

# CTM sustainability report

FY21



# CTM Sustainability Report FY21

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# DRIVING SUSTAINABILITY THROUGHOUT OUR BUSINESS

## Corporate Travel Management Limited is pleased to present its FY21 Sustainability Report.

CTM's focus on long-term sustainability has guided decision-making, particularly since the onset of the COVID-19 pandemic. We have made decisions and taken action with a long-term view to creating and protecting value for the business and our key stakeholders. The pandemic has caused some sustainability initiatives to be scaled back and others emphasised, to create a focused pathway to see us through the impact of the COVID-19 pandemic and into a successful recovery environment.

CTM has revised this Report following a review of our sustainability strategy and associated reporting during FY21 to provide further information on the material areas that we believe will determine CTM's sustainability over the longer-term. This Report is a further step in our reporting on areas critical to CTM's long-term success. In the coming year, work will continue with our key stakeholders to refine data capture, measurement and goal setting.

Our long-term success is dependent on meeting the expectations of our key stakeholders including our people, clients, suppliers, industry partners, investors and financiers. We have begun stakeholder engagement and are introducing feedback processes to ensure we capture and respond appropriately to each perspective.

## Our Sustainability Pillars

After reviewing a number of the evolving reporting frameworks in the sustainability ecosystem, we have broadly aligned our reporting with the guidance provided by the World Economic Forum's ("WEF") report; Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation due to its broad applicability and commitment from a number of relevant bodies to WEF's process to develop globally consistent reporting.

The diagram below summarises our revised areas of focus based on the WEF's four reporting pillars being Principles of Governance, People, Planet and Prosperity. The pillars form the foundation of this Sustainability Report and will underpin CTM's sustainability planning in the coming years.



### Stakeholders and stakeholder engagement

During FY21, we reviewed how we engage with our key stakeholders given they are critical to successfully meeting our purpose to deliver an enhanced value proposition to corporate travellers. CTM's material stakeholders include:

1. Our employees: past, present and prospective
2. Our clients: past, present and prospective
3. Our investors: present and prospective
4. Our suppliers and our industry partners
5. Governments and regulatory bodies in the regions we operate in
6. Our financiers

The table below sets out how we engage with each of our material stakeholder groups:

STAKEHOLDER	ENGAGEMENT METHODS
Employees	<ul style="list-style-type: none"> <li>• Various employee meetings, business update sessions, intranet, newsletters and a range of other communication methods</li> <li>• Regular one-to-one employee and leader meetings, and monthly check-ins</li> <li>• Employee feedback loops including but not limited to employee engagement surveys, employee new starter and exit surveys</li> <li>• Training sessions</li> </ul>
Clients	<ul style="list-style-type: none"> <li>• Client feedback loops</li> <li>• Client surveys</li> <li>• Client engagement forums</li> <li>• Client information requests on sustainability topics</li> <li>• Participation in industry events and conferences</li> <li>• Direct engagement to understand emerging challenges and long-term needs</li> </ul>
Investors	<ul style="list-style-type: none"> <li>• Direct engagement with larger shareholders and analysts</li> <li>• Direct engagement with proxy houses and other shareholder or investment advisors</li> <li>• Interim and full year result reporting and presentations</li> <li>• Investor roadshows</li> <li>• Participation in investment market events and conferences</li> <li>• ASX releases</li> <li>• Annual General Meeting</li> </ul>
Suppliers/Partners	<ul style="list-style-type: none"> <li>• Participation in industry events and conferences</li> <li>• Discussions throughout the procurement process</li> <li>• Direct engagement throughout the supply contract lifecycle</li> <li>• Questionnaires, audits</li> </ul>
Government and regulatory bodies	<ul style="list-style-type: none"> <li>• Membership of and participation in industry associations</li> <li>• Policy submissions, participation in working groups and meetings with government</li> <li>• Liaison with regulators in the jurisdictions in which we operate</li> </ul>
Financiers	<ul style="list-style-type: none"> <li>• Direct engagement</li> <li>• Participation in industry events and conferences</li> </ul>

CTM conducted informal interactions with our stakeholders during FY21 regarding sustainability, including many conversations on long-term sustainability issues given the pandemic and increased importance of climate change. This report covers the material topics that stakeholders focussed on. In FY22, we will engage with stakeholders in a structured way on sustainability matters to ensure we fully capture their views and insights relevant to CTM.



