



# 2021 ESG Report.

Culture, Equity, Education, Health,  
Environment, and Governance

# Delivering for Partners, Students and Each Other.

At 2U, we believe in the power of higher education to unlock human potential and help address society's critical needs. As the parent company of edX, a leading global online learning platform, we provide more than 44 million learners with access to world-class education in partnership with more than 230 colleges, universities, and corporations. Our people and technology are powering more than 4,000 digital education offerings—from free courses to full degrees.

Every 2U employee—regardless of office, department, or tenure—is passionate about helping our partners deliver life-changing outcomes for lifelong learners. Our culture is driven by our mission. We believe that more equitable access to high-quality education is the key to social mobility and economic security, and that improved diversity, equity, and inclusion in higher education and in the job market benefits everyone.

**This report will focus on six interconnected pillars of the work we do and how we do it:**

- Employees & Culture
- Diversity, Equity & Inclusion
- Equitable Access to Quality Education
- Health & Well-Being
- Environment
- Corporate Governance



# Employees & Culture.

# Our Guiding Principles.

Our culture is built on strong values. United by purpose, passion, and powerful collaboration, we're driven to be better here—to each other, to our students, and to the partners who work with us to eliminate the back row in higher education.



## **Cherish each opportunity.**

Life is short, so treasure every moment.



## **Give a damn.**

Care about what you do each day.



## **Strive for excellence.**

Don't settle for second best.



## **Be bold and fearless.**

Question the status quo and embrace change.



## **Be candid, honest and open.**

Listen to others and offer respectful feedback.



## **Have fun.**

Fun is important. Fun is simply better.



## **Make service your mission.**

Give the highest level of support to our partners and to one another.



## **Don't let the skeptic win.**

"No" is easy. "Yes" is hard. Fight for "yes."



## **Relationships matter.**

Build trust, value differences, and invest the time.

# Physically Distanced, Socially Together.

In 2021, we continued our evolved approach to building community from a distance. While the pandemic and an increasingly dispersed, global workforce prevented us from convening in person, we still came together to connect and celebrate throughout the year.



## Company Meeting

Since our founding, the annual Company Meeting has been a marquee element of our culture. From presentations on our company strategy to the inspiring stories shared by faculty and students, the annual event grounds everyone in why we're here – to eliminate the back row in education.



**Daily Dose of Team Time**  
The Daily Dose of Team Time (DDOTT), a 15-minute optional call hosted by Co-Founder & CEO Chip Paucek and other leaders, gives 2U employees a chance to come together at the same time, every day to check in, share amazing stories, and most of all: Have Fun.



## No Back Row® Awards

We recognize employees who exemplify each of our guiding principles annually with the No Back Row® Awards. In 2021, we recognized 20 employees for their individual contributions (including two from recently acquired edX) and three teams for their cross-functional collaboration in support of our business goals.

# 2U Engage: Our commitment to the community.



- In 2021, 2U donated over **\$700,000 of cash and in-kind contributions** to non-profits supporting education, equity, and opportunity around the world. These include our community partners (featured below), the International Rescue Committee (IRC), and Moodle.
- **2U hosts Days of Service**, a bi-annual event that allows 2U employees to give back to their communities through volunteering and donations.
  - During April Days of Service, more than 160 employees donated nearly \$12,000 to non-profits and logged 360 volunteer hours. 2U matched employee contributions with a company donation of approximately \$17,000 split between Cape Town fire relief efforts, our community partners, and the IRC.
  - November Days of Service saw a return to some in-person volunteerism, with employees assisting organizations that provide a variety of services, including food banks, support for the homeless, and mentoring students. Teams also participated in collection drives, gathering items for women's shelters, refugee support organizations, and book drives. During this week-long event, scores of employees logged more than 100 volunteer hours and donated over \$2,600 to causes they care about.
- Throughout 2021, more than **475 2U employees** spent over **3,550 hours supporting local non-profits** using their volunteer time off benefit.
- Giving back to our local communities matters to 2U. We partner with a number of **high-achieving, local non-profit organizations** near our offices that align with our mission to provide quality education (*click on the logos below to learn more*). In addition to an annual financial contribution from 2U, employees support partners with their time and talent, by serving as mentors with Take Stock in Children (Boca), IkamvaYouth (Cape Town), The Marcy Lab School (Brooklyn), Higher Achievement (HQ), College Track (HQ) and Denver Kids (Denver), and volunteering at fundraising events.



# Investing in the Development of our People.

All eligible employees can receive a **one-time full reimbursement for the cost of taking a 2U-powered graduate program** offered by our university partners and we reimburse eligible employees for the cost of **one short course per rolling twelve month period**. In addition, we provide partial reimbursement of the tuition for eligible family members to complete one of our university partners' degree programs.

We also provide a wide range of trainings and professional development opportunities, including live courses created and taught by our learning and development team and access to a library of resources via LinkedIn Learning.

