

Cadbury

corporate responsibility
& sustainability

fact sheets 2007/08

company information

Overview

Cadbury is a leading global confectionery company with an outstanding portfolio of chocolate, gum and candy brands. We employ around 50,000 people and have direct operations in over 60 countries, selling our products in almost every country around the world.

We are nearly 200 years young. Our origins can be traced back to 1824 when John Cadbury opened a shop in Birmingham, UK selling tea and cocoa. In 1831, John started manufacturing drinking chocolate and cocoa, laying the foundations of the Cadbury business as it is known today. In 2003, we acquired Adams Confectionery including the Trident and Halls brands, now respectively the world's largest gum and candy brands.

In 1969 Cadbury merged with Schweppes – the owner of the world famous Schweppes Indian tonic water – to create Cadbury Schweppes. In 2008, we separated our beverages business, which was primarily in the Americas, creating Cadbury plc and returning us to our roots as a focused confectionery company.

Our core purpose is “creating brands people love”. Our governing objective is to deliver superior shareholder returns. Our vision is to be the world's biggest and best confectionery company.

Cadbury is headquartered in Uxbridge, UK. Our shares are listed on the London Stock Exchange (CBRY.L) and we are a constituent of the FTSE100. Our ADRs trade on the New York Stock Exchange (CBY.N). Our position in the FTSE4Good and the

Dow Jones sustainability indices marks the success of our sustainability strategy.

Our Business

We manage our global business using a matrix of business units and **global functions**. Geographically, our business is split between seven business units centred around our **focus markets**:

- > North America
- > South America
- > Britain and Ireland
- > Europe
- > Middle East and Africa
- > Asia
- > Pacific

Our seven **global functions** are:

Category-aligned functions:

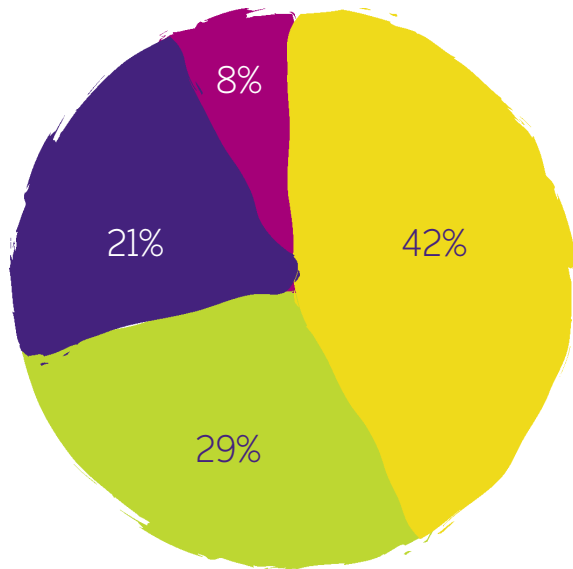
- > Commercial
- > Science and Technology
- > Supply Chain

Corporate functions:

- > Finance and IT
- > Human Resources and Corporate Affairs
- > Legal
- > Strategy

We manage our products across three **Categories** - chocolate, gum and candy. We also have a beverage business in Australia.

Our Product Categories



Our Markets

Cadbury operates in the global confectionery market. The market is large, growing and has attractive dynamics.

The global confectionery market is the world's fourth largest packaged food market. It represents 9% of that market, and has a value at retail of US\$141 billion. Chocolate is the largest, and gum is the fastest growing confectionery category.

Globally, confectionery is growing at around 5% p.a, although developed markets, which account for two thirds of the global market, only grew 3% p.a. in recent years. Premium and wellness products, such as high cocoa solids chocolate and functional and sugar-free gum and candy, are driving growth in these markets. Emerging markets exhibit a much higher growth rate - around 10% in the last few years. The drivers in these markets are population growth and increasing affluence.

Our Management

The Board is responsible for the overall management and performance of the company, and the approval of the long-term objectives and commercial strategy. There are eight members – 3 Executive Directors and 5 Non-Executive Directors. Our chairman is a Non-Executive Director. Board committees are in place to oversee Audit, Remuneration, Nomination and CSR.

The Chief Executive's Committee reports to the Board and is accountable for the day-to-day management of the operations and the implementation of strategy.

The team is responsible to the Board for driving high level performance of the growth, efficiency and capability programmes as well as for resource allocation.

Strategy

We call our overall business strategy "Vision into Action". Our Vision into Action plan sets out our strategy for the four years from 2008 to 2011. It aligns the energies and efforts of our teams around the world behind a number of priorities which we believe will make the most impact on our performance.

We plan to maintain our market leadership and to maximise **growth** and returns by concentrating on "fewer, faster, bigger, better" and bringing in new innovations people will love. We also plan to be more **efficient** and to invest in **capabilities** that will promote growth. Our strategy can only be executed over the long term, and our growth can only be sustainable, if we stay true to our distinct cultural heritage. Sustainable business practices are the bedrock of our strategy, represented through our Sustainability Commitments.

Our revenue ambition of between 4-6% annual organic growth for 2008 to 2011 is underpinned by:

- > The strength of our **brands** and market positions;
- > The increased **investment** we have made in innovation, marketing and sales;
- > Our greater exposure to faster growing **categories** (such as gum) and markets (such as emerging markets); and



> Continued **demand** for confectionery: the market has grown consistently at around 5% (value) every year for the last five years.

To achieve our revenue targets we are concentrating our resources on:

- > 12 **focus markets**, including the UK, US, Australia, Mexico, Brazil, India and Russia. These markets represent around 70% of our total revenues and are forecast to account for over 60% of category growth over the next five years.
- > 13 **focus brands**, including our biggest names such as Cadbury Dairy Milk, Trident, Halls, Dentyne and Flake and newer fast growing brands like Green & Black's and The Natural Confectionery Co. These brands account for over 50% of our confectionery revenues and are achieving the best growth and returns. A full list of our brands and their history can be found at: www.cadbury.com/ourbrands/featurebrands/Pages/FeatureBrands1.aspx

Our Performance

Cadbury revenues were £5,093m in 2007 on a re-presented basis, following the demerger of Americas Beverages. Underlying profit from operations was £497m. While the highlights of the year are summarised below, we suggest you review our latest results for a better understanding of our financial performance: www.cadburyinvestors.com/cadbury_ir/res_press/

Highlights of 2007

- > Record revenue growth* +7%; best for a decade
- > Excellent growth in gum and chocolate led by Trident +26% and Cadbury Dairy Milk +5%
- > 14% revenue growth in emerging markets
- > Focus brands, markets and customers growth +10%, +7% and +12%, respectively

* all numbers at constant exchange rates except where stated

Our Sustainability Commitments

We've always appreciated that doing good is good for business: being responsible and being commercially successful go hand in hand. Our founders believed in it and it is still at the heart of the way we work today. Within the overriding goal of being performance driven, but values led, our Sustainability Commitments are to:

- > Promote responsible consumption of our products through thoughtful marketing, product innovation and better nutritional labelling
- > Ensure ethical and sustainable sourcing of raw materials and other supplies. Our Cadbury Cocoa Partnership is a great example of this
- > Prioritise quality and safety
- > Reduce carbon, packaging and water use, as part of our Purple Goes Green campaign
- > Nurture and reward colleagues and embrace diversity
- > Invest in communities in which we operate

Corporate Governance

In managing the affairs of the Group, the Board of Cadbury is committed to achieving high standards of business integrity, ethics and professionalism across all its activities. As a fundamental part of this commitment, the Board supports the highest standards of corporate governance. To help achieve this, the Board has approved a set of Corporate Governance Principles. These principles set out our approach to this area, and also provide a summary of our current position.

The Group has a Financial Code of Ethics, that applies to the Chief Executive Officer and senior financial officers in the Group and all members of the Board sign the Cadbury Business Principles, entitled "Our Business Principles".

As mentioned above, the Cadbury Board consists of five Non-Executive Directors and three Executive Directors. Collectively they bring a valuable range of international experience and expertise as they all currently occupy, or have occupied, senior positions

within industry and public life. All the Non-Executive Directors are independent of management and have no relationships which could materially interfere with the exercise of their independent judgement.

- > Subject to satisfactory performance, a Non-Executive Director is appointed for an initial term of three years.
- > After the initial three year term, they may serve two additional three year terms, with a maximum of nine years service on the Board as a general rule.
- > A Non-Executive Director is expected to attend every Board Meeting, including those held overseas.
- > A Non-Executive Director is expected to make regular visits to the Group's operations to better understand its workings.
- > Each Non-Executive Director is expected to devote such time as is necessary for the proper performance of their duties. However, an average time commitment of one to one and one-half days per month is suggested as a guideline.
- > The base fee for a Non-Executive Director is £55,000 per year, paid quarterly in arrears; however this is increased if they are appointed chairman to a Board Committee.
- > The Company has established a programme which enables a Non-Executive Director to allocate a portion of their fees to the purchase of Cadbury shares. Currently, all Non-Executive Directors use this facility.

Further Reading:

For additional financial and corporate governance information on Cadbury we recommend you visit our investor section available at:

www.cadbury.com/investors/Pages/Investor.aspx

You can also download our corporate brochure available at:

www.cadbury.com/SiteCollectionDocuments/CA_Corp_Brochure_AW_Double.pdf

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our management approach to corporate responsibility and sustainability

“Corporate Responsibility is one of the things that makes Cadbury special. It’s been integral to our business for nearly 200 years since the Cadbury family first sought to be a ‘force for good in troubled times’. That sense of ambition remains at Cadbury today.”

Todd Stitzer, CEO, Cadbury

The Sustainability Pyramid

The distinction between ‘sustainability’ and ‘corporate responsibility’ can sometimes be blurred. We use what we call our Sustainability Pyramid to explain how we are building from responsibility to sustainability – to make our business more sustainable in the broadest sense, to deliver sustainable growth, competitive advantage and ultimately long-term shareholder returns. The pyramid has four levels.

- > On the bottom layer of the pyramid, we identify and manage **risks and issues** so that we can meet our responsibilities and protect our reputation. This is a pre-requisite for us to be able to deliver sustainable business growth.
- > On the next layer, we work on initiatives and programmes which will deliver an enhanced **reputation** for the business.
- > Above that is **sustainable growth** – being able to deliver growth for our business which is based on sustainable principles, strategies and resources.
- > We are now beginning to operate at the top level, seeking to deliver **competitive advantage** through

assuming leadership positions on issues as diverse as the environment and climate change, health and nutrition, and ethical sourcing.



Sustainability Commitments

In 2006 we introduced our 2010 Sustainability Commitments, linking them directly to our business strategy by including them within our Vision Into Action (see: www.dearcadbury.com/i-know-my-stuff for additional information). Our commitments are based on six pillars which are illustrated overleaf. We believe that the active development of our pillars in our business strategy will give us a competitive edge and lead to long-term, sustainable business growth. Of course, this can only be done through good governance and the protection of human rights.

We have been using this CSR strategy since 2001 as a framework, putting policies and systems in place where we identify gaps.



The Sustainability Commitments are discussed in more detail at: www.dearcadbury.com/i-know-my-stuff. For each commitment we have at least one metric which tracks our performance.

Human Rights underpins our sustainability commitments because it is integral to our approach within each of the six areas – it is embedded into each of the sustainability commitments.

Our Business Principles and Good Governance supports all of our work. And through delivering good governance, embedding Human Rights and delivering our sustainability commitments we will live our values. The metrics which track delivery of the Commitments are checked by the Cadbury Internal Audit team in the same way as the processes which deliver standard financial business management information. As well as these metrics, the delivery of specific CSR and Sustainability programmes is tracked by the Sustainability Strategy Group, chaired by our CEO, Todd Stitzer, and oversight is provided by the Board CSR Committee, chaired by our Non-Executive Director Lord Patten.

Our sustainability commitments are:

- > **Promote Responsible Consumption:** Contribute to consumer diet, health and lifestyle solutions. Managed by our Sustainability Strategy Group,

advised by the independent external Global Nutrition Advisory Panel.

- > **Ensure Ethical & Sustainable Sourcing:** Maintain ethical sourcing standards, and develop sustainable agriculture programmes. Managed by our Sustainability Strategy Group and the Cadbury Cocoa Partnership Board.
- > **Prioritise Quality and Safety:** Embed a zero-accident culture. Managed by our Quality, Environment, Health and Safety Steering Group.
- > **Reduce Carbon, Water Use and Packaging:** Minimise the environmental impacts of our business. Managed by our Purple Goes Green Steering Group.
- > **Nurture and Reward Colleagues:** Nurture our company as 'The Place To Be', where diverse colleagues are proud to work, and are committed and engaged. Managed by our Human Resources Leadership Team.
- > **Invest in Communities:** Help create prosperous, inclusive and healthy communities. Managed by the Cadbury Foundation Board and Local Business Units.

Since we launched the commitments in 2006 we have split the old commitment on 'Environment, Health and Safety' into two new commitments ('prioritise quality and safety' and 'reduce carbon, water use and packaging' as above). This reinforces the importance of the environmental work which is being delivered across the business under the banner 'Purple Goes Green'. Please see relevant factsheet at: www.dearcadbury.com/i-know-my-stuff for details.

Our Business Principles and the Speaking Up process

Our Corporate Responsibility approach is directly linked to Our Business Principles. These spell out the high standards of conduct we work to and are aligned to commonly accepted global standards, the **Universal Declaration of Human Rights** and the relevant **International Labour Organisation** conventions.

Everyone at Cadbury is expected to uphold these principles. All senior executives and managers sign up to them and receive an update each year. It's also their responsibility to make sure their teams work to the principles and confirm their teams have been informed about the standards of ethical conduct expected of them.

You can find Our Business Principles in the fact sheet section of www.dearcadbury.com/i-know-my-stuff

Colleagues are encouraged to raise any concerns they may have about unethical behaviour. They do this either through management escalation or through a confidential **Speaking Up** process which is independently run and includes a helpline in several languages.

The confidential Speaking Up helpline forwards concerns raised to the Cadbury Global Director of Security for confidential investigation. We make all proper efforts to protect the confidentiality of those who raise concerns including allowing anonymous submissions. We will not criticise anyone for speaking up, or for failure to speak up on earlier occasions. We will not permit retaliation for reports of misconduct by others made in good faith by colleagues. And we will treat any attempt to prevent colleagues from raising concerns as a serious disciplinary offence.

Listening to our Stakeholders

Being a valued and respected member of society isn't inherited, it's earned. This means that, year in and year out, we must understand the impact we have on the world, the environment, the economy and individuals.

Consumers, retail customers, colleagues, suppliers, NGOs, charities, research groups, governments, next-door neighbours, community partners and of course shareowners - all have a stake in our business. If we are to be truly sustainable, we have to take their views into account when we decide how to run our business and what actions to take.

Understanding these diverse views can help us succeed in our core purpose – creating brands that consumers love, trust and respect.

We routinely meet with Socially Responsible Investors and with partner NGOs. The strategy diagram identifies six sustainability pillars, each of which has a corresponding sustainability commitment. Each pillar has a Pillar Leader who has regular contact with organisations, specialists and interest groups within their area. We also have regular and open dialogue with governments at a national and international level, although we do not make any political contributions.

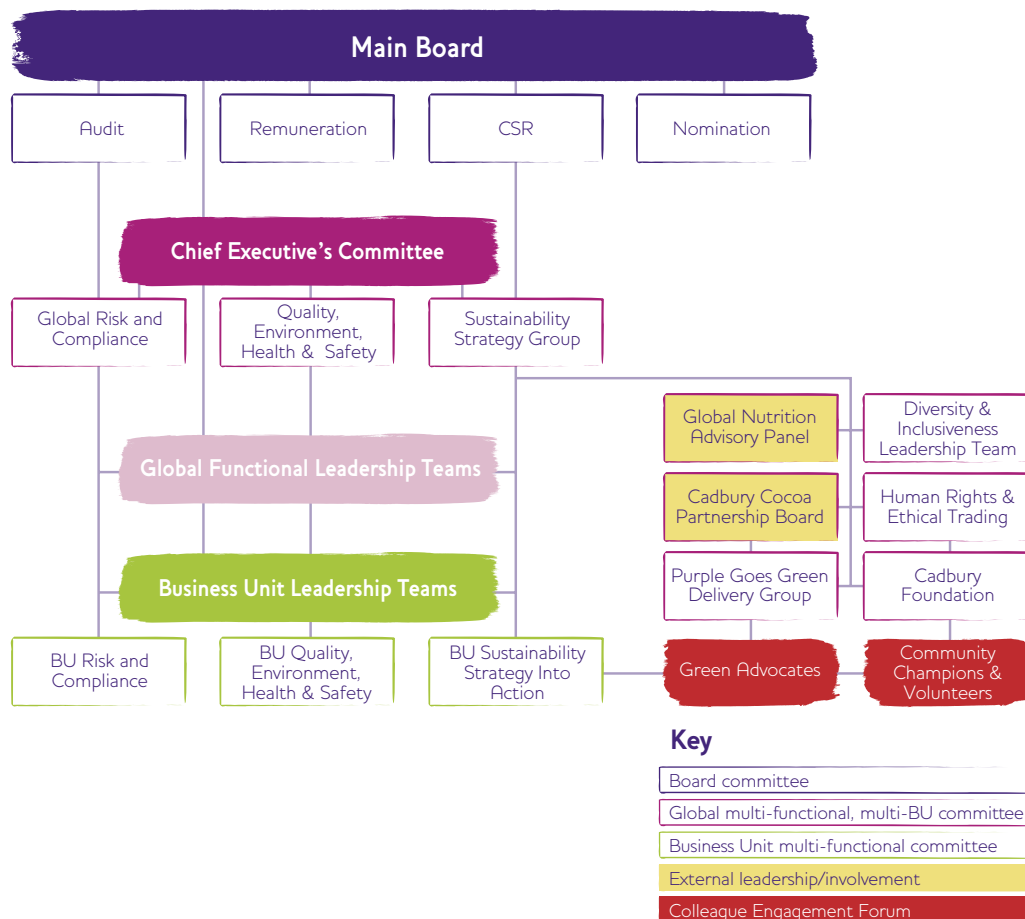
Managing Corporate Responsibility in our Organisation

We believe it's important to make sustainable business practice part of everyday life at Cadbury. To achieve this, colleagues manage Corporate Responsibility at every level of our business, from our Board to our management teams to our factories.

Our **Sustainability Strategy Group** (SSG) manages the delivery of our Corporate Responsibility objectives and programmes. The SSG is chaired by our CEO, Todd Stitzer.

Our **Main Board CSR Committee**, chaired by Non-Executive Director Lord Patten, reviews and oversees CSR strategy globally. Recommendations put forward by senior managers who 'own' specific areas of CSR, global steering groups, and functional leadership teams are put to the CSR Committee or SSG as appropriate. We were one of the first businesses to implement this level of governance.

Corporate Responsibility & Sustainability Governance



CSR and Sustainability are also regularly discussed by the Chief Executive's Committee and the Main Board.

The diagram above shows how we manage CSR and Sustainability governance from the grassroots of our business to the most senior executive levels. It also shows how our different functions and regions interact with each other to meet our goals and targets.

We have a range of policies, processes, systems, guidelines, and standards, developed with input from external stakeholders.

These tools, along with our values, Our Business Principles, CSR governance and our culture - performance driven and values-led - make sure we manage our CSR agenda effectively.

Advocacy

In all that we do we seek to engage and involve our colleagues throughout our business. For example, to deliver our Purple Goes Green programme we have mobilised our colleagues across the business, helping them become Green Advocates for change. The Green Advocates are supported centrally and provide a grassroots push across the business to encourage creative, positive engagement with the environmental challenges and commitments we have set ourselves. Green Advocates come from every level of our business. You can find out more at: www.dearcadbury.com/i-know-my-stuff (see the 'Environment and Climate Change: Purple Goes Green' factsheet).

Tracking our Performance and Driving Improvements

To review our performance, we use key performance indicators and sustainability scorecards. We include sustainability commitments at the highest level of our business management process. In 2007 we improved the way we review our progress and internal reporting on sustainability commitments to include annual performance reviews by the Chief Executive's Committee and the Board CSR Committee.

We piloted a new **Sustainability Capability Development Programme** to help senior leaders and managers from across the business think more deeply about sustainability and be more effective when taking action. To begin with we have aimed this programme at our senior leadership teams and tailored each session to their specific needs.

We have also introduced specialist training for key functions, for example our Supply Chain.

We use benchmarking to give us an external perspective on our performance. Cadbury has been included in BITC's and DJSI World's top rankings (we scored 93% in the BITC Corporate Responsibility Index 2007, and 75% in the DJSI Index). We are also included in both FTSE4Good (from launch in 2001) and in the Carbon Disclosure Project Climate Change Leadership Index (best in class in 2008).

In sustainability, as in all areas of our businesses, we look to learn from and better understand the world around us. We share what we learn across

our businesses and use it to inform our collective thinking and decision making. We look to our external environment as well, benchmarking ourselves against our peers and competitors and listening to the concerns of our stakeholders. We continue to embed this learning in our plans, activities, business systems and processes.

Partnerships

We contribute to and learn from a range of organisations including **Forum for the Future**, **Earthwatch**, **Carbon Trust**, **Food Ethics Council**, **World Health Organisation**, **CSR Asia**, trade associations, the **Institute of Business Ethics**, governments and NGOs.

We are signatories to the **Courtauld Agreement**, **WRAP** (Waste & Resources Action Programme) and to the **United Nations Millennium Development Goals** via the **Business Call to Action**. We are also participants of the **United Nations Global Compact**.

Further Reading:

For additional information on how we work with different stakeholders please visit the 'Industry Initiatives' fact sheet section of www.dearcadbury.com/i-know-my-stuff. You might also find our 'Human Rights' fact sheet useful. Alternatively you might want to read more about governance at Cadbury by visiting: www.cadbury.com/investors

our approach to corporate responsibility and sustainability reporting

Cadbury has published three previous Corporate Responsibility Reviews, most recently in 2006, and our stakeholders have given us positive feedback on the scope and detail of the documents. However, in common with most other reporting companies, our efforts have been directed at expert audiences and have not attempted to engage fully with non-experts. Increasingly the general public has become more interested in the way businesses respond to societal needs and, as such, we felt it was important that our fourth Corporate Responsibility and Sustainability review would engage with non-traditional readers.

As a result we have developed a unique review of our activities that provides not only the depth of detail expected by expert stakeholders but also the engaging communications which will help make some quite technical subjects much more accessible for general audiences.

To accomplish this we decided that first, our review should be based predominantly online, and second, it should be structured to support two distinct types of reader.

The first section of the site – which can be accessed by clicking '**I want to explore**' in our CSR review site: www.dearcadbury.com – has been developed with the general public in mind – people who are interested in a general overview of our activities, and who require some explanation of the issues. This section brings our approach alive through interactive and illustrative case studies and is designed to raise awareness of the issues which we, and our stakeholders, believe are most material to our business. More information on how we decided on these issues can be found below.

By contrast, our second section – available under '**I know my stuff**' – is aimed at stakeholders who have a professional or more expert interest in these areas. It provides a higher level of detail and covers a broader range of subjects, covering our processes and policies. To allow quick navigation of the information we have created a series of fact sheets. These fact sheets cover a wide range of issues including ethical sourcing, food safety, healthy eating, biodiversity, community investment, environmental performance, human rights, and Our Business Principles, among others.

Although we have tried to cover the full range of sustainability and Corporate Responsibility issues as they impact on our business, there will inevitably be areas where readers will have further questions. We have therefore made it easy to submit questions and feedback throughout the review by clicking at any time on '**What do you think?**'. We will respond individually to each question and will also post frequently asked questions and answers through a posting board and feedback functionality on the website.

This is also a key part of our proposition for the review: that Cadbury is a company that aspires to engage with its stakeholders to not only inform them but also learn from them.

