

2018

COMMUNICATION ON
PROGRESS TO THE
**UNITED NATIONS
GLOBAL COMPACT**



STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

I am pleased to reaffirm LRN's support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption.

As we do each year with our Communication on Progress, this document assesses our impact in helping to create more principled-based approaches to doing business throughout 2018. From innovating and bringing to market new solutions, education, tools, and services that support organizational commitments to the 10 Principles, to the way we try to operate our own business, LRN is forging more elevated ways of operating, leading, and governing, and putting a commitment to humanity and values at the center of businesses' operations around the globe.

The timing of this report couldn't be better. In fact, I find myself in a particularly reflective mood as LRN begins its celebration of our 25-year anniversary. As such, during the course of this year, we will be taking stock of all the ways we have positively contributed to the business community. One area of accomplishment is our relationship with UNGC, which is both deep and meaningful and exemplifies how LRN has tried to influence mindsets about the roles of values and principles in ensuring high standards for workplace behavior. We are excited to continue to partner with UNGC in 2019 and to have even greater reach in the next 25 years.

UNGC's website simply and elegantly states that "sustainability begins with a principled-based approach to doing business." Of course, we share this world view and all the ways UNGC has been escalating and bringing urgency to a new approach to operating, leading, and governing institutions. We are incredibly supportive of UNGC's introduction of its new Action Platforms to achieve the ambitious and necessary goals set out in the 2030 Agenda for Sustainable Development. We believe this is an important step in achieving the Global Goals, and LRN was proud to join the Peace, Justice and Strong Institutions Action Platform in 2018 to improve accountability, integrity, and transparency within businesses and the countries in which they operate.

I look forward to more positive change ahead and the progress we will make together in 2019.

Sincerely,



Dov Seidman



"LRN was inspired to join the UNGC because we recognized the clear ways in which our vision and mission were reflective of its principles."

—DOV SEIDMAN,
LRN FOUNDER AND CEO

DESCRIPTION OF ACTIONS

This 2018 Communication on Progress details LRN's actions during 2018 to further global advancement in the areas of human rights, labor, the environment, and anti-corruption. As a leading ethics and compliance company, we provide our Partners (clients) with educational, technological, and advisory resources to inspire, design, and maintain cultures of integrity. This year, LRN begins a celebration of our 25th Anniversary. Looking back at 2018, and at all the years since our inception, there is a clear demonstration of our unending mission to help organizations be principled in their operations, leadership, and growth initiatives. Our mission continued to have significant alignment with UNGC Principles during 2018.

MULTI-PRINCIPLE ENDEAVORS

Human rights, labor, the environment, and anti-corruption are key issues addressed by LRN's Code of Conduct Services, which represent a core focus of our Partner solutions. We take a unique, holistic approach to Code of Conduct drafting and refinement that emphasizes not just regulations but culture, leadership, and the unique realities of values-based organizational and behavioral change.

LRN worked with numerous Partners in 2018 to develop new Codes of Conduct and we fully supported their application to ensure organizational impact. Specifically, we worked with 16 different organizations to create purpose-driven, values-based Codes of Conduct. The organizations spanned the following industries: agriculture; banking; chemicals; consumer products; energy; environmental services; financial services; food; healthcare; insurance; leisure and hospitality; and manufacturing. Three Code projects came to fruition during 2018 and were deployed to 47,000 of our Partners' employees worldwide. We continue our work with the remaining 13 organizations into 2019.

LRN's Advisory Team released a Partner resource entitled *Bring Your Code to Life: Best Practices for an Effective Code of Conduct*. It examines what "effective" means in today's interconnected world and delivers a framework for implementing a Code that will result in impact.

LRN's Code of Conduct online training courses are also key pillars of the solutions we recommend to our Partners. In 2018, we released a brand-new course called *The Company Code of Conduct*. It presents issues which reflect multiple UNGC Principles. The course is designed to instill core values in a concise and engaging manner, while addressing key compliance topics, including workplace harassment, diversity, inclusion, respecting human rights, data privacy, anti-bribery and corruption, environmental sustainability, and speaking up.





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.



