



POSITIVE CHANGE THROUGH THE POWER OF PARTNERSHIPS

CORPORATE SOCIAL RESPONSIBILITY 2010 ANNUAL REPORT

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A message from

Rupert Duchesne

President and Chief Executive Officer, Groupe Aeroplan Inc.

Click [to watch a video](#) of Rupert as he talks about Groupe Aeroplan's Corporate Social Responsibility efforts in 2010



To view this video, Adobe Reader 9 or a later version is required. [Download here.](#)

Canada

US

Europe and Middle East

Change Action Team

Environment

About Groupe Aeroplan



GROUPE AEROPLAN IN THE COMMUNITY

Groupe Aeroplan Canada

"At Aeroplan, we strive to create an environment that fosters employee engagement and encourages our stakeholders to get out and take action in our communities. We recognize that companies like ours have a responsibility to step forward and help support our communities - to help build a positive and sustainable future. In 2010, we moved forward on several fronts in building our community engagement practices through such programs as Beyond Miles and we look forward to continue to do our part to strengthen communities and help make a lasting and positive impact at home and abroad." - **Vince Timpano**, President and Chief Executive Officer, Aeroplan Canada and Executive Vice President, Groupe Aeroplan Inc.

AEROPLAN BEYOND MILES PROGRAM

In 2006, Aeroplan launched the Beyond Miles program that enables Aeroplan Members to join us in supporting nine Canadian charitable organizations through the donation of Aeroplan Miles. Charitable partners include:

- [Air Canada's Kids Horizons](#)
- [Athletes for Africa](#)
- [Earth Day Canada](#)
- [Engineers Without Borders](#)
- [Médecins Sans Frontières](#)
- [Schools Without Borders](#)
- [The Stephen Lewis Foundation](#)
- [Veterinarians Without Borders](#)
- [War Child Canada](#)

Each of the nine Canadian organizations are committed to improving lives and enriching communities across Canada and abroad. Beyond Miles partners use Aeroplan Miles to offset their costs related to travel by air as well as hotel accommodations and car rentals. Since inception, nearly 200 million Aeroplan Miles have been donated by members and in 2010 alone, Aeroplan Members donated more than 42.5 million miles to the Beyond Miles partner organizations.

In line with its commitment to the environment, Aeroplan offsets 100 per cent of all carbon emissions from flights and car rentals taken by Beyond Miles partners using donated miles. This support allows each organization to direct all their resources directly to the projects, while maintaining a responsible environmental approach.

In addition, Aeroplan also introduced a new donation mechanism that allows members to automatically donate two per cent of all miles, at time of accumulation, to any Beyond Miles partner of their choice. Members interested in donating two per cent of their Aeroplan Miles can simply visit their profile page on [aeroplan.com](#), select the donation opt-in and the Beyond Miles partner they would like their miles to go to.

Aeroplan's Beyond Miles partner Schools Without Borders has produced a video that documents the journey of an aspiring filmmaker travelling in Asia and showcases programs supported by Aeroplan. Watch the video at:

vimeo.com/16492535



Above: Employees making holiday baskets

Above: The Ivey LEADER Project

AEROPLAN'S CHARITABLE POOLING PROGRAM

Aeroplan's Charitable Pooling program allows members to use miles to support individuals, families or local grass roots charities in need. In 2010, more than 14 million miles were donated by Aeroplan Members to charitable pooling accounts such as [The Canadian Aid for Chernobyl](#), [The Fraser Institute](#) and the [Newfoundland Pony Society](#). Since inception, members have pooled more than 57 million miles into over 430 pooling accounts across the country.

Aeroplan's Beyond Miles program and other community investment initiatives can now be found on Twitter. Follow us at:

twitter.com/BeyondMiles

EMPLOYEE ENGAGEMENT AT AEROPLAN

Each year, Aeroplan offers employees opportunities to go on Employee Engagement Trips with its Beyond Miles and Charitable Pooling partners to observe and learn about the essential support they provide. The trips are designed to inspire and engage Aeroplan employees by helping them see how and where the Beyond Miles partners use donated Aeroplan Miles and giving them an experience of a lifetime.

One employee went to Macedonia to help share knowledge and business skills with charitable pooling partner the [Ivey LEADER Project](#).

