

Photo by Christopher Pilling
Kearney, Oslo

Kearney Sustainability Report

2022

KEARNEY

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Our commitment

Letter from leadership

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

The world continues to face some of its biggest challenges, and we remain committed to supporting the UN Sustainable Development Goals and the 10 principles of the UN Global Compact. We firmly believe that achieving these goals requires dedicated action from the private sector, governments, and civil society. Building on our strengths in transformation and strategic operations, we strive to become the leading firm in making our clients’ bold sustainability ambitions a reality, alongside driving business growth. We’re proud to work on more than 170 sustainability projects a year with leading organizations across diverse sectors and geographies to tackle their most pressing issues: from ESG transformation and achieving net zero to sustainable and responsible sourcing, circularity, and fostering inclusive and equitable societies. By partnering with our clients and other stakeholders, we can build a sustainable future, together.

Of course, we are also dedicated to becoming a sustainability leader in our own right.

Kearney has committed to a net-zero science-based target by 2050—focusing on deep emissions cuts, removing unavoidable residual emissions, and taking action beyond our value chain. We are 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).

Kearney’s targets are aligned with the 1.5°C pathway and include the following goals:

- **Near-term target:** We commit to reduce absolute scope 1 and 2 GHG emissions by 50 percent by 2030. We also commit to reduce absolute scope 3 GHG emissions from business travel by 30 percent by 2030 and all other absolute scope 3 emissions by 30 percent in the same time frame. 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 also pledge to reach 100 percent renewable energy in our offices by 2025.
- **Long-term target:** We commit to reduce absolute scope 1, 2, and 3 GHG emissions by 90 percent by 2050. We commit to reach net-zero GHG emissions across the value chain by 2050.

We are building on a strong foundation: Kearney became the first carbon-neutral global management consulting firm in 2010 and remains carbon-neutral today. We are committed to continuous improvement and strive for transparency and accountability in measuring and demonstrating our contributions toward a sustainable and equitable future. We include Global Reporting Initiative (GRI) disclosures annually and are reporting on the World Economic Forum Stakeholder Capitalism Metrics for the third year.

Sustainability and social impact are vital for our employees and provide a common purpose between our people and the firm—more than 90 percent of our colleagues around the world say it is important to them. More than 80 percent of our people are aware of or have participated in social impact and sustainability activities in their local offices, according to the 2022 edition of our Office Sustainability Index Survey. We seek to break down the walls separating personal values and the values that make the firm tick to provide work that brings purpose to our people. As such, Kearney is dedicated to creating opportunities for everyone to engage with sustainability through our clients, our local office initiatives, social impact externships, volunteering, and beyond. Social impact and sustainability are not only a core component of our expertise and skill set, but also a central path to a workplace culture inclusive of both joy and justice. I am proud of the snapshot of the work shared in this report.

In 2022, we continued to uphold our commitment to our people. Kearney is building a firm fit for the next generation of leaders who can bring their whole selves to work. We are proud to offer an industry-first opportunity for our junior colleagues to receive non-partner equity-based awards. This is one element of our holistic approach to people care and development that builds a collective sense of ownership beyond partners of the firm. We trained more than 170 colleagues globally in Mental Health First Aid as we launched our Mental Health Ambassador Program to raise awareness, tackle stigma, and encourage more open conversations around mental health and well-being. We are proud of the positive impact our efforts have made to date and their recognition externally, including achieving platinum certification in Mental Health America’s 2022 Bell Seal for Workplace Mental Health, awarded to companies committed to creating mentally healthy work environments. The firm participated in more than 280 social impact activities, including 40 pro bono engagements with organizations that support social and racial justice, and our employees generously volunteered more than 1,350 Days of Action in their communities.

In 2023, 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 2023

Social impact and sustainability are a core component of our expertise and a central path to a workplace culture inclusive of both joy and justice.

About this report

Kearney's annual sustainability report presents an overview of our sustainability and social impact efforts for the 2022 calendar year. This report is our fourth in a series of comprehensive annual sustainability reports—our [Kearney Sustainability Report 2021](#) was published in April 2022.

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 third year and the **Task Force on Climate-related Financial Disclosures (TCFD)** for the second 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 2022, Kearney acquired OPTANO, a leading European provider of AI-powered operations optimization solutions. 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 2022.

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 ([assurance statement](#)). Our sustainability disclosures have been independently verified under AA1000 Assurance Standard ([assurance statement](#)).

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 help our clients break through. 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.

In 2022, Kearney acquired OPTANO, a leading European provider of AI-powered operations optimization solutions. We successfully partnered with OPTANO to serve our clients over the past four years. OPTANO’s leading analytics experts and capabilities will enhance our abilities to optimize supply chains to support clients’ growth, cost, resilience, and sustainability goals with leading-edge AI.

Kearney is a partner-owned firm with 425 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 nine members, including the managing partner and chairman of the board, who are elected by their fellow partners. The board will increase to 11 members in 2023 with the addition of 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. Kearney is committed to mitigating conflicts of interest by, for example, having a committee of 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 MPLT and the Board discuss sustainability at least twice a year, including climate-related issues. Our lead partner for sustainability is part of the MPLT, leading a central sustainability team, and 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 reports to our lead partner for sustainability and is responsible for Kearney’s own sustainability commitments.

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



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

- Analytics
- Digital
- 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)

Our purpose: be the difference

Kearney aims to be the difference for our clients, people, communities, and the planet by pursuing sustainable, positive results in everything we do as established in the principle of “essential rightness.” We seek to fulfill our mission through our clients, partnerships, and our daily work—deploying advanced technology know-how and mobilizing talent and ecosystems to solve social, environmental, and economic challenges.

The role of business in society has evolved. Today’s companies are poised to take more responsibility for solving the challenges facing our world, now and in the future, as consumers step up the pressure on corporations to maintain and evolve higher environmental, social, and governance standards.

At Kearney, we are committed to developing sustainable and profitable solutions for our clients. Recognized as the global leader in strategic operations and transformations, we demonstrate our values through diversity, equity, and inclusion and our mental health and well-being initiatives for our people.

We turn our company purpose into action in three ways:

- Serve **our clients** by integrating purpose into their operations and having the highest enduring impact in each engagement
- Partner with purposeful **organizations** to impact positive change in our communities
- Help **our people** in their own purpose in an inclusive environment

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.

Stakeholder engagement and materiality matrix

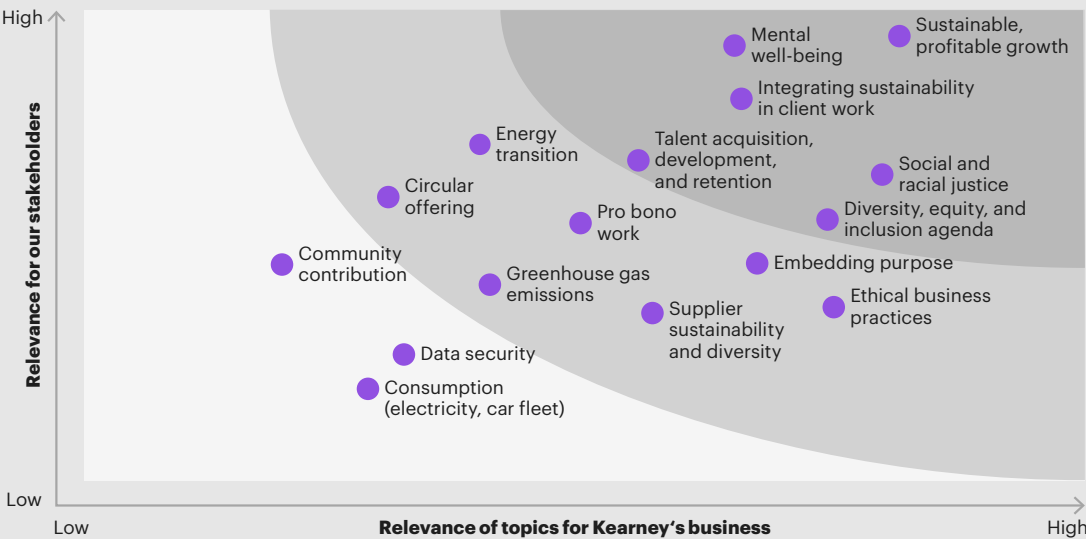
Engaging our stakeholders. At Kearney, our stakeholders include clients, employees, alumni, suppliers, governments, regulators, universities, knowledge institutions, local communities, nonprofits, start-ups, and sustainability ecosystem partners. We regularly collaborate and engage with our stakeholders through consulting projects, industry platforms, events, community initiatives, surveys and research, knowledge platforms, 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. To identify and prioritize the most relevant sustainability topics to our firm and our stakeholders, we have conducted a materiality assessment. The materiality matrix summarizes the key sustainability themes that are relevant for Kearney and our stakeholders (see figure 1). We use the results of this assessment to inform our sustainability strategy and reporting.

We continuously monitor new trends and capture feedback through our various channels, to update whenever necessary our materiality assessment and make sure it keeps reflecting our internal and external stakeholders’ expectations.

Figure 1
We aim to drive a bold agenda that focuses on priorities that have the biggest impact for our business as well as for our stakeholders

Materiality matrix



Note: A materiality matrix is a standard sustainability reporting framework indicating key sustainability themes and their relevance to the firm and stakeholders. Typically, this is developed via extensive stakeholder interviews and surveys.
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



>5,300 people

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

280+

pro bono projects and social impact initiatives 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

38%

 women across the firm in 2022

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.

