



# Global Sustainability Policy

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KEARNEY

# Sustainability at Kearney

Inspired by our founder, Tom Kearney, and his principle of “essential rightness,” Kearney is dedicated to making a positive impact. We seek to be the difference by embedding environmental, social, and governance best practices, and sustainability, in all that we do: as a business, with our clients, our people, our planet, and our community.

The world continues to face some of its biggest challenges, and we remain committed to supporting the UN Sustainable Development Goals and the 10 principles of the UN Global Compact. We firmly believe that achieving these goals requires dedicated action from the private sector, governments, and civil society. Building on our strengths in transformation and strategic operations, we strive to become the leading firm in making our clients’ bold sustainability ambitions a reality, alongside driving business growth. We’re proud to work with leading organizations across diverse sectors and geographies to tackle their most pressing opportunities and challenges: from ESG transformation and achieving net zero to sustainable and responsible sourcing, circularity, and fostering inclusive and equitable societies.

As consultants, the biggest sustainability impact we can create is through partnering our clients and other stakeholders in the transition to a low-carbon future. We are also dedicated to becoming a sustainability leader in our own right and demonstrate leadership in our industry—acting fast, acting now, and basing our actions on science.

This policy applies to all Kearney employees, premises, and suppliers globally (subject to any limitations imposed by local law). Failure to comply with this policy puts the firm, our colleagues, and our clients at risk, and can result in disciplinary action in accordance with applicable laws and local regulations, up to and including termination.



**Richard Forrest**

**Partner and Global Sustainability Lead**

# Sustainability governance

Kearney's **managing partner** and **managing partner leadership team** (MPLT) have ultimate responsibility for promoting and implementing sustainability across the firm. This includes regularly reviewing Kearney's sustainability strategy and the effectiveness of Kearney's sustainability-related policies, understanding sustainability-related opportunities and risks, setting clear objectives and targets, monitoring and measuring performance, communicating the results, and ensuring resources are made available for implementation.

There is **board-level oversight**, where sustainability targets are incorporated into **management performance objectives** and **linked to incentives**. The MPLT and the board discuss sustainability regularly throughout the year, including climate-related issues. Our lead partner for sustainability is part of the MPLT, leading a central sustainability team, working in close collaboration with sustainability champions and a broader sustainability affinity community across all of our industry and service practices, regional units and offices, and global functions. Our global director of social impact and sustainability is responsible for Kearney's own sustainability commitments.

Furthermore, the global director of social impact has convened a committee of top leaders at Kearney to form a **science-based targets working committee** made up of our global director of travel, global director of real estate, members of the MPLT, global HR leadership, global marketing, and rotating consultants who are responsible for implementing a strategy to reach our company goals through local implementation. This group meets regularly to discuss progress.

We have **local social impact and sustainability teams across all offices**, which help drive the implementation and local impact within their communities. Each local team has a **social impact and sustainability lead** (SI&S Lead), who is responsible for implementing and complying with our Global Sustainability Policy.

## Disclosures and reporting

We are committed to continuous improvement and strive for transparency and accountability in measuring and demonstrating our contributions toward a sustainable and equitable future. We include **Global Reporting Initiative** (GRI) disclosures annually and are reporting on the **World Economic Forum** (WEF) Stakeholder Capitalism Metrics. Additionally, we support the **Task Force on Climate-related Financial Disclosures** and its guidelines and recommendations to drive change and transformation across businesses. We are on a journey of continuous improvement and are aiming to build our understanding of climate-related risks and opportunities and improve our disclosures accordingly.

# Our clients: driving sustainability in our business

Our deep experience in strategy, operations, and sustainability positions us to change how organizations make an impact on the world. Building on our strengths in **transformation and strategic operations**, we are working with clients to make their bold sustainability ambitions a reality, while driving long-term value creation for the business. We actively work across what we call Kearney's five platforms: **ESG transformation, Net zero, Sustainable and responsible sourcing, Circularity, and Equitable and inclusive societies**.

Together with our clients and partners such as the World Economic Forum, we are dedicated to driving the United Nations' Sustainable Development Goals (SDGs) that span the world's most important economic, social, and environmental challenges. We also regularly publish research and articles to strengthen understanding and drive solutions around the world's most pressing issues.