## PRINCIPLES OF GOVERNANCE

Governance is fundamental to our long-term sustainability. Defining and monitoring our purpose, governance framework, ethics and integrity, and risk management framework together provide CTM's material governance foundations required to create long-term value for our stakeholders.

Our purpose

CTM was established in 1994 with a clear purpose to deliver an enhanced value proposition to corporate travellers. Our purpose remains unchanged. CTM's culture is founded on the principle of empowering its people, through good processes and excellent training, to deliver a strong return on investment to clients underpinned by intuitive industry-leading technology and highly personalised service. The sustainability of CTM is inextricably linked to our vision, mission and values summarised below.

OUR VISION

To be recognised as the global leader in travel management solutions – an entrepreneurial, innovative and inspiring company of choice for employees, customers, partners and shareholders.

OUR MISSION

To be travel management leaders in all regions in which we operate, using innovative technology to improve the customer experience and bring positive change to the market.

Our Company Values



Excellence is a habit not an act



Belief is what makes a person, team, company, and community stronger



Innovation in thinking and doing what nobody else does



Through teamwork wonderful things will be achieved



People are successful when they have fun in what they do



The power to make the right decision to achieve great results



Celebrate and acknowledge when we have accomplished something special

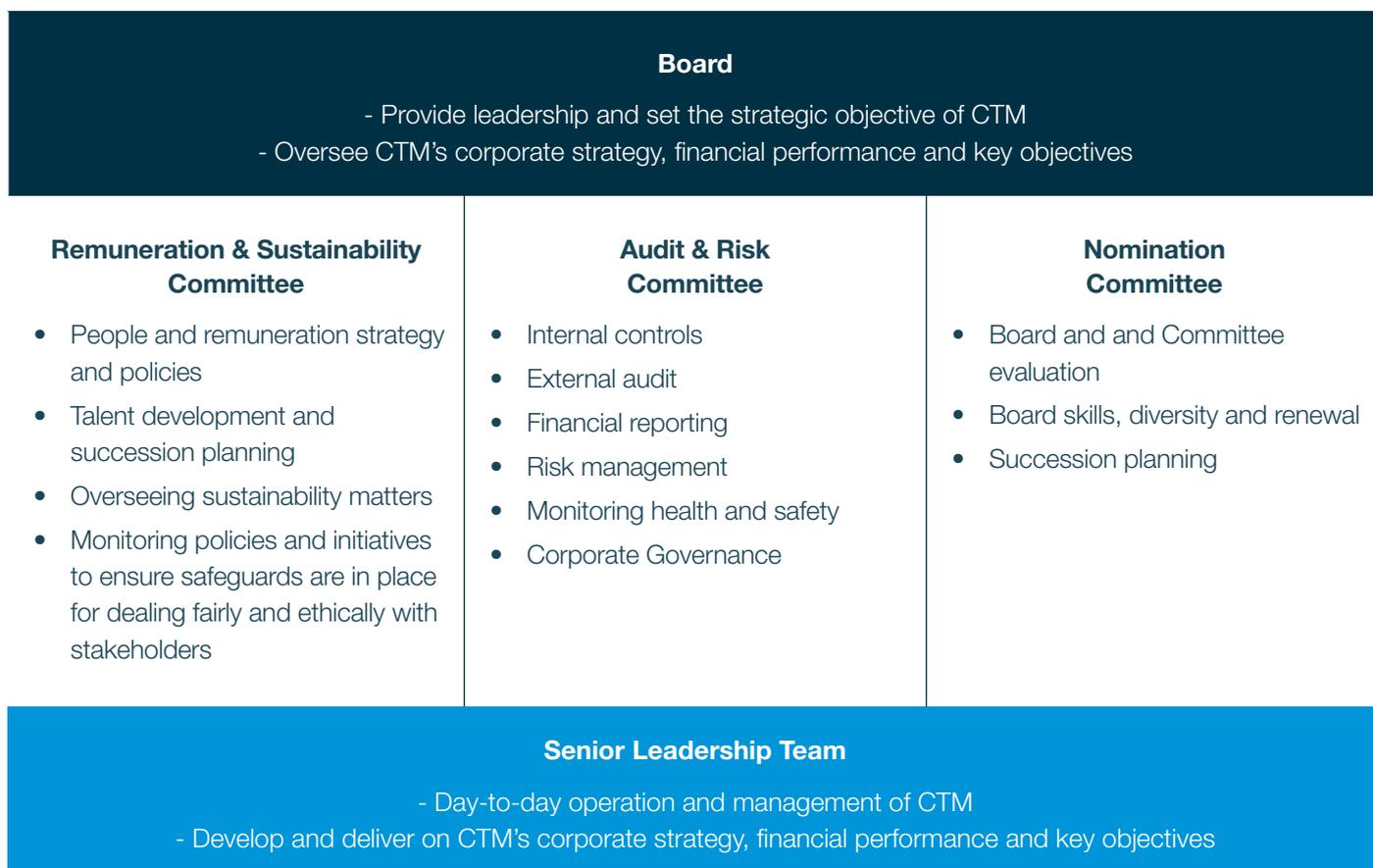
**Governance framework**

We recognise the importance of good corporate governance practices which assist in ensuring the accountability of the Board and management of CTM to our stakeholders. The Board regularly reviews our governance practices in light of corporate governance developments, applicable legislation and standards, as well as stakeholder expectations.

At CTM, we believe that good governance practices are fundamental to:

- the long-term performance and sustainability of CTM
- the delivery of strategic objectives
- contributing to the preservation and growth of shareholder value.

The Board has established the following governance framework:



Further details regarding our governance structures, including Directors' skills, experience and Committee memberships can be found in our FY21 Corporate Governance Statement available on our website and in the Directors' Report contained in the FY21 Annual Report.

**Ethics and integrity**

CTM has policies in place that support its governance framework and promote creating and sustaining a workplace culture that supports equality of opportunity, empowerment, collaboration and recognition.

CTM's Code of Conduct sets out the ethical and responsible conduct expected of all our employees and Directors. We promote acting in accordance with the law; acting with honesty, integrity, and fairness; a commitment to a high standard of professionalism; and avoidance of conflicts of interest by all our employees and Directors. Our reputation as a fair and ethical organisation is important to our ongoing success. At CTM we have in place internal grievance and investigation processes as well as the Whistleblower Policy and process. Internally, a breach of the Code of Conduct could result in disciplinary action including termination of employment.

