

The Sustainability Professional

On the Record with Dave Stangis
Vice President, CSR and Sustainability
Campbell Soup Company
Camden, NJ

*There's no doubt that Campbell Soup Company knows how to communicate. It's "M'm m'm good" tagline—developed in the 1930s and still recalled today by any number of consumers—was listed in Advertising Age's top 100 advertising campaigns of the 20th century. With fewer than 140 characters, the slogan conveys a lot about the company and its products in a memorable way. That historical emphasis on brevity in messaging may work well for Campbell as it undertakes some ambitious sustainability initiatives—efforts that have been rewarded with the naming of the company to the Dow Jones Sustainability Index and its addition to Corporate Responsibility magazine's 100 Best Corporate Citizens list. Acknowledging that those pretty—and lengthy—sustainability reports published by big companies every year are somewhat unread, Dave Stangis, vice president for corporate social responsibility (CSR) and sustainability, is telling Campbell's sustainability story in updates on Twitter and other social media sites that are almost as condensed as the company's "M'm m'm good" catch phrase. **Sustainability:** The **M'm of Record** managing editor Lori Tripoli discussed with him—in somewhat longer form—the company's plans to nourish the universe, how he made the transition from chips (computer ones) to soup, and the importance of backing up ambitious sustainability plans with actual accomplishments. Excerpts from the discussion follow.*

Lori Tripoli: On Twitter (@dstangis), you describe yourself as vice president of corporate social responsibility and as a sustainability Sherpa. I am curious about the Sherpa aspect of your job.

Dave Stangis: I have yet to reach my two-year anniversary with Campbell. I was recruited away from Intel Corporation, where I created this function before it existed back in the late 1990s/2000 timeframe. It took a lot of work and a lot of year-after-year of proving results, building enlistment, and building the case inside the company. But it really took off after about five or six years of sustained success.

Most of my peers in the industry have little to no support staff. We have to lead people that do not report to us, and we have to lead people that are at all levels of the organization from new hires to senior executives. We have to lead boards of directors. Our job is to show people where success is and what it looks like, and then convince them to go that way, and then make sure the success is reflected back to the organization.

That is how the Sherpa comes in. I am more of a guide. The proof that we are successful is the fact that we could disappear. And it would all go on as though we were never there to begin with. We all have to be very comfortable with that as an end point because that is where we are trying to take our companies.

How does your job at Campbell differ from your position at Intel?

It is easier to talk about the similarities first. Both companies are leading manufacturers. They both use raw materials. They both have plants, use energy, use water, and generate waste. That was one of my conditions in the career transition. If I was going to make a move, it had to meet certain criteria. I wanted a company with a real footprint, real issues, real opportunities, and a global iconic brand. Both companies make products and while both are household names, they are both business-to-business companies. We sell to other businesses, not directly to consumers. There are many relationships that need to be strong in the value chain. We have to build extremely strong relationships with suppliers and our customers.

Campbell is a tight-knit community. It is much more like a family. I know people are proud to work at Intel, but the pride Campbell people feel in this company is palpable. It runs from the chief executive officer (CEO) to the new hires. They get on planes. They travel around the world with their logo on their shirts because they want people to ask them about the company, and they like hearing the stories about how as a kid so-and-so grew up having this product or that product. There is an emotional connection to this family of brands unlike any I've ever sensed.

Close Up: Dave Stangis

Years in current job: 2

Birthplace: Dearborn, MI

Education: B.S. in chemistry/biology from the University of Detroit, Mercy; M.S. in occupational and environmental health from Wayne State University; M.B.A. from University of Michigan.

Career highlights: Former director of corporate responsibility at Intel and environmental health and safety external affairs manager at Intel

Goal for 2010: To be able to better measure, manage, and communicate all the advances we are making in nutrition in the marketplace



Dave Stangis



Our mission is to nourish people's lives, everywhere, every day.



They mention chicken noodle soup.

Yes, they talk about their favorite whatever, and it is amazing. The areas that are different, though, are also numerous. Intel is one brand. There are some badges: Core and Xeon. But at a consumer products company, it is not just Campbell. There are brands that have a following and a personality. Some of them were acquired decades ago. We are Pepperidge Farm; we are Pace and V8. We are Prego. We are Arnott's in Australia and Erasco and Liebig in Europe. Most of these brands operate as almost their own company. They advertise with their own look and feel. They are trying to communicate a brand promise.

I show up and I am trying to drive a reputation management strategy, at least externally, with all of these brands. It is much more difficult to get baseline metrics. Intel measures everything the same way. Every plant is a cookie-cutter copy of the next one. So if you are measuring water or raw materials, you just ask for it and you get it. At Campbell, we had to work hard to collect a global baseline of data. While we've collected it for our core environmental metrics, we still have work to do to quantify and communicate the health and nutrition profile of our products.