We have embedded sustainability across all of Kearney's industry and service practices and geographies. These efforts are supported by a central sustainability team, which shapes our path and mobilizes teams across the firm. We are investing in building capabilities in this space. Going forward, we aim to be the **leading firm making our clients' sustainability ambitions happen** and a **sustainability leader in our own right**.

# Our planet: our commitments toward environment

Climate change is one of the most significant global challenges that will shape our lives and the way we do business, now and in the coming decades. We are dedicated to supporting this vital transition to a more sustainable future and are already taking practical actions to reduce greenhouse gas emissions and help the world move to a low-carbon, climate-resilient economy.

We are committed to being a leading voice in understanding climate change and how our clients can make sense of opportunities and risks, and we help guide transformative change in their organizations to achieve sustainability and resilience for the long term. Across diverse industries globally, we bring practical solutions and innovations through our consulting engagements, thought leadership, and partnerships. Our Kearney Energy Transition Institute provides leading insights on global trends in energy transition, technologies, and strategic implications for private sector businesses and public sector institutions.

## Our science-based targets

As a consulting firm, the biggest sustainability impact we can create is through helping our clients with the opportunities and challenges in the transition to a low-carbon future. We also want to hold ourselves to the highest standards and reduce the environmental impact of our own business.

Kearney has approved **near- and long-term science-based emissions reduction targets** with the SBTi, under [Science Based Targets Initiative Corporate Net-Zero Standard](#), the world's first standard for science-based corporate net zero targets. Going forward we will focus on rapid and deep emission cuts, cascading our targets across the organization, and take action beyond our value chain.

Kearney's commitments to reducing greenhouse gas (GHG) emissions in the value chain and reaching science-based net zero targets are aligned with the 1.5°C pathway and include the following goals:

### Near-term targets

- Reduce absolute scope 1 and scope 2 GHG emissions by 50 percent by 2030
- Reduce absolute scope 3 GHG emissions from business travel by 30 percent by 2030 and all other absolute scope 3 emissions by 30 percent in the same time frame
- Reach 100 percent renewable energy in Kearney offices by 2025 and continue sourcing 100 percent renewable electricity through 2030

### Long-term targets

- Reduce absolute scopes 1, 2, and 3 GHG emissions by 90 percent, and reach net zero GHG emissions across the value chain by 2050

# Our net zero strategy highlights: avoid and reduce, remove and restore, engage and empower

## Avoid and reduce: our focus is on decarbonization

Kearney is actively working across the firm's offices and supply chain partners in more than 40 countries on a continuous journey to reduce our environmental footprint wherever we can. For example, we are embracing greener ways of working to reduce business travel, reducing our energy consumption, implementing sustainable mobility practices, and boosting our reduction and recycling of waste.

- **Waste and water management.** Across our offices, we are committed to **reducing the amount of waste** and **recycling more waste** (plastic, glass, paper, organic, and e-waste) and promoting sustainable offices. Our offices are implementing initiatives to reduce waste, including eliminating single-use plastics, installing drinking water taps, using and reusing resources wisely, improving waste sorting, donating used technology equipment, and running recycling campaigns. We are committed to achieve **100 percent plastic-free offices** by 2025 and to **reduce water intensity** across our offices by 2030—starting with improving our monitoring of water consumption.
- **Green mobility.** We have committed to implementing **green mobility policies** to electrify our fleet and encouraging public mobility in 100 percent of our offices by 2025.
- **Green energy.** We also aim to reach **100 percent renewable energy** in Kearney offices by 2025 and continuing to source 100 percent renewable electricity, complemented by purchasing renewable energy certificates where necessary.
- **Sustainable buildings.** With our new offices or major renovations, we target **high environmental standards for buildings**, such as LEED Gold, Platinum, BREEAM, or equivalent local certifications available for each location. We also encourage **sustainable building** approaches, such as the use of recycled and locally sourced materials. We are targeting for 100 percent of our offices to be placed in **green-certified buildings by 2030**.

Our sustainability ambitions are embedded across our global policies, our ways of working, and employee communications and training. Here are a few examples:

- Our **Global Travel Policy** highlights sustainability, encouraging employees to be thoughtful about when travel is necessary to meet stakeholder commitments and highlighting various options for collaboration, such as video conferencing, or greener travel, such as rail.
- Our **Office Guidelines** support our local teams in the design and construction of new offices, aligned with Kearney's brand, values, and sustainability commitments.
- Our **Supplier Code of Conduct** outlines our commitments to environmental sustainability and our expectations of our suppliers to meet these high standards. Within our **supplier sustainability and diversity program**, we are including environmental and social criteria to assess our suppliers' sustainability performance during RFP processes.
- Our **IT Sustainability Position and Strategy** outlines our goal of making informed, intelligent, and impactful decisions regarding the design, operation, and delivery of global IT services and technologies. We aim to design and implement technical architecture that uses technologies in alignment with our sustainability goals by increasing operational efficiencies and reducing our power and HVAC requirements.