Through our Whistleblower Policy and associated processes, we aim to ensure that our people and stakeholders feel encouraged and supported to report conduct which they consider to be inappropriate.

CTM is committed to taking prompt and appropriate action in investigating possible inappropriate conduct to ensure that incidents are appropriately addressed and to stop any re-occurrence of the situation.

Breaches of our policies are reported to the Board through the relevant Board Committees.

Everyone at CTM is required to complete training on our core policies, including our Code of Conduct, Whistleblower Policy, Anti-Bribery and Corruption Policy, Risk Management Policy, Privacy Policy, Securities Trading Policy, Continuous Disclosure Policy, Workplace Health and Safety Policy, and Equal Opportunity and Diversity Policy. We also have processes for the delivery of annual refresher training and require an acknowledgement of reading and understanding our policies.

This year, we published our first Modern Slavery Statement which sets out CTM's approach to identifying, managing and addressing potential modern slavery risks and impacts in our operations and supply chain. We will continue to build upon and improve our existing risk management and remediation frameworks as they relate to modern slavery, and in FY22 all of our employees will receive enhanced training regarding CTM's modern slavery policies and principles so that they have a higher level of understanding of the risks of modern slavery in our business and supply chain.

Further details regarding our approach to modern slavery risks can be found in our Modern Slavery Statement available on our website.

**Risk oversight**

Risk management forms a core part of our day-to-day business. CTM's senior leadership team is responsible for the identification, evaluation and monitoring of material business risks on an ongoing basis as well as embedding a culture throughout CTM that promotes awareness of potential exposures created by risk. The material issues addressed in this report were identified by CTM personnel who engage regularly with each of our stakeholder groups.

The Board is responsible for the oversight and management of risk and is assisted by Board Committees where required. In performing its oversight role, the Audit & Risk Committee:

- regularly reviews CTM's risk appetite and risk tolerance with respect to relevant categories of strategic and operational risk;
- monitors, reviews and reports on risks which may impact CTM achieving its goals and objectives, or on CTM's performance more generally;
- assesses risks which may impact CTM's reputation; and
- reviews actions taken by management to reduce risk exposure.

The Remuneration & Sustainability Committee assists the Board in relation to sustainability risks relevant to CTM including by:

- developing long-term targets and aspirations for sustainability and, once in place, monitoring progress towards achieving those targets;
- reviewing the effectiveness of CTM's initiatives designed to support a sustainable business; and
- monitoring CTM's policies and initiatives to ensure appropriate safeguards are in place for dealing fairly and ethically with CTM's stakeholders.