I have been here just under two years. So there is really strong data now globally for environmental—climate, water, waste recycling—pretty good data around the community impact that we have been measuring, but not everything. We have strong data around employee engagement and what we do in the workplace.

Our mission is to nourish people's lives, everywhere, every day. But the nutrition, what we offer, what is our social impact from the product portfolio, is thought of differently in different countries, in different brands. It is much more difficult for me to help the company tell its story if I do not have a good baseline, a good foundation to stand on. That is what we are building now.

I have much stronger top-level support. Not to say that I did not at Intel. It just took years to build it. Here, the CEO is one of the people who interviewed me. We talk regularly. We set up a governance structure with teams focused on all of our pillars and a steering committee, and he challenges me. Instead of me trying to convince him that this is important to do, he is challenging me to move faster, quicker, and better. So our learning curve here, our performance curve, is going to be much steeper. In a year, we have been able to create an integrated strategy in terms of accountability, compensation, performance objectives, into the strategic planning cycle, that I was not able to do in 10 years at my last company. Campbell has seven clear global business strategies. One of those seven is focused on CSR and sustainability. That single fact alone provides tremendous opportunity.

You are trying to get 100 percent employee engagement. That is a big goal.

Employee engagement has been (Campbell President and CEO) Doug Conant's platform since he got here. Everybody in the company is part of an employee engagement team.

When I showed up, I would say 98 percent of the people here knew we had a business strategy focused on CSR. They thought it was great, but they did not know what they could do to affect strategy. My goal is that every employee—and I think I will get there long before 10 years—knows what they do to advance a competitive advantage via CSR, and has a role.

We built certain accountabilities into the executive compensation program, in some of the variable compensation, so the leaders of the company not only are rewarded for moving this along, but they also role model it. Another important step was adding CSR and sustainability to everybody's personal performance objective, individuals and managers alike. It is not a stick. It is a carrot. It asks everybody to have a conversation. Every year, we want to promote the planning—What can I do as an individual or within my small team to move one of those four pillars?—whether it is health and wellness in the marketplace, environmental sustainability—Can I continue to advance engagement or can I improve hunger or childhood obesity rates in my community?

We have created innovation portals inside and outside the company where people can give us ideas in all of these categories. We even send out challenge questions so our employees can vote and stay engaged. We have social media tools inside the company. We have sustainability communities. We have a new CSR community. There is tremendous opportunity here.

One small example: the individual that manages our TV production has put a process in place to "green" all of our commercial shoots. He mandates the use of all recycled materials, assures any wood used is certified sustainable, eliminates daily call sheets and does it all electronically. He measures it, tracks it. He meets with me a couple of times a year just to share with me what he is doing. It is the way he is showing and improving and advancing his personal engagement and the company's strategy. He didn't go to school for it; he brings his passion into his daily job. While I cannot meet with 17,000 people one-on-one every day to tell them what to do, this is an example of how this catches on and plays out in leading companies.

Speaking of corporate responsibility, have you changed your practices in any way as a result of the BP gusher in the Gulf of Mexico? It would appear



that in some measure, what happened at BP was that a number of people along the way raised red flags about what was happening on the Deepwater Horizon rig, but apparently no one seemed to act on them. Are you thinking, “Gee, a disaster could happen to us?” Do you have mechanisms in place where if someone is seeing something going wrong in a factory that somehow that information gets to the right person who can make a change?

There are several angles to the tragedy in the Gulf, and they are not all BP-related. I do not want to singularly praise Campbell because I know other companies have very strong business continuity programs. And BP probably did too. But as you say, what happens over time is that companies can grow complacent and people do not challenge assumptions.

So let me say, Campbell has a very strong business continuity program, and likely BP did as well. The proof of execution, however, comes within the culture. We work hard to constantly reinforce individual accountability. I’m challenged by our leaders that if I see something, I bring it up. I do not just let it go. It’s my job to challenge others to do the same. One thing I brought with me from Intel is my love of constructive confrontation. I enjoy it when people disagree with me. Even when I’m right, the challenge makes me smarter in the long-term.

We actually do training, both inside, face-to-face, and online. It is clear that ethical challenges can arise anywhere, and we have to remind ourselves not just as a company, but individually, day in and day out, that the marketplace can put pressure on us to make bad decisions. If we do not continually remind employees that we understand that, we recognize it is there, but we expect you to challenge us, to challenge your peers, and, if you feel uncomfortable, to go somewhere else. Raise the concern one way or another.

