McKinsey
& Company

2024 Report

Accelerating sustainable and inclusive growth for all

Sherina, *Hemant*, and *Lucy* are senior partners who drive sustainable and inclusive growth by setting our strategic direction and firm policies, partnering with clients to reach net zero, and advancing health equity.

Contents

Message from our global managing partner

The pace of change in 2024 was unlike anything we've seen before, and it's not likely to let up soon. But amid the geopolitical shifts and technological disruptions, you can find many "bright spots"—beacons of opportunity, collaboration, and growth.

These are the stories we share in this report (and why this is my favorite letter to write). Our goal at McKinsey & Company is to help accelerate sustainable and inclusive growth globally, and it's a key metric by which we measure ourselves. In the following pages, you'll see our progress against that goal and read stories about how our colleagues and clients have helped bring these "bright spots" into the world this past year.

Sustainability

Growth must be sustainable to last, which is why we remain committed to our aspiration to be the largest private sector catalyst for decarbonization in the world. Over the past year, we've outlined the "trilemma" countries face in providing energy that is secure, affordable, and sustainable. But it isn't easy.

Throughout 2024, our colleagues have helped our clients on that journey, building new green businesses, scaling sustainable technologies, decarbonizing supply chains, and more. Taken together, our clients have contributed more than 80 percent of reported emissions reductions. We are proud to support their progress.

In addition to our client work, our colleagues also continue to drive the conversation with our insights—publishing research on the physical realities of the energy transition, circularity in the built environment, and how we measure and gain on climate goals globally. We also continue our own decarbonization efforts, making progress toward our emissions reduction targets for 2025.

Inclusive growth

Growth is good and essential to global prosperity. It's how we continue to improve lives and livelihoods, discover new ways of working and being, and leave our societies better for the next generation. That is why we're committed to boosting economic opportunity worldwide and bringing the best of McKinsey to help more people succeed.

One of my favorite examples from 2024 was our work with Banco de Crédito del Perú to help grow and build the capabilities of Yape. This digital payment app has helped five million unbanked people gain access to the financial system and enhanced financial inclusion for over 16 million users. But that is just one story: Our clients have contributed 18 percent of global GDP growth and one million new jobs per year. In 2024 alone, our colleagues helped build more than 100 businesses (an average of two per week), creating thousands of jobs in the process.

Our pro bono work has also touched countless lives in the past year. In 2024, we hit $1 billion in monetary and in-kind giving since 2020—halfway to our $2 billion pledge. We've also reached 230,000 new learners through our Forward program and helped upskill, reskill, or otherwise support nearly 20 million people through our nonprofit partners and pro bono programs.

Finally, inclusion is also written into our DNA through our commitment to a diverse meritocracy. We don't guarantee equity in outcomes, but we do strive to ensure everyone has a fair shot to succeed here. We want the world's best, regardless of background or where they were educated. We now have as many women as we do men in our newest hiring class. And, for the second year in a row, *TIME* and Statista named McKinsey the top company for future leaders.

Bob Sternfels speaking at the 2024 World's Most Influential Women Network event held in New York City.

Responsible practices

It's our firm's aspiration to accelerate sustainable, inclusive growth, but it's also a privilege. None of what we do would be possible without the trust and partnership of our clients, colleagues, and the communities in which we work.

We strive to earn and keep that trust by leading with integrity and setting the standard for accountability and compliance in our profession. From client and supplier selection to data protection, we are committed to upholding the highest professional and ethical standards in every aspect of our operations—including vetting 100 percent of new clients against our CITIO client service framework, which serves as a guide for the kinds of work we will and will not do.

