

Photo by Michelle Kolkevich
Kearney, Chicago

Kearney Sustainability Report

2021

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 100 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 pledged to achieve **net zero climate impact by 2030**. We also commit to ambitious targets aligned with the **Science-Based Target initiative’s (SBTi) Corporate Net Zero Standard**. From a 2019 base year,

- Near-term target: We commit to reduce **absolute Scope 1 and 2 GHG emissions by 50 percent by 2030**, aligned with the 1.5°C pathway. We also commit to reduce **absolute Scope 3 GHG emissions by 30 percent by 2030**. 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 (WEF) Stakeholder Capitalism Metrics for the second 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. 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 2021, we built on our commitment to our people. We hosted our first internal People Care Jam to understand how we can support the well-being of our employees, with an emphasis on mental health, and crowdsource solutions that work for all. We partnered with Unmind, an app that provides our people with confidential access to tools, training, and exercises to support their well-being. The firm matched more than \$0.5 million in donations to organizations that support social and racial justice, and our employees generously volunteered more than 800 Days of Action in their communities.

In 2022, 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 2022

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 2021 calendar year. This report is our fourth in a series of comprehensive annual sustainability reports—our [Kearney Sustainability Report 2020](#) was published in April 2021.

Kearney has always been dedicated to supporting 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 (WEF) Stakeholder Capitalism Metrics** for the second year and the **Task Force on Climate-related Financial Disclosures (TCFD)** for the first 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 2021, Kearney acquired Prokura, a Nordic-based consulting firm of procurement and supply chain specialists. Last year also saw the launch of HopTek, a homegrown Kearney company. There were no other material changes to Kearney’s structure, size, ownership, supply chain, measurement methods, or materiality topics throughout 2021.

Kearney made use of strong data collection controls and verification processes—including external support from partners South Pole to calculate global emissions, British Independent Utilities (BIU) to assure emissions in the United Kingdom, and Grant Thornton 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.

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

As a global consulting partnership in more than 40 countries, our people make us who we are. We're individuals who take as much joy from those we work with as the work itself. 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 4,400 people strong, with over 24,000 people in our alumni network. The headquarters and origin of the firm are in Chicago.

In 2021, Kearney acquired Prokura, a Nordic-based consulting firm of procurement and supply chain specialists. Together, Kearney and Prokura offer clients leading strategic advice and hands-on implementation of advanced procurement and supply chain solutions from start to finish.

Last year also saw the launch of HopTek, a homegrown Kearney company. HopTek is a software business that brings together proprietary operational technology with Kearney's 100-year history in transportation to create solutions for our clients to boost fleet productivity, increase efficiency, improve profits, and reduce their carbon footprint.

Kearney is a partner-owned firm with more than 300 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. Day-to-day management at a global level is overseen by the Operating Committee (OC) and supported by the Managing Partner Leadership Team (MPLT). In addition to the OC and MPLT, leadership teams are set up for each region along with our industry and service practices, units, and functions.

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 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
- Communications, media, and technology
- Consumer and retail
- Energy
- Financial services
- Health
- Industrial goods and services
- Infrastructure
- Metals and mining
- Private equity
- Public sector
- Transportation and travel

Our primary activities

- Analytics
- Digital
- Leadership, change, and organization
- Mergers and acquisitions
- Operations and performance
- Procurement
- Social impact and sustainability
- Strategy and top-line
- Transformation services
- 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 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. Are you ready to make a positive impact with us?

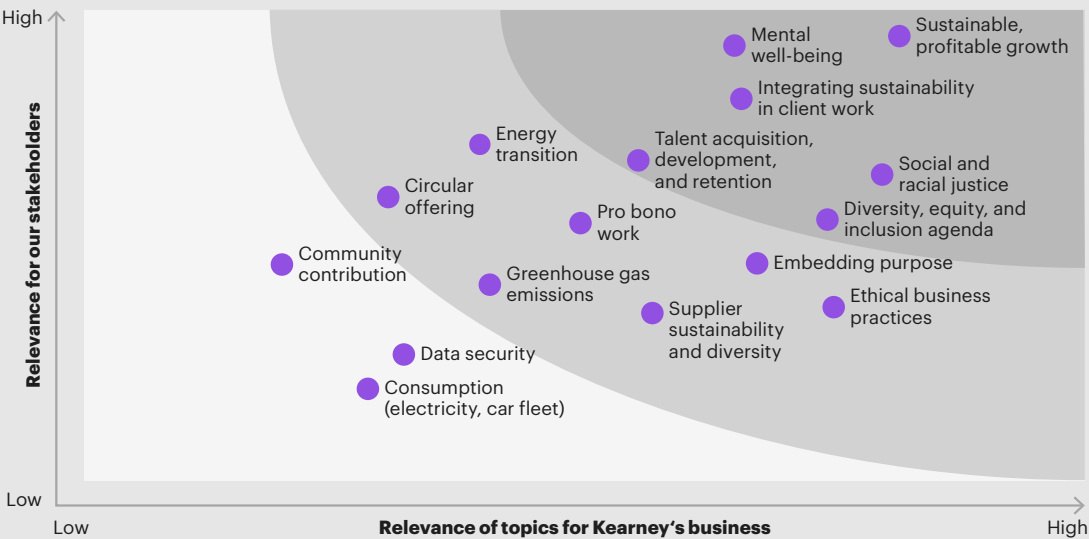
Stakeholder engagement and materiality matrix

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.

The materiality matrix summarizes the key sustainability themes that are relevant for Kearney and our stakeholders (see figure 1).

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, re-using, 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

Selected awards



>4,400 people

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

>120 pro bono

consulting projects and social impact initiatives with local and global impact organizations



Net zero climate impact by 2030

Committed to 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

85% renewable energy usage in offices, committed to reaching 100% by 2025

Carbon neutral since 2010

38% women across the firm in 2021

UN Sustainable Development Goals

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

	<p>Goal 1</p> <p>End poverty in all its forms everywhere</p>	<p>Consulting engagements. We work with diverse businesses, governments, and nonprofits to address global poverty. For example, we advised a poverty-focused global venture fund on its portfolio and business models.</p> <p>Swiss charity concert. Since 2011, we have organized an annual concert series where all proceeds are donated to Save the Children.</p>
	<p>Goal 2</p> <p>End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</p>	<p>Go Green on Racine. In 2020 and into 2021, we are building a fresh market in a food desert community in Chicago, together with support from the community and grassroots organizations.</p>
	<p>Goal 3</p> <p>Ensure healthy lives and promote well-being for all ages</p>	<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>Enabling rural healthcare. We supported Healing Fields Foundation (India) to build health and hygiene awareness in rural India.</p>
	<p>Goal 4</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>Reimagining the future of work and empowering youth. With Ashoka, we co-led a study with 30+ business and education leaders.</p> <p>Education policy and strategy. We worked with a Ministry of Education to create a 10-year strategy for implementing learning best practices.</p>
	<p>Goal 5</p> <p>Achieve gender equality and empower all women and girls</p>	<p>Breaking the taboo around menstruation. Together with WASH United, we shed light on menstruation-related challenges and solutions.</p> <p>Women entrepreneurs. We supported the NYC Small Business Services Department to accelerate programs for developing women entrepreneurs (funding, mentorship, networking, skills development, and infrastructure).</p>
	<p>Goal 6</p> <p>Ensure availability and sustainable management of water and sanitation for all</p>	<p>The call for clean water. We led a study on the effects of acid mine drainage on South African water sources and proposed solutions for neutralizing, stabilizing, and researching those sources.</p> <p>Automated Pumping Solar System (APSS). We partnered with Wayuuda Foundation and Ashoka to develop a business plan for the Nestlé / Ashoka “Academy: co creating for the future” competition, winning \$10k USD to implement APSS running water in a northern Colombia community.</p>
	<p>Goal 7</p> <p>Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	<p>Kearney Energy Transition Institute. We provide leading insights on global trends in energy transition, technologies, and strategic implications for private-sector businesses and public-sector institutions.</p>
	<p>Goal 8</p> <p>Promote sustained, inclusive, and sustainable economic growth, productive employment, and decent work for all</p>	<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>Goal 9</p> <p>Build infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p>	<p>German Sustainability Award (DNP). Kearney is a founding member and methodology and assessment partner for DNP, Europe’s most prestigious sustainability award. More than 8,000 companies, cities, start-ups, and research projects have participated since 2008.</p>

	Goal 10 Reduce inequality within and among countries	<p>Tackling inequality in Mexico City. We raised funds for an organization that helps women and minors in situations of abuse or abandonment advocate for their rights and find resources.</p> <p>Kearney Istanbul's Idea Factory initiative. We supported the integration of Syrian refugee children by providing funding and strategic mentorship to a local NGO and university in Istanbul.</p>
	Goal 11 Make cities and human settlements inclusive, safe, resilient, and sustainable	<p>Support sustainable city development. Our team in Beijing worked with local partners to support interactive exhibits educating the community on sustainable practices.</p>
	Goal 12 Ensure sustainable consumption and production patterns	<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>
	Goal 13 Take urgent action to combat climate change and its impacts	<p>Net zero. Kearney has pledged to achieve net-zero climate impact by 2030. We also commit to ambitious near- and long-term targets aligned with the Science-Based Target initiative’s (SBTi) Corporate Net Zero Standard. We pledge to reach 100% 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>
	Goal 14 Conserve and sustainably use the oceans, seas, and marine resources for sustainable development	<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>
	Goal 15 Protect, restore, and promote the sustainable use of terrestrial ecosystems, halt land degradation, and halt biodiversity loss	<p>Sustainable food supply chains. We supported clients in their work on building better traceability and resiliency 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>
	Goal 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice, and build effective, accountable, and inclusive institutions at all levels	<p>Our nine commitments. This year, Kearney 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 800 Days of Action to pursue social and racial justice, inclusion, and equity work. Kearney contributed \$500,000 in donations and matched funding to impact organizations.</p>
	Goal 17 Strengthen the means for implementation and revitalize the global partnership for sustainable development	<p>Our World Economic Forum (WEF) partnership. As one of a select number of organizations, Kearney supports the World Economic Forum’s (WEF) mission to improve the state of the world. Our relationship with the WEF has been in place for half a century, dating back to the WEF’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 100 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 and eliminate end-of-life waste by reducing, re-using, and recycling.

