

An aerial, wide-angle photograph of a lush green mountain valley. A river flows through the center, surrounded by terraced fields and small settlements. The image is framed by a circular graphic that resembles a globe or a lens flare, with a blue sky and white clouds in the center. The text 'Impact Report' is overlaid on this central graphic, with the letter 'o' in 'Report' replaced by a colorful circular icon.

Impact Report

2020

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About This Report

2020 concluded our inaugural 5-year Sustainability Action Plan. In this report, we will review how we achieved 7 of the 8 sustainability targets we set in 2015.

Chief among these was maintaining climate neutrality even as we increased our membership and staff. Due to the significant growth of our organization since 2015, we fell short of our energy reduction target.

We will continue to focus on energy reduction as part of our next 5-year sustainability plan. You can learn about our 2025 Impact Goals in this report. We also outline how our goals advance the UN Sustainable Development Goals (SDGs).

Since 2015, we have expanded our approach to social responsibility. It now includes our Global Sustainability Program (GSP); our Diversity, Equity, and Inclusion (DEI) initiatives; and the UNFCU Foundation. In this year's report, we will review the impact of each of these, and how they are helping us fight climate change, poverty, and inequality.

Our corporate social responsibility reflects the deep commitment of our Board, management, volunteers, and staff towards building a better world. We hope you enjoy learning about the impact that we are making.



Global Sustainability Program: Highlights

100%

climate neutral
since 2016

7/8

2020 sustainability
goals achieved

82%

of our office space
is LEED Certified.

73

staff volunteer for
the UNFCU Global
Sustainability Program.

60%

reduction in paper use
since 2015, exceeding
our target of 25%

10 YEARS

of active membership
status in the United
Nations Global Compact



3 years hosting the United in Sustainability (UIS)
Summit for credit unions across North America

Social Responsibility During the Global Pandemic

At UNFCU, social responsibility remained front and center through the global pandemic. We quickly and seamlessly pivoted to a remote work model to support our members, staff, and global UN community.

We introduced loan and fee payment relief options to members impacted by COVID-19. We also expanded the secure self-service tools available to our members, giving them more control of their account management.

With many of our locations closed for most of 2020, our member service representatives connected with members virtually. We conducted virtual consultations, and delivered over 77 presentations in 26 countries.

The UNFCU Foundation launched a fundraising campaign for the World Health Organization (WHO) COVID-19 Solidarity Response Fund, raising more than \$70,000. This supported the distribution of personal protective equipment and advanced the life-saving efforts for vaccine research. The Foundation also organized a fundraising campaign for UNICEF's Water, Sanitation, and Health Programme in Lebanon following last year's devastating explosion.

We continued to host DEI events virtually, offering staff more ways to stay connected with one another.

We chose to evaluate the impact of employee work-from-home activities as part of our 2020 greenhouse gas (GHG) emissions inventory. See [page 11](#) for more information. This aligns with our commitment to climate neutrality.

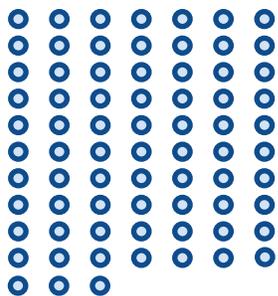
Have a Positive Impact on Resource Conservation

Our staff and leadership share a commitment to sustainability. Through organizational strategy and day-to-day action, UNFCU conducts business as a good corporate citizen.

We continue to manage our climate impact while growing our global membership.



73
employee-volunteers
in the GSP



12%
of UNFCU staff
volunteer with the GSP.



↑ 103%
increase of GSP
volunteers from 2015



United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs) identify 17 goals to tackle the world’s most pressing social, economic, and environmental challenges by 2030.

Active engagement from the private sector, including UNFCU and our partners, is critical to achieving those goals.

Throughout this report, look for the SDG icons to see how UNFCU is specifically contributing to global progress toward the SDGs.





