

McKinsey
& Company

2023 ESG Report

Accelerating sustainable and inclusive growth for all



McKinsey colleagues Damien, Wenting, and Liz.



Contents

Introduction

- 3 Message from our global managing partner
- 4 2023 progress highlights
- 5 About McKinsey
- 7 How we partner with our clients
- 9 How we fuel progress with insights
- 10 How we approach ESG

Sustainability

- 14 Sustainability at a glance**
- Our clients**
- 15 Advancing the net-zero transition with our clients
- Our actions**
- 18 Charting our firm’s path to net zero

Inclusive growth

- 21 Inclusive growth at a glance**
- Our clients**
- 22 Driving inclusive growth with our clients
- Our actions**
- 26 Building a distinctive and inclusive workforce at our firm
- 32 Developing and caring for our colleagues
- Our giving**
- 36 Advancing economic inclusion in our communities

Responsible practices

- 40 Responsible practices at a glance**
- 41 Our risk and compliance transformation
- 43 Ethics and compliance
- 45 Risk management
- 47 Working with clients
- 48 Working with suppliers
- 50 Human rights
- 52 Data privacy and information security

Reporting approach and appendix

- 54 Report scope
- 55 Stakeholder engagement
- 60 Materiality assessment
- 62 How we create value
- 63 Our detailed progress toward net zero
- 67 Performance data
- 73 GRI content index
- 79 World Economic Forum IBC index
- 81 TCFD index
- 87 Report of independent certified public accountants



Message from our global managing partner

It was a year of upheaval and opportunity. Devastating wars and humanitarian crises impacted countless lives, and people across the world faced economic uncertainty.

Still, global growth was better than expected. Generative AI entered the mainstream, promising to unleash productivity and democratize innovation. And landmark climate actions were accelerated at COP28.

Only the most resilient agendas thrived in 2023. Our work to accelerate sustainable and inclusive growth was one of them. It's the metric we use to measure our impact on society and the planet. In this report, we take stock of that effort.

Sustainability

We aspire to be the largest private-sector catalyst for decarbonization. That begins with our client work, which included 1,720 sustainability engagements with 761 clients in 2023 alone.

We served as an impact partner for COP28, driving action that included helping to establish the Oil and Gas Decarbonization Charter. Its 50 members—representing 40 percent of global production—have committed to near-zero methane by 2030.

We partnered with Frontier in its \$156+ million offtake agreements to permanently remove more than 338,000 tons of CO₂ from the atmosphere by 2030. Inside of our own firm, we collected an internal carbon fee of \$50 per ton on all of our air travel emissions while also adopting new ways of working to reduce travel.

Inclusive growth

We believe growth is good. It's essential for organizations and people to thrive. Each year, our clients contribute 20 percent of GDP growth and create one million jobs.

Leap by McKinsey has helped build 620 new businesses since 2019, including more than 20 unicorns or decacorns. In 2023, we enrolled 29,600 participants in our Connected Leaders Academy training program to help equip future leaders to meet their aspirations. And McKinsey Academy's capability-building programs celebrated reaching their first one million people—with more to come.

Economic inclusion was also a focus of our firm's research and giving last year. The McKinsey Global Institute published new research on the empowerment line, resetting the floor for progress beyond the poverty line. We also upskilled, reskilled, or supported toward economic inclusion 19 million people through our nonprofit partners and pro bono programs, including Forward and McKinsey.org, to help deliver against our ten-year, \$2 billion commitment to social responsibility.

And we remain committed to diversity and inclusivity when it comes to our talent. Our belief that "exceptional can come from anywhere" saw us continue broadening our search for talent in 2023. Today, our global workforce is 48 percent women.

Responsible practices

Adhering to the highest professional and ethical standards is one of our core values, and we constantly refine how we do that in practice. Last year's enhancements included a reimagined Code of Conduct and new policies and oversight to guide the responsible use of generative AI.

Our risk, legal, and compliance teams include world-class experts from top public and private institutions. Their work is bolstered by approximately \$1 billion in spending in these areas since 2018. In 2023, we vetted 100 percent of new clients against our CITIO client-service framework, which serves as a guide for what work we will and will not do.

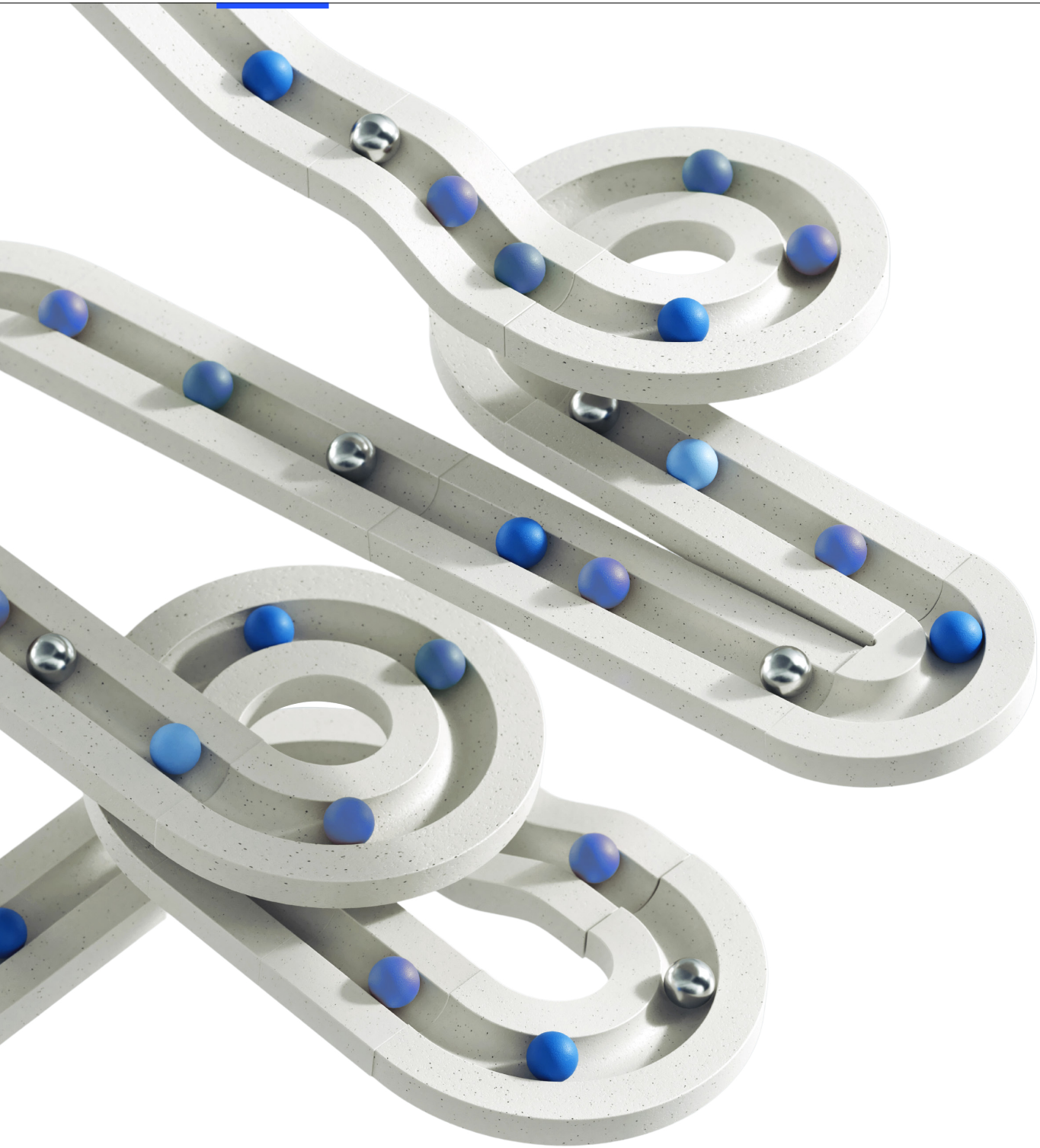
All of our colleagues are required to complete comprehensive training on our policies annually. Every member of our firm is critical to upholding our high standards.

Creating positive, enduring change means working side by side with leaders from idea to impact delivery. We encourage them to take action, and we build their capabilities to help them continue driving transformative impact over time.

It's our privilege to serve our clients and communities in this way, and I'm humbled to help add this chapter to the nearly 100-year story of our firm.

Bob Sternfels
Global managing partner, McKinsey & Company





2023 progress highlights

Sustainability	4,600	2,000	\$156M+	100%
	of our colleagues worked on 1,720 sustainability engagements with 761 clients across 67 countries and in every industry	climate technology leaders convened at our Green Business Building Summits in 13 countries	allocated by Frontier buyers, including McKinsey, across four offtake agreements to support innovative carbon removal companies ¹	of our air travel emissions are covered by a \$50/ton internal carbon fee to finance our carbon-related procurement ²
Inclusive growth	19M	\$856M	48%	620
	people upskilled, reskilled, or supported toward economic inclusion through our nonprofit partners and pro bono programs	contributed in monetary and in-kind support since 2020 toward our \$2 billion commitment to social responsibility by 2030 (\$206 million this year)	of our global workforce were women ³	new businesses created by Leap by McKinsey since 2019, including 20+ unicorns or decacorns
Responsible practices	~\$1B	100%	100%	
	spent on building, enhancing, and operating our risk, legal, and compliance functions since 2018	of our new clients were vetted against our industry-leading CITIO client service framework ⁴	of colleagues completed annual risk training and certified compliance with firm policies and our Code of Conduct ⁵	

¹ Learn more about the [Frontier offtake agreements](#). [↗](#)
² In 2023, we collected the carbon fee on all air travel. Starting in 2024, we will collect the fee on all carbon emissions, including, but not limited to, emissions from air travel, ground transportation, and hotel stays.
³ All demographic-related metrics in the report are based on colleague self-identification.
⁴ CITIO is the framework we use to assess a potential client or engagement consisting of five interrelated dimensions: Country, Institution, Topic, Individual, and Operational considerations. Learn more [about CITIO](#). [→](#)
⁵ This figure does not include firm members exempted from the training because they weren't actively working at the time of the program (for example, leave of absence, left our firm).

About McKinsey

McKinsey is a global consulting firm. We are united by our dual mission, a strong set of values, and the drive to deliver positive, enduring change with our clients. In a world facing growing inequality and the impact of climate change, our aspiration is to accelerate sustainable and inclusive growth in the societies where we operate.

Our purpose

To help create positive, enduring change in the world

Our mission

To help our clients make distinctive, lasting, and substantial improvements in their performance and to build a great firm that attracts, develops, excites, and retains exceptional people

Our values

- Adhere to the highest professional standards
- Improve our clients' performance significantly
- Create an unrivaled environment for exceptional people

Learn more about [our purpose, mission, and values](#)

45,100

colleagues

68

countries

4,100

clients served

\$16B

revenue



Colleagues in our London office.



We aspire to accelerate sustainable and inclusive growth

Our aspiration is to drive measurable progress on sustainability, inclusion, and growth—all at the same time. When economies thrive and the planet flourishes, people everywhere have a better chance at a better life.

For us, this starts with growth. But not just any growth. Growth that builds resilience and leaves no one behind. The kind that helps businesses prosper and catalyzes positive enduring change for people and the planet alike. Learn more about [how we are driving measurable progress](#).

We're partnering with our clients to lead on sustainable and inclusive growth.⁶ They have contributed:

20%

of global GDP growth

1M

new jobs per year

80%

of reported CO₂ emissions reductions

⁶ The following numbers are based on our ongoing analysis of publicly held companies between 2015–2022. We assess the percentage of global gross domestic product (GDP) growth driven by our clients, relative to total global GDP growth. In the same time period, we look at total Scope 1 and Scope 2 CO₂ emissions reductions reported by these publicly held companies and the percentage of those achieved by our clients. We also establish the average net new jobs created by our publicly held clients during this period.



How we partner with our clients

Our work stretches across industries and organizational functions, covering the entirety of top management priorities. We partner with clients from idea to impact delivery, assembling diverse teams of industry experts, strategists, sector specialists, technologists, and implementation specialists who leverage our broader ecosystem of tools and technologies. We evolve with our clients and continuously strengthen our capabilities to anticipate and meet their needs.

We partner with leaders to:

- **Build strategies for growth and resilience.** We pinpoint the right strategy to transform organizations as well as design, build, and scale new businesses.
- **Transform with technology and generative AI.** We combine strategy, culture, and capabilities with execution and delivery to unlock the transformative power of technology.
- **Drive climate action and growth.** We partner with clients to build new green businesses, invest sustainably, and apply the latest in climate technology.
- **Develop organization-wide skills and capabilities.** We work with clients to build the teams, skills, systems, and culture needed to thrive.

\$1.27B

invested in innovation, knowledge, and capabilities



Henrique, a senior expert, and Thalita, an associate partner, at our Innovation & Learning Center in São Paulo.

We power our client work through a dynamic tech ecosystem

To help our clients in a rapidly changing world, we must continuously innovate and extend our capabilities. From cloud and artificial intelligence (AI), to sustainability and change acceleration, our open ecosystem allows us to serve as end-to-end partners for our clients, maximizing the value we create together. Our ecosystem spans the private and public sectors, as well as incumbents and new businesses, and includes acquisitions across data, analytics, implementation, and more.

Our alliances

We work with more than 500 ecosystem partners to bring the right solutions to clients, driving efficiencies, reducing costs, increasing productivity, and creating value. Learn more about [our alliances](#), including our featured alliances below.



Our solutions

Our portfolio of [tech-enabled tools](#), including the sampling below, leverages advanced technology, data, and expertise to support clients through diagnostics, market intelligence, management technology, and analytics.



Deploying generative AI at scale

We partner with top technology companies, both established and emerging, to deliver state-of-the-art generative AI (GenAI) capabilities to our clients.

Through [QuantumBlack](#), we unlock the power of AI to help our clients reinvent themselves from the ground up—and accelerate sustainable and inclusive growth.

We continue to augment our capabilities through strategic acquisitions such as [Candid](#) for cloud computing, [Caserta](#) for data architecture, and [Iguazio](#) for machine learning.

[QuantumBlack Labs](#), our machine learning innovation hub, develops cutting-edge products like [Kedro](#) and [CustomerOne](#). These solutions empower organizations with advanced data management and customer-centric AI capabilities, allowing them to stay ahead in an evolving digital landscape.

Our GenAI ecosystem is the central hub for our clients to leverage expertise and solutions from our strategic alliances across all parts of the technology stack. Learn more about how we are [partnering with cutting-edge innovation leaders](#).

How we fuel progress with insights

We use our insights to drive impact with clients, communities, and as a firm, then make them publicly available to catalyze positive change at scale.

Across our industry practices, capabilities, and institutes, we produce reports and articles on the trends shaping business, society, and the planet. Our research helps leaders:

Navigate key economic and societal issues

For more than 30 years, the [McKinsey Global Institute](#) has provided a fact base to help companies and policy leaders make decisions on critical economic and business issues.

The [McKinsey Institute for Black Economic Mobility](#) is focused on inspiring, empowering, and sustaining action that leads to the economic development of Black communities across the world.

Shape better health outcomes

To spur the actions needed to improve life expectancy and quality of life, the [McKinsey Health Institute](#) designs, conducts, and invests in research on topics like brain health, employee health, and healthy aging.

Drive transformative use of technology

The [McKinsey Technology Council](#) convenes more than 100 scientists, entrepreneurs, researchers, and business leaders and publishes research to help executives from all sectors navigate the fast-changing technology landscape.

We publish our insights to advance knowledge and enable action at scale through:

McKinsey Quarterly

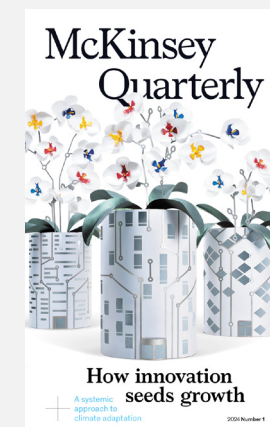
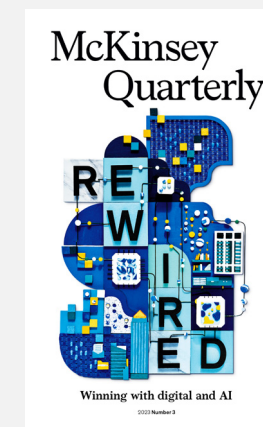
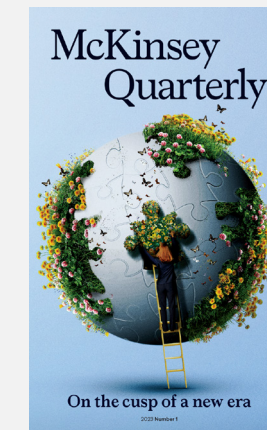
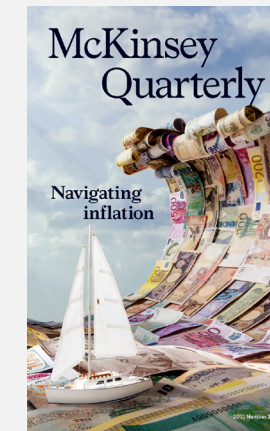
This year marks the 60th anniversary of the [McKinsey Quarterly](#), which combines insights from our firm with ideas from other leading experts to help readers stay at the cutting edge of management thought, become more effective leaders, and boost the performance of their organizations.

McKinsey.com

We make our research available to all on our [website](#). In 2023, our website received more than 104 million total reads and was recognized by *Editor & Publisher* as the best business website.

McKinsey Insights app

From articles and reports to videos and podcasts, the app shines a light on key management opportunities and challenges across every industry.



In 2023, we achieved 1.95 million active subscribers, 87.3 million total reads of our published insights, and 128 industry awards.

How we approach ESG

At McKinsey, our commitment to accelerating sustainable and inclusive growth informs and guides our Environmental, Social, and Governance (ESG) agenda.

Our ESG priorities, identified through periodic [materiality assessments](#), → are integral to our firm's broader sustainable and inclusive growth strategy; both are underpinned by our commitment to responsible business practices.



How we bring our aspiration to life

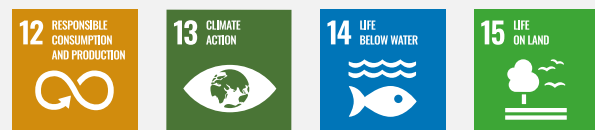


United Nations Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) provide a global framework for achieving a better and more sustainable future for all. Through our client service, operations, research and insights, and support for communities, we are contributing in varying degrees to all 17 SDGs, but the nine below represent where we have the greatest capacity for impact and action.

Our contribution to the UN SDGs

Sustainability



Inclusion



Growth



Accountability and transparency

We seek to set the standard for accountability and compliance in our profession. That's why we continually enhance our transparency and accountability to our clients, our colleagues, and our stakeholders. We support the [World Economic Forum International Business Council's \(IBC\) Stakeholder Capitalism Metrics](#) initiative and serve as a member of the [World Business Council for Sustainable Development](#) (WBCSD). We are a member of the [United Nations Global Compact](#) (UNGC) and submit to it our annual Communication on Progress (CoP). We also participate in [CDP's](#) climate change disclosure program and receive an annual rating from [EcoVadis](#), the leading sustainability ratings organization. Our climate reporting is aligned with the [Task Force on Climate-related Financial Disclosures](#) (TCFD) and with the four recommendations for Limited Disclosures as outlined by Accounting for Sustainability. To learn more, read our [TCFD index](#).

Governance

We operate as "one firm"—united globally by our collective purpose, mission, and values. We are led by our global managing partner, elected board of directors known as the Shareholders Council (SHC), global leadership team known as the Acceleration Team (AT), and the leaders of our offices and practices. Learn more about [our leadership](#).

- The SHC includes the managing partner and 30 senior partners who are elected by their peers to serve three-year terms.⁷ Its committees cover topics such as client service; firm finance and infrastructure; our People model; risk, audit, and governance; and our technology, knowledge, and capabilities. In addition to their technical competencies across a range of domains and industries, our SHC members include experts on environmental sustainability; inclusive economic growth; diversity and inclusion; and other ESG topics.

- Each SHC committee, except the Administrative committee, has a chair who plays the important role of ensuring that the committee operates effectively and fulfills its mandate. The chairs' responsibilities include setting agendas, establishing committee priorities, presiding over meetings, facilitating participation, overseeing voting, keeping the SHC informed of its agenda and progress, and communicating committee decisions to the SHC.
- The AT comprises the managing partner and firm leaders representing regions, industries, client capabilities, finance, people, technology, legal, reputation, ethics and compliance, and risk functions. It aims to support and accelerate the execution of our strategies.

Committees of the Shareholders Council

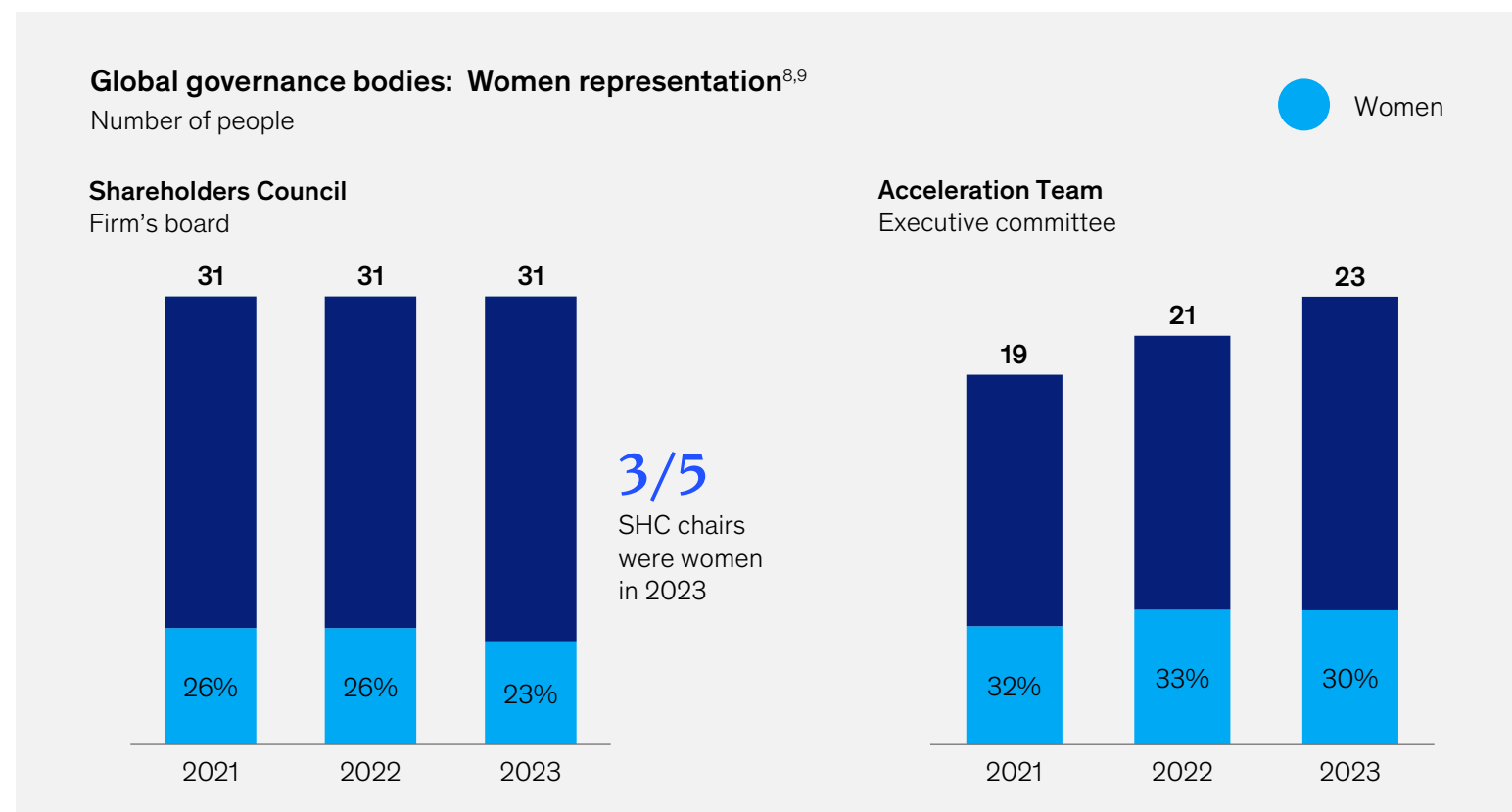
Committee	Focus areas
Administrative	Handling administrative and ministerial functions, and assisting with implementation of actions previously approved by the SHC or one of the SHC committees.
Client	Setting strategic direction, policies, and standards for overall client service and monitoring performance.
Finance and Infrastructure	Overseeing financial policies and providing stewardship of our firm's financial and infrastructure resources.
People	Setting our People mission, strategy, and policies and monitoring performance. Developing standards and criteria for election to partner, and approving partner election recommendations.
Risk, Audit, and Governance	Providing strategic direction to and oversight of our firm's risk management and compliance activities and overall governance. Providing oversight of internal audit and ESG programs and disclosures.
Technology, Knowledge, and Capabilities	Setting strategic direction and policies to help build preeminent capabilities, technology assets, and knowledge to deliver against our firm's aspirations and mission, and further innovate our client service.

⁷ Learn more about our [Shareholders Council](#).

ESG governance

At the board level, the Risk, Audit, and Governance Committee (RAGC) of the SHC provides strategic direction to and oversight of our ESG programs and disclosures, including our environmental sustainability strategy and climate-related efforts, our social responsibility program, and our risk, ethics, and compliance programs. The RAGC oversees ESG Council activity and receives and acts upon recommendations from the ESG Council. It approves the ESG disclosure strategy, key policies, initiatives, and new ESG targets, and it periodically reviews progress against our targets. Our global managing partner and members of the RAGC review and approve the content of our annual ESG Report.

Our ESG Council consists of senior firm function, client service, and regional leaders across Sustainability, People, Risk, Communications, Ethics and Compliance, Legal and Internal Audit. It is chaired by the senior partner who serves as our firm's chief marketing officer and is responsible for our ESG efforts. The ESG Council oversees implementation of our ESG programs and initiatives and monitors progress against them. In 2023, the ESG Council met periodically to review progress against our ESG priorities, to review our double materiality assessment results, and to provide guidance on preparing our firm for compliance with upcoming ESG disclosure regulations.



⁸ Percentages may not sum to 100% due to rounding.

⁹ The global managing partner is included in both the Shareholders Council and the Acceleration Team calculations. The Acceleration Team includes the "extended Acceleration Team."



Jacky Wright, our chief technology and platform officer.



