

# WesternUnion \\WU

Environmental, Social and Governance Report



# 2018



Front cover photo credits  
 1 *EFE-Jordan*  
 2 *Kellie Ryan, International Rescue Committee*

The Western Union and WU names, logos and related trademarks and service marks, owned by Western Union Holdings, Inc., are registered and/or used in the U.S. and many foreign countries. All other trademarks, service marks, logos and trade names referenced in this material are the property of their respective owners.

# Contents

<b>4</b>	<b>A message from the CEO</b>	<b>42</b>	<b>Governing and managing for success</b>
		44	• Governance
<b>6</b>	<b>Western Union's global impact</b>	46	• Upholding ethical business practices
		49	• Managing cybersecurity and data privacy
<b>8</b>	<b>Western Union: Powering a world on the move</b>	51	• Engaging our stakeholders
		<b>54</b>	<b>Safeguarding our shared environment</b>
<b>12</b>	<b>Connecting people to the global economy</b>	56	• Assessing our environmental footprint
		57	• Implementing environmental initiatives
14	• Moving money for better	<b>60</b>	<b>Reporting on our ESG journey</b>
19	• Advocating for people on the move	63	• Materiality
		64	• Global Reporting Initiative (GRI) Standards Index
<b>22</b>	<b>Fostering a culture of ethics and inclusion</b>		
24	• Upholding our values and engaging employees		
25	• Embracing the value of diversity and inclusion		
27	• Attracting, developing and retaining our people		
<b>32</b>	<b>Moving money with integrity</b>		
34	• Going beyond compliance		
37	• Protecting our customers from fraud		
38	• Combating illicit activity		

---

## ***Western Union Foundation***

- 21 • Education for Better
- 31 • Furthering a culture of giving
- 41 • Global Scholarship Program
- 53 • Standing with refugees
- 59 • Supporting natural disaster relief efforts

# Dear fellow stakeholders,

Western Union has come a long way since the Company was founded 168 years ago. Throughout our transformation, one aspect has remained constant: Western Union connects people.

Today, we power a world on the move. Through money movement, we connect individuals, communities, businesses, NGOs and universities, leveraging a sophisticated digital platform combined with one of the largest retail networks in the world. Every transaction we process builds bridges across economies, geographies and cultures.

In recent years, this bridge building has occurred against a worldwide backdrop of increasing protectionism and nationalism. Yet technology provides a counterforce to these trends, shifting the balance of power and reshaping economies by allowing one-on-one, cross-cultural connections to proliferate across the globe. I believe that this is the new globalism: not driven by corporations or governments, but by individuals.

In my view, when people are connected globally, good things happen. Part of this is practical: I don't believe that the big challenges facing the world in the next few decades — inequality, climate change, unemployment, access to education and healthcare, for example — can be solved by single countries, individual governments or organizations. They will require global teamwork.

Yet, while I'm a champion of global connection, I believe it's critical to shape the new globalism to be more inclusive. The truth is that while technology enables individuals to participate directly in the global economy, it also leaves out many people.

Throughout this document — Western Union's first environmental, social and governance (ESG) report

— you'll learn what we're doing to ensure that the benefits of today's global economy extend to everyone, and how we're addressing some of the most pressing global issues facing society, our shared environment and our Company.

## ***Building more inclusive economies***

Through innovation and collaboration, we're empowering individuals and businesses to move as easily between the digital and physical worlds of money as we do, via the combination of our iconic retail and fast-growing digital networks. Our collaborations support global opportunity by connecting communities across the economic landscape to the networks that power the global economy, including commerce and payments. I encourage you to read more about these collaborations on Pages 19–20.

## ***Supporting people on the move***

Migration is not a new phenomenon, but today more people are on the move than at any time in history; nearly 270 million people live outside their countries of birth.<sup>1</sup> We stand with migrants, refugees and other displaced people. We're dedicated to connecting them and their families to the global economy through product and service innovations, and via education and workforce training supported by the Western Union Foundation. A migrant myself, I'm proud to speak out on the global stage about critical issues surrounding migration and displacement.

## ***Moving money with integrity***

As criminals become increasingly savvy in using technology to move money in pursuit of illicit ends, we have put sophisticated safeguards in place and work

<sup>1</sup> | World Bank, Migration and Development Brief 30, December 2018



hand in hand with law enforcement and others to help thwart and prosecute fraud, human trafficking, money laundering, drug trafficking, illegal wildlife trade and other criminal activity. Our cross-border platform integrates a vast array of intricate compliance measures to help protect our customers, vulnerable groups and the global financial system.

### ***Supporting education and humanitarian relief***

I am proud of the work of the Western Union Foundation, which has given nearly \$120 million to help hundreds of thousands of people across the globe with substantial educational opportunities and humanitarian relief since 2001. In 2018, the Foundation continued its Education for Better commitment, making a meaningful difference in the lives of thousands of people and providing hundreds of scholarships for in-need students in dozens of countries. We know that education is a key value for our customers: more than 25% of our customers have sent money for education to support their loved ones.<sup>2</sup>

Of course, none of these achievements would have been possible without the dedication of our more than 12,000 employees worldwide, who last year donated thousands of volunteer hours to important causes. I am very proud that 84% of our employees contributed financially to the Western Union Foundation, well above the median rate of employee giving, which is 31%.<sup>3</sup>

### ***Championing diversity and inclusion***

Our employees are fundamental to both our legacy and our future of connecting people across the globe. Diversity is a core strength at Western Union, providing the foundation for our corporate values: globally minded, purpose driven, trustworthy and respectful. It starts with our leadership and manifests itself throughout our Board of Directors and our global workforce. We work to build and develop a workforce that reflects the diversity of the customers we serve.

### ***Safeguarding our shared environment***

I am pleased that in 2018 we moved our corporate headquarters to a building that features Leadership in Energy and Environmental Design (LEED) certification by the U.S. Green Building Council. LEED recognizes buildings that maximize occupant health and minimize negative environmental impacts. Moving forward, we are committed to assessing and managing our environmental impact not just at individual facilities, but throughout our operations.

In 2018, we took a major step forward in identifying our primary ESG impacts — both positive and negative — by enlisting the help of an expert third party, and we will continue to build on this progress moving forward.

We appreciate your interest in Western Union's ESG initiatives, and welcome any feedback and insights you might have about this report as we continue advancing on our ESG journey.

**Hikmet Ersek**

President, Chief Executive Officer and Director

2 | Western Union Consumer Tracking Surveys • 3 | CECP Giving in Numbers 2018 — a survey of 300 of the world's largest companies



# Western Union's global impact

At Western Union, we believe we can be more successful as a company when we operate according to the highest ethical standards, address unmet social needs and promote the well-being of our consumers, their communities and the environment. Some highlights of our work:

## Connecting people to the global economy

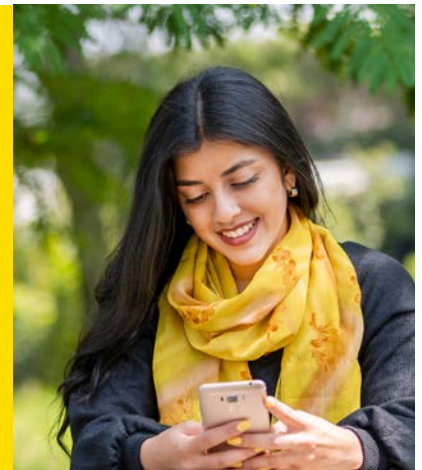
**25%+**

of our customers have sent money for education<sup>4</sup>

Our inclusive platform for moving money **bridges the physical and digital worlds**

**1,800+** NGOs have used Western Union's NGO GlobalPay to send nearly **\$6.5 billion**<sup>5</sup>

We advocate for **migrants, refugees and other displaced people**



## Fostering a culture of ethics and inclusion

Our shared values are to be **purpose driven, globally minded, trustworthy and respectful**

Our **~12,000** employees in **57 countries** reflect the diversity of the customers we serve

About half our global workforce is women, with **34% women at the director level and above**



<sup>4</sup> | Western Union Consumer Tracking Surveys • <sup>5</sup> | Since 2012

## Moving money with integrity

Work to combat fraud, human trafficking, drug trafficking, and illegal wildlife trade



Invested nearly **\$1 billion** into compliance efforts over the past five years

Participated in **1,400+** investigations to combat human trafficking since 2013

**50%**

of Board committees are chaired by women

In 2018, our 11-member board included **three ethnically diverse directors and three women**

## Governing and managing for success

Global privacy program in place to protect customer information

## Safeguarding our shared environment

Water and energy reduction initiatives, along with waste and electronic recycling programs

Western Union Costa Rica awarded prestigious **Bandera Azul Ecologica (Blue Ecological Flag)**



New HQ awarded **Leadership in Energy and Environmental Design (LEED) Gold certification**

## Advancing global opportunity: Western Union Foundation

**\$120 million** given to fund projects in **137 countries**<sup>6</sup>

**338** scholars from **89 countries** have participated in the Foundation's WU Scholars program<sup>7</sup>

Focus on connecting **50,000 migrants, refugees, women and young people to the global economy** by 2020

**84%**

of our employees contributed financially to the Foundation in 2018



<sup>6</sup> Since 2001 • <sup>7</sup> Since 2017

# Western Union: Powering a world on the move

Today's world is on the move. People are crossing borders in pursuit of new opportunities, climbing the economic ladder and connecting across thousands of miles from the palm of their hand. Wherever they're going, we help them get there.

## Who we are

The Western Union Company\* is a publicly traded (NYSE: WU) company, based in Denver, Colorado, and one of the world's largest cross-border money movers.

Throughout our history, we have been inspired by a desire to help people enjoy more prosperous, rewarding lives, by helping them live, connect and do business around the world — while honoring our commitment to help the communities and individuals who need it most.

Western Union's innovation has profoundly impacted business and culture throughout the Company's 168-year history. We built the first telegraph line across the United States, connecting people and communities across the continent for the first time. Western Union developed one of the first consumer charge cards in 1914. We launched the first domestic commercial satellite into orbit in 1974 and sold the first prepaid phone card in 1993. And, in 2011, we embarked on a digital transformation, strategically connecting [westernunion.com](http://westernunion.com) with our vast retail

\* ("Western Union," "we," or "the Company")





network, which currently consists of more than 550,000 agent locations.

Today, the Western Union brand is recognized around the world and sets the standard for international money movement, delivering what matters most to the people who depend on us every day: speed, reliability, trust and convenience. We are uniquely positioned to connect people and money on a global scale, and are increasingly using our cross-border platform to help partners such as Amazon and the mobile wallet leader Safaricom unlock new opportunities for international businesses and consumers. Read more about these relationships on Pages 16 and 18, respectively.

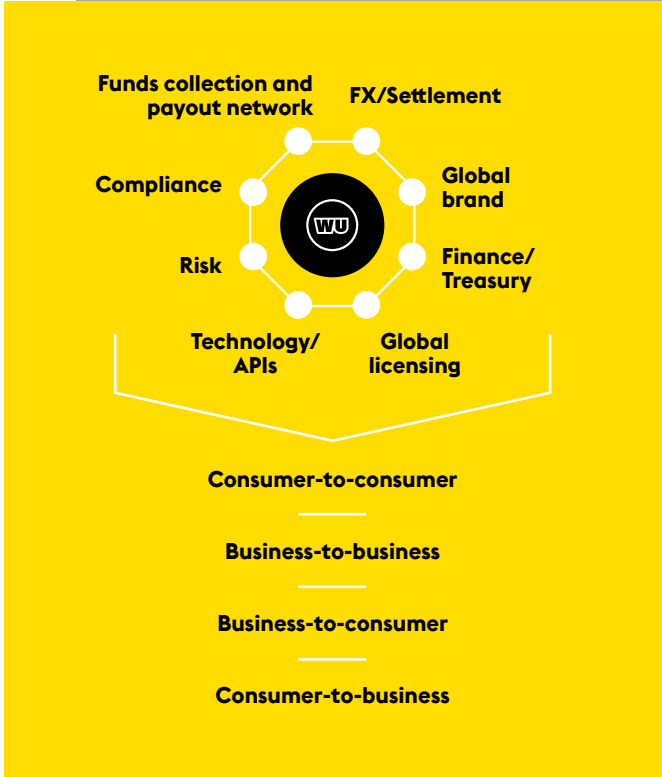
### Our platform and services

Western Union’s unique platform transcends the complexities of the world’s financial systems, making it possible to move money easily and quickly across borders and currencies in person or with a few clicks or swipes.

Our global platform combines our robust digital footprint, settlement infrastructure, treasury and compliance capabilities, a 550,000-location retail network and the ability to send money to mobile wallets and billions of bank accounts. In 2018, the Western Union platform moved \$300 billion in principal across more than 200 countries and territories, processing 34 transactions every second in approximately 130 currencies.

Our technology portfolio, range of application programming interfaces (APIs), foreign exchange and settlement engine, agent network, and anti-money laundering and fraud-detection capabilities combine to make Western Union one of the largest money movers for consumers and businesses. We offer digital transactions in more than 60 countries, plus additional territories, to send funds to more than 200 countries and territories. We have mobile apps in 35 countries, with approximately 75% of our digital transactions globally originating on mobile devices.

### The Western Union global cross-border platform



### Our services

← ●

● →

**Send money**  
in person at retail agent locations, online with westernunion.com, or with our mobile app, where available

**Receive money**  
in cash, bank account, mobile wallet or prepaid card, where available

## 2018 Company highlights



**\$5.6 billion**  
in revenue



Approximately  
**12,000** employees  
worldwide



**550,000+**  
retail agent locations



**93%** global brand  
awareness



Services in **200+**  
countries and  
territories



More than  
**150 million**  
customers served



wu.com in **60+**  
countries, plus  
additional territories



Mobile apps  
in **35** countries



Ability to send to  
**billions** of accounts



**Nearly 130**  
transaction currencies



**\$300 billion**  
principal moved



Processed **34** transactions  
every second

## Environmental, Social and Governance (ESG)

At Western Union, we believe we can be more successful as a company when we operate according to the highest ethical standards, address unmet social needs and promote the well-being of our consumers, their communities and the environment. In 2019, we are undertaking an initiative to build on these values and provide a more formalized structure for our ESG strategy. To inform our strategy and this report, we conducted a materiality assessment in 2018, in partnership with an expert third party, aimed at identifying and prioritizing the ESG topics of greatest importance to our business and stakeholders. The material topics identified

through the research formed the basis for much of this report and are listed to the right.

To learn more about this process and our methodology, please see the **Reporting on our ESG journey** section on Page 60. For definitions of the ESG topics most material to Western Union and how they're managed, please see the Management Approach section of the GRI Index on Page 73. To learn more about governance of ESG topics, please see the **Governing and managing for success** section beginning on Page 42.

