

Corporate responsibility

Increasingly, sustainability is a central focus of the corporate responsibility agenda of many commercially successful businesses. This is based on the belief that businesses have a broader obligation to their stakeholders – shareholders, employees, suppliers, customers and the general public – to conduct their business in a way that enhances, rather than destroys, the environment of the planet we all share. Just as significant, is the insight that the sustainable way of doing business is also more cost effective, delivers more added value and stimulates more innovation and creativity than the alternative.

That is why we at C & C have a clear and ever present focus on improving, achieving and maintaining sustainability in every facet of our business. It is not optional, nor simply something we pay heed to only when times are good. We have come through a second difficult trading year in succession, yet we have increased, rather than lessened, our focus on sustainability and the environment. That is because this approach makes good commercial sense.

Working with one of the foremost firms of external consultants, we have drawn up a strategic framework for corporate responsibility and sustainability. We reviewed the considerable progress we have made in recent years and benchmarked ourselves against other leading companies. This process and the framework that resulted from it have helped us to derive an agenda of opportunities to reduce costs through pursuing our sustainability strategy. We identified specific, prioritised initiatives to be implemented and have set targeted savings against them.

When we measured our carbon footprint at our Clonmel manufacturing plant in the previous financial year, it was an important step forward in setting a base line for further progress. We are now specifically measuring the carbon footprint of selected products during their life cycle, from harvesting, through processing, packaging, delivery, all the way to final waste disposal or recycling. This year we are also conducting a detailed carbon footprint analysis using PAS2050 methodology on specific product lines. This will encompass every aspect of the product life cycle including production and supply chain. We are committed to continuing to measure our overall carbon footprint and to identifying ways to reduce it.

To underpin the energy management aspect of our sustainability strategy, we have signed a three-year agreement with Sustainable Energy Ireland covering the achievement of best practice in energy management. We now have in place a formalised energy programme that is externally credited and audited. This agreement sets clear improvement targets for our energy management, including reduced usage of electricity, gas and water. The achievement of these targets provides a double benefit. It reduces our costs, thus making us more competitive, and it reduces our impact on the environment.

We are significant users of glass in our packaged products and have a continuous programme of reducing our glass usage to reduce costs and environmental impact. One significant success story is that we have reduced the weight of glass used in the manufacture of our Magners Original pint bottles by 28% in two steps during the last year. We believe we are now ahead of the cider sector by having the lightest pint bottle in the U.K. market. Nevertheless, as we strive to reduce the volume of glass utilised, the bottle still has to be fit for purpose, having been strenuously tested for safety. This glass reduction initiative is a classic 'win/win'. There is a good business outcome because of lower sourcing costs for glass, a reduction in shipping costs as well as savings in the cost of recycling.

In order to seek greater efficiencies in our operations, we appointed two Continuous Improvement Coaches whose focus is to work through our operations identifying areas for further improvement. Our work in this area was recognised when we were finalists in the 2008 European Supply Chain Excellence Awards.

In their 2008 annual President's Awards for corporate social responsibility, Chambers Ireland awarded us national recognition as the most ecologically aware large company and we were finalists in the Repak national awards for excellence in use of recyclable packaging.

Innovation, underwritten by a significant R & D programme, is critical to delivering value to customers. We need to be flexible and agile in anticipating and responding to evolving consumer preferences. We concluded a three-year agreement with Enterprise Ireland that included significant funding towards our R & D function. Our agreement with Enterprise Ireland is a significant recognition by a key State agency of the strategic importance of C & C to 'Ireland Inc.' as well as of the quality and potential of our R & D programmes. We increased the number of employees and other resources devoted to R & D and marketing. We have been successful in developing a pipeline of new product ideas, bringing those ideas further and preparing to take them to market. Our new pear cider has successfully come through that pipeline.

This has been the second successive year where we have seen a significant number of our people being made redundant at all levels of the Group. Redundancy is never a welcome prospect for anyone, particularly during a time of economic recession, but within that overall context we have worked to support the people who are leaving us and to deal with them fairly. We put outplacement services and advice in place for them and co-operated closely with national and local agencies dealing with training and enterprise development as well as with elected public representatives.

We remain committed to the continual training and development of all our employees and, now that we have achieved 'right sizing', our focus in this area will be renewed and re-invigorated. We understand the importance of our historically good relationship with the farmers in the hinterland of Clonmel and with our local community. Our recent trading difficulties will not deflect us from nurturing that relationship and we remain as committed to it as ever.