



UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS 2022

To Whom It May Concern,

Since first signing the United Nations Global Compact in 2010, Carlson has remained staunchly committed to its Ten Principles and maintains strong policies on human rights, labor, environment, and anti-corruption. The Global Compact aligns with our core values and our commitment to be a force for good. We incorporate its principles into our decision-making processes, day-to-day operations, and training programs.

We affirm our dedication and commitment to the Global Compact. Across our businesses, we are inspired and guided by our core principles and those of the Global Compact. Contributing to our communities, serving our customers, working to reduce our impact on the environment and empowering our employees to live and work responsibly is at the heart of our business actions today. We pledge to make continued progress in support of these principles as we look ahead to the future with a caring spirit, service heart and with an eye towards building a lasting legacy.

Richard C. Gage,
Carlson Board Chair

HUMAN RIGHTS

ASSESSMENT, POLICIES, and GOALS

Description of the relevance of human rights for the company, including related policies, public commitments, and company goals.

Carlson believes in affording all employees basic human rights as defined in the United Nation Declaration of Human Rights. This includes treating individuals with dignity and respect, providing a safe and healthy work environment, not using workers under the legal age for employment, and protecting children from any type of labor that may be hazardous to their health or interferes with their education.

We do not in any way participate in or condone practices that breach International Declarations covering key human rights issues, and we work to rid prevalence of such breaches and strengthen local communities by running a responsible operation. The Universal Declaration of Human Rights, and the UN Global Compact Human Rights and Labor Principles underlie our relationship with our employees. All business entities comply with local laws regarding work hours and payment. Our entities have routines in place to ensure alignment with our Equal Opportunity and Prevention of Discrimination and Harassment Policies, so that discrimination due to age, race, religion, gender, or disability does not take place.

Our Guiding Principles and Policies

Carlson acknowledges and respects the principles contained in the United Nations Declaration of Human Rights, which are consistent with Carlson's core values and commitment to be a force for good. Carlson endeavors to conduct its business operations in a manner that seeks to promote and enhance human rights within its sphere of influence. This commitment is aligned with and supported by documents like our Code of Business Ethics and Conduct, and the principles of the United Nations Global Compact, to which Carlson is a participant.

Ethical Business Conduct

Carlson believes that it is defined both by the results it achieves, and the way it achieves them. Carlson is committed to maintaining a high standard of business ethics, integrity, and honesty in full compliance with all applicable laws. The Carlson Code of Business Ethics and Conduct contains clear rules and guidelines and serves as a reminder of its commitment to do what is right and ethical for Carlson and all of its stakeholders. This Code applies to every individual or contractor that works for or represents Carlson. While these individuals shall comply with the laws and agreements applicable to operations and positions in the countries and jurisdictions where they operate, this Code helps all to adhere to the core values and good business practices that have built the excellent reputation of Carlson.

Protection of the Rights of Employees

Carlson is dedicated to maintaining a positive work environment that exceeds legal requirements, where employees are treated with courtesy, dignity and respect and supported by an inclusive culture enabling all employees to contribute to their full potential. All Carlson employees shall comply with the company's policies of Equal Opportunity, Diversity and Inclusion, and Respect and Nondiscrimination. Carlson will provide equal employment opportunity without discrimination on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, citizenship status, marital status, age, disability, genetic information, veteran status, uniformed military status or any other legally protected classification under federal, state or local law. Discrimination is prohibited against employment candidates, employees, customers, vendors, contractors, and subcontractors by any person in the course of their work for Carlson.

Protection of the Rights of Children

Carlson supports every child's right to a safe and secure childhood and is committed to the principle that all people have the right to grow up and develop without fear of exploitation or harm. Carlson condemns all forms of exploitation of children. The Company does not recruit child labor, in accordance with the applicable International Labor Organization Conventions, and supports the elimination of exploitive child labor. Carlson and its employees shall comply with the company's Policy Against Human Trafficking and the Sexual Exploitation of Children, as well as all applicable laws and regulations regarding the prevention of the commercial sexual exploitation of children, including the prevention of the use of its premises for such exploitation.