Equitable and inclusive societies

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

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.

Net-zero GHG strategy

Our Fortune 100 client with a global manufacturing footprint sought to set net-zero greenhouse gas (GHG) reduction targets. As part of our engagement, Kearney developed a C-suite level strategy and managed the implementation of the strategy to see actual emissions reductions. Our support included everything from developing the baseline to setting science-based targets, building an investment case to implementing the operating model and governance changes required to see tangible results.



ICT sustainability strategy

What does sustainability mean for the telecommunications sector and how does one embed it in practice in a given country? We helped an information and communications technology (ICT) regulator in the Middle East answer this question by running an international benchmark and country baseline and developing a high-level sustainability strategy with six focus areas. The strategy highlighted existing efforts, such as in the accessibility space, and identified areas of further progress, with an amazing potential to support progress on the Sustainable Development Goals and to become exemplary in terms of environmental impact. Empowering underserved populations, optimizing water consumption, and launching a countrywide e-waste program are just a few of the short-listed, high-impact possibilities. The regulator is now preparing to produce the country’s first sectorial sustainability report.



Regional hubs strategy for GRI

The Global Reporting Initiative (GRI) is an independent, international organization that helps businesses and other organizations take responsibility for their impacts by providing them with a common language for communicating those impacts.

In 2021, GRI recruited Kearney to help develop business plans for its regional hubs in Africa, ASEAN, and Latin America. In addition to the central team overseeing the overall project implementation, Kearney established dedicated locally based teams in each of our regions. Our local teams worked closely with the local GRI teams throughout the five-month project.

“We were very pleased with the collaboration, which provided us with some very useful insights and input for our work moving forward as well as the professional approach and dedication of all the teams. We hope to have the opportunity to collaborate again in the future.”

– Asthildur Hjaltadottir, chief regional officer, GRI

ESG Value and Leadership Index

Do capital markets actually reward companies that display environmental, social, and governance (ESG) leadership? Our research has uncovered a less-than-categorical answer: sometimes.

In many sectors, ESG-leading companies fetch an attractive valuation premium. But in others, such as aluminum, airlines, OEMs, or infrastructure, ESG leadership is not always associated with a valuation premium. Indeed, this finding holds true even for companies that have significantly reduced their GHG emissions.

So, is now the right time for companies to demonstrate ESG leadership and make reducing GHGs core to their purpose? We believe the answer is a resounding yes. In the many industries where ESG leadership is associated with a valuation premium, companies have before them a nearly \$200 billion opportunity if they rise to the occasion, become ESG leaders, and realize valuations in line with today's leaders. In industries where ESG leadership is associated with a valuation penalty, the opportunity is five times greater.

Companies that want to reap this unrealized value should be ready to disrupt markets where there are sizable opportunities that may not be economic in a business-as-usual market structure. The greatest rewards will come to those that pursue a swift, decisive ESG program that combines a market-shaping strategy with other strategic ESG levers: a climate risk-adjusted build/hold/sell strategy for profitable growth, an ESG-leading brand strategy and purpose, development of an ESG-differentiated value proposition in current markets, and scaled-up low-carbon operations, sourcing, and procurement.



Driving responsible consumption with JD.com

Kearney worked with JD.com, a leading Chinese e-commerce company, to understand the key drivers of responsible consumption in China and learn how corporations can push for responsible consumption. What we found is that the main driver is bilateral promotion from both consumers and corporations. As awareness grows among consumers, corporations realize they should provide more sustainable products and active initiatives from the corporate side to deepen awareness among consumers.

We believe that corporations across sectors should join forces around four initiatives to encourage responsible communication:

- **Form a responsible consumption roundtable** to facilitate collaboration and share best practices.
- **Promote standards with credibility around responsible consumption** to guide more consumers to make responsible choices.
- **Build a circular system** across the entire life cycle of products.
- **Influence via communication.**

An ESG strategy is a core business strategy, and boards help shape outcomes

In our end-of-year 2021 State of Sustainability Assessment, we surveyed COOs and CSOs from leaders across industries globally to understand: behind the public commitments, where are companies in their ESG journeys (see figure 2)? We found that while many companies have started to set goals—internally and externally—they fall short on execution. We hypothesize that this has to do with a few factors: teams struggle to measure impact and therefore prioritize opportunities, many companies are still developing internal capabilities and skills in ESG, and others are wondering how best to embed ESG into their operating model. We identify the role an engaged board and management team can play to ensure long-term company success: the more each member of the team feels ownership over corporate ESG goals, the higher value ESG brought to the company and the more satisfied a company’s employees are.

Figure 2
Embedded ESG leadership yields greater benefits

When ESG metrics are integrated into performance evaluations or compensation structures at the middle management level, rather than stopping at executives, returns follow



Source: Kearney 2021 State of Sustainability Assessment

We also create an impact with our thought leadership

Kearney Energy Transition Institute

The **Kearney Energy Transition** Institute is a non-profit 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.

World Economic Forum partnership

As one of a select number of organizations, Kearney supports the World Economic Forum's (WEF) mission to improve the state of the world. Our relationship with the WEF has been in place for half a century, dating back to the WEF'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.

KEARNEY | Energy Transition Institute

World Economic Forum's Consumers Beyond Disposability

The growing waste crisis is jeopardizing our planet, our people, and our economies. Yet opportunity lies in catalyzing a systemic shift toward reusable consumer goods across multiple categories, such as reusable coffee cups or refillable shampoo containers.

Kearney collaborated with the World Economic Forum's Consumers Beyond Disposability (CBD) initiative, which brings together leading private-, public-, and civil society-sector actors committed to reuse. We developed 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. Drawing on expert interviews and workshop discussions as well as findings from investigative modeling and pilot collaborations, the framework breaks new ground in establishing the viability of reuse-centered production and consumption cycles. It is intended to serve as a diagnostic aid for companies and communities seeking to establish a reuse system, as a facilitator of informed dialogue within and among stakeholder organizations and as a tool for measuring potential outcomes.

"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 consumer industries and future of consumption platform at the World Economic Forum

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 to develop 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 will be expanding its thought leadership on ESG issues in 2022. As 2021's challenges become 2022's realities, businesses that use effective strategic foresight will have a competitive advantage in a post-COVID operating environment—and the GBPC can provide the tools necessary for such success.

KEARNEY
Global Business Policy Council



PERLab: Kearney's center for product design and innovation

With nearly 50 percent of the growth in the consumer goods industry in the past five years driven by sustainability-marketed products, green is not just a trend—it's a requirement. As Kearney's center for product design and innovation, PERLab works with clients to seamlessly incorporate sustainability through product redesign, which produces a positive ripple effect through the value chain.

We take a consumer-back approach and leverage our 30 Seeds of Sustainability framework to identify and implement redesign opportunities. For a \$2 billion global consumer packaged goods company, we developed more than 100 ideas to redesign product and packaging with a 15 to 20 percent cost reduction and 18 percent reduction in material usage, enabling the client to move toward its stated ESG goals.

For us, sustainability is not a zero-sum game. We co-create win-win solutions by enhancing margins and achieving sustainability benefits while maintaining customer appeal and driving additional value through design.



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 not reaping benefits so far.
- **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®

Currently, raw materials are taken from the environment and processed into products that are usually disposed of at the end of their life cycle. These products end up as waste and ultimately as emissions in air, water, and land. Circular Valley® wants to counteract this development.

In Circular Valley®, international start-ups, companies, science, and politics meet to work together across industries and technologies on closing material cycles along existing value chains, developing policy recommendations and political framework conditions, and providing the public with lasting information on the topic of circular economy.

Circular Valley® is located in Germany in the Rhine–Ruhr region. It is for the circular economy what Silicon Valley is for digital. The region is one of the most dynamic regions in Europe with more than 20,000 international companies, 70 universities, and 160 million residents within a 500 km radius. In 2021, the Circular Valley® accelerator ran two programs with 15 start-ups focused on eliminating waste. Start-ups participating in the program came from all around the world, including Vietnam, India, Australia, Lebanon, Brazil, and Ecuador. They were provided mentoring and access to the huge Circular Valley® network, including corporate partners, scientific partners, alumni, investors, and press.

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.