<div>1</div> <div>NO POVERTY</div> 	<div>Goal 1</div> <div>End poverty in all its forms everywhere</div>	<p>Consulting engagements. We work with diverse businesses, governments, and nonprofits to address global poverty.</p> <p>Swiss charity concert. Since 2011, we have organized an annual concert series where all proceeds are donated to Save the Children.</p>
<div>2</div> <div>ZERO HUNGER</div> 	<div>Goal 2</div> <div>End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</div>	<p>Eco-farm in GCC. In 2022 Kearney supported an eco-farm in the Middle East to assess the feasibility of the overall agricultural and sustainable agritourism expansion business plan.</p> <p>Meals to heal. We partnered with the World Food Programme and launched a global campaign to provide relief following the floods in Pakistan.</p>
<div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> 	<div>Goal 3</div> <div>Ensure healthy lives and promote well-being for all ages</div>	<p>COVID-19 support. We actively collaborated with diverse partners on COVID-19 response and recovery across the world ensuring that more than 10 million PPE materials were distributed.</p> <p>Healthcare in Poland. We have supported a Polish organization in improving check-in and check-out processes in selected hospitals.</p>
<div>4</div> <div>QUALITY EDUCATION</div> 	<div>Goal 4</div> <div>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</div>	<p>Reimagining the future of work and empowering youth. Through our long-lasting partnership with Ashoka, we support NGOs and entrepreneurs.</p> <p>Alexandra Education Committee. We supported a South African nonprofit organization that focuses on providing access to quality education for children from disadvantaged backgrounds to break the cycle of poverty, inequality, and unemployment ultimately.</p>
<div>5</div> <div>GENDER EQUALITY</div> 	<div>Goal 5</div> <div>Achieve gender equality and empower all women and girls</div>	<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 workplaces of the future.</p> <p>Women empowerment. Kearney led an engagement to support a premier women's nonprofit in the GCC. The organization has been an advocate for women throughout the past 50 years.</p>
<div>6</div> <div>CLEAN WATER AND SANITATION</div> 	<div>Goal 6</div> <div>Ensure availability and sustainable management of water and sanitation for all</div>	<p>Tackling water scarcity. We led an assessment of water scarcity and governance across 200+ sites for a leading global life sciences company and developed a comprehensive water strategy and implementation road map.</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>
<div>7</div> <div>AFFORDABLE AND CLEAN ENERGY</div> 	<div>Goal 7</div> <div>Ensure access to affordable, reliable, sustainable, and modern energy for all</div>	<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>
<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> 	<div>Goal 8</div> <div>Promote sustained, inclusive, and sustainable economic growth, productive employment, and decent work for all</div>	<p>A New Way of Life. We help to scale the impact of this organization aimed at helping formerly incarcerated mothers reintegrate into the workforce in the United States with housing and resource support.</p> <p>Job creation. Kearney teamed up with Harambee (a youth employment accelerator in South Africa) to create and uplift more than 60 CVs to ensure 60 young individuals put their best foot forward when entering the job market.</p>
<div>9</div> <div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> 	<div>Goal 9</div> <div>Build infrastructure, promote inclusive and sustainable industrialization, and foster innovation</div>	<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>Goal 10</p> <p>Reduce inequality within and among countries</p>	<p>Hatch empower minority founders. Kearney London helped Hatch Enterprise, a nonprofit ecosystem builder, organize a demo day focusing on founders from underrepresented backgrounds.</p>
	<p>Goal 11</p> <p>Make cities and human settlements inclusive, safe, resilient, and sustainable</p>	<p>Circularity strategy for an industrial city. We helped develop a strong and compelling circular strategy for the industrial region of a city in the GCC region.</p> <p>Eureciclo. We supported a digital organization in the recycling ecosystem in Brazil.</p>
	<p>Goal 12</p> <p>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>Circular Hub. We launched Kearney’s Circular Hub, where we bundle all our expertise, tools, and offerings to help our clients tackle resource scarcity and eliminate end-of-life waste to accelerate the transition toward a circular economy.</p>
	<p>Goal 13</p> <p>Take urgent action to combat climate change and its impacts</p>	<p>Net zero. Kearney has committed to net-zero science-based targets. We commit to ambitious near- and long-term targets aligned with the Science Based Targets initiative’s (SBTi) Corporate Net Zero Standard. We pledge to reach 100 percent renewable energy in our offices by 2025.</p> <p>The economic costs of climate change. We published research on the impacts of climate change across industries, including scenarios and the urgency around action by business leaders.</p>
	<p>Goal 14</p> <p>Conserve and sustainably use the oceans, seas, and marine resources for sustainable development</p>	<p>Water and energy challenge. We published research on the state of freshwater resources and how to address stressors on this resource at a local level.</p>
	<p>Goal 15</p> <p>Protect, restore, and promote the sustainable use of terrestrial ecosystems, halt land degradation, and halt biodiversity loss</p>	<p>Sustainable food supply chains. We supported clients in their work on building better traceability and resilience in their sourcing and partnerships, including seafood, beef, and other major emitter categories.</p> <p>Biodiversity in carbon neutrality projects. We increase our focus this year on projects that help halt biodiversity loss and restore terrestrial ecosystems in the carbon-offsetting projects that we support.</p>
	<p>Goal 16</p> <p>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>Our offices logged more than 1,350 Days of Action to pursue social and racial justice, inclusion, and equity work.</p>
	<p>Goal 17</p> <p>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 170 sustainability 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.

End-to-end ESG strategy and operationalization

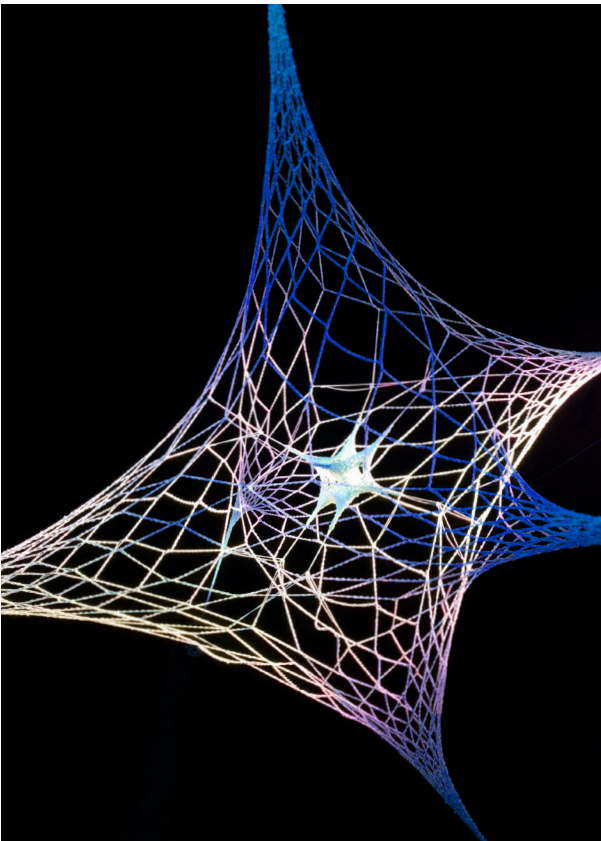
During 2022 we helped Coca-Cola FEMSA (KOF), the largest Coca-Cola franchise bottler in the world by sales volume, to update, strengthen, and operationalize its ESG strategy. Throughout this joint effort, we operated under a vision of securing KOF as a world leader in sustainability, setting “best-in-class” ambitions across ESG pillars, and collaborating with key stakeholders, both internal and external, to drive engagement.

This transformation work went beyond establishing ESG ambitions to delivering an end-to-end operationalization based on road maps, processes, metrics, trainings, and communications that will enable KOF to jumpstart its sustainable actions, continue to place sustainability at the heart of its organization, and materialize its vision.



“We are very satisfied with the partnership with Kearney, which went beyond the strategy setting into actual pressure testing business, operational, and financial implications, needs, and opportunities that ESG brings to the future of KOF.”

— Luis Dario Ochoa, Sustainability Director



Circularity strategy for an industrial city

An ambitious greenfield futuristic city in GCC wanted to build the “world’s first circular economy at scale.” However, it wasn’t clear how to get there. We helped develop a strong and compelling circular strategy for the industrial region of this city. The project provided concrete circularity initiatives that put our strategy into action and an implementation road map that ensured steady progress on the region’s circularity agenda. We also kickstarted select initiatives as part of this project and provided a dedicated circularity governance structure to help keep up momentum on strategy implementation.

A key initiative to enable the circularity road map was employee trainings on the topic. We developed a series of trainings to help empower client teams across various departments to implement the circularity road map and realize ambitions. We worked collaboratively with the client to identify concrete training needs and developed a range of high-value trainings for each team while using international best practices and ensuring links to the client’s ambitions and daily work. To secure long-term impact, we developed the concept for a three-year learning journey to ensure continuous upskilling and provided ready-to-use materials.

National road map for UN Sustainable Development Goals

What does it take to leapfrog a country’s performance on Sustainable Development Goals? Our client, a major GCC country, had faced a substantial drop in its global ranking in the UN Sustainable Development Goals (SDG) Index over the past few years. Kearney helped the federal government of the country in developing a national SDG road map to enhance the country’s performance on the SDG Index and contribute to national policymaking on sustainability. The road map provided more than 140 actionable recommendations covering policies, strategies, and studies to accelerate progress across all SDGs. It also provided targeted initiatives for the enabling ecosystem, covering topics such as communication, capacity building, technology and innovation, and financing for sustainable development.

Climate impact strategy for a grocery retailer

Kearney supported one of Australia’s largest grocery retailers in defining a “sustainable strategy” and a 10-point climate action plan to address the impact of climate change on its business over the next decade.

Throughout a series of interactive workshops across the executive leadership team, Board, and GMs, we were able to drive alignment across the business to create a common understanding of the impact of climate change and mobilize the organization.

Additionally, through forced choice modeling and primary consumer research, we helped the retailer identify concepts and propositions to influence the consumer to make more sustainable choices at a store as well as shelf edge level while creating significant uplift in revenue.

Strategy for Turkey cancer foundation

Kearney led an engagement to support a nonprofit, KAÇUV, operating in Turkey. The organization has provided support services to children diagnosed with cancer and their families during and post treatment since 2000.

Based on the organization’s ambitions, our team aided the nonprofit in developing a five-year strategy and redesigned its organization to achieve the defined strategic targets. We also worked together to develop fundraising targets and a detailed implementation road map.

Eco-farm in GCC

Kearney led an engagement to support an eco-farm that aims to become a key player in the production of organic produce and increase the agritourism offering. The farm has plans to expand its agricultural production using organic regenerative technology and enhance its offerings such as wellness, experimental activities, and unique accommodation.

Our team helped the farm to assess the feasibility of the overall agricultural and sustainable agritourism expansion business plan, identify potential options for investors, develop a financial sustainability model, and prepare presentations for potential investors in GCC to help the eco-farm raise about \$15 million from potential investors.



Rapid outside-in ESG assessment: unlocking sustainability impact at the C-level

As companies set ambitious objectives to improve their ESG performance, clients need our help in driving tangible impact while generating financial value. To facilitate CXO conversations with meaningful financial and ESG insights, Kearney has built a rapid outside-in ESG assessment tool.

Key components:

- Assessment vs. peer companies on disclosed ESG goals
- Evaluation of current progress vs. target
- Review of disclosed, forward-looking ESG road map
- Practical and actionable recommendations to get to best practice

The tool brings in Kearney’s expertise in operations and strategic transformation to help clients across industries realize their ESG ambitions. The tool is run alongside the online value diagnostic tool (OVDT) with every executive agenda we create.



Kearney’s scope 3 decarbonization

Today, businesses and organizations are increasingly prioritizing decarbonization as a key focus area alongside inflation and supply chain risk mitigation. Many CPOs have scope 3 emissions reductions as a key priority in their agendas. Kearney’s scope 3 decarbonization offerings work at this perfect intersection of decarbonization and procurement.

Our scope 3 decarbonization offerings include:

- **Assess maturity.** Framework to assess a client’s maturity in its decarbonization journey and gap analysis with best-in-class peers
- **Measure and set targets.** Tools to measure scope 3 emissions and support in setting short- and long-term targets
- **Strategize and implement.** Ready-to-deploy tested and tried decarbonization levers with life cycle assessment-based scenario analysis and quantification of impacts

Kearney brings deep expertise in building carbon cubes and life cycle assessment (LCA) models, and translating these outputs into actionable plans for our clients. These solutions have been implemented across multiple industries including consumer goods, semiconductors, automotive, and pharmaceuticals.

We also create an impact with our thought leadership

Kearney Sustainability Chessboard

Published in the summer of 2022, 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.

Kearney Sustainability in Action Summit

On Thursday April 21, Kearney hosted the virtual 2022 Sustainability in Action Summit. Spanning different markets and time zones, this global summit convened senior executives, policymakers, regulators, and thought leaders from global institutions to share their insights on tackling the climate change crisis and scaling sustainable business, such as:

- Is your business set up for sustainability success?
- Why net-zero global value chains are vital for long-term supply chain resilience
- How sustainability is reshaping jobs and the future of work

Just as the advent of the Internet changed our communication systems beyond recognition, the move toward a more sustainable future is poised to disrupt traditional industries with new strategies, new entrants, new business models, and, importantly, new risks. A systemic shift on this scale won’t happen overnight, nor will it happen without the support of robust working partnerships between the public sector and business leaders. But it must happen—and swiftly.

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 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 a select number of organizations, Kearney supports the World Economic 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.

World Economic Forum’s Scale360° program

Creating a more circular economy requires change—from consumers, businesses, and governments. Scale360° aims to do this by addressing local barriers standing in the way of a more circular economy.

