



**United Nations Federal Credit Union (UNFCU)**

**UN Global Compact**

**Communication on Progress**

**29 August 2014**

## 2014 UN Global Compact Communication on Progress

### Statement of Continued Support

*By: William Predmore, President/CEO, United Nations Federal Credit Union (UNFCU)*

For the third consecutive year, United Nations Federal Credit Union (UNFCU) has earned an “Active Status” designation from the UN Global Compact for continuing to advance key Compact principles, starting with demonstrating financial safety and soundness. UNFCU effectively managed risk and protected our members’ assets, earning well-capitalized status from the National Credit Union Administration (NCUA) at year-end 2013. Details of our strong financial performance are available at [www.unfcu.org/2013Financials](http://www.unfcu.org/2013Financials).

Beyond our fiduciary responsibility, we strengthened our ties to the UN Global Compact through corporate social responsibility. To date in 2014, we have championed dozens of grassroots programs in partnership with the United Nations, its specialized agencies and NGOs to advance gender equality, human rights and sustainable development. We allied with the World Federation of United Nations Associations (WFUNA) to back a world gathering of youth human rights leaders in Geneva. For the ninth consecutive year, we supported the Kilimanjaro Initiative to provide leadership training for 10 young climbers of Mount Kilimanjaro who were selected for their active roles in improving their disadvantaged communities. We also sponsored and spoke at the UN Foundation’s *Girl Up Leadership Summit* in Washington, D.C. Through our partnership with United Nations Association of the United States of America (UNA-USA), we are raising the visibility of the largest UN advocacy organization in the United States. Over a six-month period alone, we encouraged more than 430 individuals to join UNA-USA. Information about all of the organizations and causes we support is available on [www.unfcu.org/CSR](http://www.unfcu.org/CSR).

To further support our mandate to operate as a good citizen of the world, we are establishing the UNFCU Foundation. The purpose of the Foundation is to fund projects that sustainably reduce poverty, especially among women and children in developing countries, through healthcare and education.

UNFCU’s commitment to protecting the environment is also in line with a key Compact principle. In the last 12 months, we made considerable progress on the energy efficiency of our 16-story, 274,000-square foot headquarters in Long Island City to earn a third U.S. Energy Star Award from the U.S. Environmental Protection Agency. Through a carbon footprint initiative, we achieved carbon neutrality for electricity usage in this space. We are now diligently preparing to seek the prestigious Leadership in Energy and Environmental Design (LEED) certification from the U.S. Green Building Council for our new branch in Washington, D.C. Additionally, we have teamed with UN Greening the Blue focal points to implement additional best practices on environmental conservation at our U.S. branches and representative offices in Europe and Africa.

On the labor front, UNFCU continues to support a comprehensive Diversity Program. This underlines our support in the workplace for the Women’s Empowerment Principles to which we are a signatory. Our 2014 Annual Election to the Board of Directors maintained strong female

representation, and our strategic vision continues to be guided by two-thirds women and a wide variety of ethnicities. We are proud to have a staff who speaks more than 30 languages.

With the teamwork of more than 430 staff and management, as well as member volunteers around the world, UNFCU's dedication to the credit union mission of "people helping people" remains as vibrant today as it was in 1947, the year of our charter. With a legacy of service, democratic cooperative values that encompass member-ownership and transparency, and a shared mission of social responsibility, UNFCU firmly recommits its support of the UN Global Compact.

William Predmore  
President/CEO  
United Nations Federal Credit Union

## Element 2: Actions

### *Commitment to Environment*

Over the past year, UNFCU continued to take action to fully implement its Board's mandate of environmental preservation. As evidence, Management and representatives from our 22-member staff-volunteer Green Team worked with NuEnergen, a local environmental business-consultancy, to more comprehensively manage, track and audit the consumption and cost of energy and gas consumption at our headquarters in Long Island City, New York. As a result of this new reporting and our ongoing evaluations, we this spring achieved carbon neutrality in electricity, as recognized by the U.S. Environmental Protection Agency, EPA. Additionally, we continued to realize energy savings at headquarters through windmill power, namely 100% Electricity Offset with Green-e Certified American Wind in our collaboration with vendor Renewable Choice Energy. A third straight Energy Star award for energy efficiency underscored our progress.

Having achieved LEED, (Leadership in Energy and Environmental Design) Silver Certification in the existing building category for our headquarters in 2010, we are presently preparing to meet the criterion for our 2015 evaluation. To further underline our commitment to the environment, we submitted a formal LEED certification agreement for our new 2,880-square foot branch in Washington, DC, completing requirements Project Summary Details, Occupant and Usage Data, Storage and Collection of Recyclables and Water Use Reduction, just to name a few.

