

Photo by Kevin Peschke
Kearney, Chicago

Kearney Sustainability Report

2023

KEARNEY

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Our commitment

Letter from leadership

At Kearney, our success is driven by our passion for overcoming major challenges. This year, our world was confronted with some of its gravest challenges in recent memory. From natural disasters and market volatility to the devastating effects of conflict and famine, the crises we faced were unprecedented in their scale and complexity. In the spirit of our founder, Tom Kearney, and his principle of “essential rightness,” we believe it is Kearney’s duty to counter these forces and drive positive impact.

For us, this means embedding sustainability in all that we do as a business. It also means vocally supporting international best practices such as the UN Sustainable Development Goals, UN Global Compact, and CDP, a nonprofit environmental reporting and risk management organization. In 2023, we significantly advanced these commitments, and engaged our clients, our people, our planet, and our communities as we did so.

Building on our strengths in transformation and strategic operations, we always strive to make our clients’ bold sustainability ambitions a reality. This year, we worked with a diverse group of organizations on more than 300 sustainability-related engagements ranging from decarbonization to sustainable supply chains and circularity. We are also proud to have acquired Silicon Foundry, a venture capital advisory firm committed to sustainable innovation, and TEAMS Design, a global strategic design company focused on sustainable solutions.

Of course, we are also dedicated to becoming an ESG trailblazer in our own right. Kearney is the [first management consultancy](#) in the world to have its near- and long-term science-based emissions reduction targets approved by the Science Based Targets initiative (SBTi), after having been the first carbon neutral consultancy in 2010. We remain committed to absolute reductions of scope 1 and 2 GHG emissions by 50 percent and scope 3 emissions by 30 percent by 2030, and to achieving net-zero GHG emissions across our value chain by 2050. Given our double-digit annual growth trajectory, this means aggressively reducing our emissions per FTE by more than half—living up to our ambitious vision to lead in sustainability.

We are driving progress toward these ambitious targets on several fronts. In 2024, we will launch an Internal Carbon Pricing program targeting air travel, our largest source of emissions as consultants. With greater transparency and accountability, we aim to drive behavioral change and greener travel. The collected fees will be used to invest in high-quality carbon credits, sustainable aviation fuel (SAF), and other green initiatives. We also are working to become plastic free and harness renewable energy across all our locations and operations globally.

We are committed to continuous improvement and strive for transparency in demonstrating our contributions toward a sustainable future. We are proud to have received a Platinum rating from EcoVadis, placing us among the top 1 percent of more than 100,000 companies evaluated across the globe. Kearney also joined the CDP Climate Change A List for our leadership in corporate transparency and environmental performance.

The success of these initiatives—and our business performance—begins with our people. Our holistic approach to people care and development is focused on building a collective sense of ownership and fostering a workplace culture driven by joy and justice. In 2023, we introduced the enAble diversity network focused on disability awareness, and the Global Inclusion Council, which guides and amplifies the firm’s DEI progress at the highest levels. We also added 40 new ambassadors for a total of 170 colleagues trained globally in Mental Health First Aid. Due in large part to these efforts, we were named one of America’s Greatest Workplaces for Diversity by Newsweek and achieved Platinum certification from Mental Health America’s 2023 Bell Seal for Workplace Mental Health. For the 13th year in a row, we have also received a score of 100 from Human Rights Campaign’s LGBTQ+ Corporate Equality Index.

With Kearney operating in more than 50 cities around the globe, it is imperative we create a positive impact on our surrounding communities. In 2023, we participated in more than 350 social impact activities including 49 pro bono engagements, accumulating more than 830 Days of Action. We are proud to collaborate with leading organizations such as Ashoka, the World Economic Forum, and UN Women to drive positive impact together.

In 2024, we will continue to build on our past experiences alongside our clients, our people, and our communities. When we all work together toward this common purpose, we can clearly envision a more equitable and sustainable future on the horizon.



Alex Liu

Managing Partner and Chairman of the Board,
Kearney

April 2024

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About this report

Kearney's annual sustainability report presents an overview of our sustainability and social impact efforts for the 2023 calendar year. This report is our fifth in a series of comprehensive annual sustainability reports—our [Kearney Sustainability Report 2022](#) was published in April 2023.

Kearney has always been dedicated to sustainability, setting our first targets in 2006 and continuing with support for the **United Nations Sustainable Development Goals**. We aim to create positive social impact not only through our client work, but also through our people and communities. In 2018, Kearney became a signatory of the **UN Global Compact**, a set of 10 principles covering the areas of human rights, labor, environment, and anti-corruption. This report has been prepared with reference to the **Global Reporting Initiative (GRI)** standards. We are also reporting on the **World Economic Forum's Stakeholder Capitalism Metrics** for the fourth year and the **Task Force on Climate-related Financial Disclosures (TCFD)** for the third year. Ultimately, this report will demonstrate our comprehensive approach to sustainability, an important part of our culture at Kearney.

Unless listed otherwise, all data, statistics, and information given are related to Kearney's worldwide operations. In 2023, Kearney acquired TEAMS, an industrial design firm, and Silicon Foundry, an advisory firm. We report for the same entities as in our consolidated financial statement and all entities are covered by this report unless otherwise specified. There were no other material changes to Kearney's structure, size, ownership, supply chain, measurement methods, or materiality topics throughout 2023.

Kearney made use of strong data collection controls and verification processes—including external support from partners to calculate global emissions, to assure emissions, and to assure our financials—that verify the accuracy and completeness of the information in this report. This sustainability report has been reviewed by Kearney leadership.

Our reported GHG emissions and progress against GHG emissions targets have been independently verified under the ISO 14064-3 standard with a limited level of assurance ([LINK](#)). Our sustainability disclosures have been independently verified under AA1000 Assurance Standard ([LINK](#)).

We are dedicated to learning more about the perspectives of our stakeholders concerning sustainability at Kearney, and we welcome your feedback.

Please contact sustainability@kearney.com or reach out to our global director of social impact, Pei Yun Teng, at peiyun.teng@kearney.com.

Kearney locations



About Kearney

Kearney is a leading global management consulting firm. For nearly 100 years, we have been a trusted advisor to C-suites, government bodies, and nonprofit organizations. Our people make us who we are. Driven to be the difference between a big idea and making it happen, we work alongside our clients to regenerate their businesses to create a future that works for everyone. Our global team is more than 5,300 people strong, with over 25,000 people in our alumni network. The headquarters and origin of the firm are in Chicago.

Following prior acquisitions of Cervello, Prokura, and OPTANO, Kearney continued its strategy of using inorganic moves to accelerate top-line growth and better serve clients, as 2023 saw the acquisitions of TEAMS, an industrial design firm, and Silicon Foundry, an advisory firm focused on the global innovation ecosystem.

In 2023, Kearney also made a minority investment in Simfoni, furthering Kearney's strategy to invest in technology solutions that help clients navigate complex business challenges and achieve digital procurement transformation and sustainable growth.

Our values

We are proud of our five core Kearney values, which fuel our purpose to be the difference for each other, our clients, and society. We are striving to enhance our culture by creating and living a culture that is open, flat, agile, collaborative, and joyful. Kearney's five core values are:



Generosity of spirit to care deeply about the well-being of others



Solidarity to be a winning team that supports each other and their well-being



Passion and presence to be our best self



Curiosity and drive to explore new ground



Boldness to be distinctive and break from the status quo

Kearney governance

Kearney is a partner-owned firm with 455 partners across the globe. Managing partner Alex Liu, together with the rest of the board of directors, is responsible for guiding the long-term success and continuity of the firm, shaping its vision and strategy. Kearney's board of directors has 11 members, including the managing partner and chairman of the board, who are elected by their fellow partners, and two external independent directors. To ensure an ongoing balance between experience as a director and fresh ideas, the terms of the board are staggered. The standard term is four years. Day-to-day management at the global level is overseen by the operating committee (OC) and supported by the managing partner leadership team (MPLT). The OC has seven members, and the MPLT has 12 members; both include the managing partner and are responsible for all operational and organizational affairs of the firm. In addition to the OC and MPLT, leadership teams are set up for each region (Americas, Europe, APAC, MEA) as well as industry and service practices (available on our [website](#)), units (leaders by country or office location), and functions.

Kearney's managing partner is the chairman of our board of directors. Kearney is committed to mitigating conflicts of interest by, for example, having the board oversee the managing partner's performance evaluation and compensation and by limiting the number of senior operational managers that may serve on the board. In addition, the governance committee chair is a separate role, elected by the other board members, acting as primary liaison between the board and the managing partner, and serving as interim managing partner in the event of a sudden vacancy in the managing partner role.

Sustainability governance

Kearney's managing partner and MPLT have ultimate responsibility for promoting and implementing sustainability across the firm. This includes regularly reviewing Kearney's sustainability strategy, 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 strategic portfolio committee of the board meets regularly with the sustainability team and is responsible for embedding Kearney's sustainability objectives into the firm's strategy. 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 is responsible for Kearney's own sustainability commitments.



Our primary industries

Aerospace and Defense

Automotive

Chemicals

Consumer and Retail

Energy

Financial Services

Health

Industrial Goods and Services

Infrastructure

Media

Metals and Mining

Private Equity

Public Sector

Technology

Telecommunications

Transportation and Travel

Our primary activities

Digital and Analytics

Leadership, Change, and Organization

Mergers and Acquisitions

Operations and Performance

Procurement

Product, Design, and Data Platforms

Sustainability

Transactions and Transformations

Global Business Policy Council (GBPC)

Regenerate: A future that works for everyone



For almost a century, we've advised organizations on how to best adapt, integrate, and migrate to new systems—transforming the way they approach the next big problem.

Our global survey of 800 CxOs revealed that regenerative thinking is on the rise, but significant work needs to be done to enable businesses to adjust successfully and consistently. Regenerate is Kearney's approach to "what's next" in a post-resilience world.

Rethink. Resync. Regenerate.

Regenerate describes the type of transformation that Kearney believes is essentially right: it starts with rediscovery of the core DNA of each company, resyncs the business world with the living world, and unlocks a mindset of perpetual reinvention.

Your business. The world around you. Together. Regenerative transformations harmonize and elevate complex business systems with our world's systems together as one, ensuring organizations can approach the business pressures of today's world, whether involving supply chains, approach to leadership, or sustainability goals. This is how to get started:

- **Operations:** Focus on repeatable value
- **People and communities:** Do good by people both inside and outside the organization
- **Tech and data:** Learn faster, waste less

This is just the beginning. We will continue to work toward being the difference for our clients, people, communities, and planet—helping to bridge the purpose gap between intent and action. Let's embark on this transformative journey together.

Stakeholder engagement and materiality matrix

Engaging our stakeholders. At Kearney, our stakeholders include clients, employees, alumni, suppliers, governments, regulators, universities, knowledge institutions, local communities, nonprofits, start-ups, and sustainability ecosystem partners. We regularly collaborate and engage with our stakeholders through consulting projects, thought leadership and research, industry platforms and events, community initiatives, and more, capturing formal and informal feedback on our services as well as their interests and concerns and informing our priorities and our strategic directions. We value our clients, people, and communities as priority stakeholders, and rely on our stakeholders’ understanding of the most pressing global issues so that we can integrate it into our strategy, operations, and reporting.

Identifying material issues. Materiality assessments help us determine which ESG topics are most relevant to our firm, stakeholders, and environment. The assessment’s resulting “matrix” provides a framework for our sustainability strategy and regulatory reporting. We review this matrix every few years, ensuring its relevance in view of our stakeholders’ expectations as well as market and external developments.

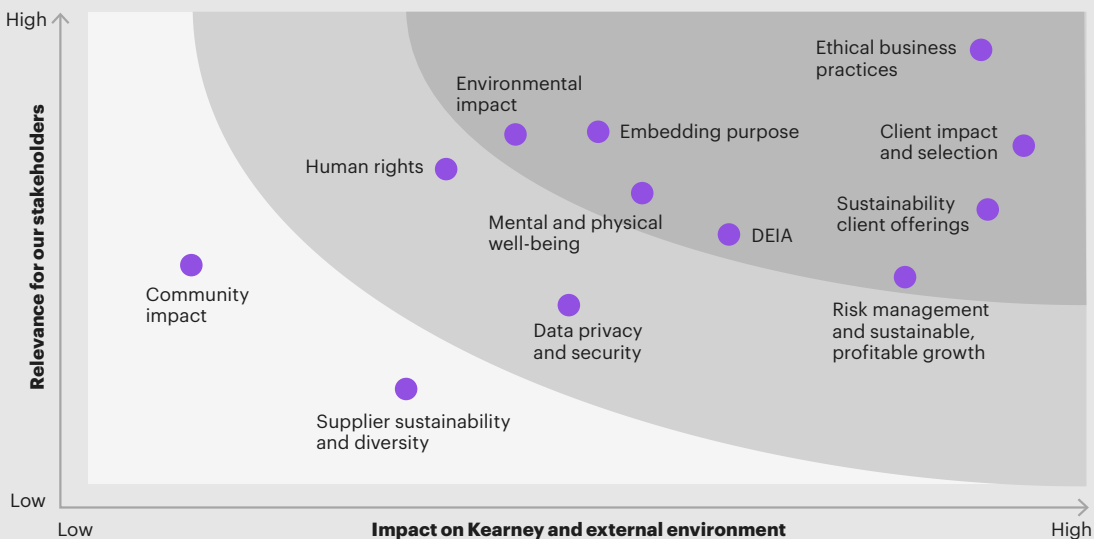
In 2023, we initiated our first-ever **double materiality assessment**. Analyzing double materiality means not only assessing a topic’s effect on Kearney’s business performance, but also its impact on our external environment. This analysis helps us better identify risks and opportunities, shaping our sustainability strategy and business model to ensure we maximize positive impact for our stakeholders and our world.

To build this matrix, we conducted an outside-in analysis of competitor and client materiality matrices, surveyed a range of relevant stakeholders including MPLT senior leadership and our sustainability experts, and assessed the impact of our own business practices on other relevant parties. Going forward, we will continue to monitor new trends, engage stakeholders and capture feedback through our various channels, and update our matrix regularly to ensure our sustainability priorities remain relevant.

Figure 1

We aim to drive a bold agenda that focuses on priorities that have the biggest impact for our business and the environment, as well as for our stakeholders

Double materiality matrix



Note: DEIA is diversity, equity, inclusion, and accessibility.

Source: Kearney analysis

Sustainability highlights

We seek to make a positive impact through our five market-facing sustainability platforms:

ESG transformation. Shape and manage successful transformations and transactions by engaging the entire ecosystem of stakeholders.

Net zero. Help organizations transition to net-zero emissions by decarbonizing value chains and capitalizing on new commercial opportunities.

Sustainable and responsible sourcing. Deliver a measurable ESG impact by managing supplier risk and creating new value across the value chain.

Circularity. Help clients tackle resource scarcity and eliminate end-of-life waste by reducing, reusing, and recycling.

Equitable and inclusive societies. Support companies, governments, impact organizations, and other stakeholders to create positive long-term societal impact and scale change.

“Our success as consultants will depend on the essential rightness of the advice we give and our capacity for convincing those in authority that it is good.”

— Andrew Thomas Kearney

Select awards and certifications



CarbonNeutral.com



>5,370 people

with 60+ offices in more than 40 countries and sustainability teams across all practices

355

pro bono and social impact activities with local and global impact organizations



Science-based net zero by

2050

Approved science-based targets in line with the Paris Agreement to limit global warming to 1.5°C: **reduce scope 1 and 2 emissions by 50% and scope 3 by 30% by 2030**, from a 2019 base year

100% renewable electricity usage in our offices, ahead of our target for 2025









Carbon neutral since **2010**

39% women across the firm in 2023

UN Sustainable Development Goals

Kearney has always been dedicated to supporting the UN Sustainable Development Goals (SDGs) through our client engagements, thought leadership, and pro bono work. In March 2018, Kearney became a signatory of the UN Global Compact, a set of 10 principles covering the areas of human rights, labor, environment, and anti-corruption.

<p>1 NO POVERTY</p> 	<p>Goal 1 End poverty in all its forms everywhere</p>	<p>Swiss charity concert. Since 2011, we have organized an annual concert series where all proceeds are donated to Save the Children.</p> <p>Poverty line assessment. We developed a methodology for measuring national poverty lines to help rationalize spend on social protection programs and guide policymaking.</p>
<p>2 ZERO HUNGER</p> 	<p>Goal 2 End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</p>	<p>Local food insecurity. Kearney offices around the world regularly partner with local soup kitchens and homeless shelters to volunteer and tackle local food insecurity.</p> <p>Tree Range Farms. We advised and supported Tree Range Farms, an organization that distributes regenerative agriculture and poultry products from family-owned farms.</p>
<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>Goal 3 Ensure healthy lives and promote well-being for all ages</p>	<p>Health Equity Summit. Kearney hosted our second annual summit, bringing together health and retail leaders from across the United States to discuss health disparities.</p> <p>Redesign women's healthcare. We helped launch <i>Redesigning healthcare with women in mind</i> and published an open letter with 50+ signatories at the World Economic Forum's Annual Meeting calling for equality in healthcare.</p>
<p>4 QUALITY EDUCATION</p> 	<p>Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>Reimagining the future of work and empowering youth. Through our long-lasting partnership with Ashoka, we support NGOs and entrepreneurs.</p> <p>Teach for India. We worked with Teach for India to develop a strategy to support the scaling of its network footprint and drive an educational equity movement across the country to bridge disparities and support underprivileged children.</p>
<p>5 GENDER EQUALITY</p> 	<p>Goal 5 Achieve gender equality and empower all women and girls</p>	<p>UN Women UK x Kearney. Together with UN Women UK, we conducted research to uncover how employers can protect decades of progress on women's rights and gender equity, build back better for women, and create the workplace of the future.</p> <p>IGNITE Women's Network. Kearney is a founding partner of IGNITE, a mentorship and networking platform for aspiring female leaders in Southeast Asia.</p>
<p>6 CLEAN WATER AND SANITATION</p> 	<p>Goal 6 Ensure availability and sustainable management of water and sanitation for all</p>	<p>Water scarcity. We assisted clients in addressing water scarcity by developing a "water stewardship toolkit" that includes implementing water efficiency initiatives and designing "best-in-class" water replenishment strategies.</p> <p>Rainwater technology. We partnered with an innovative water technology company that enhances rainfall and elevates water reserves in the areas where it is needed most, on their go-to-market and partnership strategies.</p>
<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>Goal 7 Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	<p>Kearney Energy Transition Institute. We provide leading insights on global trends in energy transition, technologies, and strategic implications for private sector businesses and public sector institutions.</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Goal 8 Promote sustained, inclusive, and sustainable economic growth, productive employment, and decent work for all</p>	<p>Malaysian Social Project (MSP). We volunteered with MSP to provide pro bono support for organizations focused on providing skills development and empowerment programs for the urban poor.</p> <p>Propel Impact. Our Toronto office partnered with Propel, a nonprofit that pairs young professionals with consulting mentors, to advise the next generation of leaders in sustainable development.</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>Goal 9 Build infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p>	<p>German Sustainability Award (DNP). Kearney is a founding member and methodology and assessment partner for DNP, Europe's most prestigious sustainability award. More than 8,000 companies, cities, start-ups, and research projects have participated since 2008.</p>

 <p>10 REDUCED INEQUALITIES</p>	<p>Goal 10 Reduce inequality within and among countries</p>	<p>Launchpad. Kearney worked with Launchpad to foster collaboration between minority start-up visionaries and seasoned Kearney mentors to propel sustainable growth and reduce inequality in the venture capital space.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Goal 11 Make cities and human settlements inclusive, safe, resilient, and sustainable</p>	<p>NYEDC project. We were engaged by the New York Economic Development Council to help design their strategic plan for climate resilience, economic progress, and migrant support.</p> <p>Public Rights Project (PRP). In collaboration with the PRP, we supported efforts to proactively protect civil rights through affirmative action legislation.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Goal 12 Ensure sustainable consumption and production patterns</p>	<p>Circular cities. We support setting up a Circular Valley® in the Rhine-Ruhr region in Germany, collaborating on solutions to reduce emissions and “close the loop.”</p> <p>Sustainable Material Institute (KSMI). We launched the KSMI to serve as a global center of expertise for internal and external partners on their circularity journey, complete with proprietary analytics tools, a vast network of experts, and product development resources.</p>
 <p>13 CLIMATE ACTION</p>	<p>Goal 13 Take urgent action to combat climate change and its impacts</p>	<p>Climate Group. We worked alongside Climate Group to develop a report identifying key barriers and opportunities for large-scale fleet electrification at national borders.</p> <p>COP28. A delegation of Kearney employees attended and participated in several panels at COP28. At the conference, we also launched the Center for a Sustainable Future, a forum aimed at fostering collaboration to develop regenerative business solutions.</p>
 <p>14 LIFE BELOW WATER</p>	<p>Goal 14 Conserve and sustainably use the oceans, seas, and marine resources for sustainable development</p>	<p>Oyster mariculture and reef restoration. We built a plan for developing an oyster mariculture economy while investing in reef restoration for an environmental nonprofit looking to enhance the health and productivity of the surrounding bays.</p> <p>Plastic-free offices. We have committed to make all Kearney offices 100 percent plastic free by 2025 in an effort to limit waste and preserve our natural environment and our oceans. To date, 96 percent of our offices have implemented plans to make this a reality.</p>
 <p>15 LIFE ON LAND</p>	<p>Goal 15 Protect, restore, and promote the sustainable use of terrestrial ecosystems, halt land degradation, and halt biodiversity loss</p>	<p>Biodiversity in carbon projects. We continued our focus this year on projects that help halt biodiversity loss through reforestation and other tactics and restore terrestrial ecosystems in the carbon projects that we support.</p> <p>Regenerative agriculture. We expanded our capabilities and offerings related to regenerative agriculture and circular food networks.</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Goal 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice, and build effective, accountable, and inclusive institutions at all levels</p>	<p>Our nine commitments. Kearney has committed to nine social and racial justice initiatives aimed at living out our purpose. We recognize that if we want to make a difference, we have to be the difference. Our commitments include Days of Action to volunteer for our communities, tripling Black leaders by 2023, expanding DE&I programming globally, advocating for fair and safe voting, launching a supplier development academy, doubling pro bono activities, and matching up to \$1 million to organizations that support social justice, inclusion, and racial equity.</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Goal 17 Strengthen the means for implementation and revitalize the global partnership for sustainable development</p>	<p>Our World Economic Forum partnership. As one of a select number of organizations, Kearney supports the Forum’s mission to improve the state of the world. Our relationship with the Forum has been in place for half a century, dating back to the Forum’s foundation in 1971. Since then, we have been an active advisor and shaped the agenda of several global initiatives on topics such as gender equality, digitalization, mental health and well-being, consumption, and manufacturing.</p>

Source: Kearney analysis



Our business

Driving sustainability with our clients

Sustainability has gone mainstream. From the shocks of climate disruption to the Great Resignation and what it means for the future of work to consumer pressures challenging brand values, the old paradigm of “this is tomorrow’s problem” has most certainly shifted. For companies, the key questions are no longer “Should we join in?” or “What are the challenges?” Instead, they’re “What are the solutions?” and “How do we implement them?”

Kearney is helping clients find innovative and enduring solutions for a better way of doing business. 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. Over the past year, we have worked on more than 300 sustainability-related projects across five platforms:

ESG transformation

Shape and manage successful transformations and transactions by engaging the entire ecosystem of stakeholders.