"This experience challenged me to make a difference by going beyond the usual, and gave me a chance to do rewarding, purposeful work. I was able to bring different perspectives and skills to a number of people in Macedonia and it heartens me to know that my contribution will help them to go beyond their usual business practices and hopefully strengthen and advance their situation towards prosperity." - **Hoda Mehr**, Analyst, Strategic Development and Innovation, Aeroplan, Montreal

Aeroplan employees are also encouraged to give back to their local communities. Twice a year, they can dedicate four hours of their paid work time to causes of their choice. In 2010, employees spent more than 1,100 hours of paid work time as volunteers, participating in activities such as: planting trees in local parks, building baskets and wrapping presents for families in need over the holiday season and serving food at local shelters.

"Just being a part of this wonderful event, feeling the joy of the season and the happiness it brought and knowing that my basket will now bring a smile to someone out there was the ultimate satisfaction." - **Marjorie Mohammed**, Coordinator Direct Mail, Print Production, Aeroplan, Toronto

GROUPE AEROPLAN UNITED STATES

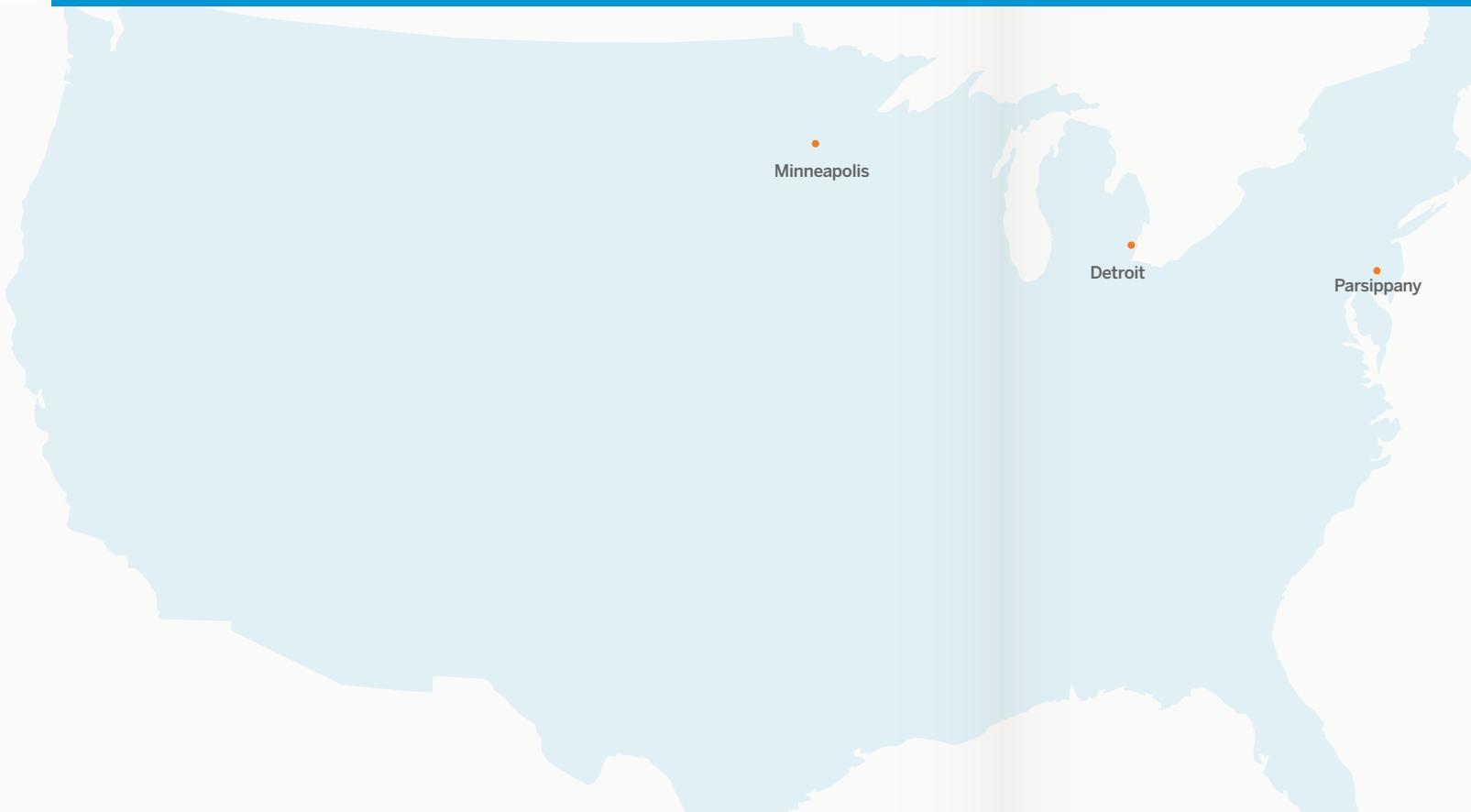
"Collaboration with employees, clients and partners on CSR initiatives is an increasingly important component of our business model at Carlson Marketing. We are committed to incorporating sustainable strategies into the loyalty programs we design and deliver on behalf of our clients and we strive to be good corporate citizens in the communities we serve."

