

2020 vision

a close look at
the well-being
of traveling
employees





Employee travel:
the new focus on
well-being

Welcome note



Raphaël Padeloup

Senior Vice President and Global Head of CWT Energy, Resources & Marine (CWT ERM)

Welcome to CWT's annual Energy, Resources and Marine report. This year, we are changing things up. Instead of an overarching forecast across the industry, we have opted to be hyper-focused on an issue that is critical for ERM travelers and travel managers – health and safety.

The energy, resources and marine industries have long been leaders in understanding and addressing health and safety for their traveling workforce, building on extensive health, safety, security, and environment (HSSE) program experience and familiarity with the unique challenges of remote work sites.

That's not surprising as travelers in the ERM sector face complexities – not often seen in other industries – that go beyond the distance they travel. Many of them work in shifts in 24/7 operations, doing physically demanding labor, often outdoors, in all weather conditions, and in areas where security risks are high.

We're going beyond just getting them to their work sites safe and on time. We want to make sure they are rested when they get to work and to encourage

an organizational culture that supports their well-being while they're on the job, and after they've returned to their normal routines through monitoring and measured assessments.

We are heartened that more companies are recognizing the need to promote the well-being of their traveling employees – addressing fatigue, nutrition, exercise and mental health as a complement to traditional health and safety concerns. But, as you will see in these pages, more work needs to be done.

We hope that, in this report, you'll find a new way of thinking about traveler well-being (including understanding the science of jet lag and supporting wider goals of diversity and inclusion), as well as a renewed appreciation that organizations today have a larger and more active role to play – and a much bigger stake in their reputations – in making this a workplace reality.



Jake Cefolia

Senior Vice President, Worldwide Sales,
United Airlines

United is pleased to again sponsor the CWT Energy, Resources and Marine annual report. We have a proud history of serving the unique travel needs of the ERM community and continue our longstanding

commitment to putting customers like you at the heart of everything we do.

As Houston's largest global airline, we're seeing travel buyers remain thoughtful about travel policies as they balance ways to maximize value while also ensuring a comfortable journey. United is uniquely positioned to meet this challenge with industry-leading products and technology backed by an unparalleled network serving energy centers around the world.

Every day, thousands of customers with tight connections at risk are now making their flights due to our new ConnectionSaver tool. Once onboard, you'll enjoy the best sleep in the sky with United Polaris business class. Together with a rapidly growing global network – nearly 100 new domestic routes and 22 new international destinations in the last two years – including 30 additional flights from Houston – United offers ERM travelers an unbeatable air travel combination.

Thank you for your business, and we look forward to welcoming you on a United flight soon.

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Introduction



Well-being: why now

Over several decades, employers have grown more adept at caring for the health and safety of their workers when they travel, with companies in the energy, resources and marine (ERM) sectors often leading the way. A steady improvement in standards of care and support has given employees

on the road better resources to help keep them free from harm.

Now, in just the past year or two, a new component of this effort to care for traveling employees has emerged: Employers have begun to recognize a broader mandate to address the mental and physical well-being of their workers as they travel to complement more traditional safety and security practices.

This shift is being driven by a convergence of trends. Work-related travel is getting harder, explains Raphaël Padeloup, Senior Vice President and Global Head of CWT Energy, Resources & Marine (CWT ERM). Airports are busier, planes fuller, and delays more frequent. Employees also are more connected than they used to be, tethered 24/7 to their phones, which can give rise to an expectation that they will be always-on, regardless of time zone.

“ The road warrior doesn’t have the privacy or the downtime to relax that they might have had in the past. ”

Raphaël Padeloup, Senior Vice President and Global Head, CWT ERM

In sum, there’s significantly more stress today on the traveler’s itinerary.

In this report

To examine the growing attention on traveler well-being, we are sharing in this report the expertise of CWT professionals who work every day with executives, travel managers, and individual travelers at companies in the ERM sector. Our knowledge is grounded in the deep experience our

clients have with the challenges of a diverse workforce constantly on the move to distant countries and remote locations, and it reflects CWT's familiarity with key players and current developments in the travel industry.