Part of what happened is that BP was the poster child in terms of “green” petroleum companies. A week before the Gulf tragedy, if you asked somebody on the street, who is the greenest oil company, even after the problems they had in Texas, the answer would have been BP. BP is not the only example of a company that spent millions marketing their greenness, but their campaign was brilliant and it stuck. And it inoculated them with consumers against a range of challenges they face. The Deepwater Horizon clearly tipped this scale in the other direction for BP, but they really are a case study on the impact of a large and consistent marketing campaign.

I remember conversations we had in the Environmental and Safety Department at Intel, long before the spill, and we have similar conversations about the concept of authenticity regularly here at Campbell.

CSR and sustainability are most successful and resonate with customers and employees when authenticity reigns. The image you are trying to convey has to match what you do inside. The authenticity has to match the performance. What can happen with some companies is they win on that image campaign or the marketing side and they let the performance side slip.

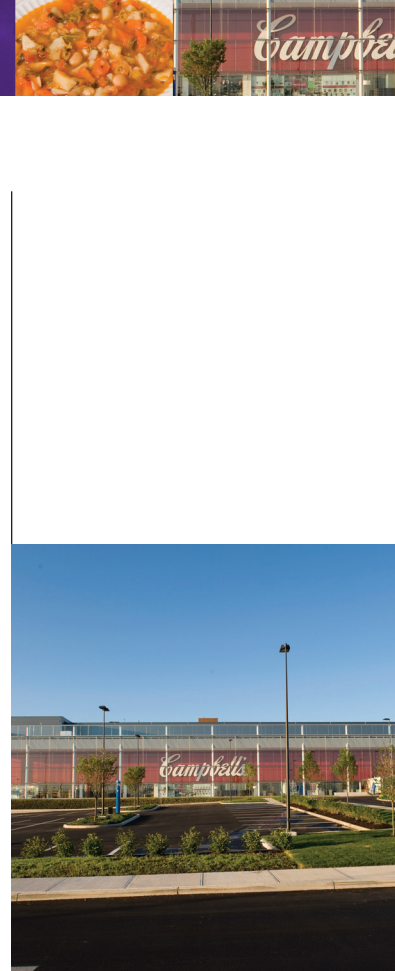
At Campbell, we are constantly reminding ourselves. I met with our board of directors in May. I discussed not only our strategy, but more importantly, what is happening in the world and how this is affecting CSR and sustainability strategies globally, and then how it plays out in the food and beverage sector.

Going back then to our original question about being a Sherpa, how do you use social media for your work?

My main goal today is to communicate. The way CSR and sustainability stories have been communicated or shared over the last decade has primarily been through the vehicle of a sustainability/CSR report. So, even the best companies publish this tome once a year that very few people read cover to cover. Many people may interact with it, but very few people engage with it. Hence, the communication strategy is suboptimal at best.

When I came to Campbell, they had just finished publishing their first report. It was a great first report, but I knew it would likely be 18 months before I could really overhaul the reporting infrastructure, redo our metrics, and create truly interactive websites. So I started to communicate updates on the social media platform JustMeans.com. I was working to get Campbell comfortable telling their great stories in a more real-time environment.

We recently published a new CSR report that is more interactive and includes a range of different delivery vehicles in terms of print and web and PDF. I use Twitter a little bit. I try to link these stories together. The company has Facebook pages for Chunky Soup and our condensed soup and Pepperidge Farm Fishful Thinking. Campbell has a Twitter feed (@CampbellSoupCo). They have the Campbell Kitchen (www.campbellskitchen.com), which includes a set of great communities around recipes and nutrition. I am just trying to help tell the story one person and one impact at a time, give it life, so people know who is here, what is the personality of the people behind the sustainability strategy at Campbell Soup. It also provides an opportunity for engagement. We have more than 400,000 people a year pick up the phone and call us because we have this great consumer affairs organization, and people are used to calling with questions about their food or recipes, topics like that. We are growing in the social media space, and I think we are learning as we go.



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Campbell products are in 85 percent of people's pantries at home.



We strive to source our ingredients within 100 miles of where we manufacture them. It just makes good business sense.

I think we all are.

It is really to close the gap and make this a real-time story versus a once-a-year data dump that nobody pays attention to.

Are consumers really interested in what you are doing on sustainability?

We think so. We know our consumers. We poll them. We have consumer insights organizations in the company. We have actually done specific research with a community of Campbell consumers, approximately 500 people. Campbell products are in 85 percent of people's pantries at home. We gave them a set of different CSR and sustainability attributes and asked them to rank them. We have even asked them, "If you were sustainability king at Campbell, what do you do the first year? What do you do the fifth year? What do you do the 10th?" Our consumers provide some great input and they send us thank you notes for being asked these types of questions. It matters to them. The challenge with most consumers is the complete noise in the marketplace. They want to feel good about their purchase decisions, but they do not know what to do. Everything a consumer picks up today has a little green sticker on it. It is recycled this. It is compostable that. They want to make the responsible choice.

