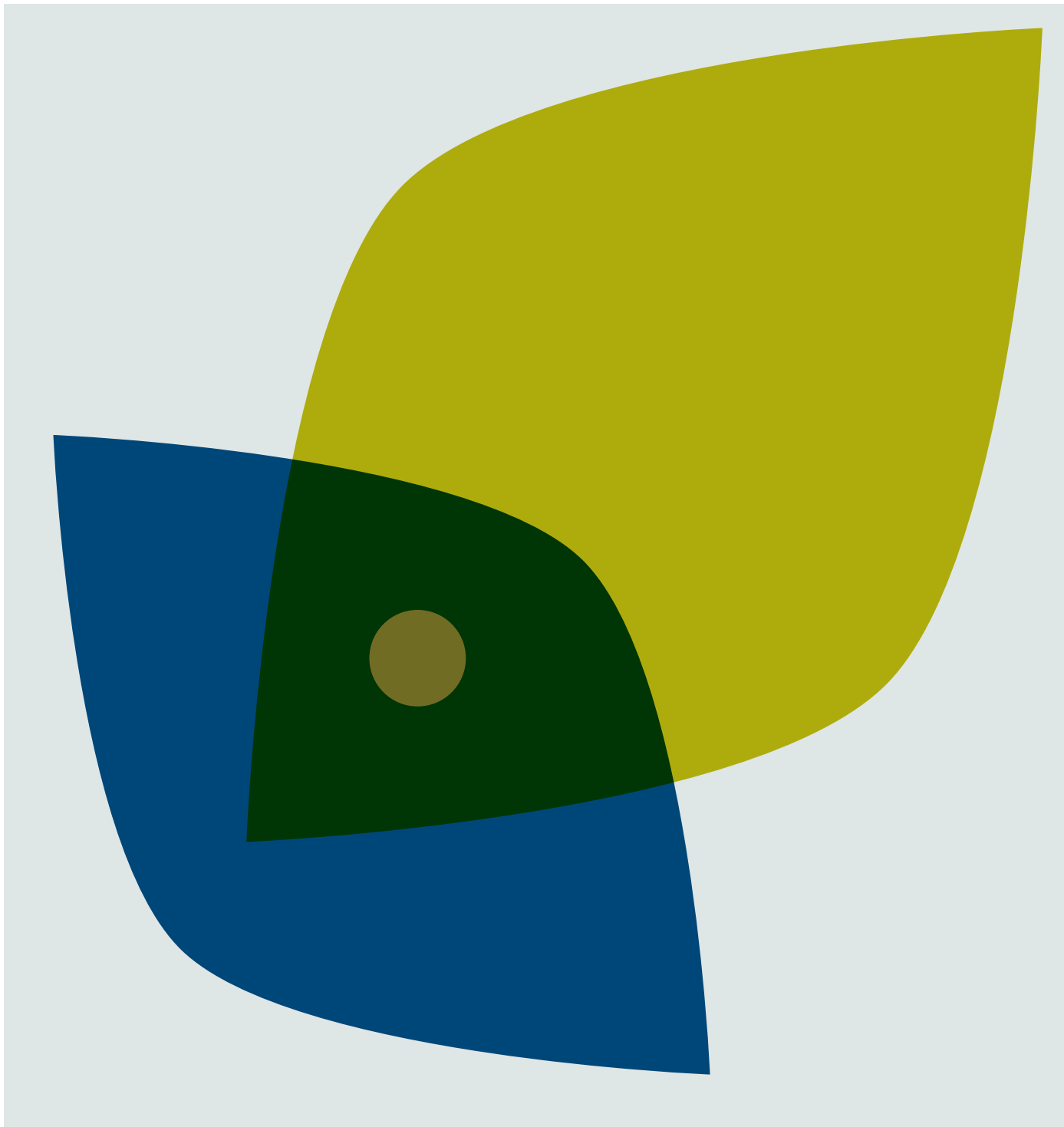




# United Nations Global Compact SWIFT Communication on Progress

2017 Report



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## **Statement of continued support by the Chief Executive Officer**

March 2018

Dear Stakeholders

In October 2012, SWIFT committed to support the ten universally accepted principles of the United Nations Global Compact with respect to human rights, labour standards, environmental protection and anti-corruption, and to advance those principles within our company.

