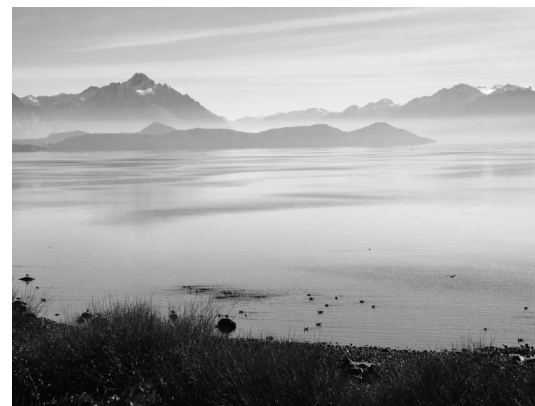


2016 Sustainability report



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sustainability...

...is fundamental to how we do business at the United Nations Federal Credit Union (UNFCU). As an organization with the mission **to serve the people who serve the world**, UNFCU is committed to making a positive impact on the environment and our community as part of our service to our members.



UNFCU achieved carbon neutrality in 2016. Only one other credit union in the US with assets of more than \$4 billion has achieved this status.

We were recognized by the EPA's Green Power Partnership program for our commitment to supporting clean, renewable energy.



We are among the first credit unions to publicly share a sustainability report. This first report initiates our annual commitment to such transparency.



We promote green, energy efficient buildings. 78% of our office space is **LEED Certified**. Our headquarters building is LEED Gold, and our Washington, DC branch is LEED Silver.



We have active membership status in the United Nations Global Compact.



We embrace employee diversity, and actively engage our employees to deepen our understanding of what makes an inclusive workplace.



We are a member-owned cooperative, contributing directly to the financial well-being of our members and the communities in which they live.

Statement of Support for Sustainability

A message from William Predmore

President/CEO of United Nations Federal Credit Union

At the United Nations Federal Credit Union (UNFCU), sustainability is one of our core values.

As part of our goal to conduct business as a good corporate citizen of the world, our focus is on increasing UNFCU's positive impact on environmental preservation and resource conservation.

This is evidenced by our affiliation with UN Greening the Blue, a network of United Nations entities implementing best practices in sustainability globally. Our UN community not only values our approach to 'Go Green' with financial management tools, participation in sustainability events, and adoption of best practices, but it also values the voice we have lent to this important cause. We have facilitated this effort through the growth of our UNFCU Global Sustainability Program.

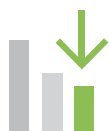
As a credit union with the mission to serve the people who serve the world, we have had a positive economic impact on our community through the provision of ongoing financial education and financial services. We also embrace employee diversity and inclusion across our organization. Most importantly, our work is aligned with the United Nations Sustainable Development Goals (SDGs), which are designed to contribute to a sustainable future.

Over the past year, we upgraded to more energy efficient data centers, installed LED lighting, and reduced our print communications. The US Green Building Council (USGBC) awarded LEED (Leadership in Energy and Environmental Design) Gold and Silver certifications to UNFCU headquarters in Long Island City, and to our branch in Washington, DC, respectively.

The introduction of Sustainable Travel Guidelines for employees, and the implementation of sustainability questions as criteria for selecting new vendors represent ways UNFCU is inspiring sustainable decision-making and awareness among broader publics. As identified by the UN Global Compact, UNFCU is one of the few credit unions with active status that has a focus on sustainability development.

Sharing our first annual sustainability report with our members, partners, and the public serves to increase our transparency and validate our sustainability commitments. As we begin our 70th year in the service of our UN community and its sustainable aims, UNFCU firmly commits to advancing responsible business actions.

With input from our sponsor, the United Nations, and with guidance from an expert sustainability consultant, we developed a **5-year sustainability plan** with established targets based on 2015 baselines. These include:



Reducing our use of paper
by 25% while ensuring that 70% of the paper we use is certified for being sustainably sourced.



Reducing energy use
by 7% in locations where we have operational control.



Sustaining carbon neutrality,
which we achieved in 2016.

Get to know UNFCU

Founded in 1947 by 13 UN staff **members** in New York, UNFCU now serves the financial needs of almost 125,000 **members** within the UN community worldwide.

