



CIRCULARITY REPORT 2024





20 BY 30 CHALLENGE

Hormel Foods has a long, proud tradition of continuous improvement. It's a philosophy that has fueled our business success for more than 130 years, and it informs our approach to corporate responsibility as well.

We believe in being at the forefront of issues that affect our business, along with environmental and social challenges where we can lend a hand. We have ongoing interactions with our customers, partners and consumers to understand current and changing needs in all aspects of our global impact. Once identified, we try to address these through internal processes and programs or through partnerships with external experts.

Our 20 By 30 Challenge articulates the goals we intend to reach by 2030 and serves as a blueprint for our goal of making a positive global impact. They range from producing safe, high-quality, accessible food – our hallmark – to advancing animal care and stewardship to increasing education opportunities to making better use of renewable energy ... and many things in between.

Packaging sustainability, which focuses on the reuse and regeneration of materials or products so that we can operate in a sustainable and environmentally friendly way, is woven into our packaging engineering process and is something we have been measuring and reporting on for almost 20 years through our Global Impact Reports. In fact, it is part and parcel of Goal 12 of our 20 By 30 Challenge: "Focus on packaging sustainability efforts through research, innovation, on-package communications, and optimizing package weight and shipping efficiencies." While we continue to advance goals in this area, we also recognize the essential role of primary packaging in assuring food safety, affordability and extending the shelf life of our products.

Because of the volume of products we distribute worldwide, focusing on circularity in packaging is a logical step to further advance our packaging sustainability efforts.



A Focus on Sustainable Processes

The Hormel Foods Global Impact Environmental Steering Committee is made up of company leaders who focus on goals and programs designed to improve the company's environmental footprint. Its mission is to establish, improve and document processes and programs designed to strengthen our environmental stewardship platform.

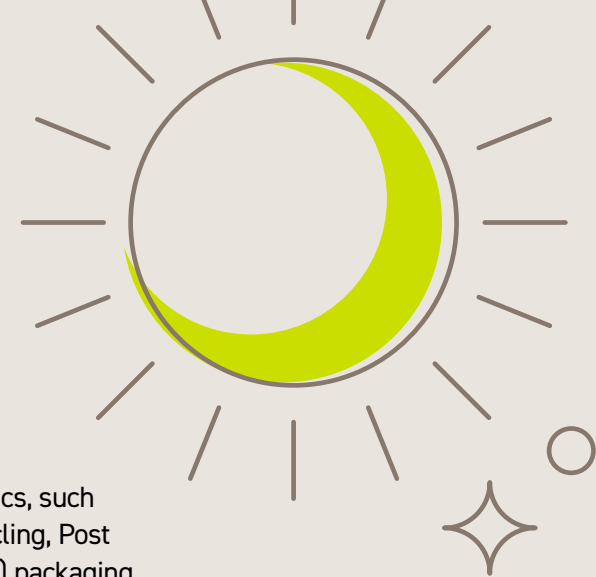
Under the direction of this steering committee, we established a working group that is engaged in advancing a circular economy at Hormel Foods. Led by Hormel Foods packaging team members, this group meets quarterly and includes sustainability experts from our suppliers to present and discuss the latest

developments in paperboard, corrugated cardboard, flexible plastics, rigid plastics, bottles and labels. Additionally, we had participation from representatives of one of the largest reclamation facilities in our home state of Minnesota. They shared with us a wide array of activities underway, including upcoming policies, best practices and innovation intended to boost circular economies.

We have also established an internal team that is responsible for addressing customer requirements as well as state and federal regulations regarding

various sustainability topics, such as improvements in recycling, Post Consumer Recycled (PCR) packaging content, reduction of color material in packaging and other relevant activities.

In addition, we continue to develop marketing initiatives that will allow us to connect with our core customers to align on goals and partner on projects that may help to improve our packaging sustainability.