## Material topics

(items in bold ranked in the top 21 of 37 in terms of significance)

### GOVERNANCE

- **Board diversity**
- **Corporate ethics and culture**
- **Corporate governance**
- **Cybersecurity**
- **Executive compensation**
- **Human rights**
- **Legal and regulatory compliance**
- **Preventing anti-competitive practices**
- **Supply chain management**

### CUSTOMERS

- Accessible service design
- **Consumer protection**
- **Data privacy and protection**
- **Ethical use of services**
- **Financial inclusion**
- **Service affordability**
- **Service reliability**

### INNOVATION

- **Service innovation**
- **Technology innovation**

### STRATEGY

- Climate risks and opportunities

- **Geopolitical conditions**
- **Demographic change and development**

### EMPLOYEES

- **Attracting and retaining talent**
- **Diversity and inclusion**
- Employee compensation
- Employee engagement
- Health, safety and well-being
- Local employment
- Training and professional development

### COMMUNITY

- Corporate giving
- Developing financial literacy
- Employee volunteering
- Future skill development

### ENVIRONMENT

- Reducing greenhouse gas emissions
- Renewable energy
- Environmental performance improvement
- Waste management
- Water management

## Western Union Foundation

The Western Union Foundation (the Foundation) — supported by Western Union, its employees, agents and business partners — helps underserved populations connect to the global economy through the power of education and humanitarian relief efforts. Since 2001, the Foundation has given \$120 million to fund projects in 137 countries, including humanitarian relief for communities in crisis.

Western Union employees are fundamental to this cause: 84% contributed financially to the Foundation in 2018. Our employees also served various organizations during the year through 15,000 hours of external volunteer work along with pro bono service in support of the Foundation. We encourage our employees to nominate and select nonprofits in their local region to receive Foundation funding.

The Foundation believes that education is one of the surest pathways to economic opportunity.

---

*Through collaborations with NGOs, the Foundation embarked on a five-year mission to connect 50,000 migrants, refugees, women and young people to the global economy by 2020.*

The Foundation collaborates with nonprofits around the world to provide demand-driven skills training and workforce enablement programs. The Foundation also offers a global scholarship program helping put a post-secondary education in reach for in-need students studying in science, technology, engineering and mathematics (STEM) and business fields.

Throughout this report, we highlight examples of the great work the Foundation does around the world.

# Connecting people to the global economy



**Moving money for better**

**Advocating for people on the move**







# Moving money for better

Western Union has the network and reach to deliver global opportunity for individuals and businesses across all geographies and strata of society.

Mobility is the key. We enable our customers' physical mobility by supporting their ability to live, work, study and thrive across borders. We enable their digital mobility by making it easy to send and receive funds almost anywhere, anytime. And we enable social mobility by helping individuals, communities and businesses grow through access to technology, education, resources and funds. Our customers' success powers the global economy, and we are proud to support them.

## People on the move

### Building inclusive economies

We are focused on inclusive innovation, powering a full range of options to serve a broad spectrum of consumers. In a world that reveres virtual currencies, we offer digital services that still pay out in cash throughout the most remote parts of the world.

For our more than 150 million customers, this flow of funds needs to be seamless. Using Western Union, users can send money with a click on a mobile app from the United States to an account in the Philippines; they can pick up cash in India, minutes after someone has dropped it off in the United Kingdom.

Pairing our fast-growing digital network with our retail, account and mobile wallet payout presence allows us to serve customers with preferences for digital or cash, creating a truly inclusive platform that leaves no one behind.

### Impact of remittances

Many of our consumers are global migrants: people who move to new countries and send money home regularly. Migrants contribute to the economies of countries they move to with the skills they bring, the taxes they pay, the jobs they fill, and their ability to normalize demographics in communities with aging populations.

Besides settling in and contributing to the economies of their adopted countries, migrants drive one of the most powerful forces in global economic development by sending money home in the form of remittances. Globally, remittances were estimated to reach \$689 billion in 2018.<sup>8</sup>

---

### The fourth biggest nation

*According to World Bank estimates, there are nearly 270 million international migrants living outside their country of birth.<sup>5</sup> If these people on the move formed a country, it would be the world's fourth largest.*

<sup>8</sup> | World Bank, Migration and Development Brief 30, December 2018





**Remittances are integral to investment in local communities**

The International Fund for Agricultural Development (IFAD) estimates that 800 million people worldwide are directly supported by remittances from relatives and loved ones abroad. Approximately 75% of this money covers basic needs like healthcare, food, rent and education. In fact, more than 25% of Western Union's customers have transferred money for education.<sup>9</sup>

**Remittances provide a major source of capital for some of the poorest countries in the world**

Apart from providing for basic needs, remittances serve as an engine for development by generating income and jobs and transforming economies. Remittance flows to low- and middle-income countries are larger than official development assistance and more stable than private capital flows.

Approximately

**1 in 9 people**

or an estimated 800 million people worldwide are directly supported by remittances, according to IFAD

**Organizations on the move**

**Serving entrepreneurs and small businesses**

Western Union is a trusted partner helping small and medium enterprises (SMEs) unlock opportunities by connecting to the global economy and taking part in international trade.

According to the International Finance Corporation (IFC), more than 90% of job creation in emerging markets is attributed to SMEs with fewer than 250 employees. The IFC views expansion of the SME

<sup>9</sup> | Western Union Consumer Tracking Surveys

sector as critical to boosting employment and reducing poverty in low-income countries.

We make it simple and easy for SMEs to expand their global reach through our online platform WU EDGE (Enterprise Digital Global Exchange), which offers the tools they need to do business with customers and suppliers in other countries. Connecting SMEs to international trade supports business expansion, job creation and economic prosperity.

### **A lifeline in conflict zones**

There were more than 37 active conflicts in the world as of 2017.<sup>10</sup> Western Union offers reliable services in almost all of these strife-torn areas.

In many countries in conflict, humanitarian crises exist for those who have not been able to leave. Whether for families sending money to loved ones left behind, or humanitarian aid organizations in need of funds for their work on the ground, Western Union plays a crucial role in connecting people dealing with conflict around the world.

### **Serving NGOs and their beneficiaries**

Every day, but particularly in times of crisis, non-governmental organizations (NGOs) must move resources to remote and sometimes hazardous areas. Often, NGOs send funds to such locations with little idea when those funds will arrive, in what amount and at what cost in fees and charges. These uncertainties can limit their vital operations on the ground, as well as create challenges of accountability and transparency of operations.

Western Union's NGO GlobalPay product provides NGOs better ways to manage and deliver funds where they are needed, making it easy to book international payments in over 130 currencies by wire, draft, retail cash or mobile wallet deposit.

Since NGO GlobalPay was launched in 2012, more than 1,800 NGOs have sent nearly \$6.5 billion around the world — for example to refugees during the Syrian crisis, to medical personnel during the Ebola outbreak in Africa, and relief workers during the Nepal earthquake and other crises.

## ***Communities on the move***

Emerging economies have more than a billion consumers who will be a powerful new economic force in the coming decade. Over the past few years, Western Union has innovated to help ensure that the benefits of today's global economy extend to communities up and down the economic ladder and around the world.

### **Making e-commerce more inclusive**

In 2018, Western Union announced a payment option with Amazon allowing international customers to shop globally and pay locally — in person, at Western Union agent locations in select countries — without the requirement of an internationally-enabled credit or debit card.

There are many communities who want greater access to the product selection and competitive prices that e-commerce offers. Paying for those purchases has been a real obstacle for people who prefer to pay in person or who are not comfortable using, or do not have access to, online payment methods. Many of these consumers are clustered in emerging economies, according to the World Bank's 2017 Global Findex Database.

This is a prime example of how we have begun leveraging our platform in new ways, bringing value to partners and consumers. By making possible a full range of pay-in and pay-out options, our inclusive platform is enabling individuals in emerging economies to go global, connecting to the worldwide economy in ways that were out of their reach before.

<sup>10</sup> | International Institute for Strategic Studies, Armed Conflict Survey 2017







## Inclusive innovation

As a company with both a fast-growing digital operation and a vast retail network, Western Union has a unique vantage point on customer needs around the world. Our view is that any conversation about inclusive finance must consider the needs of customers on both sides of the digital divide.

**Access:** Even as society becomes more connected, a significant portion of the world's population is still offline, and many have no access to financial services. The combination of our retail and digital businesses makes Western Union a bridge between the offline and the online — the physical and the digital — creating a truly inclusive platform.

This is particularly important when considering communities who can't connect to a "digital only" world, including rural communities with poor broadband and mobile connectivity, people with physical or mental health challenges that make it difficult to use digital services and those who don't have the internationally enabled financial tools to benefit from online services or e-commerce. It's also critical for people who are unbanked — without an account at a financial institution or through a mobile money provider. Globally, approximately 1.7 billion adults remain unbanked, according to the World Bank's 2017 Global Findex Database.

**Value:** Western Union is one of the few financial institutions that has a global network able to transact in cash or digital on both the send and receive sides when moving money. Costs associated with transactions in cash are significantly different than costs related to transactions associated with accounts.

Western Union's pricing varies among the 20,000 corridors in which we operate and varies with the competitiveness and complexity of the marketplace. The channels and speeds through which funds are transmitted impact our pricing, as do market dynamics including regulatory requirements and infrastructure.

Globally, the average cost of transferring money through Western Union (including fee and FX) is approximately 5% of the amount being sent. The average person-to-person principal send value via Western Union in 2018 was about \$300.

Our customers also have access to a price estimation tool on all our digital channels: [westernunion.com](http://westernunion.com), our mobile app and our Facebook Messenger bot in the U.S., as well as through our in-country call centers and point of sale at retail.

## From mobile wallets to the world

In Sub-Saharan African and Latin American countries where growth in usage of mobile wallets — apps on phones that replace credit cards and cash — is in the double digits, we collaborate with local telecom companies to move cross-border funds into and out of those wallets seamlessly.

For example, we enable Safaricom — Kenya's leading mobile network operator — to make it easier for the 28 million mobile wallet users there to send and receive money internationally by connecting to Western Union's network. Though M-PESA Global, M-PESA mobile wallet holders can use funds from their wallets in Kenya to send money for payout across Western Union's retail agent network or via Western Union's access to billions of accounts. Wallet holders can also receive money from the more than 200 countries and territories where Western Union operates. This opens up a world of connectivity across borders.

## Serving international students

With millions of international students in the world today,<sup>11</sup> education payments are a fast-growing segment of our payments business. We enable universities to offer their international students a fast and easy way to pay their tuition and fees, facilitating education opportunities.

Since its inception, more than 348,000 students around the world have used WU GlobalPay for Students to pay their fees. Around the world, more than 700 education institutions — including eight of the top 10 globally ranked universities — trust us to manage their international payments. In the last two years, Western Union has moved \$3.5 billion for accredited schools and universities.

# Advocating for people on the move

Western Union and the Western Union Foundation have a long history of supporting issues related to migration and refugees, which continue to present some of this century's most pressing political and economic challenges. Over the last few years, the Company, the Foundation — and our CEO in particular — have taken a strong public stand affirming our support for migrants and refugees, who are important parts of our customer base, our workforce and our communities.

## Executive voice

Hikmet Ersek, Western Union's President and CEO, has used his voice to raise awareness of critical issues related to migration in the media and at global summits including the World Economic Forum in Davos, Switzerland, and the UN World Humanitarian Summit. Ersek is a member of the Business Roundtable's Immigration Committee in the U.S., and Western Union has signed on to a number of alliances supporting migrants and refugees, including the Tent Partnership for Refugees and the Coalition for the American Dream.

## Global engagement

In recent years, we have been actively engaged on these issues at the global, regional and national levels through work with organizations including:

- Business Roundtable, Immigration Committee
- Coalition for the American Dream
- International Organization of Employers Business Mechanism on Migration
- Migrants in Countries in Crisis
- Tent Partnership for Refugees

- The American Immigration Council
- The Congressional Hispanic Caucus Institute
- The Congressional Hispanic Leadership Institute
- The Council of Mexican Federations in North America
- The Federación de Guerrerenses en Illinois
- The Global Forum on Migration and Development
- The Mexican American Legal Defense and Educational Fund
- The National Immigration Forum

*“Business leaders share the responsibility to help communities stay true to the values of welcoming people of all origins, backgrounds and faiths.”*

### **Hikmet Ersek**

President and CEO, Western Union,  
op-ed in *The Hill*, December 2017

- The Scalabrini International Migration Network
- The UN Global Compact on Migration
- Welcoming America
- World Economic Forum Global Future Council on Migration
- Whitaker Peace & Development Initiative

### Shaping the narrative

We believe that companies like Western Union can help reframe the public narrative on migrants and refugees as one of inclusion and opportunity by sharing stories of the vital contributions migrants and refugees make to their communities, tackling negative stereotypes and reinforcing the dignity of all people. To do this, Western Union engages our global audience — approximately 13.5 million social media followers and more than 30 million members of our loyalty program.

For example, in 2018 we implemented a successful model to allow our MyWU loyalty program members to redeem their loyalty points to support refugee education, funding more than 100 refugee students in Uganda to attend school for a year.

### Partnerships and sponsorships

Western Union sponsors the Small Business on the Road Series, an innovative series of quarterly events fostering small business growth in Chicago's immigrant communities. The city of Chicago's Department of Business Affairs and Consumer Protection organizes these free quarterly community expos to drive small business growth and expansion. Each expo is open to the public and provides current and potential business owners with information and advice on topics such as starting a small business, navigating licensing processes, complying with tax laws, interacting with chambers of commerce and more. The series began in 2012 and will run through 2019.

*Hikmet Ersek, CEO, and a young refugee graduate of the Whitaker Peace & Development Initiative program in Northern Uganda.*





## Western Union Foundation

### Education for Better

Connecting people to the global economy means connecting them to educational opportunities that empower them to take part in it. Across the world, many communities don't have access to education and training that would give them a fair shot at inclusion in the global economy.

Against this backdrop, the Western Union Foundation in 2015 launched a five-year goal to equip 50,000 migrants, refugees, women and young people with 21st century job skills through the Education for Better initiative. In 2018, the program reached over 25,000 youth in more than 28 countries, and it is on track to surpass its goal.

In Western Union's hometown, the Western Union Foundation supports the CareerConnect Launch internship program – through the Denver Public Schools Foundation – which focuses on building career options in Colorado's healthcare, technology, engineering and other technical industries. In 2018, out of the 282 students participating in the Launch program, 99 students interned with 41 technology companies, gaining greater technical skills and building professional relationships in their chosen fields.



**Diana Galdamez secured an internship with an airline through the Launch internship program, working at the mechanics shop at Denver International Airport. Despite it being a male-dominated industry, Diana chose to focus on mechanical engineering. As a first-generation child of immigrants, Diana is keenly aware of the example she is setting for her younger brothers and her community. She hopes to work part-time at Denver International Airport while she finishes school, and she is excited about her possible career trajectory.**

# Fostering a culture of ethics and inclusion



**Upholding our values and engaging employees**

**Embracing the value of diversity and inclusion**

**Attracting, developing and retaining our people**







# Upholding our values and engaging employees

Throughout our 168-year history, Western Union has embraced a rich and diverse culture, steeped in our shared values. We recognize that acting ethically and with integrity has an impact on our customers and our employees, and we believe in the power of diversity and inclusion across cultures, locations and functions. Our values are reflected in how we work, and together with our [Code of Conduct](#) (Code) provide guidance for how we conduct business for our Company and our customers.