- **Jeff Balagna**, President and Chief Executive Officer, Carlson Marketing, Executive Vice President, Groupe Aeroplan Inc.

In the United States, Corporate Social Responsibility is reflected through both the work Carlson Marketing does with its clients and through the phenomenal dedication of its employees to improve the quality of life in their respective communities. Each year, Carlson Marketing strives to increase employee engagement by identifying a select number of charitable organizations and offering employees a chance to contribute through event planning and coordination, fundraising or volunteering to help those less fortunate. In 2010, a few examples of these initiatives include:

HABITAT FOR HUMANITY

In 2010, Carlson Marketing employees helped to build a house for a family in Detroit with Habitat for Humanity. For the sixth year in a row, employees



participated in Detroit's Habitat for Humanity's Blitz Build – an incredible project designed to construct homes and create a healthy and safe neighbourhood. Employees also took part in fundraising for the project going so far as to be guest servers at a local T.G.I. Fridays restaurant where they shadowed serving staff and donated all tips earned to Habitat for Humanity.

"They all have children the same age and it truly is starting to feel like a community... There are still many abandoned houses and they border a really tough area, but the residents are making it wonderful and alive." - **Colleen Sweeney**, Event Marketing Director and Carlson Marketing's Habitat Coordinator, Detroit



Above: Annual Giving Tree event

Above: Employees participate in the Stride Against Breast Cancer

Left: National Wear Red Day Right: Habitat for Humanity Build

THE BRIDGE FOR YOUTH

Through the annual Giving Tree event, Carlson Marketing employees buy gifts during the holiday season to support The Bridge for Youth, a local not-for-profit organization that provides counseling, emergency shelter and housing for runaway, homeless and throwaway youth.

Another way employees supported The Bridge for Youth was during

the second annual Super Bowl-ing Tournament. Employees had a Wii bowling competition during Super Bowl and all proceeds raised went towards The Bridge for Youth.

NATIONAL WEAR RED DAY

Carlson Marketing Detroit participated in National Wear Red Day to promote heart health. The Detroit office has also been a regional sponsor of Go Red for the past three years in support of Go Red Luncheons to help spread the word about improving heart health.

EMERGENCY FOOD SHELF NETWORK

Carlson Marketing Minneapolis partnered with The Grand Hotel Minneapolis and Destination Hotels & Resorts on a week long food drive to benefit the local Emergency Food Shelf Network. Food collected was enough to provide more than 400 meals to the community.

AMERICAN CANCER SOCIETY

Carlson Marketing Parsippany, New Jersey employees participated in the Stride Against Breast Cancer and raised almost \$3,000 for the American Cancer Society.

"We're proud of our efforts to create a world with less cancer and more birthdays." - **Kathryn Veliky**, Office Coordinator, Meetings & Events, Carlson Marketing, Parsippany

GROUPE AEROPLAN EUROPE, MIDDLE EAST AND AFRICA

"It is critical that as a company, we make a positive impact in the communities that we serve. This is what our stakeholders expect of us, especially our employees and our customers. In 2010 we made real progress in our support of both the Change Action Team and the One Water initiative and in 2011; I want us to set the bar even higher." - **David Johnston**, President & Chief Executive Officer, Groupe Aeroplan Europe & Executive Vice President, Groupe Aeroplan

NECTAR UK AND CHILDREN IN OUR COMMUNITY

Nectar encourages its members to donate Nectar points online to Action for Children, a leading children's charity that supports disadvantaged children across the country. In 2010, approximately 2.3 million points were donated to [Action for Children](#). For every 250 points donated by members, Nectar contributes £1 to the charity's Children in our Community Projects. In 2010, more than £9,500 was donated.

LMG INSIGHT & COMMUNICATION (I&C) AND THE ONE FOUNDATION

The Insight and Communication team started working with the One Foundation in August 2009 and have contributed to the charity in a number of ways throughout 2010. The One Foundation is a charity that manufactures consumer packaged goods products in the UK, and increasingly around the globe and donates all profits to projects across communities in Africa. Examples

include bottled water to fund water pumps, hand-soap and toilet roll to fund sanitation in schools and condoms to fund HIV and AIDS healthcare projects. I&C also provided insight and consultancy services to the One Foundation which has resulted in a number of projects being installed in communities, which will continue to grow in number and impact in 2011.

