

# The Next Leap



Technology, trust, and the  
transformation of compliance



# Content

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Introduction	3
Key findings summary	6
Key findings (Detailed analysis)	
1. Diverging paths: The expanding effectiveness gap	8
2. The unfulfilled promise of data and technology	11
3. Uneven compliance and technology adoption across regions	18
4. The middle management disconnect	23
5. Governance gaps: A plateau in board oversight	27
6. Regulatory readiness and third-party risk	32
Cross-year trends (2024–2026)	36
Conclusion	39
Methodology & demographics	40
Data appendix (Summary)	44

# Introduction



Since 2014, LRN has been dedicated to identifying and sharing best practices that define successful programs. Over the past 12 years, our work has expanded to include emerging trends, regional insights, technological advancements, and regulatory shifts, all of which have shaped the modern compliance landscape. We remain committed to supporting organizations who believe that an ethical culture and continuous improvement are vital components of a healthy and successful business.

The 2026 Ethics & Compliance Program Effectiveness Report (“PE Report” or “2026 PE Report”) explores how ethics and compliance programs are evolving in an era defined by artificial intelligence (AI), data analytics, and new regulatory challenges. The central question of this year’s analysis is:

“Are organizations leveraging technology to enhance trust or simply to automate old habits?”

This year’s report presents 2026 as a turning point. After years of steady, incremental progress, ethics and compliance programs now face the demand for a transformation in which data, insight, and human values must converge. The PE Report emphasizes integration, intelligence, and impact, illustrating how forward-looking organizations are redefining ethical performance for the digital age.



This year's report is based on surveys of over 2,500 ethics and compliance professionals and employees from organizations across industries and regions. Respondents came from companies of all sizes, including those with a global presence in North America, Europe, and Asia-Pacific (APAC).

For the analysis in this report, LRN categorizes E&C programs as high-impact, medium-impact, or low-impact based on their reported focus on ethical culture. Culture impact is measured by reviewing:

#### Ethical decision-making:

Are the choices employees make animated by values or expediency?

#### Organizational justice:

Are senior executives and high performers held to the same standards of conduct as other employees?

#### Freedom of expression:

Do employees speak up, contribute willingly, and exchange ideas freely?

Building on the trusted methodology we have developed over 30 years, the 2026 PE Report identifies critical differentiators that set high-impact programs apart, highlights persistent gaps between high- and medium-impact programs, and provides actionable recommendations for addressing these disparities.

Over the past few years, we've been steadily adding more future-focused questions to help compliance professionals with horizon scanning, and this year was no exception. Given the rapid rise and, in some cases, the slow adoption of AI, we wanted to include deeper insights into the challenges organizations are facing. These findings will be benchmarked in future reports so we can track progress year over year.

The 2026 PE Report presents LRN's comprehensive global assessment of ethics and compliance (E&C) program effectiveness. This analysis offers one of the clearest pictures of how ethical culture, accountability, and technology intersect to shape modern ethics and compliance programs.



The global environment for ethics and compliance is in transition. Organizations today operate amid three converging forces:



### 1 Technological acceleration

Artificial intelligence, automation, and data analytics can revolutionize compliance management, but they also risk widening the gap between technical capability and operational clarity.



### 2 Culture still key

Despite investment in training, codes of conduct, and engagement tools, significant perception gaps between leadership and employees persist. Trust in leadership accountability remains the central variable for assessing culture strength.



### 3 Regulatory transformation

Governments worldwide are raising expectations through measures such as the UK's *Failure to Prevent Fraud* law, enhanced ESG due diligence mandates, and the early wave of AI governance frameworks.

The 2026 PE Report provides a data-driven analysis of how organizations are navigating these disruptive forces. It identifies progress, challenges, and vulnerabilities as E&C programs adapt to a more digital, distributed, and data-conscious global landscape. The results show a field that is evolving, but not yet transformed.

# Key findings summary



## 2026 in review: Transformation or transition?

The global ethics and compliance landscape in 2026 shows both progress and paradox. Programs are expanding in sophistication and reach, but the evidence suggests that many organizations remain in a transitional phase embracing technology in form, but not yet in function. This year's findings highlight both the contours of that change and the challenges ahead.



### 1 The performance gap widens.

High-impact programs continue to accelerate, while medium and low tiers improve only marginally. Top performers link culture and analytics, embedding measurement into everyday management.



### 2 Technology adoption expands but lacks depth.

The number of organizations using AI or data analytics in compliance is rising, yet adoption remains uneven. Many of them deploy tools but lack clear governance, integration, or performance measures. Only a minority uses advanced analytics to evaluate impact, and this is a critical barrier to evolution.



### 3 Ethical culture improves modestly worldwide.

Gains are strongest in organizations whose leaders consistently model values and reinforce them with transparency and accountability. The data show that cultural credibility, and not technology alone, remains the most reliable predictor of E&C program effectiveness.



## 4 Middle management remains the missing link.

Despite improved executive engagement, values are not transmitted through middle managers consistently.

Employees still see gaps between policy and practice, limiting the impact of even well-designed programs.



## 5 Governance paradox persists.

Investments in compliance infrastructure and training have grown, but board oversight has plateaued. In just over half of organizations, boards receive regular E&C updates, suggesting that governance engagement is not keeping pace with operational complexity.



## 6 Third-party and regulatory readiness advance slowly.

While more organizations now monitor third-party risks, readiness for new fraud prevention and ESG regulations remains inconsistent. Progress is most evident in Europe and the UK, where legislative changes are driving modernization.

The 2026 data portray a profession in motion: one that has embraced innovation, but not yet realized its transformative potential. The challenge ahead is not simply to use technology, but to integrate it ethically and intelligently so that it reinforces trust and purpose rather than replacing them. The lack of integration could be dangerous for programs that have not adapted to new technologies and risks.



# 1 Diverging paths: The expanding effectiveness gap



High-impact ethics and compliance programs continue to distinguish themselves through cultural performance and data-driven agility. In the 2026 dataset, high-impact programs outpace medium-impact ones across key cultural and operational indicators, widening a maturity gap that compounds year over year. Organizations with strong foundations in leadership accountability and data analysis are moving faster because they connect values to measurement and embed those measures in management routines.

These capabilities are translating into faster gains in culture indicators and earlier detection of risk trends. The gap is measurable in:

- Adoption of analytics
- Use of benchmarking
- Quality of board engagement

High-impact programs report greater use of benchmarking tools to assess performance than medium-tier ones, 58% versus 34%. These tools enable organizations to detect risk trends early, target training, refine ethical culture metrics, and demonstrate value and performance when securing resources. High-impact programs are now 2.2x more likely to focus on artificial intelligence (AI) risks, 1.4x more likely to integrate AI into training, and 1.3x more likely to address AI in their code of conduct compared to medium-impact programs.

The use of AI in training delivery is also higher, with 48% of high-impact programs reporting adoption versus 36% for medium-impact

programs. Planned enhancements for 2026 point in the same direction, with growing interest in AI-enabled training platforms and personalized learning.

Why is the gap widening? It could be that the combination of leadership accountability, clear objectives, and integrated measurement creates a reinforcing cycle. As programs use analytics to find friction points, they can target training to managers and teams and then confirm changes in culture metrics.

Factors might also include talent gaps, weak governance, misaligned incentives, or unclear ownership. Leaders who shift the focus from merely adopting tools to actually building capabilities are going to have more success.

Medium-impact programs tend to deploy tools without fully integrating them into decision-making, resulting in slower



High-impact programs are now **2.2x** more likely to focus on AI risks, **1.4x** more likely to integrate AI into training, and **1.3x** more likely to address AI in their code of conduct compared to medium-impact programs.

improvement and inconsistent regional execution. For medium- and low-impact programs, barriers include resource limitations, lack of analytic capability, and uncertainty about interpreting E&C data. The findings suggest that progress in compliance effectiveness now depends less on acquiring tools and more on embedding data literacy across compliance and leadership functions.

**Implications for 2026 planning**

Organizations should prioritize data literacy and routine benchmarking, and connect measurement to management objectives and incentives. For example, LRN’s Catalyst analytics platform allows organizations to track culture indicators by function, integrating risk signals into quarterly business reviews, and setting escalation criteria that trigger targeted manager coaching.

**Global program effectiveness score average**

(5,00 top score)



**How has your organization responded to the challenges of the past few years (e.g., COVID, the war in Ukraine, economic instability, etc.)**  
(% agree)

Our ethical culture has grown stronger as a result of our experiences navigating the challenges of the past few years.



Programs overall



High-impact programs



Medium-impact programs



Low-impact programs



## 2 The unfulfilled promise of data and technology



**D**espite years of focus on data-driven compliance, most organizations still struggle to turn information into insight. Only 34% of programs report the active use of data analytics for compliance evaluation. High-impact programs, however, are more likely than others to apply data gathering and data measurement to compliance. They are nearly twice as likely as others to leverage benchmarking data, advanced analytics, and automation in managing compliance. The adoption gap between high- and medium-impact programs for benchmarking has widened to 1.9x.

This shortfall reveals a paradox: technology adoption has increased, but the ability to use that technology effectively has not. Many organizations still rely on manual monitoring, static reporting, and lagging indicators instead of real-time insights, limiting the agility and foresight of compliance functions.

There has been a notable rise in programs dedicating significant effort to information security challenges, including those related to artificial intelligence (AI), reaching 50% among high-impact programs, though engagement remains comparatively lower among medium- and low-impact groups. Use of data analytics tools for compliance risk identification and program-effectiveness measurement continues to grow, particularly among high-impact programs, rising from 47% in 2025 to 53% in 2026.

### Where programs stall

Teams often procure tools without planning for data management, model validation, and cross-functional interpretation. Without common definitions and clear ownership, dashboards become descriptive lists rather than engines for decision-making.

### Practical steps

Define a small set of leading indicators that leadership will review each quarter. Commit to one or two experiments per quarter that connect analytics to action, for example, targeted manager coaching for units with low fairness scores, or scenario-based microlearning for repeat risk patterns.



## AI adoption

Artificial intelligence continues to reshape compliance functions, but many organizations still struggle to apply it with strategic purpose. While 39% of respondents report using AI in at least one aspect of their programs, such as training, fewer than half can explain how it improves outcomes. This suggests a troubling gap between adoption and integration.

## What changed in 2025

In 2024, AI in training appeared most often among high-impact programs, with only a minority of codes referencing AI governance. In 2025 more organizations reference AI in codes, and more report AI in training, monitoring, or policy delivery.

High-impact programs lead the way in experimentation. Forty-two percent of these organizations report AI-enhanced training modules, compared to only 30% of medium-impact programs. Common applications include adaptive learning algorithms that tailor content to roles, automated document reviews, and keyword-triggered risk detection. Few organizations, however, apply AI to root-cause analysis, continuous monitoring, or ethical risk prediction, the areas with the greatest potential impact.

The AI integration gap between high- and medium-impact programs has grown to 12%, indicating that resource advantages are beginning to translate into sustained innovation gaps. Furthermore, only 33% of organizations now reference AI ethics in their codes of conduct, raising critical questions about accountability in automated decision-making.

Please select the following features that apply to your code of conduct (% selected)

Addresses artificial intelligence risks such as ChatGPT



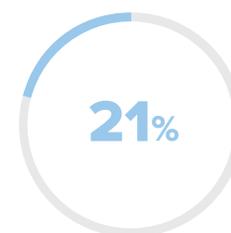
Programs overall



High-impact programs



Medium-impact programs



Low-impact programs





## Tools today

The 2026 findings reveal a widening divide between programs that merely implement tools and those that embed analytics into decision-making and governance processes. Organizations need to realize that using data analytics isn't about measuring activity, it's about measuring outcomes. Hitting 100% completion rates for your annual code training is not a useful data point; the real challenge for many organizations is understanding how they achieved those results and what drives them. They can achieve this by digging deeper into the data.

Forward-leaning organizations are investing in data literacy across compliance and leadership teams, ensuring that metrics and insights translate into informed action. Practical approaches include connecting compliance dashboards to management reviews, aligning performance indicators with culture metrics, and democratizing access to benchmarking and measurement tools. As the field evolves, progress will depend less on acquiring advanced platforms and more on cultivating the human and analytical capacity to use technology as a driver of ethical intelligence rather than relying on automation alone.

## Governance and accountability

All governance remains a weak spot. Clear documentation of purpose, data lineage, model validation, user guidance, and escalation routes is uncommon, making it difficult to brief boards and regulators on why a tool is trustworthy and how it improves outcomes. This mirrors the 2025 findings that boards received activity metrics more often than diagnostic measures and benchmarks.



