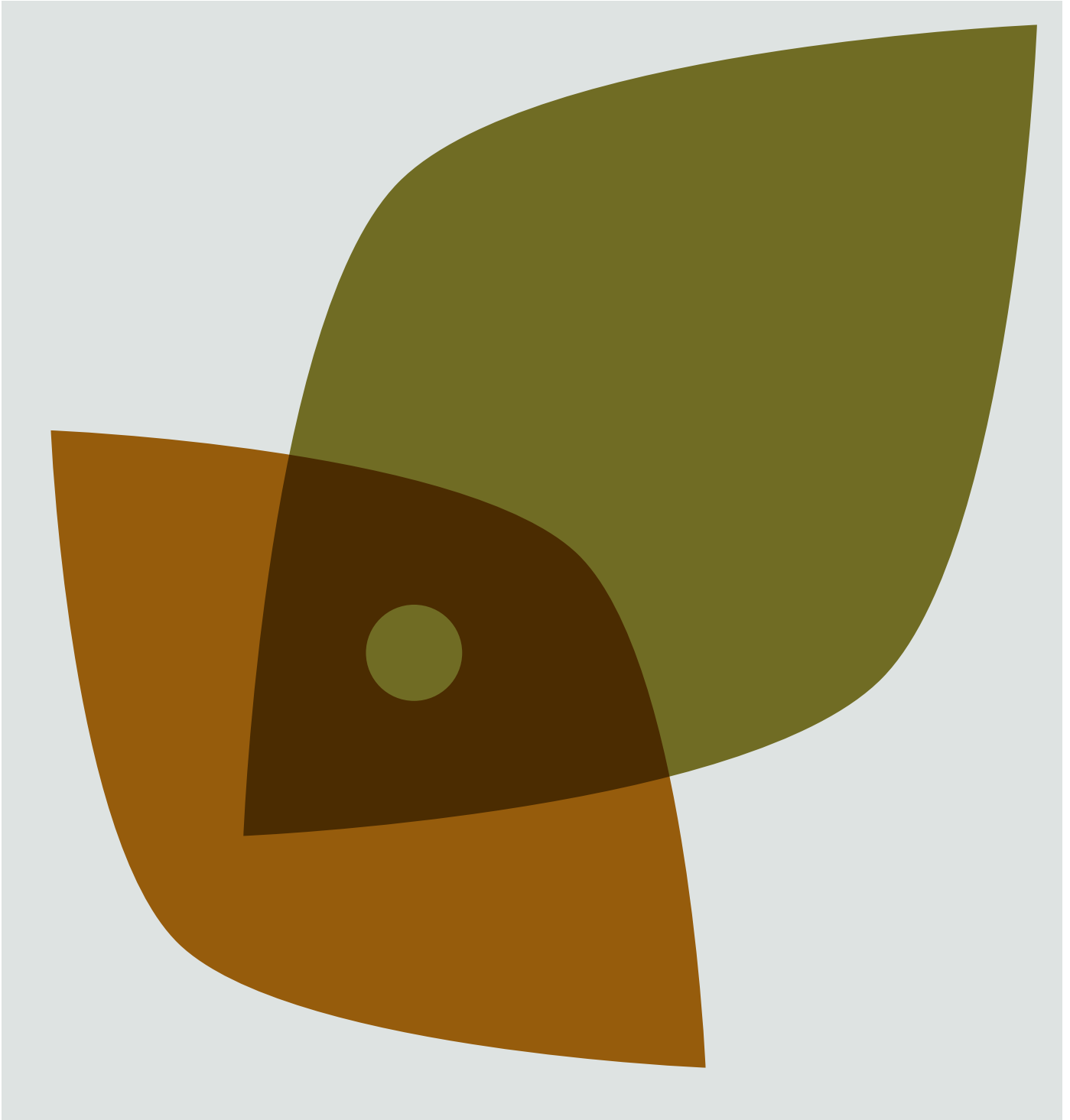




**United Nations Global Compact
SWIFT Communication on Progress**

2018 Report



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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. We take this opportunity to confirm our commitment to the UN Sustainable Development Goals. In September 2018, I signed the Belgian Sustainable Development Goals Charter, acknowledging our shared responsibilities in the implementation of its goals.

