



POSITIVE CHANGE
THROUGH THE POWER
OF PARTNERSHIPS
CORPORATE SOCIAL RESPONSIBILITY
2008 ANNUAL REPORT





INDEX

- ◉ MESSAGE FROM THE CEO
- ◉ CSR AND GROUP AEROPLAN
- ◉ CORPORATE OVERVIEW

CARING EMPLOYEES

CARING FOR THE COMMUNITY

- ◉ IN CANADA
- ◉ IN THE UNITED KINGDOM
- ◉ IN THE MIDDLE EAST

CARING FOR THE ENVIRONMENT

- ◉ NECTAR'S GREEN CLUB
- ◉ AEROPLAN'S GREEN IT UP PROGRAM
- ◉ ECO-FRIENDLY REWARDS



POSITIVE CHANGE THROUGH THE POWER OF PARTNERSHIPS

Corporate Social Responsibility (CSR) at *Groupe Aeroplan* means harnessing the power of partnerships to make a positive contribution to our environment and our communities. As a global leader in loyalty management, we understand how to bring together coalitions of like-minded partners. We leverage this same know-how to develop innovative CSR programs that engage all of our stakeholders and that make a positive, meaningful and lasting impact to the social and environmental challenges of our planet. Groupe Aeroplan strives to act responsibly and to conduct its business ethically, sustainably and respectfully.

We are committed to minimizing our environmental footprint and to offsetting our carbon emissions resulting from our business operations. We believe that our long-term business success is interconnected with the vitality of our communities, our environment and the relationships we forge.

In 2008, we have adopted a global CSR framework which focuses on three key areas - community investment, environmental

stewardship and employee engagement and leadership. This framework confirms our commitment and will guide our path in sustaining and further developing our CSR approach.

Groupe Aeroplan's commitment to CSR is largely propelled by the engagement and leadership of its employees. This report illustrates our support and gratitude towards our employees engaged in caring for their communities and the environment.

At Groupe Aeroplan, CSR is strongly supported by the board of directors, all levels of management, our employees, as well as our loyalty program members and our commercial partners. I am excited about our partnership approach to CSR and I am convinced that it will strengthen the success of our coalitions and lead to a healthier and more prosperous tomorrow.

Our efforts, together, can make a difference!

RUPERT DUCHESNE
President and Chief Executive Officer

POSITIVE CHANGE THROUGH THE POWER OF PARTNERSHIPS

In 2008, Groupe Aeroplan adopted a Corporate Social Responsibility (CSR) framework to guide its CSR strategies and activities world-wide

The framework focuses on three key areas: community investment, environmental stewardship and employee leadership and engagement.

Groupe Aeroplan's CSR mission is to act as a leader and catalyst for positive change by acting responsibly and by leveraging its commercial relationships and expertise.

The 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.

Here are the highlights of our guiding principles:

- 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.



CORPORATE OVERVIEW

Groupe Aeroplan Inc. is a leading international loyalty management corporation.



Groupe Aeroplan owns Aeroplan, Canada's premier loyalty program. Aeroplan's millions of members earn Aeroplan Miles with its growing network of over 70 world-class partners, representing more than 150 brands in the financial, retail, and travel sectors.



Groupe Aeroplan also owns Nectar, the United Kingdom's leading coalition loyalty program. More than 50 per cent of UK households collect Nectar points when shopping for groceries, booking a holiday, paying household bills, buying petrol and even eating out. Collectors also earn Nectar points every time they shop online via Nectar eStores at over 220 leading online retailers.



In the Gulf Region, Groupe Aeroplan operates Rewards Management Middle East, the operator of Air Miles programs in the United Arab Emirates, Qatar and Bahrain. Since its launch in 2001, more than 1.7 million members have enrolled from over 700,000 households in the UAE, Qatar and Bahrain. Members can collect Air Miles from over 120 market-leading companies including HSBC, Spinneys, Lamcy Plaza and Damas, plus many more.



Groupe Aeroplan also operates LMG Insight & Communication, a customer-driven insight and data analytics business offering worldwide services to retailers and their suppliers. LMG Insight & Communication's data analytics tool, Self Serve, allows companies to gain unparalleled insight into consumers' shopping trends from analysis of product and customer information to help them make strategic business decisions.

CARING EMPLOYEES

Groupe Aeroplan encourages employee engagement in community and environmental causes around the globe

Groupe Aeroplan values the leadership and commitment of its employees in support of humanitarian and environmental causes worldwide. We proudly support their engagement as volunteers, fundraisers and champions in their community.

