



Welcome to your CDP Water Security Questionnaire 2022

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Hormel Foods Corporation, based in Austin, Minn., is a global branded food company with over \$11 billion in annual revenue across more than 80 countries worldwide. Its brands include *Planters®*, *SKIPPY®*, *SPAM®*, *Hormel® Natural Choice®*, *Applegate®*, *Justin’s®*, *Wholly®*, *Hormel® Black Label®*, *Columbus®*, *Jennie-O®* and more than 30 other beloved brands. The company is a member of the S&P 500 Index and the S&P 500 Dividend Aristocrats, was named on the “Global 2000 World’s Best Employers” list by Forbes magazine for three years, is one of Fortune magazine’s most admired companies, has appeared on the “100 Best Corporate Citizens” list by 3BL Media 13 times, and has received numerous other awards and accolades for its corporate responsibility and community service efforts. The company lives by its purpose statement — *Inspired People. Inspired Food.™* — to bring some of the world’s most trusted and iconic brands to tables across the globe. For more information, visit www.hormelfoods.com and <http://csr.hormelfoods.com/>.

W-FB0.1a

(W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?

- Agriculture
- Processing/Manufacturing

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	November 1, 2020	October 31, 2021

W0.3

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

- Brazil
- China

United States of America

W0.4

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

USD

W0.5

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

Companies, entities or groups over which operational control is exercised

W0.6

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

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

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

W1. Current state

W1.1

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

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

Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Vital	Good quality freshwater throughout the supply chain is vital to the production of food products. Water of potable quality, regardless of level of treatment needed, is necessary for safe production and sanitation. While the food industry is becoming more efficient in its water use, sufficient amounts and its use will be vital into the future.
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W-FB1.1a

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

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Maize	10-20	Sourced	Maize/corn is an important commodity for live production and as a component to food production. The range of percent of revenue reported is an estimate only and may vary from the range with changes in supply or product mix.
Soy	10-20	Sourced	Soy is an important commodity for live production and as a component to food products. The range of percent of revenue reported is an estimate only and may vary from the range with changes in supply or product mix.
Other, please specify Pork	41-60	Both	Pork is an important commodity to several product lines. The range of percent of revenue reported is an estimate only and may vary from the range with changes in supply or product mix.
Other, please specify Poultry (Turkey)	10-20	Both	Poultry (Turkey) is an important commodity to several product lines, specifically those of our Jennie-O Turkey Store subsidiary. The range of percent of revenue reported is an estimate only and may vary from the range with changes in supply or product mix.
Other, please specify	10-20	Sourced	Approximately ##% of our revenue is associated with peanuts and/or tree nuts as a primary ingredient. To calculate this figure, we

Peanuts and Tree Nuts			have considered all of our products with peanuts and/or tree nuts as an ingredient and their associated revenue in the past financial year.
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W1.2

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

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	In most cases monitoring and reporting the volume of water withdrawn is a regulated and required practice. In the cases where it is not required by regulation, understanding the volume of water withdrawn is an important tool for evaluating water supply risk, cost control, and an important input to the ongoing management of our water programs.
Water withdrawals – volumes by source	100%	Monitoring water withdrawals by source is an important piece of information in the evaluation of water supply risk and opportunity.
Water withdrawals quality	100%	Monitoring water quality, directly or indirectly, is an important piece of processing information and imperative to operations.
Water discharges – total volumes	100%	In nearly all cases monitoring and reporting the volume of the water discharged is a regulated and required practice. In the rare cases where it is not required by regulation, understanding the quantitative nature of the water discharged is an important tool for evaluating water risk and opportunity, and it is important information for the ongoing management of our water programs.
Water discharges – volumes by destination	100%	Monitoring the volume of water discharge by destination is important to understanding the organization’s impact on our shared resources and necessary to track cost and regulatory changes. The health and viability of the destination source is an important metric for our internal and external stakeholders.
Water discharges – volumes by treatment method	100%	The operational efficiency and cost of water discharge are important measurements. Monitoring discharge volume by treatment