We comply with all **legal and other relevant requirements** relating to the **environmental impacts of our operations**, including biodiversity conservation, water management, responsible chemical management, and air quality management, and promote the sustainable consumption of natural resources through procurement and operational efficiencies across our global offices.

## Remove and restore: on our journey toward net zero, we offset unavoidable residual emissions by investing in innovative quality projects, including supporting cutting-edge carbon removal technologies

By 2030, we will achieve net zero climate impact by **removing 100 percent of our unavoidable residual emissions**, by actively investing in innovative carbon removal projects with proven environmental, social, and economic benefits, that meet stringent international certification standards. Our selected projects consider carbon performance, additionality, permanence, and co-benefits associated, amplifying the benefits to local communities and biodiversity, to preserve, protect, and restore our ecosystems.

We have been carbon neutral since 2010, and we commit to keep being certified as **100 percent carbon neutral** across scopes 1, 2, and 3 going forward as we believe that investing in carbon removal technologies and projects will help accelerate the transition to a low-carbon future.

**Engage and empower: we are deploying tools to drive transparency, accountability, and engagement across the firm to accelerate our net zero journey**

Our efforts will focus on cascading these global policies to every project team, aiming to influence the way our teams work. Our office-level environmental dashboards allow our teams to assess their baseline performance and set near- and medium-term targets that are aligned with Kearney global commitments.

We are also working toward implementing internal carbon pricing within the next two years to support Kearney's transition to a net zero business.

## **Carbon footprint and reporting**

We report our emissions following the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and update our baseline year according with our GHG Base Year Recalculation Policy. We verify our global GHG emissions under the ISO14064 standard and share them as part of our social responsibility reporting, including in our Sustainability Annual Report.

We need carbon accounting that is more reliable, interoperable, and up to the task of measuring progress. That's why Kearney is honoured to sign on to the [Carbon Call](#)—an initiative led by ClimateWorks Foundation to improve measurement, reporting, and verification of GHG emissions and removal, primarily for the corporate sector. We commit to reporting greenhouse gas emissions comprehensively, transparently, and annually. Kearney leverages strong data collection controls and verification processes, supported by our suppliers and external advisors, to track our emissions activities in detail. This enables us to drive continuous improvement in reducing emissions complemented by our offsets projects.

# Our people: our commitments to empower our people

## Diversity, equity, and inclusion

Every day, we strive to add value for our clients. To do this most effectively, it is important that our people can be themselves and feel comfortable without encountering prejudice or discrimination and that they have equal opportunities to contribute, develop, and succeed irrespective of race, ethnicity, religion, sexual orientation, disability, or gender identity and expression. We also know that our clients derive greater benefit from teams with a wide range of experts with unique experiences, backgrounds, and skill sets.

We recognize that to make a difference, we must commit to **be the difference**. To achieve a sense of belonging and equality, we are focused on four areas:

- **Creating a trusting space** to share perspectives, surface complex topics, and identify our biases in an open and forgiving environment
- **Celebrating inclusive leadership** to ensure individuals bring their best selves to each collaboration, in honour of the global society in which we operate
- **Lifting up those who need support** to provide practical help, education, and unity in conjunction with our network of experts and allies
- **Responding and changing in a timely manner** to champion social justice, racial equality, and inclusion for all

Our ambitions are high. We are committed to using our voice, power, and expertise to take action, supporting **social justice, equality, and inclusion for all**. Kearney is known for our collegial and inclusive culture, supportive programs and affinity networks, and diverse talent. We strive to improve our diversity and inclusion policies, structures, and support networks to ensure that we fully meet the needs of our people and our clients—and are committed to creating an equitable work environment where all colleagues have opportunities to contribute meaningfully; our goal is to set the standard for our industry. We actively promote a diverse, equitable, and inclusive culture through a variety of channels, including our **diversity networks**. We are proud that our commitment to diversity, equity, and inclusion has long been recognized with awards from esteemed organizations and publications. At Kearney, diversity, equity, and inclusion is backed by our **equal employment opportunity policy** which prevents discrimination and ensures equitable outcomes across our employee life cycle—from **recruiting, learning, and development to performance management and promotion**.

