

ethical trading

Respecting human rights and trading ethically is fundamental to the way we work, not just within our owned and operated businesses but also in how we interact with our wider value chain:



The tens of thousands of suppliers who both directly and indirectly provide us with all types of goods and services – from raw materials to machinery and packaging.



Our business partners – everyone from bottlers to cake and ice cream makers.



Our customers – from large supermarket chains to small independent stores.



The countless consumers who love our local and international brands.



Wider society.

* cocoa is a good parent (it looks after you)

Ghana is home to around 60% of all the cocoa beans we use. The Cadbury Brothers helped launch Ghana's cocoa growing industry back in 1908. They included investment in the farmers' economic, social and agricultural development in their planning. Since then, the country's cocoa production has grown from 8,000 tonnes to 400,000 tonnes a year and our early and ongoing investment has helped in the creation of the world's finest cocoa bean. So good is the quality of Ghanaian cocoa, it commands a substantial premium over all other cocoa traded on the world market. A premium we're happy to pay, not least because the higher quality beans help give our chocolate its distinctly delicious flavour and texture.

Today our primary business partner is the Ghanaian Cocoa Board (COCOBOD), through which the vast majority of small cocoa farms sell their crop for a guaranteed price. We've sought to establish a positive and long-term relationship with the Cocoa Board. We are also working

on initiatives to directly support cocoa farming communities – from programmes on sustainable tree crop management to a drinking water well-building project in partnership with the charitable trust of the farmers' co-operative, Kuapa Kokoo. So far, over a dozen wells have been completed with a further 20 under construction.

Our Ghana pilot study looked at all aspects of our HRET Policy. It involved substantial desk research plus a country visit to consult with the Ghanaian Government, the Agricultural Workers Union, COCOBOD, international agencies such as Unicef, Kuapa Kokoo, a number of cocoa farms, a farmers' co-operative and villagers in the forest belt. The view was that the nature of the cocoa farming process (small family-run farms and little intensive cultivation) means that harmful child labour is unlikely to occur in the cocoa sector. Nevertheless we are keeping local issues under review.

trading ethically within our businesses

We've always believed in ethical trading. In 2000 we translated it into our global Human Rights and Ethical Trading (HRET) Policy which covers core labour rights and dignity at work; health and safety in the workplace; fair remuneration; diversity and respect for differences; and opportunity for development.

The policy measures up to the highest international standards, including the Universal Declaration of Human Rights and the conventions of the International Labour Organisation. It applies to all our business units, and we have a rolling programme to secure it within our businesses, managed by the HRET Working Group with representation from Human Resources, Group Procurement, Group Audit and Risk Management, Legal and External Affairs. We have extended and reissued Our Business Principles, providing a coherent framework and making clear the values and behaviours expected of every employee, everywhere (see the back of this report and our website for details www.cadburyschweppes.com).

sourcing supplies

From mangoes to maintenance – we source a huge number of raw materials, goods and services from around 40,000 suppliers around the world, many of whom are themselves only one part of a much longer chain which brings raw materials from the field to our factory doors.

Working to ensure our suppliers share our principles is a complex and continuous process, so we have developed a new global Supplier Code and a three-pronged strategy to focus our efforts and impact:

first An active programme of detailed pilot studies examining areas of particular importance in our supply chain. The programme includes visits and is based on consulting and engaging with individual suppliers, governments and non-governmental organisations. During 2001, we visited Ghana and Turkey (described further in this report), as well as discussing issues with our key commodities suppliers. Visits to China and Indonesia are scheduled for 2002.

second Meetings with our top 100-250 suppliers (based on an assessment of potential risk and importance to us) to discuss our HRET Policy and assess its implications for them.

third Broad communication of the policy to all suppliers.

industry-wide action

As well as looking at issues within our own supply chain, our commitment extends to industry-wide initiatives. For example, last year we started working with other confectionery companies, the US, UK and Côte d'Ivoire governments, UNICEF and non-governmental organisations to develop a Global Industry Protocol to address working conditions in cocoa farms. Described as "a model for other products and countries... a breakthrough in the global fight against slavery" (Kevin Bales, Executive Director, Free The Slaves), it has funded independent surveys and is establishing monitoring and certification processes.

We are also working with all stakeholders to boost the economic livelihood of cocoa farmers and workers. Initiatives include helping farmers form groups to market their produce as the best way for them to receive an improved price for their crops.

We are also investing in work to ensure cocoa is grown in a sustainable and ethical way. For example, we are helping small farmers create a sustainable, biologically diverse agricultural system that generates better yields, more consistent crops and respects the environment.