



HORMEL FOODS

2014 CR REPORT



**HORMEL
FOODS
CORPORATE
RESPONSIBILITY**



About This Report

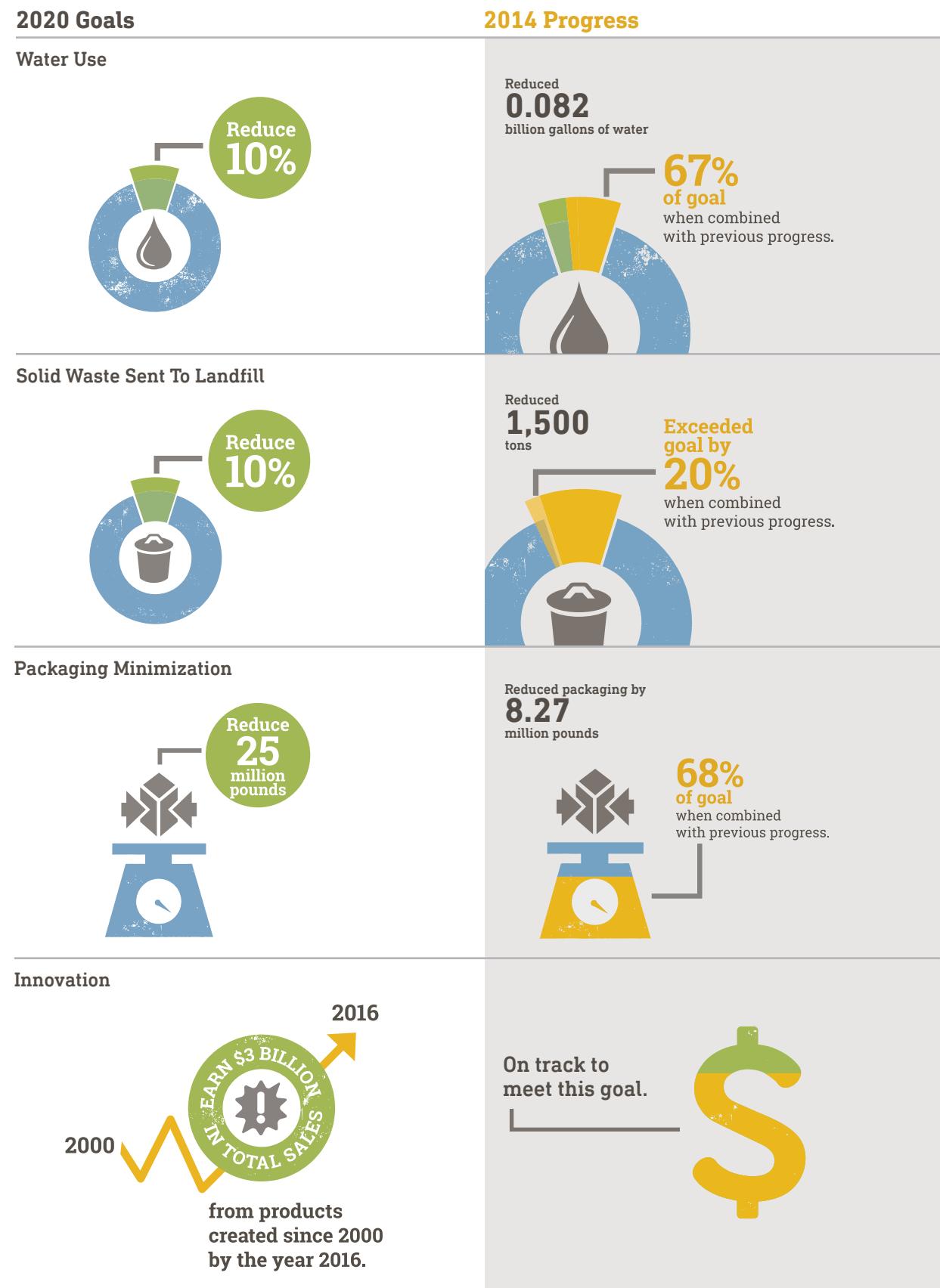
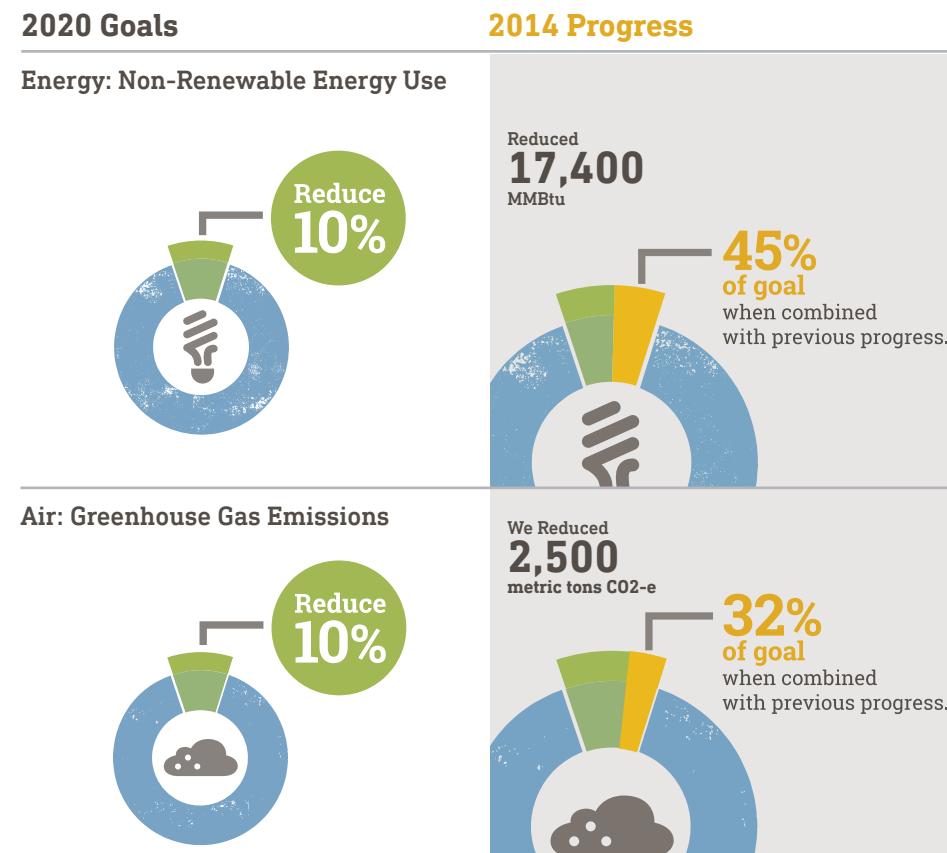
The 2014 Hormel Foods Corporate Responsibility Report

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.



GRI Indicator cross-reference

G4-2: Description of key impacts, risks and opportunities.

G4-28: Reporting period (e.g., fiscal/calendar year) for information provided.

G4-29: Date of most recent previous report (if any).

G4-30: Reporting cycle (annual, biennial, etc.).

G4-31: Provide the contact point for questions regarding the report or its contents.





About This Report



2020 Goals

Diversity and Inclusion

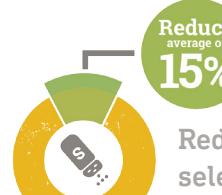


2014 Progress

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

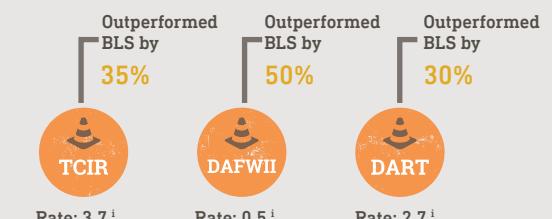
Perform better than the Bureau of Labor Statistics (BLS) industry average for:



Total Case Incident Rate

Days Away from Work Injury and Illness

Days Away, Restricted or Transfer



ⁱPercentage calculated using 2013 BLS industry average for: NAICS 3116.

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.

About Hormel Foods

No. of Employees, Countries where Products are Marketed, Brands that Held No. 1 or No. 2 Marketshare and Manufacturing Facilities	Includes all
Audits of Ingredient Suppliers	Does not include international
Diverse Businesses	Does not include international and only includes applicable vendor categories
New Vendors	Includes all active suppliers in the company's tracking system
Financial Information	As reported and defined in the company's Annual Report
Lobbying and Political Action Committee	Includes all

Environment

Packaging Projects and Material Savings	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

GRI Indicator cross-reference

G4-13: Significant changes during the reporting period regarding size, structure or ownership, or supply chain.

G4-17: Entities included in the organization's consolidated financial statements or equivalent documents, and any entity included not covered by this report.

G4-20: Boundary for each material Aspect, including if it is material for all entities within the organization, and any specific limitation to the Aspect boundary.

G4-21: Boundary for each material Aspect outside of the organization if material, including entities and locations to which it is material, as well as limitations.

G4-23: Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.



About This Report



Products

Sodium Reduction	Only includes brands listed, which include brands from Hormel Foods and MegaMex Foods
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New Retail and Line Extension Launches and Products in Development	Includes projects that are captured through our corporate tracking systems; however, all projects may not be captured
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People

Safety & Safety Training	Does not include international
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People	Data (employment type, gender and tenure) and collective bargaining does not include international
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Training	Does not include non-parent company international employee training
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Communities

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

Animal Care	Does not include international
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Not Included

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

The information within this report covers topics based on GRI indicators and relevancy 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, conferences 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.

GRI Indicator cross-reference

G4-18: Process for defining report content.

G4-24: List of stakeholder groups engaged by the organization.

G4-25: Basis for identification and selection of stakeholders with whom to engage.

G4-26: Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

G4-27: Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting, and name of stakeholder group.

