



United Nations Federal Credit Union (UNFCU)
2016 UN Global Compact
Communication on Progress

Element 2: Actions

Commitment to Environment:

In the last 12 months, UNFCU made significant progress, acting on its Board's mandate to have a positive impact on environmental preservation and resource conservation. During the period, our Global Sustainability Program (GSP) became a movement and we further integrated UN Compact principles into our operational practices. We specifically took aim on our carbon footprint, developing and implementing a 5-Year Sustainability Plan that established key baseline metrics for our operational facilities. We conducted inventories on Greenhouse Gas (GHG) Emissions, (categories included natural gas, oil, electricity, steam and business travel), drew competitor comparisons and worked with a sustainability management consultant from Maple Collaborative to review materiality assessments based on Global Reporting Initiative (GRI) and Sustainability Reporting Guidelines. Our energy usage in our facilities that have been fully operationally controlled since 2013 has already been reduced 2%. Our rigorous internal GHG assessment addressed efficiency improvements, as well as purchased GHG offsets. We are on track to achieve carbon neutrality, and will provide an update on our Sustainability Reporting in our 2017 *Communication on Progress*.

Highlighting the year was the development of new Sustainable Travel Guidelines. These led with the following statement:

UNFCU is committed to protecting the environment and proactively conserving the world's resources. True to its sponsor and Board mandate, we established a Global Sustainability Program. As a member of the UN Global Compact, UNFCU recognizes that it must demonstrate leadership within the Credit Union Movement and align with the UN Sustainable Development Goals. We understand that travel, while characteristic of our business of serving members globally, has a direct impact on communities and the environment. We are dedicated to encouraging the use of more sustainable forms of transportation and promoting our Green travel policy initiatives across the organization.

Completed ahead of schedule by cross-functional UNFCU GSP teams, these guidelines provide our organization with a range of considerations, from Eco- transportation and Green/LEED certified accommodations, to calculators that compared the energy consumption, CO2 emissions and other environmental impacts for transport by planes, cars and trains. Additionally, we developed a Request for Proposal, RFP, for travel agencies that focuses on sustainability and details our requirements.

We reviewed our member communications, evaluating more than 100 documents with the goal of delivering more electronic communication. We continued to reduce the printing of our marketing materials and Annual Report. Members continued to use our various secure online forms, including eStatus in lieu of paper, to submit their mortgage documents. With the launch of Intelligent UNFCU ATMs in New York and Washington, DC this year, our members can deposit USD cash or checks without an envelope or deposit slip. In 2016, more UNFCU members voted online than ever before to elect their Board of Directors. Similarly, an eStatements campaign will take place this fall with adoption already trending above 60%.

We used green procurement guidelines for IT purchases, modeled after the United Nations' Greening the Blue best practices, and have begun research on a Sustainable Procurement Policy to achieve greater resiliency and responsibility. In 2015, UNFCU purchased 71% of our paper from certified sustainable sources.

UNFCU GSP also produced an informational [video](#) on our greening approach that has been broadcast at UN sustainability events, receiving more than 500 views as of 1 August. Moreover, we continued to conduct Eco-friendly Days at our branches and representative offices to mark UN observances on the environment, engaging our community with greening tips and strategy.

Our work with local networks saw UNFCU GSP making presentations with UN/agency Sustainability Officers, notably the Global Sustainability Conference “Issue Management Group” in New York that were attended by Greening the Blue focal points from around the world. Additionally, we interacted with several hundred participants at the UN Green Fair at our desk on “Going Green with Your Financial Management.” By purchasing offsets, we made the United Nations Environmental Programme (UNEP) Sustainability Conference, which took place in Nairobi on the occasion of World Environment Day, a Carbon Neutral event.

On our internal front, UNFCU's Facilities Management Team worked with the U.S. Environmental Protection Agency (EPA) and U.S. Green Building Council (USGBC) to obtain the Energy Star Award and LEED Silver certification for our 2,880-square foot branch in Washington, D.C. For the fifth consecutive year, UNFCU earned an Energy Star award for energy efficiency for our Long Island City, NY-based headquarters. We anticipate that LEED re-certification for our HQ will be completed by the next reporting period, and have already reported key metrics to USGBC, among these: Occupant and Data Usage, Alternative Commuting Transportation, Heat Island Reduction, Sustainable Purchasing and Management Policy, Solid Waste Management, Green Cleaning Policy/High-Performance Cleaning Program and Best Management Practices to Reduce Particulates and Increase Ventilation.

