



Corporate Shares, Community Profits

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Agenda

- A few thoughts on corporate social responsibility
- Where employees fit in
- The community relations role
- Challenges going forward



First, a word on Whitbread...

- *The Leisure business-Hotels, Restaurants, Leisure Clubs*
- 2,000 outlets in UK, continental European expansion
- 65,000 employees
- UK Leader in corporate responsibility for 25 years



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What is CSR?

- Behaviour & Conduct
- Impact on Society
- Accountability & Transparency
- Stakeholder Engagement
- Reputation & Risk Management
- 'good business'



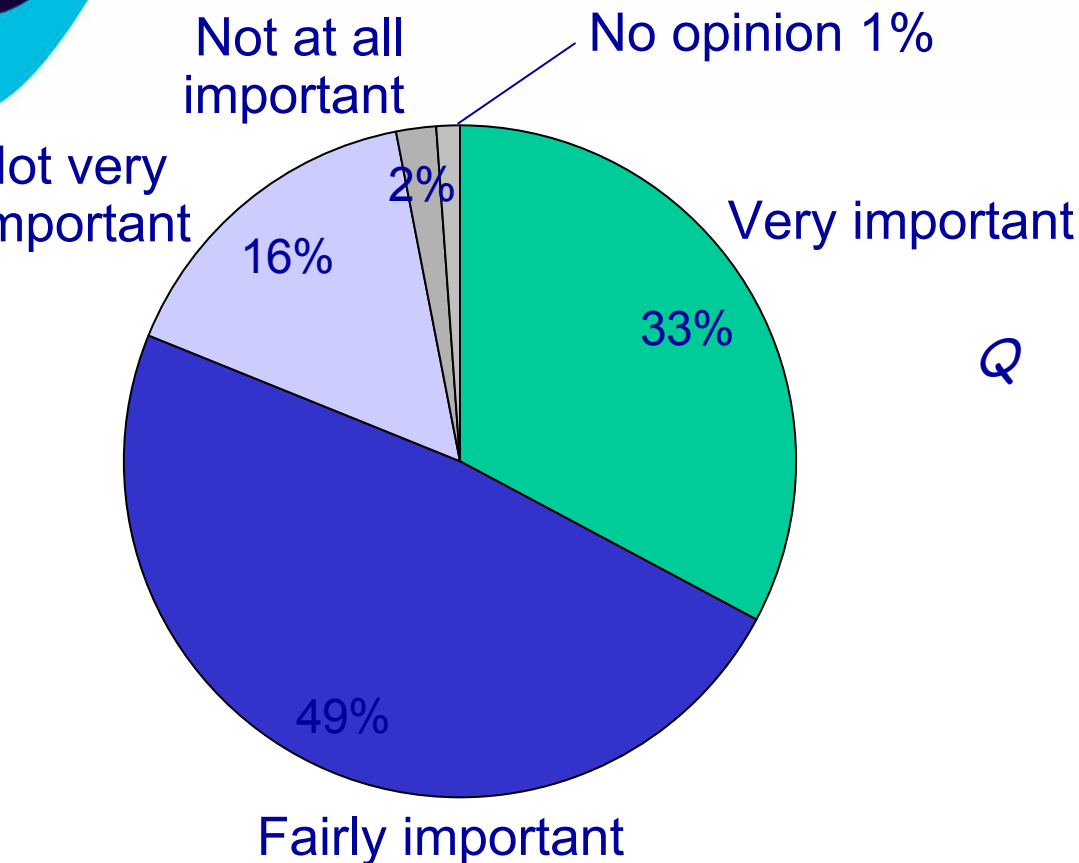
What's driving it?

- UK Minister for Corporate Social Responsibility
- France - compulsory CSR reporting
- Company Law Review.. disclosure
- Changes to Pension Fund legislation
- European Commission Green Paper on CSR