Net zero

Help organizations transition to net-zero emissions by decarbonizing value chains and capitalizing on new commercial opportunities.

Sustainable and responsible sourcing

Deliver a measurable ESG impact by managing supplier risk and creating new value across the value chain.

Circularity

Help clients tackle resource scarcity, promote regenerative practices, and eliminate end-of-life waste by reducing, reusing, and recycling.

Equitable and inclusive societies

Support companies, governments, impact organizations, and other stakeholders to create positive long-term societal impact and scale change in society.

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.



Sustainable economic growth for New York City

Kearney collaborated with the New York City Regional Economic Development Council (NYC REDC) to create a refreshed strategic plan aimed at fostering inclusive growth throughout NYC's five boroughs, focusing on climate resilience, and boosting the economic progress of historically disadvantaged communities and areas.

This initiative presented a distinctive challenge—although the project's objectives could be assessed through financial indicators (for example, the number of jobs created or the number of migrants impacted), its success was intrinsically linked to difficult-to-quantify quality-of-life improvements for the city's residents. Ultimately, we established a robust framework for development in three key areas: innovation, infrastructure, and workforce.

We also assisted the REDC in responding to the state's "challenge competition." We tackled the "workforce development" challenge and focused on enhancing workforce participation among recent migrants. To ensure their long-term stability and independence, we initiated a Bilingual Facilitation Program. This program was designed to connect new migrants with essential services needed for skill enhancement, securing employment, and starting a new chapter of their lives in New York City.

"The Kearney team successfully navigated various competing priorities while developing a strategy for climate-resilient growth. Ultimately, they formulated a plan designed to achieve the greatest possible impact, all while preserving the distinctive qualities that define New York City."

— Felix V. Matos Rodriguez, NYC REDC Co-Chair

Fleet electrification

Kearney worked alongside the Climate Group, an international nonprofit organization, to develop a report identifying key barriers and opportunities for large-scale fleet electrification at national borders. Borders serve as an ideal test case for electrification, given the nature of the freight—predictable, short-haul routes handled by aging, inefficient trucks, and ample opportunities for backhaul loads.

To help gather perspectives, we conducted interviews and surveys with stakeholders including shippers, 3PL providers, manufacturers, and government agencies, using the US–Mexico border as a first example. The consensus revealed that common roadblocks to electrification have included high costs, infrastructure, and a scarcity of electric trucks with emerging capabilities. Our report harnessed these findings and additional analyses to chart a path toward adoption.

Together with Climate Group we also gathered a diverse group of stakeholders for a roundtable discussion at NYC Climate Week, with the objective to forge consensus on identified barriers and collaboratively devise solutions. We jointly outlined specific actions for each stakeholder group and initiated discussions around a potential pilot program.

 **CLIMATE GROUP**

Sustainability framework

We were engaged by CST, the Kingdom of Saudi Arabia's Commission on Communication, Space, and Technology, to support a refresh of their sustainability strategy and CIRCLES framework. During the engagement, we articulated and raised awareness of sustainability theories and hot topics within the organization and at the national and international level. Moreover, we worked with CST on enhancing their sustainability priorities across the seven pillars of the CIRCLES framework: C – cutting-edge infrastructure, I – innovation, R – reduction of emissions, C – circular economy, L – leapfrog in digitalization, E – equality and inclusion, S – standards and strategic guidance.

Through this work and partnership with CST, we developed a comprehensive toolkit, aimed to serve as an actionable guide to build and identify sustainability strategies/agendas within the ICT and/or space sectors. In collaboration with CST and DCO (Digital Cooperation Organization), the toolkit has already been piloted by three other DCO MEA countries to support the development and adoption of ICT-related sustainability best practices and strategies.

Social return on investment (SROI) analysis

The Earthshot Prize is a global challenge based on five Earthshots—ambitious goals for 2030 to fix our biggest environmental problems. Prizes are awarded annually for each challenge.

Kearney supported the Earthshot Prize and three of its finalists in evaluating their social return on investment (SROI), measuring the social, economic, and environmental value they create through their initiatives.

The finalists' diverse activities include circular waste-to-fertilizers, increased electrification of and access to mobility in developing economies, electrification of rural communities through solar micro-grids, and much more.

As a result of our evaluation of their SROI, the social enterprises were able to better prioritize their activities to maximize impact, and better communicate their impact to fundraisers, which enables them to further scale.

“Kearney’s work was immensely valuable for us and our finalists. We know that each solution we support has crucial environmental and social benefits. With Kearney’s support we now have a robust understanding of the monetary value that those social benefits bring. Finalists are already using this information to attract new funding and reach their next stage of growth.”

– The Earthshot Prize Organization

Green value creation strategy

Elecnor, a Spain-based end-to-end project integrator with a global reach, specializes in renewable energy concessions, sustainable infrastructure projects, and essential services.

Elecnor asked us to prepare an assessment of their unique position in decarbonizing our economy and define their green value creation strategy as a profitable growth driver and trigger for their market value.

During our time together, we conducted a thorough analysis of Elecnor's business activities to assess their growth potential, ability to generate attractive margins, and alignment with a net-zero future. Based on this analysis, we refreshed their strategic plan to further strengthen their focus on sustainable activities, accompanied by a compelling green value-generating growth strategy and equity story for shareholders and investors.

This new green value creation strategy and related equity story, alongside their very successful M&A strategy, helped Elecnor's share price grow by more than 85 percent in 2023, compared to less than 20 percent for the Spanish IBEX 35 index.



Affirmative litigation impact assessment

Kearney partnered with the Public Rights Project, a legal advocacy nonprofit, and a municipal civil rights protection team to help quantify the impact of their work and better tell their story for funding purposes. To measure outcomes, we developed a methodology based on data from neighborhood maps, census surveys, signed amicus briefs, public filings, and many other sources.

Our analysis focused on two categories of impact: the financial (based on an ROI study) and the human (derived from an examination of the individuals, communities, and populations helped by the organization). Individual impact was based on examples such as a demand letter requiring a building owner to remedy safety hazards for tenants; community benefits included mandating enforcement of dumping laws to keep streets clear and safe. In addition, larger populations, frequently marginalized groups, benefited from litigation and amicus briefs that preserved and protected their rights.

The resulting case study merged the important human stories of the city these organizations serve with supporting data to further compel investment in their efforts. This engagement also resulted in a series of frameworks and a replicable methodology, with which other organizations can begin to quantify their work to tell—and defend—their story.

Kearney Index on Social Performance (KISP)

There are many ways for organizations to pursue the “S” part of their ESG agendas—some better than others. A sweeping new study by Kearney—[KISP \(Kearney Index of Social Performance\)](#)—shows that many companies are still looking for how best to navigate this less-traveled part of the environmental, social, and governance map.

The study surveyed more than 600 companies across 17 geographies on their strategy, operating model, and performance, and identified four stages of social maturity. Leading companies were differentiated by a codified, dynamic DEI strategy, consistent solicitation of input from external communities, and detailed reporting practices on key initiative targets and KPIs.

Surveyed companies were planning on spending more than \$20 billion on social initiatives in 2023—a 40 percent increase from the previous year. Yet there is still significant room to improve. Good intentions aren't enough, and neither are budget allocations. Our report suggests that, going forward, organizations take a more rigorous approach toward setting their social strategies, seeking input from the communities in which they operate, and measuring the impact of their programs.

We also create an impact with our thought leadership

Kearney Sustainability Chessboard

The Sustainability Chessboard sheds light on the gaps in today's practices, points out the needs for the future, and reveals how organizations can unlock their full potential—regardless of size, sector, maturity, ambition level, or organizational enablers. Our proprietary sustainability framework offers three steps—from the drawing table to implementation—using a fresh approach to sustainability, taking a step back, and avoiding jargon in an intuitive, easy-to-use handbook. To promote this book, in 2023 we hosted a book launch and an intimate roundtable discussion with the authors.

Kearney Sustainability in Action Hub

The sustainability transition ahead of us may seem overwhelming, but with a rapidly closing window of opportunity to find a more sustainable way to do business, it is more important now than ever for organizations to act decisively.

In 2023, we launched the Sustainability in Action Hub, a multimedia, browsable collection of interviews, panel sessions, and other interactive discussions showcasing examples of sustainability in action at every stage of the value chain. To build this knowledge center, our experts gathered sustainability trailblazers from across retail, manufacturing, academia, and trade bodies to share actionable steps any organization can take toward a more sustainable way of doing business. The Sustainability in Action Hub will continue to grow and evolve, producing new thought leadership around Earth Day, COPs, and more.

Yearly climate events: COP28 and Climate Week

Kearney participated in COP28, with delegates attending and participating in several high-impact meetings. To further demonstrate our bold vision for a sustainable future, Kearney also was proud to unveil the launch of the Center for a Sustainable Future, as well as our new partnership with the World Climate Foundation. Working alongside our think tanks and local and global experts, the Center for a Sustainable Future supports leaders in moving beyond resilience to creating regenerative businesses.

Delegates also participated in several broadcasts through our partnership with We Don't Have Time. Conversations focused on several topics, including "Getting to Action in Sustainability: Global Challenges, Regional Solutions," "Deliver on the Regenerate Promise Now," "Food for Thought: Financing of the Food System Transition," and "Designing for Sustainability."

Kearney continued its participation in Climate Week, held in September in New York City. Delegates participated in several strategic meetings, including the Clinton Foundation roundtable, a meeting of the Alliance of CEO Climate Leaders Workshop, and the A-Z coalition reception. This year's event highlighted the need for tangible action in the short term and focused on ways to accelerate the pace of transition to a greener economy.

Kearney Energy Transition Institute

The Kearney Energy Transition Institute is a nonprofit organization that provides leading insights on global trends in energy transition, technologies, and strategic implications for private sector businesses and public sector institutions. The Institute is dedicated to combining objective technological insights with economic perspectives to define the consequences in a rapidly changing energy landscape. It explores how businesses can both capture the opportunities that arise and address the challenges that face them in this complex and often uncertain shift. The Institute has developed deep insights and fact books in areas such as solar PV, hydrogen, negative emissions technologies, gas hydrates, carbon capture and storage, wind, smart grids, energy storage, water-energy nexus, and energy poverty and continues to address the most pressing emerging topics, such as the impact of digitalization.

KEARNEY | Energy Transition Institute

World Economic Forum partnership

As one of the 120 leading global companies selected by the World Economic Forum as a strategic partner, Kearney supports the Forum's mission to address issues of global importance and inspire action to improve the state of the world. Our relationship with the Forum has been in place for half a century, dating back to the Forum's foundation.

Drawing on Kearney's experience and capabilities from across our network, we help the Forum address critical global challenges through several avenues, including:

- **Platforms and projects.** The forum has 20+ platforms with multiple ongoing projects looking to drive improvements and essential collaborations to improve the state of the world. We serve as the lead advisor for three such projects: **Advanced Manufacturing and Supply Chains, Consumers Beyond Waste, and Airports of Tomorrow.**
- **Commitments and alliances.** Kearney actively supports the **Partnering for Racial Justice in Business** coalition aimed at operationalizing commitments to eradicate racism in the workplace and set new global standards for racial equity in business. It is also a member of the **Alliance of CEO Climate Leaders.**
- **Events and publications.** Recently, Kearney authored **eight+ reports** alongside the Forum on topics ranging from the future of reusable consumption to India's net-zero potential. Additionally, we play an active role at its **Annual Meeting** in Davos, Switzerland. At the 2023 meeting, we hosted six events with 27 CxO speakers, including a session led by Alex Liu on global parity.

Global Business Policy Council

The Global Business Policy Council is a specialized foresight and strategic analysis unit within Kearney. The Council is dedicated to providing immediate impact and growing advantage by helping CEOs and government leaders anticipate and plan for the future.

As one of the world's premier think tanks, it delivers original analysis on a range of issues. Through exclusive global forums, public-facing thought leadership, and advisory services, the Council helps to decipher sweeping geopolitical, economic, environmental, social, and technological changes and their effects on the global business environment.

Building on the success of its 2022 Council Perspective exploring how adopting leading ESG practices can enhance corporate value, the Council explored a range of climate and sustainability issues in its 2023 thought leadership output. Notably, the Council's Global Trends 2023–2028 report highlighted the costs and impact of biodiversity loss and efforts to slow it, as well as opportunities to unlock the value of e-waste through effective recycling methods. Further, the 2023 CEO Retreat in Cannes explored the broader implications of climate change and featured sessions dedicated to water resource scarcity and its impact on the global economy and human health. The Council will continue to explore these pressing issues in 2024 and beyond. Companies that use effective strategic foresight and scenario planning to understand the role of business in addressing sustainability issues will have a competitive advantage—and the GBPC can provide the tools necessary for such success.

KEARNEY Global Business Policy Council



World Economic Forum's Airports of Tomorrow

Aviation poses a significant hurdle in global efforts to achieve net-zero emissions and mitigate the adverse impacts of climate change. Air travel currently contributes 2 to 3 percent of global emissions, primarily due to the fossil fuel consumption of aircrafts. However, the demand for aviation fuel is projected to surge by more than 50 percent by 2050 compared to 2019 levels, increasing this share of emissions significantly. Recognizing the urgency—and opportunity—of this challenge, the World Economic Forum has partnered with Kearney to identify and support potential solutions.

The aviation industry has acknowledged sustainable aviation fuels (SAF) as a crucial lever against decarbonization, despite steep technological and financial hurdles. However, there has been insufficient increase in SAF production worldwide. Announced SAF projects for 2030 fall far short of the aspirational 10 percent global fuel supply target, currently covering just 30 to 40 percent of this goal.

Addressing this supply shortage needs the deployment of existing technologies and the development of novel solutions, particularly in regions with favorable conditions. Moreover, as SAF production costs currently stand two to six times higher than those of fossil jet fuel, the establishment of appropriate regulations and policies becomes imperative to foster the creation of a robust SAF market and facilitate its rapid scaling.

The World Economic Forum, in collaboration with Kearney, has played a central role in the Airports of Tomorrow initiative by leading SAF production capacity studies and the scaling of its supply. Kearney has identified actionable solutions to enable SAF supply scaling by 2030 through collaboration between stakeholders in the aviation, energy, and public sectors in key regions globally. The ongoing initiative aims to solve net-zero challenges, address other related sustainability issues, create a practical how-to agenda, and establish a global vision for the industry's future. The key stakeholder groups in this collaboration include airports, aircraft operators (including airlines), energy and SAF producers, infrastructure players, finance institutions, regulators, and governments as well as aircraft and engine original equipment manufacturers (OEMs).

Throughout 2023, Kearney hosted a series of roundtables across Europe, North America, and the Middle East. The objective has been to bring together stakeholders from the regions and discuss what cohesive action is needed to overcome regional supply barriers. In parallel, Kearney performed a cost modeling analysis for SAF production across five key technology routes for more than 50 regions worldwide and identified potential import–export green corridors. In 2024, the regional focus is expanding toward Asia Pacific and South America, with a range of roundtables planned in those regions. In addition, there will also be an increased focus on how different public and private financiers can come together to accelerate the investments needed to enable the aviation decarbonization commitments.



PERLab: Kearney’s center for product design and innovation

We stand at a crossroads where as much as we need to innovate, we need to do all of it responsibly. There’s more emphasis on the word “responsibly” since our choices in the past have driven our present, and so the choices we make today will drive our future. To innovate responsibly, we must think of ideas and solutions to problems that were never seen before, which is why Kearney PERLab has established a unique team of management consultants, industrial designers, and technologists, creating a trifecta of expertise needed to build great sustainable products.

Design, as a powerful agent of change, is a conduit through which we can shape a more harmonious relationship between humanity and the environment. Over the past few decades, various product design methodologies have made headlines around the world. As a lever for developing user-centric, market-ready, profitable products, design has long been recognized as an essential aspect of the commercial process. What companies have often ignored, however, is the potential for thoughtful design to help create sustainable products, and how a sustainable approach can, in turn, help organizations achieve multiple benefits.

This year we at PERLab conceptualized a Design for Sustainability framework, an implementation approach that captures the end-to-end product life cycle. This holistic approach can help companies ingrain sustainability in their product design and business models, from the conceptualization of a product idea to its recovery/end of life. We firmly believe that this methodology can help companies establish the right balance between costs and environmental responsibility and creating products that consumers fall in love with.

Figure 2

An E2E approach covering product design and business levers: Design for Sustainability



Source: Kearney analysis

With the Kearney Sustainable Materials Institute, the path to sustainable materials can create value, without costing the earth.

Kearney Sustainable Materials Institute

As companies transition to sustainable materials, whether that’s recycled plastics, bio-based materials, or smart materials, they are faced with a “trilemma”—how can you balance sustainability improvement with costs and resilience essential for long-term security of supply?

To help companies on this complex journey, we have developed a new global center of expertise called Kearney Sustainable Materials Institute (KSMI).

KSMI offers companies comprehensive support for every stage of the sustainable materials transition by bringing together data, experience, and expertise from across Kearney to support companies throughout their end-to-end sustainable materials journey. Clients will benefit from Kearney’s rich proprietary analytics tools and can draw upon the knowledge of more than 700 supply chain and procurement experts, 200+ design for sustainability experts, and benefits from insights and best practices derived from the analysis of more than 10,000 products.

Our key focus areas for KSMI include the following:

Figure 3
Kearney Sustainable Materials Institute key focus areas



Source: Kearney analysis

Kearney and its business builder Fast Forward (FFWD) support setting up a Circular Valley®

Circular Valley®, the extended Rhine-Ruhr region in the heart of Europe, is Germany's largest metropolitan region with more than 12 million people. Five globally unique location factors for the circular economy come together here:

- There are more than 300 companies from all industries, from global market leaders to hidden champions.
- There are numerous established and young companies in the circular economy.
- It is a globally unique scientific landscape in terms of materials and material flows.
- It is a cosmopolitan region, attractive for people from all over the world.
- It is the place of the First and Second Industrial Revolution in continental Europe in the 18th and 19th centuries. Thus, where the industrial tradition had its beginnings, today the circle to the circular economy can be closed.

The activities of Circular Valley® are orchestrated by the nonprofit Circular Valley® Foundation. The Circular Valley® Foundation is the focal point and network node for the exchange of knowledge and content

in the Circular Valley® community. The focus of its work is on:

The Circular Economy Accelerator (CEA), which purposefully connects international start-ups with Circular Valley® partners. Here, ideas give rise to cooperations, projects, and sometimes even entirely new companies.

The public relations work of Circular Valley®, which brings the topic of circular economy to consumers.

Recommendations for action for politics, which are developed jointly by business and science in Circular Valley®.

The foundation's main task is to actively link relevant players from companies, start-ups, science, and politics.

Kearney and its business builder FFWD support the development toward a Circular Valley® with an accelerator for circular economy topics that will attract talent to work with companies from the region and beyond. By working together with Circular Valley® as the leading European think tank for a circular economy, FFWD supports driving breakthrough innovations for our global clients and generating cutting-edge insights.



Circular Valley

Since 2021, Circular Valley® has worked with more than 90 start-ups across four batches in its Circular Economy Accelerator program.

Silicon Foundry

As governments around the world announce climate commitments and pass related environmental policies and with growing pressures to get to net zero from consumers, companies are now forced to reckon with encompassing net neutrality into new products, services, processes, and messaging. These climate initiatives require transformative action and investments, but the sustainability landscape is complex to navigate, with new players emerging every day.

Silicon Foundry actively supports its corporate clients in tackling environmental challenges through clean technologies, renewable energy, and resource efficiency solutions. This fosters innovation in sectors such as sustainable materials, circular economy, and green energy production. Our expertise in corporate venture advisory and open innovation helps established companies integrate sustainability into their core operations and develop sustainable business models.

This can involve optimizing supply chains, reducing waste, and adopting renewable energy sources. Silicon Foundry acts as a bridge between corporations, start-ups, and investors in the sustainability space—in the past year, it has connected more than 100 companies to nearly 5,000 sustainability innovators. This fosters collaboration and knowledge sharing, accelerating the development and adoption of sustainable solutions.

Whether it's carbon capture, battery recycling, electrification, regenerative agriculture, hydrogen, green steel, renewable energy, or synthetic biology, we have deep expertise in understanding and evaluating these emerging spaces, and sourcing the relevant investment, acquisition, and partnership opportunities for our clients. From chief impact and sustainability officers to heads of CVC or corporate development, we advise our clients on how to achieve their sustainability goals by:

- Supporting them with their decarbonization strategy development and road map
- Setting up sustainability funds, building out investment theses, and sourcing and conducting due diligence on targets
- Curating introductions to cutting-edge climate tech start-ups and solution providers, peer corporate executives, and investors for knowledge sharing and best practices
- Building partnerships with relevant stakeholders across sectors and preparing nuanced outreach and engagement strategies

Clients such as SK Innovation, UPS, BP Ventures, Asahi Kasei, and others use Silicon Foundry as a trusted advisor for their sustainability strategies.



We hold ourselves to the highest standards through policies and reporting

Kearney's success is dependent on the unconditional trust of our clients, partners, colleagues, and communities in which we live and work. This is something we continue to earn each day. We routinely evaluate and update our policies to determine how we can best serve our clients and colleagues while managing risk.

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 Conduct. 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 to our Code of Conduct during onboarding and annually. The Code 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. In 2023, all employees across all geographies did indeed certify. Our standards are detailed in other Kearney policies such as the Equal Employment Opportunity and Sexual Harassment policy, the Information Security policy, the Anti-Bribery and Corruption policy (developed in accordance with guidance promulgated by the Department of Justice and SEC), and the Global Sustainability policy.

Topics addressed in our policies and procedures related to the way we conduct business include but are not limited to anti-corruption and bribery, conflicts of interest, confidentiality, data privacy and information security, and personal investments. Any breach of these policies is subject to comprehensive investigation and subsequent appropriate action, including termination.

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.

Anti-bribery and corruption. All Kearney employees (100 percent) are required to certify annually that they have read and understood the Kearney Code of Conduct, which includes business ethics. Furthermore, we conduct additional employee training in higher-risk environments where we believe the risk of corruption and bribery are more substantial. Annually, the firm conducts a comprehensive risk assessment and presents findings from the assessment to the appropriate board committee. We also conduct due diligence on certain suppliers or other business partners where certain anti-bribery and corruption risk factors may be present, in order to identify any potential red flags related to corruption or bribery.

Kearney has not been involved in any material legal cases, rulings, or other events related to corruption and bribery during the reporting period.

Client engagement risk management. Kearney has adopted a framework of ethics by which we evaluate potential client engagements, based on the firm's core value of essential rightness, espoused by Tom Kearney, the firm's founder, close to a century ago and carried forward today by all firm personnel.

Where potential client engagements are believed to raise ethical questions or concerns, these are rigorously assessed and evaluated against globally applicable standards by our legal and compliance team, business unit management, and senior management of the firm. The firm will not accept any engagements where we believe our ethical standards may not be maintained.

Information security and data privacy. Kearney takes data privacy seriously and maintains robust privacy and security programs designed to safeguard personal data and to ensure Kearney complies with applicable laws. Kearney maintains a comprehensive information security program based on the ISO 27002 framework. Our program is certified under ISO 27001 (Enterprise Information Security) and ISO 27701 (Enterprise Privacy). These certifications cover the full scope of Kearney's global IT infrastructure and related processes. A SOC2 Type 2 audit is performed annually as is a penetration test to assess our technical controls.

