal Care

- Animal Care
- Does not include international

Not Included

- MegaMex Foods
- Fresherized Foods
- Precept Foods
- Acquisition of a joint venture
- We did not have operational control as this was a marketing agreement, which dissolved Oct. 26, 2014
- Okinawa Hormel Ltd.
- Less than 50 percent operational and financial control
- Purefoods – Hormel Company
- Less than 50 percent operational and financial control
- CytoSport
- New acquisition August 2014
## Employees (current, prospective and retired)

<table>
<thead>
<tr>
<th>New Hormel Foods engages</th>
<th>Stakeholder interests</th>
<th>How we respond to their interests</th>
<th>Ongoing results of engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental meetings (ongoing)</td>
<td>Employee safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual performance reviews</td>
<td>Community outreach</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ongoing recruitment tours (college campuses, job fairs)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ongoing taste tests</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

## Suppliers

<table>
<thead>
<tr>
<th>New Hormel Foods engages</th>
<th>Stakeholder interests</th>
<th>How we respond to their interests</th>
<th>Ongoing results of engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-on-one meetings (ongoing)</td>
<td>Standards required to remain/become a supplier of Hormel Foods</td>
<td>Created Supplier Responsibility Principles</td>
<td>Improvement of quality from suppliers</td>
</tr>
<tr>
<td>Supplier Quality Management System (ongoing)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier site tours (ongoing)</td>
<td></td>
<td>Recognize top suppliers through annual awards</td>
<td>More accountability for suppliers</td>
</tr>
<tr>
<td>Supplier site audits (ongoing)</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

## Retailers

<table>
<thead>
<tr>
<th>New Hormel Foods engages</th>
<th>Stakeholder interests</th>
<th>How we respond to their interests</th>
<th>Ongoing results of engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conferences (ongoing)</td>
<td>Food safety</td>
<td>Integrate customer feedback into product development</td>
<td>Increased understanding of the business and practices</td>
</tr>
<tr>
<td>One-on-one meetings (ongoing)</td>
<td>Healthy food</td>
<td>Provide relevant information through Responsibility Post newsletters</td>
<td>Demonstration of our best practices</td>
</tr>
<tr>
<td>Facility and farm tours (ongoing)</td>
<td>Food prices</td>
<td>Respond to questionnaires</td>
<td>Identification of risks and opportunities</td>
</tr>
<tr>
<td>Sales meetings (ongoing)</td>
<td>Animal care</td>
<td>Connect customers with internal experts</td>
<td>Development of retailer relationship</td>
</tr>
<tr>
<td>Questionnaires (ongoing)</td>
<td>Environment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Investors/Analysts

<table>
<thead>
<tr>
<th>New Hormel Foods engages</th>
<th>Stakeholder interests</th>
<th>How we respond to their interests</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Rankings, questionnaires (annually)</td>
<td>New product development</td>
<td>Respond to multiple questionnaires or verification of data from analysts compiling rankings and indices</td>
<td>Correct information</td>
</tr>
<tr>
<td>One-on-one meetings (ongoing)</td>
<td>Food prices</td>
<td>Benchmark data</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commodity costs</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Code of ethics</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Governance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Environmental impact</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Consumers

<table>
<thead>
<tr>
<th>How Hormel Foods engages</th>
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<th>Ongoing results of engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer hotline (daily)</td>
<td>Food safety</td>
<td>Answer questions through hotline, Twitter handles</td>
<td>Improve consumer loyalty</td>
</tr>
<tr>
<td>Consumer research (ongoing)</td>
<td>Healthy food</td>
<td>Provide more proactive information and take suggestions</td>
<td>Correction of misinformation</td>
</tr>
<tr>
<td>Social media (daily)</td>
<td>Food prices</td>
<td></td>
<td>Helpful suggestions for how to improve our business</td>
</tr>
<tr>
<td>Websites (daily)</td>
<td></td>
<td></td>
<td>Better understanding of our consumers’ concerns and likes to help provide the best products on the market</td>
</tr>
</tbody>
</table>

### Government

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>One-on-one meetings with members of Congress and staff, regulatory agencies (ongoing)</td>
<td>Commodity costs</td>
<td>Updates to management on key issues</td>
<td>Better understanding of our practices and processes</td>
</tr>
<tr>
<td>Public forums via panels (ongoing)</td>
<td>Animal care</td>
<td>Engage in ongoing dialogues on these issues</td>
<td>Communication of our culture, commitment to community and impact we have on the industry and in communities</td>
</tr>
<tr>
<td>Plant tours for elected officials (ongoing)</td>
<td>Food safety</td>
<td></td>
<td>Positive business policies</td>
</tr>
<tr>
<td>Engagement in associations, subcommittees (ongoing)</td>
<td>Local community concerns</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Philanthropic Partners

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Reports and regulatory filings (ongoing)</td>
<td>Regulatory climate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hormel Political Action Committee (ongoing)</td>
<td></td>
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<td></td>
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</tr>
</thead>
<tbody>
<tr>
<td>Charitable Trust Committee (quarterly)</td>
<td>Hunger relief in local communities where we have operations</td>
<td>Developed more formal hunger and community giving strategy</td>
<td>Formal hunger strategy</td>
</tr>
<tr>
<td>Conferences (ongoing)</td>
<td></td>
<td>Provide resources to plant managers to give to local hunger-relief efforts</td>
<td>Employee engagement</td>
</tr>
<tr>
<td>Disaster response, matching gifts (ongoing)</td>
<td>Engage in social media to support partners</td>
<td></td>
<td>Community involvement</td>
</tr>
<tr>
<td>Plant community donations (ongoing)</td>
<td></td>
<td>Relationship building in communities</td>
<td></td>
</tr>
<tr>
<td>One-on-one meetings and visits (ongoing)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### NGOs

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Annual meetings with the Consumer Federation of America</td>
<td>Animal care</td>
<td>Consider topics raised in our reporting and operating practices</td>
<td>Improved two-way conversation about industry and business practices</td>
</tr>
<tr>
<td>Biannual meetings with Interfaith Center on Corporate Responsibility (ICCR)</td>
<td>Water</td>
<td>Maintain ongoing dialogue to incorporate a variety of changes to business practices and explain business practices</td>
<td>Identification of risks to the business or larger issues in the industry</td>
</tr>
</tbody>
</table>

### Communities

#### Communities

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

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Community events (ongoing)</td>
<td></td>
<td>Developed product to address malnutrition in children internationally</td>
<td>Large number of community groups engaged</td>
</tr>
<tr>
<td>Local media relations (ongoing)</td>
<td></td>
<td>Visits to Guatemala (several times per year)</td>
<td></td>
</tr>
</tbody>
</table>

In addition, Hormel Foods participates in an advisory group commenting on a Global Social Compliance Program (GSCP) from The Consumer Goods Forum. Through the GSCP, our company and our fellow members have the opportunity to leverage our efforts to increase the impact of our responsible sourcing programs, achieve greater scale and advance the industry as a whole, boosting supplier and manufacturing development across the board. We decided to actively engage in the development of its framework and contribute to building the GSCP reference tools and processes. Their fundamental aim is to provide a common interpretation of working and environmental requirements across geographies and sectors.
About This Report

CEO Letter

Welcome, and thank you for visiting the 2014 Hormel Foods Corporate Responsibility Report. As we celebrate another year filled with milestones and achievements at Hormel Foods, we are excited to share the progress we made as a leading corporate citizen in our industry.

Environment

We are proud to report that in 2014 we reach our 2020 solid waste goal. We have also made significant strides toward our other 2020 goals to reduce water, energy and greenhouse gas emissions, while implementing more than $4.2 million of environmental and facility improvements.

Each year Hormel Foods facilitates an Environmental Sustainability Best of the Best competition, which recognizes internal teams of employees who identify and implement ways to help us operate more efficiently. This year, we recognized an international winner for the first time: Project Blue Sky at the Beijing HFC Plant (Beijing, China). Project Blue Sky received the honor of being named champion for achievements in reducing carbon dioxide emissions, demonstrating our commitment to the environment around the world.

Nutrition and Wellness

Many consumers are interested in better-for-you options, and we have a variety of products that meet this demand. In 2014, we expanded our Stagg® brand portfolio by adding two 100 percent natural chill varieties, and also launched Wholly Guacamole® minis. In addition, we worked on several sodium reduction projects, and saw success with our SKIPPYY® natural peanut butter spread that does not contain preservatives, artificial flavors or colors.

Product Innovation

In August 2014, Hormel Foods acquired CytoSport Holdings, Inc., the maker of Muscle M8® products, adding an on-the-go, protein-rich food to our Specialty Foods segment. As a leading provider of premium protein products in the sports nutrition category, CytoSport’s brands align with our focus on protein, while further diversifying our portfolio. We also remain committed to ongoing product innovation and are on track to achieve the goal we set of $3 billion in total sales of new products by 2016.

Philanthropy

In fiscal year 2014, Hormel Foods donated more than $9.1 million in cash and products, and we continued our domestic and international commitment to end hunger. We gave more than 6.3 million individual meals and 3.3 million pounds of food to banks, local food shelves and feeding programs. We also donated 17,346 Hormel® Cure 81™ hams during the holiday season to charities throughout the country.

In addition, we continued our donations of SPAMMY®, a shelf-stable poultry product fortified with vitamins and minerals that is distributed to malnourished children in Guatemala. In fiscal 2014, we donated 2.5 million cans of SPAMMY® through our partnership with Food for the Poor and Caritas Antioquia/Colombia.