Combating Human Trafficking

Carlson does not tolerate the use of forced labor, human trafficking, and sexual exploitation, and will take all reasonable steps to eradicate these practices globally and will not knowingly do business with a supplier or any other business partner who uses these practices.

Carlson is committed to combatting modern-day slavery through the adoption and promotion of business practices that seek to protect victims of human trafficking, and the development of proactive measures to educate employees and encourage its partners and the broader business community to take a stand against human trafficking.

In 2021, Carlson updated its Policy Against Human Trafficking and the Sexual Exploitation of Children to cover the issues more comprehensively, add further clarity with corresponding definitions and statutes, and provide additional direction on expected actions for employees, departments, and managers. Carlson and its employees shall strictly comply with this policy and all applicable laws and regulations regarding the prevention of human trafficking and the sexual exploitation of children, including prohibiting the use of its premises for such exploitation.

Examples of prohibitions within the policy include:

- Employees shall not engage in any activities of any kind related to Human Trafficking and the Sexual Exploitation of Children during company time, while working on company business, or while engaged in any work-related activities (including during business travel), or using any company or work properties or resources whatsoever. This prohibition applies whether the activity is legal in a particular jurisdiction, foreign or domestic.
- Employees shall not use any company facilities, resources or equipment (including company computers and networks) for the viewing, storage, distribution, promotion or other use of materials which sexually exploit children.
- Employees shall not enter into business relationships or any other arrangement with any organization which is suspected of participating in any way in Human Trafficking and the Sexual Exploitation of Children.

As stated within this Policy, Carlson requires all employees to be vigilant and immediately report to managers, supervisors, the Legal department, or Business Ethics Hotline, as appropriate, all situations that come to their attention in the company's premises or businesses where human trafficking or sexual exploitation of children is suspected or appears to be intended.

IMPLEMENTATION and OUTCOMES

Description of concrete actions and outcomes in implementing Human Rights policies and addressing the company's Human Rights goals.

Signatory of The Code

Carlson continues to be recognized as a Top Member by The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism (known as [The Code](#)).

The Code is an industry-driven, multi-stakeholder initiative with the mission to provide awareness, tools and support to the tourism industry in order to combat the sexual exploitation of children in contexts related to travel and tourism.

In 2004 Carlson became the first North American travel and hospitality company to sign the Code of Conduct, which is aimed at protecting children against sexual exploitation in the travel and tourism industry. The Code was signed on behalf of Carlson during a United Nations ceremony at UNICEF headquarters in New York City by then Chairman and CEO Marilyn Carlson Nelson, an ardent supporter and pioneer of this effort.

The Code employs the following six criteria which Carlson committed to adhere to as a signatory:

1. To establish a policy and procedures against sexual exploitation of children.

2. To train employees in children's rights, the prevention of sexual exploitation and how to report suspected cases.
3. To include a clause in contracts throughout the value chain stating a common repudiation and zero tolerance policy of sexual exploitation of children.
4. To provide information to travelers on children's rights, the prevention of sexual exploitation of children and how to report suspected cases.
5. To support, collaborate and engage stakeholders in the prevention of sexual exploitation of children.
6. To report annually on their implementation of Code related activities.

Employee Awareness and Training

Carlson works year-round to educate employees of its commitment and activities related to human rights protections, especially with regards to its work in fighting human trafficking. In coordination with its 2021 updates to the Policy Against Human Trafficking and the Sexual Exploitation of Children, Carlson developed and promoted a new anti-trafficking employee training platform. This flexible and engaging experience covers the many topics of the issue through multiple path options of videos and information, differs from a traditional testing-focused layout, and encourages employee interaction.

Supplier Contracts

The company's Policy Against Human Trafficking and the Sexual Exploitation of Children presents the requirement of the legal department to: *Introduce clauses in contracts with all relevant suppliers committing the parties to a common repudiation of Human Trafficking and Sexual Exploitation of Children.* This language has historically included the following: (1) not knowingly using any form of child or forced labor, including without limitation using subcontractors or suppliers who use child or forced labor; (2) not knowingly engaging in or supporting the business of, or doing business with companies who engage in or support, the commercial exploitation of children; (3) prohibiting the use of all company equipment for the viewing, storage, distribution, promotion or other use of materials, which sexually exploit children and establishing procedures to enforce such policies; and (4) prohibiting the use of images or concepts in its marketing or on its premises which sexually exploit children.