This report also presents the findings of an online survey of C-suite executives from oil and gas companies

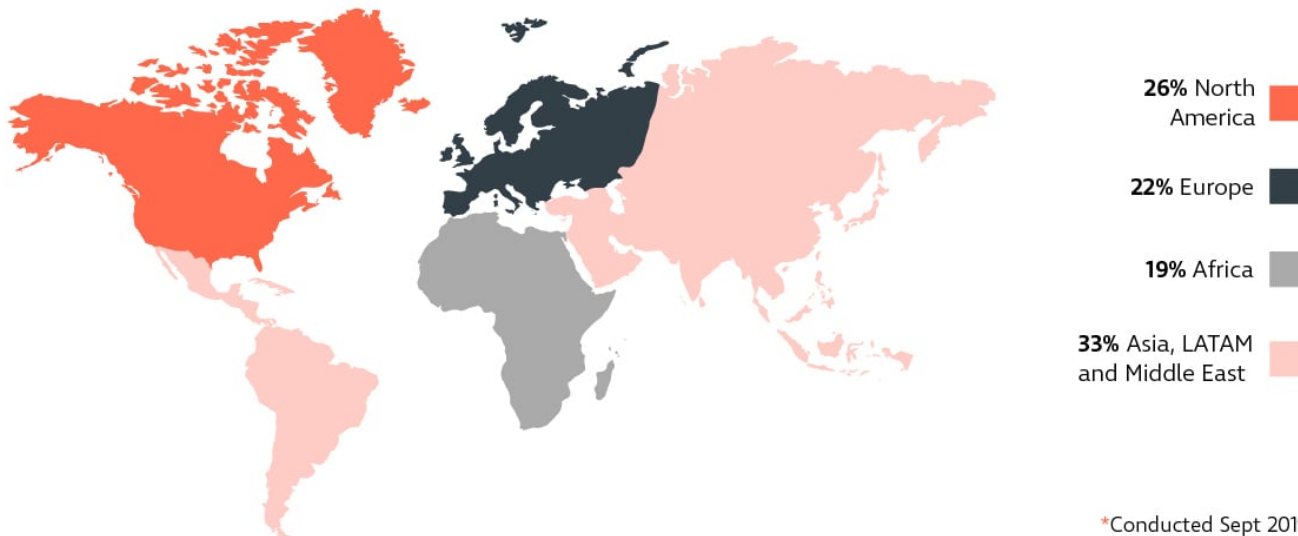
around the world on their health, safety and well-being programs for traveling employees. Among the 388 respondents, 26% are from North America, 22% from Europe, 19% from Africa, with the rest from Asia, Latin America, and the Middle East. The survey was conducted in September 2019.

The survey shows that nearly half of

all companies do not have any kind of traveler health and safety program, and that only a third of organizations measure and report the impact of traveler health, safety, and well-being. This clearly shows that more work needs to be done at an organizational level and across the travel industry to ensure that awareness translates to action on behalf traveling employees.

In the first section of this report, we examine what's being done to promote the well-being of traveling employees — and where gaps remain. We then examine how this benefits employers in productivity, recruitment, and retention. And, finally, we delve into how the new focus on well-being dovetails with more traditional efforts to ensure the safety, security, and health of traveling employees.