Employees (current, prospective and retired)

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



About This Report



Employees (current, prospective and retired)

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
Departmental meetings (ongoing)	Employee safety		
Annual performance reviews	Community outreach		
Ongoing recruitment tours (college campuses, job fairs)			
Ongoing taste tests			

Suppliers

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
One-on-one meetings (ongoing)	Standards required to remain/become a supplier of Hormel Foods	Created Supplier Responsibility Principles	Improvement of quality from suppliers
Supplier Quality Management System (ongoing)		Recognize top suppliers through annual awards	More accountability for suppliers
Supplier site tours (ongoing)		Participate in ongoing dialogue	Improvement of supplier relations
Supplier site audits (ongoing)			Improvement of supply base

Retailers

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

Investors/Analysts

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
Rankings, questionnaires (annually)	New product development	Respond to multiple questionnaires or verification of data from analysts compiling rankings and indices	Correct information
One-on-one meetings (ongoing)	Food prices		Benchmark data
	Commodity costs		
	Code of ethics		
	Governance		
	Environmental impact		



About This Report



Consumers

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
Consumer hotline (daily)	Food safety	Answer questions through hotline, Twitter handles	Improve consumer loyalty
Consumer research (ongoing)	Healthy food	Provide more proactive information and take suggestions	Correction of misinformation
Social media (daily)	Food prices		Helpful suggestions for how to improve our business
Websites (daily)			Better understanding of our consumers' concerns and likes to help provide the best products on the market

Government

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
One-on-one meetings with members of Congress and staff, regulatory agencies (ongoing)	Commodity costs	Updates to management on key issues	Better understanding of our practices and processes
Public forums via panels (ongoing)	Animal care	Engage in ongoing dialogues on these issues	Communication of our culture, commitment to community and impact we have on the industry and in communities
Plant tours for elected officials (ongoing)	Food safety		Positive business policies
Engagement in associations, subcommittees (ongoing)	Local community concerns		

Government

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
Reports and regulatory filings (ongoing)	Regulatory climate		
Hormel Political Action Committee (ongoing)			

Philanthropic Partners

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
Charitable Trust Committee (quarterly)	Hunger relief in local communities where we have operations	Developed more formal hunger and community giving strategy	Formal hunger strategy
Conferences (ongoing)		Provide resources to plant managers to give to local hunger-relief efforts	Employee engagement
Disaster response, matching gifts (ongoing)		Engage in social media to support partners	Community involvement
Plant community donations (ongoing)			Relationship building in communities
One-on-one meetings and visits (ongoing)			



About This Report



NGOs

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
Annual meetings with the Consumer Federation of America	Animal care	Consider topics raised in our reporting and operating practices	Improved two-way conversation about industry and business practices
Biannual meetings with Interfaith Center on Corporate Responsibility (ICCR)	Water	Maintain ongoing dialogue to incorporate a variety of changes to business practices and explain business practices	Identification of risks to the business or larger issues in the industry
	Standards for suppliers		
	Human rights		
	Cost of rising food prices		
	Global food system		
	Food safety		

Communities

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

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
Representation and participation in community organizations (meetings, volunteering) (ongoing)	Community involvement	Hold meetings to discuss local concerns	Relationship building in communities
Sponsorships (ongoing)	Philanthropy	Invest in community infrastructure	Employee engagement
Plant community donations (ongoing)	Environmental impact from operations	Discuss food safety and health and nutrition during trips to Guatemala	Positive corporate reputation

Communities

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

How Hormel Foods engages	Stakeholder interests	How we respond to their interests	Ongoing results of engagement
Community events (ongoing)		Developed product to address malnutrition in children internationally	Large number of community groups engaged
Local media relations (ongoing)			
Visits to Guatemala (several times per year)			

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 reached 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 chili varieties, and also launched organic 100 calorie *Wholly Guacamole*[®] minis. In addition, we worked on several sodium reduction projects, and saw success with our *SKIPPY*[®] 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 Milk*[®] 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 product to food 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 Arquidiocesana.

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 values platform, "Our Way." We welcome any feedback you may have on our report to help us continue to improve and expand upon our efforts.

Sincerely,

Jeffrey M. Ettinger
Chairman of the Board,
President and Chief Executive Officer

GRI Indicator cross-reference

G4-1 Statement from the most senior decision-maker of the organization.

G4-2 Description of key impacts, risks and opportunities.

G4-13 Significant changes during the reporting period regarding size, structure or ownership, or supply chain.

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.

People

Occupational Health and Safety	Employee safety affects employees' livelihood, productivity and safety of products; also impacted by national and state laws. Customers are interested in how to minimize safety risks, and investors believe health and safety risks are important.
Employment	The company's competitiveness and success is influenced by the talent at Hormel Foods. Benefits and retention are business issues important to the company and of interest to stakeholders.
Labor/Management Relations	We respect the rights of our employees and conduct business based on valuing our workforce.
Training and Education	The company's competitiveness and success is influenced by the talent at Hormel Foods, and it is good business for professional development and training to be a priority.
Human Rights	Consistent policies of human rights, in alignment with international standards and national laws, are of interest and concern for stakeholders. Material aspects for human rights include investment, nondiscrimination, freedom of association and collective bargaining, and child labor.

GRI Indicator cross-reference

G4-1: Statement from the most senior decision-maker of the organization.

G4-2: Description of key impacts, risks and opportunities.

G4-13: Significant changes during the reporting period regarding size, structure or ownership, or supply chain.

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.





About This Report



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.

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



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

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

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-EN29: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.



About This Report



Type	Unit	2013	2014
Air emissions	Metric tons CO2-e	Direct: 223,000 ⁱ Indirect: 544,000	Direct: 387,000 Indirect: 460,000
Packaging reduction	Pounds, thousands	4,720	8,310
Environmental noncompliance	Number of individual findings	2 ⁱⁱ	1 ⁱⁱⁱ
Sodium reduction	% reduction	<p>Hormel® Canadian bacon: 23</p> <p>Hormel® Cure 81® retail hams: 14</p> <p>Hormel® chili with beans: 18</p> <p>Hormel® Compleats® microwave meals: 16</p> <p>CHI-CHI'S® and Herdez® branded tortillas: 32</p> <p>Hormel® Always Tender® marinated meats: 17</p>	<p>Hormel® Canadian bacon: 23</p> <p>Hormel® Cure 81® retail hams: 14</p> <p>Hormel® chili with beans: 18</p> <p>Hormel® Compleats® microwave meals: 16</p> <p>CHI-CHI'S® and Herdez® branded tortillas: 33</p> <p>Hormel® Always Tender® marinated meats: 17</p>
TCIR	Number of recordable incidents per 100 full-time employees	3.8	3.7
DAFWII	Number of cases that involve days away from work per every 100 full-time employees	0.5	0.5
DART	Number of injuries or illnesses resulting in days away from work, restricted work activity or job transfer per every 100 full-time employees	2.6	2.7

ⁱ Measurement has changed from reporting normalized for production numbers to metric tons.

ⁱⁱ 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.

ⁱⁱⁱ One Letter of Warning was received at the state level for a late submittal of an annual report.

CR Awards¹

Overall CR Rankings and Awards



100 Best Corporate Citizens
(No. 89, U.S. list)
Corporate Responsibility (CR)
magazine



Top 10 Most Trustworthy
Public Companies
(No. 2)
Trust Across America



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



40 Best Companies
for Leaders
(No. 9)
Selling Power magazine



Corporate Equality Index
(Received a score of 70 out of 100)
Human Rights Campaign



Top 100 Military
Friendly Employers
(Designation)
G.I. Jobs magazine



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



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



Progressive Grocer
Category Captains
Hormel Foods and
MegaMex Foods
Ethnic foods category



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



Women's Health 2014
Supermarket Stars
Hormel® Natural Choice®
flame seared ham

GRI Indicator cross-reference

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-EN29: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

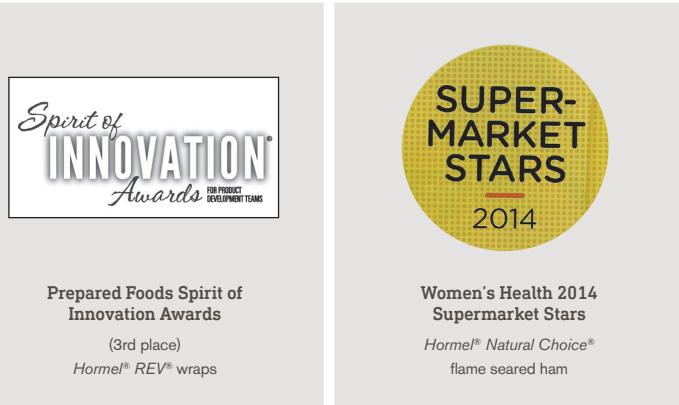


About This Report



Awards

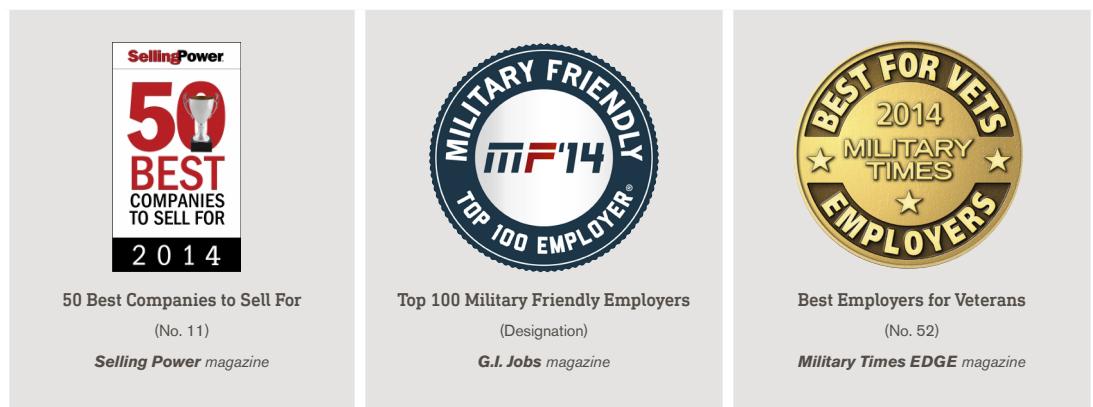
Product Awards



Corporate Leadership Awards



Workplace Awards





About Hormel Foods

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.



GRI Indicator cross-reference

G4-3: Name of the organization.

G4-4: Primary brands, products and/or services.

G4-5: Location of the organization's headquarters.