3.9MM
Pounds reduced since 2021¹

Reduce 10 million pounds of packaging materials by 2030

2021

2030

Setting Goals

Under the banner of Goal 12 of our 20 By 30 Challenge, we established subgoals intended to get us closer to a circular economy in packaging. These include:



SUBGOAL NO. 1:
Reduce packaging materials by 10 million pounds by 2030.

We are committed to our goal of reducing packaging materials, including plastic packaging, by 10 million pounds by 2030. This may be accomplished by optimizing materials and promoting new technologies through our supplier base.

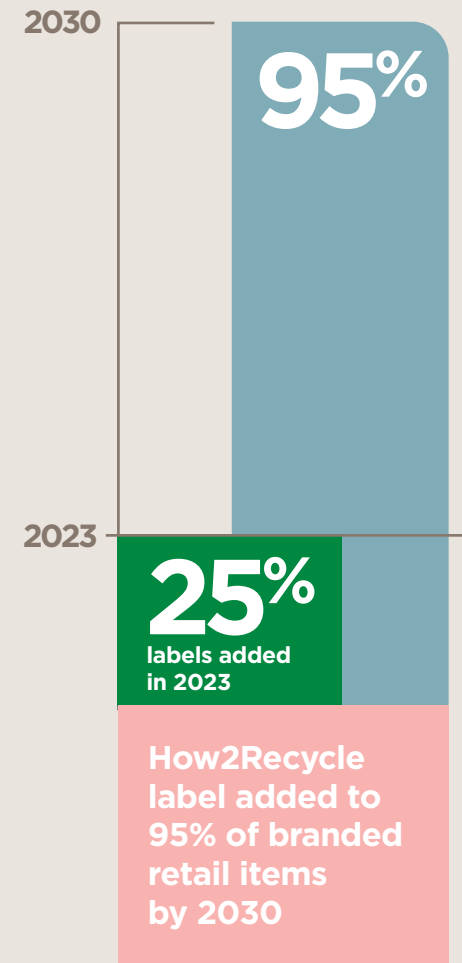
During our 2023 fiscal year, we reduced packaging by 1.7 million pounds.¹ This includes a project where members at our Faribault, Minnesota, and Barron, Wisconsin, production locations identified and seized an opportunity to implement a thinner tray for 1-pound packages of ground turkey, burgers and dinner sausages. The team conducted extensive tests on the thinner tray to ascertain that it performed well and met our requirements for food safety and product quality. Once implemented, the new

package allowed us to eliminate more than 200,000 pounds of virgin plastic from our supply chain.

SUBGOAL NO. 2:
Add How2Recycle labels to 95% of the company's portfolio of branded retail items in the United States by 2030.

In 2021, we started working with key customers to extend our efforts, adding How2Recycle labels on private-label products we produce for them. Since then, we have been working on a goal to incorporate this on our own branded items as well, and to date have added How2Recycle logos on over 1,100 items which is approximately 25% of our retail items as of January 2024.³

During the 2023 fiscal year alone, we added How2Recycle logos to 326 Hormel Foods SKUs.



¹ Savings are based on an annual rolling average and include all projects captured by the corporate packaging development group.

² Packaging numbers are based upon information from suppliers with over \$1M in spend, which accounts for 97% of all packaging purchased by Hormel Foods. Packaging purchased by Hormel Foods includes its subsidiaries and its joint venture but does not include co-manufacturers. Hormel Foods manufactures 80-85% of its total volume.

³ The percentage of How2Recycle logos on our retail items is an estimate and may not include numbers from Jennie-O Turkey Store, LLC and Applegate Farms, LLC.

Focused on Packaging

When it comes to our goal of reducing waste throughout our supply chain, we are placing heavy emphasis on packaging. Some examples of our current work in this area are:

- **Clear PET trays in Canadian operations**

We changed the black base for our party trays used in Canada to clear PET trays, which are recyclable. This modification accounted for a savings of more than 77,000 pounds per year.

- **Recyclable tray for Columbus® tasting board**

A tray formerly used in *Columbus*® tasting boards was not recyclable. By transitioning to a recyclable tray, we are saving more than 400,000 pounds of APET per year.