Tracking performance and assuring our approach to sustainability

Cadbury has embedded its Sustainability Commitments into its Vision Into Action (VIA), the tool it uses to align the efforts of its teams around the world. This means that the metrics which track delivery of the Commitments are checked by the

Cadbury Internal Audit team in the same way as the processes which deliver standard financial business management information. As well as these metrics, the delivery of specific Corporate Responsibility and Sustainability programmes is tracked by the Board Corporate Responsibility Committee, chaired by Lord Patten, and the Sustainability Strategy Group, chaired by Todd Stitzer.

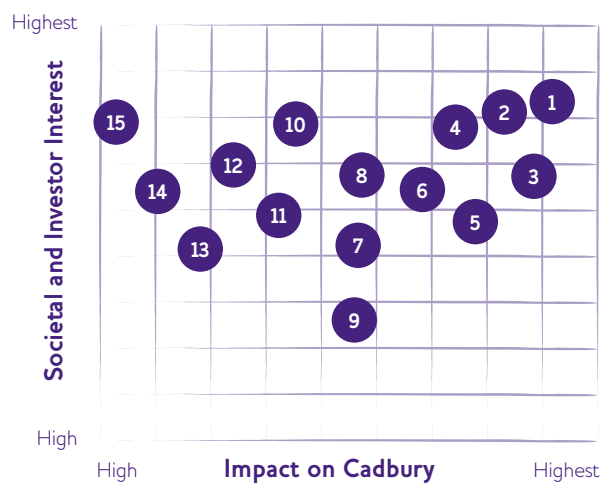
In the past Cadbury has commissioned a third party auditor to provide an assurance statement for our CSR Review. In keeping with our approach of partnering with expert organisations and reflecting their views and opinions, we have decided to change the form of our assurance this year. We have included commentary from the press, NGOs, partners and others, on our performance and on the issues. Some data of this report has been reviewed by third parties or has been discussed with stakeholders. Specifically, our review has incorporated the following:

- We have used the Global Reporting Initiative's (GRI) **G3 Sustainability Reporting Guidelines**, using them to determine the relevant content to include. You can download a G3 Index showing where the various pieces of information can be found in the Fact Sheet section of our review. We self-declare this report to **GRI Application Level "B"**.
- We have also asked **Forum for the Future** to provide **commentary** on the entire text, in their role as a leading sustainability charity and broad expert on many of the matters which are addressed in this review.
- Finally, we have also asked leading independent organisations in the various specific fields of Corporate Responsibility to provide some comments for the review, giving a short view on what we've done well and what we need to do more in the future. This commentary helps inform our thinking and will aid us in building our plans going forward. Most importantly we have asked them to comment, where possible, on how our policies and actions are having an impact on the ground. Part of this commentary can be found in the fact sheets where applicable, but complementary testimonials are also available in the 'I want to explore' section of our CSR review site available at: www.dearcadbury.com

Managing and reporting on the right things

To understand which issues our stakeholders wanted us to focus on, in preparing this review we engaged with over **400 different stakeholders** including academics, associations, suppliers, government representatives, NGOs, charities, employees, trade partners, partner initiatives, media, multilateral organisations and consumers. We asked them to tell us what issues matter the most to them, how they preferred to hear about our CSR activities and how they would like to provide feedback on our performance.

Of course we also have a clear view of the most significant issues for the business, and we needed to reflect this in the report too. We therefore compared the most relevant issues for our stakeholders with the most significant issues for us. We plotted the results in a diagram, referred to as a **materiality diagram**, as follows:



- | | |
|---------------------------------|------------------------------|
| 1 Food safety | 9 Workplace |
| 2 Health, nutrition and obesity | 10 Fairtrade |
| 3 Financial performance | 11 Community investment |
| 4 Environmental impacts | 12 Advertising and marketing |
| 5 Sustainable sourcing | 13 Dairy farming |
| 6 Ethical leadership | 14 Biodiversity |
| 7 Ethical supply chain | 15 Animal welfare |
| 8 Human rights | |

We then decided to focus principally on the issues that are plotted on the top right hand side of our diagram, whilst not ignoring the important issues raised on the left, and validated these results by

comparing it to publicly available research on what sustainability issues matter most to people, by benchmarking ourselves against our peers and by sharing our results with our leading CSR partners such as Forum for the Future. Three themes (environment, enjoying confectionery responsibly, and community engagement) were repeatedly mentioned by most of our external stakeholders. They were also very interested to hear about our approach to ethical and sustainable sourcing and our work environment. For completeness, other key issues were included in the fact sheet section of:

A Note About our Data

This report covers 2007 and some 2008 data and Cadbury's direct operations worldwide. This follows our 2005–2006 printed report.

All references to currency are in £GBP unless otherwise stated.

In some instances our data has been revised to reflect changes caused by the demerger from Cadbury of our former North Americas beverage operation in May 2008. This has been done in order

to provide our stakeholders with an updated picture of our position and performance. Demerger data is reflected in all financial and human resources data. However, this is not the case for our community investments which account for all investment made prior to our demerger.

We are also presenting our environmental data for 2005, 2006 and 2007.

Early in 2008 Cadbury worked with Environmental Resources Management Limited (ERM) to audit a sample group of manufacturing sites in order to test their approach and processes to collecting environmental data. The sites were chosen to represent all geographical regions and a spectrum of environmental data management maturity levels. The audit work identified a number of areas where the data collection processes should be made more robust, including completeness of reporting of refrigerant gas use and use of appropriate factors for converting electricity use into carbon dioxide emissions. During 2007/08, following significant organisational changes, Cadbury has taken steps to check historical data and implement more robust reporting going forward, including the launch of a new and improved IT system for data collection.

¹ Globescan, National Geographic, 2008; BBC World Service survey on climate change, July 2007; Covalence F&B Industry Report, 2007; BBMG Conscious Consumer Report, November 2007; IGD Consumer Unit, 2008.



Our Business Principles

Cadbury

At Cadbury we create brands people love.

We believe that good ethics and good business go together naturally to produce the best long-term results for all our stakeholders.

Ethical business sits at the heart of Cadbury. It always has. It is part of who we are, our values, our heritage, our policies and the way we behave.

Our Business Principles reflect and reinforce this. Through them we continue to play a positive part in society, grow shareowner value, attract and develop the best people and, importantly, create brands people love.

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Introduction

At Cadbury, we take our responsibility and reputation as a good corporate citizen seriously. We are proud of our principles and their effect on how we do business.

This booklet is our code of conduct and confirms our commitment to the highest standards of ethics and business conduct. It takes into account global standards – such as the International Labour Organisation conventions and the Universal Declaration of Human Rights – as well as cultural and legal standards from our local markets.

It clearly states our business principles. It shows their impact on everyone involved with Cadbury, from the board, the businesses and colleagues, to consumers, suppliers and business partners.

It highlights our responsibility, as a group and as individuals, to:

- Live our values
- Uphold good corporate governance
- Promote ethical business practices
- Nurture and reward colleagues
- Maintain a safe and secure working environment
- Engage responsibly with consumers
- Partner with integrity
- Contribute to society and a sustainable environment

These principles sit at the heart of our governance, policies, and management processes and inform how we work, all over the world. Through them we can protect and sustain the ethical standards that make Cadbury a great company – to work for and to work with.

By working together we can ensure our company maintains its reputation for ethical standards and keeps its promises. The final part of the booklet describes your role in making this happen.

Roger Carr
Chairman

Todd Stitzer
Chief Executive Officer



Our Principles

Cadbury

Purpose

We create brands people love. This is our core purpose.

Our chocolate, gum and candy brands are much-loved favourites, bringing moments of pleasure to millions of people every day.

We are a performance driven and values led business.

Our vision is to be the biggest and the best confectionery company in the world. Our governing objective is to deliver superior returns to our shareowners. Our success is sustained by understanding and responding to the needs of consumers, customers, suppliers, colleagues and citizens.



Values

Our values inform how we behave and our approach to business and management. Throughout changing times, our constant values have inspired us to be pioneers in business and in corporate responsibility. They help ensure we are proud of our company and are critical to our core purpose of creating brands people love. Our values are:

- Performance
- Quality
- Respect
- Integrity
- Responsibility

At Cadbury, company values and commercial value do not conflict; they support and reinforce one another.

Through this we can take advantage of change, attract and retain committed people and maintain a competitive advantage. All this is encapsulated in the Leadership Imperatives – the behaviours which should guide everyone in Cadbury.

Corporate Governance

Board of directors

Our board of directors is responsible for the proper management of the Group. The non-executive directors are independent of management.

Board sub-committees deal with the following:

- Audit: accounting, financial reporting, compliance with policies and internal controls.
- Corporate and social responsibility: consumer, environment, quality, health, safety and security, sustainability, employment practices, equal opportunities and diversity, ethical trading, community and social investment, human rights, and other aspects of ethical business practice.
- Remuneration: annual salaries, compensation and benefits arrangements, service agreements and other employment conditions for the executive directors.
- Nomination: makes recommendations to the board on appointing any new executive or non-executive directors.



Compliance

We are committed to strict compliance with the laws and regulations which apply to our business activities around the world. We uphold these and our own standards and policies through our global, regional and local risk and compliance processes.

Company records

All books and records must be kept in accordance with applicable laws and according to proper accounting standards, fully reflecting all receipts and expenditures. This is in order to make sure the financial information we use within the business or for external publication is accurate and reliable.

Company reporting

We are committed to openness in all forms of reporting. The published reports and information we supply to regulatory agencies or other government organisations must be complete and not misleading.

Ethical Business Practices

We expect honesty, openness and courtesy from all colleagues in their business dealings. This means everyone must act in an ethical way to protect the company and its reputation, and that everyone respects the dignity and human rights of other colleagues and the people and communities we do business with.

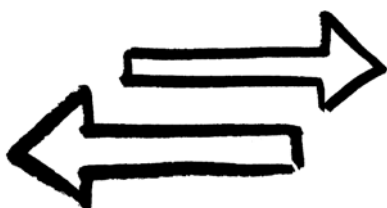
External communications

We communicate openly, directly and accurately with the public. We will not give special treatment to any individual or institution. Material information about our performance and prospects is communicated to the financial community at the same time.

Matters relating to the company must not be discussed with representatives of the media unless specifically authorised as part of your role. Our global corporate affairs department must co-ordinate any announcements, statements, or responses to questions from the media, which relate to price or commercially sensitive information.

Confidentiality

We expect colleagues to keep all company information confidential. This would include plans to buy or sell businesses, product formulation, manufacturing processes, advertising, marketing plans, concepts, research and development, suppliers, customers, financial information, personnel and employment matters, and other information which is not generally known to the public. We will make sure that you are aware of your obligations and also expect you to take steps to prevent unintentional disclosure. These obligations apply to all colleagues, including those who leave the company.



Inside information

Confidential business information must not be shared with others outside Cadbury or used for the personal gain of yourself or others. You, your family and close acquaintances should not buy or sell company shares if you or they have material information that has not been made public and could affect our share price.

Conflicts of interest

Colleagues must not have outside commercial interests that conflict with the best interests of the group. We expect all colleagues to act only for the benefit of the group and not be influenced by a personal interest that may result from other individual or business interests (for example, shares in business partners, personal or family involvement in trading contracts with us, and so on). In addition, colleagues may not work simultaneously for a competitor, customer or supplier.

Conflicts of interest may not always be clear-cut, so if you have a question you should consult with your manager, human resources department or legal department.

Fraud

We will not tolerate fraud. Our fraud policy alerts management to the ways in which fraud can happen and helps identify the best practices to prevent it.

Gifts and entertainment

The intent of gift-giving and entertainment should be to build relationships or to offer courtesy – reasonable, customary and occasional gifts and entertainment may be accepted and offered under these circumstances. Gifts and entertainment should not influence or attempt to influence the receiver’s objectivity in making a decision or appear to be a business inducement.

Gifts of money, goods, services or other favours must not be asked for or accepted. Small tokens and reasonable hospitality may be accepted provided they do not place you under any obligation and will not be misconstrued. Any gift or hospitality of more than token value must be reported to your manager to determine if it may be accepted. You and your family should not accept anything that could damage our reputation.

Improper payments

Improper payments must not be offered or made by yourself or your family. These include money, rebates, coupons, gift certificates, commissions, facilitation payments, bribes, favourable payment terms and conditions, loans or guarantees.

Appropriate use of company resources

Company assets are intended to help colleagues achieve business goals. We expect colleagues to use our resources in a responsible and ethical manner. While incidental or occasional personal use may be allowed with prior approval from a manager, misuse is not acceptable. This includes misuse of such things as company credit cards, IT/internet, telephone and time at work.

Corporate opportunities

Colleagues must not take advantage of personal opportunities that may arise through the use of corporate property, information or position. They must not use corporate property, information or position for personal gain; or compete with the company. Colleagues owe a duty to the company to advance its legitimate interests when the opportunity to do so arises.

Inventions and intellectual property

Colleagues must disclose any inventions conceived, while in our employment. These may arise from normal duties or from employment by us. Subject to applicable law, we will be entitled free of charge to the sole ownership and exclusive use of them.

Political contributions

We and our subsidiaries will not make political contributions unless they have been approved by the board of directors and, in certain circumstances, shareowners. Political contributions include cash contributions and benefits in kind, and in some cases may include donations, gifts and or sponsorships.

If there is any question as to what constitutes a political contribution you should ask the advice of the legal department.

Competition

We are committed to free and open competition. We will compete vigorously but honestly, while complying with all competition and anti-trust laws wherever we carry out business.

Colleagues

Communications and involvement

We have a long tradition of encouraging direct, two-way involvement of and communication with colleagues. This is in order to obtain the fullest participation of everyone's energy and views and we believe is best promoted within the local workplace through local information and consultation procedures. We respect the right to join a legally-recognised trade union.

Pay, benefits and working conditions

We respect the dignity and human rights of our people. We remunerate fairly according to skills and performance and with reference to competitive industry and local conditions. We expect our people to work only reasonable hours.

We will not employ forced labour and will employ children only under circumstances that protect them and their rights to education and social development (for example, on educational work experience or work placements).



Health, safety and security

We recognise the importance of health, safety and security within our business and strive for a zero accident culture. We seek to provide a healthy, safe and clean working environment in line with local laws, regulations and industrial practice. We measure, appraise and report performance, as part of our commitment to the health, safety and security of our colleagues, contractors and everyone who works on or visits our sites.

Equal opportunities, diversity and inclusiveness, and personal development

Our policy on equal employment opportunities, diversity and inclusiveness states that we recruit and promote colleagues on the basis of their suitability for the job without discriminating on grounds of race, colour, ethnic or national origin, gender, sexual orientation, age, religion, marital status, or disability unrelated to the task. We will not tolerate sexual, physical or mental harassment of colleagues.

We value diversity and inclusiveness. Colleagues from varied backgrounds enrich our company's culture and support our business success. Through an inclusive workplace culture, we also aim to inspire the best in our people and promote pride in our company. We recognise the value that all colleagues create for the business and will provide opportunities for personal and career development.

Consumers

Product quality and safety

Working to create brands people love demands quality within all of our products, and actions from sourcing, manufacturing and food safety to marketing, logistics and customer service. We are committed to providing consumers with quality products which are marketed truthfully, labelled clearly, and meet food safety regulations and standards.

Responsible product development

During the development of new and existing products and product renovation, we will have consumers' wellbeing front of mind. We are committed through our actions to comply within our Responsible Product Development policy.

Responsible consumption

We promote responsible consumption of our products through thoughtful marketing, product innovation and nutritional labelling.

Responsible marketing

All marketing, advertising, promotions and other commercial communications will be conducted in line with the principles of:

- 1 Accuracy and truthfulness
- 2 Attention to cultural and political sensitivities
- 3 Supporting sensible consumption and balanced lifestyle
- 4 Protecting children and supporting the role of parents



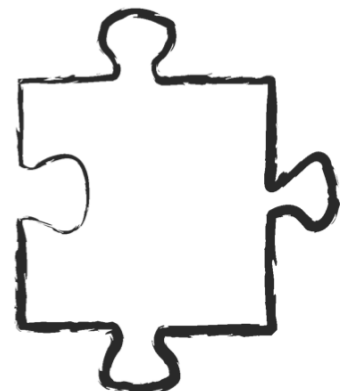
Customers, Suppliers and other Business Partners

Ethical trade

We will carry out our business honestly, ethically and with respect for the rights and interests of the people with whom we do business. We expect relations with joint-venture partners, licensees, suppliers and trade customers to be mutually beneficial. We encourage our partners to uphold our principles and standards.

Ethical and sustainable sourcing

We aim to ensure our products are carefully sourced and produced in a sustainable manner. For us this includes economic, environmental, social and labour conditions. We will maintain ethical sourcing standards and develop sustainable agriculture programmes such as the Cadbury Cocoa Partnership.



Society and Environment

Community involvement

We recognise our responsibilities as a member of the communities in which we operate. We commit resources to support community and social investment through national or locally targeted programmes in partnership with others. We will also encourage and support colleague efforts to be involved in and provide leadership in the communities in which they live and work.

Advocacy and government relations

We support open dialogue between business, government and non-government organisations at local, national and international levels. We engage constructively to promote better legislation, regulation and agreements. We will be mindful of the views of all stakeholders and the need for good social, economic and environmental policy to safeguard a healthy and competitive business environment.

Environment

We recognise our environmental responsibilities, the impacts of our activities and the wider environmental challenges facing the business and society through climate change. We will reduce our environmental impact, in particular targeting carbon, packaging and water use, within our broad 'Purple Goes Green' environmental programme. We will also work in partnership to positively influence and engage others.



Compliance with Our Business Principles

Applying our principles

This statement applies to all colleagues as well as our agents, consultants and other representatives. It confirms our strong dedication to high standards of business conduct in every country in which we do business.

Although individual subsidiaries and business units may have additional standards, each colleague should use this document as a general guideline for behaviour, particularly where no other specific standards apply. We also have global policies (listed at the back of this document) which should be referred to for further detail.

We expect every colleague to uphold our ethical business practices. Each manager is responsible for the behaviour of those under his or her control or direction. Failure to comply with Our Business Principles in this statement will result in disciplinary action which may include termination of employment. We may also report the matter to the public authorities for appropriate action.

Every effort should also be made to ensure that we promote these principles and values in our dealings with joint-venture partners and other stakeholders. When dealing with suppliers, we will seek to make sure they satisfy our requirements for quality, environment, health, safety and security, ethical and other operating practices.

Speaking up

If you know or have suspicions of any legal violation in work-related issues or breaches of these principles, you should report them to your manager or human resources so that we can take action.

If for whatever reason this might not be possible, you may contact the independent and confidential Speaking Up Helpline. They will detail your concern and forward it to the Cadbury Global Director of Security for confidential investigation.

We will make all proper efforts to protect the confidentiality of those who raise concerns. We will not criticise anyone for speaking up, or for failure to speak up on earlier occasions. We will not permit retaliation for reports of misconduct by others made in good faith by colleagues.

We will treat any attempt to prevent colleagues from raising concerns as a serious disciplinary offence.



Ensuring compliance

Our statement of business principles sets out the general principles that govern our business conduct.

While we have businesses around the world which operate in line with local cultural and legal standards, this document sets out the minimum standards which should apply everywhere that we do business and all our businesses must meet.

Legal, together with local business units, will be responsible for:

- Undertaking periodic reviews of compliance
- Reporting on compliance
- Making sure that local and regional codes or similar statements are in line with Our Business Principles

Human Resources, together with local business units, will be responsible for making sure that:

- Our Business Principles are communicated to all managers and colleagues.
- Induction processes make sure new colleagues and newly-acquired businesses are made aware of these principles.
- Training and briefings of our business principles take place with managers and relevant colleagues
- At reasonable intervals, managers confirm that they and those under their direction comply with the business principles.
- In the event of any breaches, appropriate action is taken, such as reporting the incident to a local or group representative.

Comprehensiveness

No statement of business principles can deal with all situations. It is therefore everyone's responsibility to apply the principles set out in this document and thereby exercise good business judgement.

If you have any particular questions after reading this you should speak to your manager or human resources.



Global Policies

The following global policies and booklets should be read in conjunction with this booklet.

- Competition and Anti-Trust policy
- Confidentiality policy
- Dissemination of Price Sensitive Information
- Environment, Health and Safety policy
- Equal Opportunities, Diversity and Inclusiveness policy
- Ethical Business Practices policy
- Fraud policy
- Human Rights and Ethical Trading policy
- IT User Standards
- Lobbying Code of Conduct
- Marketing Code of Practice
- Quality and Food Safety policy
- Responsible Product Development policy
- Share Dealing Rules policy
- Speaking Up
- Spokesperson policy
- Leadership Imperatives booklet
- Performance driven, Values led booklet
- Global Security policy

For further information contact Global Human Resources or look at the Global Compliance intranet site.

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human rights

In 2007, we initiated a review of our approach to human rights. This followed our study of external developments in this field which indicated that our stakeholders as well as society at large increasingly expect us to be more explicit in communicating how our business activities promote human rights.

The aim of the review was to ensure our approach clearly reflects our philosophy, which is based both on our heritage and our conviction that business thrives in environments that have a high regard for human rights. The culmination of our review comes at an appropriate time, coinciding with the 60th anniversary of the Universal Declaration on Human Rights. The output is an explicit statement of our approach to human rights. This provides a framework for revising related policies and standards to ensure they support our approach. We support the findings contained in the 2008 report of the UN special representative on business and human rights and have incorporated its recommendations into our human rights approach.

We believe that every human being has a fundamental right to be treated with respect and dignity. Naturally, this translates to the people who work for us and for our suppliers and the people who work for them. At a minimum, we comply with local human rights legislation as well as our own human resources and ethical sourcing standards, and we implement programmes across our global operations and with our supply chain partners.

Human Rights and Ethical Trading policy

Our **Human Rights and Ethical Trading** (HRET) policy is based on recognised international standards, such as the International Labour Organisation conventions, the Universal Declaration of Human Rights, and OECD guidelines. It also reflects societal and industry best practice in the countries where we

have a presence. Human rights are also integrated into our risk procedures as part of our ethical sourcing standards and procurement activity to make sure we understand and manage any risks in sourcing from countries where abuses might occur.

Adopted by the Main Board in 2000, our HRET policy applies to all business units and suppliers on which we have a direct influence and impact. It covers:

- > Core labour rights and dignity at work
- > Health and safety in the workplace
- > Fair remuneration
- > Diversity and respect for differences
- > Opportunity for development

The policy can be found at: www.dearcadbury.com/i-know-my-stuff under our 'Ethical and Sustainable Sourcing' factsheet.

We do not use forced labour and we work with suppliers and business partners to ensure they do not use forced labour either. We respect people's rights to have employee representation, including their right to join unions. We do not tolerate harassment. We communicate and expect compliance to our HRET policy across our business globally. Our direct suppliers are also required to acknowledge our HRET policy and to complete an online self-assessment database which provides us with information on their human rights policies and practices. In addition, based on our risk assessment process, we conduct site audits of high-risk suppliers. We provide training, supplier development seminars and other relevant support to help close any gaps identified through the self-assessment or audit.

Our global human resources standards govern how we recruit, nurture and reward colleagues, as well as how we manage talent and ensure our workforce reflects the diversity of the communities and geographies where we operate. Open and honest

communication with colleagues and their representatives is key to these standards.

We also continue to strengthen our current membership of organisations such as the Institute of Business Ethics in the UK.

Speaking Up Helpline

Across our business, we have reminded colleagues of the existence of our confidential employee helpline (the Speaking Up Helpline) which is a channel for reporting potential issues and concerns regarding human rights and ethics.

See 'Our management approach to CSR and Sustainability' fact sheet at: www.dearcadbury.com/i-know-my-stuff for more information.

Our Business Principles

Our Corporate Responsibility and Sustainability strategy is underpinned by our approach to human rights and by Our Business Principles which highlight our responsibility to promote ethical business practices. In 2007, as a complement to our Audit Committee, we established a Global Risk & Compliance Committee to oversee our broad non-financial risk and compliance agenda. Our internal audit team as well as our senior security leader continue to work closely with our global businesses to see that corruption and other related risk and security activities do not occur.

