



ATKearney

UN Global Compact: Communication on Progress 2018

March 15, 2019

ATKearney

Statement of Continued Support

Our commitment to sustainability and social impact at A.T. Kearney is more than just an initiative: it is a firmwide passion that we bring into all that we do, going well beyond our volunteerism and philanthropic activities. Improving the state of the world has always been a part of our firm's philosophy, rooted in what our founder Tom Kearney called the "essential rightness" of the advice we give. Our consulting work and our pro bono efforts embody this philosophy, delivering on the triple bottom line of people, planet, and profit.

I am pleased to confirm that A.T. Kearney pledges its continued support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labor, environment, and anti-corruption. In our first annual Communication on Progress, we describe our actions to integrate the Global Compact and its principles into our consulting work with our clients and partners, our culture, and our day-to-day operations.

As we reaffirm our commitment to creating lasting benefits for the societies in which we live, we celebrate the ongoing contributions of our people while recognizing that there is still much more to be done.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alex Liu', with a stylized 'A' and 'L'.

Alex Liu

Managing Partner and Chairman of the Board, A.T. Kearney

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

Assessment, Policy, and Goals

A.T. 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.

A.T. Kearney is a leading global management consulting firm that focuses on strategic and operational CEO Agenda issues facing businesses, governments, and institutions around the globe. Our supply chain involves contractors, professional advisory services, offices supplies and real estate, travel service providers, and IT and telecom equipment.

We expect our partners and employees to uphold the firm's core values of excellence, integrity, social responsibility, and essential rightness. To this end, all our employees must certify each year that they have read and understood our *Code of Business Conduct*, which sets forth that all are personally responsible for exemplifying the firm's core values and behaving in a manner that is ethical, lawful, and professional.

We expect our partners and employees to uphold the firm's core values of excellence, integrity, social responsibility, and essential rightness. All our employees must certify each year that they have read our *Code of Business Conduct*.

Implementation

The **Global Ombuds Program** is one of several channels by which employees can report concerns. It is an informal, confidential, neutral, and independent resource for all employees to support the discussion and resolution of any work-related issue. The Ombuds Program is available to any A.T. Kearney employee—regardless of the individual's department, position, office, or reporting relationship. Employees can contact any Ombudsperson globally to discuss work-related issues confidentially.

In addition to the Ombudsperson program, the firm has contracted with an independent company to provide another avenue for advice. The **Integrity Helpline** is a confidential way to report a concern, to report suspected misconduct, or to obtain information or advice regarding the application of laws or the firm's policies. The Integrity Helpline is operated by The Network,

an independent company that helps businesses respond to concerns about integrity and compliance. The line operates 24/7. We maintain a protocol of screening business partners, including our direct suppliers and service providers, for purposes of compliance with international sanctions programs that are concerned with human rights.

Through our social impact efforts, we are committed to assisting organizations outside of our own firm that promote human rights, including disaster relief, refugee support, hunger relief, education, and international development. Examples of organizations we have recently supported include the Red Cross, Brigada de Rescate Topos (Mexico), Basmeh & Zeitooneh (Lebanon), and Feeding America (US).

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Measurement of Outcomes

All A.T. Kearney employees have certified annually that they have read and understood the A.T. Kearney *Code of Business Conduct*.

A.T. Kearney has not been involved in any adverse legal cases, rulings, or other events related to human rights in 2018.

Labor Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, Policy, and Goals

Diversity and Inclusion

A.T. Kearney is an equal opportunity employer and is committed to nurturing a diverse and inclusive workforce by providing benefits, trainings, and career progression support for our

employees (see figure). A.T. Kearney is regularly recognized by esteemed organizations and publications for our supportive and collegial culture, inclusive programs and networks, and diverse talent. Our culture is strengthened by a breadth of active diversity networks; for example, our Proud, African American, and Women’s networks provide a space for our people to discuss and celebrate being part of an ethnic, cultural, or gender group.

A.T. Kearney D&I Vision

Diversity and Inclusion Strategy

Our Vision

Diversity and inclusion make us more effective in serving clients, developing employees, and recruiting top talent, and are core factors for being most admired

<p>Talent</p> <p>Intake: sourcing, recruitment, and talent selection</p> <p>Uptake: developing and retaining key talent at all levels</p> <p>Leadership: preparing key talent for leadership positions</p>	<p>Culture</p> <p>Accountability: leadership support and accountability</p> <p>Inclusion: growing inclusive leadership capabilities</p> <p>Engagement: building employee interest and involvement</p>	<p>Clients</p> <p>Relationships: deepening client relationships</p> <p>Recognition: increasing external recognition and brand awareness</p> <p>Collaboration: developing thought leadership and solutions</p>
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Source: A.T. Kearney analysis

Modern Slavery Act

A.T. Kearney maintains a longstanding commitment to respecting human rights, and we remain committed to continually improving our practices. We welcome the transparency that the Modern Slavery Act encourages to combat slavery and human trafficking. A.T. Kearney is committed to ensuring there is absolutely no modern slavery or human trafficking occurring in our supply chains, or indeed in any part of our business. Our internal policies reflect our commitment to acting ethically and with integrity in all our business relationships.