## Privacy & Security Training

2U mandates privacy and security training for all new employees, as well as annual training for all current employees. Our multidisciplinary approach to continuous employee education reflects requirements of global regulatory frameworks and data best practices. 2U's privacy and security training covers topics such as data security, FERPA, data protection, GDPR, and phishing.

As part of this training, employees are required to read and acknowledge policies that outline how 2U handles and protects personal and confidential information. 2U also conducts an annual campaign – Cybersecurity and Privacy Month – to promote a culture of privacy and security at the company. Moreover, our privacy and security teams regularly conduct role-based training for employees across the business.

Our objective is to empower employees as 2U data stewards to recognize risk by providing the relevant resources, support, and education.

## Professional Training

A variety of professional trainings are available for individuals or teams based on level and development goals.

- Role of a Leader
- Allyship Training
- Behavioral Interview Training
- Coaching for Outcomes
- Difficult Decisions
- Dynamic Leadership
- Executive Presence
- Influence Without Authority
- Leading Virtual Teams
- Meeting Management: Creating Better and More Effective Meetings
- Prioritization & Delegation
- Transition Leadership
- Additional Allyship Resources and Diversity & Inclusion opportunities through LinkedIn Learning
- 2U was a Gold Sponsor of the Simmons Leadership Conference for women, with 60 employees attending and webcasts made available to others

## Compliance

In addition to our Privacy & Security trainings, 2U requires employees to complete the following compliance trainings for onboarding and annually:

- Code of Conduct: Business Ethics
- Code of Conduct: Business Courtesies
- Insider Trading
- Foreign Corrupt Practices Act (FCPA)
- Anti-Harassment

# Our Comprehensive Benefits Program.

Employee benefits are designed to meet the needs of employees in the regions in which they live and work, and are competitive in each region. We offer robust time off and leave policies in each region of the world, including **unlimited paid time off** in the United States. All 2U full-time employees are eligible for 24 hours, or **three days of volunteer time off**. And we've [already discussed](#) our tuition benefit and on-demand courses for professional growth and skills development.

## Additional employee benefits:

- Medical plan
- Dental plan
- Vision plan
- Employee assistance program
- Retirement savings options
- Flexible spending accounts/health savings accounts
- Disability benefits
- Life and AD&D insurance
- Parental benefits
- Wellness program
- Employee recognition program
- Employee stock purchase plan (U.S. only)
- Pet, home, and auto insurance discounts





At 2U, communicating with our employees and sharing our collective stories is part of how we do business. Our employee intranet, the 2Universe, is our central hub for sharing important information and content with our employees.

**Welcome to 2Universe!**

[READ MORE](#)



**Latest News**

**2U Make service your mission.**

**Give a Little Bit: April Days of Service**

Ann Marie Boberg

2U's annual Days of Service is here! Between April 18-22, 2U employees across the globe will make an impact in the communities where we live and work by giving back to non-profits that are important to you. Whether you're volunteering in person (yes...)

[Read more...](#)

**Around the 2Universe: Boot Camp Learner Outcomes**

Robert Jones

In my first [Around the 2Universe article](#) I covered all things boot camp and dove into the efforts of the Boot Camp Learning team. I explained how our 2U-owned-and-operated boot camps are designed by some of the world's leading experts in coding,...