During the past year, we have made progress on initiatives both internally and externally. Internally, we focused our efforts on reviewing our environmental strategy, reducing plastic waste by encouraging re-use and recycling, and on implementing measures to reduce our energy consumption. We also continued to encourage staff engagement in CSR activities and to promote diversity and inclusion. Externally, we continued to support 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 report.

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 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.

In 2017, employees undertook a mandatory e-learning module on the topic, that they re-confirmed when taking the new Anti-Bribery and Anti-Corruption e-learning modules last year. In addition, new SWIFT employees are automatically enrolled in the mandatory e-learning. The Code of Conduct for suppliers and for external personnel was refreshed in 2018 and is mandatory.

Trusted persons

At SWIFT's largest office, its global headquarters in Belgium, two 'persons of trust' and a prevention advisor are available to answer questions from staff about wellbeing.

Committees

Where applicable, SWIFT has set up Works Councils and Health and Safety Committees that include staff and management representatives. 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. In 2018, SWIFT expanded its Sustainability Obligations Charter into a self-standing Supplier Code of Conduct. This code, based on and in alignment with the ten principles of the UN Global Compact, 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; and ensure fair working hours, weekly rest and fair wages.

SWIFT's Suppliers Code of Conduct is 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 counterparties.

Since 2017, SWIFT publishes an [annual statement related to Modern Slavery](#), which is available on its website in compliance with Section 54 of the UK Modern Slavery Act 2015. The statement was reviewed in August 2018.

Humanitarian crisis

Following the tsunami and earthquake that hit Indonesia in September 2018, SWIFT matched donations made by staff to organisations delivering immediate relief to the victims such as Unicef USA, Mercy Malaysia, Red Cross, and Doctors without Borders. Additionally, SWIFT contributed to the fight against malaria in Congo by donating to Doctors without Borders. Our donation helped over 17,000 children between one and five years old with malaria.

No human rights violations were reported in the various available reporting channels in 2018.

Children & Education

Education of underprivileged children and young adults is central to our CSR programme. We have established a number of partnerships with organisations around the world that we have supported financially since 2015. In addition to our donations to the Nairobits 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 inequalities through the development of transformational leadership programmes. On top of our already existing partnerships with Teach for Argentina, Bangladesh, Belgium, Ghana, and Nigeria, we also expanded our support to Teach for Philippines in 2018.

As well as these partnerships, SWIFT supports local charities helping children in need in locations where we host regional conferences and business forums. In 2018, we helped the Boys & Girls Brigade in Australia, Pestalozzi Kinderdorf in Switzerland, Terre d'Hommes in the Netherlands, Changing Young Lives Foundation in Hong Kong, Code First: Girls in England, Save the Children in India, Invest in Girls in the US, and SOS Children's Villages in China, Germany, Finland, India, Indonesia, Portugal, Romania, Russia, Rwanda, United Arab Emirates and USA.

During 2018, over 20% of SWIFT staff was involved in helping numerous voluntary organisations across the world. The chosen charities included those helping orphans, uneducated girls, children with a long-term or terminal illness, disabled and autistic children, victims of war, refugees and homeless children.

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 as well as **Goal 5** which aims to achieve gender equality and empower women and girls.

Financial Inclusion

As well as our focus on education, our business sustainability partnerships also target financial inclusion of the underprivileged through SWIFT's support of two carefully selected organisations.

Our yearly donations to the Mann Deshi Foundation in India helps a business school for rural women, enabling them to develop the skills to manage their own small business and gain access to finance.

