

POSITIVE CHANGE THROUGH THE POWER OF PARTNERSHIPS

CORPORATE SOCIAL RESPONSIBILITY
2009 ANNUAL REPORT





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IN 2009 CSR AT GROUPE AEROPLAN GAINED MOMENTUM

Corporate Social Responsibility (CSR) is a vital aspect of our business; it is part of Groupe Aeroplan's DNA. We have a deep commitment to ethical practices and giving back to the communities where we do business, both on the environmental and humanitarian fronts. Our goal is to show strong support and leadership throughout all of our affiliates worldwide.

In 2009, with our first Carbon Disclosure Project report measuring our worldwide footprint, and the inaugural trip of the Change Action Team involving employees from our affiliates, we made important strides towards taking our Corporate Social Responsibility framework global.

Our framework focuses on three key pillars: environmental stewardship, community investment and employee engagement. The present report provides an overview of our various initiatives that supported these pillars in 2009.

You will read about our ongoing commitment to environmental stewardship through transparent reporting and innovative programs. There are also

accounts of our community investment programs which continue to grow and truly reflect our sincere interest in supporting and encouraging participation in efforts to help those most in need. In addition, you will read inspiring quotes from our employees around the world regarding their engagement and commitment to CSR.

Looking forward, we anticipate many opportunities to harness the momentum our CSR programs have come to achieve during the last year. As such, 2009 has provided a great foundation to build upon and bring our CSR philosophy to all our business units and employees across the globe.

Our Board of Directors has continued to be very supportive, as have our employees, our program members and our commercial partners. We would like to thank them for helping us forge this important part of who we are: a business determined to contribute in a meaningful way.

Rupert Duchesne
President and Chief Executive Officer

THE FIRST GROUPE AEROPLAN CHANGE ACTION TEAM

In order to further foster employee engagement and leadership, Groupe Aeroplan has created the Change Action Team. Modelled on the successful Aeroplan Canada employee engagement trips, the Change Action Team brings together employees from around the world to participate in an annual trip organized by one of Groupe Aeroplan's business units and one of their respective non-for-profit partner organizations.

2009 marked the first time Groupe Aeroplan organized a company-wide employee engagement trip with participation from all business units, and their subsequent embarkation on an international learning experience.

The Change Action Team experience offers the opportunity to share perspectives and facilitate a deeper understanding of Groupe Aeroplan's commitment to CSR both from an environmental and humanitarian perspective. Participating employees play dual roles as ambassadors, representing Groupe Aeroplan in an external capacity while on the trip and sharing their experiences with fellow employees upon their return. Participants are chosen based on a 500 word essay describing their connection to the project and why they would make an ideal candidate.

Led by Aeroplan Canada's Beyond Miles program, the 2009 Change Action Team was composed of six Groupe Aeroplan employees – three employees from Aeroplan Canada, two from Groupe Aeroplan UK and one employee from Air Miles Middle East. It was a 10 day visit to Addis Ababa in Ethiopia, with War Child Canada, to learn about their development programs working with youth affected by HIV/AIDS.



"Having the Groupe Aeroplan employees visit our program in Ethiopia was very special for us. It is not often that we are able to show partners the real difference their support is making, especially a partner like Aeroplan who provides such a significant and important support to War Child in delivering successful programming."

[Gabrielle Duchesne,](#)
[War Child Canada](#)

Change Action Team

From left to right - David Lowrie, Jenn Donville, Shaun Hatrick, Terri Celli, Gabrielle Duchesne, Lucy Hunter, Ahmed Ismail and Christopher Bryson



"Not only was I impressed by the depth of the program in terms of the organizations it supports and the contributions that the company makes to those entities, but I was also proud to know that I work for a company that is considered a leader and innovator in Corporate Social Responsibility programs. It became clear very quickly to me that it is much more than a program of handouts or donations."

[Christopher Bryson,](#)
[Aeroplan Canada](#)

To see a short video made on site by one of the employees please [click here](#).

Plans for 2010

In 2010, the Groupe Aeroplan Change Action Team experience will have an environmental focus, and be organized in conjunction with Groupe Aeroplan's new environmental partner, Offsetters.