Sustainability

In this chapter

14 Sustainability at a glance

Our clients

15 Advancing the net-zero transition with our clients

Our actions

18 Charting our firm's path to net zero



***Bernd**, a senior partner in Cologne; **Isolde**, a business analyst in London; and **Wenting**, a partner in Houston.*

Sustainability at a glance

We aspire to be the largest private sector catalyst for decarbonization

Driven by our sector knowledge and insights, we are moving decisively toward net zero while partnering with clients to do the same.

Our clients

1,720

sustainability-related client engagements

Our actions

100%

of our air travel emissions are covered by a \$50/ton internal carbon fee to finance our carbon-related procurement¹⁰

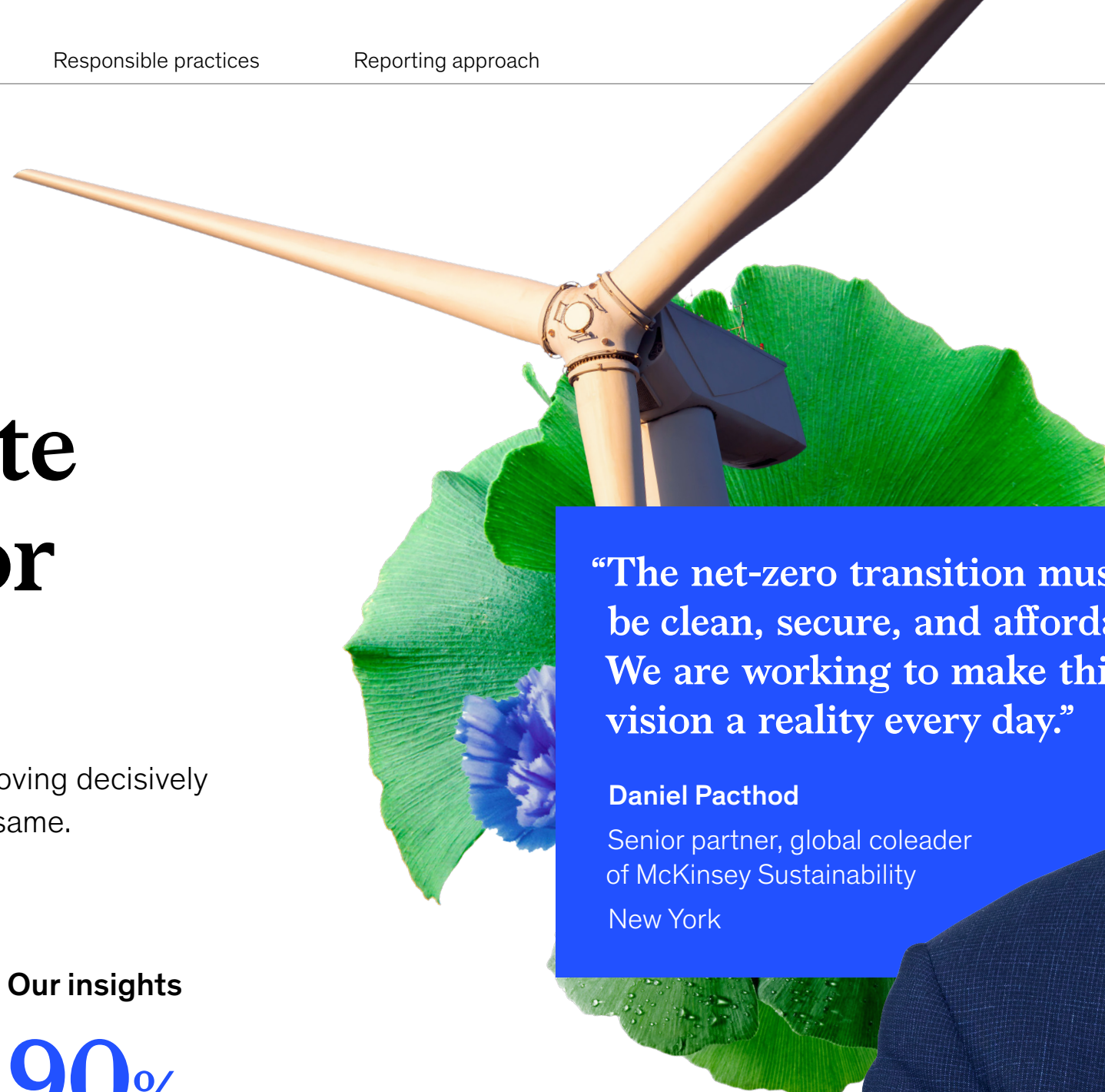
Our insights

90%

of the greenhouse gas (GHG) abatement our planet needs could come from proven technologies¹¹

¹⁰ In 2023, we collected the carbon fee on all air travel. Starting in 2024, we will collect the fee on all carbon emissions, including, but not limited to, emissions from air travel, ground transportation, and hotel stays.

¹¹ To limit global warming to 1.5°C, these technologies need to scale exponentially by 2030. Learn more in our report, [What would it take to scale critical climate technologies?](#)



“The net-zero transition must be clean, secure, and affordable. We are working to make this vision a reality every day.”

Daniel Pachtod

Senior partner, global coleader of McKinsey Sustainability
New York

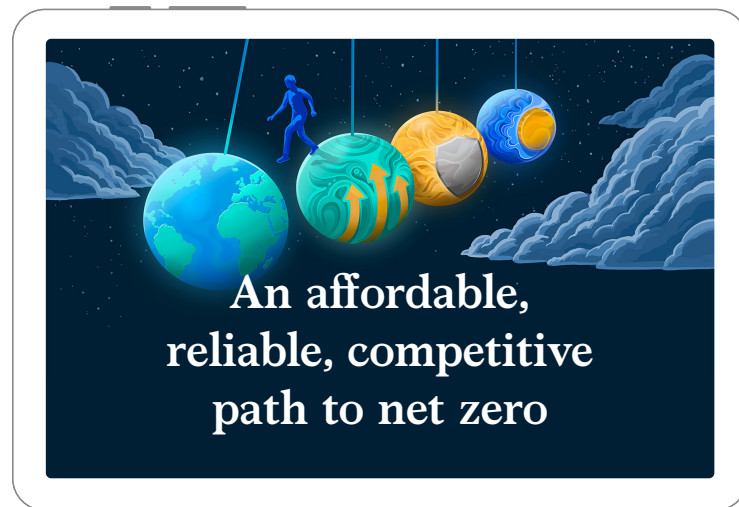



Our clients

Advancing the net-zero transition with our clients

We drive climate action and growth by partnering with our clients to find affordable, reliable, and competitive paths to net zero.

Our insights




Read our guide to a successful net-zero transition 

Our approach

The net-zero transition is reshaping the global economy, opening new markets and imperiling others. Leaders now face multiple imperatives: reducing emissions, ensuring affordability of energy and materials, providing reliable and secure energy systems, and strengthening competitiveness for companies and countries. Leaders need to take a holistic approach across these challenges, driving climate action and growth in the net-zero transition.

Sustainability is a mission-critical priority for our firm, and we have been collaborating with our clients to decarbonize, build climate resilience, and address sustainability challenges for more than a decade. We have committed to rapidly scaling this work to help clients in all industries reach net zero by 2050, and to help the world reach the goals of the Paris Agreement. With proprietary tools and technology, distinctive thought leadership, leading talent, and cross-sector collaborations, we embolden clients to lead a wave of innovation that safeguards our planet and creates growth.

[McKinsey Sustainability](#)  supports diverse industries in achieving these complex yet attainable goals.

- We partner with entrepreneurs and start-ups to drive technological innovation, deployment, affordability, and scale at unprecedented speed.
- We work with banks and investors to decarbonize their portfolios and spur sustainable financing markets.
- We engage with companies—including those in high-emitting sectors—to reduce emissions and save costs while meeting the world’s needs for food, energy, and materials.

By scaling innovative green ventures, deploying substantial investments, and expediting decarbonization efforts, organizations can make rapid strides toward their climate commitments, measuring progress in months rather than decades.

4,600

colleagues working on sustainability engagements

67

countries where we are partnering with clients on sustainability engagements



Our key actions in 2023

Deploying our core client capabilities

Hyperscaling green businesses

We helped ambitious entrepreneurs and innovators inside corporations define and capture the full potential of new ideas for green businesses.¹² For critical climate technologies, we partnered with our clients to advance pathways to achieve the scale, deployment, and innovation required to lower technology costs and build markets for next-generation climate solutions.

We also hosted [Green Business Building Summits](#) in 13 countries, convening 2,000 C-suite executives from green tech disruptors, incumbents with ambitious green growth agendas, and sustainability investors to discuss key challenges and successes.

Creating value through decarbonization

Approaching net zero requires companies to take a comprehensive look at their systems—from product design and supply chain to manufacturing and operations—to determine where the carbon is and the best methods for removing it. In 2023, we helped companies at all stages of maturity identify decarbonization opportunities that work both environmentally and financially.

Amplifying climate investment

We worked closely with asset managers, banks, insurers, and other financial institutions to reduce their climate-risk exposure, take their operations to net-zero carbon emissions, and develop new sustainability-related products. We also worked closely with private equity firms and investors to help them create investment strategies, identify and assess the most promising opportunities for carbon reductions, and drive the success of their sustainability-focused portfolio companies.

Read our [sustainability impact stories](#) → to learn how we have partnered with clients.

Convening global leaders to catalyze impact at COP28

As an impact partner for [COP28](#), our firm provided insights and analysis to drive ambitious action across 12 Presidential Action Agenda areas, including oil and gas decarbonization, health, water, climate finance, technology, and youth engagement. Key outcomes of COP28 included:

- catalyzing new commitments and financing mechanisms focused on the early retirement of coal-fired power plants
- supporting the establishment of the [Oil and Gas Decarbonization Charter](#), whose 50 members (representing 40 percent of global production) have committed to near-zero methane by 2030
- providing [knowledge partnership](#) for the first COP Health Day, mobilizing \$1 billion of finance toward climate-health solutions
- supporting the launch of the [COP28 & SME Climate Hub for MENA](#), which includes resources and tools to help small and medium enterprises (SMEs) in the Middle East and North Africa make a net-zero commitment, calculate their emissions baseline, and measure their progress toward emissions reduction
- helping launch the [Innovate for Climate Tech Coalition](#) to strengthen climate tech ecosystems in the Global South, democratize access to knowledge and capacity building, and spur climate tech innovation
- launching GBB-100, a McKinsey Green Business Accelerator, which has provided 1:1 coaching to more than 150 climate tech start-ups and scale-ups

In addition to our support for the COP28 Presidential Action Agenda, we published new insights, collaborated with business, government, and civil society leaders to devise transformative climate solutions, and convened senior executives for a series of events in Dubai—all focused on how to achieve the world's climate ambitions while creating economic opportunity for people, communities, and businesses. [Replay these discussions and read our insights.](#)

Our insights: Measuring the socioeconomic impacts of the net-zero transition

Although the net-zero transition has been extensively researched, the socioeconomic impacts have not been considered at sufficient scale and complexity. We developed the [Climate Transition Impact Framework](#) (C-TIF) to address this gap, in concert with more than 60 organizations.

The C-TIF proposes a structured, forward-looking approach that enables decision-makers to compare the potential socioeconomic impacts of different climate action pathways. Its intent is to advance the net-zero transition by enabling the world to meet the goals of the Paris Agreement in a human-centric way. The framework has an initial list of 50 metrics across five dimensions: affordable energy access, investment requirement, jobs impact, growth and competitiveness, and lived environment and health.

Our insights

Watch highlights from COP28



¹² Defined as businesses that support a 1.5° C pathway to net zero. Learn more about our [green business building](#).

Case studies



Lufthansa: Using data to enhance carbon footprint visibility

We developed a solution to help Lufthansa gain greater visibility into its procurement data and carbon footprint via the Spendscope platform. This is helping Lufthansa make progress toward its goal to halve emissions by 2030 and reach carbon neutrality by 2050. Partnering with SAP, we coalesced data sources from across its global network and leveraged our Spendscope solution to provide a full understanding of Lufthansa's procurement spend and Scope 3 emissions to enable actions that simultaneously reduce emissions and costs.

100%

spend transparency across connected systems

[Learn more](#)



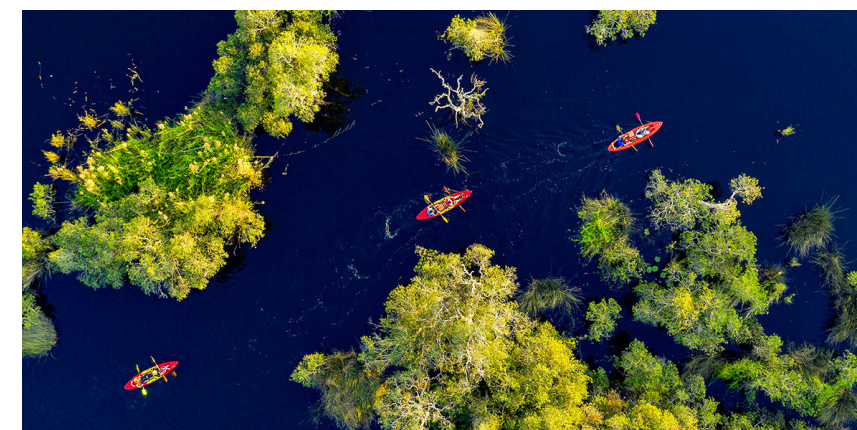
TPG: Building a next-generation carbon platform

In partnership with TPG, we created Rubicon Carbon, a digital platform that connects companies to risk-adjusted portfolios of high-quality carbon credits to accelerate their paths to net zero. The platform has grown to become a market leader in next-generation carbon solutions, including four distinct product offerings and a \$1 billion targeted capital commitment.

\$1B

targeted capital commitment

[Learn more](#)



One Ocean Foundation: Using GenAI to help green businesses better protect the ocean

QuantumBlack, our AI arm, has collaborated with One Ocean Foundation, based in Italy, to quantify what businesses are doing to protect the oceans. Using analytics and GenAI, QuantumBlack analyzed the sustainability reports of 2,500 companies across 17 sectors to identify actions in support of ocean sustainability. GenAI was used to extract detailed information from the reports, providing insights on partnerships, eco design, and other initiatives. The resulting report highlights the opportunity for companies to develop "blue businesses" and outlines various projects and technologies that can create value and reduce costs. The collaboration aims to create an Ocean Disclosure Initiative for businesses to track their marine-related projects.

2,500

companies across 17 sectors

[Learn more](#)

Our actions

Charting our firm's path to net zero

To make net zero a reality, the world must decarbonize at an unprecedented speed. That's why we are committed to reaching net zero in line with the latest climate science through decarbonizing our own operations and permanently removing all remaining emissions.

Our approach

We have submitted our 2050 science-based net-zero target to the [Science Based Targets initiative](#) (SBTi) for validation, the industry's most rigorous scientific standard.¹³ To achieve this target, we're focused on cutting our emissions, compensating for our remaining emissions, and catalyzing climate action by working with clients, nonprofits, suppliers, and peers to protect nature, advance new technologies, and ensure critical climate financing.

We have put into place near- and long-term actions to reduce our emissions in line with a 1.5°C future (versus a 2019 baseline). By 2025, we will have reduced our direct emissions by 25 percent and our travel emissions by 35 percent per full-time equivalent (FTE) and transitioned to 100 percent renewable electricity.¹⁴ As of today, we are on track to achieve these targets. By 2030, we will further reduce our combined direct and travel emissions by 55 percent per FTE and address all our unabated emissions through carbon removals. By 2050, we have committed to reduce our direct emissions by 90 percent absolute and travel emissions by 97 percent per FTE.

¹³ In 2023, we took several steps to further enhance and accelerate our decarbonization efforts, including expanding our sustainability targets into 2050 by submitting a new SBTi-aligned net-zero target for validation. We also further strengthened our existing 2025 and 2030 targets defining additional emissions-reduction actions, including operational changes and sustainable aviation fuel procurement.

¹⁴ We aligned our 2025 near-term target with the latest SBTi guidance, leading to an increase in our Scope 3 reduction target from 30% to 35%. The validation of our resubmission is pending. For additional details on our SBTi target boundary, please see [our greenhouse gas reporting methodology and restatements](#). →



Our firm's path to net zero: 2023 progress highlights

1. Cutting our emissions

- Covered 3 percent (7,500 tCO₂e) of our 2023 flight emissions with sustainable aviation fuel (SAF) certificates,¹⁵ procured 100 percent renewable electricity, and increased our use of electric vehicles to 32 percent.
- Submitted our 2050 science-based net-zero target for validation, committing to a 90 percent absolute Scope 1 and 2 emissions reduction vs. 2019 and a 97 percent reduction of Scope 3 business travel emissions per FTE.
- Made CDP's Climate Change A List—the gold standard for climate disclosure—for our transparency and leadership.



56%
absolute Scope 1 and 2 emissions reduction versus 2019

56%
Scope 3 travel emissions per FTE reduction vs. 2019

2. Compensating for remaining emissions

- Leveraged our carbon fee to compensate for 100 percent of unabated emissions with a 50 percent removal share and paid a blended average carbon price of approximately \$29/tCO₂e (across carbon credits and SAF certificates).
- Further strengthened our due diligence processes internally and with BeZero, Carbon Direct, and Sylvera to improve quality and transparency in the carbon market.

\$50/ton
internal carbon fee on air travel

50%
carbon removal share

3. Catalyzing climate action now

- Participated in [Frontier's](#) \$156+ million offtake agreements to permanently remove more than 338,000 tons of CO₂ from the atmosphere by 2030.¹⁶
- Signed first-ever transaction of jurisdictional carbon credits through the [LEAF Coalition](#) working to end tropical deforestation, worth over \$60 million combined.¹⁷
- Took part in the [Sustainable Aviation Buyers Alliance](#) (SABA) SAF request for proposal (RFP) with a cumulative purchase commitment of 500,000 tCO₂e equaling approximately \$200 million.¹⁸

\$156M+
allocated by Frontier buyers across four offtake agreements

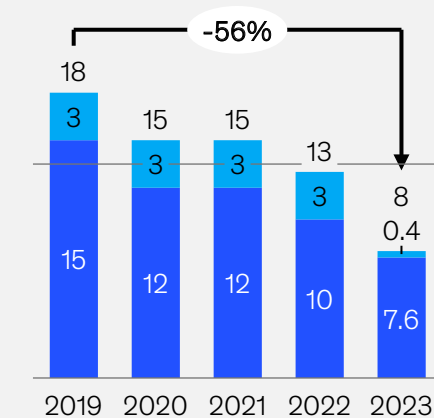
~\$200M
forward-looking SAF purchase commitment by SABA

We are on track to meet our 2025 science-based targets

■ Scope 1 ■ Scope 2 (market-based) ■ Scope 3

Scope 1 and 2 emissions, actuals vs. target

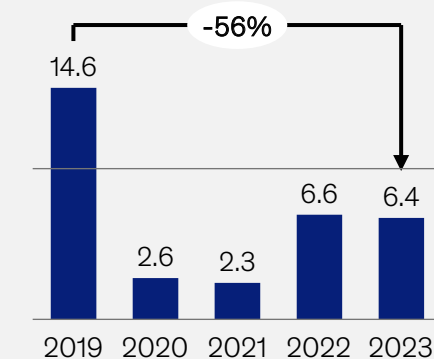
Kilotons CO₂e, market-based



13.5
Our 2025 target
25% absolute reduction vs. 2019

Scope 3 per FTE travel emissions, actuals vs. target

Tons of CO₂e/FTE, GHG impact only



9.5
Our 2025 target
35% reduction per FTE vs. 2019

¹⁵ SAF is an alternative, drop-in jet fuel which, compared to fossil jet fuel, can reduce emissions significantly. SAF is not made from fossil fuels and can be derived in various ways, from repurposing waste feedstocks, such as used cooking oil, to synthesizing SAF from clean hydrogen and captured carbon. Learn more about how we account for SAF certificates in our [greenhouse gas reporting methodology and restatements](#). →

¹⁶ Learn more about the [Frontier offtake agreements](#). →

¹⁷ Learn more about the [LEAF Coalition offtake agreements](#). →

¹⁸ Learn more about the [SABA RFP](#). →

Inclusive growth

In this chapter

21 Inclusive growth at a glance

Our clients

22 Driving inclusive growth with our clients

Our actions

26 Building a distinctive and inclusive workforce at our firm

32 Developing and caring for our colleagues

Our giving

36 Advancing economic inclusion in our communities

Cenk, a partner in Boston; Tiffany, a senior partner in Atlanta; and Damien, a business analyst in London.



Inclusive growth at a glance

We're helping build inclusive economies, institutions, and workforces

Through our client work, operations, and community engagement, we seek to accelerate growth that builds resilience and enables more people to contribute to and benefit from a growing economy.

Our clients

1M

participants reached through McKinsey Academy's capability-building programs since 2014

Our actions

19M

people upskilled, reskilled, or supported toward economic inclusion through our nonprofit partners and pro bono programs

Our insights

46%

average person's lifetime earnings come from skills learned on the job¹⁹



“As the economy expands, there should be more for all—that is where growth and inclusion come together.”

Tania Holt

Senior partner, leader of Europe social sector practice
London

¹⁹ Learn more in our report, [Performance through people: Transforming human capital into competitive advantage](#).

Our clients

Driving inclusive growth with our clients

We aim to drive economic growth that gives more people a chance at a better life.

Our approach

Top-performing organizations can uplift communities, create jobs, and expand markets in ways that generate more opportunity for everyone. And when leaders draw talent and new customers from all walks of life, they find the best employees and expand their market reach.

We help leaders build healthy, resilient organizations and help people build skills to participate in and benefit from a growing and changing economy.



Colleagues in our New York office.

We partner with our clients to:

Innovate to unlock new growth

Through our advanced technology, AI tools, and constant innovation, we work with clients to grow in a way that empowers households, promotes equitable opportunity, and serves a wide range of stakeholders.

Build new businesses in every sector

We build new businesses from the ground up, enabling them to scale at speed. By partnering with clients to unlock new sectors and markets, we create jobs, value, and the unicorns of tomorrow.

Expand inclusion in workforces

We drive lasting organizational change by upskilling, reskilling, and developing our clients' employees, building new leadership and functional skills that enable them to succeed in the future of work.

Foster inclusion in customer bases

We collaborate with clients to access untapped opportunities in underserved markets at home and abroad. We bring people and technology together to help new enterprises—and new customers—thrive.

Our clients

Our key actions in 2023

Fueling inclusive growth through tech and AI

Together with our clients, we fuse human aptitude with machine intelligence to create opportunities. Partnering with C-suites to change their talent, operating models, technology, and data capabilities, we rewire organizations for digital transformations that endure—and build new businesses that become engines of growth. Through our [Rewired approach](#) to digital transformation, we work with clients to build capabilities, upskill workers, and tech-enable their operations.

Noble Intelligence is our AI for Good initiative, housed within QuantumBlack. In partnership with nongovernmental organizations, the private sector, and tech providers, Noble Intelligence advances the UN SDGs through data and AI. For example, through [Disha](#) (or Data Insights for Social & Humanitarian Action), we are using data and AI to improve the effectiveness of humanitarian work, peacebuilding, and development.

Unlocking growth through Leap

Half of CEOs cite business building as a top three priority and their biggest lever for growth.²⁰ [Leap by McKinsey](#) works with organizations to imagine, build, and scale new businesses—and develop the capabilities needed to accelerate sustainable and inclusive growth. By using the power of generative AI, Leap accelerates the new-business opportunity identification and design phases from months to weeks, while reducing the time it takes to build businesses through the efficiencies available to software, data, and cloud engineering teams.

Since its inception in 2019, Leap by McKinsey has built 620 new businesses, more than 20 of which have been considered unicorns or decacorns.²¹ In 2023, the 147 businesses Leap helped build created 16,500 jobs. The companies we have helped build and scale include a green home retrofit platform for a UK bank, a business to promote healthy aging for senior citizens in India, and a next-generation carbon solutions platform in the United States.

620

new businesses built by Leap by McKinsey since 2019, including 20+ unicorns or decacorns



Colleagues in our London office.

²⁰ Learn more in our [survey on new-business building](#).

²¹ Unicorns refer to companies valued at more than \$1 billion and decacorns are companies valued at more than \$10 billion.

Equipping people and organizations to unleash sustained performance

We help clients create organizations that enable their employees to thrive and sustain their performance. One of the ways we do this is by enabling organizations to measure key aspects of their culture. For example, our [Organizational Health Index](#) has helped companies assess and improve their organizational health for more than 20 years. In 2023, we refreshed this important diagnostic, enhancing elements around inclusion and belonging, agility, resilience, and the employee experience. We offer similar assessments to allow clients to better understand how to create a diverse and inclusive workplace.

We also work with clients to build the capabilities they need to unlock their full potential at scale through [McKinsey Academy](#). In 2023, McKinsey Academy achieved the milestone of reaching more than one million participants since its creation in 2014.

Some of our most impactful work in 2023 included upskilling procurement professionals at one of the world's largest retailers, helping the aerospace industry transition from a "gray" to "green" workforce, and equipping a major healthcare provider to reimagine the breast care journey for women.

Improving lives and livelihoods

Our work with [social, healthcare, and public sector entities](#) is focused on creating resilient communities around the world. We do this by partnering with healthcare leaders to improve the affordability, accessibility, quality, and experience of healthcare; enhancing governments' capacity to deliver for people; and collaborating with social sector leaders to tackle pressing societal issues. Highlights from our work in 2023 include strengthening workforce capabilities for US veterans, improving the effectiveness of healthcare systems, advancing the manufacturing and distribution of vaccines across Africa, and working with education leaders to improve student outcomes while increasing access and affordability.

Furthering financial inclusion

We partner with clients to help ensure everyone can access financial services that allow them to build wealth, including savings, credit, loans, equity, and insurance. For example, in 2023, we published our [third annual report](#) on the opportunity for financial institutions to better serve Latino households and small- and medium-size businesses (SMBs). We provided guidance to C-suite leaders across the private, public, and civic sectors on how to help underserved populations fully participate in the US financial system. We also partnered with a bank to analyze the pain points and needs of SMBs, then designed recommendations to provide fair, fast access to capital and digital services for all.

Enhancing outcomes through the McKinsey Health Institute

Healthy economies depend on healthy populations. The [McKinsey Health Institute](#) (MHI) is addressing health inequity around the world by convening leaders, advancing research, creating open-access data assets, and stimulating innovation. In 2023, this included publishing research in areas such as mental health, employee health, women's health, and healthy aging, and collaborating with [ecosystem partners](#) around the world. [Our research](#) revealed that closing the women's health gap could not only improve the lives of millions of women, but also boost the global economy by at least \$1 trillion annually by 2040. MHI's collaboration with the [Missing Billion Initiative](#) is advancing health equity by increasing and enhancing data to strengthen care for people living with disabilities. MHI is taking action to advance health in cities by partnering with stakeholders at the city, national, and global level, generating learnings that enable others to replicate what proves effective.