## Engaging with our employees

We believe engaging with employees will always help us to succeed. We regularly listen to the pulse of the organization. Our annual employee engagement survey and ongoing monthly updates provide sentiment on our values, culture, workplace and strategy.

## Our shared values

### Purpose driven

“Moving money for better” is the purpose that guides every decision we make, because when money moves, better things happen.

### Globally minded

We embrace different cultures, our own and those of our customers. We encourage diversity of thinking, challenge the status quo to improve and grow our business, and promote a culture of equality and inclusion.

### Trustworthy and respectful

We trust in each other and know that the trust of our customers is vital. We earn this trust by treating everyone with respect and dignity.

## How we work

- We value respectful treatment: We show respect to others and expect respect in return.
- We don't discriminate: Discrimination is a violation of our policies and the Code.
- We don't harass: We prohibit all harassment, whether it is spoken, written, physical or visual.
- We respect each other's privacy: We take our duty seriously to keep personal data confidential.
- We work safely: We perform work for which we are trained, fit and competent.
- We avoid conflicts of interest: Our decisions are made in the best interest of Western Union and comply with our policies.

Our employee survey identifies key drivers for engagement and reviews the differences and drivers in tenure, gender, level and generation, among other data points. In 2018, we saw an increase in employee ratings regarding overall engagement and in our Organizational Health Index.

# Embracing the value of diversity and inclusion

We work to build and foster a workforce that reflects the diversity of the 150 million customers we serve around the world. Our approximately 12,000 employees span 57 countries. More than half of our customers are women<sup>12</sup>, and women comprise about half of our global workforce.

As an organization, we emphasize cultural and generational diversity in our employee base, which is also consistent with our customer base.

Western Union has participated in the [Women in the Workplace](#) survey from [Lean In](#) and [McKinsey](#), and in the [Corporate Equality Index](#), a benchmarking tool on corporate policies and practices pertinent to lesbian, gay, bisexual, transgender and queer employees, issued by the [Human Rights Campaign](#). Our score in both surveys increased in 2018.

## Diversity starts at the top

In 2018, our 11-member Board of Directors (the Board) included three ethnically diverse directors and three women, a gender diversity ratio higher than average for women serving on the boards of Fortune 1000 companies. Women also chair half of our Board committees. Our diverse Executive Team is composed of leaders born in eight different countries, who are seasoned in working across cultures.

In 2017 and 2018, we conducted unconscious bias training with approximately 150 of our leaders. We also piloted an unconscious bias workshop about working mothers to more than 40 leaders; nearly 85% of participants reported greater understanding of how unconscious or implicit bias impacts women and mothers.







## Women at WU

In 2015, we set an aspirational goal to increase our representation of women at the director level and above to 40% by 2020. Since then, we've seen significant progress:

### Female director and above representation

**31%**  
2015      ● →      **34%**  
2018

### Female vice president and above representation

**26%**  
2015      ● →      **31%**  
2018

In 2018, Western Union ranked among the top 175 worldwide honorees for Top 1000 Companies with the Strongest Female Leaders, according to Mogul, a global platform enabling women to realize their goals and reach their full potential.

## Pay equity

Western Union is committed to the principle of equal pay for equal work. The Company consistently reviews and updates salary ranges and performs internal pay equity reviews. This ensures impartial and competitive pay practices, while aligning salary to local market conditions and cost-of-labor changes. We also offer employees multiple channels to raise pay equity concerns, such as the employee's manager, our Human Resources team, our Ethics Helpline or the legal department. Whenever we uncover pay disparities, we take responsive actions to address the situation.

## Equal opportunities

Western Union is proud to be an Equal Opportunity-Affirmative Action Employer. We value the strength of a diverse workforce, and we provide equal employment opportunity based on knowledge, skills, ability and contributions.

- We have adopted formal Affirmative Action programs to ensure that our employment policies and practices are non-discriminatory. We are committed to developing a workforce that reflects the diversity of the world in which we live. Western Union complies with all of the rules, regulations and relevant orders of the Secretary of Labor and the Office of Federal Contract Compliance Programs, issued pursuant to Executive Order 11246, the Vietnam Era Veterans' Readjustment Assistance Act, and Section 503 of the Rehabilitation Act of 1973, and has an audit and reporting system to facilitate compliance.
- Since 2015, we've continued to enhance our veteran outreach program.
- We use diverse slates and panels as a requirement for our internal and external hiring process.

# Attracting, developing and retaining our people

At Western Union, we believe diverse talent is our most important asset, and we behave in ways that recognize the strategic importance of talent. We invest in resources to identify qualified job candidates and reward employees with competitive compensation, benefits and professional development opportunities that encourage them to stay with Western Union.

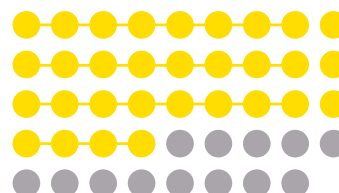
Our business depends on attracting and retaining motivated individuals who can meet our high standards and deliver results. To this end, our dedicated sourcing team uses a robust network of recruiting channels to find, assess and hire employees. These channels include social media, job boards, professional associations, online marketing campaigns, job fairs, recruiting agency partnerships, employee referrals, university relationships and region-specific web content.

We focus our recruitment efforts around location, compensation and talent availability using state-of-the-art market intelligence and technology. Our sophisticated talent screening recruitment practices help promote a diverse and inclusive workforce while also ensuring new hires who will drive our organization forward.

Our efficient and transparent hiring practices are well received. In 2018, the Western Union employer brand continued to trend upward in its mark around the world. Through the social channels we use to promote both positive brand perception and awareness of our talent needs, we have seen organic follower growth of 9% on [WUCareers Facebook](#) and 25% on [WU LinkedIn](#), and 26% growth in our [Glassdoor](#) page views. We have strategies in place for 2019 to build from these results, including further diversity and inclusion activities, Glassdoor brand enhancements, and continuous engagement on our Talent Acquisition social channels.

We regularly evaluate our voluntary turnover rate and benchmark our hiring and new employee satisfaction scores with other Fortune 500 companies.

## Effective hiring processes



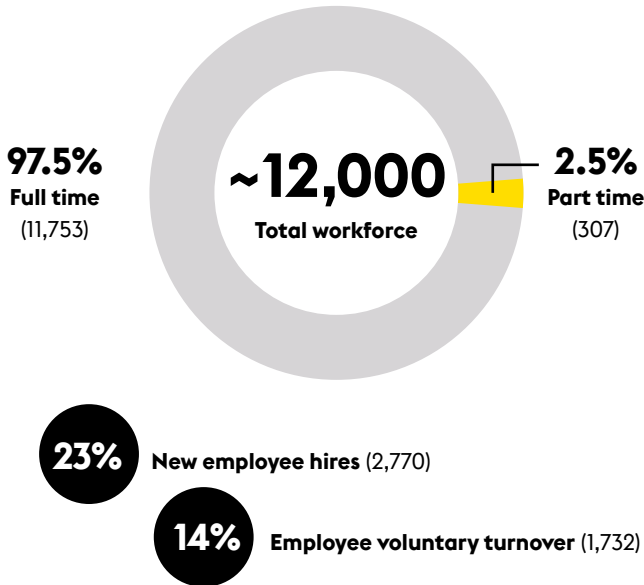
# 31 days

median time for Western Union to fill open positions compared to 44 days for the financial services industry

## Training and professional development

Our talent processes are designed to strike the right balance between global scale and local responsiveness; we work to be strategically focused but also operationally efficient. Our development and training organization is led by the Vice President of Global Talent and Learning, and has members in five countries, representing all regions of our global workforce.

WORKFORCE DATA



Western Union’s employee development philosophy creates a learning culture that motivates and empowers employees to learn new skills through:

- **Experience** — 70% of development occurs through decision-making and interacting with others on the job.
- **Exposure** — 20% of learning comes from feedback, working with others and interacting with role models.
- **Education** — 10% of learning comes from formal education, including self-study, certifications, webinars, seminars and conferences.

*Investing in our people*

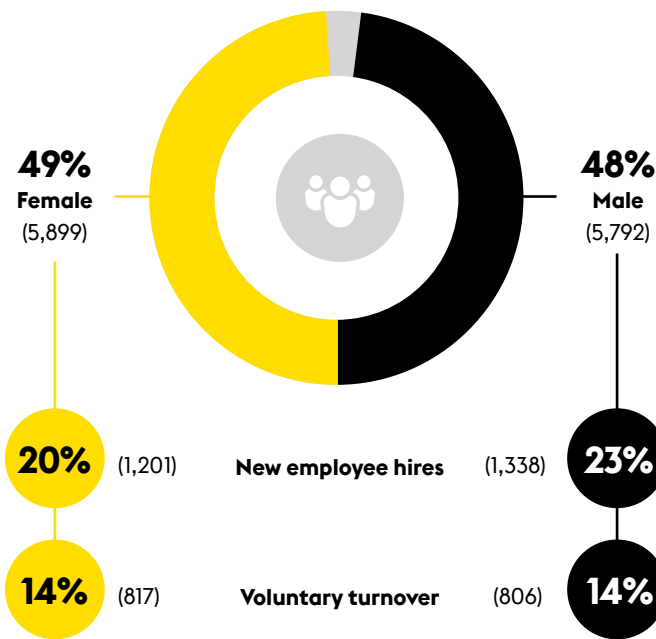
We believe there are numerous ways for a person to develop skills and advance their career. To position our people for success, every employee completes a nine-month onboarding program and has access to a variety of career assessments, online resources, libraries and software.

In 2018, Western Union employees spent an average of 15 hours in training. Compliance training accounted for approximately five of those hours. There are three mandatory courses for all employees. A subset of Western Union employees must take additional compliance courses.

We evaluate our employees through an approach called *Guide.Perform.Succeed* or GPS. Through GPS, employees gain a clear understanding of how their work aligns with our Company strategy, and they regularly engage in open conversations on their own development and improvement.

All employees schedule and lead quarterly empowerment discussions (QEDs) with their supervisors. QEDs include:

- A forward-looking view of work with clear expectations



Note: Data as of December 31, 2018

A small percentage of workforce has not declared a gender; therefore, gender breakdown does not account for 100% of our employees.

- Ongoing goal setting to ensure high-value work and alignment to business priorities
- Ongoing development planning and real-time feedback to drive professional development
- Accountability to ensure business results

### Investing in leadership

Our leadership pipeline is developed through regular reviews of talent potential and succession planning. The WU Way Leader Model, which contains five attributes anchored in Western Union’s Purpose and Values, provides the foundation for all leader development. In turn, we offer interactive leadership training programs at every level — from junior employees to executives.

### Employee compensation and benefits

At Western Union, we seek to provide compensation that motivates, retains and rewards current employees and attracts future talent. It is designed to inspire the delivery of exceptional performance and results for our Company through the contributions of our global talent. This philosophy is an integral part of our culture and aims to support motivation, collaboration, learning and growth to help Western Union deliver on its business strategy and stockholder commitments.

The contributions of our employees matter. They impact pay, incentive compensation and other rewards when aligned with Western Union’s business goals, vision and desired behaviors. When employees deliver collectively for Western Union, they share in the Company’s success.

Western Union will continue to evolve rewards to remain competitive in the marketplace and meet the changing needs of the business and our employees. We strive to deliver progressive, meaningful compensation and benefits that support career growth and development, while also supporting work-life balance.

### LEARNING AND DEVELOPMENT AT A GLANCE 2018

	Average hours	Average number of courses
<b>Overall training per employee</b>	<b>15</b>	<b>23</b>
<b>Compliance training per employee</b>	<b>5</b>	<b>7</b>
<b>Other mandatory training per employee on ethics, privacy and security</b>	<b>2</b>	<b>5</b>

These and other learning resources are designed to help employees enjoy successful and fulfilling careers at Western Union. In redundancy situations where individuals do transition out of the Company, we use a respected third party to provide outplacement services.

### Leadership program highlights 2018

- Western Union sent 22 delegates from 18 different nationalities to the One Young World Summit, an annual gathering of some of the world’s brightest young minds working to accelerate social impact.
- We developed and piloted our Leadership EDGE program, a professionally facilitated six-day learning program that aligns current leaders to the WU Way Leader Model. The program is available to all current directors and above, and others by nomination.
- Through the WU Way, which is changing the way we work to deliver a better customer experience and drive growth:
  - More than 6,000 employees and vendors were part of Lean Deployments
  - 67 SVPs and above were trained as Lean Leaders
  - All employees completed WU Way awareness certification

## Governing compensation

The Board and senior management have central oversight of all reward program changes. Compensation and benefits programs are critical to motivate and engage our Western Union colleagues.

Western Union's compensation governance framework supports the ongoing transformation of the Company and keeps it competitive in the labor market. It ensures financially sustainable decision-making, as well as effective administration of reward programs around the globe. It also helps ensure a consistent approach in different countries in alignment with the reward philosophy of the Company:

---

*To attract and retain employee talent by offering a comprehensive market median competitive benefit program while balancing the overall total rewards package.*

Consistency in approach is accomplished using benefits and reward programs aligned to local usage and tailored to each country.

## Employee benefits

While specific benefits vary from country to country, based on laws, cultural norms and market practices, there are some benefits generally available to full-time Western Union employees. These include:

- **Company sponsored medical** — Western Union provides traditional medical/hospitalization plans or allowances to pay for medical expenses in all countries, where it is market practice to do so. In some countries Western Union also offers health checkups or outpatient coverage as well.
- **Global adoption assistance** — Reimbursement of up to \$10,000 per adoption for eligible adoption-related expenses.

Western Union also provides Employee Assistance Programs in the majority of countries where we work and various forms of leave that are country-specific, which may include maternity, paternity, caregiver and military leave.

## Promoting employee health and safety

Western Union's goal is to create a safe and healthy workplace. For this purpose, our Environmental, Health and Safety policy aims to protect the health and safety of our employees, customers and visitors by conducting all activities in a responsible manner. We will comply with all applicable regulatory requirements at a minimum, and implement awareness campaigns, programs and processes to achieve our goal by encouraging employee involvement as stakeholders in their own health and safety.

Western Union places an emphasis on individual responsibility for safety that applies to all employees at all levels. We expect employees to report potential safety hazards and issues and to stay involved in developing and implementing solutions.





## External recognition

Western Union finds innovative ways to help our people reach their full potential. Following are some of the recent honors we've received from third-party organizations:

### **Brandon Hall Group and LearnX Impact Awards:**

In 2018, we earned two honors for our "A Quest for Better" program, an interactive decision-making simulation that helps employees follow Western Union principles on customer experience and business conduct. It won a coveted Brandon Hall Silver Award for Excellence in Learning in the category of Best Use of Games and Simulations for Learning. It also earned the

Gold Award in the category of Best eLearning Design for a Simulation at the LearnX Impact Awards.