In 2021, the Circular Valley® accelerator ran two programs with 15 start-ups focused on eliminating waste.

We hold ourselves to the highest standards through policies and reporting

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

Code of Business Conduct. We expect our partners and employees to uphold the firm's core values of solidarity, generosity, curiosity, passion, and boldness. To this end, 100 percent of our employees must certify each year to our Code of Business Conduct, which sets forth that all are personally responsible to exemplify the firm's core values and behave in a manner that is ethical, lawful, and professional. In 2021, 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 the Department of Justice and SEC), and the Global Sustainability policy (see the appendix for more details).

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.

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 2020, we updated our Supplier Code of Conduct and are currently reaching out to all active suppliers to confirm the update. 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 see the appendix and following pages for further explanation of our commitment to identifying risks in our supplier or client base.

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 engaging all our active suppliers to receive 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 20 percent of our largest suppliers have completed these disclosures and confirmed compliance to our updated Supplier Code of Conduct, and we hope to surpass 80 percent in 2022. We have also reached out to 100 percent of our buyers to train them on integrating sustainability and diversity criteria in their purchasing processes with suppliers. 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).

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 Business Conduct as well as our Supplier Code of Conduct address supply chain issues specifically, stressing the need for those with whom we contract for goods or services to comply with human rights and employment laws (including equal treatment and freedom of association rules) and with our values. To achieve our zero tolerance goals, we have a program in place of due diligence with respect to our first-tier supply chain providers in IT, travel, real estate, employment, and affiliated consultants. Further, we require those key suppliers to commit contractually 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.

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 ombudspeople globally.

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.

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.

Our corporate social responsibility (CSR) performance is audited annually by **EcoVadis**, covering the themes of environment, labor and human rights, ethics, and sustainable procurement, for which we were certified Silver in June 2021. We also participate annually in the climate change questionnaire of **CDP**, a global nonprofit environmental disclosure platform. Our annual greenhouse gas emissions are measured with the support of **South Pole**.

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.**



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 60 percent have participated in social impact and sustainability activities. 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 the global plastic waste problem.

In 2021, the firm dedicated time to support more than 120 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, talented, and diverse talent to Kearney on a regular basis. In 2021, our new hire rate globally was 25 percent, and voluntary attrition stood at 20 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 and sustainability development opportunities and Joy@Work.
- 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 mental health, well-being, and health and safety resources, tools, and training.

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

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, encourage action, and track and communicate impact.



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.

The Joy@Work podcast builds on Kearney research to explore how organizations that adopt a “joy mindset” are able to move the needle and produce real and lasting transformation. Our exploration of joy has led to other important themes: social justice, mission and purpose, and building organizations where people feel seen, supported, and inspired.

In 2022, the quest to understand Joy@Work continues. On the latest season of the podcast, Alex Liu will think about the joy of innovation. He’ll talk to people who are using a joy mindset to push the limits and unlock new possibilities. And in his upcoming book on the topic, he will ask: “Why would we settle for anything less than joy?”

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.

“It was a such an amazing opportunity to work on an impactful and meaningful project while gaining experience on core sustainability issues.”

– Thomas Vaillant, Kearney associate

Thomas Vaillant, Revolusolar

Thomas Vaillant, an associate from our Paris office, did his externship at Revolusolar—a private non-profit organization that promotes the sustainable development of low-income communities through solar energy in Brazil.

During his time there, Thomas helped to structure the fast-growing organization. By the end of his externship, Thomas had identified and formalized key processes for operating model replication and developed a road map to reach 2023 Revolusolar strategic plan objectives on that matter.

“At the end of 2021, I had the opportunity to work for Revolusolar, an NGO developing solar energy power plants in the favelas of Rio de Janeiro. Kearney’s sustainability team not only provided support to reach out to the organization, but also provided insightful guidance throughout the project. It was a such an amazing opportunity to work on an impactful and meaningful project while gaining experience on core sustainability issues.”

— Thomas Vaillant, associate at Kearney Paris





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 \$200,000 to 15 projects driving positive impact across all of the regions in which we work. We look forward to continuing the momentum in 2022.

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

Nurturing earth by caring for her

More than 12 billion non-biodegradable sanitary pads pollute land and water bodies across India every year. To address the lack of awareness about sustainable menstrual products and to improve the market outreach of more environmentally friendly products, we organized an India-wide start-up pitch competition.

More than a dozen start-ups participated, and our judging panel, which included our client partners, chose two winners. The winning start-ups received financial support of \$15,000 along with mentoring and business coaching from Kearney experts on product design and cost optimization, strategic analytics, and go-to-market strategies.

Diversity, equity, and inclusion are core to our work

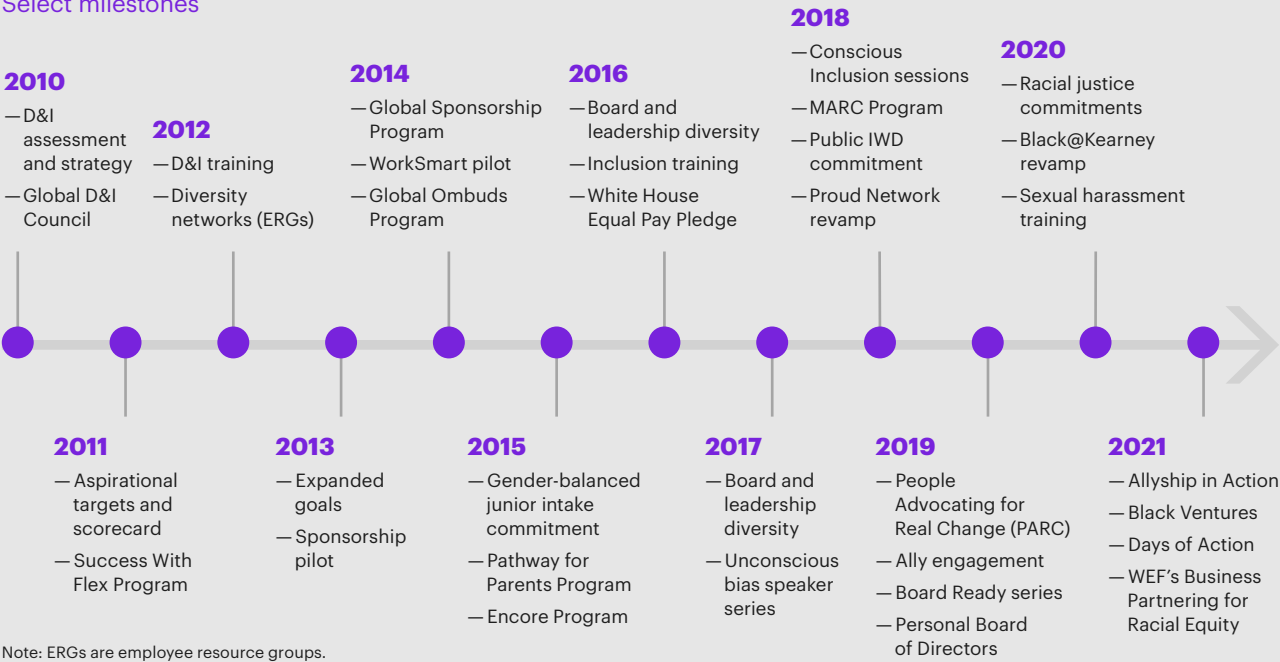
Our founding principle of essential rightness, together with our core values, has become integral to who we are as a firm and is implicit in the way that we approach diversity, equity, and inclusion (see figure 3).

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 3
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 benefits, trainings, and career progression support for our employees.

Our overall representation of women is at 38 percent. Ten percent of our Board of Directors and 20 percent of our Managing Partner Leadership Team are women. In fact, 55 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 increased.

We continue to strengthen our culture with a breadth of established and active diversity networks, including the Proud, Black@Kearney, and Women's Networks active globally, our East Asian and South Asian networks, our Gender, Alliance, and Inclusion Network (GAIN) in Europe, our Latino and Hispanic Network, and our Veterans Network. 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 2022, 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, training, 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 unconscious 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 launched Allyship in Action, which saw our people commit to ongoing learning and to being strong allies, taking courageous action to create a more equitable and inclusive workplace. We have had more than 500 participants in 15 sessions.
- Conscious inclusion training raises awareness of what unconscious bias is, its impact, why it happens, and how to recognize and mitigate it to build an inclusive work environment.
- Kearney has officially signed on to the CEO Action for Diversity and Inclusion pledge to demonstrate our commitment to deepening conversations around diversity and inclusion and to share best practices and learnings with the broader business community. And we have 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.
- In addition, we are committed as a founding member of the WEF'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 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 (2022), the Global Diversity List (2021) and on the list of Top 100 Companies for Working Families (2021). 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 4).