Kearney's dedicated information security team includes a 7x24x365 security operations center manned by Kearney employees. This team is authorized to take corrective action on a wide array of breach scenarios to minimize the potential impact.

They also work closely with other extended IT support teams where escalation is required.

Kearney utilizes top-tier security tools and partners to identify and mitigate most security incidents. This includes malware protection, intrusion prevention, phishing detection, authentication protection, privileged account management, vulnerability and patch management, secure networking, vendor risk management, secure data backup, and disaster recovery.

Should a suspected incident occur, Kearney will activate its security incident response plan, led by a cross-functional team of IT and legal team members. The security incident response team is responsible for including the necessary parties, both internal and external to Kearney, in the response activities. This team is also responsible for overseeing necessary communications, containment, and remediation activities. Kearney considers any privacy complaints to be confidential.

As in 2022, we had no cybersecurity incidents resulting in a data breach or loss event in 2023.

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. Amendments to our Code of 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.

Training. We are a values-driven organization supported by our training and awareness of professional standards. All new hires are required to:

- Understand and comply with Kearney’s Code of Conduct
- Participate in an in-person or virtual onboarding session where they learn about our firm values
- Complete mandatory data privacy and information security training

Grievance mechanisms. Every Kearney employee and business partner has the right and obligation to raise concerns about values, ethics, and professional conduct without fear of retribution. In addition to clearly defined internal channels, we have a global Ombuds Program and a global Integrity Helpline that enable colleagues to raise concerns relating to any human rights issues confidentially and, where legally permissible, anonymously. External stakeholders can raise a concern or report suspected misconduct or irregularities directly with their contact person in the business. Kearney commits to investigate, address, and respond to the concerns of employees and external stakeholders and will take appropriate corrective action in response to violations.

We do not tolerate retaliation of any kind against firm members who in good faith report potential or actual ethics or legal violations.

Global Ombuds Program. The global Ombuds Program is one of several channels by which our employees can discuss concerns that impact them in the workplace. It is an informal, confidential, neutral, and independent resource for all employees to support discussion and resolution of any work-related issue. The Ombuds Program is available to any Kearney employee, regardless of the individual’s department, position, office, or reporting relationship. Employees can contact any of our 16 ombuds globally.

Global Integrity Helpline. In addition to the Ombuds Program, the firm has contracted an independent company to provide another avenue for advice. The Integrity Helpline is a confidential way to report a concern, report suspected misconduct, or obtain information or advice regarding the application of laws or the firm’s policies. The Integrity Helpline is operated by NAVEX, an independent company that helps businesses respond to concerns about integrity and compliance. The line operates 24/7.

These channels are communicated within our Code of Conduct, the firm’s intranet, and in other specific firm-led learning programs. Kearney will monitor the effectiveness of our grievance mechanisms and adapt, where appropriate. We expect our business partners to also have such grievance mechanisms in place, including processes to handle complaints from external stakeholders.

**We expect
our partners and
employees to
uphold the firm’s
core values of
solidarity, generosity,
curiosity, passion,
and boldness.**

Measurement and reporting. This report has been prepared **with reference to the GRI Standards**. We are also proud to be a signatory of the **World Economic Forum Stakeholder Capitalism** initiative that encourages convergence among sustainability standards.

Every year we are assessed by **EcoVadis**, covering the themes of environment, labor and human rights, ethics, and sustainable procurement, for which we were certified **Platinum in June 2023 (99th percentile)**. We also participate annually in the climate change questionnaire of CDP, a global nonprofit environmental disclosure platform. In recognition of our climate leadership and transparency **in 2023 Kearney received an “A” score from CDP’s climate change questionnaire.**

Our annual greenhouse gas emissions are externally assured under **ISO 14064-3 standard**, as well as the disclosures on this report under **AA1000 Assurance Standard**.

Kearney’s managing partner leadership team and our board of directors have regular oversight over our sustainability performance.

Kearney was certified Platinum in June 2023 by EcoVadis and received an “A” score from CDP’s climate change questionnaire.

We aspire to promote sustainability and diversity best practices across our entire supply chain

Supplier sustainability and diversity program.

At Kearney, we want to promote sustainability and diversity best practices across our entire supply chain. In 2020, we launched a program asking all our active suppliers to provide information on their sustainability policies and practices, transparency on their minority or diversity ownership structure, and confirmed compliance to our updated Supplier Code of Conduct. To date, more than 6 percent of our active contacted suppliers have completed these disclosures and confirmed acknowledgment of our Supplier Code of Conduct. As of 2023, Kearney has more than 6,000 active suppliers.

In 2023, we received an **“A-” score on our CDP Supplier Engagement Rating**, reflecting our commitment and actions to engage our suppliers on climate-related matters.

Training and compliance. We promote supplier sustainability and diversity in different internal meetings and informal sessions at global and local levels. In addition, in early 2023 we hosted an online training for all Kearney buyers—recorded and available to all colleagues—and we have reached out to 100 percent of our buyers to train them on integrating sustainability and diversity criteria in their purchasing processes with suppliers.

Supplier screenings and assessments. At Kearney, we encourage all buyers to incorporate screening questions that cover policies and actions in sustainability areas such as environmental sustainability, diversity, and inclusion. In 2023, we successfully engaged with our large IT, travel, and real estate suppliers on sustainability matters and have included sustainability and diversity disclosures and commitments in our RFPs.

We use different tools to assess our suppliers' sustainability performance. All new suppliers are invited to respond to a questionnaire where they are asked to share information on their sustainability policies, practices, and targets and to confirm acknowledgement of our Supplier Code of Conduct. To date more than 50 percent of our supplier spend has been surveyed. In addition, we use external third-party platform data, and we conduct regular diligence checks through outside-in assessments that complement the information gathered through these surveys. We plan to use the data collected to identify opportunities to collaborate and to further enhance our reporting.

Kearney's score on the CDP Supplier Engagement Rating reflects our commitment and actions to engage suppliers on climate-related matters.

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 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. Kearney can and will consider criteria reflecting these principles as part of any supplier assessment, contract award, or performance appraisal. In 2022, we updated our Supplier Code of Conduct and expect all suppliers to acknowledge the code. We have also developed a Supplier Code of Conduct training for all colleagues interacting with suppliers and have trained buyers across key departments to integrate these principles throughout the procurement process.

In addition, we ask all of our consultants or buyers to complete a vendor due diligence questionnaire for any supplier prior to engaging them on certain projects that meet criteria for the potential of a higher risk of corruption. This form is reviewed centrally, with focused follow-up on any corruption or bribery risk factors. This review also provides us with an opportunity to monitor risks of forced or compulsory labor in our supply chain. Please refer to page 26 for further explanation of our commitment to identifying risks in our supplier or client base.

Our commitments going forward. In 2022, we refreshed our commitments on supplier sustainability and diversity. We are committed to continue training 100 percent of our buyers every year on supplier sustainability and diversity matters and include whenever possible—especially with large suppliers—screening questions related to sustainability. We pledge to share our Supplier Code of Conduct with 100 percent of our suppliers and to keep engaging every year with key suppliers to actively assess their sustainability performance and explore collaboration opportunities. We are working to increase our share of spend with sustainable and diverse suppliers, starting with pilot target categories such as hotel accommodations in North America. We are also promoting supplier diversity through our partners, such as the Women’s Forum and the National Minority Supplier Development Council (NMSDC).

It is crucial that our suppliers and vendors recognize the roles they play as participants in fulfilling Kearney’s commitment to sustainability.



Our people

Our people are passionate about social impact and sustainability

Ninety-three percent of our people globally say that social impact and sustainability are important to them, and more than 90 percent of our people are aware of or have participated in social impact and sustainability activities in their local offices.¹ We provide diverse internal and external learning and development opportunities, including social impact externships and sustainability courses and trainings. In addition, colleagues can engage locally in their office social impact teams or participate in global activities that range from mentoring social entrepreneurs to being part of nonprofit initiatives tackling quality education or support of minority groups.

In 2023, the firm dedicated time to support more than 350 pro bono projects and social impact initiatives around the world. “Our teams are committed to using our time, skills, and resources to positively impact our communities—it’s always been part of who we are and what we do as a firm,” says Beth Bovis, a partner leading social impact at Kearney.

Going forward, we aim to do even more.

We welcome smart, skilled, and diverse talent to Kearney on a regular basis. In 2023, our new hire rate globally was 23 percent, and voluntary attrition stood at 10 percent. With about 75 percent of our staff under 40, we care about fostering an environment of growth and opportunity.

The following sections outline how we achieve the following goals:

- Support our people through career social impact, sustainability development opportunities, and pro bono opportunities
- Hold ourselves to the highest standards on labor and human rights

- Strive to improve for ourselves and our broader stakeholders every day through our diversity, equity, and inclusion efforts and commitments
- Help our people develop and grow through learning and performance management
- Provide our people with health and safety, mental health, and well-being resources, tools, and training

“Each of our Kearney Originals’ career journey is shaped by the people experience support we provide and anchored in our purpose, our values, and our commitment to DEI and people care. And that’s why our employee value proposition, Why Kearney, and its five core aspirations serve as the overall ‘lens for a better people experience,’ guiding our strategic energy to focus on bold actions that enhance growth, retention, and recruitment of great talent. Because when our people can be their best selves, that’s when we truly are the difference for our clients and make a positive impact in our world together.”

— **Stephen Parker, Partner and CHRO**

¹ Source: Internal Office Sustainability Index Survey

We have many opportunities to integrate social impact and sustainability with our careers

Social impact teams

Local social impact teams have a variety of responsibilities and can shape their activities to the needs of their communities. Generally, all teams focus on three goals:

- 1** Engage clients and communities with social impact projects, pro bono work, mentoring, volunteering, and fundraising.
- 2** Implement sustainable practices such as green mobility, reducing utilities consumption, recycling, and purchasing sustainable products and services.
- 3** Raise awareness, promote sustainable trainings, encourage action, and track and communicate impact.

Social Impact Externship Program

Kearney's Social Impact Externship Program pairs colleagues passionate about creating a positive impact with social entrepreneurs, NGOs, or other innovative impact organizations. Externs can spend up to three months working directly with these organizations, providing an opportunity to contribute professionally to a meaningful cause, build new skills in a dynamic entrepreneurial environment, and gain firsthand experience in the social impact sector.

“Kearney’s support throughout all stages of this externship was incredible. Through this experience I realized the power of consulting skills to bring a positive impact to society, and I feel proud to be part of a firm that has such a strong social commitment.”

— **Carolina Orozco,**
Kearney Senior Business Analyst





Carolina Orozco, TechnoServe

Carolina Orozco, a senior business analyst from our Mexico City office, did her social externship with TechnoServe, an international nonprofit that takes a business approach to fighting poverty by empowering farmers and small business owners to build brighter futures.

Carolina supported the development of a carbon finance strategy for the Democratic Republic of Congo by mapping the current carbon finance landscape in the region, engaging DRC's agri-businesses on tangible opportunities to access carbon finance, and working on a set of recommendations and required activities to unlock these opportunities.

“By strategically leveraging business opportunities such as carbon credits, TechnoServe creates lasting impact for overlooked communities, and I am honored to have been part of this impact.”

**— Carolina Orozco,
Kearney Senior Business Analyst**



Social Impact Catalyst Fund

Kearney's annual Social Impact Catalyst Fund provides seed funding for employee-led initiatives that create positive impact around the world—from within Kearney to our communities at large. We want to nourish ideas that take on important global and local challenges, create positive impact for local communities, foster global collaboration, and offer personal and professional growth opportunities.

Since its launch in 2018, the Catalyst Fund has awarded \$265,000 to 27 projects driving positive impact across all of the regions in which we work. We look forward to continuing the momentum in 2024.

Kearney's annual Social Impact Catalyst Fund provides seed funding for employee-led initiatives that create positive impact around the world.

Kearney Launchpad provides mentors to underrepresented start-up founders

Launchpad is an annual program that pairs underrepresented and minority start-up founders with Kearney mentors and other experts in the start-up ecosystem. The program provides participants with the guidance, resources, and networks to propel their start-ups toward success.

Commencing in August and extending through December, Launchpad adopts an end-to-end coaching approach. This ensures that founders can navigate their most pressing needs in real time, tapping into the right individuals and resources at all crucial junctures in their entrepreneurial journey.

Participants are provided with a support system designed to help amplify their impact. Peer engagement connects like-minded founders who can empathize with each other's challenges and celebrate triumphs together. Founders are also connected to venture capital mentors—accomplished investors who can help steer start-ups toward sustainable growth and align aspirations with pragmatic business needs. Resources for navigating the legal complexities of the venture capital world are also available.

From deciphering intricate term sheets to establishing resilient corporate structures and building teams, Launchpad empowers its participants to navigate the multifaceted landscape of start-up entrepreneurship with confidence and agility.

Select Launchpad participants

Foundervine



Speedinvest



Black Equity Organisation

ignition law

Hatch

TaylorWessing

We hold ourselves to the highest standards on labor and human rights

At Kearney, our people are the key to our success. Employee engagement, human rights, and worker health and wellness are core to the long-term success of our business. We strive to provide a workplace where our employees can fulfill their potential in an open and inspirational working environment and feel engaged and committed to the firm and its objectives. We maintain a strong commitment to high standards that deliver a fair, respectable, and safe workplace for all our employees.

We respect the rights of our people across all groups, departments, and functions, and throughout our business relationships. Within our business, we respect the rights of our employees through the implementation of our new Global Labor and Human Rights policy and our Code of Conduct. We support the protection of human rights and the advancement of social justice around the world, guided by fundamental principles such as those in the United Nations Universal Declaration of Human Rights and the International Labor Organization (ILO) Core Conventions.

Our updated Global Labor and Human Rights policy defines the labor and human rights standards and principles to which all employees at Kearney are entitled, irrespective of the country in which they work, and covers topics including working conditions, labor relations, career management, equal employment opportunity and diversity, equity, and inclusion (DEI), and grievance mechanisms.

Kearney is committed to providing all colleagues a fair remuneration that is consistent with applicable wage laws and based on local market benchmarks. Our firm's principle is to provide a living wage, which means wages should at a minimum meet the basic needs of employees and their dependents.

Remuneration at Kearney is determined in an objective, merit-based manner that is based on equal remuneration regardless of gender, with employees also typically eligible for a discretionary performance bonus. As an ownership-minded firm, we also now offer equity-based awards to non-partners, both consulting and non-consulting employees starting at the manager level. We fully comply with reporting regulations where required to do so in any country that we operate. On an ongoing basis, the firm reviews comparative pay for gender and other equality areas, and we actively monitor pay equity reporting laws in all countries where we operate. We take action where appropriate to ensure that compensation is free from bias and is strongly linked to individual and team performance, while taking into account factors such as experience and tenure.

Employee engagement is crucial for a thriving business and thriving employees. Kearney is committed to creating a place to work where our colleagues are engaged and have space to share anonymous feedback on their happiness and major drivers of engagement via our biannual Global Engagement Survey (GES) available to all employees. Each year we pulse our employees in April and October, asking around 20 questions relevant to the engagement of Kearney colleagues. The survey includes standard questions and sometimes additional ad hoc questions based on current internal or external events that may impact engagement or sentiment.

Every cycle we receive around 4,000 comments, providing valuable qualitative feedback and numerous employee ideas on how to improve. All Kearney leaders have immediate, online access to anonymized results of their teams, global results are shared with our managing partner leadership team upon survey close to discuss and determine priorities, and global results are then shared with all employees via our intranet to ensure transparency.

At Kearney, we strive to take care of the whole person. This means taking care of the well-being of our employees as well as their families by providing a suite of benefits that can help each employee. We strive to provide benefits packages and programs that are inclusive and valued by our people in every location, recognizing the needs of our colleagues may differ by location due to local legislation and offerings. We also ensure that all employees have the right to sick leave and annual paid holidays, as well as parental leave for employees who must care for a newborn or newly adopted child, as provided by national legislation.

An example of how Kearney is committed to nurturing a family-friendly environment was the launch of the FamilyFlex@Kearney benefits program in Europe. FamilyFlex provides support to colleagues across Europe and benefits apply to all new or would-be parents, including biological and adoptive parents, irrespective of gender. Colleagues who want to start or expand their family will have access to enhanced support, including fertility and adoption support, six months of 100 percent paid parental leave, childcare coverage, and more. There is also improved support in the sad event of pregnancy loss.

At Kearney, we strive to attract industry-leading talent and support the development of our people. Our recruitment processes are transparent and unbiased, and we provide an end-to-end holistic and comprehensive global learning curriculum. All employees have access to a clearly defined career path, and 100 percent of our employees receive an annual performance review based on individual performance against mutually defined goals and objectives. These key elements of the people experience align with the core pillars of our enhanced employee value proposition—Why Kearney—which is the compass that guides our global HR strategy. Our five Why Kearney aspirations (connection, growth and personal purpose, flexibility, institutional purpose, and reward and recognition) serve as the overall “lens for a better people experience” to guide our boldest actions and decisions.

Employees have opportunities to join labor unions, worker councils, or other bargaining organizations in all jurisdictions where this is legally required. This information is not tracked globally as most Kearney colleagues are not covered by collective bargaining agreements.

Non-discrimination

Kearney is committed to fostering a workplace that is safe and professional and that promotes teamwork, merit, trust, diversity, and inclusion. This commitment is embedded in our Code of Conduct and means we recruit, hire, train, promote, develop, and provide other conditions of employment without regard to a person's gender identity or expression, sexual orientation, race or ethnicity, religion, age, national origin, disability, marital status, pregnancy status, veteran status, genetic information, or any other differences consistent with applicable laws. This includes providing reasonable accommodation for disabilities or religious beliefs and practices. Our Code of Conduct encourages all colleagues to use any of the available internal reporting mechanisms to report concerns regarding discrimination. Kearney fully investigates all reports or allegations of discrimination and will not tolerate retaliation against colleagues who submit reports.

Grievance mechanisms

Every employee has the right and obligation to raise concerns about values, ethics, and professional conduct without fear of retribution. In addition to clearly defined internal channels, we have a global Integrity Helpline and a global Ombuds Program that enable colleagues to raise concerns relating to any human rights issues confidentially and, where legally permissible, anonymously (as described in the "Our business" section in this report). We do not tolerate retaliation of any kind against firm members who in good faith report potential or actual ethics or legal violations.

If Kearney employees ever feel unsure about where to go or are uncomfortable using one of the other resources identified in our Code of Conduct, the Integrity Helpline provides a confidential way to report a concern or suspected misconduct, or to obtain information or advice regarding the application of laws or the firm's policies. Employees may report a concern via the Integrity Helpline's web-based portal or may call the Helpline 24 hours/7 days a week.

Kearney commits to investigate, address, and respond to the concerns of employees and external stakeholders and will take appropriate corrective action in response to violations.

Kearney is committed to fostering a workplace that is safe and professional and that promotes teamwork, merit, trust, diversity, and inclusion.

Diversity, equity, and inclusion are core to our work

Our founding principle of essential rightness, together with our core values, has become integral to who we are as a firm and is implicit in the way that we approach diversity, equity, and inclusion (see figure 4).

In 2022, we committed to being the difference and leading by example, with focus on achieving a sense of belonging, inclusion, and fairness at all levels of the organization. Project Vital was launched to transform and accelerate our diversity, equity, and inclusion agenda, with a focus on women and underrepresented groups. With the foundation laid by Project Vital, we transitioned to execution in 2023.

We advanced our diversity, equity, and inclusion agenda with global coordination, activating global and regional initiatives to execute against our ambitions. Our agenda focused on key pillars across women and historically underrepresented groups to:

- **Choose** to join Kearney at all levels of the organization
- **Stay and thrive** at the firm with opportunities for success and a strong sense of community and purpose, driven by our institutionalized policies
- **Advance** and become leaders with influence, embracing our unique strengths and addressing representation gaps in leadership
- **Advocate** for the firm through our initiatives supporting diversity, equity, and inclusion throughout the organization

Figure 4
We have been on a more than 10-year journey to advance diversity, equity, and inclusion at Kearney

Select milestones



Note: ERGs are employee resource groups.

Source: Kearney analysis

At Kearney, we boldly champion diversity, equity, and inclusion, unlocking the power of our differences to drive collective success. We aim to build a culture where everyone is not only heard but celebrated. This is illustrated through our communities, learning programs, and partnerships—with these efforts and more reflected in improved metrics and awards.

Our overall representation of women is at 39 percent, slightly improved from last year. Consistent with the prior year, 11 percent of our board of directors are women. Seventeen percent of our managing partner leadership team are women and 42 percent identify as a member of an underrepresented social group, as defined by the country of their home office. For the fourth year in a row, the number of our US-based leaders who identify as Black has increased.²

We continue to strengthen our culture and community with established diversity networks, enAble Kearney, Black@Kearney, Proud, and Women's networks—all active globally—and our East Asian and South Asian networks, Latino and Hispanic Network, Middle East and North African Network, Family, and Veterans Networks active regionally. Approximately 1,200 of our employees are engaged as allies or members of at least one of our diversity networks regionally and globally. As an equal opportunity employer, we also nurture the workforce by providing benefits, learning programs, career development, and health and well-being support for all our employees.

In addition, we have several inclusion learning programs for our employees and specifically for senior leaders that aim to increase awareness of allyship, interrupt biases, and foster a sense of belonging in our workforce. We continue to emphasize the importance of maintaining a safe and inclusive environment for all employees. In 2023, we launched global learning programs focused on inclusion and diversity awareness. Additional opportunities are provided for individuals to self-select trainings dedicated to diversity, equity, and inclusion topics, and 2023 saw more than 800 participants in 30 sessions globally. Completion of training on maintaining a harassment-free work environment and diversity and inclusion remains mandatory for all employees. Our dedication is demonstrated by the partnerships we've fostered to promote inclusive practices across the business community. Furthermore, we continue to be recognized for our work to foster a culture of inclusion.

Kearney is a signatory of the CEO Action for Diversity and Inclusion pledge, demonstrating our commitment to deepening conversations around diversity and inclusion and to sharing best practices and learnings with the broader business community. We have also signed the HRC's Business Coalition for the Equality Act and the Business Statement on Anti-LGBTQ+ State Legislation. In addition, we are committed as a founding member of the World Economic Forum's Racial Justice in Business Partnership and the Chief Diversity and Inclusion Officer Community to driving action in racial equality, gender parity, LGBTQIA+ equality, and disability inclusion. This is part of the firm's efforts to ensure all of our colleagues are respected in business and in law.

² Defined as # of principals and partners

Kearney also signed the CEO Letter on Disability Inclusion and participated in the Global Disability Conference this year, underlining our commitment to progress. As a firm, we recognized the UN's International Day of Persons with Disabilities, taking the opportunity to celebrate the achievements and contributions of persons with disabilities as well as to increase awareness, understanding, and acceptance.

We also continue to expand our regional partnerships, including UN Women in the UK. Our long-term partnership with Easter Seals in Washington, D.C., a nonprofit providing disability services, has expanded to include pro bono projects and ongoing community service events throughout the year.

We continue to be recognized for our supportive culture, inclusive programs and networks, and diverse talent. This year, we are included again in the Human Rights Campaign's Corporate Equality Index, the Global Diversity List, Newsweek's Greatest Workplaces for Diversity, Seramount's 100 Best Companies, and the Diversity MBA's Best Places to Work for Women and Diverse Managers, plus many others. In addition, we continue to receive the Employer of Choice for Gender Equality citation from Australia's Workplace Gender Equality Agency (WGEA).