The COVID-19 pandemic continues to cause major disruption to the travel industry because of government-imposed travel restrictions, border closures and quarantine requirements. The strengths of our business model, being:

- capital light
- corporate travel / essential travel clients
- global geographic diversity
- majority of revenue from domestic travel

meant that we were well-positioned, before the emergence of COVID-19. We protected CTM's strong liquidity and financial position, participated in M&A opportunities and adequately managed various risks to our business when the global travel industry experienced this unprecedented

disruption. Through our risk management framework, we quickly created an action plan and implemented a new rolling operating framework driving accountability and operating simplicity, with a clear focus on cost management, employee communications, client and supplier engagement, and finance initiatives.

In addition to managing our own risks, as businesses adjust to COVID-19, we are providing our clients with a broader range of consultancy support beyond traditional travel booking, reporting and supplier management. We have worked hard to help our clients with sophisticated risk management tools, including traveller tracking and emergency communications, to enable our clients to travel more safely, efficiently and cost-effectively during the pandemic.

### Opportunity oversight

Our risk framework also enabled CTM to be in a position to capitalise on opportunities aligned with our strategic direction, such as the acquisitions of Travel & Transport and Tramada in FY21. We apply a disciplined approach to acquisitions and will only pursue opportunities that deliver commercially attractive and strategic outcomes which complement, or benefit from, our established operating capabilities.





## PLANET

We recognise the environmental harm that can result from business operations. Impacts on the environment are playing an increasingly important role in determining a company's "licence to operate" which, if damaged or lost, will have an impact on CTM and our stakeholders.

CTM's and our clients' long-term sustainability are dependent on the long-term economic health of the regions where we operate. Thriving communities with opportunities for economic growth, investment and development will underpin our clients' travel requirements. Should any of CTM's upstream or downstream business activities be threatened due to environmental impact, CTM's longer-term sustainability may be threatened.

## Direct impact

CTM has a number of initiatives in place to manage the size of our own climate footprint.

We continue to partner with South Pole ([www.southpole.com](http://www.southpole.com)), a company which offers solutions to help organisations meet the United Nations Sustainable Development Goals. Through this partnership, CTM has a policy of offsetting 100% of the carbon emissions generated by our employees' air travel against a range of global initiatives.

During FY21, CTM offset 234 tonnes of greenhouse gas emissions. Due to border restrictions and the resulting reductions of employee travel, this amount has reduced from FY20 when we offset more than 1,191 tonnes of greenhouse gas emissions. Through the offsetting process with South Pole, CTM is able to support projects which contribute to the regeneration and preservation of Australian biodiversity.

In addition to our own air travel, CTM has a direct impact on the environment from the amount of waste we generate, the electricity, gas and water we consume, our technology usage and the offices we occupy.

Whilst we have not yet measured these impacts, CTM has implemented initiatives within the business to reduce or negate some of our impact. Our team members are encouraged to be mindful of our environmental responsibility. We have taken the following steps to reduce our impact on the environment:

- A focus on paperless processes
- Shredding and recycling paper where practical
- Recycling ink cartridges
- Donating or recycling old / no longer required furniture, IT equipment and office supplies
- Provision of reusable kitchen items rather than disposable items
- Office and kitchen waste separation
- Participation in Earth Hour
- Partnering with suppliers who meet environmental standards
- Australian offices located in buildings with a minimum 4 star NABERS for Energy and Water.

Over FY22, CTM will endeavour to extend the measurement of our own environmental impact. With this knowledge, CTM will review our goals related to reducing our adverse impacts on the environment. CTM is committed to understanding the impact we directly have on the environment and managing this for our long-term sustainability.

## Impact from our value chain

We are aware that the upstream and downstream activities in our value chain also have an impact on the environment. In providing our services to our clients, we are very cognisant that travel creates impacts on the environment. Whilst we do not provide the actual transport or accommodation, we on-supply this to our clients by procuring travel services on their behalf.

Also, our client's business and core activities may have impacts on the environment which, indirectly, we are enabling through the provision of travel services. At CTM, we will assist and collaborate with our clients to reduce our collective environmental footprints. We have a diverse portfolio of clients across a number of industries, many of which regard travel as a key success enabler.

