

Cadbury 2007–08 Corporate Responsibility and Sustainability Review

Raise a glass and a half

By Aleksandra Dobkowski-Joy

Cadbury's two-tiered approach to sustainability reporting works well to entice readers

Cadbury's fourth corporate responsibility and sustainability review, an online confection liberally festooned with curly font, all but begs site visitors to lean in and take a bite. Titled Dear Cadbury, the report tries to avoid a perennial problem, namely the crushing boredom that is frequently induced in non-specialist audiences. The company has created two reporting tracks: one for the lay reader, the other for the expert.

Readers selecting "I want to explore" are greeted with whimsical web widgets, interactive functionality and short videos. Colourful, clickable tabs highlight topics such as the environment, cocoa sourcing and community investment. In each section, Cadbury illustrates performance via actual stakeholder letters, newspaper articles and employee quotes. In addition to programme descriptions, the company also summarises progress (and challenges to date) and goals.

The site works quite well on a number of levels. First, the stakeholder letters demonstrate that Cadbury is listening carefully to public concerns. Second, the presentation of each topic varies, so that the reader must interact differently each time, increasing engagement. Finally, Cadbury keeps it short – no section takes more than ten minutes to fully navigate.

For the experts, Cadbury has created a more traditional "I know my stuff" section. This sub-site dives into heavy-duty, substantive reporting: governance, sustainability integration and oversight, commitments, targets, and tables of performance data.

Getting down to it

The full report, downloadable by chapter, clearly lays out the connection between Cadbury's sustainability commitments and the company's business priorities and strategic scorecard. Cadbury also uses a "sustainability pyramid" to illustrate its transition from corporate responsibility to sustainability through four levels: risk avoidance (bottom), reputation enhancement and issue management, sustainable growth, and competitive strategy and advantage (top).

Every sustainability commitment – responsible consumption; ethical and sustainable sourcing; quality and safety; reduction of carbon, water use and packaging; nurturing and rewarding colleagues; and community investment – has at least one associated performance metric that is managed by a

dedicated internal champion. These metrics are laid out in a separate eight-page factsheet, which by itself constitutes a strong summation of Cadbury's sustainability efforts.

Cadbury has set a particularly ambitious greenhouse gas reduction goal as part of its (unfortunately named) Purple Goes Green environmental initiative: a 50% absolute reduction in carbon emissions from a 2006 baseline by 2020, with a minimum 30% reduction from in-company actions.

One drawback to the report is the inconsistency in data presentation related to Cadbury's recent demerger from its former North American drinks business, Schweppes. Cadbury includes adjusted data in some areas (financial and human resources) but not in others (community investment), yet does not explain this seemingly arbitrary decision.

Cadbury's late arrival to supply chain sustainability is also surprising, though perhaps less so when one considers its vast network of more than 40,000 suppliers. Currently, only 30% of 3,000 key suppliers have acknowledged Cadbury's Ethical Sourcing Standards, with a goal to have all key suppliers compliant by 2010.

Cadbury is moving quickly to improve oversight. The company requires that key suppliers join the Supplier Ethical Data Exchange (Sedex), a non-profit organisation that allows companies to maintain and share labour data. Suppliers must also complete a self-assessment and commission a third-party audit within 18 months of joining Sedex (Cadbury does not say whether it will share audit costs). As Cadbury implements its ethical sourcing programme, it should disclose audit results and any plans to reach out to the remaining 37,000 "non-key" suppliers.

Cadbury could also provide greater transparency around its goal to sustainably source at least half of key agricultural raw materials such as cocoa, sugar and palm oil by 2010. Cadbury has developed a sustainability assessment template to rate crop production on sustainability criteria, but omits details; the company should consider modelling its reporting in this regard on Starbucks' disclosure of its Coffee and Farmer Equity (Cafe) Practices.

Cadbury is hopeful that its two-pronged reporting approach will net a larger readership. In a final bid for engagement, Cadbury invites readers to comment via a "What do you think?" online blog. Sadly, only two postings appear – both from Cadbury staff. ■



Snapshot

Follows GRI? Yes.
 Self-declared "B"
 Application Level.
Assured? No. Includes Forum
 for the Future commentary.
Materiality analysis? Yes
Goals? Yes
Targets? Yes
Stakeholder input? Yes
Seeks feedback? Yes
Key strength: Engaging
 approach, user-friendly
 website.
Chief weakness:
 Inconsistent data
 presentation related to
 demerger with North
 America soft drinks business.
Pleasant surprise: Depth of
 sustainability integration.

Cadbury's late arrival to supply chain sustainability is surprising

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