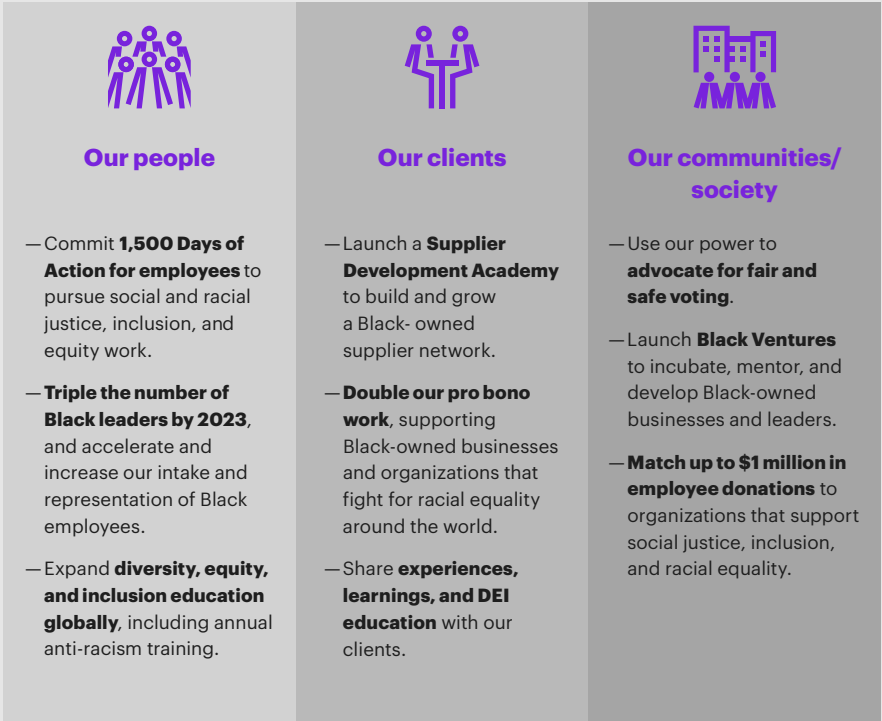
In terms of our people, our Kearney employees have completed more than 800 Days of Action to pursue social and racial justice, inclusion, and equity work. Our employees in the United States have volunteered on Martin Luther King Jr. Day. We have contributed \$0.5 million in donations and matched funding 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 we continued to expand on these in 2021. 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 2021, we continued driving awareness through communication, activities, and events.

Figure 4
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

SoGal Foundation

The SoGal Foundation is the largest global platform that brings access to capital, education, resources, and network to next-generation women and diverse entrepreneurs within their local communities. The foundation was created in 2015 and now spans six continents with hyper-local programming in more than 50 cities.

In 2021, Kearney directly supported four Black women and non-binary founders and their companies—Limeloop, AVEC, Boddle, and LifeWeb 360—through grants and mentorship. In addition, Kearney assessed SoGal’s programs and offerings and provided recommendations and actions to refine its five-year strategic plan.



Social Racial Justice: Black Thrive

Black Thrive is a London-based not-for-profit organization dedicated to addressing the structural barriers that prevent Black people from thriving.

As part of the Black@Kearney initiative, Kearney proudly partnered with Black Thrive to help define the vision for their national and ultimately global expansion—focusing on advocacy and research in mental health and leadership. We also worked together to design a service portfolio and operating model, which enable them to deliver maximum impact on a sustainable basis.

Public Rights Project

As part of our ongoing commitment to advocating for social and racial justice, Kearney led an engagement to support the Public Rights Project (PRP). PRP is a US-based non-profit fighting for civil rights in state and local government law offices and combining community organizing and strategic litigation to elevate the needs and voices of disadvantaged populations. Our team helped PRP leadership set a strategic vision, revamp its operating model, and build a plan to become an independent non-profit, all while employing an equity- and inclusion-based approach for engaging the organization’s staff and stakeholders.



UN Women UK x Kearney: Build Back Better for Women

Created in 2010, UN Women is the United Nations’ organization dedicated to gender equality and the empowerment of women.

Kearney is partnering with UN Women UK to explore how private-sector organizations can create a conducive environment for women to remain in or to return to the workplace.

This research is grounded in the context of a peri-pandemic workplace and explores organizational approaches across three areas:

- Developing women’s skills for the future of work
- Empowering women to thrive in an era of hybrid work
- Driving meaningful diversity, equity, and inclusion (DEI) initiatives to enhance gender-inclusivity

Aligned with this, key recommendations and actions are identified to support organizations design a gender-inclusive workplace that is aligned with women’s shifting needs and aspirations.

We plan to take this report to our clients through our Kearney and UN Women’s Network to support organizations take real actions to support the gender equality agenda.



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

Global learning

The central mission of our **Global Learning** team has always been to help our people identify who they are at their best and help them be that person more often in their work.

This requires taking a comprehensive approach:

- Exploring one’s purpose
- Recognizing where they experience joy at work
- Identifying the impact they would like to make in their careers
- Learning about the right topics, tools, and skills in order to produce that impact

Through the COVID-19 pandemic, our mission remained as always. What did evolve was the way we deliver learning to our people. Over Kearney’s long history, a significant proportion of learning has taken place in our award-winning in-person learning programs—many of which are deeply immersive multi-day experiences. In recent years, we have gradually transitioned to a more accessible and agile, multichannel delivery model that empowers our people to learn when, where, and how they wish. COVID-19 simply accelerated this approach, and we are proud to say we met the challenge and continue to deliver world-class learning experiences.

In 2021, we built on our robust and engaging virtual live learning curriculum, going deeper into the topics and skill areas most in demand. At Kearney, we call these offerings café conversations rather than webinars, given the learner-centric, interactive design. This 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 continue to expand our offerings on sustainability topics to encourage skill-building in core areas of sustainability relevant for client delivery and personal growth, including a series of on-demand training in partnership with Kearney’s sustainability team.

We designed four more virtual learning journeys to supplement the seven cohort-based journeys launched in 2020, including Virtual Junior Electives and Mastery Principles—both targeted at longer-tenured consultants at the junior and principal levels respectively. We partnered with the Kearney Global Alliance team to introduce the Alteryx analytical platform to the firm so our consultants can run powerful analysis in an efficient, effective, and sustainable manner. Alteryx training will continue to be embedded in our Facilitated Explore curriculum for new hires. Aligned with our multi-delivery learning approach, we offered a comprehensive curriculum across several channels, including required virtual live café conversations and 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).

In 2021, we built on our virtual learning curriculum, going deeper into the topics and skill areas most in demand.

Other channels include Degreed, our learner experience platform, where our team and firm created more than 110 custom pathways and courses and our people completed more than 80,000 self-guided learning content modules in 2021 alone. Our Leader-Led Learning concept, which allows senior colleagues to locally deliver high-impact offerings designed by the learning team, was also softly launched in 2021 in two offices.

In 2021, we offered Kearney’s first ever multi-day virtual learning festival for our management services (MS) colleagues, with more than 450 MS colleagues in attendance. Across all our learning offerings, we are proud to say that more than half were delivered by our people, demonstrating the breadth of Kearney’s expertise and the depth of our learning culture. All in all, our consultants logged more than 55,000 learning hours in 2021. The response to our offerings was overwhelmingly positive. We’ve helped our people embrace our apprenticeship structure and feel more connected with one another despite being socially distant.

Looking ahead, we will continue our blended approach, while reintroducing complementary in-person learning at a regional level, to ensure the right learning is in the hands of our people so they can be their best more often.

“Growth is at the heart of our profession, and we believe that everyone has a responsibility to learn, grow, and teach. At Kearney, we focus on continuous learning throughout your time in the firm by arming you with the consulting skills to serve your clients while helping you discover your own strengths to inspire your team and clients and drive powerful change.”

– Bronwyn Kelly, Global Head of Learning

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 2021, we reached our goal, and 100 percent of our active employees (excluding colleagues on an extended leave of absence) 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.

The mental health, well-being, and safety of our people are a top priority

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.

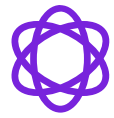
Identifying in early 2020 that the effects of COVID-19 were more than physical, we **committed to focusing on our employees' mental health and well-being** by elevating our People Care agenda. We recognized that mental health is crucial to employee engagement, morale, and well-being and has a direct 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



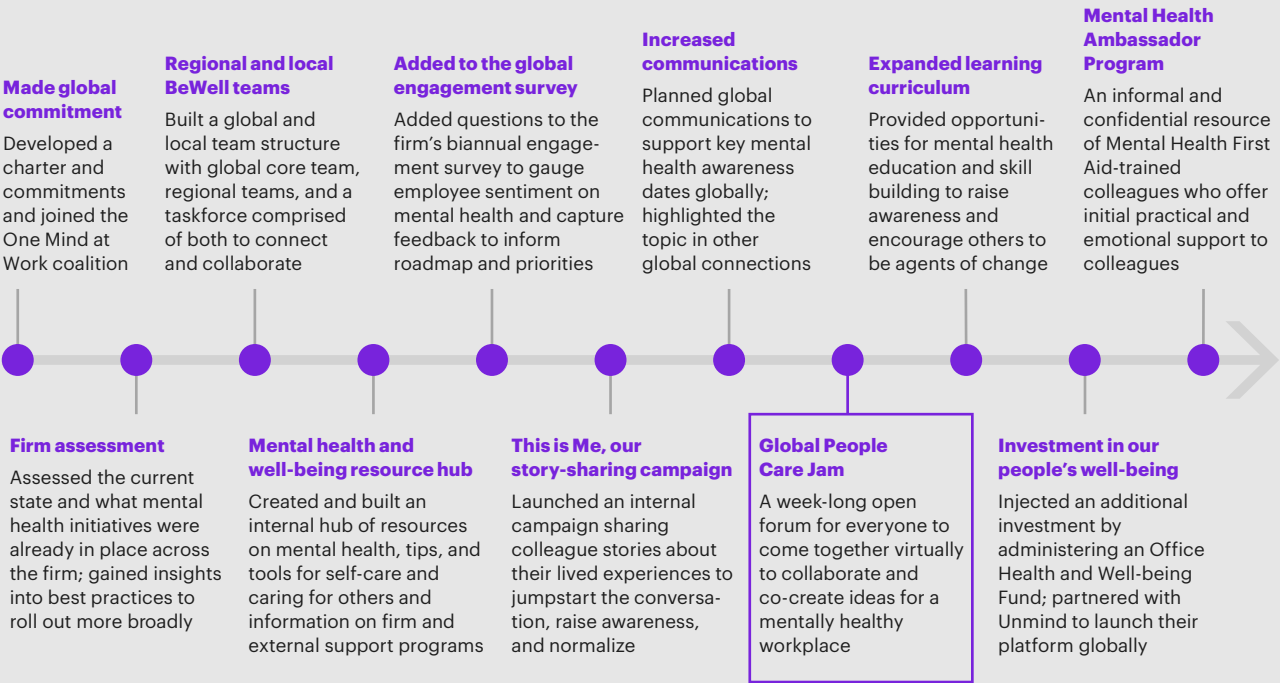
Sharing lived experiences and raising awareness to **normalize the fact that it is okay to not be okay**



