



United Nations Federal Credit Union (UNFCU)

UN Global Compact

Communication on Progress

29 August 2015

Element 2: Actions

Commitment to Environment

“Members have the confidence and satisfaction that the Credit Union conducts its business as a good citizen of the world. UNFCU has a positive impact on environmental preservation and resource conservation.” As UNFCU’s corporate governance statement outlines, sustainability is an integral part of its social responsibility and an extension of its service mission. Over the past year, our alignment with the UN’s aims to combat climate change has never been stronger.

We continued to manage, track and audit the consumption and cost of energy and gas at our headquarters and disaster recovery site, specifically reporting on electrical, water and energy use quarterly as a way to continually reassess and reduce emissions. Additionally, based on our continual evaluations and ongoing work to improve efficiencies at our headquarters in Long Island City, UNFCU applied for Leadership in Energy and Environmental Design (LEED) recertification in the “Silver” category/existing buildings. Following U.S. Environmental Protection Agency (EPA) guidelines and U.S. Green Building standards, UNFCU is also working to obtain LEED certification for its 2,880-square foot branch in Washington, D.C. Signage with features that reference sustainability appear throughout the facility as a way to engage members. Moreover, we are adhering to all United Nations standards in the construction of our new branch in the United Nations Assembly Building in New York that will open in September 2015. As for the expansion of our Nairobi Representative Office, we evaluated material sourcing and the environmental impacts of assets among our best practices.

UNFCU’s Facilities Management Team continues to research and test the latest technologies, including the possible use of energy cells, solar panels and intake fans, as well as the installation of additional LED lights throughout the building. In the interim, we continued to realize energy savings at headquarters through wind power, namely 100% Electricity Offset with Green-e Certified American Wind in our collaboration with vendor Renewable Choice Energy. As a result, our headquarters and recovery site facilities continue to be carbon neutral in electricity meeting EPA standards.

A fourth straight Energy Star award for energy efficiency also underscored our progress. Having completed an IT Efficiency Study through Con Edison’s New York State Energy Research and Development Authority (NYSERDA) Program, UNFCU recently installed more efficient servers and has been working to reduce power consumption and emissions. Local schools, not landfills, received the vast majority of our printers and electronic devices when no longer needed.

With the UN Secretary-General’s call to commitment to climate change, UNFCU moved ahead on a 5-Year Sustainability Roadmap. We identified core sustainability topics, which brought together perspectives from across the organization, in an initial sustainability materiality assessment based on Global Reporting Initiative (GRI) Sustainability Reporting Guidelines and industry review that was conducted by an environmental consultancy. We look forward to providing our stand-alone report on how we are making a difference and working to shape a sustainable future in our next *Communication on Progress*.

A main driver of UNFCU’s greening growth, the staff-volunteer Green Team evolved considerably over the past year. Its activities solely focus on the post-2015 Sustainable Development Agenda and for this reason, the Green Team is now called the UNFCU Global Sustainability Program.

Having participated in the UN Global Compact's Sustainability Conference in New York as well as in meetings with UN greening focal points, including the World Bank's Global Sustainability Program in Washington, D.C., UNEP's Climate Neutral Officer in Nairobi and its Sustainable UN Coordinator Sustainable Lifestyles, Cities and Industry Branch in Geneva, UNFCU gained knowledge and shared best practices. We are proud to have been invited to participate in the Greening the Blue Conference in October 2015 and look forward to reporting on our business operations and their environmental impact.

