

# Campbell Soup – CSR and Sustainability



## SRI Stakeholder Engagement Meeting

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# Objectives

- Introduction
- Campbell Business Update
- CSR Strategy Update
- Progress Snapshot
- Discussion and Q&A

# Nourishing

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# Campbell – The core categories

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*Simple Meals*



*Baked Snacks*



*Healthy Beverages*

**\$8 billion in sales annually**



# Campbell – Key points

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**More than 18,000**  
employees  
around the world

**#1 Soup**  
manufacturer  
in the world

**#3 Cookie and Cracker**  
manufacturer in the world

**Management Team**  
rebuilt



**#1 Vegetable Juice**  
brand in the world  
(**V8**)

**94% of U.S. Households**  
have at least one  
Campbell product

**#1 in Core Categories**  
and segments in  
core countries

**#1 Children's Cracker**  
in the world (**Goldfish**)



# Our priority is to create value

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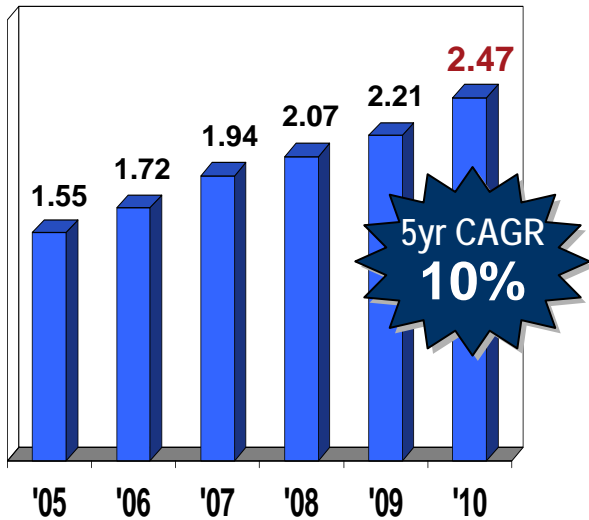
- **EPS Growth Drivers**

- Net Sales Growth
- Margin Management
- ROIC
- Cash Flow

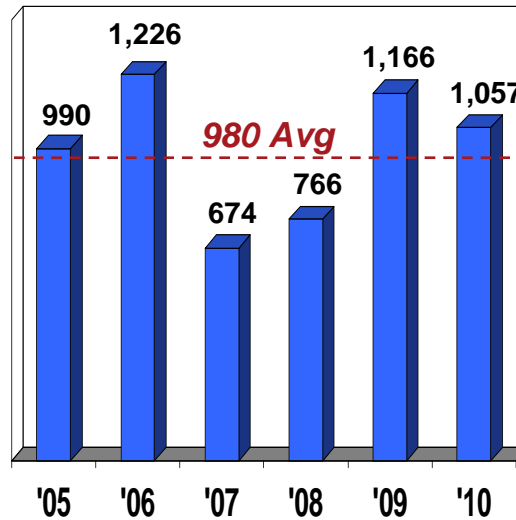


# Campbell – Financials

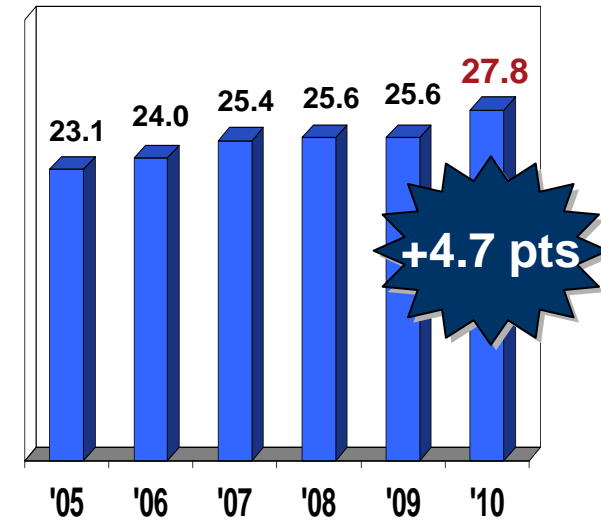
Adjusted EPS\*  
(\$)



Cash Flow  
From Operations  
(\$ Millions)



Adjusted ROIC\*  
(%)