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

We continued to act on our commitments in 2021 through initiatives such as the **Global People Care Jam** (see figure 5). The Jam provided an opportunity for our people to come together in solidarity across regions and functions to co-create practicable ideas that help build a mentally healthy workplace. More than 300 ideas were collected from 2,000 of our colleagues during the week-long event hosted on an innovation platform. Following the event, tangible actions were identified and agreed to by firm leadership, which also helped guide our future strategy.

Figure 5
Kearney is on a journey to build a mentally healthy workplace and a culture of well-being



Source: Kearney analysis

One of the actions agreed to was to invest more in our colleagues' health and mental well-being. To ensure everyone was reached, the investment was two-fold. We partnered with **Unmind** to provide our people with a globally available resource, empowering them to measure, understand, and improve their mental well-being. We also deployed an **Office Health and Well-being Fund** where offices were given local budgets to use to support a wide range of health and well-being initiatives—from physical to mental well-being.

As we strive to raise awareness, tackle stigma, and encourage more open conversations around mental health and well-being, we launched a new internal support resource for our people: our **Mental Health Ambassador Program**. All Mental Health Ambassadors (MHAs) are required to complete Mental Health First Aid, an internationally recognized, evidence-based training that provides skills and confidence to signpost colleagues to professional and other support, with more than 100 colleagues completing the training in 2021. Talking to a trusted person, such as an MHA, can help break down the harmful stigma that still surrounds mental health and let people know it's okay to not be okay.

“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

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 of 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. 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, consultants are required to pass a rigorous approval process, including confirmation of sufficient business purpose and risk mitigating steps, before being allowed to travel to these locations for the firm.

In concert with its **International SOS partnership**, Kearney uses the Send Word Now communication tool to reach out to all of our employees in affected locations all at once when faced with emergency situations that affect a large number of employees. The Global Security team, along with regional and country HR directors and office managers, are responsible for sending these communications when required.

With the **spread of COVID-19**, Kearney has taken precautions to protect its employees from contracting and spreading the virus. From providing country-specific individual PPE to procuring World Health Organization (WHO)-recommended COVID-19 safety materials for each office, Kearney maintains the highest standards of safety for its employees.

From the beginning of the pandemic, work-from-home measures were implemented to allow employees to safely work in a virtual setting and offices were initially closed. In addition, travel guidelines were implemented for employee work-related travel. As offices started to reopen at limited capacity, strict COVID-19 protocols were implemented. These included commuting guidelines, preventative hygiene measures, social distancing, voluntary health reporting, reduction in services, limited office and visitor attendance, maintenance of proper building filtration, and cleaning services to mitigate the spread of infection.

The **Global Health and Safety team** formulated a response and recovery road map to COVID-19, which outlined practical steps for individuals and offices to take in response to the pandemic. The overarching purpose was to provide a global health and safety framework to guide regional and local recovery planning throughout the various stages of the pandemic. Each unit is responsible for evaluating the balance between returning to work with protecting the health, well-being, and safety of its local employees.

As the pandemic has progressed, the Health and Safety team regularly monitors WHO statistics and trends, impact of new variants and vaccines, and testing and quarantine protocol guidance as well as government responses and local protocol changes. These metrics, in addition to employee and client sentiment and competitor benchmarks, have been key to managing the stages of transition back to the office and client sites as well as to more in-person meetings and connections. The team continues to monitor these key metrics and trends, adjusting our global safety standards and guidelines in alignment with regulatory changes as the global pandemic continues to evolve.

We are adjusting our safety standards and guidelines in alignment with regulatory changes as the pandemic continues to evolve.



Our commitment to net zero climate impact by 2030

Kearney has pledged to achieve **net zero climate impact by 2030**. We also commit to **Science-Based Target initiative's (SBTi) Corporate Net Zero Standard**—we will focus on rapid and deep emission cuts, set near- and long-term targets, and take action beyond our value chain.

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

Kearney was the first management consulting firm to become carbon neutral in 2010, and we strive to do even better each year. 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. Going forward, we commit to meeting ambitious targets in line with the **SBTi Corporate Net Zero Standard**, where we are currently undergoing validation of these targets. From a 2019 base year:

- Near-term target: We commit to reduce **absolute Scope 1 and 2 GHG emissions by 50 percent by 2030**, aligned with the 1.5°C pathway. We also commit to reduce **absolute Scope 3 GHG emissions by 30 percent by 2030**. 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 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. We will neutralize unavoidable emissions through purchasing high-quality carbon offsets that meet stringent international certification standards. By 2030, we will achieve **net-zero climate impact** by removing all the carbon we emit, by actively investing in innovative carbon removal projects with proven environmental, social, and economic benefits. In 2021, we were certified Climate Neutral by South Pole. 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.

Our global SBT 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. We also disclose our environmental performance annually with **CDP's** climate change questionnaire and follow the guidance of the **TCFD**.

We report our emissions following the GHG Protocol Corporate Accounting and Reporting Standard.

Emissions

With support from South Pole, an environmental consultancy that prepares and assesses our carbon footprint, we measure our GHG emissions through the use of statistics and detailed studies. We also work with British Independent Utilities (BiU) to assure emissions in the United Kingdom and Grant Thornton to assure our financials. Maintaining this level of understanding of our footprint allows us to purchase carbon credits and track our balance annually.

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, and part-time associates as their activities relate to serving Kearney clients.

Updates to 2021 reporting

There are no material updates to our 2021 reporting.

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 datacenters. 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, client offices and work-from-home (employee commuting), and hotel accommodations while serving our clients. This scope also includes rental cars, taxis, food, rail, Kearney office-related spend (waste, courier, paper, water), and IT materials.

Our calculation approach involves totaling the (activity data per category) * (emissions factor) to calculate the tons of CO₂ equivalent. 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 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.

- Our air, hotel, rail, taxi, ride sharing, meals, car rental, and fuel reimbursement for private cars data comes from transactions with our travel providers and employee expense reimbursements.
- 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.

- 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 usage, and cars.
- For waste, we make our best efforts to recycle in our offices. For waste that cannot be recycled, we assume it goes to landfill unless the incineration method is known.
- 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.
- 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.
- 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 annualized cradle-to-sale emission factors and reported under Scope 3 category 1 (purchased goods and services).
- Work-from-home emissions data was gathered with the help of our office managers who provided estimates for the percentage of time employees worked from home (that is, not in the office or at the client's site).



2021 emissions

In 2021, our overall emissions fell by a further 8 percent compared to 2020 and 70 percent compared with our 2019 base year (figure 6).

In 2021, compared with 2020, there was a 13 percent drop in Scope 3 emissions due to further reduced business travel. We saw a 22 percent increase in emissions in Scope 1 and a 130 percent increase in Scope 2 emissions, driven largely by improved data collection and extrapolation in the categories of office heating and cooling.

In accordance with GHG protocol, Kearney also reports Scope 2 and Scope 3 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 7 on page 44).

COVID-19 had a major impact on our carbon footprint: our overall emissions in 2021 fell by 70 percent compared with 2019 and a further 8 percent compared with 2020.

Figure 6
Kearney’s overall emissions fell by 8 percent compared with 2020

Emissions by scope
(Total of 25,841 tons CO₂e in 2021)

	2019 (SBT base year)	2020	2021	% change 2019–2021	% change 2020–2021
Scope 1	1,375 (2%)	1,402 (5%)	1,709 (6%)	+24%	+22%
Scope 2	3,762 (4%)	524 (2%)	1,205 (5%)	–68%	+130%
Scope 3	79,799 (94%)	26,216 (93%)	22,926 (89%)	–71%	–13%
Total	84,936	28,143	25,841	–70%	–8%

Note: Table includes market-based emissions.
Sources: South Pole Group; Kearney analysis

Figure 7
2021 GHG emissions (tons CO₂e)

	Market-based	Location-based
Scope 1	1,709	1,709
Scope 2	1,205	2,740
Scope 3	22,926	23,230
Total	25,841	27,679

Source: Kearney analysis

Going forward, we are dedicated to doing even better, as outlined in our Global Sustainability Policy. Our efforts will focus on cascading global policy to every project team, with an aim to influence the way our teams work. We used the momentum of 2020 and 2021 to drive engagement around sustainable practices at Kearney. We are implementing a multi-year sustainability plan to achieve the following:

- Drive sustainable outcomes through our client engagements.
- Reduce energy consumption and associated GHG emissions.
- Boost our reduction and recycling of waste.
- Embrace greener ways of working and optimize our use of technology to reduce our business travel, such as by video conferencing.

