



Our Social Impact 2014



Inspired? For further information:
www.unity.co.uk/socialimpact

Foreword

A warm welcome to our third social impact report.

I am very proud that this year we are expanding our reporting to show how we create social impact through our wider business activities.

Our social purpose is embedded within the way we do business, which puts us in a unique position as a bank. We have a 'double bottom line' strategy where social impacts are as important to us as financial sustainability.

We aim to be 'the bank for social impact' serving organisations and businesses that offer community, social or environmental benefit. We have evolved our reporting to reflect this by demonstrating to our customers, staff and shareholders how we meet this aim.

Peter Kelly

Director of Business Development and Marketing

About our social impact reporting

We monitor, measure and report on our social impact because we want to be transparent about how we achieve our social aims. We use quantitative and qualitative measures to identify our social impact, and this recording process is built into our business activities.

The data contained within the report was collected between 1 January and 31 December 2014.

Introduction

Our Social Impact 2014 demonstrates how Unity achieves the social goals as set out in our strategy. It highlights the specific activities the Bank undertakes in a number of areas to create positive social impacts.

The areas in which we focus our social responsibility commitments are:

- **Lending** – We reinvest our customer deposits by lending to organisations with a clear social impact.
- **Customers** – We provide products and services which meet the specialised needs of our customers.
- **Community** – We make a positive contribution to our communities by volunteering and fundraising for local good causes.
- **Staff** – We aim to develop a motivated and productive team by creating an open and supportive culture.
- **Business Practices** – We pioneer and advocate best practices which recognise us as a responsible member of the banking industry and the communities in which we operate.

About Unity

Unity Trust Bank is a specialist bank for organisations and businesses that offer community, social or environmental benefit. We provide bank accounts and loans to customers including trades unions, charities, social enterprises, co-operatives, credit unions, voluntary and community organisations, membership organisations and local councils. Around 20,000 customers bank with us, and as included within our annual Report and Accounts for 2014, they hold deposits of £782.8 million and a loan portfolio of £175 million. Our operations are wholly UK based.

Our head office and customer service teams are based in Birmingham, with a network of Relationship Managers working across the UK. We had 90 employees as at the end of 2014.

Our values

Unity was founded in 1984 to be a different kind of bank – one concerned with the creation of the common good and not principally influenced by the profit motive. We maintain these principles today by adopting a 'double bottom line' strategy where social impact is equally as important as financial sustainability.

Lending

Unity helps to create social change in communities by reinvesting the deposits made by its customers into loans for organisations and businesses that offer community, social or environmental benefit

These loans help create housing, community spaces, service spaces and jobs which are all vital components of a prosperous society. The organisations borrowing from us gain a more stable future because they have the assets and resources they need to deliver their objectives. The individuals, families and communities receiving their support benefit from improved facilities and better services, in turn raising their hopes for their future.



Bootstrap Company

Every pound that can be conserved and used to further the work of charities is essential. Hackney based charity and social enterprise Bootstrap Company aims to alleviate poverty and increase education and enterprise within the local community.

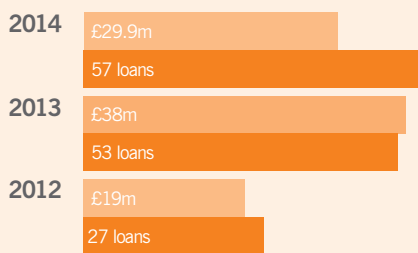
When they refinanced their £1.3 million loan to Unity, they saved £40,000 on annual loan repayments. This saving will be driven back into community projects such as Bootstrap Campus, Start-up Square and The Bunker.

These will provide additional workspace for start-ups, as well as creating an enterprise hub where young people can get desk space and career support. Bootstrap also offer support and training through masterclasses run by the company and its tenants allowing young people to meet employers and gain career skills. This support ranges from fundraising and PR skills, to social investment courses, social media workshops and networking events.

