

# 2022 Impact Report





# A Credit Union that Prioritizes Change

UNFCU is a financial cooperative dedicated *to serving the people who serve the world*. We share the values of our UN community, and aspire to exemplify those values in how we function.

Our corporate social responsibility (CSR) efforts are guided by the United Nations Sustainable Development Goals (SDGs), the 17 goals that address the world's most pressing challenges. Throughout this report, you will find SDG icons on the goals UNFCU is advancing.

We are proud to be a member of the UN Global Compact and a signatory of the UN Women's Empowerment Principles (WEPs).

This report covers all operationally controlled activities across UNFCU for the 2022 calendar year. It includes our operations in Austria, Italy, Kenya, Switzerland, Uganda, and the United States, as well as those of our subsidiary, US-based Industrial Coverage Corp (ICC).

We developed this report with reference to the Global Reporting Initiative (GRI). In tracking our emissions, we follow the Greenhouse Gas Protocol standard, with support from a firm specializing in GHG accounting. More information about our CSR efforts is available at [UNFCU.org/CSR](https://unfcu.org/CSR).



# Our CSR Pillars

In 2022, we focused on making a positive impact by practicing sustainability, celebrating diversity, and ending poverty for women and youth. These goals are represented in our three CSR pillars:

## **SUSTAINABILITY**

Our Global Sustainability Program (GSP) shapes our operations and policies so that sustainability is a way of doing business at UNFCU. We are now a recognized leader in the credit union movement for sustainable business practices. We are working to lessen the carbon footprint of our entire industry.

## **DIVERSITY, EQUITY, INCLUSION, AND BELONGING (DEIB)**

Our DEIB program focuses on creating an industry-leading culture that embraces allyship, differences, transparency, and equitable growth opportunities.

## **PHILANTHROPY**

The UNFCU Foundation works to end poverty through access to health care, education, and job skills training for women and youth.

These three pillars keep us on track in our effort to contribute to the well-being of the world. Our pillars represent distinct CSR focus areas, and they work together to create long-lasting positive change.



# 2022 Impact Highlights

**14 SDGs** Advanced

**100%**

climate neutral  
since 2016

**12 Years**

of active membership  
in the UN Global Compact

**6,054 Hours**

of volunteering conducted  
internally and externally

**5 Years**

hosting the United in  
Sustainability (UIS)  
Summit for credit unions

**\$1M**

invested in poverty alleviation  
for women and youth, and  
humanitarian relief efforts

**5 Initiatives**

completed by our Diversity,  
Equity, Inclusion and  
Belonging (DEIB) programs





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01

# Letter from Our President & CEO





**At UNFCU,  
we recognize that  
implementing the  
UN Sustainable  
Development Goals  
(SDGs) requires  
collective effort.**

We remain committed to evolving our operations and leading a credit union industry movement to answer this urgent call to action.

In 2022, our corporate social responsibility (CSR) initiatives had a direct impact on 14 of the 17 SDGs. We are especially proud to have maintained climate neutrality for the seventh consecutive year. Our corporate investment policies prohibit investments in the exploration, production, and wholesale distribution of fossil fuels.

The UNFCU Foundation invested in 19 grants in 2022 furthering SDGs on quality education, gender equality, good health and well-being. This helped change the lives of more than 13,000 marginalized women and youth. The Foundation also responded to the crisis in Ukraine and the

Horn of Africa in partnership with UNHCR and UNICEF. In total, the Foundation provided \$1 million in partner grants and humanitarian relief donations.

Working to unify sustainability efforts across the credit union industry, we expanded the fifth annual United in Sustainability (UIS) Summit beyond North America. The focus of the 2022 Summit was on ways to localize the SDGs to positively impact the communities we serve. More than 300 participants attended the event and shared best practices.

Internally, we expanded our Diversity, Equity, and Inclusion program to embrace Belonging (DEIB). UNFCU remains committed to ensuring that women, LGBTQ+, Black, Indigenous, and people of color have greater opportunities for career advancement and leadership. The safety, health, and autonomy of all staff are affirmed in our Human Rights Statement. Additionally, our staff volunteered more than 6,000 hours of their time to our CSR programs and community enhancement activities. During a year of economic, social,

and geopolitical uncertainty, UNFCU continued to provide members with financial peace of mind. I would like to thank our Board of Directors for their valuable guidance. Our conservative approach to financial management ensures that UNFCU remains well-capitalized and secure while also moving the Credit Union forward.

With transparency and purpose, UNFCU is honored to recommit to the principles of the UN Global Compact. We are proud to report our continued progress in community impact and climate action. This work underlines our Board's Governance Policy to operate as a good citizen of the world.

Sincerely,

**John Lewis**  
*President & CEO*







02

# SDG Goals & Commitments



# United Nations Sustainable Development Goals (SDGs)

The UN SDGs are an urgent call to action to improve the lives of people and the planet by 2030. The 2022 Sustainable Development Goals Report showed that the COVID-19 pandemic, climate change, migration, and geopolitical conflicts resulted in a setback for SDG progress.

The UN Secretary-General António Guterres sounded a clarion call for public-private sector partnerships to help “rescue” the SDGs and reverse current trends. We answered that call.

UN SDG GOALS	GSP	DEIB	FOUNDATION
 1: No Poverty		●	●
 2: Zero hunger			
 3: Good health and well-being		●	●
 4: Quality education		●	●
 5: Gender equality		●	●
 6: Clean water and sanitation			
 7: Affordable and clean energy	●		
 8: Decent work and economic growth	●	●	●
 9: Industry, Innovation and infrastructure	●		
 10: Reduced inequalities		●	●
 11: Sustainable cities and communities			
 12: Responsible consumption and production	●		
 13: Climate action	●		
 14: Life below water	●		
 15: Life on land	●		
 16: Peace, justice and strong institutions	●		
 17: Partnerships for the goals	●		







03

# Sustainability





# Progress Toward 2025 Impact Goals

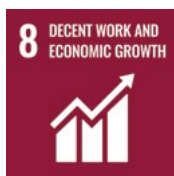
## SUSTAINABILITY IS A CORE VALUE AT UNFCU

As the credit union that serves the United Nations community, UNFCU is focused on supporting our members' climate-saving work. Practicing sustainability is one of our core values and is integrated into our strategic planning process. Our senior leadership team actively engages in setting and implementing climate and sustainability goals. Two members of our senior management team serve as Global Sustainability Program (GSP) executive co-sponsors, with an executive stakeholder group that consists of our entire leadership team, including our President & CEO. Each UNFCU business line is represented in our stakeholder group. Taking climate action is one of the key initiatives that unites all of us at UNFCU.