**Brand Portal**

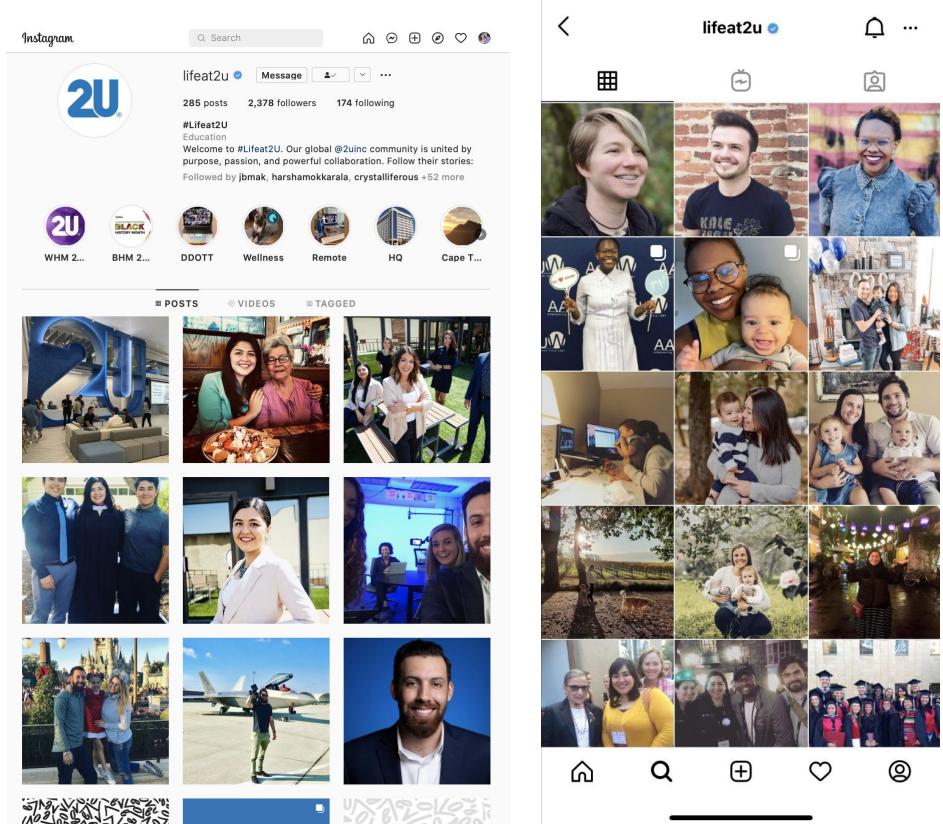
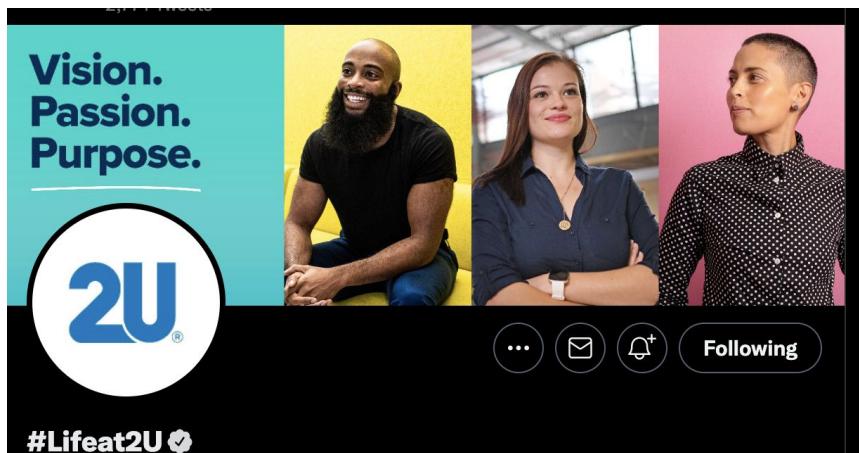
**Quick Links**

- 2022 Holiday Calendar >
- 2U Jargon Glossary >
- 2U Service Desks >
- Add 2U Employee & Events Calendar >
- Contact Ethics Hotline >
- 2U Suggestion Box >

# #Lifeat2U



Our employee-focused social media channels using the handle @lifeat2U and #Lifeat2U, bring our employee voices to life and highlight the incredible team powering our work.





# Diversity, Equity, and Inclusion.



# Our DEI Mission.

At 2U, we are committed to creating and sustaining a culture that embodies diverse walks of life, ideas, genders, ages, races, cultures, sexual orientation, abilities, and other unique qualities of our employees.

**We strive to offer a workplace where every employee feels empowered by all the ways we are different, as well as the ways in which we are the same.**

# Our DEI Values and Pillars for Action.

We believe diversity, equity, and inclusion is an ongoing journey of learning and betterment. Internally, we are having the difficult conversations, becoming more comfortable with being uncomfortable, and being candid, open, and honest with each other. A willingness to listen, reflect, and learn is critical to always becoming a better version of ourselves.

To frame our DEI plan and guide our decision making, we established six values:

- **Awareness.** Be aware of our conscious and unconscious biases.
- **Transparency.** We commit to communicating openly and honestly with our employees and with each other.
- **Accountability.** We commit to holding ourselves and each other responsible for creating a workplace that is diverse, inclusive, and equitable.
- **Realistic.** We recognize the DEI work will not address all issues, but we are committed to doing the work.
- **Measurability.** We will identify DEI goals and measure and report our progress.
- **Empathy.** We will listen to the stories of those who have been marginalized. Their stories can help inform our work.

In addition, we organized our efforts into a set of DEI pillars, each with a set of specific, actionable, and measurable initiatives:

**Transparency &  
Employee Experience**

**Workforce Diversity**

**Talent  
Development/Movement**

**Societal/Business  
Impact**

# Our Commitment to Diversity, Equity & Inclusion.

We believe strongly that diversity leads to better outcomes. We remain committed to creating and sustaining a culture that embodies diverse walks of life, experiences, ideas, genders, ages, races, cultures, sexual orientation, abilities and other unique qualities. For ourselves, and for education as a whole. A more diverse, equitable, and inclusive world leads to more empathy, innovation, and growth for all.