We are pleased to confirm our continued support for the Global Compact and renew our ongoing commitment to the initiative and its principles.

During the past year we have progressed on a series of initiatives, both internally and externally. Internally we focused our efforts on reducing our impact on the environment, promoting diversity and inclusion, and ensuring wellbeing at work. Externally we continued our support of a growing number of organisations aiming to provide equitable quality education and access to financial services.

These actions, their results and how they support the UN Sustainable Development Goals are described in more detail in this Communication on Progress.

Sincerely,  
Gottfried Leibbrandt  
Chief Executive Officer  
SWIFT

## Human Rights

### PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

### PRINCIPLE 2

Make sure that they are not complicit in human rights abuses.

SWIFT supports and respects the four UNGC labour principles through policies, procedures, and initiatives:

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#### Code of Conduct

At SWIFT the principles of human rights are embodied in the SWIFT's Code of Conduct, with a clear focus on trust, integrity and ethics. The Code of Conduct encourages all employees to report any deviations from the Code of Conduct to management, HR and/or the Chief Compliance Officer.

In 2017, the Code of Conduct was reviewed and slightly updated – mainly in the Security and Privacy section. The related e-learning module was updated and migrated to the new e-learning Platform, and all employees had to retake the e-learning as a refresher, confirm they have read and understood the Code of Conduct and complete a test to demonstrate comprehension.

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#### Trusted persons

At SWIFT's largest office location, its global headquarters in Belgium, two persons of trust as well as a prevention advisor are available to address questions from staff related to psychological-social aspects and wellbeing. During 2017 one of the trusted persons who had retired was replaced.

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#### Committees

Where applicable, SWIFT has set up Works Councils and Health and Safety Committees that include staff and management representatives (see: Labour section). Although broad in terms of topics and governance, these bodies discuss relevant human rights-related topics when brought up.

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#### Sustainability Obligations

SWIFT aims to manage its supply chain responsibly. Through its Sustainability Obligations charter, it requires suppliers and CSR partners, as well as their sub-contractors, to recognise freedom of association; prohibit forced, bonded or compulsory labour; abolish child labour; maintain safe and healthy work environments; prohibit unlawful discrimination; ensure fair working hours, weekly rest and fair wages, in alignment with the UN Global Compact principles.

In 2017, SWIFT published a specific statement related to Modern Slavery, which is available on its website, [swift.com](http://swift.com), in compliance with the Section 54 of the UK Modern Slavery Act 2015.

SWIFT's Sustainability Obligations are systematically included in all RFPs, and contractual agreement revisions with suppliers and CSR partners and are now part of the Master Agreement signed by all counterparts.

A new standalone Code of Conduct for suppliers, expanding on the Sustainability Obligations for Suppliers, has been developed end of 2017, for publication in 2018.

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**Measurement of Outcome**

No human rights violations were reported in the various available reporting channels in 2017.

99.9% of staff completed the Code of Conduct eLearning module.

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**Children & Education**

Education is a fundamental right and the foundation of democracy. It is at the heart of our CSR programme. In addition to our partnership with the Nairobi Trust in Kenya, training less privileged young people in web design, IT and creative multimedia helping them to enhance their employment and entrepreneurship opportunities, we also continue to support projects of the Teach for All network. This global network organisation aims to reduce education inequities through the development of transformational leadership programmes. In 2017, we continued our existing partnerships with Teach for Argentina, Bangladesh, Belgium, Columbia, Ghana, and Nigeria.