## 2025 IMPACT GOALS

Our 2025 Impact Goals are a set of 12 goals, launched in 2020, that we intend to accomplish in a five-year period. These goals were designed to keep UNFCU in alignment with the United Nations 2030 Agenda for achieving the SDGs. We have divided these goals into two categories: Innovation Goals, which focus on impacting the world outside UNFCU, and Sustainable Operations Goals, which concentrate on offices that are UNFCU-controlled facilities.





## INNOVATION GOAL 1

# Elevate sustainability in the credit union industry by educating credit unions on the UN SDGs.

PROGRESS: *On track*

UNFCU co-hosted the fifth annual United in Sustainability (UIS) Summit for credit unions and their associations at UN headquarters in New York. In 2022, our participants came from North America, Brazil, Ireland, and Barbados.

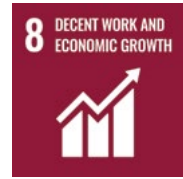
### KEY HIGHLIGHTS:

1. Brazilian credit unions and the Fenasbac Institute, part of the Brazilian Central Bank ecosystem, offered case studies on cooperatives' transformational work across their country.
2. 57 credit unions and associations attended, bringing together more than 300 participants to share strategies for action on the SDGs. At the inaugural UIS Summit in 2018, there were 18 participants.



3. 30 recognized sustainability experts spoke at the event. Highlights included remarks from the UN Environment Programme (UNEP) leadership, Women's Empowerment Principles, UN Global Compact, UNICEF, the White House, and the 2022 UNA-USA Youth Observer to the UN.
4. The Honorable Rodney Hood, a Board Member from the National Credit Union Administration (NCUA), participated in the 2022 UIS Summit. Mr. Hood's public comments on sustainability framed the role of credit unions as prime movers of environmental, social, and governance initiatives and strategy.





## THE UNITED IN SUSTAINABILITY (UIS) NETWORK

UNFCU founded the UIS Network in 2018 to initiate a sustainability movement across credit unions. The network now includes 100 credit unions across the Americas. Throughout 2022, the UIS Network participants met to discuss green solutions; climate adaptation strategies; and the positive community impact of diversity, equity, inclusion, and belonging. Several credit unions have started their sustainability journeys, launched green products, and organized educational events for their staff as a result.

## DEMONSTRATING LEADERSHIP IN OUR INDUSTRY

Upon invitation, we addressed the Credit Union National Association (CUNA) Annual Risk Management Conference on sustainability tips and readiness.

At the World Council of Credit Unions (WOCCU) Annual Conference in the summer of 2022, we conducted an interactive presentation: “Top Strategies to Start or Advance Your Sustainability Journey.”

We continued to offer ongoing resources and tools to guide financial cooperatives on their sustainability journeys. The UN Global Compact, African American Credit Union Coalition, and the CU DEI Collective, among others, contributed to this effort.

At the 2023 UIS Summit, we look forward to deepening conversations about environmental, social, and governance (ESG) factors and guidelines. These will include assessing reporting standards, financial and physical risk preparedness, and mitigating the socio-economic effect of climate change on vulnerable communities.







## INNOVATION GOAL 2

# Achieve United Nations Global Compact Advanced Level Communication on Progress.

PROGRESS: *No longer applicable*

This goal will be reclassified in our 2023 Impact Report, as the Advanced Level Communication on Progress is no longer offered by the UN Global Compact. It has been replaced by a uniform questionnaire without levels.

UNFCU will continue to report on progress in accordance with this new methodology. Since our last Impact Report, we have maintained an Active Status.

Through our ESG actions, we will continue to meet requirements for active status in the UN Global Compact. This also includes our progress on its 10 Principles, including Labor, Anti-Corruption/Compliance, Ethics, and Human Rights.







### INNOVATION GOAL 3

## Create a pathway for vendors to align with the UN SDGs.

PROGRESS: *On track*

It is important that our supply chain reflects our values and aligns with SDG 12, Responsible Consumption and Production. We make our sustainable procurement policy available to our vendor-partners. The policy can serve as a guide on their environmental, social, and governance decision-making.

Each of our business lines actively engages with vendor-partners on our Supplier Code of Conduct.

In 2022, we introduced a new vendor survey that is scored holistically and modeled after the UN Global Compact's SDG Action Manager Questionnaire. This survey provides UNFCU with insight into vendors' status and progress on environmental, social, and governance issues. With this insight, we are able to identify opportunities to engage with our vendors more deeply on sustainability. Our goal is to have at least 30% of our spending allocated to vendors who achieve an 'A' grade on our survey.



We also continued to provide helpful resources to our vendor-partners that can improve their score. The resources include:

- UN Global Compact (UNGC)
- UN Global Compact SDG Action Manager
- B Corp Certification
- UNFCU's Impact Reports and Supplier Code of Conduct, which you can view at [UNFCU.org/CSR](https://www.unfcu.org/CSR)

One of our largest vendors improved their scorecard rating in 2022 by adopting more sustainable operating practices. They shared their journey at our United in Sustainability (UIS) Summit.







#### INNOVATION GOAL 4

## Explore impact finance and investment opportunities and guidelines.

PROGRESS: *On track*

As a climate neutral financial institution, UNFCU recognizes the importance of aligning our investments with our values. This investment approach also corresponds to the regulatory requirements set by the National Credit Union Administration (NCUA).

As we reported in our 2020 Impact Report, UNFCU no longer holds any securities in the fossil fuel exploration, production, or wholesale distribution industries. In 2021, we updated our investment policy to formalize the exclusion of fossil fuels, tobacco, and firearms from our investment portfolio.

For more information, please see Corporate Governance and Investments.







## INNOVATION GOAL 5

# Enhance the positive impact of members' financial choices by increasing the number of green share and loan accounts by 200%.

PROGRESS: *On track*

In 2022, we achieved a 132% increase in the number of accounts across all green products. This increase was primarily due to our 12-month Impact Share Certificate.

Since 2018, our 12-month Impact Share Certificates have funded projects with a positive impact. These include:

- Securities investments that promote affordable housing, public transportation, and clean water and energy products
- Member loans for environmentally positive projects like solar panels and energy efficient home improvements

In 2022, we also introduced energy efficiency loans. We now offer lower rates for members who make energy efficient home improvements or purchase electric vehicles or hybrid cars.