Announcing the Results of Our 2020 Sustainability Goals

In 2015, we developed a 5-year Sustainability Action Plan. Our leadership team and subject matter experts identified 8 goals to achieve by 2020.

We are proud to announce that we attained 7 of our 8 targets on schedule by 2020. We made notable progress on the final target: energy reduction. This report reflects the culmination of these objectives.



Act as a Good Corporate Citizen of the World

GOAL:

Incorporate sustainability in our strategy planning process and core values.



Achieved





Be Transparent and Inspire Others

GOAL:

Produce an annual sustainability report starting in 2017.

We publish an annual impact report that holistically addresses our social, environmental, and community impact.



Achieved





We are Climate Neutral

GOAL:

Achieve and sustain climate neutrality in 2016 and beyond.



Achieved



Only two of the 55 US credit unions with assets greater than \$4 billion have achieved this status. UNFCU is one of them.

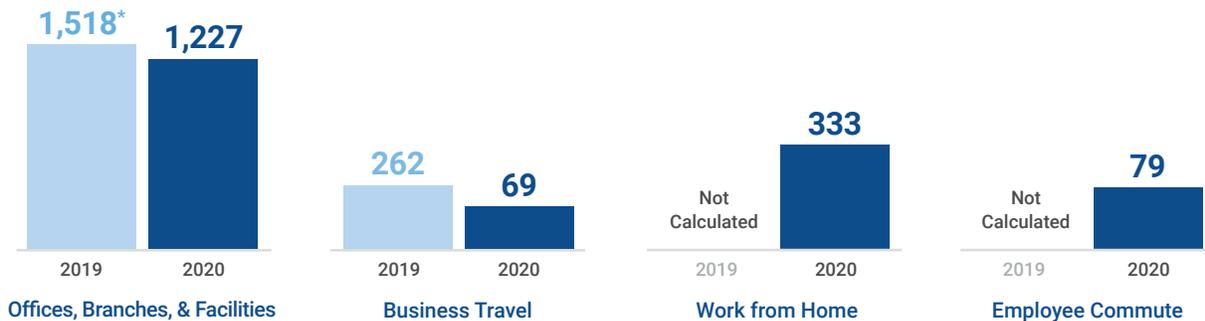


We achieved **100%** GHG emissions offset in 2016-2020, making us 100% climate neutral for five years running.

How we addressed our GHG inventory amidst the pandemic

Across the world, remote work became the norm in 2020. The global pandemic moved business operations from offices to homes. Our Long Island City, New York headquarters building saw a 3% reduction in overall electricity usage compared to 2019.

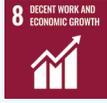
The reduction in energy usage and associated GHG emissions in our facilities occurred alongside increased usage in our employees' homes. Therefore, we expanded the scope of our 2020 GHG inventory to estimate the climate impact of work-from-home and commuter emissions. We balanced the climate impact of all remote work and commuter emissions with Verified Emissions Reductions (VERs), popularly known as carbon offsets.



2019 & 2020 GHG Emissions

(Measured in MTCO2e)

*In early 2021, our utility provider notified us about revisions to our 2019 utility billing. We have updated our 2019 GHG inventory to reflect these changes.



Energy Efficiency

GOAL:

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



Not Achieved

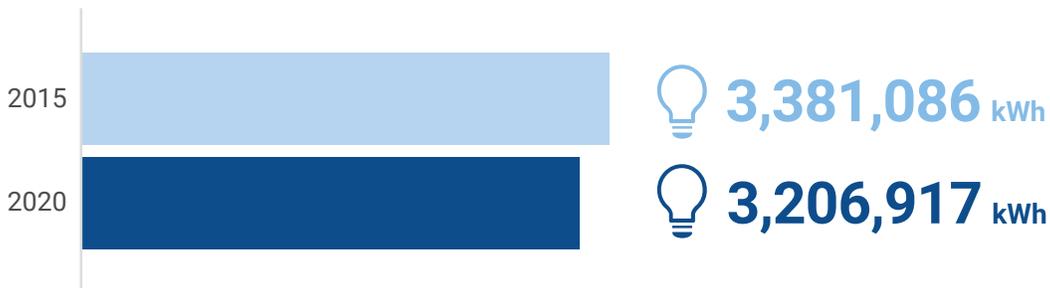
↓ 5% decrease in electricity usage

↓ 31% decrease in electricity usage per member

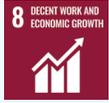
What affected performance on the energy goal?

