

McKinsey
& Company

2022 ESG Report Executive Summary

Creating a more sustainable, inclusive, and growing future for all

Portia Dlamini of South Africa is part of the network of digital-savvy lifelong learners who have taken part in the McKinsey Forward online learning program for young professionals. It's one of the many learning resources we offer to help create more inclusive, skilled workforces around the world.



Message from our global managing partner

Accelerating sustainable and inclusive growth for the world



Bob (center) speaking to colleagues at a town hall in Poznań, Poland.

A letter to all our stakeholders

The events of 2022—the start of a tragic war, food and energy crises, severe climate events, global supply chain issues, and continuing market volatility—challenged governments, businesses, and citizens alike, requiring the world’s immediate and focused attention. As always, we partnered with our clients and our communities to respond—remaining ever committed to our firm’s long-term aspiration: **accelerating sustainable and inclusive growth for the world.**

We have done the analysis to assess how we are actually doing against this aspiration. I am incredibly proud of how—together with our clients—we are driving measurable, society-wide impact. Our clients contribute **20 percent to global GDP growth**, create **one million jobs per year**, and make up **80 percent of reported CO₂ emissions reductions**. While we are excited by this, we are even more motivated by it.

Seeing the measurable impact in the societies where we live and work is what compels us to accelerate. We are continually raising our sights, with every client engagement, every day: How can we engage even more deeply with our clients on decarbonizing? How many more people can we help reskill or upskill? How can we drive even more economic growth and innovation?

We are catalyzing decarbonization

In 2022, 3,500 of our colleagues worked on more than 1,600 sustainability engagements with 600 clients across nearly 60 countries and in every industry. We are unashamed to say that this includes working with heavy emitters—*because that’s where the emissions are*. We also continue to make progress against our own net-zero goals (including the introduction of a carbon fee on all air travel) while convening leaders and other organizations to embark on fresh solutions like Frontier, an advance market commitment for carbon removal, and Catalyst Zero, for calculating carbon footprints.

We are accelerating inclusive growth

Last year, our Leap by McKinsey colleagues helped our clients build nearly 200 new businesses—creating more than 20,000 jobs and \$140 billion in value. Our 10 Actions toward racial equity, launched in 2020, have accelerated change within our firm and are helping combat racism worldwide. Among the many advances this year: we’ve engaged more than 67,000 Black, Asian, Hispanic, and Latino professionals in our Connected Leaders Academy and published 30 insight pieces through the newly established McKinsey Institute for Black Economic Mobility. And, to ensure we are doing what we can to create a more inclusive economy, we have committed \$2 billion to social responsibility efforts by 2030 and have so far contributed nearly \$620 million in cash and in-kind support toward that commitment (more than \$275 million this year). Individually, our colleagues have spent nearly a half million hours on volunteering, board service, and pro bono engagements.

In our own firm, we are doubling down on diversity, tripling our number of Black hires, and electing twice the number of women partners in five years. Our global workforce is 48 percent women, and 52 percent of our client-serving colleagues in the US are from racial or ethnic minority groups. We take great pride in our progress, but we want to make sure we are *distinctively* diverse and have more than tripled our talent recruitment sources from 540 in 2021 to more than 1,700 this past year to ensure that everyone with the skills and talent has a shot at our firm.