G4-6: Number of countries where the organization operates, and names of countries with either significant operations or that are specifically relevant to the sustainability issues covered in the report.

G4-8: Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).

G4-9: Scale of the reporting organization.



About Hormel Foods



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.

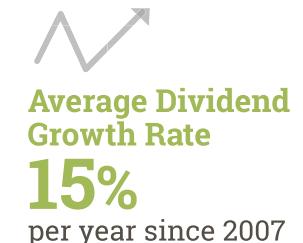
Additional information about our board structure can be found in our 2014 Proxy Statement.

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.

Public Policy

In 2014, we spent \$421,576 in lobbying. From our Political Action Committee (PAC), we contributed \$5,000 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.



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

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 68 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.

Supply Chain

includes
suppliers of

hogs



turkeys



ingredients



packaging



logistics



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.

G4-52: Process for determining remuneration and relationships with remuneration consultants.

G4-FP1: Percentage of purchased volume from suppliers compliant with company's sourcing policy.

G4-FP2: 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-SO6: Total value of political contributions by country and recipient/beneficiary.

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..



About Hormel Foods



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.



**In fiscal year 2014,
we purchased
21%
of our resources
from diverse
businesses.**

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.



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

Supply Chain



68 Spirit of Excellence Awards to suppliers for performance that exceeds our established standards



40 Supplier assessments on environmental and social risks

Sustainable Palm Oil



We made a commitment to purchase traceable palm oil.



2014

We achieved traceability to the mill level by 2014.



2019

Our updated commitment is to purchase only sustainable palm oil that is fully traceable to the plantations by 2019.

Supplier Diversity



We purchased **21%** of our resources from diverse businesses.

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-FP1: Percentage of purchased volume from suppliers compliant with company's sourcing policy.

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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.



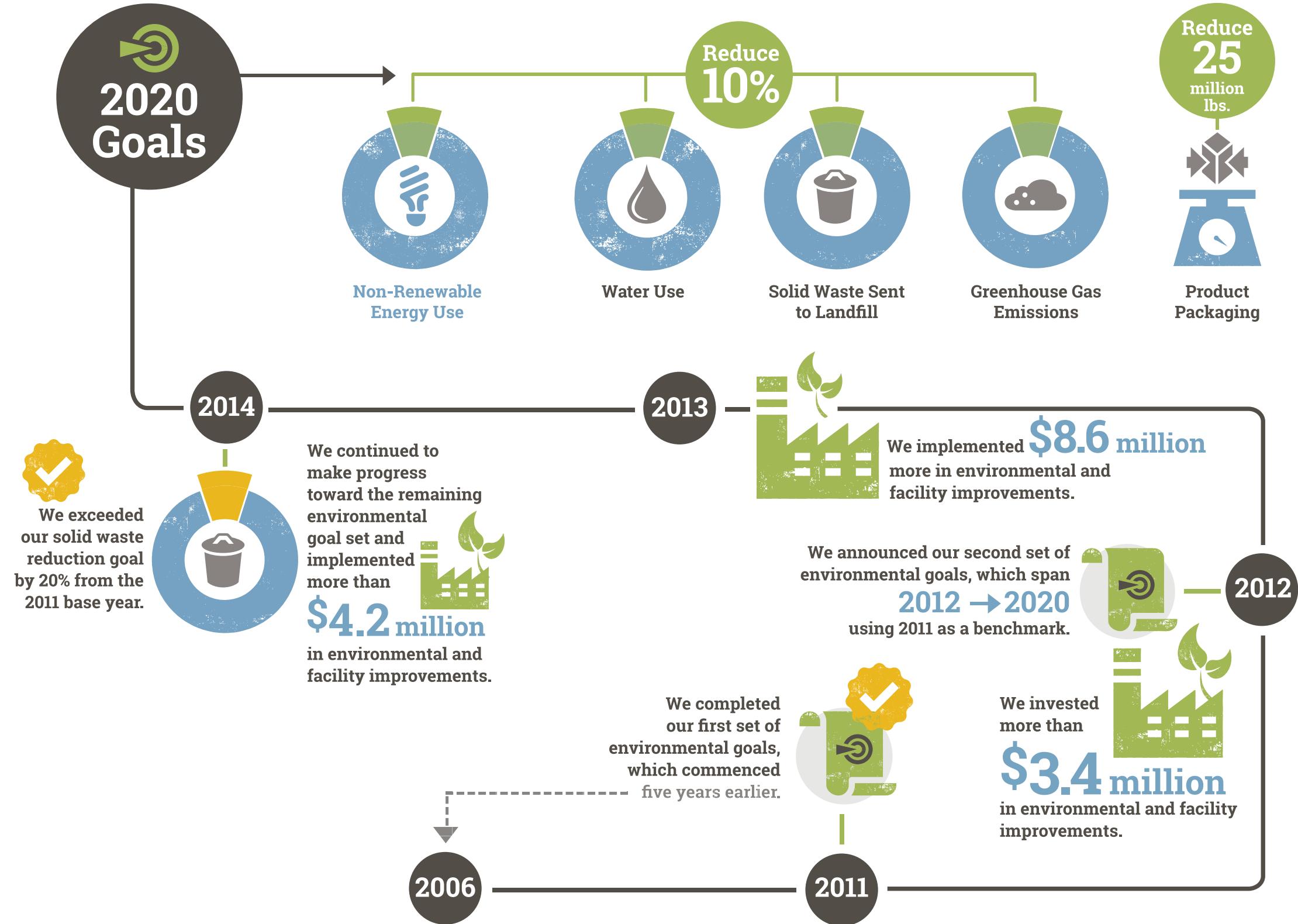


Environment



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.



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:

BEAT THE PEAK WEEK



Beat the Peak Week

The second annual Beat the Peak Week at the Corporate Office aimed to increase awareness of peak alerts and electrical usage at the corporate campus. The final event during Beat the Peak Week was Lights Out Day on June 6. Employees were asked to reduce their electrical usage by limiting non-essential lighting and equipment between 7 a.m. and 3 p.m. Overall, the corporate campus was able to reduce total kilowatt-hours by 31 percent and peak load by 27 percent.

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. Twice per year a group of volunteers from 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 then testing each sample for temperature, pH, turbidity and dissolved oxygen.

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 then testing each sample for temperature, pH, turbidity and dissolved oxygen.

Adopt a Highway

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 controls to improve steam system efficiencies. This project reduced GHG emissions by 401 metric tons CO₂-e in 2014.

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 of 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:

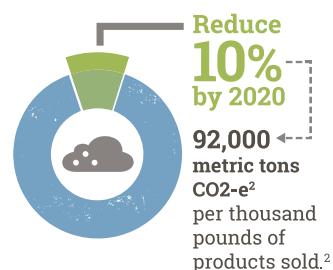
Reducing carbon dioxide emissions:

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.



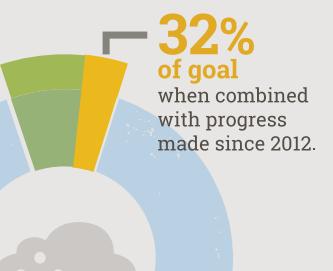
Goals

Greenhouse Gas¹ Reduction

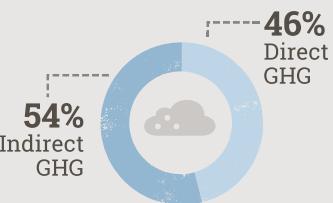


2014 Progress

We reduced over 2,500 metric tons of greenhouse gas (GHG) emissions from our manufacturing operations. We are currently on track to reach our 2020 goal.



Total GHG Emissions



¹Carbon dioxide equivalent
²The figures reflect a shift in base year that occurred with the addition of Skippy Foods (Little Rock, Ark.) and Albert Lea (Minn.) Select Foods.

GRI Indicator cross-reference

G4-EN15: Direct greenhouse gas (GHG) emissions.

G4-EN16: Energy indirect greenhouse gas (GHG) emissions.

G4-EN19: Reduction of greenhouse gas (GHG) emissions.

G4-EN21: NO_x, SO_x and other significant air emissions.



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.



6,200
intermodal
shipments

ACCOUNTED
FOR
9.8
million miles

SAVED
MORE THAN
872,000
gallons diesel fuel

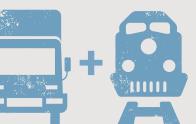
Goals

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.



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.

 **Electricity
SAVED**
5,837 kWh

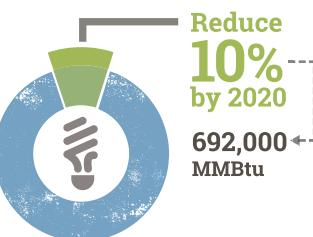
Common area conservation:

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.

 **Electricity
SAVED**
49,703 kWh

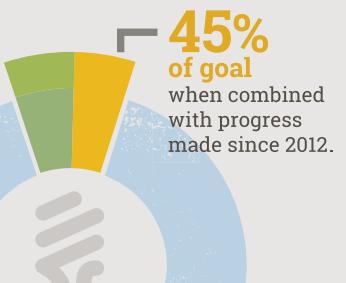
Goals

Non-renewable Energy Use

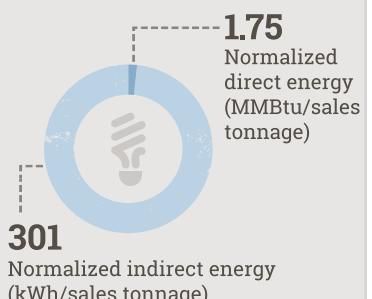


2014 Progress

Reduced 17,400 MMBtu



Normalized Energy¹



¹The figures reflect a shift in base year that occurred with the addition of Skippy Foods (Little Rock, Ark.) and Albert Lea (Minn.) Select Foods.

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-EN6: Reduction of energy consumption.



