# Ethics
## and Business Behavior

# We live...

"An organization can only celebrate success if its achievements have been gained ethically. Behaving with integrity and honesty therefore sits at the heart of everything we do.

To keep it that way, our Ethics and Compliance program is our guiding light. It governs how we behave, and what we do and don't do. This mission is further enhanced by requiring our supply chain partners to join us.

Therefore, if suppliers wish to do business with us, we ask that they also subscribe to the same standards that we do."

**Lauren Aste**
Chief Legal Officer

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# We live...

## ...to uphold strong standards of ethics and integrity

**World-class businesses are founded on the highest standards of ethical conduct. We have created a culture that promotes trust and nurtures relationships by focusing on transparency and honesty.**

Conducting business in the right way is the clear focus of our Ethics and Compliance program and the reason we are fully aligned to internationally-recognized standards. Key priorities of the program include business ethics and compliance, responsible purchasing, data privacy and information security. Our process starts with implementing ethical business conduct through a robust governance structure – supported by dedicated policies and training.

Communication is pivotal to the success of the program. We continue to raise awareness, remind and educate our employees and suppliers on the subjects of ethics and integrity, and encourage anyone who feels something isn't right to speak up so that we can take action.

### Ethics and compliance governance
Ethics and compliance are driven from the highest levels of the company. Our CEO and other key members of the Executive Leadership Team sit on the Compliance Committee. In turn, they have the support of a team of lawyers and professionals who oversee the day-to-day management of the Ethics and Compliance program under the leadership of the Chief Compliance Officer. The Global Compliance team is responsible for deploying and updating policies and procedures and promoting and ensuring compliance with our Code of Business Ethics and Conduct.

### Code of Business Ethics and Conduct
Our Code of Business Ethics and Conduct ('the Code') defines how we act and behave every day. It is the foundation of all CWT compliance policies and encourages our people to help address any ethical dilemmas they may encounter. Fundamentally, it helps us maintain the trust we have built with our employees, clients and suppliers.

The Code outlines the ethical standards we expect of our teams and contractors wherever we do business. This is reinforced through annual awareness training on topics such as anti-bribery, anti-corruption, non-retaliation, gifts and entertainment. As part of the training, every employee must read and understand all aspects of the Code to ensure they are acting in line with our business ethics and our strong stance on human rights.

The Code outlines how we comply with applicable laws, treaties and regulations relevant to business conduct. It also includes guidance around workplace behavior and reinforces our values and principles clearly and comprehensively. It applies to every individual and contractor who works for, or represents us, worldwide. Every new joiner must read the Code and agree they will abide by it. For suppliers, we have a dedicated Responsible Supplier Code which serves a similar function.

The Code, last refreshed in 2018, can be downloaded on our **corporate website**. To raise visibility and encourage employees to get to know the Code better, an internal awareness campaign took place in 2020 (see 'Training on the Code of Business Ethics and Conduct' on the for more information).

### Compliance Policy Manual
Our Compliance program is designed to detect and prevent violations of the law, respond to potential issues and proactively deter problematic behaviors and actions. To help everyone understand what is required and keep up to speed, our Compliance Policy Manual distills our policies into a single, easy-to-use publication. This empowers our people to make smart, informed decisions and be accountable for their actions, while meeting our ethics and compliance commitments. The manual was launched in 2018 alongside the refreshed Code of Business Ethics and Conduct and contains the following policies:

1. **Protection of personal data:** we gather and hold personal data provided by our travelers, employees, travel managers, clients and prospective clients. This policy explains how any employee, or individual representing CWT, who processes personal information must protect and safeguard it in line with our Data Privacy policy.

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2. **International Trade Compliance policy:** we must be aware of, and comply with, all applicable international trade laws such as trade embargoes, sanction screening and product export controls. Our International Trade Compliance policy sets out our processes and controls around how we deliver this.

3. **Anti-corruption policy:** making or accepting bribes, or facilitating any kind of corrupt behavior, is forbidden across CWT. We also strictly prohibit any unfair business practice, such as kickbacks, facilitation payments or channeling bribes through third parties. Our Anti-corruption policy outlines our zero-tolerance stance on bribery and corruption and our adherence to relevant legislation such as the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act to ensure we meet global requirements.