In collaboration with the Circular Valley, Kearney supported the World Economic Forum in developing a Scale360° program in Germany. The program focused on the electronics sector and culminated in the Prolong Electronics Campaign. The digital campaign focused on informing and educating on the rationale behind increasing the lifespan of electronic devices and appliances and included a video, social media posts, a landing page with more information, and a competition. The campaign ran for two weeks in January 2022 and racked up more than half a million video views and more than 15,000 interactions and was featured alongside a post by Ellen MacArthur.

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 2021 Council Perspective on the economic costs of climate change, the Council released the research report entitled, “Can adopting leading ESG practices enhance corporate value?” in late 2022. Further, the 2022 CEO Retreat in Singapore featured sessions dedicated to exploring issues of ESG, the energy transition, and corporate leadership in sustainability. The Council will continue to explore these pressing issues in 2023 and beyond. Companies that use effective strategic foresight 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 Consumers Beyond Waste

The growing waste crisis is jeopardizing our planet, our people, and our economies. There is an urgent need to drive a systemic shift away from single-use toward reuse models of consumption as an integral part of the reduce–reuse–recycle agenda. We cannot rely upon recycling alone to solve the plastic waste crisis—reusable packaging, designed to be used several times, is required to help reduce total virgin material consumption, emissions, and waste generation by keeping resources in circulation.

As reuse momentum grows, both private and public sector players strive to further understand where reuse offers the greatest potential to deliver economic, environmental, and consumer benefits. Since 2019, Kearney has collaborated with the World Economic Forum's Consumers Beyond Waste (CBW) initiative, which brings together leading private, public, and civil society sector actors committed to reuse. We started by developing a pioneering Reuse Viability Framework to address the questions that business leaders and public sector decision-makers have raised about reuse (namely, how to make reuse scalable and viable), followed by the publication of "Reuse Viability Frameworks and Community Guidelines" to accelerate the shift toward reusable consumption models.



In 2022, CBW and Kearney brought together a coalition of leading private and public stakeholders across the consumer goods and retail value chain to build a comprehensive measurement and reporting framework for businesses to track progress toward reusable models of consumption. Measurement and reporting remains a barrier to scale reuse models of consumption, with organizations still operating in silos and using different reuse metrics and calculation methodologies. Standardized and tested metrics to track progress on reuse are critical for companies to fully understand the economic, consumer, and environmental benefits of reusable business models. This collaboration resulted in the selection of priority reuse metrics to test during 2023, and in the co-creation of a comprehensive testing strategy for consumer goods and retail stakeholders to test metrics in "real-world settings" across a subset of product categories and markets. This coalition expects that both measurement and reporting lessons learned through testing in 2023 will directly inform both the EU's Packaging and Packaging Waste Regulation (PPWR) and the UN's Global Plastics Treaty.

"Plastic waste remains a major challenge for the consumption landscape with less than 10 percent of plastic being recycled. There is also greater awareness that recycling alone cannot solve the huge challenge and that other innovative solutions are needed across the dimensions of reduce and reuse. I am delighted to be partnering with Kearney to address the complex challenge of eliminating plastic waste by driving system-wide change that will require new patterns of consumption among consumers, the transformation of end-to-end value chains, and engagement of the public sector."

— **Zara Ingilizian, Head of Shaping the Future of Consumption; Member of the Executive Committee at the World Economic Forum**

PERLab: Kearney's center for product design and innovation

All innovation and business goals should be at least a little bit uncomfortable—and this is especially true in the realm of sustainability. The fact is, no single company has sustainability all figured out, and all that means is there's plenty of room for leadership and impact.

That's why Kearney's PERLab thinks about the intersection of sustainability and product design in ways that go far beyond being compliant or curbside recyclable. It could mean making a product that evolves as its user does. It could mean using materials and designs that allow the product to be repaired, refurbished, or reengineered. Or it could be organization-wide transformation by evolving current business models.

We are currently working with a global technology company, helping them achieve their scope 3 goals by taking an end-to-end approach to identify emissions reduction levers—from product design to new business models and supplier-customer collaboration.

Our experience proves there are remarkable advantages to making sustainability permeate every step of product design and the value chain. It's about making strategic choices that can lower costs, open new revenue streams, attract exceptional talent, and grow customer loyalty.

We look at sustainability as future-proofing your business model—and as your differentiator. It's essential in helping our clients make the products that customers fall in love with.



Kearney’s Circular Hub

Kearney’s Circular Hub—shaped from client projects and internal sustainability efforts—won the popular vote at Kearney’s Global Innovators Days. We bundle our expertise, tools, and offerings to help our clients tackle resource scarcity and eliminate end-of-life waste to accelerate the transition toward a circular economy.

The Circular Hub is structured around four dimensions:

- **Assess.** Support companies by assessing their current state and gaps of circularity. For example, with our circular leader survey, we interviewed 150 companies to analyze what differentiates circularity leaders from companies that are yet to reap benefits.
- **Design.** Jointly test and develop circular products and offerings. For example, in cooperation with Kearney’s PERLab, we redesign products and packaging with sustainability in mind.
- **Build.** Pilot and scale up circular business models. For example, we utilize the Circular Valley Accelerator that connects circular innovators with corporations.
- **Transform.** Teach core circular principles and transform the organization’s mindset from linear to circular.



Kearney supports 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:

1. There are more than 300 companies from all industries, from global market leaders to hidden champions.
2. There are numerous established and young companies in the circular economy.
3. It is a globally unique scientific landscape in terms of materials and material flows.
4. It is a cosmopolitan region, attractive for people from all over the world.
5. 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 supports the development of the region toward a Circular Valley® with an accelerator for circular economy topics that will attract talent to work with companies from the region and beyond.

Circular Valley

Since 2021, Circular Valley® has worked with more than 70 start-ups across four batches in its Circular Economy Accelerator program.

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 each year 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 2022, 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 GDPR 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. Additionally, the firm conducts a comprehensive risk assessment annually and presents findings from the assessment to the appropriate Board committee annually. 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 well as 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 2021, we had no cybersecurity incidents resulting in a data breach or loss event in 2022.

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 a 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.

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 **Silver in June 2022 (91st 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 2022 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.

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

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 15 percent of our active contacted suppliers have completed these disclosures and confirmed acknowledgment of our Supplier Code of Conduct. As of 2022, Kearney has more than 7,000 active suppliers.

In 2022, 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 2022, 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 60 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 A 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 25 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. More than 80 percent of our people are aware of or have participated in social impact and sustainability activities in their local offices. 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 2022, the firm dedicated time to support more than 280 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 2022, our new hire rate globally was 33 percent, and voluntary attrition stood at 17 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 Joy@Work
- 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

Ninety-three percent of our people globally say that social impact and sustainability are important to them.



Joy@Work

Our firm has been studying joy at work since 2019. And now, more than ever, we at Kearney want to cultivate more joy at work.

Our research has found three major difference makers:

First, people. Finding a way to foster social connection at work is a primary way to keep the forward force of joy.

Second, praise. We all want to be acknowledged for our efforts, contributions, and successes. Leaders who are generous and specific with their praise build more joyful teams.

Finally, the big one: purpose. When we understand our organization's purpose and our very specific role in that broader purpose, we can unlock new motivation, satisfaction, and joy.

In 2022, the Joy@Work podcast continued to explore the idea of joy in the workplace, focusing specifically of the [joy of innovation](#). We heard from innovators around the world, taking risks, pushing boundaries, and tackling best challenges.

Building on the inspirational conversations from the four seasons of the podcast, Alex Liu published [Joy Works: Empowering Teams in the New Era of Work](#). Driven by the question "Why would we settle for anything less than joy at work?," the book explores how to successfully create a more engaging and productive workspace, whether virtual, hybrid, or in-person. Featuring insights from 19 leaders and how they incorporate joy at work, it is an essential handbook for those looking to shift corporate cultures and create an atmosphere centered around meaning.

What social impact teams do

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 reducing utilities consumption, recycling, and purchasing sustainable products and services.

3
Raise awareness, promote sustainable trainings, encourage action, and track and communicate impact.



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

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.

“This externship was enriching both professionally and personally as it allowed me to put my consulting skills at the service of an impactful cause while gaining knowledge on food sustainability challenges.”

— Capucine Van Heems, Kearney Associate

Capucine Van Heems, Scholars of Sustenance

Capucine Van Heems, an associate from our Paris office, did her externship at Scholars of Sustenance, an international food rescue foundation fighting against food waste and malnutrition in Thailand, Indonesia, and Philippines.

Capucine helped to structure the fast-growing Indonesian subsidiary, resulting in economic viability for the organization. By the end of her externship, Capucine had supported the NGO in designing a clear fundraising strategy, reorganizing its fundraising department (including recruitment and training of local staff), and building a road map to help it reach its 2023 financial targets.

“By collecting surplus food from hotels and restaurants and redistributing it to communities in need, Scholars of Sustenance tackles the growing hunger and waste issues in Indonesia. I would like to thank again Kearney’s sustainability team for their continuous help at all stages of this project.”

— Capucine Van Heems, Kearney Associate



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 \$250,000 to 20 projects driving positive impact across all of the regions in which we work. We look forward to continuing the momentum in 2023.

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

Hatch empower minority founders

Last year, Kearney London held its first demo day, focusing on founders from underrepresented backgrounds. The initiative was part of a wider partnership with Hatch Enterprise, a nonprofit ecosystem builder.

The day consisted of a pitch competition for non-equity grants and a panel discussion with leading early-stage VCs in Europe (combined AUM of more than £250 million, two being MBEs). There was a fantastic turnout to the event with more than 60 participants consisting of VCs, founders, and other key stakeholders.

Kearney awarded £5,000 of non-equity grants, facilitated networking for minority founders, and promoted their businesses, all of which drove social impact through racial equality and sustainability.

“This day has given me the courage to start raising funding for my business. I had never met investors that looked like me and that would understand my business, so I’m very glad I came!”

— Founder, Participant at Hatch

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 Labour Organisation (ILO) Core Conventions.

Our new **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 and non-partner equity-based awards available beginning at the consulting manager level. We fully comply with reporting regulations where required to do so in any country that we operate. As part of our annual compensation review processes, we review 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.

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.

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.

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, discipline, and provide other conditions of employment without regard to a person’s race, color, religion, gender, gender identity, age, national origin, sexual orientation, veteran status, marital status, or disability. 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.

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

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.