POSITIVE CHANGE THROUGH THE POWER OF PARTNERSHIPS

In 2009 Groupe Aeroplan further deepened the commitment to its CSR framework

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

We have communicated our CSR mission to act as a leader and catalyst for positive change through responsible actions and by leveraging our expertise and commercial partnerships. In addition, we listened to the feedback from our employees and the leadership teams at each of the affiliated businesses. Together, we are now ready to begin a detailed plan for CSR at the global level.

We continue to integrate the best CSR practices across the company and confirm our commitment to conduct business ethically, sustainably and respectfully. We behave responsibly while encouraging action and positive change amongst our stakeholders.

The following 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 global leader in loyalty management.

Groupe Aeroplan owns Aeroplan, Canada's premier coalition loyalty program. Aeroplan's millions of members earn Aeroplan Miles with its growing network of over 75 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.com at over 400 leading online retailers.



In the Gulf Region, Groupe Aeroplan holds a 60% interest in the Air Miles Middle East 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 operates LMG Insight & Communication, a customer-driven insight and data analytics business offering international 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.



Groupe Aeroplan owns Carlson Marketing, an international loyalty marketing services, engagement and events provider headquartered in the U.S.

GROUPE AEROPLAN AND THE COMMUNITY

Groupe Aeroplan actively leverages the assets of its brands to enrich and improve lives in communities world wide

In 2009, Groupe Aeroplan's Community Investment programs have continued to help those most at risk by working with local organizations to support the communities where it does business. Groupe Aeroplan leverages its strengths and assets to help develop solutions and realize positive change, both on the environmental and humanitarian fronts.

IN CANADA



Launched in May 2006, Beyond Miles continues to be the most eloquent expression of CSR at Groupe Aeroplan to date. Aeroplan donates Aeroplan Miles to each of its Beyond Miles partners and invites its members to support one of these eight Canadian organizations that provide meaningful contributions, through the sharing of professional expertise, education and volunteerism both at home and abroad. In 2009, Aeroplan Members donated 34 Million Aeroplan Miles to these organizations. All travel with donated miles was fully offset by Aeroplan as a way of showing both environmental responsibility and support for the ethical dilemma faced by these fine organizations:



Earth Day Canada
Providing Canadians with the environmental education and tools they need to make them leaders in reducing their impact on the environment.



Kids' Horizons
Improving the quality of life for young children and their families.



Veterinarians Without Borders
Fostering the health of animals, people and the environments that sustain us.



Engineers Without Borders
Helping those who desperately need clean water, sustainable energy and food conservation techniques.



Médecins Sans Frontières
Providing universal medical relief for people in world crises.



Schools Without Borders
Fueling the most dynamic youth-led projects in the world.



War Child Canada
Providing urgently needed humanitarian assistance to war-affected children around the world.



Stephen Lewis Foundation
Easing the pain of HIV/AIDS in Africa.



Charitable Pooling Program

Launched at the same time as the Beyond Miles program, the Charitable Pooling program allows Aeroplan Members to donate their miles towards a charitable initiative "in their own backyard", such as their local Boys and Girls Club, a local arts fair or music festival, environmental projects, school or hospital equipment funds, 4H clubs or anything the community wants to support. Donations of miles are pooled into one account and administered locally by volunteers. To date, Aeroplan has over 350 pooling accounts from all over Canada. In 2009, 14.8 million miles were donated by Aeroplan Members to charitable pooling accounts; 79 new accounts were opened.



Employee Engagement

Each year, Aeroplan offers employees a chance to apply for an opportunity to travel with one of its Beyond Miles partners to observe and learn about their important work. In 2009, selected employees went to Guatemala with Veterinarians Without Borders - Canada, to Nairobi and Kenya with Schools Without Borders - Canada and to South Africa and Uganda with the Stephen Lewis Foundation.

"It is amazing to see in person just what Aeroplan Miles can do. This same currency that I have the luxury of using for vacations, Beyond Mile beneficiaries depend on to bring their workforce to projects where they are desperately needed. And these beneficiaries are so thankful – evident from the meals they brought us. If they can give up their dinners to show us their appreciation, what is it for us to donate a few miles?"