External Collaboration against Human Trafficking

Carlson continues to utilize its network and influence whenever possible to champion the promotion and protection of Human Rights. Below are just a few recent examples of these activities:

Businesses Ending Slavery and Trafficking (BEST) Employers Alliance:

Carlson continues to support this first public-private partnership in the nation to work across industries in preventing sex trafficking and exploitation. [BEST](#) aligns and equips leaders to use the power of business to prevent human trafficking. Through training, consultation and collaboration, BEST works with businesses to drive behavioral change and improve the lives of the victims involved. Carlson uses its tools and networks to evaluate the current status of anti-trafficking efforts and help identify areas of opportunity within the company and externally.

Global Business Coalition Against Human Trafficking (GBCAT):

As a founding member of [GBCAT](#), Carlson fully supports its mission to mobilize the power, resources and thought leadership of the global business community to end human trafficking, including all forms of forced labor and sex trafficking. This coalition capitalizes on the major organizational strengths, resources, and reach of global businesses to accelerate progress on human trafficking. Through three workstreams, members share learnings through webinars and in-person meetings, incubate ideas, publish reports, identify areas for action, and publicize findings.

ECPAT

Carlson's partnership with [ECPAT International](#) and its local chapters continued to be strong in 2021. This included a multi-year grant to ECPAT International from the Carlson Family Foundation to support a project that builds upon their Global Boys Initiative to better address the sexual exploitation of boys globally, an area with a notable gap in global understanding around risks, effects, and responses. ECPAT International will use these funds to raise awareness of the issue, provide the private sector with opportunities to help, and advocate with governments to inform legislation and policy aimed to better protect boys. Additionally, Carlson's Head of Government and Community Affairs serves on the Board of [ECPAT USA](#), which also received a multi-year Carlson Family Foundation grant to support its Private Sector Engagement work, Youth Education, and general operations.

Global Rights for Women

Carlson and Carlson Family Foundation continue to support [this organization](#) that has quickly become one of the leading voices in the global movement to end violence against women and girls. In 2021, they were awarded a grant to support their international work to promote women's human rights through effective legal and systems reform on violence against women and girls, including sex trafficking.

World Childhood Foundation

Carlson and Carlson Family Foundation Trustees provide leadership on the [World Childhood Foundation](#) Boards of Directors in Sweden, Brazil, and the United States. In 2021, Carlson employees participated in the *Go Blue for Childhood* campaign, to raise awareness and funds in support of the work of [Childhood USA](#). In addition, the Carlson Family Foundation provided a multi-year grant to fund the expansion within the U.S. of Childhood's *Out of the Shadows Index* – a groundbreaking global research and benchmarking tool to measure countries' response to child sexual exploitation. This support will help develop a similar framework and tool across states and regions in the country, to ultimately provide data and actionable recommendations for politicians, government agencies, civil society, and the private and public sectors.

The Carlson Family Foundation also provided a multi-year grant in 2021 to [Childhood Brazil](#) to support their general operations as well as The Protection of Children in Travel Project, which works to educate suppliers and customers of corporate travel on how to protect and report cases of exploitation.

World Travel and Tourism Council

In 2019, The World Travel & Tourism Council (WTTC) organized a Human Trafficking Task Force as the first global industry-wide initiative to assert zero tolerance and share best practice. Carlson joined as a founding member, contributed to the formation of the group, and continues to assist in its development. In 2021, WTTC launched the [Preventing Human Trafficking](#) report which was funded by the Carlson Family Foundation and is an action framework for the travel and tourism sector to prevent human trafficking.



LABOR

ASSESSMENT, POLICIES, and GOALS

Description of the relevance of labor rights for the company, including related policies, public commitments, and company goals.