Greening Highlights:

- Supports GRI guidelines for all demolition, construction, HVAC and lighting requirements, recycling materials, promoting cleaner air and utilizing less energy.
- Recycles 85% of waste material, including cafeteria-cooking grease.
- Reports electrical, water, energy use quarterly as a way to continually reassess and determine means to further reduce emissions and/or purchase offsets/carbon credits.
- Implements questions on greening requirements for all new vendors to respond to and provide examples of their greening policies and practices via Requests for Proposal.
- Promotes eSign for lending documents and use of eStatements among its more than 113,000 members, achieving a high rate of adoption at 56%, well-above financial industry standards. By converting four critical paper forms to online equivalents, we are achieving a reduction of 94,000 eNotices annually.
- Assesses opportunities to reduce printing and mailing of up to five types of mortgage documents through eStatus.
- Adopts a culture of energy conservation at our headquarters, branches and representative offices, including recycling, turning off lights, shutting down computers at day's end, use of mass transit, conducting lunch and learns on greening and maintaining Intranet dashboard with eco tips and information.
- Conducts video or teleconference services whenever possible, using iPads and conference rooms with screens.
- Uses green procurement guidelines for IT purchases, modeled after UN guidelines.
- Sources locally when possible with local printers and merchants thereby saving transportation/fuel.
- Encourages staff's active participation in the Global Sustainability Program to raise awareness across the organization about environmental best practices. Moving beyond volunteerism, team members' contributions have been included in performance evaluations.
- Leverages social media to promote further engagement on greening via surveys, questions and stories with links to UN/NGO activities.
- Uses more e-Communications and interactive webinars to provide updates and information to our members directly.
- Participates in UN Green Fairs and conducts Eco-Friendly Days on personal financial management at its branches and representative offices on UN Observed Days on the environment. Engaged members through questionnaire on their "Best Greening Ideas;" 25 suggestions received on World Environment Day last year.

Additionally, Royal Waste, a local firm providing waste management and recycling services, removed a total of nearly 63 tons of recyclable wet waste from UNFCU's Long Island City, N.Y.-based headquarters in 2014; and 34 tons of recyclable wet waste through the first six months of 2015. This included waste that was used to generate gallons of usable cooking oil for bio-diesel fuel. Our provider also removed more than 64 tons of dry waste, which included cardboard and other recyclables, from our HQ facility in 2014; and more than 33 tons through 30 June 2015.

To address any environmental-related issues impacting its operations/facilities in the U.S. and abroad, UNFCU has continued to maintain and update 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 pleased to once again report advancing on 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." Working closely with UN partners, we plan to continue to raise the level of our commitment to our external stakeholders in the year ahead.

Commitment to Human Rights

As a financial cooperative headquartered in the United States and with representative offices in Austria, Switzerland, Italy and Kenya, UNFCU policies underline the protection of human rights, provision of sound working conditions, labor laws/working hours and wages, privacy, health and safety in keeping with the legal requirements in these countries.

Our commitment to gender equality and women's empowerment, both as a fundamental human right and as a necessary means, is further reflected through UNFCU's launch last February of [UNFCU Foundation](#), an independent, 501 c(3) non-profit organization, which funds grassroots projects to empower women and young girls through education and healthcare initiatives. Causes the UNFCU Foundation supported in 2015 included livelihoods training for 50 women in Afghanistan through NGO Women for Women International; and financial literacy for women and girl refugees in Ethiopia, as part of UN Foundation Girl Up's Program with UNHCR. Additionally, the Foundation's partnership with UNFPA's Campaign to End Fistula's Fistula Foundation Nigeria has provided social re-integration for persistent obstetric fistula patients, helping to promote human rights.

In Tanzania through the Foundation's support of UNESCO's Malala Fund, the achievement has been to sensitize local communities to make the right choice of investing in girls' education; 850 girls are participating in 30 new safe spaces complete with mentoring and literacy programs, where some 200 boys are also benefitting.

Over the past year, our association with NGO Kenya-based Kilimanjaro Initiative (KI), saw 10 youth climbers we sponsored from community-based projects in disadvantaged areas of New York City, join youth in Tanzania and Kenya to ascend Mount Kilimanjaro. The climbers once again increased awareness about issues facing youth, from the need for jobs and ending domestic abuse to greater access to education.