Last September, UNFCU opened a new branch at the UN General Assembly Building in New York, adhering to all United Nations standards in construction. We also completed the expansion of our Nairobi Representative Office, having first evaluated material sourcing and the environmental impact.

As part of our long-term IT strategy, UNFCU continued to use more efficient servers with virtualization, hot and cold aisle cooling, as well as Blade Server to reduce power consumption and emissions. Our culture of energy conservation at our headquarters, branches and representative offices, included recycling, turning off lights, shutting down computers at day's end, use of mass transit and biking. We conducted more video and teleconferences using WebEx to reduce transportation emissions, and are currently testing the use of efficient virtual desktops at workstations to replace desktop computers.

Working to achieve further energy reductions at our Long Island City, NY-based headquarters, the UNFCU Facilities Management Team continued to research and test the latest technologies, including the possible use of energy cells, solar panels and intake fans. Additional LED lights were installed throughout our New York headquarters. We continued to realize energy savings at headquarters through wind power, namely 100% Electricity Offset with Green-e Certified American Wind in partnership with vendor Renewable Choice Energy. As a result, our headquarters and recovery site facilities continue to be carbon neutral in electricity, meeting EPA standards and efficiencies to achieve strategic value.

Additional Greening Highlights Achieved Last Year:

- Used more e-Communications and interactive educational webinars to provide updates and information to our members directly. Our 2015 webinar series drew more than 27,000 views.
- Supported GRI guidelines for all demolition, construction, HVAC and lighting requirements, recycling materials, promoting cleaner air and utilizing less energy.
- Conducted a panel discussion with recycling/sustainability experts at our headquarters on World Environment Day
- Continued to recycle 85% of waste material, including cafeteria-cooking grease.
- Cultivated an herb garden; produce from which is used at our cafeteria.
- Reviewed questions from all new vendors to respond to and provide examples of their greening policies and practices via Requests for Proposal to enhance our sustainable, ethical supply chain while also deriving high-quality benefits and performance.
- Changed the expiration date (4 years instead of 3 years) on Visa cards, which can cause less down stream waste.
- Eliminated the use of three member notifications, replacing documents with online alternatives.

- Grew the staff Global Sustainability Program to 29 members. Team members' contributions have been included in performance evaluations.
- Updated our Intranet dashboard with greening news, tips, events/UN observances.
- Leveraged social media to promote further engagement on greening via surveys, questions and stories with links to UN/NGO activities.

Our waste management and recycling services firm removed a total of nearly 68 tons of recyclable wet waste from UNFCU's headquarters in 2015 and 34 tons of recyclable wet waste through the first six months of 2016. This included waste that was used to generate gallons of usable cooking oil for bio-diesel fuel. More than 69 tons of dry waste, including cardboard and other recyclables, was removed from the facility in 2015; more than 36 tons through 30 June 2016.

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 the Sustainable Development Goals and our operational environmental-efficiencies in the year ahead, led by carbon neutrality.

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 continued to 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 the launch in February 2015 of [UNFCU Foundation](#), an independent, 501 (c)(3) non-profit organization sponsored by UNFCU. The mission of the Foundation is to sustain a path out of poverty through education and healthcare for women and children in developing countries and New York. In its first year of operation, the Foundation funded five causes that benefitted 1,900 youths and 977 women in five countries across three continents. In 2016, we are supporting 12 causes positively impacting more than 10,000 women and youth.

For the third consecutive year, UNFCU also 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 36 young human rights advocates globally. Additionally, we participated at the UN Global Compact's 2016 United Nations Forum on Business and Human Rights, which took place in Geneva last November. We furthered our partnership with the United Nations Association of the United State of America (UNA-USA) by supporting this largest UN advocacy organization's Global Classrooms Model UN held at the State Department in Washington, DC. The event, organized by UNA's National Chapter for junior and senior high school students, drew more than 800 youth from across the United States and several developing countries. At the center of the discussions was the topic of human rights.

Human Trafficking issues, which continue to be a growing topic in the global payments arena as it relates to anti-money-laundering, are monitored by our Compliance Department.

Commitment to Labor

Since our last Communication on Progress, we implemented a Balanced Scorecard that is measuring the achievement of the organization's strategic objectives as a whole. UNFCU's new Diversity Initiative is also well underway. Having conducted a Diversity and Inclusion Survey, focus groups and interviews to further understand our culture, we are now working to establish strategy and action plans. Our diversity initiative leverages staff's multi-cultural backgrounds, and will provide training on inclusion and cross-cultural awareness.