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We do not in any way participate in or condone practices that breach International Declarations covering key labor issues and work to rid prevalence of such breaches and strengthen local communities by running a responsible operation. The Universal Declaration of Human Rights underlies our relationship with our employees. All business entities comply with local laws regarding work hours and payment. Our entities have routines in place to ensure alignment with our policies on Equal Opportunity and Prevention of Discrimination and Harassment, so that discrimination due to age, race, religion, gender, or disability does not take place.

Protection of the Rights of Employees

Carlson is dedicated to maintaining a work environment that exceeds legal requirements, where employees are treated with courtesy, dignity and respect and supported by an inclusive culture enabling all employees to contribute to their full potential. All Carlson employees shall comply with the company's policies of Equal Opportunity, Diversity and Inclusion, and Respect and Nondiscrimination. Carlson supports the freedom of association, and the elimination of forced labor, prison labor, indentured labor and exploited bonded labor.

Protection of the Rights of Children

Carlson supports every child's right to a safe and secure childhood and is committed to the principle that all people have the right to grow up and develop without fear of exploitation or harm. Carlson condemns all forms of exploitation of children. The Company does not recruit child labor, in accordance with the applicable International Labor Organization Conventions, and supports the elimination of exploitive child labor. Carlson and its employees shall comply with the company's Policy Against Human Trafficking and Sexual Exploitation of Children, as well as all applicable laws and regulations regarding the prevention of the commercial sexual exploitation of children, including the prevention of the use of its premises for such exploitation.

Safe Environment

All employees and contractors must strive to provide a safe and secure work environment for employees, clients, and guests, and to protect the Company's physical and intangible assets. Employees must comply with established Company and facility security guidelines and report all incidents involving a potential or actual breach of the security guidelines to their immediate supervisor, human resources department, or security department.

Non-Discrimination

Carlson will provide equal employment opportunity without discrimination on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, citizenship status, marital status, age, disability, genetic information, veteran status, uniformed military status or any other legally protected classification under federal, state or local law. Discrimination is prohibited against

employment candidates, employees, customers, vendors, contractors, and subcontractors by any person in the course of their work for Carlson. Every employee shall ensure that all of our values are practiced and will uphold the principles set forth in the Code of Business Ethics and Conduct Policy and comply with all employment policies that apply to their business and local laws.

Respect

Carlson is dedicated to maintaining a work environment where employees are treated with courtesy, dignity, and respect. The Company expects employees to behave politely and respectfully in all interactions. This includes face-to-face interactions as well as communications by phone, email, social media, or Internet. All employees should act with integrity and professionalism and demonstrate respect for those with whom they work. The Company does not tolerate behavior that threatens the well-being of any colleague, customer, or other person. Employees must never verbally or physically mistreat others or engage in offensive behavior. This encompasses sexual and other forms of harassment, abusive treatment or intimidating behavior, inappropriate language or gestures, discrimination, and any other conduct that materially distracts from an employee's ability to competently perform the work or meet his or her responsibilities and duties, regardless of whether or not the behavior is illegal.

Workforce Development and Job Creation

Carlson has a strategic focus around workforce development and job creation. These initiatives are supported through corporate grantmaking, participation in community partnerships and collaborations, and the support of employee professional development and training.

IMPLEMENTATION and OUTCOMES

Description of concrete actions and outcomes in implementing labor policies and addressing the company's labor rights goals.

Reporting of Possible Violations

Employees should immediately report conduct which is or may be contrary to any of the policies mentioned above or guidelines laid out in the Carlson Code of Business Ethics and Conduct Policy. Employees are instructed to go to any of the following entities: a manager with whom they feel comfortable, Human Resources, or the Ethics Hotline or website. Retaliation is prohibited at Carlson, so employees can rest assured that they will never be punished for coming forward with a good-faith reporting of wrongdoing, as laid out in company policies.

Supplier Conduct

Carlson is committed to ensuring the highest ethical standards in conducting business, and the same is expected of suppliers. As a supporting member of the UN Global Compact, Carlson believes in and is committed to advancing the Global Compact's core values in the areas of human rights, labor, environment, and anti-corruption. Suppliers are expected to abide by all applicable laws, codes, and regulations in the countries in which they operate.