Information about our annual corporate responsibility progress and goals can be found within our online report and this PDF. Please also visit the corporate responsibility section of www.hormelfoods.com for information about our environmental policies, corporate governance and industry-leading animal care practices.

Our stakeholders can be assured that we will continue our corporate responsibility efforts in concert with our internal and external inputs, and insights from subject-matter experts in various departments throughout the company.

Sincerely,

Jeffrey M. Ettinger
President and Chief Executive Officer

Materiality Matrix

To determine whether to report information on particular topics, we listen to stakeholders and prioritize topics based on the importance of the topic to stakeholders and to the business. Our stakeholders are employees, customers, consumers, investors, suppliers, government officials and communities. For this report, we analyzed “materiality” according to the aspects of GRI’s G4 Framework.

We assess materiality based on feedback from stakeholders, internal and external inputs, and insights from subject-matter experts in various departments throughout the company.

<table>
<thead>
<tr>
<th>People</th>
<th>GRI Indicator cross-reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational Health and Safety</td>
<td>G4-1: Statement from the most senior decision-maker of the organization.</td>
</tr>
<tr>
<td>Employment</td>
<td>G4-2: Description of key impacts, risks and opportunities.</td>
</tr>
<tr>
<td>Labor/Management Relations</td>
<td>G4-13: Significant changes during the reporting period regarding size, structure or ownership, or supply chain.</td>
</tr>
<tr>
<td>Training and Education</td>
<td>G4-18: Process for defining the report content and Aspects Boundaries; How the organization has implemented the Reporting Principles for Defining Report Content.</td>
</tr>
<tr>
<td>Human Rights</td>
<td>G4-19: Material Aspects identified in the process for defining report content.</td>
</tr>
</tbody>
</table>

For more information about Hormel Foods visit hormelfoods.com/csr

Learn More
Environment

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

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

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

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

Effluents and Waste
As part of manufacturing products, solid waste has a direct impact on the company’s environmental footprint, thus Hormel Foods factors in solid waste minimization as a company goal. In addition, an emerging issue among stakeholders is food waste, and our operations produce hazardous waste, which is required to be disposed and transported according to strict rules and regulations.

Compliance and Grievance Mechanisms
Adhering to environmental laws and regulations is critically important in our operations; we train employees annually on proper procedures and emphasize environmental compliance. If employees believe we are not adhering to these high standards, mechanisms are an important way for us to identify issues and ensure action is taken.

Transport
Hormel Foods sells products worldwide and relies on transportation via truck, train and ship to deliver our products to customers. We understand our methods contribute to our air emissions and work to be as efficient as possible in our logistics operations.

Overall
Investment in infrastructure that will reduce our impact on the environment while improving the efficiency of our operations helps our company produce more for less impact on the environment and communities.

Products

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

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

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

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

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

Product Labeling
A variety of food labeling topics are a part of national and local legislation, including nutritional labels, GMOs and country-of-origin labeling. These impact our consumers and our operations.

Compliance
The compliance with laws and regulations concerning the provision and use of products is material to Hormel Foods because it impacts our right to operate and our ongoing trust with consumers and retail partners.
About This Report

2014 Hormel Foods Corporate Responsibility Report

Learn More

For more information about Hormel Foods visit hormelfoods.com/csr

Society and Communities

Anticorruption
Ensuring corruption is not taking place is a standard and good business practice for our company. We do this through risk assessments, training on our code of conduct and mechanisms for employees to raise concerns.

Public Policy
A standard practice in our industry is to engage in public policy discussions that are or have the potential to impact our business.

Compliance
We adhere to local and national laws and regulations in all areas where we operate.

Economic

Economic Performance
Economic indicators, such as defined benefit plan obligations, financial implications due to climate change and direct economic value generated and distributed demonstrate our economic impact in our communities and in the areas we operate. In terms of climate change, it has the potential to impact our business through environmental effects to our operations and national and state regulations that could cause our operations to change. It is integrated into our multi-disciplinary company wide risk management processes at Hormel Foods. We monitor the impact national and state regulation will have on our business and plan accordingly, including setting goals to reduce greenhouse gas emissions and energy use from our operations.

Procurement Practices
The amount we buy from local suppliers impacts the local economies of the areas we operate.

Data Summary

<table>
<thead>
<tr>
<th>Type</th>
<th>Unit</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees worldwide</td>
<td>Number (approximate)</td>
<td>19,800</td>
<td>20,444</td>
</tr>
<tr>
<td>Countries where our products are marketed</td>
<td>Number (approximate)</td>
<td>More than 40</td>
<td>60</td>
</tr>
<tr>
<td>Countries where our products are manufactured</td>
<td>Number</td>
<td>11</td>
<td>See our Business Divisions</td>
</tr>
<tr>
<td>U.S. manufacturing facilities</td>
<td>Number</td>
<td>44</td>
<td>More than 40</td>
</tr>
<tr>
<td>Net sales</td>
<td>U.S. dollars, millions</td>
<td>8,751</td>
<td>9,316</td>
</tr>
<tr>
<td>Brands that hold the No. 1 or No. 2 market share</td>
<td>Number (as of October 2013)</td>
<td>35</td>
<td>More than 30</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>U.S. dollars, thousands</td>
<td>106,762</td>
<td>159,138</td>
</tr>
<tr>
<td>Income taxes</td>
<td>U.S. dollars, thousands</td>
<td>268,431</td>
<td>316,126</td>
</tr>
<tr>
<td>Community investments</td>
<td>U.S. dollars, thousands</td>
<td>9,100</td>
<td>9,100</td>
</tr>
<tr>
<td>Energy use</td>
<td>Direct: MMBtu per ton of production</td>
<td>1.69</td>
<td>1.75</td>
</tr>
<tr>
<td></td>
<td>Indirect: Kilowatt hours (kWh) per thousand pounds of production</td>
<td>294</td>
<td>301</td>
</tr>
<tr>
<td>Water use</td>
<td>Cubic meters/ton of production</td>
<td>7.3</td>
<td>7.6</td>
</tr>
<tr>
<td>Solid waste</td>
<td>Pounds per ton production sent to landfill</td>
<td>24.2</td>
<td>23</td>
</tr>
</tbody>
</table>

GRI Indicator cross-reference

G4-18: Process for defining the report content and Aspect Boundaries; How the organization has implemented the Reporting Principles for Defining Report Content.

G4-19: Material Aspects identified in the process for defining report content.

G4-22: Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).

G4-B329: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.
### Air emissions

- **Type**: Metric tons CO2-e
- **Unit**:
  - Direct: 223,000
  - Indirect: 544,000
- **2013**: Direct: 387,000
- **2014**: Indirect: 460,000

### Packaging reduction

- **Type**: Pounds, thousands
- **Unit**:
  - Direct: 387,000
  - Indirect: 460,000
- **2013**: Direct: 223,000
- **2014**: Indirect: 544,000

### Environmental noncompliance

- **Type**: Number of individual findings
- **Unit**:
  - Direct: 387,000
  - Indirect: 460,000
- **2013**: Direct: 223,000
- **2014**: Indirect: 544,000

### Sodium reduction

- **Type**: % reduction
- **Unit**:
  - Hormel® Canadian bacon: 23
  - Hormel® Cure 81® retail hams: 14
  - Hormel® chili with beans: 18
  - Hormel® Compleats® microwave meals: 16
  - CHI-CHI’S® and Herdez® branded tortillas: 32
  - Hormel® Always Tender® marinated meats: 17
  - Hormel® Canadian bacon: 23
  - Hormel® Cure 81® retail hams: 14
  - Hormel® chili with beans: 18
  - Hormel® Compleats® microwave meals: 16
  - CHI-CHI’S® and Herdez® branded tortillas: 38
  - Hormel® Always Tender® marinated meats: 17

### TCIR

- **Type**: Number of recordable incidents per 100 full-time employees
- **Unit**:
  - 2013: 3.8
  - 2014: 3.7

### DAFWII

- **Type**: Number of cases that involve days away from work per every 100 full-time employees
- **Unit**:
  - 2013: 0.5
  - 2014: 0.5

### DART

- **Type**: Number of injuries or illnesses resulting in days away from work, restricted work activity or job transfer per every 100 full-time employees
- **Unit**:
  - 2013: 2.6
  - 2014: 2.7

---

**CR Awards**

**Overall CR Rankings and Awards**

<table>
<thead>
<tr>
<th>Award Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 Best Corporate Citizens</td>
<td>(No. 86, U.S. list)</td>
</tr>
<tr>
<td>Top 10 Most Trustworthy Public Companies</td>
<td>Trust Across America</td>
</tr>
<tr>
<td>50 Best Companies to Sell For</td>
<td>Selling Power magazine</td>
</tr>
<tr>
<td>40 Best Companies for Leaders</td>
<td>Selling Power magazine</td>
</tr>
</tbody>
</table>

---

**GRI Indicator cross-reference**

- **G4-22**: Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).
- **G4-EN29**: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

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1. Measurement has changed from reporting normalized for production numbers to metric tons.
2. Two non-monetary sanctions were received at the state level. One was administrative in nature for a late compliance report that was promptly resolved. The second action was a negotiated compliance schedule that will result in an upgraded wastewater pretreatment system. The upgrade is scheduled for completion in 2015.
3. One Letter of Warning was received at the state level for a late submittal of an annual report.

