



2U, Inc. is a diverse collection of more than 2,000 individuals who share a common belief in the power of higher education to transform lives for the better. Every 2Ute — regardless of office, department, or tenure — is passionate about helping our university partners deliver life-changing outcomes for their students.

(Note: All of the data included in this report is inception through December 31, 2018, unless otherwise stated)

---

*Our purpose-driven mission and student-focused culture drive our business processes and actions.*

### **2U's Guiding Principles**

- Cherish each opportunity
- Give a damn
- Strive for excellence
- Be bold and fearless
- Be candid, honest, and open
- Have fun
- Make service your mission
- Don't let the skeptic win
- Relationships matter

---

*In 2015, the United Nations published a list of 17 Sustainable Development Goals (SDGs) built on the principle of “leaving no one behind” and emphasizing a holistic approach to achieving sustainable development for all. 2U's business model naturally lends itself to furthering two of these SDGs. Our entire business is predicated on transforming lives for the better by helping to provide the world's best digital education, particularly in the healthcare space.*

**United Nations' Sustainable Development Goal #4:** 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 - on-campus education. This helps to increase access to lifelong learning opportunities.
- Over 44,000 students have enrolled in 2U-powered graduate programs and over 86,000 students have enrolled in a short course offered by our university partners.
- Real-time interaction with professors and other students is critical to learning. Digital education is driven by collaborative learning, the same as any on-campus program.
  - 2U programs have held over 530,000 live classes, with an average class size of ~12 students.
  - Clinical placements are a necessary part of graduate programs in a number of verticals, including nursing, social work, physical therapy, and others. 2U currently



employs a team of over 130 placement specialists who have helped facilitate students getting hands-on experience, with over 45,000 placements.

- Within the Georgetown midwifery program alone, students at clinical placement sites have helped deliver over 8,000 babies.
- 2U employs a team of over 240 employees focused on student and faculty success, analyzing data and providing resources to help our partners' programs run smoothly.
- 2U-powered graduate programs have a diverse student population relative to the national average for graduate students, an indication of how digital education is increasing access:
  - 2U demographic breakdown (vs. national average for graduate students):
    - 64% Female (vs. 59%)
    - 54% White (vs. 63%)
    - 18% Black or African American (vs. 14%)
    - 14% Hispanic or Latino (vs. 11%)
    - 11% Asian (vs. 8%)
    - 3% Multiracial (vs. 3%)
    - 1% American Indian or Alaskan Native (vs. 1%)
  - Compared to the national average, 2U-powered Graduate Programs enroll a higher percentage of Female, Black or African American, Hispanic or Latino, and Asian students.

**United Nations' Sustainable Development Goal #3:** Ensure healthy lives and promote well-being for all at all ages.

- 2U powers graduate degree offerings in the following verticals:
  - Public Health: 7
  - Healthcare Administration: 1
  - Mental Health Counseling: 2
  - Nursing: 7
  - Occupational Therapy: 1
  - Physical Therapy: 1
  - Physician Assistant: 1
  - School Counseling: 4
  - Social Work: 8
  - Speech Pathology: 3
- Over 9,500 students have graduated from 2U-powered graduate programs in the healthcare space.

---

*We attract people who want to spend their time and energy on things that matter. They want to create transformational experiences for students.*

**Human Capital Development and Employee Benefits:** We aim to build a culture that supports employees in their efforts.

- 90% of U.S. employees reported feeling that 2U is a great place to work in a 2018 third-party survey, resulting in a Great Places to Work certification.
- 2U was named a Top Workplace by *The Washington Post* for four consecutive years.