Human Rights Campaign Corporate Equality Index

Carlson was again recognized by The Human Rights Campaign ([HRC](#)) with perfect scores on their [Corporate Equality Index](#), continuing its recognition as one of the "Best Places to Work for LGBTQ Equality". This index is the only nationally recognized measure of lesbian, gay, bisexual, transgender, and queer (LGBTQ) workplace equality.

The Corporate Equality Index measures the extent to which employers protect their LGBTQ employees from employment discrimination. Ratings are based on factors like non-discrimination policies, diversity training, and benefits for domestic partners and transgender employees.

Carlson has implemented comprehensive workplace policies and benefits, including medical benefits and adoption assistance, to include LGBTQ employees. Our goal is to accommodate the wide-ranging needs of our employees and their families with programs and policies that are inclusive and fair to all employees and that demonstrate our commitment to diversity.

Workforce Development

Carlson and the Carlson Family Foundation support a wide variety of workforce development initiatives and nonprofits throughout the year, including [HIRED](#), [Twin Cities RISE](#), [Genesys Works](#), and mentoring organizations for at-risk and underserved children. One notable partnership of this focus area that includes all of these activities is:

Orphaned Starfish Foundation

Through support of local service partners across nearly 30 countries, [Orphaned Starfish](#) is dedicated to helping orphans, victims of abuse, survivors of trafficking, indigenous children and at-risk youth break their cycles of abuse and poverty through technology-based education, job training and job placement assistance. In 2021, Carlson and its employees continued their many years of support through mentorship, financial and in-kind donations, and volunteer activities to assist a portion of the 15,000 children served worldwide. Additionally, the Carlson Family Foundation provided grant funding to some of their service partners most negatively impacted by the COVID pandemic.



ENVIRONMENT

ASSESSMENT, POLICIES, and GOALS

Description of the relevance of environmental protection for the company, including policies, public commitments, and company goals.

Carlson believes in protecting the communities and environments in which we work and live, and lays out its efforts within the Carlson Code of Business Ethics and Conduct. The Company promotes the protection of the environment through effective conduct and compliance with existing legislation and regulations. Carlson strives to pursue environmentally sound business practices in its day-to-day activities. Our encouragement of global and local initiatives helps Carlson to improve its environmental footprint and consciousness. We make a point to follow and exceed the laws and regulations that apply to our work, no matter where we conduct our business.

Carlson is also committed to assisting clients to address their environmental issues and to provide information that can enable them to reduce their environmental impact.

IMPLEMENTATION and OUTCOMES

Description of concrete actions and outcomes in implementing environmental policies and addressing the company's environmental goals.

Supplier Conduct

Carlson is committed to ensuring the highest ethical standards in conducting business, and the same is expected of suppliers. As a supporting member of the UN Global Compact, Carlson believes in and is committed to advancing this Global Compact's core value of environmental protection. These principles and expectations are not only evident in the conduct of Carlson, but also within its business entities.

LEED Certified

Carlson's Minneapolis world headquarters earned the U.S. Green Building Council's (USGBC) LEED Silver level certification for Existing Buildings: Operations & Maintenance (LEED EB O&M®) certification with a score of 48 LEED credit points. It's ENERGY STAR score of 87 placed it in the top 15 percent of all comparable buildings nationwide.

Employee and Grant Support

Each year, as part of the annual Carlson Community Giving Campaign, environmentally focused nonprofits are featured in the list of Partner Organization. Employees are encouraged to support these partners through volunteerism and financial donations, which are matched through grants from the Carlson Family Foundation. In 2021, this support went to: [Minnesota Land Trust](#), an organization that protects and restores Minnesota's most vital natural lands in order to provide wildlife habitat, clean water, outdoor experiences, and scenic beauty for generations to come; and [EarthShare](#), a nonprofit network that leverages the power and influence of businesses and employees to address the planet's greatest threats.



ANTI-CORRUPTION

ASSESSMENT, POLICIES, and GOALS

Description of the relevance of anti-corruption for the company, including policies, public commitments, and company goals.