Through our social impact efforts, we are committed to assisting organizations outside of our own firm that promote human rights and actively work against modern slavery and human trafficking. We actively collaborate with diverse organizations, including nonprofits, businesses, and government, that work to address these issues. Examples of our client engagements and pro bono projects include institutionalizing fair trade practices across supply chains and driving transparency and empowerment for the millions working in the informal economy.

Implementation

Diversity & Inclusion

We have had a number of diversity and inclusion achievements:

- We have had **client wins where diversity and inclusion were crucial deciding factors.** Clients are increasingly focused on diversity and inclusion and view diverse talent as a strategic and commercial imperative and differentiator in the market. We are often approached by clients with opportunities to advance thinking on this topic.

- We have promoted **workplace support programs** aimed at future leaders and employees returning from parental leave to strengthen our diverse employee base. We have launched a game-changing initiative for experienced professionals re-entering the workforce and are improving retention to provide a compelling value proposition to candidates.
 - **Success with Flex** facilitates part-time options and other alternate schedules, such as working fewer days or hours per week. It also supports working from home and job-sharing.
 - **Pathway for Parents** offers many options to help ease the transition for caregivers returning to work, including the ability to take a six-month rotation in a family-friendly role, work part-time, or take a partially paid parental leave of absence.
 - The **WorkSmart program** entails the effective use of technology, remote working arrangements, alternate travel schedules, and different work allocations to create more options within teams. A team can choose to participate in the program and develop a charter that balances team objectives and the personal goals of team members. Workload management is achieved by active dialogue throughout the project.
 - The **Sponsorship program** connects strong contributors on track to be future firm leaders with a senior sponsor to help them think through their career paths and serve as an advocate for their interests, supporting their advancement and development within the firm.
- We have a number of **Inclusion training programs** aimed both at senior leaders and employees overall that aim to increase awareness of unconscious biases and foster a sense of belonging in our workforce.
 - **PARC – People Advocating Real Change** builds awareness of how systemic advantage impacts behavior and relationships across the diversity spectrum, for example gender, race, ethnicity, sexual orientation.
 - **Conscious inclusion training** raises awareness of “unconscious bias,” its impact, why it happens, and how to recognize and mitigate it to build an inclusive work environment.
 - **Let’s Get Real** is a series of live web broadcasts that deal with inclusion and the sharing of real-life stories of our under-represented minority groups.
- We have **increased the firm’s diversity profile**, particularly global gender diversity, driven by a number of key initiatives and active employee network groups. In addition, we have created insights for our clients and the wider business community in support of inclusion.
- We have received **high-profile awards** such as The Human Rights Campaign’s Corporate Equality Index, *Working Mother* magazine’s Best 100 Companies (2018), and Future Leader Award from Women Leaders in Consulting (2018), in recognition of our commitment, but there is much more to be done.
- We have signed two pledges this year, CEO Action for Diversity & Inclusion, and Human Rights Campaign’s “Business Coalition for Equality,” which supports the Equality Act in the US.

Modern Slavery Act

A.T. Kearney will not tolerate any slavery or human trafficking in its business or supply chain. Amendments to our *Code of Business Conduct* now 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. In order to achieve our zero tolerance goals, we started a program of due diligence with respect to our first-tier supply chain providers in IT, travel, real estate, employment, and affiliated consultants.

Further, we now require those key suppliers to commit contractually to: 1) not allow or procure any slavery or human trafficking in their organizations and supply chains; and 2) maintain adequate records to allow A.T. Kearney to monitor its performance against our contracts, values, and international employment and human rights standards.

Health and Safety

A.T. Kearney takes its employees' health and safety very seriously and has a robust approach in place to increase A.T. Kearney's readiness and response. A dedicated team and processes are in place to provide our employees with worldwide protection in partnership with the world's leading security services firm, iSOS. A messaging system, Send Word Now (SWN), is in place to reach our employees in case of emergency.

Measurement of Outcomes

All A.T. Kearney employees have certified annually that they have read and understood the A.T. Kearney *Code of Business Conduct*.

For 2018, our representation of women across the firm is 38 percent; 11 percent of our Board of Directors and 22 percent of our Managing Partner Leadership Team are women.

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Assessment, Policy, and Goals

A.T. Kearney is proud to be the **first management consulting firm to become carbon neutral**. Since 2007, we have made tailored efforts in our 60+ offices to reduce our carbon footprint. Since 2010, we have offset the remainder of our carbon usage through the purchase of carbon credits, supporting diverse projects such as hydropower and waste gas recovery. As a professional services firm, the majority of our energy usage comes as a result of air travel, offices, and hotel accommodation while serving our clients. By employing the non-profit carbon usage monitor, Atmosfair, we are able to track our travel details through usage statistics and detailed studies. Maintaining this level of understanding of our footprint allows us to purchase carbon credits and track our balance annually. Going forward, we are dedicated to doing even better. We are implementing a multi-year sustainability plan to further reduce our energy consumption and associated CO₂ emissions, reduction and recycling of waste, and optimized leverage of technology such as video-conferencing to offset our travel.