For the second consecutive year, UNFCU sponsored the [World Federation of United Nations Associations](#) (WFUNA), “Who Wants to be the Next Human Rights Commissioner?” training in Geneva for 36 young human rights advocates globally. We also furthered our partnership with the [United Nations Association of the United States of America](#) (UNA-USA) by supporting this largest UN advocacy organization’s Global Classrooms Model UN for junior and senior high school students at the U.S. State Department in Washington, D.C. More than 900 youth participated from across the U.S. and many other countries, with human rights at the center of their discussions.

Commitment to Labor

Since our last *Communication on Progress*, UNFCU is in the process of developing a new Diversity Program for staff to not only leverage their existing multi-cultural talents, but also include training on inclusion and cross-cultural awareness. This initiative will ensure that diversity, which continues to be organically grown at UNFCU, remains an integral part of our business and recruiting process; 61% of the managers at UNFCU are female, as of August 2015. As an equal opportunity employer, UNFCU’s workplace policies and practices are free from all types of discrimination, including gender as well as disability-based. We espouse the mission of promoting education, training and professional development for women as a signatory of the *Women’s Empowerment Principles*. UNFCU continues to improve upon its Career Development Programs and hopes to expand the number of participants taking part in the coming year.

Our Board of Directors continues to be comprised of a majority of females, as a result of the Annual Election to the Board of Directors last June. We continue to work with partners who mirror our gender-equality values, such as JRT Realty, the largest woman owned commercial real estate firm in the United States. Overall, UNFCU follows local rules and regulations when it comes to working with unions.

To measure the achievement of the organization’s strategic objectives as a whole, UNFCU also introduced a Balanced Scorecard methodology that will be fully implemented in the year ahead. Teams from across the organization weighed-in on its scope, content and benchmarks.

As “Achieving Success Together” is a core value at UNFCU, our employee-driven Sales & Service Award continued to provide opportunities for the Credit Union to recognize top achievers and for staff to become integrally involved in the process. A woman once again won the institution’s highest honor – the President’s Award -- which is based on a nomination and selection by her peers, as well as past winners.

As of July, 90% of staff was certified in “Connect the Best,” service training. Additionally, several high-achievers received Advanced Best awards. Last year, the organization undertook a thorough analysis of its job functions based on industry standards and reviewed compensation, accordingly. Employees continue to receive annual reviews as a measure of performance based on standardized performance metrics within the financial services industry.

At UNFCU, continuous learning optimizes staff performance, builds confidence and furthers career growth. To this end, employees received additional formal, ongoing training in a wide range of subject areas, including Security Awareness, Respect in the Workplace and Sexual Harassment training, Coursework in Conflict Resolution in the Workplace and Performance training, Product Mastery, Managerial, Bank Secrecy Act (BSA), Effective Budgeting and Vendor Management programs. Many staff members also regularly attended industry conferences, take free Rosetta Stone languages classes, webinars, online training and in this

way, remain up-to-date in their areas of expertise – from international payments systems to fraud prevention.

True to the Women's Empowerment Principles, UNFCU ensures the health, safety and well-being of all women and men workers. To this end, we continued to update the Benefits portal to our Intranet site to provide staff with easy, secure access to their personal information and a menu of service options. Next year, UNFCU will introduce a Premium Differential Program, which rewards staff for their taking action on preventative care visits. In this vein, we placed greater emphasis on Wellness Initiatives to encourage a healthy workforce. Subject matter experts regularly conducted courses on diet, physical fitness/strength training. Staff participation in our Wellness Program remained consistent at 63% over the last 12 months. Weight loss contests, Ergonomics programs, onsite indoor cycling classes and a UNFCU Running Club further exemplified our fitness movement and dedication to a healthy and productive workforce.

Our Elder Care Program, which we provide through a retained resource, assisted more employees than a year ago. In addition to tuition reimbursement, UNFCU's benefits package includes Flexible Spending Accounts, Defined Benefit Pension Plans and a 401(k) retirement plan with an employee match; staff participation continues to be above the national average.