Additionally, we continue our partnership with Fundación Capital, an international organisation that 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 donations help to finance the development and launch of tablet-based financial education applications targeted at vulnerable youth and women in Peru, Tanzania and Vietnam – encouraging them to start saving and to develop important skills that support their financial health and employability. In 2018 we extended our support to Fundación Capital projects in Bolivia, Paraguay and Mozambique.

These programmes contribute mainly to the UN Sustainable Development **Goal 1**, **Goal 4** and **Goal 5**. 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.

Labour

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.

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

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 since 2018 a Works Council has also been set up in our office in Paris. Additionally, a Health and Safety Committee is active in our offices in Kuala Lumpur. At SWIFT's other locations, the above policies are also used to ensure open dialogue and to follow up on 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 2018, we maintained our focus on creating a more diverse and inclusive workplace. We raised the profile of our grassroots Balance@SWIFT Global Ambassador network through a series of business orientated talks from senior women in financial infrastructure and at other events organised by the Ambassador's network. We held a number of workshops and training sessions to ensure that women and men in SWIFT were aware of the factors that relate to women's empowerment and professional success. As a result, 39% of our new hires were women, well above our KPI of 35%.

Back in 2017, with the support of the Chief Technology Officer, our Diversity and Inclusion executive sponsor, we launched the Cyber Security Transition Programme for women. This 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. In 2018, we extended this programme to the US, having after the first Belgium-based cohort made it a success.

At Sibos in Sydney, we organised a session on 'Securing the future of financial service through improved diversity' and a session on the Future of Work, addressing the roles of culture, diversity and inclusion. We also held a vibrant and well attended networking event, Women of the World (WoW).

Finally, SWIFT's CSR department continues to provide 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).

Measurement of Outcome

No reports of violations of labour rights were received in 2018.

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 exceeded our 35% target, with an average of 39% of new female hires during 2018.

The proportion of women at SWIFT increased from 34% in 2017 to over 35% in 2018.

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. In 2018, we launched an upward feedback pulse check that allowed every employee in the company to assess how their direct manager is doing against each of the Management Principles. With a 78.6% response rate and individual reports available to every manager with at least three respondents, this provides valuable support to our managers to identify leadership skills gaps and development priorities.
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. In 2018, we monitored hiring practices and achieved our company KPI on gender diversity for new hires.
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). In 2018, we published a company-wide investigation policy to ensure that we follow a fair, consistent, and thorough process if claims are made. This policy complements our 'whistle blower' policy for employees to raise concerns related to personal or ethical breach of policies within SWIFT.

Through its Supplier's Code of Conduct, 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.

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, such as keynote speeches on topics like positivism, self-awareness, collaboration and feedback sharing, as well as a health and wellness fair. SWIFT offers assistance in case any issues arise, through an easily accessible employee assistance programme that is available 24/7 via a neutral third party.

We offer 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 2018, 35 managers and 81 employees attended the training sessions. In addition, yoga sessions and different sports or social activities are available for our staff.

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:

Carbon emissions

Since 2007, SWIFT has been calculating and proactively reducing the impact of its activities on the environment. In 2017, we reviewed the methodology to establish our climate footprint, taking into account newest insights and methodologies refined 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.

Using the Green House Gas (GHG) Protocol, we compensated 2018 emissions from Scope 1 and 2, and partially the Scope 3 emissions related to business travel, with the objective of being neutral on this specific scope by 2020. To this end, we invested in two off-setting projects: a REDD+ project in Brazil focusing on forest preservation, and a Gold Standard project deploying a solar thermal power plant in India.

Energy efficiency in our offices and data centres

During 2018, SWIFT implemented its activity-based working programme to more regional offices and data centres, allowing to further optimise office space and control electricity consumption while staff numbers continue to grow.

In our headquarters, we implemented some additional energy reduction measures identified in an energy audit realised in 2017 and further deployed our Building Management System. Our energy consumption remained stable in 2018 despite a higher occupancy rate.

Following a long-term renewal plan, SWIFT kept on replacing air-handling units by more energy efficient models in its operating centres to further reduce the energy consumption. During the year, we also completed a 4-year project in one of our data centre in which a complete new electrical infrastructure has been deployed and activated lowering sustainably our energy consumption.