Diversity, equity, and inclusion are core to our work

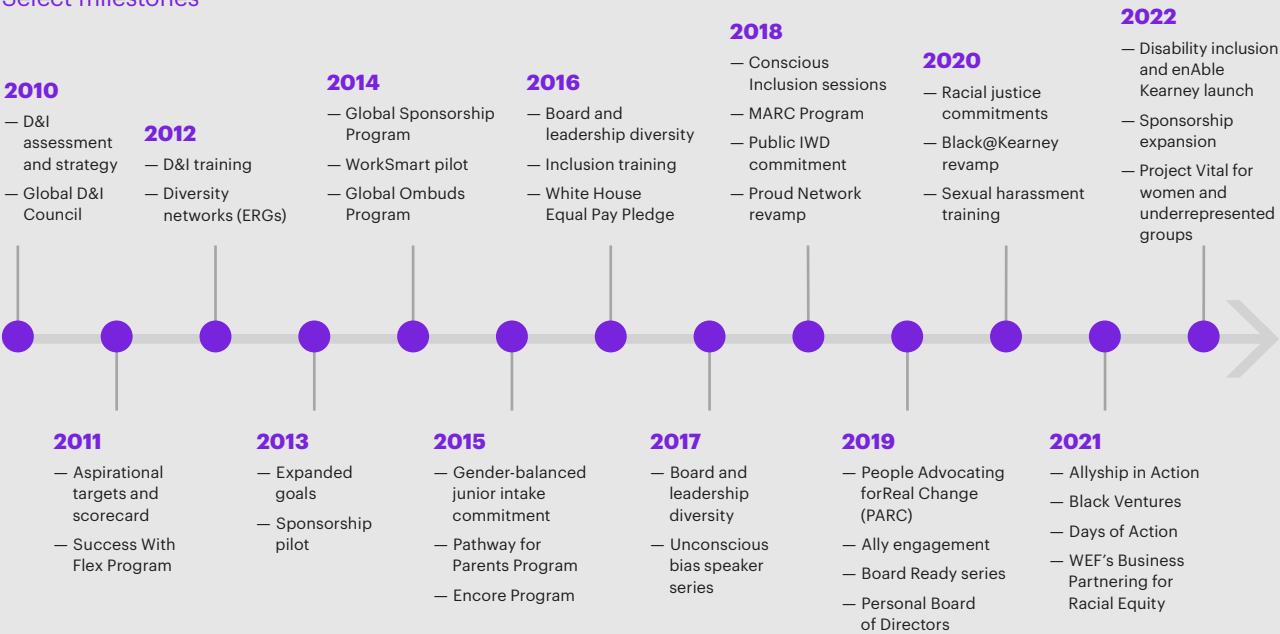
Our founding principle of essential rightness, together with our core values, has become integral to who we are as a firm and is implicit in the way that we approach diversity, equity, and inclusion (see figure 2).

We recognize that to make a difference, we must commit to **be the difference**. To achieve a sense of belonging and fairness for all, we have been focusing on four themes:

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

Figure 2
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

Kearney is an equal opportunity employer and is committed to nurturing a diverse, equitable, and inclusive workforce by providing specific benefits, learning programs, career development, and progression support for our employees.

Our overall representation of women is at 38 percent. Eleven percent of our Board of Directors and 18 percent of our Managing Partner Leadership Team are women. Forty-two percent of our Managing Partner Leadership Team identifies as a member of an underrepresented social group, as defined by the country of their home office. The number of our US-based leaders who identify as Black has, once again, increased.

Our newly formed diversity network, enAble Kearney, focuses on disability awareness and inclusion. In parallel, we continue to strengthen our culture with established [diversity networks](#), including Black@Kearney, Proud, and Women's networks—all active globally—and our East Asian and South Asian networks; Gender, Alliance, and Inclusion Network (GAIN) in Europe; Latino and Hispanic Network; Middle East and North African Network; and Veterans Network—all active regionally. They provide a space for our people to discuss and celebrate their unique backgrounds and identities. Our employees are active members or allies in our diversity networks at the local level and globally, and in 2023, we commit to improving our central tracking of employee engagement in these networks. 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 senior leaders and for all of our employees that aim to increase awareness of allyship and interrupt biases and foster a sense of belonging in our workforce.

- Belonging at Kearney builds awareness of how systemic advantage impacts behavior and relationships across the diversity spectrum (for example, gender, race, ethnicity, or sexual orientation). We continued with Allyship in Action, which sees our people commit to ongoing learning and to being strong allies, taking courageous action to create a more equitable and inclusive workplace. In 2022 we had more than 700 participants in 23 sessions globally.

- Conscious inclusion training raises awareness of what unconscious bias is, its impact, why it happens, and how to recognize and interrupt it to build an inclusive and equitable work environment.
- 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 Statement for Transgender Equality. This is part of the firm's efforts to ensure our transgender and non-binary colleagues are respected in business and in law. Kearney has also signed the CEO Letter on Disability Inclusion, committing to benchmarking our disability inclusion journey with the Disability Equality Index.
- 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.

We continue to research and report on diversity initiatives. In 2022, we collaborated with UN Women UK, interviewing senior DEI representatives from 22 cross-industry private sector organizations and surveying more than 1,400 respondents primarily in Europe and North America, to uncover how employers can protect decades of progress on women's rights and gender equity, build back better for women, and create the workplaces of the future.

We have been recognized for our supportive and collegial culture, inclusive programs and networks, and diverse talent. We are included again in the Human Rights Campaign's Corporate Equality Index, the Global Inclusion Index (2021), the Global Diversity List (2021), the Diversity Leaders in Europe (2022), and on the list of Top 100 Companies for Working Families (2021), plus many others. In addition, in 2022, we received an Employer of Choice for Gender Equality citation from Australia's Workplace Gender Equality Agency (WGEA).

Social and racial justice

Since 2020, as we worked with our own people, our clients, and our communities on the topics of social and racial justice, we have committed to support nine important initiatives (see figure 3).

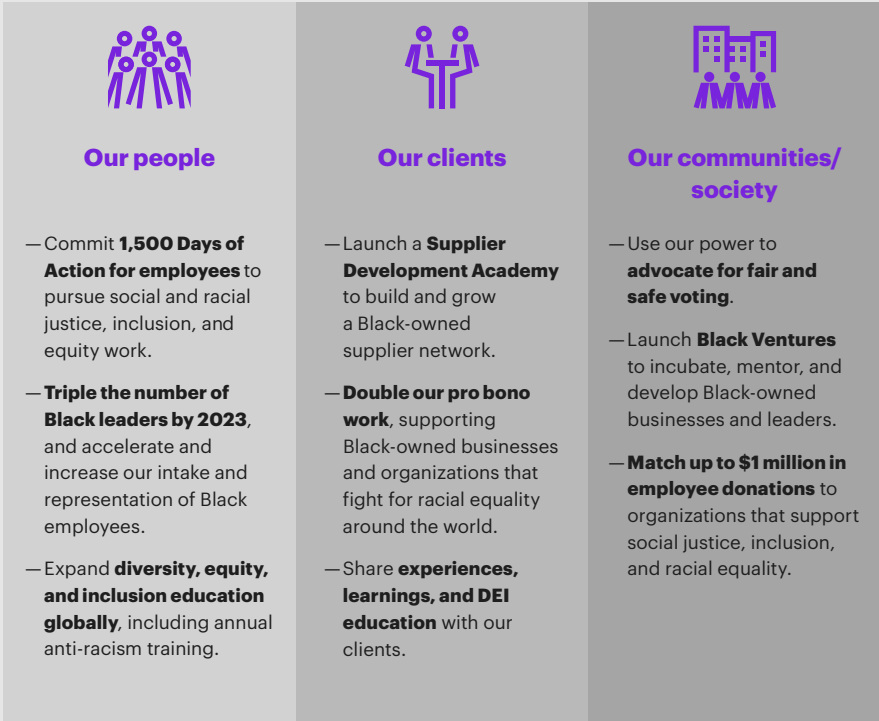
In terms of our people, our Kearney employees have completed more than 1,350 Days of Action to pursue social and racial justice, inclusion, and equity work. Our employees in the United States have volunteered on Martin Luther King Jr. Day. We have contributed \$0.8 million in donations and matched funding to impact organizations. In the Americas, we have accelerated intake and representation of Black employees. We have also launched our Allyship in Action program across all regions.

We are also working with our clients and other stakeholders in the community. We are actively working with clients to promote supplier diversity with their tier 1 and tier 2 suppliers, including reviewing procurement practices and policies, internal and external collaboration, setting clear goals and targets, and supporting training and communication. We partner with the National Minority Supplier Development Council to advance economic equity together. We have also collaborated on pro bono projects with BUILD, Black Thrive, and other organizations dedicated to social and racial equality.

Our newly established Fair and Safe Voting initiative promoted education, access, and participation campaigns in 2020 and 2021, and we continued to expand on these in 2022. We partnered with Business for America to facilitate action for fair and safe voting by raising public awareness of states’ election needs through data visualization on a county-by-county basis. In 2022, we continued driving awareness through communication, activities, and events.

Figure 3
At Kearney, we recognize that to make a difference, we must commit to be the difference we want to see

We have not done enough; we will do better.
As we work with our own people, our clients, and our communities on the topic of social and racial justice, we will support nine initiatives:



Source: Kearney analysis

Women's nonprofit in GCC

As part of our commitment to women's empowerment, Kearney led an engagement to support a premier women's nonprofit in the GCC. The organization has been an advocate for women throughout the past 50 years.

Our team helped the nonprofit devise a fundraising strategy and detailed plan that will ensure it is financially sustainable for years to come. We followed the collaboration approach with the nonprofit team and co-developed the fundraising strategy. We also worked together to design the operating model and communication implications, which will enable them to continue to positively impact women's lives.

UN Women UK x Kearney: build back better for women

In 2022, Kearney and UN Women UK entered a research collaboration, interviewing senior DEI representatives from 22 cross-industry private sector organizations and surveying 1,408 respondents primarily in Europe and North America, to uncover how employers can protect decades of progress on women's rights and gender equity, build back better for women, and create the workplaces of the future.

We co-authored and published a report, identifying three key ways in which organizations can adapt their gender DEI practices to address the current climate:

- **Build solid DEI foundations** where leaders connect DEI with organizational purpose and embed real accountability for progress, linked to financial reward.
- **Develop the future workforce of women** by prioritizing future skills needs and building better-rounded development programs, sharing opportunities in a transparent manner, and embracing an outside-in perspective.
- **Cultivate D, E, and I in the distance economy** by understanding the evolving needs and then expanding organizational duty of care to cater—in a gender-neutral way—for the new challenges hybrid working poses for women employees.



To bring our research findings to our client network, we also co-hosted a report launch event at our London office in October, inviting women leaders Zahra Bahrololoumi (Salesforce), Jeni Mundy (Visa), Karin Hagen-Gierer (former Sanofi), and Rebecca Oldfield (Infineum) for an insight-rich evening of conversations on how women can rejoin, remain in, and thrive in the workplace. We received amazing feedback from more than 60 external attendees (including from Amazon, Equinor, MDS, Maersk, Infineum, and Visa), with many expressing interest in beginning to explore and partner with Kearney on DEI topics.

Women’s Forum for the Economy & Society

Since its inception in 2005, the Women’s Forum, a Publicis Groupe company, has been a leading international platform for transforming women’s voices and perspectives into forward-thinking economic and policy initiatives for positive societal change.

Kearney has partnered with the Women’s Forum as a member of Women4Business Daring Circle, which educates stakeholders across the value chain about the value of supplier diversity and develops tools to help companies advance their practices. In collaboration with the Women4Business Daring Circle members, we developed the Inclusive Sourcing Journey (ISJ), which helps organizations understand their level of maturity in diversifying their supply chain and proposes steps to improve inclusivity through responsive procurement practices.

As part of our 2022 efforts, we took action to operationalize the toolkit through a workshop with our Daring Circle partner P&G and the Women’s Forum editorial partner Kite Insights. We worked directly with a few select P&G suppliers to develop tailored recommendations to support progress in their own inclusive sourcing journeys and equipped them to build action plans to advance their supply chain diversity agenda.



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

Global learning

Kearney has a rich history of delivering award-winning in-person learning programs, many of which are multi-day immersive experiences. While the COVID-19 pandemic accelerated our planned-for expansion to virtual delivery, 2022 offered us the opportunity to jump into the world of blended learning. The first half of 2022 was primarily virtual with select curricula offering in-person programming, followed by a broader reintroduction of in-person programming in the latter half of the year. In this regard, Kearney has now truly 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 (artificial intelligence, relational awareness, and more). We offer leader-led learning programs which allow senior colleagues to locally deliver high-impact offerings designed by the learning team, action learning groups (virtual, cohort-based learning networks of three to six people that enable recurring opportunities to connect, share, and learn from one another), executive coaching, and more.

