

**Jane Stevensen**

Managing Director, CDSB



Climate Disclosure Standards Board

# What are shareholders starting to expect?

## How shall the financial community take this seriously?

**welcome to our corporate and social responsibility report 2006**

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Chair Executive, Cadbury Schweppes plc
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Chair Board CSR Committee
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This report covers the Cadbury Schweppes group of companies and focuses primarily on 2006. It has been developed with input from our functions and regions and its content has been reviewed and signed off by senior leaders in our business.

Let's welcome your feedback. Please see the back of this report for contact details.

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WestLB AG

Extra-Financial Research  
Dr Hendrik Garz

**our business**

At Cadbury Schweppes we manufacture, market and sell confectionery and beverage products. We are the world's largest confectionery company, and have strong regional beverage businesses in North America and Australia. With origins stretching back over 200 years, today our products are enjoyed in almost every country around the world.

Our strategic goals are to deliver superior shareholder performance, profitably and significantly increase global confectionery share, profitably secure and grow regional beverage share, ensure our capabilities are the best in class and nurture the trust of colleagues and communities.

In 2006, we set financial goals to measure our annual business performance based on three key performance indicators - sales, margins and cash flow. For the 2004-2007 period we aim to grow revenues by 3.8% every year (excluding acquisitions and divestments), to improve margins by 50 to 75 basis points each year and to generate free cash flow of £15 billion.

We have made changes to our business portfolio to ensure that capital is applied where we can generate the highest growth and returns. We have further focused our beverage business on more advantaged markets through selling our beverage business in Europe, the UK, the US, Canada, Mexico and Australia, where we have strong brands and effective routes to market.

In beverages, we have strengthened our route to market in the US through a number of acquisitions. The most significant of these was the purchase, in the spring of 2006, of the 50% stake we did not already own in the largest independent bottler in the US, the Dr Pepper/Seven Up Bottling Group (which we renamed Cadbury Schweppes Bottling Group).

In confectionery, we intend to sell a number of non-core brands and businesses in the UK and Canada to allow us to focus on our more profitable and advantaged brand portfolio. We have invested over £300 million in emerging markets to increase our existing holdings in businesses in Nigeria and Turkey, and to acquire the leading chewing gum business in South Africa.

Following the changes to our business described above, we will update our capabilities on our strategy and plans for 2007 and beyond at the end of October 2006.

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