“Diversity, equity, and inclusion is about making sure that each voice is heard, valued, and celebrated. Kearney has done so much and come so far; now it's about integrating our learnings into all that we do, across all aspects of the employee life cycle, to make it as inclusive as it can be.”

— Neil Griffiths, Global Diversity, Equity, and Inclusion Director

Social justice and racial equity

Since 2020, we have been working with our people, our clients, and our communities on the topics of social justice and racial equity, and we have supported key initiatives, primarily in the Americas, but also in our other regions.

In terms of our people, we have doubled our representation of Black leaders in the Americas and have introduced several measures, such as scholarships and recruitment bootcamps, to deepen our diverse talent pipeline. Globally, we completed about 830 Days of Action to pursue social justice, inclusion, and racial equity work in 2023 alone. The organizations we helped include HOPE Chicago, Ashoka, Civic Consulting Alliance, Go Green Racine in partnership with the Inner-City Muslim Action Network (IMAN), and others. Inspired by the action taken in the Americas, we launched a new learning program in all regions in partnership with external advisors. These trainings were catered to regional nuances, including topics such as disability etiquette, anti-racism, and allyship.

With our clients and other stakeholders in the community, we continue to share our experiences, learnings, and DEI education, including sponsoring chief diversity officer roundtables. We have also collaborated on pro bono projects across all of our regions. Notably, the Americas doubled pro bono work related to racial equity and social justice between 2020 and 2023; in 2023 alone, Europe conducted 25 pro bono projects, and the Middle East and Africa dedicated more than 200 pro bono hours.

To support our communities, we continue to promote education of, access to, and participation in voting and campaigns in the Americas and beyond. We launched Black Ventures Boost Camp in the Americas and an accelerator program for Black-owned startups in Europe. To monetarily support our communities, we donated as a firm (with matching) \$1.7 million from 2020–2023.

As we reflect on our progress, we acknowledge both successes and areas where we can do more. Looking to 2024, our focus remains on cultivating relationships, allocating resources to DEI training, supporting social and racial justice causes, increasing representation by minority leaders, and prioritizing equitable pathways for success.

Disability inclusion journey

Kearney has been on our disability inclusion journey since 2018. We joined Disability:IN as a Connector partner in December 2022 and announced our participation in the [Disability Equality Index](#) at the launch of **enAble Kearney**, our 10th employee network, which focuses on persons living with visible and invisible disabilities.^{3,4}

In 2023, as a thought leader partner of Disability:IN, we registered six countries for the 2024 Disability Equality Index and will co-chair the Disability:IN EMEA Council in 2024.⁵ We also signed up to the [Valuable 500](#), committed to synchronized collective action that accelerates inclusion.⁶

Kearney, one of 500 corporate partners, also led a vital dialogue during the Disability:IN Global Conference and Expo in Florida in 2023, uniting 2,500 in-person and 2,000 online participants. In collaboration with leaders from Accenture, Bayer, Bloomberg, and Google, Kearney led a discussion that addressed challenges such as inadequate infrastructure, limited awareness, attitudinal barriers, and coordination gaps among stakeholders as well as lessons learned and success stories in disability inclusion, from advocating for inclusive practices to accessibility considerations and mobilizing cross-jurisdictional affinity networks. The growing focus on disability rights in the EMEA region signals a commitment to overcoming challenges and intentionally fostering more inclusive societies.

“Our focus absolutely needs to be on progress over perfection and support for disability inclusion. While big systemic changes are vital for creating an inclusive society, individual actions play a crucial role in fostering a culture of acceptance, empathy, and support for people living with disabilities.”

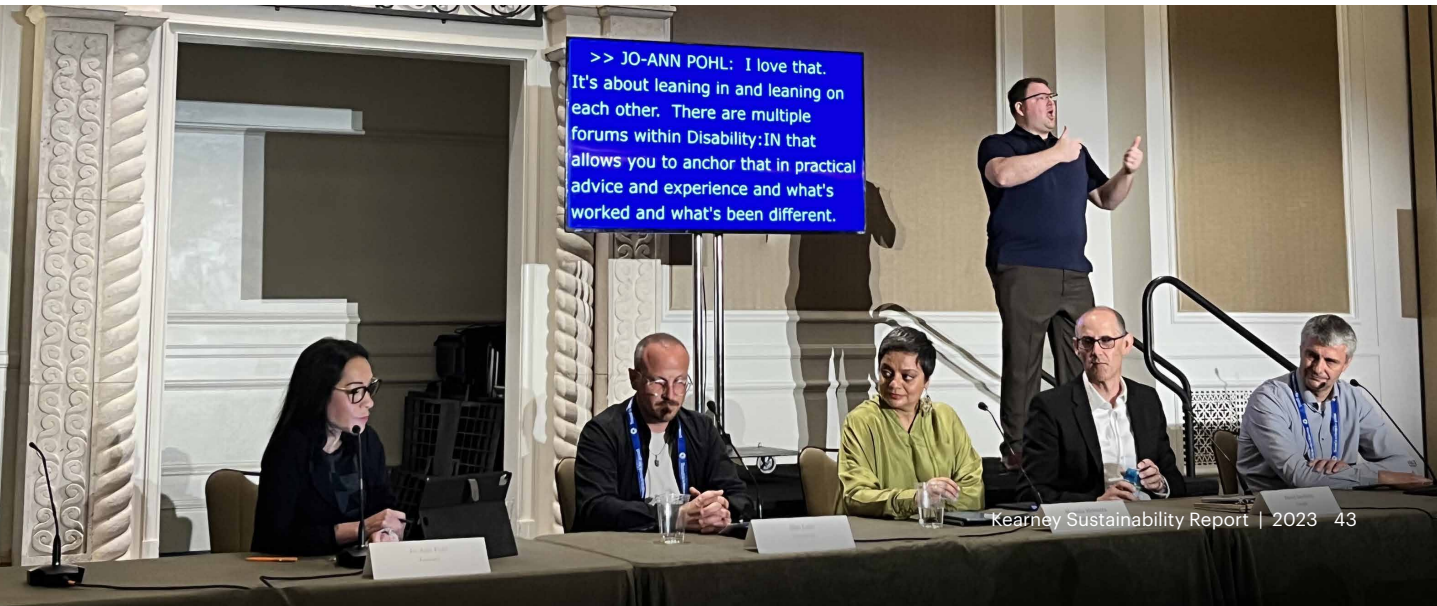
— Jo-Ann Pöhl, Associate Director and EnAble Kearney Executive Sponsor

³ A leading nonprofit resource for business disability inclusion worldwide with the vision for an inclusive global economy where people with disabilities participate fully and meaningfully.

⁴ An annual transparent benchmarking tool produced by Disability:IN, in partnership with the American Association for People with Disabilities, that gives US businesses an objective score on their disability inclusion policies and practices.

⁵ Europe: Germany, UK; APAC: India, Japan; Americas: Brazil, United States.

⁶ A synchronized collective action that drives change channeling the power of 500 partners and companies working together to end disability exclusion.



IGNITE Women's Network

IGNITE is a female mentoring and networking platform, founded through a pro bono collaboration between Kearney, Egon Zehnder, and the Indonesian Chambers of Association and Stock Exchange. This organization serves as a knowledge-sharing platform for Indonesia's future top women executives and provides a shared space to grow personally and professionally.

Founded in January 2023, IGNITE now boasts 40 member companies representing diverse industries and sectors, and an impressive board of advisors including the former Minister of Trade, the former Director of the World Bank, the CFO of the Indonesian Stock Exchange, and many more.

In June of 2023, Kearney and IGNITE published the book *Empowering Women: A Collection of Thoughts from Women Leaders to Advance in the Workplace*, an extensive study involving more than 200 young female women leaders from around the world. It contains insights on how to attract, nurture, and retain female talent in the ever-evolving landscape of today's work environment, as well as personal anecdotes and stories.



We have reimagined learning and performance management with a more accessible and agile model

Global learning

At Kearney, we believe in the power of learning and have identified five pillars of learning that guide our approach: collective learning, leader-led learning, bespoke learning, on-demand learning, and apprentice-style learning. In 2023, Kearney collectively recommitted to these pillars of learning, tapping into our values of solidarity and generosity, and rising to the challenge of a constantly evolving and blended work environment. We recognize that our success in this ever-changing landscape depends on our willingness to embrace new ways of being, working, and learning. As such, we embarked on a holistic learning journey that equipped our people with the skills and competencies needed to succeed, while fostering curiosity to explore our passions, emerging trends, and innovations. Our apprentice-style learning approach, drawing on the expertise and experiences of our Kearney community, was at the forefront of this journey.

Learning pillars

Collective learning encompasses live, facilitated learning, where our people learn together as a cohort. This could take the form of an in-person session, virtual session, or connected classrooms where groups of learners in local offices are connected to other regional offices with virtual facilitation.

Leader-led learning encourages our leaders at an office, practice, or project level to drive small-group learning from a library of pre-developed content. Local leaders can choose a topic of interest or need and can weave in their own experiences to further highlight how the topic translates in the work environment.

Bespoke learning meets specific, nuanced, or niche learning needs where our learning function works in an advisory role to office/unit/project leadership on program planning, design, and delivery.

On-demand learning offers our people 24/7 access to role- and skill-based learning, as well as practice learning. In addition to this learning, designed in collaboration with our practices and functions, learners have access to premium courses through our preferred learning partners.

Apprentice-style learning fosters project-based and peer-to-peer learning. Learning groups are designed to learn from each other's real-world experience, under the guidance of professional coaches. Executive coaching was also available for select, nominated individuals.

Backed by these five pillars, 2023 was Kearney's first full year of truly hybrid learning and Kearney has now fully shifted toward a more accessible and flexible, multichannel delivery model, giving learners the ability to choose when, where, and how they want to learn.

Our global curriculum is a combination of consulting and leadership skills, a BeWell series featuring fitness and mindfulness sessions, along with a wide range of other topical offerings through our knowledge- and skills-based curriculum (artificial intelligence, DEI, neuroscience, brand building, and more).

The learning journeys for each role in our business comprise of core offerings and are supplemented by core+ programs. Core offerings tend to fall under the collective learning pillar, while core+ include any of the other four pillars. Each learning journey has a carefully curated on-demand offering, ensuring that our people have access to learning in the moment, as and when they need it.

While most of our curricula underwent a thoughtful redesign in the previous year to support a hybrid learning environment, we continued to enhance our offerings based on evolving business needs. Some curricula and learning highlights include:

- Introducing connected classrooms for our junior learning programs in select regions, where in-person learning could not be supported. We added two new programs to our elective curriculum to help our BAs and associates build personal brand and presence earlier in their career and have the skills to effectively support proposal development.
- Offering fully blended learning opportunities in the manager curriculum—such as in-person sessions at key career stages, particularly for new managers and for those preparing for election into the next role; or personalized coaching, tailored to individual needs through one-on-one and group sessions with curated executive coaches.
- Creating opportunities for our principal, associate partner, and partner ranks to learn both virtually and in person together. With a lens toward sustainability, we also incorporated learning events into larger regional meetings.
- Expanding our offerings for management services (MS), especially for our new and growing supervisors, as well as women within MS. We worked closely with specific functions to create and deliver bespoke trainings. We also used an AI-enabled video tool to create learning to support MS people managers ahead of entering a newly revised performance evaluation cycle. The virtual MS learning festival, now in its third year, was held twice, with a focus most recently on building community and learning from leaders in the space through fireside and coffee chats.
- Continuing to work with our Kearney global alliance team to roll out training on tools that improve how our consultants work and collaborate (for example, Alteryx).
- Working together with our DEI team to ensure that all our offerings are updated to be inclusive and support our ongoing initiatives to create a truly equitable work environment and workforce.
- Exploring the world of AI-enabled technology to support the design and creation of learning artefacts, as well as continuing to collaborate with our Kearney Tomorrow team to ensure our people are well equipped to work with AI tools.

Our on-demand learning programming is facilitated through Degreed, our learner experience platform accessible for all employees, where our team and firm created more than 100 custom plans, pathways, and courses and our people completed more than 68,000 self-guided learning content modules in 2023.

In addition, our Kearney Originals logged more than 87,000 instructor-led learning hours in 2023. The response to our offerings was overwhelmingly positive, with our people feeling more connected with one another in this rapidly evolving and blended work environment. During the reporting period we achieved an average of 15.3 hours of training per employee (19.5 hours per consultant and 3.2 hours per management services employee).

As we move forward, we plan to maintain our blended approach, recognizing that the key to sustained growth lies in taking ownership of our learning journey, not merely as participants but as active contributors to the shared knowledge and skills of the firm.

“Our commitment to fuel growth through learning—at the individual, team, and firm levels—has inspired us to explore delivery modes and new providers for learning, including AI-enabled video creation, connected classrooms, simulations, and peer-to-peer learning. This has allowed us to get the right learning into our colleagues’ hands at the right time to support them in their journey to best self.”

— Bronwyn Kelly, Global Head of Learning

Sustainability learning

We are committed to helping our clients regenerate their organizations and supply chains by embedding business models that can drive the transition to a low-carbon and sustainable future. This can only happen if we equip our people with the skills and knowledge to do this. Building these capabilities is done by integrating sustainability in our training curriculum and through our online Sustainability Academy, which has a range of courses covering our five platforms for action.

Furthermore, we are continuing our relationship with the University of Cambridge Institute for Sustainability Leadership (CISL), which enables our consultants to take part in a range of eight-week online programs covering climate change, sustainable finance, sustainable supply chains, and sustainability management. Participants are required to develop action plans, giving them a tool to pioneer meaningful change throughout the organization. To date, more than 270 consultants have taken part in five different programs, with a commitment for a further 100 in 2024.

In addition to training our consultants, we also want to engage with our senior leadership to help them embed sustainability within their leadership functions. In April 2023, the Kearney board and leadership team took part in a 24-hour executive training session in Cambridge, facilitated by CISL. In 2024, we aim to provide a further two-day training to the firm's most senior partners.

“Our firm ambition is to embed sustainability in all we do and that starts with our people. CISL is the leader in sustainability education, our springboard for those with a passion to drive impact with clients.”

— Richard Forrest, Partner and Global Head of Sustainability



Performance management

To complement learning initiatives, Kearney has a performance management system across all geographies and employee groups, aligned globally and reviewed annually. Each year, Kearney sets a target to ensure all of our employees receive at least one performance review. During the reporting period of 2023, we reached our goal, and 100 percent of our active employees (excluding colleagues on an extended leave of absence and those who have been active in the role for less than four months) received at least one performance review as part of their career development. In addition, our consultants receive performance reviews after each engagement. Employees are encouraged to work with formal mentors to develop professional aspirations at the beginning of each year and are also encouraged to meet on a regular basis with those mentors to monitor progress. Clear progression grids and resources are available internally to all employees to support their growth.

Occupational health 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. Kearney recognizes that health and safety depends on the cooperation of all employees and acknowledges that health and safety responsibilities must permeate all our activities and be fully integrated with our management systems.

In that manner, Kearney is committed to providing our employees and visitors with a safe and secure work environment. Our Global 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. Each unit has established physical security standards and emergency procedures to ensure all Kearney employees can take appropriate action during certain emergency situations (for example, fires, bomb threats, power failures, natural disasters, or health emergencies). Some units have also sponsored NEBOSH (The National Examination Board in Occupational Safety and Health) qualification training for individuals on point for health and safety in the office to support them with the tools and knowledge to operate according to international best practices. If employees are on site at a client's facilities, they are asked to follow the health and safety requirements that apply there.

Kearney also partners with International SOS, a leading medical and security assistance company. Employees have 24/7 access to this resource, which has multilingual coordinators, operations managers, logistics support personnel, staff physicians, and other medical and security professionals on hand. In addition to providing these services, International SOS provides security and medical risk ratings for each country. If a country is rated as a "high" or "extreme" security risk, Kearney employees are required to seek approval prior to travel, including confirmation of sufficient business purpose and risk mitigation steps.

In concert with its International SOS partnership, Kearney uses the "Send Word Now" crisis communication tool to reach out to all its employees in affected locations when faced with large-scale incidents. The Global Security team, along with regional and country HR directors and office managers, are responsible for sending communication when needed.

With the spread of COVID-19 beginning in 2020, Kearney took precautions to protect its employees from contracting and spreading the virus, ensuring we maintained the highest standards of safety for our employees. These efforts—formulation of a response plan, development of a recovery road map, and regular monitoring of key metrics and trends—provided a global health and safety framework to guide regional and local planning as the global pandemic evolved and to serve as a blueprint for future health and safety emergencies. Post-pandemic, we broadened our global guidelines to be more inclusive of all communicable viruses and reinforced the firm's and each individual's responsibility to do our part to minimize the risk of exposing our colleagues, clients, and communities to any form of communicable infection.

The Global Health and Safety team acts as the main point of contact for all health and safety questions and concerns, coordinating with other key stakeholders as needed, maintaining our Global Health and Safety policy, and conducting annual compliance checks. The team will also enact and lead crisis management teams and develop crisis response plans, when necessary, similar to our COVID-19 response and recovery efforts.

The mental health, safety, and overall well-being of our people is a top priority for Kearney

Mental health and well-being

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.

Over the past few years, we have continued to uphold our commitment to improve our employees’ mental health and overall well-being by elevating our people care agenda (see figure 5). Mental health is crucial to employee engagement, morale, and well-being and has a direct impact on performance, productivity, and retention, so we are committed to building a mentally healthy workplace and a culture of well-being by:



Continually improving the way mental health is perceived, openly discussed, and vigorously supported in our workplace, with our clients, and in our communities



Sharing lived experiences and raising awareness to **normalize the fact that it is okay to not be okay**



Providing resources, tools, and training to **support our people with their mental health and overall well-being**

Figure 5

Kearney is on a journey to build a mentally healthy workplace and a culture of well-being



Source: Kearney analysis

In addition to our commitments, our global mental health framework guides us along our journey to build a mentally healthy workplace. The framework consists of four key pillars: (1) resources and protection, (2) awareness and promotion, (3) support and training, and (4) people experience and prevention. As we continue this journey, we use our framework at both the global and local levels to ensure all initiatives and actions align to the four pillars. One example is our Mental Health and Well-being Resource Hub on our intranet site, which raises awareness among colleagues while providing mental health and well-being resources, support tools, and additional trainings to all employees—and helping to normalize that it is okay to not be okay. We also developed an onboarding program for new hires globally that creates awareness, demonstrates the firm’s commitment, and educates new joiners on all the resources available for mental health, healthcare and benefits, and well-being support. Similarly, supporting our fourth pillar, all colleagues globally were encouraged to take time off for a “pause” at the end of 2023 to rest and recharge ahead of the new calendar year.

Another initiative that supports the key pillars of our framework was our Mental Health Ambassador Program, which launched in 2022 (see figure 4). As we strive to raise awareness, tackle stigma, and encourage more open conversations around mental health and well-being, our mental health ambassadors (MHAs) provide an additional internal support resource for our people. All MHAs are required to complete mental health ambassador training that provides skills and confidence to signpost colleagues to professional and other support. To date we have more than 170 colleagues who have completed the training and joined the program, and we look forward to welcoming more colleagues into the community as the program grows. Talking to a trusted person such as an MHA can help break down the harmful stigma that still surrounds mental health and normalize that it’s okay to not be okay.

Another great tool is our project charters, which allow individuals and teams to jointly establish working goals, standards, and boundaries and also increase the everyday focus on mental health and well-being. Teams complete charters together at the start of a project, encouraging open conversations about well-being while ensuring successful project delivery and experiences. Individuals are encouraged to proactively flag personal requirements and then collaborate with colleagues to accommodate each other’s ways of working. Adherence to the charters is tracked using weekly/biweekly barometers.

As we continue our journey to build a mentally healthy workplace and culture of well-being, we are proud of the positive impact our efforts have made to-date, including being recognized externally for our efforts and initiatives as finalists in six categories for the European InsideOut Awards for mental health achievements in the workplace, receiving Highly Commended in the European Employer of the Year category. Moreover, we were a 2022 and 2023 Platinum recipient of Mental Health America’s Bell Seal for Workplace Mental Health, which is awarded to companies committed to creating mentally healthy work environments.

“Health is holistic—there is no health without mental health. That’s why, with support from our leadership and input from our colleagues, we are continuing to build a mentally healthy workplace and a culture of well-being.”

— Misty Rallis, Global HR Director of People Care





Our planet

Our progress toward protecting our planet

Key developments:

1. We remain fully committed to decarbonization; we are the first management consultancy firm to have its near- and long-term science-based emissions reduction targets approved by the Science Based Targets initiative (SBTi).
2. We are launching an Internal Carbon Pricing program targeting air travel emissions to promote behavioral change, drive transparency, and fund green investments.
3. We are on track to remove 100 percent of our total emissions by 2030. In 2023, we removed 100 percent of our scope 1 and 2 and 25 percent of scope 3 emissions, in collaboration with Climate Impact Partners and Climate Vault.
4. We work closely with our clients, people, offices, and supply chain partners in more than 40 countries on a continuous improvement journey to implement sustainability best practices in all that we do.

Figure 6
2023 in metrics



Source: Kearney analysis

Highlights from Kearney's net-zero strategy

Our science-based net-zero targets

Kearney is proud to be the first management consultancy in the world to have its near- and long-term science-based emissions reduction targets approved by the Science Based Targets initiative (SBTi). In 2022, we were among the first companies in the sector to have approved 2050 net-zero SBTi targets.

SBTi is a collaboration between CDP, the United Nations Global Compact, the World Resources Institute, and the World Wide Fund for Nature to drive ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.

With the UN describing the latest climate science from the Intergovernmental Panel on Climate Change as "code red for humanity," the chances of society limiting the global temperature rise to 1.5°C are dwindling, but it is still possible if we act fast.

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. In addition, we are part of **Business Ambition for 1.5°C**, a global coalition of UN agencies, business, and industry leaders calling for ambitious climate action.

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:



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Near-term targets

- Reduce absolute scope 1 and 2 GHG emissions by 50 percent by 2030, from a 2019 baseline year.
- Reach 100 percent of our electricity coming from renewable energy sources in Kearney offices by 2025 and continue sourcing 100 percent renewable electricity through 2030.
- Reduce absolute scope 3 GHG emissions by 30 percent by 2030, with specific targets on business travel, to reduce this scope 3 category by 30 percent in the same time frame, from a 2019 baseline year.

Long-term targets

- Net zero by 2050: reduce absolute scope 1, 2, and 3 GHG emissions by 90 percent to reach net zero across the value chain by 2050.

We are proud of our bold ambition in setting absolute reduction science-based targets covering 100 percent of our scopes 1, 2, and 3 emissions while continuing our double-digit business growth trajectory and demonstrating global leadership for our industry to follow.

Our global science-based targets steering committee includes senior leaders and key functional representatives to drive emissions reduction initiatives and report progress, together with the social impact and sustainability team and other global and local colleagues.



CarbonNeutral.com



Our approach to climate and environmental impact

Kearney builds a true and fair account of its emissions each year, with an independent assessment led by Ecometrica in 2023. Kearney actively manages and reduces its emissions wherever possible by implementing best practices highlighted in these sections.

In 2023, Kearney again achieved CarbonNeutral® company certification in accordance with The CarbonNeutral Protocol, the leading global framework for carbon neutrality. This certification is led by Climate Impact Partners, a specialist in carbon market solutions for climate action. For all residual emissions, Kearney purchased and retired carbon credits of innovative quality projects, supporting the transition to a low-carbon global economy. All the projects are independently verified to ensure emissions reductions are occurring. This ensures the highest environmental integrity in our work to have an immediate, positive impact on the climate.