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Awards included in the report represent the full calendar year 2014, rather than the fiscal year as denoted in the boundary of the report.
Awards

Product Awards

2014 Category Captain
Progressive Grocer Category Captain Hormel Foods and MegaMex Foods Ethnic foods category

2014 Editors’ Pick
Progressive Grocer Editors’ Picks SKIPPY® singles, Lucille’s Smokehouse Bar-B-Que beef tri-tip and Herdez® bowls

Supermarket Stars 2014
Prepared Foods Spirit of Innovation Awards (3rd place) Hormel® REV® wraps

Women’s Health 2014 Supermarket Stars Hormel® Natural Choice® flame seared ham – save award here

Corporate Leadership Awards

100 Best Corporate Citizens
Hormel Foods (No. 97 U.S. list) Corporate Responsibility (CR) magazine

Top 10 Most Trustworthy Public Companies
Hormel Foods (No. 10) Trust Across America

40 Best Companies for Leaders
Hormel Foods (No. 9) Chief Executive magazine

Workplace Awards

50 Best Companies to Sell For
Hormel Foods (No. 11) Selling Power magazine

Top 100 Military Friendly Employers
Hormel Foods (Designation) Military Times EDGE magazine

Best Employers for Veterans
Hormel Foods (No. 52) Military Times EDGE magazine

For more information about Hormel Foods visit hormelfoods.com/csr
Hormel Foods, based in Austin, Minn., is a multinational manufacturer and marketer of high quality, brand name food and meat products for consumers throughout the world. To learn more about our operations, please visit our corporate site, www.hormelfoods.com.
Financials & Governance

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

Financials

For 49 consecutive years, the company has increased its annual dividend. Since 2007, the average dividend growth rate is 15 percent per year.

Hormel Foods continues to grow, achieving sales growth of 6 percent and increasing earnings per share by 14 percent in 2014 to a record $2.23 per share.

Governance and Policies

The Board of Directors oversees all activities at Hormel Foods and assumes the ultimate responsibility of ensuring that the company’s performance is based on strong ethical practices and aligned with the Code of Ethical Business Conduct. In 2014, the Hormel Foods Board of Directors consisted of 14 members, 12 of whom were independent. Of the 2014 14-member Board of Directors, there were four women and five persons of color.

Additional information about our board structure can be found in our 2014 Proxy Statement.

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

Supply Chain

At Hormel Foods, our multifaceted supply chain includes suppliers of hogs, turkeys, ingredients, packaging materials and transportation. In 2011, we introduced our Supplier Responsibility Principles to our key suppliers, and in calendar year 2014 we began introducing these principles to our remaining suppliers in order to communicate the crucial role they play in our ability to operate responsibly.

We expect all our suppliers (both those based domestically and internationally) to operate according to our ethical business practices. All of our purchased volume is derived from suppliers that are compliant with our sourcing policy, as we strictly enforce suspension to any supplier not in accordance with such policies.

Additionally, we have established Supplier Quality Management (SQM), which evaluates our suppliers based on quality, delivery, service, technology and price. Suppliers that exceed our established standards are eligible for our annual Hormel Foods Spirit of Excellence Awards. In 2014, we awarded 99 suppliers for their performance. Our ingredient suppliers are subject to additional measurements to further ensure the quality and food safety of our supply chain.

To exemplify our commitment to supply chain sustainability management, we require third-party food safety audits for all of our ingredient suppliers. In addition to the third-party food safety audits, in fiscal year 2014 we conducted an additional 85 food safety supplemental audits. If suppliers are found to be non-compliant, appropriate action is taken — up to and including termination of partnership.

Hormel Foods values the long-standing relationships we have established with our suppliers. In fact, in 2014, only four percent of our suppliers were new suppliers. We are continuously looking for ways to assess our current supplier relationships to ensure that environmental/social risks are addressed and mitigated. In 2014, we completed a category level assessment process to identify risks. As a next step, we are working with our suppliers in categories where risks have been identified. In addition, we assessed more than 40 suppliers on environmental and social risks by surveying our suppliers in nine categories.

Public Policy

In 2014, we spent $421,576 in lobbying. From our Political Action Committee (PAC), we contributed $8,000 to the American Meat Institute PAC and $2,500 to the Grocery Manufacturers Association PAC. Individual contributions to political parties are allowed, but the company does not directly contribute to political parties.

Hormel Foods recognizes there are several legislative issues that directly affect the food industry. As a leader in the industry, we are involved in lobbying efforts to help create an open dialogue about our company’s mission. In 2014, our lobbying efforts and activities primarily focused on agriculture, health and labor/workplace issues.

Public Policy

Lobbying $421,576 in 2014

About Hormel Foods

2014 Hormel Foods Corporate Responsibility Report

Learn More        For more information about Hormel Foods visit hormelfoods.com/csr

GRI Indicator cross-reference

G4-32: Description of organization’s supply chain.
G4-34: Governance structure of the organization, including committees under the highest governance body responsible for decision-making on economic, environmental and social impacts.
G4-52: Process for determining remuneration and relationships with remuneration consultants.
G4-PP1: Percentage of purchased volume from suppliers compliant with company’s sourcing policy.
G4-PP2: Percentage of purchased volume that is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard.
G4-RL14: Percentage of new suppliers that were screened using labor practices criteria.
G4-RL10: Percentage of new suppliers that were screened using human rights criteria.
G4-SO9: Percentage of political contributions by country and recipient/beneficiary.
G4-SP9: Percentage of new suppliers that were screened using criteria for impacts on society.
G4-SP10: Significant actual and potential negative impacts on society in the supply chain and actions taken.
G4-BS32: Percentage of new suppliers that were screened using environmental criteria.
Supplier Diversity Program

In addition to ensuring our suppliers comply with the food safety standards recognized by Global Food Safety Initiative (GFSI), we make a concerted effort to give diverse companies such as small, women-owned, minority-owned and veteran-owned businesses the opportunity to supply quality product options that meet our company’s growing business needs. As a result of our supplier diversity program, in fiscal year 2014, we purchased 21 percent of our resources from diverse businesses (small businesses, women-owned businesses, minority-owned businesses and veteran-owned businesses). Of these diverse businesses, approximately one percent were women-owned or minority-owned businesses, and approximately one percent were veteran-owned businesses. This data includes independent family-owned hog farms.

Sustainable Palm Oil Policy

In 2014, Hormel Foods also implemented a sustainable palm oil policy. Hormel Foods recognizes the unique environmental and social risks associated with palm oil. These risks require additional due diligence in sourcing, education and training to ensure the palm oil in our supply chain is not associated with deforestation, child or forced labor, or plantation expansion on carbon-rich peatlands.

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

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

While Hormel Foods is a relatively minor user of palm oil, we realize that responsible sourcing of even the smallest amount of this ingredient can make a difference. Therefore, all of the palm oil we purchase is RSPO certified.

GRI Indicator cross-reference
G4-12: Description of organization’s supply chain.
G4-34: Governance structure of the organization, including committees under the highest governance body responsible for decision-making on economic, environmental and social impacts.
G4-PP1: Percentage of purchased volume from suppliers compliant with company’s sourcing policy.
G4-PP2: Percentage of purchased volume that is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard.
G4-LA14: Percentage of new suppliers that were screened using labor practices criteria.
G4-HR10: Percentage of new suppliers that were screened using human rights criteria.
G4-SO9: Percentage of new suppliers that were screened using criteria for impacts on society.
G4-SO10: Significant actual and potential negative impacts on society in the supply chain and actions taken.
G4-EN32: Percentage of new suppliers that were screened using environmental criteria.

We made an initial commitment to purchase only fully traceable palm oil by the end of 2014. We met this commitment by working with our suppliers and achieved traceability to the mill level. We have now decided to also achieve traceability to the plantations. Therefore, our updated commitment is to purchase only sustainable palm oil that is fully traceable to the plantations by 2019. We will report our progress toward this goal in future corporate responsibility reports. For more information, read our full palm oil policy.

Learn more about Supply Chain on our corporate website.

### Progress

<table>
<thead>
<tr>
<th>Supply Chain</th>
<th>Sustainable Palm Oil</th>
<th>Supplier Diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>We purchase</td>
<td>We made a commitment to purchase traceable palm oil.</td>
<td>We purchased 21% of our resources from diverse businesses.</td>
</tr>
<tr>
<td>68Spirit of Excellence Awards to suppliers for performance that exceeds our established standards</td>
<td>We achieved traceability to the mill level by 2014.</td>
<td></td>
</tr>
<tr>
<td>40Supplier assessments on environmental and social risks</td>
<td>Our updated commitment is to purchase only sustainable palm oil that is fully traceable to the plantations by 2019.</td>
<td></td>
</tr>
</tbody>
</table>
Hormel Foods places great emphasis on environmental considerations when producing the products made for our customers. Sustainability and environmental responsibility continue to serve as our guiding principles as they have for more than 120 years, since George A. Hormel founded Hormel Foods.

Our goals are established on a target to implement projects that provide absolute reductions equaling 10 percent of our base year level. To help meet these environmental goals across the company, we invest in our facilities and establish specific metrics to improve the efficiency of our operations. As we report our goal progress, we will continue to report normalized results.

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2020 Goals

- **Reduce 10%**
  - Non-Renewable Energy Use
  - Water Use
  - Solid Waste Sent to Landfill
  - Greenhouse Gas Emissions
  - Product Packaging

**2014**

- We exceeded our solid waste reduction goal by 20% from the 2011 base year.

**2013**

- We continued to make progress toward the remaining environmental goal set and implemented more than $4.2 million in environmental and facility improvements.
- We implemented $8.6 million more in environmental and facility improvements.
- We announced our second set of environmental goals, which span 2012 → 2020 using 2011 as a benchmark.