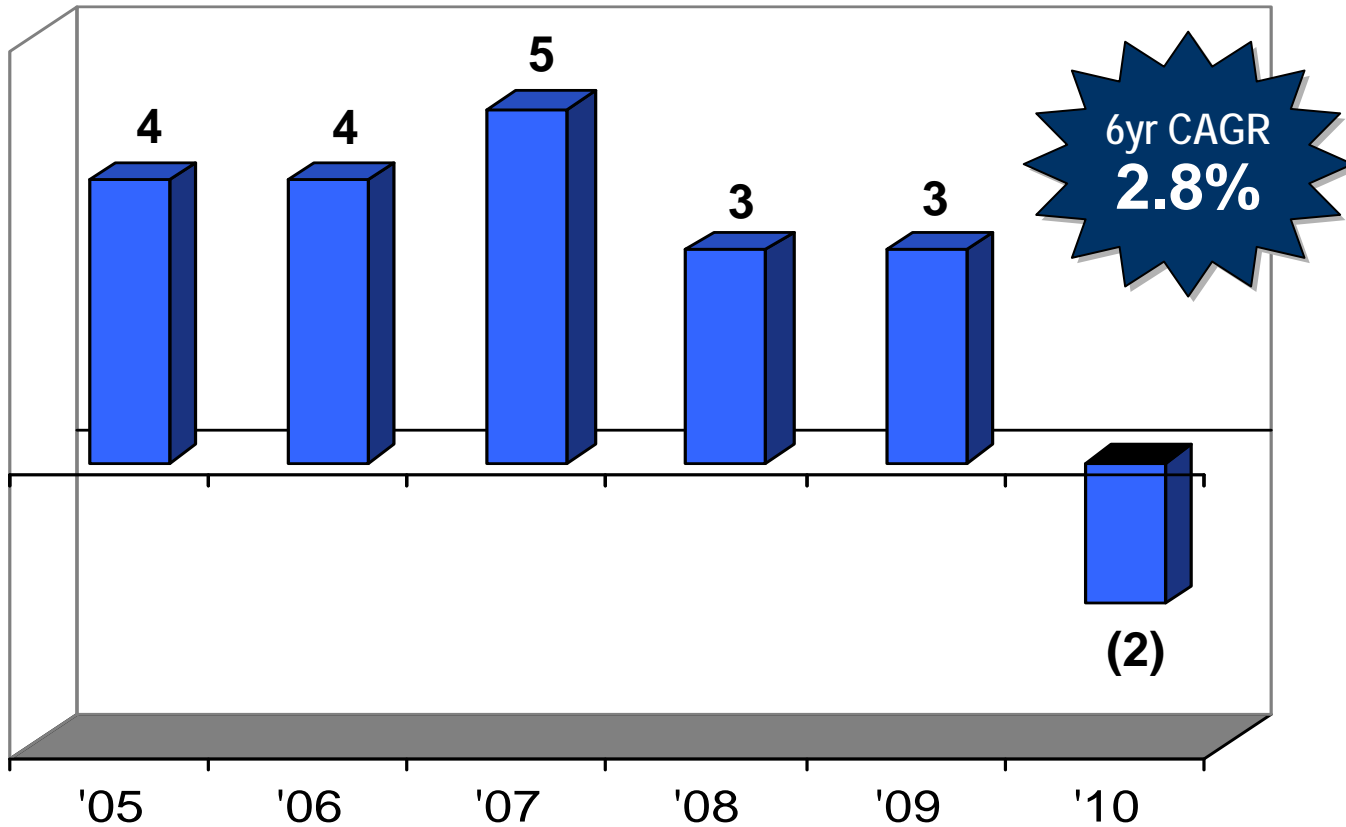
**Our performance has been solid**

\* Non-GAAP; see reconciliation



# Campbell – Financials

## Organic Net Sales Growth\* (% Change)



\* Non-GAAP; see reconciliation



# Newly Shaped Leadership Team

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**DENISE  
MORRISON**

Chief Operating  
Officer



**CRAIG  
OWENS**

CFO and Chief  
Administrative  
Officer



**IRENE  
BRITT**

Chief Strategy  
Officer



**SEAN  
CONNOLLY**

President  
North America



**MARK  
ALEXANDER**

President  
International



# U.S. Soup

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# U.S. Soup key takeaways:

## 1. Shift the marketing mix for greater impact



# U.S. Soup key takeaways:

## 2. Accelerate our innovation



# U.S. Soup key takeaways:

## 3. Leverage growing segments

### Healthy Request



Campbell's  
Healthy Request

**DELICIOUSLY  
HEART HEALTHY**

LOOK INSIDE FOR HEART HEALTHY  
TIPS, RECIPES & SAVINGS!