Furthermore, our human rights approach underpins all of our six sustainability commitments and CSR pillars: marketing, foods and consumer trends; ethical sourcing and procurement; quality, health and safety; environment; employment standards; and community investment.

Beyond legislation

Beyond legislation, we continually aspire, everywhere we do business, to identify and respond to emerging human rights issues on which our business can legitimately have an impact. Inspired by our heritage, we will continue to play a leadership and advocacy role in encouraging and inspiring the highest standards of human rights in all countries in which we operate. We will fulfil these roles directly or through broader industry platforms.

We are signatories to the **UN Global Compact** and support its principles on human rights and labour standards. In 2007 Cadbury participated in the UN Global Compact Leaders Summit in Geneva, presenting a case study on the Cadbury Earthwatch programme (visit: www.dearcadbury.com/i-know-my-stuff for additional information), and also in a separate conference on Communication on Progress.

In addition to our **Human Rights and Ethical Trading Policy**, our approach to human rights is also enshrined and guided by the following policies, standards and frameworks:

- > Our Business Principles
- > Ethical Sourcing Standards
- > Human Resources Standards and Guidelines
- > Environment, Health & Safety Policy
- > Our Community Commitments

We also have a range of internal policies and standards which guide our managers and ensure our human rights approach is embedded throughout all levels of our business. These include:

- > Marketing Code of Practice
- > Risk Management Framework
- > Equal Employment Opportunities, Diversity & Inclusiveness Policy
- > Policy Against Bullying & Harassment
- > Policy on Employees with Life-Threatening Illnesses
- > Global HIV/AIDS Guidelines
- > Work-Life Management Framework
- > Speaking up policy and procedure
- > Government and Public Affairs Guidelines
- > Public Affairs Code of Conduct

This list of policies is constantly being developed, refined and refreshed. For example, the introduction of the Government and Public Affairs Guidelines was relatively recent.

Further Reading:

Please visit our 'Ethical and Sustainable Sourcing', 'Our Business Principles' and 'Our People' Fact Sheets available at: www.dearcadbury.com/i-know-my-stuff for complementary information on our Ethical Trading (HRET) policy and our approach to Human Rights in our supply chain. You might also wish to learn more about our CSR pillars in 'Our Management Approach to Corporate Responsibility and Sustainability'.

our people

Our success depends on the 50,000¹ skilled, motivated people around the world who work for Cadbury making quality products for people to enjoy. We have a responsibility to provide them with a workplace that is safe, fair, respectful, diverse and challenging – one where they can achieve their best, for themselves and for Cadbury.

We're a highly competitive company, determined to create a strong future for ourselves and our shareholders. Being a responsible employer is critical to being a sustainable business.

Global standards

We have global human resources standards governing global areas including resourcing, diversity, talent management, reward, learning and development, and dealing with organisational changes that may impact people and their jobs, including redundancies. Open and honest communication with colleagues and their representatives is key to these standards.

- > **Fair rewards:** Throughout the company, reward is linked to individual and business performance. We always meet local statutory minimum pay laws and aim to pay and offer other benefits on terms which equal or exceed our global Human Resources Standards. For example, a range of employee share plans are offered each year and are taken up by about 40% of those eligible to take part.
- > **Work-life management:** A key part of our inclusion agenda is to encourage people to adopt balanced work and life commitments through

flexible working including part-time work, flexible shifts and hours, job-sharing and working from home. We also encourage our business to take full advantage of IT to enable our people to be flexible and provide guidance on local work-life management policies.

Recently, organisational changes have offered the opportunity to implement elements of our global Work-Life Management Policy across some of our bigger markets: Mexico, the US and the Global and UK Offices:

- The development of local work-life management policies based on the global framework which was implemented as part of the strategy for a site move.
- Flexibility of work times and work locations (flexible start and finish times; part-time; job-sharing; time off in lieu; home-based working; customer-based working).
- The Summer Hours scheme, by which colleagues can work additional hours during the week and 'earn' afternoons or days off.
- Good staff facilities, including: cafeteria service; transportation services to the city; commute planning support; free in-house gym; day care support.
- Volunteer time. Employees can now take two days off per year to perform volunteer work – of course this also supports our community sustainability commitment.

¹ Unless otherwise noted, the data in this fact sheet relates to the end of 2007 (ie pre-demerger).

- > **Diversity:** It's in our traditions to value the contribution individuals make and to create effective teams to make products our customers love. We're proud to have introduced a global equal opportunity and diversity policy as early as 1993. It is led by a global Diversity & Inclusiveness Leadership Team, made up of representatives from across our business at all levels of seniority. For us **diversity** means difference and variety. It describes the distinct and original qualities each individual brings. **Inclusiveness** describes a workplace climate where all colleagues feel empowered to bring a rich variety of approaches to achieving business results. We measure our progress through an annual global Employee Equal Opportunities, Diversity and Inclusiveness survey and through our Employee Global Climate Survey (more information on this follows). For example, we monitor the representation of women, the age profile of employees and the development of the women and men who are set to become our future leaders.
- > **Learning and Development:** People perform best when they have the chance to learn and develop. We see this as a shared responsibility. Cadbury provides opportunities to develop and, in return, individuals are responsible for motivating themselves to learn. Line managers have a responsibility to identify and meet the training needs of their team members. We offer employees support for training, coaching and mentoring, internal training events, study leave, on-the-job training and the chance to work on international assignments.
- > **Staying safe and healthy:** Our safety culture applies to our factories, offices and warehouses, colleagues out on the roads, contractors and visitors – even to our customers and suppliers. Colleagues are urged to “think and act safely” all the time. All colleagues complete training and follow these six defining safety principles:
 - Take personal responsibility for safety
 - Train everybody
 - Work safely and to our rules
 - Recognise, evaluate and control hazards
 - Never walk past an unsafe act or condition
 - Learn and improve continuously

- > **Training programmes:** investment in training for our people globally is supported on a range of issues – safety at work, quality standards and more.
- > **Organisational change:** Over the past months Cadbury has had to take some difficult decisions to ensure it is as well prepared as possible to deliver our Vision Into Action commitment to not only be the biggest confectionery company in the world, but also the best. On occasion the need for our business to grow and remain competitive in the face of rising costs has meant a need to restructure our operations. This has meant redundancies and sometimes the closure of sites. Wherever this has proved to be necessary we have acted in line with our values, with respect, integrity and responsibility. We have done all that we can to support those impacted on a one-to-one basis – from helping them to find new jobs, to offering retraining to help them develop new skills, to providing independent financial advice. Our redundancy packages are recognised as above the industry standard. In every case our first priority is to communicate openly and honestly, beginning consultation with our employees and their representatives as soon as we can. Wherever possible, any redundancies have been voluntary.

Security for our People and our Business

At Cadbury, security is an integrated business function which manages a range of risks to our people, our property, our information and our reputation. In 2008 a new Security Policy has been agreed and launched within our business to increase the focus on this important area and continue to develop a culture of security. Some of the areas where our Security policy/function plays a major part include:

- > **People:** Monitoring global political and security risks, establishing travel policies, security awareness briefing and training for employees at all levels, travel security, travel tracking, executive protection, evacuation planning, kidnap and ransom.
- > **Property:** Establishing new building security policies, establishing appropriate and consistent levels of security at our sites, conducting site security audits, protecting our intellectual property.

¹ Unless otherwise noted, the data in this fact sheet relates to the end of 2007 (ie pre-demerger).

- > **Information:** Establishing information and intellectual property security policies, establishing a culture of information security awareness, protecting our IT assets.
- > **Reputation:** Managing security incidents, and agent/partner screening, developing business continuity procedures and strategies, performing due diligence, among other functions.

Commitments:

To consistently achieve above 75% (a score of between 3-4) in our Employee Climate Survey results.

To consistently achieve top quartile performance for workplace health and safety relative to peer-group multinational consumer goods companies (not only confectionery).

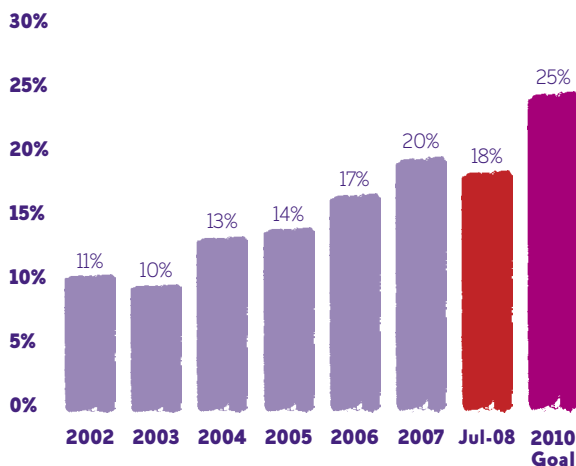
To achieve a zero accident culture and aim for a Lost Time Incident Frequency Rate (LTIFR) of less than 0.5% by 2010, as well as zero fatalities across our business.

Our Diversity & Inclusiveness goal for 2010 is part of the performance scorecard which gives visibility and focus to drive the agenda within the function and overall business. One example is to attain 25% female representation at our executive leadership level, which represents around the top 150 leaders.

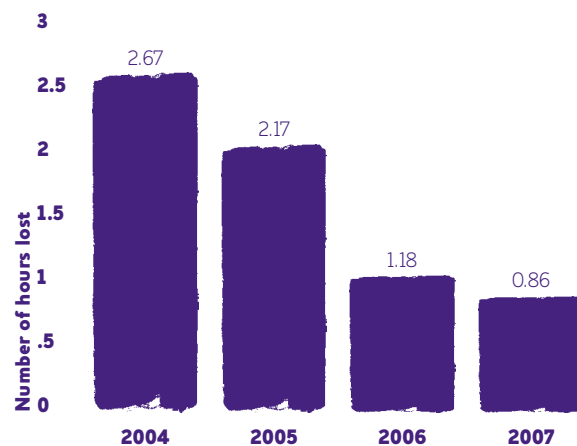
Our progress:

- > 20% of executives at the end of 2007 were female, 3% increase from 2006. In July 2008, the ratio decreased to 18% (although the underlying trend is positive and the talent pipeline for females below executive level is growing). This is encouraging in terms of our ability to reach our 25% female executive goal.
- > We had 1 fatal accident in 2007 and 5 in 2008 to date. We have prioritised key risks, strengthening control of contractors working on our sites, and introducing a new global programme on driver safety which effectively extends our safety programme beyond our manufacturing sites into our sales and distributions network. We continue to build awareness of safety, the standards to be achieved and how to do this. Workshops throughout the world enable us to share best practice and help to develop a zero accident culture. We have developed training to enhance leadership on safety, encouraging behaviours that drive safety through a new management programme.
- > We are progressing well in our efforts to reduce our Lost Time Incident Frequency Rate (LTIFR). We use this accepted international standard to monitor and track our workplace health and safety. Our LTIFR has decreased by 27% from 2006 to 2007. The reason for this downward trend is senior management focus, implementation and embedding of core safety standards and a focus on line management accountability, as well as

Ratio of Women Executives (since 2002)



LTIFR (Lost Time Injury Frequency Rate – per 200,000 hours)



extensive training programmes. Since 2004 we have embarked on a significant safety programme, and the trends reflect the ongoing success of the programme. Health & Safety is part of Our Business Principles (See our 'Business Principles' fact sheet located at: <http://www.dearcadbury.com/i-know-my-stuff>). In addition, we have recently created an online tool called "Factory for the Future" which covers best practice on environment, health and safety, showcased to colleagues through both text and video.

- > Our Health & Safety commitment is to have zero fatalities and a zero accident culture. The health and safety of our employees is paramount. We have health and safety prevention and training programmes in place, and have been enhancing them since 2005. Accidents and their root causes are identified. In 2006, we established a Quality, Environment, Health and Safety Group chaired by our President of Global Supply Chain. In 2007, refreshed and improved workshops on quality and safety took place across the globe. They describe the improvements we need to make, the minimum standards we must deliver and the organisational culture we need to develop if we are to get quality and safety right. Supply chain and other functional managers with day-to-day accountabilities for quality and safety are attending training sessions. A framework for safety has been built and a set of safety principles agreed to help us focus our attention and ensure we all think about safety in everything we do. Prioritising quality and safety is part of our business strategy.

Employee Climate Survey

Since 2004, we have conducted a regular Cadbury Employee Climate Survey to find out what colleagues think and feel about the company and the management team and how they feel they are treated and motivated. We believe employees do their best work when they are proud of their company, and are committed to what the company is trying to do. Understanding what our colleagues think helps us address any concerns or issues which may be affecting their performance.

Our Human Resources team manages and co-ordinates the process internally and reports the results into the Board, Board CSR Committee and our colleagues around the world. The results are based on overall responses and have also been broken down by

business unit, geography, and function in order to help us monitor and identify areas for follow-up action. We included the opportunity for colleagues, on a voluntary basis, to indicate their gender and whether they belong to a specific identity group locally.

Key strengths – our employees say they:

1. understand what is expected of them in their jobs to help deliver these priorities
2. understand what the priorities are for their parts of the businesses
3. know what the core purpose and values of Cadbury are
4. feel committed to the success of the teams in which they work
5. are proud to be part of the teams in which they work

Areas of concern – our employees say they want:

1. more frequent conversation about their future careers
2. more conversations with their line managers about their development
3. decisions to be made faster
4. decisions to be made by fewer people
5. their managers to deal with poor performance

95% of employees surveyed at the end of 2006 said they were proud to work for Cadbury, 88% of employees surveyed at early 2008 said they were proud to work for Cadbury

We have shared the results of the survey with our people throughout the business and are now addressing the areas of concern that were raised through local and global action plans as appropriate.

Recognition

We are proud that we are rated highly in the outside world. In 2006 and 2007 we won a range of awards, including:

- > Great Place to Work in India
- > Cadbury Mexico received two government awards for generating jobs for disabled people and was included in Best 100 Companies to Work For
- > Cadbury Greece is ranked one of the top 10 companies to work for in Greece
- > Cadbury UK was highly commended in the HR Excellence Awards 2007

ethical and sustainable sourcing

As a food manufacturer, Cadbury has a long and complex supply chain including many indirect relationships. **Our challenge is therefore to ensure that the standards we seek are upheld throughout the sourcing process.** We have taken a detailed look at the way we source key direct materials and services and put in place a series of initiatives, in many cases working with expert partners. These initiatives will help to ensure that the people who produce or deliver the direct materials and services that go into making Cadbury products are treated with respect by their employers.

To this end, a team has been set up, led by a head of Conformance & Sustainability, to work with the business and encourage positive behaviours through a combination of **training, auditing and intervention.**

We are members of MSDUK (Minority Supplier Development UK) and have a fair and open selection policy when choosing the suppliers we work with. We have established a set of minimum pre-qualification supplier selection criteria and any supplier that meets these standards has an equal opportunity of working with us. We are also committed to supporting local buyer events to explain our selection process and requirements.

We also have a similar membership to the US equivalent of MSDUK and programmes in South Africa focused on diversity

Our Ethical Sourcing Programme

Our international Human Rights and Ethical Trading (HRET) Policy underlines the way we seek to do business. It is based on the highest international standards, including the International Labour Organisation Conventions and the Universal Declaration of Human Rights. HRET covers the following points:

- > Core labour rights and dignity at work
- > Health and safety in the workplace
- > Fair remuneration
- > Diversity and respect for differences
- > Opportunity for development

The HRET policy forms the basis for our **Cadbury Ethical Sourcing Standards (ESS)**, which also incorporates Our Business Principles.

Cont...

Our Human Rights and Ethical Trading Policy

Cadbury aims to act in a socially responsible manner at all times by:

- > Respecting the economic, social, cultural, political and civil rights of those involved in our operations
- > Complying with all local and international human rights legislation
- > Implementing programmes across our worldwide operations and with our supply chain partners

Core labour rights and dignity at work

- > Preclude the use of forced labour
- > Respect the rights of employees to join legally recognised labour unions
- > Ensure children are employed only under circumstances which protect them from physical and emotional risk and do not disrupt their education
- > Not tolerate any form of harassment in the workplace

Health and safety in the workplace

- > Create a healthy and safe work environment for each employee

Fair remuneration

- > Ensure that working hours and remuneration are reasonable and comparable to those offered by similar companies

Diversity and respect for differences

- > Manage diversity to promote and capitalise on cultural and individual differences to create competitive advantage through new perspectives and local market sensitivity

Opportunity for development

- > Recognise the value that employees create and reward them with opportunities for personal and career development
- > Provide employees with equal opportunities regardless of their gender, age, marital status, caste, tribe, sexual orientation, disability, race, religion or national origin

The Ethical Sourcing Standards set out best practice for the implementation of ethical sourcing programmes (including management attitude) and responsible environmental management. At the very minimum we require our suppliers to comply with and uphold:

- > Minimum legal standards - striving towards industry best-practice
- > Honesty and ethics in all business decisions
- > Respect of the rights and interests of others
- > Compliance to standards and principles of good corporate governance

We're also sensitive to the specific issues faced by individual communities and so take cultural issues and local legal regulations into account. We have published our Ethical Sourcing Standards in multiple languages and make them available to all our suppliers.

We work closely with our suppliers to support their own Ethical Sourcing programmes as we believe that this will invariably:

- > **Minimise business risk:** Our assessment process helps identify weaknesses in both control and administration. It also identifies potential infractions of our human rights policies and conditions of employment.
- > **Strengthen our relationship:** As we work with our suppliers to ensure fair, safe and healthy workplaces we will develop long-term relationships with them and ultimately deliver value to both parties.
- > **Enhance standards and improve both Cadbury and Supplier reputation:** By understanding our ethical risks, we are able to work together to ensure workplaces that are fair, safe and sustainable over the long-term.

Cadbury has around **40,000 global suppliers**, providing everything from ingredients and packaging to stationery and cleaning services. Although we seek to ensure 100% of these suppliers meet our standards, it's a huge task and one that will take some time to complete. We aim to have all of our key suppliers and our own sites commit to meeting our Ethical Sourcing Standards by the end of 2010.

We have prioritised around 3,000 key suppliers across the world who we judge to be potentially higher risk and who are closely associated to our business, including direct suppliers of ingredients, packaging and promotional materials.

SEDEX

All 3,000 key suppliers are required to acknowledge our HRET policy and to register on the **Supplier Ethical Data Exchange** network (SEDEX). SEDEX is a not-for-profit organisation that uses the latest technology to enable companies to maintain and share data on labour practices in the supply chain.

Once our suppliers have joined SEDEX they are asked to undertake a detailed online self-assessment of their ethical practices. We can then prioritise the need for site audits based on a risk assessment of the data provided and work with suppliers to make sure any corrective actions identified through audits take place by an agreed deadline.

In addition to audits undertaken by our own team, our key suppliers are asked to commission a third party audit within 18 months of joining SEDEX. If they are deemed to be high risk this timeline will be brought forward. Any new suppliers that are deemed to be of high risk will be required to commission an audit prior to working with us.

We also commission an independent external provider to further verify a sample of these audits. To provide continued assurance, we request that the SEDEX self-assessments are updated at least annually, and will review supplier sites ourselves.

The Ethical Sourcing self-assessment includes questions on:

General Assessment

- > Management systems
- > Freedom of association
- > Discrimination
- > Wages
- > Voluntary employment
- > Working hours
- > Regular employment
- > Small holders and workers
- > Children and young workers
- > Accommodation for employees
- > Disciplinary practices

Health, Safety and Hygiene Management

- > Management systems
- > Fire safety
- > Housekeeping and hygiene facilities
- > Training
- > Machinery
- > Worker health
- > Hazardous materials

Business integrity

- > Business integrity

Environment

- > Environment management systems
- > Waste
- > Emissions
- > Environmental policy
- > Water
- > Pollution
- > Legal compliance
- > Energy
- > Other

Risk is assessed on an ongoing basis throughout the sourcing process. Our Ethical Sourcing team works closely with our Procurement, Food Safety & Quality, Environment, and Health & Safety teams and provides them with training on ethical screening risk assessment.

Our main goal is to work in partnership with our suppliers on a process of continuous improvement in order to raise food safety, quality and labour standards. We hold seminars to support this, where our suppliers can exchange best practices to improve standards.

It is important to understand that the audits required of suppliers are not designed as "pass or fail" audits. The purpose is to validate and understand our suppliers' ethical conditions and to assist in the remediation of any issues in a sustainable manner. We also believe that through participation in the process, our suppliers will be able to self-assess their own ethical standards and support in the development of their own management systems.

Dr.V.J.Mathew, Managing Director of Veepee Industries Ltd, one of our suppliers from Nigeria describes the benefits of such partnership approach:

"It is an incredible experience to be part of Cadbury's Ethical Sourcing Audit (ESA). Through ESA, we could imbibe international standards and ethics into many spheres of our Management, especially the Human Resource Management areas. In-depth audit of the working conditions of the staff and workers and related humanitarian issues facilitate us to come closer to the workforce, taking our cordial and harmonious relationship to a new level. It also prompted us to upgrade ourselves and provide a better congenial working environment to the workforce and other stakeholders coming into in our premises".

Any decision to discontinue a supplier relationship will be based on their capacity and willingness to change and will be made in agreement with our procurement teams and other internal stakeholders.

We are also participating in an innovative industry initiative called **AIM-PROGRESS**. Its aim is to provide a forum for developing common viewpoints and positions regarding responsible sourcing practices and to develop and promote the use of common evaluation methods within the supply

chain. Founding members of this initiative include Danone, Diageo, PepsiCo, Nestlé, Mars and Unilever; all of which are now members of SEDEX.

Our Approach to Sustainable Sourcing

Cadbury seeks to use the highest quality ingredients in our products and we believe this can only be done if they are sourced in a sustainable way. This means the ability to secure a **long-term supply of ingredients** at consistent quality, stable prices, and wherever possible, enhancing the positive and minimising any negative socio-economic and environmental impacts.

We are committed to **sustainably sourcing** at least 50% of our key agricultural raw materials (cocoa, sugar, mint, palm oil, gum arabic, liquorice, hazelnuts, almonds and raisins) by 2010. We plan to achieve this by working closely with supply chain partners, including NGOs, farmers, scientists, government, trade associations and multi-stakeholder groups, developing activity appropriate to each crop within longer term programmes.

Our first step towards this goal has been the **completion of a sustainability assessment template** which consists of economic, social and environmental criteria such as traceability, quality, working conditions, biodiversity, energy and water use, and labour practices. Another important factor is making sure that farmers are being paid fair prices that reflect production costs and the cost of living. Each of these factors is measured against a set of metrics.

Each crop is then reviewed against this template taking into account the country of origin and the market context for that specific crop. This allows us to map and better understand our supply chain. We also use the template on our site visits to record any positive or negative practices, working closely with our suppliers and sourcing teams to develop an **action plan** to make sure the priority targets in our template are achieved. We have begun our initial assessment for each crop and we are planning on the ground assessments in order to develop action plans in each case.

Cocoa Sourcing

One exception is cocoa, for which we have already launched **The Cadbury Cocoa Partnership** as our sustainability action plan. The Partnership seeks to help cocoa farmers improve their income by improving quality, increasing yields and finding alternative sources of income.

In order to help investigate and address child labour in cocoa-producing countries, the international cocoa industry and the Government of Ghana and Cote d'Ivoire have been undertaking farm and community level assessment work with the intention of "certifying" cocoa production from both countries. The target was to cover 50% of cocoa production in the two countries by 1st July this year, and this has been achieved, with the recognition of the two US politicians (Senator Harkin and Congressman Engel) who initially drove this action forward through what has become known as the "Harkin-Engel protocol" which many chocolate industry stakeholders signed up to in America (Cadbury, not being a US-based chocolate company, is not a signatory but we fully support the work and have been leaders in the activity in Ghana).

It is also worth noting that this certification work is also now being independently verified by a multidisciplinary group of NGOs and trade union representatives who are working separately from the industry/Government activity.

The recent Certification survey in Ghana has found children working when they should be at school and children carrying heavy loads. In order to address this situation we need to work with communities and address the underlying causes of child labour. We are one of the industry funders of the multidisciplinary and independent **International Cocoa Initiative** (ICI) where industry, NGOs and the trade union movement are working together to help define best practice in tackling questions of child labour in cocoa.