### **Training magazine:**

Training magazine named Western Union one of its Training Top 125 Organizations in 2018, marking our fifth consecutive year on the list.

### **Talent Board:**

In 2018, Western Union received Candidate Experience Awards for both Europe, the Middle East and Africa and Asia-Pacific regions.

## Western Union Foundation

### Furthering a culture of giving

Western Union's global workforce shares a passion for giving, making it a major driver of the Foundation's impact. Employees engage through volunteering with external organizations, direct giving and gift matching, and pro bono service in support of the Western Union Foundation. In 2018, employees donated 15,000 volunteer and pro bono hours, 145 nonprofits received gift matches, and 84% of employees gave their own money to support the Western Union Foundation.

WU Gives is an initiative that empowers employees to nominate NGOs operating in their local region for Western Union Foundation funding. A team of employee volunteers reviews the nominations and selects a final list of NGOs to receive grants.

Another way employees give is by serving as board members to various NGOs, another example of the Foundation's work in leadership development.



***Make a Difference, a WU Gives winner, works with youth in India to transform outcomes for children ages 10 to 18 and older living in shelter homes to give them a better chance at success. Their programming has a university attendance rate of 80% compared to the standard 20% typical for youth in shelter homes.***

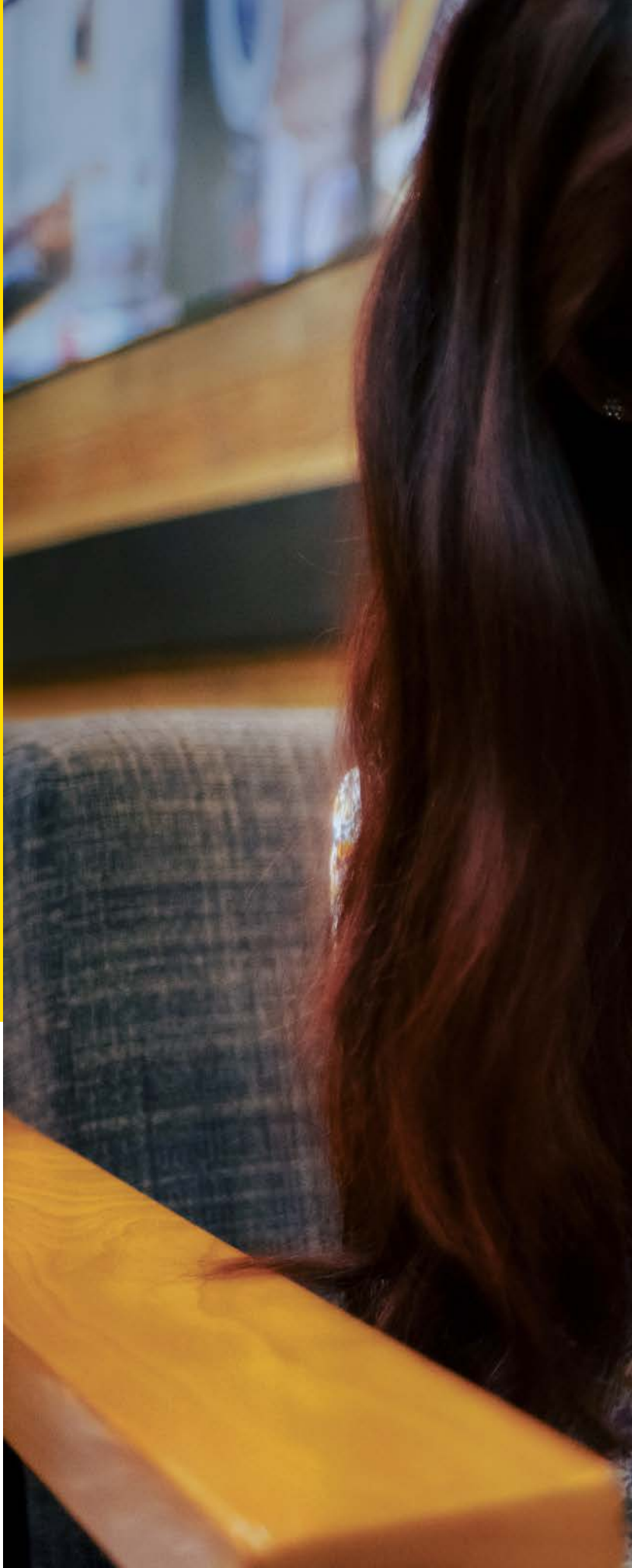
# Moving money with integrity



● **Going beyond compliance**

● **Protecting our customers from fraud**

● **Combating illicit activity**







# Going beyond compliance

At Western Union, compliance is more than a department or team; it's a way of doing business, and we believe it is the essence of being a responsible company. The goals of our compliance program are simple: detect, deter, prevent and report any illicit activity and misuse of our systems. This protects Western Union, our customers and our agents.

Our compliance program focuses on Anti-Money Laundering, Counter Terrorist Financing, Economic Sanctions Compliance, Anti-Corruption, Anti-Fraud and Markets Compliance. Our approach is tailored to our core business of moving money across borders. The scale and scope of our global operations means that we are experts at navigating the complex regulatory environment to create a seamless experience for our global customers and business partners.

**Investment in compliance nearly**

**\$1 billion**

---

**5 years**

Over the past several years, Western Union has increased overall compliance funding significantly, investing nearly \$1 billion in the past five years. Our compliance professionals assist with the development of employee and agent training programs, conduct transaction monitoring, file suspicious activity reports, facilitate regulatory outreach and education, and provide compliance

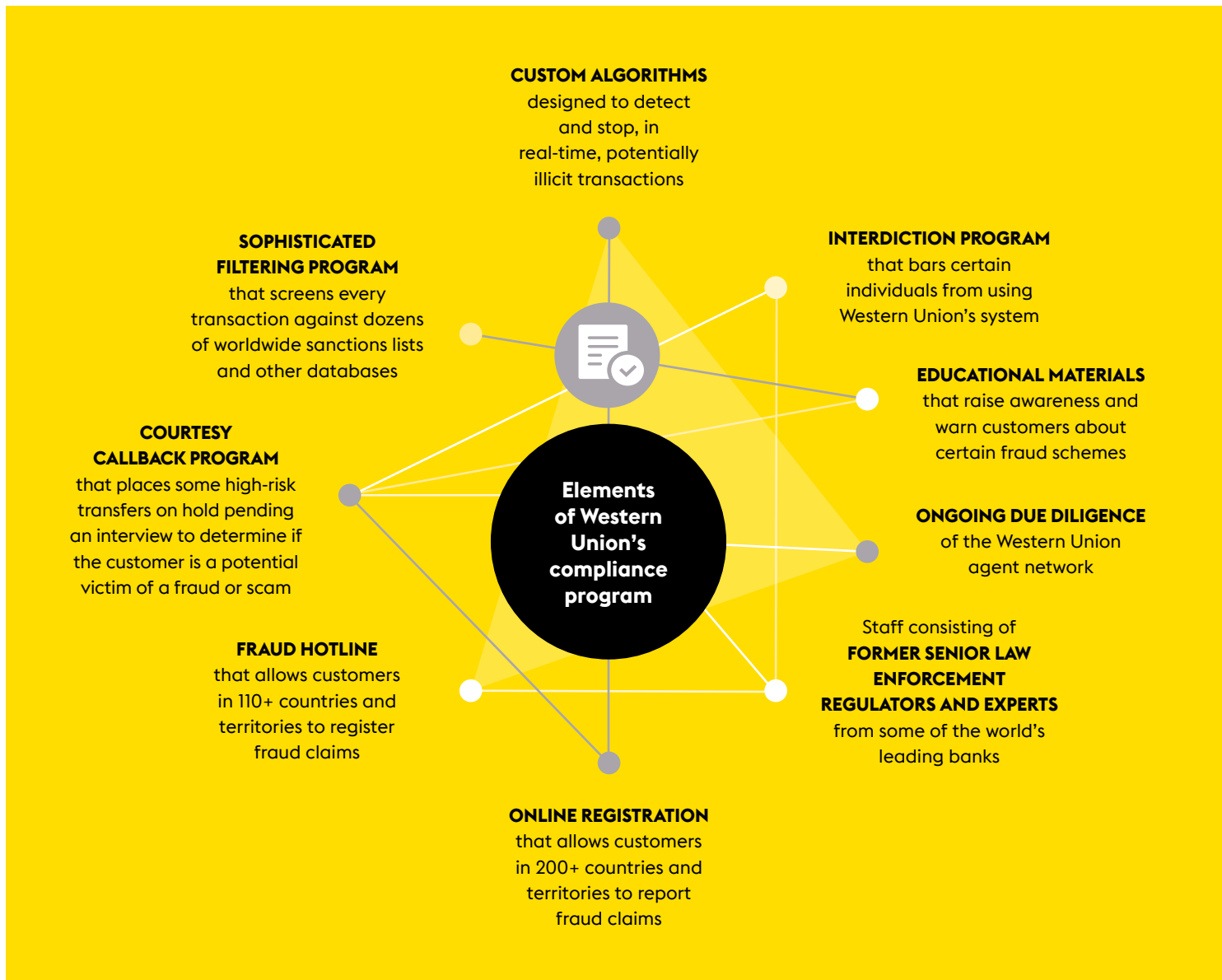
support and guidance to our agent network. In 2018, our compliance team participated in more than 720 outreach events with regulators, banks, law enforcement, agents and fraud risk management awareness groups. In addition to regulatory outreach, we partner with law enforcement to assist in detecting and preventing crime. Many state, national and international regulators and law enforcement bodies have commended us for our assistance with numerous investigations as well as for our compliance innovations. We hold a number of patents related to various aspects of compliance, including the development of algorithms to help combat terrorist financing.

Western Union uses Real Time Risk Assessment, upfront monitoring rules and algorithms designed to stop potentially illicit transactions. Additionally, consumers are subject to identification requirements based on the requirements of each jurisdiction in which we operate. We assign a unique identification number to each consumer, whether sender or receiver. This enables the identification of high-risk patterns and allows us to prevent a consumer from transacting, when necessary. We conduct enhanced due diligence using a risk-based approach. As part of the customer due diligence process, consumer information is stored within our proprietary case-management system. Consumer profile and transaction activity information is also stored in this system.



Western Union’s comprehensive compliance enhancements have produced significant and measurable results. The incidence of consumer fraud reports associated with Western Union money

transfers accounted for less than one-tenth of 1% of all consumer-to-consumer money transfer transactions during the past 10 years.



In 2017, Western Union entered into agreements with the United States Department of Justice, certain United States attorney's offices, the Federal Trade Commission, the Financial Crimes Enforcement Network of the United States Department of Treasury and various state attorneys general to resolve respective investigations by those agencies. For more details, please refer to our [2018 Annual Report on Form 10-K](#).



# Protecting our customers from fraud

Western Union works to educate the public about various types of consumer fraud and how consumers can protect themselves. There are three stages of fraud prevention: before, in-flight and after.

## **Before**

- We raise awareness by warning consumers about certain fraud schemes through online, social media and point-of-sale educational materials.
- We provide agent training through e-learning courses, job aids, fraud kits, newsletters, fraud alerts and an online Agent Resource Center.
- We invest in analytics, conduct data mining and statistical analyses of transactions all day, every day. This helps us look at patterns, assess link analysis and identify clusters.

## **In-flight**

- Training for Western Union agents includes how to identify, prevent and report potential victims of consumer fraud. Agents are trained to ask consumers questions about the purpose of the transaction if they suspect fraud.
- System controls that may include holding a specific transaction of a specific value.
- Courtesy Callback Program: Places some high-risk transfers on hold pending an interview with the sender. This process has resulted in hundreds of millions of dollars in refunds annually.

## **After**

- When fraud is reported to Western Union, an investigation is conducted to determine if Western Union, its agents, or the front-line associates failed to comply with any of our policies and procedures relating to detecting and preventing fraud-induced money transfers.
- If, after the investigation, it is found that the required procedures were not followed, the money transfer sender/victim of fraud will receive a reimbursement of the transaction principal and fees.
- Additionally, information, facts and circumstances from the investigation are taken into consideration, such as how the fraud was perpetrated, red-flag indicators, typology mapping and other factors, in order to improve our anti-fraud program.
- Where relevant, we capture identifying and other pertinent information on the fraudster to share with law enforcement.

# Combating illicit activity

At Western Union, we are firmly committed to implementing programs that are designed to prevent the misuse of our services. We maintain a comprehensive framework of controls, including our dedicated Financial Intelligence Unit (FIU), designed to prevent, detect, disrupt, deter and report illicit activity – such as fraud, money laundering and terrorist financing.

## Disrupting drug trafficking

For many years, Western Union has worked closely with the U.S. Drug Enforcement Administration, U.S. Department of Homeland Security Investigations and other law enforcement agencies to target and disrupt drug trafficking organizations.

As we do for all high-risk criminal typologies, we deploy both tactical and strategic efforts to identify and report potential drug trafficking activity and prevent individuals involved in this activity from using our products and services. As new drug trafficking typologies have emerged, we have evolved our investigative efforts to target these activities.

## Our economic and trade sanctions compliance program

Western Union is committed to complying with all applicable economic and trade sanctions laws and regulations in force in the jurisdictions in which it operates. This is done by:

- Identifying transactions potentially involving sanctioned parties or jurisdictions.
- Preventing and/or restricting the transfer and/or use of funds or other assets involving those sanctioned parties or jurisdictions.
- Freezing in-process money transfers, payments or other assets related to a target of sanctions. Any frozen assets must not be released without proper government authorization.
- Checking customer and client names and other data against sanctions lists before opening accounts or processing transactions on their behalf.

## Combating terrorist financing

We condemn all illegal activities facilitating the financing of terrorism. Education of our employees, agents and front-line associates is critical so that they can recognize and report suspicious activity or behavior promptly. In addition, we have a long history of collaborating with law enforcement, regulators, governments, NGOs and others to help protect consumers and preserve the integrity of the financial system.

## Targeting human trafficking

Western Union condemns activities facilitating human trafficking and devotes significant resources to our global Anti-Human Trafficking initiative to help detect, deter and report the misuse of our services. To this end, we work in close collaboration with law enforcement, government, non-governmental and private organizations, as well as compliance



stakeholders. This initiative aims to raise awareness about human trafficking for Western Union agents, compliance employees and industry partners to help improve their ability to detect, investigate, disrupt and communicate potential human trafficking issues to law enforcement.

Our FIU continues to partner with law enforcement and nonprofit entities to pursue intelligence that can help target and disrupt human trafficking financial flows. We have an extensive and successful global law enforcement outreach program and cooperate when we can with police investigations in the fight against human trafficking. Our FIU has contributed to the detection and prevention of such

### High-tech collaboration

In 2018, we announced an impactful collaboration with IBM, Stop the Traffik, Barclays, Lloyd's Banking Group, Liberty Shared, Europol and University College London to unveil the Traffik Analysis Hub. Using Watson Natural Language Understanding, it helps us to facilitate the exchange of information about human trafficking across organizations.