We are setting the standard on accountability and compliance

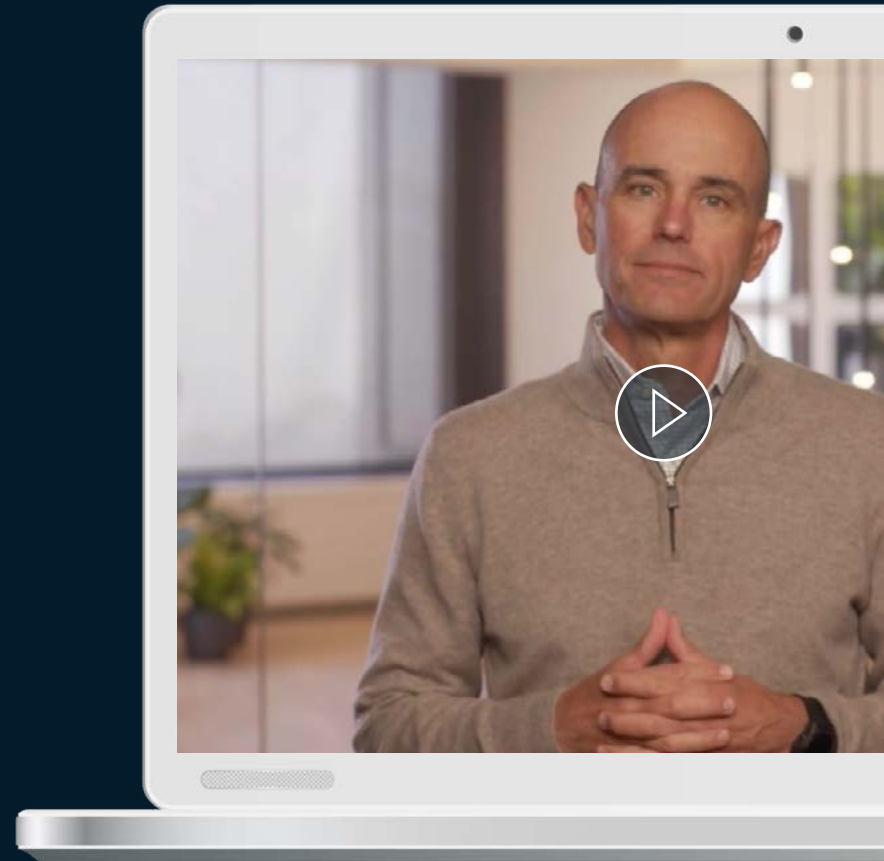
Accountability and compliance are deeply embedded in our processes, mindsets—and in our culture. Since 2018, we have spent nearly \$700 million on strengthening our risk management teams, capabilities, and processes as part of our ambition to lead our industry—and we have recruited some of the world’s best talent to help (from companies like Apple, Walmart, Microsoft, and Uber). Among other enhancements, we introduced an industry-leading client service framework (CITIO), which helps us vet each new client and guides our approach to engagements. Our commitment extends to our suppliers and internal systems, where we have improved cybersecurity controls, data and document retention, and process management. Annually, our colleagues participate in a rigorous Professional Standards and Risk training program, and we have a 100 percent completion rate. We will never rest in our pursuit to set the standard.

Our firm’s purpose is to help create positive, enduring change in the world. We aspire to do this by accelerating sustainable and inclusive growth through direct and measurable impact in partnership with our clients. Throughout this report, we have shared stories about the many ways in which we are doing just that. We are sharing them not only because we are proud of what we have achieved so far, but because we hope that they are a source of inspiration for even bolder aspirations and innovations in the years ahead. For us, this work is never really done.



Bob Sternfels Global Managing Partner, McKinsey & Company

Hear more from Bob:
Key highlights from our 2022 ESG Report



About McKinsey

Since 1926, McKinsey has been united by a strong set of values and the drive to deliver positive, enduring change. In a world facing growing inequality and the impact of climate change, our aspiration is to accelerate sustainable and inclusive growth everywhere we operate.

We partner for impact

We strive to be more than advisers to our clients; we are partners. Together, we aspire to go beyond financial and operational results. Working alongside our clients, we identify potential for growth, lead with transformative technologies, innovate to net zero, and build workforces that will thrive for this generation and the next.

We are inclusive and distinctive

When it comes to our people, we value potential more than pedigree. We create opportunities for roles and advancement based on skills and demonstrated impact, not just a college degree. Today, 50 percent of our new members are experienced professionals, and we sourced talent from 1,700 institutions in 2022, up from 540 in 2021.

We are proudly global

Today's biggest challenges don't stop at borders, and solutions require global collaboration. Therefore, we operate as a single global partnership, with nearly 160 nationalities represented across our firm. More than two-thirds of our client engagements draw on teams working across multiple countries. This assures we bring clients the world's best assets and solutions, wherever they may be.

We are setting the standard for our profession

We also apply the best of our insights and client counsel to our own efforts to create a more sustainable and inclusive world. This includes our efforts on accountability and compliance as we continue to invest in our internal risk, legal, and compliance functions. To learn more, visit our [Governance webpage](#).