- Our Board of Directors includes three women and three people of color.
- Total workforce\*:
  - 61% female, 38% male, 1% not identified
  - 5% Asian, 16% Black or African American, 6% Hispanic or Latino, 4% Two or More Races, 60% White, 9% Other / not identified
- Leadership (Vice President+):
  - 48% female, 52% male
  - 7% Asian, 6% Black or African American, 3% Hispanic or Latino, 1% Two or More Races, 79% White, 5% Other / not identified
  - Our bonus plan for VP+ employees includes metrics tied to the recruitment of diverse talent and the completion of DEI training by people managers
- For the third consecutive year, 2U has been recognized on the **Bloomberg 2022 Gender-Equality Index** for our continued commitment to promoting diversity throughout the organization and working to build an equitable culture of belonging and respect.
- We have a number of employee led internal initiatives focused on ensuring that DEI is intentionally integrated into 2U's approach to supporting students and faculty at our university partners in inclusive and culturally competent ways.

\*Gender-based demographic data is for global full-time employees. Race-based demographic data is for U.S. full-time employees only. Data is self-reported as of December 31, 2021.



## The Purpose of Mosaic.

Serve as a voice and advocate for 2U employees on issues of diversity, equity, and inclusion, and partner with leadership in fostering and building a workplace that is cross-culturally inclusive.



Mosaic



## Our Business Resource Networks (BRNs)

In 2018, 2U relaunched our longstanding diversity steering committee as **Mosaic** to advance the understanding and inclusion of employees with diverse backgrounds and interests. In conjunction, we maintain employee resource groups known as Business Resource Networks ("BRNs") that foster a diverse and inclusive workplace aligned with our mission and business goals and reflect our commitment to create and sustain a diverse workplace. We currently have BRNs representing the following groups and their allies:



**Community:** LGBTQIA+  
**# of Members:** 500+



**Ability  
Resource  
Network**

**Community:** Individuals with varying capabilities  
**# of Members:** 200+



**Asian Pacific  
Islander  
Network**

**Community:** Asian and Pacific Islander  
**# of Members:** 260+



**Parents &  
Caregivers  
Network**

**Community:** Parents and Caregivers  
**# of Members:** 175+



**Black  
Engagement  
Network**

**Community:** Black /  
African-American  
**# of Members:** 600+



**TuGente**

**Community:** LatinX  
**# of Members:** 280+



**Womxn's  
Alliance  
Network**

**Community:** Womxn  
**# of Members:** 900+



# Notable 2021 Initiatives.

We have always believed strongly in the power of diversity, equity, and inclusion (DEI). And importantly, we believe that we should always be working to do more and be better. We took a number of specific actions in 2021 to help us continue to improve our performance on issues of diversity, equity, and inclusion.

**Focused on recruitment and hiring of diverse candidates for Director+ roles.**

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**Offered DEI and allyship training for employees;** 96% of people managers completed allyship training.

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**Launched a [name pronunciation tool](#)** that integrates with internal email and calendars. Employees can record the correct pronunciation of their names to increase overall inclusion and belonging.

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**Launched a supplier diversity policy** establishing our commitment to fostering a culture of diversity, equity, and inclusion to our broader communities that surround us.

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**Became an endorsed talent development partner for [OneTen](#)** to provide Black talent with greater access to in-demand, tech skills-based boot camps and other high-quality online educational offerings and to connect them with job opportunities at OneTen's employer partners.



# **Equitable Access to Quality Education.**

# High-Quality Digital Education at Scale.

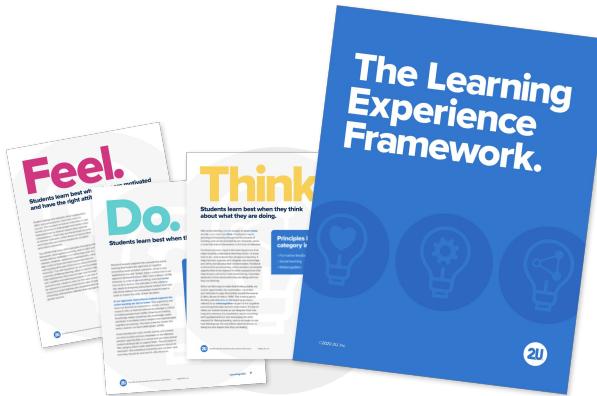
The United Nations' Sustainable Development Goal #4 is to **ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.**

2U was founded on the belief that digital education could be as good as—if not better than—in-person education. This helps to increase access to lifelong learning opportunities. Inception to date, we have positively transformed the lives of **more than 44 million lifelong learners from 196 countries.**

Real-time interaction with professors and other students is critical to learning, and we are always focused on driving student outcomes.