Our efforts will focus on cascading global policy to every project team.

Kearney’s 2021 carbon offset portfolio

Sustainable Aviation Fuel, Compensaid, Germany

Supporting cutting-edge carbon removal technologies
Certified by TÜV Nord

Sustainable aviation fuel is made from a range of sources, including feedstock such as cooking oils or waste 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. Kearney and Lufthansa have worked with other value chain partners since early 2020 to develop strategies that will accelerate the economic feasibility of SAF. And in 2021, we took it one step further: we purchased SAF with Lufthansa through their Compensaid scheme, becoming their first global consulting partner to purchase SAF. Kearney’s financial support formalizes this intra-industry partnership and is a necessary step in developing crucial technology to ensure the next generation of air travel becomes carbon-neutral.



Climate Vault, United States

Supporting cutting-edge carbon removal technologies
CDP-accredited

Kearney partnered with Climate Vault—an award-winning, CDP-accredited non-profit—to neutralize part of its carbon footprint. On Kearney’s behalf, Climate Vault purchased carbon permits on government-regulated compliance markets and “vaulted” them to prevent those emissions from occurring, providing a verified carbon avoidance/offset. Climate Vault will then leverage the permits’ value to promote carbon dioxide removal (CDR) technologies and thus support Kearney’s Science-Based Targets. Climate Vault’s world-renowned Tech Chamber, which consists of CDR experts from Princeton, MIT, Harvard, UVA, and Scripps, is currently reviewing the first round of RFP applications that include a range of hybrid (nature + tech) CDR projects to eliminate CO2 already in our atmosphere. Climate Vault is aiming to award its first round of winners by summer 2022 and continues to review applications on a rolling basis.



Sustainable Plantations, Paraguay

Implementing sustainable afforestation for the domestic wood industry
Verified Carbon Standard

This early opportunity project in Paraguay is planting fast-growing trees on degraded grassland in order to sequester carbon while developing the country’s sustainable wood market. By meeting the demand of wood in this way, pressure on the country’s natural or primary growth forests—including the unique Chaco forest, considered the second largest forested landscape in South America after the Amazon—is reduced. As well as the environmental benefits, the project will create new opportunities for underserved rural communities and contribute to important infrastructure improvements like roads. In addition, there is a focus on moving toward a gender-balanced workforce.



Hebei Zhangjiakou Landfill Gas, China

Greening the East Electricity Grid with renewable resources
Verified Carbon Standard

The project captures harmful methane emissions naturally released from a landfill site in Hebei and turns waste into a valuable source of renewable electricity. This simple solution represents a small but important step for China to tackle the environmental challenges it faces with its rapid development: increased energy demands, rising GHG emissions, and a growing mountain of waste.



Biosupply Wastewater Treatment, Thailand

Repurposing harmful greenhouse emissions to generate sustainable electricity
Verified Carbon Standard

This project captures methane at a Thai starch plant using two closed anaerobic wastewater treatment facilities and converts the gas into energy. With this project, not only has the local air and water quality improved but the starch plant has reduced its fossil fuel consumption significantly. In addition, the project and revenues from carbon credits have generated jobs for local people and supported social and educational activities in the community.



Koru Wind Power, Turkey

Kickstarting Turkey’s clean energy sector and creating jobs
Gold Standard

Located in western Turkey, this bundled wind power project has a 50 MW capacity with 16 turbines spanning several hilltops and multiple villages across the district. By powering homes in the surrounding area with renewable wind power, Koru Wind Power displaces fossil fuel-generated energy. As a result, the project reduces emissions by more than 80,000 tCO2e every year and stimulates the growth of wind power infrastructure in Turkey. Jobs have been created for both the construction and ongoing maintenance of the plant, as the Koru Wind Power Plant continues to employ workers from surrounding villages. In addition, the quality of employment is improved, as local workers are trained in specialist operational knowledge.



In support of this goal, 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 are also developing emissions dashboards alongside rankings for units, offices, departments, teams, and individuals to increase transparency as well as setting near-term goals per unit or department so we all own Kearney's 2030 targets. We are increasing the training and materials available to employees by developing a Sustainability 101 training with sustainable travel tips and a playbook on how to reduce office 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 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. We achieved 85 percent renewable energy usage across our offices in 2021.

In the pages below, we outline the types of innovative initiatives our local and regional teams have piloted in support of our sustainability goals.

We also 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 are investing in innovative carbon removal projects and technologies.

Sustainable aviation fuel

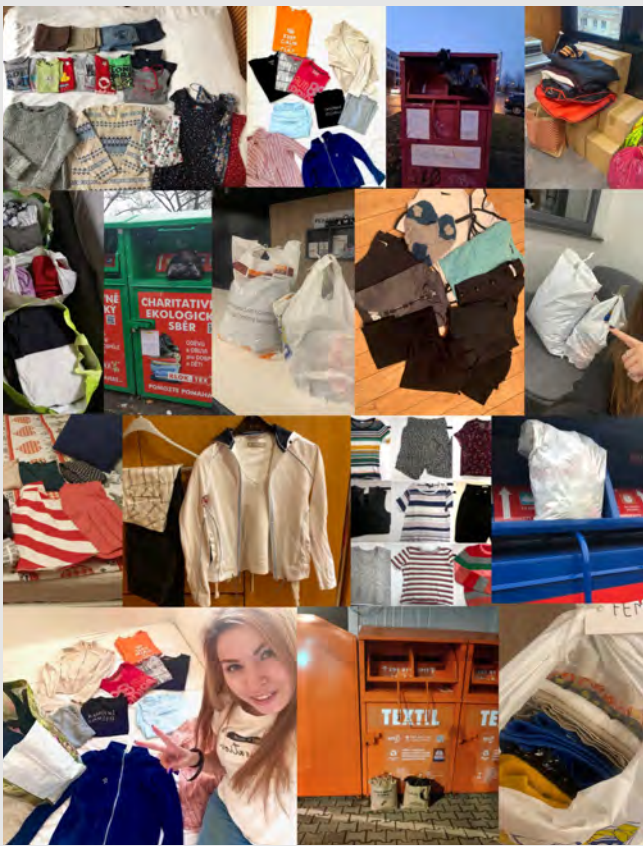
As consultants, business travel makes up the largest portion of our emissions. So, while we already offset 100 percent of our global business travel annually, we have partnered with Lufthansa to focus on the future: the path to reducing emissions for the aviation industry by the deployment of sustainable aviation fuel (SAF).

Sustainable aviation fuel is made from a range of sources, including feedstock such as cooking oils or waste 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.

Kearney and Lufthansa have worked with other value chain partners since early 2020 to develop strategies that will accelerate the economic feasibility of SAF. And in 2021, we took it one step further: we purchased SAF with Lufthansa through their Compensaid scheme, becoming their first global consulting partner to purchase SAF. Kearney's financial support formalizes this intra-industry partnership and is a necessary step in developing crucial technology to ensure the next generation of air travel becomes carbon-neutral.

EE EcoChallenge

In 2021, multiple Kearney offices across Eastern Europe (Bucharest, Prague, Moscow, Ljubljana and Zagreb, and Warsaw and Kiev) launched and took part in the EE EcoChallenge, designed to raise awareness on key actions that can be easily implemented to reduce carbon emissions. This six-month office-based competition involved more than 230 participants on six different challenges, including Meatless Mondays, sustainable mobility, and circulating clothes.



Our assessment of climate-related risks and opportunities

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

We have assessed our climate-related risks and opportunities based on the recommendations set out by the TCFD. We are on a journey of continuous improvement and are aiming to build our understanding of climate-related risks and opportunities and improve our disclosures accordingly.

The TCFD has developed a 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.

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.

Strategy

Climate-related risks impact our clients' businesses and accelerate our ambition to become the leading firm in making our clients' sustainability ambitions a reality. 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 100 projects annually, working with diverse clients to integrate sustainability into their strategy, operations, and supply chain. For example, we have worked with a grocery retailer on their climate change strategy as well as with industrial companies on their energy transitions.

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 our work with World Economic Forum on reducing waste. We have also partnered with Lufthansa to reduce emissions for the aviation industry through the deployment of sustainable aviation fuel (SAF).

