



What does
DIVERSITY
mean to
Hormel Foods
AND THE COMMUNITY
in a globally competitive world?

Jeff Ettinger
Chairman, President and CEO

From Meat Processor to Packaged Food Company



George A. Hormel opens meat packing company in Austin, MN.

1891



Late 1930's:

\$1 billion
in sales

1976

\$3 billion
in sales

1999

20,500
employees

\$9 billion
in sales

2014

1928

Geo. A. Hormel & Co. became a public company.



1942

\$100 million
in sales

Creation of Hormel Foundation.



1993



Name of Geo. A. Hormel & Co. officially changed to Hormel Foods Corporation.

2012

Company executives rang The Closing Bell at the NYSE to commemorate the 75th anniversary of the SPAM® brand.



Small Town Headquarters

Austin, Minnesota



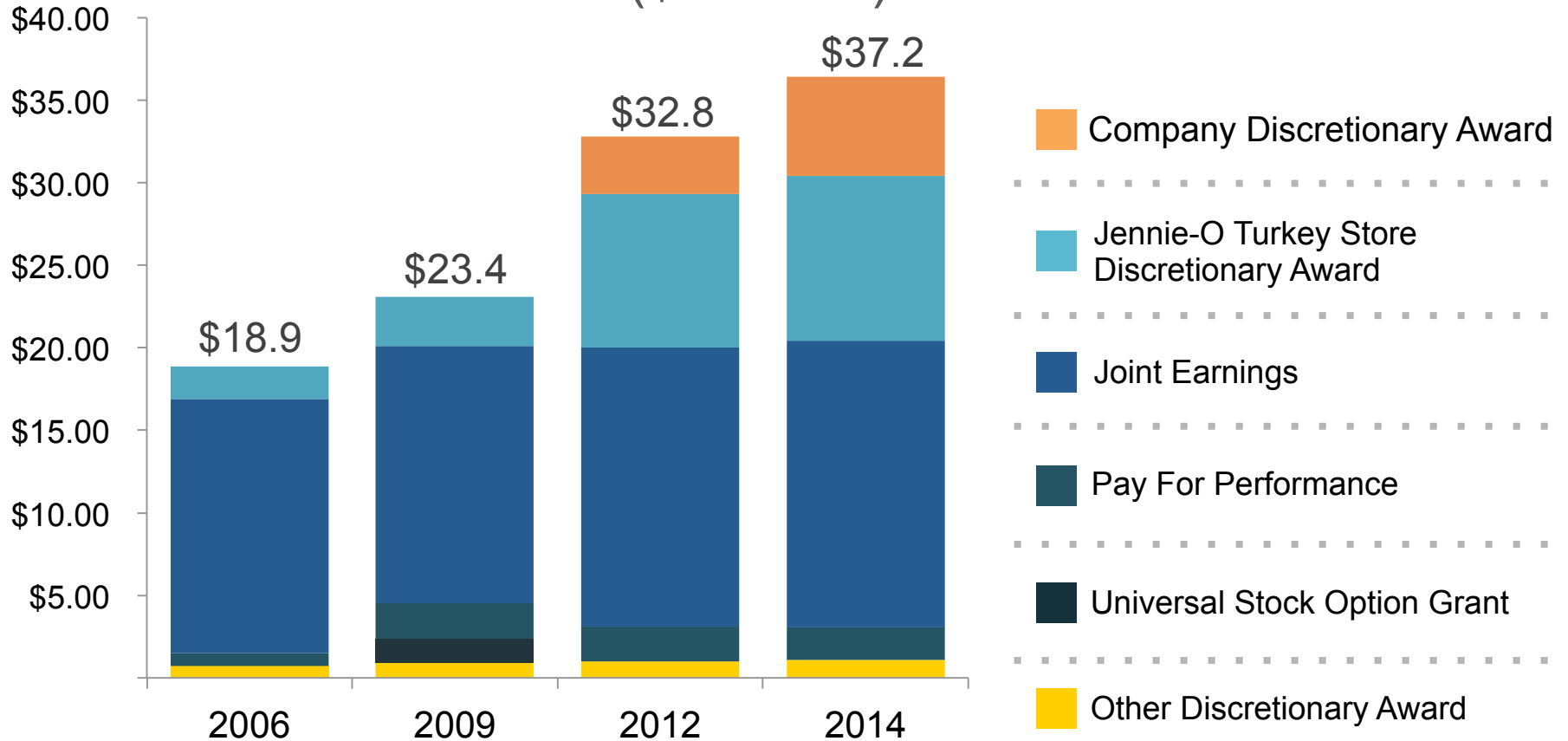
- Fosters long-term careers
- Good corporate citizen
- Financially conservative
- Foundation ownership enables long-term financial perspective



