



Sustainability Report

—
2018

serving the people who serve the world®

01	Intro	07	Environmental performance & sustainability
02	Statement from the President/CEO	12	Equitable & inclusive workplace
03	Get to know UNFCU	13	Member relations
04	About this report	14	Contact us
05	Investing in the local & global communities		

Sustainability is a movement

at the United Nations Federal Credit Union (UNFCU).

We are committed to having a positive impact on the environment and advancing the UN Sustainable Development Goals (SDGs). Our social responsibility is an extension of our mission to serve the people who serve the world.

Ways we have made sustainability a business priority:



100% carbon neutral
(since 2016)



Reached 7 of 8 of our
2020 Sustainability Goals.
(in 2018)



88% of our office space
is Leadership in Energy
and Environmental Design
(LEED) Certified.



Reduced paper use by 36%
since 2015, exceeding
our 2020 goal.



67 of our employees
are Global Sustainability
Program volunteers.
That's 12% of our staff.



We remain an active
member of United Nations
Global Compact.



We hosted the first credit union United in Sustainability Summit
at the United Nations Headquarters in NY.

Statement of Support for Sustainability

A message from William Predmore
President/CEO of United Nations Federal Credit Union

At UNFCU, integrating sustainability into our management, operations, and culture underlines a core value.

Our Global Sustainability Program (GSP) now involves 12% of our staff. Desiring to champion the cause for sustainability, they volunteer their time to this important movement.

As a result of their focus and dedication, we continue to make strong progress towards our 2020 Sustainability Goals. In 2018, we maintained carbon neutrality even as our membership grew. We remain one of only a few credit unions with assets over \$4 billion to attain this achievement.

We hosted the United in Sustainability Summit, creating a new forum for credit unions to share ideas and best practices. This was the first event of its kind for North American credit unions at United Nations headquarters in New York.

We maintained Leadership in Energy and Environmental Design (LEED) certification for our New York headquarters (Gold) and Washington, DC branch (Silver).

We continued to work closely with UN Greening the Blue. This is a federation of UN organizations globally dedicated to climate action. Since 2010, we have also been an active member of the UN Global Compact.

Furthering diversity and inclusion at UNFCU is an extension of our sustainability initiatives. We firmly believe that our employees' different cultures, lifestyles, and perspectives collectively strengthen our entire organization. To this end, we launched the LGBTQ+, Multicultural, and Women's Business Resource Groups. These have provided development opportunities and resulted in enhanced recruitment policies.

At UNFCU, we understand the importance of conducting business as a good citizen of the world. We are committed to taking great strides on our sustainability journey to build a better future for all.



In 2018, we also launched an Impact Share Certificate, funding investments and loans that support environmental and social initiatives.

Get to Know UNFCU

UNFCU is the financial partner of the United Nations community. We tailor our financial products and services to meet the challenges of UN life. Being a member-owned credit union means that we put the needs of our members first.

As part of the UN family, we operate with the UN mission in mind. From philanthropy and environmental stewardship to good corporate governance, we aim to be positive change agents. We draw inspiration from the UN Sustainable Development Goals and the members we serve.

UNFCU was founded in 1947. We are a cooperative with more than 133,000 members across the globe. We have branches in New York and Washington, DC. We also have representative offices in Austria, Italy, Kenya, Switzerland, and Uganda.



Our Core Values

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



Headquartered in New York City, UNFCU has more than 550 staff globally.

From Digital Banking to our branches and representative offices, our global presence puts us everywhere that our members go.



About This Report

Be Transparent and Inspire Others

We want to encourage other financial cooperatives and partners to join our movement. That is a key reason we publicly discuss our sustainability strategy and metrics.

As sustainability champions, we can all contribute to having an even greater global positive impact.

How Did We Develop This Report?

We incorporated best practices from the [Global Reporting Initiative](#) (GRI) to guide our approach. This included referring to guidelines and benchmarks on how to identify core sustainability topics. We also engaged members, partners, our associations, and UN experts.

We Listened to Our Stakeholders

We invited our staff, members, and partners to rank the importance of UNFCU addressing various sustainability topics. The results revealed that our current programs are responding to top priorities. We request this ranking every two years.

We Took a Comprehensive View

Our annual impact report spans 1 January to 31 December 2018. It addresses all activities within UNFCU's operational control globally. This includes the operations of our wholly-owned subsidiary, Industrial Coverage Corporation, an insurance provider. Working with an expert sustainability consultant, we conducted a 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 to address. Our analysis looked at impact on our business, the environment, and the communities we serve. In each section of the report, we list and share information on these 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 the public and the private sectors to benefit humanitarian efforts worldwide. This has mobilized action on climate change, global health, peace and security, women's empowerment, poverty eradication, and energy access.

Kilimanjaro Initiative USA is a New York-based non-profit. Its members are eligible to join UNFCU. The organization promotes self-empowerment in New York City area youth leaders between the ages of 18 and 25.

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

Greening the Blue is a network of UN organizations that collaborate to create a more sustainable UN. This includes striving for climate neutrality across the UN system by 2020.