		method allows us to identify areas for improvement and increased efficiency in treatment method.
Water discharge quality – by standard effluent parameters	100%	In most cases measuring the water discharge quality is a regulated and required practice to ensure the limits established to protect water quality are met. The measurements also provide important information to our operations that enables the maximization of treatment efficiency with cost control. In the rare cases where measuring water discharge quality is not required, the need to understand our impact on the environment and operational concerns justify additional monitoring.
Water discharge quality – temperature	76-99	Discharge temperatures are monitored at several locations as required by the discharge authorization or as needed for process information.
Water consumption – total volume	100%	Measuring the consumptive use of water is an important metric to evaluate the efficiency of our operations, control costs, and is a critical measurement to ensure our overall sustainability objectives related to water use are met.
Water recycled/reused	76-99	Water recycled and reused is measured at primary manufacturing locations and where recycle and reuse is a material aspect of a location's water use.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Wash services are provided for all employees at all locations. Water supply to wash services are monitored as a component of the locations primarily water meter; sub metering is not in place for employee wash facilities. Water use for wash services is de minimis to the total operational water use.

W1.2b

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

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
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Total withdrawals	17,878	About the same	Total water use increased less than 1% from the prior year, with the gain attributed to manufacturing plant expansions.
Total discharges	14,421	Lower	Lower total discharges are attributed to increased product and evaporative loss from the incoming water totals.
Total consumption	17,878	About the same	Total water consumption increased less than 1% from the prior year, with the gain attributed to manufacturing plant expansions.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	1-10	About the same	WRI Aqueduct	Water withdrawal from areas with water stress was about the same as the prior year due to no change in the operational footprint in impacted areas.

W-FB1.2e

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

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain
Maize	No, not currently but we intend to obtain this data within the next two years	No, not currently but we intend to collect this data within the next two years	Hormel Foods does not produce maize (corn) products. We are developing systems to improve data exchange for sourced commodities. Initiatives designed to focus on water risk and GHG emission reduction and will likely involve maize.

Soy	No, not currently but we intend to obtain this data within the next two years	No, not currently but we intend to collect this data within the next two years	Hormel Foods does not produce soy) products. We are developing systems to improve data exchange for sourced commodities. Initiatives designed to focus on water risk and GHG emission reduction and will likely involve maize.
Other commodities from W-FB1.1a, please specify Poultry (Turkey)	Yes	Yes	The Jennie-O Turkey Store subsidiary is a vertically integrated turkey producer. While some poultry is sourced from contract growers, it is from the same regions that have been evaluated within the company boundary.
Other commodities from W-FB1.1a, please specify Peanuts & Tree nuts	No, not currently but we intend to obtain this data within the next two years	No, not currently but we intend to collect this data within the next two years	Hormel Foods has completed a third-party review of water risk in the peanut growing regions of the United States. There are plans to collect additional data related to the tree nut supply chain.
Other commodities from W-FB1.1a, please specify Pork	Yes	No, not currently but we intend to collect this data within the next two years	Hormel Foods retained a qualified third-party to evaluate the water risk potential of its largest pork suppliers. The analysis showed that pork is sourced from regions identified as high water risk by the GRI Aqueduct Water Risk Atlas. Additional information exchange shows that the actual water risk at the operational areas is lower than indicated by Aqueduct. Additional review of supplier water risk is planned.

W-FB1.2f

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

Agricultural commodities	% of total agricultural commodity produced in areas with water stress	Please explain
Other produced commodities from W-FB1.2e, please specify Poultry (Turkey)	0%	Production under the operational control of the Jennie-O Turkey Store organization is not in high water stressed regions. Analysis was completed using a qualified third-party during the water risk assessment process.