The ICI runs a programme called Yen Daakye (Our Future), where communities themselves have defined their vision for the future of their village with support from local NGOs. As part of this they agree the role of children in the community and agree what jobs they should and shouldn't be doing.

While Certification provides a report on the situation, we believe that the **Cadbury Cocoa**

Partnership will address the root causes of this issue and offer a holistic approach to finding solutions.

Industry Initiatives

To support our approach to sustainable sourcing we are also participating in industry-wide initiatives where appropriate. For example, Cadbury has been a member of the **Roundtable on Sustainable Palm Oil** (RSPO) since it was created in 2004. We have played a major role in developing the RSPO's activities and in working with other businesses to adopt sustainable palm oil. We are continuing with this work, only buying the palm oil we use from other members of RSPO who are working in the same way and developing sustainable sources of palm oil to supply the small amount that is included in some of our products.

Although we only use around 40,000 tonnes of palm oil, compared to the millions of tonnes used by others, we have been keen to develop sustainable sources, encouraging others to do the same and to use those sources to help minimise the impact of palm oil production and to maintain natural ecosystems. Developing these sustainable sources is also crucial to enable the large users of palm oil in the Far East to also adopt sustainable practices.

This work is continuing and the ongoing support of the multi-stakeholder group of businesses, Governments and campaigning organisations within the RSPO is important in developing increasingly robust farming practices. As a result, we are also part of the partnership between industry and campaigning organisations such as **Greenpeace, WWF, Conservation International, Rainforest Project** and the **Rainforest Alliance** that is accelerating the growth of sustainable sources of palm oil and supporting a moratorium on any further deforestation that might arise from palm oil farming.

Cadbury is also an active member of **The Better Sugarcane Initiative**, a further multi-stakeholder group that seeks to develop and implement sustainable sourcing standards within the sugar sector. We are already developing a trial within sustainable sugar in southern Africa as part of our own work.

Commitments:

By 2010 we will maintain ethical sourcing standards and develop sustainable agriculture programmes by:

- > Working to ensure our suppliers and our own Cadbury manufacturing sites meet our ethical sourcing standards.
- > Sustainably sourcing at least half of our key agricultural raw materials, such as cocoa, sugar, palm oil, and gum arabic, for core brands.

Our Progress:

We have directly communicated our Ethical Sourcing Standards with all of our key suppliers and we have also requested that they sign up to SEDEX, complete the SEDEX self-assessment and undertake an independent third party ethical audit.

We have identified our key crops and have a programme in place to assess the sustainability of each of these crops in order to develop focused action plans. For our cocoa action plan, we launched the Cadbury Cocoa Partnership with an initial investment this year of £1 million.

RSPO has developed criteria for sustainable Palm Oil production and together with other members we are supporting its adoption through our own supply chain.

We are also members of the Better Sugar Cane Initiative - a collaboration of sugar retailers, investors, traders, producers and NGOs who are committed to sustainable sugar by establishing principles and criteria that are applied in the sugar growing regions of the world through regionally specific strategies and tools.

Further Reading:

Additional information on how we work with other partners to improve ethical sourcing is available in the 'Partnership Approach' and 'Cocoa Partnership' fact sheets located at: <http://www.dearcadbury.com/i-know-my-stuff>. Further information on our performance indicators can be found in the 'Performance Indicators' fact sheet.

Ethical standards: www.cadbury.com/SiteCollectionDocuments/EthicalSourcingStandardsEnglishfinal230403.pdf

SEDEX: www.sedex.org.uk

cadbury cocoa partnership

Back in 1908, the Cadbury brothers stopped buying cocoa from São Tomé because of poor labour conditions. As a result of that decision, we helped found the cocoa industry in Ghana. Since that time, our initiatives and partnerships have played a part in helping Ghana grow some of the best cocoa beans in the world.

Today, we're doing even more by launching our **Cadbury Cocoa Partnership**. This ground-breaking initiative, which is being delivered in partnership with the United Nations Development Programme (UNDP) and other partners, marks 100 years since the Cadbury brothers first began trading in Ghana and aims to holistically support the development of sustainable cocoa growing communities in Ghana, India, Indonesia and the Caribbean.

In the words of **Daouda Touré, UNDP's Resident Representative in Ghana**, "Ghana has been producing cocoa for decades now and the industry has certainly gone some way to improving the lives of the Ghanaian people, but with this new public-private partnership approach developed with Cadbury, where both the small producer and the consumer benefit, we hope to show just how effectively sustainable cocoa production can be in generating improved opportunities for local farmers, conserving the environment and building a brighter future for younger generations."

Cadbury invested £1m in 2008 as a seed funding to establish the Cadbury Cocoa Partnership, with annual funding levels rising to a steady rate of £5m over the next several years. The total investment is around **£45 million over the next 10 years**.

Research by the **Institute of Development Studies, Sussex, and the University of Ghana** into "Sustainable Cocoa Production in Ghana," funded by Cadbury, showed that the average production for a cocoa farmer in Ghana has dropped to only 40% of potential yield and that cocoa farming has become less attractive to the next potential generation of farmers.

According to **Stephen Nigame, General Agricultural Workers Union**, "50 years is the average age of a Ghanaian cocoa farmer now. The younger ones are not entering into cocoa farming, so it is very important that [the] Cadbury [Cocoa] Partnership has come now, so that we can together form a partnership to encourage the youth to enter into cocoa farming, otherwise Ghanaian cocoa farming will collapse".

The Cadbury Cocoa Partnership aims to address some of the root causes of these issues - improving farmer productivity and helping to attract the next generation into cocoa farming. The Partnership will focus on:

- > **Improving cocoa farmer incomes:** by helping farmers increase their yields and produce top quality beans.
- > **Introducing new sources of rural income:** through microfinance and business support to kick start new rural businesses and introduce additional income streams such as growing other crops.
- > **Investing in community led development:** to improve life in cocoa communities e.g. supporting

education through schools and libraries, supporting the environment through biodiversity projects, and building wells for clean, safe water.

- > **Working in partnership:** developing a pioneering model which will be led from the grass roots. farmers, governments, NGOs and international agencies will work together to decide how the funding is spent and work with local organisations to turn plans into action.

By 2018, the Cadbury Cocoa Partnership will have contributed to empowering targeted communities to take the lead in identifying their long-term goals and have ownership in finding solutions that work towards achieving these goals. We believe that such strong rural communities are best suited to achieve the vision to increase productivity and attract the next generation into cocoa farming, support a sustainable cocoa supply chain, and meet the UN's Millennium Development Goals.

Cocoa Partnership Approach and Strategy

The success of the Cadbury Cocoa Partnership depends in part on the approach we adopt in achieving the programme's objectives. Our approach will aim to explore and build upon existing institutions and to increasingly **enhance the capacity of the local communities to take the lead in their own development**. To effectively achieve the programme's objectives, the Partnership will engage with governments on policy review and reform wherever needed. This approach naturally requires effective collaboration and coordination with various stakeholders including local and national government authorities, development agencies, non-profit organisations, trade unions and community organisations. All participating organisations will be encouraged to research existing best practice, generate innovation, seek expertise and to continuously learn from our collective efforts.

All programme activities are decided and managed by in-country management boards within the terms and framework established by the International Board.

The International Board is currently governed by seven Cadbury employees and three partner organisations including **The United Nations, The International Cocoa Initiative** and **Anti-Slavery International**. The Board's Chairman is Todd Stitzer,

Cadbury's CEO. The International Board has ultimate accountability for achieving the vision and goals of the Cadbury Cocoa Partnership as well as ensuring that the programme approach is adhered to. In addition, the Board will provide implementation guidance and support for the Country Management Boards as well as maintain the credibility of the partnership with all stakeholders.

The International Board is also required to produce half yearly update reports to Cadbury's Chief Executive's Committee (CEC), conduct an annual report to the Cadbury Main Board CR Committee and share progress with external stakeholders.

To help ensure the partnership is working efficiently, we have identified a **series of indicators**. In each country these will be developed by the local Board to ensure they support the wider development agenda of the country and support the **UN Millennium Development Goals**.

The indicators are as follows:

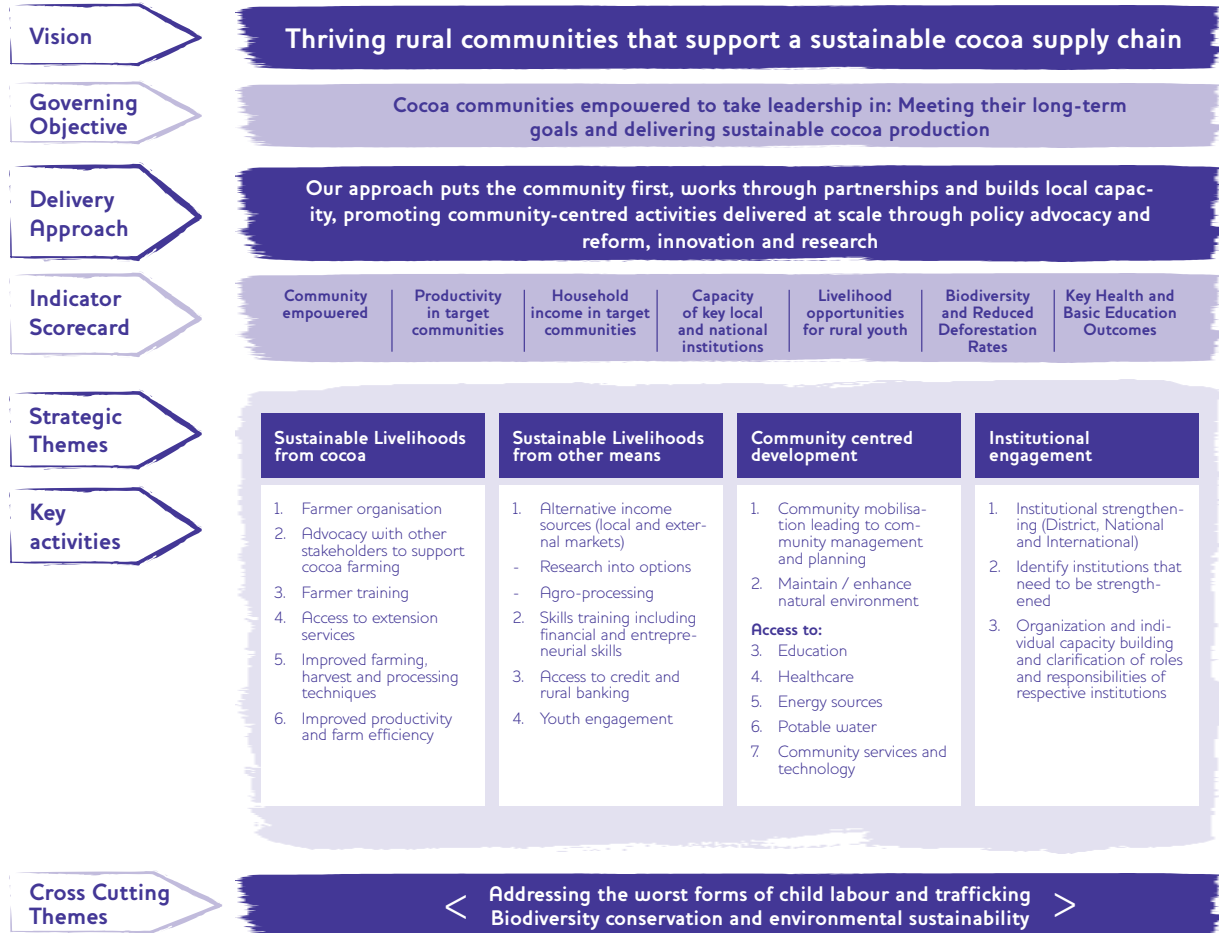
1. Number of communities that have been empowered through the partnership
2. Cocoa productivity in target communities
3. Household income in target communities
4. Capacity of key local and national institutions to deliver community's development plans
5. Livelihood opportunities available to youth in the community – both cocoa and non-cocoa activities
6. Biodiversity and reduced deforestation rates
7. Key health and basic education outcomes

Already we are working to increase production and promote biodiversity by encouraging farmers to grow cocoa alongside other trees like coconut and by making significant investments in cocoa origin countries.

Our approach is summarised in the 'Global Vision into Action' diagram below – which gives an oversight of the strategy and goals of the partnership.



Cadbury Cocoa Partnership Vision Into Action - Global



The Cadbury Cocoa Partnership investment builds on current Cadbury initiatives:

Ghana Wells

Cadbury, in partnership with the Kuapa Kokoo Social Development Fund and Water Aid, has been building fresh water wells in the cocoa growing regions of Ghana since 2000.

The first well was built at Sefwi-Kojina, Ghana's western region. This region produces more than 50% of Ghana's annual cocoa crop.

In 2007 Cadbury committed to build a well a day in Ghana working with local charities, which will benefit a further 55,000 people, through almost 800 wells to date.

Farmer Newspaper

In July 2006, the Cocoa Research Institute of Ghana (CRIG) launched a free newspaper for cocoa farmers, with the help of Cadbury and agricultural expert CABI. Using illustrations and simple English, the newspaper helps farmers understand the farming practices and technologies recommended by the CRIG to increase cocoa productivity.

In a sample interview of 30 farmers, almost two thirds had applied all or some of the ideas. While 75,000 editions are printed, many more farmers read the newspaper as it is passed from hand to hand

Books for Ghana

Following the successful employee 'Books for Ghana' campaign and the launch of the Cadbury Cocoa Partnership earlier this year we collected once again books which are suitable for school children during last March. The collected books were sent to local Ghanaian schools and to libraries which we are helping to build with the local community – we funded 6 libraries last year. Last year Cadbury colleagues across the UK collected thousands of books - over 2.6 tonnes - for school libraries in Ghana.

enjoying confectionery responsibly

In 2004 we created our 12 Point Nutrition Action Plan in response to consumer health concerns, including a Global Marketing Code of Practice. The Plan is supported by an extensive series of policies and standards on matters related to food and its content. The Plan also aims to contribute to finding sustainable solutions to obesity and poor lifestyles, together with the global consumer research studies we undertook in 2005 into food, health, diet, nutrition and obesity. You can find the Plan below together with updates on the commitments.

Our decision-making around food and health issues is based on the sound application of science. Cadbury has built a large science R&D capacity and invests significantly in research to drive **innovation** and provide consumers with a wide range of **choices** including alternative products (reduced portion, fat, energy, calories, sugar and salt) within our core brands. Over the past few years we have significantly increased our scientific and nutritional resources and now have:

- > A newly appointed Director of Nutrition
- > Global fortification guidelines and nutritional standards
- > An independent, expert Global Nutrition Advisory Panel
- > Around 700 Science and Technology colleagues employed globally
- > A Global Science Centre at Reading University Campus, UK
- > A new US\$ 40 million Science, Technology and Innovation Centre in New Jersey, US
- > A new £1.45 million Science Centre opened in Singapore in 2006

We encourage moderation, for example by providing a range of **portion sizes**, and we clearly **label** our products so that people know how much energy (calories), sugar and other key nutrients they are getting. For those who are particularly concerned about sugar, all of our categories - gum, chocolate, and candy – include either sugar-free or no added sugar options.

Beyond our in-house research, we support several scientific projects around the world. For example, through the support that we give to the **International Life Sciences Institute**, we are increasing the understanding of how specific components in food affect and improve health.

Through all of these investments, we are reducing our reliance on the ingredients consumers are concerned about and are reformulating products to make sure they continue to taste great and can be enjoyed responsibly.

And of course some of our brands are designed to serve consumer demand for wellbeing. For example, **The Natural Confectionery Co.** makes natural treats using no artificial colours or flavourings responding to parents' increasing desire for "no nasties". **Green & Black's** grows and makes its chocolate organically to bring out the signature intensity and flavour in the cocoa beans, by using natural, sustainable farming methods with no chemical pesticides.

Another innovative product is our Trident Xtra Care gum that contains the proprietary ingredient Recaldent, which helps strengthen teeth by increasing remineralisation and protects against tooth decay.

Global Nutrition Advisory Panel

In 2006 we set up a scientific panel to provide impartial, expert advice on a range of issues relating to health and nutrition. The Global Nutrition Advisory Panel is made up of external experts from around the world who advise us on everything from our overall nutrition strategy to labelling and new ideas on nutrition.

Some members of the Global Nutrition Advisory Panel

Tom Sanders, Professor of Nutrition and Dietetics at King's College London: "I chair an independent external nutrition advisory panel to Cadbury. The panel consists of a group of nutrition scientists of international standing in the scientific community. Our remit is to provide peer review of the nutrition science conducted by Cadbury and to provide advice on Cadbury's approach to food issues and nutrition aspects of their product innovation strategies. In the two years since the Panel was formed I have seen significant progress at Cadbury both in their response to food issues and in their understanding of the nutrition and health implications of their products."

Connie Weaver, Distinguished Professor and Head of the Department of Foods and Nutrition at Purdue University in Indiana and Director of the Purdue-University of Alabama, Birmingham, Botanical Centre: "I am a member of the external nutrition advisory panel to Cadbury. Contributing to the panel allows me to apply my technical expertise to the complex nutrition opportunities and issues in confectionery. For instance, throughout my career I have been heavily involved in research and policy developments regarding calcium and bone. This expertise has a very direct application to the role of calcium in dental health and prevention of dental caries. When a specific form of calcium, known as Recaldent, is added to chewing gum it decreases tooth demineralization and improves remineralization, helping to prevent dental caries and helping to repair existing damage to teeth."

In addition, cocoa, a core ingredient in chocolate, is rich in many bioactive substances. It's exciting to advise Cadbury as they explore the potential benefits of these substances on a range of health outcomes and at the same time provide chocolate that people enjoy."

To date (October 2008) we have had 4 interactive meetings between Cadbury colleagues and the Panel. Food issues including obesity, diabetes, advertising to children, saturated fats, and dental health and Cadbury's response to those issues have been reviewed and discussed. New scientific advances in relevant areas are routinely discussed with the panel in order to make sure that the latest science is incorporated into our innovation agenda.

Additives

We always label our products to indicate the presence of additives and carefully monitor scientific findings regarding specific ingredients. In the European Union these materials are often accompanied by an E number (E = EU approved) to signify that the additive used has been assessed and is approved safe for use within the levels designated by regulatory bodies. In the US, all additives have been evaluated by scientific experts and are GRAS (Generally Recognised As Safe) at the levels used in our products.

We use no **Genetically Modified Organisms** in our products in Europe. Elsewhere, we are led by customers. If we do use GMO this is clearly labelled on pack.

Be treatwise

One of the key initiatives we have taken to help encourage responsible consumption of confectionery is called 'Be treatwise'. Be treatwise is an initiative to remind people that confections are treats and as such should be used wisely. The initiative has been launched in many countries around the world and is getting people to think about how they consume treats, and to understand more about healthy lifestyles.

Be treatwise has rolled out in the UK, USA, India, Ireland, and Australia, and has begun to roll out in the Spanish-speaking businesses eg. South America,

Mexico. It's now available in Spanish and Portuguese but not yet French (a relatively small percentage of total Cadbury sales). There are challenges for us in countries that have more than one official language.

Guideline Daily Amounts – or GDAs – are an important part of Be treatwise. They are estimates of the amounts of specific nutrients that can be consumed each day as part of a healthy diet. They've been adopted as an industry standard across Europe and are now being used in other countries as well. They're called Daily Values (DVs) in the USA and Daily Intakes (DI) in Australia. They help people quickly compare the nutritional value of different foods and see how they fit into a balanced diet, especially for nutrients such as energy (calories), protein, carbohydrates, sugar, fat, saturated fat, fibre and sodium.

Cadbury has made a commitment to the **EU Platform on Diet, Physical Activity and Health** to roll out Be treatwise / GDA labelling across Europe. This Platform was set up by the European Commission to seek voluntary initiatives from stakeholders across Europe that will contribute to improvements in lifestyle, diets and exercise in the context of rising levels of obesity. Each stakeholder is required to monitor the state of roll-out of its commitment on an annual basis and is then awarded a score by an external consultancy working for the European Commission. In 2007, for the second year running, Cadbury has been awarded the score "good" for our continuing implementation and monitoring of the commitment.

Marketing

We introduced our **Global Marketing Code of Practice** in 2004. In 2007 we reviewed it to make sure it was up to date, extending it to New Media, and communicated it again to all staff with a sales or marketing role. The Marketing Code of Practice ensures we continue to meet our responsibilities to our consumers: to be accurate and truthful, attentive to local sensibilities, to support sensible consumption and balanced lifestyles, and to protect children.

The code can be found on our public website:
www.cadbury.com/SiteCollectionDocuments/Our%20Marketing%20Code.pdf

Marketing for Children

Our Marketing Code of Practice contains a section specifically devoted to marketing for children, in particular, the following applies:

- > We will always take into account the level of knowledge, sophistication and maturity of the people we are advertising to.
- > We recognise and will act on the special responsibility we have to protect children from their own vulnerabilities.
- > We will comply with any higher or additional standards imposed by applicable local regulation.
- > We will not advertise where children under the age of 8 years are likely to be the majority of the audience.
- > We will exercise special care when advertising to children below the age of 12 in order to:
 1. Support the role of parents
 2. Uphold responsible consumption and nutrition
 3. Promote positive values and social behaviour
 4. Respect the distinction between editorial content and commercial promotion
 5. Take care when using fantasy, celebrities or characters
 6. Represent benefits, promotions and prizes responsibly
 7. Avoid a sense of urgency or price minimisation
 8. Take care when showing children under eight
 9. Exercise additional care in relation to websites and interactive media

Quality and Safety

As part of a rigorous programme to ensure consumers are receiving safe, top quality products, a new set of good manufacturing practices (GMPs) is being put in place. The 13 GMPs cover areas including hygiene for personnel, cleaning protocols, storage, warehousing and transport, and include guidance on good engineering and maintenance. They are being introduced to plant manager team members through workshops designed to highlight what has changed, what stays the same, and what is new.

As you would expect, we make considerable efforts to make and sell products that are safe to eat. To ensure they are, we follow HACCP (Hazard Analysis and Critical Control Points). Our HACCP requirements are based on the Codex Alimentarius HACCP principles which are approved by the Food and Agriculture Organisation of the UN's World Health Organisation. HACCP is one of the many requirements of our Quality Management System. It helps identify hazards associated with ingredients and manufacturing processes. We also incorporate elements of the International Standards Organisation's Quality Management System.

We also have consumer helplines for consumers to ask questions about products, and to raise any concerns.

Over the last 24 months we have taken a wide range of actions to reinforce and strengthen food safety control within our sites and those of our suppliers. Most notable are:

- > the strengthening of the food safety and quality resource through the recruitment of additional experts that bring wide external experience
- > strengthening the food safety and quality programme through review and reinforcement of our standards, especially around good manufacturing practice and HACCP, and driving forward the communication and embedding of these through factory development programmes, audits (via internal and independent external teams) and an extensive communications strategy with specialist workshops in all regions reaching all levels of our factory teams, including both technical personnel and factory management
- > investment programmes to strengthen food safety standards across our factory portfolio, linked to our work to improve network efficiency, and ensuring that factory food safety standards continue to develop
- > In the UK we have recently begun to implement a quality review at the retail level to assess quality as products reach consumers

12 Point Action Plan

1. Products and innovation – measurable progress

We aim to offer alternative product choices including reduced fat, energy (calories), sugar and salt for our core brands.

Our wide range of alternative options includes:

- > Cadbury Highlights and Light chocolate bars with no added sugar.
- > 30% of our candy is now sugar-free or natural in colours and flavours including Trebor sugar-free mints and Maynards.
- > Over 70% of our gum is now sugar-free such as Bubblicious sugar free gum.
- > Wellbeing products - like sugar-free chewing gum, dark chocolate and medicated candy - accounted for 30% of our revenue, compared to their 18% share of the total market.

See '3' below.

2. Marketing and children – we can help

Cadbury supports self-regulation and our Global Marketing Code of Practice contains a section dedicated specifically to children

We recently reviewed our marketing code and recommunicated it to our teams.