In December 2010, the One Foundation invited two LMG I&C employees to Malawi to see the projects that the event had funded. Over five days they travelled across Malawi, visiting schools and communities and saw first hand the huge impact Groupe Aeroplan staff had had on the people living there.

EMPLOYEE INITIATIVES

In 2010, many employees from the United Kingdom have helped make a huge impact by supporting community causes close to their hearts and generously giving to fundraising appeals.

2010 highlights include:

WAR CHILD

A member of the I&C team raised a total of £923 for running the Silverstone Half Marathon. Funds raised went to both War Child UK and War Child Canada for a boarding school in Emmanuel, Ethiopia which is set up for girls who have lost both

parents to HIV AIDS and have no other family members to look after them.

LONDON MOONWALK 2010

A group of employees participated in the London Moonwalk event in which they walked 26.2 miles around central London starting at midnight and walking through the night in support of Breast Cancer Research. With the support from their friends, family and Groupe Aeroplan they were able to raise £4,409 for the cause.

MARATHONS

Another group of employees played in a 12 hour "Football Marathon" in support of [Tackle Africa](#), a charity that promotes HIV awareness in Africa through the medium of football. They raised £1,800 in total, with a donation of £500 from Groupe Aeroplan.

One employee ran the London Royal Parks Half Marathon. Through Groupe Aeroplan, she raised £500 for the charity [Scope](#), an organization that supports disabled people and their families. Their vision is a world where disabled people have the same opportunities as everyone else.



Above: Water pump in Malawi

Above: Employees participate in Football Marathon

In July 2010, a number of employees across the London office engaged in a fundraising evening, with all proceeds donated to the One Foundation. Over 300 people attended the evening in Covent Garden, London, and the event raised over £19,000 which has funded two water pumps, and one sanitation project in Malawi, Africa.

"I was lucky enough to be invited to Malawi to witness the projects that we've funded. This was a life changing and humbling experience. I feel so honoured to work for a company who genuinely supports charitable projects around the world and that really gets behind staff who want to contribute to life outside of their usual day jobs." - **Amy Wilson**, Senior Account Manager, FMCG Insight & Communication, London



"I trained for about 4 months and although I found it challenging, it was a great thing to achieve and I was very pleased to have been able to raise such a substantial amount of money for such a worthy cause." - **Zoe Bridges**, Relationship Manager, Nectar, London

EMPLOYEE ENGAGEMENT AT CARLSON MARKETING

In order to foster employee engagement, Carlson Marketing UK allows employees four paid weeks off of work to be part of a volunteer effort – or sabbatical project; with an option to add two weeks of vacation. Employees apply for one of two sabbatical slots available each year that they choose. In 2010, one of the projects focused on helping under-privileged children at a local community centre in the slums of Brazil.

"The community centres are there for children to spend their time with friends and learn rather than getting into drugs and the gang culture...I hope that I enhanced the kids' time at the project by teaching them new things and just generally showing them the love and affection they don't get at home. This was truly an amazing experience that I would do again tomorrow if given half the chance, so I just wanted to say a huge thank you to Carlson Marketing for giving me such an amazing opportunity and would encourage anyone to apply and take the sabbatical if you can because it's an opportunity of a lifetime!" - **Dani Tillet**, Account Manager, Carlson Marketing, London

NECTAR ITALIA

An employee from the Nectar Italia office went to Ghana to volunteer his time at the [HoHoe Christian Orphans' Home Project](#), a non-profit, volunteer run organization that helps under-privileged children in the Volta region of Ghana. He spent two weeks helping children with their English skills, assisting the school teachers,



Above: Employee sabbatical trip to Brazil

"I was assigned to a class as a teacher's assistant. I helped the kids solve their exercises and sometimes they started singing – they love to sing! On my last day of lessons, the kids held a wonderful ceremony and sang for me. I was very sad to go and I miss them a lot. I can say that I did the best and I will bring this experience with me for the rest of my life." - **Alberto Rescigno**, Budgeting and Forecasting Analyst, Nectar Italia, Milan

Read about his experience at:
www.hohoexperience.blogspot.com

AIR MILES MIDDLE EAST

In 2010, Air Miles Middle East Members donated more than 4.2 million Air Miles including:

- More than 2.2 million Air Miles to [Medicins Sans Frontieres](#) (MSF)
- Over 1.5 million Air Miles to [The Al Noor Training Centre](#)
- Almost 447,000 Air Miles to [All As One](#)

Air Miles Middle East and its employees also supported:

PAKISTAN FLOODS

When Pakistan was devastated with floods, our office in the Middle East initiated a campaign for gathering monetary and non-monetary donations. They helped gather AED 2,080 in donations from employees and Groupe Aeroplan which we handed over to MSF. They also helped gather miscellaneous items such as clothing, food, clean drinking water and blankets and mattresses which were given to Pakistan Sports Association for flood relief efforts.