Environment



Water

 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 7.6, 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 Resource 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:

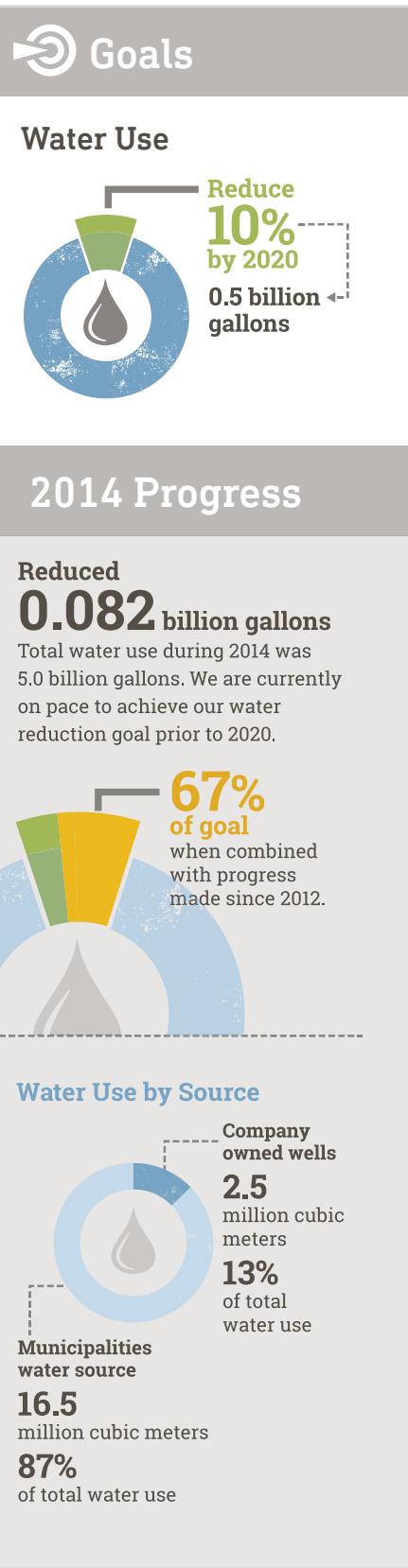
The team at Farmer John (Vernon, Calif.) set out to achieve a reduction in fresh water use of 2 percent compared to use in fiscal year 2013. Through four different water reduction projects, including high pressure water system automation, condensing tower treatment automation, wash cabinet water and waste water load reduction, they were able to achieve a savings of 27,861,000 gallons of water, or 22 percent.

 **Water SAVED**
27,861,000
gallons

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.

 **Water SAVED**
1,264,323
gallons



Waste



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

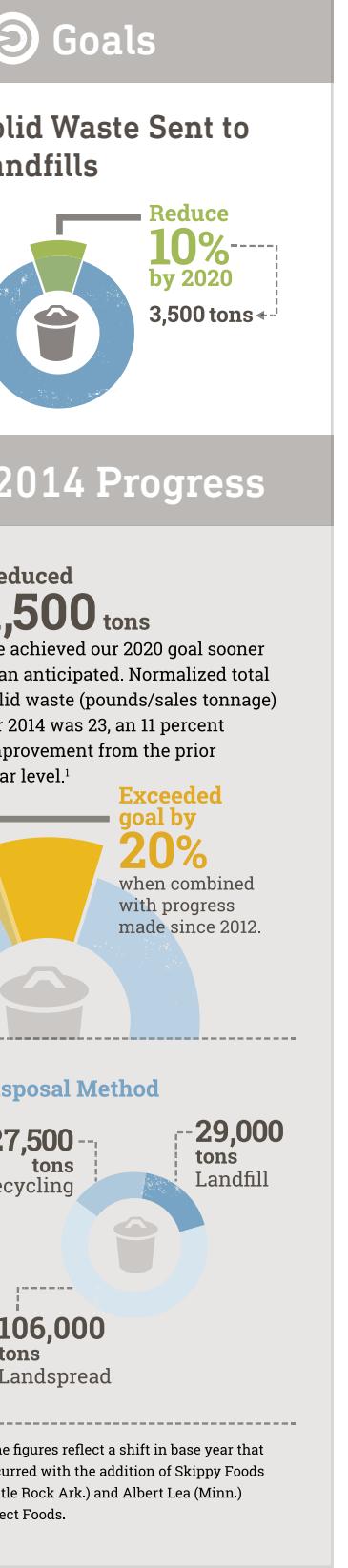
In addition to solid waste generation, a growing environmental concern is food waste. Food waste contributes to unnecessary resource use and the resulting environmental impact, including contribution to greenhouse gas emissions, worldwide. On the manufacturing side, a report conducted by Business for 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.¹ 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.

¹BSR and the Food Waste Reduction Alliance

2014 Progress

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.



GRI Indicator cross-reference

G4-EN8: Total water withdrawal by source.

G4-EN9: Water sources significantly affected by withdrawal of water.

G4-EN23: Total weight of waste by type and disposal method.



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 8.27 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.

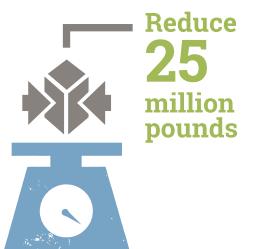
¹Savings are estimated annualized savings based on a full year of volume.

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.

Goals

Product Packaging



GRI Indicator cross-reference

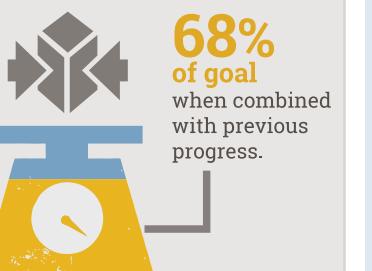
G4-EN2: Percentage of materials used that are recycled input materials.

G4-EN27: Extent of impact mitigation of environmental impacts of products and services.

G4-EN23: Total weight of waste by type and disposal method.

2014 Progress

Reduced
8.27
million
pounds





Recent Projects

To Achieve Packaging Minimization:¹

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.



¹Savings 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 52 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.



GRI Indicator cross-reference

G4-EN2: Percentage of materials used that are recycled input materials.

G4-EN27: Extent of impact mitigation of environmental impacts of products and services.



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

8	External audits by outside auditors
1,084	Internal formal audits
90	Internal random audits



Turkeys

962	Internal audits by Jennie-O Turkey Store
57	Production National Turkey Federation audits by live production managers and supervisors

Processing Audits

4	External audits
8	Formal internal audits
115	Random internal audits

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.



68 Spirit of Excellence Awards

14	Awards in the pork procurement category
2	Awards in the provisions category



Quality Assurance Audits

Daily internal audits in processing facilities
8 External audits performed by outside auditors in processing facilities
1,084 Formal internal audits
90 Random internal audits

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.



Quality Assurance Audits

Daily internal audits in processing facilities
962 Internal audits by Jennie-O Turkey Store
57 Production National Turkey Federation audits by live production managers and supervisors
4 External audits
8 Formal internal audits
115 Random internal audits



Products

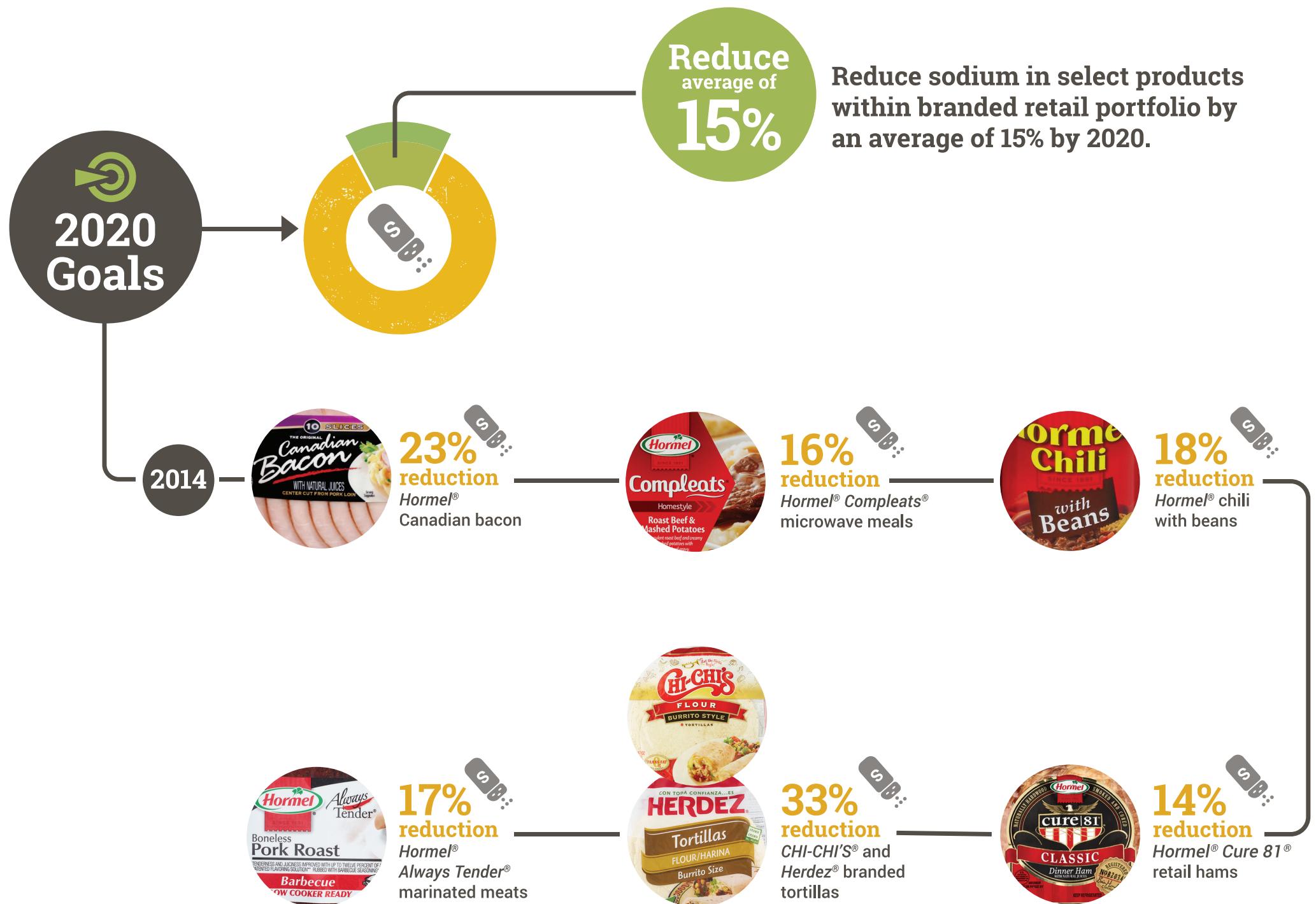
By 2020, we aim to reduce sodium levels in select products within our branded retail portfolio by an average of 15 percent.