As examples, in the UK, more than CAD\$16,000 was distributed from the Groupe Aeroplan Europe Charity Fund to support employees' fundraising activities to nine different charities involved in a variety of causes including homelessness, children's health, lifeboats and international development. Similar support has also been provided to volunteering employees in Canada and in the Middle East.

In Canada, during Tangerine Community Days, employees spent 1,400 hours of paid work time as volunteers in local charities focused on the environment and in helping families in need during the holiday season.

In addition, seven employees had an opportunity to participate in activities with Engineers Without Borders and Médecins Sans Frontières in locations across Canada and as far away as Zambia. These engagement trips give employees a chance to embark on an experience of a lifetime and to become ambassadors of the important projects Aeroplan's Beyond Miles partners are working on across the world.

"We are very fortunate to work for a great company like Aeroplan that encourages its employees to give back to our community. We spent a few hours helping a United Way agency in Toronto unpack and shelf packaged food items for families in need and I think that we made a significant difference on people's lives. I now realize how truly fortunate we are!"

Ben Lirangi
Manager, Retail Partner Management,
Aeroplan

"Bringing arts and entertainment to the community is highly rewarding. It means a great deal to me and the rest of the cast that Groupe Aeroplan have supported us. Without this kind of donation, Centre Stage London could not continue to do what they do best! We hope to continue for many years."

Lynsey Thomas
Sponsor Marketing Manager, Nectar

"I will never forget the stories and tears of the Médecins sans Frontières workers who gave tours around the simulated refugee camp in Calgary. The workers at MSF were very grateful for all that Aeroplan had offered them to make the refugee camp in the heart of the city the success that it was! Thanks again for the opportunity!"

Aaron Burnett
Customer Service, Aeroplan

"Twenty five employees were brave enough to abseil down the outside of our London office and the money raised went to Comic Relief, helping the most vulnerable people in society both in the UK and across the world. With the added comfort of Groupe Aeroplan employing a reputable company, along with checking my insurance cover, I couldn't resist the chance to help a charity and almost scare myself to death. The support from colleagues made it a fun experience, which I fully realized once at the foot of the wall. Thank you for the opportunity!"

Eve Essien
Training & Communications Marketing,
Nectar

"I've been working as a Volunteer with PAD (Pakistani Association Dubai) since 2006. They run a free of charge summer camp for children who cannot afford to pay for extra curricular activities (e.g. desert trips, writing classes) and it's something I love being part of – it's a chance to give something back to those less fortunate than myself."

Suhaib Khan
Business Support Executive, Air Miles Middle East

CARING FOR THE COMMUNITY

Groupe Aeroplan actively leverages the assets of its brands to enrich communities world-wide

Groupe Aeroplan favours engaged contributions that leverage each of its companies' strengths and plays an active role in the development of solutions to address real community needs around the world.

IN CANADA

Beyond Miles is Aeroplan's flagship community investment program. It enables members to donate Aeroplan Miles to seven outstanding not-for-profit organizations committed to improving lives and enriching communities at home and abroad, including our 2008 newest addition, War Child Canada. In 2008, more than 37 million miles were generously donated by Aeroplan Members and complemented by Aeroplan's corporate contribution of nearly 8 million miles. Furthermore, in 2008, Aeroplan announced that in keeping with its Green It Up environmental program, it would offset 100 per cent of all carbon emissions from flights taken by Beyond Miles partners using donated miles. Also, in April of 2009, we welcomed *Earth Day* Canada as a new Beyond Miles partner, providing Aeroplan Members with an opportunity to donate miles to an environmental organization.

In addition, Aeroplan's *Charitable Pooling program* allows members to use miles to support individuals, families or local grass roots charities in need. In 2008, members pooled more than 13 million Aeroplan Miles into over 70 active pooling accounts. Aeroplan contributed an additional 6 million miles to other humanitarian and community causes.

Below are examples of how the **Beyond Miles** partners used Aeroplan Miles in 2008:

WAR CHILD CANADA

The cornerstone of *War Child's* work is with children affected by conflict overseas. The new partnership with Aeroplan has already allowed War Child to undertake vital evaluation missions to Uganda, Ethiopia and Haiti in 2008. As a result of these missions, War Child will be expanding its operations in all three countries. Additionally, Aeroplan Miles have greatly expanded War Child's outreach to young people in Canada, with representatives visiting schools across the country to engage Canadians in the issues affecting children in conflict.