The delivery models for our curricula span a wide range and include in-person experiential learning opportunities, interactive and learner-centric virtual café conversations, virtual simulations, action learning groups, and on-demand asynchronous learning.

Each of our curricula underwent a thoughtful redesign to cater to the needs of our learners, while remaining agile to accommodate regional and local considerations.

- For junior new hire consultants, we introduced an updated version of Consultant's Craft orientation training, an immersive experience into the critical consulting skills required to succeed. This program was enhanced with a gamified simulation that puts learners in challenging scenarios, empowering them to handle complex and uncertain situations on a project. We also introduced Summer Learning Conferences in some regions for our longer-tenured junior consultants who joined over the pandemic, giving them an opportunity to learn together in person.
- We supplemented our manager curriculum with Learning+ days: a one-day, in-person program designed for managers who had completed their virtual training series.
- Our principal, associate partner, and partner ranks each had opportunities to learn in person together. With a lens toward sustainability, we incorporated learning events into larger all-hands meetings—whether regional or practice-focused.
- We continue 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).
- We offered an expanded curriculum to our management services (MS) colleagues, with more than 500 MS colleagues engaging with our offerings. The MS curricula included a return of the multi-day virtual learning festival (held twice in 2022), the introduction of a talent accelerator program for women, and a leadership program for supervisors.

Our on-demand learning programming is facilitated through Degreed, our learner experience platform, where our team and firm created more than 80 custom plans, pathways, and courses and our people completed more than 80,000 self-guided learning content modules in 2022 alone. Our offerings here are organized into directories to provide role- and skill-based learning as well as practice learning. These incorporate a mix of custom, Kearney-developed learning and learning from our preferred providers.

In addition, our Kearney Originals logged more than 81,000 instructor-led learning hours in 2022. 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 15.9 hours of training per employee (20.7 hours per consultant and 3.2 hours per management services employee).

As we move forward, we plan to maintain our blended approach, with a focus on collectively recommitting to learning and leveraging our values of solidarity and generosity to learn from and with each other. Our apprenticeship-style learning approach, which draws on the expertise and experiences of our Kearney community, will be at the center of this effort.

“Our main objective of helping each of our colleagues identify who they are at their best and helping them be that way more often at Kearney, remained the same in 2022. However, the expansion of delivery modes in a blended learning environment allowed us to reach more people with the learning they needed to continue to grow and develop each day.”

— Bronwyn Kelly, Global Head of Learning



Sustainability learning

An integral part of our impact as a firm is to help our clients in the transition to a low-carbon and sustainable future, and to achieve this we are committed to building our internal capabilities. Internally we do this through the integration of sustainability in our training curriculum and through our online Sustainability Academy which has a range of courses covering our five platforms for action.

In 2022 we also started working with the University of Cambridge Institute for Sustainability Leadership (CISL), enabling our consultants to take part in a range of eight-week online programs covering climate change, sustainable finance, sustainable supply chains, sustainability management, and sustainable food systems. Participants are required to develop action plans, giving them a tool to pioneer meaningful change throughout the organization. More than 70 consultants took part in five different programs in 2022, with a commitment for a further 200 in 2023. In 2022 Kearney committed to train all nine members of the Board (highest governance body), seven members of the Operating Committee (OC), and 12 members of the Managing Partner Leadership Team (MPLT) on sustainability matters by April 2023.

“Our people are very keen to further their understanding of sustainability and help their clients drive positive impacts across their operations and supply chains, which is why I am delighted we are able to offer them access to dedicated learning opportunities from CISL, arguably the leading academic institution on sustainability.”

— **Oliver Dudok van Heel,**
Sustainability Director at Kearney

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 2022, 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 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.



**UNIVERSITY OF
CAMBRIDGE**
— INSTITUTE FOR —
SUSTAINABILITY LEADERSHIP

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). 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 has taken precautions to protect its employees from contracting and spreading the virus, ensuring we maintain the highest standards of safety for our employees. The **Global Health and Safety team** formulated a response and recovery road map to COVID-19, to provide a global health and safety framework to guide regional and local recovery planning throughout the various stages of the pandemic. The team continues to monitor key metrics and trends, adjusting our global safety standards and guidelines in alignment with regulatory changes as the global pandemic evolves.

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 4). Early in the pandemic, we recognized that the effects of COVID-19 were more than physical, and that mental health is crucial to employee engagement, morale, and well-being and has a direct impact on performance, productivity, and retention, so we 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

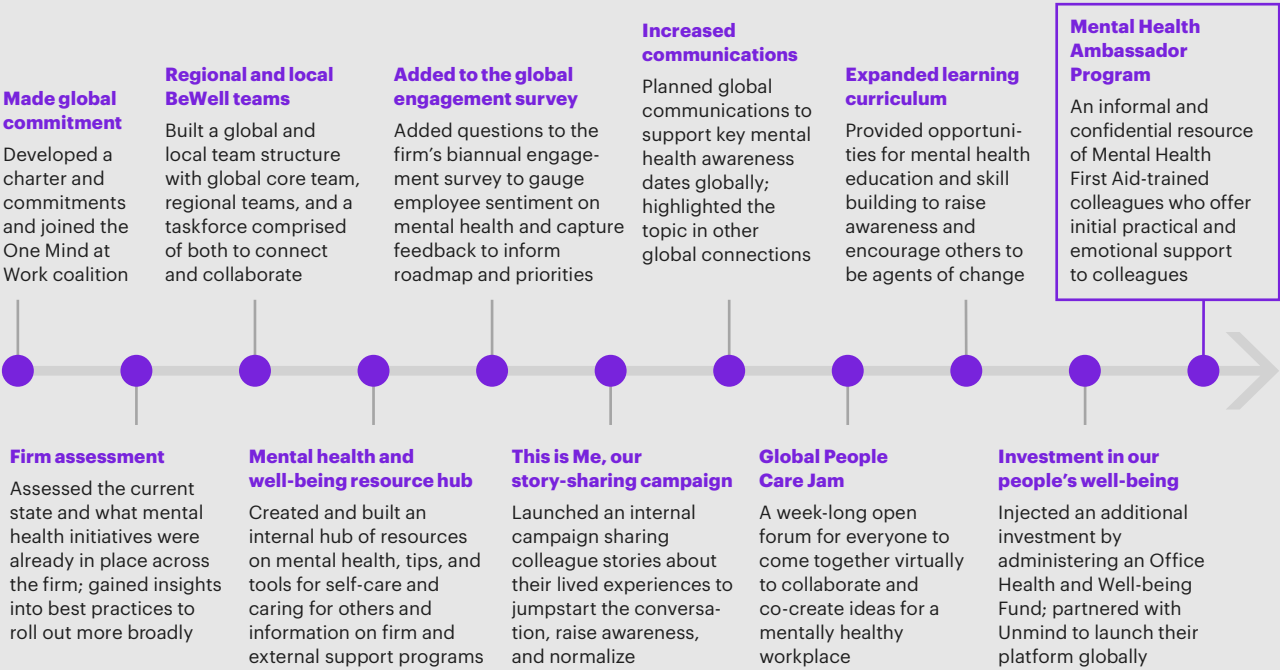


Sharing lived experiences and raising awareness to **normalize the fact that it is okay to not be okay**



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

Figure 4
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 great example is the creation of a new intranet site focused on mental health and well-being. The site raises awareness among colleagues while providing mental health and well-being resources, support tools, and additional trainings—and helping to normalize that it is okay to not be okay. Additionally, in collaboration with our Global Learning team, we 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 and well-being support.

Another initiative that launched in 2022 was our **Mental Health Ambassador Program** (see figure 4 on page 46). 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 First Aid training, an internationally recognized, evidence-based training program 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.

Although we have more to do 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. Our latest Global Engagement Survey (GES) resulted in a six-point year-over-year improvement in our employee mental health score. Additionally, we have been recognized externally for our efforts and initiatives, including being shortlisted as finalists in six categories for the European InsideOut Awards for mental health achievements in the workplace. Moreover, we were a 2022 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 commitments to protecting our planet

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).

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:



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Near-term targets

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

Long-term targets

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

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.



Our approach to climate and environmental impact

We are actively working across our offices and supply chain partners in more than 40 countries, on a continuous journey to reduce our environmental footprint wherever we can.

In 2022 we published our net-zero strategy, where we highlight our approach and key actions to achieve net zero by 2050 across three key pillars: decarbonize, remove emissions and restore ecosystems, and engage and empower our stakeholders to drive action. Please refer to section “Highlights from Kearney’s net-zero strategy” for more details.

In 2022, Kearney achieved CarbonNeutral® company certification in accordance with [The CarbonNeutral Protocol](#), the leading global framework for carbon neutrality.

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To achieve CarbonNeutral® certification, Kearney is working with Climate Impact Partners, a specialist in carbon market solutions for climate action. Kearney had an independent assessment of the greenhouse gas emissions produced by Ecometrica. Kearney is reducing its emissions as much as possible by implementing measures highlighted in sections “Our action toward greener offices” and “Highlights from Kearney’s net-zero strategy.” To meet our CarbonNeutral goal, we have offset all remaining emissions by delivering finance to emission reduction 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.

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 2022 we removed 100 percent of our scope 1 and 2 emissions and 10 percent of our scope 3 emissions and purchased avoidance offsets for the balance. By 2030, we will step up to removing 100 percent of our total scope 1, 2, and 3 emissions.

At Kearney we recognize the importance of nature and biodiversity conservation. As a professional services firm our direct impact on land use and biodiversity is limited, however we are committed to understanding and minimizing potential impacts through our actions toward greener offices and with carefully selected investments in nature-based projects for our carbon offsets portfolio as described in section “Highlights from Kearney’s net-zero strategy.” We are also committed to continue contributing to structural solutions related to nature and biodiversity through our internal research, partnerships, and client work.

In recognition of our climate leadership and transparency in 2022, 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").

Our actions toward greener offices

Across our offices, we are committed to reducing the amount of waste and recycling more waste (plastic, glass, paper, organic, and e-waste) and promoting sustainable offices. Our offices are implementing initiatives to reduce waste, including eliminating single-use plastics, installing drinking water taps, using and reusing resources wisely, improving waste sorting, donating used technology equipment, and running recycling campaigns. 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. As a consulting firm, most of our equipment is IT-related equipment and we have different initiatives globally to reuse old equipment (for example, employee purchase programs or donations).



We are committed to achieve **100 percent plastic-free offices by 2025** and to reduce water intensity across our offices by 2030—starting with improving our monitoring of water consumption. In addition, we have committed to implementing **green mobility policies** to electrify our fleet and encouraging public mobility in 100 percent of our offices by 2025. We also aim to reach **100 percent renewable electricity in Kearney offices by 2025** and continue to source 100 percent renewable electricity, complemented by purchasing renewable energy certificates where necessary.

With our new offices or major renovations, we target high environmental standards for buildings, such as LEED Gold, Platinum, BREEAM, or equivalent local certifications available for each location. We also encourage sustainable building approaches, such as the use of recycled and locally sourced materials. We are targeting for **100 percent of our offices to be placed in green-certified buildings by 2030**.

We measure office progress each year with the **Office Sustainability Index (OSI)**. The OSI survey assesses office status on social impact and sustainability initiatives, including pro bono involvement, employee participation, events organized, green office practices implemented, and more.

Last year, more than 70 percent of our offices participated in this survey to report on the progress of our short-term sustainability office targets. More than 90 percent of our offices have set up a local social impact and sustainability team with leadership endorsement. These teams activate our sustainability strategy, helping to reduce the firm’s environmental footprint and build awareness on environmental sustainability. To date, 86 percent of our offices have started initiatives to eliminate all single-use plastics. More than 40 percent of our offices have mobility policies or green mobility incentives in place and over 45 percent of our offices’ buildings have a green building certification.