*Denver colleagues show their support for #WearBlueDay, an initiative of the Blue Campaign on National Human Trafficking Awareness Day in the United States.*

activity by sharing information and intelligence and conducting analysis and investigations. We have been involved in more than 1,400 investigations since 2013, resulting in hundreds of arrests and the rescue of hundreds of victims.



### Joining forces for good

Learn more about our collaborative efforts to fight illicit activity:

- [U.S. Department of Homeland Security's Blue Campaign](#)
- [Traffik Analysis Hub \(TAHub\)](#)
- [European Bankers Alliance](#)
- [United for Wildlife Financial Taskforce](#)

Western Union is a founding member of the U.S. Department of Homeland Security's [Blue Campaign](#), working in collaboration with NGOs, private companies, law enforcement and governments to protect the basic right of freedom and to bring those who exploit human lives to justice.

### Battling illegal wildlife trade

Western Union is a founding member of the [United for Wildlife Financial Taskforce](#), which represents a significant development in the global fight against the Illegal Wildlife Trade (IWT).

IWT is the movement of wildlife (animals and plants), wildlife parts and products in violation of national or international laws. Recent estimates place the annual value of IWT as high as \$20 billion. IWT is organized crime on a global scale.

The success of the taskforce will depend on Western Union and other stakeholders incorporating IWT in our risk-based approaches and staff-training modules. Success will also depend on taskforce members articulating suitable legal gateways to facilitate the cross-border sharing of intelligence to achieve tangible reductions in illegal wildlife trade activity and the illicit financial flows associated with it.

### Combating counterfeit goods

Western Union works vigorously to disrupt financial flows relating to the proliferation of counterfeit goods. We partner with the International Anti-Counterfeiting Association and the Center for Anti-Counterfeit and Product Protection Center at Michigan State University to exchange intelligence and learn from industry so we can effectively disrupt the flow of money for counterfeit goods.



## Western Union Foundation



**Oliver, one of the first WU Scholars** from our global headquarters city of Denver, is the first in his family to attend college. His connection to the Foundation provided him with opportunities beyond the scholarship, including summer and winter internships with Western Union's Internal Audit department.

### Global Scholarship Program

The Western Union Foundation believes that education is the surest path to economic opportunity. The Foundation's Global Scholarship Program, also referred to as WU Scholars (#WUScholars), offers students financial support toward their efforts to pursue a post-secondary education in STEM or business/entrepreneurship.

WU Scholars are students from across the globe, who want to build a better world and who share the program's three core values: Perseverance, Aspiration and Community-mindedness. Since its

inception in 2017, 338 scholars from 89 countries have participated in the WU Scholars program.

---

*"I am a first-generation college student, and through the WU Scholars program, I'm achieving my dreams."*

**Oliver**  
WU Scholar

# Governing and managing for success



- 
- Governance**
  - Upholding ethical business practices**
  - Managing cybersecurity and data privacy**
  - Engaging our stakeholders**







# Governance

Western Union takes an integrated approach to addressing ESG topics, starting at the highest levels of our Company, with the Board. Three key bodies are responsible for ESG oversight, strategic planning and functional implementation, respectively:

**The Corporate Governance and Public Policy Committee (The Corporate Governance Committee):** This Board committee is responsible for annually reviewing and recommending to the Board corporate governance guidelines, as well as reviewing and advising the Board on matters of public policy and social responsibility relevant to Western Union and its competitors, including trends, policies and regulatory developments relating to immigration, cybersecurity, anti-money laundering rules and charitable giving activities. In 2018, The Corporate Governance Committee met four times.

**Corporate Affairs Team:** Led by the VP of Corporate Relations and guided by a steering committee that includes our President and CEO, General Counsel and Chief Strategy and Development Officer, the cross-functional Corporate Affairs Team serves as the central governance body for our ESG strategy and reporting. It has representation from more than a dozen senior leaders, including from public policy, privacy, investor relations, corporate relations, brand, marketing, communications and social media, human resources and the Western Union Foundation.

**ESG Working Group:** Charged with leading and implementing our ESG reporting and related initiatives, our ESG Working Group includes subject matter experts from public policy, investor relations, legal and corporate relations.



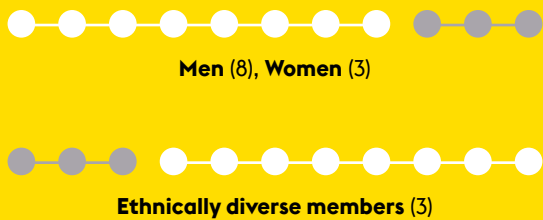
## Corporate governance

The primary function of the Board is oversight — defining and enforcing accountability standards that enable executive management to execute their responsibilities fully and in the interests of stockholders. The Board is committed to maintaining the highest standards of ethics and integrity as a culture at Western Union and expects Western Union’s management to ensure that such a tone

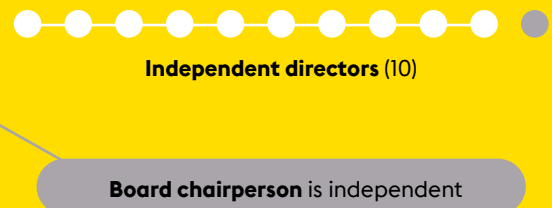
and culture is followed in all aspects of Western Union’s operations.

During 2018, the Board met six times (not including committee meetings). Each of the directors attended at least 75% of the aggregate number of meetings of the Board and Board committees on which they served during 2018.

### Board composition



### Board independence



### Board committees

- AUDIT
- CORPORATE GOVERNANCE AND PUBLIC POLICY
- COMPENSATION AND BENEFITS
- COMPLIANCE

**2018 Board of Directors at a glance**

**50%**  
of board committees are chaired by women

- Actively review practices focused on leadership and women
- Considered a Winning Company per the criteria of the 2020 Women on Boards Gender Diversity Index
- All committees are composed entirely of independent directors except for the Compliance Committee (where the Company’s CEO is non-voting member)

## Contacting the Board

Any stockholder or other interested party who desires to contact the non-management directors, either as a group or individually, may do so by writing to the address at right:

**Board of Directors**  
The Western Union Company  
7001 E. Belleview Avenue  
WU-HQ-14  
Denver, Colorado 80237

# Upholding ethical business practices

Western Union is committed to operating with honesty and integrity and maintaining the highest level of ethical conduct. These values are embodied in our Code of Conduct and guide how we treat our customers, employees, agents and members of the public.

The Company Code of Conduct applies to all employees, but senior financial officers are subject to an additional code of ethics, and the Board is subject to a [Directors' Code of Conduct](#).

## Anti-corruption

Western Union is committed to conducting its business in conformity with ethical business standards, and to complying with both the letter

and the spirit of all applicable anti-bribery and anti-corruption laws. We strictly prohibit bribery or corruption in any form by any director, officer, employee, agent or third party, regardless of its impact on the bottom line or prevailing norms or practices. If someone suspects a violation of our Global Anti-Corruption Policy, they can contact the Anti-Corruption Office, the Ethics Office or the Ethics Helpline.





## Anti-competitive practices

Strong and fair competition benefits customers. Antitrust and fair competition laws and regulations are designed to promote fair competition. While these laws can be complex and vary by country, we work closely with our General Counsel's Office when we encounter potential or perceived antitrust or competition issues.

## Valuing human rights

Our commitment to promote human rights is consistent with our dedication to respect each other and give back to the global communities we serve. This commitment benefits both our employees and the global communities in which we operate.

We condemn human rights abuses and prohibit human trafficking, human smuggling or any form of modern slavery. We do not use forced or involuntary labor of any type.

We observe applicable local, state and national laws regarding the employment of minors. We support the use of legitimate workplace apprenticeships and internships. Western Union expects our suppliers and those involved in procurement processes for the Company to comply with these values.

## Managing our suppliers

To meet our commitments to our customers and other stakeholders, Western Union purchases goods and services from thousands of suppliers around the world. Many of these suppliers are critical to delivering our core services, including providers of data centers, technology services and call centers.

We have developed a Vendor Risk Oversight program, which formalizes how we review potential new vendors for risk and establishes an ongoing monitoring process. Depending on the nature of the work for which the vendor will be engaged, the

program will assess vendors for a wide variety of risk categories, including but not limited to information security, privacy, sanctions and anti-corruption, consumer protection and financial.



## Key aspects of the Vendor Risk Oversight program

**Vendor onboarding:** Prior to working with us, prospective vendors are required to complete our risk assessment process, which includes a thorough survey and analysis by applicable departments within Western Union.

**Ongoing monitoring:** To ensure the Company's vendor population continues to meet our rigorous standards, we have implemented ongoing monitoring of vendors. The frequency and depth of this monitoring depends on the nature and risk profile of the vendor.

The Vendor Risk Oversight program is overseen by the Vendor Risk Oversight Committee, which develops and monitors our framework for vendor risk oversight, featuring an alignment to strategic priorities and internal control and oversight of strategic and emerging vendor risks. The Committee consists of senior leaders throughout the organization and meets six times a year.

## Participating in the political process

From time to time, Western Union may expend funds related to political activities in places where it is legal to do so. Political sponsorships may include corporate donations to a candidate's campaign committee, political parties, political action committees, caucuses, political organizations and ballot measures, depending on applicable law.

The Company has historically made an extremely limited number of political contributions, in amounts which are not financially material to the Company. In 2018, Western Union did not make any such

contributions, and for each of 2017 and 2016 these contributions totaled approximately \$2,500.

Western Union also belongs to various trade and business associations and pays regular membership fees to such groups; we do not normally make additional, non-dues contributions to support a group's targeted political campaign. Western Union has established a political action committee (PAC) that is funded solely by voluntary employee contributions. Information about the Western Union PAC, including its disbursements to candidates for public office, is available on the U.S. Federal Election Commission's website at [www.fec.gov](http://www.fec.gov).



# Managing cybersecurity and data privacy

Protecting the privacy and integrity of Western Union’s customer, agent, employee and business information is a key focus of the Company. Earning and keeping users’ trust is an important factor in the sustainability of our business.

The Board is supported by the Audit Committee to oversee the Company’s risk assessment and management practices, and to discuss with management the major risk exposures facing Western Union, and the steps taken to monitor and control such exposures. Risks regularly discussed include those related to data privacy and cybersecurity.

## Data privacy

Western Union collects, transfers and retains a wide range of personal information from customers, agents, employees and other stakeholders; it’s a responsibility we take seriously. As a regulated financial services organization, we have numerous legal and regulatory obligations that require us to have control and oversight over the personal data we manage. To that end, we have established a global privacy program, internal policies and a controls framework intended to appropriately address and meet the requirements of applicable privacy regulations, while also handling information entrusted to us in a responsible and secure manner.

Western Union has a dedicated global privacy and information governance department comprising team members with experience in different industries. This team focuses on:

- Building trust with Western Union’s customers, agents, employees and regulators

- Helping the Company incorporate “privacy by design” by implementing tools and processes to anticipate privacy risks during the development of new initiatives and programs
- Enabling the business to comply with both internal and external privacy mandates while meeting the expectations of our customers, agents, employees and regulators

We strive to ensure that data privacy remains top of mind for our employees by including privacy training in both the new hire onboarding process and in mandatory annual privacy training for all employees. We work to improve the customer experience by providing clear, user-friendly explanations of how we collect, share, use and protect customer information.

Financial services firms have been regulated for many years, and customers expect that financial services firms will protect customer data and use data appropriately. We are different from many technology companies because we are fulfilling our regulatory obligation to keep the financial system and our customers safe and not selling or using customer data for marketing purposes.

## Cybersecurity

Western Union’s cybersecurity strategy constantly evolves to anticipate and respond to existing and emerging threats, laws and regulations, and



technological advances. The Company is dedicated to securing our customers' personal information from unauthorized access in compliance with the standards for data protection in all the countries and territories in which we do business.

Cybersecurity is managed on an end-to-end basis. Our security measures include physical, electronic and procedural safeguards, with a comprehensive program that focuses first on identifying cybersecurity risks through numerous assessments of our internal systems, supplier systems, Internal Audit, third-party assessments of our environment and penetration testing. We focus on determining how best to limit or contain the impact of a potential cybersecurity risk through access control, training and awareness, policies and procedures and protective technology.

We have a robust Incident Response program designed to quickly detect, respond to and recover from an incident. We recognize that a key line of defense is our employees, who receive annual cybersecurity training and upon whom we rely to be alert to, aware of and vocal about potential attacks.

Cybersecurity risk assessments and audits are performed throughout the year, including internal audits to provide assessments and coverage across a broad range of cyber risks. Furthermore, we carry out periodic attack simulations, penetration testing and other tests of our vulnerability, including exercises involving the participation of our executive leadership team to prepare our leaders and teams for various scenarios.



# Engaging our stakeholders

At Western Union, we value our relationships with a wide variety of stakeholders with an interest in our Company. We have a long track record of ongoing engagement with key audiences, seeking constructive dialogue around issues of shared concern.

## STAKEHOLDER GROUP

## ENGAGEMENT ACTIVITIES

## SELECT ESG ISSUES RAISED



### Customers

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Service centers</li> <li>• Complaint management</li> <li>• Protection hotlines</li> <li>• Direct dialogue and engagement</li> <li>• Workshops, webinars and training</li> <li>• Conferences and events</li> </ul> | <ul style="list-style-type: none"> <li>• Business conduct</li> <li>• Fees and FX rates</li> <li>• Fraud and fraud prevention</li> <li>• Level of service</li> <li>• Policies and procedures</li> <li>• Credit scores</li> <li>• Compliance and regulations</li> </ul> |
|--|---|



### Employees

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Engagement and Organizational Health surveys</li> <li>• Mentorship, training and development</li> <li>• All-hands meetings, town halls and social intranet platform</li> <li>• Ethics office contact line and internal grievance mechanisms</li> <li>• Community engagement/volunteering</li> <li>• Engagement committees (varies by region)</li> <li>• Diversity and inclusion groups (varies by region)</li> </ul> | <ul style="list-style-type: none"> <li>• Career development</li> <li>• Diversity and inclusion</li> <li>• Customer experience</li> <li>• Employee wellness</li> <li>• Culture and values</li> <li>• Organizational Health Index survey</li> </ul> |
|---|---|

STAKEHOLDER GROUP

ENGAGEMENT ACTIVITIES

SELECT ESG ISSUES RAISED



**Agents**

- Agent training program
- Dedicated agent oversight team
- Direct dialogue with Western Union

- Customer experience
- Level of service
- Fraud and fraud prevention
- Business conduct



**Stockholder/  
investor community**

- Annual Meeting of Stockholders
- Quarterly financial results
- Conferences and webcasts
- Direct stockholder outreach
- Responses to questionnaires and information requests

- Corporate governance
- Executive compensation
- Business conduct
- Financial performance
- Leadership development and succession planning
- Risk management



**Government  
and regulators**

- Meetings, phone calls and email correspondence
- Regulatory interactions and submissions
- Oral and written testimony
- Advisory board or private sector consultation participation

- Business conduct
- Transparency of fees and charges
- Migration
- Financial inclusion
- Transformation to a digital market in financial services



**Civil society,  
including NGOs  
and diaspora  
organizations**

- Meetings, phone calls and correspondence
- Conferences
- Employee volunteering
- Participation in community events and conferences

- Access to financial services/ financial inclusion
- Business conduct
- Transparency and consumer protection
- Migration and diaspora communities

## Western Union Foundation

### Standing with refugees

The Western Union Foundation is close to achieving our goal of providing 50,000 migrants, refugees and internally displaced persons, women and youth with equal access to the global economy by 2020. And together with Western Union's global workforce, the Foundation is working to amplify this message of inclusion and help change the perception of refugees, many of whom are doctors, teachers, shopkeepers, students and more.