4. **Competitive Information policy:** many of the countries where we do business have competition, or antitrust, laws and we adhere to them in letter and spirit. These laws aim to ensure fair competition, which allows our clients and the public to buy goods and services at fair market prices. Competition laws prohibit agreements, practices and conduct which can distort healthy competition, such as improper agreements between competitors or abuse of market power.

5. **Conflicts of Interest policy (including gifts and entertainment):** our formal Conflicts of Interest policy describes how to handle situations that could create a potential, real or perceived conflict between CWT's interest and our employees. Anyone acting on our behalf must be free from conflicts of interest and/or appearance of conflicts of interest that could adversely influence their judgment, objectivity or loyalty to CWT.

6. **Anti-money laundering:** under no circumstances may any CWT personnel or agent (such as independent sales representatives, distributors, consultants or agents) participate in or allow any transaction with CWT that involves any funds that the employee knows or suspects were illegally obtained.

The Global Compliance team has an appropriate due diligence process in place, which ensures the business aligns with the expectations set out in the Compliance Policy Manual. A comprehensive compliance risk assessment process related to all compliance policies is also in place.

Additional existing key policies and processes include:

- **Fraud:** if a case of fraud is identified or suspected, our formal internal fraud procedure outlines the process to follow and how to report, investigate, manage and share information about fraud with key CWT stakeholders and shareholders.

- **Fair marketing:** we compete for client commitments, but never by sacrificing honesty and fairness. This is especially important in our sales, marketing and advertising campaigns and material. If we make a claim, we must be able to substantiate it, and include all information and disclosures necessary to make our marketing accurate and transparent.

## Training on the Code of Business Ethics and Conduct ('the Code')

We take preventive measures to ensure that everyone understands and adheres to the Code. These include mandatory training and awareness programs driven by the Global Compliance team. Each year, we run compulsory training on the Code and its policies, both for new recruits and current staff.

Employees can access the training as part of our online learning management system. In 2020, the training's format evolved in order to be completed all at once or in different chapters.

Our Global Compliance team has access to metrics on how employees are performing on each compliance topic, and benchmarking data compares our performance as a business against our peers. We use this insight to determine if additional training is required.

Following the introduction of a new online Gifts & Entertainment reporting tool in 2018, which is integrated into our social intranet, the Chief Compliance Officer published a series of blogs exploring common questions. These covered the topic of compliance and how we do business in line with our Code as well as core values of integrity and leadership, by asking questions such as "Is asking for a freebie an issue?" and "What's the difference between a gift and a bribe?" Employees were also encouraged to share their own questions that the Global Compliance team could then address in their future posts.

### Fighting bribery and corruption

As stated in our Code of Business Ethics and Conduct, we abide by all applicable laws, treaties and regulations that forbid bribery and corruption. In line with our commitment to conducting our business in the right way, we have a zero-tolerance stance on bribery and corruption. This means that we prohibit bribes in any form from any public or private third party, either directly or indirectly (such as through an agent) – even if it means losing business as a result.

We actively monitor existing and emerging risks relating to bribery and corruption. Every year, we perform a full risk assessment and risk ranking which identifies any ethical issues that may arise within the company and allows us to take the appropriate action if needed. As part of our methodology, we evaluate and rank how our countries are performing across criteria linked to the operations, context of the country and local control actions (such as audit and compliance). In line with our anti-corruption commitment, the Chief Compliance Officer reports directly to the Audit Committee which is a subcommittee of Carlson's Board and is comprised of all Board members.

When it comes to dealings with subcontractors and suppliers, we take a risk-based approach to due diligence. The level of diligence is based on a number of factors, such as industry, location, services provided and beyond. As an example, there is an advanced due diligence process applied to certain categories of third parties who help provide services to CWT clients, such as destination management companies, tour companies, and visa and passport providers.

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# We connect...

## ...to raise concerns through the Ethics Helpline

Enabling stakeholders to raise concerns or questions is vital in making sure we behave ethically and can deal with issues fully and professionally. Available 24/7, our confidential **Ethics Helpline** connects callers (employees, clients and other third parties) to an experienced, independent operator in their own language. Concerns are logged by phone and/or through an online tool where they are addressed promptly. We also make use of a third-party provider to verify adherence to local privacy laws and reporting requirements.

The Global Compliance team reviews all cases and, depending on the nature of the issue, may assign an internal investigator. Where reasonably possible and allowed by law, CWT treats all information reported as confidential. We also have a strict non-retaliation policy against anyone who calls with concerns.