"I was glad to have lent a hand to the Pakistan Flood Relief campaign. It was such a delight to see everyone join hands and help those in need thousands of miles away. I hope all of our contributions went towards making some difference to the people in need of help and support at the time." - **Arslan Aslam**, Team Leader, Customer Service Department, Air Miles Middle East, Dubai

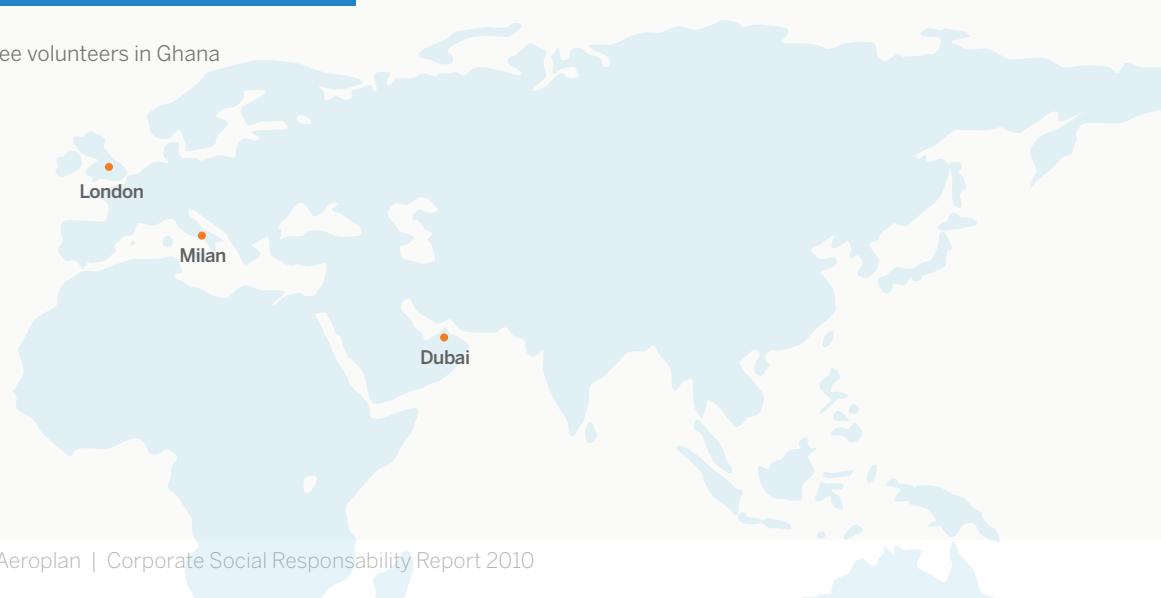
EMIRATES ARTHRITIS FOUNDATION

Ten employees participated in the third annual Emirates Arthritis Foundation 2010 Walkathon to benefit Arthritis.

BEAT THE DIABETES

Employees participated in the "Beat the Diabetes" Walkathon to help raise awareness of this cause.

"I was delighted to support the Diabetes Walkathon. The team made a huge effort by joining thousands of people to create awareness, and by extending the invitations to their family and friends to join." - **Ahmed Ismail**, Account Executive, Partnership Department, Air Miles Middle East, Dubai