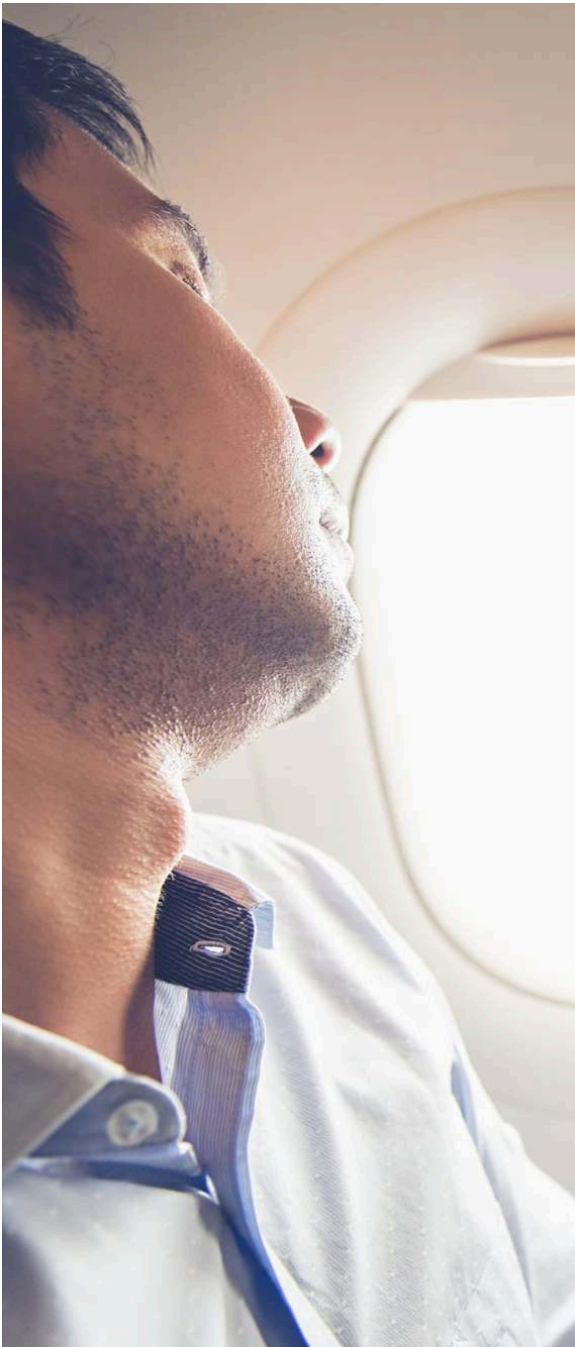
Location of the 388 respondents*



*Conducted Sept 2019

The new commitment to well-being

There's growing recognition that it's okay to
not be okay.



Fatigue, jet lag, exercise, and nutrition are becoming more central concerns for employers as they embrace wellness for their employees who travel. This can be seen in a growing awareness among travel managers of the healthful amenities that may or may not be available at the hotels they select, such as access to a well-equipped gym. Destination information provided to employees today may include information on healthier dining options, for example, or other matters related to well-being.

“ There’s heightened awareness of how we’re all trying to live more healthy, balanced lives. ”

Daniele Gadbois, Vice President, Global Business Development, CWT ERM

Employers are getting help from new technology to help manage some of these issues. There’s an app to assist

travelers in managing their jet lag, for example (see “[Jet Reset](#)”). Another kind of app tracks flight delays, layover times, and other traveler stresses to assess the impact on fatigue and productivity and to avoid employee attrition. That app even suggests steps for improving a specific employee’s travel experience, such as changing travel plans or providing airport lounge access.

Workplace attitudes about mental health are also changing.

“ As a society, we’ve come to realize that it’s okay to not be okay, and this shift is affecting how we look at employee travel. ”

Anne Bridgman, Director, Customer Group, CWT ERM

It’s common practice for employers to provide destination information that

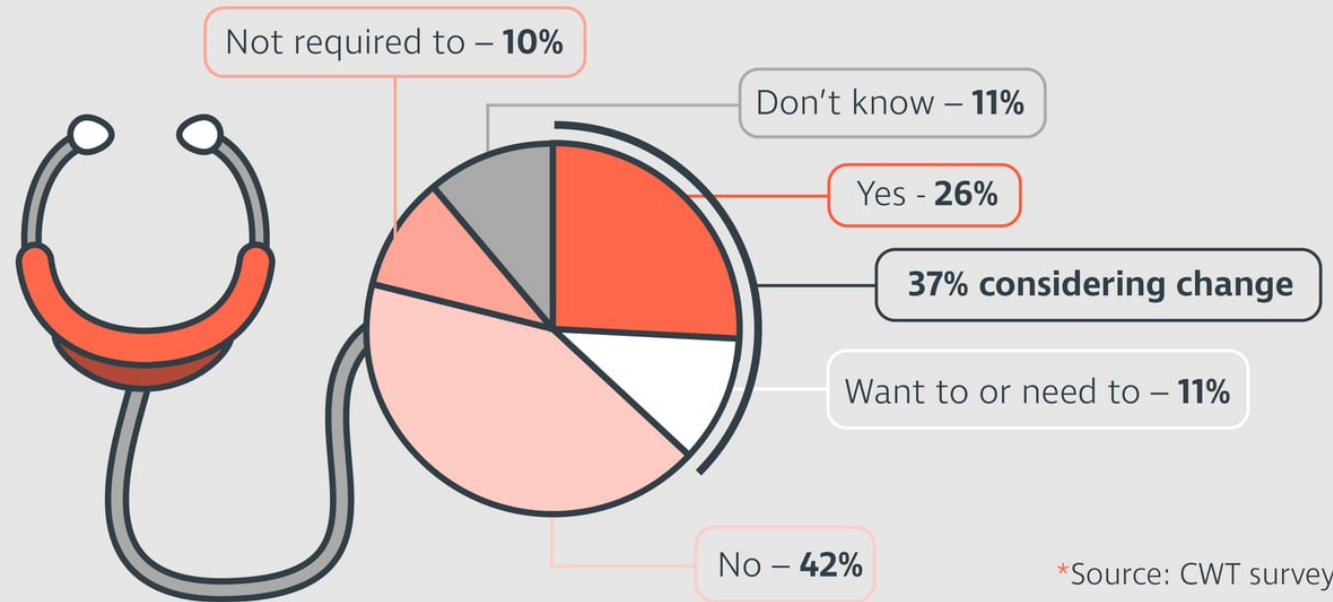
covers disease risk, vaccinations, and security, and to make available resources for those who become ill or injured on the road. Now similar steps are being taken to address mental well-being, by giving employees who face the additional stressors of a hectic travel schedule ways to access mental health first aid, for example.