- ✓ Healthy Level of Sodium
- ✓ Low in Fat and Cholesterol

### Cooking Soups & Broths

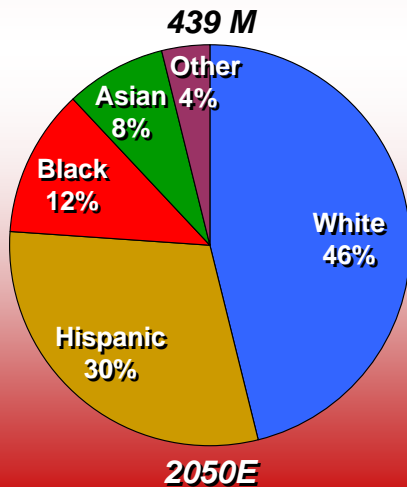


# Pursue growth in developed markets

## Hispanics



- 80 million consumers by 2050
- 30% of Population from 16%



## Millennials



- 80 million consumers
- \$200 bn consumer spending



*Convenience*

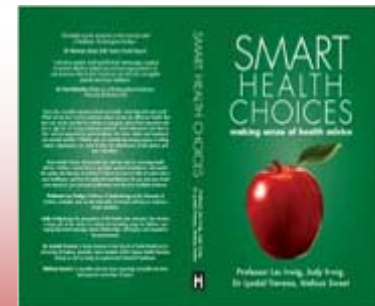


*Limited cooking skills*

## Boomers



- 80 million consumers
- 1/3<sup>rd</sup> of US consumer spending



*Food = Health*



Source: McKinsey

# Stepping up our innovation



# Improved productivity to offset inflation

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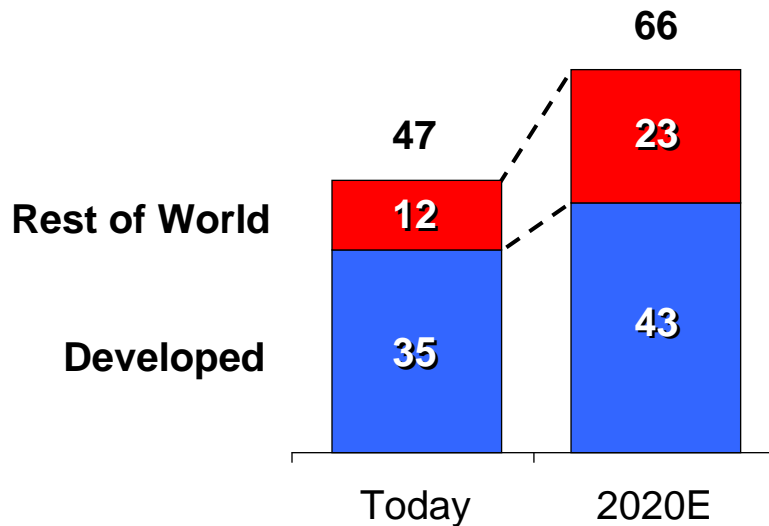
# Reducing the complexity of soup making

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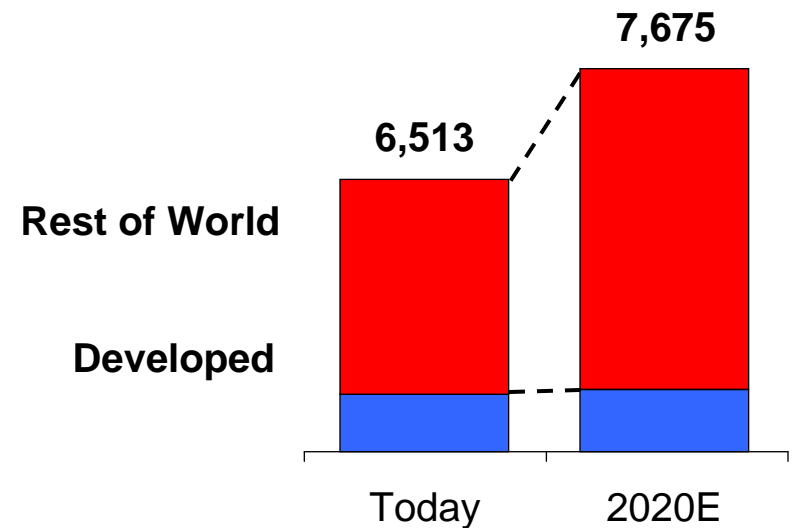