## How to move from pilots to impact

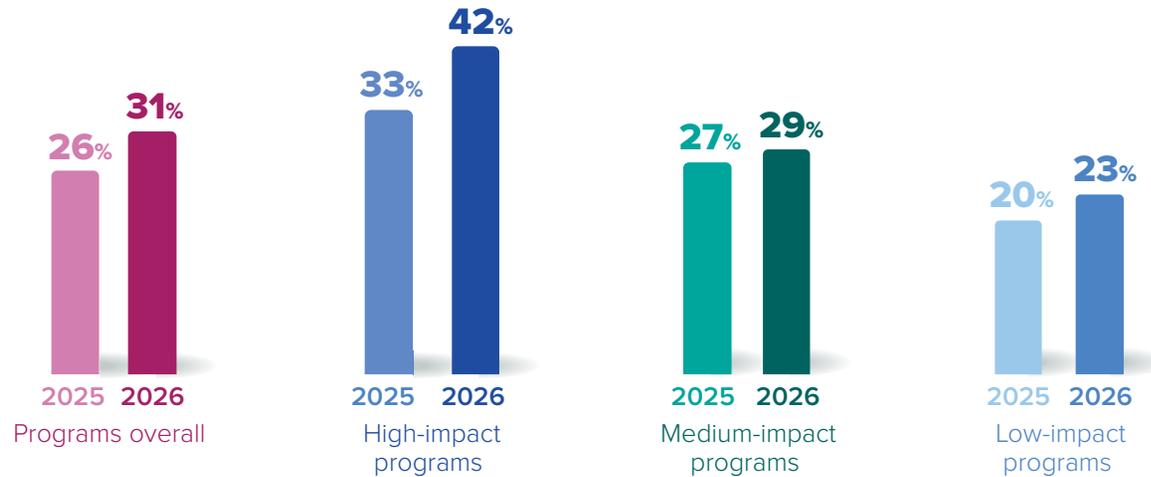
Select two or three high-value use cases that align to culture and risk outcomes. Examples include role-based adaptive learning with retention measures, continuous monitoring for repeat policy queries that signal confusion, and third-party anomaly detection with human-in-the-loop investigation. Define success in advance, track it monthly, and report results to the board. For example, LRN's Code of Conduct training for 2026 will capture both knowledge and confidence levels when it comes to adhering to an organization's values and rules. The correlation of this data identifies where people know what they must do and how to do it, but—due to fear of retaliation or other negative cultural norms—may be unlikely to behave in a way that is consistent with an ethical and compliant culture.”

Moreover, while regulators (including the U.S. Department of Justice) emphasized continuous data-driven evaluation, the 2026 findings indicate that structural barriers still prevent compliance teams from fully realizing this mandate.

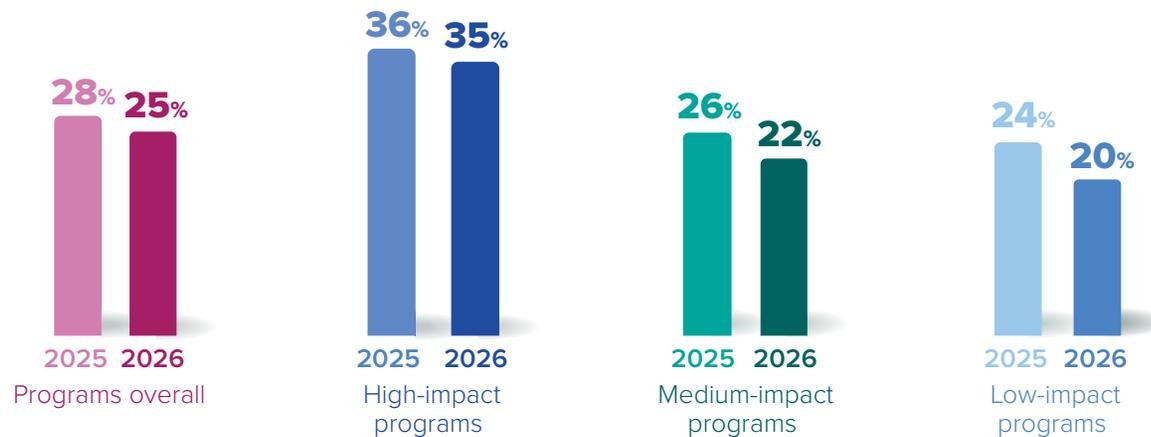
## Indicate if your E&C team has made any of the following changes in the past 12 months (% selected)



Increasing the amount/type of data we obtain from and about our E&C program

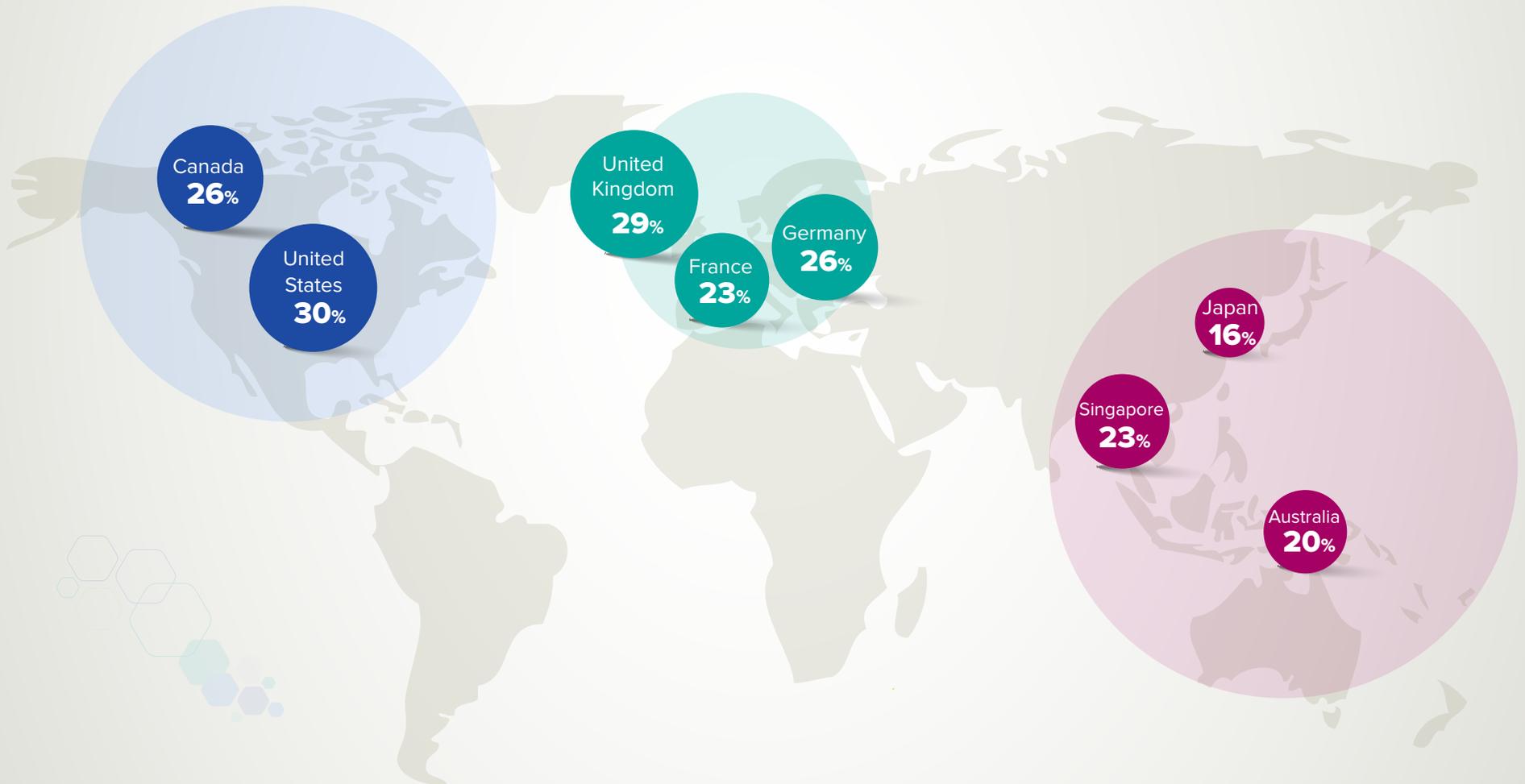


Adding data-based tools or systems for compliance



Indicate if your E&C team has made any of the following changes in the past 12 months (% selected)

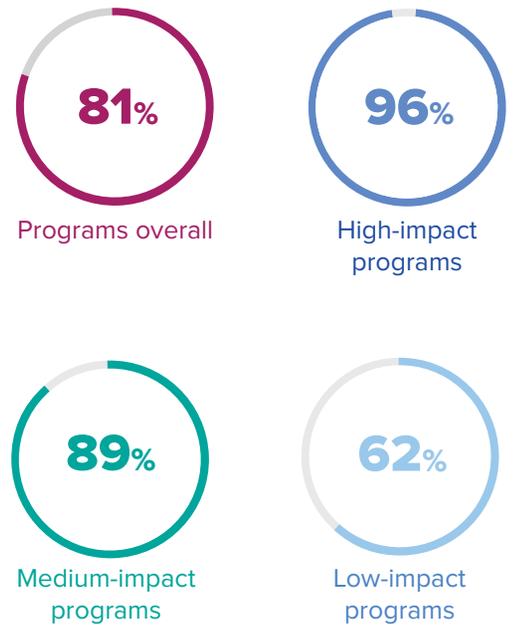
## Adding data-based tools or systems for compliance





How has your organization responded to the challenges of the past few years (e.g., COVID, the war in Ukraine, economic instability, etc.)  
(% agree)

Our ethical culture has grown stronger as a result of our experiences navigating the challenges of the past few years.



Indicate if your E&C team has made any of the following changes in the past 12 months  
(% selected)

Adding data-based tools or systems for compliance



A digital globe with a network overlay of blue lines and nodes. A glowing orange and yellow map of Europe is centered on the right side. A bright blue light source on the left creates a lens flare effect across the globe.

# 3 Uneven compliance and technology adoption across regions



**R**egional patterns show North America and Europe sustaining steady, mature compliance program performance, while Asia-Pacific (APAC) is growing faster from lower baseline. Differences in regulation, enforcement, and resource allocation continue to shape outcomes, underscoring the need for localized strategies.

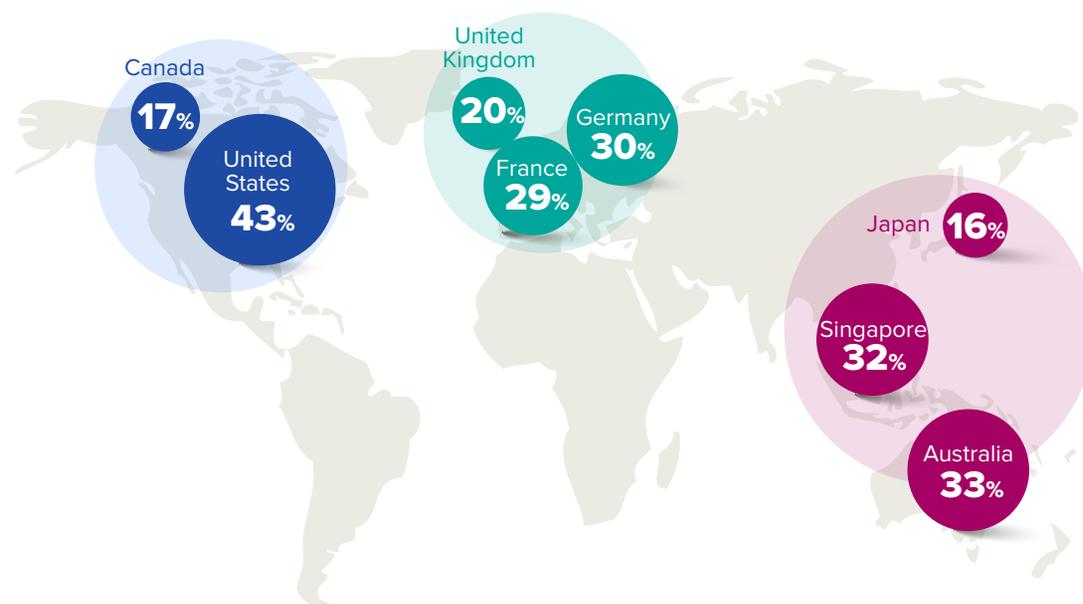
Technology adoption in ethics and compliance is rising worldwide, but the pace and depth vary sharply. North American and Western European organizations lead in using compliance dashboards, risk-tracking platforms, and analytics for misconduct monitoring. APAC organizations show rising interest and momentum, yet many are still developing consistent data practices.

Emerging markets are closing the gap with some tools such as mobile training. Some are leapfrogging legacy systems with mobile and cloud solutions to reach large, distributed workforces efficiently.