Since our firm's core "assets" are our people and our working location is flexible, we anticipate that we will be less directly impacted by climate change than other industries that are more physically intensive or location specific, such as manufacturing. Nonetheless, we have assessed our climate-related risks, and believe such risks could impact us on two dimensions:

- **Operations.** Impact on our way-of-working model (Although with our commitment to more sustainable ways of working, we expect business travel—the majority of our emissions—and commuting to decline in the coming years.)
- **Brand reputation.** Potential damage from engagements in polluting industries or from consultants frequently traveling by air to visit clients

On other dimensions, we anticipate less disruption from climate-related risks:

- **Supply chain.** As a professional services firm, we do not anticipate a material impact on our supply chain.
- **Revenue.** We expect to see growing revenue from our sustainability consulting opportunities but no material impact on revenue due to climate-related events.
- **Cost.** Through a greener travel policy and continuous improvement around more sustainable ways of working, we expect to reduce travel costs and volume of emissions. We remain committed to reaching net zero climate impact by 2030, 100 percent renewable energy in our offices by 2025, and maintaining our carbon neutrality—and we expect to continue to invest in avoidance and removal offsets, which are likely to see higher unit costs in the coming years.

Risk management

Kearney's enterprise risk management program includes a review of internal and external resources to identify, assess, measure, mitigate, and monitor risks across the whole organization. Each year, the legal team invites more than 150 individuals across ranks and geographies to share their perspectives on the biggest risks, including climate-related risks, to the firm in an annual survey. The findings from this survey are used to inform the firm's regular reviews of its short-term (less than three years), medium-term (three to five years), and long-term (five to 10 years) strategies.

To anticipate potential climate-related risks, we have developed a multiyear sustainability plan to further reduce our energy consumption and associated GHG emissions, boost our reduction and recycling of waste, and optimize our use of technology, such as video conferencing.

Metrics and targets

We are committing to net zero climate impact by 2030. We have identified emission reduction levers and are piloting various tools enabling more sustainable ways of working, including with clients to make our engagements net zero.

From a 2019 base year, we pledged 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.

Our focus is on decarbonization. To neutralize the impact of our residual unavoidable emissions, we will invest in carbon removal technologies and projects. For 2021, we are offsetting 100 percent of our Scope 1 and 2 emissions and 10 percent of our Scope 3 emissions with projects that remove carbon from the atmosphere. By 2030, 100 percent of our total emissions will be removed. While we have been 100 percent carbon neutral across Scopes 1, 2 and 3 since 2010, we believe that investing in carbon removal technologies and projects will help accelerate the transition to a low-carbon future.

**We are
committing to
net zero climate
impact by 2030.**



Our community

We create positive impact in our communities on both a global and local level



BUILD

Kearney has supported BUILD, a US nonprofit organization that focuses on college and career success by teaching high school students entrepreneurship skills—teaching students to “become the CEO of their own lives.” In 2021, we supported the BUILD Metro DC team to develop their long-term growth strategy, contributing consulting support as well as funding to support the implementation of our recommendations. We look forward to continuing our relationship into 2022 to support the nationwide growth goals of this organization.

“Our youths’ need for quality academic, career, and social support has grown tremendously since the start of the pandemic. With the help of the Kearney team, BUILD Metro DC has been able to meet the needs of our community and go above and beyond for our students—creating a lasting impact. My team is increasingly impressed with how the Kearney team understood our mission and helped us meet the moment. We are grateful for their support and stronger as a team because of their steadfast dedication to our young people.”

– Karleton Thomas, Regional Executive Director, BUILD Washington, D.C.



Ashoka Fellows: Brazil

Ashoka is an international nonprofit organization promoting social entrepreneurship by affiliating individual social entrepreneurs into the Ashoka network.

Kearney São Paulo has worked closely with Ashoka to select and support NGOs in achieving their goals. Every year, we carry out pro bono mini-projects to create tailored solutions for Ashoka’s newly joined organizations, solving their specific challenges and making them stronger pillars in the Ashoka network. At the end of the project, we connect the entrepreneurs with specific agents in the market who can help them deploy or scale our solution, which can range from strategic planning to organizational restructuring. Over the past two years, we have supported seven entrepreneurs in their work on climate change, environmental protection, minority rights, inclusive education, and community bank access.



ASHOKA

Everyone A Changemaker™

Tasamy Impact Swap

In 2021, Kearney teamed up with Tasamy, Saudi Arabia’s largest social entrepreneur incubator, for the second edition of the ImpactSwap to support and mentor 10 start-ups focusing on a range of topics, including environmental, education, health, and technology. More than 30 Kearney consultants participated in the 12-week program, providing a one-on-one support on a wide range of topics catered to the start-ups needs. The entrepreneurs and mentors greatly appreciated the initiative, and we are planning on continuing with the Impact Swap for a third edition in 2022, with more start-ups and mentors.

Defence for Children

Last year, Kearney supported Defence for Children, a worldwide organization that fights for children’s rights by giving legal advice for caretakers of children in need. The highly motivated team of Defence for Children experienced a continuous high workload, which created an unhealthy working environment. We were able to make a direct impact by redesigning the operating model of the call center and helpdesk and by identifying focus areas to improve collaboration and efficiency.

The entire management and helpdesk team was extensively interviewed to understand the root causes of the workload and to come up with possible solutions. Lastly, we focused on continuation and alignment within the team to make sure each team member was a promotor of the new ways of working.

“Kearney helped us to better prioritize and funnel our workload. Incoming help requests now find their way quickly to the right expert so that we can focus on what’s most important: fight for children’s rights.”

– Mirjam Blaak, director, Defence for Children



Sueño de Esferas

A team from our Mexico City office organized an initiative called Sueño de Esferas to mobilize our office in donating gifts for underserved children during Christmas.

We collected more than 100 gifts and donated them to the NGO Fundación y Protección de la Mujer y el Menor, which helps children and families struggling with domestic violence and food and housing insecurity. Two consultants went to the Christmas party organized for the children and helped hand out the gifts and bring some joy to the children for the holidays. We plan to extend our involvement with the NGO through donations and pro bono work.

IMP³ROVE x I DO

IMP³ROVE is our competence center for innovation management based in Düsseldorf. With IMP³ROVE, we offer innovation management-related consulting, benchmarking, and training services to private and public clients in the innovation ecosystem.

The I DO project connects students and professionals to NGOs in order to make an impact collectively. I DO runs an accredited course in the business bachelor program of the Rotterdam School of Management. In this course, teams of five students work together with one NGO over the academic year. They work on how to best implement new operational models on different project types such as supporting street children in Ghana or supporting cancer research in Nigeria. Through the partnership with IMP³ROVE, each student team had the opportunity to think and brainstorm with our consultants and structure the results in order to help the NGOs in the best way possible.



EAT Foundation

EAT Foundation connects scientists, politicians, business leaders, chefs, innovators, and change makers to create a healthy and sustainable global food system. We supported them, pro-bono, in their work toward the first ever United Nations Food Systems Summit (UN FSS) in September. EAT chairwoman Dr. Gunhild A. Stordalen led one of UN FSS’s five action tracks: shift to sustainable consumption patterns. We were an essential part of the action track secretariat for the one-year period of planning and executing the summit.

After the summit, we continued to support EAT in shaping the new Food Forward Consortium. This will gather all UN FSS’s action track leads into a coalition building an unstoppable momentum for change in food systems to fulfil the promise of SDGs with good health, resilience, and decent livelihoods for all people on a healthy planet.

**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 2021, a prize for sustainable design was presented for the second time after a successful 2020 first edition. It awards products with sustainability as the key design element.

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.



**Kearney is proud
to be a founding
member and
methodology partner
of the German
Sustainability Award.**



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 59, 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 ...	22–23	All Kearney employees certify annually that they have read and understood the Kearney Code of Business 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,	22–23, 29–32	All (100 percent) Kearney employees are certified annually on the Kearney Code of Business Conduct.
	4. the elimination of all forms of forced and compulsory labor		For 2021, our representation of women across the firm is 38 percent; 11 percent of our Board of Directors, and 20 percent of our Managing Partner Leadership Team are 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,	40–50	Our environmental and CSR performance is 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.
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	22–23	<p>All Kearney employees have certified annually that they have read and understood the Kearney Code of Business Conduct. In 2021, 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, 2021 to December 31, 2021 with reference to the GRI Standards.**

	GRI disclosure	Page reference or response
GRI 2: General disclosures		
The organization and its reporting practices		
2-1	Organizational details	4–5, Legal name is A.T. Kearney Holdings Limited.
2-2	Entities included in the organization's sustainability reporting	We report for the same entities as in our Consolidated Financial Statement. Changes in 2021 consist of the addition of HopTek and Prokura. All entities are covered by this report unless otherwise specified.
2-3	Reporting period, frequency and contact point	<p>The reporting period is January 1, 2021 through December 31, 2021, with a publication date in April 2022. This report is our fourth in a series of comprehensive annual sustainability reports. Our previous Sustainability Report 2020 was published in April 2021.</p> <p>Please contact sustainability@kearney.com or reach out to our Global Director of Social Impact Pei Yun Teng at peiyun.teng@kearney.com.</p>
2-4	Restatements of information	No restatements of information from previous reporting periods
Activities and workers		
2-6	Activities, value chain, and other business relationships	4–7, Kearney has more than 5,600 suppliers.
2-7	Employees	<p>Total number of employees^{1,2}: 3,983</p> <p>By gender: 38% women, 62% men</p> <p>By region: 1,082 Americas (27%), 1,115 Asia Pacific (28%), 1,262 Europe (32%), 524 Middle East and Africa (13%)</p> <p>Total number of full-time employees²: 3,811</p> <p>Total number of part-time employees²: 172</p> <p>Total number of temporary employees³: 734</p> <p>Cervello and Prokura employees: 326</p> <p>Numbers are reported in headcount at the end of the reporting period (December 31, 2021).</p>
Governance		
2-9	Governance structure and composition	<p>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's primary responsibility is to guide the long-term success and continuity of the firm, shaping its vision and strategy. To ensure an ongoing balance between experience as a director and fresh ideas, the terms of the board are staggered. The standard term is three 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 11 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 of-fice location), and functions.</p> <p>Our overall representation of women is at 38 percent. 10 percent of our Board of Directors and 20 percent of our Managing Partner Leadership Team are women. In fact, 55 percent of our Managing Partner Leadership Team identifies as a member of an under-represented social group as defined by the country of their home office.</p>
2-11	Chair of the highest governance body	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. In addition, the Governance Committee chair of the board 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.