Other produced commodities from W-FB1.2e, please specify Pork	1-10	The percent range of total pork produced in areas with water stress is an estimate based on a review of hog production under the operational control of Hormel Foods and is shown as a percent of total pork supply. This estimate is subject to change with additional review.
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W-FB1.2g

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

Agricultural commodities	% of total agricultural commodity sourced from areas with water stress	Please explain
Other sourced commodities from W-FB1.2e, please specify Poultry (Turkey)	0%	Turkey is sourced from contract growers that are within the same regions as company owned operations. The company owned operations are not in high risk water regions as defined by the WRI Aqueduct Water Risk Atlas. The percent of total turkey sourced from areas with water stress is an estimate, based on the proximity to known risk as determined through a qualified third-party review of water risk.
Other sourced commodities from W-FB1.2e, please specify Pork	11-25	The percent of total is an estimate based on preliminary analysis of top pork suppliers to Hormel Foods. The analysis was completed by and is under the guidance of a qualified third-party. Additional detail is being sought from suppliers to further define what operations are actually in water stressed areas.

W1.2h

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant			The company uses a de minimis quantity of rainwater for non-potable use in our LEED Gold Austin, Minn. headquarters.

Brackish surface water/Seawater	Not relevant			Not applicable to the organization.
Groundwater – renewable	Not relevant			The company does not own or operates groundwater wells identified as renewable.
Groundwater – non-renewable	Relevant	295	About the same	Groundwater use was consistent with consumption in the prior year.
Produced/Entrained water	Not relevant			Not applicable to the organization.
Third party sources	Relevant	17,878	Higher	There was a 2% increase in third party sourced water from the prior reporting year.

W1.2i

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	1,408	Lower	Discharge to surface water was lower due to production adjustments and improved water efficiency,
Brackish surface water/seawater	Not relevant			Not relevant to the organization. Hormel Foods does not discharge to brackish surface water or seawater.
Groundwater	Not relevant			Not relevant to the organization. Hormel Foods does not discharge to groundwater.
Third-party destinations	Relevant	12,476	Lower	Indirect discharge was reduced due to increases in evaporation and water reuse projects.

W1.2j

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

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant				The organization does not use tertiary treatment methods.
Secondary treatment	Relevant	1,408	Lower	1-10	Secondary treatment is employed prior to the direct discharge of effluent.
Primary treatment only	Relevant	12,476	Lower	91-99	Primary treatment is used prior to discharging to municipal partners for further treatment.
Discharge to the natural environment without treatment	Not relevant				The company does not discharge effluent to the environment without treatment.
Discharge to a third party	Not relevant				The company does not discharge

without treatment					effluent to a third party without treatment.
Other	Not relevant				There are no other scenarios for water discharge that are relevant to the organization.

W1.3

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

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	11,386,189,000	18,173	626,544.268970451	Hormel Foods anticipates an improvement in water efficiency with continued emphasis on water reduction and production improvement projects.

W-FB1.3

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

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

			implementation within the next two years.
Other commodities from W-FB1.1a, please specify Pork	Yes	No, not currently but we intend to collect/calculate this data within the next two years	Hormel Foods reviews the water intensity of pork production annually. Initiatives to review commodity water intensity for sourced pork are planned for implementation within the next two years.
Other commodities from W-FB1.1a, please specify Poultry (Turkey)	Yes	Yes	Hormel Foods and the Jennie-O Turkey Store subsidiary review the water intensity of turkey production annually.
Other commodities from W-FB1.1a, please specify Peanuts and Tree Nuts	Not applicable	No, not currently but we intend to collect/calculate this data within the next two years	Initiatives to review commodity water intensity for peanuts and tree nuts are planned for implementation within the next two years.

W-FB1.3a

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

Agricultural commodity

Other produced commodities from W-FB1.3, please specify
Pork

Water intensity value (m3)

0.7

Numerator: water aspect

Freshwater consumption

Denominator

Other, please specify
Average head count

Comparison with previous reporting year

About the same

Please explain

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

Agricultural commodity

Other produced commodities from W-FB1.3, please specify
Poultry (Turkey)

Water intensity value (m3)

0.02

Numerator: water aspect

Total water withdrawals

Denominator

Other, please specify
Average head count

Comparison with previous reporting year

About the same

Please explain

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

W-FB1.3b

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

Agricultural commodities

Other sourced commodities from W-FB1.3, please specify
Poultry (Turkey)