CANCER NUTRITION CONSORTIUM

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.





Products



Product Innovation

70 new retail or line extension launches

CytoSport, maker of Muscle Milk® products, acquired

303 products in development



More than **30** brands in No. 1 or No. 2 market-share position

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, to achieve \$3 billion in total sales of products created since 2000 by the end of 2016, is underway and we are on track to achieve this goal.

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 1™* team was named the winner. The cross-functional *BACON 1™* team successfully created the only fully-cooked bacon on the market today that performs like raw bacon.

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

Progress

On track to meet this goal.



Our consumer response team interacts directly with our customers on a daily basis to address product questions and gain valuable insight regarding consumer preferences. In 2014, the team fielded more than 124,000 contacts via email, toll-free lines and postal mail. These insights help us respond to changing consumer tastes and information needs appropriately.

Our business can be categorized under five product platforms and many of our new products can be grouped under those platforms:



Convenience meals



Value-added protein products



Value-added fresh meat



Solution products aimed at the foodservice deli market



Snacking

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.



All employees receive food safety training appropriate for their responsibilities.

GRI Indicator cross-reference

G4-PR1: Percentage of significant product and service categories for which health and safety are assessed for improvement.

G4-PR5: Results of surveys measuring customer satisfaction.

G4-PR4: Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

G4-PR2: Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

G4-15: Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses.



Products



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.

Sodium Reduction By Product Category

Hormel® Canadian bacon



23% reduction

Hormel® Compleats® microwave meals



16% reduction

Hormel® Cure 81® retail hams



14% reduction

Hormel® chili with beans



18% reduction

CHI-CHI'S® and Herdez® branded tortillas



33% reduction

Hormel® Always Tender® marinated meats



17% reduction

Percent of Sodium Reduced Products By Categoryⁱ

Hormel® Canadian bacon

59%



Hormel® Cure 81® retail hams

72%



Hormel® chili with beans

85%



Hormel® Compleats® microwave meals

67%



CHI-CHI'S® and Herdez® branded tortillas

96%



Hormel® Always Tender® marinated meats

92%



Goals

Reduce average of **15%**

By 2020, we aim to reduce sodium levels in select products within our branded retail portfolio by an average of 15%.

2014 Progress

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



GRI Indicator cross-reference

G4-FP6: 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.

ⁱPercent of items within category with a sodium reduction or developed with decreased sodium parameters.





Products



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 herb turkey breast, flame seared honey ham

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

Progress

On track to meet this goal.



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.

Dinty Moore® microwave cups



Hormel® microwave cups



Hormel® Compleats® microwave meals



Hormel® REV® wraps



Wholly Guacamole® minis



SKIPPY® singles



SPAM® singles



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 | Gluten Free | 19g Protein | No Artificial Ingredients
800-523-4635 hormel.com

Example of a Fast Facts nutrition panel.

Fast Facts nutrition panels highlight nutritional benefits of products.

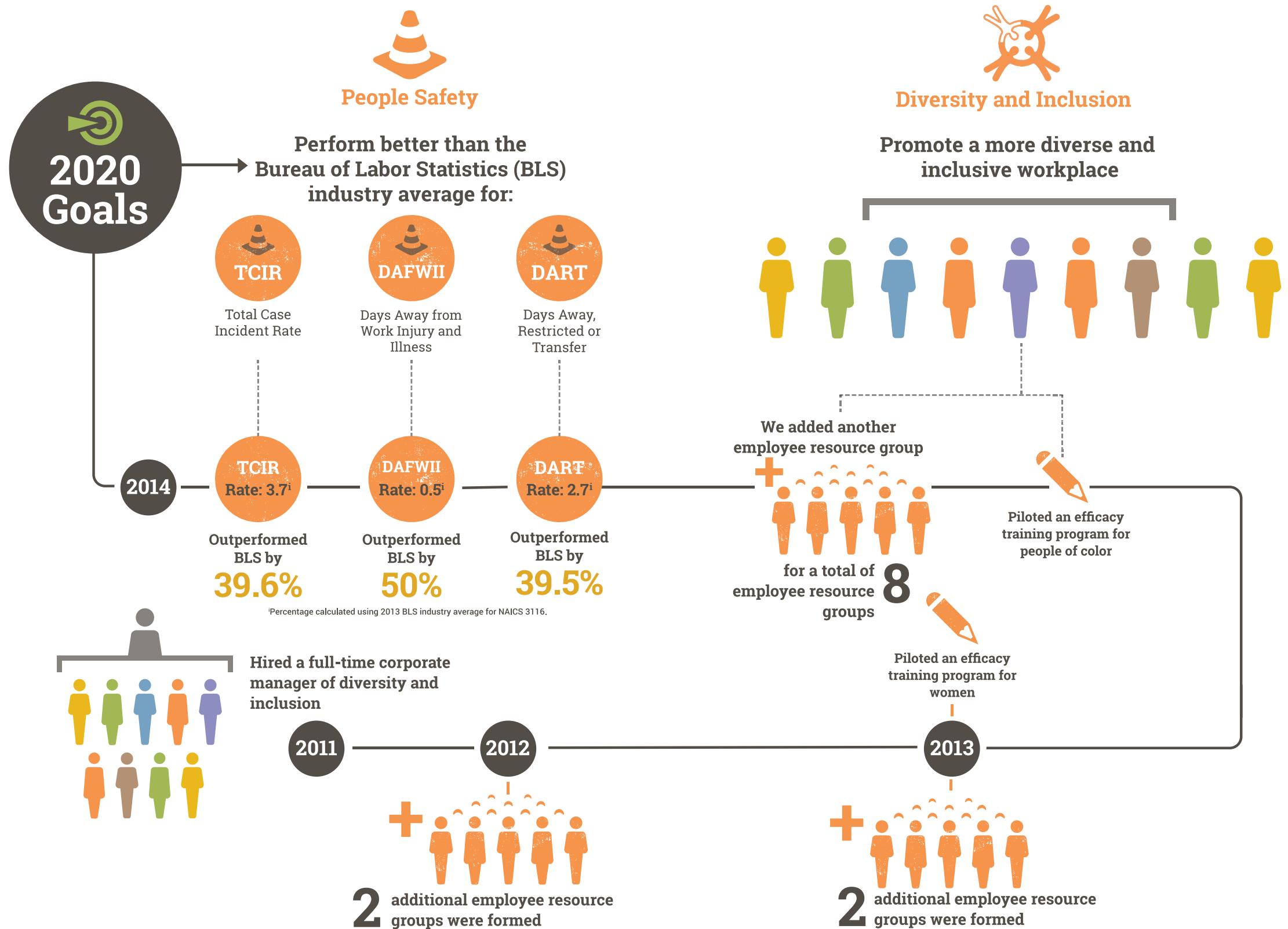




People



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.





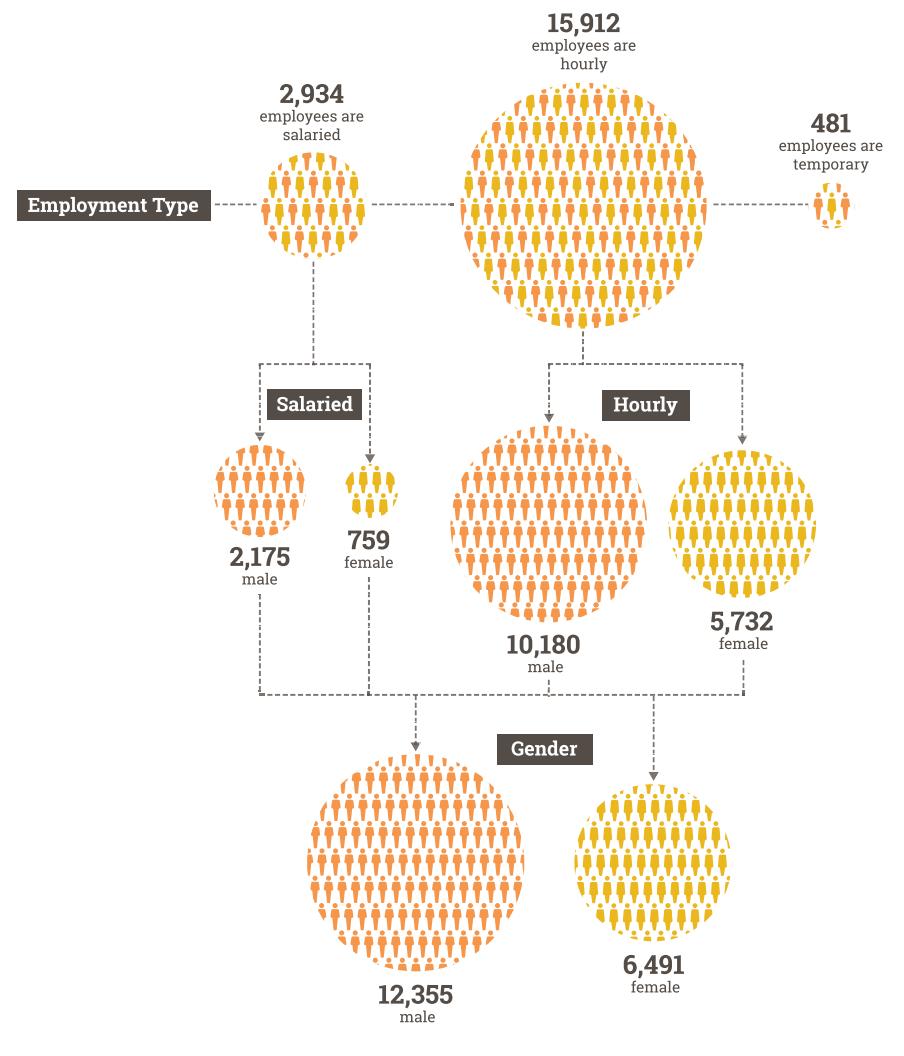
People



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.