- 2U degree programs have an average class size of under 14 students
- We now provide access to more than **4,000 digital education offerings**—from free courses to degrees.
- More than **5,600 new teachers and educators** have graduated from 2U-powered degree programs in the education vertical
- Our workforce engagement team has made **11,000 free employment referrals** for students attending boot camps.
- Boot camp graduates have been hired by more than **3,648 different companies**
- We work with more than **1,200 enterprise clients.**

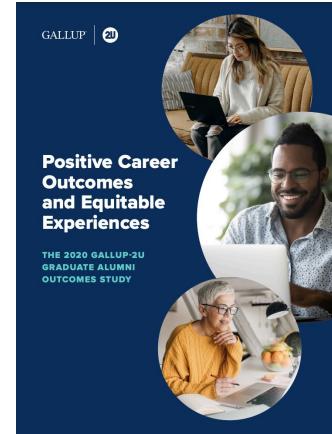
# Pedagogy, Outcomes, and Transparency.



## Learning Experience Framework

### **Best practices for digital education**

2U's Learning Experience Framework (LXF) is built around science-supported ideas that students learn best when they are doing, thinking about what they are doing, and feeling positive about the experience. Collectively, Feel, Do, and Think drive our approach.



## Gallup - 2U Studies

### **Validation of quality online education**

As part of our commitment to transparency, we partnered with Gallup to hear from and activate on the experiences of alumni of 2U-powered graduate programs. These reports give insight into the professional and personal outcomes experienced 2U enables.



## Transparency Report

### **Industry leading view of our impact**

At a time when delivering high-quality online education has never been more in demand and critical to meeting the needs of society, we believe greater transparency about quality and outcomes matters. And the release of our second annual Transparency Report demonstrates that 2U is committed to leading the way in fostering that transparency.

# Access and Affordability.

There is a strong overlap between our commitment to DEI and our mission of driving more equitable access to higher education. Here are some examples of things we're doing to help underrepresented communities gain the skills that will help them break down barriers going forward.

## Degree Completion Programs

In partnership with Morehouse College and Simmons University, we have launched two bachelor's degree completion programs. These programs are designed for non-traditional students with existing college credit and adult life experience seeking to complete their bachelor's degrees.

## Netflix & Morgan State

2U teamed up with Netflix—the world's leading streaming entertainment service—to increase representation in tech with the [Netflix Pathways Bootcamps](#). The programs are open to selected Historically Black College and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs) to offer part-time programs that teach in-demand tech skills to help students stand out in today's job market. Accepted students can participate at no cost. Participating universities include Morgan State University, UCI Division of Continuing Education, Talladega College, St. Edward's University, Norfolk State University, Marymount University, and Edward Waters University.

## Micro Degrees

With edX, 2U now offers MicroMasters® and MicroBachelors® programs that are shorter form, high-quality micro degrees. These degrees give students access to unparalleled faculty and rigorous coursework at a lower price point. For example, [Harvard University's MicroBachelors® Program in University Chemistry](#) is priced at \$1,122, [MIT's MicroMasters® Program in Supply Chain Management](#) is priced at \$1,694, and [IBM's MicroBachelors® Program in Full Stack Cloud Application Development](#) is priced at \$669.

## MOOCs

The acquisition of edX added nearly 300 free-to-audit courses to 2U's offerings. The courses include a wide array of topics including foreign languages, data science, cryptocurrencies, leadership, and more. These courses can be upgraded for \$100-\$300 to receive a certificate of completion.

# Driving Toward Equity in Educational Outcomes.



As a mission-driven company, our commitment to social responsibility is central to everything we do, making our ESG priorities interconnected. We believe in diversity, equity, & inclusion for ourselves, higher education, and society as a whole. We believe the flexibility provided by online education and the high level of support we provide for students helps drive greater diversity in the programs we operate.

## Our Graduate Program Demographics<sup>1</sup> (vs. most recent available national average data for graduate students)

- 66% Female (vs. 58.6%)
- 50% White (vs. 48.9%)
- 19.5% Black or African American (vs. 12%)
- 16% Hispanic or Latino (vs. 18.7%)
- 10.5% Asian (vs. 6.7%)
- 3% Multiracial (vs. 3.8%)
- 0.5% American Indian or Alaskan Native (vs. 0.2%)

As discussed, 2U's annual [Transparency Report](#) gives an industry-leading look into the outcomes we help drive for a diverse array of students. Please see the report for more details on how different 2U-powered programs drive access across gender, race, age, geography, and education level.

## Education Desert:<sup>3</sup>

18% of students who enrolled in a 2U-powered degree program did not have an equivalent degree program within 50 miles of where they live.

For these students, the only way to complete a high-quality degree program in their field of study was to pursue online education.

(1) Demographic data are self-reported by students. Figures above are based on the total number of students that reported demographic data through December 31, 2020 for programs and students to which 2U has access to the information.

(2) [NCES](#), 2020-2021

(3) Data is inception through December 31, 2019.