Diversity continues to be organically grown at UNFCU and remains an integral part of our business and recruiting process. 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. Each year we partner with a third party to update our Affirmative Action Plan, which highlights recruitment, training and promotion that provide a transparent view of opportunities for employees and their progression within the organization. We plan to reasonably adjust the physical environment to ensure health and safety for employees, customers and other visitors with disabilities.

UNFCU is evaluating several eLearning programs that will provide staff with additional information on respect in the workplace, non-discrimination policies and practices, including disability awareness. We have organized unconscious bias training as part of our Leadership Summit in September.

Policies to support identifying and developing grievance procedures, should these arise, continue to be made available to staff via the Intranet. Though our diversity initiative we are prepared to address formal structures and informal cultural issues that can prevent employees from raising concerns and grievances. Seeking to foster an ongoing two-way dialogue between staff and management, we also recently conducted a company wide survey that included points on communications.

To underline its commitment to labor, UNFCU will conduct research and develop a Human Rights Policy that will be noted in our 2017 report to the UN Global Compact.

In the last 12 months, we established programs to promote access to skills development training and to particular occupations. We implemented Saba, a Learning Management System that offers opportunities to optimize staff performance, build confidence and further 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. At UNFCU, 36 languages are spoken.

Additionally, UNFCU continued to enhance its Career Development Programs and we will update the career section of our website. Company policies and procedures made qualifications, skill and experience the basis for the recruitment, placement, training and advancement of staff at all levels. We espouse the mission of promoting education, training and professional development for women as a Signatory of the Women's Empowerment Principles.

Our Board of Directors continues to be comprised of a majority of women, led by a female Chairman of the Board who was appointed 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 working with unions.

As "Achieving Success Together" is a core value at UNFCU, employee-driven Sales & Service and the annual President's 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 based on a nomination and selection by her peers, as well as past winners.

Having undertaken a thorough analysis of its job functions based on industry standards and reviewed compensation, UNFCU ensures that its employees continue to receive annual reviews as a measure of performance based on standardized performance metrics within the financial services industry.

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. UNFCU introduced 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 and increased the annual wellness incentive payout. Subject matter experts regularly conducted courses on diet, and physical fitness/strength training. Last year, 90% of UNFCU staff was enrolled in our fitness programs. The average number of active UNFCU staff visits was 40 per month. Onsite indoor cycling and other wellness classes, a UNFCU Running Club with weekly training runs and UNFCU Foundation fundraising events that focused on athletics (golf, bowling run/walk) 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. This activity also included the development of a standard metric to assess the financials of UNFCU Foundation grant recipients.

Ongoing review and understanding of UNFCU's Code of Ethics (the "Code") developed 10 years ago, has remained a critical component of onboarding and training for every employee. An Employee Hotline and Q&A on the Code are posted to UNFCU's Intranet. Last year, UNFCU staff continued to avail of these channels when they had questions. Refresher training on the Ethics Code is also a requirement for all staff.

It 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 on 12 key areas in 2015, we continued to implement additional training, inclusive of new hire orientation, and continue to update policy on fraud prevention, member enrollment procedures, international lending, social media, records retention and our Code of Ethics.

Members' security continues to be top of mind at UNFCU. We introduced a chip and PIN debit card and will soon launch EMV compliant ATMs. Internally, we conducted training with outside counsel on Cyber Security, reviewing crisis strategy across the organization. Additionally for our members, we hosted live and on-demand webinars on security issues while traveling and how to avoid identity theft. Our Online Banking Platform features multifactor-authentication.

UNFCU continues to place importance on addressing ongoing regulatory changes in the financial industry, particularly those imposed by the Consumer Financial Protection Bureau. This has enabled UNFCU to promote its strong commitment to compliance and best practices in the global financial services industry.

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

Taking collective action, compliance and risk management officers regularly exchange knowledge and ideas through various contact networks. By joining with industry peers and other stakeholders, we have continued to scale-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, the Office of Foreign Asset Control, a division of the U.S. Treasury Department, and our regulators to assure quality control.

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 2015 and exceeded \$4.3 billion in assets.

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 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. The National Credit Union Administration, our financial regulator, deemed that UNFCU met standards for risk management and regulatory compliance during its last review.

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. Our VP of Compliance is also a member of the New York Chapter Board of the Association of Certified Financial Crime Specialists.

We have conducted ongoing discussions with the UNEP Finance Initiative together with the Principles of Responsible Investment (PRI) and provided members with information about social responsibility fund options within the context of diversifying investment portfolios and reducing overall risk.