“We are proud to work alongside a company like Kearney to deliver immediate action on climate. Kearney has long been passionate in their pursuit of robust climate solutions, and their CarbonNeutral® company certification speaks to a company culture that is rooted in impact stretching beyond their organization. Kearney continues to challenge the status quo by not only working to decarbonize their internal operations, but also deliver finance to projects around the world that are reducing and removing emissions and supporting the transition to a low-carbon global economy.”

— Carolyn Bacchus, Vice President, Climate Impact Partners

Our offices around the world are designing targeted strategies to reduce emissions

K-Points

In 2023, a team of consultants in Germany, Austria, and Switzerland introduced K-Points, an internal rewards program to reduce our Kearney scope 3 emissions by incentivizing sustainable travel choices. The program was designed based on analyses of historical travel data and a comprehensive survey regarding colleagues’ travel choices. K-Points operate on a simple premise—travelers earn one point for every kilogram of CO₂ saved by choosing the train over a plane. Points accumulate and translate into bonus payments. In addition, the top 10 sustainable travelers received special rewards aligned with preferences expressed in the survey.

“With K-Points we are addressing the challenge of cutting down our scope 3 emissions and reward colleagues who put sustainability first!”

— Rebecca Meier, DACH

Promoting air travel emission awareness in the London office

Boosting incentive

Over 2023, the London office began a pilot toward reducing our air travel emissions, which makes up 80 percent of our total emissions. Balancing the trade-off between reducing flying and spending time with our clients is tricky. We start by creating a culture where every consultant is empowered to challenge whether we should fly, and actively seek alternative options (for example, trains or Teams). We will reinforce this by regularly and openly sharing our progress and showcasing success stories.

We also worked with our travel partners to implement a nudge toward lower-emission choices. Our travel booking system now pops up train options between cities easily accessible by rail, encouraging greener modes of travel on short journeys.

As awareness grows, we plan to consider specific policy choices to continue to reduce emissions while we grow as a firm. We also plan to expand this pilot into other countries in Europe over 2024.

“In the London office, there is a long tradition of pursuing sustainability initiatives, and I was thrilled at how enthusiastically both the leadership and the wider office embraced our new initiative to reduce air travel emissions. We are excited about taking this forward—from small wins, to wider adoption, to large changes and a greener future.”

— Arjun Pachory, London

From 2030 onward, we will compensate for and remove all the carbon we emit by supporting innovative carbon removal projects with proven environmental, social, and economic benefits. In 2023, we removed 100 percent of our scope 1 and 2 emissions and 25 percent of our scope 3 emissions and purchased avoidance credits for the balance. By 2030, we will step up our carbon credit portfolio toward 100 percent removals of our total scope 1, 2, and 3 emissions.

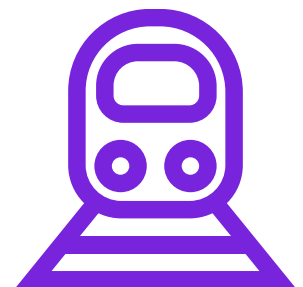
In recognition of our climate leadership and transparency in 2023, Kearney received an “A” score from CDP’s climate change questionnaire, where every year we disclose our environmental performance.

We also support and follow the guidance of the TCFD to communicate on our approach to climate-related risks and opportunities (read more in the section “Our assessment of climate-related risks and opportunities”).

Given our operating model, we prioritize two primary sources of emissions: travel, which constitutes approximately 75 percent of our total emissions, and our offices, which encompass 100 percent of our scopes 1 and 2 emissions. Our efforts are summarized in “Our path toward green mobility” and “Our actions toward greener offices.”

Our path toward green mobility

We have achieved a 52 percent reduction in the intensity of our travel distance (measured in total flight miles per employee) compared to our baseline year. However, we have observed a recent steady increase in travel emissions as the world emerges from the COVID pandemic. In 2023, we therefore focused on a strategy to encourage behavioral changes across our offices, ensuring that we meet our near-term SBTi targets for 2030. This strategy has led to the implementation of three key initiatives: our new Internal Carbon Pricing, our green mobility policies, and our SAF strategy.



Internal Carbon Pricing (ICP) program

We are excited to announce that in 2024, we will be launching our Internal Carbon Pricing (ICP) program targeting air-travel emissions. This initiative aims to drive behavioral change, support green investments, and propel us toward our 2030 emissions reduction targets.

The program will specifically target our travel emissions by introducing a carbon price attached to every ton of CO₂e. This price is aligned with market best practices and what we anticipate will be the future cost of removing emissions by 2030 and is significant enough to incentivize greener choices and fund green investments.

This initiative is a crucial component of our decarbonization strategy, focusing on achieving our goal of 30 percent absolute reduction in travel emissions by 2030. The initiative has been sponsored by our global leadership and will be launched in 2024.

In 2023, our DACH office team piloted an initiative to incentivize sustainable travel choices by assigning K-Points to CO₂e emissions saved and rewarding the top performers.

Green mobility policies

Our green mobility policies are designed to complement the ICP program by providing guidelines on how to incorporate low-emission travel alternatives (such as trains), how to scrutinize travel requirements to ensure flights are absolutely necessary, and how to assist our workforce in transitioning their personal transportation to green assets, such as electric vehicles or low-emission vehicles. We also play a role in influencing hotel selection by designating properties that meet specific environmental criteria as environmentally friendly. As of 2023, 48 percent of our offices have implemented green mobility policies.

This year we launched a Green Mobility Sprint initiative to evaluate the status of our automotive fleet and suggest improvements for decreasing emissions. During this project, we analyzed local mobility policies and car utilization data to establish clear baselines and targets to guide our efforts. We also created a Green Mobility Policy Template to serve as a road map and playbook for offices with less developed plans. Suggestions included investing in electric bikes, establishing mobility allowances, and installing electric vehicle chargers.

On top of our green mobility initiatives, we also tackle emissions by collaborating within our ecosystem. Throughout 2023, we actively engaged organizations across the corporate travel industry to share ideas, foster mutual learning, and inspire the development of sustainability programs.

SAF strategy

In 2023, we continued advancing our adoption of sustainable aviation fuel (SAF). SAF is widely recognized for its high integrity and is regarded as a powerful tool in the aviation sector, capable of reducing life-cycle CO₂ emissions by up to 80 percent compared to conventional jet fuel (with potential for up to 100 percent reduction in the future). Despite its promising potential, SAF currently represents only a small fraction of the total global aviation fuel supply; its production is limited, and market ramp-up must be accelerated on a global scale. Recognizing its importance, Kearney is actively supporting its development, understanding that it will play a crucial role in how the aviation industry contributes to achieving the world's 2050 net-zero goals. Moreover, SAF adoption is integral to our efforts in meeting our emission reduction targets for 2030 and 2050.

In 2023, we led SAF initiatives through the Airports of Tomorrow initiative with the World Economic Forum, and reinforced our partnership with industry leader SkyNRG, reaffirming our commitment by procuring SAF for our flights.

“I am proud that Kearney is leading the creation of travel sustainability programs as demonstrated by being chosen as a finalist for the Business Travel News Achievement in Sustainability Managed Travel Program. We are paving the path in identifying ways to reduce scope 3 emissions through travel.”

— Brenda Khoury, Global Travel Director

SAF, Kearney, and SkyNRG

As consultants, business travel makes up the largest portion of our emissions. So, while we already work on greener ways of working to reduce flights and offset 100 percent of our global business travel annually, we are now also working with SkyNRG to focus on the future: setting out the path to reducing emissions for the aviation industry through the deployment of sustainable aviation fuel (SAF).

This year, Kearney has continued its partnership with SkyNRG, and has procured SAF for a number of its consultant flights through the book and claim system. We plan on extending this commitment into 2024, hoping to send a strong demand signal to support scaling up SAF within the industry.

SkyNRG works to source, blend, and distribute SAF to airlines worldwide, creating partnerships that significantly increase the supply and production of SAF globally. SkyNRG operations are certified by the Roundtable on Sustainable Biomaterials (RSB), the highest certificate standard for sustainable fuels. SkyNRG is also guided by an independent sustainability board that helps them make the right choices for the planet.



Our actions toward greener offices

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. In 2023, we reduced our scope 1 and 2 by 66 percent from our baseline year. This was mainly driven by the early achievement in 2023 of our 100 percent renewable electricity in Kearney offices, which was originally targeted for 2025. We will continue to source 100 percent renewable electricity, complemented by purchasing renewable energy certificates where necessary.

A secondary key effect is becoming more environmentally conscious and energy efficient in our offices, with good practices and initiatives under four key areas: enhance energy efficiency in our offices, reduce water consumption and waste, extend the life of our IT equipment, and source and work sustainably.

Enhance energy efficiency in our offices

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 located in green-certified buildings by 2030. We are also currently in the process of getting eight of our offices certified under the ISO 14001 Environmental Management System standard.

In addition, we have an IT sustainability position and strategy that outlines our continuing goal to make 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 power and HVAC requirements.

“As we celebrate our achievement of double-digit growth while significantly reducing our scope 1 and 2 emissions, let’s reaffirm our dedication to evolving our business model to meet our science-based targets. In 2024, our focus on travel will ensure we continue progressing toward our sustainability goals.”

— **Richard Forrest, Global and Europe Lead, Sustainability**

Reducing water consumption and waste

We are committed to implementing sustainable office practices, including reducing water consumption, reducing the amount of waste generated, and recycling more waste (plastic, glass, paper, organic, and e-waste). Initiatives under way include eliminating single-use plastics, installing drinking water taps, using and reusing resources wisely, improving waste sorting, donating used technology equipment, and running recycling campaigns. Due to the nature of our activity as a professional services firm, most of the waste generated from our operations is generated in our offices. Our offices implement recycling practices globally and work together with local providers to collect and manage the waste in the most effective manner in accordance with available infrastructure. We are committed to achieve 100 percent plastic-free offices by 2025, and in 2023 96 percent of our offices have reported advancing toward this goal, and 20 percent of them are today plastic-free.

Extend the life of our IT equipment

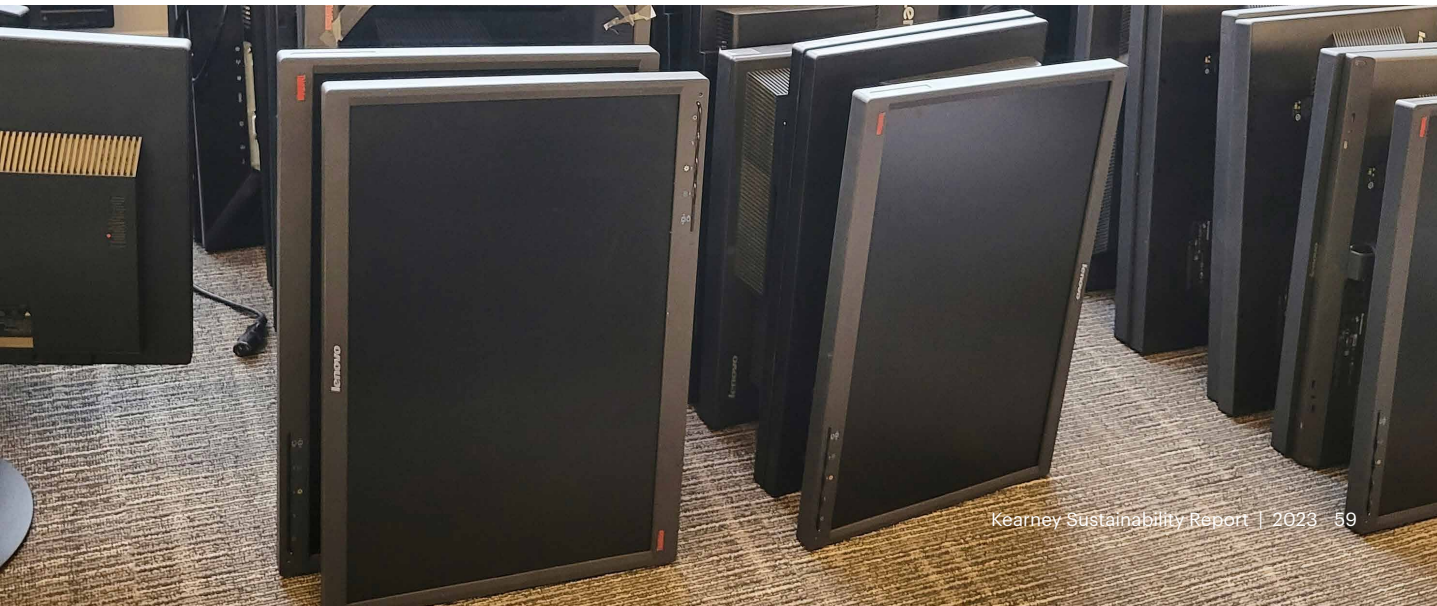
As a consulting firm, most of our equipment is IT-related equipment and we have different initiatives globally to reuse old equipment (for instance, employee purchase programs or donations).

For example, Kearney Mexico has forged a meaningful partnership with a nonprofit, aiming to enhance education in marginalized public schools by equipping educators with crucial technological skills to uplift academic standards. By donating 20 retired computers to a rural, predominantly indigenous public school and by providing continuous support to ensure the program's effectiveness, Kearney showcased its firm commitment to social responsibility.

By prolonging the lifespan of its IT assets and mitigating environmental impact, Kearney sets a corporate stewardship benchmark, advancing educational parity. This initiative reflects dedication to positive social and environmental change while opening doors of opportunity for underserved communities.

“The intersection of environmental stewardship and social impact is deeply rewarding. In a world where IT access is a fundamental right, offering opportunities not only empowers students but also fosters a sustainable future.”

— Jorge Arroyave, Senior Business Analyst



Source and work sustainably

In 2023, we accounted for supplier emissions within scope 3's category 1: Purchased Goods and Services. Firstly, our Supplier Code of Conduct outlines our commitments to environmental sustainability and our expectations of our suppliers to meet these high standards. We also partner with key suppliers, for example our airline and travel agency partners, to jointly explore how we can achieve our emissions reduction goals. We have also trained our buyers to integrate sustainability criteria throughout the procurement process, to opt for greener choices, and to engage our suppliers in the negotiation process using questionnaires developed by Kearney, with the goal of identifying partners that share our environmental and social objectives.

Also, in support of our net-zero strategy, we developed an emissions calculator for teams to use as they plan their work and travel schedules, and added sustainability and well-being elements to our WorkSmart project charters. We developed an office-level emissions dashboard to support increased transparency and set near-term goals per unit or department so we all own Kearney's 2030 targets. We have several trainings and materials available to our employees, from our virtual Sustainability Academy to our Offices Sustainability Playbook and our sustainable travel guide with useful and actionable tips on how to minimize environmental impact and emissions.

Carbon footprint and reporting

We report our emissions following the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and we update our baseline year in accordance with our GHG Base Year Recalculation Policy. We verify our global GHG emissions under the ISO 14064-3 standard and share them as part of our social responsibility reporting.

We use the operational control method, covering the footprint of all the Kearney offices in the more than 40 countries where we work and covering 100 percent of our FTE count. We exclude A.T. Kearney Korea LLC, a separate and independent legal entity operating under the Kearney name. We include all associated consultants, Cervello, PERLab, Prokura, Hoptek, OPTANO, and part-time associates as their activities relate to serving Kearney clients.

We recognize that globally we need carbon accounting that is more reliable, interoperable, and up to the task of measuring progress. That's why Kearney is honored to sign on to the Carbon Call, an initiative led by ClimateWorks Foundation to improve the measurement, reporting, and verification of GHG emissions and removal, primarily for the corporate sector. We commit to reporting our greenhouse gas emissions comprehensively, transparently, and annually.

Kearney uses 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 our emissions, complemented by our support of carbon projects.

2023 emissions

In 2023, our total emissions increased 68 percent compared to 2022, largely driven by increased emissions from scope 3 business travel.

Our double-digit business growth and headcount growth in 2023, coupled with the global resumption of pre-pandemic activity, led to a 45 percent increase in passenger kilometers flown from 2022. However, air travel emissions increased by 103 percent, driven by the multiplier impact of significantly higher DEFRA emission factors which increased by 35 percent for short-haul flights and 51 percent for long-haul flights vs. 2022, due to reduced load factors as a consequence of the COVID-19 pandemic. If DEFRA emissions factors had remained similar to 2022, our business travel emissions would have decreased by 26 percent compared with our 2019 base year, and travel emissions per FTE would have decreased 52 percent, demonstrating our commitment to evolving our operating model to be more sustainable while achieving significant business growth (see figure 7).

In 2023, compared with 2022, we saw a 1 percent decrease in scope 1 and scope 2 emissions, net of our employee growth. We achieved 100 percent renewable electricity use in our offices globally— ahead of our 2025 target. We also improved the accuracy of our data collection for district heating and cooling used in our offices. While scope 1 and 2 emissions represent a smaller fraction of our overall carbon footprint, we have several initiatives in place to reduce these emissions. Fuel consumed by company-owned cars and energy consumed in our offices are the largest sources of these emissions.

Figure 7
Kearney's carbon footprint

Kearney's baseline and progress to date (Market-based emissions by scope (tons CO₂e)^{1,2})

	2019 (SBT base year)	2022	2023	% change 2019–2023
Scope 1	1,376 (2%)	1,173 (2%)	1,491 (2%)	8%
Scope 2	3,055 (5%)	337 (1%)	9 (<1%)	-100%
Scope 3	57,505 (93%)	49,742 (97%)	86,981 (98%)	51%
Scope 3 ⁴ (business travel)	47,077 (76%)	30,075 (59%)	64,242 (73%)	36%
Total³	61,936	51,251	88,480	43%
Emission per FTE	16.2	9.5	15.1	-6%

¹ In 2023, our baseline 2019 emissions and 2022 emissions were recalculated to align with best-practice methodologies. We have additional emissions in scope 3 category 1, Purchased Goods and Services, to account for our suppliers' footprint. We have also updated our Radiative Forcing Index (RFI) multiplier on our flight emissions to 1.7, aligned with DEFRA's recommendation based on the latest scientific evidence. In line with our GHG recalculation policy, the recalculated 2019 and 2022 emissions are publicly reported in this version of our sustainability report.

² In 2023, our scope 2 emissions have been adjusted by enhancing the data collection quality of district heating and district cooling. When heating and cooling is performed within the office building and requires any fuel (natural gas), it is included in scope 1, as operational control is assumed. If it is powered with electricity, it is included within scope 2, and has an associated market-based instrument. Due to the limitations of collected data, it was not possible to update this for 2022. This would not impact the sum of scope 1 and 2.

³ Stated total emissions on scope 3 and scope 3 travel exclude optional emissions of 4,879 tCO₂e from hotels and from employees working from home, in line with GHG protocol. Total scope 3: 93,359 tCO₂e.

⁴ Kearney follows air travel emission factors from DEFRA. DEFRA's emission factors published in 2023 increased 35 percent for short-haul flights and 51 percent for long-haul flights vs. 2022, due to reduced load factors as a consequence of the COVID-19 pandemic. We expect future DEFRA factors to revert to normal values, reflecting post-pandemic recovery load factors.

Sources: Ecometrica; Kearney analysis

Our scope 3 travel absolute emissions have increased by 36 percent compared to our baseline year, due to increased business travel and the recent significant increases in DEFRA emission factors due to reduced load factors during the COVID-19 pandemic. We expect future DEFRA factors to revert to normal values, enabling more comparable scope 3 emissions. With flights constituting around 75 percent of our total emissions, we are mindful that we need to implement initiatives to continue shifting our internal mindset on how we think about travel. Consequently, we have decided to launch an Internal Carbon Pricing (ICP) program targeting air-travel emissions in 2024 to promote change, support green investments, and accelerate progress toward our SBTi targets. Due to our annual double-digit business growth trajectory, we expect a steady increase in our scope 3 emissions until the middle of this decade, followed by a decrease in line with our science-based targets, fostered by an array of solutions, with ICP and a solid SAF investment strategy at the heart of our decarbonization efforts.

Aligning our emissions methodology with best practice

In 2023, Kearney also included a detailed calculation of scope 3 category 1: Purchased Goods and Services. These emissions account for third-party services, IT equipment, and other purchased goods and services we use in our day-to-day operations. We are working to obtain supplier-specific emissions factors, and in 2023, 7 percent of our total spend was calculated with supplier-specific emission factors, obtained through CDP supply chain disclosures.

In accordance with GHG protocol, Kearney also reports scope 2 location-based emissions, which are derived from national average grid emission factors. Market-based emissions cover what Kearney is responsible for through its purchasing decisions, including contractual instruments, such as the purchase of renewable energy credits to cover our grid electricity usage in the United States (see figure 8). For details on our electricity and energy consumption, please refer to the Appendix section “Sustainability key data.”

Figure 8
2023 GHG emissions
(tons CO₂e)

	Market-based	Location-based
Scope 1	1,491	
Scope 2	9	2,720
Scope 3	86,981	
Total	88,480	91,191

Source: Kearney analysis

Kearney's 2023 carbon credits portfolio

Transitioning our portfolio to removals while restoring and protecting ecosystems

For our unavoidable residual emissions, we support innovative quality projects, including carbon removal technologies. From 2030 onward, we will compensate for and remove all our unavoidable residual emissions by supporting 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 associated co-benefits—amplifying the benefits to local communities and biodiversity to preserve, protect, and restore our ecosystems.

Kearney has received CarbonNeutral® company certification in accordance with The CarbonNeutral Protocol, and we believe that supporting carbon removal technologies and projects will help accelerate the transition to a low-carbon future.

Climate Vault, United States

Supporting cutting-edge carbon removal technologies
CDP-accredited

Similar to last year, Kearney has again partnered with Climate Vault—an award-winning, CDP-accredited nonprofit.

On Kearney's behalf, Climate Vault purchased carbon allowances on government-regulated compliance markets and "vaulted" them so that polluters cannot use them. By removing the allowances from these markets, Climate Vault effectively lowers the total amount of permissible emissions in the market.

Climate Vault will then leverage the allowances' value to support carbon dioxide removal (CDR) technologies and thus support Kearney's science-based targets. Climate Vault's world-renowned Tech Chamber, led by former US Secretary of Energy Ernest Moniz, includes CDR experts from Princeton, MIT, Harvard, UVA, and Scripps and helps guide Climate Vault's RFP process to select technologies in the terrestrial, oceanic, and technological CDR pathways to eliminate CO₂ already in our atmosphere. Climate Vault recently launched its second RFP and intends to hold two grant award cycles annually.



Three Rivers Grassland Restoration, China

Nature-based solutions; grasslands project
Verified under CCB, VCS

The plateau region of the Yangtze, Yellow, and Lacang Rivers, also known as the Three Rivers, has suffered grassland degradation over the past few decades due to overgrazing and warming. Thriving grasslands are important for stabilizing soils and slowing the snowmelt from nearby mountains. The project removes carbon from the atmosphere by restoring the plateau's degraded grasslands. Located in the central Chinese province of Qinghai, this project is restoring more than 160,000 hectares of degraded grasslands by seeding three species of native grass.

This project qualifies for Biodiversity Gold Level status under the CCB standards for exceptional biodiversity benefits in a Key Biodiversity Area (KBA) with endangered species such as the steppe eagle, saker falcon, and alpine musk deer. More than half of the 12,000 local herders who were employed as part of the project were women.



