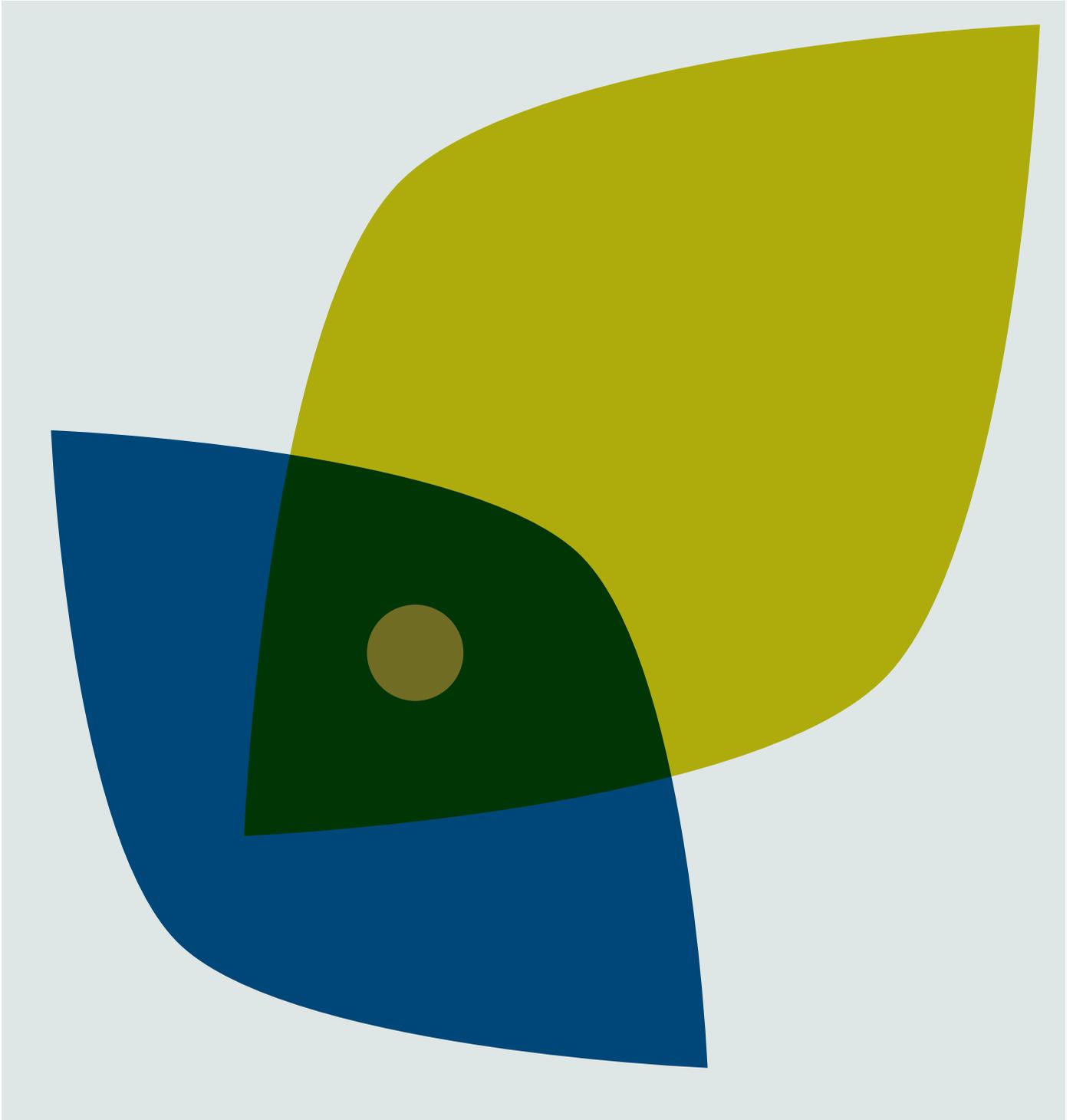




United Nations Global Compact SWIFT Communication on Progress

2016 Report



Contents

Statement of continued support by the Chief Executive Officer	3
Human Rights	4
Labour	6
Environment	8
Anti-corruption	11

Statement of continued support by the Chief Executive Officer

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.