**2011**

- We invested more than $3.4 million in environmental and facility improvements.
- We completed our first set of environmental goals, which commenced five years earlier.

**2006**

GRI Indicator cross-reference

G4-EN31: Total environmental protection expenditures and investments by type.

To learn more about the environmental policies at Hormel Foods, we invite you to read our environment section on our corporate site.
GReen our Way (GROW)

Growing our level of employee participation and engagement in sustainable initiatives remains a top priority at Hormel Foods. GReen Our Way (GROW) is an internal team, started in 2010, that aims to assemble and evaluate sustainability metrics, increase awareness with education and events, and improve sustainability at the Corporate Office campus (Austin, Minn.). To date, the team has successfully implemented a number of initiatives including:

**Electronics Recycling Day**
The GROW team held the third annual electronics recycling event at the Corporate Office. During the one day event, employees brought in more than 4,800 pounds of electronic items ranging from TVs and laptops to vacuums and kitchen appliances.

**Water Monitoring Challenge**
Each year, the Water Environment Federation promotes an annual Water Monitoring Challenge. The event focuses on understanding and measuring water quality parameters in local waterways. In October, members of the GROW team and Boy Scout Troop 113 participated in the challenge by collecting samples and testing each sample for temperature, pH, turbidity and dissolved oxygen.

**Adopt a Highway**
Twice per year a group of volunteers from the Corporate Office joins GROW team members to clean a 1.5 mile section of highway through the town of Austin as part of the state of Minnesota’s Adopt a Highway program.

**Air**

**2014 Progress**

As established from our 2011 base year, our goal is to implement projects that reduce greenhouse gas (GHG) emissions by 92,000 metric tons of carbon dioxide equivalent (CO2-e) by 2020. In fiscal 2014, we implemented projects that resulted in a reduction in over 2,500 metric tons of GHG emissions from our manufacturing operations, reaching 32 percent of our goal when combined with our progress since 2012. Of the total GHG emissions, direct GHG emissions were approximately 46 percent and indirect GHG emissions were approximately 54 percent. Normalized GHG emissions for manufacturing plants were 0.339 metric tons CO2-e per ton of products sold, even from the prior year level. We are currently on pace to reach our 2020 goal.

Recent projects to reduce air emissions:

Reducing carbon dioxide emissions:

- The Beijing Project Blue Sky at the Beijing HFC Plant (Beijing, China) received the honor of being named the Hormel Foods 2014 Sustainability Best of the Best champion for achievements in reducing carbon dioxide emissions. By replacing two boilers with more efficient steam generators and moving them closer to ovens to reduce energy loss, and using heat recovery technology and thermal solar panels to heat water for sanitation, the team was able to decrease air emissions by 60 percent compared to the previous year.

Converting farms from LP to natural gas:

- Our Jennie-O Turkey Store live production team continued a multi-year initiative to convert numerous turkey farms from liquid propane (LP) to cleaner burning natural gas. In 2014, 18 farms were converted from LP to natural gas, which included 100 individual buildings and 9,800 heaters. By converting these farms, the team lowered emissions by an additional 15,450 metric tons of CO2-e.

Implementing boiler burner efficiency upgrades:

- The team at the Jennie-O Turkey Store Willmar Ave. Plant (Willmar, Minn.) identified an opportunity to upgrade their outdated boiler burners and control systems to improve steam system efficiencies. This project reduced GHG emissions by 401 metric tons CO2-e in 2014.

**Goals**

**Greenhouse Gas Reduction**

- Reduce 10% of direct GHG emissions by 2020
- Reduce 32% in total GHG emissions when combined with progress made since 2012.

**Air Emissions**

- Emissions reduced 60% in 2014
- Total GHG Emissions reduced 46%
- Direct GHG emissions reduced 54%

**Electronics**

- 4,800 pounds of electronic items were collected and reduced 60% in 2014

**Water Monitoring Challenge**

- Each year, the Water Environment Federation promotes an annual Water Monitoring Challenge

**Adopt a Highway**

- Twice per year, volunteers from the Corporate Office join GROW team members to clean a 1.5 mile section of highway through the town of Austin as part of Minnesota’s Adopt a Highway program.
Logistics

With our worldwide presence, Hormel Foods relies on transportation via truck, train and ship to deliver our products to customers. We do so in a way that minimizes our impact on air quality through means of transporting our products as efficiently as possible by structuring pallet loads, reviewing product mixes and improving route planning. Load factors averaged approximately 89 percent of vehicle weight capacity in 2014.

We recognize that our methods of intermodal shipments need to be reassessed on a regular basis and thus we continue to evaluate best practices. Intermodal shipments combine the best attributes of both truck and rail shipping. For long distances, this method of transportation can cut fuel use and greenhouse gas emissions by 65 percent compared to truck-only moves.1 In fiscal year 2014, we had over 6,200 intermodal shipments. These shipments accounted for 9.8 million miles and saved more than 872,000 gallons of diesel fuel versus shipping solely by truck.

Goals

Logistics

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

2014 Progress

WE HAD OVER

6,200
intermodal
shipments.

6,200
intermodal
shipments

ACCOUNTED FOR

9.8
million miles

SAVED MORE THAN

872,000
gallons diesel fuel

Energy

During 2014 we continued to make progress toward our energy reduction goal, resulting in reduced energy use exceeding 17,400 MMBtu. When combined with our results since 2012, this fulfills 45 percent of our target of 692,000 MMBtu by 2020. Normalized direct energy (MMBtu/salable ton production) in 2014 was 1.75 and normalized indirect energy (kWh/salable ton production) in 2014 was 301.

Recent projects to reduce energy consumption

Reducing energy consumption:

Our team at the Diamond Crystal Brands Quakertown (Pa.) Plant recognized room for energy conservation through their production equipment. By reviewing equipment settings and optimizing for maximum efficiency, they were able to realize a savings of 5,837 kWh in 2014.

Common area conservation:

Reviewing electrical consumption in common areas at the Diamond Crystal Brands Mitchellville (Iowa) Plant, the team identified an opportunity for conservation. Implementing occupancy sensors and other procedures to reduce electricity during non-production times resulted in a savings of 49,703 kWh.

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

GRI Indicator cross-reference

G4-EN30: Significant environmental impacts of transporting products and other goods and materials used for the organization’s operations, and transporting members of the workforce.

G4-EN36: Reduction of energy consumption.
Water usage continues to be a top priority to all our stakeholders, and thus, continues to be a top priority at Hormel Foods. Our water sources include municipal utilities and company-owned wells. We consistently look for ways to improve our equipment and engage with our employees on an ongoing basis to achieve water reduction through behavior-based initiatives. Normalized usage (cubic meters/sales tonnage) for 2014 was 78, a one percent gain from the prior year level.

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

2014 Progress
Our target is to implement projects that reduce total water use by 0.5 billion gallons by 2020. During 2014, we successfully implemented projects that reduced water use by 0.082 billion gallons or 67 percent of our goal when combined with our progress since 2012. Total manufacturing water use during 2014 was 5.0 billion gallons. We are currently on pace to achieve our water reduction goal prior to 2020.

Recent projects to reduce water consumption
Water conservation:
The team at Farmer John (Vernon, Calif.) set out to achieve a reduction in fresh water use of 2 percent compared to use in fiscal year 2013. Through four different water reduction projects, including high pressure water system automation, condensing tower treatment automation, wash cabinet water and waste water load reduction, they were able to achieve a savings of 27,861 gallons of water, or 22 percent.

Reducing water usage:
At Swiss American Sausage Company (Lathrop, Calif.), the team faced a need to reduce water use. They set a goal to reduce plant water usage by 1 million gallons, and by installing a reverse osmosis system, they achieved savings of 1,264,323 gallons in 2014 and expect to achieve similar a savings in subsequent years.

Goal: Reduce 10% by 2020
Water Use
2014 Progress
Reduced
0.082 billion gallons
Total water use during 2014 was 8.0 billion gallons. We are currently on pace to achieve our water reduction goal prior to 2020.

Water Use by Source
Company owned wells: 2.5 million cubic meters (13% of total water use)
Municipalities: 16.5 million cubic meters (87% of total water use)

Waste
Minimizing solid waste generation continues to be an important environmental concern and one that Hormel Food seeks to minimize through our operations.

In addition to solid waste generation, a growing environmental concern is food waste. Food waste contributes to unnecessary resource use and the resulting environmental impact, including contribution to greenhouse gas emissions, worldwide. On the manufacturing side, a report conducted by Business for Social Responsibility and commissioned by the Food Waste Reduction Alliance found that food waste generated through manufacturing tends to be unused ingredients, unfinished product, or trimmings, peels and other unavoidable food waste. Hormel Foods makes every effort to divert food waste to the most beneficial end use possible. Depending on the nature of the food waste and the location of the generation, our food waste can be used as animal feed, a feedstock for anaerobic digestion, a composting substrate, or as a synthetic nutrient substitute. To learn more about our initiatives to decrease food waste at the consumer level, please visit the product section of this report.

Our 2020 goal was to reduce solid waste to landfills by 3,500 tons. We are proud to report that our progress in 2014 (when combined with our achievements since 2012) has resulted in meeting and exceeding this goal by 20 percent. In 2014 alone, our operations implemented projects that reduced the amount of solid waste sent to landfills by 1,500 tons. Normalized total solid waste (pounds/sales tonnage) for 2014 was 23, an 11 percent improvement from the prior year level.