Our approach to ensure our longer-term sustainability is to deliver innovative travel solutions which assist our clients to achieve their own sustainability goals. For example, we provide our clients with the opportunity to offset the emissions generated by their employees' air travel via CTM's Climate+ program (in partnership with South Pole).

Additionally, some of our industry partners offer options to offset emissions directly. We facilitate this approach through enabling our clients to choose this option in our booking systems at the point of sale.

In FY22, CTM will continue to engage with our clients to better understand our clients' objectives and to assist the informed development of travel solutions which reduce the impact on the environment. We will also increase our understanding of our suppliers' sustainability strategies to assist and ensure long-term sustainability for CTM.



## PEOPLE

Our people are CTM's frontline value creators for our stakeholders. Our long-term creation of value is dependent on attracting and retaining talented and motivated staff. From a sustainability perspective, CTM's People initiatives focus on diversity, health and safety, and training and development. These initiatives alongside our remuneration structure, policies and procedures, ethics and integrity framework, focus on innovation, and our contribution to the communities we operate in, underpin CTM's workplace culture.

CTM has historically used employee surveys to provide insights into workplace culture and employee engagement. This has included comprehensive annual employee surveys (the Vibe Survey), new starter and exit surveys, informal and formal complaint handling procedures, Workplace Health and Safety information including access to an Employee Assistance Program, and quick employee pulse surveys.

The information gathered is used to adjust and set our People and Sustainability strategies to ensure we address issues which may impact on our ability to attract and retain talented people.

In FY21, CTM's annual Vibe Survey was suspended given the sudden and significant impact COVID-19 had on our team members as we focussed on ensuring the health and wellbeing of our people and their families. Feedback was primarily sourced from direct contact between managers and their teams. Our employees and leaders worked together tirelessly to support each other during this time. Some other People programs were also scaled back during the year given their lower priority in the pandemic environment. In FY22, we will return to using the Vibe Survey globally to provide more defined metrics and benchmarks around our understanding of employee engagement, and we will focus on reintroducing key People programs as our teams return to the workplace and the business recovers.

**Diversity factors**

We understand that it is critical that our most important asset - our people - have a range of skills, experiences, backgrounds, thoughts and beliefs. We acknowledge the individual strengths of each employee and the potential they bring. Valuing the differences of others is what ultimately brings us all together and creates innovation through diversity of thought. It also contributes to an engaging work environment.

- 71% of our employees are female and 29% male
- Average age is 44
- Average tenure is 8 years
- 68% of our team leaders and managers are female, 46% of senior leaders are female

There has been no material change to these statistics from FY20 to FY21.

Knowledge, skills and training are critical elements in developing and supporting a diverse team.

With our new Global Learning Management System, implemented in late FY21, we have introduced new and enhanced training relating to:

- Diversity and inclusion
- Equal opportunity
- Unconscious bias
- Becoming a Diversity, Equity and Inclusion Ally and Agent for Change
- Harassment training

Equity in relation to salary is important at CTM, and we have processes and procedures in place to identify, reduce and eliminate any unconscious bias.

Each region completes an annual review of salaries. Included in this process is the requirement for each region to evaluate local minimum wage requirements and assess where our employees sit in context to local employee relations requirements. We also complete an annual analysis of salaries by gender, and we support our leaders with recommendations and training in this area.

**Reporting**

At CTM, we submit gender diversity information to the relevant government and reporting bodies as required. Our work is recognised by compliance with the Australian Workplace Gender Equality Act (WGEA) 2012, UK Gender Pay Gap Reporting, US Equal Employment Opportunity Commission - Employer Information Report EEO-1, New Zealand Government Employment Survey, and others where required.

**Indigenous Engagement Plan**

In Australia, we continued our focus on raising employee awareness and understanding of traditional cultures through our Australian Indigenous Engagement Plan. We promote and celebrate NAIDOC Week, with this year's goal to increase employees' awareness of Aboriginal and Torres Strait Islander communities and culture. During FY21, we

continued our partnership with NRL Cowboys House. This program provides supported accommodation for Aboriginal and Torres Strait Islander students from remote Queensland communities so they can access quality secondary education, and includes separate housing for young females. In partnership with the students from Cowboys House, CTM produced a video showcasing students' traditional languages and their importance to local communities and heritage. CTM is also a member of Supply Nation, an organisation which connects Australian companies to Indigenous suppliers, with the aim to build a vibrant and prosperous Indigenous business sector by incorporating Indigenous-owned businesses into the supply chain.