MÉDECINS SANS FRONTIÈRES

In 2008, *Médecins Sans Frontières* (MSF) used close to 15 million Aeroplan Miles to travel to more than a dozen countries including Sudan, Colombia and Haiti in support of the organization's efforts to save lives and alleviate suffering. Miles also supported MSF's Canadian awareness raising activities through Refugee Camp in the City. With a travelling exhibit in four Canadian cities, MSF field workers simulated the conditions experienced by 42 million people displaced by conflict around the world.

AIR CANADA KIDS' HORIZONS

In 2008, approximately 14 million Aeroplan Miles were donated to various pediatric hospitals throughout Canada and many of those miles helped transport children to hospitals to receive medical care not available in their local communities. The program also expanded with the addition of an international component allowing children to come to Canada to receive medical care. In addition, in celebration of its 5th anniversary, *Kids' Horizons* donated 5 million Aeroplan Miles to each of its six main partners: Children's Miracle Network, Breakfast Clubs of Canada, Starlight Starbright Foundation Canada, Street Kids International, Free the Children and Dreams Take Flight.

STEPHEN LEWIS FOUNDATION

In 2008, the *Stephen Lewis Foundation* (SLF) used over 12 million donated miles to book flights, hotels and cars, making it possible to allocate more funds directly to grassroots HIV/AIDS organizations. In addition to sending field representatives to visit projects in 15 countries, SLF used miles to bring the voices of African leaders to the forefront through the organization's first-ever roundtables on psychosocial counselling, orphan care and home-based health care, uniting projects from across Africa to share their learning and experience.

SCHOOLS WITHOUT BORDERS

Schools Without Borders took off in 2008 using more than 4 million donated Aeroplan Miles to fuel some of the most dynamic youth projects in the world: the development of a media arts studio in Brazil, initiatives for young women in Kenya, a basketball project in Swaziland, and sexual health training in Toronto. Aeroplan Miles facilitated the travel of talented community leaders to build global programs with peers half the world away.

ENGINEERS WITHOUT BORDERS

In 2008, Aeroplan Members contributed over 5 million Miles to *Engineers Without Borders* (EWB). Volunteers for EWB used miles to fly to Burkina Faso, Ghana, Malawi and Zambia in Africa, where they worked with local partners to improve water and sanitation services, agricultural livelihoods, and rural infrastructure. Because change starts at home, Aeroplan Miles have also been used to connect EWB's network of 33 chapters in Canada—from St. John's to Vancouver—to foster a new generation of Canadian engineers and leaders who are dedicated to building better opportunities for people around the world.

VETERINARIANS WITHOUT BORDERS

2008 was a very exciting year for *Veterinarians Without Borders* (VWB) as the organization expanded and developed new programs to help communities in need promote and maintain public and animal health. With more than 7 million Aeroplan Miles donated through the Beyond Miles program, VWB put Canadian expertise and resources to work in over 20 projects around the world. Among the projects supported in 2008 was a program to help smallholder farmers in rural Kenya raise healthier pigs, and a canine population control and disease prevention program in Guatemala.



IN THE UNITED KINGDOM

Through the ***Children in Our Community*** program, Nectar enables its members to donate points online to Action for Children, a leading children's charity that supports disadvantaged children across the country. In 2008, approximately 4.9 million points were donated to [Action for Children](#).

For every 250 points donated by members, Nectar contributes £1 to the Nectar Children in Our Community projects. Through this program, Nectar participates in two projects, More Than Words, which helps children with communication difficulties and disabilities, and Big Days Out which provides child care-givers the opportunity to be children again.

IN THE MIDDLE EAST

In 2008, Air Miles Middle East was a key sponsor of the [Dubai Elite Sporting Academy](#), donating the latest gym and sporting equipment. This program provides 240 children in the United Arab Emirates with a chance to become professional athletes through the development of their skills and knowledge, a mentorship program and ultimately a pathway for children to trial at professional outfits abroad.

Air Miles Middle East members can [donate their Air Miles](#) in support of the three following charities. During Ramadan and the month of December, Air Miles Middle East matched all donations.

ALL AS ONE

All As One is a children's charity based in Freetown, Sierra Leone, that was established in 1997 and provides a variety of facilities to orphaned and abandoned children including a school as well as a medical centre. Air Miles Middle East is the primary sponsor of this charity and in 2007, organized a Black Tie Gala Dinner which raised more than CAD\$40,000 with Sir Bob Geldof as a guest speaker.