SECOND GROUPE AEROPLAN CHANGE ACTION TEAM TRIP

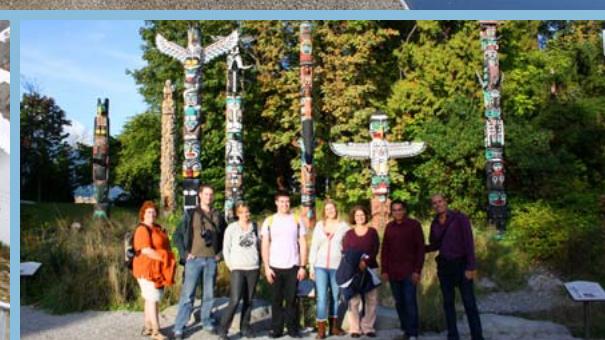
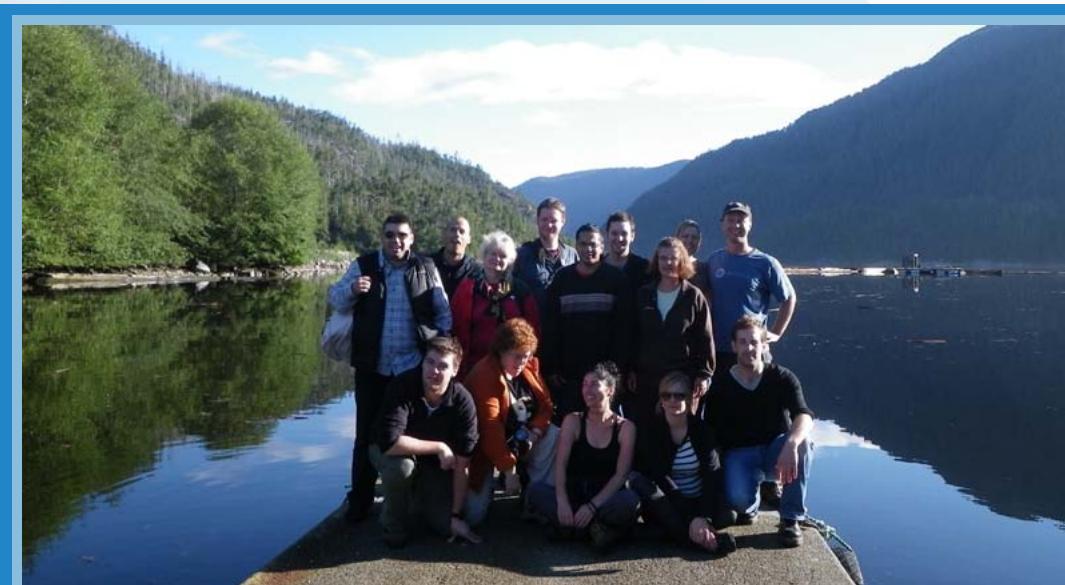
In 2009, Groupe Aeroplan created the first ever Change Action Team (CAT) experience, an annual trip that brings together Groupe Aeroplan employees from around the world and showcases corporate social responsibility initiatives. The trip is designed and organized by one of Groupe Aeroplan's business regions and one of their respective non-for-profit partner organizations. The experience offers employees the opportunity to share perspectives, foster employee leadership, help facilitate a deeper understanding of Groupe Aeroplan's commitment to CSR and gives each participant an incredible international learning experience.

In 2010, Aeroplan Canada led Groupe Aeroplan's second Change Action Team experience working with its carbon management partner Offsetters. The team was composed of 11 Groupe Aeroplan employees as well as guides from environmental organizations. The team travelled to British Columbia, Canada for one week where they learned about clean technology and sustainability in the province. They visited both local community-based and industrial-scale clean technology projects that are supported by Groupe Aeroplan Canada in Vancouver, British Columbia, First Nations communities on Vancouver Island and the resort area of Whistler in the Coastal Mountains.



Check out the short video produced by the Change Action Team

To view this video, Adobe Reader 9 or a later version is required. [Download here.](#)



Above: The Groupe Aeroplan Change Action Team

"I had an amazing time on the 2010 CAT trip, it really was a once in a lifetime experience. We visited sites of breathtaking natural beauty and learnt about sustainability and carbon offsets, which I found incredibly inspiring. I enjoyed seeing firsthand the projects that Groupe Aeroplan has funded and helped to develop, it makes me proud to know that I am working for an ethical company with a solid CSR strategy that is making a real difference on both local and global levels."

- **Emma-Lee Strachan**, Relationship Manager, Groupe Aeroplan, London

"For me the eye-opening thing about the trip was not just learning about responses to climate change, but seeing the web of connections between CO2 and ecology, conservation, community, business and heritage. I hope that we can recognize some of these links in our business plans here in the UK, and across the rest of the global group. It was an amazing experience, and I've made some great new friends in offices across all our different brands and countries." - **Brendan O'Donovan**, Strategy Manager, Groupe Aeroplan, London

"I have taken back a lot from this trip, in particular the importance of our environment and how 'green' development not only provides an ethical, spiritual and communal return but equally essential; a financial return. Groupe Aeroplan's commitment to producing a bright future for Canada in the form of sustainable development has brought me inspiration to invoke my business unit to implement similar initiatives to benefit our regions stakeholders. I am truly proud to be a member of such a great company and of course the truly awesome 2010 Change Action Team!" - **Will Lochhead**, Assistant Buyer, Carlson Marketing, Sydney