### Health and safety

At CTM, the health and safety of our people is paramount. During the pandemic we have supported our employees with a variety of initiatives promoting health and mental wellbeing. These include flexible working arrangements, access to wellness information, mental health tips and techniques, and the Employee Assistance Program. Return-to-office processes have been implemented to help protect our people, including COVID-Safe plans, following local health authority requirements and advice, additional cleaning, provision of hygiene products, and social distancing.

Across our regions we have a number of ongoing health and wellbeing initiatives in place to support our people:

- Intranet sites dedicated to providing information, tools and discounts relating to health and wellbeing
- Mental health training
- Health challenges and programs
- R U OK Day?
- Employee Assistance Programs
- Domestic and family violence awareness and training
- COVID-related health and wellbeing tips and tools

As a service-centric business, our employees work either remotely from home or within modern, managed corporate offices, ensuring very limited exposure to workplace risks, incidents and injuries. During FY21 the number of non-work related and work-related incidents was immaterial and CTM had no fatalities or permanent disabilities.

### Training and development

During FY21 we scaled back the CTM HiPo (High Performance) program and other leadership development activities and focused on operational and process training, which was critical in a volatile travel landscape. In late FY21, we streamlined our compliance training globally and launched a new global Learning Management System to deliver on-demand learning opportunities to all employees. The objective of this program and the investment in the development of our people aims to provide:

- high quality compliance training
- enhanced reporting capability on training completion
- continuous learning which supports our culture of innovation and empowerment
- an extensive library of on-demand learning content in a variety of forms and languages
- a pro-active, personalised and self-initiated development and learning culture.

To remain a vibrant, sustainable sector over time, the industry needs to continue attracting talented people to a career in travel. CTM is proud to support the continued advancement of the travel industry through ongoing skills training, which contributes to the local economies and communities in which we operate. During FY21, initiatives such as the TAFE Travel and Tourism scholarship program in Australia, our partnership with Bradford College (UK), and our various graduate programs in the USA, were placed on hold and we are looking forward to reigniting these programs in FY22.



## PROSPERITY

We believe the core drivers for longer-term sustainability from a prosperity perspective include our contribution to employment, wealth generation, investment in innovation, community participation and support, including the payment of taxes, and the protection of our stakeholders' data and privacy.

Whilst the travel industry is traversing its toughest period in recent times, CTM has remained resilient throughout the pandemic. As a result, CTM has been able to act on opportunities to grow our footprint, add scale and acquire talent, evidenced in CTM's acquisitions of Travel & Transport and Tramada in October 2020.

There have been many decisions contributing to CTM's corporate performance through the COVID-19 pandemic, and we are well-positioned to continue creating value in the future.

## Employment

In response to the pandemic and for the sustainability of our business, CTM made the decision to resize its workforce and temporarily reduce pay and/or working hours for employees to align with the significant reduction in travel activity and revenue in FY21. CTM did benefit from government grants available in some of our regions, which were instrumental in enabling us to reduce the impact on our employees and clients.

CTM has recommenced hiring in some regions as travel activity recovers, and most employees have returned to full pay and working hours.

We have been focussed on retaining skilled and knowledgeable staff during the reporting period to support our clients and our business.

We again thank our alumni for all they have contributed to CTM, and look forward to welcoming many back to the CTM business in the near future.

## Wealth generation

We have made the decision to not recommend dividend payments during the COVID-19 impacted period, resulting in a loss of income for shareholders. We are committed to returning value back to stakeholders via dividends as soon as prudent.

Whilst the pandemic was an unforeseeable event, CTM entered the period in a strong financial position as a result of sustainable business planning and diligent governance.

Balance sheet strength and management were key to the resiliency of the business through the COVID-19 affected period. As the pandemic took hold from early 2020, CTM's balance sheet management has been tested. During the pandemic, we benefited from the working capital unwind that had built up prior to the pandemic. We also funded significant amounts of refunds as cancellations occurred. We continue to see refunds as cancellations continue to occur in response to COVID-19 outbreaks and border lockdowns globally. We were able to manage these events through our relationships with our clients, suppliers and partners. Given significant cash holdings and a strong focus on debt collection, all external debt was repaid in May 2020.

We have maintained cash holdings through the pandemic sufficient to ensure no debt has been drawn since it was repaid.

CTM's debt covenants were waived by debt providers, allowing us flexibility to navigate through the pandemic period. As at 30 June 2021, CTM holds \$92.8 million in cash available to be used and has no drawn debt on a facility of \$110.7 million.