Across our offices we are holding Allyship in Action **learning programs for all colleagues**, including senior leaders, focused on putting allyship into action by taking intentional, courageous action to promote equity and advance a culture of inclusion and belonging at work. This is essential to accelerate our DEI efforts both at Kearney and within the communities where we live and work. In addition, we are enhancing **inclusiveness and accessibility within offices**, with the creation of wellness and/or mother's rooms, all-gender restrooms/cabins, accessible offices for employees and visitors with disabilities (for example, ramps and lifts for individuals with physical mobility disabilities, braille instructions and/or tactile guidance throughout the building).

We recognize the **power of supplier diversity**, and we demonstrate our commitment to supplier diversity through our ongoing global efforts to recruit and develop diverse businesses supported by our Global Supplier Sustainability and Diversity program detailed on page 8 of this document.

Learn more about diversity at Kearney [here](#).



## Wellness and safety

At Kearney, we believe that an excellent company is, by definition, a safe company. It follows that minimizing the risk to our people is inseparable from our other business objectives. By ensuring the well-being of staff and others through continuous improvements to minimize accidents and reduce costs, liabilities, and waste, Kearney recognizes that health and safety depends upon the cooperation of all staff and acknowledges that health and safety responsibilities must permeate all activities and be fully integrated with its management systems.

The overall well-being of our people—from **social** to **physical** to **cultural** to **mental**—is a top priority for Kearney. As a firm, we strive to be the difference for our people and aspire to provide a culture where people thrive and can bring their whole selves to work—and mental health and well-being are essential to making that happen.

Our **Occupational Health and Safety Policy** provides guidelines for maintaining healthy and safe working conditions for all who work for Kearney, as well as for anyone who may be affected by its activities.

## Social impact and sustainability initiatives, training, and awareness

Sustainability and social impact are vital for our employees and provide a common purpose between our people and the firm—more than 90 percent of our colleagues around the world say it is important to them. As such, Kearney is dedicated to creating opportunities for everyone to engage with sustainability through **our clients, our local office initiatives, social impact externships, volunteering**, and beyond.

Social impact and sustainability are not only a core component of our expertise and skill set, but also a central path to a workplace culture inclusive of both joy and justice. As such, at Kearney we strive to provide a diverse range of learning and development opportunities, and we are committed to:

- **Educate all employees** to live by Kearney's corporate business principle on **social** and **environmental sustainability**
- **Train all employees** on our **Global Sustainability Policy**; we create conducive workplace conditions that help all employees take personal responsibility for protecting the environment by promoting application of this policy to day-to-day activities at the workplace as well as at home
- Ensure **social and environmental sustainability** is covered as part of relevant training, workshops, and meetings to raise commitment of our **employees, clients, suppliers, business partners**, and the **community at large**
- Promote **corporate and personal responsible behaviour** toward the society and the environment by publishing **success stories** and **recognizing positive initiatives** to embed these practices within Kearney and the local community.

# Business ethics and Code of Business Conduct

## Universal Declaration of Human Rights

Kearney is committed to respecting and supporting the **Universal Declaration of Human Rights** and other international standards. Our internal policies reflect our commitment to acting ethically and with integrity in all our business relationships.

## Code of Business Conduct

Kearney strives to conduct business in an **ethical and honest** manner and in compliance with all applicable laws and regulations. Our firm is deeply committed to fair business practices, and these values are embedded in both our firm's **Code of Business Conduct** and our **Supplier Code of Conduct**. Moreover, we strive to ensure that these values continue to be upheld by our people—all our employees are required to renew certifications and complete regular trainings in areas such as **diversity, security, and client confidentiality**.

We expect our partners and employees to uphold the **firm's core values of solidarity, generosity, curiosity, passion, and boldness**. To this end, 100 percent of our employees must certify each year to our Code of Business Conduct, which sets forth that all are personally responsible to exemplify the firm's core values and behave in a manner that is ethical, lawful, and professional.