Our insights

Learn more about the significant potential impact of addressing the women's health gap



Case studies



Starbucks: Designing stores that are inclusive for all

We partnered with Starbucks to create a design framework for more inclusive spaces for people living with disabilities. Future growth plans will include the use of these new accessibility guidelines so that all newly built and renovated Starbucks-operated stores in the United States, including 600 new stores planned in 2024, incorporate these more inclusive design elements.

1st

Starbucks store leveraging the inclusive design framework opened

[Learn more](#)



ING: Using generative AI to put people first

The global bank ING hears from 85,000 customers by phone and online chat each week in its core market, the Netherlands. To make customer support more inclusive and accessible, we partnered with ING to develop an advanced chatbot. The first-of-its-kind pilot in Europe provides a scalable model for additional markets where chat support may not have previously been available.

37M

customers projected to be impacted

[Learn more](#)



CP AXTRA: Building a new platform to help small businesses stay resilient

We partnered with CP AXTRA Public Company Limited, the parent company to well-known wholesaler Makro, to build a first-of-its-kind business-to-business online platform to streamline goods-purchasing for small-business owners in Thailand, helping create a more resilient supply chain for small businesses. We also helped embed upskilling and professional development into the organization's culture, building the capabilities of more than 200 employees.

200

employees hired and upskilled

[Learn more](#)

Our actions

Building a distinctive and inclusive workforce at our firm

We operate as a single global partnership, united by a common purpose, shared values, and a two-part mission that includes creating an unrivaled environment for exceptional people.

We continue to broaden our search for exceptional individuals, hiring from 200 new global talent sources this year.

Our approach

Our People strategy ensures that we have the breadth of skills and the diversity of backgrounds and experiences we need to tackle our clients' most significant challenges.

This includes continuing to advance our recruiting and hiring practices to focus on potential over pedigree, building a culture that encourages continual skill-building (both upskilling and reskilling), and committing to multidirectional, on-the-job apprenticeship supported by a direct, honest feedback culture.

We continue to evolve the ways we help colleagues manage their health, well-being and professional development, including equipping individuals with the skills and tools to author their own professional journeys.

Through All In, Diversity & Inclusion (AD&I)—our internal strategy, policies, and programs promoting diversity and inclusion—we seek to create an exceptional environment for all colleagues at our firm.

Our People values

Our values reflect our expectation that every colleague works to make our firm both distinctive and inclusive. Those values are to:

- be nonhierarchical and inclusive
- sustain a caring meritocracy
- develop one another through apprenticeship and mentoring
- uphold the obligations to engage and dissent
- embrace diverse perspectives with curiosity and respect
- govern ourselves as a “one firm” partnership

All In, Diversity & Inclusion progress²²

48%

of our global workforce were women

48%

of our global new hires were women

28%

of our leadership were women

48%

of our US workforce were from racial or ethnic groups historically underrepresented in management consulting²³

²² All demographic-related metrics in the report are based on colleague self-identification.

²³ Equal Employment Opportunity (EEO) categories: Black or African American, Asian, Hispanic or Latino, American Indians or Alaskan Native, Native Hawaiian or Other Pacific Islander (not Hispanic or Latino), Two or More Races. Race/ethnicity percentages in performance table may not add up to figure due to rounding.

Attracting top talent

We believe exceptional people can come from anywhere. We want our teams to reflect the diversity of our clients, communities, and society.

Our key actions in 2023

Reaching talent of the future

We want individuals from all backgrounds to get to know us, engage with us, and explore what it takes to help our clients succeed. We run:

- virtual opportunities across all regions for candidates to get to know us, regardless of where they live, work, or study, giving a wider and more diverse pool of candidates the chance to connect with us
- talent attraction programs, such as [Up Next and El Futuro](#) in North America, [Future Black Leaders](#) and [Skills for Success](#) in Europe, and Young Leaders Bootcamp in Latin America
- events to introduce LGBTQ+ talent and allies to our firm, such as [a global Proud Speakers series](#) and Asia Proud Talent
- HBCU Consulting League for students studying at US Historically Black Colleges and Universities (HBCUs) to provide leadership skills and a meaningful start in consulting

We aim to be distinctive and inclusive by recognizing exceptional talent can come from anywhere.

We continually introduce new programming, including:

- In North America, we launched the Tech Apprenticeship Program in partnership with Multiverse to create opportunities for professionals from nontraditional backgrounds (for example, candidates without a college degree) to apprentice as software engineers with our firm.
- In the United Kingdom, we introduced Make Your Mark, a mentoring program for MBA students in leadership positions who identify as members of communities that are underrepresented.
- As part of our commitment to expand our recruiting of military veterans, we hosted our first cohort of interns through the US Department of Defense's [SkillBridge program](#).

We also partner with external organizations, including the [Society of Hispanic Professional Engineers](#) and [Reaching Out MBA](#) in North America, [EUROUT](#) and [STICKS & STONES](#) in Europe, and Pride Connection in Latin America. We continue to convene the [Juntos Conference](#) in Brazil for young Black talent to connect, meet Black professionals, develop new skills, engage with large companies, and learn about career opportunities.

Being consciously inclusive in our hiring process

To ensure fairness in our hiring processes, we employ a full suite of consciously inclusive solutions to assess candidates. Each member of our Talent Attraction team completes AD&I and unconscious bias training, and every year we formally recognize colleagues who embody our AD&I commitments through our Changemaker Awards.

Our job descriptions emphasize skills, and our improved resume-screening process is more inclusive of a diverse set of experiences and backgrounds. In 2023, we further democratized our assessment approach by creating a robust interview preparation website to ensure that all candidates receive equal access to our best-in-class preparation materials and trainings.

To combat potential biases, we provide inclusion training for all of our recruiters and assessors to ensure evidence-based hiring decisions in conjunction with a trained and dedicated inclusion adviser.



Jesse, a senior business analyst in our New York office.

All In, Diversity & Inclusion

We are building an inclusive culture across the talent pipeline, from [recruiting](#) → to [retention](#) → and [advancement](#). → Our research underscores that diversity and inclusion are connected to better business performance and talent retention. We use our [insights](#) → to inform our strategy and then share what we learn on our journey to impact broader society.

As part of these efforts, in 2020, we launched the [10 Actions](#) → to advance racial equity in our firm and society. While we have more work to do, we are proud of the progress we have made and will continue our journey to champion diversity and inclusion.

Our key actions in 2023

Championing diversity and inclusion within our firm

Enhancing careers through sponsorship

Based on our research, we know that colleagues need both sponsorship and opportunities to successfully advance. We evaluate each colleague on how much and how well they perform as sponsors. Using the data from our annual mentorship, apprenticeship, and sponsorship survey, we design individual interventions to ensure all colleagues receive the support they need to grow and succeed.

Equipping colleagues for key life events

In 2023, our re-boarding program was recognized by the World Economic Forum as an [Inclusion Lighthouse](#) → for its significant, quantifiable, scalable, and sustainable impact. The re-boarding program ensures that eligible colleagues are well supported before, during, and after qualifying extended leaves, including, for example, medical and parental leaves. We provide structural support and resources to ensure successful reentry to the workplace, such as a customized reentry plan, professional executive coaching, and best-in-class benefits.

13,900

colleagues in our Inclusion Allies program

Building communities that promote belonging

Our [networks and communities](#) → support our people, providing a welcoming environment in which mentorship and community create an unparalleled sense of belonging and growth. In 2023, we continued to expand the groups to reflect our increasingly diverse firm. For example, we launched a global group around social mobility called PRISM (Progressing Representation and Inclusion in Social Mobility).

Our LGBTQ+ group grew and renamed itself Equal at McKinsey to reflect the group's diversity and ensure equality for all its members.

Membership has also increased in our other groups, including the McKinsey Black Network, Hispanic and Latino Network, Asians at McKinsey, Veterans at McKinsey, and [Access McKinsey](#) → (colleagues with disabilities, chronic illnesses, and mental health challenges).

We are proud to be recognized for our LGBTQ+ inclusive environment:



Colleagues celebrating Pride Cologne.

Fostering inclusion and allyship

We strive to build an inclusive culture in which all colleagues feel a sense of belonging, fairness, and authenticity. Almost 13,900 colleagues are part of our Inclusion Allies program, designed to develop, connect, and activate a global cohort of inclusive leaders through training, initiatives, mentoring, and research.

With operations in 144 cities, we set global AD&I aspirations while creating space for local contexts. We recognize diversity in the United States, for example, is different than diversity in France or Brazil. So, we set a global vision while tailoring our initiatives to local contexts. For example, as part of our effort to create a diverse and inclusive environment globally, we launched a new MENAT (Middle East, North Africa, and Türkiye) group in 2023, with a particular focus in Europe, where diversity and contexts can vary by country.

Better serving our clients

Diverse teams and leadership are critical for enabling talent acquisition, enhancing innovation, and improving customer insights. We serve our clients by bringing diverse perspectives through our teams and convening experts and key stakeholders to advance diversity, equity, and inclusion (DEI) thought leadership globally.

Counseling clients on DEI

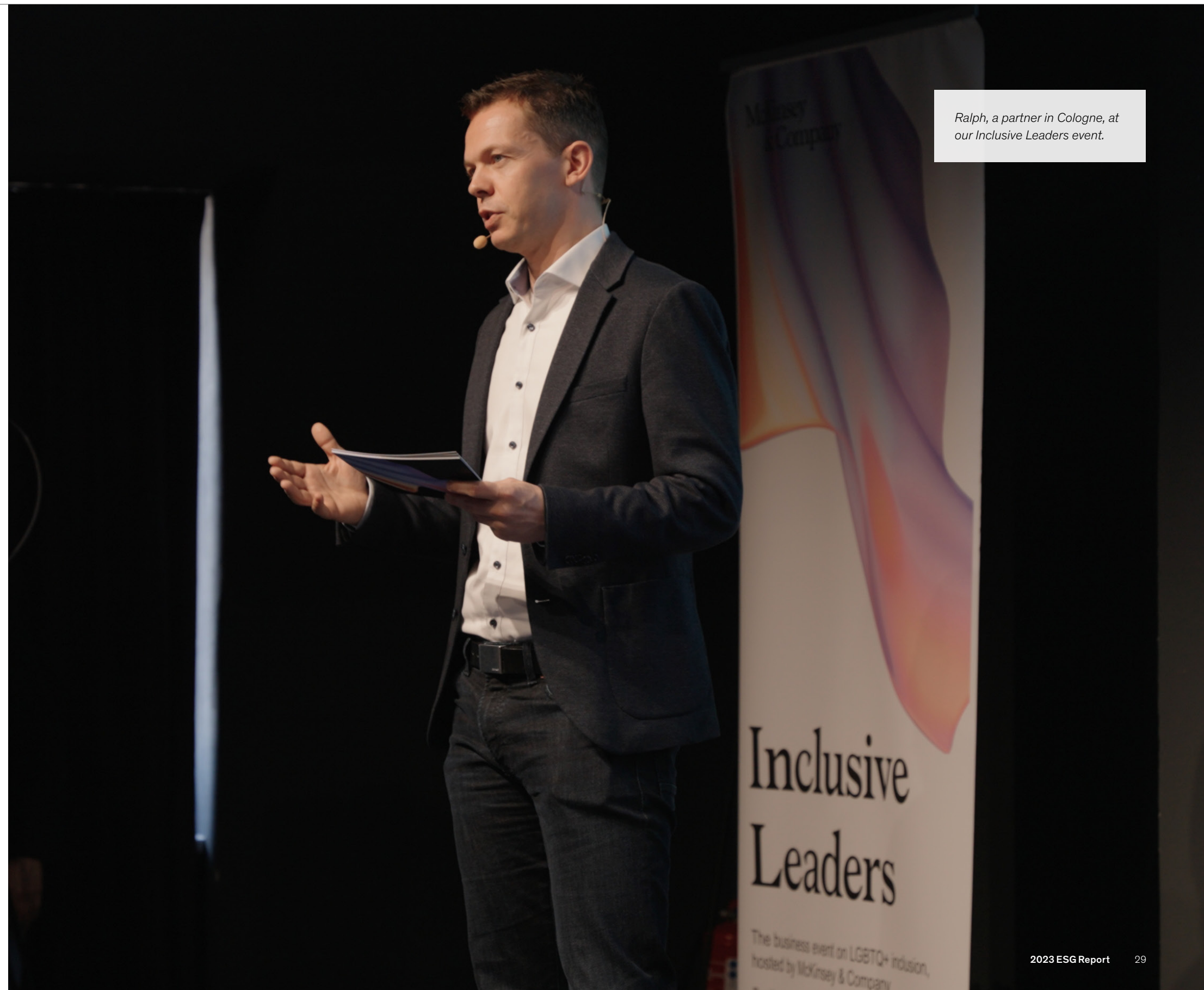
Our [People & Organizational Performance](#) practice supports clients by integrating inclusive behaviors into broader transformational work and delivering solutions to advance companies' aspirations for creating inclusive cultures in which everyone has a chance to reach their full potential. By partnering with our clients to build the next generation of leaders, including from diverse backgrounds, we continue to help drive substantial, lasting performance improvements. Learn more about how we [partner with clients to drive inclusive growth](#). →

Convening the world's most influential women leaders

In 2023, we launched the World's Most Influential Women event, convening women leaders from around the world who are driving societal and economic change. The event created a platform for senior women to discuss key issues such as resilience, sustainable and inclusive growth, and leadership with their peers.

Promoting LGBTQ+ inclusion in the private and social sectors

In 2023, we also launched the [Inclusive Leaders](#) event in Europe, convening senior business leaders to share our latest research on how to promote LGBTQ+ inclusion in the workplace, including better understanding the transgender experience.



Ralph, a partner in Cologne, at our Inclusive Leaders event.

Driving positive societal change

One of our greatest opportunities to advance diversity and inclusion on a global scale is through our significant investments in [research and insights](#) across wide-ranging topics, from economic mobility to diversity in the workplace. At the same time, we work to uplift diverse communities through partnerships, [supplier diversity programs](#), pro bono projects, and [charitable giving](#).

Developing insights to accelerate action

Through our broad portfolio of diversity and inclusion research, we strive to be a leading voice on the subject. In 2023, our [Women in the Workplace report](#) was the largest study on the state of women in corporate America and was one of our top five most-read reports of the year.

We have deepened our research efforts through the [McKinsey Institute for Black Economic Mobility](#), focusing on in-depth research to help accelerate Black economic development.

In 2023, we expanded our global research further, publishing research on [ethnocultural minorities in Europe](#), [progress toward gender parity in Portugal](#), and the intersectional experience of [Black, Bangladeshi, and Pakistani women in the workplace in the United Kingdom](#).










Our insights



[Read our ninth annual report on women in corporate America](#)

Partnering to drive impact

We collaborate with partners to maximize our impact, including, but not limited to:

	<p>We provide knowledge and capability-building support to help close the economic and influence gap for Asian Americans and Pacific Islanders.</p>	 <p>We joined forces with the New Voices Foundation to enhance the growth of Black-owned brands.</p>
	<p>We partner with The Amos Bursary to help Britain's talented young people of African and Caribbean heritage excel personally, professionally, and academically.</p>	 <p>We are founding sponsors of the Open For Business coalition, which makes the business case for LGBTQ+ inclusion globally.</p>
	<p>We partner with The Female Quotient's Equality Lounge at Davos, where we lead critical conversations on driving women's advancement.</p>	 <p>For more than ten years, we have been the knowledge partner of the Women's Forum and its CEO Champions Initiative.</p>
	<p>We are the knowledge partner for an annual Latinos and Society event with Aspen Institute, where we publish research on advancing economic mobility for Latinos in the United States.</p>	 <p>We are members of the Partnership for Global LGBTI Equality (PGLE), helping support inclusion around the world for lesbian, gay, bisexual, transgender, and intersex people.</p>
	<p>Together with LeanIn.Org, we co-author and publish the annual Women in the Workplace report, the go-to benchmark for women's experiences in corporate America.</p>	<p>As members of the Partnering for Racial Justice in Business initiative, we are collaborating to build just workplaces for professionals with underrepresented racial and ethnic identities.</p>

A snapshot of our 10 Actions toward racial equity

Since 2020, our [10 Actions](#) ²⁴ have helped advance racial equity and our commitment to drive sustainable and inclusive growth.

Building on our steady progress to date, we are extending our work globally and expanding our focus to include both the Black community and other underrepresented communities.

Connected Leaders Academy

In 2020, we established a [McKinsey Academy](#) ²⁴ virtual leadership program with customized content relevant to Black executives and made it available at no cost to our clients. In 2021, the initiative became the [Connected Leaders Academy](#) ²⁴ and introduced programs with additional customized content relevant to Asian, Latino, and Hispanic leaders. In 2023,²⁵ we enrolled 29,600 participants, equipping future leaders with the skills, peer networks, and sponsorship tools they need to grow and achieve their aspirations.

Institute for Black Economic Mobility

As clients and organizations manage shifts and an uncertain future, our [Institute for Black Economic Mobility](#) ²⁴ continues to publish research on building a more inclusive economy. In 2023, we collaborated on 18 insight pieces providing in-depth research on Black economic development.

NEXT 1B

In 2023, our [Next 1B program](#) ²⁴ led entrepreneurs through Founders, our capability-building program that provides business advice for challenges affecting minority-owned businesses, relevant for any small-business owner or founder at their earliest stages of growth. Through the program, the founders gained access to an unrivaled network of successful Black founders, major retailers, and investors.

29,600

leaders enrolled in the Connected Leaders Academy

18

insights from the Institute for Black Economic Mobility

\$27M

invested in racial equity-focused pro bono engagements in North America

“The conversations shared with the facilitators were invaluable! It helped find my voice and use it to be courageous . . . My life and mindset have been changed because of this program.”

— Connected Leaders Academy participant



Colleagues in our Singapore office.

²⁴ 10 Actions progress on this page refers to the period from June 2020 to December 2023.

²⁵ Total enrollment for 2020–2022 can be found in our [2022 ESG report](#).

Developing and caring for our colleagues

We aim to be the gold standard for a distinctive and caring culture that supports and encourages continual, self-authored growth.

Developing our colleagues

Our approach

By focusing on skills-based programming that prioritizes apprenticeship, feedback, and on-the-job experiences, we offer our colleagues opportunities to grow, both professionally and personally. We leverage a range of analytical tools—such as weekly Pulse surveys and our annual Mentorship, Apprenticeship, and Sponsorship Survey—to track how we are supporting our colleagues’ professional and personal development goals and implement timely solutions to meet their needs.

Our key actions in 2023

Embedding development in the way we work

To deliver continual growth opportunities, we have embedded the elements critical to achieving colleague development into our culture through Way We Work (WWW). WWW is our single operating system for any team—regardless of size, location, or mission—and ensures that teams practice a set of rituals (for example, team kickoffs, 1:1 feedback sessions, team retrospective meetings) that help achieve both distinctive client impact and a great team experience.

Our research shows that teams that practice these rituals have higher team feedback scores on development and apprenticeship. Our team leaders, supported by our WWW function, encourage uptake and use of these rituals among colleagues.

Empowering growth through skills-based continuous learning

We provide opportunities for colleagues in every role to grow, build their skills, and meet performance expectations in a supportive, collaborative environment. We have a comprehensive approach in place to understand, develop, credential, and leverage colleagues’ skills at every stage of their journey with the firm.

We are reimagining our feedback culture to support our colleagues’ development. Through a modernized skills-based team feedback system, we enable individual and team ownership of feedback they can leverage for building needed capabilities.

We invest in research and innovation through a learning lab to ensure the continuous modernization of our firm’s learning culture. We have created 2,900 learning offerings and provide access to more from external content providers.

Facilitating self-authored journeys

Our skills- and impact-based Leadership Growth Plans are an embedded practice, providing colleagues with an evolving set of aspirations, next steps, and support partners that will grow as they grow.

We empower colleagues to personalize their jobs and their development in ways that support flexibility and well-being, so they may find success through building skills, deepening expertise, and achieving impact.

Preparing our colleagues for an AI world

Colleagues are upskilled on AI tools to enhance their productivity as individuals and teams. Through learning programs such as our AI Bootcamp, Engineering Excellence, and AI/GenAI leadership programs, colleagues are enabled to both counsel clients on how they can best leverage this cutting-edge technology and build and deploy it at-pace across their organization. We also invest in industry-recognized technical learning and certifications. Learn more about [how we equip colleagues to effectively and responsibly leverage generative AI](#). →

Prioritizing skills- and impact-based advancement

Our [research](#) indicates that prioritizing performance and development leads to greater organizational outcomes. Our model of professional advancement is based on developmental markers focused around skill proficiency and impact and a demonstrated trajectory in client and people leadership. Our leadership model is rooted in a universal skill ontology that sets clear expectations, recognizes experience, and gives colleagues in every role opportunities to identify strengths and next steps. At the same time, our technological competency models offer a map for deepening expertise in specific areas.

Pairing the two models, plus learning and applying skills in the course of work, empowers colleagues to build their unique profiles and advance based on development and performance. Assessments and progressions are supported by a range of technological solutions, as appropriate and under the expert oversight of our People function colleagues and evaluators.

\$3,200

invested in learning per colleague on average

Mobility and global expertise

We encourage growth and development by providing opportunities for professional experiences across our client practices, firm functions, and geographies. In 2023, our mobility programs were deeply valued by colleagues with increased demand, positive feedback, and evidence of increased perceived development value. Colleagues overwhelmingly reported that these programs provided a unique opportunity to grow their networks and gain new perspectives.

On our path to developing colleagues into global citizens, we now measure global experience across five dimensions: international work, international client engagements, international cultural plurality, international pre-firm experience, and international mobility experience. Through this assessment, we recognize and celebrate our global practitioners, provide role-specific recommendations to further develop relevant skills, and inspire additional opportunities as colleagues continue to grow and advance in our firm.

Growing and connecting after McKinsey

We are committed to supporting our colleagues' impact even after they leave our firm and welcoming back alumni who rejoin with new skills and expertise. Our alumni network includes 55,300 former colleagues across 150 countries. Our alumni have founded 80 tech unicorns, and 952 are CEOs or C-suite leaders in leading private, public, and social sector organizations globally.

Our alumni and colleagues engage and collaborate through our alumni website, career services, and communications, as well as through knowledge and connectivity events.



Colleagues in our
Tokyo office.

Caring for our colleagues

Our approach

We know from [our research](#) that people perform at their best—for our clients, our firm, and one another—when they are healthy and well. That’s why our approach to health and well-being is a holistic one, with benefits and programs that support four dimensions of health—mental, physical, social, and spiritual—in addition to financial well-being.

Leveraging years’ worth of satisfaction and attrition data, we understand the personal and professional moments—generally big transitions—when well-being is most at risk (for example, family forming, becoming a manager of people). We have created readily accessible and easily navigable guides for each moment that matters, with applicable benefits, points of contact, networks of colleagues, and best practices, triaging colleagues to the best support structures. We have also supported colleagues in a variety of ways through humanitarian crises.

We check on colleagues’ well-being through the weekly Pulse survey and use the data to both inform the design of new initiatives for the populations that need them most and prompt individual intervention and care as needed.

Our key actions in 2023

Championing mental health and well-being

[Our well-being research](#) and work is rooted in the idea that institutions can support a colleague’s healthy experience in mind, body, and sense of purpose. Internally, our Mind Matters program provides quality support for colleagues and their families while advancing the conversation around mental health and well-being within our firm.

- Colleagues and their families can access early intervention and clinical resources, such as free, independent, and confidential support from trained professionals, through an external Employee Assistance Program and several mental health specialty providers (for example, pediatric care). In 2023, we offered enhanced services and benefits, including expanded global access, access to coaches, and a catalog of learning opportunities.

- Our Mind Matters points of contact serve as a safe space for discreet initial discussions on mental health and well-being and offer support finding, navigating, and accessing internal and external resources.
- In 2023, we introduced programming to advance and destigmatize mental health conversations across our firm, including multiple training programs, an ongoing colleague storytelling campaign, and a regular external speakers series that emphasizes personal stories and insights on the importance of holistic well-being.

- In 2023, we also launched new digital HR tools and processes, such as an assisted search pilot in the United States, to make it easier for colleagues to find support where and when they need it.





Embedding well-being in the way we work

We have embedded [McKinsey Health Institute's](#) research on employee well-being into our WWW rituals. The holistic approach to health is an increasingly critical component of consideration for teams in their kickoffs, retrospective sessions, and in biweekly engagement team reporting. We work closely with our team leaders to ensure our colleagues are supported, and that both personal and professional commitments are prioritized.

Our ongoing research shows that teams practicing these rituals proactively consider and integrate lifestyle changes—a factor we know to be critical to well-being as well as client service. Our teams reporting the highest sustainability scores are more likely to report higher client satisfaction scores. We also see a correlation between the team rituals and an individual's sense of connectivity, care, and respect at work.

Topics on well-being are prominent in our flagship learning programs—from new hire orientation through partner training programs—and promoting and enabling well-being is a core part of our leadership framework for team leaders and partners.

Enabling flexibility for individuals

We provide our client-service colleagues with multiple flexible work programs, from part-time schedules to “Take Time,” a flexible work program that provides additional time off each year. The goal of these programs is to allow colleagues to have the time they need to pursue their passions and priorities outside of work.

In addition, we continue to embrace and evolve our approach to hybrid work. For most of our colleagues and teams, hybrid work offers flexibility that supports individual and team well-being. We continue to research hybrid work, including encouraging teams to learn what works well in remote versus in-person settings. By leveraging data and input from our teams around the world, we can make better co-location decisions, refine models, and better inform workplace practices and team experiences that work for client, team, and individual needs.

Ensuring colleagues' safety

We believe that colleagues should always feel safe and secure. We proactively seek to safeguard the well-being and personal security of colleagues in all the contexts in which they operate.

Our Firm Security team is staffed by experienced professionals across the world. It partners with colleagues in our offices and functions (Human Resources, Real Estate, Travel, and Technology) to achieve these objectives. Additionally, we leverage leading industry providers to deliver global security and medical support.

Providing competitive compensation and benefits

Our compensation and benefits decisions are guided by a total rewards philosophy, which means we provide and communicate competitive pay and valuable benefits that enable us to attract, excite, develop, and retain exceptional talent. Ensuring our total rewards are equitable is central to our People strategy. Our Compensation Policy Committee governs the design and implementation of compensation, oversees our benefits, and ensures integrity and compliance with tax legislation and local requirements.