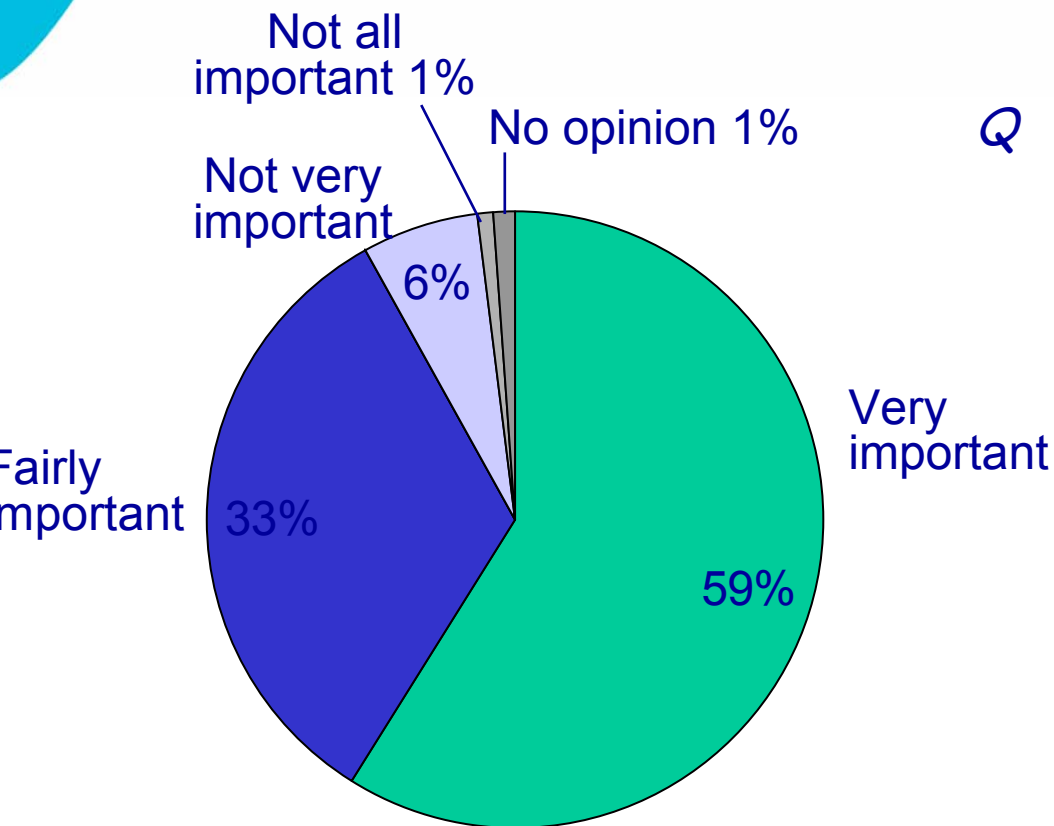


The business benefits

- Enhanced corporate reputation
- Stronger community impact
- Influencing public policy - issues leadership
- Customer / stakeholder loyalty
- Local community endorsement - 'a licence to operate'
- Winning the war for talent



Q *When forming an opinion about a particular company or organisation, how important is it to you to know about their activities in society and the community?*