SWIFT supports local charities helping underprivileged children in the regions in which we host regional conferences and business forums. In 2017, we helped Children's Society in Singapore, Pestalozzi Kinderdorf in Switzerland, Clinicdowns in the Netherlands, Face for Children in Need in Egypt, ECPAT in Sweden, Breakthrough in the US, and SOS Children's Villages in China, France, Greece, India, Ivory Coast, Mexico, Poland, Romania Russia, Romania, Spain and Tanzania.

Our staff also engaged in helping children in need across the world and with the support of SWIFT, they gave time and raised funds to finance education for orphans, uneducated girls, children with a long-term or terminal illness, disabled and autistic children, victims of war, refugees, homeless children, and unprivileged children from migrant families to name a few.

All these initiatives support the achievement of the UN Sustainable Development Goals, and in particular **Goal 4**, which aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

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**Financial Inclusion**

SWIFT develops and promotes partnerships with organisations supporting financial inclusion and education in emerging countries, reinforcing our links with local communities in line with SWIFT's business.

In 2017, we continued our support of the Phakamani Foundation in South Africa empowering women to become micro-business owners; and the Mann Deshi Foundation in India financing a business school for rural women, helping them develop the skills to manage their own small business and gain access to finance. We also extended our partnership with Fundación Capital to include a project in Vietnam. Fundación Capital works to advance economic citizenship globally by collaborating with public and private partners to develop and implement new approaches that enable low-income families to grow, value and protect their financial assets. Our partnership focuses on financing the development and launch of tablet-based financial education applications targeted at vulnerable youth and women in Brazil, Mexico, Peru, Tanzania and Vietnam, encouraging them to start saving and to develop important skills that support their financial health and employability.

These programmes contribute mainly to the UN Sustainable Development **Goal 1** and **Goal 4**. Goal 1 aims to end poverty in all its forms everywhere, among other things by ensuring that all men and women, and in particular the poor and the vulnerable, have access to basic services, including financial services and microfinance.

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**Humanitarian crisis**

Following the hurricanes that hit the Americas, SWIFT and its employees made donations to the Red Cross and to the Centre for Disaster Philanthropy. We funded the rebuilding of a computer lab of an elementary school in Barbuda, one of the most affected islands in the Caribbean, and we shipped boxes filled with goods to victims in Puerto Rico. Sibos delegates had the opportunity to donate to Save the Children Mexico to support the victims of the earthquake. More globally, SWIFT contributed financially to the emergency funds of Doctors without Borders.

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## Labour

SWIFT supports and respects the four UNGC labour principles through policies, procedures, and initiatives:

### PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

### PRINCIPLE 4

The elimination of all forms of forced and compulsory labour;

### PRINCIPLE 5

The effective abolition of child labour; and

### PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation.

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## Social bodies

At SWIFT all employees may engage in social bodies as permitted by local laws and regulations. Where applicable, SWIFT management organises and participates in these social bodies and engages in dialogue and/or collective bargaining.

At our headquarters in Belgium, SWIFT organises regular Works Councils, Union Representative Meetings, and Health and Safety Committee Meetings. A Union Delegation monitors correct implementation of labour laws and regulations and working conditions. The delegation also negotiates Collective Bargain Agreements and ensures good labour relations.

A Works Council is in place at SWIFT's operating location in the Netherlands and a Health and Safety Committee is now active in Kuala Lumpur. At SWIFT's other locations, other means referenced in the above policies are used to ensure open dialogue and to follow up on any filed labour reports.

In 2017, social elections were held in our Paris office to nominate an employee representative.

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## Labour rights-related Policies

Labour rights-related policies are available and accessible to all employees covering:

1. SWIFT's Management Principles focus on the treatment of and respect for our employees. As part of the 2014 Management Principles revision, a company-wide employee management feedback mechanism was introduced, and SWIFT encourages employees to make use of the mechanism.
2. SWIFT's equal opportunities policy outlines key elements to ensure equal treatment and opportunities for staff, regardless of sex, age, race, colour, ethnic origin or country of citizenship, disability, marital status or religion.
3. SWIFT's open door policy invites employees to raise any issues for escalation and follow-up (including issues related to labour and human rights).