Town of 25,000 located
in Southern Minnesota

Sharing Profits

Total Discretionary Payments (\$Millions)



Community Involvement



Sustainability Efforts



INDUSTRY
LEADING
COMPLIANCE
RECORD

— DUE TO OUR —
ENVIRONMENTAL
MANAGEMENT
SYSTEM



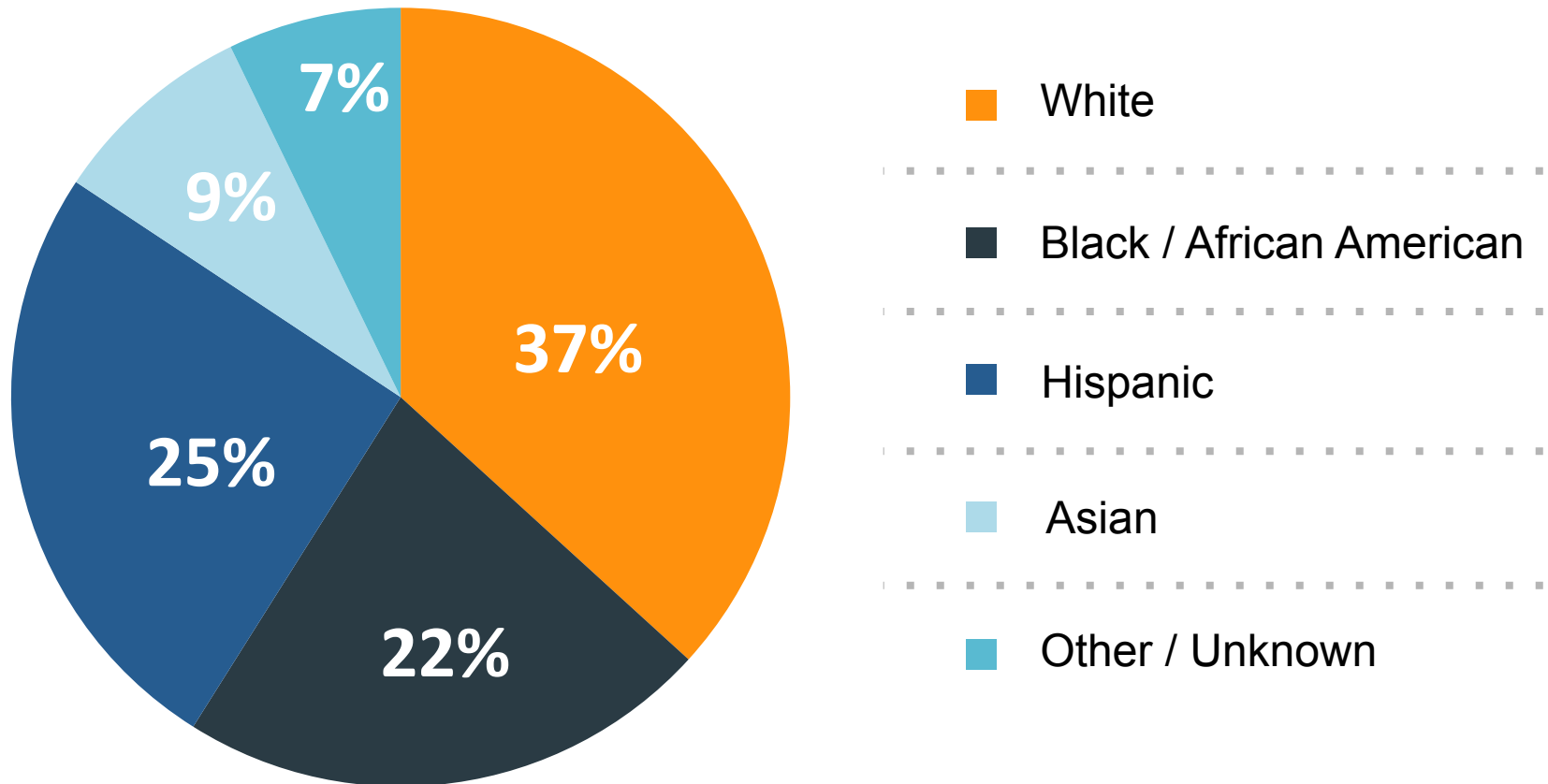
SOLID
WASTE
REDUCTION

— GOAL ACHIEVED —
6 YEARS
EARLY



300 MILLION
GALLONS
— OF WATER SAVED —
DRIVING TOWARD
NET-ZERO
USE

Diversity of Austin Plant Applicants



DIVERSITY

in Corporate Boards and
Senior Management

WHERE ARE WE NOW?

The Hormel Foods Board

Early Support for Gender Diversity



Geri Joseph

*1974 - 1978, 1982 - 2000
Audit Committee Chair*



Luella Goldberg

*1993 - 2009
Lead Director (2009)*

Experience of Our Early Directors

Geri Joseph

- Interesting that Hormel would be so early to reach out
 - *“I was somewhat hesitant...you knew you were the first and only”*
- Wonderful experience – chairing audit showed “trust”

Luella Goldberg

