



Ethics and Business Behavior

We think...

“CWT has a vibrant culture anchored in incredibly strong values. Our approach to ethics and business behavior is all about translating these values into guidance for personal and business decision-making. The end result is greater trust and lower risk.

For our employees, 2018 saw implementation of training on key policies and processes, a highly successful internal awareness campaign around our newly-updated Code of Business Ethics and Conduct and Ethics Helpline. For our suppliers and purchasers, we updated our Supplier Code and raised internal awareness of our responsible purchasing principles. For our customers, we focused on making further improvements to our data privacy and information security policies and practices.”

Lauren Aste,
Executive Vice President and Chief Legal Officer

In this section, we address the following SDGs





We act...

...with ethics and integrity

We pride ourselves on our reputation as a world-class business travel management company, operating with the highest standards of ethical conduct. We have created a culture that promotes trust and protects the relationships we have with our stakeholders, including our clients and suppliers, by focusing on transparency and honesty.

Through our Ethics and Compliance program, as well as our alignment to internationally-recognized standards, we seek to conduct business in the right way. Business ethics and compliance, responsible purchasing, as well as data privacy and information security, represent key priorities of our program. Our process starts with implementing ethical business conduct through a robust governance structure – supported by dedicated policies and training.

The focus of our program in 2018 was on continuing to raise awareness of ethics and integrity among our employees and suppliers. We also encouraged individuals to stand up and speak out where there are instances of conflict with our values.

Ethics and compliance governance

Ethics and compliance are driven from the highest levels of the company. Our Compliance Committee is comprised of our CEO and other key members of the Executive Leadership Team. Supporting the Committee is a team of global lawyers and support staff who oversee the day-to-day management of the Compliance program, under the leadership of the Vice President of Global Compliance.

The Global Compliance team is responsible for deploying and updating policies and procedures and is also responsible for promoting and ensuring compliance with our Code of Business Ethics and Conduct (the Code). The Code outlines the ethical standards expected of our teams and contractors everywhere we do business.

We promote our standards through annual awareness training for all staff, topics include anti-bribery, anti-corruption, non-retaliation, gifts and entertainment. During the training, employees are required to read and understand all aspects of the Code, to ensure they are acting in line with our business ethics and strong stance on human rights.

Code of Business Ethics and Conduct

Our Code of Business Ethics and Conduct outlines and informs our day-to-day actions and behavior. It is the foundation of all CWT compliance policies and encourages discussions among our people to help address any ethical dilemmas we may encounter. Fundamentally, it helps us maintain the trust we have built with our employees, clients and suppliers.

The Code applies to every individual and contractor who works for, or represents us, worldwide. It outlines how we comply with applicable laws, treaties and regulations relevant to business conduct. It also includes guidance around workplace conduct and reinforces our values and principles clearly and comprehensively. There is a requirement for employees to acknowledge that they have read and approved the Code upon being hired. This ensures that these principles are instilled from day one.

Following a detailed review of the Code in 2017 to reflect the latest industry best practices and legislative trends, we launched our fully revised Code of Business Ethics and Conduct on 1 January 2018 on our website and through

key communications channels. The new Code includes refreshed content from key teams (including Human Resources, Internal Audit, Information Security, Responsible Business, Legal & Compliance, and Communications). Beyond this, it also contains practical advice and simplified language to make it more engaging and easy to act on. The Code is available in 16 languages and 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 2018 (see 'Training on the Code' on the next page for more).

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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.

Our Compliance Policy Manual helps reduce the complexity of our policies by clearly articulating what is expected of our employees in a single, easy-to-use publication. It helps us in our mission to empower individuals to make smart, informed decisions and to maintain accountability for their actions, all while supporting our business strategy in a way that meets our ethics and compliance commitments.

All employees, contractors and any other individual working for or representing CWT are expected to follow the policies contained within the compliance manual. The manual was launched on 1 January 2018 alongside the new Code and contains the following policies*:

1. Protection of personal data

We understand the importance of holding the personal information provided by our travelers, employees, travel managers, clients and prospective clients carefully and securely. This policy explains how any employee or other individual representing CWT who processes personal information must protect and safeguard it in line with our Data Privacy Policy.

2. International Trade Compliance policy

We operate in numerous countries around the world and must 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

We do not allow payment of bribes or the facilitation of corrupt behavior under any circumstances. Unfair business practices, such as kickbacks, facilitation payments and use of third parties to channel bribes are also strictly prohibited. Our anti-corruption policy outlines our zero-tolerance stance on bribery and corruption, and our adherence to legislation such as the US Foreign Corrupt Practice Act and the UK 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. 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 have a damaging effect on competition, such as improper agreements between competitors or abuse of market power.