## INNOVATION GOAL 6

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

PROGRESS: *On track*

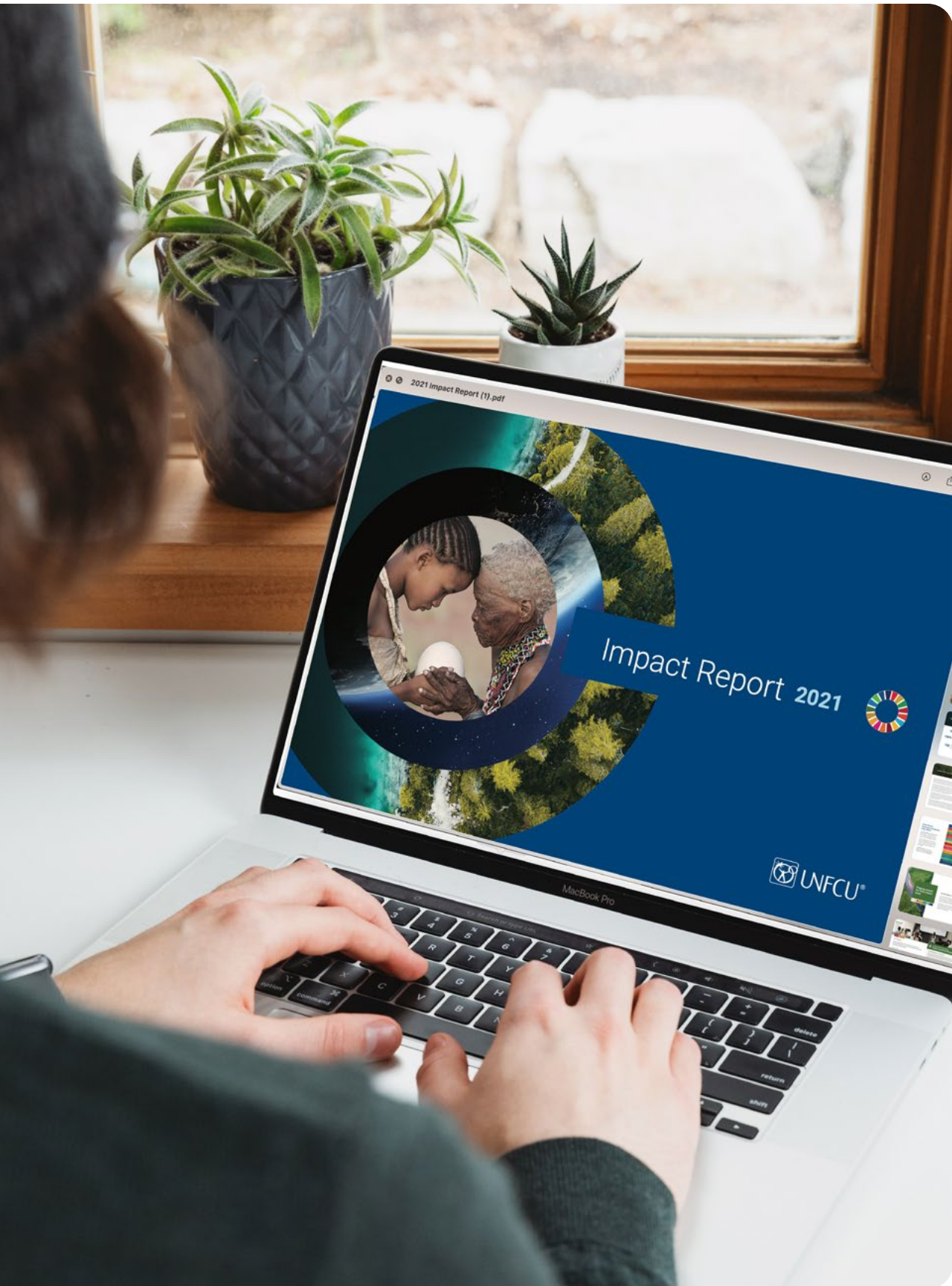
We furthered staff members' passion for learning about environmental preservation and reducing socio-economic injustice. Our volunteers designed and implemented the following initiatives:

1. Celebrated Earth Day with our staff by taking part in the following local events:
  - Launched a horticulture project at the Queens Botanical Garden in Queens, New York
  - Collaborated on forestation development and botanical education in Entebbe, Uganda
  - Engaged with Retake Roma, an association that focuses on preserving the city of Rome



2. Hosted a World Environment Day virtual event featuring UN Environment Programme on the Circular Economy that welcomed 108 staff. The event capped weeklong activities where we learned about the UN's work on SDG 12, Responsible Consumption and Production:
  - Staff developed videos, a newsletter, Intranet articles, and took part in a photo contest
3. Conducted our first Lunch & Learn on electric vehicles with 511NYRideshare, which offers timely information on shared transportation services across New York State





## OPERATIONS GOAL 1

# Publish an annual impact report based on progress toward the UN SDGs.

PROGRESS: *On track*

Since 2017, we have published an annual report that holistically addresses our sustainability as well as our community impact.

Download our 2020 and 2021 reports from [UNFCU.org/CSR](https://unfcu.org/CSR).







## OPERATIONS GOAL 2

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

PROGRESS: *On track*

We distributed a 15-question survey to gauge whether our suppliers are actively practicing sustainability. Topics covered in the survey included the existence of a supplier diversity program, human rights policy, and leadership diversity. It also asked about the organizations' industry standards and frameworks for reporting, namely the Global Reporting Initiative (GRI), UN Global Compact, or Certified B Corp.

The criteria for vendors to be in scope to receive a survey are:

- Maintains an ongoing contractual relationship with UNFCU
- Represents a \$50,000 annual spend or more
- Delivers a high impact service



**90%** RESPONSE RATE TO THE 2022 SURVEY WAS ACHIEVED

Those that complete the questionnaire receive a score ranging from 'A,' the highest, to 'D,' the lowest. The average score of all the vendors surveyed in 2022 was a 'B.'

**29%** OF OUR PROCUREMENT SPEND WENT TO A-RANKING VENDORS

We are on target to achieve 30% of in-scope spending to be directed to vendors who achieve our highest sustainability ratings by 2025.