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Our work is always ongoing. In 2024, we invested $1.27 billion in innovation, knowledge, and capabilities to ensure we continue to help our clients deliver the "bright spots" you'll find in this report. I hope these pages serve as inspiration for what we can accomplish together in 2025.
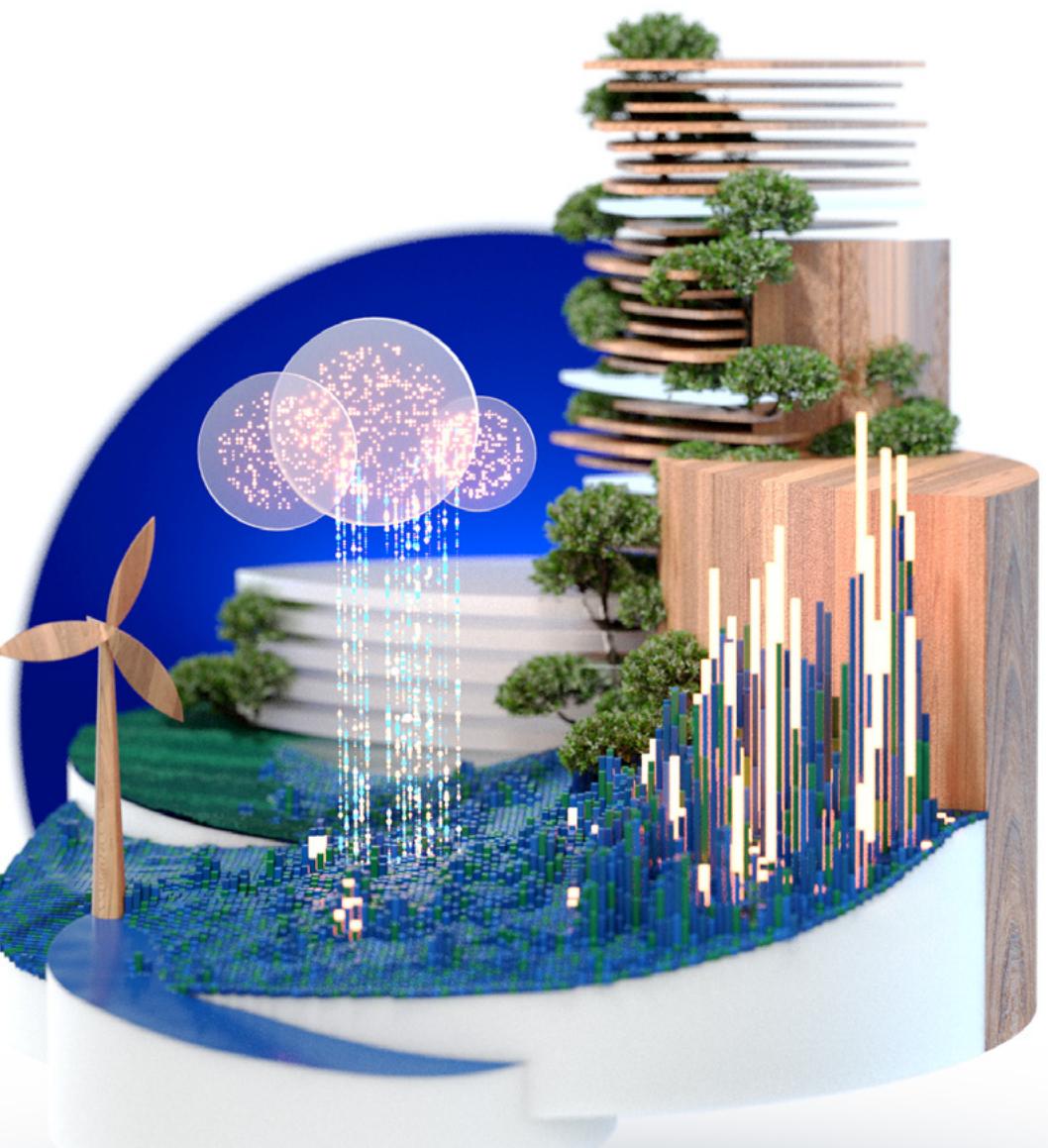
Bob Sternfels
Global managing partner, McKinsey & Company