OUR COMMITMENT TO THE ENVIRONMENT

Groupe Aeroplan proactively minimizes its environmental impact and encourages its stakeholders to do the same through innovative environmental programs

In 2010, Groupe Aeroplan

- Offset 100 per cent of its direct global corporate carbon footprint
- Participated, for the 4th consecutive year, in the [Carbon Disclosure Project](#), an independent international effort that collects high quality carbon footprint information from corporations worldwide
- Took part in the [Prince of Wales May Day](#) initiative in the United Kingdom
- Issued a [Greenhouse Gas Emissions Report](#) for analytical use to help reduce the company's overall footprint
- Dedicated the annual Change Action Team trip to climate change and contributed to a sustainable housing project led by UBC Sauder Business School's ISIS researchers in conjunction with aboriginal communities, an eco-trust Canada sustainable forests project, as well as a traditional gardening project

IN CANADA

Carbon offset program

Through Aeroplan's carbon offset program, Aeroplan Members redeemed 5.4 million miles for carbon credits, equivalent to 2,305 metric tonnes. Aeroplan matched all contributions by 20 percent for a combined total of 6.5 million miles equal to 2,765 metric tonnes or preventing the greenhouse gas emissions of 528 passenger vehicles for a year. The offsets redeemed by Aeroplan Members during the year went towards [Offsetters](#) 2010 Legacy Portfolio—a blended portfolio of high quality British Columbia based clean technology and international Gold Standard offset projects.

On [International Car Free Day](#)

Aeroplan and Offsets launched a six month campaign to help educate members to do their part for climate action and encourage members to redeem miles in exchange for carbon offsets.

Earth Day

In celebration of Earth Day's 40th anniversary, Aeroplan donated one million miles to Aeroplan's Beyond Miles partner, Earth Day Canada and matched all miles redeemed by members on Earth Day for carbon offsets by 40 per cent.

Greenest Employer

Aeroplan was also selected as one of [Canada's Greenest Employers](#) in

2010 by Mediacorp Canada Inc. This competition recognizes the employers that lead the nation in creating a culture of environmental awareness in their organizations.

In addition, employees from all offices participated in green activities throughout the year, such as taking part in the Green Commute Challenge, a special incentive program encouraging employees to commute to work in an environmentally friendly way.



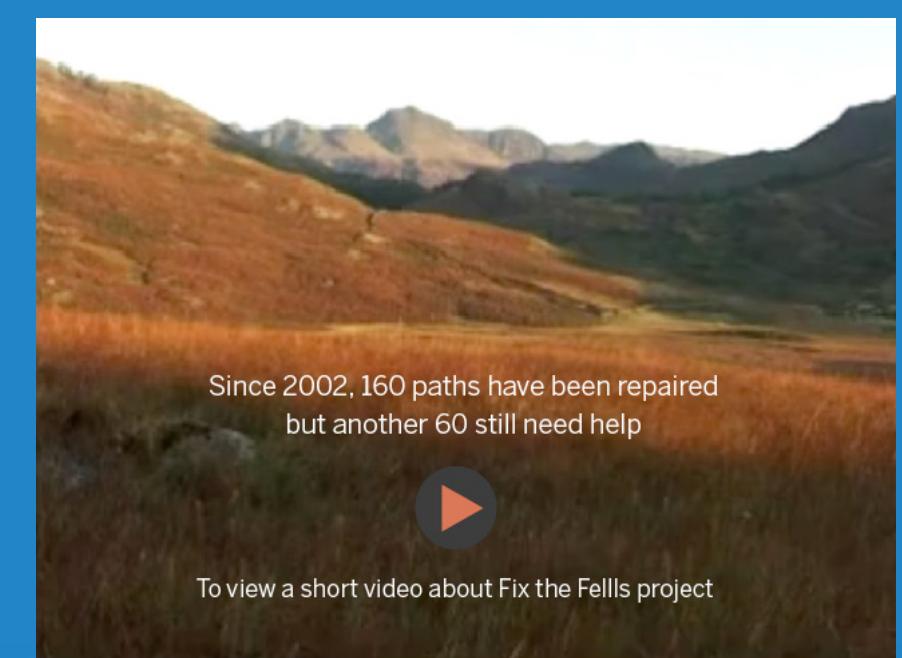
Above: Aeroplan employees clean up across Canada

IN THE UNITED KINGDOM

In 2010, one of the UK Sabbatical projects focused on the environment with an initiative that involved "extreme gardening." One employee participated in the [Fix the Fells](#) project at Lake District National Park in northwestern England and helped repair badly eroded paths within the national park.