Since the publication of our last Communication on Progress, we have taken a series of actions, with global campaigns focused on diversity and inclusion, wellbeing, the protection of the environment and its bio-diversity. We also supported a number of organisations aiming to provide equitable quality education and access to financial services and micro-finance.

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.

PRINCIPLE 2

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

SWIFT supports and respects the two UNGC human rights principles through several policies, procedures, and initiatives.

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.

Since 2014 the Code of Conduct has been reviewed on an annual basis. The latest update was performed in December 2016.

In order to ensure staff-awareness of the Code of Conduct, SWIFT has introduced an auditing tool that tracks employees' acknowledgement of the Code of Conduct.

SWIFT requires all employees to formally acknowledge the Code of Conduct when they join the company. It is mandatory for staff to take part in a new interactive awareness training module before they acknowledge the Code of Conduct. As part of the training tool, current staff must also take part in a test. Staff must reach a test score of 90% in order to pass and to acknowledge the Code of Conduct.

In 2016, all SWIFT managers reconfirmed their compliance with the Code of Conduct in writing.

A code of conduct for SWIFT temporary personnel (contractors, consultants, temps) and a code of conduct for commercial SWIFT partners have been published.

Trusted persons

At SWIFT's largest office location, its global headquarters in Belgium, a system of persons of trust is in place to address questions from staff related to psychological-social wellbeing. During 2016 one of the trusted persons retired and will be replaced early 2017.

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.

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. The obligations were strengthened in 2016.

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 with all such counterparts.

Measurement of Outcome

No human rights violations were reported in the various available reporting channels in 2016.

Children & Education

Education is a fundamental right and the foundation of democracy. It is at the heart of our CSR programme. Our partnership with the Teach for All network is global and aims at reducing education inequities through the development of transformational leadership programmes. In 2016, we extended our existing partnerships with Teach for Bangladesh, Belgium, Columbia and Ghana, to include Teach for Argentina and Nigeria.

SWIFT also supports education through: the Nairobis Trust in Kenya, training less privileged young people in web design, IT and creative multimedia, helping them to enhance their employment and entrepreneurship opportunities; WAPA International, which raises funds to support local organisations helping to reintegrate child victims of war; and the Digital Leadership Institute, which promotes greater participation of girls and women in strategic, innovative ESTEAM (entrepreneurship, science, technology, engineering, arts and mathematics) sectors.

Finally, SWIFT supports local charities helping children in need in the regions in which we host regional conferences and business forums. In 2016, we helped ECPAT in Norway, NorSA in South Africa and SOS Children's Villages in Germany, Italy, Portugal, Romania, Russia, Ukraine, Syria, Nigeria, Mauritius, the Philippines, Taiwan, India, China and Mexico City.

These initiatives support the achievement of the UN Sustainable Development Goal 4, which aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Financial Inclusion

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

In 2016, we continued supporting The Phakamani Foundation in South Africa and the Mann Deshi Foundation in India with grants, and we extended our partnership with Fundación Capital, to finance the development and launch of tablet-based financial education apps aimed at supporting young people and women in Brazil, Mexico, Peru and Tanzania.

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

Humanitarian crisis

In 2016, SWIFT made donations to the Red Cross to help Syrian war victims. We also supported victims of Hurricane Matthew in Haiti and the earthquake in Italy through direct donations and by supporting Doctors without Borders and Save the Children.

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.

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation.

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.

As per Belgian Labour Law, Social Elections were held in Belgium in 2016.

A Works Council is in place at SWIFT's operating location in the Netherlands and a Health and Safety Committee was set up in Kuala Lumpur in 2016. 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.