3. Portion sizing – variety and moderation

We want to provide a broad range of options across all of our product ranges.

Chocolate range includes varied portion sizes for all focus brands.

People often prefer to control calorific content through choice of portion sizes (rather than reformulation). We are therefore enabling portion choice through a range of different portion sizes across our brands. Our chocolate range now includes calorie marked packs as well as smaller sizes for families.

4. Labelling – an industry first

We will continue to be open and transparent about what is in our products, and how these compare to other foods and fit within the context of overall intake.

Cadbury always strives to label its products with a minimum of 5 key nutrients (energy, protein, carbohydrate, sugars and fat) and where possible we extend this to include saturated fat, fiber and sodium/salt. However Cadbury is occasionally prevented from applying a uniform approach to labelling by pre-existing local regulatory standards in some of the countries where we sell products.

100% of our products in Australia, New Zealand, Canada, the US, Britain and Ireland carry at a minimum the five key nutrients, except in a very small number of cases where there are practical limitations associated with packaging design eg Cadbury Creme Egg. In these cases Cadbury makes every effort to inform consumers of the nutritional content of the product through different channels, e.g. outer packaging or websites.

“Be treatwise” has rolled out in the UK, USA, India, Ireland, and Australia, and has begun to roll out in the Spanish-speaking businesses eg South America, Mexico. It’s now available in Spanish and Portuguese but not yet French (a relatively small percentage of total Cadbury sales). There are challenges for us in countries that have more than one official language.

5. Vending in schools – by invitation only

We want to make sure the foods we're vending are appropriate to the situation and people who will be buying them.

We don't sell confectionery through vending machines in primary schools. In secondary schools and colleges we vend by invitation only and follow nutritional guidelines set by the school.

6. Consumer insight and research – sharing to help others

We will invest in, use and willingly share our consumer research and expertise to help improve understanding of consumers' concerns, both within and outside the business.

We're using our global foresight research to anticipate future trends and consumer needs such as food tracking and traceability, clean, pure and natural products, low/no fat.

7. Energy balance – we support building understanding

We will continue to endorse initiatives that promote physical activity and responsible consumption of our products.

Some of the ways we're encouraging activity and balanced diets include messages on packs, community work and employee education.

We are a supporter of the London 2012 Olympic and Paralympics Games.

8. Community – our people are all part of their local community

We will support initiatives that promote physical activity and education that helps improve consumer health and the prevention and understanding of obesity in communities.

Cadbury is part of the new industry coalition that has been formed to mirror the Government's 'Healthy 4 Life' campaign. This has been set up to encourage a societal shift in attitudes towards diet & exercise. The industry coalition has been named 'Business 4 Life'. The campaign will see £200 million invested in a range of marketing led initiatives which will encourage people to actively think about their lifestyles in an engaging way.

More details of other activities in communities can be found in the Community fact sheet located at: <http://www.dearcadbury.com/i-know-my-stuff>

9. Business partners – our customers and suppliers

We will continue to actively engage with government, non-governmental organisations, business partners, customers and our competitors, for their advice and to support our initiatives.

We have been making progress by working with our customers and competitors. The GDA scheme, for instance, shows how a common model can be adopted by a wide range of companies across the world.

10. Employee health and wellbeing – because our employees are consumers too

We will continue to help our people understand and improve their own health and wellbeing.

A number of countries run employee wellbeing programmes.

In the UK as a result of the Fit for Life programme half of our employees have had a consultation, focused on their wellbeing, with a doctor.

11. Science, nutrition and innovation – we have increased support

We will continue to base our decision-making around food and health issues on the sound application of science. As a company, we have a large science capacity and will invest significantly in research that enables us to be more innovative.

Thanks to our research we have launched innovative new products across chocolate, gum and candy confectionery, such as Cadbury Highlights.

We have also formed the Global Nutritional Advisory Panel and create the role of Global Nutrition and Scientific Affairs Director.

12. Stakeholders - we value what others think

We will listen to and act on the opinions of everyone from academics to parents, and incorporate their views into our decision making process.

Among the people and groups we're listening to are our shareholders, campaigners, customers and our families and friends. Our feedback also comes from our Global Nutrition Advisory Panel, and regular meetings with Government representatives and health experts.

For the last two years (2007 and 2008) Reader's Digest most Trusted Brands survey ranked us in first place in the UK for the chocolate / confectionery category.

Further Reading:

Our Marketing Code of Practice can be downloaded at: www.cadbury.com/SiteCollectionDocuments/Our%20Marketing%20Code.pdf

Also, our corporate site discusses a wide range of consumer-related issues such as salt, sugar, vending at school, etc: www.cadbury.com/ourresponsibilities/Pages/ourresponsibilities.aspx

For information on the nutritional content of UK Cadbury brands, go to the Cadbury.co.uk site at <http://nutrition.cadbury.co.uk/epages/Store.storefront/?ObjectPath=/Shops/NutriApp>

More information on international nutritional content may be available from our international websites (available via the www.cadbury.com site) or, if not, will be available from the international businesses themselves.

community investment

Cadbury's Community strategy is about building healthy, prosperous, educated and socially inclusive communities which are good for business and for society. The strategy focuses on three broad themes: employability (education & enterprise), wellbeing and the environment.

Our global strategy, '**Growing Community Value Around the World**', gives our businesses clear guidelines for managing their community investments to maximise their effectiveness and impact on society. We seek to establish long-term partnerships with the organisations we support in order to make the best use of our resources and maximise our impact.

We contribute to communities through our community programmes, employee volunteering, our 'leadership in the community' skills, direct funding and gifts-in-kind, such as the use of facilities, products and equipment. In the UK we also operate a **Cash Match** scheme where the company contributes to independent fundraising activities that a member of staff undertakes.

We actively encourage employees throughout the world to volunteer by championing a local charity, sharing their skills, taking part in team challenges or fundraising. Critical to the success of the Community programme is the support from the Cadbury leadership team, who encourage employees at every level to take a proactive approach to volunteering. An example would be our Britain and Ireland employees who formed a team of 40 people to run a mini-olympics in Uxbridge, UK, for 140 local children. This celebrated **National Youth Sport's Week** and the opening of the new Cadbury office.

We invest in the community because:

- > **It's in our heritage:** Even before the creation of Bournville, Cadbury's socially-pioneering 'Factory in a Garden' in 1879, our company worked to improve local communities. This remains true today, around the world.
- > **Helps to strengthen our company culture:** Community investment keeps us in touch with consumers, makes us more adaptable and responsive, gives us new perspectives and skills, and helps us work in more creative ways.
- > **It builds and protects our reputation:** Our good reputation has always been important to us - because it is important to our people, our brands, our customers, our regulators and, increasingly, our investors. We feel pride in our company and we believe our community investment helps us attract and retain the best people.

Many of our community investment programmes are linked to the **United Nations Millennium Development Goals**. We focus our community activity in the following three areas:

1. Education & Enterprise

We invest, directly and indirectly, in developing the skills and potential of people:

- > Education is key to everyone's future success. By supporting education projects we help raise standards and develop skills. By building links

with individual pupils, teachers and schools, we can transform aspirations, support learning and help prepare young people for the world of work. We share our skills, knowledge and culture with young people in order to act as role models in the community and encourage students to learn about business and working environments. Various leaders and colleagues sit on boards and steering groups and many colleagues serve as local school governors.

- > Enterprising communities generate employment and skills. Our investments can unlock potential and create new opportunities, creating sustainable, long term value.

2. Health & Welfare

We have a strong interest in health and welfare with activities covering a wide range of causes:

- > Initiatives that promote the benefits of a balanced lifestyle and physical activity. For example, in 2008 we became a supporter of the London **2012 Olympic and Paralympic Games**.
- > Wider social issues such as care of vulnerable groups for example sick or abandoned children, the elderly and homeless people.
- > Development projects like 'Well a Day', providing access to clean water in Ghana, and **SARVAM** our groundbreaking community development in India.

3. Environmental sustainability

Our environmental interests extend from the impact of our businesses on the local environment to the protection of the ecosystems that support our raw materials. As part of our environmental commitment we invest in community projects with ecological aims such as:

- > Public education programmes promoting environmental awareness.
- > Local environmental 'clean-up' challenges and conservation work.

- > Research and ecology projects such as the **Earthwatch** programme in Ghana.

As the needs of communities across the world differ local businesses might adapt these areas to address their own specific issues. For example our Australian business has supported work on aboriginal rights with a project called "Garma", whilst our Indian business has engaged with issues relating to female emancipation and caste.

The Cadbury Foundation

In addition to our various community investments, Cadbury also supports The Cadbury Foundation. The Foundation is a registered charity and awards grants to community organisations predominantly in the UK, Africa and India. Keen to tackle issues that are relevant to today, the Foundation is working with partners to tackle emerging trends. For example:

- > Education and Enterprise – working with the **Young Enterprise**, the largest national educational charity in the UK, to encourage enterprising attitudes skills and behaviour in schools.
- > Health and wellbeing - working with the UK **Youth Sport Trust** to educate young people in the importance of a healthy active and balanced lifestyle.
- > Food and farming – supporting the UK **Soil Association's** Organic Farm Demonstration Programme to educate children about the organic journey from farm to fork.
- > Environment in the Community – collaborating with **Groundwork** to engage young people in deprived neighbourhoods in practical activities to increase their understanding of climate change and help them use this to influence local decision making within their communities.

The Foundation strategy is presented to Cadbury management every three years and, within that framework, the Trustees of the Foundation manage the allocation of funds. The Foundation's charitable objectives are managed separately from the company.

Case Study: The Olympic Games in the UK

Cadbury has become the latest supporter of the London 2012 Olympic Games and Paralympic Games, and will be the sole supplier of confectionery and ice cream at the London Olympic Games of 2012. Todd Stitzer, CEO, said:

“For nearly 200 years, Cadbury has been part of the fabric of British life so we are extremely proud to be a supporter of the London 2012 Olympic Games and Paralympic Games. Since John Cadbury opened a chocolate shop in Birmingham in 1824, we have strived to be a company that is both performance driven and values led – a philosophy that is at one with the long held ethos of the Games: inspiration, optimism and community. The London 2012 Olympic Games and Paralympic Games are a huge opportunity for us all to celebrate everything that is great about Britain and to bring local communities together throughout the UK and around the world. We look forward to building on all these things through our existing community partnerships.”

Announcing the news, London 2012 CEO Paul Deighton commented:

“Following the success of [the Great Britain Olympic and Paralympic teams] this summer, we all came back from Beijing with a spring in our step and this has been replicated in the commercial sector - there has been a surge of interest in London 2012 and I'm thrilled that Cadbury - another great and trusted British brand - has come on board. They have a great track record supporting both major sporting events and community initiatives and we welcome them to the London 2012 family.”

Case study: Homelessness in the UK

Since 2007, Cadbury UK has supported **Big Issue** vendors selling onsite at Bournville Manufacturing. We have recently extended this invitation to our new sites in Birmingham and Uxbridge. The Big Issue is a UK street magazine published on behalf of and sold by homeless people.

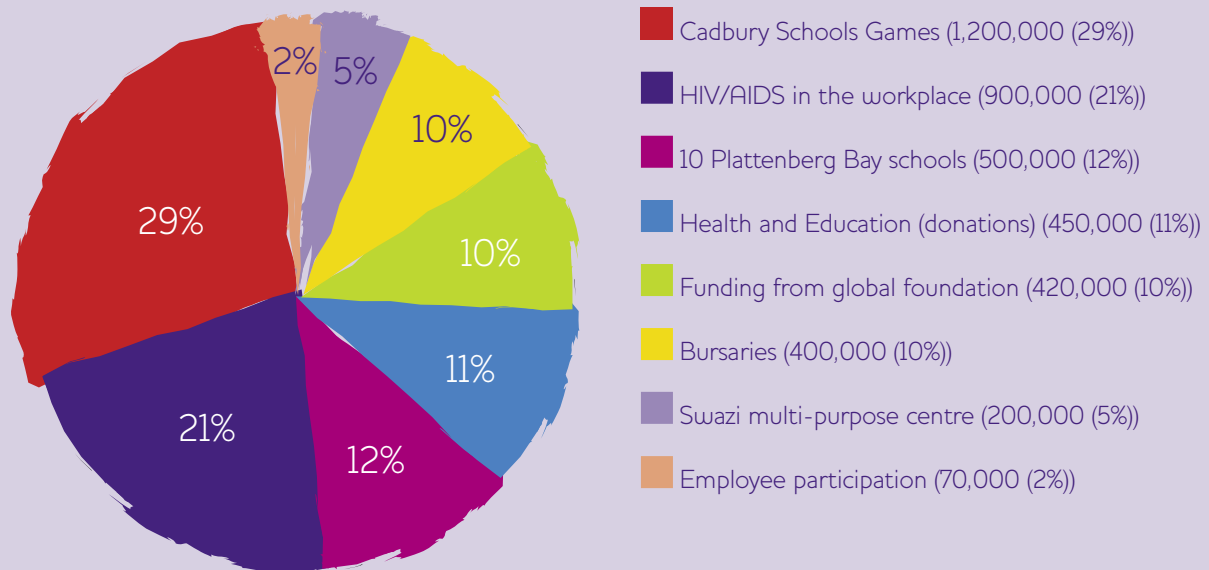
Cadbury UK has also supported the **St. Basil's** homelessness charity over a number of years. St. Basil's mission is to prevent youth homelessness through education, employment services and life skills. Cadbury employees contribute mostly through the annual 'Big Walk' fundraising event. The Cadbury Foundation provides funding for the St. Basil's Learning Skills & Work Service programme.

Cadbury has participated in **Business In The Community's Business Action on Homelessness (BAOH)** Ready For Work programme for over 5 years – in fact, Cadbury helped establish the programme in Birmingham. We chair the Birmingham Steering Group and the Bristol Steering Group. The Foundation has also agreed to provide funding over the next three years to support BAOH Ready For Work in four locations: Birmingham, Sheffield, Chirk and Somerdale.

Case Study: Community Investment in South Africa

In 2007 Cadbury South Africa invested approximately R870,000 in various community based projects, most of which focus on **HIV/AIDS** and **Cadbury School Games** (a physical activity campaign in which High School students all over South Africa participate in regional athletics games).

Actual CSI spend @ September 2007



During this period the number of community projects was reduced from 26 to 15 in order to enable a more meaningful and long-term relationship with local partners.

Investments also varied from education assistance/ bursary scheme for children, computer and product donations, to the installation of a wendy-house multi-purpose community centre in Swaziland. Cadbury employees also volunteer their time to build houses for people in need through **Habitat for Humanity**.

For a few years now, Cadbury employees at Port Elizabeth have been running **community soup kitchens**. These kitchens feed more than 2,300 people a week – for some people the only meal they can rely on. In support of this cause, Cadbury provides a yearly grant to make sure that these colleagues have proper equipment and supplies for their kitchens. In 2007 Cadbury also supplied pots, catering tables, gas stoves and cylinders.

In 2007, Cadbury also introduced annual projects aimed at engaging more employees, such as **Warmer Winter Ahead** and **Toys and Teddies Festive Season Project**.

Case Study: Community Investment in Australia

Aligned to our 'Growing Community Value Around the World' community investment strategy, our Pacific business has focused on children and the United Nations Millennium Development Goals.

In Australia, for example, Cadbury has long standing partnership with **Clown Doctors** Foundation. They work to improve the emotional wellbeing of sick children in hospitals through therapeutic humour and by working with health professionals. Our employees contributed to raising more than £100,000 funds through the Miles for Smiles fundraising walk. Cadbury Australia also leveraged its commercial networks to secure more than £1 million of pro bono and in-kind support.

In terms of volunteer opportunities 223 of our employees volunteered 2,187 hours to help improve children's literacy, mentor at risk youth, improve interview skills in long term unemployed and support the environment. Our employees also raised funds for two children's hospitals by hosting easter egg hunts.

Cadbury Australia also implemented an on-pack promotion on Pascall Marshmallow and Fry's Turkish Delight brands to raise funds for breast cancer research.

Case Study: Employee Volunteering

Community volunteering is also encouraged through our people development programme, giving colleagues the chance to give something back to society, gain new experience, build contacts, take on new challenges and learn different skills. We offer our employees many volunteer opportunities and we **communicate these opportunities through newsletters and our intranet**. We also have community champions who liaise with beneficiary charities and are responsible for recruiting volunteers and motivating them. Alternatively they can volunteer their time for their own causes.

The following highlights a few of the 2008 volunteer opportunities available for our UK employees.

- > **Volunteer Champions** – Being a lead contact and coordinator for volunteer activities.
- > **Business Education** – Help school students prepare for their work experience school business talks, interviews and CV preparation.
- > **Student coaching and mentoring** – Help some of the UK's top graduates develop their leadership potential, whilst impacting pupil performance.
- > **Environmental team challenges** – Improve school infrastructure and help with conservation and cleaning gardens and parks.
- > **Reading volunteers** – Help improve primary school children's confidence and reading skills.
- > **School sports volunteering** – Work in local schools to support teachers to help get kids involved in sport.
- > **Leadership** – sitting on boards, steering groups and community/Charity NGOs.
- > **Charity fundraising** – Help specific charities raise funds by running marathons, riding bikes, sailing, participating in game nights, among other activities.

Volunteering does not only happen in the UK. In India in June 2008, we partnered with **Times of India** the leading newspaper, for the **Teach India** campaign. As part of this initiative, colleagues spend 2 hours every week teaching underprivileged children in the community. Similar schemes with local partners continue throughout Cadbury.

Case Study: SARVAM in India

With operations around the Pacific Ocean, Cadbury India responded immediately to the **Asian Tsunami** in late 2004. After an initial emergency relief donation we established a **Tsunami Regeneration Programme** for essential long-term community rebuilding.

Working in partnership with a local charity, the Sri Aurobindo Society, on a five-year project, we are contributing to the redevelopment of two villages in the coastal region of Pondicherry. The project addresses education, health, economic development, vocational training, organic farming, water harvesting and attitude changes including the empowerment of women. Learnings from the project will also create significant rural regeneration throughout the rest of the Tsunami-hit regions and beyond.

Priorities include providing simple housing and toilets and repairing and developing eight pre-school centres and three schools. We also recruit teaching staff, health workers, counsellors as well as an administrator and set up a training and basic IT centre.

2008 marked the first time we have successfully brought together two of our community partners from different countries. A team from our community partner in Japan - **Kids Earth Fund (KEF)** - travelled to India to work together in creating a tapestry with some children from our community partner in India - SARVAM - as part of a KEF global tapestry project.

Case study: Trident Smiles

In the US in 2007, Trident and **Save the Children** teamed up for a programme to support Save the Children's U.S. literacy and nutrition programmes. Millions of packs of gum highlighted the Pass Along a Smile programme and raised awareness for the campaign.

The programme promoted three healthy choices – chewing Trident to help keep your teeth clean, supporting Save the Children's U.S. literacy and nutrition initiatives, and showing off healthy smiles because you've done something good for yourself and others.

As more and more Americans began to share their healthy smiles with others, they were tracked online, helping everyone feel great from the inside out by chewing Trident, sharing smiles and supporting a great cause.

Case study: Make a Wish, Cadbury Ireland

This initiative, which is run in conjunction with Tesco Ireland, helped raise funds for the **Make A Wish** charity which helps fulfil wishes of children and young people aged 3 to 17 living with life-threatening diseases. In 2007, 50 colleagues participated in an event at Tesco Ireland's flagship store which is local to our Coolock site. Colleagues from a number of parts of the business, as well as members of the Cadbury Ireland Board all participated, raising over 4.5k Euros and setting a new record for the Make a Wish 'bag pack' events. Colleagues enjoyed taking part and have asked to participate in future activities.

Case study: Global Fellowship Opportunity – Brazil and UK

2008 was the first year of the new **Global Fellowship**, launched by the Prime Minister, Gordon Brown, and the Secretary of State for the Department of Children, Schools and Families, Ed Balls. The purpose of this fellowship was to allow young people to visit countries in emerging economies. Cadbury supported this programme by allowing 5 fellows from the UK to visit its Brazilian business operations and also to experience some aspect of community or sustainability activities on the ground.

Case study: Cadbury India Mumbai Marathon 2009

In January 2008, 30 colleagues participated in the **Mumbai Marathon Dream Run** and 14 colleagues ran the half marathon. It was truly an exhilarating experience, with people of all ages participating, while being cheered by the enthusiastic Mumbai crowds. The team is looking forward to the 2009 marathon.

Case study: Bate-Bola Brazil

Bate Bola community project was set up in 2003 to provide a haven for more than 300 local children. It's a place where they can play, eat and learn. They also get to play football in the factory grounds, where employees give up their time to help coach them. The programme is part of our effort to contribute to the development of children and teenagers, through sports and by teaching values like citizenship and respect for the community in which they live.

According to Eliane Spolaor, People and CSR Manager of Cadbury Brazil: "The programme is benefiting around 1,000 children between 5 and 18 years old. They receive sports classes, including soccer, handball, basketball, judo, athletics and volleyball; as well as arts, citizenship and computer classes. We have parents and relatives participating in special activities such as lectures on health or psychological support".

Case study: Young Enterprise

This year Cadbury celebrates 20 years of partnership with **Young Enterprise**, starting with our very first £500 donation in 1988. We believe in the mission of Young Enterprise 'to inspire and equip young people to learn and succeed through enterprise'. Helping others to help themselves is an enterprising attitude that takes us back to our Quaker roots.

With support from Cadbury, the Young Enterprise Primary Programme is now in its 6th year. It is a fun and motivational learning experience for both the children in schools and also our own employees who get a real buzz out of volunteering to work with the children in the classroom. Designed specifically for pupils aged 4 to 11, the Primary Programme provides building blocks for skills development, positive attitudes and understanding of the world of work. It brings children an awareness of the world of work and provides enterprise education to many inner city communities who otherwise might not have access to positive work role models.

Case study: Digital Links

Because of our close relationship with Ghana we share a common developmental goal with **Digital Links**. School children are failing to develop computer literacy skills and for this reason it is important to ensure there are enough teachers that can pass on technological skills.

Digital Links provides facilities and training in Ghana's 38 teacher training colleges. With support from The Cadbury Foundation, Digital Links secures redundant PCs from private and public corporations in the UK. These PCs are then refurbished and provided at low cost to schools, charities, community organisations and small enterprises. Each refurbished PC is expected to fully serve an average of 25 students during the remainder of its life, so the funding of this project by Cadbury helps reach another 15,000 students.

Commitments:

Contribute at least 1% of pre-tax profit for Community Investment as a group year-on-year.

Encourage the inclusion of community objectives in the development of brands, people and reputation.

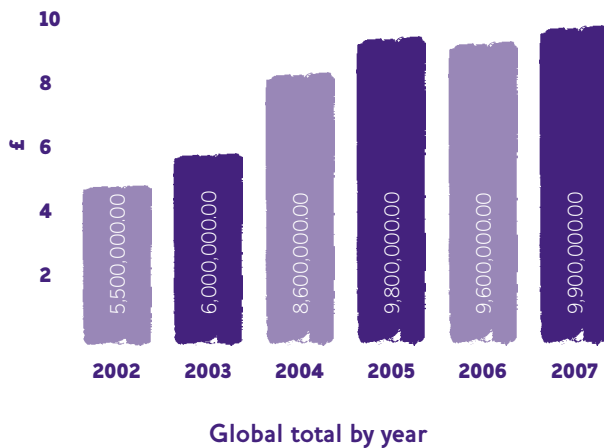
Report details of community investment annually as part of Year End returns.

Build on partnerships to help address global social, economic and environmental concerns linked to the United Nation's Millennium Development Goals (MDGs).

Progress to date

The total value of Cadbury community investment globally in 2007 was £9,973,000. This was made up from donations in the form of financial support, employee time, employee management of programmes, gifts in kind and product donations.