A variety of departments within UNFCU also took the lead on a wide range of go-green projects. Sound management policies implemented over the last year included Procurement's purchasing all general office supplies from a certified Green Vendor. Additionally, any projects that require a Request for Proposal (RFP) will now include questions on going green.

In "walking the talk," we streamlined the use of printers and eliminated extra copiers from our in-house fleet. To reduce fuel costs, our representative offices in Vienna, Austria; Geneva, Switzerland and Rome, Italy now regularly source marketing printed materials and items locally rather than have goods shipped from New York.

Since developing an automated eSign process for our lending documents and also eliminating the printing of five high-use in-branch forms in New York last August, we not only enhanced service to our members, but also reduced paper copying and ink for printing. These developments also saved fuel as materials no longer required postal delivery globally. Our Marketing Department also deployed less direct mail and annual report printed copies for the period. Rather than printing and shipping *Connections* newsletter to members around the world, the member-update is now made solely available online. Similarly, we used more e-Communications and introduced a regular series of interactive webinars to provide updates and information to our members directly.

Further on the greening front, Facilities Management working with our IT Department, studied and improved the flow of air systems in our main IT computer room, plugged gaps and improved cooling. An ultra-violet filtration system was researched and will be implemented to clean

outside air and further limit any potential for mold. A more efficient computer server will go live this fall, as part of UNFCU's continuing efforts to save energy and provide outstanding service.

At UNFCU, we recycle the vast majority of waste materials. At our branches and headquarters, we replaced plastic utensils with flatware. Since our last *Communication on Progress*, a local New York recycling firm removed a total of 3,597 cubic yards of comingled recyclables and 91.72 tons of comingled dry waste, cardboard and other recyclables, including kitchen grease. The latter was used to generate gallons of usable cooking oil for bio-diesel fuel.

According to A&L Recycling, our provider which is licensed by the Department of Conservation, Department of Environmental Protection, New York City Department of Sanitation and the Business Integrity Commission, UNFCU's recycling efforts have saved:

- 1,559 trees
- 642,040 gallons of water
- 733.75 cubic feet of landfill space
- 42,191 gallons of oil
- 376,052 kwh of electricity

To learn more about the extent of the process, the Green Team plans to tour the recycling facility this fall.

With its written policy of environmental stewardship and mission, the Green Team continued to raise awareness among members and staff alike about actions they can take to help protect the planet. To this end on World Environment Day 2014, we conducted an information booth at the UN Green Fair at UNICEF House in New York to promote going green with personal financial management. We welcomed the UN community in Long Island City and our staff to a lunch and learn workshop at our headquarters with presentations from UNDP and UNFPA Greening Focal Points. A photo contest to mark the 2014 UN Year of Family Farming and the worldwide debut of a UN Greening the Blue training video capped the event.

In its third year, our "Eco-friendly Days" held in-branch and representative office on each of the UN observed environment days engaged members on best practices and fast facts on the environment. Staff continues to provide their own innovative ideas to the Green Team's Intranet dashboard with 52 factoids to-date. Our digital signage in-branch at Two UN Plaza displays greening tips for members to consider. Green Team members once again rolled up their sleeves to support the NYC MillionTree plant in Queens, N.Y., our home borough. So that area youth can learn about the local waterways, we provided an education grant to HarborLAB, a non-profit conservation organization, to conduct workshops in schools. The funding will also enable HarborLAB to this year develop Spanish language Go Green materials for our NYC community and complete sonar mapping, topography and vegetation studies of the Long Island City waterway, as well as water quality testing for safety and environmental justice.

To address any environmental-related issues impacting its operations/facilities in the U.S. and abroad, UNFCU has a formal Business Continuity Plan, Disaster Recover site and Emergency Response mechanism to deal with incidents and communicate to members, as well as staff.

We are proud to report meeting all 13 components for the Advanced Communication on Progress' Criterion 9: "The COP describes robust commitments, strategies or policies in the area of environmental stewardship," and Criterion 10: "The COP describes effective management systems to integrate the environmental principles."

### **Commitment to Human Rights**

UNFCU respects the protection of human rights, providing sound working conditions, labor laws/working hours and wages, privacy, health and safety in keeping with the legal requirements of the locations in which we operate: United States, Austria, Italy, Switzerland and Kenya.