United Nations Association of the United States of America (UNA-USA) is the largest UN advocacy organization in the United States. Its members are eligible to join UNFCU.

We also collaborate with entities that share our core values:

- Former International Civil Servants Associations worldwide
- Kilimanjaro Initiative
- Sustainable UN (SUN) Team
- UN Global Compact
- UN Green Network New York

Responsible Banking in Service to the Community

Many members choose UNFCU because they value peace of mind. This comes from joining a mission driven member-owned cooperative with a solid financial profile. UNFCU embraces shared credit union values.

Our membership in credit union-focused organizations includes:

- New York Credit Union Association (NYCUA)
- Credit Union Executives Society (CUES)
- Credit Union National Association (CUNA)
- Filene Research Institute
- National Association of Federally-Insured Credit Unions (NAFCU)
- World Council of Credit Unions (WOCCU)

United in Sustainability 2018

Credit Union Summit

On 18 October 2018, the UNFCU Global Sustainability Program hosted credit unions from across North America. Our United in Sustainability Summit was the first of its kind held at the United Nations Headquarters in New York. With this summit, we encouraged a greater focus on sustainability among credit unions and fostered collaboration across the industry. We have launched a United in Sustainability Network to continue this important dialogue. This network is open to all credit unions and credit union associations.

To join the network, please contact us (see page 14).

United Nations Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) aim 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 responding to the UN's call to action. Active engagement from the private sector, including UNFCU and our stakeholders, is integral to the SDGs' success. UNFCU supports the sustainable development agenda through the UNFCU Foundation and our Global Sustainability Program.

Environmental Performance & Sustainability

Key Sustainability Opportunities:



Carbon
neutrality



Energy
efficiency



Paper use
reduction



Business
travel



Sustainable
purchasing

We continue to increase our positive impact on environmental preservation and resource conservation. This underlines our goal to conduct business as a good corporate citizen of the world.

In 2015, our Global Sustainability Program Team and an advisory committee developed a 5-year **Sustainability Action Plan**. We obtained guidance from an experienced sustainability consultant, who leads a Certified B Corp.

We publish a comprehensive biennial report in even numbered years. In interim reporting years, we share an update on our progress.

Progress Toward Our 2020 Sustainability Goals

Act as a Good Corporate Citizen of the World

Goal: Incorporate sustainability in strategy planning process and core values.



Be Transparent and Inspire Others

Goal: Produce annual sustainability report starting in 2017.

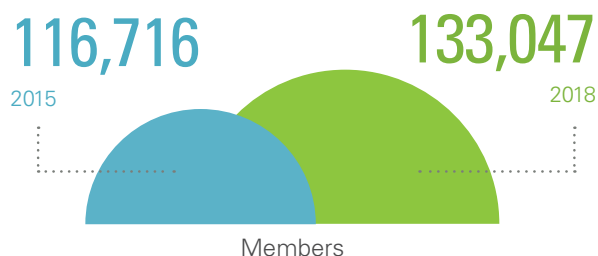


Have a Positive Impact on Resource Conservation

We continue to manage our carbon footprint while growing our global membership and staff.



14%
increase in
members
(since 2015)



120%
increase in
volunteer staff
(since 2015)



12%
of UNFCU staff
volunteer with
the GSP

Be Carbon Neutral

Goal: Achieve and sustain carbon neutrality in 2016 and beyond.



We were one of two US credit unions with assets greater than \$4 billion to achieve carbon neutrality in 2016. We continue to demonstrate leadership in this space.



We offset 100% GHG emissions in 2016–2018, making us 100% carbon neutral for three years running. We achieved 100% carbon neutrality across our operations.



We first became more energy efficient and then purchased Green-e certified Renewable Energy Credits (RECs) from US-based wind power production.

This along with verified carbon offsets mitigated all greenhouse gas emissions from energy use and our 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.

Reduce Paper Use

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



36%

reduction in paper use.
(since 2015)



44%

reduction in paper usage/member.
(since 2015)



75%

of the paper used is from certified** sustainable sources.

80,320 lbs

total paper used across UNFCU.
(in 2015)

vs

51,141 lbs

total paper used across UNFCU.
(in 2018)

*Relative to the 2015 baseline year.

**Certification is by the [Forest Stewardship Council](#) (FSC) or [Sustainable Forestry Initiative](#) (SFI).

How did UNFCU decrease paper use?

UNFCU engaged members to choose electronic delivery of notices. Thanks to our members saying “yes” to paperless delivery, printing and paper use dropped significantly. Internal efficiency measures also reduced third-party printing.

Electronic voting for Board elections drove 17% of total paper conservation.

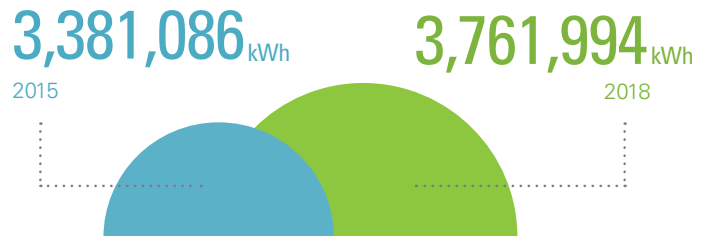
Be Energy Efficient

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



↑
11.3%
in electricity usage
(since 2015)

↓
2.4%
decrease in electricity
usage/member



Why are we not on track with this goal?