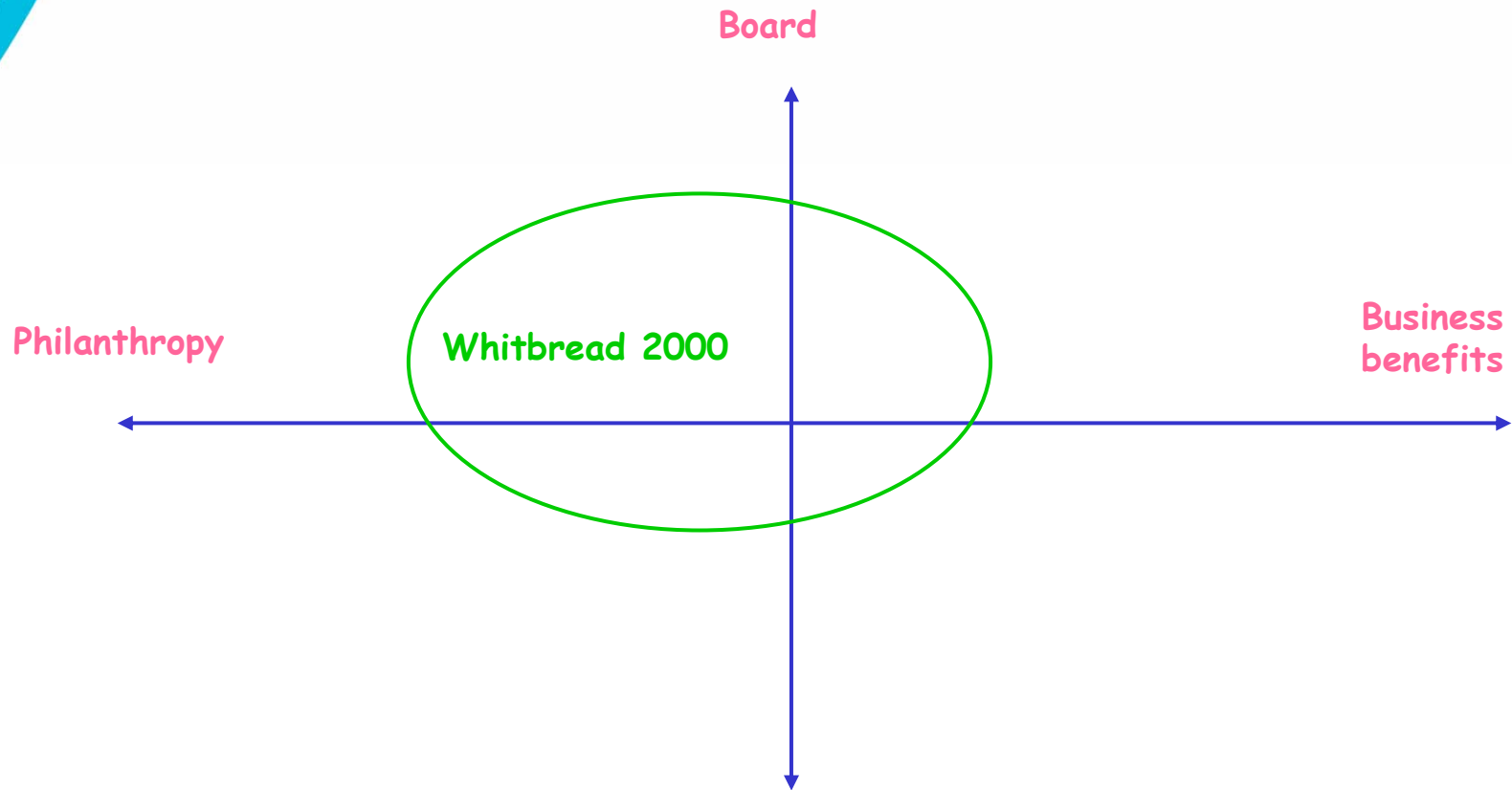


Q *Thinking about the organisation that you work for, how important is it to you that your own employer is responsible to society and the environment?*