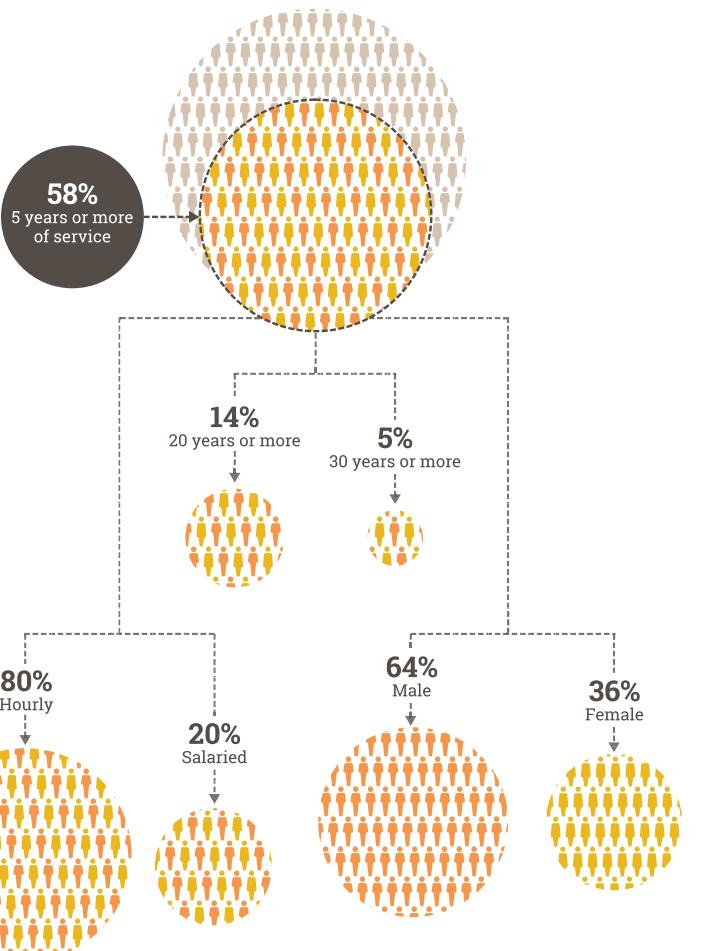
Region



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.

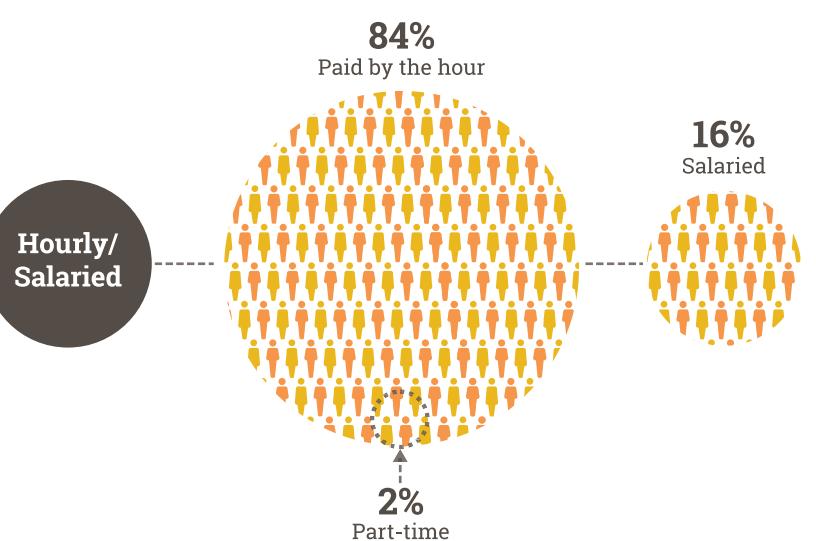


Male/Female

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.



GRI Indicator cross-reference

G4-10: Employees by contract and gender; permanent employees by employment type and gender; workforce by employees and supervised workers and by 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.

G4-LA4: Minimum notice period(s) regarding operational changes, including whether these are specified in collective agreements.

G4-HR3: Total number of incidents of discrimination and corrective actions taken.

G4-FP3: Percentage of working time lost due to industrial disputes, strikes and/or lock-outs by country.

G4-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.



People

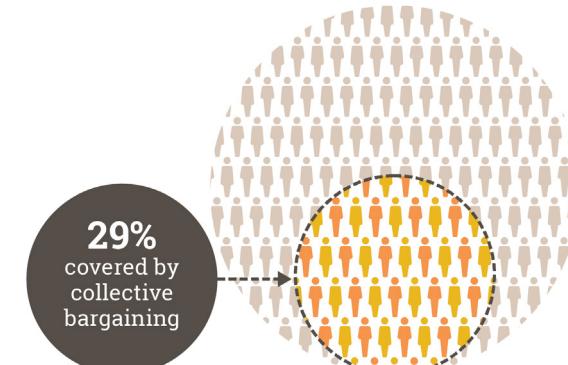


About Our Employees

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.

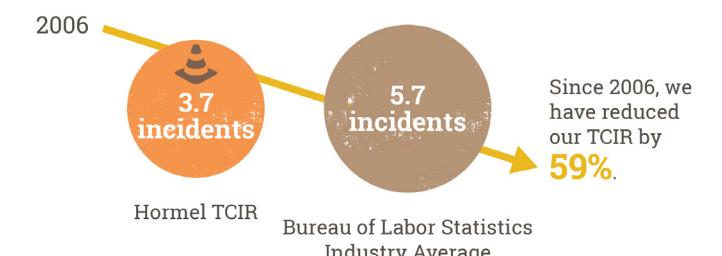
Safety

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

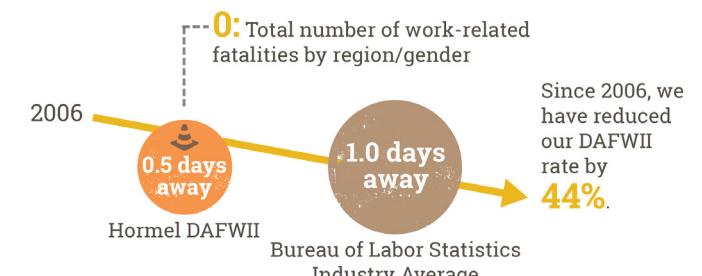
Our commitment to safety is evidenced by our injury/illness incident rates, which perform better than the Bureau of Labor Statistics (BLS) industry average for North American Industry Classification System (NAICS) 3116 Animal Slaughtering and Processing.

TCIR: Total Case Incident Rate



OSHA calculates the Total Case Incident Rate (TCIR) as the number of OSHA recordable incidents multiplied by 200,000 hours and divided by the total hours worked that year. In 2014, the TCIR at Hormel Foods of 3.7 indicated we performed better than the BLS industry average for TCIR. Since 2006, we have reduced our TCIR by 59 percent.

DAFWII: Days Away from Work Injury and Illness



Days Away from Work Injury and Illness (DAFWII) measures an injury or illness that involves one or more days away from work. In 2014, the DAFWII rate at Hormel Foods of 0.5 indicated we performed better than the BLS industry average. Since 2006, we have reduced our DAFWII rate by 44 percent.

DART: Days Away, Restricted or Transfer



Days Away, Restricted or Transfer (DART) measures the days an employee has restricted work activity or job transfer, or both. In 2014, our DART rate was 2.7, meaning that we performed better than the BLS industry average. Since 2006, we have reduced our DART rate by 48 percent.

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.

G4-11: Percentage of total employees covered by collective bargaining agreements.



People



Safety training

Inspections

7,329

lockout-tagout (LOTO)
inspections per quarter

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 company wide safety conference calls with plant safety personnel.

In 2014, Hormel Foods conducted an average of 7,329 lockout-tagout (LOTO) inspections per quarter, and we held semi-monthly companywide safety conference calls with plant safety personnel.

Safety Training

16,092

employees and supervisors
receive safety training each
month

Hormel Foods conducts safety training for an average of 16,092 employees and supervisors in our locations each month.

Safety Assessments

1,115

safety assessments
each month

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.



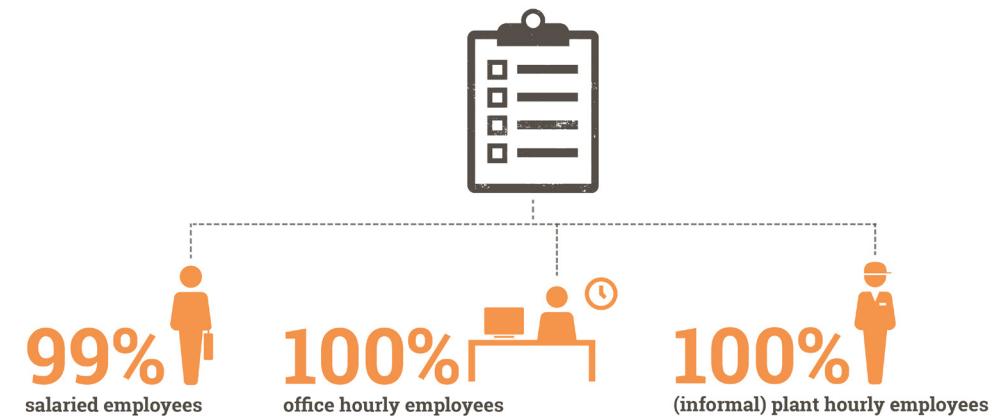
People



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.

2014 Employees Receiving Performance Reviews

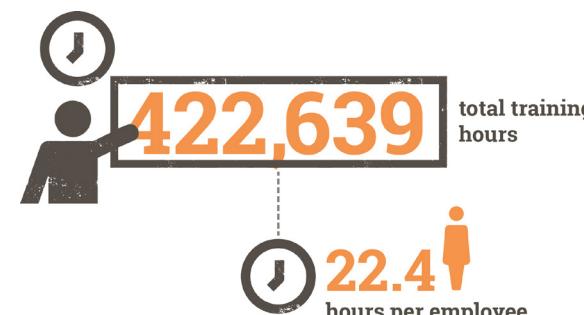


Training

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.