From 2015 to 2020, UNFCU membership grew 38%. In order to serve our growing member base, UNFCU hired additional staff and occupied 31% more office space in operationally controlled buildings. While making these changes, UNFCU succeeded in **dramatically decreasing electricity use per unit area, per employee, and per member** by improving data center and office space efficiency.

A subsidiary of UNFCU, Industrial Coverage Corp (ICC), was not included within the 2015 baseline used to evaluate 2020 Sustainability Action Plan targets. This insurance services facility will be included within the baseline for our 2025 Impact Goals. UNFCU also occupies leased space within other facilities, including United Nations facilities. Leased spaces where we do not have operational control are omitted from the energy use goal calculation.



*Operationally controlled buildings include our Long Island City, New York headquarters; disaster recovery (data center) facility; and Washington, DC branch.



Reducing Paper Use

GOAL:

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



Achieved

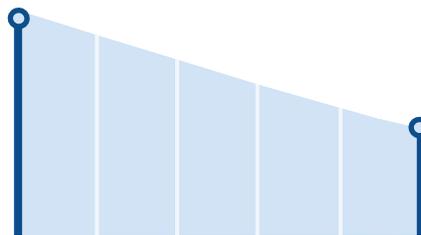
↓ **60%** reduction in paper use from 2015 to 2020

↓ **71%** reduction in paper usage per member since 2015

 **72%** of paper from certified sustainable sources

80,320 lbs.

Total paper use across UNFCU in 2015



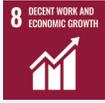
31,891 lbs.

Total paper use across UNFCU in 2020



How did UNFCU decrease paper use?

One of the biggest factors is that **84%** of our members have agreed to receive all notices and statements electronically.



Demonstrate Sustainable Business Practices

GOAL:

- Develop sustainable purchasing policy.
- Implement sustainable travel guidelines.
- Develop and launch green products.



Achieved

As a credit union, we know that where we put our money matters. That is why, in 2017, we instituted a sustainable procurement policy. We measure, track, and work to influence our suppliers, encouraging them to adopt practices that support sustainability. We want UNFCU vendor-partners to reflect our values. You can learn more about our Supplier Code of Conduct at: unfcu.org/gsp

UNFCU conducted a sustainability survey of all vendor-partners that met three criteria:

1. Ongoing relationship with UNFCU
2. Significant spend (over \$50,000)
3. High impact services

The survey asked about sustainability policies; supplier diversity (including women-owned businesses); diversity, equity, and inclusion programs; and management of greenhouse gas (GHG) emissions.

We aimed to have 85% of suppliers respond to the survey questionnaire.

From 2018–2020, we received a 100% response rate.

The results are tabulated and the suppliers' achievement levels graded from A (a sustainability leader) to D (no reported sustainability program). The average score of the suppliers we surveyed was a B (indicating the company has sustainable business practices in place). In 2020, for the first time, we enhanced our supplier engagement by sharing these scores, and UNFCU's method for using them, with our suppliers. The goal of obtaining the scores is to advocate and encourage dialogue with our vendors on sustainability. These metrics also enable us to hold ourselves accountable to work with vendors interested in and pursuing climate action and social responsibility.

We also invited suppliers to engage with us on an ongoing sustainability partnership and directed them to sustainability resources including:

- UN Global Compact
- UNGC SDG Action Manager
- B Corp Certification
- UNFCU's Impact Reports and Supplier Code of Conduct

UNFCU launched a 12-month Impact Share Certificate in 2018.