Bob Sternfels

2024 progress highlights

Sustainability

3,200
of our colleagues worked on 1,640 sustainability engagements with 720 clients across 58 countries

62%
reduction in Scope 1 & 2 emissions, outperforming our 25% reduction target for 2025

50%
reduction in business travel emissions per FTE, outperforming our 35% reduction target for 2025[1]

20M ton
advance market commitment for nature-based carbon removal projects by 2030 together with other Symbiosis members

Inclusive growth

18%
of global GDP growth contributed by our clients[2]

1M
new jobs per year contributed by our clients[2]

$1.05B
contributed in monetary and in-kind support since 2020 toward our $2B commitment to social responsibility by 2030 ($194M in 2024)

700
new businesses built by McKinsey Business Building since 2019[3]

51%
of our global new hires were women

Responsible practices

100%
of new clients vetted against our industry-leading CITIO client service framework in line with our ambition to set the standard for our industry[4]

Top 1%
of companies in our industry in sustainable procurement, as rated by EcoVadis[5]

100%
of colleagues completed the annual risk training and certified compliance with firm policies and our Code of Conduct[6]

1   Full-time equivalent (FTE). Our business travel emissions per FTE include emissions reductions from sustainable aviation fuel certificate purchases.

2   The following numbers are based on our ongoing analysis of publicly held companies between 2018–2023. We assess the percentage of global gross domestic product (GDP) growth driven by our clients relative to total global GDP growth. We also establish the average net new jobs created by our publicly held clients during this period.

3   Formerly Leap by McKinsey.

4   We assess our engagements based on a set of criteria across five dimensions: Country, Institution, Topic, Individual, and Operational considerations (CITIO).

5   A leading sustainability ratings organization.

6   This figure does not include firm members who qualified for an exemption (such as a leave of absence).

About McKinsey

Founded in 1926, McKinsey operates as a single global partnership united by a strong set of values and the drive to deliver positive, enduring change. Today, we continue to combine bold strategies and transformative technologies to support organizations to innovate more sustainably, achieve lasting gains in performance, and build workforces that will thrive for this generation and the next.

▶ 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.** ⬈

67
countries

3,500
clients served

David, a senior security analyst, and Shanna, a talent branding specialist, pictured in our Boston office.

We aspire to drive sustainable and inclusive growth with our clients, colleagues, and communities

We believe that sustainability, growth, and inclusion can—and must—be mutually reinforcing. That's why we don't settle for trade-offs—we embrace the power of "and" and strive to make it a reality every day through our client work, insights, giving, and the way we manage our firm.

One of the ways we bring this commitment to life is by sharing our research publicly to equip leaders across the public, private, and social sectors with the fact base needed to drive measurable progress.

▶ **Learn more about** [our work to drive sustainable and inclusive growth](#). ⬈

We're partnering with our clients to lead on sustainable and inclusive growth.[7] They have contributed:

18%
of global GDP growth

1M
new jobs per year

>80%
of reported CO_2 emissions reductions[8]

Our aspiration

To accelerate sustainable and inclusive growth

Sustainability
Become the largest private sector catalyst for decarbonization

Inclusive growth
Build inclusive economies, institutions, and workforces that reflect our communities

Responsible practices
Lead with integrity and set the standard for accountability and compliance in our profession

How we bring our aspiration to life

Our clients
We partner with clients to accelerate sustainable and inclusive growth that can be measured in the societies in which we operate

Our actions
We implement our best insights and client counsel to manage our firm and make progress toward our commitments

Our insights
We develop research and insights that help leaders pinpoint strategies that will reshape tomorrow

Our giving
We advance economic opportunity by promoting job creation and placement, upskilling, reskilling, and education

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7   The following numbers are based on our ongoing analysis of publicly held companies between 2018–2023. 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 CO_2 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.

8   In 2024, our firm changed its data provider, which supplies the data used to calculate CO_2 emissions reductions. The calculation methodology remains unchanged.