In the pages below, we outline some of our global and local initiatives piloted by our local and regional teams in support of our sustainability goals.

Going plastic free in our Indian offices

In 2022, the Kearney India sustainability team set a bold target to eliminate recurring single-use plastics across Mumbai and Gurgaon offices within six months. Of the total estimated impact of about 100 kgs annually, about 60 kgs of recurring plastics in stationery, kitchen, and decorative items have already been replaced with sustainable alternatives (across more than a dozen items including plastic-free pens, folders, cutlery, and so on). The team continues to work toward this initiative to become completely free of single-use plastics and do their bit for the environment.

“As consultants, we exhort our clients on sustainability day in and day out. It really adds to our credibility when we say we practice what we preach. Kudos to the whole team for not just initiating the project, but utilizing a pivotal period just post-COVID to accelerate implementation. There is more to do beyond our offices as well, but a significant first step has been taken!”

— **Arun Unni**
Partner, Mumbai, India



Our new greener office in Mexico

As of summer 2022, Kearney Mexico moved to brand-new offices in the downtown area of Reforma in Mexico City, a bustling corporate and cultural zone near the landmark angel of the Monumento a la Independencia.

The office building, Torre Reforma, was selected in part due to its strong sustainability management practices.

The building has been granted LEED Platinum Certification (Leadership in Energy and Environmental Design) Core and Shell v2 2016 for its highly efficient management of resources. Among its many environmental qualifications are its water treatment plant for 100 percent of rain and wastewater, a design that enables savings of 20 percent in electricity use, and green roofing for 20 percent of its surface area.

“This new office represents Kearney’s core values, with modern, sophisticated, and comfortable spaces for team members, consultants, and MS to collaborate efficiently and sustainably.”

— Olga Capon, Mexico Office Manager

Digital clean-up challenge EU

Small things matter! Unnecessary emails, files, apps, and duplicates of photos and videos are all digital waste that consumes energy even when we have forgotten it. Each year the Internet and its supporting systems produce 900 million tons of CO₂, which is more than the annual output of Germany. There are multiple easy ways to reduce the digital climate impact. We launched a European challenge to reduce CO₂ by cleaning up Outlook, laptops, and the cloud and could achieve the impact of multiple intercontinental flights. Fun fact: the #Kearneyoriginal with the highest reduction deleted more than 500GB. Even more important: educating about good digital behavior and keeping best practices every day.

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, 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 offset projects.

In 2022, our baseline 2019 emissions were recalculated to account for best-practice methodologies. As stated in our GHG recalculation policy, the recalculated baseline will be publicly reported in the following sustainability report. The baseline reported in this report is the official baseline approved by the Science Based Targets initiative as of September 2022.

For a detailed description of our methodology please refer to the Appendix section, “GHG methodology.”

Updates to 2022 reporting

There are no material updates to our 2022 reporting.

2022 emissions

In 2022, our overall emissions increased compared to 2021 mostly due to increased business travel activity and return to the offices after the lift of COVID lockdowns coupled with business activity and headcount growth globally. Despite this near-term increase, our emissions have decreased by 27 percent compared with our 2019 base year, showing our commitment to changing our business model to be more sustainable (figure 5 on page 55).

Last year, compared with 2021, we saw a decrease in scope 1 and scope 2 emissions, driven largely by improved data collection and in the categories of district heating and cooling used in our offices and increased share of renewable electricity. 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. In 2022, **46 percent of our cars were hybrid or fully electric**, and we have also reached **100 percent renewable electricity use in our offices** globally—ahead of our 2025 target.

Our scope 3 absolute emissions have increased by 188 percent compared to 2021, due to increased business travel. Despite this short-term increase, Kearney is making progress toward its near-term emissions reduction targets. We have reduced our scope 3 emissions by 24 percent compared to 2019 and despite our double-digit growth in business activity we **reduced the number of flights per employee by more than 50 percent in 2022 compared with 2019**. Due to our double-digit annual 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, including adoption of greener fuels and greener ways of working.

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 6 on page 55). For details on our electricity and energy consumption please refer to the Appendix section “Sustainability key data.”

“We are proud of our ability to achieve double-digit growth and still reduce our emissions overall and per FTE versus our pre-COVID baseline. We will continue to evolve our business model to achieve our science-based targets.”

— Richard Forrest, Global and Europe Lead, Sustainability

Figure 5
Kearney is already making progress to shrink our carbon footprint

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

	2019 (SBT base year)	2021	2022	% change 2019–2022
Scope 1	1,376 (2%)	1,621 (7%)	1,173 (2%)	–15%
Scope 2	3,055 (4%)	1,205 (5%)	337 (1%)	–89%
Scope 3	76,760 (94%)	20,155 (88%)	58,112 (97%)	–24%
Scope 3 (business travel)	72,145 (89%)	13,988 (61%)	46,461 (78%)	–36%
Total ³	81,190	22,982	59,622	–27%
Emission per FTE	20.1	5.2	11.0	–45%

1. Our baseline 2019 emissions have been recalculated to account for best-practice methodologies. As stated in our GHG recalculation policy, the recalculated baseline will be publicly reported in the following sustainability report. This is the official baseline approved by the Science Based Targets initiative as of September 2022.

2. Our 2021 numbers were restated to reflect minor corrections after our GHG assurance audit that occurred after the publication of last year’s annual report.

3. Our totals exclude optional emissions from hotels and emissions arising from employees working from home. Our scope 3 emissions including emissions from hotels and employees working from home total 63,366 tCO₂. Kearney estimates and compensates through offsets 100 percent of these emissions.

Source: Ecometrica; Kearney analysis

Figure 6
2022 GHG emissions (tons CO₂e)

	Market-based	Location-based
Scope 1	1,173	1,173
Scope 2	337	2,682
Scope 3	58,112	58,112
Total	59,622	61,967

Source: Kearney analysis



Highlights from Kearney's net-zero strategy

Our focus is on decarbonization.

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

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

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

Transitioning our portfolio to removal offsets while restoring and protecting ecosystems.

We offset unavoidable residual emissions by supporting innovative quality projects, including cutting-edge 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. Please see the details of our project's portfolio in the section "Kearney's 2022 carbon offset portfolio."

We are deploying tools to drive transparency, accountability, and engagement across the firm to accelerate our net-zero journey.

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

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

Kearney’s 2022 carbon offset portfolio

Climate Vault, United States

Supporting cutting-edge carbon removal technologies
CDP-accredited

Similar to last year, this year Kearney has partnered with Climate Vault—an award-winning, CDP-accredited nonprofit—to neutralize part of its carbon footprint. 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.



Acre Amazonian REDD+ Portfolio, Brazil

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

Deforestation in Brazil has accounted for nearly a third of the global decline in forest cover in recent years. Ninety percent of the Brazilian state of Acre is forested, but current rates of destruction mean by 2030 this could decline to 65 percent. Without sustainable options, some communities will clear land to earn a living through agriculture.

This portfolio of CCB (climate, community, and biodiversity) Gold-rated projects protects 100,000+ hectares of pristine Amazon rainforest. Carbon finance supports the local families in gaining formal land rights for preventing deforestation and farmers are trained in conservation-based agriculture.



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.



Cement heat recovery, India

Sustainable infrastructure; energy efficiency
Verified under VCS

India produces nearly 300 million tons of cement per year, and more than a third of the heat produced in the creation is lost. This waste heat recovery project has revolutionized India’s cement production starting with a plant in Rajasthan that produces almost 3 million tons of cement per year.

By harnessing the waste heat, this cement plant has reduced the amount of emissions from burning fossil fuels at the thermal power plants by displacing the demand met by these turbine generators. This project has also increased employment opportunities in the plant while increasing skills in low-carbon energy efficiency.



Orb household solar, India

Micro renewables
Verified under Gold Standard

With a growing middle class in India, demand for electricity outstrips supply causing regular blackouts for those connected to the grid. In rural areas, kerosene or other fossil fuels are used for energy and lighting, polluting the air inside homes.

This project has brought more than 160,000 reliable solar power and solar water heating systems to customers throughout the country, while cutting around 55,000 tons of CO₂e a year by replacing the use of kerosene or electricity from a grid reliant on fossil fuels.

Orb Energy manufactures, sells, installs, and services a unique range of high-quality solar energy systems for residential and commercial customers in India. Businesses can operate for longer and more consistently with a solar energy system. Household solar water heating reduces electricity bills by more than 50 percent and lighting at home means greater opportunity for children to study after the sun goes down.



Industrial process emissions reductions, United States

Sustainable infrastructure – industry
Verified under American Carbon Registry (ACR)

This portfolio of emission reduction projects focuses on the often-unseen emissions from the industrial manufacturing of goods such as bricks, cement, and insulation.

This project supports the transition to greener practices among manufacturers and construction contractors. It is a new offset type and reduces emissions through the voluntary transition to low-emission insulation. By avoiding spray foams with hydrofluorocarbons (HFCs) these industrial efficiency projects can prevent these extremely potent greenhouse gasses from reaching the atmosphere.



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 a number of 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.

Our Supplier Code of Conduct also 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, and to opt for greener choices.

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.

We have a number of trainings and materials available to our employees with useful and actionable tips on how to minimize environmental impact and emissions.

Sustainable aviation fuel

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).

Sustainable aviation fuel is made from a range of sources, including feedstock such as waste oils and lipids, and offers up to an 80 percent reduction in emissions over the full life cycle compared with traditional kerosene aviation fuel. But currently, SAF production is still limited; market ramp-up must be accelerated on a global scale.

Therefore, this year Kearney has set up an agreement to procure SAF from SkyNRG over the course of 2023. Our agreement sends 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 help them make the right choices for the planet.



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. 77–79). The resulting analysis is then integrated into our annual enterprise risk management procedure and presented to Kearney’s Managing Partner Leadership Team (MPLT) at least twice per 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. 77–79) 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.

Physical office safety and business disruption assessment

In 2022, we launched the first Sustainability: Physical Office Safety and Business Disruption Assessment. The purpose of the survey was to assess the firm’s resilience to extreme weather and other events that pose a physical risk to our people and offices. Gaining an understanding of potential business disruptions resulting from climate-related events that may impact the physical office environment helped inform Kearney about potential business risks, emergency readiness, and improvements needed in mitigation plans.

Engaging with building operators of Kearney’s leased office spaces generates awareness and elicits information about local protocols that will enhance the ability of global infrastructure teams to mitigate business disruption and ensure development and continued review of people safety practices. Landlords become more informed about the importance of people care and operational expectations of building occupants.

Going forward, we will keep updating this survey as regularly as necessary, to make sure we capture and address any new trends related to climate risks, office safety, and business disruption.





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 activities, including pro bono work, is guided by local teams and committees.

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

Key highlights in 2022

>280 SI initiatives

...and local projects to support social impact causes

10,000 hours

...dedicated to volunteering and pro bono projects

>40 pro bono

Projects with social impact organizations

1,350 Days of Action

dedicated to volunteering activities since 2020

We foster strong partnerships for sustainable development

UN ModelCOP partnership

We signed a partnership with **Middle East Model United Nations** to become the official “Consultants and Training Partners” of **ModelCOP28**.

ModelCOP is empowering youth to be climate ambassadors. Based on Middle East Model United Nations, the framework of COP has been re-crafted into an intuitive and fun learning experience with a hybrid (online and physical) program enabling students to develop climate knowledge and leadership skills and equipping them to become collaborative and effective problem solvers. The students are supported with dedicated Mentorship from climate experts and Model United Nations alumni from around the world. ModelCOP has been developed by Middle East Model United Nations (MEMUN) and has trained more than 50,000 students across numerous conferences held around the world in countries including Switzerland, UK, UAE, and Azerbaijan.