In contrast, more mature economies often move in smaller steps rather than through disruptive innovation. The 2026 findings point to a patchwork of progress driven by regulatory pressure, infrastructure readiness, and cultural priorities rather than a single, linear path.

Indicate if your E&C team has made any of the following changes in the past 12 months (% selected)

### Increasing the amount/type of data we obtain from and about our Ethics & Compliance program





# Key global findings from 2026 data

Across the datasets, several major global trends stand out:

- **High-impact programs continue to lead:**

These programs outperform peers by 1.8x in data utilization and tools. They pair leadership accountability with integrated analytics, showing how values and measurement reinforce each other.

- **Broad improvement, uneven depth:**

While 74% of respondents report year-over-year improvement in their E&C programs, high-impact organizations continue to widen the performance gap.

- **AI adoption rising, but inconsistent:**

About 39% of organizations report AI use in their compliance training, yet only 33% plan to use data-based tools across their entire program in the coming year.

- **Board oversight and third-party diligence lag:**

Despite greater resources, reporting to boards and ongoing third-party risk monitoring remain largely unchanged since 2025.

- **Persistent data gap:**

Only 29% of organizations employ analytics tools to evaluate program performance, a figure virtually unchanged from the prior year.

- **Cultural alignment improving, but inconsistent across levels:**

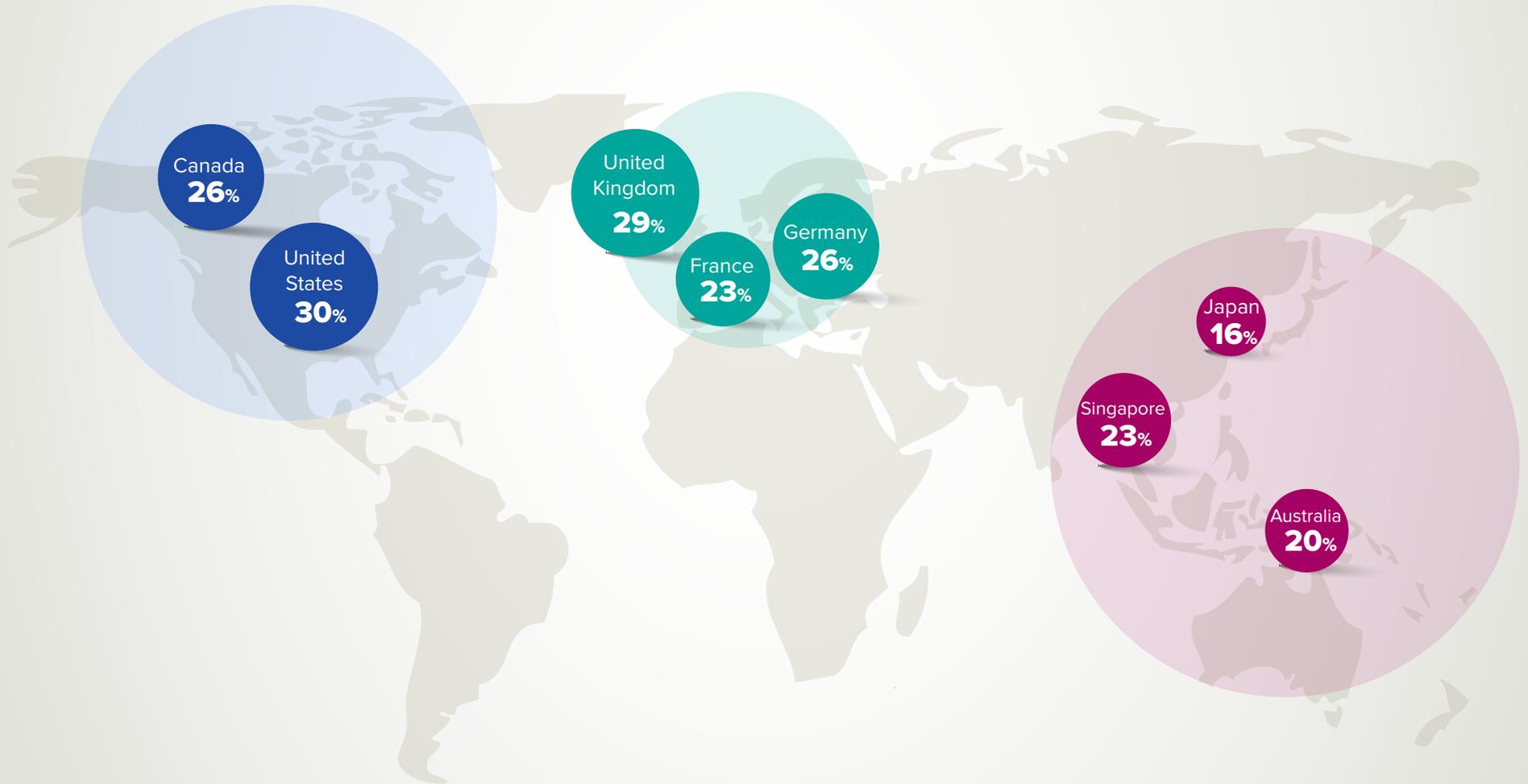
Ethical culture indicators have improved modestly across regions, yet perception gaps between senior leadership, middle management, and frontline employees remain significant.



Indicate if your E&C team has made any of the following changes in the past 12 months (% selected)



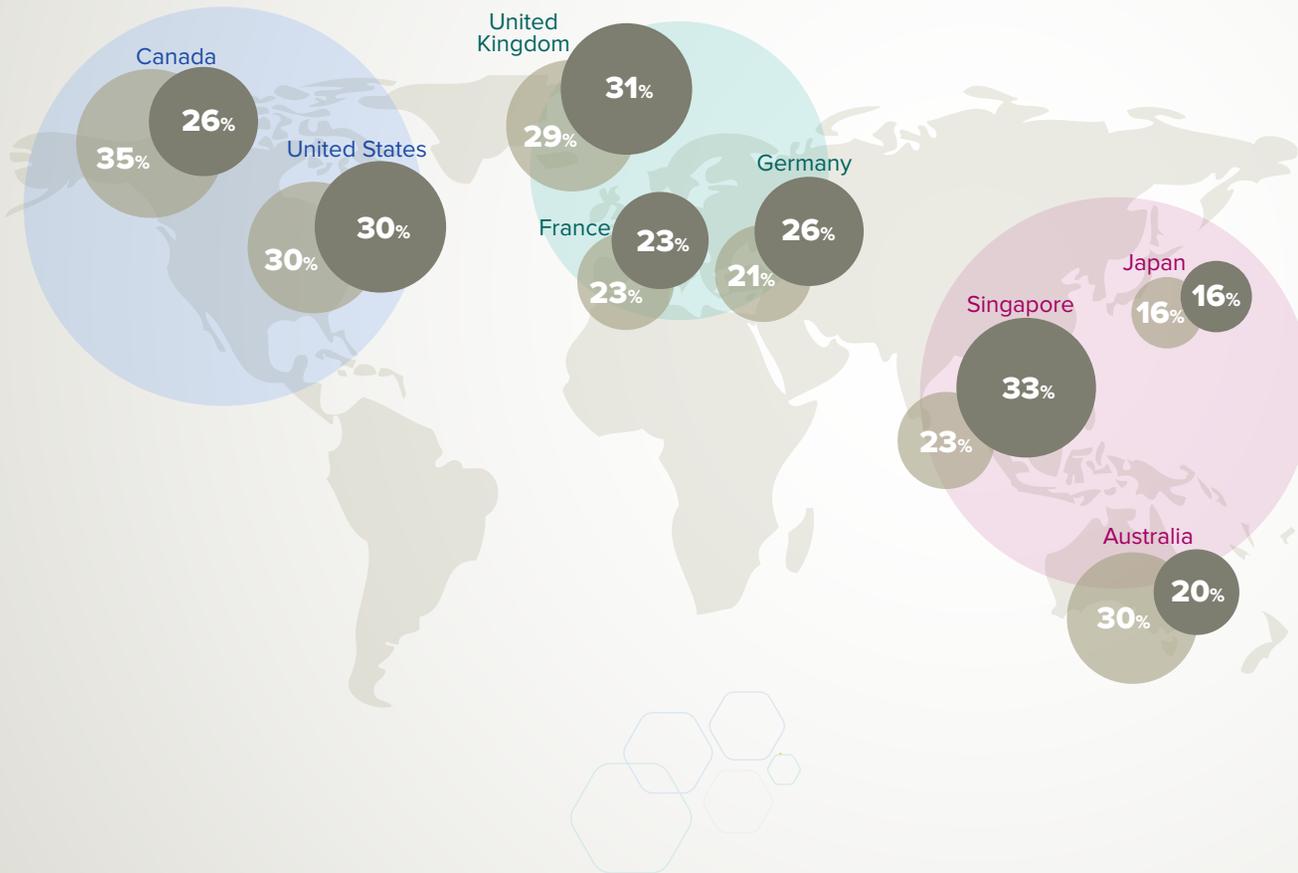
## Adding data-based tools or systems for compliance



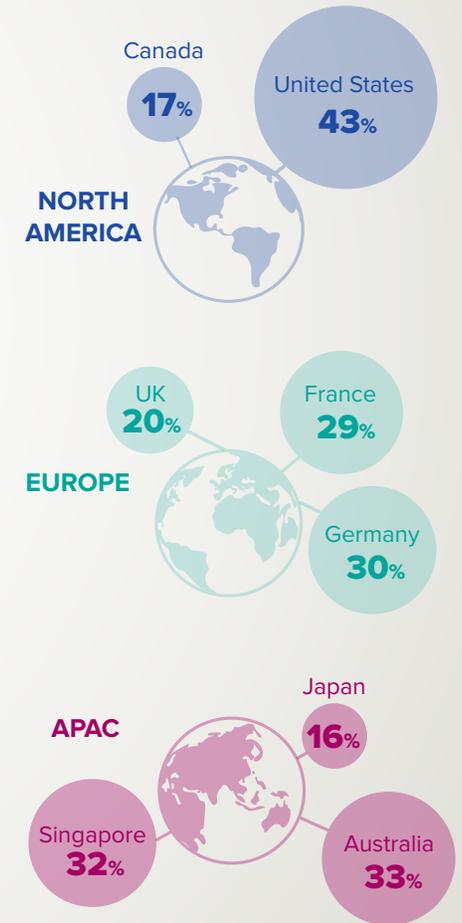
Indicate if your E&C team has made any of the following changes in the past 12 months (% selected)

### Adding data-based tools or systems for compliance

● 2025 ● 2026



### Increasing the amount/type of data we obtain from and about our E&C program





# 4 The middle management disconnect





**M**iddle management remains both the linchpin and the Achilles' heel of ethical culture. The 2026 data show a stagnant confidence gap between employees and their immediate supervisors. Only 58% of employees believe their managers hold themselves to the same ethical standards as others (up slightly from 55% in 2025), but the improvement is modest and consistent across industries and regions. In low-impact programs, only 15% share this view.

The core issue is not intent but reinforcement. Many managers receive general compliance training but lack practical tools for real-world dilemmas, such as performance pressure, ethical trade-offs, and translating values into operational choices. Compliance program components, such as training specifically tailored to middle managers, are surprisingly limited and often reduced to basic anti-harassment training despite the additional responsibilities managers carry in shaping daily culture and enforcing standards. In contrast, boards and senior leaders more often receive a much richer set of targeted interventions, including dedicated training, tailored communications, and ongoing support. Without role-specific guidance, middle managers struggle to connect leadership messaging with frontline reality.