Carlson Code of Business Ethics and Conduct

Carlson is committed to maintaining a high standard of business ethics, honesty, and integrity, and requires all employees to comply with its Code of Business Ethics and Conduct. These rules and guidelines serve as a reminder of its commitment to do what is right and ethical for Carlson and all of its stakeholders.

Within this policy, the Company commits to comply with the laws of all countries and jurisdictions in which it operates. Additionally, the Company will not cause or permit any director, officer, or employee to take any action which would result in violation of applicable laws or regulations. The Company will forego any business opportunity that requires a violation of the law or this policy.

All Carlson employees, and contracted parties shall comply with the laws, treaties, regulations, and agreements applicable to operations and positions in the countries and jurisdictions where they operate.

Carlson does not tolerate bribery or corruption in any form and clearly details unacceptable behavior in this Code and additional policies specific to such areas as: Charitable Contributions; Customer Data and Privacy; Memberships on External Boards of Directors; Insider Information; etc.

IMPLEMENTATION and OUTCOMES

Description of concrete actions and outcomes in implementing anti-corruption policies and addressing the company's anti-corruption goals.

Integrity is the foundation for how our decisions and actions help Carlson attain its highest aspirations – in service to each other, our customers, and the communities in which we operate. At Carlson, we believe that we are defined both by the results we achieve, and the way we achieve them, and this belief is consistent throughout all business entities.

Reporting Ethical Problems

Carlson is committed to providing an environment that helps employees resolve any ethical business dilemmas they may face. Any employee who encounters an ethical problem or has information about a questionable practice that does not comply with the Code of Business Ethics and Conduct, the Company policies or applicable law, must contact management or the Carlson Human Resources department.

If the persons to whom an employee reports an ethical problem or questionable practice is not responsive or if there is reason to believe that reporting to the persons indicated above is inappropriate in a particular case, then an employee should contact the Company's Legal department, or the Ethics Helpline or website.

Carlson strictly prohibits acts of retaliation, and in no event will any action be taken against the employee for reporting, in good faith, ethical problems or information on questionable practices.

Prohibition of Bribery

As detailed within the Carlson Code and related policies, Carlson strictly prohibits all forms of bribery, and willful blindness to corruption by a third party will not be tolerated. Employees must never attempt to bribe or otherwise improperly influence the employees, agents or others who may be acting for any third party, including, but not limited to, potential and current customers, clients, franchisees, or other enterprises with whom the Company wants to do or retain business in an attempt to obtain or retain business or to gain any other benefit for the Company.

Conflicts of Interest

The Carlson Code details expected behavior regarding potential conflicts of interests. It directs employees to avoid situations where their own personal interests, or that of persons or companies in which they have ties or links (financial or otherwise), could conflict with the Company's interests. Employees are required to promptly disclose any and every conflict of interest between themselves and the interests of the Company to their supervisors, the Human Resources Department, or the Legal Department. The situation will then be properly reviewed, to manage the conflict and determine a resolution.

Gifts

In alignment with the Code of Business Ethics and Conduct, Carlson employees are to avoid giving or receiving gifts, merchandise, services, travel, donations, or business courtesies in connection with Company business relationships, except as legally permissible and recognized as courtesies of the trade such as meals and entertainment reasonably related to a legitimate Company business purpose. Appropriately acceptable gifts (given or received) must meet all of the following criteria:

- Modest or otherwise reasonable in value and not lavish (not in excess of \$100 USD or local equivalent). Gifts in excess of \$100 USD (example: sporting event tickets) or gifts that would be considered excessive in the local market should be approved by management
- Infrequent
- Transparent, in good taste, and in an appropriate environment
- Unsolicited
- Not cash or cash equivalent such as a gift card
- Not in contrast to the third parties' policy
- Not restricted or prohibited by the law

Employees are also required to confirm any gifts given comport to the business partner's gift policy prior to giving the gift. Additional expectations related to government agents are detailed in the Code to ensure employees stay apprised of more stringent rules in these situations and always err on the side of caution when interacting with government officials and customers.

Employee Training

Each year, Carlson provides thorough trainings that cover all areas of the Code of Business Ethics and Conduct, including the topics related to anti-corruption. This training is required annually for new hires and current staff.