We are excited to be in partnership with ModelCOP, supporting the virtual and live ModelCOP conferences in building future climate leaders, equipping more than 100,000 UAE students, from middle and upper school to university, with the skills to become effective solution-based thinkers together with the World Economic Forum Strategy Intelligence and En-ROADS MIT Sloan School of Management Simulator.



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 US, 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 dove in reviewing 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.

Ashoka will ultimately identify 10 to 15 fellows for the next year, thanks in part to Kearney’s assistance with the selection process. Ashoka wants to grow its fellowship program in the US, and the Kearney partnership will help the organization scale and accelerate its efforts with the fellowship program and beyond.

“I like Ashoka’s term, changemakers. When you see the impact of the social entrepreneurs and the work Ashoka does to support them—and now we have the opportunity to support them as well—it becomes extremely meaningful work.”

— Andres Mendoza Pena, Partner, Chicago

**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 15 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 15 years of its existence.

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.



Our commitment to supporting local communities and disaster relief

Ukraine Humanitarian Aid platform

To support the people of Ukraine, Kearney set up our [Ukraine Humanitarian Aid platform](#). The platform connects with transportation carriers and local logistics operators to ensure goods arrive where they are needed most.

The list of critically needed supplies and available warehouse facilities is also updated. Several full truck loads and multiple vans have been delivered, with the help of our Ukrainian team on the ground and the support of our business partners as well as Procure4Peace, Razom, UNHCR, and the Red Cross.

Kearney employees have also actively organized donations of humanitarian goods as a small contribution of solidarity.



Pakistan flood relief

We partnered with the World Food Programme and launched a global campaign titled “Kearney’s meals to heal” to provide relief following the floods in Pakistan. As a result of the campaign about 9,000 meals were donated by Kearney colleagues.

Our work with Banco Alimentare Lombardia in Italy

In 2022 Kearney supported Associazione Banco Alimentare Lombardia (ABAL) in developing a strategy that aimed to address funding shortfalls. ABAL, part of the Italian food bank network, is an organization operating in the Lombardy region that recovers food surpluses and redistributes these to charities in need, supporting more than 220,000 people and providing the equivalent of 41 million meals per year.

Kearney has supported ABAL with its fundraising strategy by conducting a wide-ranging analysis of the funding landscape in the region and rapidly assessing ABAL’s internal operations. Off the back of a detailed SWOT analysis, Kearney and ABAL identified nine strategic initiatives and key enablers to support ABAL in achieving its strategic aims. The organization is currently acting on these recommendations and we look forward to continued collaboration in the near future.



Our commitment to quality education

Supporting education

Kearney has focused on making a difference by lifting up those who need support and partnering with organizations whose primary mission is to empower vulnerable youth and provide access to basic needs and quality education.

For the past few years, Kearney supported Girls and Boys Town (GBT) through annual donations. Girls and Boys Town is a nonprofit organization that aims to help “South African Youth SHINE®” by working with children, families, and communities to place vulnerable children in safe residences and ensure access to education.

Kearney has also teamed with the Alexandra Education Committee (AEC), a South African nonprofit organization that focuses on providing access to quality education for children from disadvantaged backgrounds to break the cycle of poverty, inequality, and unemployment ultimately.

Kearney has sponsored the high school education of between five and seven female students since 2018 and provided mentorship to guide and empower them and provide positive role models. We look forward to continuing our relationship with GBT and AEC into 2022.

Supporting FOSSI

In 2022 Kearney joined together with other leading STEM (science, technology, engineering, and mathematics) companies to sponsor FOSSI (Future of STEM Scholars Initiative) by underwriting a scholarship. FOSSI was founded to increase the number of BIPOC (Black, Indigenous, People of Color) students in STEM and to provide those students with resources and mentorship during college to succeed in STEM careers. Scholarships are for students who declare an intention to study in STEM fields and are attending HBCUs (historically Black colleges and universities).

Supporting the MISK Foundation

As part of a partnership with the Misk Foundation, we hosted students in our Riyadh office and introduced them to the consulting career. Over the course of a day, more than 10 students experienced a day in the world of management consulting to enable them to make conscious career choices in the future.

Our commitment to gender equality

Bringing sparks of light to women in need

Together with Bags of Hope and the Imbumba Foundation, Kearney is supporting initiatives that address absenteeism of young girls at schools and support survivors of gender-based violence, both common socioeconomic realities in South Africa.

With this initiative we have reached annual donations of more than 1,000 sanitary pads and over 100 Bags of Hope for women and children.

A bold new way: using VR for good

In 2022 Kearney, working alongside A New Way of Life, created a virtual reality video providing a message of hope, support, and resources for incarcerated women as they prepare for release. Featuring formerly incarcerated women who tell their powerful stories in an immersive setting the video creates a life-like experience that helps women navigate this challenge.

The VR experience is the first in a planned series to provide education, support, and hope to formerly incarcerated women. The goal now is to seek partners in the criminal justice system and corporate world to roll out the program.

Kearney was recognized as a proud partner at the 2022 The New Way of Life annual gala.

“We had excellent engagement and follow through with Kearney. Great thought partner and very resourceful.”

**— Susan Burton, Founder
A New Way of Life Reentry Project**





Our commitment to environmental social impact

Eureciclo—a digital organization in the recycling market

A team from our Brazil City office supported eureciclo—the main digital recycling certifier operating across Brazil. The Kearney team helped eureciclo improve its operations to attract and develop operators (for example, cooperatives, waste managers and landfill managers, suppliers of eureciclo) to attend a growing market.

We leveraged Kearney’s supplier management expertise and proprietary frameworks to assess the positioning of eureciclo in relation to its operators and together with eureciclo’s team designed the value proposition for each segment that supported key decisions and ways of working.



The New Factory: reimagining a sustainable future for the fashion industry

Last year, Kearney supported the launch and early incubation of The New Factory (TNF), an Indonesia-based worker cooperative in the garment sector specializing in fashion waste upcycling. During the COVID-19 pandemic, thousands of garment workers were laid off due to business and safety concerns.

TNF was established to help those laid-off workers rebuild their livelihood and reimagine a more sustainable future for the fashion industry. Working together with the co-op members, the Kearney team in Jakarta supported TNF in designing the business model, sourcing for donors, and executing initiatives to launch the business. We look forward to seeing the co-op scale its impact to the environment as well as to the garment worker communities in Indonesia.

“Kearney helped us to structure our thought process when looking at our business opportunities. We experimented with several different business models at the start, trying to evaluate which one could really take off and enable us to scale our impact in addressing the fashion waste issue in Indonesia.”

— Ranti Meranti, Co-Founder, The New Factory





Appendix

Content

- [Sustainability key data](#)
- [GHG methodology](#)
- [Task Force on Climate-related Financial Disclosures \(TCFD\)](#)
- [UN Global Compact](#)
- [Global Reporting Initiative \(GRI\) content index](#)
- [World Economic Forum’s \(Forum\) Stakeholder Capitalism Metrics](#)
- [Assurance statements](#)

Appendix

Sustainability key data

Appendix

Sustainability key data

Topic	Metric and unit	2021	2022	Target	Target year
Our business	Revenue (\$ billion)	1.4	1.5	–	–
	Sustainability projects	100+	170+	–	–
Business ethics	Employees completing Code of Conduct and business ethics training	100%	100%	100%	Annually
	Employees completing anti-bribery and corruption training ¹	100%	100%	100%	Annually
	Employees completing cybersecurity trainings (% headcount covered) ²	100%	89%	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	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) ³	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 ^{4, 5, 6}	3,983	4,782	–	–
	— Americas	1,082 (27%)	1,272 (27%)	–	–
	— Asia Pacific	1,115 (28%)	1,356 (28%)	–	–
	— Europe	1,262 (32%)	1,423 (30%)	–	–
	— Middle East and Africa	524 (13%)	731 (15%)	–	–
	Full-time employees ⁶	3,811	4,604	–	–
	Part-time employees ⁶	172	178	–	–
	Temporary employees ⁷	734	775	–	–

¹ Anti-bribery and corruption training is a part of Kearney's Code of Conduct training and certification.

² 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.

³ Targeted suppliers include all new vendors registered in 2022 after June with a valid email address; these represent 44 percent of all new suppliers registered after June 2022.

⁴ All employee numbers are reported in headcount at the end of the reporting period (December 31, 2022).

⁵ Includes full-time and part-time employees; excludes temporary employees.

⁶ Excludes Cervello, Prokura (which together total 431 employees), and OPTANO employees; Cervello, Prokura, and OPTANO are companies that have been acquired recently by Kearney.

⁷ Includes contractors and interns.

Source: Kearney analysis

Appendix

Sustainability key data

Topic	Metric and unit	2021	2022	Target	Target year
Our people	Diversity and inclusion				
	Employees by age group	–	–	–	–
	— Under 30	38%	40%	–	–
	— 30–39	37%	37%	–	–
	— 40–49	14%	14%	–	–
	— 50–59	8%	7%	–	–
	— 60+	2%	2%	–	–
	Representation of women globally	38%	38%	–	–
	Representation of women on Board	10%	11%	–	–
	Representation of women on executive committee (MPLT team)	20%	17%	–	–
	Representation of minorities globally ⁸	16%	18%	–	–
	Representation of minorities among leadership ⁹	55%	42%	–	–
	Employees completing diversity, discrimination, and/or harassment issues training (% FTEs covered) ¹⁰	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) ¹¹	100%	100%	100%	Annually
	Provision of skills development training (% FTEs covered)	100%	100%	100%	Annually
	Average hours of training provided per employee (hours)	12.7	15.9	–	–
	Health and safety				
	Health and safety office emergency procedures (% offices covered) ¹²	51%	93%	100%	Annually
	Employees receiving health and well-being training materials and comms (% FTEs covered)	100%	100%	100%	Annually
	Healthcare coverage and benefits (% FTEs covered) ¹³	100%	100%	100%	Annually
	Social dialogue				
	Employees covered by GES survey (% FTEs covered) ¹⁴	100%	100%	100%	Annually
	Participation rate on GES survey (% FTEs covered)	76%	78%	100%	Annually

⁸ Includes employees that are members of Kearney’s diversity networks (7 percent Proud Network, 6 percent Women’s Network, 5 percent Black@Kearney).

⁹ Includes members of the Managing Partner Leadership Team who identify as a member of an under-represented social group as defined by the country of their home office.

¹⁰ Diversity, discrimination, and anti-harassment training is a part of Kearney’s Code of Conduct training and certification.

¹¹ Exceptions exist for employees on an extended leave of absence and those who have been active in the role for less than four months.

¹² At the date of publication of this report the percentage compliance was below 100 percent, however missing offices have committed to implementing emergency procedures during 2023 to ensure we reach 100 percent compliance.

¹³ 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.