MÉDECINS SANS FRONTIÈRES

Air Miles Middle East has been a strong supporter of [Médecins Sans Frontières](#) (MSF) and run a number of promotions to help raise awareness of the charity and the work they do. In 2008, Air Miles Middle East ran the Match your Miles promotion during September and December, which enabled members to donate Air Miles to MSF. Air Miles Middle East matched the miles donated and in total, more than 70,000 United Arab Emirates Dirhams was raised or nearly CAD\$25,000.

THE AL NOOR TRAINING CENTRE

The [Al Noor Training Centre](#) is a Dubai-based, government-run centre for children with special needs. The Centre offers children from a variety of backgrounds an educational facility that encourages them to interact with other children, develop their learning skills and provide medical assistance when required. Air Miles Middle East members can support this charity by donating Air Miles to this cause and in 2008, they raised more than 10,000 United Arab Emirates Dirhams or CAD\$3,500.

"The most rewarding part of [my trip to Zambia](#) with Engineers Without Borders was observing that change is happening! To know that the company I work for, an entire world away from Zambia, is engaging in a CSR program that promotes international development and global sustainability is a source of pride."

Carissa Vados
Customer Service, Aeroplan



CARING FOR THE ENVIRONMENT

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

Groupe Aeroplan is dedicated to being a carbon neutral footprint enterprise. In 2007, the company completed a first assessment of its carbon emissions from its Canadian operations and participated in the [Carbon Disclosure Project](#), an independent international effort that collects high quality carbon footprint information from corporations worldwide. In 2008, Groupe Aeroplan expanded its carbon inventory and disclosure to include global operations and to entirely offset emissions from business activities worldwide. In 2008, Groupe Aeroplan's total emissions were estimated to be at 2,984 metric tonnes of CO₂e.

The tracking of carbon emissions has created awareness amongst employees to reduce emissions related to business travel by increasing use of teleconference and other business-support technologies. This not only reduces emissions, but also reduces costs and creates better work/life balance possibilities.

Employees are also rewarded for choosing public transit to commute to work in Canada and encouraged to take advantage of a tax-free bike scheme in the UK. Groupe Aeroplan employees have instigated recycling and waste reduction programs in all workplaces and have adopted a "Do not Print" campaign encouraging email correspondents only to print when necessary.

All Groupe Aeroplan marketing teams are constantly looking for ways in which they can reduce paper communications through the use of e-communications, newest technologies and media. Nevertheless, in 2008 close to 50 million direct marketing pieces were produced but the majority were printed on eco-friendly paper. Aeroplan is also the first corporation worldwide to use the entirely compostable and biodegradable [Envirocard](#). Beginning next year, all new Aeroplan cards issued will use this eco-friendly technology.