Although we’re elated that we’ve surpassed a goal originally set for 2020, we recognize there is always more work to be done with minimizing our solid waste impacts. We will reevaluate and establish a new goal related to solid waste and will report the goal and progress in future reports.

Goal: Reduce 10% by 2020
Solid Waste Sent to Landfills
2014 Progress
Reduced
1,500 tons
We achieved our 2020 goal sooner than anticipated. Normalized total solid waste (pounds/sales tonnage) for 2014 was 23, an 11 percent improvement from the prior year level.

Our target is to implement projects that reduce solid waste generation by 0.5 billion tons by 2020. During 2014, we successfully implemented projects that reduced solid waste generation by 1,500 tons or 33 percent of our goal when combined with our progress since 2012. Total manufacturing solid waste generation during 2014 was 4.5, a one percent gain from the prior year level.

G4-EN9: Water sources significantly affected by withdrawal of water
G4-EN10: Total water withdrawn by source
G4-EN23: Total weight of waste by type and disposal method

**For more information about Hormel Foods visit hormelfoods.com/csr**
Waste (continued)

Recent projects to reduce solid waste sent to landfills

Solid waste reduction:
The team at the Diamond Crystal Brands Visalia (Calif.) Plant sought to reduce the amount of waste haul-off from the facility, and set a goal to reduce by 10 percent. By working with their vendors to seek additional recycling opportunities, the plant team reduced solid waste to landfill by 72 tons, or 20 percent, in 2014.

Solid waste reduction:
The Atlanta Plant (Tucker, Ga.) continued to foster an environment where employees were encouraged to think “green” in 2014. Through educational newsletters/meetings as well as facility container improvements, reductions allowed for a decrease to one trash pickup per week and solid waste to landfill was reduced by 42 percent compared to the previous year.

Solid waste reduction:
Dold Foods (Wichita, Kan.) originally aimed to eliminate 39 tons of solid waste by the year 2020. In a plant-wide effort to minimize all solid waste streams, the team was able to realize an annualized savings of 127 tons of solid waste, or 330 percent of the 2020 goal in fiscal 2014 alone.

Packaging

Hormel Foods has a dedicated group of employees who regularly evaluate our packaging design, looking for minimization opportunities. Additionally, each of these members participates in an initiative to reduce materials in packaging over the course of the year. In calendar year 2014, each member of the team had a goal to identify 500,000 pounds of materials savings, amounting to a group goal to reduce packaging by 4 million pounds a year.

The packaging team collaborates with all other departments and examines the entire supply chain for initiatives related to sustainability that will benefit all divisions. In calendar year 2014, this team initiated 61 total projects and completed 38 projects. Combined, these projects resulted in $27 million pounds in savings. This represents 68 percent of our goal to reduce product packaging by 25 million pounds by 2020, when combined with our progress since 2012.1 While we exceeded our yearly goal to reduce packaging by 4 million pounds, the majority of our savings were from one very large project. Based on our projections, we may not be able to make our goal to reduce packaging by 4 million pounds next year; however, we anticipate we will still achieve our 2020 goal.

1Savings are estimated annualized savings based on a full year of volume.

Product Packaging

Hormel Foods uses approximately 9,700 unique items to package and produce our products, including corrugated paperboard, labels, films, cans, plastic bags, displays, glass containers, metal closures and plastic closures. Approximately 80 percent of our product packaging by weight is recyclable and/or made from recycled materials.
Recent Projects
To Achieve Packaging Minimization:

In 2014, we became one of the first companies to offer a shelf stable meat product in a clear PET plastic jar with the new Hormel® bacon bits toppings packaging. Aside from this innovative packaging being unique to the industry, it was also developed with environmental sustainability goals top of mind. The Berry Plastics facility that creates these new plastic jars is located only eight miles from Progressive Processing (Dubuque, Iowa), allowing us to reduce transportation emissions. Additionally, by making the switch from glass to plastic, we are saving 6.2 million pounds in packaging materials and using less energy to create each container. Check out the innovative transformation in the video found in the online version of this report.

We reduced the thickness of the paperboard carton used for our Hormel® Natural Choice® deli meat line, which resulted in a savings of 514,202 pounds.

By reducing the primary package of Hormel® dry sausage deli-sliced meats by 10 percent and reducing the corrugated shipper, we saved 159,727 pounds.

We reduced the bottom film of our one pound layout precooked bacon package by approximately 30 percent, which saved 324,330 pounds.

We identified packaging optimization opportunities across our fresh pork portfolio, which resulted in a savings of 501,251 pounds.

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

Recognition

Internal Recognition

Hormel Foods rewards and recognizes internal teams that have taken the time and effort to identify areas for efficiency improvements and implemented changes through the internal Environmental Sustainability Best of the Best annual competition. In 2014, there were 92 entries generated across all Hormel Foods business segments. The Beijing Project Blue Sky at the Beijing HFC Plant (Beijing, China) was named the winner this year. The energy conservation project reduced carbon dioxide emissions in 2014 by 60 percent from the previous year.

To learn more about the other projects and finalists, please visit the environment section of our corporate site. Also see our environmental sustainability policy for more information about the commitment our company has made toward environmental sustainability objectives.

External Recognition

In 2014, our continued dedication to improving our environmental footprint resulted in recognition by a number of independent sources for these achievements in environmental sustainability including:

- Dold Foods (Wichita, Kan.) Recognized by the Kansas Water Environment Association
- Dold Foods was awarded the Gold Pretreatment Compliance Award by the Kansas Water Environment Association in 2014. The qualifications to win this award include 95 percent or better compliance with all discharge and reporting requirements, a good record of cooperation with the pretreatment coordinator, and the operation of a wastewater treatment system or significant efforts to minimize pollutant concentrations.
- PFFJ Mountain Prairie (Las Animas, Colo.) Bronze Achiever Award from Colorado Department of Public Health Environmental Leadership Program
- PFFJ Mountain Prairie received a Bronze Achiever Award from Colorado Department of Public Health Environmental Leadership Program. The award recognizes facilities that:
  - Have made significant achievements in improving the environment of Colorado;
  - Haven’t had serious violations during the last year; and
  - Are making pollution prevention efforts in energy efficiency, waste minimization and water conservation.
Since our founding in 1891, Hormel Foods has been committed to the highest standards for animal care and handling. We uphold these standards through means such as on-site assessments that help us ensure our employees are practicing safe and ethical animal care. These standards help us formulate the animal care portion of our Supplier Responsibility Principles, which encourage our suppliers to follow our commitment to responsible environmental and social performance.

Hogs

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

Through our annual Spirit of Excellence Awards, we recognize hog producers that exemplify our commitment to quality at Hormel Foods. In 2014, we awarded 68 suppliers with a Spirit of Excellence Award for their roles in the company’s continuous improvement process throughout the last year. This includes 14 awards in the pork procurement category and two award in the provisions category.

At Hormel Foods, quality assurance and operations personnel perform daily internal audits in our processing facilities to maintain the highest animal care practices. In fiscal year 2014, eight external audits were performed by outside auditors in our processing facilities. Internally, we participated in 1,084 formal audits and 90 audits were conducted by company management at our processing facilities on an unannounced, random basis. In 2014, we received no incidents of noncompliance with laws and regulations and voluntary standards related to transportation, handling and slaughtering practices.

To learn about animal care at Hormel Foods, visit the Animal Care section of our corporate site.

Turkeys

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

In fiscal year 2014, 962 internal audits were conducted by the Jennie-O Turkey Store live production quality assurance department, as well as 57 production National Turkey Federation audits by live production managers and supervisors.

Daily internal audits in our processing facilities conducted by quality assurance and operations personnel help us maintain the highest animal care practices. In fiscal year 2014, four external audits were performed by outside auditors in our processing facilities. Internally, we participated in eight formal audits and 115 audits were conducted by company management at our processing facilities on an unannounced, random basis.

To learn about animal care at Hormel Foods, visit the Animal Care section of our corporate site.
By 2020, we aim to reduce sodium levels in select products within our branded retail portfolio by an average of 15 percent.

In 2014, our Specialty Foods group initiated a partnership with the Cancer Nutrition Consortium to develop a line of food and beverage products designed to support the nutrition needs of patients recovering from cancer and undergoing chemotherapy or radiation therapy. These products will be available for free home delivery in late 2015, and additional information can be found at HormelFoods.com.

The Specialty Foods group focuses on health and nutrition using three strategic pillars: performance nutrition, activity nutrition and recovery nutrition.
To help drive strategic innovation, Jeffrey M. Ettinger, chairman of the board, president and chief executive officer, issued the Billion Dollar Challenge to all Hormel Foods employees. The goal of the challenge was for Hormel Foods to generate $1 billion in sales from new products launched between fiscal year 2000 and fiscal year 2009. The company met the Billion Dollar Challenge in fiscal year 2007, announcing this achievement in the fourth quarter of 2007 and year-end earnings releases. Following the completion of the Billion Dollar Challenge, a goal was set to achieve $2 billion in sales by 2012 from new products created since 2000. This goal was also successfully met, and our current challenge – $3B by 2016 – was developed.

The $3B by 2016 Challenge was set to achieve $3B in total sales of products created since 2000 by the end of 2016. A goal was also successfully met, and our current challenge – $3B by 2016 – was developed.

In August 2014, Hormel Foods acquired CytoSport Holdings, Inc., the maker of Muscle Milk® products. As a leading provider of premium protein products in the sports nutrition category, CytoSport’s brands align with the company’s focus on protein, while further diversifying the Hormel Foods portfolio.