How we partner with our clients

Creating positive, enduring change means working side by side with our clients from idea to impact. We help them translate their ambition into action, realizing the impact and building their capabilities to continue driving transformative change over time.

We partner with clients to turn their ambition into action, including by:

— **Building strategies for growth and resilience.** We partnered with **Emirates NBD bank** ↗ on an artificial intelligence (AI)-powered transformation poised to generate $150B in value.

— **Excelling in the age of digital and AI.** We created a generative AI-powered solution for **Ascendum** ↗ to enhance efficiency and customer satisfaction.

— **Helping companies transform and develop organization-wide skills and capabilities.** More than 670 companies received technical consultancy and 30,000 employees were upskilled in digital and sustainable transformation through MEXT, the innovation and learning center we established with the **Turkish Employers' Association of Metal Industries.** ↗

— **Driving climate action and growth.** We used automation to help agriculture equipment manufacturer **AGCO** ↗ accelerate decarbonization across the farming supply chain.

$1.27B

invested in innovation, knowledge, and capabilities

Select 2024 awards and recognitions

— TIME and Statista's #1 Company for Future Leaders

— Forbes' World's Best Management Consulting Firms

— Leader in The Forrester Wave™: Cybersecurity Consulting Services, Q2 2024[9]

— Leader in The Forrester Wave™: Customer Experience Strategy Consulting Services[9]

[9] Forrester does not endorse any company, product, brand, or service included in its research publications and does not advise any person to select the products or services of any company or brand based on the ratings included in such publications. Information is based on the best available resources. Opinions reflect judgment at the time and are subject to change. For more information, read about **Forrester's objectivity.** ↗

Clients and colleagues work together in our Innovation & Learning Center in Atlanta.

We help our clients accelerate growth in the age of digital and AI

Many of the world's important, urgent, and complex problems are enabled or unlocked by technology. But technology alone is not enough. To infuse certainty into every step of our clients' tech evolutions, we unite technologists, strategy, deep domain expertise, and an operating model that has world-class AI and tech delivery capabilities. Whether modernizing and transforming what our clients do today or building a new business to take advantage of the market opportunity, we help our clients connect the power of their people with the potential of technology to rewire their organizations for tomorrow.

Unlocking the power of AI through QuantumBlack

QuantumBlack, McKinsey's AI arm, has been helping businesses create value from AI since 2009, expanding on McKinsey's technology work over the past 30 years and delivering the organizational rewiring that businesses need to build, adopt, and scale AI capabilities. QuantumBlack combines an industry-leading tech stack with innovations fueled by QuantumBlack Labs—its center for R&D and software development.

Building and scaling new businesses

McKinsey Business Building helps clients turn ambition into outsized growth. McKinsey Business Building brings clients unparalleled industry foresight, proven ideas, and a top-tier team of business builders—all enhanced by AI-accelerated design

and build processes. Together, McKinsey Business Building and clients shape a multi-year relationship to ensure the essentials are in place: the right leadership and governance, talent and capabilities, and funding strategies.

Modernizing technology end to end

McKinsey Technology works with clients to rewire their organizations by building modern technology functions, reinventing technology delivery, and future-proofing the foundation. We help deliver end-to-end, tech-enabled transformations for our clients by focusing on IT infrastructure, architecture, data, operations, and overall technology strategy.

Capturing the next era of tech-powered growth

McKinsey Growth, Marketing & Sales helps clients achieve above-market growth and operational excellence. From optimizing customer interactions through technology to infusing generative AI across the B2B sales process, we identify the areas where technology can make the biggest impact within marketing and sales and turns those opportunities into transformative value.