As a member-owned cooperative, UNFCU puts our commitment to corporate social responsibility front and center. We support philanthropy, environmental stewardship, good corporate governance, and ethics among our employees.

Our Core Values

- Provide the highest quality service to our global membership.
- Operate with honesty and integrity.
- Embrace diversity.
- Practice sustainability.
- Encourage employees to reach their highest potential through learning and development.
- Achieve success together through teamwork.



Today, UNFCU is one of the largest credit unions in the United States. We are headquartered in New York City with over 500 employees globally.



UNFCU provides a **full suite of banking products and services** designed for the mobile lifestyle of the global UN community.



UNFCU has representative offices in Austria, Italy, Kenya, and Switzerland. In addition, UNFCU has corporate offices in Washington, DC, Northern Virginia, and a back office facility in New Jersey.



In 2015, UNFCU launched the **UNFCU Foundation**, a New York-based non-profit organization. The mission of the Foundation is to sustain the path out of poverty through education and healthcare for women and children in developing countries and disadvantaged areas of New York City.



About This Report

Be Transparent and Inspire Others

Our first annual sustainability report is a key accomplishment in helping us increase the social responsibility commitment of the business community. We are pleased to be among a select group of credit unions to publically discuss our strategy and metrics on our sustainability journey. We hope to encourage other businesses to join us on the journey and contribute to an even greater global positive impact.

How Did We Develop This Report?

UNFCU incorporated best practices from the [Global Reporting Initiative](#) (GRI) to guide our approach. We drew from guidelines on identifying core sustainability topics and engaging stakeholders to develop our sustainability report.

We Listened to Our Stakeholders

We invited our employees, members, and partners to rank the sustainability topics they want UNFCU to address. Our interviews revealed that our current programs cover top stakeholder priorities. In addition, most want to see a public sustainability report.

We Took a Comprehensive View

Our report covers 1 January to 31 December 2016. It addresses all activities within UNFCU's operational control across all global operations, including our wholly-owned subsidiary, Industrial Coverage. By working with our qualified sustainability consultant, we gained third-party review of our practices and data management procedures.

We Identified Key Sustainability Opportunities

Through quantitative and qualitative analysis, we determined which sustainability topics have the greatest impact on our business, the environment, and the communities we serve. In each section of the report, we list and share information on those opportunities.

Investing in the Local & Global Communities

Our engagement with sustainability principles extends well beyond the walls of our organization.

Global Partnerships and Engagement

UN Foundation links the UN's work with others around the world, mobilizing the energy and expertise of business and non-governmental organizations to help the UN tackle issues including climate change, global health, peace and security, women's empowerment, poverty eradication, energy access, and US-UN relations.

Kilimanjaro Initiative USA is a New York-based non-profit whose objectives are aligned with UNFCU's commitment to social responsibility.

United Nations Association of the United States of America (UNA-USA) is the largest UN advocacy organization in the United States, which is open to any US citizen or permanent resident who is committed to the purposes of the Association.

Greening the Blue is a network of UN agencies, funds, and programmes that is collaborating to create a more sustainable UN and to reduce its environmental impacts globally.

UNFCU Foundation is an independent, non-profit organization based in New York City with a mission to sustain a path out of poverty through education and healthcare for women and children.

United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs) set out a framework of 17 goals to tackle the world's most pressing social, economic, and environmental challenges by 2030.

Governments as well as the private sector, civil society, and academics are asked to achieve the SDGs. Active engagement from the private sector, including UNFCU and our partners, is critical to success. UNFCU supports the sustainable development agenda through the UNFCU Foundation and our Global Sustainability Program.

Responsible Banking in Service to the Community

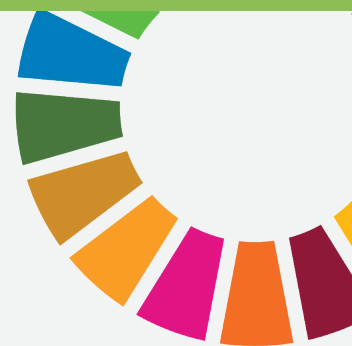
Many members choose UNFCU because they value the peace of mind that comes from joining a mission driven member-owned cooperative with a solid financial performance. UNFCU embraces shared credit union values of member participation, education, cooperation in and contribution to the credit union community.