“ But you can’t create a policy for every scenario. ”

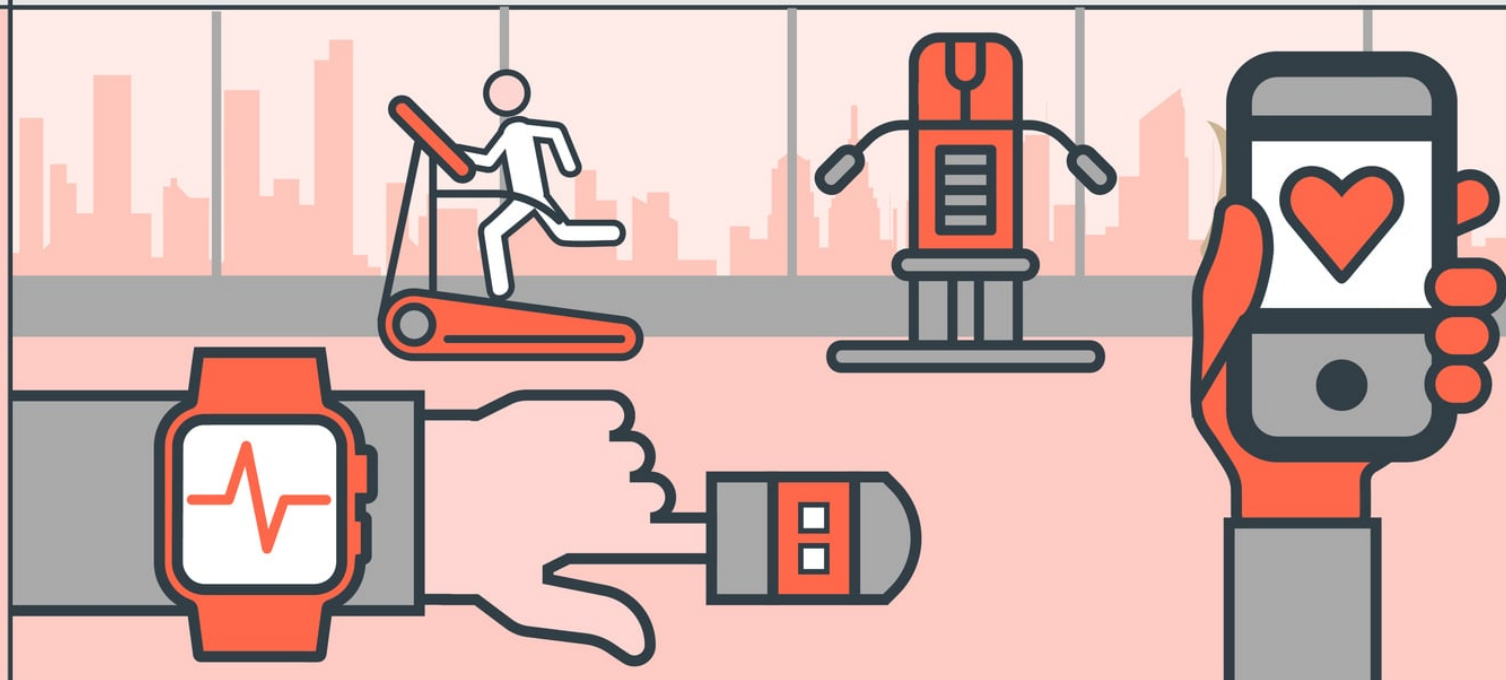
Anthony Panter, Environment, Health and Safety (EHS) Manager for EMEA, CWT ERM

In the end, it’s about fostering a culture within the organization that accepts the importance of traveler well-being. Senior leadership in the organization needs to buy into these priorities to make it work, Panter adds.

Is your organization actively investigating traveler health, safety and well-being services and solutions?*



More than a third of the organizations we surveyed are considering new services and solutions that may help foster traveler well-being. This is a start, but there's clearly room for a greater attention to this subject.



