



# Corporate Social Responsibility...

**“Building the Private Sector  
into the Agenda”**



23<sup>rd</sup> May 2011

# Charity & Community Strategy...

## ➤ Agenda

- Thomas Cook Business Overview
- Thomas Cook's Heritage
- Background & Current Activity
- Developing a CSR Strategy
- The CSR Journey... "where to start?"
- Building the Programme.... "progress so far !"
- Private Sector Engagement Options



# Thomas Cook Group , FY10...

- A leading global travel group: travel agent and tour operator
- Strong portfolio of brands
- No 1 or 2 in our core markets
- Flexible, asset light business model
- Industry leading margins

Revenue	£8.9b
EBIT (margin) <sup>1</sup>	£391m (4.4%)
Source markets	21
Passengers	22.5m
Retail outlets	c. 3,500
Online bookings	23%
Aircraft	93
Employees	31,000
Shareholder structure	100% Free float

<sup>1</sup>: Adjusted underlying EBIT, stated before all separately disclosed items & after adjusting for management's estimate of the margin impact of the volcanic ash disruption.



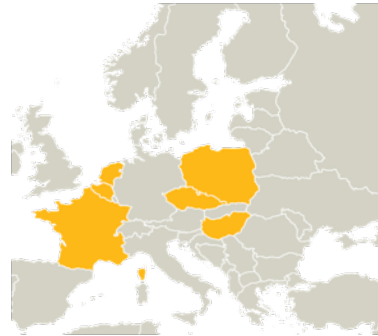
# Thomas Cook Current Source Markets...

## UK & Ireland



7.6 million passengers<sup>1</sup>  
1,016 retail stores<sup>2</sup>  
43 aircraft

## West/East Europe



3.3 million passengers  
1,102 retail stores  
6 aircraft

## Central Europe



3.7 million passengers  
1,254 retail stores

## Northern Europe



1.5 million passengers  
18 retail stores  
11 aircraft

## North America



1.1 million passengers  
52 retail stores

## Airlines Germany



5.9 million passengers  
34 aircraft

## Emerging markets



India & Egypt Jan '09  
Russia Nov '10

1: Includes 1.1 million passengers and 2: 220 retail outlets in India and Egypt



# Charity & Community Heritage ...

## ➤ Charity & Community Relations... *“Picking up on our heritage”*

- Thomas Cook, a philanthropist, believed that everyone would become better educated through travel
- Built his business on the principles of positive social interaction
- As far back as 1841 Thomas Cook was actively engaged in charity and community relations and was passionate about making a difference
- Today, as a business we have lost our way on the CSR front and have forgotten our founders guiding principles
- Across the Group we have ‘pockets’ CR activity
- In over 30 years of being based in Peterborough we have done very little to integrate into the community

***“I was appointed in January to put things right ! and build a comprehensive CR programme in the main communities we operate in”***



# Charity & Community Strategy

## ➤ Background & Current Activity... “*Pioneering Our Future*”

### ➤ Mergers and Acquisitions Impacts:

- Global expansion
- More destinations
- Increase in products & services

### ➤ Working in our Communities:

- UK Main Sites: Peterborough, Manchester, Bradford, Preston
- Overseas Projects: Gambia, Cyprus, Turkey, Caribbean Islands, India, Mexico

### ➤ External Engagements....Examples:

- ABTA, International Centre for Responsible Tourism, The Travel Foundation, ECPAT, Born Free & The Carbon Disclosure Project

### ➤ The Five Key Elements in our Community Relations & Charity Strategy:

- Customers
- Employees
- Environment
- Brand
- Home & Destination Communities Projects



# Developing a CSR Strategy...

## ➤ Four Key Areas of Engagement...

Thomas Cook identified 4 main areas that would form the basis of its Community Relations & Charity strategy and consists of:

- **Education & Industry:** Given the current economic climate and Government cuts there are number of areas and opportunities that could be developed
- **Employee Volunteering:** Create an environment that encourages employees to engage more within their local communities and support activities that will benefit the area or population
- **Corporate Community Engagement:** Company representation and involvement in the community and business groups is a way of gathering information and influencing government and regional enterprise
- **Charity & Cause Related Marketing:** Given the current economic climate expectations from charities for sponsorship and giving will increase.



# The CSR Journey...where to start?...

## ➤ The Challenges...

- Understood CSR principles but little or no experience
- Required to develop/implement a template for a local CSR programme in each community
- No real understanding of how the Public Sector works, its structure and who to speak to
- Poor knowledge of the issues (social, economic or financial) that Peterborough as a city faced

## ➤ The Solution...

- Researched Peterborough media, online and developed list of possible contacts
- Identified the Greater Peterborough Partnership as a source of information and contacts
- Built up target list of Public and Private organisation to contact/visit
- Developing a plan which includes a range of projects and activities
- Integrate Thomas Cook and its employees and contribute to the city and its ambitions.



# Building the Programme... progress so far!

## ➤ **GPP Private Sector Forum:**

A unique programme to engage the Private sector. Main aims are to:

- Secure the commitment of the largest 15 employers in the City to work together
- Identify the key issues/areas where we can make a difference
- Work with the key Public/Social Enterprise bodies to facilitate the projects/activities.