5. Conflicts of Interest policy (including gifts and entertainment)

Our formal Conflict of Interest policy seeks to make all employees aware of CWT's rules about situations that could create a potential, real or perceived conflict between CWT's interest and CWT employees. Anyone acting on CWT's 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 (independent sales representatives, distributors, consultants or agents) participate in or allow the commencement of any transaction involving CWT that involves any funds that the employee knows or suspects were illegally obtained.

The Compliance team has an appropriate due diligence process in place, which ensures alignment from the business to 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

Our formal internal fraud procedure seeks to outline the procedures to follow when a case of fraud has been identified or suspected and to establish the process 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 vital in all of our sales, marketing and advertising pursuits. All advertising and marketing claims must be substantiated and must include all information and disclosures necessary to make them accurate.

Training on the Code

Preventive measures implemented to ensure adherence to the Code include mandatory training and awareness programs driven by the Global Compliance team. Each year, we run mandatory training on the Code and its policies, both for new recruits and current staff – we achieved a 99% completion rate in 2018 (99% in 2017).

Employees can access training sessions wherever and whenever they are as part of our online learning management system. Our Compliance team has access to metrics on how our people

* The wording used to describe these policies has been taken from the Compliance Policy Manual.

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are performing on each compliance topic, and benchmarking data that shows how we are performing as a business against our peers. We use this insight to determine if additional training is required.

In line with the update to our Code, we launched a campaign in 2018 to encourage employees to get up-to-speed with its features. The campaign provided clear information detailing how the Code helps us align to our values of Integrity, Leadership, Caring and Passion. As well as producing a series of videos focused on our values, we also encouraged people to speak out in instances where behaviors or actions conflicted with the Code by calling our dedicated Ethics Helpline or getting in contact with our Legal & Compliance business partners or the Global Compliance team.

Fighting bribery and corruption

As stated in our Code, we abide by all applicable laws, treaties and regulations that forbid bribery and corruption. In line with our commitment to conducting our business the right way, we maintain a zero-tolerance stance on bribery and corruption. This means that we will never bribe or receive bribes 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.

Our Corporate Audit function monitors existing and emerging risks relating to bribery and corruption. We perform a full risk assessment and risk ranking on an annual basis which identifies any ethical issues that may arise in the company and to take the appropriate action where applicable. 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 (audit, compliance, etc.). In line with our anti-corruption commitment, the Head of Audit reports directly to the Audit Committee which is a subcommittee of Carlson's Board and its members are all Board members.

We take a risk-based approach to due diligence of subcontractors and suppliers. The level of diligence is based on a number of factors, such as industry, location, services provided and beyond. As an example, this process applies to third parties who help CWT provide services to CWT clients, including destination management companies, corporate meeting networks, and other travel-related agencies, tour companies, visa and passport providers.

In addition to due diligence requirements, our supplier agreements obligate the supplier to abide by all laws, rules and regulations, including those related to anti-bribery and corruption. They must also adhere to CWT standards.

We live...

...to uphold ethical behavior through the Ethics Helpline

Our Ethics Helpline is one of several tools and policies in place to ensure that any instances of non-compliance are dealt with discreetly and fairly.

Available 24/7, our confidential Ethics Helpline connects callers (employees, clients and other third parties) to an experienced, independent operator who speaks their 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 Compliance team reviews all cases and assigns an internal investigator based on the nature of the issue. In 2018, the Compliance

team updated our investigation manual and continued training a group of internal investigators to standardize the conduct of investigations. CWT treats the reported information in a confidential manner to the extent reasonably possible and allowed by law. We also have a strict non-retaliation policy.

The Compliance team develops metrics on cases submitted through the Ethics Helpline, such as the nature of the concern, what countries cases are reported in, and tracks how the cases are resolved. This information is then 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 not only for our employees, but also for our clients, travelers, third-party vendors and partners to use as well.



We act...

...to build a responsible supply chain

We value ethical conduct and, because of this, we expect our partners in the supply chain to uphold the same rigorous standards that we do.