Oftentimes because of branding, they may not know who the parent company is. Some people vote by proxy. They go to a certain store where they think, "Well, everything in this store is good. If I am shopping in this store, I am making my green choice." They also do not want to make quality or taste trade-offs. Nor do they want to pay more. They want it to taste as good as it did before, and if possible, they want it to make them healthier, too. So it is a challenge.

Has Campbell had to shift strategies because of climate change? For instance, are weather changes affecting where you are sourcing your tomatoes?

Weather always affects food companies. It may not affect where we source our tomatoes, but it can have annual impacts on yield or harvest dates. Our supply chain and agriculture experts manage this extremely well—that's their job. Longer term, the best companies need to put tension in the system to avoid the tendency to look out only 12 months. We need to monitor risks and opportunities on a long-term horizon and consider, Where do I get my raw materials and is there risk in that supply chain?

At Campbell, we want to challenge our experts in terms of climate, in terms of sustainable agriculture. We ask our people to look out over 10 years. In working through efforts such as the Carbon Disclosure Project, you force yourself to ask questions

about these things. Are any of your raw material supply chains at risk due to climate? You take a look at your plants and their locations. Are any of them in a belt where there are water scarcity issues around the world?

We are in a great position in terms of being able to basically say no to most of those broader climate risks today, but it still does not stop us from asking. One year tomatoes can have a poor season in California. The next year there can be a glut. There will always be a bit of this short-term up and down. But for the most part, in our key commodities, in our ingredients, we are finding good long-term supplies.

This year, as part of our long-term supplier sustainability strategy, we have gone out to 12 of our most strategic suppliers in ingredients, in packaging, and in indirect purchases such as office supplies and energy and have created a sustainability scorecard. We ask our suppliers: Do you know where all of your ingredients come from? Do you know your carbon footprint? Could you report it to us based on the products that you make for Campbell? We do that for water, for energy, for waste, policies around animal welfare if it is that kind of supplier. Do they set goals? Do they set public goals? Are they looking more than one year out? The real benefit is in going back to those suppliers, sharing their results, where they fall within the other suppliers that we surveyed. It has been a tremendous learning opportunity for them and for us.

We will continue to build upon these efforts. We have updated our supply-base expectations manual to include a new chapter around CSR and sustainability that sets expectations about environmental and safety performance, forced labor, child labor, competitive wages, all the issues important to long-term supply chain success. This applies to any new supplier and any old one as a condition of doing business with us. Before it was implied, now it is explicit.

Is Campbell Soup trying to get more produce from local farms, or is the company considering using organic fruits and vegetables for some products?

When possible, we strive to source our ingredients within 100 miles of where we manufacture them. It just makes good business sense. We are in the food business. The fresher the ingredients, the lower the cost of sourcing and shipping back and forth and the better quality for our consumers.

There are some very unique projects we have completed over the last year with a group called National FFA (previously Future Farmers of America) where we worked together to revitalize farms and pro-



vide scholarships for students to pursue sustainable agriculture. We even helped build community/urban gardens and helped teach young people the importance of a wholesome diet.

But I believe longer-term, getting back to your point, what we are trying to drive across all of our product portfolios is goodness in terms of health and nutrition. We have some tremendous product portfolios. For example, Select Harvest is a great example of trying to get as far as we can in terms of all natural ingredients and clean labels that everyone can read and understand.

We have some organic products. We are not a major organic producer, but there are organic products in our portfolio. We provide information on our websites for consumers looking for organic or gluten-free products. As a food company, we work to help people make healthy choices, from whole grains to vegetable servings. We have the Wolfgang Puck brand of organic soups. We have set goals within our sustainable agriculture strategy to reduce water and

energy use in our top commodities, both from our growers and taking a look at what we use and source. We have a couple of new pilot projects going on now with the UC Davis Agricultural Sustainability Institute that take a look at ways that we can help reduce pesticide and water use while maintaining yield in agricultural crops. We are performing tests and data collection now. The information we learn, we share with our growers. At one time, Campbell used to be more vertically integrated. Today we utilize more contract growers. We believe we can have a significant positive impact across our supply chain by working in partnership with our growers and ingredient sources through the value chain to our customers.

What is your favorite Campbell's soup?

My favorite Campbell's soup is Select Harvest. Specifically, savory chicken and brown rice. I enjoy soup, but I do not eat it all the time. For lunch, I like my Pepperidge Farm Goldfish and my V8 V-Fusion.



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