In 2018, UNFCU temporarily saw a **31% increase in office space**. This was due to the departure of a major tenant from our Long Island City headquarters. With their departure, we had more operationally controlled space, resulting in a temporary increase in our electricity use.

*Relative to the 2015 baseline year.



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



A bright future for UNFCU energy conservation.

UNFCU buildings became more energy efficient overall due to a series of energy conservation measures. In one, we implemented lighting upgrades, data center efficiency, and a new installation of high efficiency cooling.

By the end of 2020, we expect electricity use to decrease 3% below the 2015 baseline.

Demonstrate Sustainable Business Practices



Goal: Implement sustainable travel guidelines.



Goal Achieved

As a global organization, business travel represented 12% of our total GHG emissions in 2018.

Our internal sustainable travel guidelines educate our staff to choose sustainability-preferred options when they need to travel.



Goal: Develop and launch green products.



Goal Achieved

In 2018, we launched our 12-month Impact Share Certificate. This gives our members the option to use their savings for positive environmental and social impact.

The certificate funds positive impact projects, including:

- Investment in securities that promote affordable housing, public transportation, and clean water and energy products
- Offering new loans that will enable members to finance environmentally positive initiatives. Energy efficient home improvements and the purchase of solar panels are examples of such initiatives.



Goal: Develop sustainable purchasing policy.



Goal Achieved

In 2018, we requested that all vendors providing over \$50,000 in goods or services annually respond to a questionnaire. This included questions about climate impact, energy and paper use, diversity and inclusion, as well as sustainable business certifications. Our goal was to identify vendors that act on sustainability, while encouraging more to join the sustainability movement.

To support the communities where we have a branch or office, 95% of our non-marketing purchases are made locally.

Awards and Recognitions



88% 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 since 2016.

We are committed to balancing 100% of our grid electricity usage with clean, renewable wind power via RECs.



Air Quality

Vehicle pollution causes nearly one-third of the air pollution in the NY metropolitan region, according to Clean Air NY Champion. Located in Long Island City, NY, UNFCU is a Clean Air NY Champion. We encourage employees to carpool, take transit, bike, or walk to work.



Equitable & Inclusive Workplace

Key Sustainability Opportunities:



Fair pay and
workplace
practices



Staff
training and
development



Diversity
and
inclusion

Creating a Thriving and Equitable Workplace

Our members, partners, and staff all agree: diversity, inclusion, and equity in the workplace are a top priority. Our outreach through surveys and interviews underlines this fact.

Fair pay, competitive benefits, and careful compliance with applicable labor laws contribute to an equitable workplace. Valuing equity and work-life integration, we offer maternity and paternity leave upon the birth of a child. In 2018, the majority of new mothers (88%) and 100% of new fathers chose to return to work after leave. Our credit union also adheres to policies on Family Medical Leave for non-biological and adoptive parents. **100% of employees are paid above the local minimum wage.**

Staff Learning and Development

Our board and management are dedicated to providing learning growth opportunities for all staff. In fact, staff development is one of our core values. We incorporate regular coaching for all staff as part of our performance management program. New employees are onboarded with a formal introduction to UNFCU's code of ethics and business conduct.

Embracing Diversity

Diversity and inclusion (D&I) enables UNFCU to thrive as an organization dedicated to serving the people who serve the world. Historically, our staff has always represented a wide range of demographics. This extends to our current Board of Directors. Since 2016, UNFCU has established new metrics and programs to deepen our D&I commitment. We obtained assistance from an expert D&I consultant. This has served to strengthen our workplace culture. In 2018, we introduced an organization-wide Unconscious Bias training. We added an Anti-Discrimination Policy to our employee manual. In 2017–2018, an evaluation of pay based on gender and role confirmed that pay is equitably distributed regardless of gender. In support of our global membership, the staff at UNFCU speaks more than 30 languages.

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.

Member Feedback

Listening to our members and productively responding to feedback are central to our service mission. Through online surveys we deploy each year, we invite our members to provide us with their candid feedback.

We also host regular roundtable discussions with members, resulting in meaningful conversations about their needs. We encourage our members to contact us at any time. They provide input on new products and services via our [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. Our Information Security team of experts is prepared to respond to any potential issue.

Along with cybersecurity, we follow industry best practices to ensure our members' and employees' safety in our facilities. We provide routine safety training to our staff.

Member Financial Literacy

We provide financial education in-person and online through webinars, guides, financial fairs, and seminars. In 2018, we conducted a dozen Financial Readiness presentations in four countries. While we are a US-based institution, we also serve members from across the globe. These activities address the needs of members who may not be familiar with the US banking system.



Contact us

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

For more information, contact:

Elisabeth Philippe

UNFCU Senior Manager of Community
and Media Relations

Email: ephilippe@unfcu.com

Call: +1 347-686-6776 or +1 347-510-4036 (cell)