The 2026 data show that employees with targeted, role-specific training are more likely to also report culture strengthened as a result of navigating recent challenges ( $r = .41, p < .001$ ) and are more likely to report middle managers readiness ( $r = .46, p < .001$ ). High-impact programs are integrating role-specific learning with generational engagement strategies to address emerging workforce expectations, particularly among younger employees. Gen Z employees, for example, respond positively to transparency, psychological safety, and feedback mechanisms that validate their participation in ethical

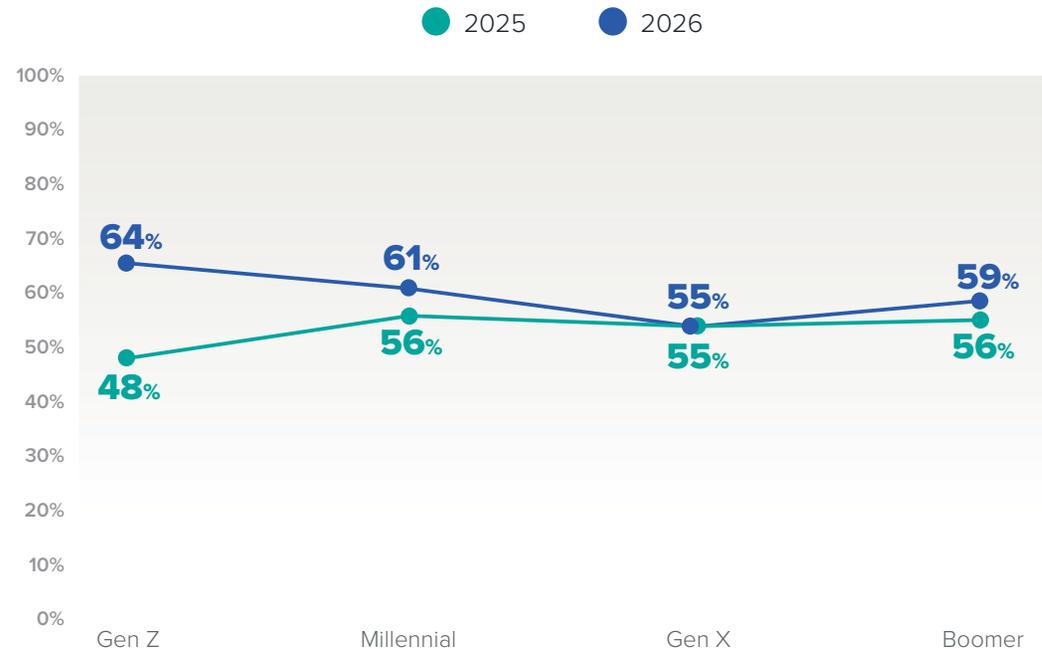


dialogue. To sustain this progress, organizations should advance beyond generalized training modules and deploy tailored, data-informed interventions—such as mobile-enabled microlearning and just-in-time guidance designed to reinforce decision-making under pressure and link leadership credibility to measurable trust outcomes.

Managers play a crucial role in shaping local perceptions of ethical culture, which directly influences employees' willingness to report concerns and contributes to other desired compliance outcomes. When employees perceive that the organization's ethical culture has strengthened during recent challenges, they are also more likely to express confidence in the compliance program's ability to handle future ethical issues ( $r = .48, p < .01$ ). This connection underscores how culture initiatives are deeply intertwined with perceptions of preparedness and trust in the program.

Generational patterns are steady but nuanced. Gen Z employees report higher trust in managerial fairness and transparency (65%) than Gen X (55%). Gen Z employee trust has risen slightly since 2025, yet skepticism remains elevated compared with older cohorts. They expect leaders to model integrity and provide spaces for open discussion without fear of reprisal. Meeting these expectations requires targeted engagement and transparency initiatives that meet younger employees where they are digitally, socially, and culturally.

## Managers hold themselves to the same standards as everyone else. (% Agree)





Organizations can address these challenges through integrated approaches used by high-impact programs:

- **Scenario-based and role-specific training:**

Expand tailored simulations and interactive scenarios for managers, aligning decisions under pressure with clear learning outcomes tied to culture, risk detection, and policy enforcement. Employees who find compliance training relevant to their role and guidance helpful are more likely to also report confidence in the program's future readiness.

- **Generationally targeted training plans:**

Design programs that reflect communication styles and motivators by cohort, such as microlearning, visual storytelling, and authentic dialogue on accountability for Gen Z.

- **Data-driven decision-making:**

Use internal data and external benchmarks to show how ethical decisions affect outcomes. Review analytics, incidents, risk detection rates, and training completions, and adjust training accordingly.

- **Mobile and just-in-time training:**

Embed compliance prompts directly into work systems. Deliver mobile-enabled micro-courses or decision aids triggered by actions, such as expense approvals or third-party engagements.

- **Open feedback and accountability:**

Pair sentiment surveys and feedback dashboards with visible responses. Link results to leadership evaluations and incentives to reinforce credibility.

- **Psychological safety and inclusion:**

Equip managers with toolkits that encourage speaking up, recognize constructive challenge, and provide transparent follow-through on corrective actions to embed trust in daily operations.

Implemented together, these approaches close the leadership credibility gap, strengthen ethical culture, and align expectations across generations, moving middle management from a point of failure to a force multiplier.





# 5 Governance gaps: A plateau in board oversight





## What changed from 2025

Despite steady investment in compliance systems, board-level oversight still lags program sophistication. Globally, fewer than half of organizations report that their boards regularly review ethics and compliance metrics, such as hotline activity, training data, program resources, benchmarking, or planned improvements. The figure has barely moved since 2025, signaling that governance maturity is not keeping pace with operational progress. High-impact programs distinguish themselves by reframing board oversight as active cultural stewardship, connecting ethical performance directly to business resilience and strategic planning. These organizations integrate dynamic dashboards, culture heat maps, and periodic ethics briefings into their governance routines, transforming data from static reports into actionable insight.

Boards today receive more data than ever, yet much of it remains descriptive, counts, completions, and status updates, rather than diagnostic insight into culture or emerging risk. In more advanced organizations, oversight is evolving. These boards use dynamic dashboards and culture heat maps to visualize culture performance and employee sentiment, enabling richer discussion of ethical

risk and alignment. Such practices are still the exception, but they point toward the next stage of governance maturity.

Embedding ethics discussions into broader board agendas, not as compliance formalities but as indicators of organizational health, enables directors to identify cultural vulnerabilities earlier and to champion ethical integrity as a core measure of enterprise sustainability.

High-impact programs are 1.3x more likely to present benchmarks and external comparisons to their boards. Even so, overall reporting levels remain flat, suggesting that management has not fully invested in the enabling technologies and processes needed to convert measurement into board-ready insight.

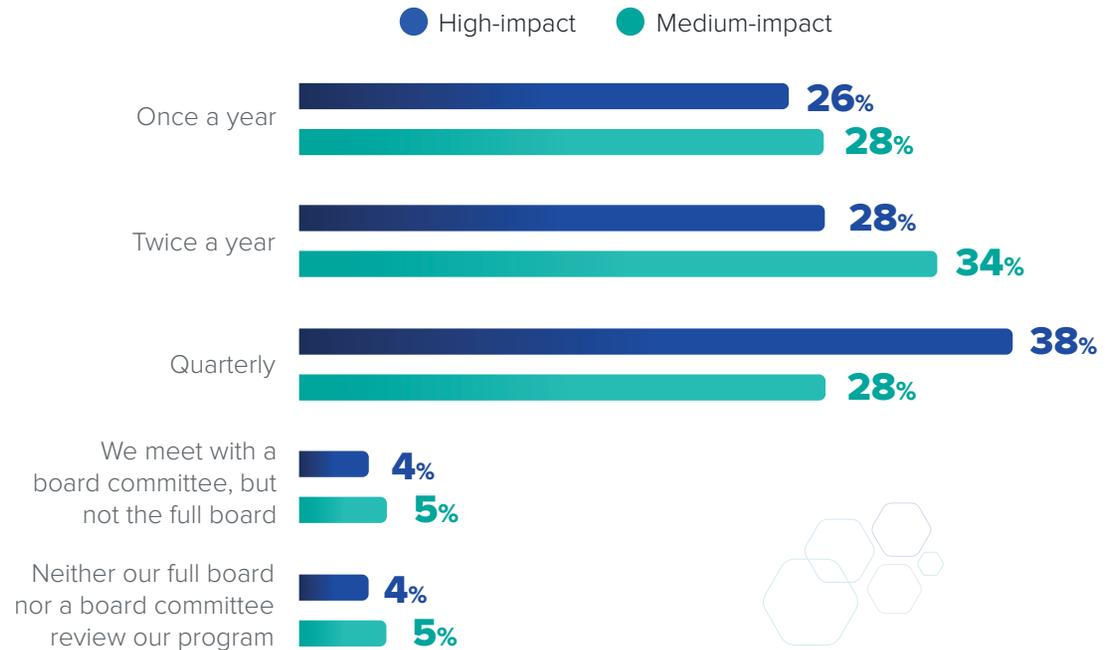


High-impact programs are  
**1.3x** more likely to present benchmarks  
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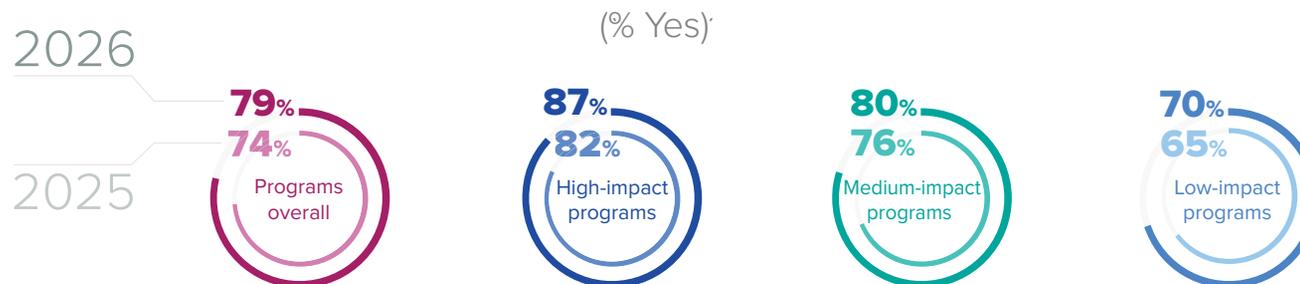
## From passive oversight to cultural stewardship

Boards should connect ethical performance to business resilience and strategy. High-performing companies demonstrate that when ethics and culture metrics are integrated into planning and performance reviews, outcomes improve and risk declines. Practical steps include establishing either dedicated ethics and compliance committees or standing E&C agenda items within board subcommittees and scheduling periodic ethics briefings within strategy sessions. Such actions enable directors to gain real-time awareness of cultural strengths and vulnerabilities without overburdening the agenda. Additionally, benchmarking provides a check on progress and a window on needs.

## How often does your full board of directors review your E&C program?



## Does your organization have a board committee with responsibility for oversight of your E&C program?



## What E&C can do now

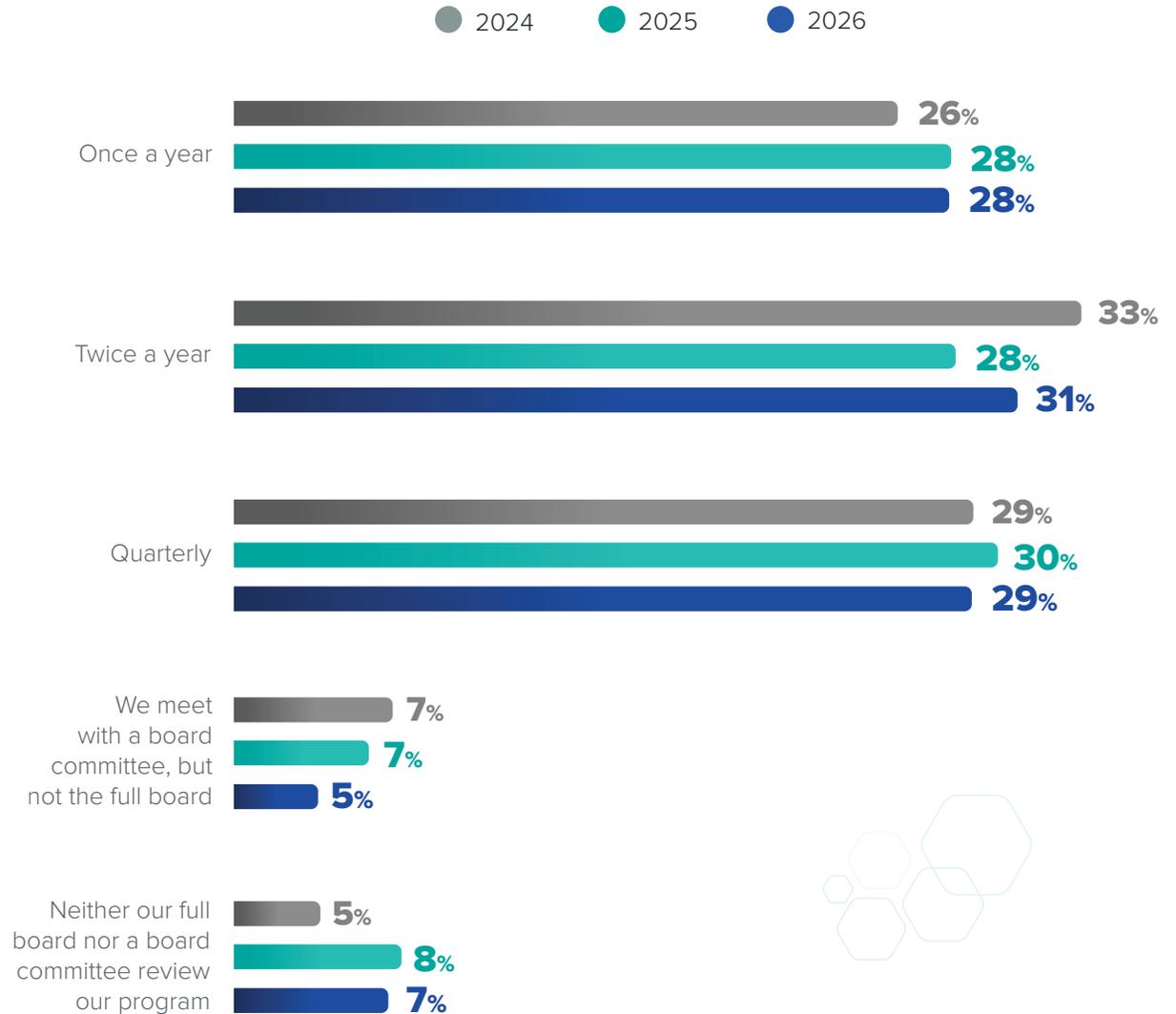
Not every compliance leader interacts with the board, but the direction is clear: frame culture as a business asset, not an afterthought. Equip directors with visual tools including dynamic dashboards, culture heat maps, and concise diagnostic summaries that turn routine reporting into insight-driven dialogue.