- Very reassuring that another woman was on board
 - *“Almost fell out of my chair” when asked to serve on first board*
- Highlight: being asked to serve as first Lead Director

The Hormel Foods Board

Continuing Benefit from Excellent Women



Elsa Murano

Professor

Texas A&M

2006 - Present



Jody Feragen

CFO

Hormel Foods

2007 - Present



Susan Nestegard

SVP

Ecolab

2009 - Present



Sally Smith

President and CEO

Buffalo Wild Wings

2014 - Present

The Hormel Foods Board

We Also Benefit from Broad Ethnic Diversity



Dakota Pippins

*President and CEO
Pippins Strategies LLC*

2001 - Present



Bob Nakasone

*CEO
NAK Enterprises*

2006 - Present



Elsa Murano

*Professor
Texas A&M*

2006 - Present



Gary Bhojwani

*Former Chairman
Allianz Life Insurance
Company of
North America*

2014 - Present



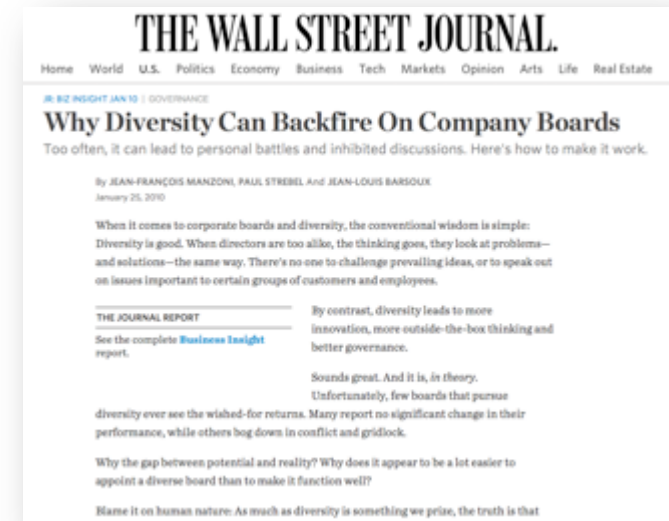
Steve White

*President
Comcast
West Division*

2014 - Present

What is Holding Other Companies Back?