Our standards are detailed in other Kearney policies such as the **Equal Employment Opportunity and Sexual Harassment Policy**, our data privacy policies, and the **Anti-Bribery and Corruption Policy** (developed in accordance with the Foreign Corrupt Practices Act and UK Bribery Act). In addition, Kearney's enterprise risk management program includes a review of internal and external resources to identify, assess, measure, mitigate, and monitor risks across the entire organization. Findings are reported and discussed with the appropriate board committee.

## Modern Slavery Act

Kearney maintains a long-standing commitment to respecting human rights and to continually improving our practices. We welcome the transparency that the **Modern Slavery Act** encourages to **combat slavery and human trafficking**. Kearney works hard to ensure there is absolutely no modern slavery or human trafficking occurring in our supply chains or any part of our business. Our Code of Business Conduct as well as our Supplier Code of Conduct address supply chain issues specifically, stressing the need for those with whom we contract for goods or services to comply with human rights and employment laws (including equal treatment and freedom of association rules) and with our values. To achieve our zero tolerance goals, we have a program in place of due diligence with respect to our first-tier supply chain providers in IT, travel, real estate, employment, and affiliated consultants. Further, we require those key suppliers to commit contractually to not allow or procure any slavery or human trafficking in their organizations and supply chains and to maintain adequate records to allow Kearney to monitor their performance against our contracts, values, and international employment and human rights standards.

# Supplier sustainability and diversity

## Supplier Code of Conduct

It is crucial that our suppliers and vendors that provide goods and services to Kearney recognize the roles they play as participants in fulfilling our commitment to compliance and integrity.

Our **Supplier Code of Conduct (SCoC)** sets forth the **principles and high ethical standards** that we strive to achieve and expect our suppliers to work toward throughout the course of our business relationship. Our environmental and social commitments are integrated in our Supplier Code of Conduct.

Kearney can and will consider criteria reflecting these principles as part of any **supplier assessment, contract award, or performance appraisal**.

## Supplier Sustainability and Diversity Program

At Kearney, we want to **promote sustainability and diversity best practices across our entire supply chain**. Our Supplier Sustainability and Diversity Program engages all new active suppliers through a web-based survey—to receive information on their sustainability policies and practices, transparency on their minority or diversity ownership structure, and confirmed reception and acknowledgment to the latest version of our Supplier Code of Conduct. We are committed to engage our suppliers and explore collaboration opportunities, while building on ongoing efforts to recruit and develop diverse businesses.

As part of our commitments to sustainability and diversity we have set bold targets:

- Committed to keep **sharing our SCoC with 100 percent of Kearney new suppliers** and confirm their acknowledgement, from 2022 onward
- Committed to **train 100 percent of Kearney buyers** on our Supplier Diversity and Sustainability program, every year from 2022 onward
- Pledged to **integrate sustainability and diversity criteria in 100 percent of IT, travel, and real-estate** related purchasing processes with suppliers—given the importance of these three categories over Kearney's total spend
- Pledged to **engage key suppliers on an annual basis** on sustainability and diversity matters to explore opportunities
- Committed to double our **share of spend with diverse suppliers** by 2025.

Alongside this, we are also looking into expanding our network of partners and actively promoting supplier diversity through existing partnerships, such as the Women's Forum and the National Minority Supplier Development Council (NMSDC).

# Our communities: our actions toward a more equitable and sustainable future

At Kearney, we are committed to creating a positive impact in our communities on both a global and local level, by promoting purpose-driven actions and encouraging our employees to advocate for causes they care deeply about, taking action to **help the environment**, **volunteering**, **donating**, and participating in **pro bono projects**.

Our social impact strategy is focused **on social justice, inclusion, and racial equality** and our pledges are grounded on our core values and purpose to be the difference we want to see in the world:

- Match **\$1 million in employee donations** toward impact organizations and social causes, including social justice, inclusion, and racial equality
- Reach **1,500 Days of Action** for employees who volunteer to pursue social and racial justice, inclusion, and equity work
- **Double our pro bono work**, supporting Black-owned businesses and organizations that fight for racial equality around the world.

# Going forward

Sustainability and social impact are essential on our path to being the most admired. We are encouraged by the immediate impact our work is having on our clients and communities and look forward to creating positive impact together with you. Please visit [www.kearney.com](http://www.kearney.com) for more details.

## Additional information

<b>Document availability</b>	<b>Public</b>
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<b>Policy owner and contact</b>	Pei Yun Teng, global director social impact peiyun.teng@kearney.com
<b>Approval</b>	Managing partner leadership team

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