During 2017, we reviewed these policies and reinforced our 'whistle blower' policies for employees to raise concerns related to personal or ethical breach of policies within SWIFT.

Through its Sustainability Obligations Chart, SWIFT requests that its suppliers implement similar policies, including the recognition of the freedom of association, the prohibition of forced, bonded or compulsory labour, and the abolition of child labour.

SWIFT published a specific statement related to Modern Slavery on the homepage of its website, in compliance with the Section 54 of the UK Modern Slavery Act 2015.

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## Diversity & Inclusion

SWIFT aims to promote an inclusive culture within our company and our community – where everyone is involved, respected, and connected regardless of their differences. SWIFT is taking a series of initiatives to support more diversity and inclusion within our company.

In 2017 we continued our journey towards more diversity and inclusion. We reshaped and adapted the scope of our internal network, Balance@SWIFT, and launched the Global Ambassadors Programme to extend the centralised approach to the local offices around the world. Through this programme we empowered groups of staff to organise and carry out events around diversity and inclusion with local relevance. We updated the Balance@SWIFT mission statement based on input received via a survey carried out across the organisation.

We organised a number of events to create awareness on unconscious bias and to promote female empowerment, in particular the #IAmRemarkable workshop organised in partnership with Google and the launch of the Balance@SWIFT Business Series sessions.

In August 2017 our CEO signed the “Women’s Empowerment Principles – Equality Means Business” of the UN Women and the United Nations Global Compact.

We sent a number of female high-potential staff to participate in leadership events, asking them to pass on the key messages to the rest of the company in dedicated sessions. This widened the diversity and inclusion conversation within our company.

With the support of the Chief Technology Officer, our Diversity and Inclusion Executive Sponsor, we launched the Cyber Security Transition Programme for women which consists of a 3-year programme whereby selected female staff can shift into a career in cyber security, supported by the Cyber Way Finder methodology, with coaching by management in their new cyber security roles and dedicated external mentors assigned to them.

At Sibos in Toronto, we organised sessions on the value of having a diverse and inclusive environment and we held a comedy event with diverse stand-up comedians who relayed the message of diversity and inclusion in a funny and relatable manner.

In 2017 we requested an audit of our HQ facilities in terms of access for persons with a disability. The results of the audit were positive. Our facilities are well adapted, although the audit recommended some improvements and a study is underway to review potential adaptations. A “Joining Forces” initiative was launched mid-year to encourage the employment of people with disabilities within our company by raising awareness, expanding sourcing options, and working on integration within teams and with necessary adaptations. Under this initiative, an employee with a disability started work at SWIFT in February 2018.

Finally, SWIFT’s CSR department provides financial support for projects in developing countries related to financial inclusion and education, with a particular focus on women and girls.

These initiatives contribute among others to the UN Sustainable Development **Goal 5** – Achieve gender equality and empower all women and girls and **Goal 8** – Promote inclusive and economic growth, employment and decent work for all (women and men, including for young people and persons with disabilities).

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**Measurement of Outcome**

No reports of violations of labour rights were received in 2017.

SWIFT delivered training and awareness sessions related to diversity and wellbeing at all its offices around the world.

Two Key Performance Indicators covering gender diversity are tracked at executive and Board level. We achieved our 35% target, with an average of 35% of new hires being female during 2017.

The number of women at SWIFT remained stable at 34% in 2017.

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**Health, Safety and Wellbeing**

SWIFT seeks to provide working conditions that guarantee the health and safety of its employees. This is highlighted in a “Wellbeing at work policy statement” issued by SWIFT’s CEO and described in the Health and Safety Policy and Standards, which is regularly reviewed and was last updated in 2016.