The money deposited in this certificate is only used to fund projects with a positive impact. They include:

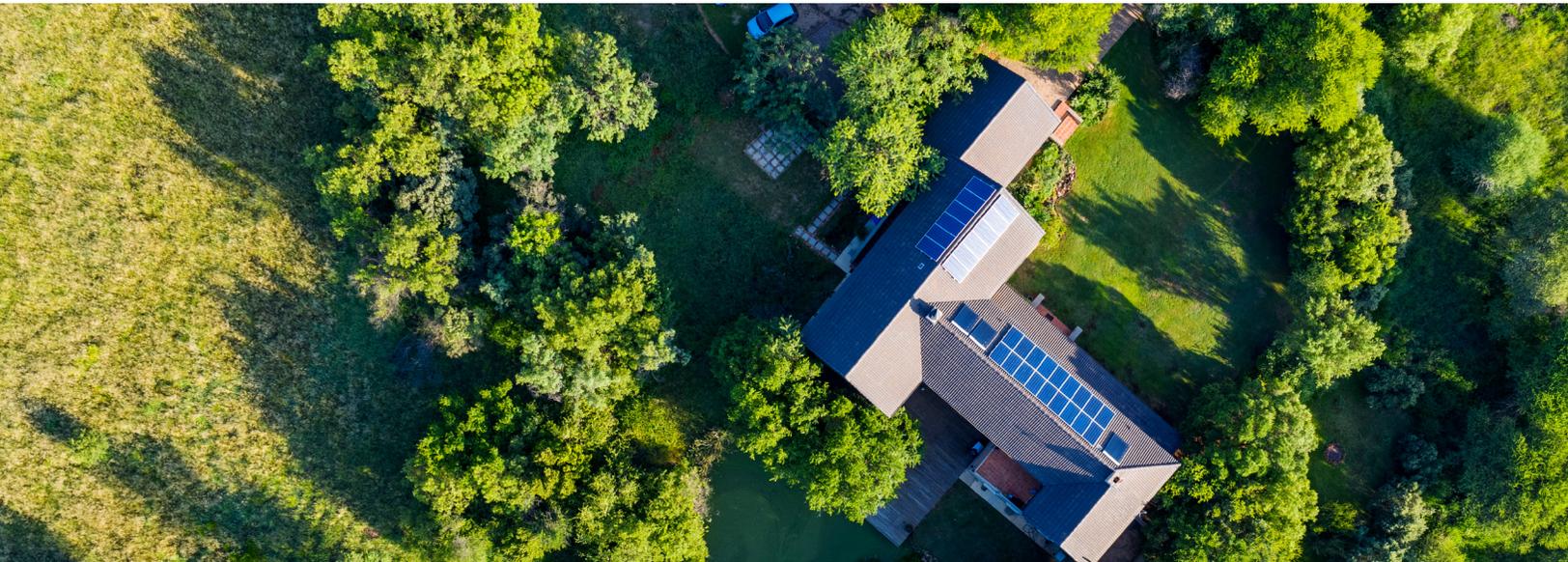


Investment in securities that promote affordable housing, public transportation, and clean water and energy products



New loans that will enable members to finance environmentally positive initiatives, such as energy efficient home improvements

All investments and loans that back the certificate advance specific SDGs.



Awards and Recognition

LEED Gold & Silver

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



82%

of our office space is LEED Certified.

Green Power Partner

The Environmental Protection Agency (EPA) has recognized UNFCU as a Green Power Partner since 2017. This is due to our commitment to balancing 100% of our grid electricity usage with clean, renewable wind power via Renewable Energy Credits (RECs).



100%

of our grid electricity is balanced with RECs.

We first became more energy efficient and then purchased Green-e® certified RECs from US-based wind power production.





Embracing Diversity, Equity, and Inclusion



Diversity, Equity, and Inclusion: Highlights

UNFCU leadership and staff share a deep commitment to advancing Diversity, Equity, and Inclusion (DEI) throughout our organization. In 2020, UNFCU made notable progress on DEI initiatives.

