

Cadbury Schweppes - UN Global Compact - Communication on Progress 2005

Cadbury Schweppes is committed to the principles of the UN Global Compact. We first publicly communicated our commitment and support in our Corporate & Social Responsibility - CSR Report 2004. As our next CSR Report will be published in 2006, this is intended to be a progress report for 2005 and highlights our progress.

HUMAN RIGHTS – Our Progress in 2005

Principle 1: Business should support and respect the protection of internationally proclaimed human rights

- Our Supplier Management Programme is in line with our Human Rights & Ethical Trading policy. We established a new senior leadership role, Ethical Sourcing Director (reporting to our President Global Supply Chain) to further develop and focus our ethical sourcing strategy and programme - that underpin the support and protection of human rights.
- We implemented our Whistle-blowing Process and Helpline (called Speaking Up) across our businesses.
- We established a Diversity & Inclusiveness Leadership Team chaired by the Company's Chief Science & Technology Officer and with global representation at all levels.

Principle 2: Business should ensure that they are not complicit in human rights abuses

- Our Human Rights & Ethical Trading (HRET) Working Group oversees progress in the area of human rights and ethical sourcing, and report to our CSR Board Committee, which also regularly reviews progress in CSR.
- We have in place HRET training awareness programmes with our procurement professionals. We updated our Ethical Sourcing Strategy to include more supplier audits.
- Cadbury Schweppes continues to be an active leader in the International Cocoa Initiative (ICI), a multi-stakeholder group whose role is to oversee and develop efforts to eliminate harmful labour practices in the growing and processing of cocoa.

LABOUR RIGHTS – Progress in 2005

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

- We have a long tradition of open and honest communication with employees both formally and informally - this is stated in Our Business Principles (which is posted on our corporate website: www.cadburyschweppes.com)
- We support partnerships with trade unions, European forums, staff councils, and employee representation.

Principle 4: Business should support the elimination of all forms of forced and compulsory labour

- We have plans for independent audits of labour conditions in our supply chain.
- As mentioned under Principle 3, Cadbury Schweppes is an active leader in the International Cocoa Initiative (ICI). The ICI achieved its interim target of implementing a cocoa certification process by 1 July 2005.

Principle 5: Business should support the effective abolition of child labour

- Our businesses are asked to report on the age of their youngest working employee – this is one method we have in place to verify that we support and abide by this 5th Principle within our own business.
- Our leadership and involvement in the ICI illustrates our commitment to the UN Global Compact's 5th Principle.

Principle 6: Business should support the elimination of discrimination in respect of employment and occupation

- Cadbury Schweppes has had a global Equal Employment Opportunities (EEO) & Diversity policy in place since 1995 and we update it regularly. We conduct a group-wide EEO & Diversity survey every 18 months to assess our

progress and our CSR Board Committee and Main Board review the results. As mentioned under Principle 1, we have established a global Diversity & Inclusiveness Leadership Team.

- Individual businesses continue to use workshops, training, inductions, and in some cases Diversity Committees to ensure they celebrate and foster an inclusive employment environment. Training content and focus varies by location because of different local environments.

ENVIRONMENT – Progress in 2005

Principle 7: Business should support a precautionary approach to environmental challenges

- Our environmental management programme and environment policy, which were first established in the early 1990s, include independent environmental risk assessments and audits.
- Our Environment Health Safety Steering Group continues to report to our Board CSR Committee, Main Board, and Chief Executive Committee to regularly review Environment Health and Safety performance.
- We are included in the Carbon Disclosure Project 3 Climate Leadership Index – CDP3 supports a precautionary approach to environmental challenges.

Principle 8: Business should undertake initiatives to promote greater environmentally responsibility

- We have set a public target of reducing our carbon dioxide emissions for all our manufacturing sites - to reduce the amount of energy they use per tonne finished product by at least 4% from 2004 to 2008.
- We monitor our progress against our core key environment performance indicators (e.g. CO₂, energy, water use, waste water, solid waste,) and have published 2004 results on our corporate website: www.cadburyschweppes.com under Environment & Society – Environment Performance.
- Environment is one of the three focus areas of our Community Investment programme around the world. Together with the international environmental organisation Earthwatch, we have developed a project that focuses on scientific research of sustainable cocoa farming and biodiversity in Ghana. Called Earthshare, the programme will benefit the environment, help develop a more sustainable cocoa growing model, and through this benefit the local community.

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

- We have adopted environmentally friendly technologies (though not yet at all of our plants) that reduce the energy intensity of our manufacturing plants – including energy efficient steam boilers, energy efficient lighting, variable frequency inverter speed controllers, better thermal insulation, building management systems, and cogeneration plants.
- Our local businesses are encouraged to collaborate with other stakeholders in this area. For example, our business in Australia, supported by their local government's Smart Water funding programme, replaced 8 water-based lubricant conveyor belts at its beverages manufacturing plant in Tullamarine with new water-free conveyor belts - saving over 20,000 kilolitres of water per year.

CORRUPTION – Progress in 2005

Principle 10: Business should work against corruption in all its forms, including extortion and bribery

- Our Business Principles to apply to everyone in our business. We have implemented a global a Whistleblowing Process and Helpline (called Speaking Up) for our people.
- We set up a central Compliance Working Group in 2005 to review our compliance structure and programme.
- Our Main Board, CSR Board Committee, and Business Risk Review Committee continue to review and identify significant business risk, including risk related to Principle 10. Our Business Risk Review Process is used by all of our businesses globally.

Our next communication on progress on UN Global Compact will be integrated in our CSR Report 2006, which is due to be published in May 2006.