UNFCU is committed to gender equality both as a fundamental human right and as a necessary means to reach all other UN Millennium Development Goals. To this end, we sponsored the World Federation of the United States of America (WFUNA's), "Who Wants to be the Next Human Rights Commissioner?" training in Geneva for 40 young human rights advocates globally. Having entered into a formal partnership with the United Nations Association of the United State of America (UNA-USA), last February, we have sponsored this largest UN advocacy organization's Global Classrooms Model UNs for junior and senior high school students with more than 2,500 youth attending from across the U.S. and many other countries.

Over the past year, we also sought to continue to promote human rights through our association with NGO Kenya-based Kilimanjaro Initiative (KI), which saw youth climbers we sponsored from community-based projects in disadvantaged areas of New York City, join with youth in Tanzania and Kenya to ascend Mount Kilimanjaro. The climbers raised awareness about issues facing youth from the need for jobs and ending domestic abuse to greater access to education.

Our Compliance Department has also kept abreast of Human Trafficking issues, which continue to be a growing topic in the global payments arena, as it relates to anti-money laundering.

### **Commitment to Anti-corruption**

UNFCU has actively upheld the UN Global Compact's principle to work against corruption in all its forms, including extortion, bribery and fraud. Ongoing review and understanding of UNFCU's Code of Ethics (the "Code") developed eight years ago, has remained a critical component of on-boarding and training for every employee. Highlights include an Employee Hotline and a Q&A concerning the Code, is posted to UNFCU's Intranet. Refresher training is also a requirement for all staff.

It is the policy of the Board of Directors of the United Nations Federal Credit Union that all UNFCU officials and employees meet and fulfill the requirements and spirit of the law to ensure that UNFCU takes all necessary and appropriate steps to prevent financial crimes of all types, including money laundering, terrorist financing and other illicit financial transactions, and that UNFCU fully complies with all record-keeping and reporting requirements set out in the above referenced laws, rules and regulations.

Last year, we conducted an extensive risk management assessment across the organization of our own accord to review policies and procedures in 12 key areas, including fraud prevention training, member enrollment procedures, social media policy, records retention and our Code of Ethics. Recommendations were discussed and analyzed with measures adopted, as situations warranted.

Our Compliance Department has continued to address ongoing regulatory changes in the financial industry, particularly those imposed by the U.S. Dodd-Frank Act, requirements for banks, credit unions and other financial services companies to offer greater consumer protection – such as the remittance rule which we fully implemented last October.

Our Compliance Team, which gained two new employees plus an additional lending analyst this year, continues to be brought in early to comment on the roll-out of new products/services at the Credit Union. UNFCU upgraded its Office of Foreign Assets Control (OFAC), Bank Secrecy Act (BSA) and Anti-Money Laundering (AML) software, as part of its ongoing efforts to prevent money laundering and meet regulatory standards.

Using a holistic approach, compliance and risk management officers regularly exchange knowledge and ideas through various contact networks: Association of Certified Financial Crime Specialists, Association of Certified Fraud Examiners; Anti-Money Laundering, Audit, Compliance and Fraud Forum, FCPA, Anti Corruption Compliance Group and the Financial Crime Alert. UNFCU continues to work closely with OFAC, a division of the U.S. Treasury Department, and our regulators. The institution also undergoes regular examiner reviews. We received a designation as “well-capitalized” according to our regulator, the National Credit Union Administration, the NCUA, and as disclosed in our audited 2013 financial statements. Moreover, we have consistently achieved this designation. The NCUA also deemed that UNFCU met standards for risk management and regulatory compliance during its last review.

Our focus on prudent and responsible operating practices is protecting our members’ assets, and our business model is providing great assurances of accountability in the form of insured deposits, competitive rates and affordable loans. Guided by good governance and adhering to sound financial management, UNFCU recorded a strong year-end 2013 and exceeded 100,000 members.

Conservative and with a track record of safety, we continued to anticipate and manage risk. Internally, our Risk Management Committee has representation from Information Technology, Consumer Lending, Corporate Investments, Finance, Global Payments, Compliance and Human Resources, as well as the Legal Department and an observer from the Internal Audit Department. The Committee meets regularly, providing opinions and perspectives based on their area of expertise to address any emerging risks at the Credit Union, keeping Management informed. Risk Management reporting also underscores UNFCU’s strong work to monitor, track and continually improve upon its existing policies and procedures.

Moreover, we used existing risk models to calculate any additional risk scenarios, providing a framework for Risk Management procedure. Our Enterprise Risk Management area and Financial Modeling Team works together on modeling approaches. Managers continue to stay

abreast of developments through ongoing dialogue with other institutions, participation in risk webinars and review of risk management publications.

