

Cadbury and the environment



Around the world, there is one name synonymous with chocolates – Cadbury. Named after its founder John Cadbury in 1824, Cadbury – Headquartered in Cadbury House in the Uxbridge Business Park in Uxbridge, England – began only as a coffee stall producing coffee, tea and drinking chocolate, to a global chocolate and confectionary producing giant it is known today. With only a little over a decade shy of 2 centuries of operation, Cadbury has been in various mergers and acquisitions. This paper examine Cadbury’s performance in society, highlighting both areas of achievement and those requiring improvement.

The formal definition of social responsibility is managements’s obligation to make choices and take actions that will contribute to the welfare and interests of society as well as the organisation (Szwajkowski, 1986; David et al. , 1979). As straightforward as this definition seems, social responsibility can be a difficult concept to grasp, because different people have different beliefs about which action improve society’s welfare (Sherwin, 1983).

As quoted from Todd Stitzer, Chief Executive Officer, Cadbury Schweppes in 2006, “ business should and can be a force for good in the world” (Corporate and Social Responsibility Report, 2006).

Since its beginning, during 19th Century England, Cadbury have lived by their values. Family believes had much to do with their reason for operations. Cadburys were Quakers, a member of the Religious Society of Friends, a Christian sect founded by George Fox about 1650, whose central belief is the doctrine of the Inner Light.

Quakers reject sacraments, ritual, and formal ministry, hold meetings at which any member may speak, and have promoted many causes for social reform, as defined by Merriam-Webster Dictionary. Cadbury began portraying their business vision of 'working together to create brands people love' in the early 1900's when they decided to create the Ghana Cocoa Industry.

Forced labour practices with the production of cocoa, present in Sao Tome where they originally received their supply of cocoa, was the main reason for this decision. During the 1920's, Cadbury implemented a 'Half Day Saturdays' for all workers in United Kingdom (UK).

There were the first company in UK to implement this for all employees. Cadbury's intention was to promote more family time & bonding and leisure for their employees as a balance from working hours. Cadbury Wedel, its headquarters in Poland, soon followed suite by sponsoring all employees to membership in Rywal, a Polish based sports club, in the 1930's. A decade on and Cadbury once again did not fail to deliver during a time of crisis, World War II.

Cadbury's headquarters in Australia and New Zealand answered the call of Allied troops to supply emergency ration chocolates and biscuits.

Chocolates especially dark chocolates contains theobromine & caffeine which are stimulants and serotonin which acts as an anti-depressant. Over its 175 years of operations, Cadbury has acquired and Merged with multiple companies. These companies too have also exercised their beliefs of social responsibility over their vast history thus enforcing Cadbury's beliefs. In the <https://assignbuster.com/cadbury-and-the-environment/>

1930's, Adams, now a subsidiary of Cadbury (Cadbury Adams) acquired in 2000, producing gum and mints, began producing a range of medicated cough drops for sinus relief.

These cough drops were the first of its kind and were not available elsewhere. They too had a hand in providing supplies during World War II by supplying Chiclets gum. Cadbury received multiple awards during their last decade of operation. For their outstanding investments into the community, Cadbury UK was awarded the Community Mark in 2009. Cadbury Dirol, its Russian headquarters, with its contributions to social development within the Veliky Novgorod region, was named one of the biggest contributors to corporate social responsibility.

The following are some of their achievements: Cadbury Schweppes plc - awarded Business in the Community's Jubilee Award for Excellence in recognition of its long term investment in education and enterprise and its long term commitment to community partners such as Young Enterprise. Cadbury Adams Mexico and Cadbury Schweppes Bebidas Mexico - certified as Socially Responsible Companies by the Mexican Philanthropy Centre. Cadbury Wedel - Best Corporate Citizen in the British Polish Chamber of Commerce Company of the Year Awards for activities involving colleagues that benefit the local community.

Cadbury Nigeria - Social Enterprise Report ; Award for its positive impact on society (Cadbury.