For example, LRN's Reveal tool allows for push-button reporting and data-driven visuals that can be provided to the board.

By institutionalizing these practices, boards can better link ethical culture to long-term resilience and ensure that oversight keeps pace with the sophistication of modern compliance programs.

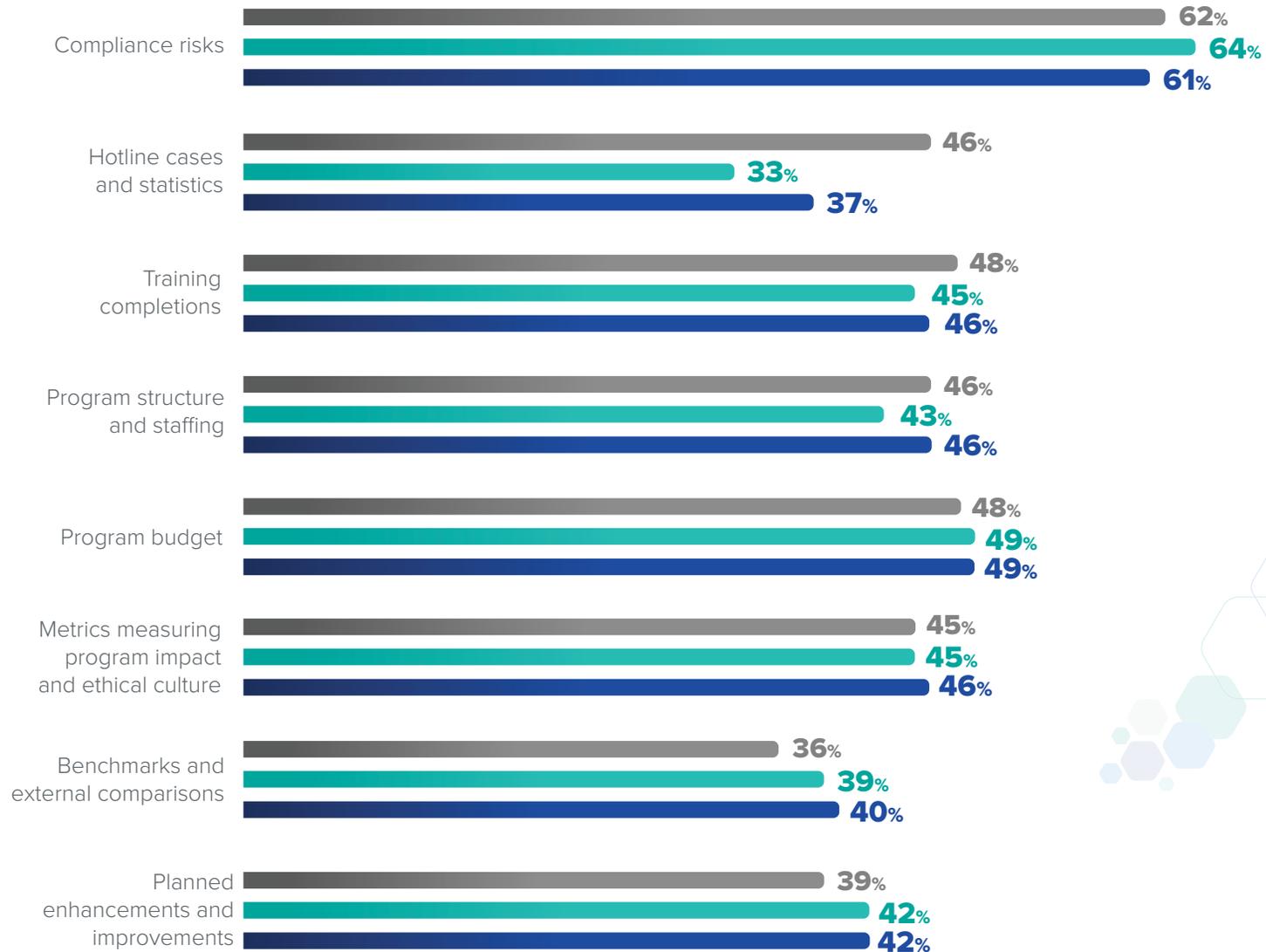


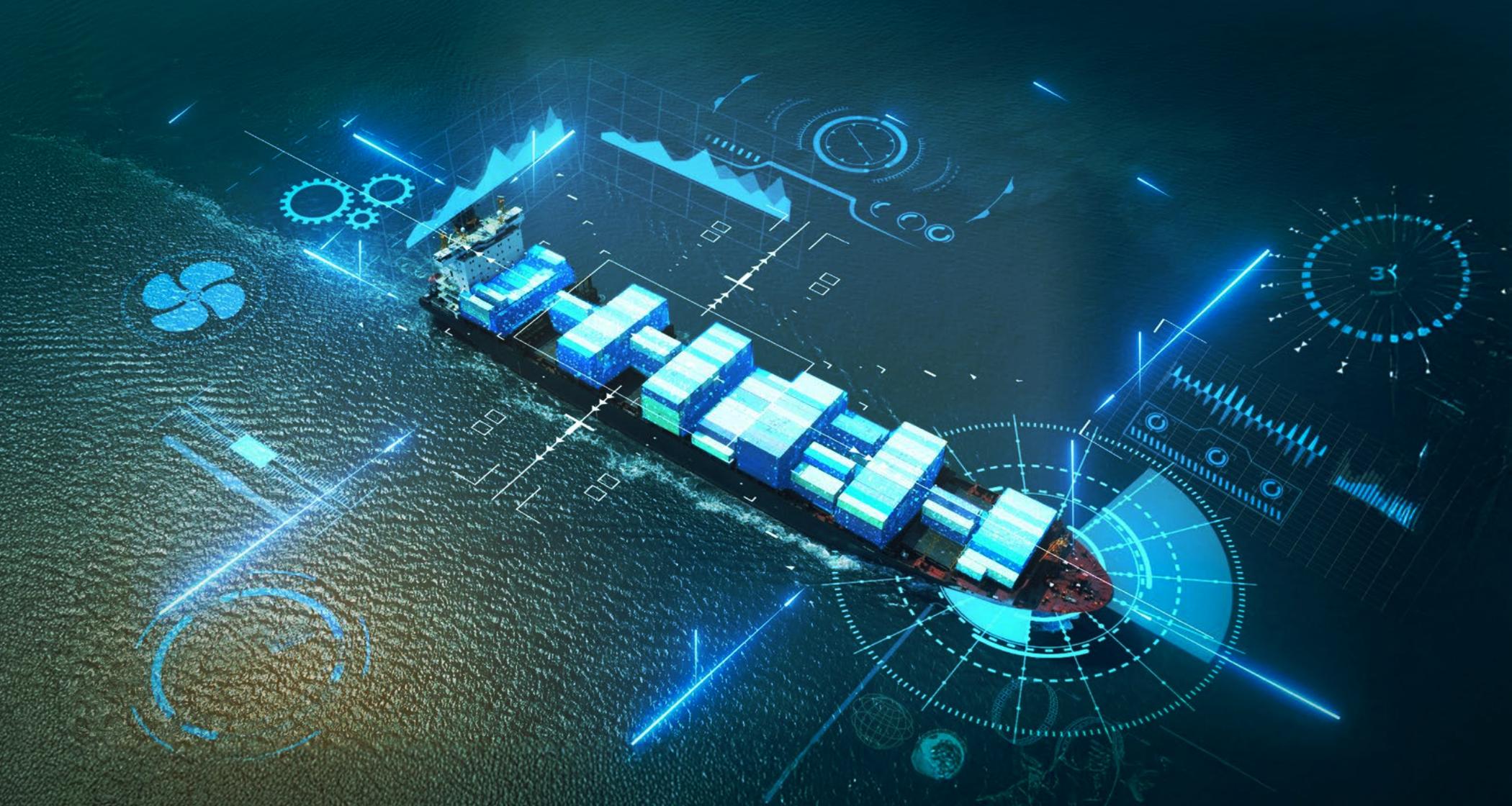
## How often does your full board of directors review your E&C program?



## What materials and topics does the board receive and review? (Select all that apply)

● 2024 ● 2025 ● 2026





# 6 Regulatory readiness and third-party risk

## What changed from 2025

The global regulatory landscape continues to evolve rapidly, with new standards in fraud prevention, ESG due diligence, and data privacy. The 2026 PE Report shows both progress and vulnerability: Three percent more organizations plan to focus more on third-party monitoring next year than in 2025, and 27% now report expending a “great deal” of time on systematic, ongoing third-party risk monitoring (up from 26%). Only 35% are considering fraud training in the next year, raising concerns about preparedness for mandates such as the UK’s *Failure to Prevent Fraud* law.

## Where organizations stand today

Third-party and supply chain oversight continues to lag behind other areas of compliance maturity, even as regulatory expectations expand. Overall adoption of third-party due diligence remains low at 27%, but the tier gap is pronounced: 51% among high-impact programs versus 22% for medium-impact and 15% for low-impact. Supply chain compliance is also underdeveloped: only 24% of organizations include it in training, rising to 29% among high-impact programs. The pattern suggests widening differences as leaders invest in controls and ongoing audits while others lag on foundational practices.

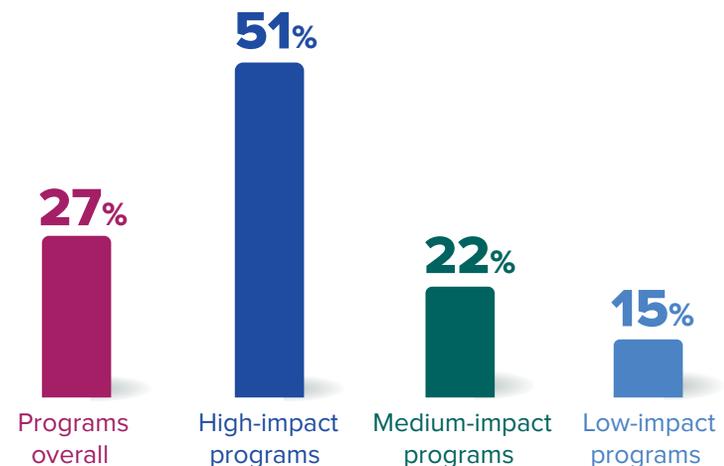
Leading programs increasingly embed third-party risk controls into enterprise platforms by linking vendor assessments, training, and ongoing audits within integrated governance frameworks. This approach enables real-time monitoring, consistent data definitions, and clearer accountability across functions such as compliance,

procurement, and audit. As regulatory scrutiny intensifies, proactive integration of third-party ethics into core business systems will distinguish programs that treat external oversight as a compliance obligation from those that regard it as an extension of organizational values.

## Regional regulatory readiness

The European Union and United Kingdom lead, propelled by ESG and anti-fraud momentum. North America shows solid preparedness with ESG. APAC remains behind in adoption.

### Low third-party adoption





## Integration is the differentiator

High-impact programs embed third-party oversight within broader enterprise risk and ESG systems. They link vendor evaluations, M&A due diligence, and ESG oversight inside a unified governance model; standardize data definitions; document screening models; and push continuous monitoring where risk is highest. By contrast, many medium-impact programs treat third-party ethics as an external audit issue, which limits preventive power and blurs accountability.

## Culture and operating gaps

Treating third-party risk as separate from company values creates a disconnect that weakens prevention and exposes organizations to cascading supply-chain risks. Framing third-party oversight as an ethical extension of corporate culture improves deterrence, detection, and response.