The Global Compliance team also develops metrics on the nature of concerns and their country of origin and tracks how cases are resolved. This information is reviewed quarterly with the Compliance Committee, which oversees compliance at CWT.

Information on our Ethics Helpline is posted on our corporate website and is made accessible to all employees, clients, travelers, third-party vendors and partners.

In 2020, the Global Compliance team shared real-life examples of how the CWT Ethics Helpline had been used during the year on our social intranet to raise awareness about how important it is to report any concerns or violations.

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# We connect...

## ...to create a sustainable supply chain

## We believe in working with suppliers who maintain the same rigorous standards that we do.

Responsible purchasing makes clear business sense. It helps companies meet the expectations of their clients and stakeholders, builds trust and reduces the risk of unethical behavior in the supply chain.

Our Responsible Purchasing program was launched in 2014 with an initial focus on non-trade suppliers*. In 2019, we expanded the scope of the program to trade suppliers and will be adapting it to them further over the coming years. The program demonstrates our commitment to the UN Global Compact and to the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

**Responsible Purchasing governance**
Governance for our Responsible Purchasing program is ensured by the Responsible Purchasing Taskforce, which provides strategic input and drives progress. This Taskforce is led by the Global Responsible Business team in collaboration with the Global Sourcing, Global Supply Management, Legal, Meetings & Events and RoomIt teams, and is sponsored by the Executive Vice Principal General Counsel, who is part of the Executive Leadership Team.

See **page 15** to read more about the Taskforce and its key activities in 2020.

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## Responsible Purchasing program

Our Responsible Purchasing program consists of two main areas of focus: creating a responsible purchasing culture within the company through awareness-raising activities and embedding Responsible Business throughout the purchasing cycle.

1. **Awareness and training for all employees.**
   We continue to build a responsible purchasing culture. A training module, readily available on our online learning platform encourages our people to learn how to apply the Responsible Supplier Code. In addition, further information and resources about the program are available to all employees on our intranet website.

2. **Embedding our Responsible Business criteria throughout our purchasing processes.** One of the best ways to improve our responsible purchasing performance is through embedding Responsible Business across the whole purchasing cycle: from the moment non-trade suppliers are selected, to the moment contracts are signed and products or services are exchanged.

   - **Responsible Business questions in requests for proposals (RFPs):** Responsible Business criteria are integrated in official RFPs sent to non-trade suppliers. We ask suppliers how they address various Corporate Social Responsibility-related topics including compliance and ethics, human rights and labor conditions, environment and sustainable procurement. This is important for embedding responsible purchasing principles at the outset of a relationship with our suppliers.

   - **Our Responsible Supplier Code:** to ensure that our non-trade suppliers match our high standards of ethical conduct, we expect them to adhere to the principles of our Responsible Supplier Code.

Available in seven languages**, the **Responsible Supplier Code** clarifies the minimum requirements CWT expects from non-trade suppliers in terms of ethics, compliance, human rights, social and environmental standards.

We naturally expect all our suppliers to operate in full compliance with applicable laws and regulations, but the Responsible Supplier Code goes further requiring them to attain internationally-recognized standards to advance social and environmental responsibility.

The Responsible Supplier Code covers the following broad topics:

- compliance and ethics;
- products and services;
- human rights, including working conditions, anti-human trafficking and the fight against modern slavery, child exploitation, diversity and inclusion;
- protection of the environment;
- occupational health and safety; and
- non-compliance, auditing and reporting issues.

- **Annual supplier sustainability assessments:** making sure we are up to speed with our suppliers' performance is fundamental to our Responsible Purchasing program. Key non-trade suppliers are evaluated by an independent CSR rating agency on 21 sustainability criteria relating to:

  - labor practices (including human rights);
  - environment;
  - sustainable procurement; and
  - fair business practices (including business ethics).

\*   Non-trade suppliers are those that are not directly related to CWT's core businesses. Examples of non-trade suppliers include IT and services companies.
\*\*  English, French, German, Italian, Mandarin, Portuguese and Spanish.

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# We care...

## ...about securing our customers' data

We are required to hold sensitive information about our travelers, including passport, payment, itinerary and insurance details. Our Information Security program gives our clients confidence through our best-in-class tools and processes that are compliant with all applicable regulations and requirements to keep information secure and private.