We partner with credit unions to raise awareness, learn, and advance the economic sustainability that

cooperatives provide to members and communities. Our membership in credit union-focused organizations includes:

- Credit Union Association of New York
- Credit Union Executives Society
- Credit Union National Association (CUNA)
- Filene Research Institute
- National Association of Federal Credit Unions
- World Council of Credit Unions

UNFCU continuously explores new ways to reward sustainable initiatives by our members. We are currently considering discounted loans for sustainable purchases or energy efficient home upgrades. In fact, creating these products is one of the goals outlined in our Sustainability Action Plan.



Environmental Performance & Sustainability

Key Sustainability Opportunities:



UNFCU strives to increase our positive impact on environmental preservation and resource conservation, as part of our goal to conduct business as a good corporate citizen of the world.

Our team is energized by the sustainability strategy and goals in our **5-year Sustainability Plan**. Developed in 2015 by our Global Sustainability Program (GSP) team and an executive advisory committee, with the assistance of an experienced sustainability consultant, the plan guides environmental performance improvements we can make by 2020 while serving an ever growing membership base.

Our 2020 Sustainability Goals

Act as a Good Corporate Citizen of the World.

Incorporate sustainability in strategic planning process and core values.

Be Transparent and Inspire Others.

Produce annual sustainability report starting in 2017.

Have a Positive Impact on Resource Conservation.

Achieve and sustain carbon neutrality in 2016 and beyond.

Reduce energy use by 7% in operationally controlled buildings.*

Reduce paper use by 25%*. Ensure 70% of paper is certified sustainable.

Demonstrate Sustainable Business Practices.

Implement sustainable travel guidelines.

Develop and launch green products.

Develop sustainable purchasing policy.

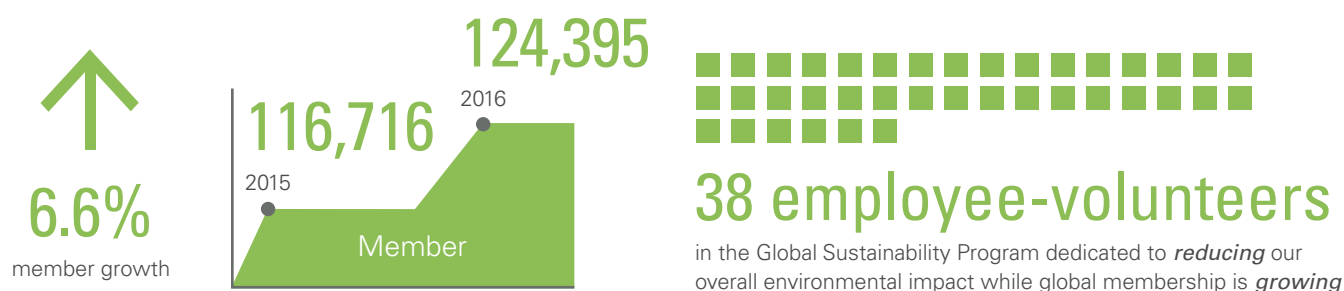
*Relative to the 2015 baseline year.

Act as a Good Corporate Citizen of the World

'Practice sustainability' is the most recent addition to our organizational core values, approved by the UNFCU Board of Directors in 2016. Building from our core values, sustainability will now be incorporated in our strategic planning process.

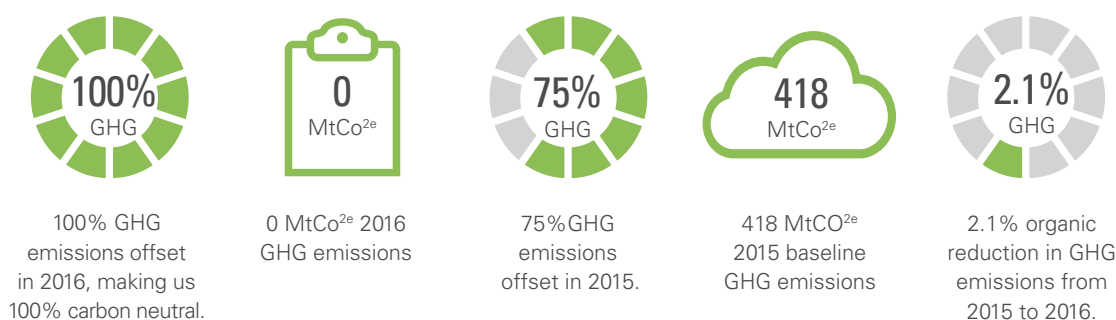
Have a Positive Impact on Resource Conservation

While growing our global membership, we will continue to manage our carbon footprint.