Jet reset

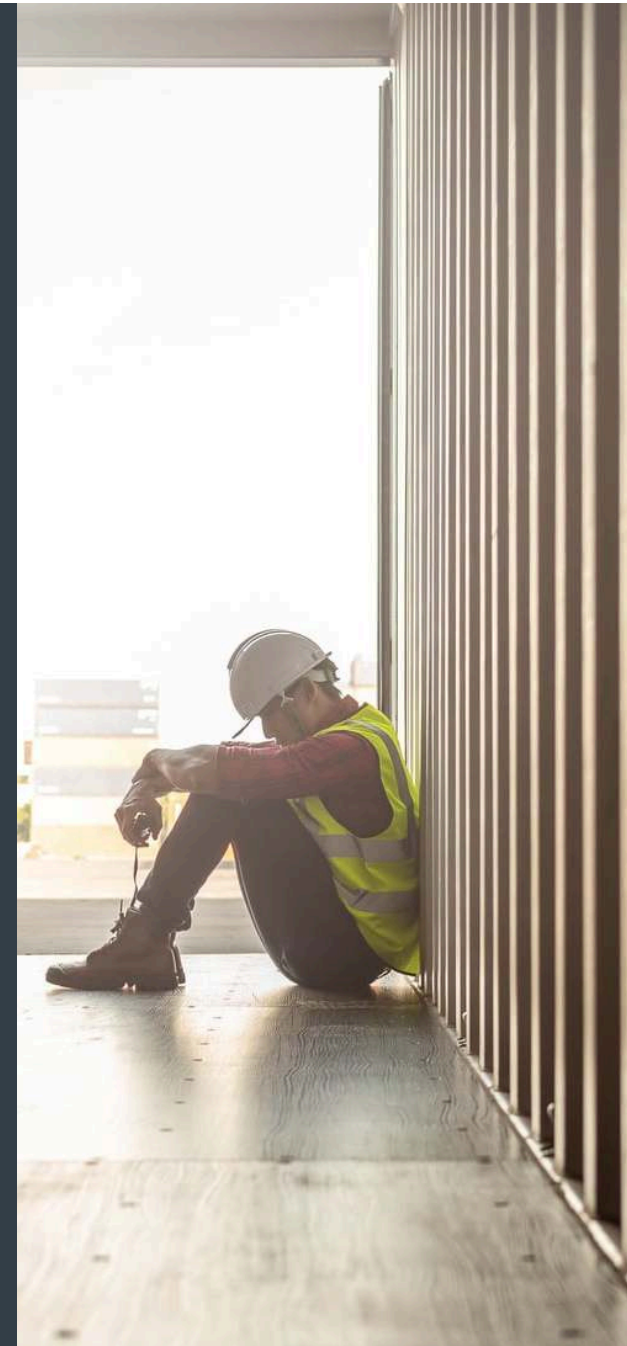
The Timeshifter app brings better science to bear on a persistent issue for frequent travelers.

Jet lag is among the most common issues affecting the well-being of employee travelers. It's obviously desirable to be alert for a meeting that matters so much that you've flown halfway around the world to attend. And it may be even more important to sleep well if you're arriving at a remote worksite where you operate heavy machinery or manage complex operations. In many situations, the fatigue and sleeplessness of jet lag is a disadvantage, and in some, an outright hazard. This is an issue that begs to be handled better.

Increased understanding of the science of jet lag may be key, according to Mickey Beyer-Clausen, Founder and Chief Executive of Timeshifter, developer of an app to help travelers adjust to time changes. In spite of all the attention given to jet lag, and all the tricks people have for adjusting their internal clock, most people neglect the most vital factor in regulating human circadian rhythms, which is exposure to light and dark, Beyer-Clausen says.

The Timeshifter app helps travelers establish and follow a schedule to adjust to a new time zone, with guidance on when you should be asleep or awake, the timing of melatonin supplements, cautions about caffeine consumption, and so on. The most important thing that the app does, Beyer-Clausen says, is to provide information, backed by the best research available, about when you should be in darkness and when you need bright light.

"Neuroscience research on circadian rhythms shows very clearly that light and dark is the key to shifting the biological clock," Beyer-Clausen says. "The science is absolutely rock solid, but the travel industry still mostly doesn't understand it." In other words, there's great potential for improving our ability to address jet lag and related fatigue issues as this body of knowledge spreads — and gives rise to significant opportunity for boosting the well-being of employee travelers.



“ Astronauts will tell you that once they finally get to orbit, everything is kind of cool. They can relax and focus on the job. But, what really gets them is traveling. Traveling to Japan to train, to Kazakhstan [for launches to the International Space Station], to Moscow, to Canada, to Houston, to Ames Research Center. Traveling is a big deal for us. ”

Dr. Smith Johnson, Space Medicine Specialist

Johnson has helped NASA develop programs to improve the ability of astronauts, along with its other employees, adjust their circadian

rhythm for travel or for shift work that may require peak performance at odd hours of the day or night. His program uses sleep aids, melatonin

supplements, and, most importantly, bright light exposure to manage time changes.