Our Responsible Purchasing program was launched in 2014 with the aim of mitigating ethical, social and environmental risks in our supply chain while creating stronger relationships with our supply chain partners. Our Responsible Purchasing program demonstrates our commitment to the United Nations Global Compact (UNGC) and to the ILO Declaration on Fundamental Principles and Rights at Work. The program has two main areas of focus:

1. Embedding Responsible Business into CWT's purchasing processes and practices

To date, we have implemented responsible purchasing processes that apply to non-trade suppliers*. Our Non-Trade Global Sourcing Policy sets out the rules and procedures that must be followed when making non-trade purchases. Included in our Non-Trade Global Sourcing Policy is the requirement that purchasers ask key non-trade suppliers to align to our Responsible Supplier Code. Processes also include corporate social responsibility assessments for key non-trade suppliers and the integration of RB criteria into non-trade Global Sourcing RFP (Request For Proposal) process.

2. Awareness and training for all employees

Another key area of our program is creating a responsible purchasing culture. We have rolled out training for employees to encourage them to get to know the Responsible Supplier Code, and we create continuous awareness on this

topic through campaigns and resources available on our intranet.

Our Responsible Supplier Code

To ensure that our non-trade suppliers observe CWT's high standards of ethical conduct, we expect them to adhere to the principles set out in 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 expect all our suppliers to operate in full compliance with the laws, rules and regulations to which they are subject. Our Responsible Supplier Code takes this a step further by drawing on 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.

A detailed review of the Responsible Supplier Code was initiated in 2017 to align it with industry-best practices and legislative trends. In accordance with CWT's commitment to the fight against human trafficking, and in line with the UK Modern Slavery Act, we reviewed the Responsible Supplier Code to reinforce our actions towards preventing the use of any forms of modern slavery in our supply chains. Beyond this, we also worked to simplify its content to make the review process for our stakeholders and suppliers easier. Our fully revised Responsible Supplier Code was published in May 2018 and can be downloaded on our corporate website.

In 2018, our Legal team launched an online click-through form, making it easier for suppliers to sign and pledge their commitment to the Responsible Supplier Code.

In 2018, we also updated our internal guidelines for the Responsible Supplier Code. These internal guidelines offer practical support regarding its implementation and application scope, the roles and responsibilities of internal stakeholders in applying it, and the measures to take in case a supplier refuses to sign it. The new processes allow purchase requestors to assess the strength of non-trade suppliers' approach to responsible business and evaluate if their actions are in line with our standards.

* 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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The guidelines are available for all employees on our social intranet.

To ensure effective application of the Responsible Supplier Code, a video training module was rolled out in 2016. In 2018, we updated this training module to mirror the updated internal processes (as described above). The updated training was rolled out to teams directly affected by the updated purchasing processes and made available to all employees worldwide.

Annual supplier sustainability assessments

Ensuring that we are up-to-speed with our suppliers' performance is a fundamental part of our Responsible Purchasing program. Our key non-trade suppliers are independently evaluated by the rating organization EcoVadis on 21 sustainability criteria relating to:

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

Started in 2014, the annual supplier assessment campaign is organized by our Global RB and Global Sourcing teams, who work closely with EcoVadis to coordinate the campaign and explain its importance to suppliers.

Embedding RB criteria in our global sourcing processes

In 2018, we made significant improvements to our non-trade global sourcing processes which will embed responsible purchasing principles at the core of purchasing decisions. For example, we integrated RB criteria in requests for proposals and tenders sent to non-trade suppliers. Suppliers are now asked questions about how they address various CSR-related topics including compliance and ethics, human rights and labor conditions, environment and sustainable procurement.

We live...

...to raise awareness of responsible purchasing principles

We, along with our stakeholders, care about responsible purchasing. In recognition of the importance of this topic, we organized a global responsible purchasing awareness campaign for our employees in 2018.

The campaign aimed to create a cultural understanding of responsible purchasing and reminded employees to follow our Non-Trade Global Sourcing policy, which sets out clear standards for purchase decision making.

We provided online training for teams directly involved in purchasing processes. These online training sessions were dedicated to creating a deep understanding of Responsible Purchasing at CWT and of the updated processes put in place in 2018. In addition, the campaign focused on educating employees worldwide by providing them with handy tips on how to identify responsible suppliers and what to look for when it comes to responsible purchasing.



We act...

...to protect customers and their information

Our Information Security program gives our clients the confidence that the security of their travelers' information is protected at all times. We put significant investment into best-in-class tools, processes and people to ensure we are up-to-speed with requirements that keep information secure and data private.

We seek to 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, etc.). We do this by implementing effective policies and technical controls to safeguard our customers' information, wherever and wherever they are. In addition, we focus on data privacy and being transparent about how and where we are using customer data.