We are Carbon Neutral

UNFCU achieved carbon neutrality in 2016. Only one other credit union in the US with assets of more than \$4 billion has achieved this status.



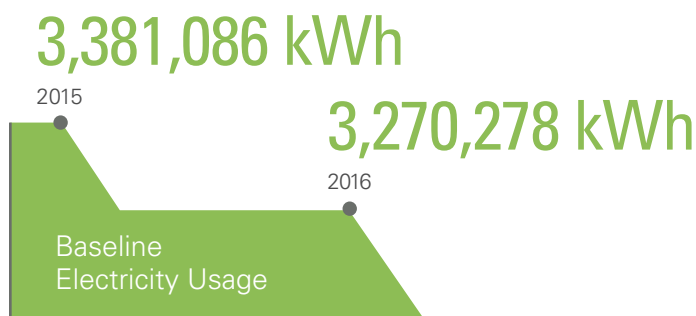
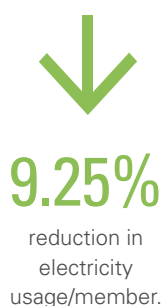
UNFCU achieved 100% carbon neutrality across its operations in 2016 by first becoming more energy efficient, then purchasing **Green-e** certified Renewable Energy Credits (RECs) from US-based wind power production, along with verified carbon offsets, to mitigate all greenhouse gas emissions from energy use and business travel.

We hold ourselves to a high standard for measuring and mitigating our carbon emissions. We conduct an annual inventory based on the internationally-recognized Greenhouse Gas Protocol standards. We voluntarily include business travel in our inventory, which is optional under the protocol.

Energy Efficiency

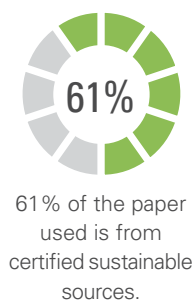
Not only is UNFCU on track to meet our goal to reduce overall electricity use by 7%, we are doing it while serving an ever increasing number of members across the world, and with a growing staff. Substantial upgrades to our data centers drive our energy efficiency improvements, along with a major project to upgrade the lighting in our offices to energy efficient LED options.

From 2015 to 2016:



Our electricity baseline and reduction goal cover the three facilities in which we have direct control over energy use: our headquarters facility in Long Island City, our back office facility in New Jersey, and our Washington, DC branch. Branches and offices in leased spaces where UNFCU does not control energy use are not included in the baseline.

Reducing Paper Use



65,132 lbs

Total paper usage
across UNFCU in 2016.

VS

80,320 lbs

Total paper usage
across UNFCU in 2015.

Across the financial services sector, regulatory requirements drive substantial documentation and printing needs. Despite the challenges, UNFCU is making excellent progress toward reducing our paper use by 25% by 2020. Thanks to investments in electronic document delivery that offer member convenience while substantially reducing printing, we are able to serve more members with less paper. In addition, our marketing team is moving toward more paperless communications.

To manage the environmental impact of the paper we buy, we strive to have 70% of our paper certified by the Forest Stewardship Council (FSC) or Sustainable Forestry Initiative (SFI). We are working toward this goal by developing purchasing guidelines.

Awards and Recognitions



78% of our office space is LEED Certified (by square footage).

Our headquarters building is LEED Gold, and our Washington, DC branch is LEED Silver. LEED is a global standard for green building and energy efficiency.



The Environmental Protection Agency (EPA) recognized UNFCU as a Green Power Partner in 2016, due to our commitment to balancing 100% of our grid electricity usage with clean, renewable wind power via RECs.