Training Hours in 2014



Human Rights Training in 2014

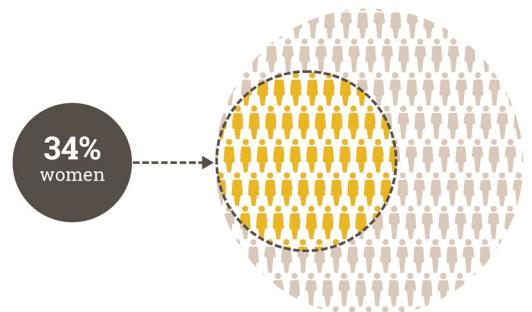


Diversity

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.

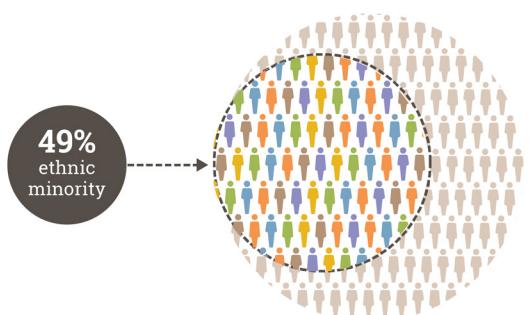
Women

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

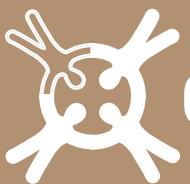
Of our 14-member Board of Directors in 2014, there were four women and five persons of color.



GRI Indicator cross-reference

G4-LA11: Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.

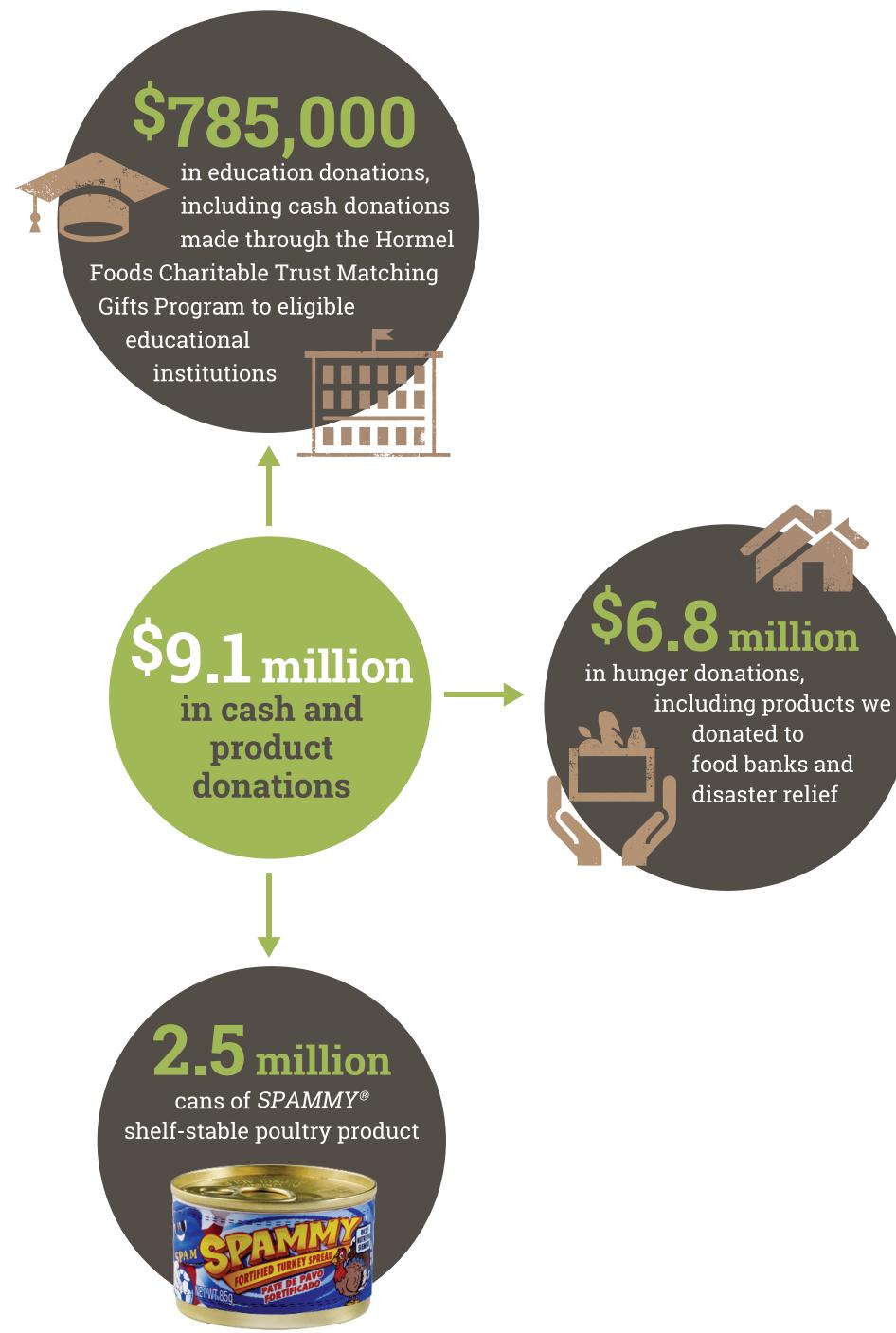
G4-LA9: Average hours of training per year per employee by gender and employee category.



Communities



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.



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).



**Donated
6.3 million
Individual meals**

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.



**Donated
3.3 million
Pounds of product**

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).



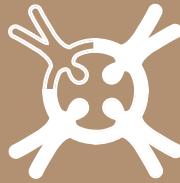
**Donated
17,346
Hormel® Cure 81® hams**

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 capitol 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.



Communities

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.





Appendix



GRI Content Index

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

General Standard Disclosures

Strategy and Analysis

General Standard Disclosures	Page	External Assurance
G4-1	Letter from the CEO	No
G4-2	Letter from the CEO Goals Ethics, Governance and Risk 2014 Annual Report, pages 27-29	No

Organizational Profile

General Standard Disclosures	Page	External Assurance
G4-3	About Hormel Foods	No
G4-4	About Hormel Foods Our Brands	No

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.



Organizational Profile

General Standard Disclosures	Page	External Assurance
G4-6	About Hormel Foods	No
G4-7	Corporate Profile	No
G4-8	About Hormel Foods	No
G4-9	About Hormel Foods, 2014 at Hormel Foods 2014 Annual Report, CEO Letter (pages 1-2) 2014 Annual Report, Financial Highlights (page 3) 2014 Annual Report, Executive Overview (page 14) 2014 Annual Report, Results of Operations (pages 17-18) 2014 Annual Report, Acquisitions (pages 44-45)	No
G4-10	Employees All employees tracked are considered supervised, not contractors.	No
G4-11	About Our Employees, Job Type, Collective Bargaining Section	No
G4-12	Supply Chain	No
G4-13	Letter from the CEO About This Report	No

GRI Indicator cross-reference

G4-32: "In Accordance" option organization has chosen by which to report; GRI Content Index for the chosen option; Reference to the External Assurance Report if externally assured.

G4-33: Organization's policy and practice with regard to external assurance, including scope and basis of external assurance, relationship between organization and assurance providers, and whether the highest governance body is involved in seeking assurance for report.



Appendix



Organizational Profile

General Standard Disclosures	Page	External Assurance
G4-14	About Hormel Foods, Risk Management, ERM Overview We evaluate risks using an Enterprise Risk Management system. We have multiple goals to reduce environmental impacts and do not have serious threats of "irreversible damage."	No
G4-15	Animal Care Food Safety & Quality	No
G4-16	Industry Representation	No
Identified Material Aspects and Boundaries		
General Standard Disclosures	Page	External Assurance
G4-17	2014 Annual Report, page 17 About This Report, Boundary and Measurement	No
G4-18	Stakeholder Feedback Materiality Matrix	No
G4-19	Materiality Matrix	No
G4-20	Boundary and Measurement Materiality Matrix	No
G4-21	Boundary and Measurement	No
G4-22	Data Summary	No
G4-23	Boundary and Measurement	No

Stakeholder Engagement

General Standard Disclosures	Page	External Assurance
G4-24	Stakeholder Feedback	No
G4-25	Stakeholder Feedback	No
G4-26	Stakeholder Feedback	No
G4-27	Stakeholder Feedback	No

Report Profile

General Standard Disclosures	Page	External Assurance
G4-28	About This Report	No
G4-29	Past Reports	No
G4-30	About This Report	No
G4-31	Feedback	No
G4-32	GRI Index	No
G4-33	GRI Index	No



Appendix



Governance			Specific Standard Disclosures			
General Standard Disclosures	Page	External Assurance	Category: Economic			
G4-34	Ethics and Conduct Corporate Governance	No	Material Aspects	DMA and Indicators	Omissions	External Assurance
G4-44	2014 Proxy, pages 8-9	No	Economic Performance	G4-DMA Materiality Matrix G4-EC1 Communities, Community Donations Communities, Hunger 2014 Annual Report, CEO Letter (pages 1-2)		G4-GMA: No G4-EC1: No
G4-52	Materiality Matrix	No		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-EC2 2014 Annual Report, page 28 Risk Management G4-EC3 2014 Annual Report, Pension and Other Post-retirement Benefits (pages 47-52) G4-EC4 We did not receive significant financial assistance from the government.		G4-EC2: No G4-EC3: No G4-EC4: No
Ethics and Integrity.						
General Standard Disclosures	Page	External Assurance				
G4-56	Ethics, Governance and Risk Supply Chain	No				



Appendix



Specific Standard Disclosures

Category: Economic

Material Aspects	DMA and Indicators	Omissions	External Assurance
Indirect Economic Impacts	G4-DMA Materiality Matrix G4-EC7 Communities G4-EC8 Risk Management		G4-DMA: No G4-EC7: No G4-EC8: No
Procurement Practices	G4-DMA Materiality Matrix G4-FP1 Supply Chain G4-FP2 Supply Chain 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.		G4-DMA: No G4-FP1: No G4-FP2: No

