



LRN's 2014 Communication on Progress to the United Nations Global Compact

Statement of Continued Support by the Chief Executive Officer (CEO)

Anniversaries provide unique reason to celebrate, reflect and contemplate. At LRN, as we embark on our fifth year as a signatory of the United Nations Global Compact and report on related accomplishments made in 2014, I feel compelled to consider what animated LRN to join forces with UNGC, how we have come together in our journeys to inspire more principled performance in business and what lies ahead for us individually and collectively.

LRN turned 20 in 2014. And for the past two decades, LRN's own mission has been to guide companies on their journeys to inspire principled performance in how they operate, lead, and govern themselves. Our educational, advisory and other services for the private sector reflect a core belief that companies do not have to choose between living their values and succeeding as a business because principled behavior and performance results in both enhanced reputation and revenue growth.

In 2010, we were moved to join the UNGC because we felt that our mission was complementary and reinforcing, and together we had an opportunity to create more a sustainable future. Since then we have enjoyed a wonderfully collaborative and rewarding partnership that has been only fortified in all the ways we came together as partners in 2014. It was meaningful to envision "the 21st century corporation" with Global Compact LEAD companies, presenting at meetings in both Rome and New York. It was perhaps even more meaningful – and humbling – to stand beside Georg Kell, CEOs and other business leaders in celebrating 10 years of the UNGC 10th Principle against corruption.

At LRN, we talk a lot about human behavior. To out-compete in the global marketplace, one must out-behave—and that includes how we manifest integrity. The 10th Anniversary of the UN Global Compact's anti-corruption principle is yet another sign that it is indeed practical to be principled. The kind of progress that has been made over the past 10 years in the fight against corruption – moving from awareness of the corrosive harm of corruption, to creating strong ethics and compliance programs in the fight against corruption, to today's embrace of ethical business as good business – mirrors LRN's own journey in serving our more than 700 client partners, helping them embrace principled performance as the only performance that really matters.

For the purposes of our 2014 Communication on Progress, as we reflect on the specific actions LRN has taken the past year – both in terms of the solutions we are bringing to market and the way we are running our own organization – I am heartened by what we have accomplished. We have taken concrete steps to expand and strengthen our support of the Ten Principles. Whether we're applying an innovative game format to a course about anti-corruption, or holding a series of webinars that engage our partners on the topic of labor and employment, or implementing portable code of conduct that employees can consult on their mobile devices, or developing a library of core resources designed to help ethics and compliance professionals manage human rights risk areas, LRN gives our partners the ability to act in accordance with both the spirit and the letter of the UNGC's Ten Principles in how they operate.

It remains a distinct honor to work with the UNGC in our collective mission, and I look forward to the progress we can make together over the course of 2015 and beyond.

Sincerely,



Dov Seidman



LRN founder and CEO Dov Seidman

LRN's Support of UNGC 10 Principles in 2014

LRN has a deep commitment to each of the Ten Principles. The Communication on Progress that follows details how LRN has made progress through practical actions to further the adoption of the Ten Principles of the UNGC in the areas of Human Rights, Labor, Environment and Anti-Corruption.

As an ethics and compliance company, we provide our partners with a variety of tools and resources so that they may build and support cultures that in turn uphold all of the UNGC Principles. Our operations are primarily located in the United States, subject to and in full compliance with all applicable laws relating to human rights, labor, the environment and business integrity. We produce intellectual property rather than industrial goods or services that are a primary focus of the Ten Principles.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Resources for Partners

In addition to our own practices, LRN has continued to develop resources for use by our business partners that help to embed the core principle of respect for human rights. This is reflected in specific courses and other training materials available to our partners, primarily related to global supply chains and management of hotline and reporting infrastructures.

Respect for human rights and the dignity of fellow employees and citizens also is deeply embedded in Governance, Culture and Leadership (GCL) advisory services provided by LRN. We use best practice methodologies, survey platforms, comprehensive reporting capabilities, focus groups, and other expert advisory services to assess employee behavior in relation to corporate values and visions for the future.

In addition, our Ethics and Compliance Alliance (ECA) portal provides everything a company might need to fully and professionally address its ethics and compliance challenges. In 2014, we created a library of core documents to enable E&C officers and their staff to create, manage, maintain and benchmark specific human rights risk areas.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Webinar Discussions

Throughout 2014, LRN convened several hour-long webinars for our partner community. Featuring in-depth conversations with practitioners, and other experts, our webinars covered several ethics and compliance topics, including diversity. Of particular note was an hour-long webinar by ECA Expert Natalie Holder-Winfield, a well-known diversity, discrimination and labor & employment lawyer, describing best practices for establishing a workplace culture that builds respect, fosters inclusiveness, promotes diversity and embraces the unique skills and qualities of all employees.

Resources for Partners

This past year, we continued to build out our Ethics and Compliance Alliance (ECA) resources on the topics of labor and employment. We created a library of core documents to enable ethics and compliance officers and their staff to create, manage, maintain and benchmark specific labor risk areas. There are currently 58 documents on various aspects of labor and employment law in the management resource library, including handbooks on specific topic areas, white papers and FAQs and other operational tools.

LRN's robust course library contains nearly 100 courses on topics that relate to labor and employment practices. Courses are offered in different lengths to support training flexibility and learning progressions that meet our partners' training needs, giving them the ability to target distinct employee audiences.

Code of Conduct and eCode

Core to every successful company is an effective code of conduct that aligns employee behaviors with company values, business goals and stakeholder expectations. As a core LRN advisory service, we take a unique, holistic approach to code drafting and refinement that emphasizes not just rules but the culture, leadership and understanding essential to changing behaviors.