In addition to our internal practices which meet these principles, during 2018 LRN continued to develop a wide array of resources for our Partners that help embed a non-negotiable respect for human rights in to day-to-day business operations.

EDUCATION

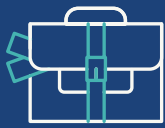
Our new course, *Two-Way Conversations: Listening, Responding, and Reporting for Managers*, was released in 2018. It focuses on ensuring that employee reports of wrongdoings or abuse are addressed by managers who stay keenly aware of their unconscious biases, and follow through with appropriate actions to meet an overall goal of building trust and promoting a healthy corporate culture.

LRN released a brand-new microlearning video on standing up for others who are being harassed in the workplace, or in public, called *Bystanders: A Sexual Harassment Vignette*. Our education solutions also include experiential learning opportunities for our Partners' employees. In 2018, we released a new, live learning toolkit focused on human rights called *Preventing Sexual Blackmail*. We also deployed two new infographics during 2018 that focus on how to respond to sexual harassment in the workplace: *Power: Respect in the Workplace*, and *Bystander*. Our infographics and fact sheets are meant to supplement our online courses and enable business leaders to expand awareness, initiate employee conversations, and promote speaking up within their organizations.

At LRN, we view privacy and the protection of personal information in the digital age as basic human rights. To support this perspective, we significantly expanded our offerings in these areas throughout 2018, introducing 11 brand-new courses, and two new infographics to our Partners.

- [Identifying and Protecting Against Workplace Hazards](#)
- [Identifying and Protecting Against Cyber Attacks](#)
- [Insider Threat to Information Security](#)
- [Data Protection and Privacy: US Privacy Shield](#)
- [Data Protection and Privacy: The EU General Data Protection Regulation \(GDPR\)](#)
- [Data Protection, Privacy, and Information Security: An Overview](#)
- [Data Protection and Privacy: PII](#)
- [Data Protection and Privacy: HIPAA](#)
- [GDPR Infographic](#)
- [Cyber Attacks Infographic](#)
- [GDPR Partner Reference Document](#)

Many of our educational and advisory solutions that address human rights issues overlap with discrimination issues. We have provided additional information regarding our 2018 solutions under the Labor Principles Section.



LABOR

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 labor;

PRINCIPLE 5:

the effective abolition of child labor; and

PRINCIPLE 6:

the elimination of discrimination in respect of employment and occupation.



Internally, LRN continued its commitment to diversity and inclusion through the work of our Diversity, Equity, and Inclusion Committee. The committee's efforts represent LRN's ongoing effort to heighten our consciousness and strengthen the pluralism that is imperative to our company mission. In 2018, the committee hosted unconscious bias workshops for LRN employees and several inclusion events meant to broaden our understanding of the different perspectives and skills LRN employees have. LRN also conducts internal audits to ensure compensation equity across demographic groups.

EDUCATION

LRN's robust ethics and compliance training library contains more than 50 courses on topics that relate to Principles 3–6. Courses are offered in a variety of lengths and formats to support flexible training and learning progressions that allow companies to target content to relevant employee audiences.

In addition to the courses, experiential learning kit, and infographics noted under Principles 1 and 2, in 2018, LRN introduced the following new courses to our Partners, reflecting Principles 3–6.

- Preventing Sexual Harassment (NY/NYC, CA, and ME Editions)
- Trust & Respect in the Workplace: A Zero-Tolerance Stance on Sexual Harassment for Employees
- Trust & Respect in the Workplace: A Zero-Tolerance Stance on Sexual Harassment for Supervisors

Further supporting Principles 3–6, LRN released a new infographic on California's mandated sexual harassment training. It describes how our Partners must take action to be in compliance, beyond online training. LRN also created a multi-page tip sheet intended for managers on how to talk to employees about sexual harassment in the workplace. Our *Zero Tolerance for Harassment* infographic was also added to our resource library in 2018 to help supervisors understand their roles in preventing harassment at work. Our new *Quid Pro Quo* infographic helps make clear to our Partners that power can be indirectly leveraged as a form of harassment with regard to career advancement. At the close of 2018, LRN created an extensive, state-by-state reference document for our Partners to help them understand how mandated anti-sexual harassment training regulations vary across the United States. The guide covers five states, and New York City.