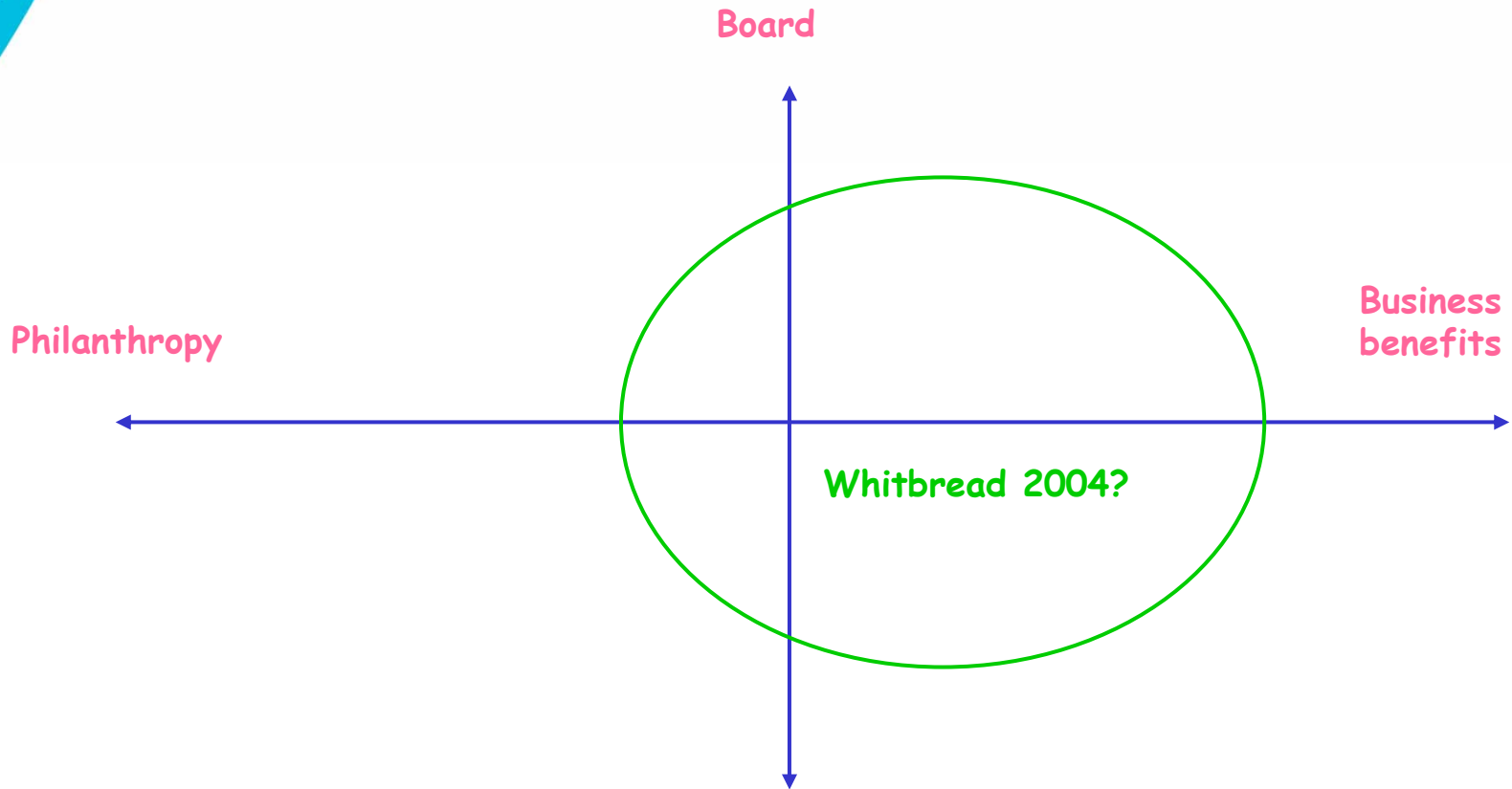


Imperatives/attributes

- Driven by/closely linked to business need and priorities
- Achieve measurable impact
- Fewer projects, more focused, longer term
- Combine money, people and resources to achieve more
- Potential for leveraging additional resources
- Have strong and consistent communication
- Close alignment & alliance with public affairs/communications, and Brand marketing/operations/HR



Corporate Responsibility



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For example

- PWC/Accenture pro bono accounting and legal vols
- Pearsons - literacy support
- Johnson & Johnson -community health care
- BskyB - young people and communication
- AOL - internet safety
- Diageo - the social impact of alcohol
- Nokia - technology in education
- RBS - financial literacy



- Programmes which are:
 - Focused/business-aligned
 - Measured in same way as rest of business
 - Embedded/integrated
 - Communicated fully
- Community relations person positioned in the role of:
 - Service provider/Problem solver/"Accessible expert"/Value-adder/Ethical adviser/Educator



Whitbread Restaurants and Comic Relief... 34,000 staff, 6 brands, 1600 restaurants...4-week campaign using staff fundraising, product sales, customer donations

Objectives:

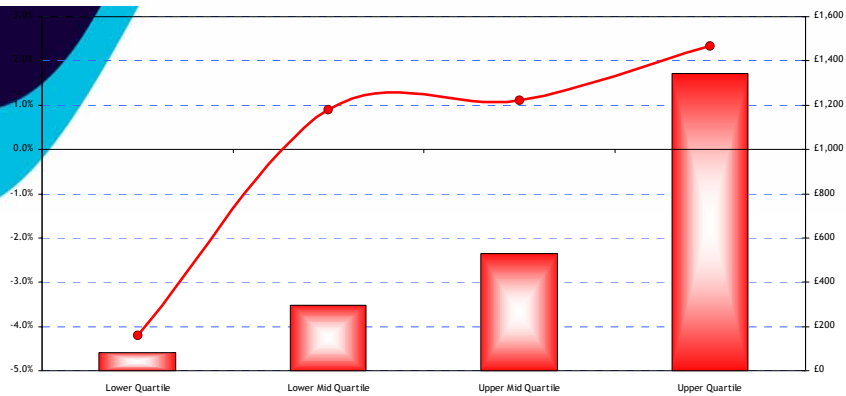
- Unite all brands for the first time
- Engage employees at all levels
- Raise \$1 million
- Boost staff team morale/increase retention
- Increase like-for-like sales
- Achieve strong PR, particularly locally
- Raise customer awareness of brands as good corporate citizens
- Have fun!