Jennifer Dunn
Marketing Coordinator, Arrival Magazine
Aeroplan Montreal

"Being a part of the Aeroplan community has given us the chance of a lifetime to visit Uganda and South Africa with our partner, the Stephen Lewis Foundation; an experience one could only dream of having, made real by the employee engagement program we have in place here. There is on-the-job learning, and then there is "get-out-into-the-world-learning", both approaches whole-heartedly supported by Aeroplan."

Francine Sternthal
Manager, Non-Air Rewards
Aeroplan Montreal

GROUPE AEROPLAN LONDON



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 2009, approximately 5.2 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 2009, more than £20,500 were donated.

GROUPE AEROPLAN DUBAI



Throughout 2009, members donated 5 million Air Miles to charity as redemptions.

The most popular charity continues to be Médecins Sans Frontières (MSF), with over 3 million Air Miles being donated to them alone.

In March 2009, Air Miles ME also added the Safe & Sound Breast Cancer Charity to its portfolio and already over 350,000 Air Miles have been donated.



There is continued support for the Elite Sporting Academy, a local initiative giving children within the region the opportunity to be taught Football, Rugby and Cricket by some of the very best.



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.



working for change
across
the world

GROUPE AEROPLAN AND THE ENVIRONMENT

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

Groupe Aeroplan has continued its commitment to offset 100 per cent of our global carbon footprint as measured through the participation in the Carbon Disclosure Project, for which the Corporation received a 'Best Practice' nomination. Groupe Aeroplan was also a signatory of the Copenhagen Communiqué on climate change, and we participated in the May Day Summit led by the Prince of Wales in the UK.

In 2008, Groupe Aeroplan's global corporate emissions were 2,985 metric tonnes as published in the Carbon Disclosure Project report. For 2009, the emissions of Groupe Aeroplan's total operations are estimated to be at a similar level. The 2009 CDP report will be released for the end of May.

During 2009, all carbon offsets were provided to Groupe Aeroplan by the Carbon Reduction Fund. At the end of 2009, Groupe Aeroplan signed a new partnership with the offset provider Offsetters, the first official supplier of Carbon Offsets to the Olympic Games and the Official Carbon Offset provider to the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC). Offsetters will provide high quality carbon offsets for Groupe Aeroplan's total global carbon footprint and for member-driven programs and initiatives such as Aeroplan Canada's offset program.

Finally, all Marketing teams within Groupe Aeroplan are looking at ways to reduce paper communication through the use of e-communications and the latest technologies.

IN CANADA



In 2009, Aeroplan Members redeemed 7.5 million miles for carbon offsets, more than 3,700 metric tonnes of CO₂E, or 715 medium cars off the road for a year. Aeroplan matched all those contributions to the Carbon Reduction Fund by 20 per cent, equaling 1.5 million miles, for a combined total of 9 million miles in offsets for the year. In 2009, the total of carbon offsets went towards a wind farm in Alberta, supported through our partner at the time, the Carbon Reduction Fund.

In April 2009, Earth Day Canada became a partner in the online donation program, Beyond Miles. Aeroplan launched the partnership with a donation of 1,250,000 Aeroplan Miles. Earth Day Canada provides Canadians with the practical knowledge and tools to lessen our impact on the environment and encourages participation by empowering people to achieve local solutions that support a healthier environment.

To celebrate Earth Day on April 22, and World Car-free Day on September 22, Aeroplan matched all miles redeemed for carbon offset credits by 25 per cent, instead of the regular 20 per cent.

In addition, Aeroplan partnered with the Tour de Greenbelt, a bicycle tour of the Greenbelt in Southern Ontario. The Ontario Greenbelt is the largest and most diverse in the world covering 1.8 million acres that surround the 'Golden Horseshoe' urban area which is the most populated in Canada.

Aeroplan also announced a number of initiatives to help members turn their miles green such as the introduction of carbon offsets for car rental redemptions on aeroplan.com as well as the opportunity to redeem miles for Toronto transit passes, complementing Aeroplan's portfolio of over 30 eco-friendly rewards.