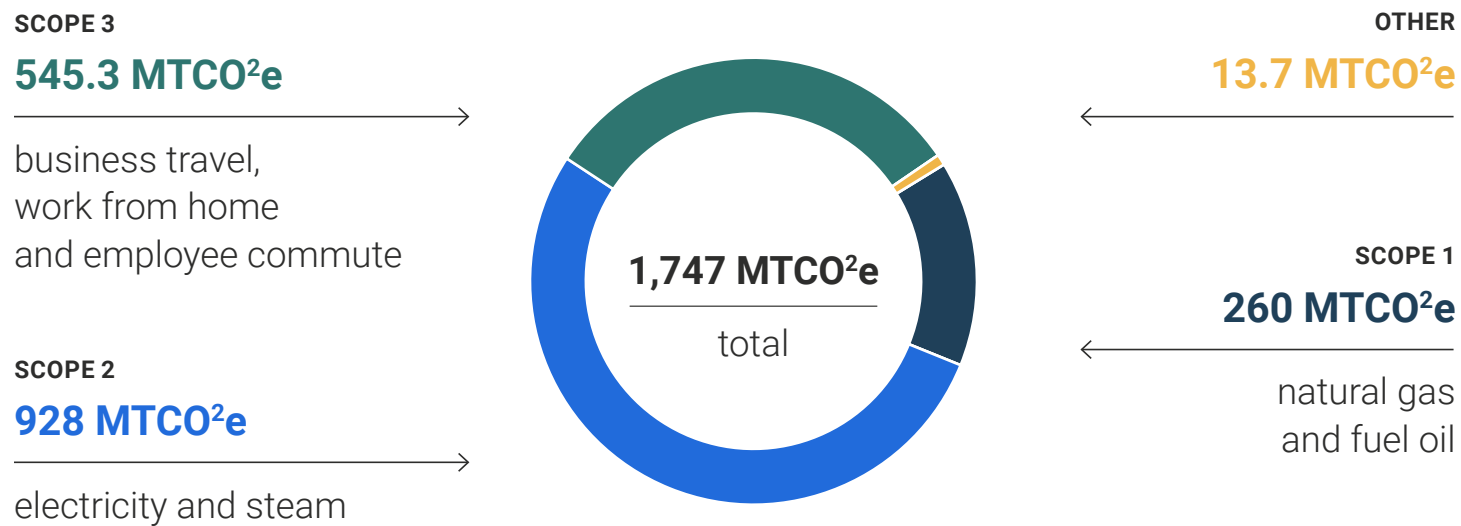
### OPERATIONS GOAL 3

## Maintain climate neutrality.

PROGRESS: *On track*

UNFCU has maintained climate neutrality since 2016, even as we increased our membership and staff globally. Only two of the 68 US credit unions with assets greater than \$5 billion have achieved this status. UNFCU is one of them.

### 2022 GHG EMISSIONS



### WHAT IS CLIMATE NEUTRALITY?

Climate neutrality means that an organization has achieved net zero greenhouse gas emissions in scopes 1 and 2. Emissions in scope 3 are encouraged, not mandatory. The steps we have taken to achieve climate neutrality include:

- Reducing emissions through energy efficiency and business process changes
- Conducting a greenhouse gas (GHG) emissions inventory following GHG accounting methodologies from the global GHG Protocol
- Producing or purchasing renewable energy
- Balancing any remaining emissions with carbon offsets

All of these steps align with the United Nations' message on climate action.





## HOW RECS HELP US REACH OUR SUSTAINABILITY GOALS

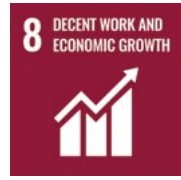
Renewable Energy Credits (RECs) and Verified Emissions Reductions (VERs) are necessary steps toward decarbonization for many organizations. It is otherwise not possible to reduce energy consumption fast enough to meet the pace of emissions reductions that are necessary to avoid the most catastrophic impacts of climate change.

As a general definition, the Science Based Targets Initiative (SBTi) provides global guidelines to reduce emissions in alignment with the latest climate science, and includes REC purchases as one of the available steps toward a net zero pathway.

RECs verify that a given quantity of renewable electricity was placed onto the electrical grid at a specified point in time. When an organization purchases RECs, they help to finance renewable energy generation. Most companies on a net zero pathway use at least some RECs as part of their decarbonization strategy, as UNFCU does.







#### OPERATIONS GOAL 4

## Decrease energy use and associated GHG emissions per member by 25% relative to a 2019 baseline.

PROGRESS: *On track*

While membership grew significantly from 2019-2022, we continued to reduce energy use in our office space. The relocation of our data facility was the driving force behind total energy reduction. Additionally, UNFCU has moved toward a hybrid telecommuting environment. Our reduction in energy use is also a result of this hybrid model, as less employees are working from our offices. Decreases were realized in direct utility bill costs and associated emissions.

- ↗ **39% increase** in the number of members
- ↘ **45% decrease** in emissions per member from the 2019 baseline

### HOW DOES UNFCU TRACK THIS GOAL?

We track electricity and natural gas usage for our four operationally controlled facilities, including our New York headquarters; our Washington, DC branch; our subsidiary ICC; as well as our data center facility.

We calculate energy use per member based on aggregate usage across these facilities.







#### OPERATIONS 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.**

PROGRESS: *On track*

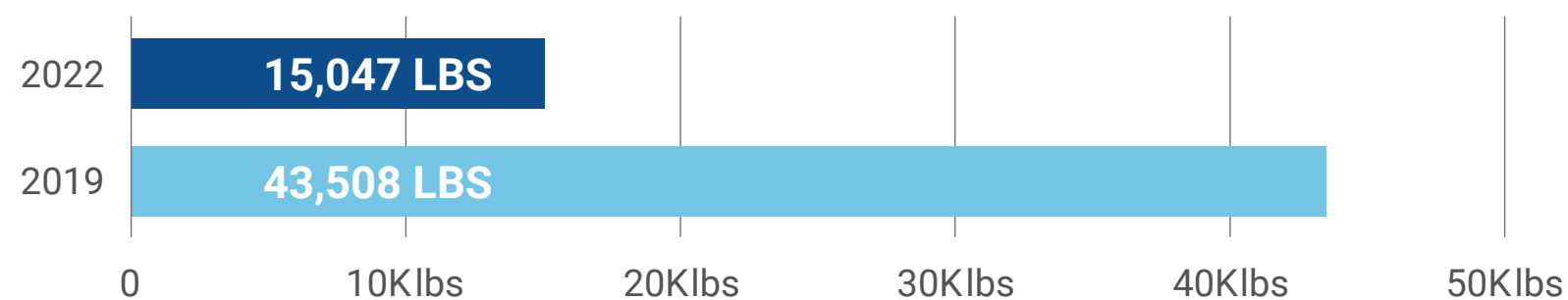
Our Marketing Department continued to reduce paper use, reducing the number of printed brochures and posters.

**53% REDUCTION**  
in paper use from 2019 to 2022

**0.15 LBS/MEMBER**  
is the 2025 target

**91% OF PAPER**  
from certified sustainable sources

**0.074 LBS/MEMBER**  
was the usage in 2022







## OPERATIONS GOAL 6

### Evaluate opportunities for single-use plastic reduction within direct operations.

PROGRESS: *On track*

In 2022, we undertook a comprehensive assessment of our single-use plastics across all operations that are within our management's control. As plastics are petroleum-based and put marine and terrestrial ecosystems at risk, we recognized the need to reduce our consumption.