Our #IAmMore campaign, launched in 2017, celebrates the individuality and humanity of refugee and migrant populations by sharing stories of refugees on social media, reaching some 10 million people worldwide.

### **Our partnership with Whitaker Peace & Development Initiative (WPDI)**

Led by actor and social activist, Forest Whitaker, [WPDI's](#) mission is to help societies impacted by destructive conflicts transform into safer and more prosperous communities.

The Foundation's work with WPDI has reached over 50,000 conflict-affected youth in Uganda, equipping over 3,000 of them with skills needed to promote peace and enter the workplace.



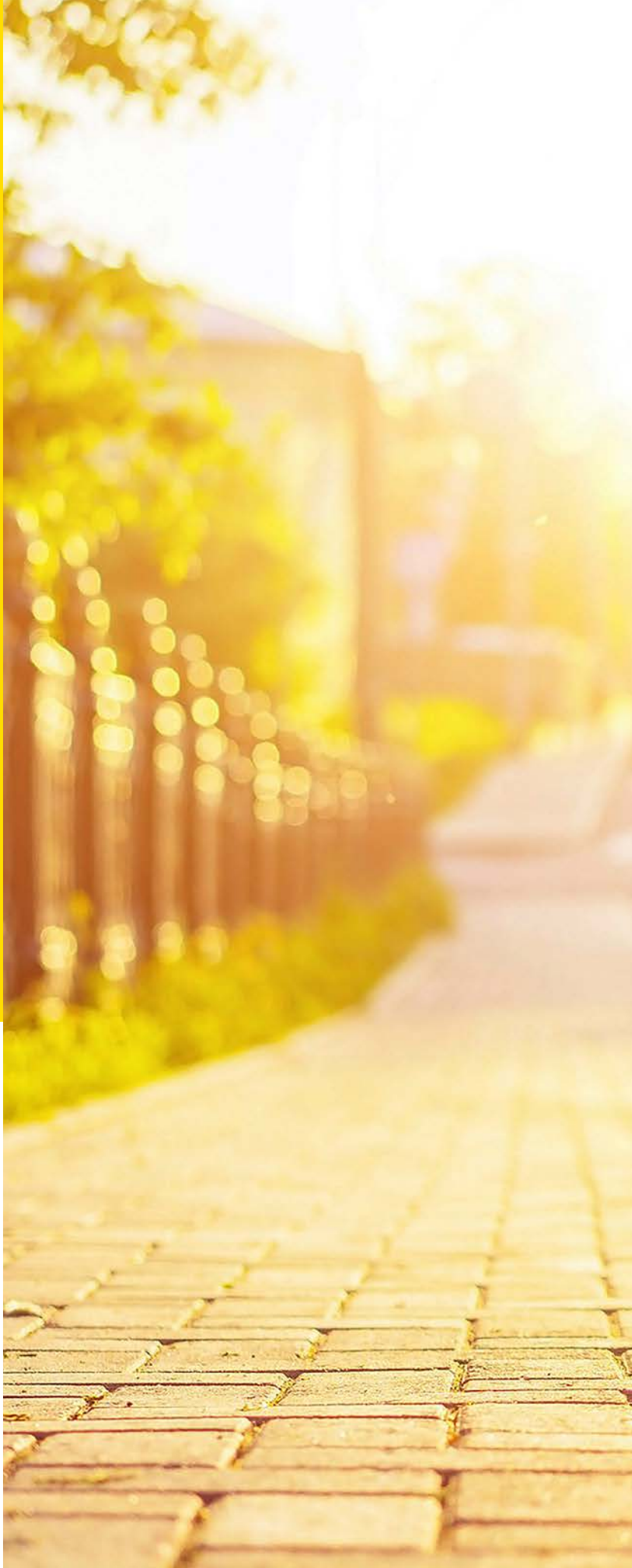
**Mary, a WPDI youth peacemaker** in Uganda's Kiryandongo Refugee Settlement, fled the conflict in South Sudan as a child. With help from WPDI, she is now a leader, helping children who come from situations like hers. In 2018, Mary joined Western Union's delegation to [One Young World](#), a global forum for young leaders.

# Safeguarding our shared environment



**Assessing our  
environmental footprint**

**Implementing  
environmental initiatives**









# Assessing our environmental footprint

At Western Union, we believe that we must act responsibly and respectfully to protect the environment and minimize our footprint. As such, we have implemented water and energy reduction initiatives, along with waste and electronic recycling programs. We are constantly improving the systems and processes for measuring and managing our environmental impact to ensure additional progress in future years.



In 2018, we conducted an assessment of the ESG topics most relevant to our Company and our stakeholders. The study assessed a broad array of ESG dimensions, including our carbon footprint, energy usage and renewable energy sourcing.

We have offices in more than 50 countries, including four owned facilities and more than 400 leased properties. As part of our 2018 ESG assessment, we initiated dialogue regarding our carbon footprint with landlords at 16 of our leased facilities, where approximately 75% of our employees work globally. Through this exercise, we identified limitations in the data available from landlords about the environmental impact of our operations.

Moving forward, we are committed to improving our data collection and quality so that we can effectively assess and respond to our environmental impact. We have taken steps to improve the quality and accuracy of our data regarding energy usage and greenhouse gas emissions in 2019, which we believe will enable us to report more quantitative measures of our impact in the future.

*Western Union headquarters, Denver, Colorado*

# Implementing environmental initiatives

Western Union has already engaged in substantial environmental sustainability initiatives at some of our major facilities. In Denver, Colorado, our new corporate headquarters building was recognized for its green building design, and in San Jose, Costa Rica, our office received one of the country’s top environmental honors.

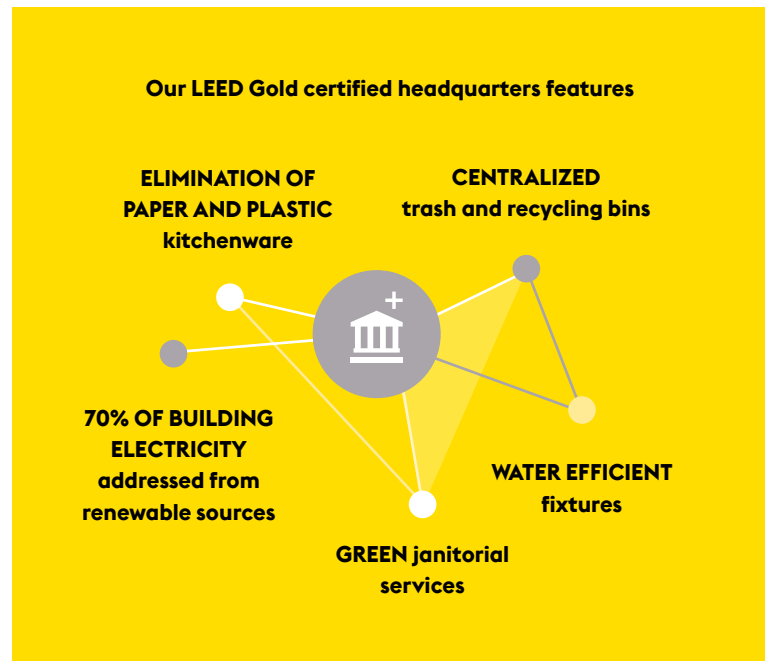
We also have invested in video conferencing capabilities around the world to reduce the need for both domestic and international business travel, helping reduce our overall carbon footprint while saving money.

## Sustainability at our global corporate headquarters

In October 2018, we relocated our global headquarters from Englewood, Colorado, to nearby Denver. This move was a positive step forward for our environmental sustainability commitment, as our new building has been awarded LEED Gold (Core and Shell) certification by the U.S. Green Building Council. LEED is the most widely used green building rating system in the world, providing a framework to create healthy, highly efficient and cost-saving green buildings. LEED certification is a globally recognized symbol of sustainability achievement.

Among the most significant sustainability features of our new headquarters is that 70% of the building electricity forecasted use for the next two years was offset with the purchase of renewable energy certificates.

In our Denver offices, we replaced paper and plastic kitchenware with ceramic plates, cups and flatware and equipped each kitchen and pantry space with a dishwasher. Individual trash and recycle bins were eliminated in exchange for placing receptacles in communal, centralized areas, which has been shown to reduce waste and increase recycling rates at other companies. We also eliminated the use of personal printers, appliances, heaters and fans to reduce the collective amount of energy that our employees use.



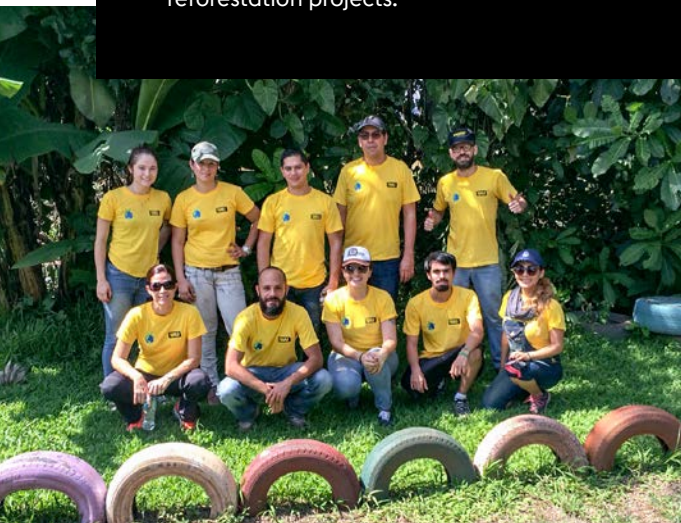
With a light rail station easily accessible from the headquarters, and convenient shuttle transportation between buildings, employees have convenient opportunities to reduce the carbon footprint of their work-related transportation. Approximately 10% of our nearly 1,300 Denver-based employees have signed up for the Denver Regional Transportation District's EcoPass, which is subsidized by Western Union and provides unlimited rides on bus and rail.

### Costa Rica office receives ecological award



Western Union Costa Rica was awarded the Bandera Azul Ecológica (Blue Ecological Flag) in 2016, 2017 and 2018, an annual award that recognizes effort and volunteer work in

the pursuit of development, which conserves and protects natural resources, the implementation of actions to address climate and other efforts. We received four stars out of a possible five from the program, based on our Go Green efforts. Initiatives contributing to the distinction include the purchase of biodegradable products, energy optimization, waste management, environmental talks and workshops, carpooling programs, the installation of bicycle racks and voluntary reforestation projects.



### Costa Rica drives sustainability through “Go Green”

Western Union's Go Green initiative was started in 2016 by our Latin American Regional Operating Center, where more than 10% of our global employees work. It is focused on implementing sustainable practices within our San Jose, Costa Rica, office across four working pillars: Energy, Waste, Volunteerism and Education.

#### *Energy reduction*

In Costa Rica, almost all electricity is generated through renewable power. Still, our Costa Rica office focused efforts on reducing its energy usage. For instance, we converted 100% of our lights to low-energy LED and replaced our HVAC system with one that is more energy efficient. Overall, we reduced the office's energy usage by 26% between 2016 and 2018.

#### *Waste reduction*

Our Costa Rica office recycles a range of materials used in the workplace, including cardboard, paper, plastic, aluminum, glass and more. The purchase of biodegradable products like lunch boxes, straws and cleaning products also served as a key step in making the office more sustainable. Additionally, all Costa Rica office employees received a ceramic coffee mug with a coffee spoon, eliminating the use of 300,000 cardboard coffee cups and 90,000 stirrers per year.

#### *Environmental education and volunteerism*

In 2018, our Costa Rica office hosted events to encourage a culture of conservation, including a seminar for employees on environmental management and a talk on sustainable purchasing that was open to other organizations in the area. Our employees are also acting to conserve our shared environment through company-initiated tree-planting and beach clean-up programs.



## Western Union Foundation



Photo Credit: Daniel Cima, American Red Cross

**American Red Cross evacuation center, following Hurricane Florence**

### Supporting natural disaster relief efforts

Western Union has a history of being a lifeline for communities in need. We are often one of the only ways for people in devastated communities to receive funds when no other infrastructure remains.

In 2018, the Western Union Foundation, together with Western Union, was at the forefront of 13 major natural disaster relief efforts, including hurricanes in the United States and flooding in Kerala, India.

When Hurricane Florence pummeled the Carolinas and surrounding areas in September 2018, we pledged our support to the American Red Cross and first responders to provide victims with critical emergency relief. This included an initial commitment by Western Union and the Foundation to the American Red Cross, a one-to-one match of qualifying contributions from participating Western Union agents, and a two-to-one match from contributions made by Western Union employees.

In all, this effort provided more than \$130,000 in relief funding. The Company also activated fee-free donations for consumers contributing money to the American Red Cross in support of this relief effort.

When monsoons flooded the city of Kerala in August 2018, we took a multi-faceted approach to providing help. This included donations to [Save the Children](#) and matching employee and agent gifts from the Foundation, and \$1 from the Company for every transaction sent to a Western Union agent location in Kerala from August 28, 2018 to September 27, 2018.

Following September 2018's devastating earthquake and tsunami on the island of Sulawesi in Indonesia, the Western Union Foundation provided support to the Indonesian Red Cross by working with the International Federation of Red Cross and Red Crescent Societies. The Western Union Foundation also provided a one-to-one match to qualifying contributions from Western Union agents.