Well travelers: how employers benefit

Productivity and worker satisfaction are rewards for companies that address well-being.



invisible and visible health

There's a growing recognition that workers need to be healthy to be productive and to do their best work. This underpins the attention employers are giving to workplace wellness programs generally, and it's a particular motivation for employers to do more for the well-being of traveling employees. Employees who are fresh and alert and feeling strong, despite the demands of their travel, are likely to make better decisions and be better leaders.

“ There's a relationship between invisible health and visible health. ”

Raphaël Padeloup, Senior Vice President and Global Head, CWT ERM

The hard-to-see health issues such as fatigue or work-life imbalance for an employee who is on the road all the time can lead to visible health problems. A frequent traveler who can't maintain an exercise regimen or perhaps a medically necessary diet may eventually become sick, making them less productive and more likely to miss days at work or perhaps even quit.

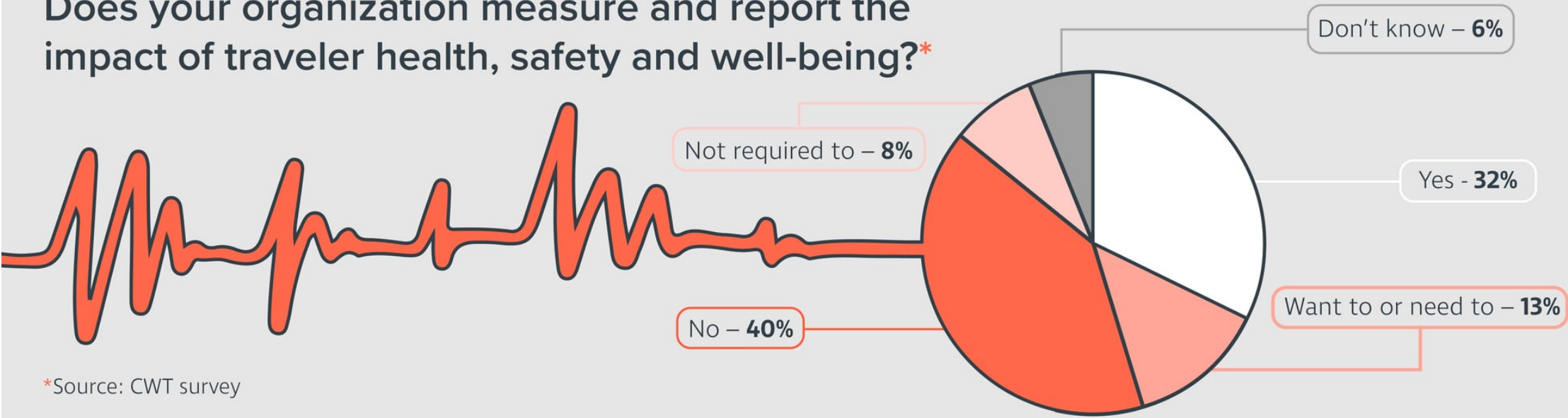
The attention companies are bringing to employee traveler well-being is also being driven by a change in the employer-employee relationship. Business leaders are coming to realize the importance of creating a workplace where workers want to work — the advantages that come from being a company with a reputation for doing right by its employees.

“ Employee wellness is becoming critical in attracting and retaining talent. ”

Lucy Gibson, Director, Global Traveler Experience, CWT ERM

With the U.S. unemployment rate around a 50-year low and labor markets tight in Germany, Japan, and other parts of the world, companies are being forced to compete for top talent with more than just pay. They need to recognize that potential employees seek organizations where they feel their well-being is valued and supported. According to Forbes, 87% of employees consider health and wellness packages when choosing an employer. In the ERM industry, travel policies and practices are essential in shaping employees' views of their employers.

Does your organization measure and report the impact of traveler health, safety and well-being?*



*Source: CWT survey

“ Employers are increasingly tracking traveler health and well-being. ”

Peter Brady, Vice President, Global Technology & Services, CWT ERM

So far, only about a third of companies say they have a formal system to measure and report on this.



Well-being fosters health and safety

Traveler fatigue leads to poor
decisions and increased safety risks.





Companies that have a rigorous commitment to health, safety, and security have an added incentive to promote the well-being of traveling employees: Doing so is a natural next step to advance health and safety efforts. Many employers in the energy and mining sectors, where safety culture is all-important, have made this connection, but in any industry with a true commitment to health and safety, companies will find value in adding well-being to the program.