# Access Partnerships

## What are Access Partnerships?

These partnerships are collaborations between 2U, top tier universities, local agencies, foundations or nonprofit organizations, and industry leaders that help to **upskill historically excluded individuals in a variety of tech fields by providing access to our boot camps.**

## We launched five Access Partnerships in 2021:

- UCF and the UCF Foundation
- University of Utah and the State of Utah
- University of Portland and Worksystems
- University of Denver and the City of Denver
- UNC Chapel Hill and NC Works Orange County.



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

University  
of Portland



UNIVERSITY of  
**DENVER**  
UNIVERSITY COLLEGE



**U** PROFESSIONAL  
EDUCATION  
THE UNIVERSITY OF UTAH

# The Latest.

Our blog, **The Latest**, highlights a wide variety of stories related to 2U, our employees, partners, students, and the future of work and learning. With equitable access to education as a foundational part of our mission, a number of these stories highlight the phenomenal students from diverse backgrounds in our programs and our unparalleled partners.

The Latest launched in Dec. of 2019, and we have since published 160+ articles.



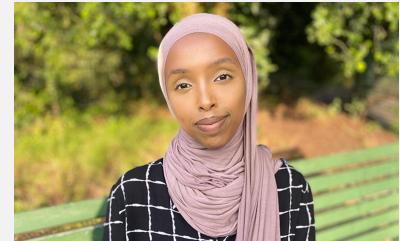
[Measuring the Impact of Public-Private Partnerships: 3 Lessons Learned by Leaders at Netflix and Norfolk State University](#)



[The edX Prize-Winning “Volcano Guys”: Restoring Childlike Wonder to Learning with Cultural Curiosity and Cool Explosions](#)



[For This Single Mom, the Nursing@Simmons Online Master’s Program Helps Her Run a Marathon Every Day](#)



[University of Birmingham: Closing the UK’s Digital Skills Gap and Expanding Diversity in Tech with Boot Camp Scholarships](#)



[14 Ways to Learn How to Build Healthier Communities, Big and Small, Through Public Health Education](#)



# Health & Well-Being.

# Healthcare Education without Geographic Constraint.

The United Nations' Sustainable Development Goal #3 is to **ensure healthy lives and promote well-being for all at all ages.**

There are [demonstrable links](#) between educational attainment and health outcomes. Beyond that, 2U's online degree programs increase access to education necessary for jobs in the healthcare field, regardless of where potential students live.

Vertical	No. of Offerings
Behavioral Analysis	3
Health Informatics	2
Healthcare Administration	1
Mental Health Counseling	3
Nursing	21
Occupational Therapy	1
Pharmacy	1
Physical Therapy	2
Physicians Assistant	1
Psychology	3
Public Health	7
School Counseling	4
Social Work	13
Speech Pathology	3

Programs in placement verticals have seen more than **23,000 graduates** in fields like nursing, social work, and counseling.



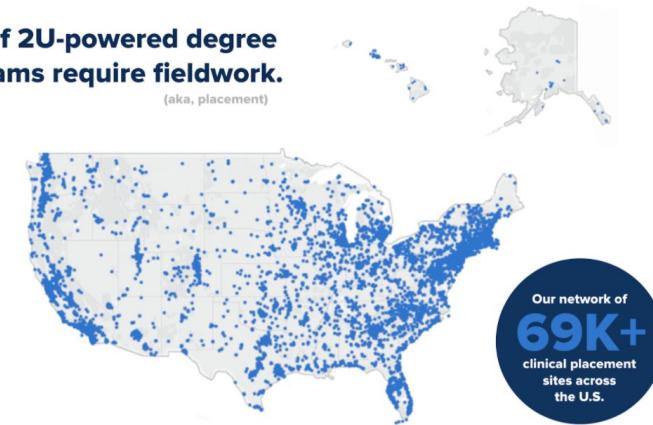
# Clinical Placements that Allow Distance Learners to Stay Local.



Hands-on experience is part of digital learning, especially in healthcare verticals. You don't become a midwife by delivering virtual babies. With over half of our degree programs focused on verticals that require placement, our network of clinical placement sites and high level of service have helped expand geographic access to high-quality education in healthcare fields.

- Students in our programs have taken more than **28 million clinical hours** inception to date as part of their educational experience across all 50 states.
- In the Georgetown midwifery program alone, students at clinical placement sites have **helped deliver more than 12,900 babies** inception to date.
- Our programs are giving people the opportunity to stay in their communities during their education and clinical rotations, which helps increase the number of healthcare workers in underserved communities. According to optional Net Promoter Score surveys we conducted between Q2 2021 and Q1 2022 with students in these programs:
  - 38% of respondents were offered a job at their placement site
  - 71% of respondents who were offered a job have accepted or would consider accepting the job they were offered at their placement site
  - 59% of respondents plan to work in their community after graduation

**50% of 2U-powered degree programs require fieldwork.**  
(aka, placement)



Our network of  
**69K+**  
clinical placement sites across the U.S.