To mitigate risk for our members, we offer card based term life insurance, stop-gap global life coverage and fleet insurance for the UN system. At the end of July, members from 151 countries were availing of the credit and debit-based term life insurance solution, which provided USD 675,300,000 in coverage. Our credit union subsidiaries in Europe works with the Principles of Responsible Investment (PRI) and together with our Investment Centre in New York, provided members with information about social responsibility fund options within the context of diversifying investment portfolios and reducing overall risk. Our website also includes regular updates and webinars on financial management best practices.

### **Support of the UN Millennium Development Goals (Commitment to Partnerships)**

Our commitment to the UN MDGs and Post-2015 Development Agenda was very much evident in our corporate social responsibility programs conducted last past year. In September, William Predmore, our President/CEO, took part in the UN Global Compact's Private Sector Forum 2013 on Africa, lending his perspective on the power of cooperatives to this kick-off to the UN General Assembly. While visiting the UN duty station in Monrovia, Liberia, he and a UNFCU delegation met with young women from the local UNICEF-run UN Foundation *Girl Up Program*.

This spring, Pamela Agnone, senior vice president of Retail Services, addressed UN Foundation's 2014 Girls Leadership Summit in Washington, D.C., and shared her views with more than 150 young women on how each can be bold, become empowered and reach their goals through financial literacy.

### **Following are other highlights for the past year, which underscore our progress on sustainable development, now also featured on our website:**

- Our sponsorship of the Youth Program at the 65<sup>th</sup> Annual UN DPI / NGO Conference in New York enabled young people to gain insight from the international community on poverty eradication.
- To mark the [UN International Year of Water Cooperation](#), we funded the development of a new, [UNESCO](#)-led online collaboration project with nine schools globally to help 270 high school students understand the importance of environmental preservation.
- We organized a drive of school supplies at our headquarters and NY branches to further children's education in Haiti in partnership with the UN Staff Recreation Council in New York.
- We marked the International Day for Sport, Development and Peace with a vote on social media to acknowledge and reward NGOs working to create positive educational outcomes for youth, namely Play Soccer Non-profit International, Globalbike, Fight for Peace and Kilimanjaro Initiative.
- We contributed to [UN Foundation's](#) Girl Up program in Liberia to fund girls' education and support safe spaces.
- We raised awareness about UN Women's [Orange the World Say NO to Violence Against Women and Girls](#) via staff-wide participation and social media outreach.



- Support of the African Fistula Foundation, a hospital and re-integration training center in Nigeria, assisted nearly 200 fistula patients as part of [UNFPA's Leadership Program to End Fistula](#).
- We collaborated with [UN Women](#) on its [WAGGGS](#) (World Association of Girl Guides and Girl Scouts) initiative that helped launch "Stop the Violence: Speak Out for Girls' Rights" training made available to 10 million Girl Scouts and girl guides in 145 countries.
- [IAEA PACT](#) (Programme of Action for Cancer Therapy's) Model Demonstration Sites obtained funding to raise women's awareness about cancer prevention, as well as nurses training and cancer treatment in developing countries.
- Our support enabled [BPeace](#) (Business Council for Peace) to further its programs for entrepreneurs in El Salvador and also develop Sales Training guides for women-run businesses in four countries. We were proud that a young owner of a publishing house for children's textbooks in Guatemala earned the 2013 Cartier Women's Initiative Award. UNFCU staff also volunteered at this New York City-based non-profit, providing their marketing expertise.
- Our donation last year to [HUNGER RUN](#) in Rome, Italy has benefited several communities in the Horn of Africa affected by drought and our five-year partnership continues with new funding this fall.
- With Nairobi-based partner NGO [Kilimanjaro Initiative](#), we have provided leadership training to at-risk youth from community programs in New York City and East Africa, bringing the total to 100 young people; many from the slums of Kibera. [View our 2014 press release](#).
- Working with the [UN Office on Drugs and Crime](#), we funded programs which raised awareness about HIV/AIDS prevention on World AIDS Day.
- All proceeds from a 2014 UN Women's Guild-NY's calendar, designed by a UNFCU staff member, benefited children's causes globally.
- Our funding of [Earth Child Institute](#) led to the expansion of its website's interactive capacity and ability to continue to work with Global Action Classroom teams in Ghana, Nigeria, the United Kingdom and Brazil to teach children about environmental preservation.
- Our support of [The Floating Hospital](#) headquartered in Long Island City, N.Y., helped families living in domestic violence, safe houses, and homeless shelters obtain needed health services.
- The [UNFCU Green Team](#) continues to engage our members and local Long Island City, N.Y., community on going green with personal financial management and Green Markets. [Read the latest coverage](#) and visit us on [Facebook](#) to view our Green Team photos.