1926

Founded by James O. McKinsey

45,000+

colleagues globally

65+

countries

130+

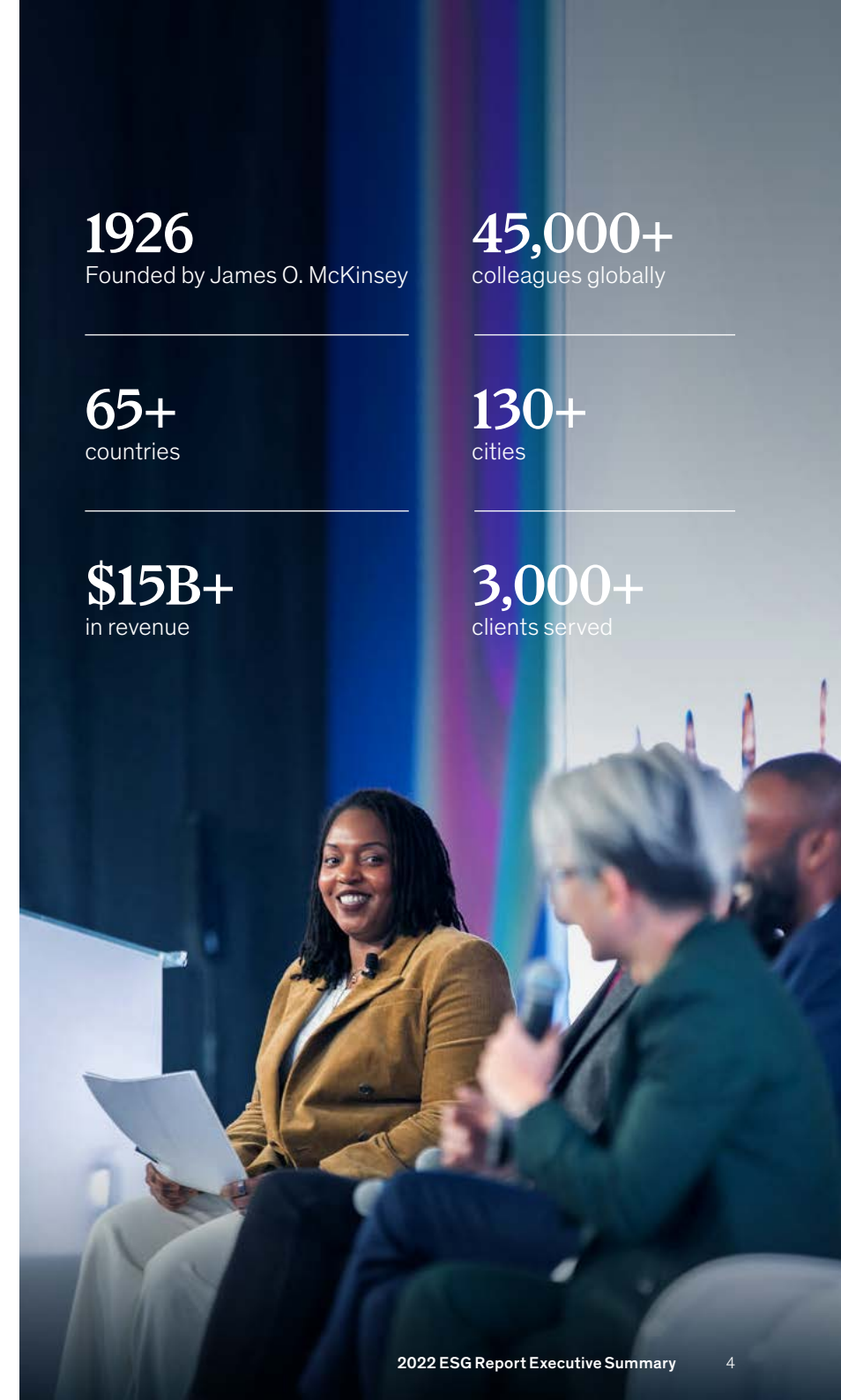
cities

\$15B+

in revenue

3,000+

clients served



This is our moment to accelerate sustainable and inclusive growth

Leaders today have a rare opportunity. By tackling defining challenges of our time—the net-zero transition and global inequality—they can shape the future for generations to come.

Embracing the “and”

For many organizations, the simultaneous pursuit of growth and sustainability and inclusion presents trade-offs. We believe leaders today can and must pursue all three in concert. So, every day, around the world, we partner with our clients to embrace the “and” for the benefit of people, planet, and organizational health.