- **Clean-flake label adhesive for Planters® product**

We began using clean-flake label adhesive for our *Planters*® PET canisters that are sold in club stores. Although the PET canisters were recyclable, the former label adhesive was at risk of contaminating the recycling stream. The clean-flake material is designed to solve for this potential problem.

- **RIC codes**

To help consumers understand the recyclability of our products, we are changing our RIC codes from the “chasing arrows” graphic to the triangle, an ASTM standard. This may help to better inform and educate consumers on recyclability of our packaging.

- **PCR content for Planters® packaging**

Our *Planters*® deluxe flavored cashews are sold in packaging that consists of 23% PCR. This decision equates to a saving of 107,000 pounds of virgin plastic each year if our volume remains consistent.

- **PCR content for Columbus® snack trays**

We added 80% PCR to our *Columbus*® snack trays, which is saving approximately 70,000 pounds of virgin plastic per year. Furthermore, we modified the design of the tray, reducing it from 20 mil. to 17 mil. tray thickness, saving an additional 18,750 pounds of material per year.

- **Columbus® Euro tray forming film**

By updating the forming film to incorporate PCR used for *Columbus*® Euro tray varieties in three of our production locations, we are saving more than 270,000 pounds of virgin plastic each year.

- **Columbus® deli lunchmeat forming film**

By changing the forming film to incorporate PCR used on *Columbus*® deli lunchmeat varieties, we are saving 88,500 pounds of virgin plastic per year.

- **PCR-content shrink wrap**

We are changing all shrink wrap used in major Hormel Foods production locations to a product that contains 25% PCR. Some of the products that will be affected by this change are: *Hormel*® chili, *Dinty Moore*® stew, *Mary Kitchen*® hash, *Skippy*® and *SPAM*® products. We estimate the modification will amount to a reduction of approximately 1 million pounds of virgin plastic material each year.

In addition, we are currently evaluating use of increased levels of PCR throughout our portfolio of products:

- **Skippy® PCR-content jars**

A committee is working on the potential to add PCR content to all *Skippy*® brand jars.

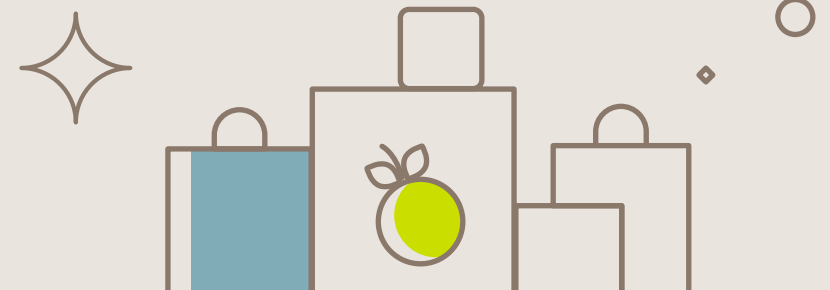
- **Planters® PCR-content rigid containers**

We currently are working on adding PCR to all *Planters*® brand rigid containers where feasible.

- **Hormel Gatherings® PCR-content party trays**

Another project involves the goal of adding PCR content to all *Hormel Gatherings*® party trays and lids.

We are continuing to look at our rigid and flexible packaging to research opportunities for addition of PCR content and reduction in thickness to reduce overall material usage.



Expanding our Reach Through Suppliers

Our many suppliers make it possible for us to reach our global audience. They are more than vendors; our suppliers are trusted partners who help us uphold our high standards and help us achieve our goals. Through our relationships with them, we hope to accomplish additional milestones in our journey to help support a circular economy.

We are currently working with our suppliers on several projects including:

- Changing from paper liners on labels to clear PET liners, which are recyclable. As an added benefit, the PET liner is thinner and lighter, meaning fewer pallets need to be shipped.

- Adopting a clean-flake label adhesive, which is highly recyclable, in items beyond our *Planters*® PET canisters. The adhesive washes away easily during the recycling process.