Specific Standard Disclosures

Category: Environmental

Material Aspects	DMA and Indicators	Omissions	External Assurance
Materials	G4-DMA Materiality Matrix G4-EN1 G4-EN2 Packaging Minimization		G4-DMA: No G4-EN1: No G4-EN2: No
Energy	G4-DMA Materiality Matrix G4-EN5 Energy G4-EN6 Energy		G4-DMA: No G4-EN1: No G4-EN2: No
Water	G4-DMA Materiality Matrix G4-EN8 Water G4-EN9 Water Our operations are not in areas that significantly affect water sources with our withdrawal.		G4-DMA: No G4-EN1: No G4-EN2: No
Emissions	G4-DMA Materiality Matrix G4-EN15 Air G4-EN16 Air Internal Recognition		G4-DMA: No G4-EN15: No G4-EN16: No



Appendix



Specific Standard Disclosures

Category: Environmental

Material Aspects	DMA and Indicators	Omissions	External Assurance
Emissions	<p>G4-EN18 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.</p> <p>G4-EN19 Air Internal Recognition</p> <p>G4-EN21 Air Our operations track and record criteria air pollutant emissions, including NOx (Nitrogen oxides), SO2 (Sulfur dioxide), CO (Carbon monoxide) and PM (particulate matter). These emissions are reported as required by local, state, and federal requirements.</p>		<p>G4-EN18: No</p> <p>G4-EN19: No</p> <p>G4-EN21: No</p>
Effluents and Waste	<p>G4-DMA Materiality Matrix G4-EN22 Waste Water Management G4-EN23 Solid Waste Management G4-EN24 We did not have any significant spills for this reporting period.</p> <p>G4-EN25 We have zero international shipments of hazardous waste.</p> <p>G4-EN26 Waste Water Management The majority of our water is discharged to publicly owned treatment works, which in turn discharge in combination with other treated water to typically larger rivers. We do not discharge to wetlands or other highly sensitive water bodies.</p>		<p>G4-DMA: No</p> <p>G4-EN22: No</p> <p>G4-EN23: No</p> <p>G4-EN24: No</p> <p>G4-EN25: No</p> <p>G4-EN26: No</p>

Specific Standard Disclosures

Category: Environmental

Material Aspects	DMA and Indicators	Omissions	External Assurance
Products and Services	<p>G4-DMA Materiality Matrix</p> <p>G4-EN27 Packaging Minimization</p>		<p>G4-DMA: No</p> <p>G4-EN27: No</p>
Compliance	<p>G4-DMA Materiality Matrix</p> <p>G4-EN29 Data Summary, Environmental Noncompliance Line</p>		<p>G4-DMA: No</p> <p>G4-EN29: No</p>
Transport	<p>G4-DMA Materiality Matrix</p> <p>G4-EN30 Logistics</p>		<p>G4-DMA: No</p> <p>G4-EN30: No</p>
Overall	<p>G4-DMA Materiality Matrix</p> <p>G4-EN31 Environment</p>		<p>G4-DMA: No</p> <p>G4-EN31: No</p>



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Specific Standard Disclosures

Category: Environmental

Material Aspects	DMA and Indicators	Omissions	External Assurance
Supplier Environmental Assessment	G4-DMA Materiality Matrix G4-EN32 Supply Chain		G4-DMA: No G4-EN32: No
Environmental Grievance Mechanisms	G4-DMA Materiality Matrix G4-EN34 Environmental Grievances Ethics and Conduct		G4-DMA: No G4-EN34: No

Category: Social

Sub-Category: Labor Practices and Decent Work

Material Aspects	DMA and Indicators	Omissions	External Assurance
Employment	G4-DMA Materiality Matrix G4-LA2 Benefits		G4-DMA: No G4-LA2: No
Labor/Management Relations	G4-DMA Materiality Matrix G4-FP3 About Our Employees G4-LA4 About Our Employees		G4-DMA: No G4-FP3: No G4-LA4: No
Occupational Health and Safety	G4-DMA Materiality Matrix G4-LA6 Safety G4-LA7 Benefits G4-LA8 Safety and Well-Being		G4-DMA: No G4-LA6: No G4-LA7: No G4-LA8: No
Training and Education	G4-DMA Materiality Matrix G4-LA9 Training G4-LA10 Professional Development G4-LA11 Performance Review Program		G4-DMA: No G4-LA9: No G4-LA10: No G4-LA11: No



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Sub-Category: Labor Practices and Decent Work

Material Aspects	DMA and Indicators	Omissions	External Assurance
Supplier Assessment for Labor Practices	G4-DMA Materiality Matrix G4-LA14 Supply Chain		G4-DMA: No G4-LA14: No

Sub-Category: Human Rights

Material Aspects	DMA and Indicators	Omissions	External Assurance
Investment	G4-DMA Materiality Matrix G4-HR1 Human Rights		G4-DMA: No G4-HR1: No

Non-discrimination	DMA and Indicators	Omissions	External Assurance
	G4-DMA Materiality Matrix G4-HR3 About Our Employees		G4-DMA: No G4-HR3: No

Freedom of Association and Collective Bargaining	DMA and Indicators	Omissions	External Assurance
	G4-DMA Materiality Matrix G4-HR4 About Our Employees		G4-DMA: No G4-HR4: No

Child Labor	DMA and Indicators	Omissions	External Assurance
	G4-DMA Materiality Matrix G4-HR5 Fair Employment		G4-DMA: No G4-HR5: No

Sub-Category: Human Rights

Material Aspects	DMA and Indicators	Omissions	External Assurance
Forced or Compulsory Labor	G4-DMA Materiality Matrix G4-HR6 Fair Employment		G4-DMA: No G4-HR6: No

Indigenous Rights	DMA and Indicators	Omissions	External Assurance
	G4-DMA Materiality Matrix G4-HR8 Hormel Foods does not operate in areas at significant risk to indigenous rights. Human Rights		G4-DMA: No G4-HR8: No

Supplier Human Rights Assessment	DMA and Indicators	Omissions	External Assurance
	G4-DMA Materiality Matrix G4-HR10 Supply Chain While we do not report human rights screening of suppliers, we have developed the Supplier Responsibility Principles, which detail standards for suppliers related to environment, safety, human rights, etc. In fiscal year 2014, we expanded this program to include our remaining suppliers.		G4-DMA: No G4-HR10: No

Sub-Category: Society	DMA and Indicators	Omissions	External Assurance
	G4-DMA Materiality Matrix G4-SO3 Risk Management G4-SO4 Ethics & Conduct		G4-DMA: No G4-SO3: No G4-SO4: No G4-SO5: No

Material Aspects	DMA and Indicators	Omissions	External Assurance
Anti-corruption	G4-DMA Materiality Matrix G4-SO3 Risk Management G4-SO4 Ethics & Conduct		G4-DMA: No G4-SO3: No G4-SO4: No G4-SO5: No



Appendix



Sub-Category: Society

Material Aspects	DMA and Indicators	Omissions	External Assurance
Anti-corruption	<p>G4-SO4 Not Available: We currently do not have a formalized system in place to track this information.</p> <p>G4-SO5 Ethics & Conduct There were zero concluded legal cases regarding the organization or its employees during the reporting period for incidents of corruption.</p>		
Public Policy	<p>G4-DMA Materiality Matrix</p> <p>G4-SO6 Public Policy</p>		<p>G4-DMA: No</p> <p>G4-SO6: No</p>
Anti-competitive Behavior	<p>G4-DMA Materiality Matrix</p> <p>G4-SO7 There have been no legal actions for anti-competitive behavior, etc.</p>		<p>G4-DMA: No</p> <p>G4-SO7: No</p>
Compliance	<p>G4-DMA Materiality Matrix</p> <p>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).</p>		<p>G4-DMA: No</p> <p>G4-SO8: No</p>

Sub-Category: Society

Material Aspects	DMA and Indicators	Omissions	External Assurance
Supplier Assessment for Impacts on Society	<p>G4-DMA Materiality Matrix</p> <p>G4-SO9 Supply Chain</p> <p>G4-SO10 Palm Oil (HormelFoods.com)</p> <p>Supply Chain We are in the process of analyzing the results of our category level risk analysis.</p>		<p>G4-DMA: No</p> <p>G4-SO9: No</p> <p>G4-SO10: No</p>
Animal Welfare	<p>G4-DMA Materiality Matrix</p> <p>G4-FP9 Hogs and Turkeys</p> <p>G4-FP10 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.</p> <p>G4-FP11 Hogs and Turkeys</p> <p>Raising Our Animals</p> <p>G4-FP12 Medications</p> <p>G4-FP13 Animal Care</p>		<p>G4-DMA: No</p> <p>G4-FP9: No</p> <p>G4-FP10: No</p> <p>G4-FP11: No</p> <p>G4-FP12: No</p> <p>G4-FP13: No</p>



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Sub-Category: Product Responsibility

Material Aspects	DMA and Indicators	Omissions	External Assurance
Customer Health and Safety	G4-DMA Materiality Matrix G4-PR1 Innovation Sodium Reduction G4-PR2 Food Safety and Quality G4-FP5 Food Safety and Quality G4-FP6 Sodium Reduction		G4-DMA: No G4-PR1: No G4-PR2: No G4-FP5: No G4-FP6: No

Product and Service Labeling	G4-DMA Materiality Matrix G4-PR3 Packaging and Labeling G4-PR4 Food Safety and Quality G4-PR5 Innovation	G4-DMA: No G4-PR3: No G4-PR4: No G4-PR5: No
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Marketing Communications	G4-DMA Materiality Matrix G4-PR6 Responsible Marketing G4-PR7 Responsible Marketing	G4-DMA: No G4-PR6: No G4-PR7: No
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Sub-Category: Product Responsibility

Material Aspects	DMA and Indicators	Omissions	External Assurance
Customer Privacy	G4-DMA Materiality Matrix G4-PR8 We did not have any incidents to report.		G4-DMA: No G4-PR8: No
Compliance	G4-DMA Materiality Matrix G4-PR9 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.		G4-DMA: No G4-PR9: No



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For more information about Hormel Foods,
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