



Updated: July 2020

## Campbell Soup Company Water Policy

Water is a critical natural resource that is essential to life. It is needed for drinking, sanitation, food production, ecosystems and energy production. One in three people globally do not have access to safe drinking water.<sup>i</sup> By 2030, over a third of the world's population will be living in river basins with significant water stress, including many of the countries and regions that drive global economic growth.<sup>ii</sup>

The food industry uses more than 70% of the world's fresh water to grow crops, feed livestock and process ingredients.<sup>iii</sup> The U.N. projects that global demand for water will increase by 20-30% by 2050 in order to meet the food needs of a projected population of 9.8 billion.

At Campbell, we rely on water for our production processes in our manufacturing facilities. We also depend on water to grow the ingredients we use in our products and water is an ingredient in some of our products.

The health of our business also depends on the health of the communities where we operate. The United Nations defines the human right to water as an assurance that everyone has sufficient, safe, acceptable and physically accessible and affordable water for personal and domestic uses.<sup>iv</sup> We are committed to supporting the human right to water, and we are aligned with the United Nations Sustainable Development Goal to "Ensure availability and sustainable management of water and sanitation for all."<sup>v</sup> At Campbell, we have a long history of water stewardship and support for the communities where we have operations. This remains our focus today.

Recognizing the importance of water stewardship to our company, our communities and our planet, Campbell is committed to:

- Full compliance with all applicable legal environmental requirements;
- Continuous improvement in water management;
- Setting water stewardship goals and reporting progress at least annually to external stakeholders;
- The responsible sourcing of ingredients, packaging materials and other goods and services from suppliers who comply with [Campbell's Responsible Sourcing Supplier Code](#); and
- Engaging with our growers on improved water management practices and technology adoption.

### Governance

The Campbell Board of Directors oversees environmental, social and governance ("ESG") activities and has delegated responsibility for that oversight to the Board's Governance Committee of the Board of Directors. On at least an annual basis, environmental sustainability goals and progress are presented to the Governance Committee.

### Risk Management

Campbell's General Counsel and Chief Audit Executive are responsible for maintaining our Enterprise Risk Management (ERM) processes. Our General Counsel reports to our CEO and is a member of the Corporate Leadership Team. Our Chief Audit Executive reports to the Audit Committee of the Board of

Directors. ESG risk factors are fully integrated into Campbell's annual ERM processes for evaluation by the Company's Risk Committee (consisting of the CEO and the Corporate Leadership Team). The Risk Committee is responsible for the company's ERM approach in terms of risk appetite and tolerance as well as risk monitoring and reporting. The ERM process, output and actions are reviewed by the Audit Committee annually.

### **Responsible Sourcing and Sustainable Agriculture**

Campbell's Responsible Sourcing Program is embedded in our Procurement Department. We are committed to responsibly sourcing 100% of our priority raw materials. At Campbell, responsibly sourced is defined as the supplier has acknowledged compliance to and signed [Campbell's Responsible Sourcing Supplier Code](#), has disclosed country of origin of the raw material and has undergone a social and environmental compliance audit if the country of origin is high risk according to the World Bank and/or the supplier or supplier geographic location (e.g. watershed or ecoregion) is deemed high risk. High risk may include circumstances where a supplier is facing negative public attention, where there is a third-party investigation into the supplier's business practices, and/or where Campbell has an organizational focus that relates to the supplier's business practices.

Campbell's Sustainable Agriculture Program focuses on partnerships with growers of key ingredients to conserve and protect natural resources, improve livelihoods on farms and connect farmers with data analytics. Our programs with growers focus on water conservation, greenhouse gas emissions reductions, fertilizer optimization, pesticide risk reductions and improvements to soil health.

### **Water Risk Assessments**

In partnership with a third-party firm, Campbell's has completed a comprehensive water risk assessment of our operations. We assessed water from three risk categories:

- Local basin-level water risk
- Assessment of future water risk
- Financial or strategic water risk impacts on the business

Our assessment included benchmarking against peers, evaluating facility-level water risk using a variety of screening-level tools, analyzing a preliminary set of most-at-risk facilities with additional data, including financial value at risk, as well as on-site interviews to validate and refine model findings and document best practices. The process and results were then reviewed with internal stakeholders.

The risk assessment, completed in 2019, determined that none of Campbell's manufacturing facilities are currently at high risk for water quality and/or quantity impacts. The assessment found that our programs and management approaches were leading or near leading among our peers and sector leaders. We will continue to assess our water-related risks on a regular basis and expect to expand our assessment to include our supply chain.

### **Water Stewardship in Direct Operations**

Since 2010, Campbell has had public water stewardship commitments for our direct operations. Our manufacturing sites work to improve water efficiency and reduce water withdrawals through employee engagement on water management practices, water reclamation projects and water efficiency projects. We ensure the quality of our water system is maintained through facility management practices. Those

practices include monitoring and maintaining a facility's water piping and distribution system in accordance with regulatory requirements, good manufacturing practices and local plumbing codes.

---

<sup>i</sup> WHO/UNICEF Joint Monitoring Program for Water Supply, Sanitation and Hygiene (JMP) – Progress on household drinking water, sanitation and hygiene 2000-2017; June 2019

<sup>ii</sup> 2030 Water Resources Group; Charting Our Water Future Economic: Frameworks to Inform Decision-Making; 2009

<sup>iii</sup> Ceres, Feeding Ourselves Thirsty: Tracking Food Company Progress Toward a Water-Smart Future; 2019

<sup>iv</sup> The United Nations Department of Economic and Social Affairs; Resolution 64/292; July 28, 2010

<sup>v</sup> <https://sustainabledevelopment.un.org/sdg6>