## From reactive to proactive

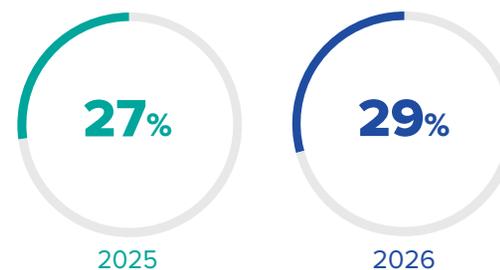
As enforcement bodies place more emphasis on corporate accountability for external partners, future-ready programs are moving to continuous monitoring models that use technology to detect anomalies, automate documentation, and enhance supplier transparency. These programs also break down barriers between related functions such as compliance, legal, audit, and procurement. Such proactive measures turn due diligence into an always-on capability.

## Practical steps

- **Risk-segmented oversight:** Apply continuous monitoring to high-risk third parties; conduct annual deep dives for medium-risk segments.
- **Aligned standards and training:** Map third-party codes to supplier training and performance expectations.
- **Root-cause learning:** Create root-to-cause analyses for repeat issues, and feed lessons into contract clauses, controls, and training refresh.
- **Board-level visibility:** Report third-party risk indicators alongside culture metrics at the board level so directors can see patterns and trade-offs in context.
- **Use of tools:** For example, LRN's Catalyst Supplier platform, can help train and track third parties.

## How much effort does your program expend on the following areas? (% “a great deal”)

Due diligence before engaging third parties





## What topics are you considering adding to or strengthening in your current training curriculum? (Select all that apply)

	Global 2026	North America		Europe			APAC		
		United States	Canada	United Kingdom	France	Germany	Australia	Japan	Singapore
Trade controls and sanctions	25%	30%	17%	26%	27%	26%	19%	12%	30%
ESG (Environmental, Social, and Governance)	42%	39%	35%	46%	45%	51%	39%	34%	52%
Human rights	34%	37%	24%	40%	35%	36%	29%	38%	28%
IT security including risk from artificial intelligence	54%	65%	46%	56%	49%	63%	50%	46%	42%
Data protection	46%	50%	48%	49%	48%	52%	39%	40%	44%
Training specifically for the board of directors	29%	34%	16%	32%	25%	31%	36%	24%	27%
Third party / supply chain	22%	21%	16%	22%	23%	19%	31%	20%	24%
Financial fraud prevention (including anti-money laundering)	35%	42%	37%	37%	26%	34%	36%	22%	40%
Anti-corruption / anti-bribery	29%	31%	29%	34%	31%	28%	29%	16%	30%
Technology ethics and use of artificial intelligence	38%	48%	29%	47%	41%	32%	28%	27%	36%

# Cross-year trends and benchmarking



The 2026 data reinforce the long-term evolution captured by the PE Report series: ethics and compliance programs are maturing in reach and sophistication, yet progress remains uneven in depth. Three-year trend lines from 2024 to 2026 show overall gains in impact and engagement alongside a more pronounced gap between high- and medium-impact programs.

## 1 The data-adoption plateau

Despite broad agreement on the value of analytics, adoption of data tools has remained stagnant. In 2024, 27% reported active analytics use; by 2026, the figure inched to 29%. The challenge lies not in access to technology but in talent and culture as many organizations lack the analytical literacy to transform data into insight.

## 2 AI's rapid but uneven growth

AI's presence in compliance programs has exploded since 2024, driven by efficiency and innovation goals. Yet the gap between ambitious generic KPIs and implementation persists. Organizations report optimism about AI's potential for risk detection and training customization, but few have measurable results. The three-year data series shows a shift from *adoption* to *integration*: aligning AI with clear ethical governance, targeted use cases, and success metrics that prove impact.

## 3 Culture and leadership trends

Culture perception gaps between executives, managers, and employees persist. The data suggest that leadership intent has improved as more organizations report “values-led” decision-making. But employees perceive inconsistency in how ethics is practiced at the managerial level. This disconnect continues to be a structural barrier to cultural change.

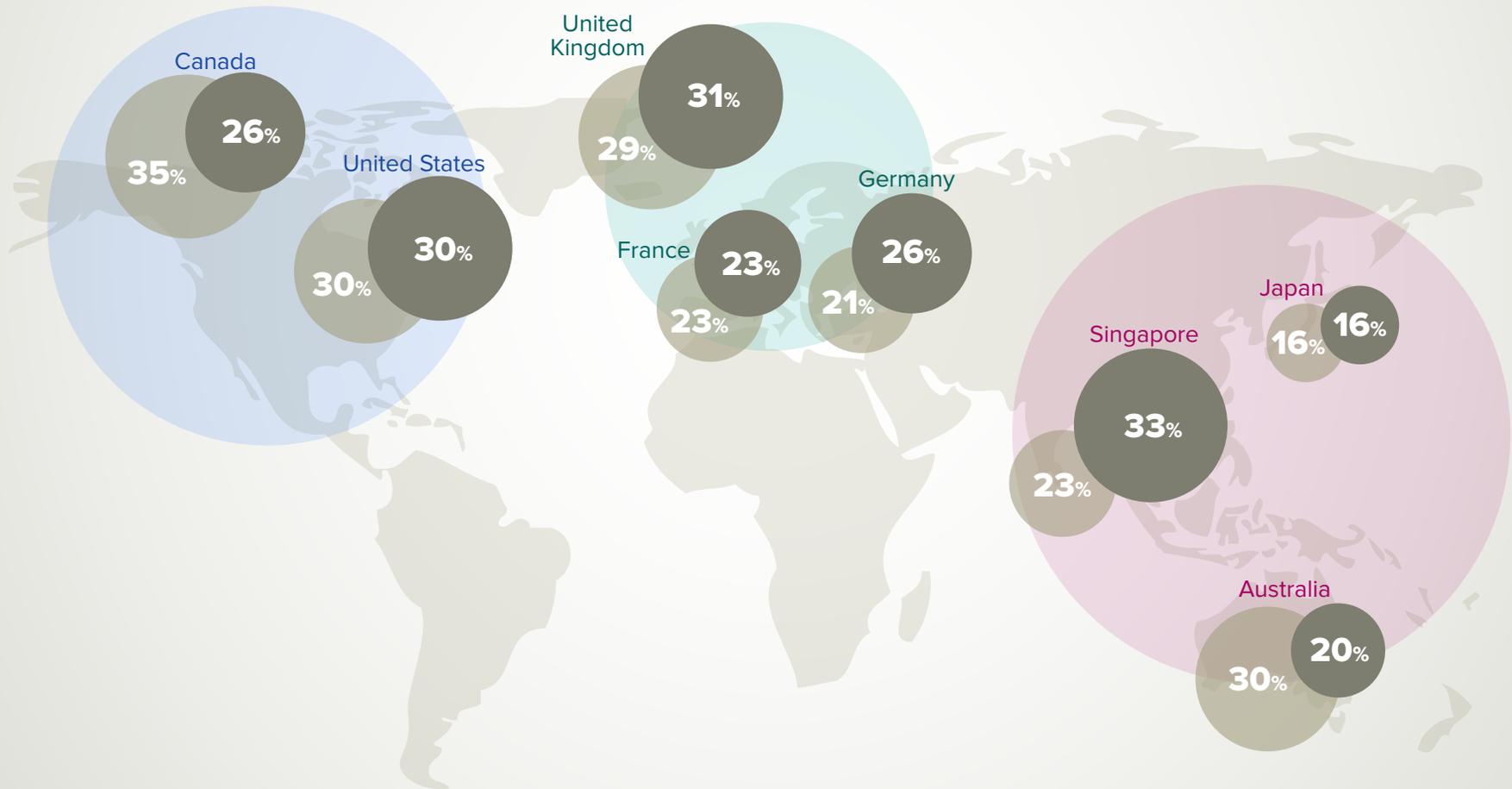
## 4 Regional convergence and divergence

North America and Europe maintain steady, mature performance. APAC is growing faster from lower baselines, indicating convergence without full alignment. Differences in regulation, enforcement, and resource allocation continue to influence progress, emphasizing the need for localized strategies.

Indicate if your E&C team has made any of the following changes in the past 12 months (% selected)

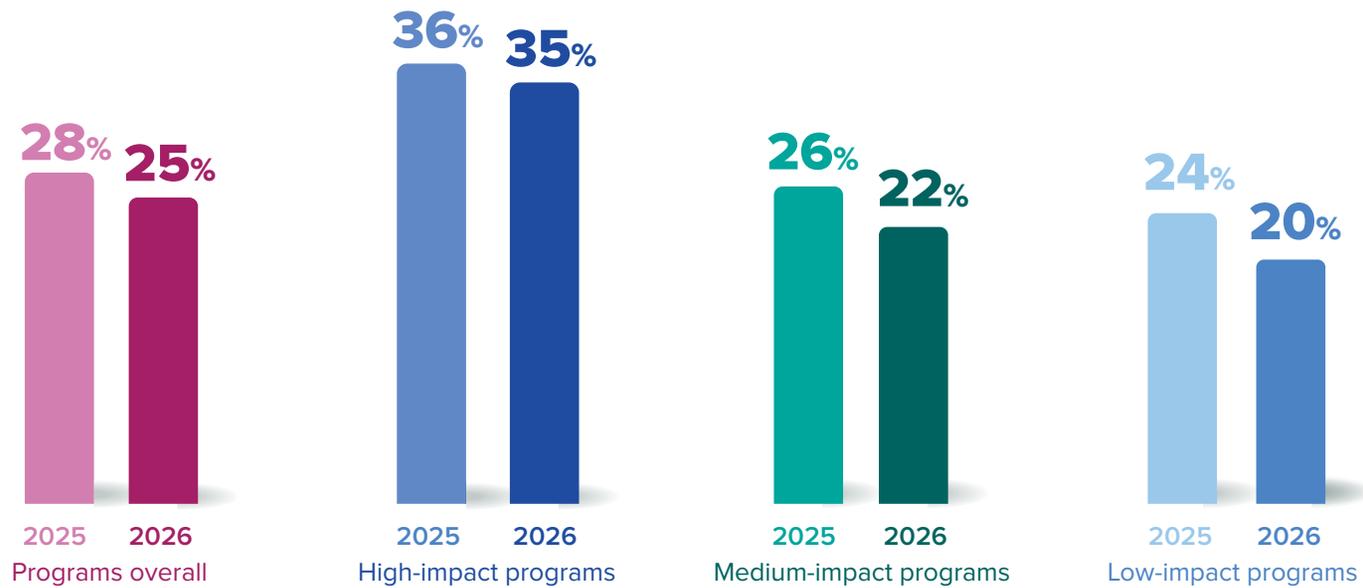
### Adding data-based tools or systems for compliance

● 2025 ● 2026



Indicate if your E&C team has made any of the following changes in the past 12 months (% selected)

### Adding data-based tools or systems for compliance



# Conclusion



## The 2026 inflection point

The 2026 PE Report reveals a profession standing at an inflection point, one defined by technological potential and ethical necessity. Resources and awareness aren't the main obstacles anymore. The real challenge is creating a clear vision that turns data and technology into genuine ethical insight. Ethics and compliance leaders now face dual imperatives: accelerate digital transformation while preserving human trust. Artificial intelligence (AI), analytics, and automation will continue to expand, but success will hinge on how well these tools enhance rather than replace ethical judgment.

## A call to action

The transformation of ethics and compliance will not come from technology alone. It calls for a reset of trust—between leaders and employees, organizations and regulators, and people and the algorithms they build. The strongest programs going forward won't just stop misconduct; they'll make integrity a real competitive advantage. LRN is proud to see the continuing improvements companies we work with are making to their programs.

## The next leap in E&C effectiveness depends on:

- 1 Integrating ethics with analytics** – Shift focus from monitoring what people do to understanding why they do it. Use data and stories to illuminate values, not just performance; using technology can support this task.
- 2 Embedding ethical intelligence at every level** – Especially among middle managers, who serve as the connective tissue of organizational culture.
- 3 Expanding governance engagement** – Move boards from passive oversight to active cultural stewardship, linking ethical performance to business resilience.
- 4 Clarifying AI's role** – Establishing global standards for responsible AI use in compliance to ensure transparency, fairness, and accountability.

# Methodology & demographics



The 2026 PE Report builds on the robust methodology LRN has refined over the past decade to ensure accuracy, reliability, and global comparability.

## Survey design and data sources

This research was fielded in September – October 2025 through two surveys: one targeting ethics and compliance legal professionals and the other targeting full-time employees. Participants were drawn from global panels fielded by the research firm Dynata. The responding samples of ethics and compliance professionals and full-time employees represent eight countries and 26 industries.

## Ethics, compliance, and legal professionals survey:

The ethics, compliance, and legal professionals survey results presented in this report are based on completed online interviews with a global sample of 1,460 ethics, compliance, and legal professionals. Over two thirds of respondents came from organizations with at least 1,000 employees and were largely based in the North America (38%), Europe (36%), and Asia-Pacific (24%) regions.