Our alliances

We have a trusted ecosystem of partners, with which we deliver on the promise of technology from strategy to scale for our clients. In 2024, we launched or expanded partnerships with:

— **Amazon Web Services** to help organizations accelerate transformations

— **Microsoft** to drive business value creation with generative AI agents

— **Salesforce** to deliver on the promise of AI-powered growth

— **Google Cloud** to help clients catalyze large-scale, innovative change

— **NVIDIA** to help our clients tap into generative AI's $4 trillion productivity potential

— **SAP** to **rewire value creation** and **accelerate generative AI-enabled transformation**

▶ **Learn more about our ecosystem of strategic alliances to bring the power of generative AI to clients.**

Amazon Web Services named McKinsey its Sustainability Partner of the Year

Our solutions

Our portfolio of **tech-enabled tools** leverage advanced technology, proprietary data, and deep expertise to help clients across diagnostics, market intelligence, management technology, and analytics.

Our commitment to Responsible AI drives our innovation

We believe AI has the power to transform business and are committed to helping our clients and colleagues harness that potential with principles and ethical guardrails for the responsible use of AI. As AI evolves, our approach will adapt to ensure we continue to deliver leading and trustworthy AI advancements.

Governing AI through effective oversight

We have a comprehensive framework of principles and standards designed to guide the development and delivery of AI systems, both for our own use and for AI systems we develop for our clients. This framework helps manage risks and promotes trustworthiness in the AI solutions we create or leverage from third parties. These guardrails include our:

— **Responsible AI Standard**, governing our responsible development and implementation of AI within our firm and in our client service. This standard is embedded in the process for launching our client solutions and aligns with emerging regulations and industry standards.

— **Responsible AI Principles**, ⬀ guiding work with clients through our AI arm, QuantumBlack.

— **Technology Delivery Standard**, requiring all client engagements involving technology delivery (including AI systems) to undergo a risk assessment to ensure that the project and AI system align with our values and responsible AI principles. AI-related client service matters that require consideration beyond our standard processes are escalated to a global decision-making body, the Client Service Risk Committee (CSRC), which provides bespoke guardrails to address risks.

— **Generative AI Safe Use Guidelines**, providing our colleagues with guidance on the safe and responsible use of generative AI in their work.

Our Generative AI Acceleration Steering Committee oversees our firm's generative AI strategy and includes representatives from our risk and legal teams.

OUR INSIGHTS

Explore our ten principles for the responsible use of AI ⬀

Training our colleagues

— In 2024, we required all of our colleagues to take training on the safe use of generative AI, in line with our published guidelines.

— We have an intranet site that serves as a one-stop shop for colleagues to review our AI risk management standards and practices.

— Our legal team has been trained to ensure consistent practices for contracting related to AI services.

Serving clients and building alliances to help clients manage AI risk

We launched our **AI Trust service line** ⬀ this year to serve our clients on the challenges of putting in place the practices, processes, and policies to help them navigate and manage responsible AI innovation. We have also engaged with academics, civil society organizations, and the policy community to assure we have a global view of this fast-changing domain. We announced a strategic alliance with Credo AI, a leader in AI governance software, to provide our clients with solutions to support the governance, risk management, and compliance for AI and generative AI.

HIGHLIGHT
Setting world records with AI

Our AI capabilities helped a new Formula E electric race car, GENBETA, set a Guinness World Record for indoor land speed. Here attendees try out our AI-powered Formula E electric race car simulator at Dreamforce 2024. ⬀

Featured case studies

▶ See more examples of how we **drive impact with our clients**. ☐

Turkish Employers' Association of Metal Industries
Transforming Türkiye into a digital and sustainable manufacturing leader

We partnered with the Turkish Employers' Association of Metal Industries to launch MEXT, an innovation and learning center that offers manufacturers technology and sustainability technical assistance, tools, strategies, and training to help companies transform. The impact of MEXT has been significant, with more than 676 companies across 12 industries already benefiting from services like upskilling, assessments, and consultancy. We also helped establish capability-building programs that upskilled more than 30,000 people in new technologies. Together, these efforts have driven a 15 percent improvement in productivity, strengthened competitiveness, and supported Türkiye's transition toward net zero.