Water intensity value (m3)

0.02

Numerator: Water aspect

Total water withdrawals

Denominator

Other, please specify
Total head count

Comparison with previous reporting year

About the same

Please explain

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

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our customers or other value chain partners

W1.4c

(W1.4c) What is your organization’s rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Hormel Foods continues development of the exchange of environmental sustainability information with key suppliers, customers and other external stakeholders. The efficient use and protection of clean water sources is vital for community health and the ongoing operation and resiliency of operations.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

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

Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

5

Total value of fines

20,677

% of total facilities/operations associated

1

Number of fines compared to previous reporting year

About the same

Comment

Fines reported were received from municipalities and were related to discharge events above permitted levels. We are not aware of any case where these discharges interfered with the municipal operation or lead to a violation of a direct discharge limit.

W3. Procedures

W-FB3.1

(W-FB3.1) How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?

Hormel Foods has identified potential water pollutants through permitting and compliance evaluation, along with third-party stakeholder feedback as documented through a formal materiality assessment. Pollutants identified in location permits are categorized as a high priority for minimization. Metrics related to concentration and mass loading are collected and analyzed. Corporate expectations regarding the minimization of the unintended release of substances that could cause harm to the air, water, and land, and well as expectations for sustainable agriculture, are made available to the public.

W-FB3.1a

(W-FB3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.

Potential water pollutant

Manure and slurries

Activity/value chain stage

- Agriculture – direct operations
- Agriculture – supply chain
- Manufacturing – direct operations

Description of water pollutant and potential impacts

Manure from company-owned live production operations is managed to ensure protection from loss to the environment, including land application as a nutrient substitute applied within regulatory standards and overseen by licensed agronomists. Hormel Foods has published a Sustainable Agriculture Policy that outlines our expectations for protection of the environment and appropriate residuals management. Please see <https://www.hormelfoods.com/responsibility/environment/> for additional information.

Management procedures

Animal waste management
Livestock management
Waste water management
Follow regulation standards

Please explain

Hormel Foods has detailed policies and procedures to ensure the proper management of organic solid waste, minimization of pollution in wastewater, and proper treatment of effluent prior to discharge.

W3.3

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

Yes, water-related risks are assessed

W3.3a

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

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

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

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management

Tools and methods used

WRI Aqueduct
Enterprise Risk Management

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level

Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Employees
Local communities
NGOs
Regulators
Water utilities at a local level

Comment

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

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

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

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Databases
Other

Tools and methods used

WRI Aqueduct
Regional government databases
Internal company methods
External consultants

Contextual issues considered

Stakeholders considered

Customers

Investors
Local communities
NGOs
Regulators
Suppliers

Comment

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

W3.3b

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

Hormel Foods has engaged a third-party consultant to lead our annual water risk assessment process, including water risk analysis of our top ten suppliers by spend. The risk assessment process includes evaluation of several quantitative and qualitative pieces of information related to water risk. Processes are in place to formally assess water related issues in the corporation's Enterprise Risk Management process. Higher risks are assigned investigative and corrective action steps, and then are reassessed to determine the relative change in risk. Higher ERM risks are brought forward to senior management and the Board of Directors for review.

W4. Risks and opportunities

W4.1

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

No

W4.1a

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

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

W4.2b

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

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

W4.2c

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

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

W4.3

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

No

W4.3b

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

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

W6. Governance

W6.1

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

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

W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	Company water targets and goals Commitments beyond regulatory compliance Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action	Please see https://www.hormelfoods.com/responsibility/environment/ for detailed information on Hormel Foods environmental sustainability programs, including links to our Environmental Policy and Sustainable Agriculture Policy.

W6.2

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

Yes

W6.2a

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

Position of individual	Please explain
Other, please specify Committee appointed by the Board	Board of individuals/Sub-set of the Board or other committee appointed by the Board. The committee includes at least one Board member.