- Implementing reusable cores and roll caps for zipper material films, which can be gathered and returned to the supplier for reuse.

- Employing a paperboard tray with a plastic liner. The consumer simply removes the barrier plastic when finished. The paperboard tray is then recyclable.

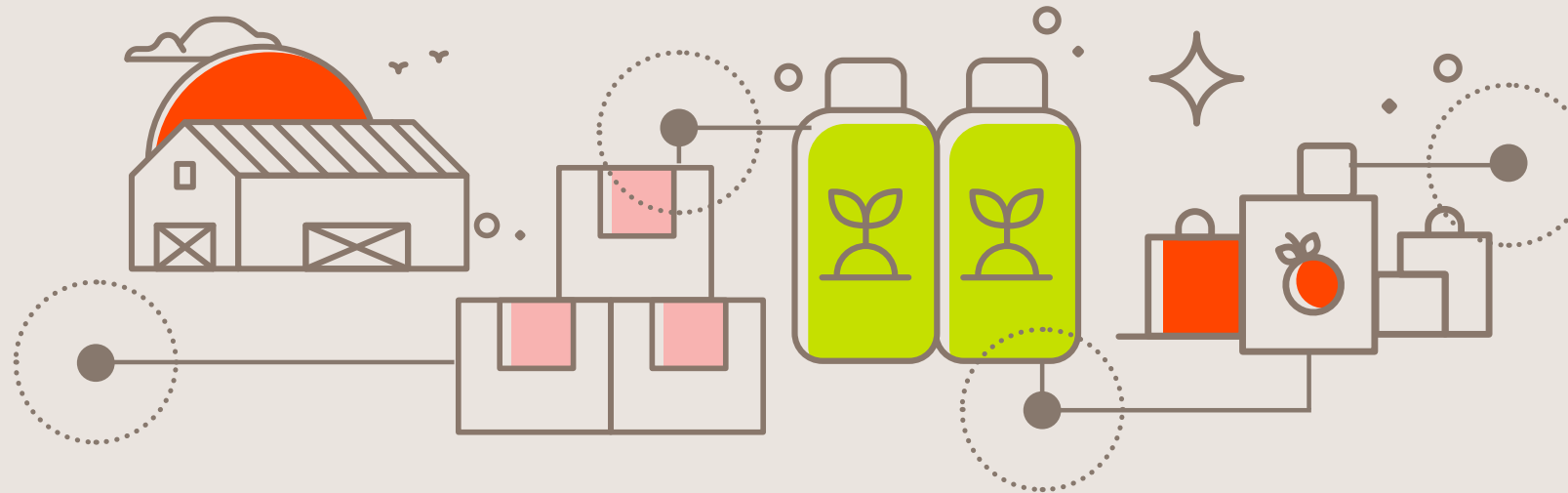
- Using a recyclable paperboard top in lieu of shrink bundling film to hold multiple cans or bottles together.

- Implementing a paperboard canister to replace a former plastic canister. The recyclable paperboard canister is delivered flat, which reduces shipping material to our production locations.

- Using a formable paper film that is appropriate for shallow-draw applications. This can reduce the amount of plastic we need for packaging and increases the recyclability.

- Adopting alternate paperboard for use in SPAM® brand multipacks. Our hope is that the alternate board will be lighter than the previous packaging and have similar strength.

- Installing an automated shrink bag machine, which scans product and forms a custom shrink bag. This innovation would decrease waste from the conventional shrink bag options.

