

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.ⁱ 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.ⁱⁱ

The food industry uses more than 70% of the world's fresh water to grow crops, feed livestock and process ingredients.ⁱⁱⁱ 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 depend on water to grow the ingredients we use in our products and to produce our packaging. Water is also 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.^{iv} 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."^v 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 and require suppliers of priority raw materials to comply with [Campbell's Responsible Sourcing Supplier Code](#); and
- Engaging with our growers on improved water management practices and technology adoption.

Governance

Oversight of Environmental, Social, and Governance (ESG) activities is managed by the Governance Committee of the Board of Directors and is reflected in the Committee's Charter. The Committee takes an active role in the continued evolution of Campbell's ESG strategy and public reporting. The Vice President of Corporate Responsibility & Sustainability (CR&S) presents to the Governance Committee twice annually. These updates include company ESG performance, risks, and opportunities, and future plans. All new public ESG-related commitments must be reviewed by 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, this means that the supplier agrees to and signs [Campbell's Responsible Sourcing Supplier Code](#) and discloses the country of origin of the raw material. Where the country of origin or the supplier's geographic location (e.g. watershed or ecoregion) for a priority raw material is deemed high risk, the supplier also must undergo a social and environmental compliance audit. An audit may also be required where other high-risk circumstances exist, such as when a supplier is facing negative public attention, when 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 protect and replenish 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 fiscal 2021, Campbell completed a water inventory and risk assessment of its direct operations and supply chain using the World Resources Institute's Aqueduct Water Risk Atlas (Aqueduct) and the World Wildlife Fund's Water Risk Filter (WRF).

Twenty Campbell facilities, representing 93% of water consumed by our direct operations, were identified as having basin-level water risk, which is a measure of the severity and likelihood of water challenges at the basin-level.

According to the risk modeling tools used in our analysis, these direct operations were identified as experiencing extremely high or high:

- Current basin water risk;
- Current water stress levels;
- Interannual variability, seasonal variability, drought, or flood risk; and/or
- Water quality risk.

These basin water risks were evaluated in conjunction with facility-level water withdrawals and criticality to the business to determine basin-level water risk to Campbell. To further assess and understand these potential risks to our own operations, we asked environmental subject matter experts

at these sites to complete a detailed survey to better understand water risks they may be currently experiencing and what management practices they have in place.

We also quantified water use upstream of our operations using water footprint factors from Hoekstra and life cycle impact assessments to estimate water consumption. The water footprint estimate identified 20 priority ingredients and packaging materials based on criticality to the business, amount spent, amount purchased in weight, water consumption, and water stress.

Suppliers of these 20 primary inputs were surveyed to supplement the water footprint estimates with primary data, and a basin-level water risk assessment was completed. Similar to the water risk assessment completed for our direct operations, Campbell also leveraged results from Aqueduct and the WRF to assess basin-level inherent water risk in our supply chain based on a mix of water risk indicators, water consumption, and criticality to the business. Over 100 suppliers representing 56% of supply chain (ingredient and packaging) water consumption and 32% of Campbell spend, sourced from ~30 watersheds, were identified as having basin-level water risk.

The water inventory and risk assessment lay the foundation for further goal setting, work to mitigate future water and business continuity risks, and engagement by Campbell in collective work to address shared water challenges in priority watersheds.

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.

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

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

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

^{iv} The United Nations Department of Economic and Social Affairs; Resolution 64/292; July 28, 2010

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