Prioritizing pay equity

We are committed to equal pay for equal work and have processes in place to help ensure pay equity. We are proud to report a 2023 weighted pay ratio of 99 percent, which represents the ratio of female to nonfemale colleagues based on total compensation by colleague grouping and level by country.²⁶ Employment decisions, including compensation matters, are based on legitimate business needs, job requirements, and individual qualifications. Each colleague is compensated based on relevant skills, performance in role, and/or geography.

Central to our pay equity approach are objective benchmarking and market insights, as well as robust audit practices. We actively monitor pay equity regulations in all countries where we operate. We used WageIndicator market data to verify that we pay all colleagues a living wage; our lowest compensation ranges are above the applicable minimum wage, including for entry-level positions.

Offering world-class benefits

We offer world-class benefits across our global footprint, ensuring all of our colleagues have access to support services to improve their overall health and well-being. Health and well-being are at the core of our benefits philosophy, and we deliver comprehensive benefits that support and protect our colleagues in their personal and professional lives. We provide a full spectrum of personal health and financial well-being programming tailored to the diverse and evolving needs of our people, while curating a platform that is sustainable so our people can rely on it.

We're always thinking about how to evolve our benefits platform to ensure our offerings are competitive and distinctive, as well as easy for our people to access, understand, and use.

Our benefits

Our holistic benefits package for colleagues and their families includes:²⁷

Physical and mental well-being

- Medical, dental, and vision coverage
- Mental health and well-being
- Navigation and specialized support
- Business travel emergency protection

Financial well-being

- Retirement programs
- Life, disability, and accident insurance
- Tax-advantaged savings accounts
- Personal financial benefits
- Educational support
- Philanthropic matching gifts

Flexible working, family care, and perks

- Firm holidays, paid time off, and volunteer days
- Parental and other personal leave policies and support
- Caregiving support
- Family planning, including adoption and surrogacy assistance and elective egg preservation
- Perks

²⁶ This pay ratio was calculated using annualized 2023 total compensation of female to nonfemale firm members, weighted based on segments including colleague grouping and level by country, including partners and nonpartners. Segments with a total number of colleagues fewer than ten were excluded.

²⁷ Listed benefits offered to McKinsey colleagues are not exhaustive and may vary by country.


Our giving

Advancing economic inclusion in our communities

We're helping build an economy that works for all by advancing economic inclusion and closing the empowerment gap through our pro bono work and charitable giving.


Our insights



Learn more about the empowerment gap and what it would take to raise minimum living standards 

Our approach

We're promoting job creation and placement, upskilling, reskilling, and education through our \$2 billion commitment to social responsibility efforts by 2030. Leveraging our research on the empowerment gap—the share of the population that falls short of sufficiency and the dollar amount needed to bridge this gap—we refocused our giving and pro bono programs on driving economic inclusion and closing this gap. In 2023, we supported 3,900 nonprofits and dedicated 342,500 hours to social responsibility.²⁸

[The Risk, Audit, and Governance Committee](#) → is responsible for overseeing our giving. Regional and local pro bono work is guided by local committees. Learn more about our approach to [advancing economic inclusion](#) .

\$856M


contributed in monetary and in-kind support since 2020 toward our \$2 billion commitment to social responsibility by 2030 (\$206 million this year)

Driving efforts to increase economic inclusion


In 2023, we doubled down on our commitment to economic inclusion, conducting and funding efforts around the world, tackling complex problems, and finding creative solutions to advance and accelerate sustainable and inclusive growth.

Example McKinsey programs

Equipping professionals for the future of work with Forward

In 2023, we reached more than 158,000 new learners through the [Forward program](#) —a free multi-week online learning journey. Forward is designed to equip individuals at different stages of their careers with practical skills for success in the future of work, whether they are looking to reskill or advance. Digital courses and virtual sessions are focused on skills that are transferable across industries and roles, such as adaptability, problem-solving, communication, relationship-building, and navigating the digital landscape.

Unlocking the full potential of nonprofits with McKinsey.org

In 2022, we launched [McKinsey.org](#)  as a philanthropic initiative to bring our firm's capability-building solutions at no cost to nonprofits that are accelerating inclusive growth around the world. By sharing the best of our solutions, McKinsey.org aims to unlock the full potential of nonprofits and offers programs designed to uplift entire organizations. In 2023, we reached 19 million beneficiaries through 270 nonprofits that participated in McKinsey.org programs.

28 Learn more in our [Performance Data](#). →

Example multi-year partnerships

Transforming careers through Generation

In 2014, we founded [Generation](#), an independent nonprofit organization that transforms and improves access to the education-to-employment system by preparing people for, placing people into, and supporting people in life-changing careers. Generation has been recognized as one of the [top 100 nonprofits](#) in the world, and we continue to partner with Generation through pro bono service, volunteerism, and charitable gifts. In 2023, approximately 30,000 participants graduated from Generation, a nearly 30 percent increase from 2022. Generation graduates have an 86 percent job placement rate and cumulatively have earned more than \$1 billion in wages. In partnership with nonprofits, governments, and employers, Generation has helped train and place more than 100,000 people into jobs since its founding.²⁹

Strengthening agricultural transformation through the African Agricultural Transformation Initiative

This initiative, co-founded by partners including the [Bill & Melinda Gates Foundation](#), the [International Fund for Agricultural Development](#), the [Alliance for a Green Revolution in Africa](#), and our firm, aims to foster inclusive and sustainable agricultural transformation across the African continent. Over the next few years, the African Agricultural Transformation Initiative (AATI) seeks to establish new, and strengthen existing, national agencies that are designed to support governments with the delivery of their agricultural transformation policies and programs, with the final objective of alleviating poverty, promoting food security, and strengthening climate resilience. In both Tanzania and Sierra Leone, these national agencies, called Agriculture Transformation Offices, are in the process of being established. Learn more about [the AATI partnership](#).

Example projects from 2023

Improving education in Latin America

We partnered with [Enseña Perú](#) to improve reading comprehension in primary schools by improving teacher training and coaching, class curriculums, performance and change management systems, and school district training tools. The lighthouse model proved successful and will be scaled in 2024, with the ultimate goal of scaling nationwide.

Upskilling nonprofit leaders in Australia and New Zealand

In 2023, we trained nonprofit leaders in Australia and New Zealand through our Mission Delivery program. Growing the sector's talent is one of the top opportunities to unlock further organizational effectiveness and social impact.³⁰ Mission Delivery empowers leaders in nonprofit organizations and social enterprises by introducing new tools, fostering meaningful peer connections, and providing participants with space for reflection.

Enhancing effectiveness to address urban poverty in Africa

We supported [Shining Hope for Communities](#) (SHOFCO), an organization that advocates for, and provides essential services to, impoverished communities in Kenya. Our Nairobi office worked to improve the financial sustainability of three of SHOFCO's programs, and McKinsey.org spent a year helping build SHOFCO's capabilities through its Ability to Execute program. [Read more about the project](#).

19M

people upskilled, reskilled, or supported toward economic inclusion through our nonprofit partners and pro bono programs



²⁹ Data provided in April 2024. Learn more about [Generation's impact](#). Of note, website metrics are updated regularly to reflect the latest graduate count.

³⁰ Learn more in our report, [Building from purpose: Unlocking the power of Australia's not-for-profit sector](#).

Closing the opportunity gap in North America

In the United States and Canada, we are dedicated to closing the opportunity gap by helping individuals below the empowerment line and in underrepresented communities find jobs, develop skills, and expand their education.

[Braven](#) is a national nonprofit organization with the mission of empowering first-generation and underrepresented students in college by equipping them with the skills, networks, experiences, and confidence to secure strong first jobs. In 2023, we partnered with Braven to begin a multi-year [Leap](#) effort that will enable them to significantly scale their offerings to more students across the United States. We collaborated with them on the blueprint of a one-of-a-kind, one-stop shop digital platform that will create a simple, engaging, and streamlined experience for students and automate aspects of the Braven program.

We are supporting the movement led by [Opportunity@Work](#) to [#TearThePaperCeiling](#) by creating a data-driven employer portal and resources to help employers transition to skills-based hiring and hire STARs (those “skilled through alternative routes” and without a bachelor’s degree). The “degree screen” is a barrier to employment for 60 percent of American workers.³¹

We are working with [Bottom Line](#), a national nonprofit focused on supporting degree-aspiring students from under-resourced communities as they get into college, graduate, and start their first career roles. Our multi-year partnership includes strategic planning to help Bottom Line expand into additional cities and launching other initiatives to reach more students.

Safe, affordable housing is an essential precursor to economic mobility. We are helping Bay Area nonprofits such as [St. Anthony Foundation](#) connect unhoused communities to work and resources. We also partner with several organizations such as [Mile High United Way](#) to help the city of Denver address homelessness and its affordable housing needs. In Montreal, we worked with [Centraide of Greater Montreal](#) to analyze city housing affordability data to better identify and address gaps in availability and affordability.

The empowerment line is the level at which people can meet their essential needs and realize more of their potential.



Our colleagues Amy and Alexander with the Braven team and fellows at our annual Day of Service.

31 Learn more about [individuals skilled through alternative routes](#).

Responsible practices

In this chapter

- 40 Responsible practices at a glance
- 41 Our risk and compliance transformation
- 43 Ethics and compliance
- 45 Risk management
- 47 Working with clients
- 48 Working with suppliers
- 50 Human rights
- 52 Data privacy and information security



Liz, a partner in Stamford; Pheny, a junior associate in Johannesburg; Galo, a business analyst in London; and Youssef, an associate in London.

Responsible practices at a glance

Our ambition is to lead with integrity, deliver impact responsibly, and maintain the trust of clients, colleagues, and society.

We aim to govern our firm through the highest professional and ethical standards. These are embedded in our daily practices, from the way we select clients and suppliers to how we protect data.

Our clients

100%

of new clients vetted against our industry-leading CITIO client service framework

Our actions

~\$1B

spent on building, enhancing, and operating our risk, legal, and compliance functions since 2018

Our insights

60%

of surveyed consumers would be willing to pay more for products when employee safety and no child labor are guaranteed³²



“Trust and accountability are integral to driving holistic impact, living our values, and leading with integrity.”

Daniel Trujillo

Partner, chief ethics and compliance officer
Austin



32 Learn more in our report, [Enabling socially responsible sourcing throughout the supply chain](#).

Our risk and compliance transformation

As part of our commitment to build and continuously enhance a world-class risk and compliance program, we have made fundamental improvements to the way we operate our firm.

Adherence to the highest professional standards is one of the core values that has always guided our firm and the way we serve clients. As the environment in which our firm and clients operate has grown in complexity, we have taken significant steps to evolve our approach to risk management and compliance.

Starting in 2018, we spent nearly \$1 billion in people, policies, processes, and technology to build, enhance, and operate a globally integrated risk, ethics, and compliance framework and culture. Our transformed risk and compliance approach enables us to serve our clients in a responsible way while protecting our firm, people, and clients.

Examples of how we have enhanced our approach

People

- Investing in talent by hiring professionals with extensive experience, specialized knowledge, and technical skills across risk, legal, ethics, and compliance topics.
- Setting an unwavering tone about our commitment to ethical behavior through consistent and proactive communication across all levels at the firm, including during new colleague onboarding, our global Values Day, partner meetings, firm events, and compliance training.
- Fostering our firm's culture of integrity by refining our values to include the obligation to engage, pursuit of holistic impact, and maintenance of high standards and conditions for client service that go above and beyond legal requirements.

Policies

- Updating, streamlining, and standardizing our global policies and related procedures.
- Launching a reimagined Code of Conduct.
- Strengthening our firm's client diligence process by enhancing the Client Selection Policy.
- Adopting a new decision-making framework that evaluates every client engagement across a rigorous set of criteria.
- Creating additional industry and topical risk guidelines for specific client contexts.

Processes

- Enhancing our risk management controls and oversight.
- Implementing new trainings and accountability mechanisms to ensure that all of our colleagues understand and adhere to our policies.
- Equipping our colleagues with the knowledge and tools to play their part in managing risk.

Technology

- Investing in risk and regulatory tracking technology solutions to support our risk management strategy.
- Launching a technology assurance program to improve product compliance across risk, legal, ethics, and compliance topics.
- Embedding risk considerations into the firm's strategic technology shifts, such as data management and AI.
- Testing and piloting programs to leverage generative AI to improve risk management capabilities.

Collectively, these changes represent significant steps in the continuous evolution of how our firm operates. They do not change the values that we have always had; they strengthen them by giving our colleagues clearer guidelines on how to best put those values into practice.

Governance and oversight

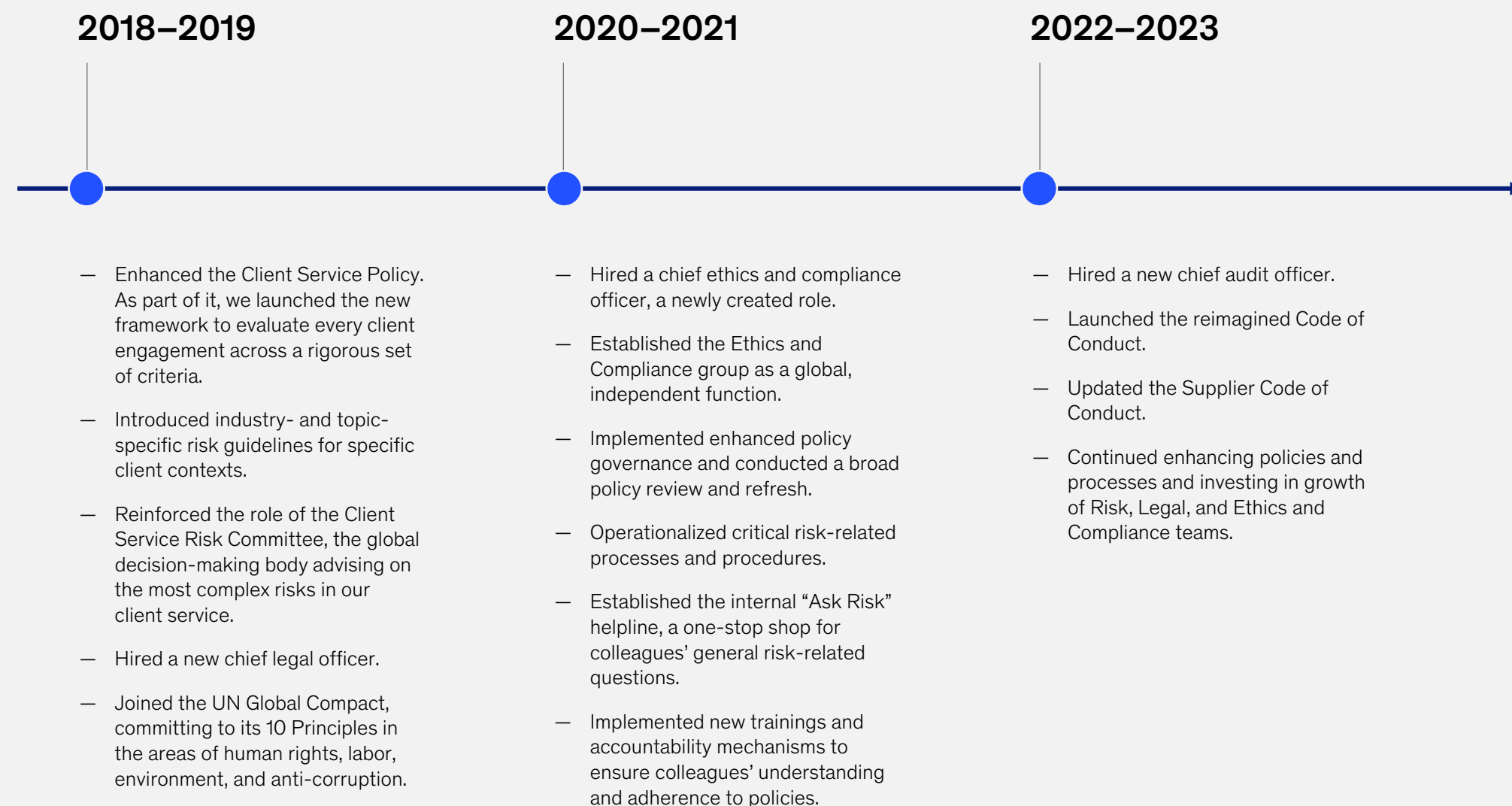
Our firm takes a “three lines of defense” approach to risk management and compliance. Colleagues are our first line of defense and play a critical role in bringing risk awareness and consideration into daily practices and decision-making. Our second line of defense consists of several dedicated control functions, collectively covering a broad spectrum of risks facing our firm, including:

- Legal
- Client Service Risk
- Enterprise Risk Management (ERM)
- Cyber and Data Risk
- Ethics and Compliance
- Geopolitical Risk
- Physical Security

Our Legal and Public Affairs department, led by a chief legal officer, a senior partner, provides legal advice on our firm’s full range of client and internal activities. Our Risk functions are led by a chief risk officer, a senior partner. The Risk, Audit, and Governance Committee (RAGC) of the Shareholders Council, our elected board of directors, provides strategic direction to, and oversight of, our firm’s risk management activities, including the identification and mitigation of new or growing risks, creation of related policies, and awareness-building among colleagues of risks, policies, and other supporting mechanisms.

As a third line of defense, our Internal Audit group provides an independent assessment of the effectiveness of our controls in mitigating important risks, reporting its findings directly to the RAGC.

Select milestones on our risk and compliance journey



Ethics and compliance

We seek to lead our profession with a world-class ethics and compliance program that builds and maintains the trust of our clients, colleagues, and society.

Our approach

We are proud of our history as a professional services firm grounded in our purpose, mission, and values. We partner with our clients responsibly and are conscious of our impact in our communities. We continually invest in creating and sustaining a culture that educates and supports our colleagues to respect one another, do what's right, and inspire a shared commitment to ethics, integrity, and professionalism in our daily actions.

We believe building and maintaining a culture of integrity are the responsibilities of every firm member. Our Ethics and Compliance (E&C) team works closely with colleagues around the world to ensure our risk-based programs are effective and enduring. At the board level, these efforts are overseen by the RAGC.

E&C is led by our partner who serves as global chief ethics and compliance officer, and a team dedicated to:

- fostering a firm-wide culture of ethics and integrity
- identifying, analyzing, and addressing legal and regulatory risks, and establishing governance and controls for those risks
- developing and delivering risk-based learning together with dedicated risk learning experts
- monitoring compliance with policies and controls and continually improving our program

We have additional global committees and groups in place to support our governance structure, including our Professional Standards Committee, which addresses potential violations of firm policies or values by partners, and a network of trained professionals who manage and review personal conduct issues.

Our compliance program, Code of Conduct, and policies

Our Code of Conduct (our Code) defines a set of behavioral expectations for all firm members. It helps colleagues understand the core elements of our policies and how those elements are anchored in our values.

In 2023, our firm launched a new [Code](#). [↗](#) Our reimagined Code reflects our long-standing commitment to our values and our continued investment to set the standard for accountability and compliance. We developed integrity competencies defined in the Code and embedded links to underlying policy statements directly into the document to enhance its usability.

We expect all colleagues and others working on our behalf—such as contractors, advisers, and other suppliers—to comply with, and act in a manner consistent with, our Code. We also expect our suppliers to adhere to our Supplier Code of Conduct, which includes standards related to the policies underlying our Code. We have embedded risk-based due diligence procedures in third-party onboarding processes. Learn more about [how we work with suppliers](#). [→](#)

Risks addressed by our compliance program

Our E&C program is designed to address the risks that reflect the breadth and complexity of our clients' needs, the scope and scale of our operations, and our commitment to the highest standards of integrity and professionalism. Risk areas addressed by our program include, among others:

- anti-corruption and bribery
- antitrust and competition
- civil rights
- conflicts of interest
- data protection and privacy
- immigration
- information security
- labor and employment
- personal investments
- recruiting and hiring
- trade and sanctions

Anti-corruption

We do not offer, accept, solicit, or pay a bribe, in any form or of any value, to any person—including to get business or secure any advantage in connection with our business—and we never ask a third party to do so on our behalf. Our firm is committed to compliance with the anti-corruption laws of all jurisdictions in which we operate, including the US Foreign Corrupt Practices Act and the UK Bribery Act.

Global training and compliance programs

We support every firm member through training and communication to keep our commitment to ethics, integrity, and compliance top of mind. Our training programs are structured to accommodate our global footprint. They capture the nuance and complexities of local requirements to ensure that all colleagues feel supported and empowered with the information they need.

Upon joining our firm, all new hires are required to:

- understand and adhere to our Code and policies
- participate in onboarding through which they learn about our firm values and what's expected of them

All of our active colleagues are required to participate in Professional Standards and Risk training and certify compliance with firm policies on an annual basis. Some of the topics covered in annual mandatory learning include anti-corruption, conflicts of interest, information security, anti-harassment, workplace conduct, environmental sustainability, and human rights.

In 2023, 100 percent of colleagues completed annual risk training and certified their compliance with firm policies and our Code.³³ In addition to firm-wide training, colleagues receive additional learnings tailored to their functions and roles. Our annual Values Day, a global celebration for all colleagues, is an opportunity for us to reflect on what it means to live our values. This year, Values Day grounded our firm in how to put integrity into action, every day.

100%

of colleagues completed annual risk training and certified compliance with firm policies and our Code³³

Raising concerns

Every firm member has the obligation to raise concerns about values, ethics, and professional conduct without the fear of retaliation. We aspire to create an environment where everyone feels comfortable seeking advice or raising concerns directly with a colleague.

However, we recognize there are times when colleagues may feel the need to raise a concern or ask a question without coming forward directly to a colleague. We offer multiple avenues to report questions and concerns, including Human Resources, our Global Partnership Office, and our global [Got a Concern? helpline](#) —available to all colleagues 24/7 to raise concerns in a confidential manner and, where legally permissible, anonymously.

All good faith allegations of potential violations of laws and regulations, values, policies, and our firm's standards are subject to review, and retaliation is not tolerated. Violation of our Code or policies can lead to disciplinary action, up to and including termination.



Tosca, a junior associate in our London office.

³³ This figure does not include firm members exempted from the training because they weren't actively working at the time of the program (for example, leave of absence, left our firm).

Risk management

Risk management is a fundamental responsibility of every colleague.

Our approach

Effective risk management helps us ensure that we are doing what is right and necessary for our clients and firm. As such, every firm member, regardless of tenure or seniority, has an obligation to:

- know what is expected of them
- understand the implications of their actions
- do what is required by adhering to our processes and risk guardrails
- lead by example, acting with integrity and with the courage to raise questions and have tough conversations

Risk assessment

We consider risks in the short, medium, and long term in areas such as legal, regulatory environment, market, and technology, as well as those arising from the physical impact of climate change. We continually seek opportunities to better identify, analyze, and mitigate risk. Central to our approach is our risk framework, which provides the insight, controls, and technology we need to anticipate and address risks.

We routinely and systematically undertake risk assessments and update or create new policies, procedures, or processes accordingly. These assessments incorporate a wide range of both qualitative and quantitative factors, as well as external benchmarks, to produce a comprehensive view of risk by considering our potential exposure to elements of our Risk Taxonomy.³⁴ The Risk Taxonomy is itself regularly refreshed to ensure that we have an up-to-date view on new or emerging risk types.

Risk assessments help us understand the nature of the risks we face and what policies and controls we have in place to mitigate those risks. For example, in 2023, we identified emerging risks related to generative AI, established a new internal Responsible AI (RAI) Standard and created an AI governance group. This new group comprises subject matter experts who advise engagement and product development teams and committees on AI risks, mitigations, and the implementation of the RAI Standard.

Risk assessment outcomes are shared with firm leadership, including the Shareholders Council, and provide insights as to where further efforts or investment in risk mitigation would be most valuable.

Engaging our colleagues

To support colleagues around the world in doing their part to help manage risks, we have created and continue to improve our risk management tools and processes.

Process improvements

We have a team dedicated to using technology to make risk management more efficient and effective as well as a firm learning group dedicated to creating engaging and comprehensive risk training. For example, in 2023, we integrated several offline engagement risk assessment processes into a single system and made assessments more tailored and dynamic. We also implemented digital simulations on high-priority risk topics to equip colleagues with the necessary information to make decisions that align with best practices in managing risk.

Communication channels

Colleagues receive regular messaging from the global managing partner, the chief risk officer, the chair of the RAGC, and regional leaders on what is expected of them, and where and how to seek guidance in complex situations, including reaching out to our internal “Ask Risk” helpline, available to all colleagues.

ESG integration

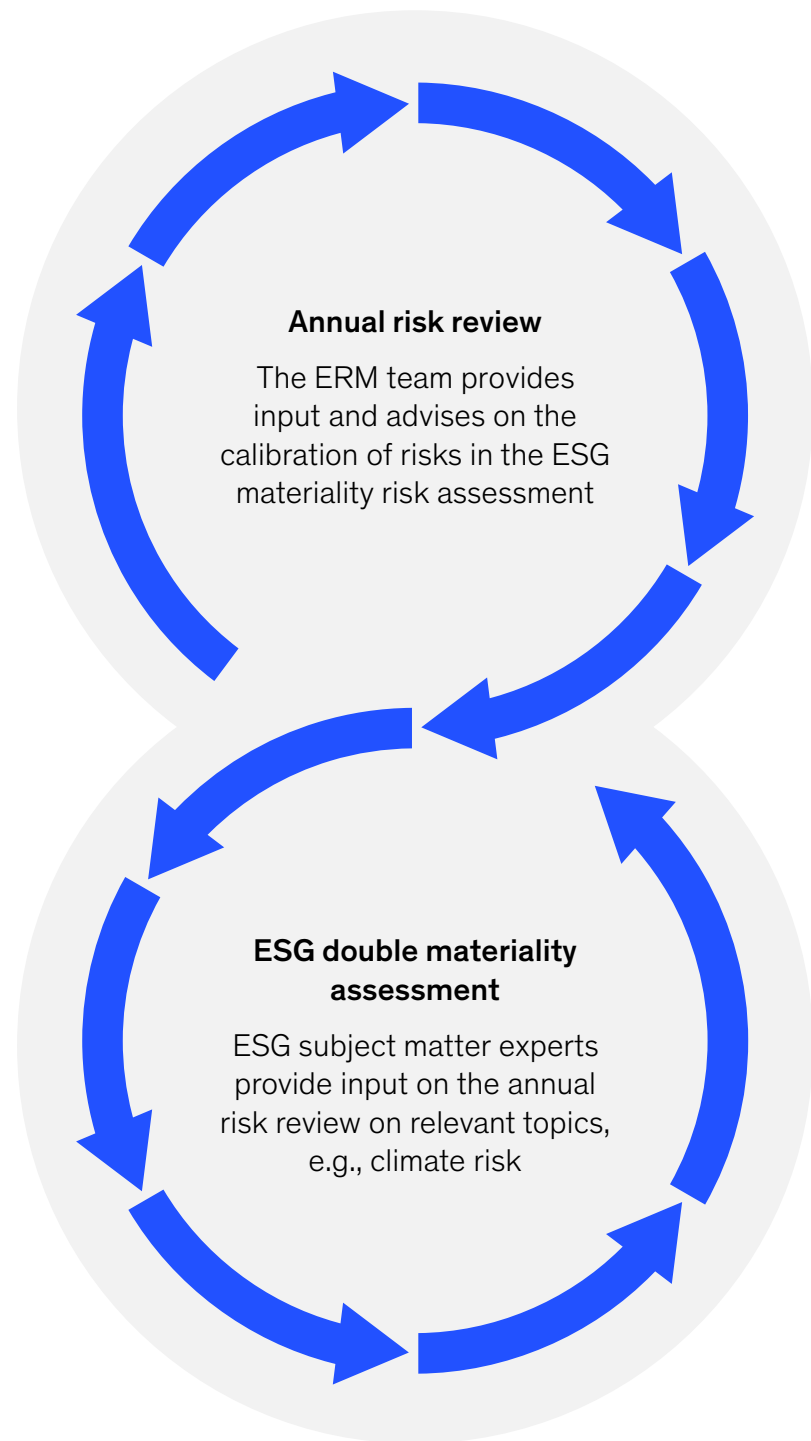
We continue to integrate ESG perspectives into our ERM risk review processes. In 2023, we conducted our first double materiality assessment using relevant results from the annual risk review as an input. The ERM team also provided feedback and advice on calibration of risks in the materiality assessment. The results of the materiality assessment in turn will inform our annual risk review process, whereby our firm's ESG subject matter experts provide input into the review (for example, for climate risk).