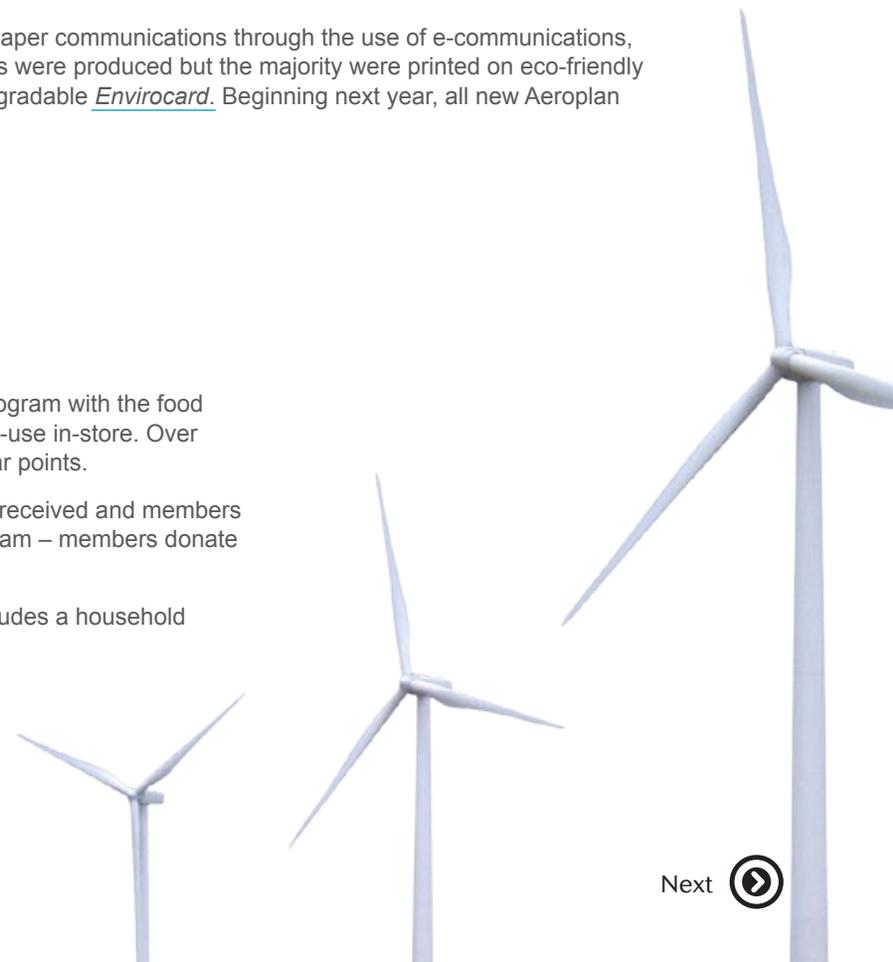
NECTAR'S GREEN CLUB

[Nectar Green Club](#) offers its members a variety of green ways to collect or spend points.

In an effort to help reduce our impact on the environment, Nectar launched a 'Points on Bags' program with the food retailing chain Sainsbury's in 2008, that enables members to receive 1 point for each bag they re-use in-store. Over 200 million bags have now been re-used and the customers credited with the equivalent in Nectar points.

2008 marked the first full year of mobile phone recycling: more than 11,000 mobile phones were received and members benefited by earning almost 25 million points. Air Miles Middle East also sponsors a similar program – members donate their phone to Envirophone and receive Air Miles in return.

Moreover, Nectar offers its members a selection of green products to exchange their points. It includes a household waste compactor, electronic items and even an assortment of trees.





AEROPLAN'S GREEN IT UP PROGRAM

In Canada, all internal and external environmental initiatives have been grouped under the Green It Up banner which was launched in 2007.

Green It Up includes the *Carbon Offset program* which allows Aeroplan Members to redeem Aeroplan Miles for carbon credits to offset flights and everyday activities. Aeroplan matches miles redeemed for carbon credits by 20 per cent and transfers the total sum to the Carbon Reduction Fund, an independent not-for-profit organization with the mission of funding only the highest quality offset projects.

On December 4, 2008, Aeroplan and its green coalition of partners: CIBC, American Express and Avis celebrated the first anniversary of Green It Up by matching all Aeroplan Miles redeemed by members for carbon credits by 50 per cent. On that day, Aeroplan Members from across Canada redeemed more than 3 million miles, which amounted to a total of approximately 10 million Aeroplan Miles when matched – equivalent to 3,856 tonnes of emissions or pulling 706 large cars off the road for one year. In 2008, Aeroplan and its members redeemed nearly 20 million miles for carbon credits for a total of close to 10,000 metric tonnes of CO₂e.

ECO-FRIENDLY REWARDS

Aeroplan also offers a wide-ranging roster of *eco-friendly rewards* through which members can redeem their miles. Our Eco-friendly Rewards offerings include green housewares, games, fashion and travel accessories and even electric scooters. In 2008, Aeroplan members redeemed over 34 million miles for nearly 2,000 eco-friendly rewards.



The Carbon Reduction Fund (CRF) is a not-for-profit project developer and provider of high quality carbon offsets to a select group of organizations taking concrete action on climate change. CRF offers Aeroplan and its members carbon credits purchased from a range of high-quality offset projects. In 2008, offsets were sourced from two Canadian projects, including a wind farm in Alberta and a landfill gas capture project in Ontario.

For more information on the Fund, please visit

www.carbonreductionfund.org



"Last summer, the Toronto office assisted in planting and cleaning up a natural reserve on the Toronto waterfront that's home to a wide range of birds and other wildlife and is a unique urban wilderness in the heart of the city. I'm thrilled to belong to a company that not only donates back to green initiatives but encourages employees to participate and help reduce our collective impact on the environment."

Chris Bryson

Assistant Manager, AMEX Partnership, Aeroplan

working for change
across
the world

Be kind to the environment.
Print only when necessary.