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 2016, SWIFT organised a number of awareness sessions and workshops on diversity and inclusion at its offices around the world. Approximately 80% of our managers worldwide followed an Unconscious Bias workshop. The workshop is now part of the official training path for all newly appointed managers. The SWIFT Executive Committee participated in an inclusive leadership workshop showing their engagement and commitment towards SWIFT's diversity and inclusion goals. At Sibos in Geneva, SWIFT organised two sessions on diversity – “Engaging men in discussions about diversity and inclusion” and “How diversity and inclusion helps people and businesses take better business decisions”.

SWIFT also launched Balance@SWIFT, an internal network focusing on gender diversity through which staff can bring up and discuss topics on diversity and inclusion, and are inspired by internal and external role models.

GlobeSmart, a global awareness tool on cultural diversity, is available to all SWIFT staff. SWIFT encouraged all newcomers in 2016 to use this tool in order to raise cultural awareness.

A company-wide Key Performance Indicator (KPI) tracks statistics on the number of women we hire externally to better inform SWIFT's executive on this important metric. In 2016, we exceeded our 35% target, with 39% of new hires being female.

In addition, SWIFT's CSR department provides financial support for projects in developing countries related to micro-finance and financial inclusion with a particular focus on women, as well as education for women and girls in business and technology sciences.

These initiatives contribute to the UN Sustainable Development Goal 5 Achieve gender equality and empower all women and girls.

Measurement of Outcome

No reports of violations of labour rights were received in 2016. In 2016 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 or Board level on a quarterly basis. In 2016, 39% of all new hires at SWIFT were women, well above the company's 35% target.

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).

Through its Sustainability Obligations Chart, SWIFT requests its suppliers to 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.

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, regularly reviewed and last updated in 2016.

SWIFT's Wellbeing programme includes awareness and prevention activities, as well as assistance in case any issues arise. In 2016, the activities included 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 total, 102 managers and 107 employees attended the training sessions in 2016. In addition, mindfulness and yoga sessions are available for our staff in Belgium.

SWIFT employees worldwide were invited to participate in SWIFT's 2016 Wellbeing week, during which information sessions and workshops were organised.

SWIFT also conducted a Well-being survey that assessed stress and engagement levels across the company. In total, 77% of staff responded to the survey. Overall SWIFT scored better compared to other companies in the IT and financial sector. Staff indicated that they are proud to work at SWIFT and they feel they can make a positive contribution to the organisation. Mutual respect at work was strongly endorsed by 91% of employees. Workload was identified as the main attention area. The results of the survey were analysed at divisional and departmental levels to decide on potential remediation measures.

Finally in 2016 SWIFT implemented a self-assessment audit system to review health and safety matters at regional offices.

Environment

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility.

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.

Environmental Policy

SWIFT's Environmental Policy was published in 2015 and remains valid in 2016. It confirms our ambitious goal to become carbon neutral by 2020.

Carbon emissions

SWIFT reduced its CO2 emissions by 71% between 2007 and 2015.

Throughout 2016, SWIFT continued to implement measures aimed at reducing our cooperative's carbon emissions. We used renewable energy wherever feasible and we compensated carbon emissions caused by work-related travel and events. We carried out waste sorting and waste reduction campaigns, and promoted environmentally friendly behaviour among staff and contractors.

SWIFT has set an ambitious new goal to become carbon neutral by 2020. Carbon reduction measures are being implemented in the following ways: improving the energy efficiency of buildings and data centres; limiting commuting-related emissions; waste sorting and waste reduction campaigns; using renewable energy wherever feasible; promoting staff and contractors' environmentally-friendly behaviour; implementing a sustainability policy with SWIFT's suppliers and CSR partners; protecting biodiversity at SWIFT's premises and beyond; and compensating for carbon emissions when they are unavoidable.

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

Offices and data centres

In 2016 SWIFT expanded its hot-desking programme to more SWIFT offices around the world, allowing us to further rationalise office space and reduce electricity consumption while staff numbers continue to grow. We also replaced many older lamp bulbs with LED lighting. We optimised our cooling systems and launched recycling programmes for electronic and paper products at our data centres.

We monitor the availability of new renewable electricity providers in office locations where currently there are no such providers.

These initiatives support the achievement of 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.

