



## **AgWater Challenge Goals**

Over the next three months, Hormel Foods commits to developing and releasing a comprehensive sustainable agriculture policy that will cover our direct suppliers, contract animal producers and feed grain growers. The new policy will include specific expectations related to water stewardship, including both quantity and quality aspects. For contract animal producers, the policy will outline expected best environmental practices (beyond legal compliance) for animal waste management with respect to the storage, transport and application/disposition of manure/litter. The Environmental Management Section of our Supplier Responsibility Principles will require that all direct and indirect suppliers follow the company's sustainable agriculture policy.

Hormel Foods commits to strengthening our assessment of the short and long-term water quantity and quality risks facing key agricultural inputs/sourcing regions, including contract animal producers, feed grain growers and direct suppliers by:

1. Completing a high-level water risk assessment for our largest direct suppliers\*, for contract growers and for key agricultural inputs produced in high water risk regions using Maplecroft Global Water Security Risk Index in partnership with a reputable third party; and
2. Completing in-depth assessments of water quantity and quality challenges in our priority sourcing areas that have the highest levels of water risk. High-level findings from these assessments will be included as part of Hormel's next CDP Water submission.

Hormel Foods commits to supporting and engaging with growers in high water risk regions by gathering water-related data from suppliers –including contract growers and growers that supply animal feed- and establishing time-bound goals aimed at improving water quality in high water risk regions. These goals will be announced by April 2017.

*\*Largest direct suppliers are defined by Hormel Foods as the top 10 direct suppliers by spend*