Demonstrate Sustainable Business Practices



Sustainable Business Travel

Our carbon neutrality approach includes finding ways to manage the environmental impact of business travel, which accounts for 14% of our GHG emissions before RECs and offsets are applied. In 2016, we developed Sustainable Travel Guidelines to assist travelers in selecting lower impact modes of transportation and greener hotels.



Green Products

In 2016–2017, UNFCU is exploring new product offerings that create an even greater positive impact, such as discounted loans for sustainable purchases or energy efficient home upgrades. We look forward to sharing more as the program unfolds in 2017 and beyond.



Sustainable Purchasing

As a credit union, we know that it matters where we put our money. That is why we are committed to develop a sustainable procurement policy by the end of 2017. We include environmental sustainability questions in vendor selections that go through the proposal process for major purchases. Like other credit unions, our major areas of spend include services such as consulting, financial transaction processing, facilities, training, and IT. In the coming year, we will consider how to efficiently and cost-effectively find opportunities to support sustainability throughout our existing vendor relationships in addition to our requests for proposal.



Equitable & Inclusive Workplace

Key Sustainability Opportunities:



Fair pay and
workplace
practices



Employee
training and
development



Diversity
and
Inclusion

Social Impact Matters

Serving people is core to UNFCU's mission and culture. Within our own organization, we are dedicated to creating a workplace that is welcoming, equitable and supports employees to be their best. In our most recent stakeholder engagement survey in early 2017, our members and partners told us that diversity and inclusion ranked as a top priority.



Creating a Thriving and Equitable Workplace

Fair pay, competitive benefits, and careful compliance with applicable labor laws all contribute to an equitable workplace. As an organization with a majority of female employees (60%), maternity leave upon birth of a child is valued for supporting work-life integration, with the majority of new mothers in 2016 (70%) choosing to return to work at UNFCU. Our credit union also adheres to policies on Family Medical Leave for non-biological and adoptive parents.



Employee Learning and Development

UNFCU is dedicated to providing learning growth opportunities for all employees. In fact, embracing learning and development is one of our core values. Starting in 2017, we rolled out an initiative to incorporate regular coaching for all employees as part of our performance management program.



Embracing Diversity

Diversity and inclusion (D&I) has enabled UNFCU to truly thrive as an organization dedicated to 'serving the people who serve the world®.' Historically, our employees have always represented a wide range of demographics and this extends to our current Board of Directors, the majority of whom are women. Recognizing the value this brings, we identified 'embracing diversity' as one of our core values several years ago.

In early 2016, UNFCU kicked off a multiyear initiative to deepen our D&I commitment in order to strengthen our workplace culture. We conducted an organization-wide review of D&I practices, engaged an expert D&I consultant for assistance, and shared the findings with our employees.

Member Relations

Key Sustainability Opportunities:



Member service
and satisfaction



Privacy
and security



Member
financial literacy

Providing the highest quality service to our members is a core value. In surveys and interviews, we heard that our community values regular feedback channels, information security and privacy, and support for the unique banking needs of UN civil servants.



Member Satisfaction

Listening to our members and productively responding to feedback are central to our service-oriented mission. Through online surveys we deploy each year, members are invited to provide us with their candid feedback. We also host regular roundtable discussions with members, resulting in meaningful conversations about their needs. Our members are encouraged to reach out any time to provide input on new products and services via our [email online form](#).



Protecting Our Members' Security and Trust

We know that information security and privacy protection rank high on our members' priority list. We safeguard our [members' privacy](#) by proactively deploying industry leading practices to prevent data breaches, coupled with an information security team of experts prepared to respond in the event of a breach. Along with cyber security, we follow industry best practices to ensure our members' and employees' safety in our facilities, providing routine safety training to our employees.



Member Financial Literacy

Member education is a hallmark of credit unions. UNFCU conducts ongoing educational events to help members make savvy financial decisions. Recognizing our members' different learning needs and schedules, UNFCU provides education both in-person and online, including webinars, financial fairs, workshops, [online resources](#), and more.

As a US-based institution serving members from across the globe, we offer special financial literacy options that address the needs of non-US citizens who are often unfamiliar with US banking and for whom English is not their first language. In support of our global membership, UNFCU employees speak more than 30 languages.

Contact us

We welcome your feedback and ongoing engagement in our sustainability journey.



For more information, contact:

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and Media Relations**

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