Sara Turnbull, Chief Executive at Bootstrap Company, said: "It was important to us to work with people who share our values, and having a bank that understands what we're here to do has made all the difference. The refinance has allowed us to invest in our building and staff, and we feel confident about the future and the projects we are investing in."

We are transparent about where we invest our customers' money. To see the projects, regions and organisations we invest in, visit our lending map: www.unity.co.uk/lendingmap

Value and number of loans made



176
Bed spaces created

in secure and comfortable accommodation, meeting a range of social, physical and economic needs.

(2013: 612)



We lent to 7 Living Wage accredited borrowers

According to the list of Living Wage employers displayed at www.livingwage.org.uk

(2013: 0 borrowers)



3,423
Jobs created and protected

(2013: 2,143)

Organisation type of borrower by loan value



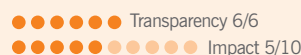
£26,356,500
Additional finance leveraged

Our loans help some of our customers access other sources of finance including grants, contracts and other bank loans. Our loans can indirectly help our customers generate extra income too by giving them the space, scale and capacity to do more.

(2013: £39,747,466)

RBS SE100: The Investor Index

An independent measure which seeks to improve the quality of transparency and impact reporting amongst social investors.



Community Development Finance Institutions

£7.5m lent to CDFIs

We are the leading provider of finance to CDFIs. We invest in CDFIs because they finance underserved and financially excluded SMEs, microbusinesses and individuals.

(2013 £3.2m)

Unless otherwise stated, all data on social impact created by lending is collected from discussions with borrowers as part of the loan application process.

Customers

Unity has a responsibility to provide its customers with products, services and support, tailored to their specialised needs

Unity is customer driven and puts its customers first. Feedback is valued, listened to and used to continually improve what is offered. This ensures our customers get effective services from us so that they can focus their energy on running their organisation. The Bank's customer services team is always on hand to help, giving customers confidence that they can speak to someone when they need to. We place a strong emphasis on maintaining high levels of customer satisfaction.



Mendip Community Credit Union

Mendip Community Credit Union (MCCU) is ambitious in letting its local community know that there is a responsible alternative to doorstep and payday lenders close by in the form of its credit union.

It recently opened a service point in Frome, Somerset, to serve one of the most deprived housing estates in its common bond area. One of the important issues it is addressing through this service point is getting children to develop a savings habit early to ensure they learn to budget and deal with domestic finance issues.

Supported with a grant from Unity's Credit Union Development Fund, MCCU is working with local Christchurch School to set up a Pocket Money Savings Club for 150 children and a regular savings scheme for over 50 parents to put money away to help with school costs like trips and uniforms.

This is creating a positive impact for parents and children alike by showing them simple ways to save and manage their money and providing a viable alternative to the unsustainable finance they may previously have been using. To make saving fun, the Credit Union rewarded children saving regularly with piggy banks to decorate and book tokens were awarded to the best decorated.

Customer feedback

600 customer satisfaction surveys carried out to ensure we are meeting the expectations of our customers. These surveys are carried out on our behalf by a third party.



86.9% average customer satisfaction score



85.5% average customer advocacy score

Charity Finance Banking Survey 2014



- Relationship management
- Fees and charges
- Sector knowledge
- Customer expectation

We came 2nd in the remaining five categories. This independent survey compared Unity to nine other banks including those on the high street. 27% respondents were Unity customers.

Customer complaints

We receive more compliments than complaints from our customers.

101
Compliments

57
Complaints



Credit Union Development Fund

A bank account especially for credit unions to deposit their surpluses, of which we pay a percentage of the balance into a separate fund to make grants to credit unions.



£14,000

granted to 13 credit unions to help them with their communication and growth (2013: £36,000 to 16 credit unions - technology)

Specialist loan schemes

Subject to meeting our lending criteria, our specialist loan schemes make it easier for organisations to raise finance.