¹⁴ 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	2020	2021	2022	Target	Target year
Our community	Number of social impact activities			120	284	Double	2025
	Days of Action (since 2020)			800	1,350	1,500	2025
	Number of pro bono projects			7	44	Double	2025
Our planet	GHG emissions – our science-based targets ('000 tCO ₂)						
	Scope 1	1,376	1,402	1,621	1,173	–50%	2030
	Scope 2	3,055	524	1,205	337	–50%	2030
	Scope 3	76,757	23,052	20,155	58,112	–30%	2030
	Scope 3 (business travel)	72,145	18,549	13,988	46,461	–30%	2030
	Total (market based) ^{15, 16, 17}	81,188	24,987	22,982	59,622	–	–
	Emissions per FTE (tCO ₂ /FTE)	20.1	5.7	5.2	11.0	–	–
	Green offices						
	Renewable energy offices (% of electricity consumed)	53%	82%	85%	100%	100%	2025
	Energy consumption (GJ)	–	–	48,048	49,852	–	–
	— Renewable energy (GJ)	–	–	13,226	21,255	–	–
	— Non-renewable energy (GJ)	–	–	34,782	28,597	–	–
	Single-use plastic-free offices (% of offices with initiatives ongoing)	–	–	–	86%	100%	2025
	Offices with green mobility policy ¹⁸	–	–	–	43%	100%	2025
	Offices with green certifications ¹⁹	–	–	–	49%	100%	2025

¹⁵ Our baseline 2019 emissions have been recalculated to account for best-practice methodologies. As stated in our GHG recalculation policy, the recalculated baseline will be publicly reported in the following sustainability report. This is the official baseline approved by the Science Based Targets initiative as of September 2022.

¹⁶ Our 2021 numbers were restated to reflect minor corrections after our GHG assurance audit that occurred after the publication of last year’s annual report.

¹⁷ Our totals exclude optional emissions from hotels and emissions arising from employees working from home. Our scope 3 emissions including emissions from hotels and employees working from home total 63,366 tCO₂. Kearney estimates and compensates through offsets 100 percent of these emissions.

¹⁸ Includes sustainable travel policies, green car policies, and green mobility policies.

¹⁹ Includes LEED- and BREEAM-certified buildings.

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 (stationary combustion), and refrigerants used in cooling systems (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 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.** We gather data on the number of IT equipment across asset types, such as servers, laptops, tablets, and monitors, for all employees and across the whole organization. Emissions per asset type are calculated based on supplier emission factors (when available) and assuming an average lifetime of four years for all devices. When no supplier emission factors are available, we estimate spend data or weight per device for remaining IT devices and apply the appropriate emission factor.
- **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 and destination airport, airline, cabin class, and trip ways) has been collected through our travel agency, including distance and 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.
 - Emissions factors for RFI 2.7 were used to calculate emissions, which include WTT emission.
- **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 car petrol fueled. 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.
- **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.
- **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 provided for this category, 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.

Appendix

Task Force on Climate-related Financial Disclosures (TCFD)

At Kearney we report in line with the 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 has convened a committee of top leaders at Kearney to form a science-based targets working committee made up of our global director of travel, global director of real estate, members of the MPLT, global HR leadership, global marketing, and rotating consultants who are responsible for implementing a strategy to reach our company goals through local implementation. This group meets regularly to discuss progress. We have local social impact and sustainability teams across all offices, which help drive the implementation and local impact with their communities.

Business strategy

At Kearney we consider climate-related risks and opportunities in our business strategy, and we leverage 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 (e.g., 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 its 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 (e.g., 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 (e.g., 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 occur often at a country level (e.g., 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 offset 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 170 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, our Circular Hub, and to expand our partnerships such as the work we do with the World Economic Forum on reducing waste.

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 twice 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 2022 we worked on more than 170 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 81, you can find specific content related to each of the 10 principles.

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 ...	25–29; 35–36	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,	35–41	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 2022, our representation of women across the firm was 38 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,	28–29; 49–53	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.	25–29	<p>All Kearney employees have certified annually that they have read and understood the Kearney Code of Conduct. In 2022, 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, 2022 to December 31, 2022 with reference to the GRI Standards.

GRI 1 Used: GRI 1 Foundation 2021

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	53, Section "Carbon footprint and reporting"
2-5	External assurance	4, Section "About this report"
Activities and workers		
2-6	Activities, value chain, and other business relationships	28–29, Section "Kearney supplier sustainability and diversity program"
2-7	Employees	72, Appendix section "Sustainability key data – Our people"
Governance		
2-9	Governance structure and composition	5–6, Section "About Kearney" 72, Appendix section "Sustainability key data – Our people"
2-17	Collective knowledge of the highest governance body	44, 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	27, Section "Grievance mechanisms"
2-26	Mechanisms for seeking advice and raising concerns	27, Section "Grievance mechanisms"
2-28	Membership associations	Highlighted throughout the report. 19–24; 63–69
Stakeholder engagement		
2-29	Approach to stakeholder engagement	9, Section "Stakeholder engagement and materiality assessment"
2-30	Collective bargaining agreements	35–36, 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"
GRI 200: Economic		
GRI 201: Economic performance 2016		
201-2	Financial implications and other risks and opportunities due to climate change	74, Appendix section "Sustainability key data – Our planet"

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	25–27, Section “Anti-bribery and corruption”
205-3	Confirmed incidents of corruption and actions taken	25–27, Section “Anti-bribery and corruption”
GRI 300: Environmental		
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	74, Appendix section “Sustainability key data – Our planet”
GRI 305: Emissions 2016		
305-1	Direct (scope 1) GHG emissions	74, Appendix section “Sustainability key data – Our planet”
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	51, Section “Our actions toward greener offices”
306-3	Waste generated	74, Appendix section “Sustainability key data – Our planet”
308: Supplier environmental assessment 2016		
308-1	New suppliers that were screened using environmental criteria	28–29, 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	31–47, Section “Our people”
GRI 404: Training and education 2016		
404-1	Average hours of training per year per employee	44, Section “Global learning” 73, 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	44, Section “Performance management” 73, Appendix section “Sustainability key data – Training and career management”

Source: Kearney analysis

Appendix

GRI Table

GRI standard	GRI disclosure	Page reference or response
GRI 405: Diversity and equal opportunity 2016		
405-1	Diversity of governance bodies and employees	72, Appendix table “Sustainability key data – Our people – Diversity and inclusion”
405-2	Ratio of basic salary and remuneration of women to men	35–36, Section “Labor and human rights”
GRI 405: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	35–36, Section “Labor and human rights”
GRI 413: Local communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	63–69, Section “Our communities”
413-2	Operations with significant actual and potential negative impacts on local communities	25–29, Sub-section “Risk management”
GRI 414: Supplier social assessment 2016		
414-1	New suppliers that were screened using social criteria	28–29, Section “Supplier screenings and assessments”
GRI 418: Customer privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	26, 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	Setting purpose 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.	2–3; 5–6; 8
Quality of governing body	Governance body composition 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 under-represented social groups; stakeholder representation.	5–6
Stakeholder engagement	Material issues impacting stakeholders 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	9
Ethical behavior	Anti-corruption — 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: — 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. Protected ethics advice and reporting mechanism A description of internal and external mechanisms for: — Seeking advice about ethical and lawful behavior and organizational integrity — Reporting concerns about unethical or unlawful behavior and lack of organizational integrity	25–29
Risk and opportunity oversight	Integrating risk and opportunity into business process 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.	25–29; 77–79

	Core metrics and disclosures	Page reference or response
Planet		
Climate change	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.	49–55; 74
	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.	77–79
Nature loss	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).	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	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.	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.

Source: Kearney analysis

	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: 38% women, 62% men. Members in diversity networks: 7% Proud Network, 6% Women's Network, 5% Black@Kearney</p> <p>We fully comply with reporting regulations where required to do so in any country that we operate. As part of our annual compensation review processes, we review 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>	45–47
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>	42–44; 73

¹ Calculations exclude Cervello, Prokura, OPTANO, interns, and contractors.
Source: Kearney analysis

	Core metrics and disclosures	Page reference or response
Prosperity		
Employment and wealth generation	<p>Absolute number and rate of employment</p> <p>— Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.</p> <p>— Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.</p>	<p>30% Americas 36% APAC 28% Europe 41% MEA Global figures reported on page 31</p> <p>Voluntary attrition by region: 17% Americas 20% APAC 16% Europe 16% MEA Global figures reported on page 31</p>
	<p>Economic contribution¹</p> <p>— Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization, ideally split out by:</p> <p>— Revenues</p> <p>— Operating costs</p> <p>— Employee wages and benefits</p> <p>— Payments to providers of capital</p> <p>— Payments to government</p> <p>— Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.</p>	<p>\$1.5 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 280 pro bono projects and social impact initiatives</p>
	<p>Financial investment contribution</p> <p>— Total capital expenditures (capex) minus depreciation, supported by narrative to describe the company’s investment strategy.</p> <p>— Share buybacks plus dividend payments, supported by narrative to describe the company’s strategy for returns of capital to shareholders.</p>	<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>

¹ All financial data included in this report is for FY2021. The 2022 financial data will be released later in 2023.
Source: Kearney analysis

Appendix
Assurance statements

Statement of verification

Pei Yun Teng
A.T. Kearney Limited
Adelphi, 1-11 John Adam Street
London
WC2N 6HT
United Kingdom

13 April 2023

Scope

A.T. Kearney Holdings Ltd (henceforth referred to as Kearney) engaged Carbon Footprint Ltd to verify its carbon footprint assessment and supporting evidence for the period **1st January 2022 to 31st December 2022**. 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):

	Location-based (tCO ₂ e)	Market-based (tCO ₂ e)
Scope 1:	1,172.73	1,172.73
Scope 2:	2,681.75	336.65
Scope 3:	63,366.38	63,366.38
Total	67,220.85	64,875.75

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, ISO14064-3 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 2022 (“the Report”). The Report covers Kearney’s operations from 1 January 2022 to 31 December 2022. 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 FY2022 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.

METHODOLOGY

This engagement was carried out in March 2023. 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 13 executives, including Director of Global Compensation, Vice President of Global Performance Management & Reward, Senior Specialist for Global Performance Management, Senior Specialist for People Analytics, Global Human Resource Specialist and People Care, Risk and Compliance Associate, Assistant General Counsel, KnowledgeNet Director, Sustainability Program Lead, Global Head of Learning, Senior Manager of Global Learning, Senior Specialist for Finance and Finance Coordinator.
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 17 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 has identified clients, employees and communities as its priority stakeholders. Kearney's engagement and communication with its key stakeholders stems from its desire to understand and address stakeholders' expectations and trends across a wide range of issues. Kearney's regular engagement with its key stakeholders is evident in platforms such as the Office Sustainability Index ("OSI"), the Global Engagement Survey ("GES") and the Diversity & Inclusion Networks within the company.

Materiality: Kearney has a good understanding of its material issues and articulates them in its sustainability context. A combination of surveys and interactions had contributed to determining a wide

range of topics prioritised by their significance to the stakeholders and Kearney’s business. These topics have remained relevant in the reporting period.

Responsiveness: Kearney’s strategies, policies and initiatives are driven by the company’s understanding of material topics, global sustainability trends and stakeholder expectations. This makes Kearney’s overall approach to sustainability responsive. For instance, sustainability is embedded in Kearney’s service practices under five themes including ESG transformation, net zero, circularity, sustainable and responsible sourcing, and equitable and inclusive societies. Internally, employee benefits are established based on the needs of employees across Kearney’s global offices while its comprehensive training programmes address the employees’ learning and career development requirements.

Impact: Kearney has adopted mechanisms and approaches to monitor, measure, and be accountable for how its actions affect its broader ecosystems. These mechanisms include Kearney’s policies such as the Labour and Human Rights Policy, the Sustainability Policy, the Code of Business Conduct and the Supplier Code of Conduct. Kearney also measures its own progress on sustainability through the OSI, which provides insights on the offices’ social impact, sustainability initiatives and their progress.

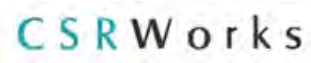
RECOMMENDATIONS FOR IMPROVEMENT

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 2022 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
27 March 2023 | Singapore
Rajesh Chhabara
Managing Director
CSRWorks International



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kearney.com

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