"Earth Day is a great experience because it lets you give back to the community you live in. Every little step makes a difference in getting closer to a greener environment; it is the little things that will help make a difference to the world." - **John Porayko**, Customer Service Manager, Aeroplan, Vancouver

"Aeroplan's community-focused activities are an exceptional way of demonstrating our corporate culture, as well as our commitment to the communities we work in. It gives employees the opportunity to give back to their own communities in a significant and often long-term way." - **Vince Bonnici**, Manager, Retail Partnerships, Aeroplan, Toronto



Since 2002, 160 paths have been repaired but another 60 still need help

To view a short video about Fix the Fells project



To view this video, Adobe Reader 9 or a later version is required. [Download here.](#)

IN THE UNITED STATES

To celebrate Earth Day, Carlson Marketing launched 'Green' Prepaid Cards for clients to use as prepaid award cards. The cards made from PVC core sheets contain 55 per cent recycled materials and feature a recycle icon to let recipients know the card is green. Waste Management, North America's largest recycler of household-generated recyclables uses the card as part of its employee engagement awards card program and the card ties in nicely with the company's commitment to recycling.

"Many companies are looking for unique ways to reward employees. These same companies also have a commitment to the environment. Our new 'eco-friendly' award cards are a great opportunity to combine these efforts into one program." - **Patty Saari**, Vice President, Client Services, Carlson Marketing, Minneapolis

POSITIVE CHANGE THROUGH THE POWER OF PARTNERSHIPS

In 2010, Groupe Aeroplan continued its commitment to its Corporate Social Responsibility (CSR) framework

Groupe Aeroplan's framework remains focused on three key areas: community investment, environmental stewardship and employee engagement.

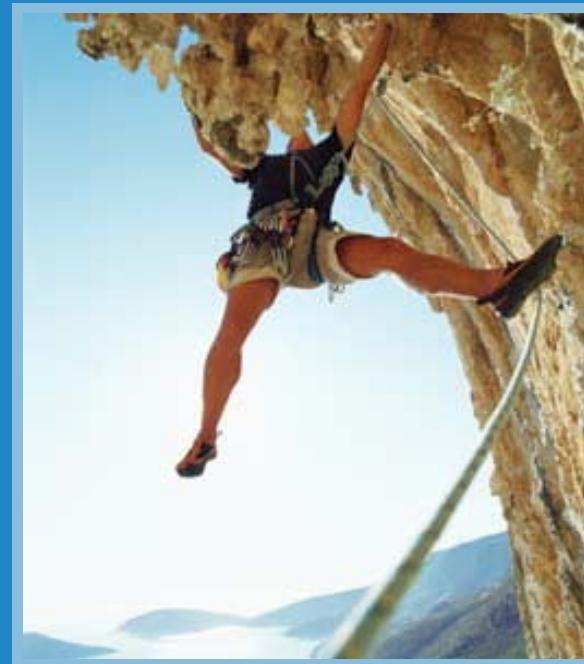
Our framework integrates the best CSR practices across the company and confirms our commitment to conduct business ethically, sustainably and respectfully. Our commitment is to not only behave responsibly but to encourage action and positive change amongst our stakeholders to ensure the continued success of Groupe Aeroplan and its communities in the future.

Highlights of Groupe Aeroplan's guiding principles include:

- Groupe Aeroplan is committed to taking responsibility for its activities and to actively engaging its stakeholders to foster collective action.
- Groupe Aeroplan's approach to CSR builds on the loyalty business model – bringing together coalitions of like-minded partners to develop innovative solutions that achieve positive, meaningful and lasting results.
- Groupe Aeroplan's CSR activities are aligned with, and inspired by, the specific interests of program partners and members as well as employees.
- Groupe Aeroplan will publicly report on its overall CSR commitments and achievements each year.

Our CSR Mission –

"To act as a leader and catalyst for positive change by acting responsibly and by leveraging its commercial relationships and expertise"



About us:

Groupe Aeroplan is a global leader in loyalty management. We own Aeroplan, Canada's premier coalition loyalty program, Carlson Marketing, an international loyalty marketing services, engagement and events provider headquartered in the U.S., as well as Nectar, the United Kingdom's leading coalition loyalty program. We also operate LMG Insight & Communication, an international customer-driven insight and data analytics business. In addition, Groupe Aeroplan has majority equity positions in Air Miles Middle East and Nectar Italia as well as a minority position in Club Premier, Mexico's leading coalition loyalty program.