# Environmental Impact.

# Digital Education is Sustainable.



**2U powers environmentally-friendly education.** Our digital offerings reduce the need for regular travel to a university campus, and increase student capacity without the construction of additional buildings. More education with less infrastructure and need for transportation produces environmental benefits as a natural externality. Our business model is inherently more sustainable.

Beyond the fact that the delivery of the education we power is inherently eco-friendly compared to in-person alternatives, a number of our offerings are specifically focused on sustainability. More access to better education on how to design future industry with the environment as a built in consideration has far reaching benefits for the environment on a global scale.

## Educational Offerings

A number of the educational offerings powered by 2U include elements of sustainability and social responsibility. For some, environmental impact is a primary focus, including:

- [Business Sustainability Management](#), [Sustainable Finance](#), [Business and Climate Change: Towards Net Zero Emissions](#), [Sustainable Real Estate: Creating a Better Built Environment](#), [Sustainable Supply Chain Management](#), [Communicating for Influence and Impact](#), [High Impact Leadership](#), [Women Leading Change: Shaping Our Future](#) and [Sustainable Food: Production and Processing](#) short courses, all offered through University of Cambridge Institute for Sustainability Leadership
- [Oxford Leading Sustainable Corporations Programme](#) and [Oxford Climate Emergency Programme](#) short courses from Saïd Business School and the Smith School of Enterprise and the Environment, University of Oxford
- [Energy Efficiency and Sustainability](#) short course offered through University of Cape Town
- [Corporate Sustainability Management: Risk, Profit, and Purpose](#) and [Sustainable Finance and Investment](#) short courses offered through Yale School of Management Executive Education
- [Business Sustainability Strategy: Technology and Management](#) short course offered through MIT Sloan School of Management
- [Sustainable Fashion Branding Program](#) short course to be offered through SDA Bocconi School of Management
- [Master of Architecture](#) degree offered through Rochester Institute of Technology Golisano Institute for Sustainability



# Efforts to Reduce Environmental Impact.



## Facilities

Even before the pandemic, we provided flexibility to allow certain employees to work remotely, including remote access to applications and collaboration tools to reduce environmental cost associated with community and travel. Our Denver office is LEED certified, and all our major offices (Lanham, Denver, Brooklyn, Cape Town) are designed to reduce greenhouse emissions by energy conservation efforts, including:

- Daylight harvesting on perimeter lighting with controls - lights are set at 75% and have a sensor shut off set to 10 minutes
- Utilizing Energy Star rated appliances as well as Water Sense based fixtures when we replace plumbing in any of our locations to reduce consumption of electricity and water

## Global Operations

We consider environmental impact when making procurement decisions, and have IT initiatives in place to minimize waste, including:

- Maintaining minimal IT equipment running on-premise, instead relying on cloud providers
- Responsibly managing and disposing of our electronic waste by e-cycling or wiping and donating electronics to be repurposed at other organizations
- Implementing a print management system to reduce paper and printing use



# Corporate Governance.

# Our Board is Independent and Diverse.



Our Board of Directors believes that sound corporate governance practices provide an important framework to assist the Board and our executives in fulfilling their responsibilities to stockholders and other stakeholders. Our [Corporate Governance Guidelines](#) are intended to reflect best practices in areas such as: role of the Board, Board membership criteria and selection, limits on outside Board service, Board structure, Board access to management and outside advisors, Director stock ownership requirements and other topics.

In addition, our [Code of Business Conduct and Ethics](#) reflects the business practices and principles of behavior that support our commitment to maintaining the highest standards of business conduct and ethics. Our Code of Business Conduct and Ethics addresses the following issues, among others:

- Honest and ethical conduct
- Legal compliance
- Fair dealing
- Conflicts of interest
- Compliance standards and procedures

## Board snapshot.

### Diversity and independence

#### GENDER DIVERSITY



27% Women

#### RACIAL / ETHNIC DIVERSITY



27% People of Color

■ African American or Black  
■ Hispanic or Latinx  
■ White

#### INDEPENDENCE



91% Independent Directors

#### AGE



62 Average Age

■ Under 55  
■ 55-65  
■ 66-75  
■ Over 75

#### TENURE



9 years Average Tenure

■ 0-5 years  
■ 6-9 years  
■ 10+ years

## Our Board and Committees

Our Board of Directors is comprised of 11 Directors and, other than our CEO, all of our Directors are considered “independent” under relevant Nasdaq and SEC standards. We have separate Chair and Chief Executive Officer roles. Our Board of Directors has established a number of committees to assist in discharging its duties. These include an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The charter for each Committee can be viewed on our [website](#).

We believe it is essential to have directors representing diversity in many areas, including but not limited to race, ethnicity, gender, background, and professional experience.