Paritosh, an associate in our London office.

³⁴ Our official Risk Taxonomy covers 12 Level 1 risk areas, each of which is further divided into several Level 2 risk areas. Responsibility for risk ownership of most areas lies with the chief risk officer, with some elements lying with the CFO, chief people officer, or our firm's general counsel.

ESG and risk integration



Risk Taxonomy

Strategic risk

Risks caused by changes in regulatory, technological, political, and geopolitical environment, and societal trends

Legal and regulatory risk

Risks of noncompliance with applicable legal and regulatory requirements

Data risk

Risks associated with data collection, transfer, storage, retention, and processing

Third-party risk

Risks arising out of our firm's associations with third parties

Client service risk

Risks arising from our firm's service to clients—who we serve and on which topics

Capabilities risk

Risks arising from creation and provision of client-facing capabilities and risk to the protection of firm proprietary knowledge

Technology risk

Risks associated with the vulnerability of our firm's IT system and technology, including cyber threats

Communications risk

Risks arising from our firm's internal and external communications, and disclosure of firm's name or work

Physical security risk

Risk of safety of our firm members and security of our firm locations

Business operations and resilience

Risk of disruption of our services such that our firm is not able to perform its operations

People and personal conduct risk

Risk of personal harm (mental or physical) to firm members or the risk of harm to our firm due to actions by firm members

Economic and financial risk

Financial and economic risks to our firm overall, stemming from pricing and fee arrangements, material misstatement, liquidity, macroeconomic factors, fraud, tax, and cost structures

Our insights

Read our research on best practices for anticipating and responding to geopolitical risks



Black swans, gray rhinos, and silver linings: Anticipating geopolitical risks (and openings)

Working with clients

To continue delivering holistic impact responsibly in a fast-changing world, we have transformed our approach to selecting clients and engagements.

Our approach

Responsibly managing the way we select and work with clients is a key part of our ambition to set the standard for accountability and compliance in our profession. That is why we continually learn from experience, improve our policies, and strengthen the teams, processes, and systems that bring our policies to life.

Our approach is designed to ensure we make responsible, principles-based decisions about our client work, upholding our firm's high professional standards. For engagements that fail to meet these standards, our firm declines the work. Read more about our client and engagement selection on our [website](#).

Our policies and guidelines

Client Service Policy and CITIO framework

We have a comprehensive set of policies that guide our actions. All client service we undertake must comply with our Client Service Policy that applies globally across all sectors, whether work is paid or unpaid. The policy requires that we evaluate the clients we serve and the likely impacts of our work before committing to any new client engagement.

Since 2019, we have systematically assessed our engagements based on a set of criteria across five dimensions (referred to as "CITIO"): Country, Institution, Topic, Individual, and Operational considerations. Within each of these dimensions, we have defined criteria that our colleagues must apply when assessing a potential client or engagement to ensure we consider the potential unintended consequences of the work.

Some criteria describe "bright lines"—work we will not perform under any circumstances—while others require discussion and special approval, or extra oversight related to scope and delivery.

Industry and topical guidelines

To complement our Client Service Policy and the CITIO framework, we have established guidelines for each of our global industry practices to guide how we apply our policies in specific, real-world client contexts. These guidelines outline additional types of work we will not do, as well as types of work requiring further review and approval. They are updated annually at minimum, with many updated more frequently in response to changes in global or local industry contexts. Every client engagement we undertake is reviewed under the related industry guidelines prior to starting work.

In addition to the industry-level guidelines, we have introduced new risk guidelines for emerging topics such as generative AI and sustainability, and updated guidelines on "evergreen" topics, including conflicts of interest and geopolitical issues, to ensure our approach evolves as new issues come to light or regulations change.

Our teams, processes, and systems

In 2023, we continued to invest in growing our Risk, Legal, and E&C teams. Our E&C team stood up new processes to further ensure we fully adhere to our policies. Our specialized Client Service Risk team continues to provide professional, judgement-based input and decisions on client situations requiring nuanced, bespoke review and advice.

A subset of the most complex cases is escalated to a global decision-making body, the Client Service Risk Committee (CSRC) composed of senior firm leaders and supported by risk, legal, compliance, and communications professionals. The CSRC makes binding client and engagement selection decisions and sets mandatory guardrails for higher-risk work we decide to pursue.

In addition to strengthening our teams and processes, we have evolved our digital systems and tools for managing client service risk. Our digital infrastructure ensures that every client engagement is risk-assessed prior to our starting the work, and enables linkages and controls across risk, finance, and team staffing processes.

100%

of new clients were vetted against our industry-leading CITIO framework, which also guides our approach to engagements

Working with suppliers

As a global firm with offices in 68 countries, we strive to source from and partner with suppliers that share our values and commitment to responsible conduct.


Our approach

We have a significant opportunity and responsibility to drive positive social and environmental impact through our procurement operations and buying decisions. Our Sustainable Procurement program sits within our Responsible Buying program, which is led by Optimize, our firm's global procurement function, with oversight from our chief financial officer and input from a range of firm leaders. Optimize enables our Responsible Buying program through various services related to travel, events, real estate, sourcing, technology, purchasing, and more.

The Responsible Buying program integrates ESG, risk, and operations requirements into our procurement processes. It includes training for our colleagues and engagement with our suppliers on key topics. The program is designed to be holistic and to make it easy for colleagues and suppliers to make more responsible buying decisions.

Supplier standards and values

Our global Sustainable Procurement and Responsible Buying Policy outlines our ambition to deliver positive social and environmental impact through our selection, purchase, use, and disposal of products and services, and through how we work with our suppliers to improve the social and environmental impact of the goods and services they offer.

Since we strive to partner with suppliers that share our values and commitment to responsible conduct, we ask suppliers to agree to our Supplier Code of Conduct.³⁵ This code outlines the standards and values we expect of all our suppliers and is embedded in our standard contract template. The code is available to download in 13 languages on our [Supplier Standards webpage](#)  and was updated in 2023.

Supplier due diligence

Our supplier due diligence process is part of a risk-based approach to identify, prevent, mitigate, account for, and, where applicable, support remediation of any adverse ESG impacts in our supply chain. It supports our commitment to the UN Guiding Principles on Business and Human Rights and the UN Global Compact.

As one component of our supplier due diligence process, the standard RFP templates used by our Sourcing team during the supplier sourcing and selection stages include questions to screen potential suppliers on practices and policies in areas including environmental sustainability, human rights, diversity, and data privacy. New suppliers go through an onboarding process that includes risk-based screening to confirm the supplier follows applicable laws and meets our standards.³⁶ This process includes additional questions for suppliers with potentially higher ESG risk, based on considerations such as spend level, country risk, and category risk. Our process is to carry out periodic diligence checks to assess changes in suppliers' circumstances at intervals determined by the supplier's risk profile. In 2023, we re-certified existing suppliers³⁵ against an updated standard due diligence process, which included ESG requirements.

We continued to enhance the ESG-specific components of our supplier diligence capabilities through investment in a third-party ESG-specific risk analysis tool and supplier assessment platform. The supplier assessments conducted through this platform require document verification of policy, practice, and performance claims in the areas of environment, fair labor and human rights, business ethics, and sustainable procurement. Documents are reviewed by an independent third party against globally recognized standards and frameworks. Based on assessment results, we may request corrective actions from suppliers to address ESG improvement areas and monitor their progress.

Training for procurement colleagues

To support our sustainable procurement efforts, we provide training to Optimize colleagues on sustainable procurement fundamentals and the expectations of our procurement colleagues. In 2023, 100 percent of eligible Optimize colleagues completed the sustainable procurement training.

100%

of eligible Optimize colleagues completed sustainable procurement training

³⁵ Some exceptions apply.

³⁶ Some exceptions apply (e.g., suppliers for which an alternative third-party vetting process is utilized).

Advancing diversity in our supplier base

As a firm, we aim to introduce diverse organizations and perspectives into our supply chain to drive sustainable and inclusive growth and foster innovation that addresses the changing needs of our business.

After surpassing our aspiration of doubling our spend with diverse suppliers between 2020 and 2022, we continued to raise our ambition in 2023. We are expanding our efforts to small businesses and will continue to find new opportunities to engage with small and diverse businesses through our outreach with advocacy and community-based organizations. For example, we are proud corporate members of nine nonprofit organizations dedicated to supporting diverse suppliers. Our collaboration better positions us to identify and engage small and diverse suppliers, participate in valuable programming, share in best practices, and maintain awareness about the needs of diverse suppliers.

For a full list of our nonprofit corporate memberships, please visit our [Supplier Diversity Program webpage](#).

Driving supplier environmental sustainability

We are committed to engaging with our suppliers to promote environmental sustainability. Because indirect emissions from travel typically account for more than 80 percent of our carbon footprint,³⁷ we have made engaging with our travel-related suppliers a priority. For example, in 2023, we again achieved our annual target to engaged suppliers representing 83 percent of our business travel emissions, exceeding our target of 80 percent. We also hosted our second global supplier summit, where we shared our sustainability goals and expectations and discussed opportunities for collaboration. Finally, our Green Hotels program engages over 1,000 hotel properties on sustainability topics annually, and we use this process to encourage our colleagues to select environmentally sustainable properties.

Beyond our engagement with these core travel suppliers, we expanded our CDP Supply Chain engagement to suppliers who represent emissions from Scope 1 real estate and Scope 3 purchased goods and services. Engaging suppliers through the CDP Supply Chain program enables us to better identify emissions-related risks and opportunities in our own supply chain and supports and encourages our suppliers as they continue their own emissions-reduction journeys.



In 2023, we received an A score on CDP's Supplier Engagement Rating, distinguishing our firm as a leader in this space and reflecting our commitment to engaging suppliers on climate change and supporting the transition toward a net-zero economy.

A full description of our climate engagement efforts with suppliers can be found in [our annual CDP submission](#).

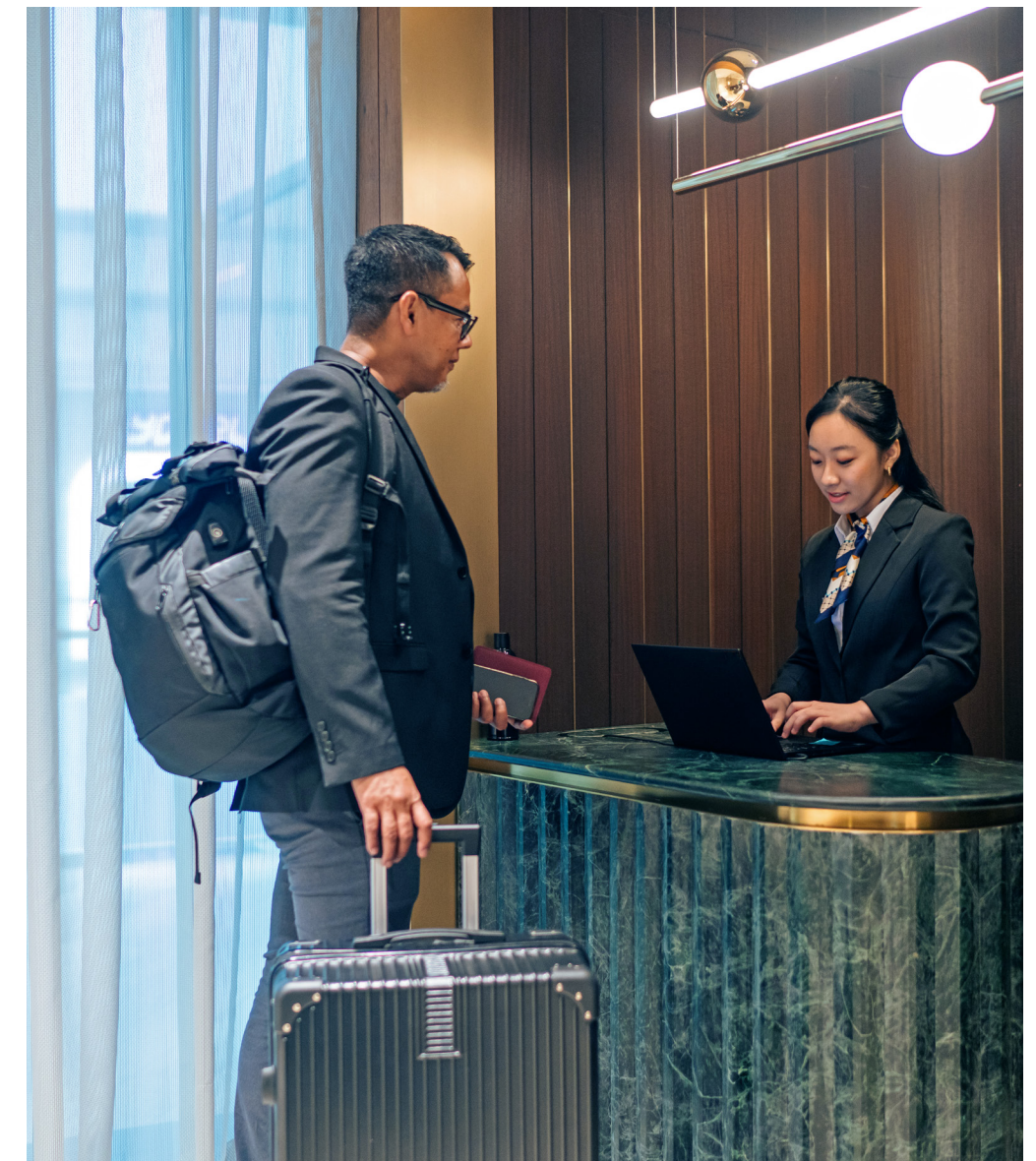
Our insights



Read our report on how consumer-packaged goods companies can ensure their supply chains are socially responsible

1,000+
hotel properties engaged on sustainability

We strive to partner with suppliers that share our values and commitment to responsible conduct.



³⁷ Exceptions may apply, such as when travel decreased due to COVID-19.



Human rights

We create a work environment that supports, inspires, and respects all colleagues, applicants, clients, and our suppliers and their employees.

Our Approach

We adhere to the principles set forth in the United Nations Global Compact (UNGC), the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights.

Our [Human Rights Statement](#) affirms our commitment to respecting human rights across our entire value chain. We stand against the use of child, forced, or exploited labor, as well as forced or exploitative working conditions. We will not assist clients in such practices in any way in any part of the world.

Our ESG Council oversees our approach to respecting human rights across our value chain. In 2023, our cross-functional Human Rights Working Group made up of representatives from E&C, Client Service Risk, Global Social Responsibility, Legal, People, and Procurement functions continued to operationalize our approach to human rights due diligence.

Our policies and standards

In 2023, we updated our [Code](#), which defines a set of expectations for the behavior of all firm members and for those working on our behalf. Our Code clarifies expectations within our policies and empowers us to make ethical and integrity-based decisions.

Our Policy Against Discrimination and Harassment outlines our commitment and expectation that all firm members are able to work in an environment free from harassment and discrimination. Our Recruiting and Hiring Policy establishes the requirement for all personnel processes to be merit-based and applied without discrimination.

We expect all suppliers to comply with [McKinsey’s Supplier Code of Conduct](#), which prohibits all forms of forced labor, child labor, and human trafficking and requires compliance with all laws regarding discrimination, harassment, and retaliation.

Human rights due diligence

As a firm, we have processes in place to identify, assess, and address potential human rights violations—whether among our colleagues, in our client work, or in the supply chain. Learn more about [ethics and compliance](#), [working with clients](#), and [working with suppliers](#) at our firm.

Additional information on our due diligence approach is available in our modern slavery and supply chain transparency statements:

- [UK Modern Slavery Statement](#)
- [Australia Modern Slavery Act Statement](#)
- German Supply Chain Due Diligence Act Statement
- [Norway Transparency Act Report](#)

In our own operations

Our Policy Against Discrimination and Harassment enables reporting of all incidents of discrimination, harassment, or retaliation, regardless of the offender’s identity or position, via clearly designated reporting channels. Individuals found responsible

for harassment, discrimination, or retaliation will be subject to disciplinary action, up to and including termination of employment.

We support our human rights-related policies with regular awareness-building and training. All colleagues must adhere to our Code and participate in an onboarding session on our firm’s values, including inclusion, anti-discrimination, and anti-harassment. Annually, all colleagues must certify compliance with our firm’s core policies and complete Professional Standards and Risk training.

As a UNGC participant, we uphold the freedom of association and the effective recognition of the right to collective bargaining. We adapt our practices to different locations based on local legislation. Learn more about [our commitment to diversity and inclusion](#) and [compensation and benefits](#).

In our client work

We will not perform client work that supports or enables human rights violations. As outlined in [our client service approach](#), our commitment to human rights informs whom we serve and on what topics. All work undertaken by our firm, for both new and existing clients, undergoes a risk review in which human rights are embedded in every aspect of the following:


- Country (of work), for example, does the country in question have specific human rights concerns we need to consider?
- Institution (client), for example, has the institution been associated with enabling or engaging in human rights violations in any form?
- Topic (scope of work), for example, does the topic create any risk of human rights impact (that is, impact on vulnerable populations)?
- Individual (within the client with whom we’ll be working), for example, do any of the individuals with whom we would work have an association with human rights concerns?
- Operational considerations (consistency with firm policies).


Should we identify red flags based on initial diligence research, we can undertake supplemental diligence that may include more in-depth public record research, a review of an entity’s policies and procedures, and communications with the entity to solicit more information.

In our supply chain

Our supplier due diligence process supports our commitment to the UN Guiding Principles on Business and Human Rights. This report contains the full description of [our supplier due diligence process](#). →

Raising concerns

Every firm member has a duty to speak up. We offer multiple internal channels to report, including our global [Got a Concern? helpline](#)  that enables colleagues to raise concerns relating to any human rights issues confidentially and, where legally permissible, anonymously.

In addition, external parties—in particular, our suppliers and those working with them—can report any human rights concerns. We review all complaints and ensure that further inquiry and review are handled in accordance with applicable laws. For additional information, please see the [ethics and compliance section](#) → of this report and our [Human Rights Statement](#). 

We do not tolerate retaliation of any kind against anyone who, in good faith, reports potential or actual ethical or legal violations.



Colleagues in our London office.

Data privacy and information security

We strive to meet high standards for data privacy and information security, whether the data belongs to our clients, partners, or firm members.

100%

of our colleagues completed cybersecurity and data privacy training³⁸

Our approach

Data privacy

As a professional services firm, responsibly managing data is an essential part of our business. Our approach to ensuring we follow all regulatory requirements and best practices is governed by our Data Protection and Privacy Policy. This policy applies to all of our personal data processing activities and builds on the requirements of the European General Data Protection Regulation and other data protection laws globally. It is reviewed annually, and all firm members are required to confirm their compliance yearly. The policy requires that personal data is:

- collected, accessed, used, and shared only as necessary to support our firm's and our clients' fair and lawful processing purposes
- deleted when there is no longer a legitimate purpose for retaining them, in accordance with applicable laws

In 2023, as part of our commitment to updating our policies and procedures to be responsive to changing needs, we continued to operate and incrementally improve our data archival and retention programs to enhance our client data and document management policy. We also updated our Acceptable Use of Technology Policy and improved cybersecurity measures and controls.

As part of our annual Professional Standards and Risk training, all colleagues must complete data privacy training and certify compliance with our policies. Our cyber awareness program provides ongoing training and best practice reminders, including phishing detection.

Information security

We are committed to safeguarding firm and client data. We have established global information security and privacy programs, as well as controls and standards for the collection, use, storage, transfer, and security of data. Our strategy focuses on the people, processes, and technology we have in place to maintain our clients' trust and protect their information. Our program takes a risk-based approach to implement strong defenses built upon:

- industry-leading technology
- regular training for our people
- built-in security in product and system designs

Our Security Operations Center offers best-in-class security incident detection, analysis, containment, and mitigation. Controls are designed with informative guidance from industry best practices such as NIST³⁹ and ISO/IEC 27001. Additionally, we have obtained an SOC 2 attestation for our internal information security controls from an independent assessor.

Assessing vendor security

We also assess third-party vendors to confirm they apply adequate measures to protect the personal data they process on behalf of our firm. Contracts with appropriate protections are ensured by our Legal team.

Read more about our information security program on our [website](#).

³⁸ This is part of our annual risk training and certification of compliance with firm policies and our Code referenced in the [ethics and compliance section](#). →

³⁹ National Institute of Standards and Technology.



Reporting approach and appendix

In this chapter

- 54 Report scope
- 55 Stakeholder engagement
- 60 Materiality assessment
- 62 How we create value
- 63 Our detailed progress toward net zero
- 67 Performance data
- 73 GRI content index
- 79 World Economic Forum IBC index
- 81 TCFD index
- 87 Report of independent certified public accountants

Report scope

McKinsey's 2023 Environmental, Social, and Governance (ESG) Report ("the Report") is our annual report detailing our commitments, programs, and performance on ESG priorities. All information reflects McKinsey's worldwide operations, covering the period from January 1, 2023 to December 31, 2023, unless otherwise noted.

We continue to align our reporting with leading ESG standards and frameworks. The Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards for this reporting period. It also includes our disclosure against the World Economic Forum International Business Council's (IBC) Stakeholder Capitalism Metrics and serves as our sixth Communication on Progress (CoP) to the UN Global Compact. We are also reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Read our [ESG reporting indexes](#). →

Our GHG emissions inventory and renewable energy use data as well as select social responsibility contributions data were independently reviewed by Grant Thornton at a limited assurance level. See [Grant Thornton's report of independent certified public accountants](#).⁴⁰ →

For questions about this report, please contact us at Social_Responsibility@McKinsey.com. ↗

WE SUPPORT



⁴⁰ Disclaimer: The analyses and conclusions contained in this report refer to the period of the calendar year 2023 and to information and data available to McKinsey and do not purport to contain or incorporate all the information. Although its content reflects McKinsey's current expectations regarding future events, the analyses and conclusions contained in this report are based on various assumptions, being based upon factors and events subject to uncertainty. Statements of expectation, forecasts, and projections relate to such future events and are based on assumptions that may not remain valid for the whole of the relevant period. Future results could be materially different from any forecast contained in the analyses. The analyses contained herein were undertaken by McKinsey as of the dates noted herein. McKinsey undertakes no obligation to revise or update any such analyses or any forward-looking statements.



Sarah, a partner in our London office, moderates a session with carbon market leaders at COP28.



Stakeholder engagement

Our firm, and the decisions that we make, affect a range of external and internal stakeholders. We use information from engaging these stakeholders to inform our firm’s strategy, practices, and external reporting.

These tables summarize the most common ways we engage our stakeholders, what we heard from them in 2023, and how we responded.

Clients

Engaging our stakeholders

Ongoing

- Client requests for proposals (RFPs)
- Client engagements
- Client impact survey
- Industry collaborations
- Client requests/inquiries

What we heard McKinsey should do

Thought leadership

Continue to publish best-in-class insights and thought leadership that drives impact

Climate action

Use its position as a trusted partner to accelerate clean energy and climate action efforts

How we responded

Fueled progress with [insights](#) → in several ways. For example, we published insights through McKinsey Global Institute on the path to net zero, emerging technologies, economic inclusion, human capital, global trade, and productivity and growth. Through the McKinsey Health Institute, published industry- leading research in areas like mental health, employee health, women’s health, and healthy aging. Published 18 insights pieces through the Institute for Black Economic Mobility.

Provided insights and analyses to drive ambitious action across 12 Presidential Action Agenda areas as an impact partner for [COP28](#).

Hosted Green Business Building Summits in 13 countries, convening 2,000 C-suite executives from green tech disruptors, incumbents with ambitious green growth agendas, and sustainability investors to discuss key challenges and successes.

Committed to a 90 percent reduction in Scope 1 and 2 emissions and a 97 percent reduction in Scope 3 business travel emissions per FTE by 2050 (versus 2019).



Colleagues

Engaging our stakeholders

Regularly

- Pulse survey (weekly)
- People survey (annually)
- Recruiting engagements
- Mentorship apprenticeship sponsorship survey (annually)

Engagement from Bob Sternfels, global managing partner

- “What’s on your mind” sessions (bimonthly)

What we heard McKinsey should do

Employee well-being and development

Provide additional opportunities for professional growth and development

Offer access to additional resources to support improved mental health

ESG and sustainability actions

Provide opportunities and resources to take individual action on sustainability issues, contribute to our firm’s efforts to accelerate sustainable and inclusive growth, and connect with leaders on these topics

Contribute to our firm’s ambition to accelerate sustainable and inclusive growth for the world and connect with leaders on opportunities for professional development

Leadership connectivity

Provide guidance on how to collaborate cross-functionally and advise on where to focus efforts based on firm priorities

How we responded

Offered enhanced services and benefits, including expanded global access, access to coaches, and a catalog of learning opportunities. In 2023, we focused on creating personalized learning journeys and using analytics to better understand how personalized support affects a colleague’s experience.

Offered stimulating engagement programming to advance and destigmatize mental health conversations across our firm, including multiple training programs, an ongoing colleague storytelling campaign, and regular sessions with internal and external speakers that emphasize personal stories and insights on the importance of holistic well-being.