W6.2b

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

Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
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Row 1	Sporadic - as important matters arise	<p>Monitoring implementation and performance</p> <p>Providing employee incentives</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Setting performance objectives</p>	Updates related to water risk and opportunity are brought for Board review as frequently as needed to meet business objectives.
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W6.2d

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

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	Our diverse Board of Directors consists of individuals with executive leadership experience with large organizations, including several with a background in food/agriculture with competence on climate-related issues facing the industry.

W6.3

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

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

Sustainability committee

Responsibility

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

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

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

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

Risk committee

Responsibility

Assessing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

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

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

Environment/Sustainability manager

Responsibility

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

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

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

W6.4

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

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

W6.5

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

Yes, trade associations

W6.5a

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

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

W6.6

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

No, and we have no plans to do so

W7. Business strategy

W7.1

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

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

W7.2

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

Row 1

Water-related CAPEX (+/- % change)



3

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

10

Water-related OPEX (+/- % change)

3

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

3

Please explain

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

W7.3

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

	Use of scenario analysis	Comment
Row 1	No, and we do not plan to do so within the next two years	The organization currently does not use climate-related scenario analysis.

W7.4

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

Row 1

Does your company use an internal price on water?

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

Please explain

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

W7.5

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

	Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address	Other, please specify	Hormel Foods manufactures products with an ever-improving water footprint and produces

	this within the next two years	Lack of standard definition of low water impact product.	certain products that, by comparison, are low water impact. However, at this time there is not a common definition of what constitutes a low water impact product and/or service. Without a standard definition, claiming that a product or service has low water impact may create confusion with investors, customers and consumers. We are hopeful that over the next two years we can work toward a standard, scientifically sound and widely-accepted definition.
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W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Basin specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Targets and goals were established after an evaluation of historic results and proposed projects with consideration to a stretch goal component. Goals were reviewed with senior management prior to finalization. Goals information, including progress, is communicated externally through the annual corporate responsibility report.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water consumption

Level

Company-wide

Primary motivation

Water stewardship

Description of target



Hormel Foods seeks to implement projects that reduce absolute water use by 2 percent per year and improve water efficiency 2 percent per year.

Quantitative metric

% reduction in total water consumption

Baseline year

2020

Start year

2021

Target year

2021

% of target achieved

100

Please explain

The organization continues to advance its water savings goal and will publish progress in our annual corporate responsibility report.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal

Promotion of sustainable agriculture practices

Level

Basin level

Motivation

Corporate social responsibility

Description of goal

Hormel Foods joined the Ceres-World Wildlife Fund's AgWater Challenge and committed to a high-level water risk assessment of its top ten suppliers by spend, development of a sustainable agriculture policy and an education-outreach effort to agricultural suppliers.

Baseline year

2020

Start year

2021

End year



2030

Progress

Hormel Foods completed a high-level water risk assessment of its top suppliers by spend and completed a questionnaire aimed at further education and assessment of water use and quality issues. Hormel Foods has a publicly posted a Sustainable Agriculture Policy that outlines expectations with respect to supply chain management of water issues. Hormel Foods is a founding member of the Cedar River Watershed Partnership, a public-private partnership designed to further the implementation of sustainable agriculture best practices within the upper Cedar River watershed in southern Minnesota. Hormel Foods has recently announced commitments to implement projects in priority watersheds to improve water quality within our supply chain.

W9. Verification

W9.1

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

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

W10. Sign off

W-FI

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

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

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

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate’s Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

SW. Supply chain module

SW0.1

(SW0.1) What is your organization’s annual revenue for the reporting period?

	Annual revenue
Row 1	11,386,189,000

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No facilities were reported in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

Requesting member

Givaudan SA

Category of project

Relationship water assessment

Type of project

Aligning goals to feed into customers targets and ambitions

Motivation

Hormel Foods is open to discussing our customers targets and ambitions to ensure that our efforts are in alignment.

Estimated timeframe for achieving project

2 to 3 years

Details of project

Subject-matter experts meet to exchange information on water programs, including targets and objectives

Projected outcome



Development of a clear understanding of shared targets and objectives related to water programs and the identification of areas for gap closure and further collaboration.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms