



# Planet

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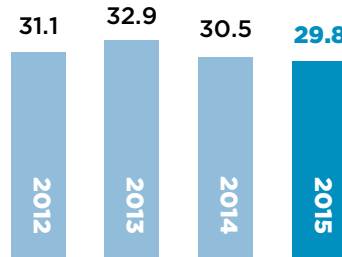
# Environmental SCORECARD

Quantifiable data is key to measuring our impact and tracking our progress against efforts to reduce our environmental impact. To do so, we track our environmental performance on both an absolute and an intensity basis.

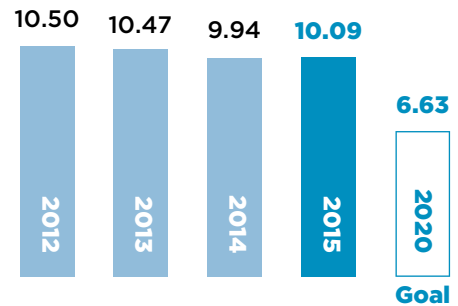


**WATER USE**  
per tonne of food produced since 2008

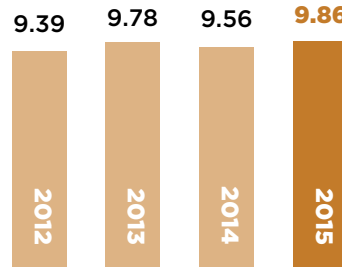
**WATER USE\***  
(cubic meters, in millions)



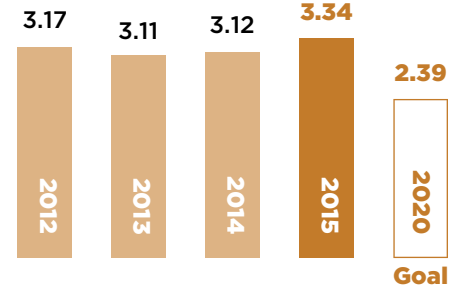
**WATER USE (cubic meters) /TONNE OF FOOD PRODUCED\***



**ENERGY USE\***  
(mmbtu, in millions)

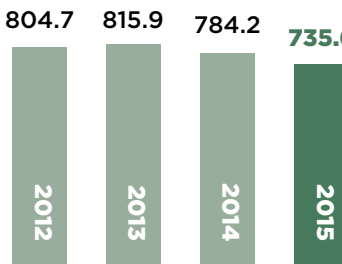


**ENERGY USE (mmbtu) /TONNE OF FOOD PRODUCED\***

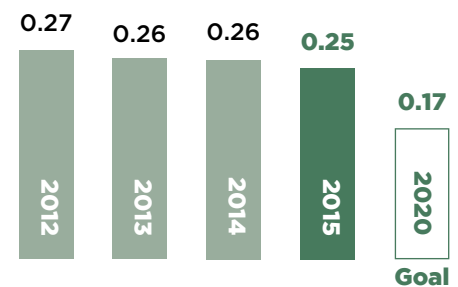


**ENERGY USE**  
per tonne of food produced since 2008

**GREENHOUSE GAS EMISSIONS\***  
(tonnes CO<sub>2</sub>e, in thousands)



**GHG EMISSIONS (tonnes CO<sub>2</sub>e) /TONNE OF FOOD PRODUCED\***



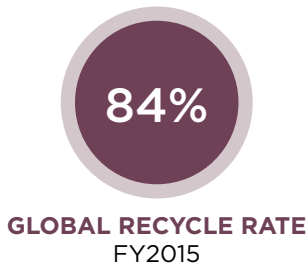
**GHG EMISSIONS**  
per tonne of food produced since 2008

Please see page 93 for footnote references.

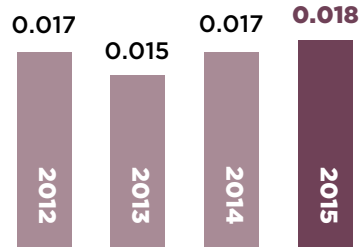


# Environmental SCORECARD

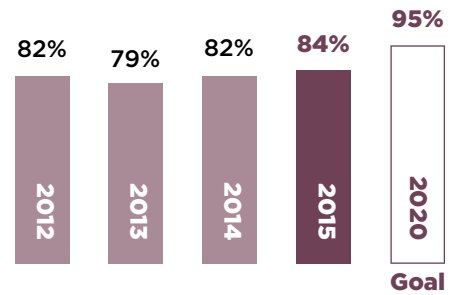
Quantifiable data is key to measuring our impact and tracking our progress against efforts to reduce our environmental impact. To do so, we track our environmental performance on both an absolute and an intensity basis.



WASTE DISPOSAL (tonne) /TONNE OF FOOD PRODUCED\*



SOLID WASTE RECYCLED\*



Please see page 93 for footnote references.

## Material Issue

# SUSTAINABLE BUSINESS MODEL



### Why It Matters

The rising global population and accelerated global development and resource use require that companies implement holistic approaches that achieve long-term social and environmental sustainability. Sustainable business models incorporate a triple bottom line approach and consider a wide range of stakeholder interests. They drive corporate innovation for sustainability and help embed sustainability into business purpose and processes. Companies that adopt this approach aspire to grow their businesses while also reducing their environmental footprints.

As one of the world's leading manufacturers of quality food and beverages, with growers and production facilities around the globe, we understand the necessity of being good stewards of the environment. Reducing the resources we use and having an environmental management system in place help us to mitigate the impacts of climate change, better manage compliance, reduce costs and increase efficiencies. The risks of not doing these things can be detrimental to a manufacturing business and can impact profitability and reputation.



### How We Manage

Our commitment to the environment is manifested through our sustainable business model strategies, which include understanding risks, setting goals and measuring progress against those goals. We make the biggest impact for our consumers, customers, employees and shareholders when we set and meet high goals as a business.

We take a precautionary approach to the environment by seeking to apply processes or practices with less environmental impact when possible. Our primary 2020 sustainability goal is to reduce our environmental footprint — defined as water and GHG emissions per tonne of food produced — by 50 percent. As we work

toward this goal, we've integrated strategies throughout our global business operations to ensure the widest possible impact. Our supporting 2020 goals, which track back to Campbell's FY2008 baseline, keep us continually focused on building sustainable business models. They include:

- Reducing energy use by 35 percent and sourcing 40 percent of our electricity from renewable or alternative energy sources;
- Recycling 95 percent of waste generated globally;
- Eliminating 100 million pounds of packaging from Campbell products; and
- Deriving 100 percent of our global packaging materials from sustainable sources (renewable, recyclable or recycled content).

We have also continued to strengthen our Environmental Management System (EMS) in order to measure performance, ensure compliance and integrate environmental programs into our global business

operations. Our EMS includes a technology platform that is used to manage compliance issues and to help us manage and measure our progress against our goals.

Another key to a successful environmental sustainability strategy is to ensure that there is accountability across the entire business. This year, we evolved the way we drive sustainability strategy, performance measurement and results to clarify accountability and improve measurement and shared learning across the enterprise. We have created a Sustainability Steering Committee with key work streams and assigned leadership. This cross-functional Committee and network teams, which are co-led by the Vice President of Corporate Responsibility and Sustainability and the Vice President of Global Engineering include business leaders who are accountable for setting goals and managing progress against the goals in energy, water, waste, agriculture, packaging, procurement, transportation and contract manufacturing. The network teams are also responsible for evaluating and setting both long-term and annual performance.



## Our Progress

### Energy & Greenhouse Gas Emissions

The food and beverage sector is one of the top five consumers of fuels and power in U.S. manufacturing, according to the U.S. Department of Energy. Electricity usage and the burning of natural gas generate GHG emissions that contribute to climate change. As a corporation, we have an obligation to our employees, our customers and the environment to manage and reduce the energy that we use to produce our products. By finding efficiencies in our processes, we can reduce energy usage and the associated GHG emissions.

To ensure we are managing energy use effectively, we have tracked and publicly reported on electricity and fuel use in our manufacturing facilities since 2008. Since that time, we have reduced our energy usage by 9 percent per tonne of food produced and our GHG emissions by 23 percent per tonne of food produced.

As part of our energy management strategy, this past year we brought online a co-generation, combined heat and power unit at our Toronto, Canada, manufacturing facility that satisfies 93 percent of the steam and 95 percent of the plant's electricity needs. We are also in the process of installing a second fuel cell at our Bloomfield, Connecticut, plant that will be operational in the summer of 2016. The two fuel cells, combined with an onsite solar array also installed this past year, will generate 100 percent of the plant's electricity demand.

Our Bolthouse Farms operations have converted more than 200 diesel engines to cleaner electric power. This massive project spanned six different growing regions across the state of California and resulted in significant GHG emissions reductions. Bolthouse also achieved long-term overall cost and maintenance reductions, and can now participate in "demand-response" electricity reduction programs with the local utility provider.

### Renewable Energy

We continue to evaluate and implement renewable energy technologies at our plant locations to demonstrate the viability of these clean sources of energy and to contribute to state Renewable Portfolio Standard (RPS) compliance markets.

In 2015, a new solar array came online at our Pepperidge Farm bakery in Bloomfield, Connecticut. In partnership with BNB Renewable Energy Holdings and SunPower Corp., the 1 megawatt solar array generates the equivalent of 15 percent of the bakery's annual energy demand. The ground-mounted, fixed-tilt array comprises 2,720 high-efficiency *SunPower* solar panels and sits on five acres of land leased from Pepperidge Farm. In its first year, the array produced more than 1.7 million kilowatt-hours of electricity. The solar array in Bloomfield is the second largest to be installed at facilities owned by Campbell, and one of the very few solar arrays operating at a food manufacturing site in the industry. Pepperidge Farm has agreed to purchase the equivalent of 100 percent of the electricity produced by the system for 20 years.

## Waste

Waste is generated across a business value chain: upstream in supplier facilities and processes, at the center in our manufacturing sites and downstream by our customers and consumers. Without efficient management practices in place, waste can have a direct impact on communities when it is discarded in landfills or leaks into waterways. Waste to landfill also generates GHG emissions that contribute to climate change.

Fortunately, solutions for reducing waste are very often wins for efficiency and cost as well. Recycling and reusing materials can be a source of revenue, while reducing cost to landfill. Campbell has a long tradition of reducing food waste to landfill through recycling, reuse, food donation and sending inedible food waste to feed animals at local farms — as outlined by the EPA Food Waste Hierarchy. To build on this work, Campbell began tracking and reporting all waste and disposal methods at our plant locations in 2008. We have a goal to achieve a recycle rate across all facilities of 95 percent by 2020. This year, we increased our recycle rate to 84 percent.

## Water

Campbell relies on water across our value chain — in the fields that grow ingredients, in the plants where we manufacture our products and in some of our products as a primary ingredient. Maintaining a clean and sustainable supply of water is imperative to the future of both our company and the communities where we operate. We recognize the impacts of our business, and we strive to comply with all applicable legislative and regulatory requirements with respect to water quality and consumption. We also engage at vital points in our value chain to manage and reduce water consumption as outlined in our [Global Water Policy](#).

Water scarcity is a particular business risk in certain locations where the cost of business could increase due to limited water supply. Furthermore, water scarcity could impact our ability to source ingredients or to manufacture products when an adequate supply of water is not available. We proactively manage water scarcity risks by working with growers and manufacturing personnel to track water usage and increase efficient water use.

Since 2008, Campbell has been tracking and publicly reporting on water usage in our manufacturing facilities, where we implement capital improvements focused on water reduction. Since 2008, our water usage has decreased by 24 percent per tonne of food produced.





As part of this effort and to better understand our risk at the local level, we continued to perform a site-by-site water scarcity mapping in 2015, cross-referencing the

World Business Council for Sustainable Development's Global Water Tool.

### Annual Renewable Water Supply Per Person (m<sup>3</sup>/person/year)

Location/Unit	Operation Type	1995	2025
Bakersfield, California	Carrot Processing, Beverage	●	●
Bekasi, Indonesia	Bakery	●	●
Bloomfield, Connecticut	Bakery	●	●
Camden, New Jersey	Administrative	●	●
Denver, Pennsylvania	Bakery	●	●
Dixon, California	Tomato Processing	●	●
Downers Grove, Illinois	Bakery	●	●
Downingtown, Pennsylvania	Bakery	●	●
East Brunswick, New Jersey	Bakery	●	●
Everett, Washington	Food Service, Soup	●	●
Huntingwood, Australia	Bakery	●	●
Lakeland, Florida	Bakery	●	●
Marleston, Australia	Bakery	●	●
Maxton, North Carolina	Soup, Sauce, Beverage	●	●
Milwaukee, Wisconsin	Spice, Ingredients	●	●
Napoleon, Ohio	Soup, Sauce, Beverage	●	●
Norre Snede, Denmark	Bakery	●	●
Norwalk, Connecticut	Administrative	●	●
Paris, Texas	Soup, Sauce, Beverage	●	●
Prosser, Washington	Carrot Processing	●	●
Ribe, Denmark	Bakery	●	●
Richmond, Utah	Bakery	●	●
Selangor Darul Ehsan, Malaysia	Soup, Sauce, Beverage	●	●
Shepparton, Australia	Soup, Sauce, Beverage	●	●
Stockton, California	Tomato Processing	●	●
Toronto, Canada	Thermal, Soup	●	●
Virginia, Australia	Bakery	No Data	No Data
Willard, Ohio	Bakery	●	●

- Extreme Scarcity (<500 m<sup>3</sup>/p/y)
- Scarcity (500-1,000 m<sup>3</sup>/p/y)
- Stress (1,000-1,700 m<sup>3</sup>/p/y)
- Sufficient (1,700-4,000 m<sup>3</sup>/p/y)
- Abundant (>4,000 m<sup>3</sup>/p/y)

Sm<sup>3</sup>/p/y = cubic meters per person per year



## Packaging

Campbell's global packaging team is committed to continuously improving our sustainable packaging footprint. Our packaging professionals are engaged in both short-term improvements and long-term innovation that reduce the environmental impact of our products. A global packaging sustainability program ensures that our packaging design teams are trained to incorporate environmental implications into their analysis from day one. Our three 2020 packaging goals include:

- Eliminating 100 million pounds of packaging through both material selection and reduction;
- Sourcing 100 percent of our packaging from sustainable materials, including renewable and recyclable materials and packaging made from recycled content; and
- Engaging 100 percent of our packaging supply base proactively in the development of sustainable alternatives that are economically feasible, grounded in science and technology, and have sustainable end-of-life scenarios.

To help us attain these 2020 packaging goals, Campbell follows five packaging principles that drive innovation:

- **Protect:** Implement packaging that delivers the safest, highest-quality food, while ensuring consumer and brand protection.
- **Reduce:** Continuously use packaging material and processes that utilize fewer resources while maintaining product quality and supply chain efficiency.
- **Recycle:** Utilize recyclable and recycled content in packaging materials whenever possible.
- **Renew:** Use renewable resources in packaging materials whenever safe and effective.
- **Partner:** Work with suppliers to promote clean production technologies and best manufacturing practices.

In FY2015, packaging efforts for Americas Simple Meals and Beverages and Global Biscuits and Snacks eliminated 316,000 pounds of raw material from our manufacturing processes. This year's reduction was largely driven by the reduction of steel used for certain soup products and the 3 percent material reduction in *Goldfish* packaging.

This year, we surpassed our goal by eliminating a cumulative amount of more than 112 million pounds of packaging materials since FY2009. In FY2016, we will be developing a new enterprise-wide sustainable packaging strategy.

## Logistics & Transportation

Transportation and handling of our raw materials, ingredients and finished products from farm to factory to stores presents multiple opportunities to create efficiencies. Our goals for reducing our carbon footprint are focused on reductions of our Scope 3 GHG emissions through supply chain efficiencies, which are driven by our internal optimization efforts, as well as through our third-party warehousing and transportation partners. Key initiatives include:

- Evaluating our manufacturing/sourcing footprint continually, to shorten the product sourcing distance from farm to table;
- Optimizing our sourcing profile to reduce supply chain "touches," thereby reducing the need for unnecessary product positioning;
- Improving our storage and transportation "density," which enables fewer miles traveled inside and outside our Distribution Centers (DCs);
- Utilizing more environmentally friendly transportation methods, such as intermodal and compressed natural gas, to service our customers;
- Aligning with carriers that are utilizing higher-efficiency power units, with improved miles per gallon;
- Employing better DC "yard management" to reduce idle times and minimize unnecessary shuttle movements;
- Ensuring that all core U.S. retail carriers are EPA *SmartWay* certified;
- Improving performance on DC recycling efforts (air bags, plastic overwrap, corrugate, etc.);
- Reducing the potential for landfill waste through product damage reduction initiatives; and
- Making improvements in high-efficiency LED lighting (among others).



— *Material Issue* —

# SUSTAINABLE AGRICULTURE



## *Why It Matters*

A common bumper sticker in rural areas of the U.S. reads “No farms, no food.” Agriculture is indeed the root of our company and products. For 147 years, Campbell has worked closely with farmers to source high-quality ingredients for our nutritious and flavorful products.

In recent decades, the growth of the global middle class and overall global population has translated into unprecedented demand for agricultural products, placing increased pressure on land, water and agriculture inputs. It is material to our company to invest in the efficiency of agricultural supply chains to ensure their resilience in an often volatile global economy.

Agricultural science also indicates that, for most food products, the farm is where many significant environmental impacts are incurred. Often, crop irrigation is the largest contributor to a food product’s water footprint, and fertilizer production and use is the largest contributor to its GHG footprint. In 2016, a CR materiality assessment confirmed the importance of agriculture sustainability to Campbell, with a high percentage of stakeholders indicating its relevance. Large retail customers have also identified agriculture sustainability as being of critical importance to price and supply resiliency, as well as to meeting customer expectations.

“I’ve spent a lot of time at different forums, and sustainable agriculture is the next big thing that food companies are working on. There’s a big shift happening. Customers and a desire for transparency are drivers, but as food companies we also realize that sustainability of supply reduces risk in today’s world. There’s a growing realization that agriculture represents the largest impact on natural systems, yet we need agriculture to survive. We’re starting to see a lot of organizations express an interest, for the first time, in improving farming practices. I see sustainability programs as a way to communicate to the world the progress that growers have made and the environmental benefits that come from efficiency.”

**Dr. Dan Sonke, Manager, Sustainable Agriculture**



## How We Manage

Our Sustainable Agriculture Program encourages responsible and resilient agriculture systems to protect the long-term viability of the farms and ecosystems from which we source our ingredients. Responsible management of agricultural resources has been a hallmark of Campbell operations since our beginning. When our Sustainable Agriculture Program re-launched with a strategic emphasis in 2012, we were building upon more than 140 years of investment in agricultural research and farmer relationships.

Today, our Sustainable Agriculture Program is guided by a formal strategic plan centered on tomatoes and other iconic crops in the Campbell portfolio. We take a “measure to manage” approach, in which key agriculture metrics are identified and used to provide perspective to growers about their performance. While individual farmer information is kept private, we provide farmers with a snapshot of how their metrics compare to the average performance of other Campbell suppliers who grow the same crop in the region. The perspective helps them identify strengths and opportunities for their individual fields and farms. We expect the adoption of embedded technologies and “big data” analytics to accelerate these capabilities in the future.

This is a relatively new concept for sustainable agriculture programs, and one in which Campbell is a key voice. We have a leading role in such industry efforts as the Stewardship Index for Specialty Crops and the Food,

Beverage and Agriculture Sector Working Group of The Sustainability Consortium. Our program is also linked with Campbell Procurement and other industry-wide efforts regarding strategic ingredients such as poultry, beef, dairy and flour. In 2013, Campbell began working directly with these suppliers to communicate our strategic plan for synchronizing their sustainability efforts with our own.

Our sustainable agriculture strategy continues to focus on driving improvement in five priority areas — GHG emissions, water, fertilizer and pesticide reduction, and soil quality improvements — all of which were identified through a stakeholder engagement exercise in 2012. For three of these priorities, we have set 2020 goals:

- **Climate:** Reduce GHGs per pound of ingredient by 20 percent
- **Water:** Reduce water use per unit of ingredient by 20 percent
- **Fertilizer:** Reduce nitrogen applied per pound of ingredient by 10 percent

In addition, in August 2014, Campbell furthered its commitment to sustainable agriculture through its partnership with Walmart and announced an additional goal to reduce GHGs and water use by 20 percent per ton of food produced for its five key agricultural ingredients: tomatoes, carrots, celery, potatoes and jalapeños.



## Our Progress

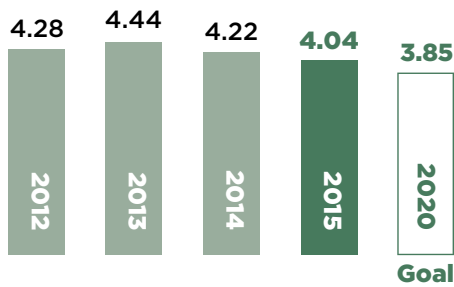
As a business with a value chain that begins on the farm, we are acutely aware of the potential risks to the food system posed by climate change. Weather pattern changes over time can have a direct impact on many of our agricultural producers, which in turn, could significantly impact agricultural inputs to our product portfolio. Our climate strategy is integrated with our overall sustainable business strategy and encompasses sustainable agriculture, procurement, supplier engagement, performance reporting and reducing our carbon footprint.

### Fertilizer Optimization and GHG Emissions Reduction

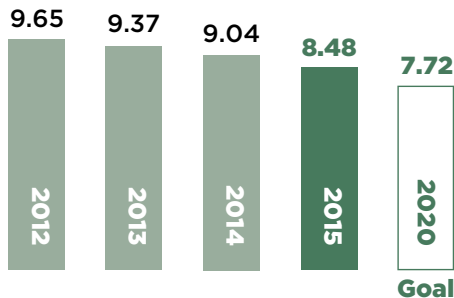
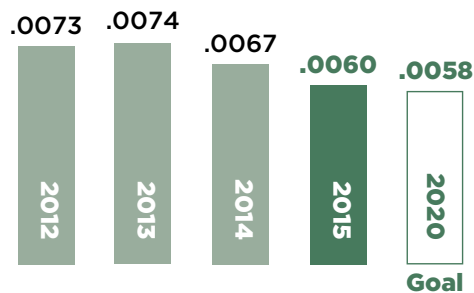
The production and use of nitrogen fertilizer is the largest contributor to GHG emissions from farming practices. Best practices and improvements in the efficiency of nitrogen fertilizer use are crucial to achieving our GHG reduction goal. In tomatoes, our year-on-year data shows that nitrogen use efficiency is increasing with the adoption of best practices and technologies. Drip irrigation technology is part of the solution. At the University of California, Davis, Russell Ranch facility, scientists documented a

**NITROGEN USE**

(lb N/ton tomato)

**WATER USE**

(gal/lb tomato)

**GHG REDUCTION**(kg CO<sub>2</sub>e/ton tomato)

more than 50 percent reduction per acre of the key GHG associated with fertilizer — nitrogen oxide — when drip irrigation was used to deliver the fertilizer close to the plant roots. This practice also increases crop yields, a financial incentive for farmers. We urge our growers to adopt drip irrigation, where economically feasible, along with nutrient management planning best practices such as soil testing and nitrogen budgeting.

**A Collaborative Partnership**

Our key retail customers also understand the nitrogen opportunity. In 2013, we agreed to work with grain suppliers to improve fertilizer efficiency on 70,000 acres earmarked for *Pepperidge Farm* products supplied to Walmart. In 2015, we signed an agreement with *SUSTAIN*, a project of the Environmental Defense Fund (EDF) and United Suppliers — a cooperative of agriculture retail

chains and crop consultants throughout the U.S. and Canada. This innovative program enlists the aid of a voice that farmers trust — their crop consultant advisers — and equips that voice with knowledge of tools and techniques for farms to implement in their cropping systems.

This partnership expanded our fertilizer optimization programs in sourcing areas of Ohio and Nebraska that provide wheat to *Pepperidge Farm*. We plan to enroll an additional 70,000 acres into our fertilizer optimization programs by 2020. The project aims to improve water quality and reduce GHG emissions by optimizing fertilizer use and advancing soil conservation for farmers in our wheat and corn sourcing areas.

*SUSTAIN* is part of EDF's [Sustainable Sourcing Initiative](#) to enable Campbell, along with industry peers, to do our part to make fertilizer efficiency and soil health the norm in U.S. grain production. EDF is a leading developer of reporting systems to track and measure both the environmental and economic benefits of fertilization optimization and conducts on-farm trials of fertilizer optimization tools to make sure farmers are using the best tools available.

Efficient use of inputs such as fertilizer also has positive business implications for our growers. It helps reduce the likelihood of regulatory impacts, which can negatively affect cost or production for their operations. Preventive adoption of best practices also enhances our growers' efficiency, as well as reducing cost and improving yields in many cases.

**Water and GHG Reductions**

We have made progress in each of our priority areas, particularly water consumption. In FY2015, we reduced our agricultural water use (gal/lb raw tomato) by 18 percent and produced 12 percent fewer fertilizer-related GHG emissions per ton of tomato, measured year over year. Based on data collected in 2015, we know the typical Campbell farmer needs approximately 8.5 gallons of water for every pound of tomatoes produced, which is in line with other irrigated fruits and vegetables. But there's still room for improvement. To reach our 2020 goal, we're working directly with contract farms to develop more sustainable irrigation practices.

Water and fertilizer continue to be major priorities for our key stakeholders, with fertilizer a key contributor to GHG footprints as well as water-quality impacts. As recent droughts have demonstrated, restrictions on water availability for irrigation significantly impact what crops farmers can grow and where they can grow them. Campbell has been able to manage through drought conditions successfully due to close working relationships with farmers, through the adoption of more efficient irrigation technologies and practices, and through a small amount of shifting volume among sourcing regions.

Drip irrigation, for example, is one of the most efficient methods of watering crops because drip-irrigated tomato fields typically use about 40 percent less water



(per ton) than required by the traditional irrigation method. The number of Campbell growers using drip irrigation has almost doubled in the last five years, with 60 percent of Campbell's tomato acres currently using this type of irrigation. Using our 2012 baseline data, we are seeking to increase that number by identifying drip-irrigation opportunities across geographies. By showing individual growers how their water use compares to local/state averages, we ultimately want to help them move toward more efficient irrigation practices.

In 2014 and 2015, some of our tomato farmers and our carrot-growing operations at Bolthouse Farms were able to secure drought grant funding from the state of California to implement water-saving technologies, while also reducing GHG emissions. Bolthouse Farms has also been piloting improved irrigation techniques on certain farms, which has reduced water use on those pilot farms by 20 percent.

After two years of working primarily in tomatoes, we pledged in 2014 to expand our climate and water goals to four additional key vegetables: carrots, potatoes, celery and jalapeños. As a result, we now have data to set a baseline in these vegetables and are exploring collaborations to identify opportunities. For example, the USDA Natural Resources Conservation Service in New Jersey will be working with Campbell vegetable growers in that state in 2016 to assess conservation practices appropriate to each farm.

Our focus on water extends to our agriculture processing plants as well. For example, our tomato processing plants in Dixon and Stockton, California, reduced freshwater pumped per ton of tomatoes processed by 35 percent in FY2015 as compared to a 2010 baseline. The plants track performance daily throughout each harvest season. During the off season, learnings from harvest are built into improvement plans to be implemented during the following harvest.

As a proactive employer and neighbor, these actions began even before it was clear California had entered its most recent drought.

### Pesticide Use

Reducing pests and disease helps create healthier crops and increases yields, but the industry's traditional control methods have often depended on pesticides. Today's sustainable pest and disease management, however, is achievable through a focus on prevention and by employing a variety of coordinated methods, collectively known as integrated pest management (IPM).

Pesticide reduction is an area where Campbell has historically been a leader. Though an effective IPM program will generally utilize pesticides to some degree, Campbell works with growers to ensure that prevention practices are the first line of defense.

To enhance our IPM efforts, each year, Campbell agriculture experts work to add more disease-resistant tomato varieties to our agriculture program, with the goal of creating traditionally bred plant varieties that allow farmers to increase yields while reducing or eliminating the need for pesticides.



### ADVOCATING FOR SUSTAINABLE FARMING PRACTICES

Campbell's focus on sustainable agriculture doesn't stop with our growers or crops. We are leaders in a variety of agricultural efforts to create a more sustainable business model at Campbell and to foster more sustainable practices in the farming industry. Some examples include:

- Helping to organize an educational tour of agriculture and sustainability issues for The Sustainability Consortium member companies and affiliated organizations
- Informing and learning of ways to measure farm sustainability in connection with the Stewardship Index for Specialty Crops — a collaboration between environmental groups, growers and processors in the fruit, vegetable and nut industries
- Sharing information among food processors on agriculture best practices and sustainability opportunities via the Agricultural Committee of the California League of Food Processors, for which Dr. Dan Sonke, Campbell's Manager of Agriculture Sustainability Programs, currently serves as chair