Degraded Grasslands Afforestation, Uruguay

Nature-based solutions; afforestation and reforestation project
Verified under CCB, VCS

Uruguay's tree cover has decreased 23 percent since 2000 per Global Forest Watch. This area of Uruguay has been razed by cattle for more than 300 years, which had led to soil erosion and degradation of grasslands. Without carbon finance, tree planting is not a worthwhile form of land use for locals.

Carbon finance is used to combine sustainable forestry with cattle grazing. Trees are planted on higher and more degraded land, reducing topsoil degradation, while cattle graze the lower areas. The project promotes sustainable timber creation and contributes to increasing afforestation rates globally.

The project is certified by the Forest Stewardship Council (FSC), balancing timber production and sales with habitat creation. The tree planting project brings new job opportunities to Uruguay, while respecting existing cattle farmers' land use. The newly grown tree canopy also provides habitat for wildlife.



Community Reforestation, Ghana

Nature-based solutions; afforestation and reforestation project
Verified under CCB, VCS

The project is restoring degraded forest reserves in Ghana with teak, indigenous trees, and natural forest in riparian buffer zones, following the principles and criteria of the Forest Stewardship Council (FSC). The areas have been degraded due to overexploitation, bush fires, and conversion to agriculture.

The project works closely with local farmers; some are employed by the project and others are able to grow crops, via intercropping, within the reforested area, benefitting from the improved soil conditions. As a grouped project, the aim is to expand around 1,000 hectares per year, adding new project areas and improving more livelihoods through reforestation.



Rural Clean Cooking, China

Health and livelihoods; clean cooking project
Verified under Gold Standard

Many rural households in China rely on burning coal to cook while unused animal waste from their farms leads to harmful methane (CH₄) emissions. Biodigesters are a solution that address both challenges by turning animal waste from pigs or cows into a sustainable source of clean-burning biogas for cooking. This project brings a clean cooking solution to rural homes in China through the construction of biodigesters. In total, more than 18,500 backyard biodigesters have been built and in the process, new skills were shared with the communities on the building and maintaining of biodigesters.

This solution avoids methane emissions from animal waste and reduces the need for coal to cook each meal in 18,500+ households across rural areas of Guizhou Province in Southern China. Families benefit from decreased monthly fuel costs and no longer have coal smoke in the home from cooking as the biogas stoves burn cleanly.



Orinoco River Basin REDD+, Colombia

Nature-based solutions; forest conservation (REDD+) project
 Verified under CBB, VCS

Forest protection efforts must take a comprehensive approach to conservation emphasizing community, specifically education and gender equality. This REDD+ project invests in the people living in and depending on the forest, to make a lasting change toward sustainable practices, forest protection, and conservation. The project has eight parts: surveillance of the area, improvement of systems, strengthening governance, development of family-based agri-food systems, training and education programs for Indigenous communities, non-timber forest products, validation monitoring, reporting and verification (MRV).

This project is a high-impact way to stop deforestation and supports all 17 SDGs. As a community, they protect more than 1 million hectares of tropical forests in the Indigenous Reservations of Colombia while safeguarding its biodiversity and providing education, healthcare, sanitation, and food security, among other co-benefits, for more than 15,000 Indigenous people.

Lingasugur Wind Energy, India

Nature-based solutions; wind energy project
 Verified under Gold Standard

The project activity generates power using renewable energy sources (wind energy) and sells the generated power to third parties through National Grid. The energy facility is located in Raichur District, Karnataka. The project activity generates electricity which is exported to the Indian Grid System under the purview of the INDIAN electricity grid of India.

This project currently generates 40MW of wind power and is classified as a large-scale project. It helps to ensure access to affordable, reliable modern energy across the country. It also promotes sustained, inclusive, and sustainable economic growth, as well as productive employment while combatting climate change.



Our assessment of climate-related risks and opportunities

We support the Task Force on Climate-related Financial Disclosures (TCFD) and its guidelines and recommendations to drive change and transformation across businesses.

As a professional services firm we are exposed to certain physical and transitional climate-related risks. Our annual climate risks and opportunities assessment covers a comprehensive list of risks that are assessed across different time horizons and climate scenarios. Our approach to managing climate-related risks and opportunities is in line with the reporting recommendations laid out by TCFD. The global sustainability team is responsible for conducting an annual climate risk and opportunities assessment (detailed in our TCFD disclosures, p. 84-86). The resulting analysis is then integrated into our annual enterprise risk management procedure and presented to Kearney's managing partner leadership team (MPLT) once a year. Our risks and opportunities assessment and results are reported annually on CDP's climate change questionnaire and follow the guidance of the TCFD.

A summary of our approach can be found in the appendix of this report (p. 84-86) and is structured across the TCFD four-pillar framework:

- **Governance.** Disclose the organization's governance around climate-related risks and opportunities.
- **Strategy.** Disclose the actual and potential impacts of climate-related risks and opportunities for the organization's businesses, strategy, and financial planning where such information is material.
- **Risk management.** Disclose how the organization identifies, assesses, and manages climate-related risks.
- **Metrics and targets.** Disclose the metrics and targets used to assess and manage climate-related risks and opportunities where such information is material.

This framework is designed to help companies and businesses communicate about their response and strategy toward climate-related risks and opportunities.

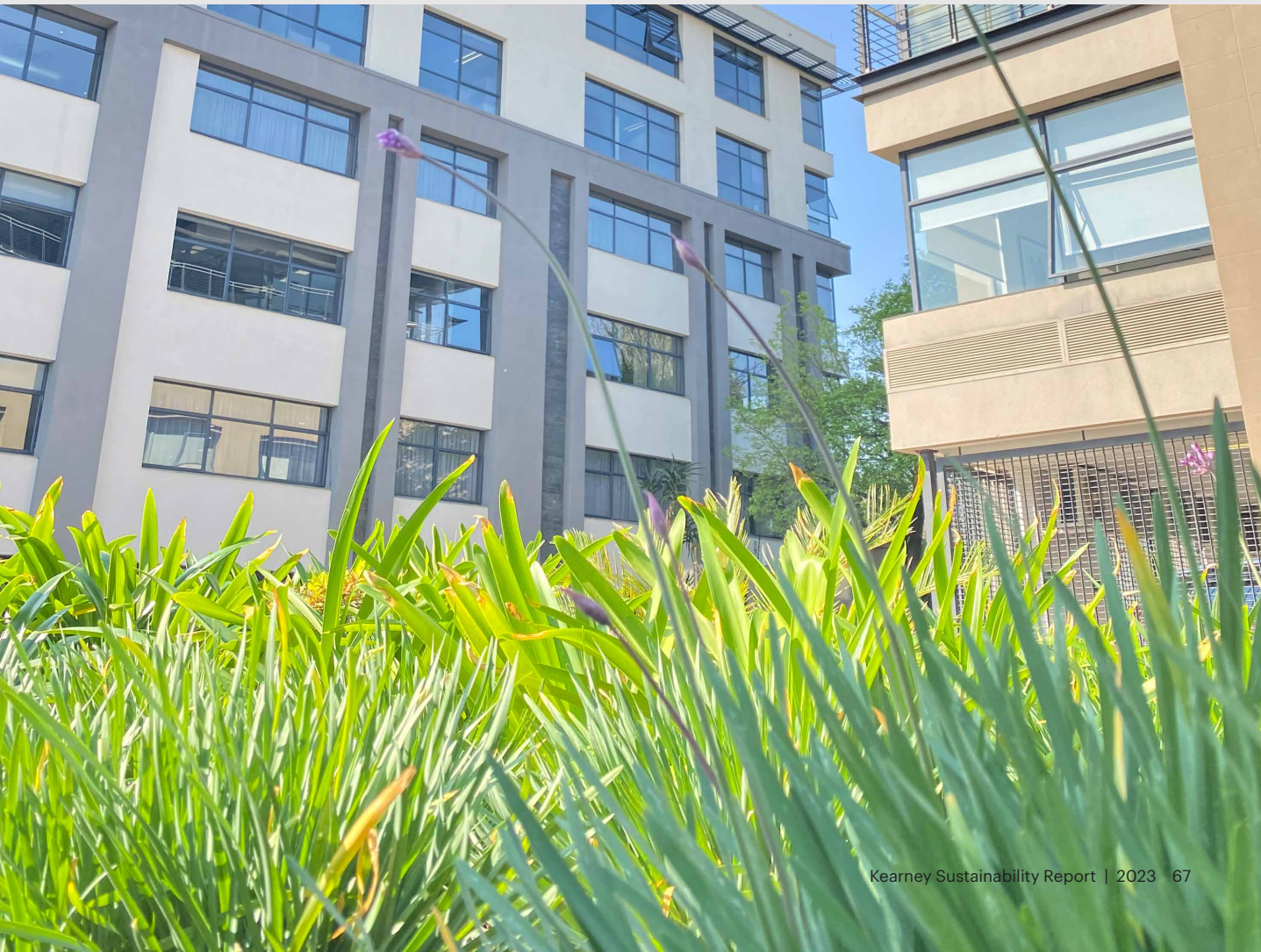
Our risks and opportunities assessment and results are reported annually on CDP's climate change questionnaire and follow the guidance of the TCFD.

Physical office safety and business disruption assessment

In 2023, we implemented a refreshed office site selection process that emphasizes identifying buildings that support Kearney's goal to provide safe and healthy work environments for employees and visitors. The site selection criteria is shared with the real estate site selection team seeking to establish a new office or assess an office renewal or relocation. This information, along with the firm's design guidelines, provides sound parameters for evaluating spaces available in any market where Kearney conducts its business.

Establishing site selection criteria positioned Kearney to assess the environmental aspects of buildings at the early stages of an office opening or relocation assessment. Using LEED, Well, and Healthy Building standards, and/or equivalent certifications as a key criterion to begin an office search, Kearney can develop physical office safety and business disruption plans that align to available features in base building physical infrastructure and operational practices.

A focus on location access and building management systems technology for security, energy efficiency, access to daylight, air quality monitoring and filtration capabilities, etc., weigh heavily in our site selection process.





Our community

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 in our core values and purpose to be the difference we want to see in the world. Our regional and local social impact activity, including pro bono work, is guided by local teams and committees.

This section highlights our strong partnerships with regard to sustainable development, and our commitments to support quality education, gender equality, environmental and social impact, local communities, and disaster relief.

Key highlights in 2023

355 social impact activities

...and local projects to support social impact causes

>15,300 hours

...dedicated to volunteering and pro bono projects

49 pro bono

projects with social impact organizations

2,187 Days of Action

dedicated to volunteering activities since 2020

We foster strong partnerships for sustainable development

UN ModelCOP partnership

We engaged with Middle East Model United Nations as the official “consultants and training partners” for the ModelCOP initiative.

ModelCOP empowers youth to become climate ambassadors by creating an intuitive and fun learning environment within which to develop climate knowledge and leadership skills. Based on Middle East Model United Nations, the framework of COP is harnessed to create virtual and live conferences for UAE students.

We are proud to have also launched ModelCOP in Saudi Arabia during the MENA Climate Week alongside the World Economic Forum Strategy Intelligence and En-ROADS MIT Sloan School of Management Simulator. During the session, three of our young climate ambassadors delivered their perspectives on climate change and pledged to take bold actions to fight the crisis.

Abraham Calvo, one of Kearney’s leaders on social impact and sustainability, spoke about the firm’s sustainability efforts and emphasized how Kearney is engaging with leaders of tomorrow to combat climate crisis. The students trained by Kearney also participated in World Environmental Education Congress (WEEC) 2024 organized by Environment Agency Abu Dhabi (EAD).

Teach for India

Kearney India, in collaboration with Teach for India, worked on a pro bono strategy to support scaling of its network footprint and enable an educational equity movement in India. Teach for India, a leading education nonprofit, runs multiple programs to bridge the education disparity in India and supports underprivileged children with their academic needs. It runs a flagship program, TFI Fellowship, where fellows teach in schools for underprivileged children/government schools for two years.

Our team developed a strategy to mobilize a network of 12,000 leaders across its programs to work collectively toward educational equity. More than 10 initiatives were defined, and implementation charters were built to help drive about 4X growth over the next decade. Initiatives included measures to strengthen alumni identity, creation of a digital platform to enable collaboration, and strengthening communities of practice. Suggested initiatives are being implemented by the organization and we look forward to supporting Teach for India’s endeavors.

Toy drive

A team from our Mexico City office worked with Formación y Protección de la Mujer y el Menor, an NGO dedicated to helping children and families that are struggling with domestic violence and food and housing insecurity. The team helped coordinate donations from Kearney members (150+ Christmas gifts) and later drove more than 1,400 km to Ciudad Valles to deliver the presents to the children.

“Thank you for bringing and sharing joy with our children.”

— Formación y Protección de la Mujer y el Menor



SustainBiz Experience

On June 30, Kearney hosted the inaugural edition of the SustainBiz Experience, a series of events focused on developing business strategies for sustainability. “SustainBiz, as the name suggests, aims to bring sustainability in a business perspective, through a practical view on recent real use cases in the market,” says Thayza Tabisz. The conference brought together more than 60 executives and influential figures across 40 private sector, government, and civil society organizations in Brazil to discuss nature-based solutions for decarbonization and compensation.

The cornerstone of this experience was its four panels, which offered attendees a comprehensive overview of what lies ahead—both opportunities and challenges—in the coming years. They covered (1) an exploration of the unparalleled potential of nature-based solutions for Brazil, a country that owns 40 percent of the world’s tropical forests; (2) a confrontation with the challenges of offsetting to achieve the net-zero goals of companies; (3) insights into the forthcoming regulation of the Brazilian carbon market; and (4) financial opportunities in the capital market and credit trading within both the voluntary and regulated sectors.

Stiftung Deutscher Nachhaltigkeitspreis e.v. (Foundation of the German Sustainability Award)

The German Sustainability Award (DNP) is the leading European award for sustainability, with more than 8,000 companies, cities, start-ups, and research projects participating in the various categories over the past 16 years. The award is a multi-stakeholder initiative promoting the idea of sustainability with the objective to identify and applaud leaders in sustainability and share best practices across leaders in Germany. Stakeholders involved are from the federal government, German businesses, NGOs, and academia.

In 2015, the Next Economy Award was added to specifically honor sustainable entrepreneurs and start-ups. In 2022, an additional category was introduced, awarding successful partnerships between start-ups and incumbent players.

Kearney is proud to have been a member and methodology partner of the DNP since its foundation in 2008. Kearney has been heavily involved in designing and updating the evaluation methodology and competition process throughout the 16 years of its existence. In 2023, Kearney’s business builder Fast Forward (FFWD) joined the partnership. This year, Kearney and FFWD screened 180 applicants for the Next Economy Award and advised the jury on the selection process ahead of the congress.

The German Sustainability Award is accompanied by an annual two-day conference, which brings together thought leaders and practitioners to exchange their views on all aspects of sustainability. Topics covered have included climate change, biodiversity, circular economy, and many more.



Ashoka partnership

Ashoka is an international citizen-sector organization promoting social entrepreneurship by affiliating individual social entrepreneurs into the Ashoka network and growing a community of young changemakers.

Over the years, different Kearney offices have collaborated with Ashoka in different initiatives. In 2020 and 2021, Kearney São Paulo worked closely with Ashoka to select and support NGOs in achieving their goals, supporting entrepreneurs in their work on climate change, environmental protection, minority rights, inclusive education, and community bank access.

Similarly in 2022, we partnered with Ashoka in the United States, focusing efforts on Ashoka's Venture and Fellowship program. The program provides social entrepreneurs with mentorship and lifelong access to a global network of others dedicated to changing the world.

More than two dozen Kearney consultants stepped up to help with the process. The teams reviewed applications to better understand entrepreneurs' objectives, potential, and how Ashoka could help. For Kearney consultants, reviewing the candidates offered the opportunity to do familiar due diligence work in a new way—and with a higher purpose.

In 2023, the efforts focused on a social entrepreneur working on regenerative agriculture who had recently joined the Fellowship program. A dedicated Kearney team, leveraging subject matter experts in food and agriculture from our consumer industries and retail practice, helped the Ashoka fellow to refine their business plan and fundraising materials to secure the much-needed capital to enable the next phase of growth for the social venture.

The social impact team is looking forward to continuing working with Ashoka changemakers to amplify their impact!

“Working with Ashoka Fellows provides a unique window into the real meaning of system change. It is a privilege for Kearney consultants to help the ‘changemakers’ realize their vision.”

— **Andres Mendoza Pena, Partner, Chicago**

Ashoka partnership: Tree Range Farms

Tree Range Farms (TRF) aggregates and distributes a range of agricultural/poultry products from small family-owned farms in Minnesota. While currently focused on regenerative chicken, they have other products (for example, nuts, berries) in the pipeline. TRF founder Reginaldo is a well-known activist in regenerative agriculture and he developed the farming model they currently use, which is quite cutting-edge. TRF has been running officially for less than two years and is currently raising capital to scale.

Tree Range Farms sought our support to develop investor pitch materials and a business plan/financial forecast. Our clients were the CEO, chief of staff, and current board members of TRF.

During our three-week engagement with the farm, we used a combination of workshops, Kearney expertise (for example, Rob Dongoski), research, and team experience with start-ups to deliver:

- **Investor pitch materials.** Developed impactful pitch deck that captures the journey so far (why, what, and how), market opportunity, business and operating model, financials, and path ahead.
- **Financial model.** Developed robust financial model to track spend and profitability, and forecasted financials across three scenarios (conservative, base, and optimistic).

The TRF team has been extremely grateful for our support and are happy to continue working with us. One of the main takeaways from the engagement is that “regenerative agriculture” is still nascent, and there is buzz and opportunity in this space. At Kearney, we can use learnings to build out expertise and consider bringing the learnings to consumer industries and retail/sustainability clients.

“We are so lucky to have had the opportunity to work with you and your team. I do hope we can continue to work together in the future. Thank you for taking the time and the energy to really understand this unique endeavor.”

— **Chair of Tree Range Farms Board**



Our commitment to supporting local communities and disaster relief

Kearney is committed to supporting causes that drive positive societal impact, including complementing individual employee donations with matched funding from the firm. In the aftermath of a number of natural disasters and humanitarian crises in 2023, Kearney organized donations to organizations including the International Committee of the Red Cross, Hawaii Community Foundation's Maui Strong Fund following the Hawaiian wildfires, and Turkish Philanthropy Funds (TPF) in support of victims of the devastating earthquake in Türkiye.

Our commitment to environmental impact

AB InBev Supplier Summit

In 2023, a team of six Kearney employees participated in three global sustainability events hosted by AB InBev as part of its Eclipse platform, which the world's largest brewer uses to engage its key suppliers on climate action. These events took place in Wimbledon (for Europe-based suppliers), St. Louis (for US-based suppliers), and Nuremberg (global), concentrating on best practices and solutions related to joint decarbonization. The Kearney team actively engaged in discussions at each event, with a notable contribution being a one-hour panel on green logistics presented during the Wimbledon session. The experiences were both rewarding and enjoyable, aligning with Kearney's commitment to sustainability across our networks.

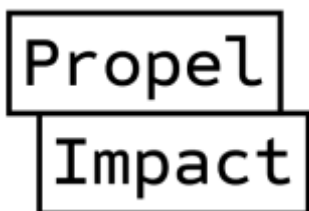


Journey to Net Zero Index

We developed an index to assess select Brazilian companies on their journey to net zero. Maturity was analyzed based on 70+ cross-industry variables and scored on a 0–100 scale for two main dimensions: ambition of goals and commitments, and organizational effectiveness in sustainability governance, financing, and other operational factors.

Organizations were plotted on a matrix separating beginners, allies, executors, and leaders. Leaders generally came from carbon-intensive sectors, as “these sectors have a greater urgency to act and more pressure from society, investors, or market regulation,” said Gianluca Marchi in interviews with major media channels following publication.

By illuminating best practices for decarbonization and emissions compensation, leadership behavior, and strategy development, and assessing metrics beyond carbon data, the index has proven to be a powerful tool to chart insights and progress across companies and sectors, and can be easily expanded to different geographies.



Our commitment to quality education and mentorship

Propel Impact

Propel Impact is a Canadian nonprofit that trains students and young professionals through hands-on consulting and investing experiential learning opportunities in ESG and impact. In 2023, Kearney’s Toronto office partnered with Propel to advise members of its Impact Consulting Fellowship on a range of projects for social enterprises, charities, and nonprofits. More than 15 Kearney consultants volunteered their time, creating training modules, mentoring students, and supporting a variety of projects relating to climate action, gender equality, education, and health equity. The goal of these projects was for fellows to gain experience in impact measurement, feasibility assessments, financial modeling, and market research, all through the lens of social and environmental impact. Kearney will continue to partner with and support Propel projects in 2024.

Malaysian SOCIAL Project (MSP) SOCIAL Accelerate

Over the past three years, Kearney’s Kuala Lumpur, Malaysia office has been supporting The Malaysian SOCIAL Project (SOCIAL) through its flagship SOCIAL Accelerate program. As we enter the program’s fourth year in 2024, we remain committed to fostering positive social change through this collaboration.

SOCIAL is a socially driven consultancy providing pro bono services to nonprofit organizations since 2018. Its SOCIAL Accelerate program brings together two teams of five participants, each consisting of young professionals and fresh graduates, to provide these services. Kearney plays a key role in this initiative by providing mentorship and guidance to the program’s participants.

This year’s program (SOCIAL Accelerate Cycle 4) will be serving Kechara Soup Kitchen (KSK) and Architects of Diversity (AOD). KSK is a nonprofit that aims to serve Malaysia’s homeless and urban poor through its various initiatives, such as a soup kitchen, food bank, and empowerment programs (for example, skills development). AOD aims to tackle identity-based inequalities and social exclusion through a variety of DEI (diversity, equity, and inclusion) initiatives.

Looking ahead, we hope that Kearney’s partnership with SOCIAL will continue to grow and attract more participants, empowering more youths to drive change and benefit more organizations by creating lasting impact in the third sector.

Our commitment to health equity

Redesigning healthcare with women in mind

Kearney, in partnership with the [World Economic Forum's Global Alliance for Women's Health](#), [FemTechnology](#), and other leading organizations, has raised a call for action to address gender inequity in healthcare and *redesign healthcare with women in mind*.

Currently, healthcare is disadvantaging females and women, from a lack of funding and research into female diseases, to drugs and devices being tested and designed for the male anatomy. The experience of care provided in this unequal healthcare system is leaving females and women feeling sidelined and inadequately supported.

We launched our [open letter](#) for change at the World Economic Forum Annual Meeting 2024, with 50+ founding signatories spanning the entire healthcare value chain from pharma companies, providers, and academics to investors, start-ups, and nonprofits.

This is just the start of a cross-sector community and ongoing collaboration to define a framework to measure impact and drive action to improve gender equity in healthcare.

Health Equity Summit and activism

Our second annual [Health Equity Summit](#), hosted in partnership with [Chain Drug Review](#), is designed to bring together executives from leading healthcare and retail companies alongside industry experts and innovators to develop solutions and forge connections to address health disparities in the United States. More than 40 leaders in the healthcare space, including leaders from Fortune 500 companies, attended the summit.

Our agenda covered several pressing topics, including healthy communities, women's health, food as medicine, and patient access and innovation.

This event ties into the firm's broader efforts around health equity, like our initiative in partnership with FemTechnology to [redesign healthcare with women in mind](#) and our work with the community grocery initiative to bring grocery stores to the west side of Chicago.