47%

of staff participate in DEI initiatives.*
(300 employees)



Introduced a formalized Anti-Discrimination Policy in 2019



Majority of seats on the Board are held by women

18%

more women than men participated in mentoring and high potential talent programs.



Signatory to the UN Women's Empowerment Principles



Member of the African American Coalition for Credit Unions



The only credit union to have earned the Mortgage Bankers Association 2020 Residential Diversity and Inclusion Leadership Award



2nd year in a row on the Great Places to Work® Best Small and Medium Workplaces list

*According to Diversity Best Practices, 4.39% of a company's staff are normally active Business/Employee Resource Group members. Diversity Best Practices is a network and informational resource organization that shares best practices on diversity.

Diversity, Equity, and Inclusion: Goals



Goal: Ensure African American and Black employees are encouraged to participate in opportunities for advancement and development in the organization.

In 2020, our development program participants more closely reflected the gender and ethnicity of our UNFCU population. African American and Black employees are now filling more key roles on teams, ranging from strategy to corporate social responsibility. These staff members also led Business Resource Groups that addressed the impact of COVID-19, and discussed social and racial injustice in their communities.



Through courageous conversations and open discussions, staff transparently expressed their concerns. This shaped productive dialogues on coping mechanisms and the way forward.



Goal: Provide UNFCU leaders additional tools and resources to build their capabilities to lead inclusively.

The LGBTQ+ Business Resource Group (BRG) sought to encourage managers to select diverse staff for leadership roles. The BRG created a template for employees to create a career success profile. These profiles are used to build project teams throughout the organization.

Additionally, we now focus our DEI lens on all committees being formed to ensure they are inclusive and leverage our diversity. The Global DEI Officer's input was used in the selection of UNFCU working teams such as the Post Pandemic Planning Committee. We also added a DEI component to each of our Leadership Summits.

Building a Positive Work Environment

UNFCU aims to create an inclusive environment where all staff can feel welcomed and valued.

Great Place to Work® Certification

Our DEI initiatives contributed to our recertification as a Great Place to Work® in 2020.

We once again earned this designation based on the results of a Trust Index Survey® completed by our staff in the US.



Great Place to Work® administered the survey to **436** UNFCU staff and evaluated the results.

They then compared the findings with other organizations that had up to 999 employees. Questions focused on job and team functions, learning and development opportunities, the organization's leadership, and our commitment to social responsibility.

Principles of Labor: Benefits and Pay

Our compensation philosophy ensures equitable pay based on each role's scope of work and regional pay scale, regardless of gender. Benefits include access to child and dependent care, support for pregnant women, and those returning from maternity and paternity leave. This is in accordance with our Maternity and Paternity Policy, and our representative office labor contracts. We maintain health and safety measures that provide a variety of protections for our employees. Staff have the opportunity for flexible work options. This included their ability to work from home even before the COVID-19 pandemic.

Credit Union Leadership

UNFCU is an inaugural sponsor of the Filene Research Institute's Diversity, Equity, and Inclusion Center of Excellence. This allows us to further support DEI across the credit union industry.



Corporate Governance and Investments



Corporate Governance and Investments

Pandemic Response

In response to the global COVID-19 pandemic, we activated our Crisis Management Team on 2 March 2020. The Crisis Management Team successfully ensured our seamless shift to a remote work model. This required that critical processes remain operational, including our ability to serve and support members.

In May 2020, our senior management team formed the Post Pandemic Planning Committee. Recognizing that the future of work and our members' needs will look different post pandemic, this cross-functional committee is focused on making recommendations to prepare UNFCU for the new normal.

Anti-Corruption Practices

As a US-chartered financial cooperative, we adhere to all of the applicable rules and regulations of the US federal government. Independent auditors regularly review our operations and performance. All employees must pass a series of banking and compliance courses, including the UNFCU Code of Ethics and Security Awareness Training. Additionally, we require vendors to uphold our [Supplier Code of Conduct](#). We upheld these practices throughout 2020.