# Emerging Markets driving population growth

Real GDP (USD Trillions)



World Population (Millions)



Source: McKinsey



# Key Thoughts

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- Fundamentally solid business
- New management focused on top-line growth
- Clear view of challenges and opportunities
- In the short term, value creation will come from stabilizing and then growing U.S. soup
- Longer term, value creation will come from diversifying our products and geographies





# Forward-Looking Statements

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This presentation contains "forward-looking statements" that reflect the company's current expectations about its future plans and performance. These forward-looking statements rely on a number of assumptions and estimates that could be inaccurate and which are subject to risks and uncertainties. Factors that could cause the company's actual results to vary materially from those anticipated or expressed in any forward-looking statement include, among other things, (1) the impact of strong competitive responses to the company's efforts to leverage its brand power in the market; (2) the risks associated with trade and consumer acceptance of the company's initiatives; (3) the company's ability to realize projected cost savings and benefits; (4) the impact of fluctuations in the supply or costs of energy and raw and packaging materials; (5) the impact of changes in currency exchange rates, tax rates, interest rates, inflation rates, debt and equity markets, economic conditions and other external factors; and (6) the other factors described in the company's most recent Form 10-K and subsequent SEC filings. The company disclaims any obligation or intent to update any forward-looking statement in order to reflect new information, future events or other circumstances.



# Non-GAAP Measures

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This presentation includes certain “non-GAAP” measures as defined by SEC rules. As required by the SEC, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is shown at the end of your handout and is posted on our investor Web site at *investor.campbellsoupcompany.com*.



# Healthy Beverages, Baked Snacks and International

## *Healthy Beverages*



## *Baked Snacks*



## *International*



# V8 has a robust innovation pipeline

## Energy



Shots



Drinks

## Smoothies



# Baked Snacks new product pipeline



# International new products and packaging

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*Germany*



*France*



*Belgium*



*China*



*Russia*



*Mexico*





# CSR and Sustainability Strategy Update



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# our strategies

**1.** Grow our icon brands within simple meals, baked snacks and healthy beverages

**2.** Deliver higher levels of consumer satisfaction through superior innovation focused on wellness while providing good value, quality and convenience

**3.** Make our products more broadly available and relevant in existing and new markets, consumer segments and eating occasions

**4.** Strengthen our business through outside partnerships and acquisitions

**5.** Increase margins by improving price realization and company-wide total cost management

**6.** Improve overall organizational excellence, diversity and engagement

**7.** Advance a powerful commitment to sustainability and corporate social responsibility



# Nourishing

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# Original Strategic Imperatives

- **Focus and Direction:** a shared vision, with alignment on goals and priorities
- **Effective Governance:** internal management networks that assure high-level visibility, agile decision-making, consistent accountability, and successful execution
- **Clear Metrics:** specific measures and targets that drive operational direction, give structure to long-term goals, and communicate progress on core CSR platforms
- **Communication:** framework, channels and process for ongoing, consistent, audience-focused communication, internally and externally
- **Stakeholder Enlistment:** a culture and management system that engage all key stakeholders
- **Organizational Competency:** awareness and expertise across business groups and within the leadership pipeline to advance our CSR/Sustainability strategy



# Structure, Governance and Metrics

- ✓ **Strategic framework in place**, anchored in four tangible focus areas
- ✓ **Destination and/or Directional goals established** for each of the four pillars of the program
- ✓ **CSR Leadership Network created** to define, share and (in most cases) execute strategies and tactics
- ✓ **Agreement reached on key program areas** and clear path defined for establishing metrics and targets
- ✓ **Meaningful advances in organizational maturity** and design of programs in Procurement, Packaging and Public Affairs to reflect CSR Strategy
- ✓ **Global environmental metrics expanded** and measurement system defined for core Sustainability areas: Energy, Water, Waste, and Packaging
- ✓ **CSR integrated in strategic management systems** – Orientation, Employee Objectives, Recognition