All survey respondents were pre-screened to ensure their job responsibilities involve development, oversight, or implementation of ethics and compliance and/or legal objectives, policies, or procedures. Demographics were self-selected by participants.

## Employee survey:

The employee survey results presented in this report are based on completed online interviews with a global sample of 1,498 full-time employees. Over 50% of respondents came from organizations with at least 1,000 employees and were largely based in the North America (36%), Europe (34%), and Asia-Pacific (30%) regions.

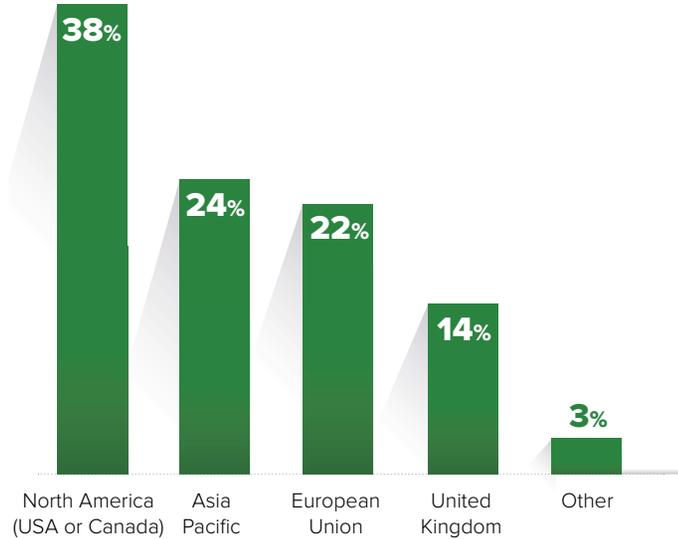
All survey respondents were pre-screened to ensure their status as full-time employees. Demographics were self-selected by participants.

## Regional sampling and representativeness

Sampling was conducted across geographic regions to ensure global representativeness. Comparative year-over-year analysis used consistent scaling to ensure reliability between 2025 and 2026 datasets.

# Ethics, Compliance, and Legal Professionals Survey:

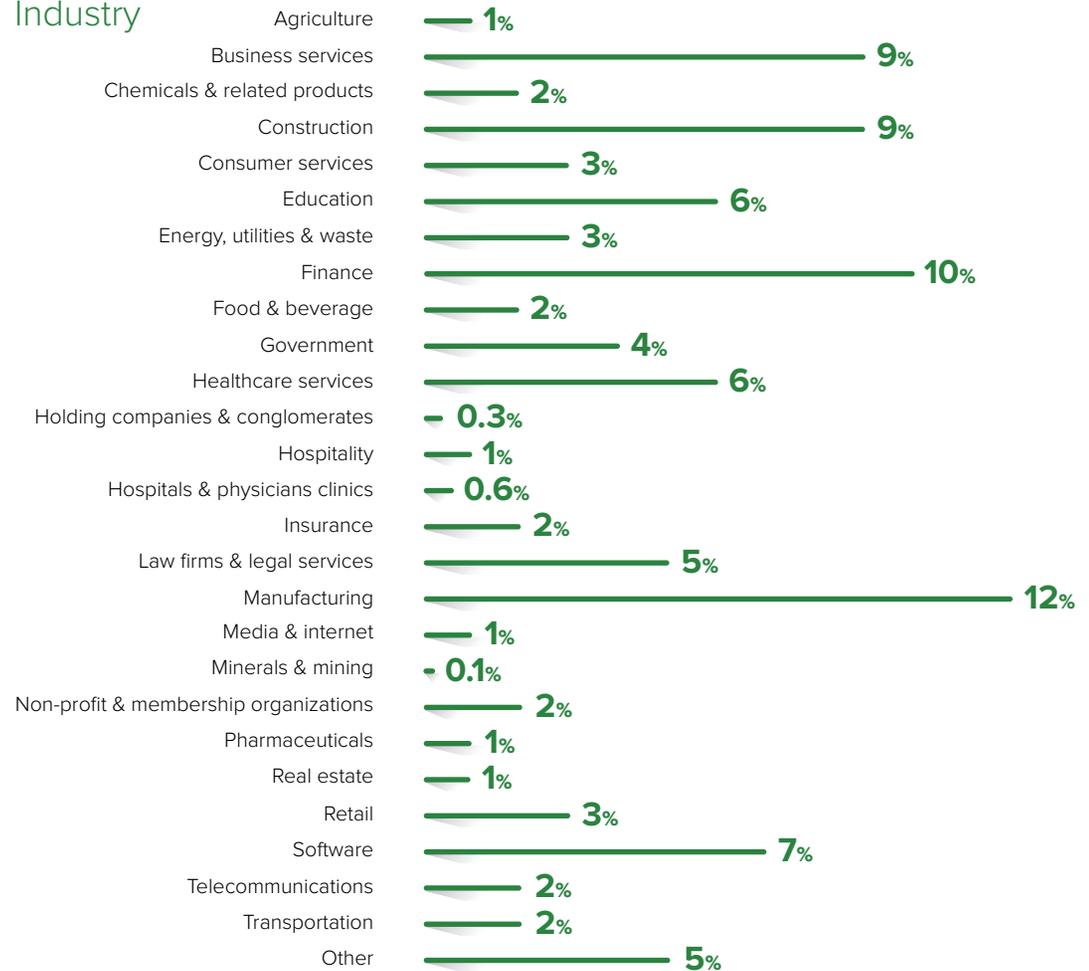
## Organization headquarters



## Participant location



## Industry

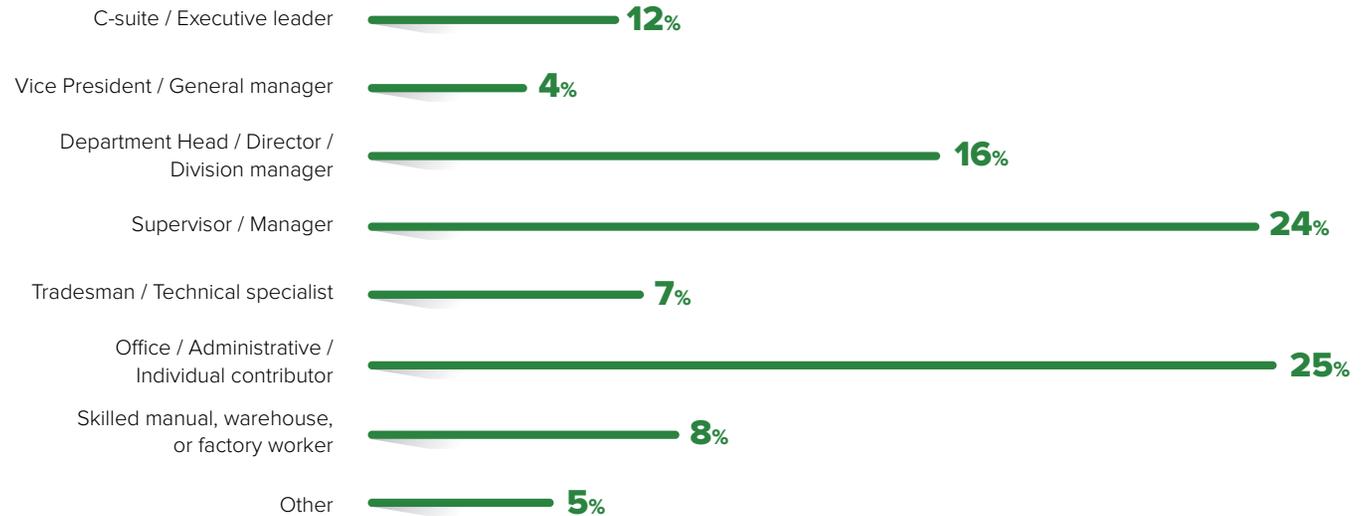


\*Total may not equal 100% due to rounding

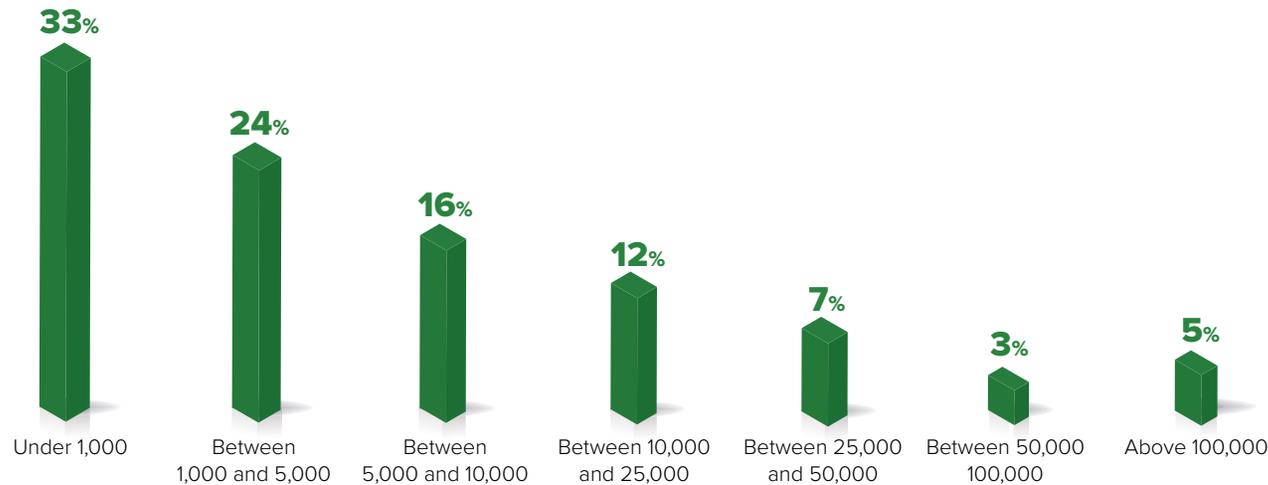


# Ethics, Compliance, and Legal **Professionals** Survey:

## Participant role



## Company size (# of employees)

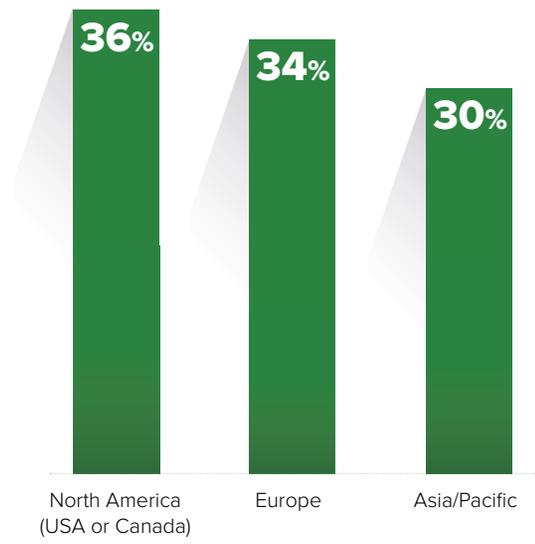


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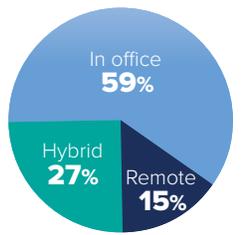