100% finance in partnership with Big Issue Invest

borrowers do not need a deposit for a loan

WCVA

for organisations in Wales to access finance tailored to their needs

SCVO

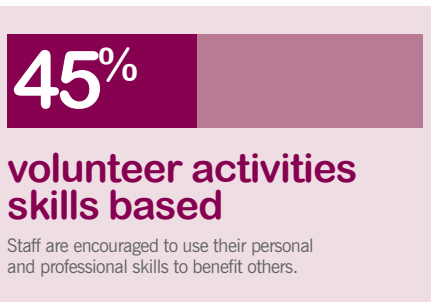
for organisations in Scotland to access finance tailored to their needs

We always welcome feedback from our customers and stakeholders to help us improve the service we offer. Tell us your thoughts at www.unity.co.uk/feedback

Community

Unity encourages its staff to make a positive contribution to the communities where we operate

Volunteering, fundraising and donations are coordinated by staff through the Unity in the Community programme. Each employee is given five paid volunteer days during which they can help local and national charitable organisations and, in turn, the people that they support. We also carry out fundraising events throughout the year, and make donations to good causes nominated by staff, as well as helping local organisations in times of need.



Enabling Enterprise

We worked with the education programme Enabling Enterprise to welcome pupils from Birmingham schools, Wheelers Lane Primary and Tenterfield Primary, to our office for an exciting day which would help provide pupils with the experience, skills and aspirations needed for a successful future.

The pupils were introduced to Unity and our social values and these ran as a strong theme throughout the day. The pupils toured the offices speaking to various teams including customer services and technology. They found out about the roles of the teams, explored the workplace environment and chatted to some of the Unity team about education and working life.

The pupils were set a challenge to use the knowledge and experience they gained from speaking to staff. They were asked to design an exciting employee awards party requiring problem solving skills and team decision making to stay on budget.

Head Teacher, Mrs Pecheur, of Wheelers Lane Primary, said of the day: "Being here, having the students in this environment supported aspiration building as many of them would not have experienced anywhere like this before."

Find out about our latest volunteering by visiting the Unity in the Community page of our website:
www.unity.co.uk/uitc

All activity on the Unity in the Community programme is self declared by staff and recorded on the HR system.

Staff

Unity aims to develop a motivated and productive team by creating an open and supportive culture

Unity believes that growing a talented, diverse and motivated workforce is crucial to the future success of the organisation. This translates into improved staff loyalty and high levels of customer service. We give our staff the option to work flexibly, undertake personal development and training opportunities to ensure they are satisfied in their roles. Our apprenticeship scheme is instrumental in providing young people with valuable workplace skills and experience and the scheme also helps the Bank to develop a pool of young talent from which to recruit more permanent staff.



Apprenticeship scheme

Ronni-Lily Bannister joined Unity as an apprentice during 2014 and is a member of the New Accounts team. "I had my interview with Unity the day after the apprenticeship scheme contacted me about the opportunity" said Ronni-Lily. "An hour after the interview I had a call to say the role was mine."

"Doing an apprenticeship really appealed to me because I could use my skills and it gave me the opportunity to earn whilst I learn." Ronni-Lily continued "I chose business administration because it has lots of variety, is busy, and has lots of job prospects at the end. When I heard that I had the job with Unity it didn't feel real."

Ronni-Lily believes getting to know Unity's customers, having an insight into different teams and being in a more mature environment are the best parts of her role. "It's great to have responsibility and independence to do my job and to have people believe that I can do it." She said "This is the experience you need for the real world. I've learnt more than I thought I would, and I know that as long as I am keen to learn and work hard, Unity will help me to achieve my own goals."

28.4 hours training per employee

Each member of staff receives regulatory and job-related training to broaden their knowledge and skills.

(Industry average according to Chartered Institute of Personnel and Development: 25 hours per employee)

Women in the business

42% Senior managers
17% Executive team

We are committed to having a diverse workforce and promoting equality.

Fair remuneration

We seek to minimise pay inequality between our employees and recognise the important role played by each individual. The ratio is currently 10.

We have adopted the recommendation of the High Pay Centre to maintain a maximum ratio of 20 between our highest and lowest paid.