ADVISORY

In 2018, the LRN Advisory Team supported a US state education department to strengthen a culture of service and facilitate success under the new Federal education law, the Every Student Succeeds Act (ESSA). The regulation places an intentional emphasis on educational equity. In collaboration with the department, LRN developed a behavioral framework that articulated values which were implicitly present when the group was at its best. This served as an accountability mechanism, a compass, and an inspiration so that staff more clearly understood what equity meant at work and within their broader professional fields.

LRN also conducted a four-month review of a major global agency's ethics and business conduct office. We prepared a strategic plan for the agency that included strategies for dealing with sexual harassment, operationalizing ethics, as well as best practices in training and communications, governance, and structure.



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.



LRN is a Knowledge Services Provider, and as such, our environmental impact is limited to that of our facilities and employees. We offset our electrical energy use by purchasing renewable energy certificates, which help fund cleaner sources of energy. Our LEED-certified New York City office significantly reduces energy consumption as compared to a traditionally designed office space.

LRN's offices provide easily accessible recycling bins for plastics, paper, aluminum, and glass containers, and we encourage the use of non-disposable items in our common spaces, such as dishes, silverware, and cloth towels.

EDUCATION

We provide our Partners with essential resources related to Principles 7–9 to foster responsible approaches to environmental challenges. Please see our descriptions above under Multi-principle Endeavors. As noted within that section, all of our Codes of Conduct, Code Courses, and supportive materials address issues of environmental sustainability.

The LRN Learning Library offers several courses on topics such as supply chain sustainability, long-term global sustainability, and US and EU environmental regulations.



ANTI-CORRUPTION

PRINCIPLE 10:

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



EDUCATION

LRN offers its Partners an exceptional selection of anti-bribery and corruption online training materials, and in 2018 we significantly expanded our library courses on these topics, introducing several brand-new courses in a variety of formats and lengths: *SAPIN II*; *The UK Bribery Act*; *Giving and Receiving Gifts*; *Facilitation Payments*; and *Bribery in Government Contracting*. Additionally, our 2018-released course on the US Foreign Corrupt Practices Act covers key aspects of the regulation, and *The European Market Abuse Regulation* course covers topics of insider trading and abuse in the financial markets and related consequences. LRN's foundational course, *Introduction to Insider Trading: An Overview*, was also released in 2018, and takes a higher-level overview of employees' roles in maintaining the integrity of the global marketplace.

To support our online curriculum, LRN introduced a new anti-bribery infographic into our resource library that focuses on gifts and entertainment, and we designed and deployed a new anti-fraud infographic for Partners in 2018. Our new *Ethical Decision-Making Framework* infographic also provides our Partners with a key reference point for following a values-based path while making choices at work, and our *Program Effectiveness* infographic helps them consider how to realize programmatic impacts from values-based approaches.

Throughout 2018, LRN was also highly focused on the impact Boards of Directors have across organizations with regard to values, ethics, and compliance. To support this, we released a brand-new experiential learning toolkit entitled, *The Tone from the Very Top—Board Oversight of Ethics and Compliance*. In addition to video training segments, the kit's learning assets include talking points and a facilitator's guide.

ADVISORY

Similarly, LRN released a significant new research report *What's the Tone at the Very Top? The Role of Boards in Overseeing Corporate Ethics and Compliance*. The report offers unique insights gathered from interviews with 26 Chief Ethics and Compliance Officers across a variety of industries. LRN followed the report with a 12-step guide to help our Partners enact change within their organizations, entitled *Board Oversight of Ethics and Compliance: Twelve Steps to Operationalize Tone at the Very Top*.

LRN released a groundbreaking research report in 2018 entitled *The State of Moral Leadership in Business*. Based on a survey of more than 500 employees, it gauged whether they believe greater moral leadership on the part of managers and CEOs would lead to better business outcomes, and the extent to which leaders are demonstrating moral leadership. Our research found that employees, managers, and executives believe that the need for moral leadership is more urgent than ever. At the beginning of 2018 we published the first version of the report; at the end of the year we expanded the research with the intention of releasing a second iteration in 2019. *The State of Moral Leadership in Business* helps organizations define moral leadership and demonstrates how leaders can earn the moral authority which elevates individual and organizational performance.