Collaborated with colleagues on a global and local level, including via Green Teams to reduce our firm’s environmental footprint. Initiatives included expanding office environmental management system certifications, working to eliminate single-use plastic and waste, and promoting hybrid working models and more sustainable travel options, such as air-to-rail, stay-the-weekend, and electric ground transportation.

Invited colleagues with questions about/ideas for ESG actions into globally broadcast dialogs with senior leaders, and provided additional channels, resources, and access for all to get involved in accelerating sustainable and inclusive growth.

Established a regular touchpoint for functional leaders to align on firm priorities and engagement and collaboration activities.

Suppliers

Engaging our stakeholders

Ongoing

- Supplier RFPs
- Qualification and onboarding (ESG risk screen)
- Supplier Code of Conduct expectations

Select suppliers

- Quarterly business reviews
- Supplier training
- ESG supplier assessments
- Science-based target expectations
- Tier 2 reporting from select nondiverse suppliers
- Capability conversations with diverse suppliers

What we heard McKinsey should do

Supplier engagement

- Engage with suppliers and provide information on McKinsey's ESG efforts in the supply chain
- Communicate the importance of emissions reductions to suppliers

Supplier diversity

- Expand outreach to diverse suppliers and share supplier diversity learnings and successes

Supplier due diligence

- Continue to strengthen supplier due diligence processes to further align with the UN Guiding Principles on Business and Human Rights

How we responded

Hosted our second virtual supplier summit on ESG and sustainable procurement, doubling supplier participation.

Continued our partnership with CDP Supply Chain, increasing the number of invited suppliers by more than 50 percent.

Participated in four supplier diversity conferences, advocacy webinars and programs, and monthly and quarterly corporate member and industry group meetings.

Communicated progress against supplier diversity aspirations.

Launched supplier recertification process based on enhanced ESG evaluation.

Continued to implement evidence-based ESG supplier assessment and corrective action platform.



Communities

Engaging our stakeholders

Ongoing

- Local McKinsey office engagement in 144 cities
- Partnership with nonprofits
- Alumni website, webcasts, and in-person and virtual events

What we heard McKinsey should do

Giving back

Continue to equip colleagues to give back to their local communities, and continue to advance our firm's \$2 billion commitment to social responsibility efforts

ESG leadership

Continue to demonstrate leadership on ESG topics and actions

How we responded

Contributed monetary and in-kind support, including \$206 million in 2023.

Upskilled, reskilled, or supported toward economic inclusion 19 million people through our nonprofit partners and pro bono programs.

Supported 3,900 nonprofits and dedicated 342,500 hours to social responsibility.

Reached more than 158,000 new learners through the Forward program—a free multi-week online learning journey.

Continued a multi-year partnership with Generation through pro bono service, volunteerism, and with charitable gifts. In 2023, approximately 30,000 participants graduated from Generation, a nearly 30 percent increase from 2022.⁴¹

Made CDP's Climate Change A List for our transparency and leadership.

Received several awards and recognitions for our LGBTQ+-inclusive environment.

Received an A score on CDP's Supplier Engagement Rating.

Partnered with the World Economic Forum's CEO Action Group for Nature through McKinsey Sustainability.

Developed the Climate Transition Impact Framework (C-TIF) with more than 60 organizations.

⁴¹ Data provided in April 2024. Learn more about [Generation's impact](#). ⁴¹ Of note, website metrics are updated regularly to reflect the latest graduate count.



Civil society

Engaging our stakeholders

Ongoing

Continued engagement with various organizations on topics including:

- gender equality
- responsible business practices
- climate change and environmental sustainability
- economic inclusion

Visit our website for a list of [our key memberships](#).

What we heard McKinsey should do

Sustainability actions

Partner on multi-year initiatives that help protect nature, reduce biodiversity loss, accelerate new technologies, and ensure crucial financing

Accelerate investment in high-quality natural climate solutions credits in addition to decarbonization efforts

Impact partnerships

Partner to advance diversity and inclusion

How we responded

Provided pro bono support to the Blue Nature Alliance, a global partnership to catalyze the conservation of 18 million square kilometers of ocean by 2027, and Enduring Earth, a collaboration working to conserve and protect 600 million hectares of land and water by 2030

Participated in the first landmark agreements with Ghana and Costa Rica through the LEAF Coalition, securing an aggregate of more than \$60 million in financing to stop and reverse deforestation.

Strengthened due diligence processes internally and through partnerships with BeZero, Carbon Direct, and Sylvera to improve quality and transparency in the carbon market.

Collaborated with partners to [uplift diverse communities and maximize our impact](#). → For example, partnered with LeanIn.Org to co-author and publish the annual Women in the Workplace report, the largest study of women in corporate America. Joined forces with the New Voices Foundation to enhance the growth of Black-owned brands.

Materiality assessment

We conduct periodic materiality assessments to identify and prioritize the ESG topics that matter most to our stakeholders and our firm.

The results inform our ESG priorities, actions, and external reporting. In 2023, we conducted our first double materiality assessment, identifying the ESG topics that make a material impact across two dimensions: people and the environment (outward impacts) and our financial performance as a firm (inward impacts).

Our approach to the materiality assessment incorporated best practices from leading ESG disclosure frameworks and standards. The outcome revealed that our material topics have largely similar priority levels across both dimensions, highlighting the interdependence between our impact on people and the environment and related risks and opportunities that may affect our firm's financial performance. The ESG topics list informs and aligns with the priority areas our firm is driving as part of our aspiration to accelerate sustainable and inclusive growth.

The following is a summary of our 2023 double materiality assessment approach.

Our material topics



Environment

- Climate change



Social

- Community engagement and pro bono
- Compensation and benefits
- Diversity and inclusion
- Employee learning and development
- Employee well-being and working conditions



Governance

- Business ethics and compliance
- Client and project selection
- Data privacy and security
- Holistic client impact
- Innovation and technology
- Research and thought leadership
- Sustainable and responsible supply chain



Helena, a fellow associate, and Ryan, a design specialist, in our Berlin office.



Our approach

Step one: Topic identification

As a first step, we conducted research into the relevant changes to global reporting frameworks and standards, such as the Global Reporting Initiative (GRI) 2021 Standards, to identify any new topics that could be relevant for our firm. For example, we added two new topics (climate change adaptation and business model resilience), removed human rights as a stand-alone topic, and embedded human rights considerations into other topics. We reviewed and refined the topic definitions from our 2020 assessment to capture any emerging trends, new research and scientific evidence, and changes in our understanding of topic boundaries. In shortlisting and defining the topics, we considered our business model and key business relationships, such as our upstream supply chain, our client service, our workforce, and our external partners with whom we collaborate on key topics to serve our clients. We also benchmarked our topics list against peers. This resulted in a list of 21 ESG-related topics that are important to our firm across both dimensions: impact to people and the planet and financial performance.

Step two: Stakeholder engagement

We then engaged our internal and external stakeholder groups through interviews and surveys to understand their perspectives and priorities related to 21 identified topics. We tailored the engagement method to each stakeholder group. To gain insights into the perspectives of civil society and community stakeholders, we complemented our engagement with analysis from a third-party sentiment provider that used detailed language models to interpret media coverage by sector, language, media type, and context by stakeholder type. See below for a summary of the stakeholders we engaged for our materiality assessment.

Stakeholders engaged

Internal stakeholders

McKinsey leaders	Dozens of interviews
Colleagues	~100 colleagues surveyed

External stakeholders

Clients	Various methods
Future colleagues	~100 future colleagues surveyed
Alumni	~50 alumni
Suppliers	~20 suppliers
Communities, civil society	Engaged third-party ESG sentiment provider

Step three: Prioritization

Based on the insights gathered through our stakeholder engagement, we worked with our internal leaders and experts to assign weightings to each stakeholder group based on bidirectional influence between the stakeholder group and our business, subsequently generating our preliminary materiality matrix.

Step four: Impact, risk, and opportunity assessment

Next, we conducted additional analyses to continue validating and refining the prioritization of topics for both dimensions. For the impact to people and the planet, we reviewed 21 topics with key internal subject matter experts. For each topic, we discussed the actual and potential positive and negative impacts and evaluated them based on scale, scope, irremediability, and the likelihood of occurrence. To understand the risks and opportunities related to our financial performance, we assessed each topic's dependency on financial capital, human capital, and social and relationship capital.

Step five: Review and finalization

Our materiality assessment working team, represented by members of the Global Social Responsibility team, Communications team, and other relevant firm functions, reviewed and finalized the material topics, which included, in some cases, consolidating topics into broader topic categories. This step generated 13 material topics relevant for external reporting. The final results were shared and discussed with our ESG Council and the RAGC. Learn more about [the role of the ESG Council and RAGC](#). →

Integration with Enterprise Risk Management process

We worked with our ERM function to ensure that relevant results from the annual risk review were mapped into our double materiality assessment process. The ERM team also provided feedback and advice on the calibration of risks in the materiality assessment. The results of the materiality assessment in turn will inform our annual risk review process, whereby our firm's ESG subject matter experts provide input into the review (for example, for climate risk).

How we create value

We create value across our client service, colleagues, communities, and climate.

Our client service is our greatest opportunity for impact. Our more than 45,100 colleagues around the world work with organizations across the private, public, and social sectors to solve complex problems, create enduring impact, and advance sustainability, inclusion, and economic growth.

We attract, develop, excite, and retain exceptional colleagues. We develop research and insights that shape public debate, spur action, and enable solutions. We support local communities through volunteerism, giving, and pro bono work, and we advance the transition to net zero with our clients and across our firm.

Our guideposts

Purpose

Create positive, enduring change in the world

Mission

Help our clients make distinctive, lasting, and substantial improvements in their performance and build a great firm that attracts, develops, excites, and retains exceptional people

Aspiration

To accelerate sustainable and inclusive growth

Our impact

Clients

Sustainably enhance clients' financial performance, growth, organizational health, and capabilities

Enable inclusive workforces and support livelihoods of those impacted by our clients' operations

Support those connected to client work, including clients' customers, workforces, and communities

Colleagues

Support well-being and foster a culture of continuous learning and a diverse and inclusive workplace

Communities

Strengthen communities through giving back, pro bono activities, and other social responsibility efforts

Climate

Support environmental sustainability and a just transition to a net-zero economy

With our clients, lead a wave of innovation and growth to reach net zero by 2050

Pursue our own decarbonization to achieve net zero by 2050

Our foundations

Client service and relationships

Capabilities, insights, and technology assets

Expertise of our colleagues

External collaborations

"One firm" partnership model

Supplier relationships

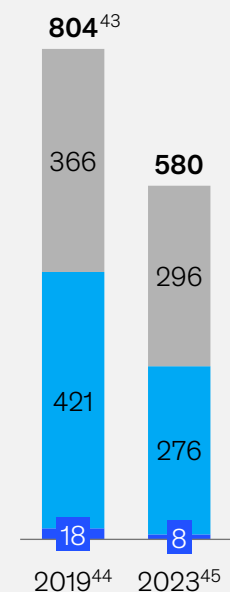
Our detailed progress toward net zero

Cutting Scope 1 and 2 emissions toward net zero

Scope 1 emissions come from sources that we can control—such as office heating and cooling and our firm-controlled vehicles—while Scope 2 emissions come from the purchase of electricity, steam, heat, or cooling. Together, Scope 1 and 2 emissions comprise 2 percent of our 2019 baseline. In 2023, we reduced our absolute Scope 1 and 2 emissions by 56 percent.

Our 2019 baseline and 2023 footprint⁴²

Kilotons CO₂e



Our carbon credit compensation efforts encompass all of the below emissions categories

● Other Scope 3: Includes radiative forcing, purchased goods and services amongst others⁴⁶

SBT boundary

● Scope 3: Air travel and ground transportation emissions

● Scope 1 and 2: Direct emissions

2025 SBT (vs. 2019)

-35% per FTE⁴⁷
Scope 3 indirect travel emissions

-25% abs.
Scope 1 and 2 direct emissions



Electrifying firm-controlled vehicles

To decarbonize our fleet of vehicles, we have introduced policies to ensure all new vehicles are electric vehicles (EVs) in markets covering more than 60 percent of our global car fleet. Our global use of EVs increased from 4 percent in 2019 to 32 percent by the end of 2023.

32%
share of EVs

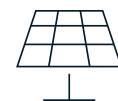


Making our office space more sustainable

Sixty-four percent of our global office space is in LEED-certified (or equivalent) commercial interiors or office buildings; 55 percent is LEED Gold or Platinum (or equivalent) certified.

64%
LEED-certified buildings

Ten offices across Europe, North America, and South America have received ISO 14001 environmental management system certification to date. Several offices are in the process of being certified, which will extend our footprint to Asia.



Transitioning to renewable electricity

We achieved our goal to source 100 percent renewable electricity two years ahead of schedule. Ninety-eight percent of our procurement was aligned with [RE100](#) criteria.

100%
renewable electricity



Assessing water, waste, and biodiversity

Our environmental footprint is not water-intensive. Nevertheless, we conducted a comprehensive water assessment to inform our actions, especially in water-stressed locations.⁴⁸ We minimize our water consumption through local initiatives like low-flow taps while contributing to structural solutions through our client and pro bono work.

While our waste footprint is also relatively immaterial, many of our offices are taking measures to reduce single-use plastics and increase recycling.

In 2023, we conducted our first biodiversity assessment to inform future action for our offices. We will continue to work with our clients and coalitions on addressing the global biodiversity crisis, for example through our support of the LEAF Coalition, [Enduring Earth](#), and the [Blue Nature Alliance](#).

Water and biodiversity assessment conducted



Driving change through local initiatives

More than 1,100 Green Team members contribute to reducing our firm's environmental footprint through various initiatives such as driving office environmental management system certification, eliminating single-use plastic, and increasing vegetarian options in office cafeterias. Our Green Teams also reduce our collective footprint by organizing colleague-focused events and campaigns, including tree planting, cleanups, and workshops on our sustainability efforts.

1,100+
Green Team members

⁴² Our annual carbon accounting is aligned with the "Greenhouse Gas Protocol" and independently reviewed in accordance with the American Institute of Certified Public Accountants attestation standards.

⁴³ Numbers do not sum to total due to rounding.

⁴⁴ Our 2019 data has been restated to reflect database and process improvements. For details, see our [greenhouse gas reporting methodology and restatements](#). →

⁴⁵ Our 2023 emissions include emissions reduction through sustainable aviation fuel.

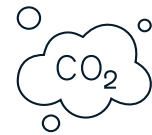
⁴⁶ Also includes waste, upstream transportation and distribution, employee commuting, work-from-home emissions, and fuel- and energy-related activities.

⁴⁷ We aligned our 2025 near-term target with the latest SBTi guidance, leading to an increase in our Scope 3 reduction target from 30% to 35%. The validation of our resubmission is pending.

⁴⁸ Each location was assigned a water risk score adopted from the World Resource Institute's Aqueduct framework. The score combines indicators such as baseline water stress, interannual variability, seasonal variability, flood occurrence, drought severity, groundwater stress, access to water, water quality, regulatory and reputational factors, and other contextual information.

Cutting Scope 3 emissions toward net zero

Our Scope 3 emissions predominantly come from three main sources—air travel, hotels, and ground transportation. Because air travel is our largest source of emissions, it represents our greatest opportunity to reduce our carbon footprint. In 2023, we reduced our Scope 3 business travel emissions by 56 percent per FTE against our 2019 baseline (air and ground transportation included per SBTi guidance). Learn more about [how we partner with our suppliers](#) → to reduce our Scope 3 emissions.



Putting a price on emissions

On January 1, 2023, we began collecting a global internal carbon fee of \$50 per tCO₂e on all air travel. This carbon fee is added to every flight booking based on flight emissions and will be expanded to all emission categories in 2024. This carbon fee helps generate funding for carbon-related procurement, including carbon removals and sustainable aviation fuel (SAF). Because it is tied to every flight booking, it also helps strengthen colleague awareness of their environmental footprint and our related commitments.

\$50/ton

internal carbon fee on air travel



Fostering sustainability in aviation

Our priority is to adopt new ways of working to reduce actual travel. Given our business model, travel will remain a critical component of our operations. Thus, we are committed to make air travel more sustainable for our firm and others by working with airlines, fuel producers, and other aviation stakeholders. We believe SAF is critical to decarbonizing aviation. At the same time, the market is nascent, and regulations and accounting guidance is still evolving. We hope to use our procurement efforts to help build the market and learn from experience.

We are a founding member of SABA and took part in their first large-scale SAF RFP. We also conducted our first bilateral SAF certificate purchases, resulting in 7,500 tCO₂e of emission reductions equaling 3 percent of GHG flight emissions.

7,500tCO₂e

abated through four SAF offtakes



Driving behavior change

We have made systematic changes to our operating model since the pandemic, leading to an increased level of hybrid and remote work.

We have also increased our digital recruiting and remote learning and are promoting initiatives through which colleagues can reduce their individual footprint, for example, staying the weekend at a client city, replacing air travel by rail, and using electric mobility options.

To foster transparency and drive action, we provide every colleague with their own personal emissions dashboard detailing their travel behavior against targets and peers.

Individual emissions dashboards

provided to each colleague

Compensating for residual emissions

Reducing our emissions is our top priority. Since 2018, we have compensated for all remaining emissions we can't yet cut by investing in carbon avoidance and removal projects certified by international standards, such as the Gold Standard and Verified Carbon Standard in conjunction with Climate, Community & Biodiversity Standards (VCS+CCBS). With the support of third-party due diligence, we continually monitor, reassess, and adjust our portfolio of projects to deliver on our commitments.^{49,50}

Addressing our residual emissions

Throughout 2023, we strengthened our carbon avoidance and removal purchasing approach in several ways:

1. We diversified our supplier base, giving us access to a wider portfolio of carbon credit projects.
2. We refined our quantitative scoring system based on our internal quality criteria. Our evaluation criteria includes environmental integrity, community and biodiversity co-benefits, and project ownership, among other key quality considerations.
3. We worked with several external partners including BeZero, Carbon Direct, and Sylvera to receive additional feedback during our project review process. This approach supports our commitment to continuously learn and raise the bar on carbon offset standards and transparency.

We also participated in several forward purchases through coalitions such as Frontier, LEAF, and SABA.

We increased our share of carbon removal credits to 50 percent, primarily by investing in nature-based removals that can help address the dual crises of nature and climate.

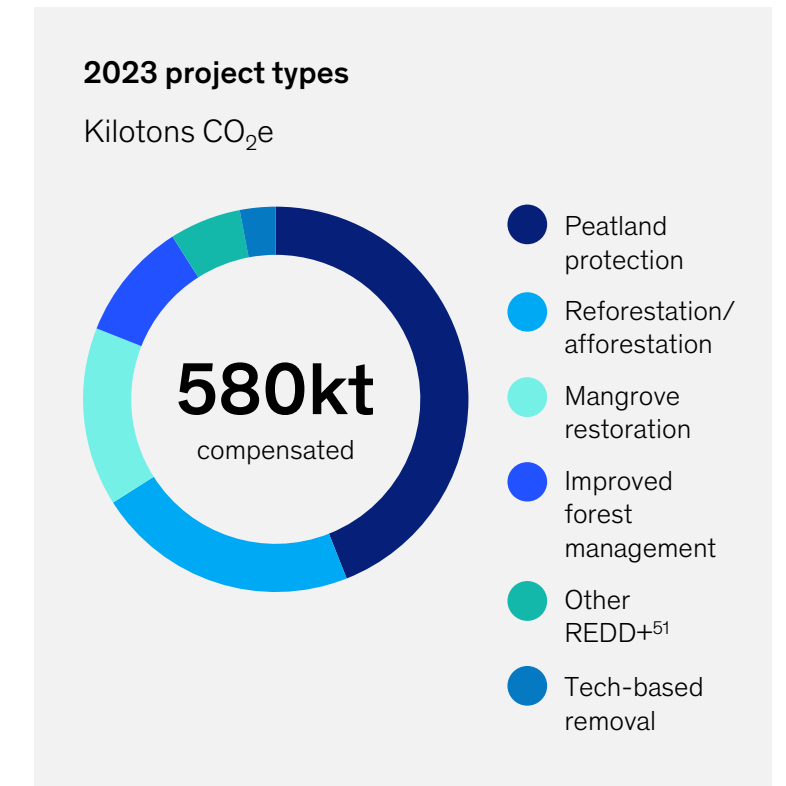
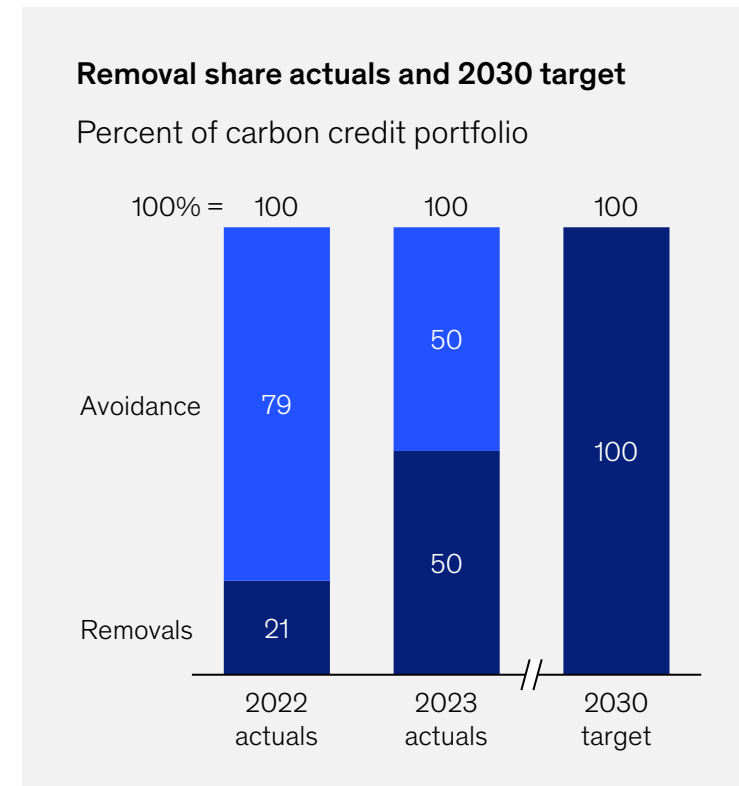
We also made our first technology-based removal purchase to help scale biochar technologies. By 2030, we will transition to removing 100 percent of our remaining emissions.

50% removals share⁴⁹ **97%** nature-based solutions **~\$29/ton** blended carbon price⁵⁰

⁴⁹ Carbon avoidance prevents a carbon-emitting activity from happening, whereas carbon removal takes carbon dioxide out of the atmosphere. Both can happen either through nature-based solutions (e.g., avoided deforestation, reforestation) or technical solutions, such as methane capture or direct air capture.

⁵⁰ Across SAF and carbon credit purchases. For our initial year, we applied a carbon fee of \$50/ton on air travel only, which accounts for ~80% of our emissions. We use the generated funding both for carbon credit and SAF purchases as well as supporting procurement-related spend (e.g., external due diligence and legal support). Therefore our blended carbon price does not translate 1:1 to the carbon fee.

⁵¹ REDD+ stands for "Reducing Emissions from Deforestation and Forest Degradation." [Learn more about the framework.](#)



Catalyzing climate action now

We work closely with clients, nonprofits, suppliers, and peers around the world on multi-year initiatives that help protect nature, reduce biodiversity loss, advance new technologies, and ensure crucial financing.



The [Blue Nature Alliance](#) is a global partnership to catalyze the conservation of 18 million square kilometers of ocean by 2027. Through a series of pro bono projects, we are supporting the alliance by developing innovative funding models for marine conservation. Utilizing advanced, multidimensional analyses that account for socioeconomic considerations (such as job creation and economic growth for regions undertaking the protection of a specific area), McKinsey experts help guide the establishment, management, and sustainable financing of marine protected areas.



[Enduring Earth](#) is an ambitious collaboration working to conserve and protect 600 million hectares of land and water by 2030 through the “project finance for permanence” (PFP) model. Enduring Earth is currently working with more than 90 local partners across 11 PFP projects in ten countries to durably protect more than 300 million hectares of ocean, land, and freshwater—an area the size of India. We provide pro bono support through the analysis and optimization of environmental and socioeconomic impact, and by identifying sustainable financing mechanisms.



We collaborated with Stripe, Alphabet, Shopify, and Meta to found [Frontier](#), an advance market commitment to buy an initial \$1+ billion of permanent carbon removal between 2022 and 2030. In 2023, Frontier buyers signed four offtake agreements representing more than \$156 million to support innovative carbon removal companies.



We are a strategic knowledge partner to the [Hydrogen Council](#), a global CEO-led initiative with a united vision and long-term ambition for hydrogen to foster the clean energy transition. Together, we jointly published several reports in 2023, including “[Hydrogen Insights 2023](#),” “[Global Hydrogen Flows 2023 Update](#),” and “[Hydrogen Insights 2023 December Update](#).”



The [LEAF Coalition](#) is a first-of-its kind public–private partnership to protect tropical forests through large-scale financing. More than 25 corporates and four governments have committed well over \$1 billion in funding to finance jurisdictional-scale forest protection. In 2023, we were part of the first landmark agreements with Ghana and Costa Rica, securing more than \$60 million in financing to stop and reverse deforestation.



[SABA](#) is an alliance to help scale and standardize high-integrity SAF and catalyze new SAF production and technological innovation. This year, we participated in a SABA RFP with a cumulative purchase commitment across buyers of 500,000 tCO₂e. Nearly 70 percent of our fuel purchases through SABA supported innovative next-generation e-fuels.



[WBCSD](#) collectively works to accelerate the system transformations needed for a net-zero, nature-positive, and more equitable future. We support WBCSD’s Partnership for Carbon Transparency (PACT), convening an ecosystem of businesses, industry alliances, standard setters, and policymakers to standardize how Scope 3 emissions are calculated and exchanged for products, enabling carbon-informed business decisions and driving accountability on reduction progress for value chains.



McKinsey Sustainability is a strategic partner to the [World Economic Forum's CEO Action Group for Nature](#), which is a CEO-led alliance committed to reversing nature loss and transitioning to a nature-positive economy. We are also a knowledge partner to the Forum’s [Biodiversity Credits Initiative](#), providing research and analytical support to help advance the biodiversity credits market, and to its [Giving to Amplify Earth Action initiative](#).