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FUND RAISING VS LFL SALES

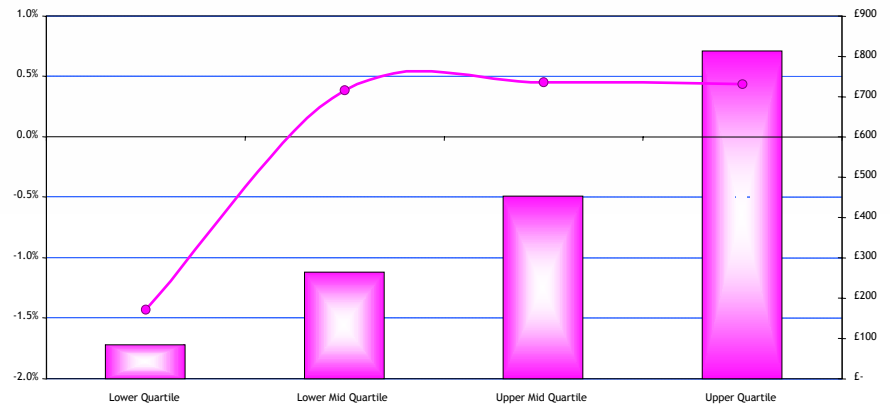
Brewers Fayre Donation Curve

Sales Growth Var to L4L by Quartile : Brewers Fayre



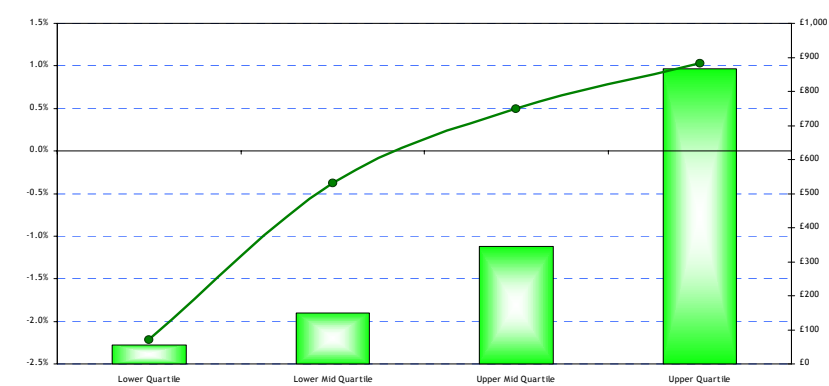
Brewsters Donation Curve

Sales Growth Var to L4L by Quartile : Brewsters



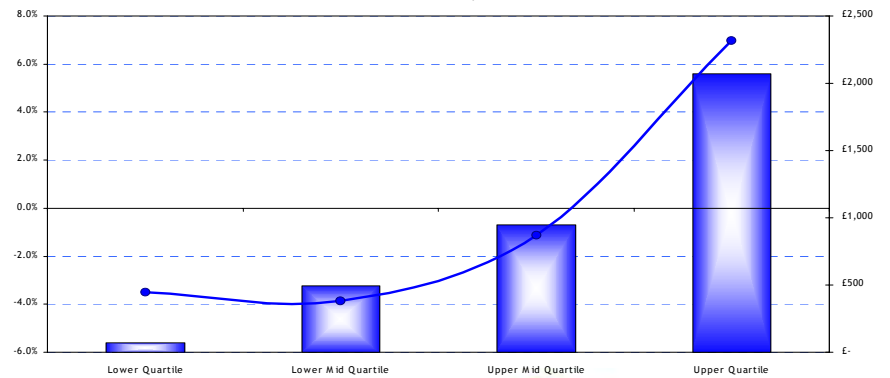
Beefeater Donation Curve

Sales Growth Var to L4L by Quartile : Beefeater



TGI's Donation Curve

Sales Growth Var to L4L by Quartile : TGI's



PR AND ADVERTISING BENEFITS

- 349 pieces of coverage
- 36.4 million circulation
- 76.3 million outreach
- 266k advertising value
- 446k value including voucher editorials
- 665k total PR value
- +84% press cuttings Mar-May 03 vs. 02

* Data provided by Company Care and Leedex



Challenges

- Making it mainstream
- Getting support/resource/budget
- Overcoming resistance
- Moving from short-term/one-off
- Giving employees ownership
- Improving relationships with non-profits



- Favour the Faithful
- Consolidate the Converts
- Activate the Agnostics
- Argue with the Atheists, and remember.....
- PERSISTENCE PAYS OFF