Our plastic inventory was created using the invoice data from 2019-2021. Each item in scope was weighed for its plastic content in order to establish the three-year baseline.

We used an annual average of 1,081lbs of single-use plastic from 2019-2021. This average established our baseline. Some of the plastic items we included in our assessment are the following:

- Cleaning supplies
- PPE/Pandemic
- Packaging material
- Gym supplies
- Pantry consumables
- Plastic tableware
- Stationery







## FINDINGS:

Single-use plastic increased in the baseline data across each category due to:

- Health and safety: limiting any potential spread of the COVID-19 virus, providing peace of mind and overall contamination awareness (increased use of plastic utensils)
- Number of new hires
- Number of in-person staff engagements
- Replenishment of old or expired inventory

Pandemic related procurements contributed to 16.59% of total baseline weight. We continue to explore ways to phase out plastic tableware towards compostable alternatives like bamboo, for example. 2022 data indicates a downward trend in all plastic categories.

## YEAR-OVER-YEAR CHANGES IN SINGLE-USE PLASTICS PURCHASING BY WEIGHT:

⬆️ <b>17.85%</b> 2019–2020	⬆️ <b>54.5%</b> 2020–2021	⬇️ <b>78.63%</b> 2021–2022
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We are currently determining the continued use of certain vendors in favor of more sustainable providers.





# Awards and Recognitions



## LEED Gold and Silver

82% of our office space is LEED Certified.

LEED stands for Leadership in Energy and Environmental Design and is a global standard for green building and energy efficiency.

UNFCU's Long Island City, NY headquarters was recertified LEED Gold in 2022 and our Washington, DC branch maintained its LEED Silver certification.



## EnergyStar

We were certified by EnergyStar for our headquarters building in 2022.

Our low occupancy levels, a result of our hybrid work model, prevented us from attaining an 'A' rating. EnergyStar considers several factors, including energy use intensity relative to the number of employees in a building.

We are working towards continual improvement of our energy efficiency and seeking LEED recertification in Washington, DC and EnergyStar recertification in 2023.

## 511NYRideshare

We received the Bronze Achievement Award from our partner for our pledges to Earth Day. 511NYRideshare is New York's home for transportation information and alternatives to driving alone.



## EPA Green Power Partner

UNFCU has been an Environmental Protection Agency (EPA) Green Power Partner for six years.

We are committed to balancing 100% of our grid electricity usage with clean, renewable wind power via Renewable Energy Credits (RECs). This enabled UNFCU to be recognized once again as a Green Power Partner in 2022.

Our Facilities and Real Estate Management Team, together with our GSP leadership, collaborate to improve energy efficiency.



## 100% Renewable Energy-Powered Data Center

We partner with Iron Mountain to host our primary data center. Iron Mountain is a global colocation platform, whose leadership in high level regulatory compliance, sustainability, physical security, and business continuity is recognized in its industry. Through the Iron Mountain Green Power Pass program, 100% of our computing is powered by renewable energy.







04

# Diversity, Equity Inclusion, & Belonging (DEIB)





## Embracing Diversity

As we serve the global community of the UN, we celebrate the global community that makes up our own UNFCU staff. Diversity in our workplace is key to our success, which is why, in 2022, we expanded our Diversity, Equity, and Inclusion to include Belonging (DEIB).

How does belonging differ from equity and inclusion? Namely, belonging is a feeling. It is the sense of community our staff feels when they come to work and the security they have to be themselves. When we all feel like we belong, our work makes a bigger impact.

**Diversity is who we are. Equity is our standard. Inclusion is our actions. Belonging is how we make each other feel.**

Our new DEIB initiatives focus on celebrating diversity through representation and inclusion via corporate-wide projects and programs.





In 2022, we completed the UN Global Compact's Target Gender Equality Accelerator Programme. It served to strengthen our implementation of the Women's Empowerment Principles.

**In the year ahead, SDG target 5.5 will be our roadmap to ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.**

We have already surveyed key stakeholders to identify UNFCU's strengths and weaknesses related to gender equity. This work was managed by UNFCU's AVP of Global DEIB with the support of an Advisory Council.

John Lewis, our President & CEO, is a signatory of the CEO Action for Diversity & Inclusion™. This coalition of CEOs is committed to advancing diversity and inclusion within the workplace, communities, and the world. We are proud of our CEO's participation and active engagement.

Progress in DEIB continues to be integrated within the organization's strategic planning process. UNFCU is a signatory to the Women's Empowerment Principles and will undertake more active engagement with its network.





# 2022–2023 DEIB Initiatives

We completed five key initiatives in 2022 focused on increasing DEIB in the workforce, workplace, and marketplace.



## WORKFORCE

### Vision

Our senior leadership team (individuals at the assistant vice president level and above) reflects UNFCU’s population of women and people of color.

### Initiative 1

Build the framework for our Rise Readiness Program. This program provides women, LGBTQ+ people, and all people of color (BIPOC) with more opportunities to advance at UNFCU.

- Rise Readiness Program will provide coaching, resources, and projects to prepare women, LGBTQ+ people, and BIPOC for positions at the AVP level and above.
- The structure of this program has been built and will launch in 2023.







## WORKPLACE

### Vision

Ensure the equitable distribution of training dollars across all business lines. Offer fully inclusive employee benefit programs and develop communications guidelines supporting the diverse needs of all employees and members.

### Initiative 2

Design and implement a process for ensuring equitable application of training dollars by UNFCU leadership across their business lines.

- Distributed guidelines to business line managers to ensure that all employees receive equitable training dollars
- Designed a follow-up process with regularly scheduled reminders to keep leadership accountable

### Initiative 3

Provide inclusive benefits that meet the diverse needs of employees.

- Proposed and gained approval of Carrot Fertility, an inclusive fertility healthcare platform, to become available to UNFCU employees in 2023

### Initiative 4

Refine internal and external communications in support of UNFCU's diverse employees and membership.

- Instated a gender-inclusive language policy that was shared across the organization







## MARKETPLACE

### Vision

Capitalize on opportunities to support women and minority vendors. Establish accountability practices to ensure alignment with supplier diversity best practices.

### Initiative 5

Develop a supplier diversity policy and guidelines in support of UNFCU's values

- We accomplished phase one of establishing a supplier diversity policy by setting guidelines and resources, as well as providing information on our suppliers. Phase two, execution of the policy, will be completed in 2023.

Establish supplier diversity goals and metrics to align with supplier diversity best practices.