We embed information security within our culture in line with numerous industry standards (such as ISO – International Organization for Standardization, NIST – National Institute of Standards and Technology, PCI DSS – Payment Card Industry Data Security Standard, and others of similar global status). We focus on data privacy and being transparent about how and where we are using customer data, implementing effective policies and technical controls to safeguard our customers' information, whoever and wherever they are.

**Information security and data privacy governance**
Our Chief Information Security Officer is responsible for our Information Security program, supported by a Global Information Security team which reports directly to our Chief Technology Officer. Beyond this, a Global Risk and Security Steering Committee, comprised of members from the Executive Leadership Team, provides governance and oversight to facilitate the highest level of alignment, support and cooperation with global security initiatives.

For data privacy, our Global Privacy Officer is responsible for leading the Data Privacy program and driving its implementation. This Officer chairs our data governance group for privacy operationalization, reports to the Chief Compliance Officer, and draws on support from compliance and data privacy professionals located worldwide. Our CEO, members of the Executive Leadership Team, the Compliance Committee and Board of Directors receive regular updates and briefings on our performance in this area.

This robust governance framework is supported by an equally vigilant incident response system (iRespond, see ), which operates 24/7. Our Business Resiliency program also tests and monitors our ability to respond rapidly in the event of business disruption, ensuring that our travelers' data is protected and secured around the clock.

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## Our Risk and Security policies and standards

At the heart of our data security is the physical and technological protections that ensure the confidentiality, integrity and availability of information. These are mandated by our Risk and Security policies and standards that form CWT's robust security framework. We review and update our policies and standards every year (or as often as necessary) in response to changes in technology, infrastructure, new learnings, regulatory and regional requirements, as well as potential changes to the threat landscapes and security incidents. For example, in 2019 we revised our Global Data Classification policy to contain data element descriptions that makes the policy much more comprehensive. We also made additions to reflect recent changes in global privacy regulations.

These policies and standards cover data protection and classification, comprehensive access controls, physical and environmental security, network and perimeter security, business resiliency, security management, security education and awareness, and emerging new technologies (such as Global Cloud Security, DevOps and others). These also adhere to regulations and international standards such as the 1998 United Kingdom Act, the 1978 French Act, the 1988 Australian Act, the 2012 Philippines Act, US state laws, the EU General Data Protection Regulation (GDPR) and ISO 27001, among others.

The journey to security has no end-point as threats and technology evolve constantly. We therefore perform periodic internal and external independent audits on our products and services to review compliance with information security and privacy policies, the National Institute of Standards and Technology and the Payment Card Industry Data Security Standard (PCI DSS) requirements.

## Highlights

In 2019, we successfully retained the Payment Card Industry (PCI) Report on Compliance and Attestation of Compliance from our Qualified Security Assessor (an independent third-party assessor certified by the PCI Standards Organization). This is the result of an ongoing initiative by multiple cross-functional internal teams to ensure that the way we do business complies with the security standards that our customers expect from us.

While we have maintained our compliance from previous years, we also expanded its scope to include systems and operations for our Military & Government business unit.

We continue to stay up to speed with industry, regulatory and client requirements by maintaining compliance to the PCI DSS program. We have also received a third-party clean report on the Services Organization Controls Accreditations 2 (SOC 2, Type 2) Security Principle Report on Commercial Services and are fully compliant with General Data Protection Regulation (GDPR) requirements as well as evolving global privacy standards and regulations.

In 2019, we also implemented a secure cloud solution that allows for improved speed and agility to bring products to the market. This Security as a Code (SaaC) solution is a collaborative effort supported by all the Product & Technology leaders and their teams, which will continue to contribute greatly to our future success.

## Raising awareness – inside and outside CWT

Policies are only as effective as the people who implement them, and adhering to our Risk and Security policies and standards is fundamental to our security program. We require all employees to be familiar with them, as such, they are available in eight languages and can be accessed at any time on our social intranet.

We also publish regular communications on security topics throughout the year to keep our teams fully up to speed with evolving information security requirements and best practices.

Our Risk and Security program includes regular training in data privacy and administrative, technical and physical safeguards for securing users' information. All our employees and contractors must complete this Annual Security Awareness training, which is based on our policies and standards, when they first join us and every year thereafter.

A central part of this training is the ever-growing threat of cyber-attacks and the logistical, reputational, and financial damage they can cause. Because our employees are our first line of defense in protecting client, employee and corporate information, we have an annual Cyber Security Awareness Week.