We use renewable energy whenever feasible.

Greener mobility

In 2018, we reviewed our car policy to ensure that the CO2 emissions generated by our fleet continue to decline. The policy now includes a new programme promoting the selection of electric cars. Our company car fleet in Belgium and the Netherlands included 31 full electric and 74 hybrid plug-in cars by the end of 2018. As a result, employees in BE have driven nearly 840,000 kilometres emitting zero CO2 emissions during the year.

SWIFT Belgium was awarded 5* "Tous Vélo-Actifs" award for the fifth consecutive year, recognising the continued effort of the company to promote cycling to work and provide the necessary infrastructure to cyclists. Over 100 Belgian employees cycled a total of 128,097km to work, resulting in a 22% increase vs 2017.

Waste

Reducing waste, and in particular plastic and landfill waste, is a main priority for SWIFT. In 2018, we eliminated single use plastic such as coffee stirrs and plastic cutlery at our HQ premises. Following a global waste reduction awareness campaign, we managed to decrease the amount of used plastic cups by 50%. These are first steps in a more ambitious campaign that will be deployed worldwide through 2019 and 2020.

Environment (CONTINUED)

Measurement of Outcome

The company car fleet now includes 31 electric and 74 hybrid plug-in cars.

SWIFT won a bicycle-mobility award in Belgium for the fifth year in a row.

Biodiversity

As part of our efforts to protect the environment, we take protection of biodiversity seriously. Following the collapse of our bee colonies located in our Belgian flower meadow in early 2017, our new bees produced 57kg of honey in 2018. The proceeds of the sale of the honey were donated to local nature conservation associations aiming to protect bees and to restore biodiversity in damaged areas of our neighbourhood.

Through our partnership with WeForest, SWIFT planted 147,000 trees in developing countries such as Brazil, India and Tanzania since 2015. This international NGO devoted to reforestation of bio-diverse and indigenous forests is thriving to advance innovative, scalable and lasting solutions to restore forest landscapes across the world. During 2018, we developed a new project mixing tree planting and carbon certificate, which will be implemented from 2019.

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 2018, which took place in Sydney, SWIFT developed innovative initiatives that helped to meet social, environmental and economic goals, focusing on everything from recycling to community engagement.

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

By partnering with local charities and companies, Sibos enabled over 150 exhibitor stand items, 170 potted plants and more than 2,500 meals to be donated to local communities in Sydney, while the Waste Diversion initiative created an overall waste diversion rate of 62.5% – a record result for an event of the size and scale of Sibos.

Sibos 2018 CSR initiatives achieved some eye-opening results:

- 1,120 tons of fertiliser produced from organic waste
- 15,200 plastic water bottles saved across the event by using glass pitchers in all meeting rooms
- 855 kilograms of food donated to people in need, which represents 2,564 meals for families

Delegates could also participate to reforestation projects through WeForest.

All these initiatives support the achievement of the UN Sustainable Development **Goal 13**, which calls for urgent action to combat climate change and its impacts. The bio-diversity initiatives specifically 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.

Anti-corruption

PRINCIPLE 10

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

Measurement of Outcome

No reports of corruption or bribery were filed through the available channels at SWIFT in 2018.

By the end of 2018, 94% of staff completed the mandatory e-learning modules.

Gifts to staff with a monetary value of more than 150 EUR are to be approved by a senior manager before being accepted, and reported to and reviewed by Compliance.

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

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 position against corruption and bribery, as set out in the Code of Conduct, and implements applicable anti-corruption and anti-bribery laws. This policy was last updated in February 2018, making it mandatory to obtain prior senior manager approval before offering or accepting a gift worth more than 150 EUR.

The interactive e-learning module on the Anti-Corruption and Anti-Bribery Policy has been updated to reflect the policy change, incorporated into the company's new e-learning platform, and was rolled out to all employees in Q4 2018.



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