Employees who are worn down by frequent travel are more likely to make poor decisions and be accident-prone, Anne Bridgman explains.

“ Fatigue is a really important concern, and the risks that can result from traveler fatigue are beginning to come into focus as part of the health and safety program. ”

Anne Bridgman, Director, Customer Group, CWT ERM

A worker who reaches his or her destination sleep-deprived can quickly become a liability, not only harming productivity but also creating a safety hazard. A just-arrived crewmember might immediately be involved in operating dangerous machinery at a mine or overseeing

complex processes on an oil platform, and in these situations, jet lag or sleeplessness become risks. But the lessons apply more broadly. A salesperson who crosses many time zones and is then expected to drive several hours to a hotel is an accident risk too.

It may be widely accepted that an executive flying across the globe needs to be awake and alert for an important meeting. But it may be just as important for an employer to ensure that workers traveling to a remote mining site are not overly fatigued as they begin a demanding crew rotation.

“ Travel policies often don’t have the right segmentation. ”

Steven Burghardt, Director, Business Development, EMEA, CWT ERM

If executives and senior managers are flying business class around Europe but workers making a long trek to reach an oil rig off the coast of Africa are flying coach, a company’s policies may not be properly aligned with its health and safety goals, Burghardt says.

What are your organization's highest priorities when it comes to employee traveler health, safety and well-being?*

Safety and risk mitigation – 75%

Productivity, health and well-being – 71%

Fatigue management – 53%

*Source: CWT survey



Traveler safety and risk mitigation remains the top priority, according to our respondents, but promoting productivity, health and well-being is a close second. Fatigue management comes in above cost management.

Supporting diversity

Companies have come to understand that the support they provide for traveling employees should reflect wider goals of diversity and inclusion. There's a growing awareness in just the past few years of the need, for example, to address issues that arise for a woman traveling alone in a particular destination, Anne Bridgman explains. The risks an employee might face in a country where the legal system is hostile to LGBTQ rights is also getting new attention.

“ Having the right guidance and giving people the right information to help them be informed travelers is absolutely becoming more important. And rightly so. ”

Anne Bridgman, Director, Customer Group, CWT ERM

In the recent past, companies may have been unsure how to do this right for a diverse and inclusive workforce. Today, such guidance is being included in the information provided to employee travelers that has traditionally been focused on health hazards and security risks.



Recommendations: for wellness' sake



Leading companies, in just the past few years, have begun to see traveler well-being as part of their larger responsibility to keep employees safe and healthy when they're on the road, in the air or somewhere across an ocean.

The rewards for this shift in thinking are many: Paying attention to well-being supports the productivity of workers who travel; it may decrease employee turnover; it can boost a company's reputation as a place where people are valued — a place

where people want to get a job. And well-being complements traditional health and safety efforts, by addressing the ways that fatigue contributes to accidents, for example.

Bigger picture, the new focus on how

employee travel impacts wellness and work-life balance reflects broader changes in society that put higher value on workplace well-being in general, including better efforts to support mental health.

If it's time to implement changes at your company, and build an organizational culture that values and supports the well-being of traveling employees, recognize first that it will require steady commitment to the task. There isn't a one-size-fits-all formula, but there are key features any successful program needs. Here are a few of those:

- 1** Get buy-in from leaders who make travel-related decisions;
- 2** Survey employees to better understand how they are affected by travel-related issues such as fatigue, stress, exercise, and nutrition;
- 3** Define targeted interventions such as changes in the design of travel policies or adoption of new tools and services to support wellness while traveling;
- 4** Measure and monitor key workforce indicators such as program participation, employee turnover, employee satisfaction and engagement, and health care claims;
- 5** Actively promote wellness initiatives that relate to travel, alongside other employee benefits.



For companies ready to embrace this approach, the travel experts at **CWT ERM** stand ready to help.



2020 outlook for the global economy and commodities markets

From our partners at BHP



Global economy in 2020

Looking ahead to 2020, our base case at BHP is that world GDP growth will register around the mid-point of a 3 percent to 3½ percent range. This is similar to our projected outcome for 2019. A large positive or negative deviation from the status quo on trade policy could push that outcome either as much as +¼ per cent higher or as

much as -½ per cent lower.

Any further escalation in trade tensions or loss of business confidence will constitute downside risks for demand for commodities, and energy and metals prices in 2020.

Major economies in 2020

We expect the U.S. will slow further in

2020, after decelerating in 2019, following a strong performance in 2018.

Financial conditions have eased somewhat in the United States, with interest rates having been cut. The change in the U.S. monetary policy stance has brought some welcome relief to emerging markets, particularly for those with large hard currency external financing requirements and a reliance on portfolio inflows to service their deficits.