Taking Action in Support of Broader UN Goals and Issues

Our commitment to the new Sustainable Development Goals was very much evident in our corporate social responsibility programs conducted last year. We also engaged members on the SDGs by marking more than a dozen UN observances via our social media channels and website. The UNFCU Foundation collaborated with 13 UN agencies and NGOs last year to advance women's and youth empowerment, as well as supported humanitarian efforts in Syria. We also wore orange on UN Women Orange Days in solidarity with the "Say NO Campaign to End Violence Against Women."

UNFCU sponsored the UN Foundation/Girl Up Leadership Summit in Washington, D.C., which united 275 young women from the U.S. and around the world to change the world through the acquisition of leadership skills needed to address issues that impact girls in developing countries. We also supported educational activities with the [United Nations Association of the United States](#), among these: [UNA-New York Chapter's](#) UN Day Humanitarian Awards, which celebrated the achievements of women's empowerment advocates; the UNA- USA Young Professionals Benefit 2016: "Cultivating the Next Generation of Global Leaders" and the San Diego Chapter's UN Day that engaged students from four area colleges on the UN Sustainable Development Agenda

With our partner [United Nations International School](#), UNIS-NY, we supported a student-led UN International Student Conference held at the UN General Assembly Building on the theme "Media's Influence." The event was attended by 700 students from International Schools on five continents.

Additional Partnerships and Collective Action

- Supported [IAEA PACT](#) (Programme of Action for Cancer Therapy's) Model Demonstration Site in Harare, Zimbabwe to specifically fund children's cancer treatment and care.
- Sponsored the [HUNGER RUN](#) in Rome, Italy for the sixth year. Funds will benefit food programs in developing countries.
- Working with the [UN Office on Drugs and Crime](#), we funded programs that raised awareness about HIV/AIDS prevention on World AIDS Day..
- Organized a photo contest in 3Q2016 for UNFCU members on, "What the UN Sustainable Development Goals Mean to Me," and "My Habitat." These themes focused on the breadth and scope of our UN communities' work/life globally. We are publicizing the entries via our communications channels to further raise awareness about the UN's work and sustainable development objectives for 2030.

Element 3: Measurement of Outcomes

Environmental Preservation

- Move forward on our 5-Year Sustainability Plan to achieve carbon neutrality
- Obtain LEED re-certification for our headquarters in Long Island City, NY
- Complete training across the organization on our Sustainable Travel Guidelines
- Incorporate sustainability into our Procurement Policy
- Further GSP education through the attainment of sustainability certifications from accredited Sustainability Programs/universities
- Explore green products/service and financial investments (The latter with goal of their leading to economic benefits in communities)

- Participate in at least six greening events/activities with local Greening the Blue partners and report on outcomes
- Continue to require that new vendors disclose their sustainability policies
- Produce an educational video for our UN community with greening tips/strategy

Labor

- Complete a formal [Human Rights Policy](#) to reference relevant international labor standards.
- Complete initial training on our new Diversity Initiative by year-end 2017.
- Take part in [Women's Empowerment Principles-UN Global Compact](#) events and contribute thought-leadership.
- Continue implementing a Balanced Scorecard methodology and measure achievements on strategic objectives across the organization.

Anti-corruption

- Continue encompassing qualitative data in addition to rules and regulations as a risk management best practice.
- 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.
- Produce an educational webinar and white paper/PDF on "Best Practices in Security/Fraud Management" with video.

Human Rights

- Advance human rights through the UNFCU Foundation, working with additional grassroots organizations in developing countries and New York's inner city to fund projects that will increase women's and youth's access to education (literacy and livelihoods training) and understanding of their human rights.
- Support via UNFCU's social responsibility initiatives, WFUNA and UNA-USA activities such as Model United Nations events and youth trainings globally.
- Participate in the UN Global Compact's 2017 United Nations Forum on Business and Human Rights, taking place on 16 November in Geneva.

Broader UN Goals/Sustainable Development

- Champion the Sustainable Development agenda broadly across our organization by offering new online training course for staff on the SDGs.
- Collaboration with our sponsor and participate UN-HABITAT Day and World Food and FAO World Hunger Day at our branches/representative offices, as well as the Global Sustainability Conference “Issue Management Group” with Greening the Blue focal points.
- Continue to engage in **UN Global Compact Network and UN dialogues, conferences and events** globally to offer perspective and exchange ideas.

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