# 2U, Inc. Board of Directors.



Recognized by 50/50 Women on Boards for our commitment to board diversity.



**Chip Paucek**  
Co-Founder and CEO



**Tim Haley**



**Sallie Krawcheck**



**Jack Larson**



**Earl Lewis**



**Edward Macias**



**Paul Maeder**  
Chair of the Board



**Alexis Maybank**



**Greg Peters**



**Coretha Rushing**



**Rob Stavis**

# Compliance and Internal Controls.



The higher education industry is heavily regulated. Our university partners are subject to regulation primarily from three entities: the US Department of Education, accrediting agencies, and state licensing authorities, each of which promulgates a variety of regulations. We are also required to comply with certain regulations that apply to corporations generally or as a result of our role as a service provider to institutions of higher education. We seek to develop best practice compliance programs to assist our university clients with compliance in certain areas and to monitor our compliance with laws and regulations. Some examples of our compliance efforts and programs include:

- **Compliance with State Authorization Requirements:** We work with many of our university partners to identify and comply with a complex array of state authorization requirements to ensure that students can enroll in programs no matter where they live.
- **Compliance with Licensure Requirements:** In the Degree Program Segment, for our programs leading to professional licensure or credentialing, we work with our university partners to understand state-specific program curriculum components and field placement requirements. We only perform marketing activities for programs, and enroll students in programs, in states where the program meets state licensure or credentialing requirements based on the program's composition.
- **Annual Internal Audit Program:** Our Internal Audit department, composed of operational, financial and technology auditors, performs an annual Enterprise Risk Assessment, which drives the creation of the annual Internal Audit Plan. In addition, the Internal Audit department performs a variety of audits focused on financial, operational and compliance risks.
- **Marketing Oversight:** We strive to maintain ethical marketing and advertising practices, grounded in the principles of accuracy, transparency and respect for the customer. 2U's Marketing Compliance team provides oversight regarding marketing materials including reviewing new marketing content to promote alignment with compliance standards.
- **Third Party Audits:** We engage independent third parties to monitor compliance in certain areas. For example, we engage an independent audit firm to produce an annual SOC 2 Type 2 Report describing the control structure of 2U's platform for the Security, Availability and Confidentiality principles.

# Privacy & Security Programs.



At 2U, data protection permeates every part of our business. We understand the importance of safeguarding the data we collect and process. We are constantly improving and iterating on our privacy and security programs to meet current best practices and the requirements of changing regulatory regimes.

2U's Chief Privacy Officer leads our data privacy program, and our Chief Information Security Officer oversees the security program. Our privacy and security teams work together to develop policies, training, and educational initiatives pertaining to data protection. The teams also partner on incident response, vendor management, and security/privacy product controls. Our data privacy and security programs are regularly reviewed by 2U's internal audit team, and 2U is assessed annually for SOC2 compliance.

## Privacy Program

2U implements privacy safeguards for processing of personal information. We adapt and update our privacy program to align with changing regulatory requirements, such as the General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), and South Africa's Protection of Personal Information Act (POPIA). Our privacy program embeds privacy-by-design into the product development and data lifecycle and focuses on transparency, data collection and data use controls.

## Security Program

2U ensures robust security controls to protect information, such as anomaly and behavior-based detection of suspicious security related activity, multi-factor authentication, least privileged access rights, endpoint security, vulnerability and patch management policies and processes, and continuous penetration testing. We conduct quarterly assessments to ensure 2U's compliance with Payment Card Industry Data Security Standard.



## About this Report.

This report contains forward-looking statements regarding 2U, Inc.'s future business expectations, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this report, including statements regarding future results of operations and financial position of 2U, including financial targets, business strategy, and plans and objectives for future operations, are forward-looking statements. 2U has based these forward-looking statements largely on its estimates of its financial results and its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs as of the date of this report. The company undertakes no obligation to update these statements as a result of new information or future events. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from the results predicted, including, those described in the company's Annual Report on Form 10-K for the year ended December 31, 2021 and other filings with the Securities and Exchange Commission. Moreover, 2U operates in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for 2U management to predict all risks, nor can 2U assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements 2U may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this report may not occur and actual results could differ materially and adversely from those anticipated.

This report uses certain trademarks and service marks for reference purposes. Micromasters and Microbachelors are registered trademarks of The Center For Reimagining Learning. All other trademarks and service marks are and remain the property of their respective owners.

The data shared in this report reflects the Company's operations inception to December 31, 2021 or for fiscal year 2021, as specified, unless otherwise noted. The data in this report may contain figures that are approximated or rounded based on the best measurements we have available to us. All employee and student demographic data is self-reported. Student demographic data are self-reported by students. Figures included in this report are based on the total number of students that reported demographic data for fiscal year 2020 and includes only those programs and students for which 2U has access to the information.



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