“In the United States, six out of 10 people have a chronic disease, four out of 10 have more than two, and 80 percent of these diseases are nutrition related. We are failing our communities.”

– Dr. Marc Watkins, Kroger Health (based on data from the Centers for Disease Control)





Appendix

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Appendix

Sustainability key data

Appendix Sustainability key data

Topic	Metric and unit	2022	2023	Target	Target year
Our business	Revenue (\$ billion) ¹	1.5	1.7	–	–
	Sustainability projects	170+	300+	–	–
Business ethics	Active employees completing Code of Conduct and business ethics training	100%	100%	100%	Annually
	Active employees completing anti-bribery and corruption training ²	100%	100%	100%	Annually
	Active employees completing cybersecurity trainings (% headcount covered) ³	100%	100%	100%	Annually
	Internal risk assessments (% Kearney offices covered)	100%	100%	100%	Annually
	Number of incidents – corruption	0	0	0	Annually
	Number of incidents – information security ⁴	0	0	0	Annually
Sustainable procurement	Buyers trained on sustainable procurement (% of buyers)	100%	100%	100%	Annually
	Suppliers covered by CSR assessments/surveys (% of targeted suppliers) ⁵	100%	100%	100%	Annually
	RFPs with sustainability criteria (% of IT, real estate, and travel suppliers)	100%	100%	100%	Annually
	Suppliers that have gone through a CSR on-site audit	–	–	–	–
Our people	Global headcount ^{6,7,8}	4,782	5,375	–	–
	— Americas	1,272 (27%)	1,411 (26%)	–	–
	— Asia Pacific	1,356 (28%)	1,504 (28%)	–	–
	— Europe	1,423 (30%)	1,502 (28%)	–	–
	— Middle East and Africa	731 (15%)	958 (18%)	–	–
	Full-time employees ⁸	4,604	5,187	–	–
	Part-time employees ⁸	178	188	–	–
	Temporary employees ⁹	775	668	–	–

¹ Revenue for FY 2022

² Anti-bribery and corruption training is a part of Kearney's Code of Conduct training and certification.

³ At the date of publication of this report, the percentage compliance was below 100 percent; however, employees are being contacted individually to ensure we reach 100 percent compliance.

⁴ Zero material incidents leading to an information security data breach

⁵ Targeted suppliers include all new suppliers registered in 2023 with a valid email address.

⁶ All employee numbers are reported in headcount at the end of the reporting period (December 31, 2023).

⁷ Includes full-time and part-time employees; excludes temporary employees.

⁸ Excludes Cervello, Prokura, OPTANO, TEAMS Design, and Silicon Foundry employees (which together total 626 employees); these are companies that have been acquired recently by Kearney.

⁹ Includes contractors and interns.

Source: Kearney analysis

Appendix
Sustainability key data

Topic	Metric and unit	2022	2023	Target	Target year
Our people	Diversity and inclusion				
	Employees by age group ¹⁰	–	–	–	–
	— Under 30	40%	40%	–	–
	— 30–39	37%	37%	–	–
	— 40–49	14%	14%	–	–
	— 50–59	7%	7%	–	–
	— 60+	2%	2%	–	–
	Representation of women globally ¹¹	38%	39%	–	–
	Representation of women on board	11%	11%	–	–
	Representation of women on executive committee (MPLT team)	17%	17%	–	–
	Representation of minorities among leadership ¹²	42%	42%	–	–
	Members of Kearney’s diversity networks ^{10, 13}	18%	20%	–	–
	Employees completing diversity, discrimination, and/or harassment issues training (% FTEs covered) ¹⁴	100%	100%	100%	Annually
	Training and career management				
	Individual development and career plan (% FTEs covered)	100%	100%	100%	Annually
	Official measures promoting career mobility (% FTEs covered)	100%	100%	100%	Annually
	Performance evaluation (at least 1 per year; % FTEs covered) ¹⁵	100%	100%	100%	Annually
	Provision of skills development training (% FTEs covered)	100%	100%	100%	Annually
	Average hours of training provided per employee (hours)	15.9	15.3	–	–
	Health and safety				
	Health and safety office emergency procedures (% offices covered) ¹⁶	93%	100%	100%	Annually
	Employees receiving health and well-being training materials and comms (% FTEs covered) ¹⁷	100%	100%	100%	Annually
	Healthcare coverage and benefits (% FTEs covered) ¹⁸	100%	100%	100%	Annually
	Social dialogue				
	Employees covered by GES survey (% FTEs covered) ¹⁹	100%	100%	100%	Annually
	Participation rate on GES survey (% FTEs covered)	78%	82%	>80%	Annually

¹⁰ Excludes Korea, interns, contractors, MESOMs, Prokura, Cervello, Teams Design, Silicon Foundry, and Optano.

¹¹ Excludes external board members.

¹² Includes members of the managing partner leadership team who identify as a member of an underrepresented social group as defined by the country of their home office.

¹³ 2022 figures include only members of Women’s Network, Proud, and Black@Kearney. In 2023, our tracking expanded to include all diversity networks (Latino and Hispanic, East Asian, South Asian, Middle East and North Africa, Veteran’s, Family).

¹⁴ Diversity, discrimination, and anti-harassment training is a part of Kearney’s Code of Conduct training and certification.

¹⁵ Exceptions exist for employees on an extended leave of absence and those who have been active in the role for less than four months.

¹⁶ Procedures are office-specific and designed and regulated by individual offices.

¹⁷ Training materials and communications are made available to all employees on our global intranet site, LINK.

¹⁸ We strive to provide benefits packages and programs that are inclusive and valued by our people in every location. As a global firm, we recognize the needs of our colleagues may differ by location due to local legislation and offerings.

¹⁹ Global Engagement Survey (GES) is an employee satisfaction survey open to 100 percent of Kearney employees, including those on leave of absence and excluding temporary contractors and interns.

Source: Kearney analysis

Appendix
Sustainability key data

Topic	Metric and unit	2019 Baseline year	2022	2023	Target	Target year
Our community	Number of social impact activities ²⁰		120	284	Double	2025
	Days of Action (since 2020)		1,350	2,187	1,500	2025
	Number of pro bono projects		7	44	Double	2025
Our planet	GHG emissions – our science-based targets ('000 tCO₂e)					
	Scope 1	1,376	1,173	1,491	–50%	2030
	Scope 2	3,055	337	9	–50%	2030
	Scope 3	57,505	49,741	86,981	–30%	2030
	Scope 3 (business travel)	47,077	30,075	64,242	–30%	2030
	Total (market based) ^{21,22,23,24}	61,936	51,251	88,480	–	–
	Emissions per FTE (tCO ₂ e/FTE)	16.2	9.5	15.1	–	–
	Green offices					
	Total office energy and fuel consumption (GJ)	–	49,852	44,317	–	–
	– Office energy consumption (GJ)	–	37,722	26,425	–	–
	- Office electricity consumption (GJ)	–	24,116	23,175	–	–
	- Office heating and cooling consumption (GJ)	–	13,606	3,250	–	–
	- % renewable electricity	–	100%	100%	100%	2025
	- % renewable total office energy	–	64%	88%	–	–
	– Fuel consumption (GJ) ²⁵	–	12,130	17,893	–	–
	- % renewable fuel consumption	–	0%	0%	–	–
	– Office energy consumption (GJ)	–	48%	52%	–	–
	Water consumption (m ³)	–	30,553	27,083	–	–
	Total waste generated (tons) ²⁶	–	145.8	152.7	–	–
	– Waste diverted from disposal (% of total waste) ^{27,28}	–	42%	48%	–	–
	– Waste directed to disposal (% of total waste) ²⁷	–	58%	52%	–	–
Single-use plastic-free offices (% of offices with initiatives ongoing)	–	86%	87%	100%	2025	
Offices with green mobility policy ²⁹	–	43%	48%	100%	2025	
Offices with green certifications ³⁰	–	49%	37%	100%	2025	

²⁰ Includes pro bono projects.

²¹ In 2023, our baseline 2019 and 2022 emissions were recalculated to align with best-practice methodologies. We have additional emissions in scope 3 category 1: Purchased Goods and Services, to account for our suppliers' footprint. We have also updated our Radiative Forcing Index (RFI) multiplier on our flight emissions to 1.7, aligned with DEFRA's recommendation based on the latest scientific evidence. In line with our GHG recalculation policy, the recalculated 2019 and 2022 emissions is publicly reported in this version of our sustainability report.

²² In 2023, our scope 2 emissions have been adjusted by enhancing the data collection quality of district heating and district cooling. When heating and cooling is performed within the office building and requires any fuel (natural gas), it is included in scope 1, as operational control is assumed. If it is powered with electricity, it is included within scope 2, and has an associated market-based instrument. Due to the limitations of collected data, it was not possible to update this for 2022. This would not impact the sum of scope 1 and 2.

²³ Stated total emissions on scope 3 and scope 3 travel exclude optional emissions of 4,879 tCO₂e from hotels and from employees working from home, in line with GHG protocol. Total scope 3: 93,359 tCO₂e.

²⁴ Kearney follows air travel emission factors from DEFRA. DEFRA's emission factors published in 2023 increased 35 percent for short-haul flights and 51 percent for long-haul flights vs. 2022, due to reduced load factors as a consequence of the COVID-19 pandemic. We expect future DEFRA factors to revert to normal values, reflecting post-pandemic recovery load factors.

²⁵ Includes natural gas from office heating.

²⁶ Total waste is calculated based on submissions by individual offices; for offices that do not submit total waste metrics (x%), an average is applied based on x.

²⁷ Represented as a % of total waste reported to provide more accurate portrait of comparable metric; "total waste generated" metric is based partly on assumptions.

²⁸ All waste "diverted from disposal" is recycled.

²⁹ Includes sustainable travel policies, green car policies, and green mobility policies.

³⁰ Includes LEED and BREEAM certified.

Source: Kearney analysis

Appendix

GHG methodology

Our methodology for calculating our emissions is as follows:

Scope 1

Our scope 1 emissions include all the categories for which Kearney has direct control over the emissions from our activities. This includes fuel from owned or leased company cars, natural gas used in our offices and in our office buildings (stationary combustion), and cooling systems refrigerants (fugitive emissions).

Scope 2

Our scope 2 emissions include all indirect emissions from sources owned or controlled by Kearney. This includes electricity, heating, and cooling of our offices and emissions from our owned data centers. We assume operational control of heating and cooling systems within the building offices. We report both location- and market-based emissions for our electricity consumption.

Scope 3

Our scope 3 emissions include all the emissions activities in our Kearney value chain from assets we do not own or control. As a professional services firm, most of our GHG scope 3 emissions come as a result of air travel, employee commuting, and hotel accommodations while serving our clients. This scope also includes rental cars, taxis, food, rail, Kearney office-related spend and consumables (waste, courier, paper, water), and IT equipment.

Data collection. Most of our business travel-related data is available in our travel and expenses centralized systems at an office level and is reviewed annually. Our office data is collected annually with the support of our office managers, real estate team, and office landlords. We collect data on electricity and utilities usage, waste and disposal methods, couriers, paper and other consumables usage, employee commuting, and cars. For any category where the utility origin or consumption amount is unknown (for example, waste is handled centrally by the building, electricity consumption is split evenly among tenants, or use of refrigerants in cooling is unknown), we use regional averages based on Kearney reporting offices. We work closely with office managers to fill in any gaps in data and improve our data tracking.

Calculation method. For scope 1 and 2, our calculation approach involves totaling the (activity data per category) * (emissions factor) to calculate the tons of CO₂ equivalent. For scope 3, our calculation follows a mix of average data method, spend-based, fuel-based, or distance-based methods, depending on the data available. We add category totals by scope, and we also review categories by Kearney office or FTE as applicable. We use this data internally to measure our impact and develop goals.

We detail below our methodology for capturing the full scale of our scope 1, 2, and 3 emissions. We also include our approach to complete any gaps in our reporting and our plans to gather more accurate and complete data with the help of partners in our supply chain in the years to come.

Scope 1

- **Company-owned cars.** For cars, we aim to track the number of company-owned or leased vehicles and the distance traveled or amount of fuel used. If this information is not available, we extrapolate based on fuel spend or regional averages to determine fuel emissions.
- **Stationary combustion and refrigerants.** With support from our office managers, we collect bottom-up data for every office on fuel consumed to generate electricity and/or heat (mostly natural gas) and use of refrigerants from the use of cooling systems and AC equipment.

Scope 2

Electricity, district heating and cooling. Kearney calculates scope 2 emissions based on collected office data with electricity, heating, and cooling real consumption—including invoices, building fee provided by the landlord when no consumption data was available, and/or extrapolations based on the number of FTEs, spend, and/or office size in square meters—applying local consumption benchmarked averages. The reported market-based figures consider renewable energy contracts in place as well as energy attribute certificates (EACs).

Scope 3

— Purchased goods and services.

— For third-party spend:

- We gather the data of spend per supplier per region across all categories (for example, IT, marketing, insurance, legal).
- Emissions per category are obtained from publicly available sources (US EPA 2021) to calculate the total emissions.
- When available, we have leveraged CDP supply chain to obtain supplier-specific emission factors.
- **Business travel.** This category includes emissions from flights, rail, taxis, rental and private cars, and accommodation. Most travel data is collected from our global centralized systems with expenses and from our travel agency system.
 - **Air travel** – Data on all flights (departure, departure and destination airport, airline, cabin class, and trip ways). We include in our calculations a Radiative Forcing Index (RFI) factor of 1.7, aligned with DEFRA’s 2023 update based on latest scientific evidence. We calculate our flight emissions based on distance and we adjust the emission factors based on flight haul length as per the following definitions:

- **Long-haul flight:** a one-way flight that is greater than or equal to 3,700 km (2,300 miles) in distance

- **Medium-haul flight:** a one-way flight that is greater than or equal to 785 km (488 miles) and less than 3,700 km (2,300 miles) in distance

- **Short-haul flight:** a one-way flight that is less than 785 km (488 miles) in distance

- **Taxi** – Data on spend for taxis has been collected through our expenses global system. A regular taxi was considered to select the appropriate emission factor. WTT emissions were calculated and included for this source.

- **Car rentals** – Data on spend for car rentals was collected. Emission factor was selected based on the car fuel type and a regular petrol-fueled car was assumed when no data was available. WTT emissions were calculated and included for this source.

- **Car mileage and private cars** – Data on local spend for car mileage was collected. Emission factor was based on the selection of an average petrol-fueled car. WTT emissions were calculated and included for this source.

- **Rail** – Data on local spend for train travel was collected. Spend-based emission factors have been used to calculate emissions. WTT emissions were calculated and included for this source.

- **Hotels (accommodation)** – Data on accommodation, number of guest nights, and country of stay was collected for the whole organization. Hotel class was assumed to be 4-star for all, in alignment with Kearney’s 4-star hotel policy. Many teams have programs in place to opt into “going green” at our hotel sites or eating vegetarian during the week. We are considering ways to better capture and reflect these green choices in our emissions calculations. Hotel emissions are not included in our SBTi targets, but we nonetheless measure it annually and consider it in our neutralization strategy.

- **Waste.** Kearney collects bottom-up waste type and waste treatment method data across all offices whenever possible. If the office did not provide any waste volume an extrapolation for landfill municipal solid waste was carried out, based on a global average for tons/headcount.

- **Upstream transportation and distribution.** Data on spend for courier services was reported for all Kearney offices. As this category is deemed to be applicable to all offices, extrapolations for the remaining offices were made based on the average emissions by headcount calculated from Kearney office data, except for those offices where the office manager reported specifically that no transport services were carried out.
- **Employee commuting.** Average commuting distance was either reported by office managers or informed by desktop research. The percentage by type of transport (car, motorbike, train, bicycle, walking, and bus) has been provided by the office managers based on office averages.
- **Work-from-home.** Data on the days working from home (that is, not in the office or at the client's site) of employees was collected for the whole organization, at the office level, and when this data was not provided, a regional average was calculated. The average working days were considered 260. Emissions factors for working from home were selected by region. This scope 3 emission category was not included in our SBTi targets, but we measure it annually and it is considered in our neutralization strategy.

Recalculation policy

Kearney uses 2019 as the base year for its GHG emission calculation. To accurately track progress toward our carbon reduction targets, we will adjust our base year emissions inventory, and any past year emissions data, to account for any significant changes. A significant change is one that drives a cumulative increase/decrease in emissions of greater than 5 percent. Kearney may also choose to recalculate its base year for changes less than 5 percent, especially when significant methodologic or structural changes occur. Baseline adjustments will occur at the end of each financial year if we identify any of the changes described above that have occurred in the reporting period which may require Kearney to recalculate its base year. The recalculated baseline, when applicable, will be publicly reported in the following sustainability report.

Main reasons can be:

- **Structural changes:** changes to organizational boundaries may trigger the adjustment of the baseline and can include acquisitions, divestitures, or mergers. When significant structural changes occur in the middle of a financial year, to ensure that full and accurate data are available, recalculation will be carried out within one year after the structural change has occurred.
- **Methodological changes:** from updated emission factors or other assumptions, improved data access or updated calculation methods or protocols.
- **Data errors:** Kearney will recalculate its emissions should significant errors be discovered with respect to data sourcing, calculation methodologies and/or assumptions, or a number of cumulative errors.

— Timeline and reporting

Updates to 2023 results and reporting

In 2023, our baseline 2019 emissions were recalculated to account for best-practice methodologies. In 2023, we included in our baseline the footprint from our suppliers, complementing our current emissions under scope 3 category 1: Purchased Goods and Services. As stated in our GHG recalculation policy, the recalculated baseline is publicly reported in this sustainability report.

We also adjusted the Radiative Forcing factor on our flights to 1.7, following DEFRA's recommendation based on the latest scientific evidence. As stated in our GHG recalculation policy, the recalculated baseline is publicly reported in this sustainability report.

Appendix

Task Force on Climate-related Financial Disclosures (TCFD)

At Kearney, we report in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. A summary of our approach to climate-related risks and opportunities is included below and structured across the TCFD four core pillars: governance, strategy, risk management, and metrics and targets.

Governance

Kearney's managing partner and MPLT have ultimate responsibility for promoting and implementing sustainability across the firm. This includes regularly reviewing Kearney's sustainability strategy, 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 is responsible for Kearney's own sustainability commitments.

Furthermore, the global director of social impact convenes a steering committee across top leaders at Kearney including our global director of travel, global director of real estate, director of finance, members of the MPLT, global HR leadership, and global marketing who are responsible for implementing a strategy to achieve our science-based emission-reduction targets. We have local social impact and sustainability teams across all offices, which help drive the implementation and local impact with their communities.

Business strategy

At Kearney, we consider climate-related risks and opportunities in our business strategy, and we use our risk assessment to inform our strategy across our products and services, our supply chain, our investments, and our operations.

Risks. Climate-related risks assessment has influenced Kearney's operations strategy and ways of working and allowed quantification of the costs and losses in scenarios where we fail to adapt our operations. None of the risks evaluated were assessed as substantive for reasons outlined below.

Physical risks. Three main mitigation factors reduce the consequence and therefore no physical risk was considered substantive.

1. Kearney does not own assets, with our "assets" being our people and therefore we are better able to quickly respond to physical risks (i.e., we do not have operational sites beyond our offices, nor any physical assets that could be influenced by physical risks such as flooding/earthquakes ultimately disrupting our global operations).
2. Kearney is a global business with diversified revenue streams across regions/sectors. Physical risks are more likely in specific regions of the globe (for example, Thailand or India, which are ranked with higher risk as per Global Climate Risk Index 2021) and our operational model allows us to work remotely, thereby mitigating these specific climate risks and reducing their likelihood. An example of Kearney's resilience to physical risks is the fact that our business revenue grew during the COVID-19 pandemic despite lockdowns.
3. Kearney has a Global Health and Safety team and security procedures in place to ensure safety of our people and business continuity, thereby mitigating these risks/reducing their likelihood.

Transitional risks. Three main mitigation factors reduce the consequence and therefore no transitional risk was considered substantive

1. Kearney operations are not resource-intensive (for example, do not consume large amounts of energy) and we have the flexibility to reduce our client-related travel through the use of virtual collaboration platforms. Therefore, Kearney is resilient to potential transitional risks such as stricter energy regulations and taxes (for example, increased carbon taxes).
2. Kearney is a global business with diversified revenue streams across regions and sectors which means that the likelihood of a transitional risk impacting our global operations is very low, given these transitional risks often occur at a country level (for example, losing the social license to operate in a specific country due to reputational damage).
3. We have committed to science-based targets, from a 2019 base year, to reduce our scope 1 and 2 emissions by 50 percent and scope 3 by 30 percent by 2030. These targets will ultimately reduce Kearney's exposure to risks such as increasing carbon credit prices.

Opportunities. Climate-related risks impact our clients' businesses and accelerate our ambition to become the leading firm in making our clients' sustainability ambitions a reality, which presents a significant opportunity to Kearney. We have been working to embed sustainability in all that we do, across all practices, core offerings, new investments, and communications. We have more than 300 projects annually, working with diverse clients to integrate sustainability into their strategy, operations, and supply chain (please refer to the section "Our business" in this report for more detailed case studies). In addition, we have invested significant resources in research and development to build our sustainability leadership, including our Energy Transition Institute and our Circular Hub, and to expand our partnerships such as the work we do with the World Economic Forum.

Going forward, we will continue to regularly assess the resilience of our strategy against evolving climate-related risks and opportunities and continue to strengthen our approach.

At Kearney, we consider climate-related risks and opportunities in our business strategy.

Risk management

At Kearney, we constantly and regularly monitor and identify potential new risks (more than once a year) and assess them through our climate risk assessment process. We identify, assess, and manage risks across the entire value chain, including direct operations, upstream and downstream stages, different time horizons as defined by Kearney's enterprise risk management framework, and across at least two climate scenarios.

The global sustainability team is responsible to conduct the climate risk assessment. This assessment includes four steps:

1. Identification of all potential risks
2. Assessment of consequence and likelihood across four different consequence types (financial, reputational, compliance, and business interruption) and different time horizons and climate scenarios
3. Risk prioritization based on a matrix of consequence vs. likelihood (this allows Kearney to identify any substantive risk)
4. Discussion over mitigation strategies and actions for each risk

The final assessment of risks and mitigation actions is discussed with Kearney's finance and legal teams to gather their input. After this assessment, the managing partner leadership team (MPLT) authorizes action based on the needs, engaging collaborative teams to react.

The resulting analysis is then integrated into our annual enterprise risk management procedure under the responsibility of Kearney's legal team, with a complete integration with Kearney's enterprise risk management framework. Results of this assessment along with Kearney's transition plan are presented by our CSO, supported by Kearney's social impact and sustainability director, to Kearney's MPLT team at least once per year.

Metrics and targets

Kearney monitors and reports annually on the climate-related metrics and targets.

Metrics. We provide annual updates on climate-related metrics including our scope 1, 2, and 3 GHG emissions and energy and electricity consumption, including renewable energy. For a detailed analysis of these metrics and progress toward our targets, please refer to the section "Our planet" of this report. We also monitor and report on our business performance and growth of our sustainability-related work. In 2023, we worked on more than 300 client projects and with over 100 different clients.