During June 2021, CTM reduced the facility limit from £100 million to £60 million given the strong balance sheet position. Looking forward, we will continue to manage our balance sheet positions prudently and conservatively.

Our balance sheet management ensured CTM did not need to raise equity capital to fund the operations or losses of the underlying business. Rather, we raised capital in October 2020 to acquire Travel & Transport and Tramada. These acquisitions grew the pre-pandemic pro-forma revenue by 64%. Travel & Transport gives CTM greater access to the North American and European markets in corporate travel. Both of these acquisitions will benefit stakeholders in the future through increased client offerings and accretive EPS.

CTM has a diversified client base and is mindful to minimise concentration of revenues from individual clients.

This diversification includes clients in 'essential services' industries who continued traveling through the pandemic. This ensured continued revenues, although lower than historic levels, during the downturn. We are conscious that our supply chain is a leading factor in recovery. We have been and continue to work closely with industry partners to ensure the best outcome for all stakeholders both short term and long-term. Global airline capacity has increased over the reporting period. Travel bubbles and quarantine-free travel pathways have started to appear globally. However, the countries we operate in take a sovereign approach to border closures and vaccine rollouts. Some regions will reopen international travel quicker than others. CTM has developed a strategy to operate through this uncertain period of recovery and into the post pandemic environment.

In FY21, CTM navigated an extremely difficult period. We are re-emerging from the pandemic impact a larger and stronger business focussed on our stakeholders and their long-term prosperity.

## Core Metrics

ECONOMIC CONTRIBUTION (A\$m)	AUSTRALIA/ NEW ZEALAND	NORTH AMERICA	ASIA	EUROPE	CONSOLIDATED
Direct economic value generated <sup>1</sup>					
FY21	43.7	97.6	18.2	42.0	201.5
FY20	84.6	134.3	53.2	77.8	349.9
Economic value distributed <sup>2</sup>					
FY21	66.8	150.8	33.9	47.4	298.9
FY20	77.2	137.0	72.3	79.2	365.7
Economic value retained/(distributed) <sup>3</sup>					
FY21	<b>(23.1)</b>	<b>(53.2)</b>	<b>(15.7)</b>	<b>(5.4)</b>	<b>(97.4)</b>
FY20	<b>7.4</b>	<b>(2.8)</b>	<b>(19.1)</b>	<b>(1.4)</b>	<b>(15.9)</b>

1. Direct economic value generated represents revenue and other income from continuing and discontinued operations.

2. Economic value distributed represents operating costs, employee wages and benefits, payments to providers of capital, payments to governments and community investments.

3. Economic value retained equals direct economic value generated less economic value distributed.

## Core Metrics

GOVERNMENT FINANCIAL ASSISTANCE BY REGION	MONETARY VALUE (A\$m) FY21	MONETARY VALUE (A\$m) FY20
AUSTRALIA	7.8	2.5
ASIA	7.0	2.0
EUROPE	3.6	3.2
TOTAL	18.4	7.7

## Innovation of better products and services

Innovation is at the core of CTM's purpose, value proposition and sustainability. The proprietary technology we have developed continues to improve and was an important tool to facilitating our clients' travel plans from when the pandemic started to impact travel in the second half of FY20. Our proprietary technology continues to be core to our client value proposition.

Decisions regarding employee reduction did impact the software development teams in CTM during FY21. The decision was made to reduce technology projects whilst we navigated the loss of activity in order to preserve cash.

We were agile and prioritised changes to the technology needed to supply valuable information to our clients regarding COVID-19-safe travel. These changes were made quickly and ensured we were able to provide service to those who needed it in a safe and informed method.

As businesses adjust to COVID-19 and changing macro trends, we are listening to our clients' requirements as they return to travel. We have delivered new solutions and technologies that provide our clients information needed to get back to business travel. CTM supports our clients' health, safety and wellbeing through a range of products and services including CTM's traveller tracking tools, risk management and communications tools, and traveller wellbeing reporting.

We have also been working closely with travel suppliers and governments to prioritise the development of new solutions which enable our clients to make more informed travel decisions that increase traveller confidence.

Looking forward, CTM has a Board-approved strategic vision for the future of corporate travel and the technology required to enable it. As development headcount increases along with research and development investment, this vision will support long-term value creation for stakeholders.