¹ Includes full-time and part-time employees; excludes temporary employees

² Excludes Cervello and Prokura employees

³ Includes contractors and interns

Source: Kearney analysis

	GRI disclosure	Page reference or response
Strategy, policies, and practices		
2-22	Statement on sustainable development strategy	2-3
2-26	Mechanisms for seeking advice and raising concerns	22-23
2-28	Membership associations	11-12, 18-19, 52-56, 59, 65-67
Stakeholder engagement		
2-29	Approach to stakeholder engagement	8
2-30	Collective bargaining agreements	Employees have opportunities to join labor unions, worker councils, or other bargaining organizations in all jurisdictions where this is legally required.
GRI 200: Economic		
201: Economic performance		
201-2	Financial implications and other risks and opportunities due to climate change	<p>48-50, Since our firm's core "assets" are our people and our working location is flexible, we anticipate that we will be less directly impacted by climate change than other industries that are more physically intensive or location-specific, such as manufacturing. Nonetheless, we have developed a road map with initiatives that we must implement in order to reach our targets. This includes performing a high-level, qualitative scenario analysis along key dimensions, the outcome of which informs our actions as a firm.</p> <p>We also disclose our environmental performance annually with CDP's climate change questionnaire and follow the guidance of the TCFD.</p>
205: Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	<p>22-23, All Kearney employees (100 percent) are required to certify annually that they have read and understood the Kearney Code of Business Conduct, which includes business ethics. Furthermore, we conduct additional employee training in higher-risk environments where the risk of corruption and bribery are more substantial. Additionally, the firm conducts a comprehensive risk assessment annually and presents findings from the Anti-Bribery and Corruption Assessment to the Board committee annually. We also ask all of our consultants or buyers to share a Vendor Due Diligence questionnaire with our suppliers that must be filled out and reviewed prior to any engagement. This helps to identify any heightened risks of corruption, bribery, or gifts.</p> <p>Kearney has not been involved in any legal cases, rulings, or other events related to corruption and bribery in the period.</p>
205-3	Confirmed incidents of corruption and actions taken	Kearney has not been involved in any material legal cases, rulings, or other events related to corruption and bribery during the reporting period. Kearney investigates 100% of claims to seek resolution.
GRI 300: Environmental		
302: Energy		
302-1	Energy consumption within the organization	43-44

Source: Kearney analysis

	GRI disclosure	Page reference or response
305: Emissions		
305-1	Direct (Scope 1) GHG emissions	41–47
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	
306: Waste		
306-3	Waste generated	We are working with our offices to improve tracking of our waste generated.
308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	All new suppliers are asked to respond to our supplier sustainability and diversity questionnaire, including confirming agreement to our Supplier Code of Conduct, and to share their environmental policies, practices, and targets. We also train our buyers to integrate these criteria in their purchasing process.
GRI 400: Social		
401: Employment		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>36–37, We provide a wide range of benefits to all our employees. In 2021, we put the emphasis on mental health, with several commitments and resources being made available to all our employees, including the following:</p> <ul style="list-style-type: none">— Access to Unmind, a well-being tool and training platform— Organization of the Global People Care Jam, where more than 300 ideas were collected from 2,000 of our colleagues during the week-long event, with tangible actions identified and agreed to by firm leadership <p>Access to Degreed Mental Health and Wellbeing specialized learning pathway</p>
404: Training and Education		
404-1	Average hours of training per year per employee	<p>Average of 12.7 hours of training per employee:</p> <ul style="list-style-type: none">— 15.8 hours per consultant— 3.8 hours per management services employee
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	During the reporting period, 100 percent of our active employees (excluding colleagues on extended leave of absence) received at least one performance review as part of their career development.

Source: Kearney analysis

	GRI disclosure	Page reference or response
405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	<p>Employees by age group: 38% under 30, 37% 30–39, 14% 40–49, 8% 50–59, 2% 60+</p> <p>Employees by gender: 38% women, 62% men</p> <p>Members in diversity networks: 6% Proud Network, 6% Women's Network, 4% Black@Kearney</p> <p>10% of our Board of Directors and 20% of our Managing Partner Leadership Team are women. In fact, 55 percent of our Managing Partner Leadership Team identifies as a member of an under-represented social group as defined by the country of their home office.</p>
405-2	Ratio of basic salary and remuneration of women to men	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.
406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	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 Business 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 Business Conduct encourages all colleagues to use any of the available internal reporting mechanisms to report concerns regarding discrimination, including our Integrity Helpline, a 24/7 global hotline where colleagues may report any concerns or allegations regarding discrimination. Kearney fully investigates all reports or allegations of discrimination and will not tolerate retaliation against colleagues who submit reports.
413: Local communities		
413-1	Operations with local community engagement, impact assessments, and development programs	11–12, 31–33
413-2	Operations with significant actual and potential negative impacts on local communities	Please refer to our discussion on enterprise risk management for details on our operational risk assessments.
414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	All new suppliers are asked to respond to our supplier sustainability and diversity questionnaire, including confirming agreement to our Supplier Code of Conduct, and to share their sustainability policies, practices, and targets that include for example fair labor practices and diversity, equity, and inclusion. We also train our buyers to integrate these criteria in their purchasing process.
418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	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 ISO 27001 enterprise security certification and ISO 27701 enterprise privacy certification. This certification covers the full scope of Kearney's global IT infrastructure and related processes. Additionally, Kearney undertakes a SOC2 Type 2 audit covering core IT security practices relating to our delivery of consulting services. Kearney considers any privacy complaints to be confidential.

Source: Kearney analysis

Appendix

WEF Stakeholder Capitalism Metrics

Appendix

WEF Stakeholder Capitalism Metrics

Theme: Governance	Core metrics and disclosures	Page reference or response
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.	7
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.	30, 61
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.	8
Ethical behavior	Anti-corruption <ol style="list-style-type: none"> 1. 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: <ol style="list-style-type: none"> a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. 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: <ol style="list-style-type: none"> 1. Seeking advice about ethical and lawful behavior and organizational integrity 2. Reporting concerns about unethical or unlawful behavior and lack of organizational integrity 	<div>62</div> <div>22–23</div> <div>22–23</div>
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.	22–23, 48–50

Theme: Planet	Core metrics and disclosures	Page reference or response
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 (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	43–44
	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.	40–50
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).	N/A
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.
Theme: People	Core metrics and disclosures	Page reference or response
Dignity and equality	Diversity and inclusion¹ (%) Percentage of employees per employee category, by age group, gender, and other indicators of diversity (for example, ethnicity).	By age group: 38% under 30, 37% 30–39, 14% 40–49, 8% 50–59, 2% 60+ By gender: 38% women, 62% men Members in diversity networks: 6% Proud Network, 6% Women's Network, 4% Black@Kearney
	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. 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. 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: a) type of operation, such as manufacturing plant, and type of supplier. b) countries or geographic areas with operations and suppliers considered at risk.	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 will 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.
Health and well-being	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.	37–38
Skills for the future	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).	34–35, 63

¹ Calculations exclude Cervello, Prokura, interns, and contractors

Theme: Prosperity	Core metrics and disclosures	Page reference or response
Employment and wealth generation	Absolute number and rate of employment 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region of diversity and region.	Rate of new hires by region: 11% Americas 21% APAC 15% Europe 25% MEA Global figures reported on page 25 Voluntary attrition by region: 9% Americas 16% APAC 12% Europe 10% MEA Global figures reported on page 25
	Economic contribution¹ 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization, ideally split out by: — Revenues — Operating costs — Employee wages and benefits — Payments to providers of capital — Payments to government — Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	\$1.3 billion 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. More than 120 pro bono projects and social impact initiatives
	Financial investment contribution 1. Total capital expenditures (capex) minus depreciation, supported by narrative to describe the company's investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	Kearney is a private company and does not report financial information on financial investment contribution.
Innovation of better products and services	Total R&D expenses (\$) Total costs related to research and development.	Kearney is a private company and does not report financial information on R&D expenses.
Community and social vitality	Total tax paid 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.	Kearney is a private company and does not report financial information on tax paid.

¹ All financial data included in this report is for FY2020. The 2021 financial data will be released later in 2022.

As a global consulting partnership in more than 40 countries, our people make us who we are. We're individuals who take as much joy from those we work with as the work itself. Driven to be the difference between a big idea and making it happen, we help our clients break through.

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