- Reliance on network of personal contacts?
- Fear? Wall Street Journal article: “Why Diversity Can Backfire on Company Boards”
 - Can’t just pick an “outlier” for sake of diversity
 - An effective board is a team
- Sometimes your history/culture is an impediment
 - Hormel Foods is still lagging in our management ranks





DIVERSITY
INCLUSION

(Diversity video placeholder)

Diversity and Inclusion Council

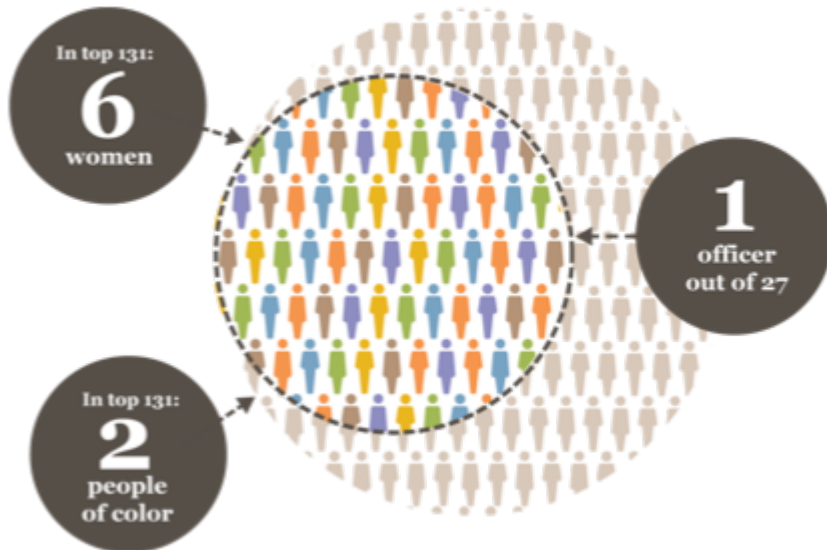
- “Managing Inclusion” training
- “Appreciating Difference” training
- Communication/awareness
- Employee resource groups
- Tracking progress



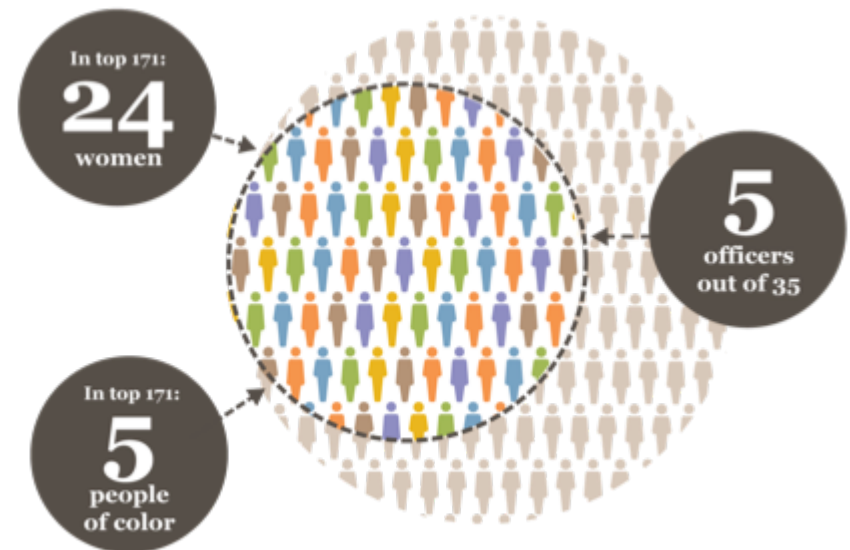
Diversity in Senior Leadership

Hormel Foods

In 2005:



In 2015:



Striving to Become More Multi-Cultural



81

MEMBERS



428

MEMBERS



42

MEMBERS



105

MEMBERS



281

MEMBERS



173

MEMBERS



126

MEMBERS



86

MEMBERS

(ERGs at Hormel video placeholder)

Why it is Important that We Do Better

- Right thing to do
- Aligns with our consumers
- Achieves better dialog, decision-making, leadership
- Correlates with business success
 - Stock price
 - Return on equity
 - Investment strategy





What does
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Tyler Hulsebus
Director of Purchasing

Hormel Foods Supplier Diversity Program

- Our supplier diversity program provides businesses an opportunity to provide quality product and services that meet the company's growing business needs.
- We are committed to providing opportunities to diverse suppliers, including women-owned businesses, minority-owned businesses, veteran-owned businesses, small businesses and all other small business classifications.
- We are looking for suppliers who provide sustainable, high quality materials and services on a timely basis at the best economic value.

Why is Supplier Diversity Important to Hormel Foods?