We’re helping our clients¹ lead on sustainable and inclusive growth. They have:

Contributed

20%

to global GDP growth

Created

1M

jobs per year

Contributed

80%

of reported CO₂ emissions reductions

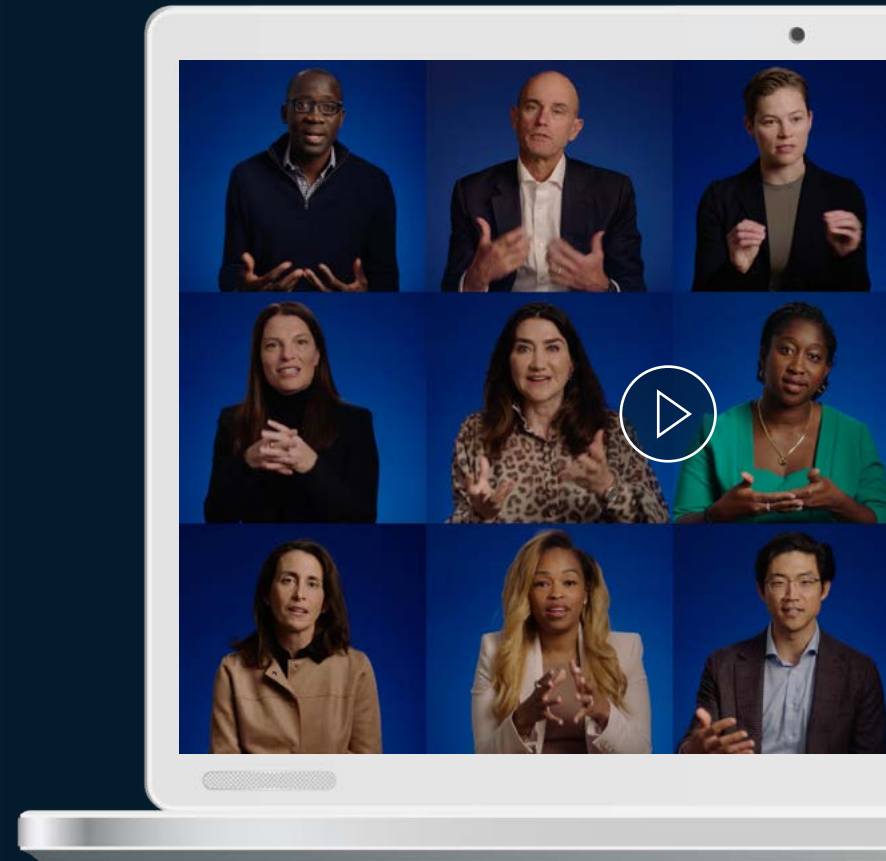
Starting with growth, creating value for all

We always begin with growth. Growing companies and economies are resilient. They spur prosperity, which provides the resources necessary to address climate change and lift up communities through economic opportunity.

Our ambition is to help bold leaders seize this moment in measurable ways. This report shares progress on our aspirations:

- **To be the leading private sector catalyst for decarbonization**, through our sustainability work with over 600 clients, our investment of more than \$400 million in the last two years, and our firm’s progress toward reaching net zero by 2030.
- **To fuel economic growth and prosperity for all**, through more than 5,000 annual growth engagements, engaging more than 67,000 Black, Asian, Hispanic, and Latino professionals in our Connected Leaders Academy, and diversifying our firm’s own recruiting, adding more than 1,000 new sources of talent in 2022.

What does it mean to **accelerate sustainable and inclusive growth?** McKinsey partners from around the world weigh in.