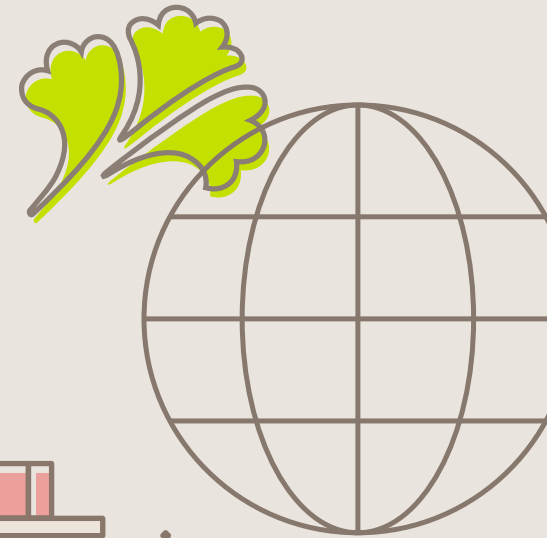


Supporting Like-minded Organizations

Hormel Foods supports and/or partners with organizations that stand for the principles we uphold. This is especially true for our efforts to help consumers understand what and how to recycle our product packaging.

In addition to our discussions with our circular working group, we engage with or are a member of several other organizations involved in circular economy work, including the Recycling Education Committee in Minnesota, Circular Action Alliance, Consumer Brands Association, and rePurpose Global. Many of our suppliers are also a part of organizations

that advance packaging sustainability leadership in the industry. Hearing ideas and diverse thoughts from organizations with packaging expertise continues to inspire us and provides ideas that may help advance a more sustainable world.



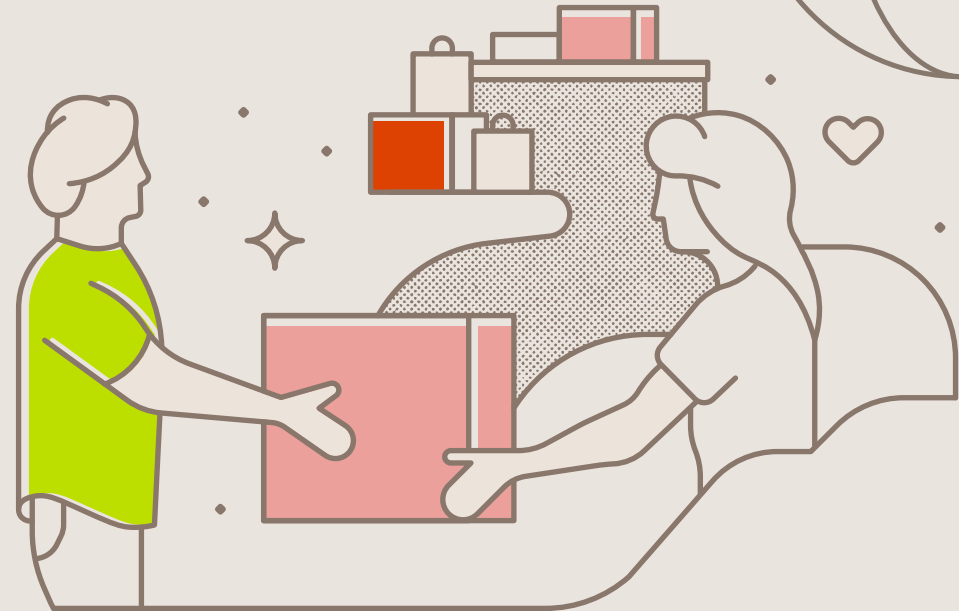
Our Path Forward

As Hormel Foods aspires to make a positive and lasting global impact, we are intent on circularity, especially in our packaging.

It's not a new endeavor for us. In fact, for years, we've been reducing packaging and/or researching and adopting more environmentally friendly substances, such as postconsumer recycled materials. We believe we can't manage what we can't measure, so over the past 15 years alone, we've developed and implemented better

measurement systems, which are allowing us to map our progress and be accountable to our stakeholders as never before.

Making circularity part of our 20 By 30 Challenge goals tells the world we are as serious about this endeavor as we are about the other 19 critical objectives before us. And that is not likely to change.



For more information on our packaging and corporate responsibility efforts, please see our most recent [Global Impact Report here](#). In particular, please note the sections regarding Forward-Looking Statements and Materiality on page 85 of the Global Impact Report, which also apply to this report and are incorporated herein by reference.