30,000
people trained in digital and sustainable transformation

Learn more ☐

AGCO
Accelerating decarbonization across the farming supply chain

We partnered with global agriculture equipment manufacturer AGCO to automate its decarbonization cost curve building and planning efforts. Using Catalyst Zero, our decarbonization tool that identifies cost-effective options to reduce carbon emissions, we helped AGCO understand where carbon was being produced so it can abate those emissions in the most strategic and efficient way possible. And by deepening its understanding of decarbonization strategy across various business units and regions, AGCO will be able to execute these initiatives more cost-efficiently.

500K
operational data points processed with AI

Learn more ☐

Goodwill Industries International
Building bridges toward career opportunities for millions of people

We teamed up with Goodwill Industries International and its broader network to support our shared mission: helping more people across North America find meaningful employment and build sustainable careers. Each year, local Goodwill organizations engage 1.7 million individuals through job training, placement, and support services. Together, we enhanced the Goodwill Opportunity Accelerator®—streamlining over 35 services into a cohesive, accessible path, and adding digital outreach and youth-focused coaching. With stronger tools for data tracking and support, local Goodwill teams are now better equipped to deliver consistent, high-quality service. This work expands access and opportunity in a rapidly evolving workforce landscape.

1.7M
people supported annually through Goodwill's job training and services

Learn more ☐

How we use insights to drive action

We develop research and insights that help leaders pinpoint strategies that will reshape tomorrow.
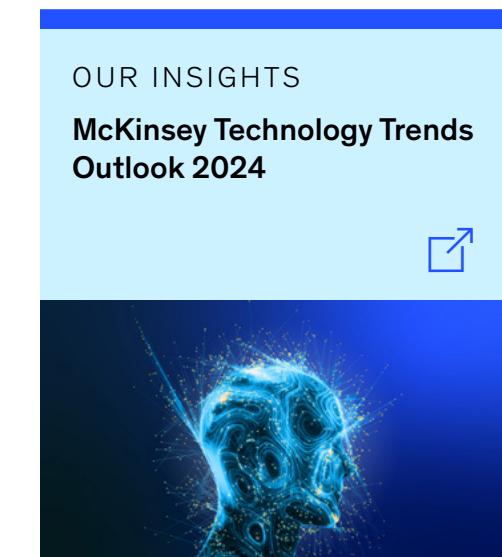
Our research enables leaders to make strategic decisions that spur innovation, growth, and a more sustainable and inclusive world, including:

We make our insights available to the public to drive positive change at scale. In 2024, readers in 240 countries spent 2.2M hours reading our insights.

Navigating the business landscape
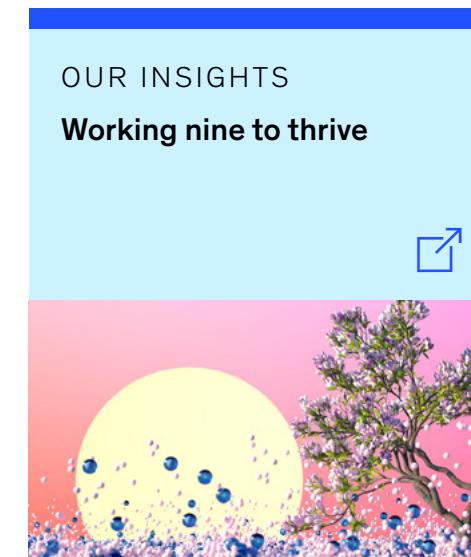
Founded in 1990, the **McKinsey Global Institute** provides a fact base on five critical economic and business themes: productivity and prosperity, resources of the world, human potential, global connections, and technologies and markets of the future. From aerospace to implementation, our 30+ industry and client capability teams also provide insights to help organizations track trends and see around corners.

Shaping the future of technology

We examine the most significant technology topics and trends to help executives plan ahead by developing an understanding of potential use cases, sources of value, adoption drivers, and the critical skills needed to bring these opportunities to fruition.