- We shared our supplier diversity policy with leadership and organizational stakeholders. Business lines will now identify, review, and incorporate suppliers and vendors that are minority, LGBTQ+, women, BIPOC, veteran and/or disability-owned. When a request for proposal is made for products and services, we will continuously work toward increasing the pool and selection of diverse suppliers.





# Our Four Business Resource Groups (BRGs)

Our BRGs are an opportunity for employees to share unique perspectives, engage in important conversations, and celebrate the differences that make us stronger. We have established four BRGs to create strong communities within our organization:

## LGBTQ+ BRG

The LGBTQ+ BRG focuses on fostering inclusive behaviors to create a safe and welcoming space for all employees. The BRG aims to educate the organization and teach employees how they can all serve as champions for inclusion. The LGBTQ+ network also works on initiatives that are geared toward fostering inclusive behaviors, mindfulness, and creating an awareness of unconscious biases.

## AFRICAN AMERICAN AND BLACK BRG

The African American / Black BRG promotes engagement, mentoring, networking, and professional development for our African American and Black employees. The BRG aims to create an avenue for all employees to learn about the history, cultural experiences, and values of African Americans and Black people in the workforce.

## MULTICULTURAL BRG

The Multicultural BRG provides its members with opportunities to enhance their professional development skills and champion an inclusive work environment. Events are organized to foster peer and mentor relationships, and encourage dialogue about race, ethnicity, and culture. The BRG enhances staff engagement efforts and allows UNFCU to better connect with its global membership through multicultural insights.

## WOMEN'S BRG

The Women's BRG ensures that women are given equal opportunities at management levels in every department of UNFCU. The BRG also encourages and empowers women to seek these opportunities.

In 2022, we recognized 12 DEIB Champions across the organization based on their leadership directing multiple initiatives. More than 55% of our employees (385 staff globally) participated in at least one BRG at UNFCU. While 90% of Fortune 500 companies offer Employee Resource Groups, a BRG equivalent, only 8.5% of employees take part.





# Building a Positive Work Environment

**UNFCU achieved recertification as a Great Place to Work® in the US for the fourth year in a row.**

The Great Place to Work® survey consists of statements that measure culture and employee experience, organized into five categories: credibility, respect, fairness, pride, and camaraderie. In order to recertify in 2022, we had to meet a threshold for response rate and overall score on the Great Place to Work® Trust Index® survey. Our overall score remained at 82%, with a response rate of 74%.

These results align with our global employee engagement scores. Each year we recertify, the Great Place to Work® designation reinforces our brand as an employer of choice and helps validate the hard work we do to ensure an optimal employee experience. Our re-certification spans November 2022–November 2023.







## Credit Union Leadership

**In 2022, UNFCU had the opportunity to share our DEIB journey with the credit union industry.**

We authored “Why It Matters: A Credit Union Perspective.” The article was published by the Filene Research Institute, a respected credit union research firm. It details the impact of our BRGs, specifically how they build a network of support for our employees.

We also integrated more discussions on DEIB into our United in Sustainability Summit and quarterly calls with the UIS Network.







05

# Philanthropy & UNFCU Foundation





## Empowering Women and Youth

**UNFCU Foundation is a not-for-profit corporation dedicated to sustaining the path out of poverty for women and youth.**

It supports proven health care, education, and livelihood training programs that have a transformational impact on women, their families, and their communities. The Foundation, like other UNFCU CSR initiatives, is guided by the UN Sustainable Development Goals.

Through its mission, the UNFCU Foundation seeks to end poverty, and create decent work and economic growth for women in marginalized communities.





# 2022 UNFCU Foundation Actions

In 2022, UNFCU Foundation advanced projects that make long-lasting change possible:

- **21 grants**, 19 organizations supported
- **13,374 women and youth** positively impacted across six countries
- **\$1 million** invested in grant partners and humanitarian relief efforts

UNFCU Foundation helped transform the lives of 13,374 women and youth by assisting them in their fight against poverty. Through access to quality education, critical health care, and jobs training programs, women and youth gained opportunities to thrive:

- **100% of the 75 refugee women** participating in International Rescue Committee's US program in Maryland gained employment; 94% increased their understanding of US work norms and culture, financial literacy, and employer expectations.
- **92% of IT training graduates** participating in Kenya-based RefuSHE's digital learning program (52 students) are generating income in the digital economy.
- In Building Tomorrow's Roots to Rise Literacy Camps in Uganda, **85.4% of children** advanced at least one level in literacy, and **78% of children** advanced in numeracy. Additionally, **81.8% of learners** could read a paragraph or better by the end of the literacy camps; 18.6% could at the start. 109,334 primary-school-aged learners were enrolled.







## Highlights of 2022 Activities

In 2022, the UNFCU Foundation hosted four events:

1. Virtual fundraising event: “Rising Together, Empowering Women and Creating Pathways” with advocate and filmmaker Pearlette J. Ramos, Ph.D., J.D., and grant partners Grace Outreach, Ubongo, and RefuSHE
2. Virtual panel: Convened a panel presentation at the 66th UN Commission on the Status of Women (CSW) on the topic, “Empowering Women and Girls to Be at the Center of Climate Resilience” with grant partners The BOMA Project, Trickle Up, and UNICEF
3. Annual golf outing: Raised awareness for the Kilimanjaro Initiative
4. The Foundation presented the UNFCU Foundation 2022 Women’s Empowerment Award to Melissa Kilby (pictured to the left), Executive Director of Girl Up, for leading a global girls’ advocacy movement. This award is presented yearly at UNFCU Foundation’s annual reception.