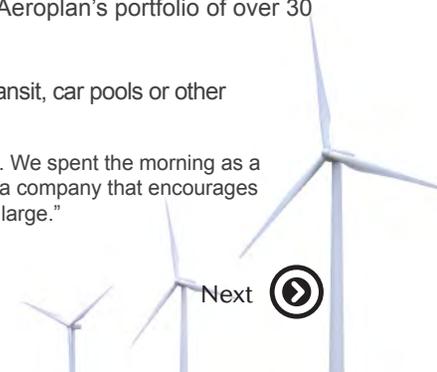
Finally, Aeroplan continues to reward its employees with Aeroplan Miles for every month they commute using public transit, car pools or other environmentally friendly ways of getting to the offices.

"On Earth Day, the Toronto office was given the opportunity to clean up garbage and plant trees off the water shed along Black Creek. We spent the morning as a team working in a collaborated effort to do our part in assisting both the environment and the local community. I am proud to work for a company that encourages and provides its employees with the opportunity, time and support to participate in local activities that assist the greater community at large."

Sara Riftin
Assistant Partner Manager,
Aeroplan, Toronto



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GROUPE AEROPLAN LONDON



Nectar Green Club offers its members a variety of green ways to collect or spend points.

In 2009, the 'Points on bags' program in partnership with Sainsbury's food retail stores continued. 150 million bags were reused and customers credited with the equivalent Nectar Points. This number of new bags has gone down from 200 million in 2008, which shows a good trend in education of customers.

The recycling of mobile phones also continued in 2009; 11,501 mobile phones were received, with members receiving more than 17 million points.

GROUPE AEROPLAN DUBAI

Air Miles Middle East works closely with Envirophone, a local initiative where members can donate their old and broken mobile phones, and in return receive Air Miles as an incentive. The initiative launched in 2009 and continues to be popular.

GROUPE AEROPLAN EMPLOYEE CSR INITIATIVES

Groupe Aeroplan employees around the world are highly engaged in a number of CSR initiatives:



UK

"At the half way point from London to Brighton we needed liquid refreshment to help us make it up the gruelling steep hill before the descent into Brighton! We raised over £900 for the British Heart Foundation through donations we received from doing this bicycle ride and the support from LMG was fantastic!"

[David Lowrie](#)

[Senior Analyst, Insight and Communication](#)



Canada

"Movember is an annual event that raises both money and awareness for Prostate Cancer Research by having the men who participate pledge to grow a moustache for the entire month of November in return for charitable donations. The experience has been a resounding success for Movember and its Aeroplan participants – raising well over \$25,000 over the past two years, as well as forging great new friendships and adding a hearty touch of levity and brightness to an otherwise gloomy month. From the start, Aeroplan has been a strong supporter of our Movember efforts, matching all internal donations dollar for dollar, as well as proceeds from various events such as raffles and bake sales. Thank you Aeroplan, and thank you to all the men and women who participated in the event, helping to make it the grand and fun success that it has become in such a short time."

[Shannon Cleary](#)

[Coordinator, eBusiness](#)



Canada

"For Earth day a group of us all went to pick up garbage on the beaches of Vancouver. While walking along the beach on a clear cold day I thought how lucky I am. First to work for the kind of company that encourages people to get out and give back to their city. Secondly to live in such a wonderful city and thirdly to have to search for garbage to pick up, it was so clean. It was a wonderful day."

[Kellay Hamelin](#)

[Manager, Employee Performance](#)



Dubai

Air Miles staff at the Annual Iftar Party in September last year – Iftar is a Muslim celebration during the month of Ramadan when the fast is broken each evening. Ramadan is traditionally a time of giving, so we donated over AED 150,000 worth of prizes to the charity partner staff that attended the event.

From left to right, the people are:

[Ahmed Ismail](#), [Sanju Renjit](#), [Shasnika DeMel](#), [Deepika Kushalani](#), [Ashraf Talsam](#), [Ziyana Haris](#), [Shakila Manawadu](#) and [Melissa Thattil](#).



UK

"Last September I swam 1,500 metres, cycled 40k and then ran 10k to raise money for the NSPCC – a support charity for stopping abuse to children. £1,130 was raised through generous donations from friends, colleagues and Groupe Aeroplan itself."

[Thomas Thomaidis](#)

[Solutions Development Director, Insight and Communication](#)