During the pandemic, rates of consumer fraud at institutions worldwide rose as fraudsters took advantage of the global crisis. We conducted outreach to our members to educate them about the new and ongoing scams.



In 2020, UNFCU introduced a new system that enhanced fraud tracking and transaction monitoring. Using intelligence tools and staff education to mitigate risk, we remain dedicated to providing our members with peace of mind.

Responsible Investing: Our Investment Securities Portfolio

As a climate neutral financial institution, we recognize the importance of aligning our investments with our values. In 2020, UNFCU sold our small remaining holdings in the fossil fuel exploration, production, and wholesale distribution industries.

Investment in Community Services

UNFCU owns investment securities within three internally managed portfolios under the authorities provided by our US regulator, the National Credit Union Administration (NCUA). These portfolios secure members' capital, and provide liquidity and income for the credit union. They also promote positive impact and social benefits.

Core Portfolio

The largest of these portfolios is our Core Portfolio. This is primarily focused on US government and agency related fixed income securities that have a positive social benefit. Examples of these investments are:

- Securities issued or guaranteed by Fannie Mae, Freddie Mac, or Ginnie Mae, which are US government sponsored or owned entities. These entities support the US housing market and promote home financing options for first-time home buyers, veterans, and multi-family affordable housing projects.
- Debt issued by the Federal Farm Credit Bank, which provides loans to US farm owners
- Debt issued by the Federal Home Loan Bank, which provides liquidity, banking, and financial services to credit unions and national, regional, and community banks
- Pools of small business loans guaranteed by the US Small Business Administration (SBA)
- State and municipal government securities that fund essential government services for their citizens



Certain securities also support local initiatives that address clean water, pollution control, clean energy, affordable housing, community development, infrastructure, and public transit.

Investments That Support Philanthropy and Employee Well-Being

Additionally, UNFCU manages two smaller portfolios that promote the well-being of our employees and underserved communities across the globe. The Employee Benefit Pre-Funding portfolio supports health and retirement benefits for our employees. The Charitable Donation portfolio is a catalyst for the UNFCU Foundation's work to eradicate poverty by empowering women and children.

Within these two portfolios, we continually seek opportunities that directly provide a positive social impact. Some recent examples are:

- Several fixed income securities issued by banks whose proceeds are targeted to support green and social causes, such as providing economic support to firms responding to the ongoing COVID-19 crisis
- An exchange-traded fund that invests in equity securities issued by global companies involved in clean energy-related businesses
- A corporate bond issued by a US-based electrical utility which is one of the world's largest generators of solar electricity

Commitment to Impact

Finally, in alignment with our commitment to carbon neutrality, we fully divested from a small exposure to companies in the fossil fuels exploration and wholesale distribution industries.

UNFCU clean investing practices:

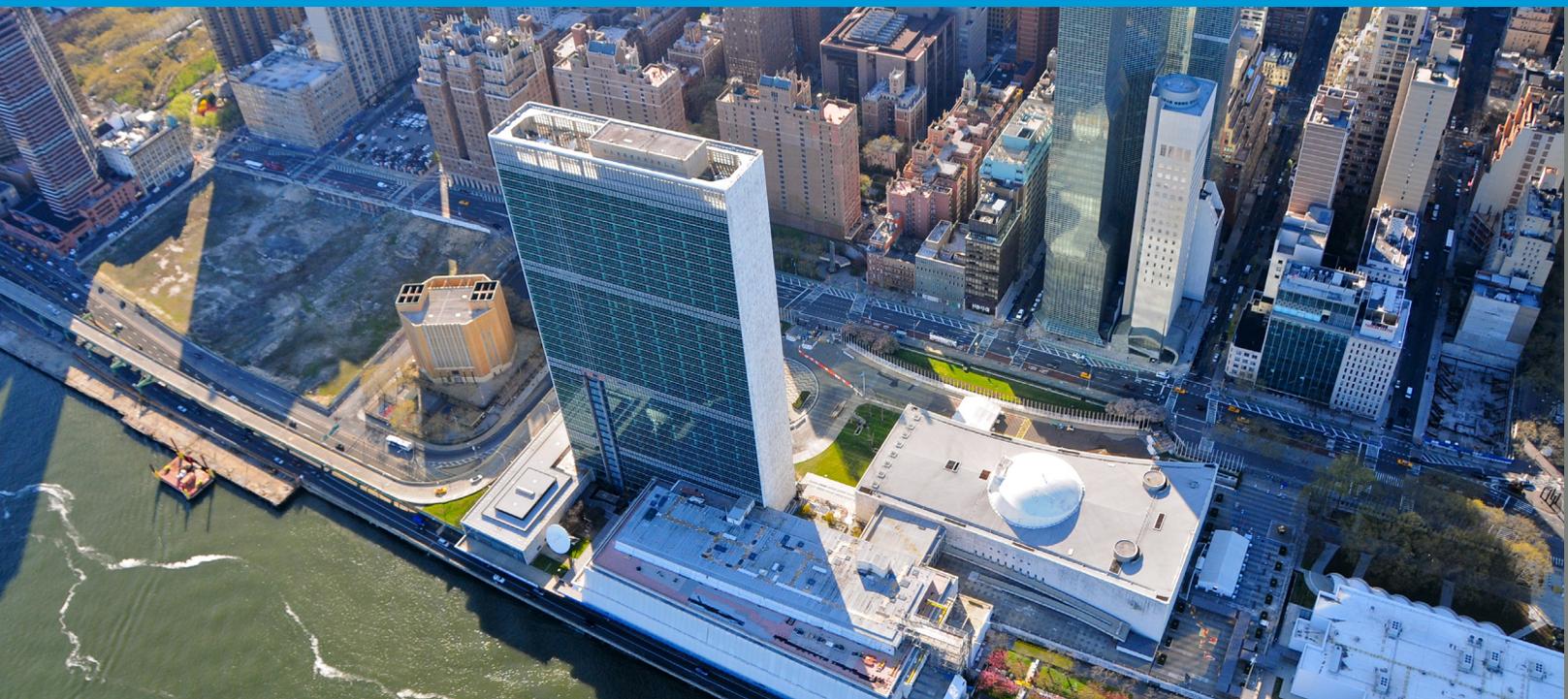
We also note that UNFCU has never invested in securities issued by firms operating in firearms, tobacco, or coal mining industries.



17 PARTNERSHIPS
FOR THE GOALS



Advancing Sustainability Alongside the UN



Advancing Sustainability Alongside the UN

We partner with the United Nations, our sponsor, to engage with the SDGs and communicate our progress. In this way, we also influence the credit union industry.



UN Global Compact

Maintained active membership status in the UN Global Compact

UNFCU is proud to achieve active status in the UN Global Compact since 2010. We also annually report our advancements in sustainability to UN Greening the Blue focal points.

10
YEARS



United in Sustainability Summit

Convened the third annual United in Sustainability credit union summit

Further to the UN Global Compact's guiding principles, UNFCU embraced advocacy, underscoring SDG 17: Partnerships for the Goals. In October 2020, more than 50 credit unions and associations from across North America participated in the United in Sustainability Summit. This more than doubled the number of participating organizations in 2019. The virtual event was co-hosted with the Organization of American States (OAS) Federal Credit Union in Washington, DC.



UN Greening the Blue

Contributed to global sustainability best practices through the United Nations Greening the Blue

At the virtual UN/UNICEF Green Fair on World Environment Day 2020, we provided insights from our Impact Report.



UNFCU Foundation





The UNFCU Foundation is a New York non-profit organization with a mission to sustain the path out of poverty through healthcare and education for women and children.