# Employee Survey:

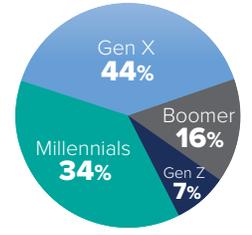
## Organization headquarters



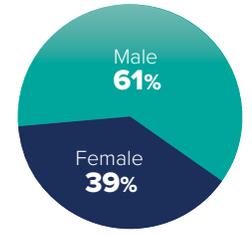
## Work arrangement



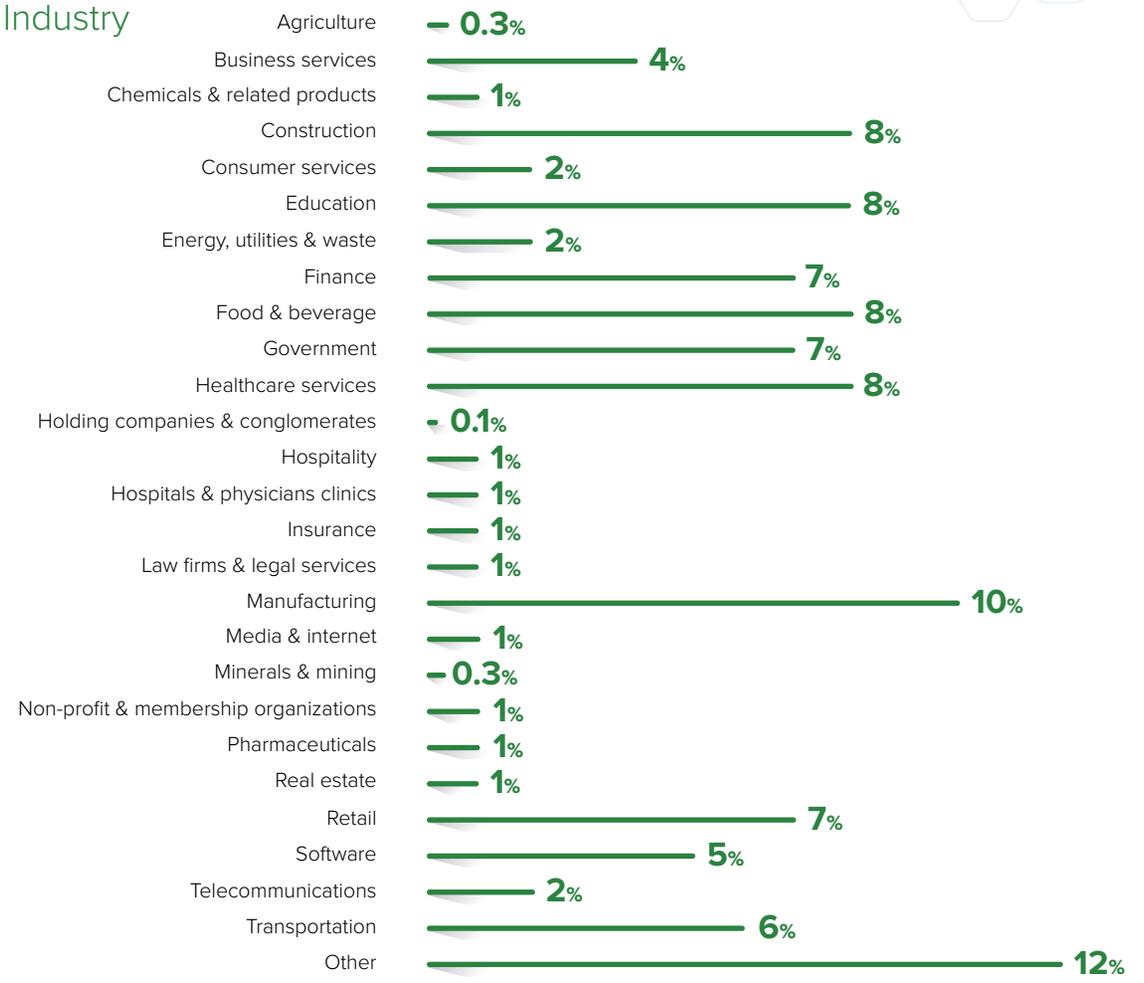
## Generation



## Gender



## Industry



\*Total may not equal 100% due to rounding

# Data appendix



(SUMMARY)

## Detailed tables of country- and region-level E&C scores, culture growth metrics (Employee survey data)

	Overall	Australia	Canada	France	Germany	Japan	Singapore	United Kingdom	United States
Top performers are held to the same standards as everyone else.	61%	71%	57%	62%	65%	42%	60%	61%	63%
Managers hold themselves to the same standards as everyone else.	58%	70%	55%	53%	68%	38%	66%	56%	60%
Leaders explain how our values influence their decision-making.	61%	69%	59%	54%	53%	54%	60%	65%	64%
Even under pressure to meet goals, employees follow our values and code of conduct.	71%	78%	67%	66%	68%	58%	71%	77%	73%
Employees in my organization voice their opinions in team meetings, even in front of managers.	68%	76%	63%	64%	71%	56%	62%	73%	72%
Employees in my organization question decisions that don't seem to match our values or ethical standards.	54%	59%	56%	50%	50%	39%	55%	59%	58%
Employees in my organization don't compromise our ethical standards to achieve results.	61%	70%	61%	62%	41%	45%	66%	68%	66%
Employees in my organization are comfortable going above their boss to raise ethical concerns.	56%	65%	46%	59%	55%	45%	54%	61%	55%

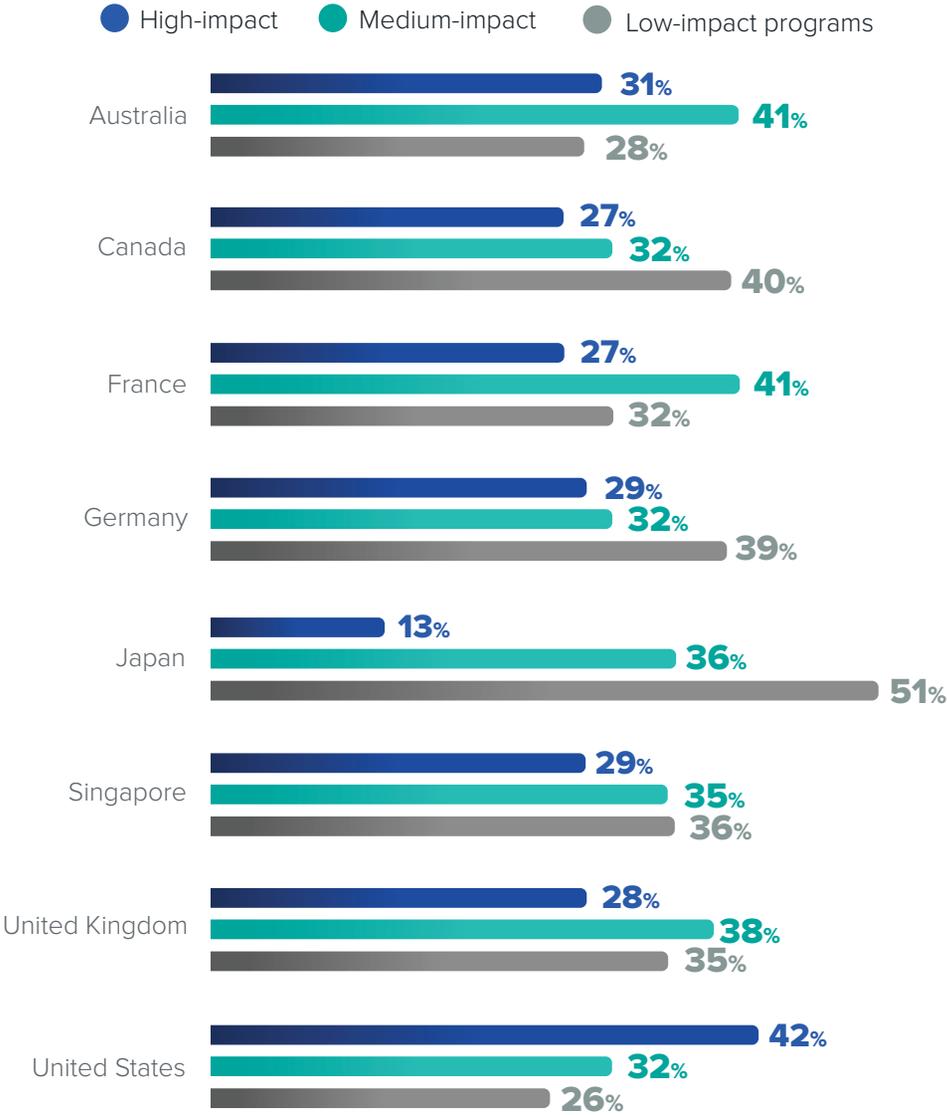
	Overall	Australia	Canada	France	Germany	Japan	Singapore	United Kingdom	United States
Our ethical culture has grown stronger as a result of our experiences navigating the challenges of the past few years.	81%	87%	85%	81%	76%	71%	86%	85%	80%
Ethics & Compliance considerations have played an important role in how my organization has responded to the challenges of the past few years.	81%	90%	80%	76%	76%	75%	86%	85%	82%
Our organization has emphasized our company values, rather than rules and procedures, to motivate employees to do the right thing in difficult circumstances.	81%	85%	78%	79%	76%	77%	80%	86%	81%
Changes in the market have influenced how we approach ethics and compliance.	73%	73%	70%	74%	66%	79%	80%	78%	69%
Changes in company culture have influenced how we approach ethics and compliance.	76%	73%	78%	73%	66%	82%	83%	83%	74%



	Overall	Australia	Canada	France	Germany	Japan	Singapore	United Kingdom	United States
Our compliance training is suited to my needs and is relevant to my role.	84%	92%	86%	88%	69%	73%	83%	91%	87%
Our compliance training is engaging.	77%	85%	80%	88%	75%	66%	77%	74%	77%
I know how to find relevant guidance on compliance issues (policies, code of conduct and other guidance).	85%	92%	86%	83%	86%	70%	82%	90%	88%
I find our compliance guidance (policies, code of conduct and other guidance) relevant and helpful.	87%	90%	86%	87%	82%	83%	86%	88%	87%
I know how to ask questions and report compliance concerns.	88%	90%	90%	84%	89%	72%	81%	93%	93%
I am comfortable asking questions and reporting compliance concerns.	86%	93%	85%	87%	87%	70%	82%	91%	89%
My organization encourages people to report concerns and protects reporters from retaliation.	85%	87%	86%	85%	84%	73%	81%	86%	87%
My supervisors/managers regularly discuss compliance and ethical issues.	78%	86%	77%	78%	74%	66%	77%	83%	78%
When there have been compliance issues in the past, my organization has handled those issues effectively.	84%	92%	78%	87%	84%	76%	84%	84%	85%
I believe our compliance program is well suited to meet any ethical challenges we might face in the future.	83%	88%	84%	83%	74%	74%	85%	84%	86%

Comparative analysis of program impact distribution (High/Medium/Low) by geography and industry.

### Program impact distribution by industry



Note: Only industries with 30 or more respondents are included



# Employee trust and fairness metrics by generation and role.

(% Agree)

● Overall ● Gen Z ● Millennial ● Gen X ● Boomer



Top performers are held to the same standards as everyone else.



Managers hold themselves to the same standards as everyone else.



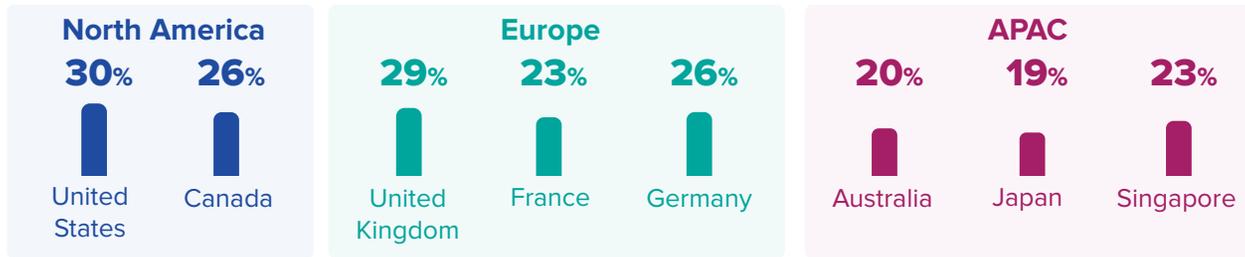
## Top performers are held to the same standards as everyone else. (% Agree)



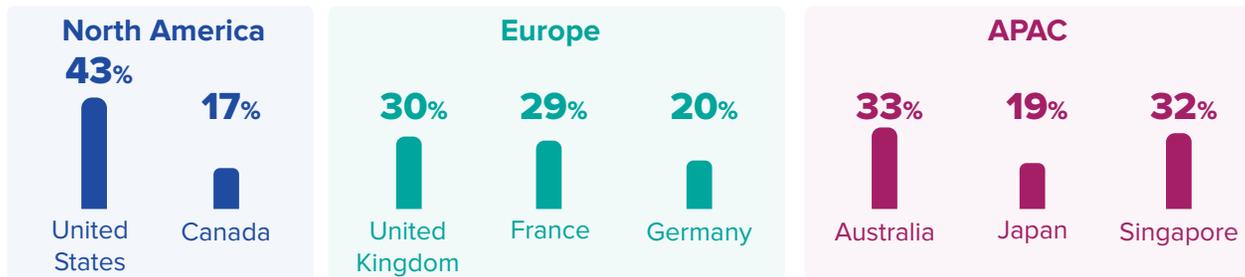
## Managers hold themselves to the same standards as everyone else. (% Agree)



Indicate if your E&C team has made any of the following changes in the past 12 months (% selected):  
Adding data-based tools or systems for compliance



Indicate if your E&C team has made any of the following changes in the past 12 months (% selected):  
Increasing the amount/type of data we obtain from and about our E&C program



Indicate if your E&C team has made any of the following changes in the past 12 months (Select all that apply)

	Global 2026	North America		Europe			APAC		
		United States	Canada	United Kingdom	France	Germany	Australia	Japan	Singapore
Increasing the amount/type of data we obtain from and about our E&C program	31%	43%	17%	30%	29%	20%	33%	19%	32%
Adding data-based tools or systems for compliance	25%	30%	26%	29%	23%	26%	20%	16%	23%



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