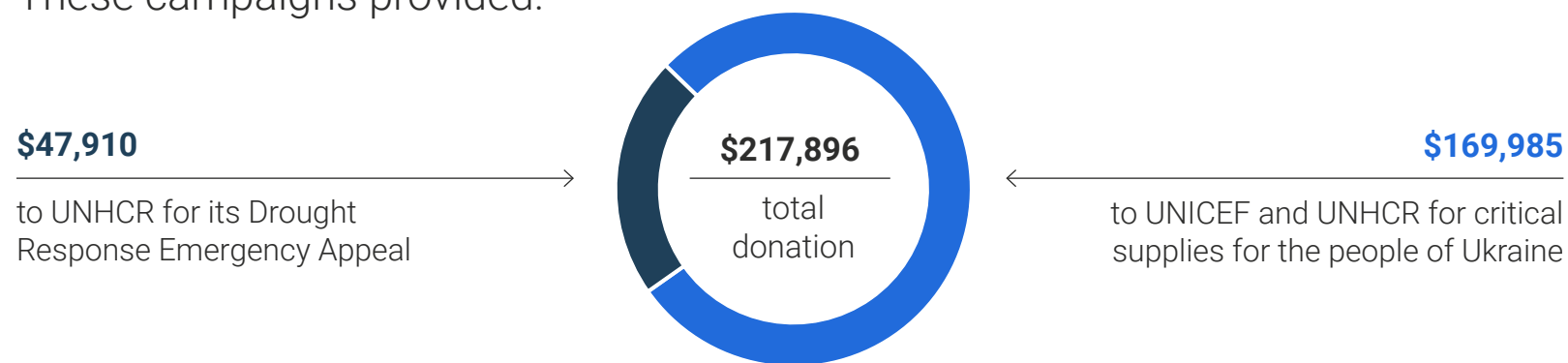
# Meeting the Challenges of 2022

In a year of economic, social, and political volatility around the globe, the UNFCU Foundation redoubled its efforts to meet the needs of marginalized women and their families. The resilience of young women, educators, doctors, social workers, and in-country teams drove the work forward. Each of the 19 funded projects put women and youth at the center of breaking the cycle of poverty. For example, grant partners introduced innovative digital technologies to reach more youth and also tackle the gender digital divide. This helped make up for classroom time lost due to the COVID-19 pandemic and its socio-economic ripple effect.

UNFCU Foundation also teamed up with the UN community to further humanitarian relief:

- Partnered with UNICEF USA and USA for UNHCR, the UN High Commissioner for Refugees, on humanitarian relief efforts in Ukraine
- Supported UNHCR's work in the Horn of Africa to assist communities facing the worst drought in four decades

These campaigns provided:



More information about the UNFCU Foundation's impact is available at [UNFCUFoundation.org](https://UNFCUFoundation.org).





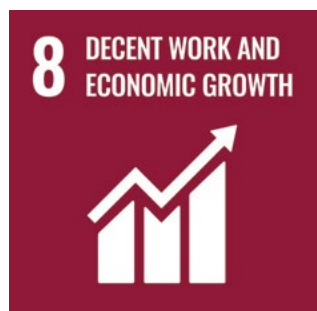


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# Volunteerism



# Staff Involvement



Volunteerism has been a long-held tradition at UNFCU, and this practice has been driven by our passionate staff around the world. From Kampala, Uganda to Washington, DC, our employees exemplify the cooperative principle of people helping people.

Established in 2021, UNFCU's Global Volunteer Program offers a formal framework for staff to engage in meaningful volunteer work. UNFCU provides up to eight hours of paid time for employees to give back to local charitable organizations.

In 2022, 181 employees contributed 5,442 volunteer hours to UNFCU-led initiatives. This included organizing events and conducting research for our Global Sustainability Program and UNFCU Foundation. Additionally, 86 employees used paid time to contribute 612 volunteer hours to activities outside UNFCU.

Additionally, we established a CSR Champions Program at each of our global locations so that staff could identify causes aligned with the UN SDGs. Our 2022 impact includes:

- Building a water filtration system from scratch for small scale farmers in Nairobi, Kenya
- Organizing a clothing and gift drive for underserved women and youth in New York City, USA
- Lending support to orphaned children at their safe house in Kampala, Uganda







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# Corporate Governance & Investments





## Summary of UNFCU's Investment Activities

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.



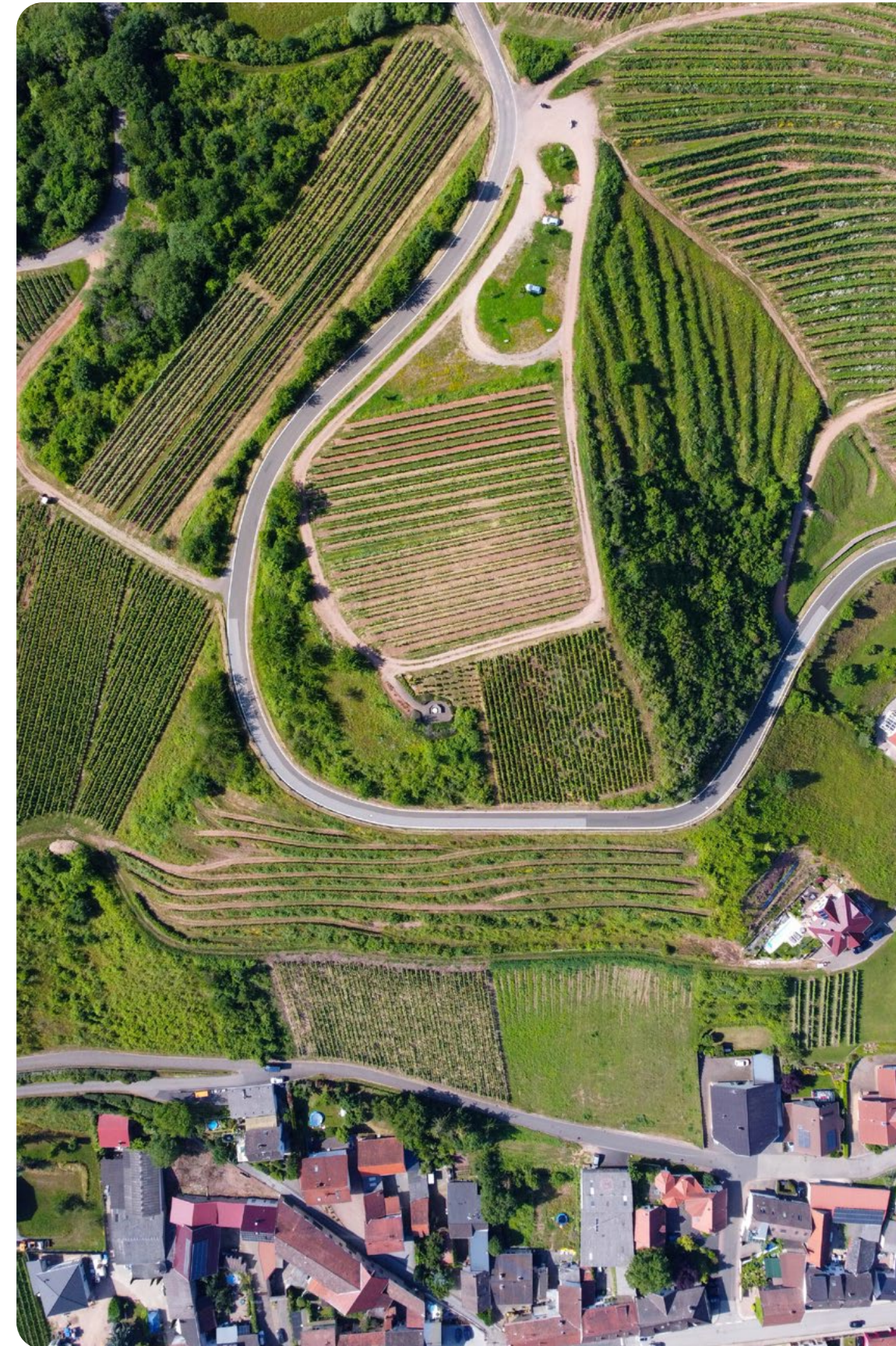


## CORE PORTFOLIO

The largest of UNFCU's three portfolios is our Core Portfolio. This portfolio is primarily focused on US government and agency related fixed income securities that provide a natural social benefit. The Core Portfolio does not permit investment in securities issued by corporations, other than certain types of fixed income instruments issued by banks.