Global Community Investment

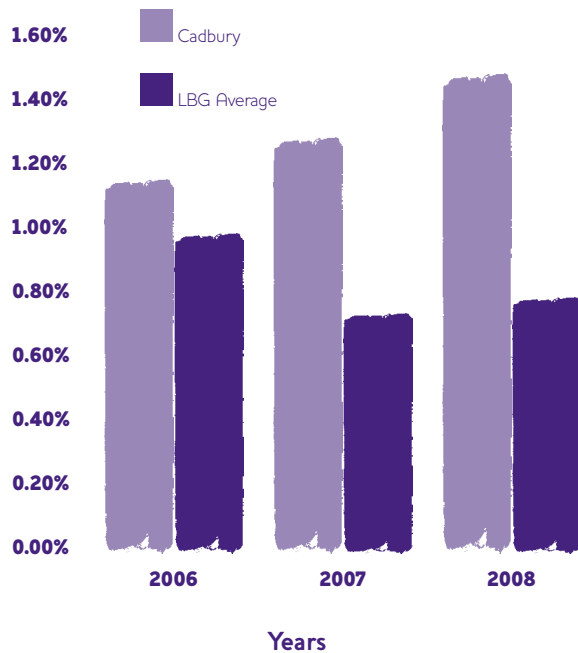


In 2007 Cadbury had contributed 1.5% pre-tax profit. This is the fifth year running that we have achieved our commitment to contribute at least 1% pre-tax profit for community investment as a group.

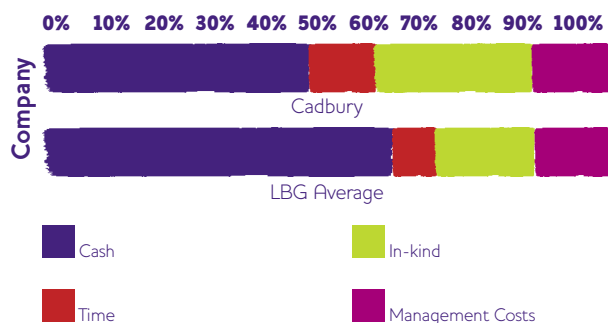
London Benchmarking Group

LBG is a group of over 100 companies working together to measure Corporate Community Investment (CCI). It is a member-driven organisation where companies have been working collectively since 1994. Cadbury submits information on its community investment activities through the LBG each year and uses the LBG model to provide a standardised way of managing and measuring our community investment. The following charts summarise our performance in 2007.

Overall contributions as a Percentage of Pre-tax profit



Contributions by type



¹ The data for all community investments made in 2007 by Cadbury includes activities made before the demerger of Cadbury and Schweppes in May 2008.

Benchmarking and Awards

We benchmark our corporate responsibility performance, using indices like the Business in the Community CR Index, where in 2007 we reached the Gold Band and scored 93%.

In 2007 more than 4,000 employees volunteered worldwide.

We have been rewarded and recognised for our contribution to the community by various external bodies in 2007:

- > Cadbury was awarded Business in the Community's Jubilee Award for Excellence 2007 in recognition of its long term investment in education and enterprise, recognising impact over ten years, and its long term commitment to community partners such as Young Enterprise.
- > Cadbury Mexico was named as a Socially Responsible Company by the Mexican Philanthropy Centre.
- > Cadbury Dirol – Russia – won a CSR award sponsored by the newspaper, "Vedomosti".
- > Cadbury Poland was named Best Corporate Citizen in the British Polish Chamber of Commerce Company of the Year Awards for a range of activities involving colleagues that benefit the local community.
- > Cadbury won the 2007 UK Food and Drink Federation Community Partnership Award in recognition of our work with homelessness organisations across the UK. We also won Business in the Community's Power in Partnership Award for our work with Business Action on Homelessness.
- > Cadbury Nigeria won the Social Enterprise Report & Award for its positive impact on society. Recent projects include the annual Cadbury/Association of Nigerian Authors Award and the Bournvita Teachers' Awards.
- > Cadbury Nigeria won the Social Enterprise Report & Award for its positive impact on society.
- > Cadbury was voted most 'trusted brand' by their local Reader's Digest in the UK, Australia and New Zealand.
- > In the UK Simon Mabley, head of manufacturing, Somerdale received the "Big Tick" Power in Partnership Award as Chair of Business Action on Homelessness in Bristol on behalf of the Bristol group. Also Cadbury's Chirk site in Wrexham was honoured with another "Big Tick" award in 2008. The team picked up the Northern Foods Rural Action Award for Excellence 2008 in recognition of their contribution to their local community.
- > 89 entries from all over the world were received for the fourth Cadbury Chairman's Award for employee community involvement. The Chairman's Awards were established in 1999 as part of the company's commitment to encourage and support the work of Cadbury colleagues in communities around the world.

Further Reading:

Further case studies can be found on our Corporate Responsibility review website: www.dearcadbury.com

The 2007 Cadbury Foundation Annual Report can be accessed at: www.cadbury.com/SiteCollectionDocuments/Cadbury%20Schweppes%20Foundation%202007%20Annual%20Review.pdf

Information on how to apply to the Cadbury Foundation for a grant can be found at: www.cadbury.com/ourresponsibilities/community/ourcommunitycommitments/howwecontribute/Pages/cadburyfoundationapply.aspx

¹ The data for all community investments made in 2007 by Cadbury includes activities made before the demerger of Cadbury and Schweppes in May 2008.

environment and climate change: purple goes green

As the need to respond to climate change has become more urgent, Cadbury has taken a leading role by launching a comprehensive environmental initiative called Purple Goes Green. This initiative sets absolute carbon reduction targets (a first for a food manufacturer anywhere in the world) as well as specific packaging and water reduction targets. These targets were developed with advice from Forum for the Future, a sustainable development charity. **Peter Madden, Chief Executive of Forum for the Future** comments:

“Climate change is one of the biggest challenges we face, and Cadbury should be commended for its commitment to delivering on targets that reflect the scale of this challenge. We believe that transformation towards sustainability is only possible through deep-rooted cultural change and are delighted to see Cadbury championing this, not just within its own organisation but throughout the industry. Over the last year Cadbury has set in place a number of initiatives to embed Purple Goes Green across their global operations, from detailed measurement of carbon to employee engagement. We look forward to seeing Cadbury achieving tangible results and begin to drive change up and down their supply chain.”

It is important to note that before the launch of Purple Goes Green, Cadbury had already been taking environmental concerns seriously. For the past fifteen years we have run a dedicated Environmental Management Programme and have continuously published our carbon emissions through the Carbon Disclosure Project (CDP): [www.cdproject.net/download.asp?file=67_329_143_CDP Global 500 Report 2008.pdf](http://www.cdproject.net/download.asp?file=67_329_143_CDP%20Global%20500%20Report%202008.pdf)

According to **Paul Dickinson, CEO of CDP**, “Cadbury has been reporting its carbon emissions and climate change strategies through the Carbon Disclosure Project since CDP1 in 2003 and is one of the highest scoring respondents in 2008. Cadbury is also a founding member of CDP’s Supply Chain project, working with other leading corporations globally to better understand supply chain emissions, risks and opportunities.”

Since the launch of Purple Goes Green, we have put in place a comprehensive programme to embed all aspects of the Purple Goes Green initiative into our business. The programme has ten tracks of activities, each of which is sponsored by a senior business figure. All tracks also have a leader who is responsible for hands-on management of their area. These track sponsors and leaders come from different business units, making our approach inclusive and global. The tracks are coordinated by a dedicated manager.

The six ‘delivery’ tracks are:

- > Energy
- > Packaging
- > Water
- > Transport
- > Waste and Effluent
- > Hazardous Materials

And the four ‘supporting’ tracks are:

- > Programme Governance
- > Business Processes and Standards
- > Capability Development
- > Insight and Communication

Our ambitious targets won't be met unless we change fundamentally. We have to re-think the way we work, make every decision a sustainable one, and invest in technology to support the transformation. And we must champion change through the industry and beyond in order to play our part in developing a more carbon-efficient world.

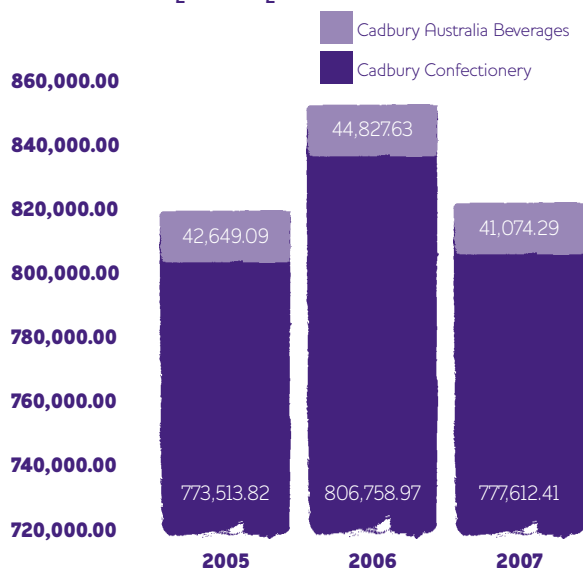
We have already reviewed our Integrated Portfolio Management (IPM) process, which governs new product development, to include sustainability considerations at each stage of decision making. Our overall sustainability commitments, including Purple Goes Green, are also **part of our yearly budgeting process and target setting.**

To support the internal rollout of Purple Goes Green and ensure transfer of knowledge across our global business, we have developed **energy and water savings toolkits.** These toolkits, available on our intranet and on CD, cover areas such as how to structure an energy management programme, reduce water and energy usage, and share best practices. Copies of these toolkits have also been shared with suppliers to help reduce carbon in our supply chain.

Energy

As a manufacturing company we use a considerable amount of energy and for this reason we have developed a **global energy roadmap**, outlining measures to deliver our target and an estimate of

Absolute CO₂ (T CO₂e)¹

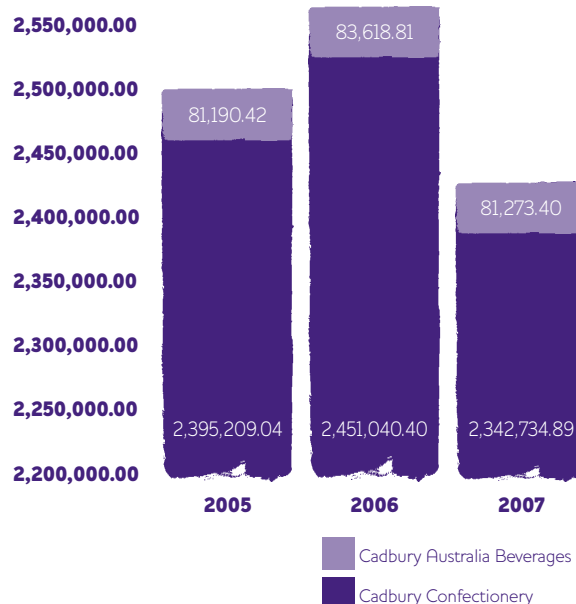


the percentage of the target we will achieve on a yearly basis. We are currently developing business unit roadmaps within the same framework.

Our key commitment in this area is to achieve an absolute reduction in net carbon emissions of 50% by 2020. In 2007, Cadbury total CO₂e emissions were about 818,686 tonnes.

Beyond minimising the use of energy by improving processes and efficiency we are also looking at **implementing technologies** that can help us achieve our energy targets. Already we are using **renewable energy** in a number of sites around the world. For example, hydropower is being used in Tasmania and Ghana; solar heating in Karachi, Pakistan; renewable power in Yonge Street, Canada; and our manufacturing sites in Ireland are supplied by wind energy. Other sites have small scale solar electric panels providing power for external equipment such as lights and pumps. We also have examples of larger scale solar adoption such as our Huntingwood site which is the largest solar installation in New South Wales, Australia.

Absolute energy (MWh)¹



We believe that **emissions offsetting** is currently a valuable tool for a manufacturing company once it has managed to reduce its emissions to the minimum possible. We will also investigate creative and sustainable ways to help others reduce their

¹ Please note that our data accounts only for our current holdings, which include our worldwide confectionery operations and our Australia Beverages. We sold our European beverages operations in 2005 and part of our confectionery British factories (Monkhill) on January 1, 2008. We also sold our Americas beverages business on May 7, 2008.

carbon emissions both up and down the supply chain: towards our suppliers, and towards our consumers. We already offset travel for all major senior executive conferences and meetings.

In Bangalore, we have installed 28 solar powered streetlights at our factory. This reduces CO2e emissions by ten tonnes and has been recognised by the Karnataka State Pollution Control Board as Parisara Premi (Preserver of the Environment) for two years running.

Packaging

Packaging ensures that our products are safe and remain fresh but unfortunately, this does mean that packaging waste is generated. In the UK and Australia, we are working with government-supported projects like **WRAP** (the Waste and Resources Action Programme) and have signed up to the **Courtauld Commitment** in the UK. Supporters of WRAP are committed to use better design to cut **packaging waste** by 2008, make absolute reductions in packaging waste by 2010, and identify ways to tackle **food waste**.

In the US, we developed a **display case** for the Trident Xtra Care launch that uses 50% less cardboard - it's more efficient to transport, and it achieved (estimated) US\$1.4M in cost savings.

We have also introduced a new range of **Eco Easter Eggs** wrapped only in foil without a cardboard box, using 75% less plastic and 65% less cardboard. We have also reduced the amount of plastic casing in small and medium sized easter eggs, thereby saving 202 tonnes of plastic (equivalent to saving over 4 million 2 litre drinks bottles or over 24 million plastic bags).

Our commitment to reduce seasonal packaging by 25% means that we will be looking to introduce more innovative designs in future.

Water

All responsible companies try to reduce the amount of water they use, and we've tried to do this ourselves for many years. But engaging with our stakeholders, in particular **WWF**, has helped us develop our thinking. We see that reducing our

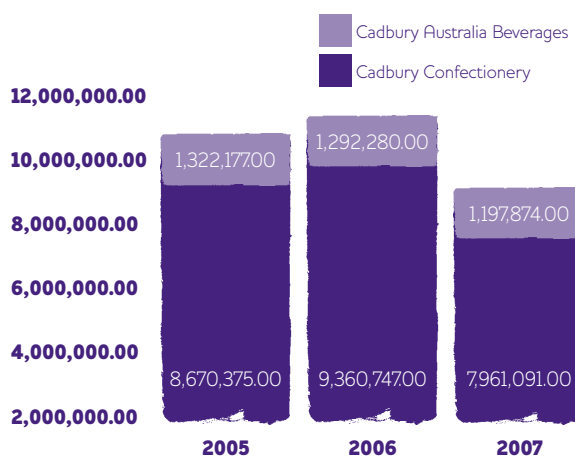
water use isn't enough and that we need to take a positive approach to try and help in areas where water is scarce so that our net impact is at least neutral and hopefully beneficial.

Our water strategy is still in the early stage of development but since 2007 our intention has been to ensure that all "water scarce" sites have reduction programmes in place. We have now strengthened our commitment to include all of our sites.

Our Asia and Pacific business units are leading activity in this area and helping to inform wider development. They have adopted a target of **water neutrality** at manufacturing sites. Australia and India are the lead countries. Our goal for factories in Australia is to become water-neutral through careful water management including reducing water use as well as capturing and treating waste water and condensate. Since early 2008 we have started to share lessons from these businesses through workshops to other regions.

We reduced our water consumption by 10% between 2006 and 2007. We used approximately 9 million tonnes of water in 2007 compared with 10 million in 2006. We have signed up to the UK **Food and Drink Federation House Commitment**, where we agreed to reduce our water use, beyond that embedded in our products themselves, by 20% by 2020, compared to 2007.

Absolute water (m³)



Waste and Recycling

We are working hard to reduce our waste and aspire to achieve **zero waste** through innovation and creative design. There are a number of points where waste is generated due to our operations – in each case, we strive to find ways to **reduce, reuse and/or recycle what is created**.

The first instance where waste is created due to our operations is at the **farms** that provide our key ingredients. For instance, the farmers that grow cocoa must remove the outer shell (rind) of the cocoa plant since only the beans are used to produce chocolate. However, the rind can either be sold by the farmer to companies that produce high quality animal feed, thereby providing farmers with an additional source of income, or it can be composted to add nutrients to the land.

Back in our **factory, materials, new equipment and ingredients** are delivered to our sites in some form of packaging which is collected separately on site and sent away to be recycled. In cases where packaging materials can't be recycled they are sent for disposal.

Waste packaging material is sometimes generated due to problems in our wrapping operations. Whenever possible this material is collected and sent for recycling as well.

Waste can also be generated in the **manufacturing process**. This material is reworked where possible or used for animal feed where the balance of sugar, fat and protein are carefully blended with other food materials to create a high quality nutritional feed. We have also trialled composting of food waste in the UK to evaluate this option.

Waste can be generated on our sites **from construction, demolition and equipment removal**. We recycle rubble and other inert wastes back to the construction industry and sell redundant equipment for reuse if possible.

We also produce a small quantity of waste such as waste oil and fluorescent tubes, which we send to **specialist companies** for recycling.

In some of our sites we have plants that clean up our **waste water**. As a by-product of these processes an excellent fertiliser is produced. Where possible

we send the material to local farmers for use on their land in a way that is carefully controlled by the **Environment Agency**. When this cannot be done it is normally sent to public sewage works where it can be fed into anaerobic digesters producing energy to run the sewage works.

Reduce, reuse, recycle

As a principle we align our work with the waste hierarchy: **reducing** waste creation first, then looking for ways to **reuse** or **recycle** the waste material. If this is not possible we try to dispose of waste so that we can recover and use the energy. Landfill is only used as a last resort.

In many of the countries where we operate the infrastructure is not in place to allow the levels of recycling outlined above. In these countries we only use government approved facilities and waste disposal companies and we make every effort to ensure safe and reliable disposal of our waste including performing audits on the companies involved.

Where there are no formal recycling sites we will provide waste materials to the local community, where it is safe to do so, allowing them to be reused for a variety of purposes. For example local merchants in Ghana convert used metal containers from our manufacturing site into cooking pots.

Around our sites we are running waste minimisation programmes. We have produced tools such as workbooks that contain hints, tips and techniques to help these teams drive continuous improvement.

We are currently working with a number of companies exploring alternative waste disposal methods including anaerobic digestion, energy from waste and sophisticated pyrolysis technologies that turn food waste into gas that can then be used as fuel.

Innovation is not just limited to the most developed countries. In Colombia, for example, we have worked with one of our waste disposal partners to develop a method for treating some of the more complex wrapping materials that we use in some of our products. This allows us to recycle these materials.

Advocacy

We believe that we can make as big a difference by campaigning for change as we can by setting our own targets and measures. We call on employees, industry and stakeholders to join us in reducing their own environmental impacts.

We are encouraging our employees to nominate themselves as '**Green Advocates**' – to develop and drive initiatives wherever they work across our business. Cadbury's '**Green Advocates**' are volunteers from all levels of the organisation, who use their passion and enthusiasm to develop programmes to raise awareness of Purple Goes Green, and provide guidance for the workforce on what they can do in their daily lives to make a difference to the environment and climate change. So far we have more than 200 activists in over 50 sites and 35 countries. We are also using our brands as a starting point for engaging our consumers on the environment.

Cadbury is also working with external stakeholders such as **The Carbon Trust, The Climate Group, Forum for the Future** and **UK dairy farmers**, among others, not just to find solutions to climate change but also to help us benchmark our environmental strategy and ensure we're setting the blueprint for the rest of industry.

We're long term members of the **Carbon Disclosure Project** and spoke at the launch of the Green Week in 2008. You can read our speech at: http://ec.europa.eu/environment/greenweek/sources/pres/opening_chris_van_steenbergen.pdf

Challenges

Our journey of implementing Purple Goes Green has not been without its challenges. Some are highlighted below.

- > **Global business complexity:** Being a global company present in multiple locations makes it difficult to communicate Purple Goes Green and its aims to all colleagues. Implementing changes and engaging colleagues in multiple global locations is a daunting task. To overcome this, we have put in place a new role, Head of Purple Goes Green, linked in with our internal communications and corporate affairs teams across Cadbury.

- > **Diverse priorities:** Our business units have different priorities for action on climate change, due to their external reality. For instance, for India and Australia, "water" is an important area, while in the UK "packaging" is extremely important to consumers. We have provided flexibility to our leaders to act on Purple Goes Green based on their immediate priorities.
- > **Credible offsets:** Part of our carbon commitments will be met through carbon offsets. However we need to be careful that any carbon offset is done in a transparent manner and that the money we invest will have a positive and visible outcome. We have already started conversations with recommended carbon offset providers and are keenly observing external developments that will impact this area. However, this challenge is also an opportunity. As individuals, it's hard to go shopping for a credible carbon credit. As a multinational organisation, we can seek to influence the market so that what's on offer matches the need. We will be seeking to work with our supply chain to develop real, meaningful and sustainable carbon credits which we can set against some of the remaining unavoidable carbon emissions from the manufacture of our products.
- > **Technical ambiguity and the biofuels debate:** It is important in addressing the issue of climate change that we do not simply replace one problem with another. Many of the technologies proposed for combating climate change are in their infancy and there remain uncertainties over the true impact of the technologies. The role of biofuels in the fight against climate change is a perfect example of divided opinion. A clear and unbiased evaluation of the available technologies is needed to enable a robust strategy to be developed utilising all available options. In the meantime it is our role to drive the debate forward and encourage technical innovation from our business and our suppliers.

Commitments:

By 2010 we will minimise the environmental impacts of our business by delivering on our Purple Goes Green commitments:

- > 50% reduction of absolute net carbon emissions by 2020 - with a minimum of 30% from in-company actions
- > 10% reduction in packaging used per tonne of product and 25% in seasonal and gifting items
- > Use more environmentally sustainable forms of packaging
- > All sites to have water reduction programmes in place
- > Campaign for change with colleagues, suppliers, customers, peers, civil society and consumers
- > 10% reduction by 2010 from 2006 numbers in waste produced per tonne of product made

Progress:

By the end of 2007 we had reduced our carbon emissions by 3.6%, as compared to 2006, and we estimate a 10% reduction by 2010. A number of factors have combined to make 2006 a difficult year but we have tightened our focus since the launch of Purple Goes Green and are now driving change in our global business. We are confident we will meet our target in this area.

We have introduced several new packaging innovations, including Easter eggs wrapped solely in

foil and a new display case in the US for products such as Trident Xtra Care, using 50% less cardboard. We have also signed the Courtauld Commitment and are working with WRAP on new packaging solutions, which will lead to less waste.

We have established a network of Green Advocates across the business – in 50 sites – leading a culture change programme on climate change.

Over the course of late 2006 and 2007 we worked together with the Carbon Trust to determine the carbon footprint of a bar of Cadbury Dairy Milk. Our study included the entire supply chain from agriculture through manufacturing to final distribution to customers. In brief, we have measured the energy and fuels used and other greenhouse gas emissions at all stages of the supply chain (from farm to consumption) including emissions from agriculture, transport, packaging and waste streams. To gather this data, we worked with our suppliers (in the UK and abroad) and used publicly available data given by the Carbon Trust where appropriate. A copy of the Carbon Trust methodology followed for this work can be found on their website www.carbontrust.co.uk. We are expanding this approach to other products.

Our **Purple Goes Green** commitments were reviewed by Forum for the Future and have since been welcomed by other environmental champions such as The Climate Group, WWF and The Carbon Trust.

partnership approach

It's part of our philosophy that working with others is the best way forward. In keeping with this we seek to build partnerships with a range of stakeholders. This helps us focus our efforts, achieve the highest impact possible, and leverage the experience and skills of expert organisations. We have regular and frequent contact with a number of partners within the industry and broader civil society. Some of these relationships are summarised below:

AIM PROGRESS: Cadbury is a member of the AIM-PROGRESS TaskForce, an initiative of leading fast-moving consumer goods (FMCG) companies that supports the use of common evaluation methods to determine CSR supplier performance and help promote responsible sourcing practices within the supply chain. Supplier evaluation methods and questionnaires will meet the combined requirements of all participating FMCGs, and thereby ensure a single approach to collecting the data. Founding members of this initiative include Danone, Diageo, and Unilever; all of which are now members of SEDEX. More information can be found at: <http://www.aim.be/>

Be treatwise: Helping people understand the role of confectionery in their diet is the aim of 'Be. treatwise'. The Be treatwise logo can be found on Cadbury chocolate and sweets across the world. The Be treatwise website at: www.betreatwise.org.uk provides information on such topics as the role of treats in the diet, the importance of balancing consumption and activity, and understanding guideline daily amounts.

