



# LRN'S 2015 COMMUNICATION ON PROGRESS TO THE UNITED NATIONS GLOBAL COMPACT

**LRN<sup>®</sup>**

*Inspiring Principled Performance<sup>SM</sup>*

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

For more than two decades, LRN's 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 creates both enhanced reputation and revenue growth.

In 2010, we were moved to join the UNGC because we felt that our mission complemented and reinforced UNGC's noble purpose. 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 fortified in all the ways we came together as partners in 2015.

In the past, year our collaboration with Global Compact LEAD was strengthened. We explored countless ways our experience and expertise could be combined to have greater impact. Further, we officially joined as a member of the Anti-Corruption Working Group, working with the Global Compact team to consider how we can scale cultures rooted in values and principles as a means to fight global corruption.

Perhaps most memorable to me personally was my keynote address to the UN General Assembly for the UN Global Compact's 15th anniversary. There, I shared a vision for the creation of a more Human Operating System - one where purpose, values and principles lies at its heart.

I described the conditions of our more interconnected and interdependent world, where everybody is called upon to contribute their full character and creativity and everyone's job is no longer to do the next thing right, but to do the next right thing. I explained how in a more Human Operating System, governance that maximizes short-term, commercial interests and only measures 'how much' business gets done is replaced with governance that embraces responsibility to society, long-term goals, and measures "how" business is done. It is a system where a culture of carrots and sticks, applied against rules and policies that drive what people can and can't do is replaced with a culture of shared values and principles that guide what people should and should not do. This is a vision for a new way of operating, leading and governing and represents the journey we are on together with the Global Compact.

As we prepared for our 2015 Communication on Progress, we reflected 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. 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 2016 and beyond.

Sincerely,

Dov Seidman



LRN founder and CEO Dov Seidman

## LRN's Support of UNGC 10 Principles in 2015

LRN has a deep commitment to each of the Ten Principles of the UN Global Compact. The Communication on Progress that follows, details LRN's progress through practical action to further our advancement in the areas of Human Rights, Labor, Environment and Anti-Corruption.

As an ethics and compliance company, we provide our client partners with a variety of tools and resources so that they may build and support cultures that in turn uphold 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, business integrity and the environment.

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### 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 client 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 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. This includes a library of core documents created to enable E&C officers and their staff to design, manage, and benchmark program activities specific to human rights risk areas.

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### 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

Webinars are a primary means for communicating new and important information about critical compliance issues to our partners around the globe. As in past years, LRN convened numerous hour-long webinars for our partner community, featuring in-depth conversations with practitioners and other experts. These addressed a wide range of ethics and compliance topics, including workplace diversity. Of particular note was an hour-long webinar by ECA Expert Rebecca Walker, a recognized leader in the ethics and compliance community, exploring the teachings of behavioral ethics and their application to workplace conflicts and controls.

## Resources for Partners

This past year, we continued to build out our Ethics and Compliance Alliance (ECA) resources around the topics of labor and employment. We have 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 98 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 a variety of lengths and formats to support flexible training and learning progressions that meet our partners' needs, providing companies with the ability to target distinct employee audiences.

## Code of Conduct and Mobile Code

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 realities of behavioral change.

LRN's code of conduct team collaborates with partners to re-imagine their code – focusing on relevant, values-driven content conveyed in an accessible, engaging manner – either as a standalone document, an interactive PDF, or a mobile app. Flexible delivery of this vital content enables the workforce to receive and understand it ensures that employees have the information they need to mitigate risk in their workforce.

## Course Content

Every year, LRN continues to refine our educational offerings with content related to Labor. In 2015, we added six courses that relate directly to Principle 6 and the elimination of workplace discrimination. Our new and refreshed offerings range from state-mandated training in California, Connecticut and Maine, to impactful videos that address diversity and discrimination, and an integrated toolkit for management-led 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 highly regulated industries 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 to foster 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 finance the development and research of renewable energy technologies. Our LEED-certified New York City office reduced energy and water consumption.

LRN's Executive Vice President, David Greenberg, is a Member of the Board of Directors 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.

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## Anti-Corruption

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

For many years, LRN has been a leader in designing, implementing and benchmarking global anti-corruption programs, and in 2015 became a member of the UN Global Compact's 10th Principle Working Group on Anti-Corruption. One early contribution was 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 that have reshaped the global anti-corruption landscape over the past decade.

### Integrated Approach

Two 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 global prevention programs. In 2015, we added significant new resources to our inventory, including an option for deep, risk-based customization of foundational on-line training. 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 good structure and inspired 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, to 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 refined and expanded in 2015 was our comprehensive 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 2015, LRN also refined its innovative 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 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. LRN offers its partners an exceptionally large and diverse inventory of anti-corruption. 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 our offerings are designed to reinforce and personalize the learning experience and give learners the tools to recognize and respond to potential risks in real-world situations.

LRN's anti-corruption education library contains 22 courses and other learning tools, including several new and refreshed courses in 2015. 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.

### 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, meet their compliance obligations, 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. As a global company, LRN works with organizations in more than 100 countries. For more information, visit [www.LRN.com](http://www.LRN.com), or find us on Twitter @LRN.