In 2014, LRN rolled out the eCode – a way to get what has traditionally been a static document into the hands of tech-savvy, mobile workers. This web- and mobile device-enabled approach ensures that employees have the information they need when they need it to mitigate risk in their workforce.

Course Content

Every year, LRN continues to refine our educational offerings with content related to Labor. In 2014, we added nine courses that relate directly to Principle 6, "Business should eliminate discrimination in respect of employment and occupation." Our new and refreshed offerings range from state-mandated training in California, Connecticut and Maine; to amusing but impactful videos that address diversity and discrimination; to an integrated toolkit designed to start meaningful conversations around preventing sexual harassment.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Resources for Partners

Many LRN partners are companies working in industries that are highly regulated because of the impact their products or practices may have on the environment. We provide our partners with courses and resources related to environmental sustainability, supply chain management and other topics related to responsible approaches to environmental challenges.

Company Commitment

LRN is a knowledge company, and as such, our environmental impact is limited to that of our facilities and employees. We offset our electric energy use by purchasing Renewable Energy Certificates (RECs), which help fund renewable sources of energy and finances the development and research of renewable energy technologies. Our LEED-certified New York City office reduced

water consumption in the office by 32 percent over standard code. When tallied in early 2014, we found that LRN's sustainability efforts resulted in annual energy savings of more than 725,728 kWh per year, and avoided over 800,000 pounds of CO2 emissions that the company would have otherwise produced.

LRN's Executive Vice President, David Greenberg, is the Director of the Board for Cleantech Group, the leading market intelligence and advisory firm focused on clean technology information. LRN was previously the parent company of GreenOrder, the premier management consulting firm focused on sustainability, which merged in 2012 with Cleantech Group.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

LRN has for many years been a leader in designing, implementing and benchmarking global anti-corruption programs, and recently became a member of the UN Global Compact's 10th Principle Working Group on Anti-Corruption. One early contribution has been a commemorative video that helped to launch the 10-year anniversary of the 10th Principle at the United Nations in December 2014, and members of our team have also been active participants in many of the multi-stakeholder initiatives over the past decade that have reshaped the global anti-corruption landscape.

Integrated Approach

In 2014, LRN launched a new anti-corruption initiative designed to provide our partners in the business community with a full range of assessment, training and other support for building and maintaining effective global prevention programs. LRN's team of experienced compliance experts and award-winning educators and program designers work hand-in-hand to develop integrated and multi-leveled solutions that reduce risk and achieve positive behavioral outcomes. A key feature of the initiative is a holistic, integrated approach to combatting bribery that combines evolving benchmarks from traditional E&C practice with insights from LRN's Governance, Culture and Leadership (GCL) advisory experience. As reflected in recent LRN research, whitepapers and other publications, we believe that truly effective anti-bribery programs require both a good program structure and the leadership to change behaviors.

Resources for Partners

The day-to-day work of anti-corruption compliance is in its many practical details – from designing and updating core policy documents and setting and monitoring individual training requirements to maintaining certification and other anti-corruption controls and translating and localizing core program elements.

LRN provides tools and advisory support to our partners in all of these areas. Among the resources we developed in 2014 was a library of core documents for building, maintaining and benchmarking corporate anti-corruption programs. These include model anti-bribery and related policies, white papers on critical issues, and webcasts on best practices and the latest anti-corruption developments.

In 2014, LRN launched a new web-based learning management system, Catalyst, which gives employees and administrators a single, user-friendly access point for viewing and sharing ethics and compliance education, knowledge and information. LRN also is currently developing and will soon launch a comprehensive guide for assessing corporate anti-corruption programs, designed to support both self-assessment and third-party reviews.



Expanded Anti-Corruption Training

Effective training is central to any anti-corruption program. Compliance policies cannot work unless the people expected to follow them understand what is expected and why. LRN offers its partners an exceptionally large and diverse inventory of educational tools for anti-corruption training. Advanced and on-going coursework reflects the latest innovations in education, from short video vignettes, serialized storytelling and live scenarios to experiential learning guides, role-playing and first-person game situations – all designed to reinforce and personalize the learning experience and give learners the tools to recognize potential risks in real-world situations and know how to respond to them.

LRN's anti-corruption education library contains 22 courses and other learning tools, including several new courses in 2014. We recently added a state-of-the-art course on navigating the FCPA that in addition to basic rules and definitions highlights the reasons why combatting bribery is so important and how to respond to problems; this same content also is available in a global version for other OECD-based laws.

Other notable additions include courses on antibribery in our cutting-edge Catalyzing Conversations series. In 2014, LRN also launched its first gamified course on anti-corruption, "The Honesty Project." This and other gamified courses under development teach users the importance of integrity by placing them in real-world situations that reinforce the social consequences of bribery and corruption, while also providing a new and unique learning experience.



About LRN: Inspiring Principled Performance

Since 1994, LRN has helped over 20 million people at more than 700 companies worldwide simultaneously navigate complex legal and regulatory environments and foster ethical cultures. LRN's combination of practical tools, education, and strategic advice helps companies translate their values into concrete corporate practices and leadership behaviors that create sustainable competitive advantage. In partnership with LRN, companies need not choose between living principles and maximizing profits, or between enhancing reputation and growing revenue: all are a product of principled performance. LRN works with organizations in more than 100 countries and has offices in Los Angeles, New York, London, Mumbai, and Paris.

For more information, visit www.LRN.com, find us on Twitter @LRN, or call: 800 529 6366 or 646 862 2040.

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