## Core Metrics

FINANCIAL INVESTMENT CONTRIBUTION	MONETARY VALUE (A\$m) FY21	MONETARY VALUE (A\$m) FY20
Software development less amortisation	(3.5)	4.0
Acquisition of entities less distribution of capital to shareholders	276.1	(1.2)
<b>Total</b>	<b>272.6</b>	<b>2.8</b>

INNOVATION AND COMMUNITY CONTRIBUTION	MONETARY VALUE (A\$m) FY21	MONETARY VALUE (A\$m) FY20
<b>Total development costs</b>	<b>14.2</b>	<b>18.5</b>

## Community and social vitality

As a global business, we empower our employees to develop and deliver initiatives that suit the needs of their local communities, but are underpinned by our broader purpose, mission, vision and values.

During FY21, initiatives were scaled back due to various restrictions, and the focus was on supporting our internal communities' health, wellbeing and community spirit. Some of the external initiatives supported during FY21 included:

- **Australia and New Zealand:** Sponsorship of Cowboys House (supported accommodation for Aboriginal and Torres Strait Islander students from remote communities during their secondary education), fundraising for the Animal Welfare League, and volunteering at the Street Buffet to support people impacted by homelessness.
- **Asia:** The Community Chest Skip Lunch Day in support of the homeless in Hong Kong, and the FeiMaYi Program in support of remote rural communities in China.
- **North America:** Volunteering and support for organisations and charities servicing women and children affected by domestic violence, youth support, student scholarships, homeless services, and programs that combat adult and childhood illnesses.
- **Europe:** Volunteering at COVID-19 vaccination centres, fundraising for the Marie Currie Donation Appeal, and volunteering at the Oak Cakes Rescue Kennels in the UK.

CTM is committed to responsibly managing the Group's compliance with its tax obligations around the world.

## Tax

The Group's approach to tax is governed by a Board-approved Tax Governance Framework. The Group has robust internal tax controls and risk management procedures in place to enable the Group to identify and respond to tax risk. To guide the Group's response to tax risks identified, CTM has implemented a Tax Code of Conduct aligned to the Group's core values and commitment to corporate responsibility.

Under the Group's tax risk management strategy, CTM will not participate in tax evasion or aggressive tax planning, and is committed to maintaining a proactive and

transparent relationship with taxation authorities in all tax jurisdictions in which the Group operates.

As a global business, CTM contributes to the wealth of communities and society through remitting the correct amount of taxes to tax authorities. CTM has paid \$9.1 million in tax for FY21 (FY20: \$31.8 million).

## Data security and privacy

As a travel management provider, CTM collects, uses, stores and protects large amounts of confidential and personally identifiable information (PII) to facilitate travel bookings and associated travel. We take information security and privacy very seriously, and have implemented a robust information security framework across the entire business that includes appropriate security policies and procedures, staff and contractor security awareness programs, and technical security measures.

CTM abides by the applicable privacy legislation in all regions in which we operate and is certified to internationally recognised security and compliance standards, including ISO27001, PCI-DSS and SOC2. In addition to these compliance requirements, CTM strives to follow best practice cybersecurity to ensure the confidentiality, integrity and availability of data for our customers, business partners and employees.

Despite these measures, in FY21 CTM was impacted by a cyber-attack in one of our regions that resulted in the unauthorised access to a small amount of low-value legacy data. This attack was detected and contained quickly, largely due to preventative security measures already in place, which fortunately limited both the impact and duration of the breach.

Specialist security expertise was brought in to assist with remediation processes, and CTM reported the breach to the relevant privacy regulator and impacted clients as required by law. Following a review, and having regard to the remediation and prevention strategies employed by CTM, the regulator determined that no further action was necessary.

As a result of the incident, CTM identified opportunities to reduce the likelihood of further attacks and to improve and enhance our cybersecurity posture. These improvements were completed within FY21.



## CONCLUSION

**CTM is committed to the sustainability of the business and creating value for our stakeholders. Since the onset of the pandemic, focussing on CTM's long-term sustainability has helped our decision-making.**

We have taken steps to identify critical areas to achieve long-term sustainability and are on a journey towards improving our sustainability reporting. In FY22, we will focus on more structured interactions with our stakeholders to understand their perspectives on sustainability, measuring our environmental impact, rebuilding our workforce as activity returns, returning initiatives that were scaled back, and increased investment in innovative proprietary technology.



To learn more about the CTM Group's Sustainability Strategy  
visit [investor.travelctm.com.au](https://investor.travelctm.com.au)

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