SWIFT’s Wellbeing programme includes awareness and prevention activities, assistance in case any issues arise, and two training sessions to prevent burn-out and stress at work: ‘Leading Self for Wellbeing’ for employees and ‘Leading Others for Wellbeing’ for managers. In 2017, 54 managers and 120 employees attended the training sessions. In addition, mindfulness and yoga sessions are available for our staff in Belgium.

SWIFT rolled out an “Email charter” giving people guidelines on how to optimise the use of email and thus helping people work together more efficiently. This charter also aims at reducing emails, thus reducing stress that is related to inbox overload and unclear communication. It gives people tips and tricks to help them increase their focus and productivity.

During 2017 SWIFT continued to cascade results of the Wellbeing survey that was conducted in 2016, assessing stress and engagement levels across the company. A total of 59 debriefs were conducted at divisional and L1 management level and in some areas, additional deep dives at L2 level were achieved to contextualise some results. Specific issues in some teams were addressed through various actions, such as workshops with managers on factors of wellbeing, more regular reviews of workload balancing, fostering collaboration through team events, 360° exercises with managers, and additional focus on workload management.

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## Environment

### PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges;

### PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility; and

### PRINCIPLE 9

Encourage the development and diffusion of environmentally friendly technologies.

SWIFT supports and respects the three UNGC environmental principles through policies, procedures and initiatives, including:

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## Carbon emissions

Since 2007, SWIFT strives to reduce the impact of its activities on the environment and decreased its footprint by 71% between 2007 and 2015. In 2016 and 2017, we reviewed the methodology to establish our climate footprint, taking into account the newest insights and methodologies defined by the international community following the 2015 Paris Agreement on climate change. Based on these, we established a new baseline for 2015, which will serve to set and measure new reduction objectives towards 2030.

Between 2015 and 2017, we reduced our travel emissions by 3%, our operating centres emissions by 10%, but due to a substantial growth in staffing, we saw an increase of emissions for our commute to work and our international offices. Globally, our gross emissions decreased by 9%.

We use renewable energy whenever feasible and, since 2012, compensate emissions caused by work-related travel and events.

These initiatives support the achievement of the UN Sustainable Development **Goal 13**, which calls for urgent action to combat climate change and its impacts.

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## Offices and data centres

In 2017 SWIFT continued to roll out its hot-desking programme to more SWIFT offices and data centres, allowing further rationalisation of office space and control of electricity consumption while staff continues to grow.

Significant contributions were achieved by installing energy-efficient windows and frames in one of our buildings. SWIFT replaced air handling units by more efficient models in an operating centre and optimised the related controls to further reduce the energy consumption. In our headquarters, we fine-tuned the newly installed Building Management System, replaced old lamp bulbs with LED-lighting and carried out an energy efficiency audit to highlight additional potential savings.

Our electricity originates from renewable sources in Belgium, Switzerland, the Netherlands, the United Kingdom and partially in Spain. During the year, we renewed our electricity contract in the Netherlands, ensuring the sourcing of renewable energy for the coming three years. We also investigated for more renewable energy in other countries, and will continue to do so in the future.

These initiatives support the achievement of the UN Sustainable Development **Goal 13** and **Goal 7**, which aims at ensuring access to affordable, reliable, sustainable and modern energy for all by increasing substantially the share of renewable energy in the global energy mix improving energy efficiency.

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Measurement of Outcome

SWIFT reduced its carbon emissions by 9% between 2015 and 2017.

The company car fleet now includes 30 electric and 85 hybrid plug-in cars.

SWIFT won a bicycle-mobility award in Belgium for the fourth time in a row.

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Events

Environmental criteria are included in the location selection process for Sibos, SWIFT's largest annual conference. SWIFT encourages Sibos exhibitors to take actions to reduce their environmental impact.

At Sibos 2017, which took place in Toronto, SWIFT initiated a number of 'green' measures in waste management, green electricity, water consumption, biodiversity, recycling and use of public transport.