- Access to new markets
- Drives innovation
- Builds customer relationships
- Supports our communities



Our Focus

**Minority-Owned
Business**



**Women-Owned
Business**



**Veteran-Owned
Business**



**Small
Business
Concerns**



Other Business Categories

*Service Disabled Veteran-Owned, Small
Disadvantaged Business, HUBZone*



What Hormel Foods Looks for in a Supplier

- Superior quality, price and service
- Successful partnerships built on
 - Long-term relationship
 - Mutual benefit
 - Commitment to quality
 - Open communication
 - Confidentiality

Goal:

To be a partner
suppliers
want to bring
ideas to first



Types of Goods and Services Purchased

Ingredients

Spices, flavors, sweeteners, vegetables

Packaging

Adhesives, corrugated, film, folding cartons, glass/plastic jars, labels

Indirect Supplies

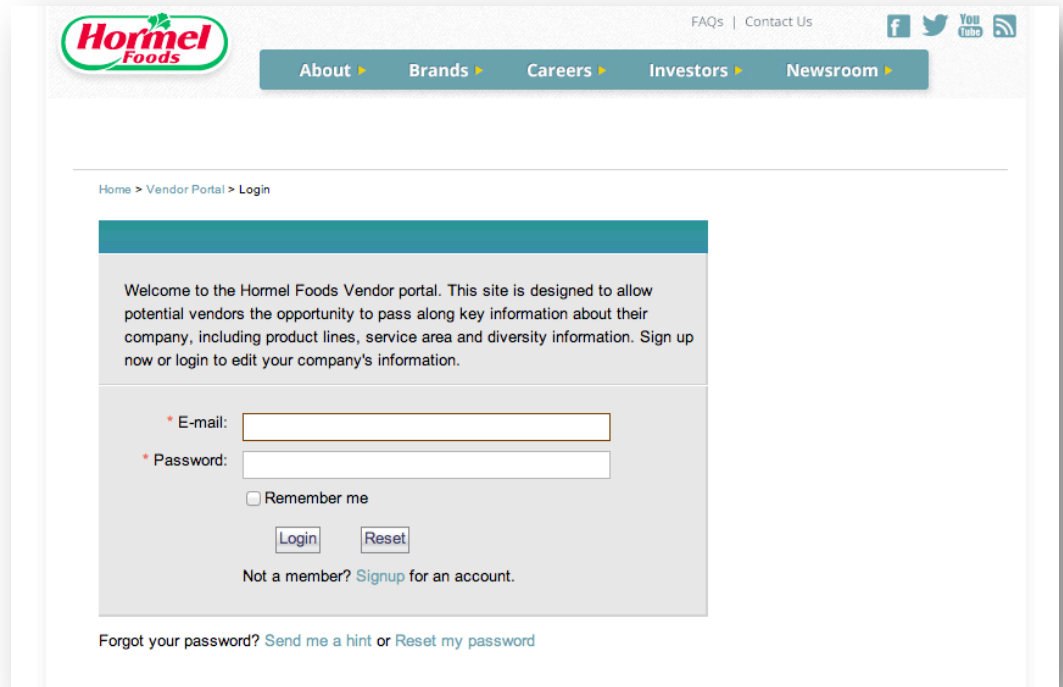
Maintenance parts, pallets, personal protection & safety equipment, sanitation chemicals

Services

Building, grounds & construction, IT & HR, laundry, transportation

Gaining Access

Supplier portal



The screenshot shows the Hormel Foods Vendor Portal Login page. At the top, there is the Hormel Foods logo on the left, and links for 'FAQs' and 'Contact Us' on the right. Below the logo is a navigation menu with 'About', 'Brands', 'Careers', 'Investors', and 'Newsroom'. The main content area has a breadcrumb trail: 'Home > Vendor Portal > Login'. A teal header bar contains the text: 'Welcome to the Hormel Foods Vendor portal. This site is designed to allow potential vendors the opportunity to pass along key information about their company, including product lines, service area and diversity information. Sign up now or login to edit your company's information.' Below this is a login form with two input fields: '* E-mail:' and '* Password:'. There is a 'Remember me' checkbox and two buttons: 'Login' and 'Reset'. At the bottom of the form, it says 'Not a member? [Signup](#) for an account.' Below the form, there is a link: 'Forgot your password? [Send me a hint](#) or [Reset my password](#)'.