Our Achievements, 2009). CADBURY'S ACTIONS AFFECTING SOCIETY 2006 SALMONELLA CONTAMINATION Cadbury Schweppes had a major recall of <https://assignbuster.com/cadbury-and-the-environment/>

millions of chocolate bars in the middle of 2006. This was after notifying the Food Standards Agency that the Salmonella bacteria was found in several of their products. The bacteria was leaked into their chocolate crumb mixture which would eventually be turned into milk chocolate.

After investigation, Birmingham City council had found that Cadbury Schweppes had knowledge of the leak which led to the contamination in January 2006, which resulted in Cadbury Schweppes prosecution relation to breaching health and safety investigation. Cadbury Schweppes were slapped with a 1 million Sterling pounds fine as the court found that they had already suffered 30 million Sterling Pounds in losses due to the recalls and also for pleading guilty immediately.

2007 PRODUCT RECALL Millions of people are allergic to nuts.

For some, it may cause just a simple rash. However there have been reports of inflammation of the throat and fatalities too. Therefore as a precaution, all companies that produces any product in a plant that produces anything with nut ingredients, have to print a warning label so as to warn consumers.

Cadbury Schweppes unfortunately had to recall millions of chocolate bars in February 2007 and September 2007, blamed on a labeling error and printing error respectively, involving the possibility of nuts present in their chocolate bars. **2008 PRODUCT RECALL**

Cadbury recalled 11 of their chocolate products in September 2008 after suspicion of melamine contamination. The affected countries were mainly Australia, Taiwan, Hon Kong and China whom received their goods from the

three Beijing factories with the supposedly contamination. 2009

HYDROGENATION Consumers were unhappy to hear that although the level of trans fats is recorded as zero on many of Cadbury's signature products, this is untrue as the value has been rounded down.

The presence of trans fats is due to hydrogenated oils which Cadbury uses for these products.

IMPLICATIONS ON STAKEHOLDERS Cadbury merged with drinks company Schweppes to form Cadbury Schweppes in 1969. There are a total of 60, 000 registered stakeholders at Cadbury Schweppes which includes private individuals. Banks and pension funds are some of the institutions that are among the stakeholders.

With the recent acquisition of Adams chewing gum and confectionary brands (in 2004) the company currently employs over 50, 000 people worldwide in five global business units (CSR Case Study Series, November 2004).

In the middle of 2008, Cadbury had announced a demerger from Schweppes as the company had a different interest than that of Schweppes as they wanted to concentrate their growth in the chocolate and confectionery market rather than the drinks market. Two years on and Cadbury was bought over by Kraft. Until the buyout by Kraft, the implications that fell on the stakeholders were all positive as they always had the community in mind. Although in the last decade they have slipped up a few times with suspected contaminated products.

But the buyout by Kraft gave the consumers the idea that the stakeholders were in it just for the money thus making Cadbury look bad. Cadbury played a very important role in the British economy and the acquisition by Kraft had put 30, 000 jobs at risk. UK stakeholders were the only ones who objected to the decision but were overpowered by the rest of the stakeholders. The biggest controversy was Royal Bank of Scotland (RBS) role in the whole takeover as they were responsible for funding Kraft. CONCLUSION

Overall when we take a look at history, Cadbury has played a vital role in strengthening the economy of UK and other countries like Ghana. With their funding of projects for schools and colleges, society definitely had a positive look of Cadbury.

The recalls which Cadbury had to do, however costly their mistake would have been, was at least a quick response by them, although blaming in on a printing error did not really sit well with society as it was their responsibility to make sure that every area of production was perfect.

Using hydrogenated oils however and recording the presence of trans fats in their products is definitely unfair to society as it is as good as cheating. Now that Kraft has taken over Cadbury, they should look into allowing Cadbury to make most of their decisions themselves and also return them into the British economy if they want the consumers to be on their side. Downsizing of the 30, 000 employees is definitely not advised as it will not go down too well with society.