SWIFT's conference stand used environmental-friendly materials, including repurposed furniture, electrical fittings, wiring, and audio-visual equipment. The exhibition manual was only produced in digital form, and displayed a chapter outlining SWIFT's greening guidelines.

At the end of the event, many exhibitors donated furniture and other items to the Habitat for Humanity ReStore and the Toronto District School Board's (TDSB) ArtsJunktion programme.

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Greener mobility

We reviewed our car policies to ensure that the CO2 emissions generated by our fleet continue to decline. Our company car fleet in Belgium and the Netherlands included 30 electric and 85 hybrid plug-in cars by the end of 2017. As a result, employees have driven over one million kilometres emitting zero CO2 emissions since the programme was launched in 2015. For the fourth year in a row, SWIFT was awarded the 5-star label from Tous Vélos-Actifs, in recognition of our proactive and innovative policy to promote alternative mobility and commuting by bicycle. At our headquarters in Belgium, SWIFT staff covered 105,463 kilometres by cycling to work in 2017, while our colleagues in the Netherlands cycled close to 27,000 kilometres to get to work.

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Biodiversity

Protecting biodiversity remains important to SWIFT. Early 2017, our bee colonies located in our BE flower meadow collapsed. The proceeds of the sale of the honey produced in 2016 were used to install new colonies on our premises and to provide colonies to local beehive keepers who had also suffered heavy losses.

SWIFT continues to partner with WeForest, an international NGO devoted to reforestation of bio-diverse and indigenous forests in tropical countries while providing jobs for women and enabling them to send their children to school. At Sibos 2017 in Toronto, our largest conference, delegates could participate to reforestation projects through WeForest by adding 10 euros to their registration fee.

These bio-diversity initiatives support the achievement of the UN Sustainable Development **Goal 15**, which aims at protecting, restoring and promoting sustainable use of terrestrial ecosystems, sustainable manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

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Anti-corruption

**PRINCIPLE 10**  
Businesses should work against corruption in all its forms, including extortion and bribery.

SWIFT supports the UNGC principle on anti-corruption through the following policy and process:

Measurement of Outcome

No reports of corruption or bribery were filed through the available channels at SWIFT in 2017.

99.9% of staff completed the mandatory e-learning modules.

Gifts to staff with a monetary value of more than 150 EUR are reported and reviewed for compliance.

Anti-Corruption & Anti-Bribery Policy

The Code of Conduct refers to SWIFT's Anti-Corruption and Anti-Bribery Policy, which sets out expected behaviour and reporting processes. The policy reiterates SWIFT's commitment against corruption and bribery, as set out in the Code of Conduct, and implements applicable anti-corruption and anti-bribery laws. This policy was updated in December 2017, improving the controls and transparency on policy approved deviations.

The interactive e-learning modules on the Anti-Corruption and Anti-Bribery Policy have been updated to reflect the policy change, incorporated into the company's new e-learning platform, and will be rolled out to all employees early 2018.

We defined additional red flags in several business areas to identify transactions in the back office systems and processes that would warrant a more in-depth compliance assessment.



## About SWIFT

SWIFT is a global member-owned cooperative and the world's leading provider of secure financial messaging services.

We provide our community with a platform for messaging, standards for communicating and we offer products and services to facilitate access and integration; identification, analysis and financial crime compliance.

Our messaging platform, products and services connect more than 11,000 banking and securities organisations, market infrastructures and corporate customers in more than 200 countries and territories, enabling them to communicate securely and exchange standardised financial messages in a reliable way.

As their trusted provider, we facilitate global and local financial flows, support trade and commerce all around the world; we relentlessly pursue operational excellence and continually seek ways to lower costs, reduce risks and eliminate operational inefficiencies. Headquartered in Belgium, SWIFT's international governance and oversight reinforces the neutral, global character of its cooperative structure. SWIFT's global office network ensures an active presence in all the major financial centres.

For more information about SWIFT, visit [www.swift.com](http://www.swift.com)