## ➤ **Hosted Seminar:**

On the 7<sup>th</sup> April Thomas Cook and the GPP invited 15 companies to participate in a seminar to discuss cooperation and identify what the key barriers that were stopping their CSR activity.

## ➤ **Three Key Areas of Engagement:**

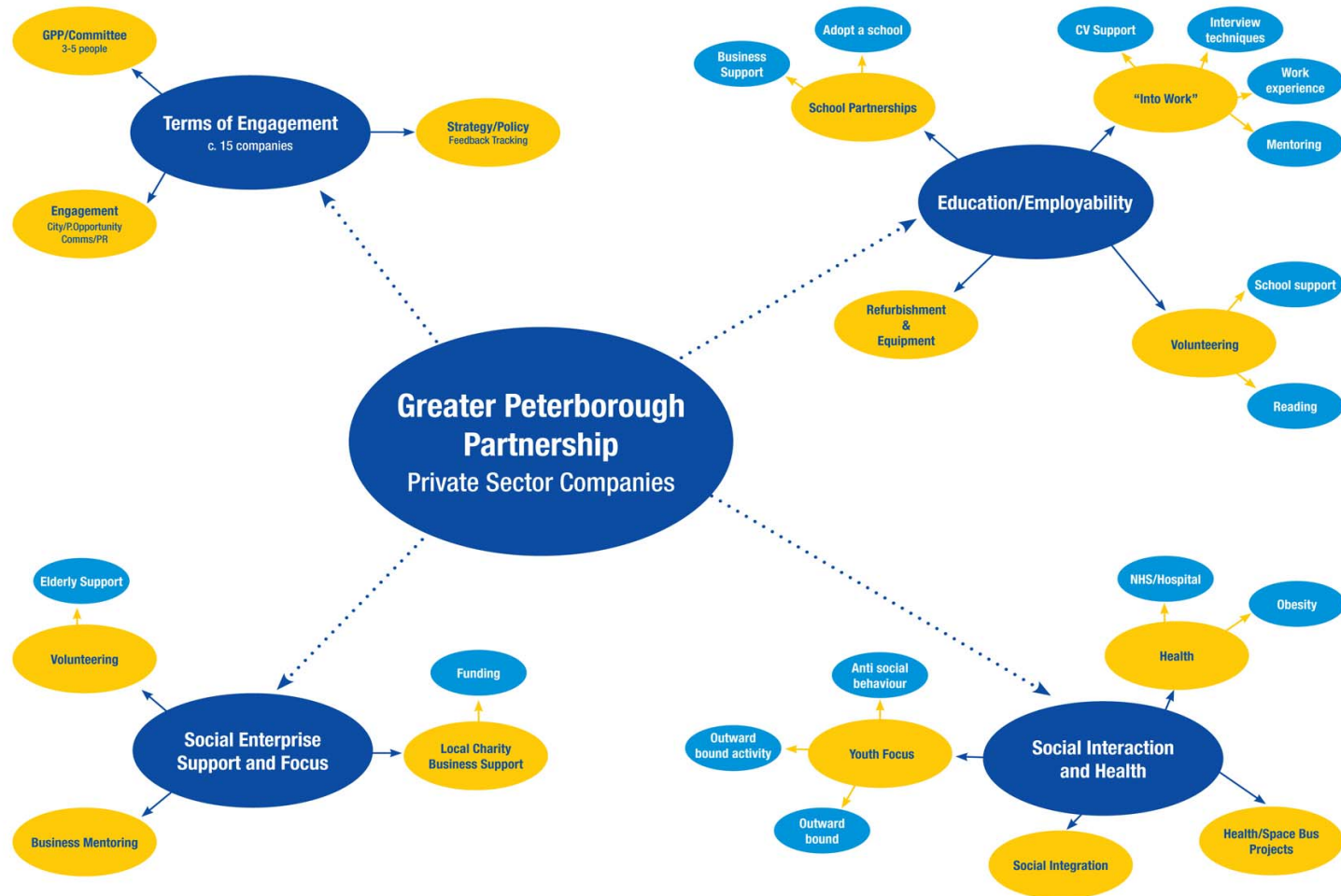
In association with the GPP we have identified 3 main areas that would form the basis of our initial focus:

- **Education & Employability**
- **Social Interaction & Health**
- **Social Enterprise Support**



# Building the Programme...progress so far!

## The GPP Private Sector Project – Proposed Programme



# Private Sector Engagement Options ...

## ➤ How You Can Get Involved:

### ➤ **Greater Peterborough Partnership:**

Consider involvement in the GPP private sector programmes.

### ➤ **Staff Volunteering:**

Allow your staff to participate in City based volunteering projects.

### ➤ **Local Support:**

Consider 'pro bono work', volunteering, donation options to support Social Enterprise & Charities.

### ➤ **Education:**

Support education suppliers and create work experience programmes.

### ➤ **Health & Environment:**

Act as a champion in the City. Encourage your staff & their families to participate in health and wellbeing initiatives.

### ➤ **Opportunity Peterborough:**

Involvement in OP activity and encourage your senior management to play a proactive part in promoting the City.