Events	<p>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.</p> <p>At Sibos 2016 which took place in Geneva, SWIFT initiated a number of 'green' measures in waste management, 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. Delegates were able to offset their carbon emissions caused by air travel to and from the conference. SWIFT purchased carbon credits to support emission reduction projects in Ghana and Kenya, which distribute modern, low-cost, fuel-efficient cooking stoves to private households.</p>
Travel emissions	<p>Due to the growing number of staff and the development of our business worldwide, our travel emissions increased in 2015. SWIFT purchased green certificates to compensate these emissions.</p>
Greener mobility	<p>SWIFT continued to promote the use of electric and hybrid cars among staff in 2016. We installed additional electricity plug-in stations in Belgium, The Netherlands and the US. The HQ company car fleet now includes 27 electric and 45 hybrid plug-in cars. As a result, SWIFT HQ's average CO2 company car emissions fell by 20% between 2011 and 2016, from 141 to 113 grams per km.</p> <p>For the third 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 alone, SWIFT staff covered 102,000 km by cycling to work.</p>
Biodiversity	<p>SWIFT financed the planting of 120,000 trees in partnership with WeForest in India, an 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.</p> <p>Three beehives at SWIFT's headquarters produced 80kg of honey in 2016 (compared to 100kg in 2015 and 65kg in 2014). The proceeds of the sale of the honey to employees were donated to local associations dedicated to the protection of bees. Unfortunately our bees suffered from colony collapse disorder and perished at the end of 2016. We are looking at installing new colonies in our beehives.</p> <p>In 2016, we installed an insect hotel in SWIFT's flower meadow and conservatory orchard.</p> <p>These bio-diversity initiatives support the achievement of 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.</p>

Environment (CONTINUED)

Measurement of Outcome

SWIFT reduced its carbon emissions by 71% between 2007 and 2015. SWIFT set a target to become carbon neutral by 2020.

The company car fleet now includes 27 electric and 45 hybrid plug-in cars. SWIFT won a bicycle-mobility award in Belgium for the third time in a row.

The biodiversity programme financed the planting of 120,000 trees in India.

Biodiversity

SWIFT financed the planting of 120,000 trees in partnership with WeForest in India, an 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.

Three beehives at SWIFT's headquarters produced 80kg of honey in 2016 (compared to 100kg in 2015 and 65kg in 2014). The proceeds of the sale of the honey to employees were donated to local associations dedicated to the protection of bees. Unfortunately our bees suffered from colony collapse disorder and perished at the end of 2016. We are looking at installing new colonies in our beehives.

In 2016, we installed an insect hotel in SWIFT's flower meadow and conservatory orchard.

These bio-diversity initiatives support the achievement of 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.

Waste Management

Our efforts to raise awareness among staff about environmental friendly behaviour and waste reduction have resulted in a 4% decrease of waste per person at HQ in 2016 compared to 2015.

Our waste management initiatives support the achievement of Goal 12, which aims at ensuring sustainable consumption and production patterns, including Goal 12.5, which sets out to substantially reduce waste generation through prevention, reduction, recycling and reuse by 2030.

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 2016. The completion of the mandatory e-learning modules is monitored. Gifts to staff with a monetary value of more than 150 EUR are reported and reviewed for compliance.

Code of Conduct

Anti-corruption and anti-bribery are an integral part of SWIFT's Code of Conduct, which was last reviewed in December 2016.

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 reviewed and updated in December 2016.

SWIFT's Anti-Corruption and Anti-Bribery Policy applies to all SWIFT employees and to all persons acting on SWIFT's behalf (contractors, consultants, temporary staff, agents and partners) around the world. The related SWIFT contract templates have been updated in 2016 to better reflect the expectations and obligations on vendors, partners and their related personnel.

The interactive e-learning modules on the Code of Conduct and the Anti-Corruption and Anti-Bribery Policy, will be incorporated early 2017 into the company's new eLearning platform.

The Anti-Bribery and Anti-Corruption compliance control framework has been documented, and covers processes in the areas of governance and training, partner management, sales, expense reporting, financial transactions and accounting, supplier and vendor management and reporting.



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