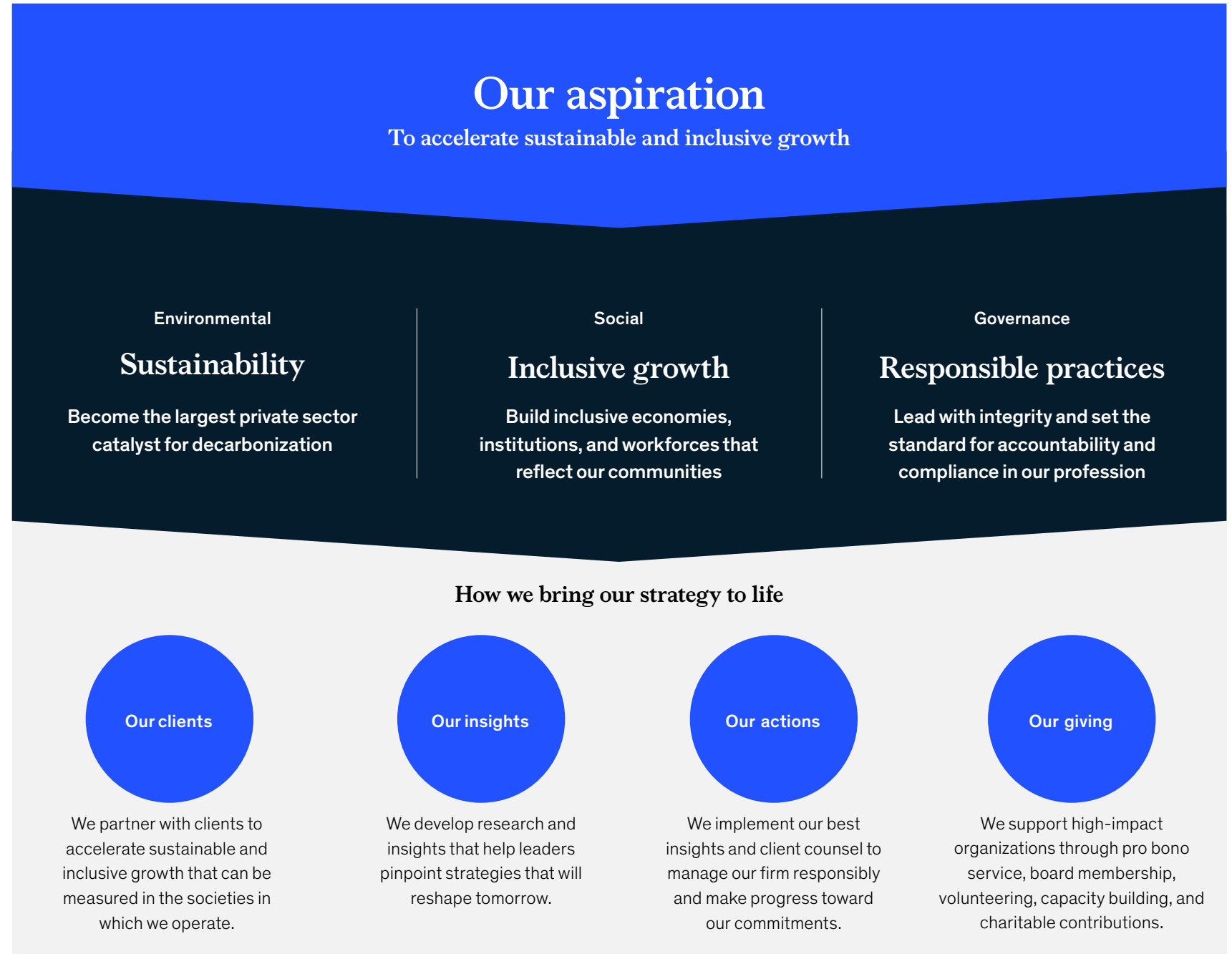
¹ The following numbers are based on our ongoing analysis of publicly held companies between 2015–2021. We assess the percentage of global gross domestic product (GDP) growth driven by our clients, relative to total global GDP growth. In the same time period, we look at total Scope 1 and Scope 2 CO₂ 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.

Our approach to 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 the firm's broader sustainable and inclusive growth strategy, all of which is underpinned by our commitment to responsible business practices.

Sustainable and inclusive growth is our "North Star" for articulating and delivering on our ESG priorities. We use our insights to inform how we manage our firm, which in turn impacts how we serve clients and guides how we contribute to communities.



Sustainability at a glance

Creating a more sustainable, inclusive, and growing future for all is the defining issue of our time. Addressing climate change is a crucial part of the equation.

Our sustainability agenda comprises two main priorities. We aspire to be the leading private sector catalyst for decarbonization through our work to help accelerate the transition to net-zero greenhouse gas (GHG) emissions. We are also committed as a firm to achieving net-zero climate impact by 2030, in line with validated, near-term, science-based targets as an important milestone on the pathway toward stabilizing global warming temperatures at 1.5°C.

Key highlights

Partnered with **Alphabet, Meta, Shopify, and Stripe** to found Frontier, a new \$1+ billion advance market commitment to purchase permanent carbon removal before 2030

Introduced a **global internal carbon fee** on all air travel to accelerate decarbonization and generate funding for carbon reduction efforts

Launched a Global Decarbonization Hub **in Houston to accelerate the energy transition** for our communities and clients, successfully delivering 30+ client engagements, including a roadmap to abate up to 50 mega-tons of carbon over 10 years for a major oil and gas company

Earned a spot on **CDP's Climate Change A List** for our transparency and leadership

Engaged **1,200+ colleagues across our 120 Green Teams** to reduce our environmental footprint globally



Coral and schools of fish swimming in Fiji; photographed by Rodolphe Holler for Conservation International.