Better Sugarcane Initiative (BSI): BSI is a collaboration of sugar retailers, investors, traders,

producers and NGOs committed to sustainable sugar by establishing principles and criteria that are applied in the sugar growing regions of the world through regionally specific strategies and tools. The BSI aims to reduce the impact of sugarcane production on the environment in measurable ways that will also enable sugar production in a manner that contributes to social and economic benefits for sugar farmers and all others concerned with the sugar supply chain. The group recognises the wide range of geographically-linked and diverse issues connected with sugarcane production and primary processing. Cadbury is a member of the steering committee and helps BSI to achieve its objectives. Additional information on the BSI can be found at: www.bettersugarcane.org

Business in the Community: BITC is a British business-community outreach initiative, one of the Prince of Wales' Charities. BITC works with over 800 UK companies committed to improving their impact on society, and operates throughout the UK. BITC seeks to positively shape business impact on the environment, in the marketplace, in the workplace and in the community. It is an organisation that works with businesses to improve their Corporate Social Responsibility (CSR) capability, offering advice and programmes tailored to meet their needs. Cadbury is a member of BITC and our CEO, Todd Stitzer, serves on the Board as well as chairing the Marketplace Leadership Team. In 2007 Cadbury won a Business in the Community Jubilee Silver Tick for its involvement in Young Enterprise UK. In addition, Cadbury participates in BITC's Business Action on Homelessness (BAOH) - a unique partnership between business, homeless agencies and the Government. BAOH aims to help homeless people to find employment and achieve independent living.

Cadbury was also a founder member of the Business in the Community Per Cent Club in the UK. To qualify for membership of the Per Cent Club, members commit to investing a minimum of 1% of their pre-tax profits in the community, through financial donations and support, gifts in kind, staff time and other resources. We also participate in the BITC Corporate Responsibility Index, scoring 93% in 2007. Additional information on BITC can be found at: www.bitc.org.uk/

Carbon Trust: Over the course of late 2006 and 2007 we worked together with the Carbon Trust to determine the carbon footprint of a bar of Cadbury Dairy Milk. Our study included the entire supply chain from agriculture through manufacturing to final distribution to customers. In a nutshell, we have measured the energy and fuels used and other greenhouse gas emissions at all stages of the supply chain (from farm to consumption) including emissions from agriculture, transport, packaging and waste streams. To gather this data, we worked with our suppliers (in the UK and abroad) and used publicly available data given by the Carbon Trust where appropriate. A copy of the Carbon Trust methodology followed for this work can be found on their website www.carbontrust.co.uk. We are expanding this approach to other products.

Cocoa Certification System: Working in partnership the global chocolate and cocoa industry has introduced a labour certification system for cocoa production. This was a first for the industry and the first time a scalable system has been developed for smallholder farming. Following pilots in Ghana and Cote d'Ivoire, certification reports have now been published by both governments covering 50% of their cocoa growing areas. It's a challenging and long-term process, but it will make a significant contribution to the sustainability of both the industry and cocoa growing communities. For more information see: www.cocoa farming.org.uk

Dow Jones Sustainability Indexes: Launched in 1999, the Dow Jones Sustainability Indexes (DJSI) are the first global indexes tracking the financial performance of the leading sustainability-driven companies worldwide. Based on the cooperation of Dow Jones Indexes, STOXX Limited and SAM they provide asset managers with reliable and objective benchmarks to manage sustainability portfolios. More information on DJSI can be found at: www.sustainability-index.com

Forum for the Future: Cadbury is a corporate partner of Forum for the Future, the sustainable development charity. Forum works in partnership with over 120 leading organisations in business and the public sector. Forum's vision is of business and communities thriving in a future that's environmentally sustainable, economically prosperous and socially just. Forum has worked in partnership with Cadbury for over four years, providing strategic advice and challenge. Most recently Forum ran a global Executive Learning programme where Jonathan Porritt and others helped senior Cadbury personnel integrate sustainability principles into all business decisions. Forum has also helped Cadbury shape its 'Purple Goes Green' strategy - on climate change - and The Cadbury Cocoa Partnership. For additional information please visit: www.forumforthe future.org/

FTSE4Good: The FTSE4Good Index Series has been designed to measure the performance of companies that meet globally recognised corporate responsibility standards, and to facilitate investment in those companies. Transparent management and criteria alongside the FTSE brand make FTSE4Good the index of choice for the creation of Responsible Investment products. Cadbury has been a member of this Index since 2001. Additional information can be found at: www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp

International Business Leaders' Forum (IBLF): The IBLF works with business, governments and civil society to enhance the contribution that companies can make to sustainable development. Founded by HRH The Prince of Wales, IBLF is an independent, not-for-profit organisation currently supported by over 100 of the world's leading businesses. As well as managing a number of programmes that provide businesses with opportunities to directly enhance their positive impacts on society, IBLF helps businesses connect with other organisations and develop successful cross-sector partnerships. With the help of IBLF, Cadbury has developed a plan to address its critical business challenges and opportunities. Additional information on IBLF can be found at: <http://www.iblf.org>

International Cocoa Initiative (ICI): Cadbury wants to make sure that the people involved in growing the cocoa it buys work according to the highest international labour standards. To that end, Cadbury plays an active role on the International Cocoa

Initiative board. This multi-stakeholder group aims to improve working conditions in the supply chain, in particular focusing on the worst forms of child labour. As a result of ICI, community programmes called Yen Daakye (Our Future) are running in both Ghana and Cote d'Ivoire, leading to more children attending school. For a complete report on ICI's accomplishments please visit: www.cocoainitiative.org/

London Benchmarking Group: LBG is a group of over 100 companies working together to measure Corporate Community Investment (CCI). It is a member-driven organisation where companies have been working collectively since 1994. Cadbury submits information on its community investment activities through the LBG each year and uses the LBG model to provide a standardised way of managing and measuring our community investment. Find out more at: www.lbg-online.net/

Roundtable on Sustainable Palm Oil (RSPO): RSPO was created in 2004 and aims to promote the growth and use of sustainable palm oil. It is a private sector-driven, multi-stakeholder initiative, making a real attempt to be inclusive, comprehensive and multi-disciplined. Cadbury was one of the earliest signatories to the Statement of Intent that created RSPO and was elected to hold a seat on the Executive Board of RSPO from October 2004. We are continuing this work, only buying small amounts of palm oil that is included in some of our products from other members of RSPO who are working in the same way and developing sources of sustainable palm. Although we only use around 40,000 tonnes of palm oil, compared to the many millions of tonnes used by others, we have been keen to develop sustainable sources, encouraging others to do the same and to use those sources to help minimise the impact of palm oil production and maintain natural ecosystems. Developing these sustainable sources is also crucial to enable the large users of palm oil in the far east to also adopt sustainable practices. Additional information on RSPO can be found at: www.rspo.org

Supplier Ethical Database Exchange (SEDEX): Cadbury is an active member of SEDEX, a membership organisation for businesses committed to continuous improvement of the ethical performance of their supply chains. Any supplier that wants to work with us must register with SEDEX and undertake a detailed self-assessment. We can then

see which sites most need auditing and work with the suppliers to ensure any required corrective action takes place by an agreed deadline. A sample of the audits we commission will be independently verified as an additional check. We're also encouraging our suppliers to commission their own third party audits, based on a common standard developed as part of the SEDEX system. To make sure these audits are widely accepted by other organisations and thereby help suppliers avoid duplication, we're working closely with other consumer goods companies in SEDEX. More information on SEDEX can be found at: www.sedex.org.uk

Sustainable Tree Crops Programme (STCP): STCP aims to improve the economic and social well-being of smallholders and the environmental sustainability of tree crop farms. At Farmer Field Schools, cocoa farmers learn how to grow high quality cocoa, and develop a greater understanding of working within cocoa trading systems. Farmers in the programme have increased productivity by between 15-40%, also improving their income. Over 16,000 farmers have been trained during the past three years. By 2011 that will have risen to around 165,000 farmers. For additional information on this initiative please visit: www.treecrops.org/

The Carbon Disclosure Project (CDP): CDP is an independent not-for-profit organisation aiming to create a lasting relationship between shareholders and corporations regarding the implications for shareholder value and commercial operations presented by climate change. Its goal is to facilitate a dialogue, supported by quality information, from which a rational response to climate change will emerge. We have been publishing our carbon emissions through the CDP since 2003. We have also worked with the Carbon Disclosure Project to link with retailers and manufacturers in a pilot project asking our global suppliers for information about their carbon emissions. We have been included in the CDP's Climate Leadership Index. Please visit their website for additional information: www.cdproject.net/

The Waste and Resources Action Programme (WRAP): Cadbury is a supporter of WRAP and as such is committed to use better design to cut packaging waste by 2008, make absolute reductions in packaging waste by 2010, and identify ways to tackle food waste. Find out more about WRAP by visiting: www.wrap.org.uk

biodiversity and the cadbury earthwatch programme

Since 2005 we've been working on a biodiversity programme in Ghana to encourage sustainable cocoa farming. The programme is examining the production of cocoa in biologically diverse environments, encouraging new farming methods to support more ecologically balanced cocoa production, and helping to re-establish farming and enhance biodiversity on abandoned farms. It has the added benefit of establishing eco-tourism as a potential source of income in Ghana.

Our financial support allows a team of Ghanaian university students to take part and gain practical field experience. Through **Cadbury Earthwatch**, our employee development programme, we're also offering employees from around the world the chance to volunteer on the project.

Cadbury's Earthwatch programme is managed in partnership with Earthwatch, an international environmental charity, the Nature Conservation Research Centre in Ghana, scientists and researchers. Through this programme, 78 Cadbury volunteers have spent 1-2 weeks collecting data on the impact of cocoa farming on biodiversity living and working in the village of Adjeikrom.

Initial findings suggest that intensive un-shaded cocoa farms reduce biodiversity and result in less efficient nutrient cycling when compared with shaded cocoa farms. This implies that soils of the un-shaded cocoa farms will become depleted and as the trees are grown in full sun stressed in less time, and consequently the productive life span of the un-shaded cocoa farms will be shorter than that of the shaded cocoa farms. The un-shaded cocoa farm will therefore have an increased

need for insecticides, fungicides and fertilisers to replenish the soil and control pest and diseases.

In addition, Cadbury had funded students from Ghanaian universities to participate in the project – providing an arena for young scientists to network, share experience and learn new skills. Together, the efforts of these volunteers have brought to light valuable scientific information that will help in preserving biodiversity as well as improving farming practices and productivity in cocoa farms in Ghana. Ultimately, this will help to improve farmer incomes through increased production of quality cocoa.

Cadbury's Earthwatch has a positive social impact as well – as it has provided additional sources of income so that cocoa farmers and their families in Adjeikrom are not entirely dependent on cocoa farming for their livelihood. Through the programme, the village has been able to build simple and comfortable eco-tourism facilities which they can use to introduce visitors to the Ghanaian cocoa industry and educate people about the benefits of eco-friendly farming. Launched in March 2008, the facility has already started generating funds for the community and Earthwatch predicts it will yield around GHC15,000 (£7,900) in 2008 alone and create further employment.

According to **Nat Spring, Head of Research** at Earthwatch (Europe) this initiative is a “long term goal to support wildlife while helping Ghana's farming community to boost their livelihoods through a combination of improved farming practices and ecotourism.”

An added benefit has been the impact of the programme on the 78 Cadbury volunteers from across the globe. Our volunteers were touched by the warm welcome given by the village chief and people. Most importantly, they left the village with a deep understanding of the positive impact of business on communities and many have taken this into their day to day activities within Cadbury, or continue to support cocoa farmers through company initiatives such as Well A Day. One example is an action to build “speed bumps” on the road running through Adjeikrom village - initiated by Cadbury volunteers after they heard about the village concerns on road safety.

Cadbury's Earthwatch has received much interest from development agencies and the media as an example of successful business/NGO partnership. The programme has been featured in a CNN documentary and a film sponsored by the United Nations Environment Programme.

performance indicators

Ensuring Good Governance

Six Sustainability Commitments underpin our Vision into Action, the tool we use to align the energy and efforts of our teams around the world.

Regular reviews of the programmes to deliver these commitments are carried out by our Sustainability Strategy Group, with oversight provided by our Board CSR committee, chaired by Lord Patten.

Cadbury



our sustainability commitments

1. Promote Responsible Consumption

We will contribute to consumer diet, health and lifestyle solutions by:

- > Improving nutritional labelling information for consumers including responsible consumption messaging
- > Increasing product choices for consumers, including reduced fat, sugar and salt alternatives, for core brands

2. Ensure Ethical and Sustainable Sourcing

By 2010 we will maintain ethical sourcing standards and develop sustainable agriculture programmes by:

- > Working to ensure our suppliers and our own Cadbury manufacturing sites meet our ethical sourcing standards
- > Sustainably sourcing at least half of our key agricultural raw materials, such as cocoa, sugar, palm oil, and gum arabic, for core brands

3. Prioritise Quality & Safety

By 2010 we will embed a zero accident culture, and create a food safety and quality mindset by:

- > Achieving top quartile performance for workplace health and safety
- > Reducing the incidence of public recalls through adherence to improved quality standards and procedures

4. Reduce carbon, water use and packaging

We will minimise the environmental impacts of our business by delivering on our Purple Goes Green commitments:

- > 50% reduction of absolute net carbon emissions by 2020 - with a minimum of 30% from in-company actions
- > 10% reduction in packaging used per tonne of product by 2010 and 25% in seasonal and gifting items
- > Use more environmentally sustainable forms of packaging
- > All sites to have water reduction programmes in place
- > Campaign for change with colleagues, suppliers, customers, peers, civil society and consumers

5. Nurture and Reward Colleagues

By 2010 we will nurture our company as 'The Place to Be', where diverse colleagues are proud to work, and are committed and engaged, by:

- > Consistently achieving a score above 75% (a score of between 3-4) in our Employee Climate Survey results
- > Attaining 25% female representation in our executive management

6. Invest in Communities

By 2010 we will help create prosperous, educated, inclusive and healthy communities by:

- > Contributing at least 1% pre-tax profit for Community Investment year on year
- > Build on and develop partnerships across the business to help address global social, economic and environmental concerns linked to the Millennium Development Goals

1. Promote Responsible Consumption

To improve nutritional labelling information for consumers, including responsible consumption messaging

Key Metric	Target	Progress
Percentage of relevant brand portfolio with responsible consumption message.	By 2010: 100%	This is a focus area for the business and we remain committed to our 2010 target. Our businesses in the US, Australia, New Zealand, Britain and Ireland are making particular progress.

Focus areas

Improve nutritional labelling information for consumers: **Good progress**

- > Cadbury always strives to label its products with a minimum of 5 key nutrients (energy, protein, carbohydrate, sugars and fat) and where possible we extend this to include saturated fat, fibre and sodium/salt. Where we cannot this is due to local regulatory standards or very occasionally practical limitations around packaging design.
- > 100% of our products in Australia, New Zealand, Canada, the US, Britain and Ireland carry at a minimum the five key nutrients, except in a very small number of cases where there are practical limitations associated with packaging design eg Cadbury Creme Egg. In these cases Cadbury makes every effort to inform consumers of the nutritional content of the product through different channels, e.g. outer packaging or websites.

Promote responsible consumption messaging for consumers: **More to do**

- > The "Be treatwise" scheme is a focus for our business and is rolling out across our international operations. This was a focus area in 2007 and will remain a high priority.
- > "Be treatwise" has rolled out in the UK, USA, India, Ireland, and Australia, and has begun to roll out in the Spanish-speaking businesses eg South America, Mexico. It's now available in Spanish and Portuguese but not yet French (a relatively small percentage of total Cadbury sales). There are challenges for us in countries that have more than one official language.
- > 'Relevant brand portfolio' is defined as the majority of our chocolate and candy products, excluding gum and medicated products.

Support initiatives that promote physical activity: **In progress**

- > Cadbury is fully committed to reinforcing the need for healthy lifestyles. We believe passionately in encouraging a balanced diet and regular exercise as part of a holistic approach to healthy living.
- > As part of our work to encourage active lifestyles we have committed to support the 2012 Olympic and Paralympic Games.
- > Cadbury is part of the new industry coalition that has been formed to mirror the Government's 'Healthy 4 Life' campaign. This has been set up to encourage a societal shift in attitudes towards diet & exercise. The industry coalition has been named 'Business 4 Life'. The campaign will see £200 million invested in a range of marketing led initiatives which will encourage people to actively think about their lifestyles in an engaging way.
- > In 2006 we also launched our own staff health and wellbeing programme, 'Fit for Life' which enables all of our staff to seek advice on leading balanced lifestyles.

Responsible marketing : **Achieved**

- > Cadbury introduced a 12 point plan for health & wellbeing in 2004 and was the first to develop a marketing code of conduct. This has been independently praised by investment advisers seeking to encourage investment in companies that take corporate responsibility seriously.
- > We reviewed our Global Marketing Code of Practice in 2007, extending it to New Media, and communicated it again to all staff with a marketing role. Our Marketing Code of Practice also contains a section specifically devoted to marketing for children.
- > In June 2008 we reinforced the code to support the role of responsible adult gatekeepers and guardians in our marketing. Our code is firm in guidance, but is also flexible to take into account local sensitivities and circumstances. It always defers to specific local regulatory standards.

To increase product choices for consumers, including reduced fat, sugar and salt alternatives, for core brands

Key Metric	Target	Progress
Wellbeing products as percentage of Net Sales Value (Cadbury branded only)	Not publicly stated (commercially confidential)	2007: 30% vs. a market average of 18%

Focus areas

Offer increased product choice for consumers including reduced fat, sugar and salt alternatives for core brands: **Good progress**

- > Wellbeing (as defined by Euromonitor) was 30% of Net Sales Value in 2007. This compares to a market average of 18%.
- > Our Science & Technology centres of excellence continue to research ways to make chocolate which includes less sugar and fat. Consumer reaction to date suggests that in chocolate, portion choice is preferred by most people as a way to regulate calorie and nutrient intake. However we have launched products like Highlights and Cadbury Lite to further enable consumer choice.
- > **Chocolate:** no added sugar, alternative fillings, organic/natural and dark chocolate. Our confectionery comes in a wider range of sizes, including smaller sizes for families.
- > **Gum:** over 70% of our gum is now sugar free.
- > **Candy:** over 30% of our candy is now low sugar or natural in colours and flavours.

1. Promote Responsible Consumption

Work to ensure our suppliers and our own Cadbury manufacturing sites meet our ethical sourcing standards

Key Metric	Target	Progress
All key suppliers acknowledge the Cadbury Ethical Sourcing Standards	By 2010: 100%	2008 to date: 30%
Key suppliers are SEDEX self-assessed	By 2010: 100% By end 2008: 30% of 3,000 suppliers	2007: 3.3% (92 suppliers) 2008 to date: 9% (258 suppliers)
Key suppliers included in on the ground site assessments/audits	By 2010: 100% By end 2008: Target 150	2007: 62 supplier site assessments undertaken 2008 to date: 175 supplier site assessments undertaken to date

Focus areas

Cross-industry engagement on ethical sourcing: **Good progress**

- > Supplier engagement progressing through common industry engagement managed via SEDEX. Roll out of SEDEX to supplier and Cadbury sites and audit programme continued in 2007 and 2008. Action plans developed for sites to address any issues identified.
- > Initial focus of Cadbury site audits in the potentially higher-risk geographies within the Middle-East, Africa and parts of Asia. Audit activity planned for other sites in remainder of 2008/2009.
- > In 2008 we worked as part of the industry forum, AIM-PROGRESS, on shared issues including mutual recognition of supplier audits to reduce duplicated workload for suppliers.

To sustainably source at least half of our key agricultural raw materials, such as cocoa, sugar, palm oil, and gum arabic, for core brands

Key Metric	Target	Progress
Sustainably source a minimum of 50% of our agricultural materials – to understand the issues, understand unsustainable practices and the areas where we can influence.	By 2010: Sustainably source minimum of 50% of our agricultural raw materials. By end 2008: Complete research based review of the key crops (per country) to deliver the 50% target using the sustainability template - consisting of economic, environmental and social criteria such as traceability, quality, working conditions, biodiversity, energy and water use, and labour practices. Specific crop evaluations targeted on sugar in Mexico and Brazil, mint in India and hazelnuts in Turkey.	2007: Decision taken to focus on key ingredients: cocoa, sugar, palm oil, fruit and nuts, mint, liquorice and gum arabic. 2008 to date: On the ground assessments of mint in India/USA, sugar in Swaziland/Mexico. Research based assessments of hazelnuts in Turkey, almonds in California, sugar in India. Cadbury Cocoa Partnership launched. RSPO membership, Better Sugar Cane Initiative membership.

Focus areas

Sustainable sourcing action plans for key ingredients: **Good progress**

- > We have identified our 'key' ingredients on the basis of importance, likelihood of issues, and our ability to have an impact.
- > We have a programme in place to assess the sustainability of these key crops in order to develop focused action plans.
- > Other action plans will be developed on an ongoing basis.

Cadbury Cocoa Partnership: **Good progress**

- > Cadbury invested £1m in 2008 as seed funding to establish the Cadbury Cocoa Partnership, with annual funding levels rising to a steady rate of £5m per year from 2010.
- > The total investment is around £45 million over 10 years, guaranteeing not only a reliable, long-term source of the right quality cocoa, but also a higher quality of life for those who grow it.

Sustainable sourcing assessment toolkit: **Good progress**

- > Sustainability assessment tool developed with input from industry experts. Template piloted for sugar in Swaziland and mint in the US and implemented on the ground with mint in India and sugar in Mexico.

3. Prioritise Quality & Safety

To achieve top quartile performance for workplace health and safety

Key Metric	Target	Progress
LTIFR	2008: 0.6	2007: 0.86 2008 to date: 0.57 (end June)
Fatalities	0	2007: 1 fatality 2008 to date: 5 fatalities

Focus areas

Reducing injuries and fatalities

- > There was one fatality in 2007 and 5 in 2008 to date.
- > We have prioritised key risks, strengthening control of contractors working on our sites, and introducing a new global programme on driver safety which effectively extends our safety programme beyond our manufacturing sites into our sales and distributions networks.
- > We continue to build awareness of safety, the standards to be achieved and how to do this.
- > Workshops throughout the world enable us to share best practice and help to develop a zero accident culture
- > We have developed training to enhance leadership on safety encouraging behaviours that drive safety through a new management programme.

Deliver safe products that meet and exceed our consumers' expectations of quality

Key Metric	Target	Progress
Recalls	0	2007: 6 2008 to date: 4

Focus areas

Quality: More to do

- > In 2007 there were a total of 6 recalls. Four were related to the labelling for nut allergens or the presence of undeclared milk in dark chocolate and one due to an incompatible preservative in a beverage. Water damage to packaging in distribution led to a recall of one brand of chocolates.
- > Incidents are carefully investigated to identify their root cause. Learnings are developed and shared globally as part of a preventative strategy.
- > Our hazard analysis procedures continue to be reviewed and strengthened.
- > All key products are retained under Cadbury control until microbiological testing is completed. This programme complements our process and material monitoring to help ensure that products comply with our specifications.
- > We are reinforcing hygiene standards through a revised monitoring programme that focuses on the hygienic status of manufacturing environments and is now being adopted globally.
- > In 2008 we are focussing on further embedding of our quality and food safety standards to ensure constant and consistent adherence to procedures.
- > Along with many other companies in the Asia Pacific region, our business in China was impacted in 2008 by the widespread illegal contamination with melamine of milk supplies. As a precaution a local recall was undertaken of chocolate products manufactured in China.
- > As part of our Governance process, we have reviewed and strengthened our corporate quality audit programme by setting more rigorous targets for manufacturing sites to achieve standards. This will drive faster improvements and will be monitored by Group Quality.
- > In order to gain further traction at managing allergens – one of our key areas of vulnerability as demonstrated by recalls – we have revised and are embedding new standards of allergen management at our manufacturing sites, rolling out global allergen label audits and developing an enhanced global allergen education and training programme.