Performance data

Our firm

	2021	2022	2023
Number of colleagues	38,000	45,000	45,100
Number of alumni	44,000	50,000	55,300
Number of clients	3,000	3,000	4,100
Revenue	\$15B	\$15B	\$16B

Sustainability

	2021	2022	2023
Number of sustainability-related client engagements	1,200	1,600	1,720
Number of colleagues focused on sustainability, including green business building, decarbonization, and nature-based capital	2,000	3,500	4,600

GHG emissions

Kilotons CO₂e

	Included in SBTi boundary	Included for offsetting	2019	2020	2021	2022	2023 ⁵²
Scope 1	Yes	Yes	15	12	12	10	8
Scope 2 (market-based)	Yes	Yes	3	3	3	3	<1
Scope 2 (location-based)	No	No	23	17	17	19	19
Scope 3 air travel fuel burn, well-to-tank, and ground transportation ⁵³	Yes	Yes	421	81	76	255	283
Scope 3 air travel non-GHG impact (RFI) ⁵³	No	Yes	284	48	48	171	189
Air travel emission reductions through SAF	Yes	Yes	n/a ⁵⁴	n/a	n/a	n/a	8
Scope 3 other	No	Yes	82	42	45	94	107
Total emissions (market-based)			804	185	184	533	588
Total emissions (market-based) incl. reductions through SAF			804	185	184	533	580

Performance against near-term science-based targets

	Target year	Target	2019	2020	2021	2022	2023
Scope 1 and 2 absolute emissions reduction (market-based), kilotons CO ₂ e	2025	25%	18	15	15	13	8
– Reduction vs. 2019			n/a	18%	19%	30%	56%
Scope 3 emissions intensity reduction (SBT boundary incl. SAF reductions), tCO ₂ e/FTE	2025	35% ⁵⁵	14.6	2.6	2.3	6.6	6.4
– Reduction vs. 2019			n/a	82%	84%	55%	56%

⁵² Certain of these metrics for the year ending December 31, 2023 were subject to review by our independent certified public accountants in accordance with the attestation standards established by the American Institute of Certified Public Accountants as stated in the [report of independent certified public accountants](#). → Refer to [the management assertion](#) → for the complete list of metrics subjected to review. Figures have been rounded.

⁵³ Updated prior year statistics following the re-baselining of historical air travel footprint in 2023.

⁵⁴ N/a: not applicable.

⁵⁵ We aligned our 2025 near-term target with the latest SBTi guidance leading to an increase in our Scope 3 reduction target from 30% p.p. to 35% p.p. The validation of our resubmission is pending.

Energy Consumption

MWh

	2021	2022	2023
Fuels	41,149	38,873	29,262
Purchased electricity	41,449	45,289	50,414
Purchased heat	9,288	8,771	3,221
Total energy consumed	91,886	92,933	82,897
Renewable electricity consumed	97%	97%	100%

Electricity consumption from renewable sources

Percent

	2021	2022	2023
Biomass	5%	0%	2%
Geothermal	1%	3%	2%
Hydro	56%	12%	10%
Solar	10%	25%	29%
Wind	29%	60%	56%
Others	n/a	n/a	1%



Greenhouse gas reporting methodology and restatements

Measurement of our emissions

Our annual carbon accounting covers all material emission sources, is aligned with the “Greenhouse Gas Protocol,” and is independently reviewed in accordance with the American Institute of Certified Public Accountants attestation standards.

Scope 1 and 2 emissions

Scope 1 covers all direct GHG emissions, such as fugitive emissions and those from combustion in owned or controlled boilers, diesel backup generators, and vehicles. Scope 2 covers indirect GHG emissions from the generation of purchased electricity, heat, or steam. Scope 1 and 2 emissions were calculated using a global office survey data covering over 95 percent of our offices and were estimated based on available data for the remaining offices. We follow the Scope 2 market-based accounting approach to account for our purchase of renewable electricity, but also report location-based emissions.

Scope 3 emissions

Scope 3 encompasses other indirect emissions, such as those from business travel, upstream transportation, purchased goods, vehicles not owned or controlled, outsourced activities, waste disposal, and use of video conferencing and other digital services, as well as the use of electricity and heating at home during work. Scope 3 emissions were calculated based on mileage (ground transportation and colleague commuting), mileage and travel class (aviation), stay duration (hotels), energy consumption, spend (certain ground transport categories), and survey data (waste disposal and consumption of water bottles). Wherever data was missing, best-effort estimates were used for all scopes.

To calculate our air travel emissions, we use emission factors issued by the [UK government](#). In 2023, these factors increased emissions per passenger

mile on average by approximately 30 percent to reflect COVID-19-era load factors (emptier planes), even though load factors in 2023 were very close to 2019 levels.⁵⁶ We conducted a materiality assessment of this change and concluded that, to more accurately reflect actual 2023 load factors, we would continue to use air travel emission factors as published in 2022 by the UK government. We believe this approach most accurately reflects actual in-year emissions and progress made.

SAF purchases

The SAF market is nascent and regulations and accounting guidance are still evolving. We follow current best practices in our SAF procurement (through SAF certificates representing a metric ton of “neat” SAF) and accounting (through dual accounting with and without emissions reductions through SAF) consistent with the [World Economic Forum Clean Skies For Tomorrow](#). We follow the book-and-claim approach and require third-party certification of the SAF we purchase and registry use where possible.

Science-based targets boundary

As part of our commitment to the Business Ambition for 1.5°C campaign, we submitted our 2050 SBTi-aligned net-zero target for validation, committing to a 90 percent reduction in Scope 1 and 2 emissions and a 97 percent reduction in Scope 3 business travel emissions per FTE, both versus a 2019 base year.

We also resubmitted our 2025 near-term science-based target to align with [SBTi's latest guidance](#) committing to an increased ambition in our Scope 3 business travel reduction target from 30 percent per FTE to 35 percent per FTE (versus 2019). Validation is pending.

In line with SBTi's latest guidance, we removed the following elements from our target boundary: non-GHG air travel emissions (radiative forcing index (RFI)), hotel emissions, and work-from-home emissions. We will continue to compute and publish our total footprint, including RFI, hotel, and work-from-home emissions, and address all unabated emissions with carbon credits.

Radiative forcing index

Air travel is the largest contributor to our carbon footprint. In addition to accounting for direct and indirect GHG emissions from air travel (tank-to-wake and well-to-tank), we also account for non-GHG emissions by applying an RFI of 1.9, while acknowledging that the science around non-GHG impacts of air travel remains nascent and is subject to change.

Restatements

In 2023, we made several database and process improvements leading to an increase of our 2019 baseline numbers. We resubmitted our updated 2019 baseline to the SBTi and are including updated emission footprints for 2019–22 in this report. These updates reflect improvements in our air travel data feed provided by our travel management company, as well as process improvements including transitioning to a central, digital carbon accounting platform.

56 IATA Global Outlook for Air Transport from December 2023 assumes a load factor of 82.6% in 2019 and 82.3% in 2023. [Read more](#).



Inclusive growth

Diversity and inclusion⁵⁷

Colleagues can self-identify as women, men, or nonbinary (used to indicate a gender identity other than exclusively man or woman, recognizing an individual may identify with another term to best express their identity). The share of women's representation describes the number of colleagues identifying as women out of the total population of colleagues identifying as women, male, or nonbinary. The current percentage of nonbinary colleagues is less than 1 percent.

Global governance bodies

	2021	2022	2023
Shareholders Council (firm's board)⁵⁸			
Total members	31	31	31
Women	26%	26%	23%
Acceleration Team (executive committee)⁵⁸			
Total members	19	21	23
Women	32%	33%	30%

Global workforce

	2021	2022	2023
Women, all colleagues	48%	48%	48%
Women, managers	45%	45%	45%
Women, leadership ⁵⁹	26%	28%	28%
Women, new hires	49%	49%	48%
Women, client-serving colleagues	37%	38%	39%
Women, client-serving new hires	42%	41%	45%

US workforce

	2021	2022	2023
Total number of colleagues	11,300	14,800	14,900
Women	49%	50%	50%
Race/ethnicity			
Black or African American	6%	7%	7%
Asian	28%	29%	30%
White	55%	52%	50%
Hispanic or Latino	8%	8%	8%
Other ⁶⁰	3%	3%	3%
Undefined ⁶⁰	0%	1%	2%
Other diversity groups			
Veteran	5%	4%	3%
LGBTQ+	6%	6%	6%
Disability	5%	6%	5%

⁵⁷ All figures have been updated from last year's report to reflect more accurate information. Race/ethnicity data captured in this report is based on self-identification and reflects new data as of January 1, 2024. Percentages may not sum to 100% due to rounding.

⁵⁸ The global managing partner is included in both the Shareholders Council and the Acceleration Team calculations. The Acceleration Team includes the "extended Acceleration Team."

⁵⁹ The leadership definition includes all partners, associate partners, and other senior firm leaders.

⁶⁰ "Other" includes colleagues who identify as American Indian, Hawaiian or Pacific Islander (not Hispanic or Latino), or Two or More Races; "Undefined" refers to colleagues who have not disclosed their race or ethnicity.



US workforce, managers

	2021	2022	2023
Women	50%	49%	49%
Race/ethnicity			
Black or African American	4%	5%	4%
Asian	30%	29%	28%
White	58%	57%	55%
Hispanic or Latino	6%	6%	7%
Other ⁶¹	2%	3%	3%
Undefined ⁶¹	0%	1%	3%
Other diversity groups			
Veteran	3%	4%	3%
LGBTQ+	5%	5%	6%
Disability	4%	5%	5%

US workforce, leadership⁶²

	2021	2022	2023
Women	32%	34%	34%
Race/ethnicity			
Black or African American	2%	3%	3%
Asian	26%	26%	25%
White	65%	64%	64%
Hispanic or Latino	5%	5%	5%
Other ⁶¹	1%	2%	1%
Undefined ⁶¹	0%	0%	1%
Other diversity groups			
Veteran	2%	2%	2%
LGBTQ+	4%	4%	4%
Disability	4%	4%	4%

US workforce, new hires

	2021	2022	2023
Number of colleagues	3,200	4,600	2,000
Women	47%	51%	49%
Race/ethnicity			
Black or African American	10%	10%	8%
Asian	34%	32%	36%
White	44%	45%	33%
Hispanic or Latino	7%	9%	11%
Other ⁶¹	4%	4%	4%
Undefined ⁶¹	0%	1%	7%
Other diversity groups			
Veteran	7%	4%	5%
LGBTQ+	6%	8%	8%
Disability	4%	6%	3%

61 "Other" includes colleagues who identify as American Indian, Hawaiian or Pacific Islander (not Hispanic or Latino), or Two or More Races; "Undefined" refers to colleagues who have not disclosed their race or ethnicity.

62 The leadership definition includes all partners, associate partners, and other senior firm leaders.



US workforce, client-serving colleagues

	2021	2022	2023
Number of colleagues	7,300	9,700	10,700
Women	39%	41%	42%
Race/ethnicity			
Black or African American	5%	6%	6%
Asian	35%	35%	35%
White	50%	48%	45%
Hispanic or Latino	7%	7%	8%
Other ⁶³	3%	3%	3%
Undefined ⁶³	0%	1%	3%

US workforce, client-serving new hires

	2021	2022	2023
Number of colleagues	2,300	3,100	1,900
Women	40%	44%	49%
Race/ethnicity			
Black or African American	9%	8%	8%
Asian	38%	38%	37%
White	43%	41%	32%
Hispanic or Latino	7%	9%	11%
Other ⁶³	4%	4%	5%
Undefined ⁶³	0%	0%	7%

US workforce, intersectional data (gender x race)⁶⁴

	2021	2022	2023
Women			
Black or African American	7%	8%	7%
Asian	27%	27%	29%
White	56%	52%	50%
Hispanic or Latino	8%	8%	8%
Other ⁶³	3%	4%	4%
Undefined ⁶³	0%	1%	2%
Men			
Black or African American	5%	6%	6%
Asian	30%	30%	30%
White	54%	52%	49%
Hispanic or Latino	8%	8%	9%
Other ⁶³	3%	3%	3%
Undefined ⁶³	0%	1%	3%

⁶³ "Other" includes colleagues who identify as American Indian, Hawaiian or Pacific Islander (not Hispanic or Latino), or Two or More Races; "Undefined" refers to colleagues who have not disclosed their race or ethnicity.

⁶⁴ Non-binary colleagues represent less than 1% of total US workforce and are not included in the intersectional view.



Learning and development

	2021	2022	2023
Average training hours per employee	41	46	41
Average training hours per employee (women)	38	42	38
Average training hours per employee (men)	45	50	43
Percent colleagues receiving regular performance and career development reviews ⁶⁵	100%	100%	100%
Percent colleagues with access to career or skills related training	100%	100%	100%

Turnover

	2021	2022	2023
Turnover rate, all colleagues ⁶⁶	16%	13%	15%

Our giving

	2021	2022	2023
Number of pro bono engagements ⁶⁷	182	226	270
Number of pro bono clients served ⁶⁷	146	187	224
Spend toward \$2 billion commitment to social responsibility by 2030 (in cash and in-kind) ^{68,69}	\$197M	\$289M	\$206M
Hours dedicated to social responsibility initiatives ⁶⁹	321,000	488,500	342,500
Number of nonprofits supported through pro bono engagements, McKinsey Gives, and McKinsey Grants ⁶⁷	3,900	4,000	3,900

Responsible practices

Ethics and compliance

	2021	2022	2023
Percent colleagues completed annual risk training and certified compliance with firm policies and our Code ⁷⁰	100%	100%	100%
Spend on building, enhancing, and operating our risk, legal, and compliance functions (since 2018)	\$600M+	~\$700M	~\$1B

Working with suppliers

	2021	2022	2023
Number of hotel properties engaged on sustainability	1,000	1,000	1,000
Percent of Scope 3 business travel emissions represented by suppliers engaged on sustainability	n/r ⁷¹	80%	83%
Percent of Optimize colleagues completed sustainable procurement training	93%	100%	100%

⁶⁵ This figure does not include firm members who qualified for an exemption, such as for example interns and part-time, fixed-term colleagues.

⁶⁶ Turnover rate numbers have been restated for prior years.

⁶⁷ We updated our methodology to account for pro bono engagements and pro bono clients served that started in prior reporting year and concluded in this reporting year. Values for 2021 and 2022 data have been restated according to the updated methodology.

⁶⁸ We have updated our methodology for the categories of spend included to align with evolving best practices in social responsibility reporting. Values for data reported in prior years have been restated according to the updated methodology. The value for 2020 has also been restated to \$164M from the previously reported \$151M.

⁶⁹ This metric for the year ending December 31, 2023 was reviewed by our independent certified public accountants in accordance with the attestation standards established by the American Institute of Certified Public Accountants as stated in the [report of independent certified public accountants](#). →

⁷⁰ This figure does not include firm members exempted from the training because they weren't actively working at the time of the program (for example, leave of absence, left our firm).

⁷¹ N/r: not reported.



GRI content index

McKinsey & Company has reported in accordance with the GRI Standards for the period January 1, 2023 to December 31, 2023.

Disclosure number	Disclosure title	Location of McKinsey response
GRI 1	Foundation 2021	
GRI 2	General Disclosures 2021	
2-1	Organizational details	Introduction/About McKinsey → About us ↗ Our offices ↗ McKinsey fact sheet ↗
2-2	Entities included in the organization's sustainability reporting	Reporting approach and appendix/Report scope →
2-3	Reporting period, frequency and contact point	Reporting approach and appendix/Report scope →
2-4	Restatements of information	No significant restatements required unless otherwise noted.
2-5	External assurance	Reporting approach and appendix/Report scope → Reporting approach and appendix/Report of independent certified public accountants →
2-6	Activities, value chain and other business relationships	Introduction/About McKinsey → McKinsey fact sheet ↗ Responsible practices/Working with suppliers → Responsible practices/Working with clients → Industries ↗ Alliances and acquisitions ↗

Disclosure number	Disclosure title	Location of McKinsey response
2-7	Employees	Reporting approach and appendix/Performance data →
2-8	Workers who are not employees	Not reported due to confidentiality constraints.
2-9	Governance structure and composition	Introduction/Governance → Our leadership ↗
2-10	Nomination and selection of the highest governance body	Introduction/Governance → Our leadership ↗
2-11	Chair of the highest governance body	Introduction/Governance → Our leadership ↗
2-12	Role of the highest governance body in overseeing the management of impacts	Introduction/ESG governance →
2-13	Delegation of responsibility for managing impacts	Introduction/ESG governance → TCFD index →
2-14	Role of the highest governance body in sustainability reporting	Introduction/ESG governance →
2-15	Conflicts of interest	Responsible practices/Working with clients → Client service policies ↗ Code of Conduct ↗



Disclosure number	Disclosure title	Location of McKinsey response
2-16	Communication of critical concerns	Responsible practices/Raising concerns → Responsible practices/Our approach → Code of Conduct ↗
2-17	Collective knowledge of the highest governance body	Introduction/Governance →
2-18	Evaluation of the performance of the highest governance body	Introduction/Governance → Not all disclosures are reported due to confidentiality constraints.
2-19	Remuneration policies	Inclusive growth/Providing competitive compensation and benefits → Not all disclosures are reported due to confidentiality constraints
2-20	Process to determine remuneration	Inclusive growth/Providing competitive compensation and benefits →
2-21	Annual total compensation ratio	Inclusive growth/Providing competitive compensation and benefits → Not all disclosures are reported due to confidentiality constraints.
2-22	Statement on sustainable development strategy	Introduction/Message from our global managing partner → Introduction/How we partner with our clients → Introduction/How we fuel progress with insights → Introduction/How we approach ESG →

Disclosure number	Disclosure title	Location of McKinsey response
2-23	Policy commitments	Responsible practices/Human rights → Code of Conduct ↗ Supplier Code of Conduct ↗ Supplier Standards ↗ Environmental statement ↗ Human rights statement ↗ Client service policies ↗
2-24	Embedding policy commitments	Details for how we embed our policy commitments are included throughout the report for relevant material topics.
2-25	Processes to remediate negative impacts	Responsible practices/Ethics and compliance → Responsible practices/Raising concerns → Responsible practices/Human rights → Human rights statement ↗
2-26	Mechanisms for seeking advice and raising concerns	Responsible practices/Raising concerns → Responsible practices/Human rights → Code of Conduct ↗ Supplier Code of Conduct ↗ Human rights statement ↗
2-27	Compliance with laws and regulations	Not reported due to confidentiality constraints.



Disclosure number	Disclosure title	Location of McKinsey response
2-28	Membership associations	Highlighted throughout the report. Sustainability/Our key actions in 2023 → Sustainability/Our firm's path to net zero: 2023 progress highlights → Reporting approach and appendix/Catalyzing climate action now → Inclusive growth/Partnering to drive impact → Our commitment to environmental sustainability ↗ McKinsey Supplier Diversity Program ↗
2-29	Approach to stakeholder engagement	Reporting approach and appendix/Stakeholder engagement →
2-30	Collective bargaining agreements	This information is not tracked globally as most McKinsey colleagues are not covered by collective bargaining agreements.
GRI 3	Material Topics 2021	
3-1	Process to determine material topics	Reporting approach and appendix/Materiality assessment →
3-2	List of material topics	Reporting approach and appendix/Materiality assessment →
GRI 204	Procurement Practices 2016	
3-3	Management of material topics	Responsible practices/Working with suppliers →
204-1	Proportion of spending on local suppliers	Responsible practices/Working with suppliers → Norway Transparency Act Report 2022 ↗ Australia Modern Slavery Act Statement ↗ Not all disclosures are reported due to confidentiality constraints.

Disclosure number	Disclosure title	Location of McKinsey response
GRI 205	Anti-Corruption 2016	
3-3	Management of material topics	Responsible practices/Ethics and compliance →
205-1	Operations assessed for risks related to corruption	Responsible practices/Ethics and compliance → Responsible practices/Risk management →
205-2	Communication and training about anti-corruption policies and procedures	Responsible practices/Our risk and compliance transformation → Responsible practices/Ethics and compliance → Responsible practices/Risk management → Responsible practices/Working with suppliers →
GRI 302	Energy 2016	
3-3	Management of material topics	Sustainability/Charting our firm's path to net zero → Reporting approach and appendix/Our detailed progress toward net zero → Environmental statement ↗
302-1	Energy consumption within the organization	Sustainability/Our firm's path to net zero: 2023 progress highlights → Reporting approach and appendix/Cutting Scope 1 and 2 emissions toward net zero → Reporting approach and appendix/Performance data →
GRI 305	Emissions 2016	
3-3	Management of material topics	Sustainability/Charting our firm's path to net zero → Reporting approach and appendix/Our detailed progress toward net zero → TCFD index →



Disclosure number	Disclosure title	Location of McKinsey response
305-1	Direct (Scope 1) GHG emissions	Sustainability/Our firm's path to net zero: 2023 progress highlights → Reporting approach and appendix/Cutting Scope 1 and 2 emissions toward net zero → Reporting approach and appendix/Performance data →
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability/Our firm's path to net zero: 2023 progress highlights → Reporting approach and appendix/Cutting Scope 1 and 2 emissions toward net zero → Reporting approach and appendix/Performance data →
305-3	Other indirect (Scope 3) GHG emissions	Sustainability/Our firm's path to net zero: 2023 progress highlights → Reporting approach and appendix/Cutting Scope 3 emissions toward net zero → Reporting approach and appendix/Performance data →
305-4	GHG emissions intensity	Sustainability/Our firm's path to net zero: 2023 progress highlights → Reporting approach and appendix/Cutting Scope 3 emissions toward net zero → Reporting approach and appendix/Performance data →
305-5	Reduction of GHG emissions	Sustainability/Charting our firm's path to net zero → Reporting approach and appendix/Our detailed progress toward net zero → Reporting approach and appendix/Performance data →

Disclosure number	Disclosure title	Location of McKinsey response
GRI 308	Supplier Environmental Assessment 2016	
3-3	Management of material topics	Responsible practices/Working with suppliers → Supplier Code of Conduct ↗
308-1	New suppliers that were screened using environmental criteria	Responsible practices/Working with suppliers →
GRI 401	Employment 2016	
3-3	Management of material topics	Inclusive growth/Building a distinctive and inclusive workforce at our firm → Inclusive growth/Developing and caring for our colleagues →
401-1	New employee hires and employee turnover	Reporting approach and appendix/Performance data →
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Inclusive growth/Providing competitive compensation and benefits →
401-3	Parental leave	Inclusive growth/Providing competitive compensation and benefits →
GRI 403	Occupational Health and Safety 2018	
3-3	Management of material topics	Inclusive growth/Caring for our colleagues →
403-1	Occupational health and safety management system	Inclusive growth/Caring for our colleagues →
403-6	Promotion of worker health	Inclusive growth/Caring for our colleagues →



Disclosure number	Disclosure title	Location of McKinsey response
GRI 404	Training and Education 2016	
3-3	Management of material topics	Inclusive growth/Developing our colleagues →
404-1	Average hours of training per year per employee	Inclusive growth/Developing our colleagues → Reporting approach and appendix/Performance data →
404-2	Programs for upgrading employee skills and transition assistance programs	Inclusive growth/Developing our colleagues →
404-3	Percentage of employees receiving regular performance and career development reviews	Reporting approach and appendix/Performance data →
GRI 405	Diversity and Equal Opportunity 2016	
3-3	Management of material topics	Inclusive growth/Building a distinctive and inclusive workforce at our firm →
405-1	Diversity of governance bodies and employees	Introduction/Governance → Inclusive growth/Building a distinctive and inclusive workforce at our firm → Reporting approach and appendix/Performance data →
405-2	Ratio of basic salary and remuneration of women to men	Inclusive growth/Providing competitive compensation and benefits →
GRI 413	Local Communities 2016	
3-3	Management of material topics	Inclusive growth/Advancing economic inclusion in our communities →

Disclosure number	Disclosure title	Location of McKinsey response
413-1	Operations with local community engagement, impact assessment and development programs	Inclusive growth/Advancing economic inclusion in our communities → Reporting approach and appendix/Performance data → We're helping build an economy that works for all ↗
GRI 414	Supplier Social Assessment 2016	
3-3	Management of material topics	Responsible practices/Working with suppliers → Supplier Code of Conduct ↗
414-1	New suppliers that were screened using social criteria	Responsible practices/Working with suppliers →
GRI 418	Customer Privacy 2016	
3-3	Management of material topics	Responsible practices/Data privacy and information security → Information security program overview ↗ Code of Conduct ↗ Supplier Code of Conduct ↗
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Responsible practices/Data privacy and information security →
McKinsey-Specific Material Topics		
Client and Project Selection		
3-3	Management of material topics	Responsible practices/Working with clients → Client service policies ↗
McKinsey-specific	Percent of new clients were vetted against our industry-leading CITIO framework	Responsible practices/Working with clients →



Disclosure number	Disclosure title	Location of McKinsey response
Holistic Client Impact		
3-3	Management of material topics	Introduction/How we partner with our clients → Introduction/How we fuel progress with insights → Sustainability/Advancing the net-zero transition with our clients → Inclusive growth/Driving inclusive growth with our clients → McKinsey Sustainability ↗ Insights on sustainability ↗ People & Organizational Performance ↗ Case studies ↗
McKinsey-specific	Description of the holistic approach to client impact	<p>Our client work today starts with new awareness of impact beyond financial or operational results. To deliver growth that is sustainable and inclusive, we consider the following in our client work:</p> <ul style="list-style-type: none"> – customer experience and inclusivity of customer base – employee and contractor well-being, professional growth, and DEI – social and environmental impact, including community well-being and prosperity, support of vulnerable populations, and environmental sustainability – capability impact such as organizational effectiveness and organizational capabilities needed for sustained performance and innovation – financial and operational performance balanced with growth and speed

Disclosure number	Disclosure title	Location of McKinsey response
Research and Thought Leadership		
3-3	Management of material topics	<p>Examples included throughout the report.</p> Introduction/How we fuel progress with insights → Featured insights ↗
McKinsey-specific	Description of the impacts of McKinsey's published research across the industry	Introduction/How we fuel progress with insights → Featured insights ↗
Innovation and Technology		
3-3	Management of material topics	Introduction/How we partner with our clients → Our open ecosystem of alliances and acquisitions ↗ Our solutions ↗ McKinsey client capabilities network ↗
McKinsey-specific	Investment in innovation, knowledge, and capabilities	Introduction/How we partner with our clients →



World Economic Forum IBC index

McKinsey has signed on to the Stakeholder Capitalism Metrics defined by the World Economic Forum's International Business Council. These metrics are designed to encourage comparable disclosures related to governance, planet, people, and prosperity.