\$400M+

invested in the past two years toward our \$1 billion commitment by 2025 to help our clients tackle the climate crisis

1,600+

sustainability-related client engagements in 2022

3,500+

colleagues spent more than 30% of their time on sustainability topics

97%

renewable electricity toward our goal of 100% by 2025

30%

reduction in absolute Scope 1 and Scope 2 emissions in 2022 (vs. 2019 baseline)

48%

reduction in Scope 3 emissions from travel per colleague in 2022 (vs. 2019 baseline)

Inclusive growth at a glance



Economic growth is at its best when it is inclusive.

Growth has the power to accelerate inclusion. Top-performing companies can uplift communities, create jobs, and expand markets in ways that generate more opportunity for everyone. And inclusion can be a driver for lasting growth. When leaders include people from all walks of life in their search for exceptional talent and new customers, they tap a source of enduring advantage.

We partner with our clients on both sides of this equation, leaving their organizations stronger, more productive, and more resilient. The result? Inclusive economies, institutions, and workforces that reflect our communities.

As a firm, we strive to foster an environment that is distinctive and inclusive. We create opportunities based on skills and demonstrated impact, and we encourage self-authorship, challenging colleagues to reach their fullest potential in an empowering, caring meritocracy.

Key highlights

Launched **McKinsey Sciences for Growth**, bringing together the best tech-enabled capabilities and people to help the boldest leaders accelerate their growth ambitions

Received **Brandon Hall Group HCM Excellence Awards** for reducing biases in our recruiting processes and for our sourcing and assessment strategy

Enhanced support for our firmwide **support network for colleagues with visible and invisible disabilities, Access McKinsey**, in close consultation with colleagues

Reached **100,000 learners from 60+ countries** across Africa, the Middle East, and beyond through our **Forward program, a free five-month online learning journey** equipping the next generation with the skills necessary to succeed in the future of work

\$140B

in value and 20,000+ jobs created by the 190+ new businesses imagined, scaled, and built through Leap by McKinsey

~\$620M

contributed in cash and in-kind support since 2020 toward our \$2 billion commitment to social responsibility by 2030 (\$275+ million this year)

48%

of our global workforce were women and 52% of client-serving US colleagues were from racial or ethnic minority groups²

67,000+

Black, Asian, Hispanic, and Latino leaders have enrolled in our Connected Leaders Academy to date

1,700

institutions we sourced talent from globally in 2022, up from 540 institutions in 2021

5,000+

growth engagements completed per year globally

² Equal Employment Opportunity (EEO) categories: Black or African American, Asian, Hispanic or Latino, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander (not Hispanic or Latino), Two or More Races. In previous reports, this group was referred to as "underrepresented" and is now referred to as "racial/ethnic minority." Race/ethnicity percentages in performance tables may not add up to figure due to rounding.

Responsible practices at a glance



Our aspiration at McKinsey is to lead with integrity and set the standard for accountability and compliance in our profession—and then to keep raising it.

To achieve this, we are proactively building and maintaining a culture of responsible practices, informed by our values. Our values are integral to everything we do—from how we assess risks and ensure data privacy, to the buying choices and practices we employ to drive positive impact across our supply chain. We have built and refined a model of ethical business that blends global best practices with the best of McKinsey’s high standards for client-service professionalism, including improvements to our professional standards, client service policies, and firm culture.

Key highlights

At least **three hours** of ethics, integrity, and/or compliance learning completed per colleague

Shared our **new global parental leave policy**, which extends firmwide parental leave (in most regions) and includes a reintegration program to support colleagues’ career growth upon their return to work

Achieved our 10 Actions goal to **double our spending with diverse suppliers** within three years

Established a cross-functional **Human Rights Working Group** to operationalize our approach to human rights due diligence and management

Updated our Acceptable Use of Technology Policy and implemented **enhanced cybersecurity measures** and controls

~\$700M

invested in strengthening our risk management teams, capabilities, and processes since 2018

100%

of new clients were vetted against our industry-leading CITIO client service framework³

100%

of colleagues completed annual Professional Standards and Risk training⁴

99%

pay equity for men and women colleagues globally⁵

³ 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.

⁴ 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 the firm).

⁵ The pay ratio was calculated using annualized 2022 total compensation of female to non-female firm members, weighted based on segments including employee grouping and level by country, including non-partners and partners. Segments with a total number of colleagues less than ten were excluded.

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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 