Continuing LRN's tradition of releasing results from an annual survey of ethics and compliance programs, in 2018, we released the latest version of our *Ethics and Compliance Program Effectiveness Report*, a well-known resource among leading ethics and compliance practitioners who seek benchmarking data. We also followed it with a new, short report based on some of its findings. *A 7-Step Guide: How to Operationalize Ethics and Compliance Training into Your Business*, focuses on how to realize positive employee behavioral impacts from values-based training programs.

The LRN Advisory Team designed and delivered a tailored ethical leadership impact assessment for an industry-leading global organization. It evaluated leaders throughout the organization with regard to their ethical conduct and moral leadership. Among other benefits, the assessment helped the organization establish a basis for leadership development, realignment, and scaling of ethical leadership behaviors throughout its operations.

The LRN Advisory Team also provided a comprehensive review of a multinational processing technology company's anti-corruption program. The review focused on best practices in anti-corruption prevention and on operationalizing and infusing values of integrity, sustainability, and stewardship into their program.

LRN Senior Advisor, Susan Frank Divers, is an experienced attorney and former CECO. Throughout 2018, she served as LRN's representative to the World Economic Forum's *Partnering Against Corruption Initiative*, and the UNGC's *Action Platform for Peace, Justice, and Strong Institutions*.

Finally, five years ago, 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 anti-corruption and bribery prevention programs. This initiative was ongoing throughout 2018.

MEASUREMENT OF OUTCOMES

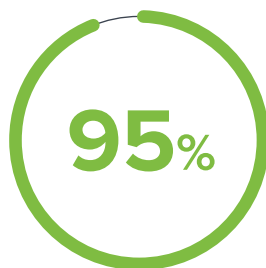
LRN served more than 350 Partners throughout 2018. Our solutions reached hundreds of thousands of people worldwide. We practice a bidirectional information flow for insight on what matters to the market in ethics and compliance education—we actively seek feedback from our Partners regarding our own solutions, and we greatly value what we learn. One mechanism for enabling this is our built-in, end-of-course survey. The survey allows our Partners' learners to rate our education materials and provide comments. Our compiled results from all surveys completed in 2018 revealed:



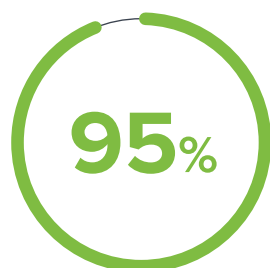
of learners said they would be able to apply the learning to real-life situations if necessary



of learners rated the quality of the learning experience good to excellent



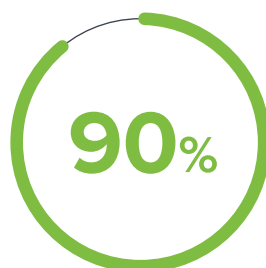
of learners believed they had a better understanding of the subject because of the learning experience



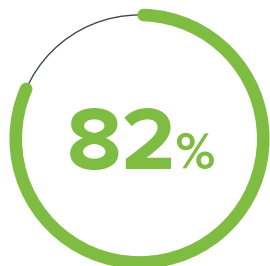
of learners said the learning experience helped them better understand their company's values



of learners said the learning experience provided the necessary guidance to deliver on their company's mission and purpose



of learners said that learning experience would influence how they approach a work situation in the future



of learners said they would act differently as a result of the learning experience

Our website contains nine case studies that detail the unique challenges our Partners face and how LRN's solutions have helped them derive measurable impacts from a values-based approach. Since our inception, LRN has helped millions of people understand how to behave ethically at work. Our training solutions provide practical and actionable advice, grounded in values-based perspectives and ethical decision-making strategies. Our advisory solutions help leaders navigate complex legal and regulatory environments, meet their compliance obligations, and foster ethical cultures. LRN helps companies translate their own values into concrete practices that create sustainable competitive advantage. In partnership with LRN, companies need not choose between living principles and maximizing profits, nor between enhancing reputation and growing revenue—all are a product of principled performance.

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