China's economic growth is expected to slow modestly in the coming years. We expect real GDP to register between 6 percent and 6¼ percent in both 2019 and 2020. A further deterioration in trade relations with the United States could push the growth outcome towards our low case assumption, which is 5¾ per cent.

Meanwhile, growth in the European and Japanese economies are expected to be modest next year, after having slowed in 2019, in line with the weakness of the auto and electronics sectors.

Outlook for commodities in 2020

Commodity prices are highly susceptible to swings in global policy uncertainty.

Crude oil prices were volatile in the second half of 2019. Swings in global growth expectations, falling production in Venezuela and Iran, the impact of new pipeline infrastructure in the Permian, potential new non-OPEC, non-US supply in 2020, and rising geopolitical risk have all contributed to the spot and forward curve price volatility we've seen over the last six months.

The benchmark price for liquefied natural gas (LNG) delivered to North Asia was lower on average in 2019,

reflecting the combination of slower demand growth and new supply coming in from projects ramping up. Longer term, we expect LNG to grow faster than overall gas demand, as indigenous resources deplete and gas gains market share in non-power applications.

Four of the five new projects earmarked for first gas in calendar 2019 are U.S. export facilities; as are four of the seven projects due to come online in calendar 2020. That is a supportive signpost for the hypothesis that regional gas markets are on a path to harmonization around a global benchmark.

Among metal commodities, copper prices have been heavily influenced by global trade uncertainty in the second half of 2019. However, we believe that the underlying fundamentals of copper remain sound. A reduction in policy uncertainty should, therefore,

see prices rise. A stabilization in demand in the auto and power generation sectors in China would also help.

Excerpts from comments by:
*Dr. Huw McKay, PhD, Vice President,
Market Analysis Economics, BHP*

More information on BHP's economic and commodity outlook can be found at: [bhp.com/prospects](https://www.bhp.com/prospects)



2020 travel price projections and impact of global uncertainty



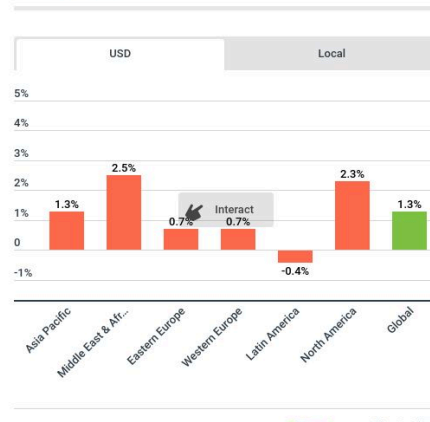
CWT forecasts pricing for air and hotel to slow in 2020 as global uncertainty threatens consumer and business confidence, rendering a note of caution to investments and expenses, including on travel.

According to CWT's 2020 Global Travel Forecast, air prices are expected to rise a modest 1.2% and hotels by 1.3% next year.

Global 2020 air price projections



Global 2020 hotel price projections



While the global economy is projected to grow 3.6% in 2020, according to the International Monetary Fund, a number of uncertainties is clouding the outlook for both the global economy and business travel. The Global Uncertainty Index, a measure of unpredictability in 20 countries that account for 70% of global output, reached a record level heading into 2019 – higher than even during the 2008 global financial crisis – and has remained elevated this

year. The US, China, and the Eurozone, which comprise some of the biggest components of the index, are all seeing high levels of uncertainty individually, according to Bloomberg.

Meanwhile, the IMF's World Trade Uncertainty index of 143 countries saw trade policy uncertainty surge 10-fold in the past year after 20 years of general stability as the U.S.-China trade war escalated.

The trade tensions between the world's two largest economies; the vexing and seemingly unattainable outcome of Brexit, the world's fourth largest source market for travel, according to Skift; renewed tensions



in the Middle East; and worsening risks from climate change, are all converging to potentially impact worldwide passenger movements next year.

Outside of these geopolitical headwinds, oil prices also remain a key driver within the ERM space, with airlines, along with companies in the oil and gas sector, impacted the most by dramatic swings in prices.

In regions where ERM does majority of its business, air prices are expected to rise 1.3% in APAC, 2.2% in the Middle East and Africa, 2.3% in North America, and 0.5% in Western Europe, while dipping -0.2% in Eastern Europe, and -1.6% in Latin America.

Meanwhile, hotel prices are projected to inch up 1.3% in APAC, 2.5% in the Middle East and Africa, 0.7% in Europe overall, and 2.3% in North America, while falling -0.4% in Latin America.

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VISION
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