As part of our product innovation approach, we have a team dedicated to innovation management. They are responsible for major new product development projects in our company, and we have a system for measuring key indicators to help manage the new product innovation process. We also have formalized a companywide governance system to maintain the necessary checks and balances, and in 2014 we created an Innovation Steering Committee that meets quarterly to review the enterprise-wide innovation progress.

In 2014, we also established an Innovation Best of the Best competition category to highlight our focus on successful innovation. Thirteen entries from multiple business units entered the competition, and the foodservice BACON™ team was named the winner. The cross-functional BACON™ team successfully created the only fully-cooked bacon on the market today that performs like raw bacon.

Food Safety & Quality

Hormel Foods has implemented robust food safety and sanitation systems based on Hazard Analysis and Critical Control Points (HACCP) principles to ensure the safety of every product produced. Company personnel, independent third parties, the U.S. Department of Agriculture and the Food and Drug Administration oversee these food safety systems. In 2014, we issued one recall for an undeclared allergen in single-serve salad dressing packets.

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

Learn more about Food Safety and Quality at Hormel Foods on our corporate site.
Sodium Reduction

Our wellness taskforce meets quarterly and has set an important sodium reduction goal: by 2020, we aim to reduce sodium levels in select products within our branded retail portfolio by an average of 15 percent.

We are always looking for ways to reduce sodium in our products. In 2014, we initiated several projects that work toward our sodium reduction goal. We will share more information in future reports as these products become available.

The graphic on the right identifies the results from the 2014 Sodium Reduction Analysis.

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**Goals**

- **2014 Progress**
  - We have reached a 15% sodium reduction in many categories and continue to explore additional categories to reduce sodium.

---

**Percent of Sodium Reduced Products By Category**

- **Hormel® Canadian bacon**
  - 59%
  - 23% reduction

- **Hormel® Compleats® microwave meals**
  - 72%
  - 16% reduction

- **Hormel® Cure 81® retail hams**
  - 72%
  - 14% reduction

- **Hormel® chili with beans**
  - 85%
  - 18% reduction

- **CHI-CHI’S® and Herdez® branded tortillas**
  - 96%
  - 33% reduction

- **Hormel® Always Tender® marinated meats**
  - 92%
  - 17% reduction

---

**Sodium Reduction By Product Category**

- **Hormel® Canadian bacon**
  - Reduction: 23%

- **Hormel® Compleats® microwave meals**
  - Reduction: 16%

- **Hormel® Cure 81® retail hams**
  - Reduction: 14%

- **Hormel® chili with beans**
  - Reduction: 18%

- **CHI-CHI’S® and Herdez® branded tortillas**
  - Reduction: 33%

- **Hormel® Always Tender® marinated meats**
  - Reduction: 17%

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**GRI Indicator cross-reference**

- **G4-FF6**: Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and sugars.
- **G4-EC1**: Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
  - Sector addition: Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need.
New Options
In 2014, we added several new products to our portfolio:

**Hormel® Natural Choice®** flame seared deli meats

Flame-seared turkey breast, flame-seared ham, flame-seared beef, and turkey breast.

**Hormel® FUSE™** burger

**2GOOD™** smoothies

**Stagg® Natural Chili®**

Organic 100 calorie Wholly Guacamole® minis

Goals

The $3B by 2016 Challenge was set to achieve $3B in total sales of products created since 2000 by the end of 2016.

2014 Progress

Portion Control and Minimizing Food Waste

Hormel Foods offers a variety of products to help consumers with portion control, while simultaneously minimizing the amount of food waste from leftover food. To minimize food and landfill waste, we practice environmentally effective packaging techniques and offer appropriate portion sizes, including single-serving items, for a variety of our products.

Learn more about how we reduce food waste in the environment section of this report.

Clean Label Initiative

In alignment with the company’s continuous improvement process and to better align our products with consumer trends, in 2014 the company’s retail products divisions began working on a project to simplify the ingredient statements of its products through the removal or replacement of ingredients, while still delivering great-tasting items that consumers expect.

A cross-functional team consisting of R&D, marketing, regulatory affairs and packaging meets regularly to discuss project priorities and progress. The team began working on reformulations in 2014, and we will report our progress on this project in future corporate responsibility reports.

In addition to this effort, the team has also announced the development and implementation of a Fast Facts nutrition panel, which will highlight nutritional benefits of products. Hormel® Compleats® microwave meals will be the first product line to feature the new panel in 2015.

Fast Facts Nutrition Panels

Fast Facts nutrition panels highlight nutritional benefits of products.
Employees at Hormel Foods are the cornerstone of our company and we recognize the importance and impact that they have on all areas of our business. Hormel Foods has a history of employees with long tenure, and we place priority in ensuring the growth, development and engagement of our employees.

**People Safety**

2020 Goals

**People Safety**
Perform better than the Bureau of Labor Statistics (BLS) industry average for:

- **TCIR**
  - Total Case Incident Rate
  - 2014 TCIR Rate: 3.7%
  - Outperformed BLS by 39.6%

- **DAFWII**
  - Days Away, Fmla, Illness
  - 2014 DAFWII Rate: 0.6%
  - Outperformed BLS by 50%

- **DART**
  - Days Away, Restricted or Transfer
  - 2014 DART Rate: 2.7%
  - Outperformed BLS by 39.5%

*Percentage calculated using 2013 BLS Industry average for NAICS 311.

**Diversity and Inclusion**

Promote a more diverse and inclusive workplace

- We added another employee resource group

- Piloted an efficacy training program for people of color

- Piloted an efficacy training program for women

2011:
- Hired a full-time corporate manager of diversity and inclusion
- 2 additional employee resource groups were formed

2012:
- 2 additional employee resource groups were formed

2013:
- 8 for a total of 8 employee resource groups
About Our Employees

At Hormel Foods, our people are the driving force behind our innovation, improvement and success. We consider the tenure of our employees an important indicator of our overall success, and we’re proud of our numbers. High retention tells us that Hormel Foods is not only a great place to work, but also a corporation that offers professional opportunities and challenges for employees to learn and grow. In 2014, our turnover rate for all employees was 15.3 percent. Additionally, we are proud to report that 58 percent of our employees had five or more years of service, and our 33-person officer team has an average of 26.6 years of service.

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

Tenure

Years of Service

58% of employees have five years or more of service. Of those, 14% have 20 years or more and 5% have 30 years or more of service.

Male/Female

Of those with five years or more of service, 36% were female and 64% were male.

Hourly/Salaried

Of those with five years or more of service, 80% were hourly and 20% were salaried.

Job Type

Hourly/Salaried

84% of workers are paid by the hour and 16% are salaried.

Part-Time

2% of workers are part-time.

Region

93% of workforce is located in the U.S.

7% of workforce is located in Asia

GRI Indicator cross-reference

04-10: Employees by contract and gender; permanent employees by employment type and gender; workforce by employment type and gender; supervised workers by employment type and gender; workforce by region and gender; portion of work performed by workers who are self-employed or by individuals other than employees or supervised workers; significant variations in employment numbers.

04-1A-1: Minimum notice period(s) regarding operational changes, including whether these are specified in collective agreements.

04-HR1: Total number of incidents of discrimination and corrective actions taken.

04-HR3: Percentage of working time lost due to industrial disputes, strikes and/or lockouts by country.

04-HR4: Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.
About Our Employees

Job Type
Collective Bargaining

About 29 percent of our employees are covered by collective bargaining agreements. We adhere to the National Labor Relations Act and respect the right of employees to choose whether or not they want to organize a collective bargaining unit. There are no operations in which the right to exercise freedom of association and collective bargaining may be at significant risk.

Discrimination

In 2014, there were zero incidents of discrimination. There were also no industrial disputes, strikes and/or lock-outs. Therefore, we did not lose any hours of working time.

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

Safety

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

Illness/Injury Rates

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

TCIR: Total Case Incident Rate

- 2006: 3.7 incidents
- Since 2006, we have reduced our TCIR by 59%

Discrimination

In 2014, there were zero incidents of discrimination. There were also no industrial disputes, strikes and/or lock-outs. Therefore, we did not lose any hours of working time.

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Safety training

Hormel Foods conducts safety training for an average of 16,092 employees and supervisors in our locations each month, and completes more than 1,115 safety assessments each month companywide. In 2014, Hormel Foods conducted an average of 7,329 lockout-tagout (LOTO) inspections per quarter, and held semi-monthly companywide safety conference calls with plant safety personnel.

<table>
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<tr>
<th>Inspections</th>
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<tr>
<td>7,329</td>
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<td>lockout-tagout (LOTO) inspections per quarter</td>
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In 2014, Hormel Foods conducted an average of 7,329 lockout-tagout (LOTO) inspections per quarter, and held semi-monthly companywide safety conference calls with plant safety personnel.

<table>
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<tr>
<th>Safety Training</th>
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<tr>
<td>16,092</td>
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<tr>
<td>employees and supervisors receive safety training each month</td>
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Hormel Foods conducts safety training for an average of 16,092 employees and supervisors in our locations each month.

<table>
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<tr>
<th>Safety Assessments</th>
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<tr>
<td>1,115</td>
</tr>
<tr>
<td>safety assessments each month</td>
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We complete more than 1,115 safety assessments each month companywide.

Industry-recognized safety

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

In 2014, the NAMI Foundation’s Safety Recognition Award Program recognized Hormel Foods with 28 awards.