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# Policy Implementation

- UN Global Compact member
- Environmental Sustainability Policy
- Human Rights Policy
- Supply Base Expectations Chapter
- SmartWay Certification for Shippers
- Political Accountability and Disclosure
- Code of Conduct and Corp Governance
- Advertising to Children and Privacy



<http://www.campbellsoupcompany.com/governance.asp>



# Campbell's CSR Destination Goals

**Campbell Mission - "Together we will build the world's most extraordinary food company by nourishing people's lives everywhere, every day."**

**NOURISHING OUR CONSUMERS**  
Continually Advance the Nutrition and Wellness Profile of Our Product Portfolio

**NOURISHING OUR NEIGHBORS**  
Measurably Improve the Health of Young People in Our Hometown Communities



**NOURISHING OUR EMPLOYEES**  
Achieve 100% Employee Engagement in CSR and Sustainability

**NOURISHING OUR PLANET**  
Cut the Environmental Footprint of Our Product Portfolio in Half

- Anchored in our core competencies and pillars
- Driven by objectives and our associates' innovation
- Activated by key destinational goals

nourishing

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# Nourishing Consumers

Growth of Nutrition and Wellness Product Portfolio (\$ in millions)



Growth of Nutrition and Wellness Product Portfolio includes Organic, Full Vegetable Soups, Low Levels of Sodium, Whole Grains.

### A FULL SERVING OF VEGETABLES

Campbell's offers 140 soups, sauces, beverages, and pastas that provide at least one full serving of vegetables (1/2 cup) per serving.



### OVER THE PAST YEAR, WE ...

- Increased sales of our Nutrition and Wellness Product Portfolio by more than 20%
- Reached more than 330 million people so far through our "AdDress Your Heart" campaign
- Offered more than 115 U.S. products certified by the American Heart Association
- Joined the Healthy Weight Commitment Foundation to help reduce obesity
- Were the first company to receive the "Mission Achievement Award" from the American Heart Association

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# The Story of Nourish

**Campbell Canada**  
CampbellSoupCanada's Channel

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720p

**The Story of NOURISH**

From: CampbellSoupCanada | Feb 25, 2011 | 18,725 views

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👍

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**Food Banks Canada HungerCount 2010**  
cnwgroup - 1,806 views

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<http://www.youtube.com/watch?v=8wfcOxvGIHU>

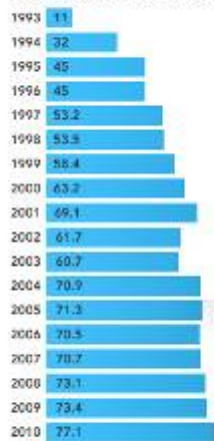
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# Nourishing Neighbors

- Measurably improve the health of young people in our hometown communities by reducing hunger and childhood obesity by 50%.
- Make a positive impact on the lives of 100 million youths through our volunteer, community, and signature programs.

Stamp Out Hunger Food Drive

YEAR TOTAL POUNDS COLLECTED (in millions)



1,059.8M LBS COLLECTED SINCE 1993



## Neighbors

- Logged nearly 20,000 volunteer hours in the U.S.
- Distributed more than \$28 million in product donations globally
- Collected 77 million pounds of food during the annual Stamp Out Hunger food drive
- Awarded \$2.5 million worth of equipment to schools through Labels for Education
- Tracked over 310,000 hours of "active" play time through Team Xtreme

**CAMPBELL'S**  
ANNOUNCES  
**\$10 Million**  
OVER  
**10 Years**



# Nouris



# Reversing Childhood Obesity and Hunger

Through Policy & Environmental Change, Programming and Public Will

Campbell Soup Company  
Obesity & Hunger Program

**Mission:**

To reduce childhood obesity  
and hunger by 50% in 10 years  
in Camden

**Goals:**

1. Increase food access in sites and neighborhoods
2. Increase physical activity in sites \ and neighborhoods
3. Provide nutrition education in sites and neighborhoods
4. Create public will

Neighborhood  
Pilot Sites

North Camden  
Cooper's Poynt School  
Holy Name School  
Respond, Inc

Parkside  
ECDC  
Forest Hill School  
Parkside  
United Methodist Church

**Program Partners**

CATCH by YMCA of  
Burlington  
& Camden County  
Corner Store Initiative by The  
Food Trust  
Cooking Matters by Food Bank  
of South Jersey  
Community Gardens by CCGC  
Nurse Family Partnership by  
Camden Coalition of  
Healthcare Providers