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 nine years ago, has remained a critical component of onboarding and training for every employee. Refresher training on the Ethics Code continued to be a requirement for all staff.

Is the policy of the Board of Directors (Board) of the United Nations Federal Credit Union (UNFCU) 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. UNFCU also complies with the Foreign Corrupt Practices Act and last year, reported no abuses or findings.

Having conducted an extensive risk management assessment across the organization of our own accord to review policies and procedures in 12 key areas, we implemented additional training on fraud prevention, member enrollment procedures, social media policy, records retention and our Code of Ethics.

Moreover, we developed new self-assessments for compliance, which heightened awareness about fraud and conducted training sessions for all staff at our headquarters, branches and representative office locations. In reviewing our Cyber Policy, we conducted further training on implementing crisis strategy. Offering educational workshops, webinars and video broadcasts on a range of topics fully aligned with our service mission.

Our Compliance Department has continued to address ongoing regulatory changes in the financial industry, particularly those imposed by the Consumer Financial Protection Bureau. This has enabled UNFCU to comply with new regulations, such as the Remittance Rule and new regulations in the mortgage and lending areas.

Internally, we introduced additional mandatory training programs for all managerial staff on fraud and other anti-corruption policies and programs within UNFCU and our business operations. This year, security training also was made available through our Intranet. UNFCU continued to administer its Office of Foreign Assets Control (OFAC), Bank Secrecy Act (BSA) and Anti-Money Laundering (AML) training to all staff as requirements.

Our compliance and risk management officers regularly exchange knowledge and ideas through various contact networks. By joining with industry peers and other stakeholders, we have scaled up anti-corruption efforts, working with the 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 liaise regularly with OFAC and our regulators to assure quality control.

Moreover, we continued to use existing risk models to calculate any additional risk scenarios, providing a framework for Risk Management procedure. Managers continue to stay abreast of developments through ongoing discussions with other institutions including the Department of Homeland Security, participation in risk webinars and review of risk management publications.

With an ongoing track record of financial safety and soundness, 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 continued to meet 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, especially regarding the introduction of new products/services.

Our Compliance Team also gained a new employee and our AVP of Compliance was recently named to the New York Chapter Board of the Association of Certified Financial Crime Specialists.

To mitigate risk, members can avail themselves of card based term life insurance, stopgap global life coverage and fleet insurance for the UN system. At the end of July 2015, nearly 4,000 members from 149 countries were using the credit and debit-based term life insurance solution, which provided \$685 million in coverage. We work with the Principles of Responsible Investment (PRI) and provide members with information about social responsibility fund options within the context of diversifying investment portfolios and reducing overall risk.

We continued to introduce additional secure forms, both as a means to further eliminate paper and provide greater convenience for our members. With new online channel capabilities launched over the past 12 months, members may securely submit information to our Call Center and upload loan documents to our Lending Department via computer, phone or tablet. Internet and Mobile Banking are of the highest industry standards.

Taking Action in Support of Broader UN Goals and Issues

Over commitment to the UN MDGs and Post-2015 Development Agenda was very much evident in our corporate social responsibility programs. The establishment of UNFCU Foundation last February served as a highlight – not only of collaborating with various UN agencies and NGOs on advancing women’s empowerment, but also towards assisting humanitarian relief efforts in Nepal.

Partnering with UN Foundation, we provided remarks at the Girl Up Leadership Summit in Washington, D.C., which engaged 225 young women from the U.S. and 11 countries on how human rights advocacy is making a difference in the world.

UNFCU also sponsored several activities with the [United Nations Association of the United States](#), specifically: [UNA-New York Chapter’s](#) UN Day Humanitarian Awards, which honored advocates for women’s empowerment; [UNA National Chapter’s](#) Young Professionals UN Career Dinners in Washington, D.C.; its Inter-Generational Conference on the UN MDGs at Johns Hopkins University in Baltimore, Maryland, and Humanitarian Awards.