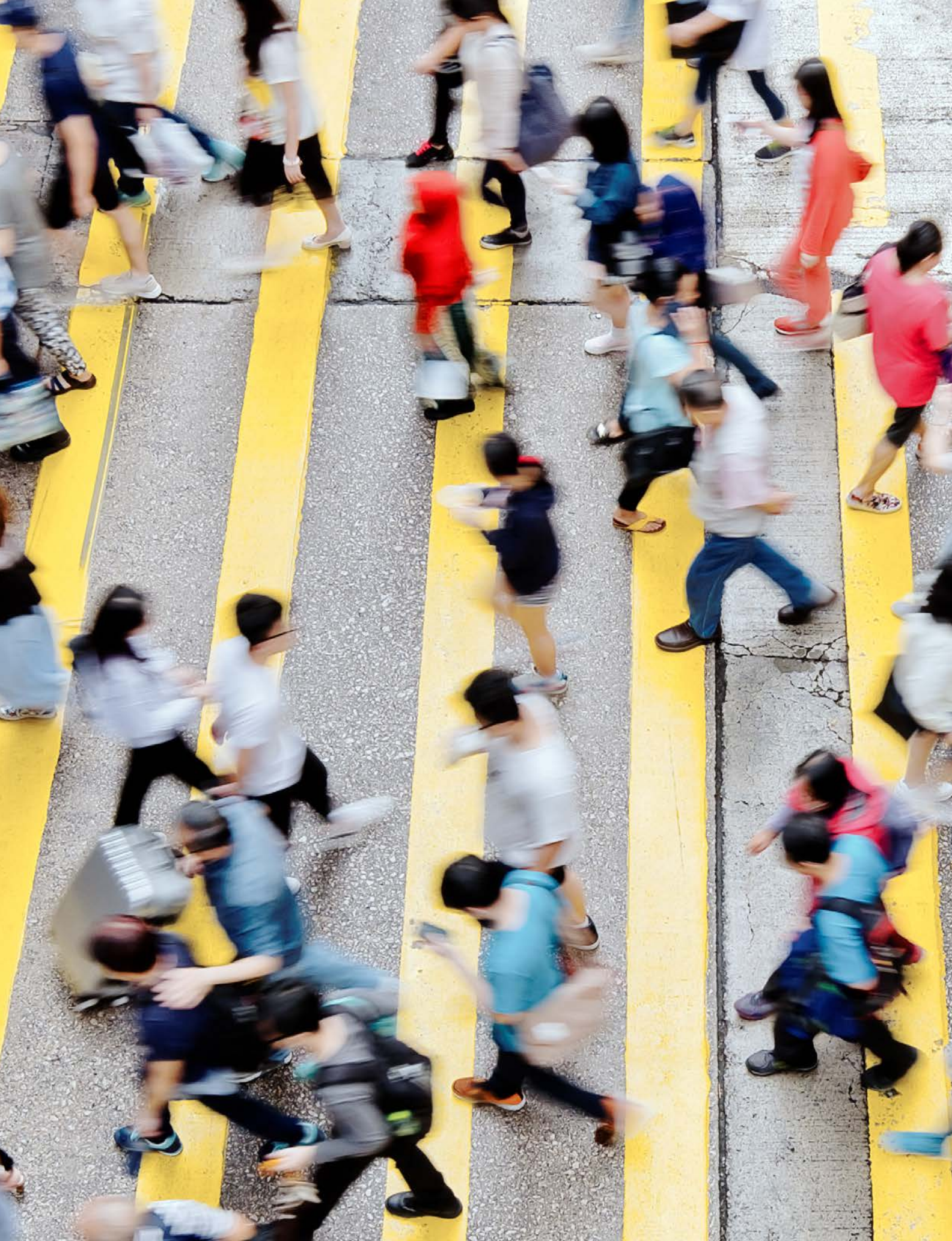
# Reporting on our ESG journey



● Materiality

● GRI Standards Index









Recognizing the growing interest from investors and others regarding ESG topics, we are pleased to release Western Union's first ESG report. This report builds on our previous corporate responsibility report released in 2014. We expect to update this report on a regular basis.

In 2018, we engaged a third-party ESG expert to assist us in conducting a formal materiality assessment, aimed at identifying and prioritizing the ESG topics of greatest importance to our business and stakeholders. An overview of that process is included in this section, and the report itself is organized around the issues prioritized through this process.

This report focuses on activities from calendar year 2018, and except where indicated otherwise, performance metrics and statistics are as of December 31, 2018. It covers all entities contained in our consolidated financial statements. This report has been prepared in accordance with the GRI Standards: Core option. Please see the **GRI Standards Index** beginning on Page 64 for details.

We welcome feedback and questions related to this report and to our ESG topics and programs more generally. Our goal is to engage in conversations with our stakeholders to solicit their input as we make progress on our ESG journey. Questions or comments regarding this report should be directed to [ESG@westernunion.com](mailto:ESG@westernunion.com).



# Materiality

A detailed materiality assessment was conducted in 2018 and informs much of the content of this report. Western Union will also use the results of the assessment to inform its ESG strategy and programs going forward.

## Methodology

The aim of the materiality assessment was to identify the ESG issues that are of greatest importance to Western Union and our stakeholders. The topics considered in the materiality assessment were developed based on areas identified by a cross section of peers and external stakeholders, including institutional investors, NGOs, business partners and ESG reporting frameworks, such as the GRI Standards and the Sustainability Accounting Standards Board. Ten internal stakeholders, including senior executives, were interviewed to determine how 37 ESG topics should be prioritized based on the importance of the topics to Western Union and its external stakeholders. We also considered the views of key external stakeholders across 10 markets, who were surveyed to understand stakeholder expectations and perceptions on a range of ESG-relevant issues.

## Results

Informed by the findings of the materiality assessment, this report is organized around the topic areas and individual issues that were identified as most important to the company and its stakeholders. Topics related to governance, customers, strategy and employees, roughly in that order, were ranked as most significant, while environmental and community topics ranked somewhat lower. We do, however, recognize the

importance of all the issues surfaced through this exercise and are committed to managing them. For a complete list of material topics, see Page 11. For a definition of the top 21 topics and information on how we manage them, please see the Management Approach section of the GRI Index on Page 73.

This ranking of environmental topics is largely due to the nature of Western Union's business: As a service company, we have less of a direct environmental impact than businesses in some other sectors. Also, Western Union, along with the Western Union Foundation, performs a great deal of service to the global community as evidenced throughout this report, despite the lower ranking of community topics. Regarding our environmental footprint, we have initiated a process to better understand our energy use, greenhouse gas footprint and other potential impacts.

*For a complete list of material topics, see Page 11.*

# GRI Standards Index

## GENERAL DISCLOSURES

Disclosure	GRI standards disclosure title	Location
102-1	Name of the organization	The Western Union Company
102-2	Activities, brands, products, and services	Western Union: Powering a world on the move, Page 8; <a href="#">Western Union 2018 Form 10-K: Item 1</a>
102-3	Location of headquarters	Denver, Colorado, United States
102-4	Location of operations	Western Union: Powering a world on the move, Page 9 (Our platform and services), Page 10 (2018 Company highlights); <a href="#">Western Union 2018 Form 10-K: Item 2</a>
102-5	Ownership and legal form	Western Union: Powering a world on the move, Page 8 (Who we are); <a href="#">Western Union 2018 Form 10-K: Page 46 (Item 5)</a>
102-6	Markets served	Western Union: Powering a world on the move, Page 9 (Our platform and services), Page 10 (2018 Company highlights); Connecting people to the global economy, Page 14 (Moving money for better); <a href="#">Western Union 2018 Form 10-K: Item 1</a>
102-7	Scale of the organization	Western Union: Powering a world on the move, Page 10 (2018 Company highlights); Fostering a culture of ethics and inclusion, Page 28 (Workforce data); <a href="#">Western Union 2018 Form 10-K: Cover Page: Page 6 (Item 1); Page 83 (Consolidated Balance Sheets); Page 125 (16. Borrowings); Page 61 (Capital Resources and Liquidity)</a>
102-8	Information on employees and other workers	(Partially reported; entire indicator not relevant) Western Union: Powering a world on the move, Page 10 (2018 Company highlights); Fostering a culture of ethics and inclusion, Page 28 (Workforce data); <a href="#">Western Union 2018 Form 10-K: Item 1 (Employees and Labor)</a>
102-9	Supply chain	Governing and managing for success, Page 47 (Managing our suppliers); <a href="#">Western Union 2018 Form 10-K: Item 1; Item 1A</a>
102-10	Significant changes to the organization and its supply chain	<a href="#">Western Union 2018 Form 10-K, Page 100 (Business Combinations)</a>
102-11	Precautionary Principle or approach	For our approach to risk management in our money transfer, payment service and other activities, see <b>Moving money with integrity</b> , Page 34 (Going beyond compliance), Page 37 (Protecting our customers from fraud), Page 38 (Combating illicit activity) <a href="#">Western Union 2018 Form 10-K: Item 7A; 2019 Proxy Statement, Page 16 (Board Leadership Structure and Role in Risk Oversight)</a>  For our approach to risk management related to data privacy and cybersecurity, see <b>Governing and managing for success</b> , Page 49 (Managing cybersecurity and data privacy)

## GENERAL DISCLOSURES

Disclosure	GRI standards disclosure title	Location
102-12	External initiatives	Connecting people to the global economy, Page 19 (Advocating for people on the move); Fostering a culture of ethics and inclusion, Page 25 (Embracing the value of diversity and inclusion), Page 26 (Equal opportunities); Moving money with integrity, Page 38 (Targeting human trafficking), Page 39 (High-tech collaboration), Page 40 (Battling illegal wildlife trade), Page 40 (Combating counterfeit goods), Page 40 (Joining forces for good); Safeguarding our shared environment, Page 57 (Sustainability at our global corporate headquarters), Page 58 (Costa Rica office receives ecological award)
102-13	Membership of associations	Connecting people to the global economy, Page 19 (Advocating for people on the move)
102-14	Statement from senior decision-maker	A message from the CEO, Page 4
102-15	Key impacts, risks, and opportunities	Western Union: Powering a world on the move, Page 9 (Our platform and services); Governing and managing for success, Page 49 (Managing cybersecurity and data privacy); <a href="#">Western Union 2018 Form 10-K: Item 1 Business</a> ; <a href="#">Western Union 2018 Form 10-K: Item 1A Risk Factors</a>
102-16	Values, principles, standards, and norms of behavior	Fostering a culture of ethics and inclusion, Page 24 (Upholding our values and engaging employees); <a href="#">Western Union Code of Conduct</a>
102-17	Mechanisms for advice and concerns about ethics	Fostering a culture of ethics and inclusion, Page 24 (Upholding our values and engaging employees); Governing and managing for success, Page 46 (Upholding ethical business practices); <a href="#">Western Union Code of Conduct, Page 6 (The Ethics Helpline)</a> , Pages 37-42 (Resources for Asking Questions and Reporting Concerns)
102-18	Governance structure	Governing and managing for success, Page 44 (Governance), Page 45 (Corporate governance); <a href="#">2019 Proxy Statement, Page 14 (Corporate Governance)</a>
102-19	Delegating authority	Governing and managing for success, Page 44 (Governance)
102-20	Executive-level responsibility for economic, environmental, and social topics	Governing and managing for success, Page 44 (Governance)
102-21	Consulting stakeholders on economic, environmental, and social topics	Governing and managing for success, Page 45 (Contacting the Board), Page 51 (Engaging our stakeholders)
102-22	Composition of the highest governance body and its committees	Governing and managing for success, Page 45 (2018 Board of Directors at a glance); <a href="#">Website (Corporate Governance)</a>
102-23	Chair of the highest governance body	Governing and managing for success, Page 45 (2018 Board of Directors at a glance); <a href="#">Website (Board of Directors)</a>
102-24	Nominating and selecting the highest governance body	<a href="#">2019 Proxy Statement, Page 22 (Nomination of Directors)</a> ; <a href="#">Corporate Governance Guidelines, Page 2 (Composition of Board)</a>

## GENERAL DISCLOSURES

Disclosure	GRI standards disclosure title	Location
102-25	Conflicts of interest	<a href="#">Western Union Code of Conduct, Pages 13-14</a> ( <a href="#">We Avoid Conflicts of Interest</a> )
102-26	Role of highest governance body in setting purpose, values, and strategy	Governing and managing for success, Page 45, (Corporate governance), Page 45 (2018 Board of Directors at a glance); <a href="#">Website (Corporate Governance)</a>
102-27	Collective knowledge of highest governance body	In 2018, the Board was briefed on immigration trends, cybersecurity training, AML and anti-bribery/corruption training, as well as regular briefings on regulatory matters, privacy and data security and others, solely as it relates to the Company, in the normal course of presentations from management.
102-28	Evaluating the highest governance body's performance	<a href="#">2019 Proxy Statement, Page 21 (Corporate Governance and Public Policy Committee)</a> , <a href="#">Page 23 (Director Qualifications)</a> ; <a href="#">Corporate Governance Guidelines, Page 4 (Assessing the Board's Performance)</a>
102-29	Identifying and managing economic, environmental, and social impacts	Governing and managing for success, Page 44 (The Corporate Governance and Public Policy Committee)
102-30	Effectiveness of risk management processes	Governing and managing for success, Page 44 (The Corporate Governance and Public Policy Committee); <a href="#">2019 Proxy Statement, Page 16 (Board Leadership Structure and Role in Risk Oversight)</a>
102-31	Review of economic, environmental, and social topics	Governing and managing for success, Page 44 (Governance); <a href="#">2019 Proxy Statement, Page 21 (Corporate Governance and Public Policy Committee)</a>
102-32	Highest governance body's role in sustainability reporting	President, Chief Executive Officer and Director
102-33	Communicating critical concerns	<a href="#">Western Union Code of Conduct, Page 6 (The Ethics Helpline)</a> , <a href="#">Pages 37-42 (Resources for Asking Questions and Reporting Concerns)</a>
102-35	Remuneration policies	<a href="#">2019 Proxy Statement, Page 24 (Compensation of Directors)</a> , <a href="#">Page 30 (Compensation Discussion and Analysis)</a> , <a href="#">Page 51 (Executive Compensation)</a>
102-36	Process for determining remuneration	<a href="#">2019 Proxy Statement, Page 30 (Compensation Discussion and Analysis)</a>
102-37	Stakeholders' involvement in remuneration	<a href="#">2019 Proxy Statement, Page 30 (Compensation Discussion and Analysis)</a>
102-38	Annual total compensation ratio	<a href="#">2019 Proxy Statement, Page 64 (CEO Pay Ratio)</a>
102-40	List of stakeholder groups	Governing and managing for success, Page 51 (Engaging our stakeholders)