Apprentices

4 new apprentices joined Unity in 2014
3 former apprentices accepted contract extensions upon completion of their apprenticeships

Apprentices earn **64%** above the national apprentice rate.

The national minimum apprentice wage is £2.73 per hour according to the Government's website.

Employee Shared Ownership Scheme

Each member of staff has the opportunity to own shares in the bank, meaning they can share in its future success.

100 free shares after first year of employment
+30 free shares as part of our 30th birthday

'One Star' rating - Best Companies to Work For survey

The survey scores businesses in eight areas including personal growth, fair deal and giving something back. 93% of the Bank's staff completed the survey.

(2009 - 2014 'one to watch')

Profit share 3.45% of salary

We do not pay banker style bonuses. We operate a modest profit share scheme where all staff from the Chief Executive to the most junior receive the same percentage.

Investors in People (IIP) Gold status

Unity achieved IIP Gold status for its commitment to business improvement, people management and continuous investment in staff.

We join the top 7% of UK accredited businesses, according to IIP

(2013: Silver status)

You can find out about our latest staff initiatives by visiting the 'latest news' area of our website.

Unless otherwise stated these figures are recorded internally.

Business Practices

We believe it is crucial to take the lead in implementing responsible business practices throughout our organisation

It helps us to be transparent about matters like pay, investments and taxation, and means we are accountable to both our own values and to external bodies. We also encourage other organisations to adopt these practices.



In 2013, Unity was proud to be the **first Living Wage Accredited bank**. In November 2014 the Bank was recognised as the **Living Wage Champion in the West Midlands**.

The award recognises organisations that have made great contributions to communities and industries by implementing and celebrating the Living Wage.

We #buysocial



We are committed to sourcing socially responsible suppliers. This includes buying from social enterprises and other social economy organisations like charities and co-operatives.

Where we can, we choose our suppliers for being:

- Unity customers
- socially responsible
- local

We have included the need to consider socially responsible business values such as Living Wage and Fair Tax accreditation in our supplier policy.

In 2014 we used social suppliers for:

- catering
- photography
- designing and printing t-shirts and awards



In February 2014, Unity became one of three companies **pioneering the Fair Tax Mark** alongside Midcounties Co-operative and The Phone Co-op.

We are now one of seven UK organisations which hold the Fair Tax Mark. The Mark aims to recognise companies which have an open and honest approach to their taxation policy and reporting. It assesses whether companies signing up to the Mark pay the right amount of tax at the right time and place.

Financial sustainability

Whilst profit is not our principal driver it is still important that we operate efficiently to enable us to reinvest in the business, provide a return for our shareholders and, crucially for a bank, to increase our capital strength.

We have never traded in sub-prime investments or the complex financial instruments that have resulted in difficulties for some banks. The loans we do make are covered almost four times by customer deposits, all of which makes us less vulnerable to fluctuations in the money markets and therefore more financially stable.



Social Enterprise of the Year - UK Finalist

In recognition of all our achievements as a social enterprise, we reached the finals of the Social Enterprise UK awards.



Devenishgirl Bakery CIC

Where possible, we always try to choose local, social suppliers to meet our business needs. One area in which we meet this commitment is catering.

Our Birmingham based customer Devenishgirl Bakery CIC aims to create a 'recipe for success' for young people. We work with them as the catering suppliers for many of our staff events. By providing training and apprenticeships for young people aged between 14 and 25, the work of Devenishgirl Bakery changes lives for the better.

Melanie Glass, founder of Devenishgirl Bakery said "We are really proud that Unity chooses to work with us and as a result means we have a greater opportunity to invest in the lives of more young people.

"The young people we work with lack belief in their abilities and are marginalised from the employment market for a number of reasons. Our pre-employment programme helps them gain workplace experience and develop their personal, employability and social skills."

We strive to adopt responsible practices in all areas of our business. If you have any suggestions on how we can continue to improve please let us know.

**To find out more about
our social impact,
contact us:**

0345 140 1000
us@unity.co.uk
www.unity.co.uk
@unitytrustbank