Reversing Childhood Obesity in Camden

# Nourishing Employees

- Clear goals and targets
- Personal performance objectives & competencies

our  
**success model**  
 for building the world's most extraordinary food company



## Employees

- Maintained our world-class employee engagement ratio with a rate of 17:1
- Spent \$145 million with women and minority-owned businesses
- Exceeded safety benchmarks in the food industry
- Were honored by the National Business Group on Health for promoting a healthy workplace
- Were recognized by the American Heart Association as a "Fit Friendly Company"
- Provided \$1.1 million worldwide in tuition assistance

- Innovation systems
- Incentive compensation
- Recognition programs
- Business Resource Affinity Networks
- Green, CSR, Sustainability teams



# Nourishing our Planet

## Planet

- Established a new goal to eliminate 100 million pounds of packaging by 2020
- Reduced our water use by more than 150 million gallons
- Met our U.S. EPA Climate Leaders Goal, reducing CO<sub>2</sub> emissions/production unit by 12% between 2005 and 2010
- Recycled 83% of all waste generated in production
- Eliminated more than 4.5 million pounds of steel, plastic and paper packaging materials



## OUR 2020 GOALS

### Cut our environmental footprint in half

Cut the environmental footprint of our product portfolio in half, as measured by water use and greenhouse gas (GHG) emissions per tonne of product produced

### Reduce energy needs and seek greener energy sources

Reduce energy use by 35% per tonne of product produced and source 40% of the energy used by the company from renewable or alternative energy sources

### Recycle as much waste as possible

Recycle 95% of waste generated, on a global basis

### Advance sustainable packaging principles

Eliminate 100 million pounds of packaging from Campbell products

### Promote more sustainable agriculture

Reduce water use by 20% and energy use by 30% per tonne in our top five agricultural ingredients



# Nourishing our Planet

- LEED Designed HQ building
- Sustainability Consortium
  - Product level LCAs
- 60 acre, 10MW Solar Facility
- Sustainable Agriculture Pilots
  - IPM, Irrigation
  - Fertilizers, Yield



# Visit our CSR Report for more details

<b>WATER USE (GROSS 000 GAL.)</b> 2010 <b>6,891,498</b> 2009 <b>7,080,749</b>	<b>WATER USE CU. METER/ TONNE FOOD PRODUCED</b> 2010 <b>9.06</b> 2009 <b>9.35</b>	<b>ENERGY USE (MMBTU)</b> 2010 <b>10,154,522</b> 2009 <b>10,276,947</b>
<b>ENERGY USE (MMBTU)/ TONNE OF FOOD PRODUCED</b> 2010 <b>3.53</b> 2009 <b>3.60</b>	<b>GREENHOUSE GAS (GHG) EMISSIONS (MMTCO<sub>2</sub>)</b> 2010 <b>850,376</b> 2009 <b>879,084</b>	<b>GHG EMISSIONS (TONNE CO<sub>2</sub>/ TONNE OF FOOD PRODUCED)</b> 2010 <b>0.295</b> 2009 <b>0.308</b>
<b>SOLID WASTE RECYCLED (%)</b> 2010 <b>82.9</b> 2009 <b>84.5</b>	<b>WASTE DISPOSED (TONNES)/ TONNE OF FOOD PRODUCED</b> 2010 <b>0.022</b> 2009 <b>0.019</b>	<b>CAPITAL INVESTMENT IN ENVIRONMENTAL COMPLIANCE AND SUSTAINABILITY (\$MILL)</b> 2010 <b>15.7</b> 2009 <b>15.1</b>



[www.campbellsoupcompany.com/csr](http://www.campbellsoupcompany.com/csr)



# Incremental Progress Tools for Improvement



- ✓ Dow Jones Sustainability Index
  - North America list for 2009 & 2010, World list for 2010
- ✓ 100 Best Corporate Citizens - #2 in 2011
- ✓ World's Most Ethical Companies - 2010
- ✓ *Newsweek* Top Green Companies #121, #154
- ✓ Added to Maplecroft Climate Innovation Index
- ✓ Included in multiple other screened lists
- ✓ #1 - HIP (Human Impact) Investor List and Book
- ✓ Awards
  - Catalyst - Diversity
  - IRTS: Best in Class CSR
  - Points of Light: Volunteerism



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