We have a **IT Sustainability Position & Strategy** outlining our continuing goal to make informed, intelligent, and impactful decisions with regard to the design, operation, and delivery of global IT services and technologies that represent the highest possible level of sustainability

and ecological responsibility. We aim to design and implement technical architecture that implements and leverages technologies in alignment with our sustainability goals by increasing operational efficiencies and reducing power and HVAC requirements, resulting in overall reduction in carbon footprint.

Implementation

Our deep experience in strategy, operations, and sustainability positions us to change how organizations make an impact on the world. Across all industries, we see our clients facing complex social impact and sustainability challenges, and the changing role of business in society. With our clients and partners such as the World Economic Forum, and through our thought leadership, we are dedicated to solving some of the world's most important challenges. For example, our A.T. Kearney Energy Transition Institute provides leading insights on global trends in energy transition, technologies, and strategic implications for private sector businesses and public sector institutions. We have also worked with clients to launch sustainability initiatives, such as sustainable supply chain and improving energy efficiency.

We have implemented a number of actions across our own business including:

- Development and diffusion of environmentally friendly technologies
- Awareness raising and training of employees on climate change and environmental protection
- Initiatives and programmes to reduce waste materials (for example recycling) and consumption of resources (energy, fossil fuels, water, electricity, paper, packaging, and so on)
- Activities aimed at improving the energy efficiency of products, services and processes

Measurement of Outcomes

Our environmental and CSR performance is audited annually by EcoVadis. A.T. Kearney has not been involved in any legal cases, rulings, or other events related to environmental practices in 2018.

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Assessment, Policy, and Goals

For over 90 years, our brand—A.T. Kearney—has stood for excellence and integrity. And as we go about our work, each one of us holds this hard-earned reputation in our hands. We cannot succeed without the unconditional trust of our clients, partners, colleagues, and broader the communities in which we live and work. This is something we continue to earn each day.

We expect our partners and employees to uphold the firm's core values of excellence, integrity, social responsibility, and essential rightness. To this end, all of our employees must certify each year to our **Code of Business Conduct**, which sets forth that all are personally responsible to exemplify the firm's core values and behave in a manner that is ethical, lawful, and professional.

In addition, we have a high-profile Ombuds program, and actively encourage employees to raise any behaviors or activities they believe to be unlawful or unethical in any part of our business or operations.

It is crucial that our suppliers and vendors recognize the roles they play as critical 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 try to work toward throughout the course of our business relationship. A.T. Kearney can and will consider criteria reflecting these principles as part of any supplier assessment, contract award, or performance appraisal. This Code supplements but does not supersede any rights or obligations established in any agreement we may have with our suppliers or vendors.

Implementation

All A.T. Kearney employees are required to **certify annually** that they have read and understood the A.T. Kearney *Code of Business Conduct*, and to reaffirm their commitment to our values and principles. US employees also complete a data privacy training module. Furthermore, we conduct additional employee training in higher-risk environments.

The **Global Ombuds Program** is one of several channels by which employees can report concerns. 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 A.T. Kearney employee, regardless of the individual's department, position, office, or reporting relationship. Employees can contact any Ombudsperson globally to discuss work-related issues confidentially.

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

A.T. Kearney has also introduced our **Supplier Code of Conduct**. We expect each supplier to conduct its business in accordance with the highest ethical standards and to have controls in place that prohibit and detect the misuse of company assets, corruption, bribery, improper gifts, extortion, and embezzlement. Suppliers should similarly strive to prevent and avoid any conflict of interest, money laundering, or anti-competitive practices, and to adhere to industry standards with regard to responsible marketing and information security. All suppliers' business dealings should be fair, legal, and honest.

Measurement of Outcomes

All A.T. Kearney employees have certified annually that they have read and understood the A.T. Kearney **Code of Business Conduct**.

A.T. Kearney has appointed an external audit company, and its books and accounts are subject to statutory external audit every year. A.T. Kearney has not been involved in any legal cases, rulings, or other events related to corruption and bribery in 2018.



A.T. Kearney is a leading global management consulting firm with offices in more than 40 countries. Since 1926, we have been trusted advisors to the world’s foremost organizations. A.T. Kearney is a partner-owned firm, committed to helping clients achieve immediate impact and growing advantage on their most mission-critical issues. For more information, visit www.atkearney.com.

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For more information, permission to reprint or translate this work, and all other correspondence, please email: insight@atkearney.com.

The signature of our namesake and founder, Andrew Thomas Kearney, on the cover of this document represents our pledge to live the values he instilled in our firm and uphold his commitment to ensuring “essential rightness” in all that we do.

A.T. Kearney Korea LLC is a separate and independent legal entity operating under the A.T. Kearney name in Korea.

A.T. Kearney operates in India as A.T. Kearney Limited (Branch Office), a branch office of A.T. Kearney Limited, a company organized under the laws of England and Wales.

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