Targets. We have set and approved targets with the Science Based Targets initiative. From a 2019 base year, we committed to reduce our scope 1 and 2 emissions by 50 percent by 2030 and scope 3 emissions by 30 percent by 2030. We have also set the ambitious long-term target of overall carbon emission reduction by 90 percent from the 2019 base year by 2050. These emission reduction targets are in line to meet the goals of the Paris Agreement and in line with the 1.5°C scenario. One of our top priorities is to increase the use of renewable energy in our offices: our goal is to be at 100 percent renewable office energy by 2025. Please refer to the section "Our planet" of this report for further details on our targets and actions.

Appendix

UN Global Compact

In March 2018, Kearney became a signatory of the UN Global Compact, a set of 10 principles covering the areas of human rights, labor, environment, and anti-corruption.

This report serves as our annual Communication on Progress (COP), summarizing our ongoing commitment to the initiative and its 10 principles. In the table on page 88, you can find specific content related to each of the 10 principles.

Appendix
UN Global Compact

Topic	UN Global Compact principle	Page reference	Measurement of outcomes
Human rights	1. Businesses should support and respect the protection of internationally proclaimed human rights and ...	26-31; 37-39	All Kearney employees certify annually that they have read and understood the Kearney Code of Conduct.
	2. ... make sure that they are not complicit in human rights abuses.		Kearney has not been involved in any adverse legal cases, rulings, or other events related to human rights in the period.
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,	26-27; 37-42	All (100 percent) Kearney employees are certified annually on the Kearney Code of Conduct.
	4. the elimination of all forms of forced and compulsory labor,		For 2023, our representation of women across the firm was 39 percent; 11 percent of our board of directors and 17 percent of our managing partner leadership team were women.
	5. the effective abolition of child labor, and		
	6. the elimination of discrimination in respect of employment and occupation.		
Environment	7. Businesses should support a precautionary approach to environmental challenges,	30-31; 53-62	Our sustainability commitments, policies, and performance are audited annually by EcoVadis. Kearney has not been involved in any legal cases, rulings, or other events related to environmental practices in the period.
	8. undertake initiatives to promote greater environmental responsibility, and		
	9. encourage the development and diffusion of environmentally friendly technologies.		We have trained buyers across key departments on the Supplier Code of Conduct, to promote sustainable practices with our suppliers.
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	26-31	<p>All Kearney employees have certified annually that they have read and understood the Kearney Code of Conduct. In 2023, all (100 percent) employees did indeed certify. We have trained buyers across key departments on the Supplier Code of Conduct.</p> <p>Kearney has appointed an external audit company, and its books and accounts are subject to statutory external audit every year. Kearney has not been involved in any legal cases, rulings, or other events related to corruption and bribery in the period.</p>

Source: Kearney analysis

Appendix

Global Reporting Initiative (GRI) content index

The Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) are designed for organizations to report about their impact on the economy, environment, and/or society; to enhance the global comparability on these impacts; and to show contributions toward the goal of sustainable development. Kearney is on a path of continuous improvement toward sustainability reporting in line with best practices.

Kearney has reported the information cited in this GRI index for the period January 1, 2023, to December 31, 2023, with reference to the GRI Standards.

GRI 1 Used: GRI 1 Foundation 2021

Appendix
GRI table

GRI standard	GRI disclosure	Page reference or response
GRI 2: General disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	4, Legal name is A.T. Kearney Holdings Limited.
2-2	Entities included in the organization's sustainability reporting	4, Section "About this report"
2-3	Reporting period, frequency, and contact point	4, Section "About this report"
2-4	Restatements of information	83, Section "Recalculation policy"
2-5	External assurance	4, Section "About this report"
Activities and workers		
2-6	Activities, value chain, and other business relationships	5-8, Section "About Kearney, Our primary industries, Our primary activities" 30-31, Section "Kearney supplier sustainability and diversity program"
2-7	Employees	78-79, Appendix section "Sustainability key data – Our people"
Governance		
2-9	Governance structure and composition	5-6, Section "About Kearney" 78-79, Appendix section "Sustainability key data – Our people"
2-11	Chair of the highest governance body	5-6, Section "About Kearney"
2-12	Role of the highest governance body in overseeing the management of impacts	84-85, Section "TCFD disclosures"
2-14	Role of the highest governance body in sustainability reporting	84-85, Section "TCFD disclosures" 9, Section "Stakeholder engagement and materiality matrix"
2-17	Collective knowledge of the highest governance body	47, Section "Sustainability learning"
Strategy, policies, and practices		
2-22	Statement on sustainable development strategy	2-3, Section "Letter from leadership"
2-25	Processes to remediate negative impacts	28, Section "Grievance mechanisms"
2-26	Mechanisms for seeking advice and raising concerns	28, Section "Grievance mechanisms"
2-28	Membership associations	Highlighted throughout the report. 19-25; 70-75
Stakeholder engagement		
2-29	Approach to stakeholder engagement	9, Section "Stakeholder engagement and materiality assessment"
2-30	Collective bargaining agreements	37-38, Section "Labor and human rights"
GRI 3: Material topics 2021		
3-1	Process to determine material topics	9, Section "Stakeholder engagement and materiality assessment"
3-2	List of material topics	9, Section "Stakeholder engagement and materiality assessment"

Source: Kearney analysis

Appendix
GRI table

GRI standard	GRI disclosure	Page reference or response
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	26, Section "Anti-bribery and corruption"
205-3	Confirmed incidents of corruption and actions taken	26, Section "Anti-bribery and corruption"
GRI 300: Environmental		
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	80, Appendix section "Sustainability key data – Our planet"
GRI 302: Energy 2016		
303-5	Water consumption	80, Appendix section "Sustainability key data – Our planet" 94, Appendix section "World Economic Forum Stakeholder Capitalism Metrics"
GRI 305: Emissions 2016		
305-1	Direct (scope 1) GHG emissions	62, Section "Greenhouse gas emissions"
305-2	Energy indirect (scope 2) GHG emissions	—
305-3	Other indirect (scope 3) GHG emissions	—
305-4	GHG emissions intensity	—
305-5	Reduction of GHG emissions	—
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	58-59, Section "Our actions toward greener offices"
306-2	Management of significant waste-related impacts	58-59, Section "Our actions toward greener offices"
306-3	Waste generated	80, Appendix section "Sustainability key data – Our planet"
306-4	Waste diverted from disposal	80, Appendix section "Sustainability key data – Our planet"
306-5	Waste directed to disposal	80, Appendix section "Sustainability key data – Our planet"
308: Supplier environmental assessment 2016		
308-1	New suppliers that were screened using environmental criteria	30-31, Section "Supplier screenings and assessments"
GRI 400: Social		
GRI 401: Employment 2016		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	33-50, Section "Our people"

Source: Kearney analysis

Appendix
GRI table

GRI standard	GRI disclosure	Page reference or response
GRI 404: Training and education 2016		
404-1	Average hours of training per year per employee	45-46, Section "Global learning" 79, Appendix section "Sustainability key data – Training and career management"
404-2	Programs for upgrading employee skills and transition assistance programs	The Voluntary Transition Program was created to offer consultants an opportunity to receive support from the firm when interested in transitioning out of consulting work. Consultants who have been with the firm for one year or more are eligible for participation. In the program, participants have time to job search and take advantage of internal and external career coaching and networking.
404-3	Percentage of employees receiving regular performance and career development reviews	47, Section "Performance management" 79, Appendix section "Sustainability key data – Training and career management"
GRI 405: Diversity and equal opportunity 2016		
405-1	Diversity of governance bodies and employees	79, Appendix table "Sustainability key data – Our people – Diversity and inclusion"
405-2	Ratio of basic salary and remuneration of women to men	37-38, Section "Labor and human rights"
GRI 405: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	37-38, Section "Labor and human rights"
GRI 413: Local communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	69-75, Section "Our communities"
413-2	Operations with significant actual and potential negative impacts on local communities	26–36, Sub-section "Risk management"
GRI 414: Supplier social assessment 2016		
414-1	New suppliers that were screened using social criteria	30-31, Section "Supplier screenings and assessments"
GRI 418: Customer privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	27, Section "Information security and data privacy"

Source: Kearney analysis

Appendix

World Economic Forum's Stakeholder Capitalism Metrics

	Core metrics and disclosures	Page reference or response
Governance		
Governing purpose	<p>Setting purpose</p> <p>The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders.</p>	2-3; 5-6
Quality of governing body	<p>Governance body composition</p> <p>Composition of the highest governance body and its committees by competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of underrepresented social groups; stakeholder representation.</p>	5-6
Stakeholder engagement	<p>Material issues impacting stakeholders</p> <p>A list of the topics that are material to key stakeholders and the company, how the topics were identified, and how the stakeholders were engaged</p>	9
Ethical behavior	<p>Anti-corruption</p> <ul style="list-style-type: none"> — Total % of governance body members, employees, and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region: <ul style="list-style-type: none"> — Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and — Total number and nature of incidents of corruption confirmed during the current year, related to this year. — Discussion of initiatives and stakeholder engagement to improve broader operating environment and culture, in order to combat corruption. <p>Protected ethics advice and reporting mechanism</p> <p>A description of internal and external mechanisms for:</p> <ul style="list-style-type: none"> — Seeking advice about ethical and lawful behavior and organizational integrity — Reporting concerns about unethical or unlawful behavior and lack of organizational integrity 	26-29; 78
Risk and opportunity oversight	<p>Integrating risk and opportunity into business process</p> <p>Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time, and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship.</p>	26-29; 84-86

Source: Kearney analysis

World Economic Forum's Stakeholder Capitalism Metrics

	Core metrics and disclosures	Page reference or response
Planet		
Climate change	<p>Greenhouse gas (GHG) emissions For all relevant greenhouse gases (for example, carbon dioxide, methane, nitrous oxide, F-gases, and so on), report in metric tons of carbon dioxide equivalent (tCO₂e) GHG Protocol scope 1 and scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol scope 3) emissions where appropriate.</p>	53-62; 80
	<p>TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures. If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement—to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C—and to achieve net-zero emissions before 2050.</p>	84-86
Nature loss	<p>Land use and ecological sensitivity Report the number and area (in hectares) of sites owned, leased, or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).</p>	As a professional services firm, our direct impact on land use and biodiversity is limited given we mostly operate in offices located in urban areas. We recognize the importance of biodiversity and ecosystems conservation, and we are committed to understanding and minimizing any potential impacts as well as to continue contributing to solutions related to nature and biodiversity.
Freshwater availability	<p>Water consumption and withdrawal in water-stressed areas Report for operations where material: megaliters of water withdrawn, megaliters of water consumed, and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct Water Risk Atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</p>	As a professional services firm, our water consumption is driven by our offices. We make every effort to work with our landlords to reduce our water consumption, especially in areas of heightened stress.

World Economic Forum's Stakeholder Capitalism Metrics

	Core metrics and disclosures	Page reference or response
People		
Dignity and equality	<p>Diversity and inclusion¹ (%) Percentage of employees per employee category, by age group, gender, and other indicators of diversity (for example, ethnicity).</p> <p>Pay equality (%) Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.</p> <p>Wage level (%) Ratios of standard entry-level wage by gender compared to local minimum wage. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.</p> <p>Risk for incidents of child, forced, or compulsory labor An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to:</p> <ul style="list-style-type: none"> — type of operation, such as manufacturing plant, and type of supplier — countries or geographic areas with operations and suppliers considered at risk 	<p>By age group: 40% under 30, 37% 30–39, 14% 40–49, 7% 50–59, 2% 60+</p> <p>By gender: 39% women, 61% men. Members in diversity networks: 20%</p> <p>11% of our board of directors and 17% of our managing partner leadership team are women.</p> <p>We fully comply with reporting regulations where required to do so in any country that we operate. On an ongoing basis, the firm reviews comparative pay for gender and other equality areas. We take action where appropriate to ensure that compensation is free from bias and is strongly linked to individual and team performance, only taking into account factors such as experience and tenure. We comply with all minimum wage and gender-based requirements. The nature of our business means that in the vast majority of cases we pay in excess of in-country legal minimums. As a global consulting business, the pay ratio of entry-level staff to that of our managing partner (equivalent to the CEO role) is not the most important metric by which to ensure appropriate pay levels for our staff. We ensure first that our staff are appropriately rewarded, including annual salary reviews that typically result in increases over time. The managing partner has not received a salary increase for many years, and any incentive pay is based on performance and only paid after salaries and performance bonuses have been paid to staff.</p>
Health and well-being	<p>Health and safety (%) The number and rate of fatalities as a result of work-related injury, high-consequence work-related injuries (excluding fatalities), recordable work-related injuries, main types of work-related injury, and the number of hours worked. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.</p>	48-50
Skills for the future	<p>Training provided (#, \$) Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full-time employee (total cost of training provided to employees divided by the number of employees).</p>	45-47; 79

¹ Calculations exclude Cervello, Prokura, OPTANO, interns, and contractors.

Source: Kearney analysis

World Economic Forum's Stakeholder Capitalism Metrics

	Core metrics and disclosures	Page reference or response
Prosperity		
Employment and wealth generation	<p>Absolute number and rate of employment</p> <ul style="list-style-type: none"> — Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. — Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region. 	<p>Rate of new hires by region: 20% Americas 23% APAC 18% Europe 23% MEA Global figures reported on page 25</p> <p>Voluntary attrition by region: 7% Americas 12% APAC 11% Europe 12% MEA Global figures reported on page 25</p>
	<p>Economic contribution²</p> <ul style="list-style-type: none"> — Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization, ideally split out by: <ul style="list-style-type: none"> — Revenues — Operating costs — Employee wages and benefits — Payments to providers of capital — Payments to government — Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period. 	<p>\$1.7 billion</p> <p>Kearney is a private company and does not report financial information on operating costs, employee wages and benefits, payments to providers of capital, and payments to government.</p> <p>More than 350 pro bono projects and social impact initiatives</p>
	<p>Financial investment contribution</p> <ul style="list-style-type: none"> — Total capital expenditures (capex) minus depreciation, supported by narrative to describe the company's investment strategy. — Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders. 	<p>Kearney is a private company and does not report financial information on financial investment contribution.</p>
Innovation of better products and services	<p>Total R&D expenses (\$)</p> <p>Total costs related to research and development.</p>	<p>Kearney is a private company and does not report financial information on R&D expenses.</p>
Community and social vitality	<p>Total tax paid</p> <p>The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.</p>	<p>Kearney is a private company and does not report financial information on tax paid.</p>

² All financial data included in this report is for FY2022. The 2023 financial data will be released later in 2024.

Source: Kearney analysis

Appendix

Assurance statements

Statement of verification

A.T. Kearney, Inc.
227 West Monroe Street
Chicago
Illinois, 60606

04 April 2024

Scope

A.T. Kearney Inc. (henceforth referred to as Kearney) engaged Carbon Footprint Ltd to verify its carbon footprint assessment and supporting evidence for the period **1st January 2023 to 31st December 2023**. Kearney is responsible for the information within the carbon footprint report. The responsibility of Carbon Footprint Ltd is to provide a conclusion as to whether the statements made are in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

Methodology

The verification was led by Zoe Rudge, Senior Environmental Consultant, Carbon Footprint Ltd. Carbon Footprint Ltd completed the review in accordance with the '[ISO 14064 Part 3 \(2019\): Greenhouse Gases: Specification with guidance for the verification and validation of greenhouse gas statements](#)'. The work was undertaken to provide a limited level of assurance with respect to the GHG statements made. Carbon Footprint Ltd believes that the review of the assessment and associated evidence, coupled with this subsequent report, provides a reasonable and fair basis for our conclusion.

The following data was within the scope of the verification (below shows the post-audit results):

Scope	Sources	Total	Unit
1	Natural gas consumption, Refrigerants, Company car travel	1,491	tCO ₂ e
2	Electricity consumption, District cooling, District heating	2,720	tCO ₂ e (location-based)
		9	tCO ₂ e (market-based)
3	Cat. 1. Purchased goods and services Cat. 3. Fuel- and energy related activities (not incl. in Scope 1 or 2) Cat. 5. Waste generated in operation Cat. 6. Business travel (not incl. in scope 1 or 2) Cat. 7. Employee commuting and home working	91,860	tCO ₂ e
Total (Scopes 1, 2 and 3)		96,071	tCO₂e (location-based)
		93,359	tCO₂e (market-based)

Assurance opinion

Based on the results of our verification process, Carbon Footprint Ltd provides limited assurance of the GHG emissions statement, **and found no evidence that the GHG emissions statement:**

- is not materially correct and is not a fair representation of the GHG emissions data and information;
- has not been prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

It is our opinion that Kearney has established appropriate systems for the collection, aggregation, and analysis of quantitative data for determination of GHG emissions for the stated period and boundaries.

Zoe Rudge, BSc (Hons), MSc
Senior Environmental Consultant
Carbon Footprint Ltd

INDEPENDENT ASSURANCE STATEMENT

To the management of Kearney.

Kearney (“Kearney”) engaged CSRWorks International (“CSRWorks”) to provide independent assurance of its Sustainability Report 2023 (“the Report”). The Report covers Kearney’s operations from 1 January 2023 to 31 December 2023. This statement presents our opinion as independent assurance providers.

Kearney’s Responsibility

Kearney was responsible for preparing the Report and collecting, collating, analysing, and presenting all information and data provided in the Report. Kearney’s responsibility included establishing and maintaining internal controls over systems and processes that generate data and information contained in the Report.

OUR RESPONSIBILITY

Our responsibility was to provide independent assurance of this Report according to the terms of reference agreed with Kearney. Our responsibility regarding this assurance engagement is only to the management of Kearney.

ASSURANCE CRITERIA

The assurance engagement was undertaken in accordance with:

- The principles and requirements established in the AA1000 Assurance Standard v3 (AA1000AS v3).

ASSURANCE TYPE

CSRWorks provided Type 2 assurance in accordance with the AA1000AS v3. CSRWorks provided a Moderate level of assurance of the nature and extent of Kearney’s adherence to the AA1000 AccountAbility Principles (2018), and the reliability and quality of the specified sustainability performance information contained in the Report. Evidence gathering was primarily from internal sources and was restricted to management levels.

ASSURANCE SCOPE AND OBJECTIVES

The assurance engagement’s objectives were to:

- Review adherence to the AA1000 AP (2018) Principles of Materiality, Inclusivity, Responsiveness and Impact.
- Review of sustainability policies, programmes and performance data described in the Report.
- Data verification in the Report.
- Verification of the reliability, accuracy and completeness of FY2023 qualitative and quantitative sustainability performance data presented in the Report.
- Review and assess the processes, methods and tools for gathering, analysing and reporting sustainability information provided in the Report.
- Assess the reporting with reference to the GRI Standards.

METHODOLOGY

This engagement was carried out from February to April 2024. CSRWorks adopted a comprehensive approach to carry out the assurance engagement by examining and seeking evidence for disclosure provided in the Report. We also assessed the robustness of the underlying data management processes, focusing on quality controls and data reliability in the Report. To obtain sufficient evidence for us to give a moderate level of assurance and to arrive at conclusions and recommendations, we undertook the following activities:

1. Conducting desk review of the Report draft to assess reporting with reference to the GRI Standards.
2. Developing an engagement plan based on the desk review for verification.
3. Conducting extensive interviews with 16 executives, including Global Human Resource Director, KnowledgeNet Director, Assistant General Counsel, Risk & Compliance Associate, Global Head of Learning, Senior Manager of Global Learning, Director of Global Compensation, Director of Sustainability, Global Director of Social Impact & Sustainability, Junior Sustainability Program Lead, Senior Specialist of Global Performance Management, People Analytics Lead, Digital HR Analyst, Manager and Associate.
4. The interviews focused on reviewing Kearney's policies, principles, strategies, governance, and approaches to managing material issues and Kearney's processes for gathering, compiling, analysing and monitoring performance data.
5. The engagement process, including interviews and the verification of performance data and underlying data management processes and practices, was conducted remotely through virtual platforms.
6. Reviewing and testing random samples of data points, supporting documents and calculations for verifying Kearney's information management systems and processes, focusing on the reliability of data reported according to the requirements of AA1000AS v3. The assessment of data reliability included a review of completeness and accuracy and the methods, practices, and tools used in collecting, collating, analysing, and reporting data and information.

LIMITATIONS

Our assurance engagement and scope of work did not include verification of:

- Financial data other than that related to environmental, social and economic performance.
- Task Force on Climate-related Financial Disclosures (TCFD).
- Greenhouse Gas (GHG) Emissions.
- The adequacy or effectiveness of Kearney's strategy or management of sustainability issues.
- Initiatives under planning and forward-looking statements.
- Content provided by Kearney other than in the Report such as information contained on its website and web links in the Report.
- Any historical data and information presented in the Report for the purpose of comparisons.

COMPETENCIES AND INDEPENDENCE

CSRWorks has the required competencies, experience and skills to conduct assurance engagement. It is a leading provider of sustainability services focused on advisory, training and thought leadership. It has over 18 years of track record in sustainability reporting, integrated reporting, external assurance, ESG assessment and ratings, climate change disclosures and sustainable procurement. CSRWorks applies a strict independence policy and confirms its impartiality in delivering this assurance engagement. CSRWorks was not involved in the development of the Report except for this Assurance Statement. This Assurance Statement represents the independent opinion of CSRWorks.

ADHERENCE TO AA1000 PRINCIPLES

Inclusivity: Kearney understands who its stakeholders are and take their participation in developing the organisation's strategic response to sustainability. The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability. Kearney has extensively engaged with its key stakeholders to understand their expectations and concerns on various material issues. These are evident in the Global Engagement Survey, where the stakeholders' opinions are systematically collected and taken into decision-making process.

Materiality: Kearney has identified a wide range of issues that will influence the decisions and performance of the company and its key stakeholders. Double materiality conducted during the reporting

period involved understanding and internal evaluation of the company's priorities based on its sustainability context. These priorities, determined by Kearney's senior leadership and internal sustainability experts have been broadly discussed throughout the report.

Responsiveness: Kearney strategically responds to stakeholders' expectations and material topics through the company's overall management system. This is evident through the company's key policies, procedures and Kearney's engagement with its clients. Examples include set of policies such as the Equal Employment Opportunity and Sexual Harassment Policy and Labour and Human Rights Policy, and measures responding to and in support for the employees' mental health and overall well-being. Various grievance mechanisms are made available to stakeholders to provide channels including the Global Integrity Helpline and the Global Ombuds Program for them to raise concerns and allow Kearney's response to them.

Impact: Kearney monitors, measures and assesses the company's actions and their outcomes on the economy, the environment and its stakeholders. This is done via a range of processes and indicators such as the Sustainability Key Data and the Office Sustainability Index (OSI) conducted globally to understand Kearney's impact in communities and the environment.

RECOMMENDATIONS FOR IMPROVEMENT

We have submitted a confidential report to Kearney management that contains recommendations for improvement in the future. These recommendations do not affect our conclusions on the Report as stated below.

CONCLUSION

In CSRWorks' opinion, based on the engagement carried out, Kearney's Sustainability Report 2023 provides a fair and reliable account of its material issues, sustainability strategies, management approach and performance. Based on our work, Kearney's Report has met the conditions for adherence to the AA1000 AP (2018) Principles.

On behalf of the assurance team
10 April 2024 | Singapore



Rajesh Chhabara
Managing Director
CSRWorks International Pte Ltd.

CSRWorks



AA1000
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Kearney is a leading global management consulting firm. For nearly 100 years, we have been a trusted advisor to C-suites, government bodies, and nonprofit organizations. Our people make us who we are. Driven to be the difference between a big idea and making it happen, we work alongside our clients to regenerate their businesses to create a future that works for everyone.

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