4 Awards of Honor
the highest level awarded for outstanding safety performance

14 Awards of Merit

9 Awards of Commendation

1 Certificate of Recognition Award

GRI Indicator cross-reference
G4-LA6: Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.
People

Professional Development

We understand how important it is for our employees to feel both valued and challenged, so we conduct regular performance reviews annually with more than 99 percent of salaried employees (100 percent of office hourly employees and 100 percent (informal) of plant hourly employees). Reviews for salaried and office hourly employees include an assessment of current job performance and mutual employee/supervisor goal-setting for the next year. The process also considers work-life balance, career development, training needs and opportunities and current job performance.

Training

To support our tradition of fostering long-term careers and promoting from within, employees receive formal training throughout their career at Hormel Foods, applicable to their levels of responsibility and expertise. The total hours spent on training in fiscal year 2014 was 422,639. This equaled about 22.4 hours of training per employee. You can find an in-depth analysis of training hours per employee group at hormelfoods.com.

Our employees are also trained on policies and procedures concerning aspects of human rights that are relevant to our operations at Hormel Foods. In fiscal year 2014, the total hours spent on human rights training was approximately 8,000.

Diversity

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

Women

Companywide, women represented 34% of our workforce in fiscal year 2014.

Ethnic Minority

Our ethnic minority workforce represented 49% in fiscal year 2014.

Board of Directors

Of our 14-member Board of Directors in 2014, there were four women and five persons of color.

GRI Indicator cross-reference

04-1A11: Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.

04-1A9: Average hours of training per year per employee by gender and employee category.
We strive to make our communities a better place to live, work and play. They are a part of our backyard, and we invest in making them great places for all of our neighbors. This is our responsibility, intrinsic to our culture and our heritage.

$785,000
in education donations, including cash donations made through the Hormel Foods Charitable Trust Matching Gifts Program to eligible educational institutions

$6.8 million
in hunger donations, including products we donated to food banks and disaster relief

$9.1 million
in cash and product donations

2.5 million
cans of SPAM® shelf-stable pork product

2014 Hormel Foods Corporate Responsibility Report

Hunger

In 2014, we continued our domestic and international commitment to doing our part to end hunger, what we call the “On Our Way to Ending Hunger” program. Within the pillars of Nourish, Collaborate and Motivate, we forged important partnerships that provided local assistance through donations to hunger relief organizations. We donated a total of $6.8 million including products we donated to food banks and disaster relief, including some of the following.

Donated more than 6.3 million individual meals
Hormel Foods donated an estimated 6.3 million individual meals through 2014 On Our Way to Ending Hunger efforts (using the Feeding America estimations of $1 donated = 8 meals and 1.2 pounds donated = 1 meal).

Contributed more than 3.3 million pounds of product
Hormel Foods contributed more than 3.3 million pounds of product to food banks, local food shelves and feeding programs in 2014.

Examples of some of our efforts include:

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

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

Donated more than 7,700 pounds to the KARE 11 (NBC affiliate – Minneapolis, Minn.) Food Fight
We donated more than 7,700 pounds of product to the KARE 11 Food Fight in which the main anchors competed against each other to get the most donations for Second Harvest Heartland. In total, more than 861,000 pounds of food was donated through the Food Fight challenge.

Donated 17,346 Hormel® Cure 81® hams during the holiday season
Through the company’s Hams for Hunger retailer program, we donated 17,346 Hormel® Cure 81® hams to charities throughout the country – enough to feed more than 150,000 people (using the estimation that each ham serves nine people).

GRI Indicator cross-reference
G4-EC1: Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
Sector addition: Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need.

G4-EC7: Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.

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

In fiscal year 2014, we donated 2.5 million cans of SPAMMY® through our partnership with Food for the Poor and Caritas Arquidiocesana, and 35 employees and their guests made the journey to Guatemala.

Donated $390,000 to local plant communities
Through the Hormel Foods Plant Community Donations program, Hormel Foods gives funds to its U.S. manufacturing facilities to share with nonprofits in their communities to fight hunger. In 2014, a total of $390,000 was donated to local charities in 39 communities.

The Jennie-O Turkey Store Montevideo (Minn.) Plant, for example, donated $10,000 to the Chippewa County Food Shelf for the third consecutive year. The Chippewa County Food Shelf is a local charitable organization distributing nutritious food to individuals, families and children in need. This donation helped to address a serious need for support faced by the organization.

Education
Undergraduate college scholarships
For the 48th consecutive year, Hormel Foods awarded 18 undergraduate college scholarships to children of full-time, retired and deceased employees of Hormel Foods and its subsidiaries. Recipients receive awards amounting to $2,000 per year for four years. These students showed exemplary scholastic abilities and leadership qualities, outstanding standardized test scores and significant involvement in their school and community.

Jennie-O Turkey Store Golden Excellence Scholarship Program
Additionally, since the Jennie-O Turkey Store Golden Excellence Scholarship Program began 31 years ago, 84 sons and daughters of team members have received Golden Excellence Scholarships, totaling more than $365,000. Scholarship recipients are chosen primarily based on their exceptional scholastic ability. In 2014, Jennie-O Turkey Store awarded two Golden Excellence scholarships.

Disaster Relief
Typhoon Yolanda
To assist with Typhoon Yolanda (also known as Typhoon Haiyan) relief efforts in the Philippines, Hormel Foods provided an opportunity for company-matched contributions from active employees. The company’s joint venture with San Miguel Corporations, Purefoods-Hormel, is the largest producer and marketer of processed meats in the Philippines. The Hormel Foods Corporate Office (Austin, Minn.) held a hot dog feed event, hosted by the employee resource groups that raised more than $1,500. In total, employees contributed more than $8,000, which was matched by the company.

Tornado relief efforts in Little Rock, Ark.
To assist with tornado relief efforts in Little Rock, Ark., Hormel Foods donated one semitrailer load of products. The donation of Hormel® Compleats® microwave meals, SKIPPY® natural dark chocolate peanut butter spread, and Hormel® 2Good® smoothies was provided to the Arkansas Rice Depot in Little Rock.

In addition, Skippy Foods (Little Rock, Ark.) donated 3,270 pounds of SKIPPY® creamy peanut butter and another 715 pounds of SKIPPY® natural dark chocolate peanut butter spread.

Tornado relief efforts in Pilger, Neb.
Hormel Foods donated one semitrailer load of products to assist with tornado relief efforts in Pilger, Neb. The donation of Hormel® Compleats® microwave meals and House of Tsang® soups was provided to the Food Bank for the Heartland.

In addition, the Hormel Foods Fremont (Neb.) Plant donated a pallet of SPAM® family of products to Lutheran Disaster Relief, and 230 pounds of boneless pork loins and 50 pounds of hot dogs to Operation BBQ to assist feeding those in need.

Read more about our community involvement on our corporate website.
The 2014 Hormel Foods Corporate Responsibility Report uses the G4 Guidelines developed by the Global Reporting Initiative (GRI), the internationally recognized standard for responsibility reporting. We use the Food Processing Sector Supplement, which is part of the G4 Guidelines but also includes other topics specific to our sector. These guidelines help us determine material issues not addressed by stakeholder feedback and best practices research. This chart explains which indicators are included in the report and where they are located online. The 2014 Hormel Foods Corporate Responsibility Report is “in accordance” with the core option (Content Index has been verified by GRI as being accurate and aligned with GRI General Standard Disclosure G4-32).

Additionally, 2014 is our first report to formally be reviewed by the Hormel Foods internal audit process. At this time, our report is not externally assured.

### General Standard Disclosures

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| G4-4 About Hormel Foods      |      | No                 |
| G4-5 About Hormel Foods      |      | No                 |

### Organizational Profile

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<td>G4-9 About Hormel Foods, 2014 at Hormel Foods</td>
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<td>G4-10 Employees</td>
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<td></td>
<td>All employees tracked are considered supervised, not contractors.</td>
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<tr>
<td>G4-11 About Our Employees, Job Type, Collective Bargaining Section</td>
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For more information about Hormel Foods visit hormelfoods.com/csr
### Organizational Profile

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#### Identified Material Aspects and Boundaries

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### Stakeholder Engagement

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## Governance

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<td>G4-34</td>
<td>Ethics and Conduct Corporate Governance</td>
<td>No</td>
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<td>G4-44</td>
<td>2014 Proxy, pages 8-9</td>
<td>No</td>
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<td>G4-52</td>
<td>Materiality Matrix</td>
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## Ethics and Integrity

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<tr>
<td>G4-56</td>
<td>Ethics, Governance and Risk Supply Chain</td>
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### Category: Economic

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<tr>
<td>Economic Performance</td>
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- G4-EC1: No
- G4-EC2: No
- G4-EC3: No
- G4-EC4: No
- G4-DMA: No
- G4-EC1: No
- G4-EC2: No
- G4-EC3: No
- G4-EC4: No

- Materiality Matrix
- Communities, Community Donations
- Communities, Hunger
- 2014 Annual Report, CEO Letter (pages 1-2)
- 2014 Annual Report, Financial Highlights (page 3)
- 2014 Annual Report, Select Financial Data (page 13)
- 2014 Annual Report, Executive Overview (page 14)
- 2014 Annual Report, Results of Operations (pages 17-18)
- Products (HormelFoods.com), Products in Emerging Markets
- Products, Sodium Reduction
- G4-EC1: No
- G4-EC2: No
- G4-EC3: No
- G4-EC4: No

- We did not receive significant financial assistance from the government.
### Specific Standard Disclosures

#### Category: Economic

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<tr>
<td><strong>Indirect Economic Impacts</strong></td>
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<td>G4-DMA</td>
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<td>G4-EC7</td>
<td>Communities</td>
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<td>G4-EC8</td>
<td>Risk Management</td>
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<td><strong>Procurement Practices</strong></td>
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<td>G4-DMA</td>
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<td>G4-FF1</td>
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</tr>
<tr>
<td>G4-FF2</td>
<td>Supply Chain</td>
<td>No</td>
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</tr>
</tbody>
</table>

We purchase the majority of our raw materials, equipment and services domestically within the regions where we manufacture our products. Due to the breadth of our operations, additional information is not available in how to track progress. However, 100 percent of purchased hogs come from independent farms that are PQA Plus Certified.