## GENERAL DISCLOSURES

Disclosure	GRI standards disclosure title	Location
102-41	Collective bargaining agreements	Western Union has employees in 57 countries. In some regions we have relationships with trade unions and work councils and our workforce is covered through collective bargaining agreements (CBAs), but it differs from country to country. As a result, we cannot provide a precise response to this question, but can confirm that most Western Union employees are not covered by CBAs and none who are U.S.-based are covered by CBAs. Western Union complies with applicable local laws worldwide regarding employee and third-party involvement, respects the rights of employees to organize and does not discriminate based on an employee's decision to join or not join a labor organization.
102-42	Identifying and selecting stakeholders	Governing and managing for success, Page 51 (Engaging our stakeholders); Reporting on our ESG journey, Page 60 (Materiality)
102-43	Approach to stakeholder engagement	Governing and managing for success, Page 51 (Engaging our stakeholders); Reporting on our ESG journey, Page 60 (Materiality)
102-44	Key topics and concerns raised	Governing and managing for success, Page 51 (Engaging our stakeholders)
102-45	Entities included in the consolidated financial statements	Reporting on our ESG journey, Page 62; <a href="#">Western Union 2018 Form 10-K: Exhibit 21 (List of the Western Union Company Subsidiaries)</a>
102-46	Defining report content and topic Boundaries	Western Union: Powering a world on the move, Page 10 (Environmental, Social and Governance [ESG]); Reporting on our ESG journey, Page 62
102-47	List of material topics	Western Union: Powering a world on the move, Page 10 (Environmental, Social and Governance [ESG]); Reporting on our ESG journey, Page 73 (Management approach)
102-48	Restatements of information	N/A
102-49	Changes in reporting	N/A
102-50	Reporting period	Calendar year 2018 unless otherwise noted; See also Reporting on our ESG journey, Page 62
102-51	Date of most recent report	N/A
102-52	Reporting cycle	Western Union expects to report on an annual basis, but may adjust our reporting cycle as appropriate.
102-53	Contact point for questions regarding the report	<a href="mailto:ESG@westernunion.com">ESG@westernunion.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with GRI Standards 2018 at the Core option.
102-55	GRI content index	Reporting on our ESG journey, Page 64 (GRI Standards Index)
102-56	External assurance	N/A

## TOPIC-SPECIFIC STANDARDS: ECONOMIC

### Economic Performance

Disclosure	GRI standards disclosure title	Location
201-1	Direct economic value generated and distributed	<a href="#">Western Union 2018 Form 10-K, Pages 47-48 (Selected Financial Data)</a>
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Western Union 2018 Form 10-K, Page 116 (Notes to Consolidated Financial Statements, Note 12)</a>

### Indirect Economic Impacts

Disclosure	GRI standards disclosure title	Location
203-2	Significant indirect economic impacts	Western Union: <a href="#">Powering a world on the move</a> , Page 11 (Western Union Foundation); <a href="#">Connecting people to the global economy</a> , Page 20 (Shaping the narrative), Page 21 (Western Union Foundation: Education for Better); <a href="#">Fostering a culture of ethics and inclusion</a> , Page 31 (Western Union Foundation: Furthering a culture of giving); <a href="#">Moving money with integrity</a> , Page 41 (Western Union Foundation: Global Scholarship Program); <a href="#">Governing and managing for success</a> , Page 53 (Western Union Foundation: Standing with refugees); <a href="#">Safeguarding our shared environment</a> , Page 59 (Supporting natural disaster relief efforts)

### Procurement Practices

Disclosure	GRI standards disclosure title	Location
204-1	Proportion of spending on local suppliers	Western Union has a global supplier base aligned with the operations of the Company, and its product and service offerings. While Western Union does not set a target for local supplier sourcing, many of our needs are fulfilled on a local or regional level based on Company and customer needs.

### Anti-corruption

Disclosure	GRI standards disclosure title	Location
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Western Union Code of Conduct</a> ; Training on our anti-corruption policy and program is delivered to all new hires and annually to all employees as part of our global compliance training. In addition, targeted in-person anti-corruption training is delivered regularly to our Board of Directors and to other employees who serve in positions of trust or perform key gatekeeper functions. We also integrate anti-corruption principles into our third-party contracts and the training and communications we deliver to our global network of authorized delegates.

## TOPIC-SPECIFIC STANDARDS: ECONOMIC

## Anti-competitive Behavior

Disclosure	GRI standards disclosure title	Location
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="#">Western Union 2018 Form 10-K; Page 101 (6. Commitments and Contingencies)</a>

## TOPIC-SPECIFIC STANDARDS: ENVIRONMENTAL

## Energy

Disclosure	GRI standards disclosure title	Location
302-1	Energy consumption within the organization	<p>Safeguarding our Shared Environment, Page 56 (Assessing our environmental footprint)</p> <p>Western Union does not currently report this information, as the vast majority of our facilities are leased and we have determined through an ESG assessment that we currently do not have the mechanisms in place to accurately capture this data.</p> <p>We have taken steps to improve the quality and accuracy of our data regarding energy usage and greenhouse gas emissions in 2019, which we believe will enable us to report more quantitative measures of our impact going forward. We have invested in video conferencing capabilities around the world to reduce the need for both domestic and international business travel, which will help reduce our carbon footprint while saving money.</p>
302-2	Energy consumption outside of the organization	See response for 302-1
302-3	Energy intensity	See response for 302-1
302-4	Reduction of energy consumption	See response for 302-1
302-5	Reductions in energy requirements of products and services	See response for 302-1

## Emissions

Disclosure	GRI standards disclosure title	Location
305-1	Direct (Scope 1) GHG emissions	See response for 302-1
305-2	Energy indirect (Scope 2) GHG emissions	See response for 302-1
305-3	Other indirect (Scope 3) GHG emissions	See response for 302-1
305-4	GHG emissions intensity	See response for 302-1
305-5	Reduction of GHG emissions	See response for 302-1

**TOPIC-SPECIFIC STANDARDS: ENVIRONMENTAL**
**Environmental Compliance**

<b>Disclosure</b>	<b>GRI standards disclosure title</b>	<b>Location</b>
<b>307-1</b>	Non-compliance with environmental laws and regulations	Western Union has not paid any significant fines and was not otherwise sanctioned for non-compliance with environmental laws or regulations in the reporting period.

**TOPIC-SPECIFIC STANDARDS: SOCIAL**
**Employment**

<b>Disclosure</b>	<b>GRI standards disclosure title</b>	<b>Location</b>
<b>401-1</b>	New employee hires and employee turnover	(Partially reported) <b>Fostering a culture of ethics and inclusion</b> , Page 28 (Workforce data)
<b>401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	(Partially reported) <b>Fostering a culture of ethics and inclusion</b> , Page 30 (Employee benefits)
<b>401-3</b>	Parental leave	(Partially reported) <b>Fostering a culture of ethics and inclusion</b> , Page 30 (Employee benefits)

**Training and Education**

<b>Disclosure</b>	<b>GRI standards disclosure title</b>	<b>Location</b>
<b>404-1</b>	Average hours of training per year per employee	<b>Fostering a culture of ethics and inclusion</b> , Page 29 (Learning and development at a glance 2018) Note: Western Union does not break out training by gender
<b>404-2</b>	Programs for upgrading employee skills and transition assistance programs	<b>Fostering a culture of ethics and inclusion</b> , Page 27 (Training and professional development), Page 29 (Learning and development at a glance 2018)
<b>404-3</b>	Percentage of employees receiving regular performance and career development reviews	<b>Fostering a culture of ethics and inclusion</b> , Page 28 (Investing in our people)



**TOPIC-SPECIFIC STANDARDS: SOCIAL**  
Diversity and Equal Opportunity

Disclosure	GRI standards disclosure title	Location
405-1	Diversity of governance bodies and employees	Governing and managing for success, Page 45 (2018 Board of Directors at a glance); <a href="#">2019 Proxy Statement, Page 6 (Board of Directors Information)</a>  (Partially reported: Employees) <i>Fostering a culture of ethics and inclusion</i> , Page 25 (Embracing the value of diversity and inclusion), Page 26 (Women at WU)
405-2	Ratio of basic salary and remuneration of women to men	(Partially reported) <i>Fostering a culture of ethics and inclusion</i> , Page 26 (Pay equity)

**Human Rights Assessment**

Disclosure	GRI standards disclosure title	Location
412-2	Employee training on human rights policies or procedures	(Partially reported) <i>Moving money with integrity</i> , Page 38 (Targeting human trafficking); <a href="#">Western Union Code of Conduct, Page 34, 36</a>

**Supplier Social Assessment**

Disclosure	GRI standards disclosure title	Location
414-1	New suppliers that were screened using social criteria	Governing and managing for success, Page 47 (Key aspects of the Vendor Risk Oversight program)
414-2	Negative social impacts in the supply chain and actions taken	(Partially reported) <i>Governing and managing for success</i> , Page 47 (Managing our suppliers), Page 47 (Key aspects of the Vendor Risk Oversight Program)

**Public Policy**

Disclosure	GRI standards disclosure title	Location
415-1	Political contributions	Governing and managing for success, Page 48 (Participating in the political process); <a href="http://www.fec.gov">www.fec.gov</a>

**TOPIC-SPECIFIC STANDARDS: SOCIAL**

**Customer Health and Safety**

<b>Disclosure</b>	<b>GRI standards disclosure title</b>	<b>Location</b>
<b>416-1</b>	Assessment of the health and safety impacts of product and service categories	Moving money with integrity, Page 37 (Protecting our customers from fraud)
<b>416-2</b>	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2017, Western Union entered into Joint Settlement Agreements with the United States Department of Justice, certain United States Attorney’s Offices, the Federal Trade Commission, the Financial Crimes Enforcement Network of the United States Department of Treasury, and various state attorneys general to resolve respective investigations of those agencies.  <a href="#">Western Union 2018 Form 10-K: Page 101 (Commitments and Contingencies)</a>

**Customer Privacy**

<b>Disclosure</b>	<b>GRI standards disclosure title</b>	<b>Location</b>
<b>418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Western Union follows U.S. and global laws regarding reporting breaches of personal data, including notices to individuals, regulators and other entities, as appropriate. Western Union provides information regarding risks around cyber and data privacy in its SEC filings.

**Socioeconomic Compliance**

<b>Disclosure</b>	<b>GRI standards disclosure title</b>	<b>Location</b>
<b>419-1</b>	Non-compliance with laws and regulations in the social and economic area	See response for 416-2  <a href="#">Western Union 2018 Form 10-K: Page 42 (Item 3. Legal Proceedings)</a>

## MANAGEMENT APPROACH

<b>Disclosure</b>	<b>GRI standards disclosure title</b>
<b>103-1</b>	Explanation of the material topic and its Boundary
<b>103-2</b>	The management approach and its components

<b>Material issue</b>	<b>Description</b>	<b>Location</b>	<b>Boundary</b>
<b>Board diversity</b>	Ensuring the Board includes individuals with diverse backgrounds and experiences	Fostering a culture of ethics and inclusion, Page 25 (Diversity starts at the top); <b>Governing and managing for success</b> , Page 45 (2018 Board of Directors at a glance); <a href="#">2019 Proxy Statement, Page 22 (Nomination of Directors)</a>	Internal
<b>Corporate ethics and culture</b>	Ethical business and personal conduct, including the prevention of corrupt practices such as bribery and immoral practices	Fostering a culture of ethics and inclusion, Page 24 (Upholding our values and engaging employees); <b>Governing and managing for success</b> , Page 46 (Upholding ethical business practices); <a href="#">Western Union Code of Conduct</a>	Internal
<b>Corporate governance</b>	Maintaining effective corporate governance and oversight practices	<b>Governing and managing for success</b> , Page 45 (Corporate governance); <a href="#">Western Union Governance Documents</a>	Internal
<b>Cybersecurity</b>	Protecting the integrity and security of our operational technology, intellectual property and consumer data	<b>Governing and managing for success</b> , Page 49 (Managing cybersecurity and data privacy)	Internal/ External
<b>Executive compensation</b>	Tying executive compensation to relevant performance indicators, including ESG indicators	<a href="#">2019 Proxy Statement, Page 30 (Compensation Discussion and Analysis)</a> , <a href="#">Page 51 (Executive Compensation)</a>	Internal
<b>Human rights</b>	Preventing human rights abuses that directly result from our operations including slavery and child-labor	<b>Moving money with integrity</b> , Page 38 (Targeting human trafficking); <b>Governing and managing for success</b> , Page 47 (Valuing human rights)	External
<b>Legal and regulatory compliance</b>	Maintaining compliance with current and evolving legislation and regulations	<b>Moving money with integrity</b> , Page 34 (Going beyond compliance)	Internal/ External
<b>Preventing anti-competitive practices</b>	Supporting fair and honest market competition by acting within the spirit of the competitive law	<b>Governing and managing for success</b> , Page 46 (Upholding ethical business practices)	Internal/ External
<b>Supply chain management</b>	The management of social, ethical and environmental risks in supply chains	<b>Governing and managing for success</b> , Page 47 (Managing our suppliers)	Internal/ External
<b>Consumer protection</b>	Protecting WU's customers from fraudulent activity, including scams	<b>Moving money with integrity</b> , Page 37 (Protecting our customers from fraud)	External
<b>Data privacy and protection</b>	Using consumer data ethically and respecting consumer privacy rights	<b>Moving money with integrity</b> , Page 37 (Protecting our customers from fraud); <b>Governing and managing for success</b> , Page 49 (Managing cybersecurity and data privacy)	Internal/ External

## MANAGEMENT APPROACH

<b>Disclosure 103-1</b>	<b>GRI standards disclosure title</b> Explanation of the material topic and its Boundary
<b>103-2</b>	The management approach and its components

<b>Material issue</b>	<b>Description</b>	<b>Location</b>	<b>Boundary</b>
<b>Ethical use of services</b>	Preventing, detecting and reporting consumer activity that may involve human rights abuses or criminal activity	Moving money with integrity, Page 38 (Combating illicit activity)	External
<b>Financial inclusion</b>	Providing services to communities and markets excluded from traditional financial systems, such as people that may not have access to a bank account or the internet or may live in a geographically isolated location	Connecting people to the global economy, Page 14 (Moving money for better)	External
<b>Service affordability</b>	Offering competitive service fees and transparently disclosing when and how they apply to transactions	Connecting people to the global economy, Page 18 (Inclusive innovation)	Internal/ External
<b>Service reliability</b>	Preventing service disruptions and outages	Connecting people to the global economy, Page 14 (Moving money for better); <b>Governing and managing for success</b> , Page 49 (Managing cybersecurity and data privacy)	External
<b>Service innovation</b>	Developing new services to meet the emerging and future needs of customers, including small businesses	Connecting people to the global economy, Page 14 (Moving money for better)	Internal/ External
<b>Technology innovation</b>	Investing in innovation to improve the efficiency, accessibility and reliability of current services	Connecting people to the global economy, Page 14 (Moving money for better)	Internal/ External
<b>Geopolitical conditions</b>	Adapting to changing geopolitical conditions, such as migration patterns that impact how our services are used	Connecting people to the global economy, Page 14 (Moving money for better)	External
<b>Demographic change and development</b>	Adapting to changes in demographics and the manner in which communities use our services	Connecting people to the global economy, Page 14 (Moving money for better); <b>Moving money with integrity</b> , Page 34 (Going beyond compliance)	External
<b>Attracting and retaining talent</b>	Attracting and retaining employees with the right skills and cultural fit	Fostering a culture of ethics and inclusion, Page 27 (Attracting, developing and retaining our people)	Internal
<b>Diversity and inclusion</b>	Creating and maintaining an inclusive culture, providing support to minority groups and preventing discrimination	Fostering a culture of ethics and inclusion, Page 25 (Embracing the value of diversity and inclusion)	Internal/ External







**WesternUnion** \\ **WU**