In 2019, under the banner of 'Cyber security is everyone's business', the global campaign continued to elevate the critical importance of cyber security and ensure all employees and contractors/contingent workers are informed and secure, both at work and at home. The week-long campaign covered a broad range of security themes, including Identity and Access Management, tips on how to detect and prevent phishing attempts and travel fraud, and a reminder of the importance to use iRespond to identify potential threats and contain/limit any impact to our clients and CWT.

Our Global Risk and Security team also shares best practices with other businesses, governments and expert organizations. In 2019 the team participated in various industry advisory boards, conferences and committees to better understand key risks and share best practices.

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# We live...

## ...to prevent information security incidents

Prevention is the mainstay of security, but if an incident does occur, we must mitigate any potential impact this has on our stakeholders and our business. iRespond is our digital tool for reporting suspected information security incidents and fraud within the company. Employees can report an incident anonymously and initiate necessary processes to address the issue.

In 2019, iRespond was expanded to allow for reporting of data privacy issues in line with GDPR requirements. Our 24/7 incident response system supports our robust governance framework, while a Business Resilience program tests and monitors for rapid response in case of business disruption. iRespond and our Business Resilience program are strategically aligned and part of our wider Global Risk Management program.

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# Our milestones at a glance

## 2015

- Launched our Responsible Supplier Code, laying out clearly the standards CWT expects of its suppliers and other partners.
- Cyber Security Awareness Week was launched as an annual initiative to educate employees and deliver training materials.

## 2016

- Video training module on the CWT Responsible Supplier Code rolled out to all CWT senior management.
- Updated Data Privacy policy was launched.

## 2017

- Our Code of Business Ethics and Conduct was reviewed in detail to reflect the latest industry best practices and legislative trends. Our fully revised Code of Business Ethics and Conduct was launched on January 1, 2018.
- Numerous compliance policies consolidated into a single, easy-to-use Compliance Policy Manual.

## 2019

- 100% of employees underwent training on our Code of Business Ethics and Conduct.
- Updated our processes in line with the Payment Card Industry requirements.
- Expanded the scope of our Responsible Purchasing program to include trade suppliers.

## 2018

- Fully revised Responsible Supplier Code – in accordance with CWT's commitment to the fight against human trafficking, and in line with the United Kingdom Modern Slavery Act – was published in May 2018.
- Launched an online click-through form, making it easier for suppliers to sign and pledge their commitment to the Responsible Supplier Code.
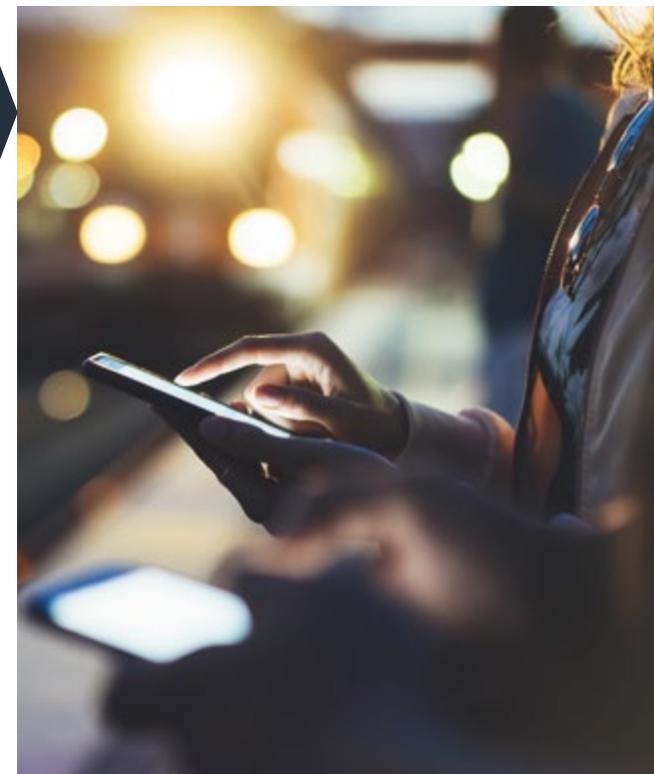
## 2020

- Further engaged employees and CWT partners.
- Continued protecting employee and client data through leading-edge data privacy and information security policies and practices, while continually developing expertise throughout the organization.

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