4. Reduce carbon, water use and packaging

To deliver on our Purple Goes Green commitments

Key Metric	Target	Progress
Absolute tonnes of CO2 equivalent emitted.	By 2020: Reducing absolute net carbon emissions by 50%.	2007: 777,455 tonnes of CO2e per year (a 3.6% reduction vs. 2006).
Weight of packaging as percentage of finished product.	By 2010: 10% reduction in standard product packaging per tonne of product and a more stretching target of 25% for seasonal and gift ranges.	2007: Business unit roadmap is being developed towards target.
Number of sites with water management programme in place.	By end 2008: All sites to have water reduction programmes in place.	2007: Completed 10% water reduction compared to 2006, saving over 1M tonnes of water.

Focus areas

Purple Goes Green: campaigning for change with colleagues, suppliers, customers, peers, civil society and consumers: **Good progress**

- > The Green Advocates network now covers 50 sites and has over 200 members.
- > Cadbury representatives have spoken at over 50 platforms since the launch of the Purple Goes Green programme, encouraging government, civil society and peer companies to continue to take their environmental responsibilities more seriously.

Carbon: Reducing absolute net carbon emissions by 50%, by 2020: **Good progress**

- > By end 2007, we had reduced our absolute carbon emissions by 3.6%, as compared to 2006, and we estimate that we will reduce our emissions by 10% by 2010.
- > Our current carbon emissions from our confectionery business are approximately 777,455 tonnes of CO2 per year (scope 1 and 2 emissions as defined by the GHG protocol and reported via the Carbon Disclosure Project).
- > Regional roadmaps for carbon reduction and a self assessment tool for sustainable transport have been defined.
- > The governance process for Carbon reduction and Purple Goes Green has been strengthened with senior management sponsorship.
- > Ireland has reduced its carbon emissions by 40%.
- > There is an ongoing review of our energy management standard.

Packaging: **In progress**

- > By 2010 we will achieve 10% reduction in standard product packaging and a more stretching target of 25% for seasonal and gift ranges.
- > This is challenging due to the nature of confectionery. Products require packaging in order to maintain quality and integrity during transit.
- > In the UK and Australia, we are working with government-supported projects like WRAP (Waste and Resources Action Programme) and have signed up to the Courtauld Commitment in the UK, committing ourselves to: use better design to cut packaging waste by 2008; make absolute reductions in packaging waste by 2010; identify ways to tackle food waste.
- > Our Australian business has been wrapping products in locally produced bioplastic manufactured from GM-free corn-starch. From 2008 we'll start using this in Europe too, but we continue to review the impact of such packaging with care.

Reducing water use: **In progress**

- > New target under development.
- > Programmes are now in place in key water-scarce sites, based on 2006 research.
- > We have reduced water use by 10% in 2007 compared with 2006 and this will be a focus area for us in the year ahead.

5. Nurture and Reward Colleagues

To consistently achieve above 75% (a score of between 3-4) in our Employee Climate Survey results

Key Metric	Target	Progress
Employee Commitment (out of 4)	Top 25% (between 3.0 and 4.0)	2005: 3.29 2008: 3.35
Employee Engagement (out of 4)	Top 25% (between 3.0 and 4.0)	2005: 2.97 2008: 3.08

Focus areas

Consistently achieving a score above 75% (a score of between 3-4) in our Employee Climate Survey results: **Achieved**

> The following are the specific measures ('ladder questions') which constitute 'employee commitment' and 'employee engagement'.

	Positive scores (Strongly Agree & Agree)	
	2008	2005
COMMITMENT		
> I believe this is a great place to work.	83%	85%
> I am proud to tell people that I work for Cadbury.	88%	89%
> I am proud to be part of the teams in which I work.	87%	89%
> I feel committed to the success of the teams in which I work.	89%	91%
ENGAGEMENT		
> I receive feedback that helps me improve or develop.	68%	67%
> I am given challenging targets or goals to meet.	81%	82%
> I am encouraged to achieve higher standards of work performance.	75%	73%
> I am encouraged to find better ways of doing things.	75%	92%
> In the past year I have been given opportunities to develop new skills and knowledge.	68%	68%

Scores are based on all staff Employee Climate Survey Conducted in May 2008

To attain 25% female representation in our executive management

Key Metric	Target	Progress
Female Execs	25%	Early 2008: 18% End 2007: 20%

Focus areas

Attaining 25% female representation in our executive management: **More to do**

> 20% of executives at the end of 2007 were female, 3% increase from 2006. In July 2008, the ratio decreased to 18%, (although the underlying trend is positive and the talent pipeline for females below executive level is growing). This is encouraging in terms of our ability to reach our 25% female executive goal.

6. Invest in Communities

Contributing at least 1% pre-tax profit for Community Investment year on year.

Key Metric	Target	Progress
Total community investment.	To contribute at least 1% of pre-tax profits to community investment.	2007: £9.97 m - or 1.5% of pre-tax profits

Focus areas

Contribute at least 1% of pre-tax profits to community investment: Achieved

- > We continue to work towards contributing at least 1% of pre-tax profits to community investment in all our business units. Globally, last year we achieved 1.5%.
- > Winners of the Chairman's Award for community volunteering again demonstrated excellent in active community engagement.
- > As part of the Ghana: For The Source initiative, 459 wells have been constructed in Ghana since January 2007. Each well provides enough water for over 150 people every day.

Build and develop partnerships across the business to help address global social, economic and environmental concerns linked to the Millennium Development Goals.

Key Metric	Target	Progress
To align our community schemes to the Millennium Development Goals.	To address to Millennium Development Goals at the global and regional level, including a scheme focussed on HIV.	2008 – Cadbury Cocoa Partnership global initiative launched 2007 – SARVAM village regeneration initiative launched in India 2007 – HIV scheme launched

Focus areas

Link our initiatives to the Millennium Development Goals: Achieved

- > As of 2008 our community programmes are aligned to the MDGs at both the global and business unit level.
- > We also have a programme which is aimed specifically at the sixth goal, combating HIV/AIDS.
- > Our SARVAM programme, the Cadbury Cocoa Partnership and the Trident Smiles initiative are all examples of schemes which directly address the MDGs.

Millennium Development Goals

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability

forum for the future statement

Overview

Cadbury has a proud tradition of operating in a responsible way. Its heritage and values allow it to tackle sustainability challenges and opportunities with its own unique blend of openness and enthusiasm. We believe that in doing so, Cadbury is leading the way in a number of areas of Corporate Responsibility. Cadbury is learning to reconcile longer-term business growth with the social and environmental pressures of only having one planet.

Making its reporting more accessible

We welcome the idea of Cadbury tailoring its message to different stakeholder groups and of the introduction of a more interactive and innovative reporting style. We hope these steps will help to make the report more accessible to a wider audience. The report shows how Cadbury is responding to challenges across a broad spectrum of sustainability issues.

Rising to the challenges

In more and more markets, growing numbers of consumers are voicing concerns over issues like health and nutrition, excess packaging, spiralling food prices and the working conditions of those working in the global supply chain. Branded manufacturers like Cadbury are being put under pressure to deliver food that is environmentally and socially sustainable. We think that Cadbury is facing up to its key challenges.

Recent months have seen the demerger of the

Cadbury business from its global drinks division as well as a difficult economic climate – a time when Cadbury might have lost focus on sustainability. However, Cadbury's values-led ethos has meant that sustainability remains at the core of the way it does business.

Bold decisions and action

Forum for the Future believes that we need bold action now to make a sustainable future happen. We are therefore encouraged by Cadbury's willingness to seize the initiative in a number of areas.

Cadbury introduced its Purple Goes Green campaign, which we see as an industry-leading commitment. This campaign demonstrates that Cadbury is starting to understand the contribution that it – and its sector – will make in achieving greenhouse gas reduction and stabilisation targets. It recognises the need to reduce its absolute carbon emissions and the need to take action on climate change now.

Cadbury Cocoa Partnership – launched more recently - has the potential to be an impactful initiative. It should not only help ensuring long-term continuity of supply for Cadbury, but also should take Cadbury's support for the communities in its supply chain to a new level, in a way that is mutually beneficial.

Bold commitments and stretching targets are great. But companies like Cadbury must also deliver on their promises. The good news is that Cadbury is making excellent progress - both internally, through empowering its employees, and externally, through strategic collaboration and advocacy.

Some big challenges ahead

On the supply chain side, we would encourage Cadbury to tackle other key ingredients, like sugar, in the way that it is doing with cocoa through the Cadbury Cocoa Partnership. We welcome Cadbury's emerging plans on cocoa and the sustainable agriculture template developed with external stakeholders, but activity will need to be delivered on the ground, with suppliers and local community groups fully engaged.

For the consumer, we'd like to see Cadbury do even more on healthier alternatives, portion sizes and on promoting responsible consumption of its products. Excess packaging on seasonal items is also an important issue to many consumers. We would urge Cadbury to take the lead in this area and to roll out more sustainable packaging formats more quickly and on a much larger scale.

On the community side, Cadbury has a heritage of integrating its business closely into the local communities in which it operates. This is something that we support, but this can have consequences if Cadbury – for business reasons – has to leave a community in which it has been working for a long time. Cadbury therefore needs to strike the right balance between community development and community dependency.

Leveraging change through the power of Cadbury's brands

We are pleased that Cadbury is trying to influence not just its employees, but also its customers, consumers and suppliers. We are confident that Cadbury has moved well beyond traditional notions of Corporate Responsibility into sustainable value creation.

Cadbury has some of the world's most famous food brands and so has great power to influence. We believe that now is a timely opportunity for Cadbury to get sustainability into the heart of all of its key brands. We would also like to see Cadbury bring more flagship sustainable products to market over the coming years.

Striving for long-term business success

Looking at the bigger picture, we would encourage Cadbury to set out a vision of what a sustainable confectionery company, operating to reflect economic, environmental and social challenges and supporting sustainable business, the broader supply chain and the environment, means. By doing this and developing new products and services that are both environmentally friendly and socially positive, we believe Cadbury will further strengthen its brands, reduce its risk profile, get ahead of legislation, and continue to attract and keep the best people.

By reaping these benefits, Cadbury can demonstrate to the rest of the business community that sustainability can be a route to profitability. Cadbury is being bold. We urge it to continue to drive wider sector change and to continue to take the bold decisions that will be needed for long-term business success.

Peter Madden
Chief Executive

Dan Crossley
Senior Sustainability Advisor

About Forum for the Future

Forum for the Future – the sustainable development charity – works in partnership with leading organisations in business and the public sector. We believe that a sustainable future can be achieved, that it is the only way business and communities will prosper, but that we need bold action now to make it happen. We play our part by inspiring and challenging organisations with positive visions of a sustainable future; finding innovative, practical ways to help realise those visions; training leaders to bring about change; and sharing success through our communications. It is a Registered Charity in the UK (number 1040519).

Forum for the Future is not an auditor or a verifier. As such, these comments should not be read as verification of data or information contained within the Review.

forum for the future statement

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Cadbury is one of Forum for the Future's Corporate Partners. Through this partnership Cadbury makes a direct financial contribution to Forum for the Future. Last year Forum's income from Cadbury represented less than 1% of Forum's turnover. The partnership is currently in its 5th year.

For more information on Forum for the Future visit:
www.forumforthefuture.org



**forum for
the future**
action for a sustainable world

global reporting initiative performance indicators



Cadbury self declares this report to GRI application level B as evidenced in the table below. We acknowledge that there are many indicators that we are not able to report on, either because we consider this information confidential, is currently not being tracked or consolidated, or is not applicable to our industry and operations. However, we consider reporting a process of continuous improvement and, as such, will make every effort to expand our coverage of indicators in future reports.

Cadbury's 2007 CSR and Sustainability review is available at: www.dearcadbury.com

	Location within 'Dear Cadbury' CR Review Site	Journey
Strategy and Analysis		
1.1	Statement from the most senior decisionmaker of the organization about the relevance of sustainability to the organization and its strategy	CEO Letter www.dearcadbury.com
1.2	Description of key impacts, risks and opportunities	Fact sheet 2: 'Our Management Approach to Corporate Responsibility and Sustainability' www.dearcadbury.com/i-know-my-stuff
Organisational Profile		
2.1	Name of the organisation	Fact sheet 1: 'Company Information' www.dearcadbury.com/i-know-my-stuff
2.2	Primary brands, products, and/or services	Fact sheet 1: 'Company Information' www.dearcadbury.com/i-know-my-stuff

Strategy and Analysis

1.1 Statement from the most senior decisionmaker of the organization about the relevance of sustainability to the organization and its strategy

CEO Letter

www.dearcadbury.com

1.2 Description of key impacts, risks and opportunities

Fact sheet 2: 'Our Management Approach to Corporate Responsibility and Sustainability'

www.dearcadbury.com/i-know-my-stuff

Organisational Profile

2.1 Name of the organisation

Fact sheet 1: 'Company Information'

www.dearcadbury.com/i-know-my-stuff

2.2 Primary brands, products, and/or services

Fact sheet 1: 'Company Information'

www.dearcadbury.com/i-know-my-stuff

2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures
Fact sheet 1: 'Company Information' www.dearcadbury.com/i-know-my-stuff

2.4 Location of organization's headquarters
Fact sheet 1: 'Company Information' www.dearcadbury.com/i-know-my-stuff

2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report
Fact sheet 1: 'Company Information' www.dearcadbury.com/i-know-my-stuff

2.6 Nature of ownership and legal form
Fact sheet 1: 'Company Information' www.dearcadbury.com/i-know-my-stuff

2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)
Fact sheet 1: 'Company Information' www.dearcadbury.com/i-know-my-stuff

2.8 Scale of the reporting organisation
Fact sheet 1: 'Company Information' www.dearcadbury.com/i-know-my-stuff

2.9 Significant changes during the reporting period regarding size, structure, or ownership
Fact sheet 1: 'Company Information' and Fact sheet 3: 'Our Approach to Corporate Responsibility and Sustainability Reporting' www.dearcadbury.com/i-know-my-stuff

2.10 Awards received in the reporting period
Fact sheet 6: 'Our People' and Fact sheet 10: 'Community Investment' www.dearcadbury.com/i-know-my-stuff

Report Parameters

3.1 Reporting period (e.g., fiscal/calendar year) for information provided
Fact sheet 10: 'Community Investment' www.dearcadbury.com/i-know-my-stuff

3.2 Date of most recent previous report
Fact sheet 3: 'Our Approach to Corporate Responsibility and Sustainability Reporting' www.dearcadbury.com/i-know-my-stuff

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|---|--|--|
| 3.3. Reporting cycle | Fact sheet 3: 'Our Approach to Corporate Responsibility and Sustainability Reporting' | www.dearcadbury.com/i-know-my-stuff |
| 3.4. Contact point for questions regarding the report or its contents | Fact sheet 1: 'Company Information' | www.dearcadbury.com/i-know-my-stuff |
| 3.5. Process for defining report content | Fact sheet 3: 'Our Approach to Corporate Responsibility and Sustainability Reporting' | www.dearcadbury.com/i-know-my-stuff |
| 3.6. Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers) | Fact sheet 3: 'Our Approach to Corporate Responsibility and Sustainability Reporting' | www.dearcadbury.com/i-know-my-stuff |
| 3.7. State any specific limitations on the scope or boundary of the report | Fact sheet 3: 'Our Approach to Corporate Responsibility and Sustainability Reporting' | www.dearcadbury.com/i-know-my-stuff |
| 3.8. Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations | Fact sheet 3: 'Our Approach to Corporate Responsibility and Sustainability Reporting' | www.dearcadbury.com/i-know-my-stuff |
| 3.9. Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report | Fact sheet 11: 'Environment and Climate Change: Purple Goes Green' and Fact sheet 14: 'Performance Indicators' | www.dearcadbury.com/i-know-my-stuff |
| 3.10. Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement | Fact sheet 3: 'Our Approach to Corporate Responsibility and Sustainability Reporting' | www.dearcadbury.com/i-know-my-stuff |

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report

Fact sheet 3: 'Our Approach to Corporate Responsibility and Sustainability Reporting'

www.dearcadbury.com/i-know-my-stuff

3.12 Table identifying the location of the Standard Disclosures in the report

Fact sheet 16: 'G3 Index'

www.dearcadbury.com/i-know-my-stuff

3.13 Policy and current practice with regard to seeking external assurance for the report

Fact sheet 3: 'Our Approach to Corporate Responsibility and Sustainability Reporting'

www.dearcadbury.com/i-know-my-stuff

Governance, Commitments, and Engagement

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight

Fact sheet 2: 'Our Management Approach to Corporate Responsibility and Sustainability'

www.dearcadbury.com/i-know-my-stuff

4.2 Indicate whether the Chair of the highest governance body is also an executive officer

Fact sheet 1: 'Company Information'

www.dearcadbury.com/i-know-my-stuff

4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members

Fact sheet 1: 'Company Information'

www.dearcadbury.com/i-know-my-stuff

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body

Fact sheet 4: 'Our Business Principles', Fact sheet 5: 'Human Rights' and Fact sheet 6: 'Our People'

www.dearcadbury.com/i-know-my-stuff

4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives

Fact sheet 4: 'Our Business Principles'

www.dearcadbury.com/i-know-my-stuff

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided

Fact sheet 4: 'Our Business Principles'

www.dearcadbury.com/i-know-my-stuff

4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics

Fact sheet 4: 'Our Business Principles'. Additional information can also be found at: www.cadburyinvestors.com/

www.dearcadbury.com/i-know-my-stuff

4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation

Fact sheet 1: 'Company Information', Fact sheet 2: 'Our Management Approach to Corporate Responsibility and Sustainability', Fact sheet 4: 'Our Business Principles', and Fact sheet 5: 'Human Rights'

www.dearcadbury.com/i-know-my-stuff

4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles

Fact sheet 2: 'Our Management Approach to Corporate Responsibility and Sustainability' and Fact sheet 4: 'Our Business Principles'. Additional information can also be found at: www.cadburyinvestors.com/

www.dearcadbury.com/i-know-my-stuff

4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance

Fact sheet 2: 'Our Management Approach to Corporate Responsibility and Sustainability'. Additional information can also be found at: www.cadburyinvestors.com/

www.dearcadbury.com/i-know-my-stuff

4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization

Fact sheet 2: 'Our Management Approach to Corporate Responsibility and Sustainability', Fact sheet 7: 'Ethical and Sustainable Sourcing' and Fact sheet 9: 'Enjoying Confectionery Responsibly'

www.dearcadbury.com/i-know-my-stuff

4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses

Fact sheet 8: 'Cadbury Cocoa Partnership', Fact sheet 11: 'Environment and Climate Change: Purple Goes Green' and Fact sheet 12: 'Partnership Approach'

www.dearcadbury.com/i-know-my-stuff

4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations

Fact sheet 2: 'Our Management Approach to Corporate Responsibility and Sustainability', Fact sheet 7: 'Ethical and Sustainable and Fact sheet 12: 'Partnership Approach'

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4.14 List of stakeholder groups engaged by the organisation

Fact sheet 2: 'Our Management Approach to Corporate Responsibility and Sustainability', Fact sheet 3: 'Our Approach to Corporate Responsibility and Sustainability Reporting' and Fact sheet 12: 'Partnership Approach'

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4.15 Basis for identification and selection of stakeholders with whom to engage

Fact sheet 12: 'Partnership Approach'

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4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group

Fact sheet 2: 'Our Management Approach to Corporate Responsibility and Sustainability', Fact sheet 3: 'Our Approach to Corporate Responsibility and Sustainability Reporting', Fact sheet 12: 'Partnership Approach', and Fact sheet 7: 'Ethical and Sustainable Sourcing'

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4.17 Key topics and concerns that have been raised through stakeholder engagement

'See What You Said'

www.dearcadbury.com

Environmental Performance Indicators

EN3 Direct energy consumption by primary energy source

Fact sheet 11: 'Environment and Climate Change: Purple Goes Green'

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EN5 Energy saved due to conservation and efficiency improvements

Fact sheet 11: 'Environment and Climate Change: Purple Goes Green'

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EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives

Fact sheet 11: 'Environment and Climate Change: Purple Goes Green'

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EN7 Initiatives to reduce indirect energy consumption and reductions achieved

Fact sheet 11: 'Environment and Climate Change: Purple Goes Green'

www.dearcadbury.com/i-know-my-stuff

EN10 Percentage and total volume of water recycled and reused

Fact sheet 14: 'Performance Indicators'

www.dearcadbury.com/i-know-my-stuff

EN14 Strategies, current actions, and future plans for managing impacts on biodiversity

Fact sheet 7: 'Ethical and Sustainable and Fact sheet 13: 'Biodiversity and the Cadbury Earthwatch Programme'

www.dearcadbury.com/i-know-my-stuff

EN16 Total direct and indirect greenhouse gas emissions by weight

Fact sheet 14: 'Performance Indicators'

www.dearcadbury.com/i-know-my-stuff

EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved

Fact sheet 11: 'Environment and Climate Change: Purple Goes Green'

www.dearcadbury.com/i-know-my-stuff

EN19 Emissions of ozone-depleting substances by weight

Fact sheet 14: 'Performance Indicators'

www.dearcadbury.com/i-know-my-stuff

EN20 NO, SO, and other significant air emissions by type and weight

Fact sheet 14: 'Performance Indicators'

www.dearcadbury.com/i-know-my-stuff

EN22 Total weight of waste by type and disposal method

Fact sheet 14: 'Performance Indicators'

www.dearcadbury.com/i-know-my-stuff

EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation

Fact sheet 11: 'Environment and Climate Change: Purple Goes Green'

www.dearcadbury.com/i-know-my-stuff

Human Rights Performance Indicators

HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening

Fact sheet 7: 'Ethical and Sustainable Sourcing'

www.dearcadbury.com/i-know-my-stuff

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken

Fact sheet 14: 'Performance Indicators'

www.dearcadbury.com/i-know-my-stuff

HR6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour

Fact sheet 5: 'Human Rights', Fact sheet 7: 'Ethical and Sustainable Sourcing' and Fact sheet 14: 'Performance Indicators'

www.dearcadbury.com/i-know-my-stuff

HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour

Fact sheet 5: 'Human Rights', Fact sheet 7: 'Ethical and Sustainable Sourcing' and Fact sheet 14: 'Performance Indicators'

www.dearcadbury.com/i-know-my-stuff

Labour Practices and Decent Work Performance Indicators

LA2 Total number and rate of employee turnover by age group, gender, and region

Partial information available in Fact sheet 6: 'Our People'. Cadbury considers most of this information to be confidential

www.dearcadbury.com/i-know-my-stuff

LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations

Fact sheet 6: 'Our People'

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LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region

Fact sheet 6: 'Our People' and Fact sheet 14: 'Performance Indicators'

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LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

Fact sheet 6: 'Our People'

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Product Responsibility Performance Indicators

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures

Fact sheet 9: 'Enjoying Confectionery Responsibly' and Fact sheet 14: 'Performance Indicators'

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PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

Fact sheet 9: 'Enjoying Confectionery Responsibly' and Fact sheet 14: 'Performance Indicators'

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PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship

Fact sheet 9: 'Enjoying Confectionery Responsibly'

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Society Performance Indicators

S01 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting

Fact sheet 5: 'Human Rights' and Fact sheet 10: 'Community Investment'

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S06 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country

Fact sheet 1: 'Company Information'

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Economic Performance Indicators

EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments

Fact sheet 1: 'Company Information' and Fact sheet 10: 'Community Investment'

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EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation

Fact sheet 7: 'Ethical and Sustainable Sourcing'

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EC7 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.

Fact sheet 1: 'Company Information'

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