With [United Nations International School](#), UNIS-NY, we helped support its UN International Student Conference on the theme of Sustainability, which was attended by 350 students, faculty, parents and UN/agency speakers at the UN General Assembly in New York.

Additional Partnerships and Collective Action

- Contributed to the [Khaled Hosseini Foundation](#), which through UNHCR funded the building of permanent homes to provide lifesaving shelter to Afghan families.
- Supported an [FAO](#) women’s empowerment sustainable development project in Burkina Faso to mark the 2014 UN International Year of Family Farming and the [World Food Day Observance in the United States](#).
- Our sponsorship of the [IAEA Women in Nuclear](#) Conference in Vienna this August enabled women from developing countries to visit IAEA sites and gain hands-on knowledge from experts.
- [IAEA PACT](#) (Programme of Action for Cancer Therapy’s) Model Demonstration Sites in developing countries obtained funding to raise women’s awareness about cancer prevention and treatment.
- 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 110 youth; many from the slums of Kibera.
- Working with the [UN Office on Drugs and Crime](#), we funded programs, which raised awareness about HIV/AIDS prevention on World AIDS Day in Vienna and in developing countries.

- Organized a photo contest for members of UN Photo Clubs, who contributed images marking the 2015 UN International Year of Light and “What the UN Means to Me,” which focused on the UN MDGs. Photos will be on display at UNFCU’s newest branch at the United Nations Assembly Building.

Element 3: Measurement of Outcomes

Environmental Preservation

- Measuring against standard environmental metrics and key benchmarks, UNFCU will strive to achieve carbon neutrality in addition to energy, attained earlier this year.
- Complete our 5-Year Sustainability Roadmap and benchmark impact to stakeholders (internal and external); include report with *Communication on Progress*.
- Obtain LEED recertification for our headquarters in Long Island City, N.Y., and for our branch in Washington, D.C.
- Continue to limit paper, striving for a reduction in unnecessary printing of forms and other marketing materials.
- Participate in at least three greening events/activities with local Greening the Blue partners and report on outcomes.
- Continue to require that new vendors disclose their sustainability initiatives.
- Source the majority of our marketing materials locally.
- Launch an educational greening video for staff about the new UNFCU Global Sustainability Program.

Labor

- Seek to develop a formal [Human Rights Policy](#) to reference relevant international labor standards.
- Develop diversity programs, for example, Vendor Diversity.
- Take part in [Women’s Empowerment Principles-UN Global Compact](#) events and contribute thought-leadership.
- Develop a country-specific Benefits Section of our Intranet for UNFCU representative office staff.

Anti-corruption

- Develop a statement of support for the [UN Convention against Corruption](#).
- Review the UN Global Compact's "[Anti-corruption Call to Action Hub](#)" to foster effective governance for a sustainable and inclusive global economy; scale up efforts and strengthen business practices.
- Develop an educational video on "Best Practices in Security/Fraud Management.
- Introduce a chip and PIN debit card, offering technology to ensure the highest degree of security, as well as convenience.

Human Rights

- The UNFCU Foundation will advance human rights, working with additional grassroots organizations in developing countries and New York's inner city to fund projects that will increase women's access to education (literacy and livelihoods training) and understanding of their individual rights at home and in society as a whole.
- Through UNFCU's social responsibility, we will continue to support WFUNA and UNA-USA to advance human rights leadership.
- Seek participation at the UN Global Compact's 2015 United Nations Forum on Business and Human Rights, taking place on 16 November in Geneva.

Broader UN Goals/Sustainable Development

- Champion the Post 2015 Sustainable Development Agenda broadly across our organization and via the UN Community page on our website. In collaboration with our sponsor, we plan to participate in events, such as UN-HABITAT World Food and World Inner Cities Day and present at the Global Sustainability Conference "Issue Management Group" in New York with Greening the Blue focal points.
- Engage in more **UN Global Compact Network** events globally to offer perspective and exchange ideas with partners.

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