#### Category: Environmental

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<tr>
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<td>G4-DMA</td>
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<td>G4-EN1</td>
<td>G4-EN2</td>
<td>Packaging Minimization</td>
<td>No</td>
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<tr>
<td><strong>Energy</strong></td>
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<tr>
<td>G4-DMA</td>
<td>Materiality Matrix</td>
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<td>G4-EN5</td>
<td>Energy</td>
<td>No</td>
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<tr>
<td>G4-EN6</td>
<td>Energy</td>
<td>No</td>
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<tr>
<td><strong>Water</strong></td>
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<td>G4-DMA</td>
<td>Materiality Matrix</td>
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</tr>
<tr>
<td>G4-EN8</td>
<td>Water</td>
<td>No</td>
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</tr>
<tr>
<td>G4-EN9</td>
<td>Water</td>
<td>No</td>
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</table>

Our operations are not in areas that significantly affect water sources with our withdrawal.

| **Emissions** | | | |
| G4-DMA | Materiality Matrix | No | |
| G4-EN15 | Air | No | |
| G4-EN16 | Air | No | |

| **Internal Recognition** | | | |
| G4-DMA | No | |
| G4-EN15 | No | |
| G4-EN16 | No | |
### Specific Standard Disclosures

#### Category: Environmental

<table>
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<tr>
<td><strong>Emissions</strong></td>
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<tr>
<td>G4-EN18</td>
<td>Our GHG emissions intensity is 0.339 metric tons CO2-e per ton of product sold (0.155 metric tons in direct energy and 0.184 metric tons in indirect energy). Manufacturing GHG emissions are primarily carbon dioxide, with significantly less contribution from methane and nitrous oxide.</td>
<td>G4-EN18: No</td>
<td></td>
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<tr>
<td>G4-EN19</td>
<td>Air</td>
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<tr>
<td>G4-EN21</td>
<td>Air</td>
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<tr>
<td><strong>Effluents and Waste</strong></td>
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<td>Materiality Matrix</td>
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<td>G4-EN22</td>
<td>Waste Water Management</td>
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<td>G4-EN23</td>
<td>Solid Waste Management</td>
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<td>G4-EN24</td>
<td>We did not have any significant spills for this reporting period.</td>
<td>G4-EN24: No</td>
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<td>G4-EN25</td>
<td>We have zero international shipments of hazardous waste.</td>
<td>G4-EN25: No</td>
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<td>G4-EN26</td>
<td>Waste Water Management</td>
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<td>Packaging Minimization</td>
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<td>G4-EN28</td>
<td>Data Summary, Environmental Noncompliance Line</td>
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## Specific Standard Disclosures

### Category: Environmental

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### Category: Social

#### Sub-Category: Labor Practices and Decent Work

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<td>G4-LA10 Professional Development</td>
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<td>G4-LA11 Performance Review Program</td>
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## Sub-Category: Labor Practices and Decent Work

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## Sub-Category: Human Rights

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<td>Non-discrimination</td>
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<td>G4-HR3 About Our Employees</td>
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<td>Freedom of Association and Collective Bargaining</td>
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<td>G4-HR4 About Our Employees</td>
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<td>Child Labor</td>
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<td>G4-HR5 Fair Employment</td>
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## Sub-Category: Human Rights

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<td>Forced or Compulsory Labor</td>
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<td>G4-HR6 Fair Employment</td>
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<td>Hormel Foods does not operate in areas at significant risk to indigenous rights.</td>
<td>G4-DMA Materiality Matrix</td>
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<td>G4-HR8 Supply Chain</td>
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## Sub-Category: Society

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<td>G4-DMA Materiality Matrix</td>
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<td></td>
<td>G4-SO3 Risk Management</td>
<td>G4-SO3: No</td>
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<td></td>
<td>G4-SO4 Ethics &amp; Conduct</td>
<td>G4-SO4: No</td>
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<td></td>
<td>G4-SO5</td>
<td>G4-SO5: No</td>
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### Sub-Category: Society

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<tbody>
<tr>
<td><strong>Anti-corruption</strong></td>
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<tr>
<td>G4-SO4</td>
<td>Not Available: We currently do not have a formalized system in place to track this information.</td>
<td></td>
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<tr>
<td>G4-SO5 Ethics &amp; Conduct</td>
<td>There were zero concluded legal cases regarding the organization or its employees during the reporting period for incidents of corruption.</td>
<td></td>
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<tr>
<td><strong>Public Policy</strong></td>
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<tr>
<td>G4-DMA Materiality Matrix</td>
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<td>G4-DMA: No</td>
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<tr>
<td>G4-SO6 Public Policy</td>
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<td>G4-SO6: No</td>
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<tr>
<td><strong>Anti-competitive Behavior</strong></td>
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<td>G4-DMA: No</td>
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<tr>
<td>G4-DMA Materiality Matrix</td>
<td></td>
<td>G4-SO7: No</td>
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</tr>
<tr>
<td>G4-SO7 There have been no legal actions for anti-competitive behavior, etc.</td>
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<tr>
<td><strong>Compliance</strong></td>
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<tr>
<td>G4-DMA Materiality Matrix</td>
<td></td>
<td>G4-DMA: No</td>
<td></td>
</tr>
<tr>
<td>G4-SO8 We have had no fines or non-monetary sanctions for non-compliance with laws and regulations (based on our understanding of significant as defined by the SEC).</td>
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### Sub-Category: Society

<table>
<thead>
<tr>
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<td><strong>Supplier Assessment for Impacts on Society</strong></td>
<td>G4-DMA Materiality Matrix</td>
<td>G4-DMA: No</td>
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<tr>
<td>G4-SO9 Supply Chain</td>
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<td>G4-SO9: No</td>
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<tr>
<td>G4-SO10 Palm Oil (HormelFoods.com)</td>
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<td>G4-SO10: No</td>
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<tr>
<td><strong>Animal Welfare</strong></td>
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<tr>
<td>G4-DMA Materiality Matrix</td>
<td></td>
<td>G4-DMA: No</td>
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</tr>
<tr>
<td>G4-PP9 Hogs and Turkeys</td>
<td></td>
<td>G4-PP9: No</td>
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<tr>
<td>G4-PP10 We follow industry standards for animal care and are committed to continuing to improve our practices. We base our animal husbandry practices on the best scientific data available, new technologies and hands-on experience. We will make a determination of our reporting as it relates to this specific indicator for future reports.</td>
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<tr>
<td>G4-PP11 Hogs and Turkeys</td>
<td></td>
<td>G4-PP11: No</td>
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<tr>
<td>Raising Our Animals</td>
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<td>G4-PP12: No</td>
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<tr>
<td>G4-PP12 Medications</td>
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<td>G4-PP12: No</td>
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<tr>
<td>G4-PP13 Animal Care</td>
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## Sub-Category: Product Responsibility

<table>
<thead>
<tr>
<th>Material Aspects</th>
<th>DMA and Indicators</th>
<th>Omissions</th>
<th>External Assurance</th>
</tr>
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<tbody>
<tr>
<td><strong>Customer Health and Safety</strong></td>
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<tr>
<td>G4-PR1</td>
<td>Innovation</td>
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<td>G4-PR2</td>
<td>Sodium Reduction</td>
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<td>G4-PR2: No</td>
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<tr>
<td>G4-PR3</td>
<td>Food Safety and Quality</td>
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<td>G4-PR3: No</td>
</tr>
<tr>
<td>G4-PR4</td>
<td>Food Safety and Quality</td>
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<td>G4-PR4: No</td>
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<tr>
<td>G4-PR5</td>
<td>Sodium Reduction</td>
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<td><strong>Product and Service Labeling</strong></td>
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<td>G4-PR3</td>
<td>Packaging and Labeling</td>
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<td>G4-PR4</td>
<td>Food Safety and Quality</td>
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<td>G4-PR5</td>
<td>Innovation</td>
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<td>G4-PR5: No</td>
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<tr>
<td><strong>Marketing Communications</strong></td>
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<td>G4-PR6</td>
<td>Responsible Marketing</td>
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<td>G4-PR7</td>
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<td>G4-PR7: No</td>
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<tbody>
<tr>
<td><strong>Customer Privacy</strong></td>
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<tr>
<td>G4-DMA</td>
<td>Materiality Matrix</td>
<td>We did not have any incidents to report.</td>
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<tr>
<td>G4-PR8</td>
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<td>We did not have any incidents to report.</td>
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<td><strong>Compliance</strong></td>
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<td>G4-DMA</td>
<td>Materiality Matrix</td>
<td>We do not report on this because Hormel Foods has not incurred significant fines for non-compliance with laws and regulations concerning the provision and use of products.</td>
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<td>G4-PR9</td>
<td></td>
<td>We do not report on this because Hormel Foods has not incurred significant fines for non-compliance with laws and regulations concerning the provision and use of products.</td>
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