

## ***Hormel Foods Sustainability Initiatives***

At Hormel Foods Corporation, our sustainability efforts are providing for Today....Preserving for Tomorrow.

Sustainability has been a part of standard operating procedures at Hormel Foods for many years. In the mid-1970s, the company began a formal environmental stewardship program to minimize the use of energy and water at manufacturing facilities and other locations. When our flagship plant in Austin, Minn., opened in 1982, heat recovery was incorporated on cooking and boiler systems, and water began to be reused for sanitation and retort systems.

The company's sustainability efforts have continued to progress over the past 30 years. Today, sustainability initiatives include five specific goals, covering reductions in energy, water, solid waste, air emissions and packaging.

### **Energy**

Energy reduction projects at company facilities are key to reducing emissions. Reduced emissions are accomplished through better operating procedures and capital expenditures. Recent examples of these types of projects include: boiler economizers at Fremont, Neb., lighting retrofit at Aurora, Ill., and heat recovery at Algona, Iowa.

Energy goals at Hormel Foods are:

- ▶ Identify projects that reduce consumption by 10 percent by the end of 2011. Annual goals of 2 percent have been set for each year in the interim.
- ▶ Search for new technologies to reduce energy dependence on non-renewable energy sources.

### **Water**

The company places high value on water resources. Our professional staff continually searches for ways to minimize water flow and to reuse warm water in our sanitation and cooking processes. Recent water conservation projects include: recovery of an additional 15 million gallons of hot water per year at the company's plant in Fremont, Neb., reducing carbon dioxide emissions by more than 500 tons per year; and installation of a hot water storage tank at the Austin, Minn., plant, which saves more than 75 million gallons of hot water each year.

Water goals at Hormel Foods are:

- ▶ Reduce water consumption by 2 percent each year for five years. Water use will be reduced 10 percent by the end of 2011.

### **Solid Waste**

Hormel Foods has had active recycling programs at manufacturing facilities for the past 17 years. Current recycling efforts include corrugated cartons, steel, plastic stretch wrap, office paper, bottles and cans. The company also landspreads vegetable waste, wastewater sludge and poultry grit to use the nutrients in these materials as fertilizer and to keep these wastes out of landfills. Even though Hormel Foods recycles 30 to 40 percent of its solid waste each year, the company continues to strive to increase the amount of solid waste being recycled.

Solid waste goals at Hormel Foods are:

- ▶ Improve the companywide recycling rate of solid waste at plants to 50 percent by the end of 2011.
- ▶ Initiate composting of sausage casings and recycling of tote bin liners and other plastic films to reduce solid waste to landfills.

## **Air Emissions**

Significant attention has been given to greenhouse gas (GHG) emissions in recent months. Sustainability efforts at locations throughout the company have led to reductions of energy and GHG emissions. The company's first GHG emissions inventory was based on direct emissions from manufacturing facilities. These efforts are being expanded to include both direct and indirect emissions, as well as emissions from the company's farms.

Air emission goals at Hormel Foods are:

▶ Reduce greenhouse gas (GHG) emissions by 20 percent by the end of 2011. This will be accomplished through energy reduction projects that have an economic payback of four years or less.

## **Packaging**

Package minimization has been an excellent cost saving strategy for Hormel Foods long before the current emphasis on sustainability. Packaging engineers have been on staff for more than 30 years. Their role has been, and continues to be, selecting the proper packaging materials, choosing the correct size packaging, and assisting product managers in selecting the correct materials to not only ensure Hormel Foods product stays fresh and safe, but also clearly communicates information to consumers.

Recent packaging improvements include reductions of:

- more than 380,000 pounds of corrugated shipping cartons through "right-sizing" and material reduction;
- more than 430,000 pounds of steel through changes to containers;
- 232,000 pounds of paperboard due to enhancements in the packaging of *Natural Choice*® products; and
- nearly 800,000 pounds of fiberboard when slipsheet material specifications were changed.

The reductions shown above have further benefits by reducing fuel consumption and air emissions by not needing to deliver this nearly two million pounds of reduced packaging.

One significant packaging reduction worth noting is the improvement made to *Compleats*® meals packaging. In recent years, the company reduced the packaging components by replacing the full paperboard carton with a sleeve and the multilayer lid material with a single layer flexible film. These changes, coupled with reduced corrugated shippers, has saved more than three million pounds of packaging materials and reduced emissions from delivery vehicles.

Packaging goals at Hormel Foods are:

- ▶ Initiate packaging reductions for products by at least two million pounds each year.
- ▶ Identify recycling opportunities for plastic bowls and trays.

Hormel Foods is serious about the environment. We know that clean land, air and water are vital to our continued success. Through careful planning, efficient use and innovative engineering, we're helping make a difference.