suppliers.hormelfoods.com

Continuous Improvement

- Supplier Quality Management Program
 - Supplier feedback and ratings
 - Non-conformance management
 - Recognition
 - Spirit of Excellence Award

2014 Progress
Supply Chain

68



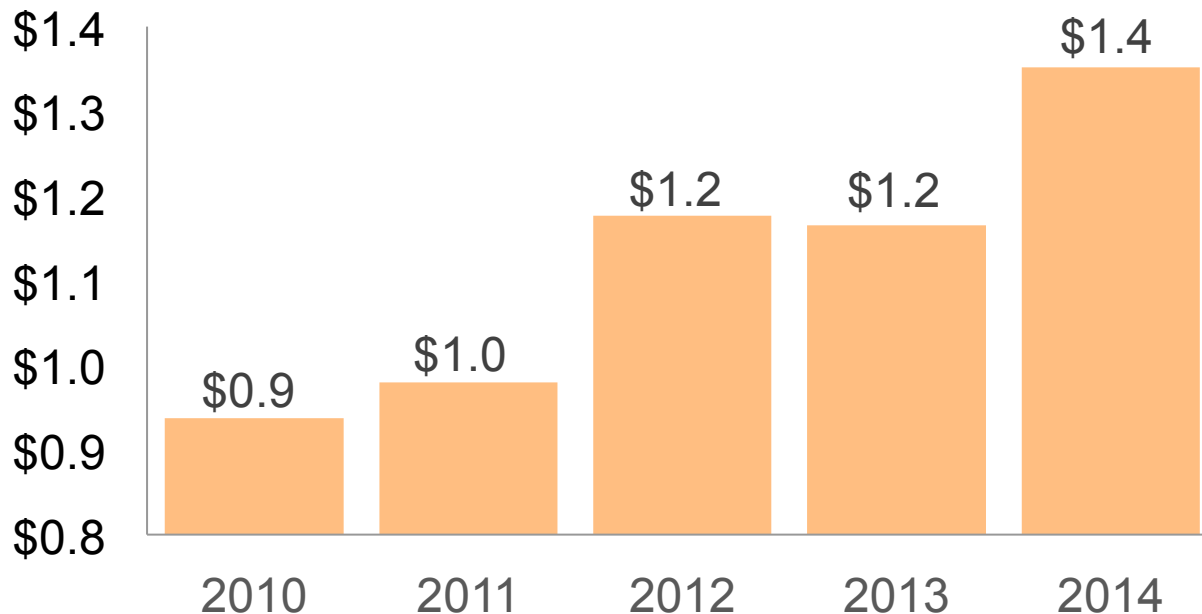
**Spirit of
Excellence**

Awards to suppliers
for performance
that exceeds our
established standards.

Supporting Small and Diverse Business

Purchases from Small & Diverse Suppliers

(in billions)



2014 Progress Supplier Diversity

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





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Jeff Ettinger
Chairman, President and CEO

Immigration Reform



Washington D.C. Visit: March 13, 2013

Jeff Ettinger, CEO; Jake Vela, Director of Austin Welcome Center; Bonnie Rietz, former Austin Mayor; Father Dale Tupper, Queen of Angels Church; and Miguel Garata, Counselor at Riverland Community College.

Federal Immigration Reform Needed Now

Post-Bulletin
IF IT MATTERS TO YOU, IT MATTERS TO US

Austin Daily Herald
Austin, Minnesota

Register | Sign in | Get free news e-mails | Sign in to Comment

HOME NEWS SPORTS OPINION ENTERTAINMENT CLASSIFIEDS SPECIALS

Others' Opinion: Federal immigration reform needed now

Published 11:25am Tuesday, January 28, 2014

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- Our nation was built by people who came here in search of a better life.
- Minnesota is home to nearly 400,000 immigrants, and they are vital contributors to our local economy
- Undocumented immigrants in our communities live in fear of applying for a job, going to the doctor, driving or purchasing a home.
- Immigration reform with pathways for earned legalization, permanent residency or citizenship will enable the positive contributions of immigrants.
- This will make our communities stronger for everyone.



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