Theme	Core metric	Location of McKinsey response
Principles of Governance		
Governing purpose	1. Setting purpose	Introduction/About McKinsey →
Quality of governing body	2. Governance body composition	Introduction/Governance → Our leadership ↗ Reporting approach and appendix/Performance data →
Stakeholder engagement	3. Material issues impacting stakeholders	Reporting approach and appendix/Stakeholder engagement → Reporting approach and appendix/Materiality assessment →
Ethical behavior	4. Anti-corruption	Responsible practices/Our risk and compliance transformation → Responsible practices/Ethics and compliance → Code of Conduct ↗
	5. Protected ethics advice and reporting mechanisms	Responsible practices/Raising concerns → Responsible practices/Human rights → Code of Conduct ↗ Supplier Code of Conduct ↗ Human rights statement ↗
Risk and opportunity oversight	6. Integrating risk and opportunity into business process	Responsible practices/Risk management → TCFD index →

Theme	Core metric	Location of McKinsey response
Planet		
Climate change	7. Greenhouse gas (GHG) emissions	Sustainability/Charting our firm's path to net zero → Reporting approach and appendix/Our detailed progress toward net zero → Reporting approach and appendix/Performance data →
	8. TCFD implementation	TCFD index →
Nature loss	9. Land use and ecological sensitivity	Reporting approach and appendix/Our detailed progress toward net zero →
Freshwater availability	10. Water consumption and withdrawal in water-stressed areas	Reporting approach and appendix/Our detailed progress toward net zero →



Theme	Core metric	Location of McKinsey response
People		
Dignity and equality	11. Diversity and inclusion	Introduction/Governance → Inclusive growth/Building a distinctive and inclusive workforce at our firm → Reporting approach and appendix/Performance data →
	12. Pay equality	Inclusive growth/Providing competitive compensation and benefits →
	13. Wage level	Inclusive growth/Providing competitive compensation and benefits →
	14. Risk for incidents of child, forced or compulsory labor	Responsible practices/Human rights →
Health and wellbeing	15. Health and safety	Inclusive growth/Caring for our colleagues →
Skills for the future	16. Training provided	Inclusive growth/Developing our colleagues → Reporting approach and appendix/Performance data →

Theme	Core metric	Location of McKinsey response
Prosperity		
Employment and wealth generation	17. Absolute number and rate of employment	Reporting approach and appendix/Performance data →
	18. Economic contribution	Introduction/About McKinsey →
	19. Financial investment contribution	As a private firm, this metric is not relevant for McKinsey.
Innovation of better products and services	20. Total R&D expenses	Introduction/How we partner with our clients → Inclusive growth/Developing our colleagues →
		Community and social vitality



TCFD index

The Task Force on Climate-related Financial Disclosures (TCFD) recommendations are designed to help companies disclose information about the risks and opportunities presented by climate change. Developed around four core elements—governance, strategy, risk management, and metrics and targets—the recommendations enable a company to show how it is responding to change and the resilience of its strategies. The disclosure below is largely based on information reported in McKinsey’s 2022 CDP Climate Report (submitted in 2023). See our full [2022 CDP Climate Report](#). [↗](#)

CDP reference	TCFD disclosure recommendation	Disclosure
Governance		
C1.1a, C1.1b	a. Describe the board’s oversight of climate-related risks and opportunities.	<p>The Risk, Audit, and Governance Committee (RAGC) of McKinsey’s Shareholders Council (SHC) (the elected board of directors) provides strategic direction, oversight, and accountability for climate-related issues within our firm. This includes reviewing and guiding the strategy and budget implications, setting performance objectives, monitoring and overseeing progress against climate-related goals and targets, and reviewing material climate-related risks.</p> <p>The Finance and Infrastructure Committee (FIC) of the SHC has oversight of management’s financial decisions related to our climate transition plan, for example, climate-related acquisitions as well as approval of overall budget envelope to finance our own net-zero journey. The chair of the FIC sits on the RAGC to provide the integration of oversight of climate-related issues between the two SHC committees.</p> <p>The Acceleration Team (McKinsey’s global leadership body composed of the managing partner and firm leaders representing regions, industries, client capabilities, finance, people, and risk functions) reviews our firm’s progress on our air travel emissions footprint against our science-based targets (SBTs).</p> <p>The ESG Council (the Council) consisting of senior firm function, client service, and regional leaders across sustainability, people, risk, communications, and legal provides oversight of our ESG agenda by defining priorities, setting the direction, and monitoring progress, including for our climate-related efforts. The Council includes the senior partner who serves as chief marketing officer and is responsible for our firm’s own ESG efforts, and the senior partner who serves as McKinsey’s sustainability global leader who leads our sustainability-focused client work.</p>
C1.2	b. Describe management’s role in assessing and managing climate-related risks and opportunities.	<p>Our global managing partner, akin to a CEO, sets the strategy and priorities for our firm. In 2021, he set the aspiration for our firm to become the largest private sector catalyst for decarbonization and led our firm in creating the McKinsey Sustainability Growth Platform (SGP) by advocating for necessary resource allocation and structural changes inside our firm to make it happen.</p> <p>The Environmental Sustainability team convenes a Steering Committee consisting of the chief marketing officer, the global SGP leader and the CFO (more details on the role of each Steering Committee member below) on a regular basis (monthly to quarterly depending on nature of topics for discussion). The Steering Committee provides “day-to-day” guidance on our firm’s net-zero journey. It receives a monthly update on our air travel emissions footprint, which is reviewed by the Acceleration Team as needed.</p> <p>The senior partner, chief marketing officer is responsible for the design and implementation of McKinsey’s sustainability strategy—including the development and implementation of the climate transition plan. This position is supported by the leader of global social responsibility, as well as the director of environmental sustainability, who has the overall day-to-day responsibility for addressing climate change and sustainability more broadly within our firm.</p> <p>The global SGP leader provides strategic advice for our firm’s own climate transition plan based on his expertise and knowledge from client service on sustainability topics. The CFO provides support and guidance on the implementation of initiatives such as the regional SBT leader network and internal carbon fee. He is responsible for approving budget decisions and investments related to our climate transition plan and/or support bringing them to the FIC.</p> <p>Within each of our offices, the local managing partner (senior-level partner) has responsibility for the climate change impact of the office’s operations. We have designated a senior partner SBT leader per region. Each is accountable for delivering our Scope 3 SBT and regularly reports progress to our Acceleration Team.</p>



CDP reference	TCFD disclosure recommendation	Disclosure
Strategy		
C2.1a, C2.3, C2.3b, C2.4, C2.4a	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>We consider climate-related risks and opportunities in the short (0–2 years), medium (2–5 years), and long (5+ years) term as part of our business strategy.</p> <p>Risks</p> <p>In our climate-related risk assessments, we have considered current regulations, emerging regulations, legal, market, technological, and reputational risks, as well as acute and chronic physical risks. Based on input from McKinsey’s internal functions, sustainability practice experts, and others, we have not identified inherent climate-related risks with the potential to have a substantive financial or strategic impact on our firm. As a consulting business, we have relatively few physical assets (for example, no production facilities) and our people are highly mobile (in that, they can work remotely, on-site, or even relocate if needed with limited impact on their ability to perform their roles). As our client base is geographically highly diverse, potential climate-related decline in opportunities in any localized region would have limited impact on firm-wide costs and revenue.</p> <p>Physical risks: As a global firm that operates in 68 countries, we have offices that are likely to be exposed to both acute and chronic physical risks in the near, medium, and long term. In our analysis, we assessed the impact of physical risks, including riverine and coastal flooding, extreme heat, and hurricanes, aligned to different climate pathways (1.5°C and 2°C). We used McKinsey Climate Resilience Analytics downscaled CMIP5 models, as well as data from World Resources Institute (WRI) and WindRiskTech. The forecast future impacts do not represent a substantive safety, financial, or strategic impact above the 4 percent threshold on revenues.</p> <p>Transition risks: We have assessed current regulation, emerging regulation, legal, market, reputational, and technological risks across short-, medium-, and long-term horizons and different scenarios (including the UN Principles for Responsible Investment’s (UNPRI) Inevitable Policy Response “Required Policy Scenario”) where relevant. We do not expect the cost of the transition risks to have a substantive financial or strategic impact on our business as they do not cross the materiality threshold of 4 percent of overall revenues.</p> <p>Opportunities</p> <p>In April 2021, we launched McKinsey Sustainability, our new client service platform to better support all industries as they undergo the transformation needed to cut carbon emissions by half by 2030 and reach net zero by 2050. We anticipate further opportunities to deliver sustainability consulting to clients across industries (for example, energy and finance) and geographies (for example, the United States and Europe) as decarbonization fundamentally reshapes the economy. As we continue to partner with our clients on their climate transition journeys, we believe that sustainability consulting represents more than \$1 billion per year for us over the next three years. In 2023, McKinsey Sustainability supported clients on their climate transition journey on 1,720 engagements. Approximately 4,600 of our colleagues spend time on sustainability-related engagements, including green business building, decarbonization, and nature-based capital. For more information for how we supported clients on sustainability in 2023, see Sustainability/Advancing the net-zero transition with our clients. →</p>



CDP reference	TCFD disclosure recommendation	Disclosure
C2.4a, C3.1, C3.2a, C3.2b, C3.3, C3.4	b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	<p>Business strategy</p> <p>Products and services: More than 3,000 companies have made net-zero commitments. McKinsey Sustainability aspires to be the largest force for decarbonization in the private sector through our work to help accelerate the transition to net-zero GHG emissions. We use our thought leadership, innovative tools and solutions, top talent, and a vibrant ecosystem of industry associations and knowledge platforms focused on innovating to net zero. Our plans focus on four key levers of decarbonization: helping clients drive a “brown to green” transition of the global economy’s installed base; building new green businesses and innovations; retiring and repurposing the highest carbon intensity assets; and scaling nature-based solutions.</p> <p>Supply chain and/or value chain: Climate-related risks and opportunities—including reputational (for example, expectations of colleagues and clients), regulatory (for example, carbon tax), and physical (for example, risk to our buildings due to severe weather)—have influenced our strategy. These risks and opportunities will continue to impact our supply chain strategy in the short, medium, and long term. Learn more in Responsible practices/Working with suppliers. →</p> <p>Investment in R&D: We believe that the climate crisis is a defining issue of our time, so in 2021, we committed to investing \$1 billion in our capabilities over the next five years to help our clients lead a wave of innovation and growth to safeguard our planet. Climate-related risks and opportunities will continue to impact our R&D strategy across the short, medium, and long term.</p> <p>Operations: As a global firm, we have set 2025 validated SBTs across Scopes 1, 2 and 3. In 2023, we took several steps to further enhance and accelerate our decarbonization efforts, including introducing a carbon fee on all air travel of \$50/ton CO₂e, conducting our first SAF purchases, and expanding our sustainability targets into 2050 by submitting a new SBTi-aligned net-zero target. We also further strengthened our existing 2025 and 2030 targets by tying them to concrete emissions-reduction actions, including operational changes and SAF procurement. We are committed to moving to 100 percent removal credits by 2030 at the latest. Learn more in Charting our firm’s path to net zero → and Our detailed progress toward net zero. →</p> <p>Financial planning</p> <p>Revenue: Climate change is leading companies to manage risks and seize opportunities, driving increased demand for management consultancy and advisory services on sustainability. This increased demand for our expertise has a positive impact on our client service and revenue. The impact is currently moderate and is expected to increase in line with the global transition to a low-carbon economy, although it has not been deemed to have a substantive financial or strategic impact on our firm. This is evaluated in short-term financial planning. We are actively engaged with this challenge every day and in 2023 worked with 761 clients on 1,720 sustainability-related client engagements.</p> <p>Assets: As an advisory firm, our “assets” are not physical locations or business units in the traditional sense, but our proprietary knowledge and our reputation. We continue to make a substantial investment in research and knowledge-building. This is factored into our financial planning; in developing an understanding of a wide range of sustainability and resource productivity topics with the aim of informing and progressing the debate with an independent fact base; tools and frameworks; and analysis of risks and opportunities. The impact of these activities is low in comparison to the company-wide financial planning process and has not been deemed to have a substantive financial or strategic impact on our firm in the short term.</p> <p>Capital expenditure: We have committed to 2025 SBTs and have submitted our 2050 SBTi-aligned net-zero target for validation. We have also been compensating for our unabated emissions through avoidance and removal projects since 2018. We will shift to 100 percent carbon removals by 2030 at latest. Capital expenditures and investments in energy-efficient buildings, SAF, carbon credits, and other areas related to our net-zero journey are included in the financial planning process.</p> <p>Acquisitions and divestments: McKinsey acquired Sweden-based Material Economics, experts in sustainability and circularity, in December 2021. In March 2021, McKinsey acquired Vivid Economics and Planetrics to help clients navigate climate change, bringing us significant additional analytical capabilities.</p>



CDP reference	TCFD disclosure recommendation	Disclosure
---------------	--------------------------------	------------

C3.2, C3.2a, C3.2b

c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

In 2022, a cross-functional team composed of McKinsey climate scientists, consultants, economists, leaders in the sustainability practice, and risk and finance professionals conducted climate-related scenario analysis to project the financial and strategic implications of evolving physical and transition impacts of our firm’s strategy and business model (using 2021 data). Our choice of climate scenarios weighed alignment to temperature pathways and policy actions. These scenarios were assessed across multiple time frames to capture near-, medium-, and long-term impacts.

Parameters and assumptions used in our climate-related scenario analysis depending on temperature alignment of scenario included:

- **The 1.5°C scenario** uses UNPRI’s Inevitable Policy Response “Required Policy Scenario,” capping warming to 1.5°C over pre-industrial levels by 2100. It quantifies strong impacts from transitional risks (for example, carbon prices) and innovation, and is included to reflect the net-zero pathway many governments and companies have publicly committed to.
- **The 1.6°C–2°C scenario** uses UNPRI’s “Forecast Policy Scenario,” capping warming to 1.8°C over pre-industrial levels by 2100. This is based on a high-conviction forecast of forceful policy in response to climate change and related implications for energy, vehicles, and carbon prices.

Results of the climate-related scenario analysis

Cost of emissions change: Based on evolving carbon prices globally, carbon emissions are likely to become increasingly expensive over time. Our scenario analysis included three point-in-time calculations in 2025, 2030, and 2050. The main source of these emissions is business travel (approximately 80 percent of firm emissions in 2019). As part of our analysis, forecast carbon prices from UNPRI’s “Required Policy Scenario” were weighted across geographies based on our emissions. According to UNPRI’s “Required Policy Scenario,” carbon prices of \$45–\$85 per ton and \$87–\$175 per ton will be needed by 2030 and 2050 respectively. Carbon pricing from regulations are not likely to have a substantive financial or strategic impact on our business as we do not operate in an emissions-intensive industry and are taking near- and long-term climate action to reduce our emissions in line with a 1.5°C future. Given expected general price increases and planned ramp-up of investments in more nascent technologies such as SAF and engineered carbon-removal solutions, we expect our average portfolio price to continue to rise. This result triggered a strategy review with our firm leadership, including the adjustment of our expected average carbon price between now and 2030 and implementation of an internal carbon fee in line with these expectations. We currently collect an internal carbon fee of \$50/ton on all air travel and expect the fee to be expanded to all emissions categories and rise over time.

People and physical assets most exposed: As a global firm that operates in 68 countries, we have offices that are likely to be exposed to both acute and chronic physical risks in the near, medium, and long term. In our scenario analysis, we assessed the impact of physical risks, including riverine and coastal flooding, extreme heat, and hurricanes, aligned to different climate pathways (1.5°C and 2°C). We used McKinsey Climate Resilience Analytics downscaled CMIP5 models, as well as data from the WRI and WindRiskTech. Our analysis found that approximately 31,500 colleagues are based in metropolitan areas that may be exposed to severe flooding globally and approximately 12,500 to hurricanes, especially in the eastern United States and Western Pacific. Despite these exposures, our investments in business continuity planning and the nature of our business mean these acute physical events do not present a substantive safety, financial, or strategic impact on our business.

Effect on sectors we serve: We work with clients across sectors, sizes, and geographies. To assess the climate transition and physical impacts on the companies we serve, we conducted scenario analysis using Planetrics, our climate analytics suite. The analysis evaluated the impacts of decarbonization on the average valuations of companies in the sectors and regional industries that we serve. The analysis included three scenarios: the Required Policy Response (to limit warming to 1.5°C above pre-industrial levels by 2100), the Forecast Policy Response (to limit warming to 1.8°C above pre-industrial levels by 2100), and The Network for Greening the Financial System’s (NGFS) “Hot-house World” where little policy action is taken. We found downside risk from carbon pricing and demand destruction to be mostly concentrated in hard-to-abate sectors after 2040. However, we believe that our work in decarbonization, climate resilience, and in helping grow new green industries may help our clients identify opportunities and take bold action.

McKinsey has developed a suite of climate risk analysis tools and capabilities that assisted in our climate scenario analysis

Climate Resilience Analytics

Climate Resilience Analytics is McKinsey’s core team of experts who analyze and generate insights from the quantitative impact of climate change for our clients.

Climate Resilience Analytics works across nearly all sectors at McKinsey that are being impacted by climate change, such as the public, energy, and financial sectors.

Vivid Economics

Vivid Economics is a strategic economics consultancy with broad sustainability and macroeconomic capabilities that McKinsey acquired in 2021.

Planetrics

Planetrics’ team, part of McKinsey Sustainability, are specialists in the design of climate-change risk and opportunity modeling at the level of regions, sectors, and assets.



CDP reference	TCFD disclosure recommendation	Disclosure
Risk management		
C2.1, C2.2, C2.2a	a. Describe the organization’s processes for identifying and assessing climate-related risks.	<p>We identify and assess climate risks across our direct operations, as well as upstream and downstream risks, through a risk management process that is integrated into our multidisciplinary company-wide risk management process. We continue to enhance our climate risk identification and assessment capabilities, for example with the recent incorporation of more advanced scenario analysis into our climate reporting.</p> <p>Direct operations: Climate risk identification across all time horizons is integrated into firm-wide risk management through our annual risk review, year-round monitoring, and situational identification. Outputs are taken into consideration as we define operational resilience requirements and actions. Risk and opportunity identification is embedded within our “cells” (geographic offices, industry practices, functional practices, and growth platforms) that are most similar to the traditional meaning of “sectors” within a company. Specifically, the partners of our firm who lead each geographic office are responsible for identifying and evaluating risks, including climate-related risks, arising from the operations of their local offices. With support from the broader firm, they work through local operating committees and management teams. A top-down approach is also taken; an internal team of sustainability experts identifies climate-related transition risks across all climate risk categories based on current sources of emissions, desktop research, and interviews with colleagues.</p> <p>Upstream: To identify risk, we have evaluated our supply chain to determine the sectors and services that represent the largest contributions to our upstream Scope 3 emissions. We also use a risk identification tool to screen our highest-spend suppliers for ESG risk, including those related to GHG emissions and energy use. To further assess climate risk, suppliers that represent the largest contributions to our upstream Scope 3 emissions (primarily business travel) are asked to complete the CDP Supply Chain questionnaire once a year so that we can better understand their climate risk exposure, as well as mitigation and adaptation strategies. We also request certain suppliers to complete a third-party evidence-based assessment with responses updated. To respond to these assessment results, we have developed a strategy to engage on an annual basis suppliers representing 80 percent of our business travel emissions with supplier webinars and, where possible, include climate expectations in supplier quarterly business reviews and SBT expectations in contracts at least once a year that requires document verification to support any claims of climate and GHG management systems. Based on the results of the third-party assessment, we may request and monitor corrective actions specific to GHG and energy management systems.</p> <p>Downstream: We use a five-dimension approach, as outlined in our Client Service Policy, to evaluate the clients we serve and the likely impacts of our work before committing to any new client engagement. Within each dimension, we defined criteria that our colleagues must apply when assessing a potential client or engagement to ensure we consider potential unintended consequences of the work.</p>
C2.1, C2.2	b. Describe the organization’s processes for managing climate-related risks.	<p>Our response to climate risk is unique to the risk type and materiality. Responses may be executed by internal functions as well as local managing partners or McKinsey Security, supported and reviewed by our risk management function. Any physical security risk is addressed with the utmost priority. Materiality is determined by a combination of factors, such as the ability to impact 4 percent of firm revenue, client relationships, and our talent strategy. Examples of responses include documented guidance for extreme weather, scenario training for local security coordinators and leadership, and reviews of our physical premises.</p>



CDP reference	TCFD disclosure recommendation	Disclosure
C2.1, C2.2	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>We identify, assess, and respond to climate risks across our direct operations, as well as upstream and downstream risks, through a risk management process that is integrated into our multidisciplinary company-wide risk management process.</p> <p>Our collective risk management functions are overseen by our chief risk officer. The risk management functions routinely and systematically undertake risk assessments, which include climate where relevant. These are assessed as part of our firm-wide risk review at least twice a year—first for a preliminary report and then refreshed ahead of the final report later in the year. If important target outcomes are specified for climate risk, progress against those target outcomes is measured more frequently. These reviews incorporate diverse qualitative and quantitative inputs as well as external benchmarks and third-party verification of emissions to produce a comprehensive view of risk. Subject matter experts provide a perspective on how risks may play out across time horizons. Risk reviews inform cross-cutting risk mitigation across McKinsey. We prioritize management of our climate-related risks and opportunities based on their materiality to McKinsey at a firm-wide level and at an organizational cluster level.</p>

Metrics and targets

C4.2, C4.2a, C4.2b, C9.1	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	We provide annual updates on climate-related metrics, including Scope 1, 2, and 3 emissions, emissions intensity (market-based GHG emissions per FTE), and energy and electricity use, including renewable electricity use, in our annual Environmental, Social, and Governance Report. For a historical view on metrics and description of GHG accounting methodology, please see the Performance data → and Greenhouse gas reporting methodology and restatements → sections of this report.
C6.1, C6.3, C6.5, C6.5a	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Please see Charting our firm's path to net zero , → Our detailed progress toward net zero , → and Performance data → sections of this report.
C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>Our environmental footprint strategy is primarily focused on reducing GHG emissions across our entire operation.</p> <p>To compensate for GHG emissions we have not yet been able to reduce, we purchase high-quality carbon avoidance and removal credits certified to international standards. By 2030, we will transition to 100 percent carbon removal credits for all unabated emissions.</p> <p>To reduce our emissions in line with a 1.5°C future, we are committed to:</p> <ul style="list-style-type: none"> – By 2025: reducing our absolute Scope 1 and 2 emissions by 25 percent and our per employee Scope 3 emissions from business travel by 35 percent relative to our 2019 baseline. We aligned our 2025 near-term target with the latest SBTi guidance, leading to an increase in our Scope 3 reduction target from 30% p.p. to 35% p.p. The validation of our resubmission is pending. – By 2050: reducing absolute Scope 1 and 2 emissions by 90 percent and per employee Scope 3 emissions from business travel by 97 percent relative to our 2019 baseline. We submitted this 2050 target to the SBTi in January 2024 for validation. <p>We are furthermore committed to using 100 percent renewable electricity by 2025 latest. We contract directly with local providers or purchase energy attribute certificates (EACs), such as renewable energy certificates (RECs) in line with RE100's technical criteria, where possible.</p> <p>See Charting our firm's path to net zero → for more information.</p>



Report of independent certified public accountants



GRANT THORNTON LLP

757 Third Ave., 9th Floor
New York, NY 10017-2013

D +1 212 599 0100
F +1 212 370 4520

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Management
McKinsey & Company

We have reviewed management of McKinsey & Company's assertion that the environmental and social responsibility metrics set forth in the management assertion are presented in accordance with the criteria set forth therein. McKinsey & Company's management is responsible for its assertion. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. The

procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment and consisted primarily of analytical procedures and inquiries. In addition, we obtained an understanding of the McKinsey & Company's business processes relevant to the review in order to design appropriate procedures.

The preparation of the assertion requires management to evaluate the criteria set forth in the management assertion, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain amounts, some of which may be referred to as estimates, is subject to substantial inherent measurement uncertainty. Obtaining sufficient appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts and metrics. The selection by

management of different but acceptable measurement techniques could result in materially different amounts or metrics being reported.

Based on our review, we are not aware of any material modifications that should be made to management of McKinsey & Company's assertion that the environmental and social responsibility metrics set forth in the management assertion of McKinsey & Company for the year ended December 31, 2023, is presented in accordance with the criteria set forth therein, in order for it to be fairly stated.

New York, New York
May 3, 2024

GT.COM

Grant Thornton LLP is the U.S. member firm of Grant Thornton International Ltd (GTIL). GTIL and each of its member firms are separate legal entities and are not a worldwide partnership.



McKinsey & Company management assertion

Management of McKinsey & Company is responsible for the completeness, accuracy, and validity of the performance metrics included in the tables below as of or for the year ended December 31, 2023 (the reporting year). The metrics have been rounded to the nearest whole number unless otherwise indicated.

Management asserts that the metrics reported in the tables are presented in accordance with the assessment criteria set forth below.

Management is responsible for the selection of the criteria, which management believes provides an objective basis for measuring and reporting on these performance metrics. The preparation of the metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. McKinsey & Company bases its estimates and methodologies on historical experience, available information, and various other assumptions that it believes to be reasonable.

Emissions data presented are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Data relied upon in reporting on performance metrics was obtained from financial reporting systems, time-tracking systems, accounts payable records, and other internal records.

Metrics related to contribution toward \$2B commitment to social responsibility by 2030

Metric description and assessment criteria	Metric value USD '000
Charitable donations and cash expenses	28,201
Includes all monetary donations made to nonprofit entities during the reporting year. This category includes cash expenses such as meals, travel reimbursement, supplies, and related costs associated with delivering social responsibility activities.	
In-kind contributions	
Pro bono	160,966
Value of time for the work recorded by McKinsey team members on pro bono engagements ⁷² is captured using market rates for similar services in local market.	
Social responsibility activities	16,759
Value of time recorded by McKinsey team members on volunteering initiatives such as volunteers time off, Day of Service, and fellowships using an estimate of the payroll and related costs associated with personnel participating in social responsibility activities.	
Total in-kind contributions	177,725
Total value of 2023 contribution toward \$2B commitment to social responsibility by 2030	205,926

In 2023, a total of 342,539 hours were contributed to pro bono and social responsibility activities.

Metrics related to greenhouse gas emissions

Metric description and assessment criteria	Metric value tCO ₂ e (in '000s)
Scope 1⁷³	7.6
Scope 2, market-based⁷³	0.4
Scope 2, location-based⁷³	19.1
Scope 3, business travel⁷³	512.5
Scope 3, purchased goods and services⁷³	32.2

In 2023, a total of 580 thousand tCO₂e of carbon offsets were retired to cover the firm's total emissions reported for the year.

⁷² Pro bono engagements include services provided at no cost or significantly reduced cost to qualifying organizations (e.g., nonprofits).

⁷³ Measured using the World Resources Institute and World Business Council for Sustainability Development's *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)*, GHG Protocol Scope 2 Guidance, and Corporate Value Chain (Scope 3) Accounting and Reporting Standard (collectively, the "GHG Protocol").

Learn more online at:

[McKinsey.com/esg-report](https://www.mckinsey.com/esg-report)

We welcome your comments and questions regarding this report. Please contact us at:

Social_Responsibility@McKinsey.com