- 2U was named a Top Workplace by *The Denver Post* for two consecutive years.
  - 2U's Glassdoor CEO Approval Rating was 87% as of March 2019.
- All eligible employees can receive a one-time full reimbursement for the cost of taking a 2U-powered graduate program offered by our university clients 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 clients' graduate programs.
- 2U offers unlimited PTO to full-time employees, encouraging them to take time when they need it. In addition, 2U employees are eligible for 24 hours (3 days) of volunteer time off to give back to their local and global communities without losing pay.
- 30% of employees received internal promotions in 2018 (of 2,128 total employees at 12/31/18).
- Additional employee benefits:
  - Medical Plan
  - Dental Plan
  - Vision Plan
  - Employee Assistance Program
  - Retirement Savings Options
  - Flexible Spending Accounts
  - Disability Benefits
  - Life and AD&D Insurance
  - Parental benefits
  - Wellness program
  - Employee Recognition Program
  - Employee Stock Purchase Plan
- 2U believes in creating meaningful relationships and leaving a lasting impact in both our local communities and individual lives around the world.
  - Between September 2018 - March, 2019, 2U partnered with seven organizations that align with our mission of providing access to education. Through these partnerships, 2U employees are able to give back to their local communities through volunteering, fundraising, in-kind donations, and pro-bono services.
  - 2U hosts Days of Service, a bi-annual, 2U sponsored event that allows 2U employees to give back to their communities through volunteering and donations.
  - In 2018 2Utes contributed 1,879 volunteer hours through Days of Service and donated over \$8,000 of in-kind in school supplies and education materials.

**Diversity leads to better outcomes:** We are committed to creating and sustaining a culture that embodies diverse walks of life, experiences, ideas, genders, ages, races, cultures, sexual orientations, abilities and other unique qualities.

- Our Board of Directors includes four women and four people of color.
- 2U was named a 2020 Women on Boards winning "W" company for our commitment to board diversity.
- We appreciate a workforce that is diverse in thought and background.
  - Total workforce (based on employee survey data):
    - 60% female, 40% male



- 5% Asian, 17% Black or African American, 5% Hispanic or Latino, 4% Two or More Races, 66% White, 3% Other / Not Identified
- Enterprise Leadership Team (based on employee survey data):
  - 45% female, 55% male
  - 6% Asian, 7% Black or African American, 4% Hispanic or Latino, 2% Two or More Races, 79% White, 2% Other / Not Identified
- We take pay equity seriously and conduct regular internal assessments on pay disparities and make adjustments as necessary.
- In 2018, 2U implemented an internal organization, which we call Mosaic, to advance the understanding and inclusion of employees with diverse backgrounds and interests, and help leaders keep a pulse on employee culture. Aligning with Mosaic, 2U developed three Business Resource Networks (BRNs):
  - LGBTQ + allies
  - Women + allies
  - Black/African American + allies

---

*For a decade, 2U has been a trusted brand steward and the partner of choice to the world's top universities. To protect our partners and their students, we employ strong governance.*

**Corporate Governance:** 2U takes seriously internal controls around privacy, data security, and ethical behavior.

- Our Board of Directors is headed by an independent chairperson, and all of our Board members (other than our CEO) are considered “independent directors” under relevant Nasdaq and SEC standards.
- 2U is committed to protecting the privacy and security of information we collect in the course of providing our products and services.
- Our regulatory and audit-based controls include:
  - Internal Audit: 2U has an Internal Audit department comprised of operational, financial and technology auditors. An annual Internal Audit Risk Assessment is performed which drives the creation of the annual Internal Audit program. The department performs a variety of audits focused on operational and compliance risks;
  - SOC 2 Type 1 Report: 2U engages an independent audit firm to produce an annual SOC 2 Type 1 Report. The report describes the control structure of 2U's platform for the Security, Availability and Confidentiality principles;
  - Sarbanes-Oxley Act: 2U complies with the Sarbanes-Oxley Act by conducting an annual audit of internal controls regarding financial reporting that address financial, technology and corporate governance; and
  - Payment Card Industry Data Security Standard: 2U fills out an annual Self Assessment Questionnaire and hires a third party to conduct quarterly Attestation



of Compliance assessments to ensure 2U's compliance with Payment Card Industry Data Security Standard.

- 2U strives to maintain ethical marketing and advertising practices. Our approach is 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.
- We have a [Code of Business Conduct and Ethics](#) that reflects the business practices and principles of behavior that support a commitment to maintaining the highest standards of business conduct and ethics. Our Code of Business Conduct and Ethics addresses the following issues:
  - Honest and ethical conduct
  - Legal compliance
  - Fair dealing
  - Conflicts of interest
  - Compliance standards and procedures