### EXAMPLES OF CORE PORTFOLIO INVESTMENTS ARE:

- Securities issued or guaranteed by Fannie Mae, Freddie Mac, or Ginnie Mae, which are US government sponsored or owned entities. They support the US housing market and promote home financing options for first-time home buyers, veterans, and multi-family affordable housing projects. Some of these investments are under Fannie Mae's Multifamily Green Mortgage-Backed Securities program. This finances certain affordable housing properties that have either a green building certificate and/or made improvements on energy and water use reductions.
- 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. Many of these securities support UNFCU's Impact Share Certificate launched in 2018. These securities fund local initiatives that address clean water, public health, pollution control, clean energy, affordable housing, community development, infrastructure, and public transit.







## **INVESTMENT SECURITIES PORTFOLIOS THAT SUPPORT PHILANTHROPY AND EMPLOYEE WELL-BEING**

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 youth.

These portfolios are permitted to hold securities issued by corporations; however, our investment policies prohibit investments in the fossil fuel exploration, production, and wholesale distribution industries. The only exception is in cases where such securities were created for sustainable purposes. These portfolios are also prohibited from purchasing investments in the tobacco and firearms sectors.

Within these two portfolios, we continually seek opportunities that directly provide a positive social impact and support the Impact Share Certificate, as noted in Innovation Goal 4.

Examples of impact securities in these two smaller portfolios are:

- Fixed income securities issued by banks whose proceeds are targeted to support green and social causes. These activities promote affordable housing, banking services to underserved communities, and clean energy.
- A corporate bond issued by a US-based electrical utility, which is one of the world's largest generators of solar electricity







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# Anti-Corruption & Human Rights Ethics



**With fiduciary as well as social responsibilities, UNFCU holds a high standard for ethical practices throughout our operations.**

**Our Anti-Corruption Policy, Human Rights Statement, and Code of Ethics support this work. We expect our employees, partners, and vendors to uphold the fundamental rights of all people.**

We continued to use a screening system, launched in 2021, to provide ongoing anti-corruption safeguards. This system is designed to monitor global sanctions and prevent money laundering. It has reduced delays in account setup and payment processing that such screening can typically cause.

We share UNFCU best practices in responsible compliance and risk management across the credit union industry. We hold Steering Committee Membership in the National Association of Federal Credit Unions (NAFCU) Risk, Compliance, and Bank Secrecy Act (BSA) Network.

In 2022, UNFCU's Vice President of Enterprise Risk Management was chosen to serve a two-year term as the Steering Committee Chair of the National Association of Federally-Insured Credit Unions (NAFCU) Compliance, Risk, and Bank Secrecy (BSA)/Anti-Money Laundering (AML) Network. Member-only and peer-to-peer, the network is represented by compliance, risk management, and BSA/AML officers.

UNFCU's corporate social responsibility extends into the digital sphere. We recognize the intersectionality of human rights, privacy, data security, and our key role. This is to protect the digital and personal information assets entrusted to us by our members and other stakeholders. In 2022, UNFCU achieved PCI Data Security Standard compliance, an industry recognized information security standard. This re-certification adds to our ongoing best practice frameworks and controls.

We also continue to offer ongoing education on fraud prevention to our members.







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# Advancing Sustainability Alongside the UN





# Partnerships

## **UN GLOBAL COMPACT (UNGC)**

We maintained active membership status in the world's largest corporate sustainability initiative. In 2022, UNFCU was the only US credit union member of the UNGC.

We championed the work and principles of the UNGC to members of the United in Sustainability (UIS) Network. UNFCU founded the network in 2018 to create a sustainability movement across credit unions in North America.

In 2023 we will expand UNFCU's participation in the UNGC and lend our perspectives to its Peer Learning Group on Climate Action.

## **UN ENVIRONMENT PROGRAMME**

We welcomed the Director of the UN Environment Programme (UNEP) New York Office to keynote the UIS Summit we co-hosted for credit unions around the world. The Director spotlighted how credit unions can lead and leverage their resources and networks to tackle today's challenges. This includes climate risk mitigation and ensuring decent work and economic growth.

We also partnered with the UNEP Finance Initiative (UNEP FI) for case studies at the UIS Summit. In 2023, we will explore further engagement with UNEP FI to continue making progress on our sustainability journey.

We will also continue to exchange news and information on credit union sustainability with UNEP officials from Greening the Blue and the Sustainable UN (SUN).

## **UN WOMEN**

We completed the Target Gender Equality Accelerator Programme, which enabled us to set targets for women's leadership and advancement. UNFCU also regularly engaged with other credit unions on the organization's Women's Empowerment Principles tools and resources.





# Impact Leadership

## CEO



**John Lewis**  
*President & CEO*

## Executive Sponsors



**Pamela Agnone**  
*Executive Vice President*



**Prasad Surapraneni**  
*SVP Chief Information Officer*

## DEIB and CSR Leadership



**Carlene Alexander**  
*AVP Global DEI*



**Yma Gordon**  
*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  
FVP, Enterprise Information Security*



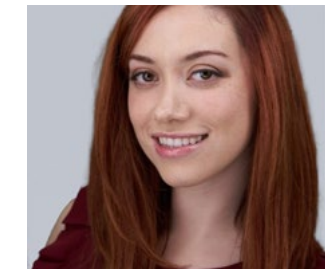
**Elisabeth Philippe**  
*External Affairs  
UNFCU Senior Manager, CSR and Media Relations*



**Srinivas Tammiseti**  
*Operations  
Manager, ITS Strategy and Process*



**Ayisha Trebilcock**  
*Administration  
Senior, Strategic Marketing Associate*



**Sofia Villarreal**  
*Operations  
Program Manager*





# Contact Us

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

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**unfcu.org**

*serving the people who serve the world*<sup>®</sup>

This credit union is federally insured by the National Credit Union Administration (NCUA).

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