In 2020, despite unprecedented global challenges due to the pandemic, the Foundation supported 15 organizations providing critical services to women and youth. These organizations impacted 3,400 lives in marginalized communities in Kenya, India, Guatemala, Nigeria, Uganda, and the United States.



2020 UNFCU Foundation Actions:

Impacted the lives of 3,400 women and youth through the provision of job skills, education, and access to critical healthcare

Continued to fund transformative projects, particularly behavioral/mental healthcare initiatives

Hosted a virtual event on “Rising Together. Empowering Women. Achieving Success.” Representatives and beneficiaries from our grantees Together We Bake, International Rescue Committee, and Kilimanjaro Initiative spoke at the event. Stephanie Wright, co-founder of Together We Bake, was recognized with the Foundation’s 2020 Women’s Empowerment Award.

Raised funds to support the World Health Organization (WHO)-led COVID-19 Solidarity Response Fund

Raised funds to support UNICEF’s Water, Sanitation, and Hygiene (WASH) programme in response to the devastating explosion in Beirut, Lebanon

Visit www.unfcufoundation.org for more information.



2025 Impact Goals



How We Identified Our Goals

UNFCU values our community of stakeholders. Therefore, our impact work is guided by regular input from our employees, members, partners, and the United Nations.

Prior to developing our 2025 Impact Goals, we implemented a robust process of stakeholder engagement to evaluate material topics.

The process included surveys and interviews to receive input on the relative importance of over 15 social, environmental, and governance topics. Building on the formal materiality process conducted in 2019, we continued regular engagement with our community.



Stakeholders who provided feedback for our goals:

50+
internal
stakeholders

32
UNFCU
members

18
external
partners

2025 Impact Goals

We are proud to share our 2025 Impact Goals. We will aim to achieve these 12 objectives between 2020–2025. With these goals, UNFCU can have a direct impact on nine SDGs.

Innovation & Leadership

Goal 1: Elevate sustainability in the credit union industry by educating credit unions on the UN SDGs.

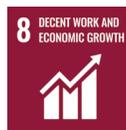
Goal 2: Achieve United Nations Global Compact Advanced Level Communication on Progress.

Goal 3: Create a pathway for vendors to align with the UN SDGs.

Goal 4: Explore impact finance and investment opportunities and guidelines.

Goal 5: Enhance the positive impact of members' financial choices by increasing the number of green share, loan, and investment accounts by **200%**.

Goal 6: Engage staff to act on UNFCU sustainability goals throughout their workday by creating opportunities for awareness and education.



Sustainable Operations

Goal 1: Publish an annual impact report based on progress toward the SDGs.

Goal 2: Ensure that 30% of procurement spend goes to vendors that meet the highest UNFCU rating for sustainability and social impact criteria.

Goal 3: Maintain climate neutrality.

Goal 4: Decrease energy use and associated GHG emissions per member by **25%** relative to a 2019 baseline.

Goal 5: Decrease paper use per member by **50%** relative to a 2019 baseline. Source at least **80%** of purchased paper from certified sustainable sources.

Goal 6: Evaluate opportunities for single-use plastic reduction within direct operations.



Leadership



Impact Leadership



John Lewis
UNFCU President and CEO

Executive Sponsors



Pamela Agnone
Executive Vice President



Prasad Surapraneni
SVP, Chief Information Officer

DEI and CSR



Carlene Alexander
Global Diversity Officer



Yma Gordon-Reid
Vice President Corporate Social Responsibility

Global Sustainability Program Managers



Silvia Baez
Staff Engagement Manager, Lending Operations



Patrick Johnson
General Management Director, Digital Assurance and Productivity Engineering



Tom Kurian
Industry VP, Enterprise Information Security



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Operations Lead Product Manager, Membership



Elisabeth Phillippe
External Affairs Senior Manager, Business Development and Media Relations



Ayisha Trebilcock
Administration Marketing Associate



Contact Us

We welcome your feedback, and we encourage you to follow our progress.

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serving the people who serve the world®

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