### Element 3: Measurement of Outcomes

#### *Environment*

- **Carbon Footprint Initiative:** With the development of a formal, strategic plan and a year's worth of data on electricity, water and gas usage entered into our Dashboard, we will seek to define success. We will also explore new ways to offset and reduce our carbon footprint in the areas of paper consumption, water and fuel/travel. Measuring against standard environmental metrics and key benchmarks, UNFCU will strive to achieve carbon neutrality in addition to energy, attained earlier this year.
- **Vendor Management Reporting on Greening:** We will further engage vendors/third parties to share new ideas and also gain insight from thought-leaders representing companies large and small, including other cooperatives. Based on this information, we will endeavor to make ongoing improvements to our greening practices and policies. All new vendors will inform us whether their organizations have adopted a greening approach and if so, to what extent. We will continue to source locally when possible with local printers and merchants to reduce the cost of fuel/transportation to ship materials.
- **Green Team:** Having announced its planned initiatives for the year, the team will align activities more closely around sustainable development initiatives to advance the UN MDGs and Post-2015 Development Agenda, as well as analyze UNFCU's carbon footprint with the aim of continuous improvement across the board. To this end, we will produce a Corporate Social Responsibility stand alone report to document our results. Moving beyond volunteerism, team members' contributions will be included in performance evaluations.
- Moreover, Green Team members will become "Greening Ambassadors," writing news articles on sustainable development themes for our Intranet, participating at UN fairs/events, industry conferences, and organizing another comprehensive World Environment Day program for our local community. Now, with Green Team representation from all four of our representative offices located in Switzerland, Italy, Austria and Kenya, we will leverage colleagues' understanding of European and African best greening practices across our activities. Working with UN/agency Greening focal points and as a UN affiliate, we will look to formally become a member of UN Greening the Blue -- based on our innovation and achievements. We will continue to leverage social media to promote further engagement on greening via surveys, questions and stories with links to UN/NGO activities.
- **Environmental Preservation:** In September, obtain LEED Certification for our branch in Washington, DC, which opened in June 2014. Similarly in 2015, seek greening initiative awards for our newly-expanded representative office in Nairobi, Kenya and for two UNFCU branches coming soon to the United Nations and the United Nations Secretariat Building in New York, respectively.

#### *Labor*

- **Women's Empowerment Principles:** Participation in UN Women-UN Global Compact events will enable UNFCU to learn more from leaders and contribute practical

examples. We plan to continue to align with organizations that seek to improve gender equality and champion women's financial events/seminars.

- We will:
  - Continue to promote Wellness throughout UNFCU via tailored programs on fitness and workshops on health and nutrition.
  - Undertake staff-educational programs on Preparedness training in anticipation of natural disasters and other personal emergencies.
  - Seek to attain a stronger rate of participation in Advanced Best Program, and increase the graduation rate by 10%.
  - Implement a country specific benefits section of our Intranet.
  - Introduce Balanced Scorecard methodology and practices as a tool for the organization to measure the achievement of strategic objectives.

#### *Anti-corruption*

- Risk Management will encompass qualitative data in addition to rules and regulations. New self-assessments for compliance will serve to heighten awareness about fraud. We will also continue to review our Cyber Policy and conduct additional training on implementing crisis strategy.
- Educational workshops, webinars and video broadcasts on a range of topics fully align with our service mission. As identity theft remains a global concern, we will continue to offer member-protection with information sessions and updates to our online Security Center.

#### *Human Rights*

- Through our social responsibility we will continue to promote women's empowerment, education against gender-based violence, HIV and AIDS prevention, reproductive health, literacy and nutrition, sustainable development and peace education.
- The new UNFCU Foundation, will advance human rights, working with several grassroots organizations in developing countries that are increasing women's education and understanding of their individual rights at home and in society as a whole. We will offer case studies in our forthcoming *Communication on Progress*.

#### *UN MDGs*

- We will in 2015, formally launch the UNFCU Foundation, and in this way, sustainably reduce poverty, especially among marginalized women and children through health care and education. We will also report with metrics on what our funding has accomplished on-the-ground.

- We will champion the Post 2015 Development Agenda broadly across UNFCU departments - in collaboration with our sponsor and as a Green Team objective.
- We will seek to participate in more **UN Global Compact Network** events globally to offer our perspective and exchange ideas with partners.

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