Information Security and Data Privacy governance

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

For data privacy, our Global Privacy Officer is responsible for the Data Privacy program. The Global Privacy Officer reports to the Vice President of Global Compliance and can draw on support from compliance and data privacy professionals located worldwide. Our CEO, executives, the Compliance Committee and Board of Directors receive regular updates and briefings on our performance in this area.

Our robust governance framework is supported by CWT's incident response system (see iRespond on the next page), which operates 24 hours a day, seven days a week. Our Business Resiliency program also tests and monitors for rapid response in case of business disruption, ensuring traveler data is protected and secured around the clock.

Our Risk and Security policies and standards

Our Risk and Security policies and standards form a robust framework by which CWT addresses physical and technical protection that ensure the confidentiality, integrity and availability of information. We review and update our policies and standards annually (or as often as necessary) in response to changes in technology, infrastructure, regulatory and regional requirements as well as potential threats and security incidents.

CWT Risk and Security 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 also emerging new technologies (such as Global Cloud Security, DevOps, etc.). These also adhere to regulations and international standards such as the UK Data Protection Act, the EU General Data Protection Regulation (GDPR) and ISO 27001, among others.

We perform periodic internal and external independent audits on our products and services. These audits review compliance with information security and privacy policies, the National Institute of Standards and Technology (NIST) and the Payment Card Industry Data Security Standard (PCI DSS) requirements.



We live...

...to prevent information security incidents

We take all the precautions necessary to prevent data security incidents. However, 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 anonymously report an incident and initiate necessary processes to address the issue.

In 2018, we improved the functionality of iRespond by embedding new informational prompts to help employees respond quickly and effectively. Our 24/7 incident response system supports this 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 Risk Management global program.

2018 highlights

The General Data Protection Regulation (GDPR) took effect on 25 May 2018 and outlines a new set of rules designed to give EU citizens full control over their personal data. It aims to harmonize and simplify the regulatory environment for business so that citizens and businesses can fully benefit from the digital economy. CWT has been preparing for GDPR since the regulation was enacted in 2016. We updated our global privacy program to meet GDPR standards and continuously update the program to meet evolving global privacy standards and regulations.

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 (SOC2, Type 2) Security Principle Report on Commercial Services.

Raising awareness – inside and outside CWT

Our Risk and Security program includes regular training in data privacy, and the administrative, technical and physical safeguards that provide guidance to users for securing their information. All our employees are required to complete this training upon hire and on an annual basis.

At any time, employees can access our Global Risk and Security policies, which are readily available on our social intranet site. We also publish regular communications on security topics throughout the year to keep our employees up-to-speed and conscious of information security requirements and best practices.

To raise awareness, we held an annual Cyber Security Awareness Week in 2018 with the theme of 'Cyber security is our shared responsibility.' The objective of the week was to remind our employees, contractors and contingent workers of their duty to protect client, employee and corporate information. Topics covered a broad range of security themes which included tips on how to secure information at home, keep children safe online, handle customer data and use iRespond.

As well as keeping our teams engaged on these complex and ever-changing risks, our Global Risk and Security team shares best practices with other businesses, governments and expert organizations. In 2018, members of the Global Risk and Security team participated in various industry advisory boards, conferences and committees to better understand key risks and share best practices.



We said...



2020 Objectives

Further engage all employees and CWT partners through a global multi-year Ethics Training and Communications program.

Deploy a robust external information campaign about our global policies and our best practice approach to ethics and compliance, as well as our Responsible Business Purchasing program.

Continue protecting employee and client data through leading-edge data privacy and information security policies and practices, while continually developing expertise through the organization.



We did...



2018 Performance

- Launched a campaign in 2018 to promote our newly-launched Code of Conduct.
- 99% of employees underwent training on our Code of Conduct in 2018.



- Updated our Responsible Supplier Code to align it with industry best practices and legislative trends, such as the UK Modern Slavery Act.
- Organized an internal Responsible Purchasing awareness campaign.
- Updated internal guidelines for our Supplier Code.
- Embedded Responsible Business criteria into our Global Sourcing processes.



- Full alignment to GDPR requirements.
- Continued to hold our annual Cyber Security Awareness Week.
- Continued to invest in cyber tools and technologies.
- Maintained PCI DSS and SOC 2 Type 2 certification.



We will...



2019 Goals

- Update training content and delivery related to the refreshed Code of Conduct.

- Further extend the scope and application of the Responsible Supplier Code to include even more suppliers.

- Continue to innovate by investing in people, processes, and new technologies to secure against ever-growing cyber threats.
- Maintain security compliance to ensure our people, processes and technology are effective and working as desired aligned with our strategy.