Progressing human health

The **McKinsey Health Institute** addresses historically underinvested areas of health by convening and activating leaders, advancing research, creating and promoting data and tools, and stimulating investment and innovation.

Advancing economic mobility

The **McKinsey Institute for Economic Mobility** accelerates economic development by providing research, mobilizing stakeholders, and providing practical assets and capabilities to create real-world impact.

— **McKinsey.com** is the hub for our firm's latest articles, research, and expert commentary.

— The **McKinsey Insights app** offers a curated selection of insights with a new "for you" option that allows users to personalize their experience.

— The **McKinsey Quarterly** delivers distinctive, crosscutting insights on management, strategy, and leadership topics. A yearlong celebration of its 60th birthday is underway, which will feature four special issues and several interactive features.

— The award-winning **McKinsey Podcast** features conversations with experts on topics ranging from leadership to change management.

OUR INSIGHTS
The next big arena of competition

OUR INSIGHTS
McKinsey Technology Trends Outlook 2024

OUR INSIGHTS
Working nine to thrive

OUR INSIGHTS
The state of Black residents: The relevance of place to racial equity and outcomes

Three of our most-read publications in 2024:

— **The economic potential of generative AI: The next productivity frontier**

— McKinsey Explainers: **What is COP?**

— **The Journey of Leadership: How CEOs learn to lead from the inside out**

Sustainability

In this chapter

*From left to right: **Julyeon**, knowledge expert, Catalyst Zero, Amsterdam; **Neil**, specialist, McKinsey Sustainability, Singapore; **Isabelle**, director of sustainability, Denver.*

Sustainability at a glance

We aspire to be the largest private sector catalyst for decarbonization

Driven by our sector knowledge and insights, we are accelerating the transition of our own operations toward net zero, while working alongside clients to fast-track their progress as well.

Our clients

1,640

sustainability-related client engagements

Our firm

50%

reduction in travel emissions per FTE, outperforming our 35% reduction target for 2025[10]

Our insights

Up to 80%

of global power generation is predicted to come from low-carbon energy sources by 2050[11]

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10   Full-time equivalent (FTE). Our business travel emissions per FTE include emissions reductions from sustainable aviation fuel certificate purchases.

11   Learn more in our report, **Global Energy Perspective 2024.** ↗

*"We partner to **unlock opportunities**, navigate uncertainties, and turn climate goals into reality."*

Hemant Ahlawat ↗ is a senior partner, co-leader of McKinsey Sustainability, and co-chair of the McKinsey Health Institute, based in Zurich.

Hemant helps industries reach net zero and catalyzes action and investment to progress historically under-resourced areas of health.

Our clients

Advancing the decarbonization journey with our clients

Sustainability matters. Here's how we're working with clients to make it real.

Our approach

The importance of addressing climate change and reducing carbon emissions has never been greater, as the world faces the challenge of decarbonizing while tackling the "trilemma" of providing energy that is secure, affordable, and sustainable. Although meaningful momentum toward net zero is building, the world is not transitioning quickly enough. At the same time, there are tremendous growth opportunities for leaders who make the right moves. We believe decarbonization can coexist with economic growth, if carefully managed in both emerging and established economies. Leaders need to understand not only where their climate-related risks and opportunities lie but also how to lead their countries and companies through this complex, dynamic, and often uncertain landscape.

Sustainability is a mission-critical priority for McKinsey, and we have been helping our clients decarbonize,

build climate resilience, and address sustainability challenges for over two decades. We help organizations achieve their climate ambitions by moving beyond the "why" of sustainability and focusing on the "how" across multiple imperatives: reducing emissions, ensuring affordability of energy and materials, providing reliable and secure energy systems, and strengthening competitiveness for companies and countries.

We are focused on accelerating the pace of decarbonization, moving from long-term commitments to driving immediate, measurable progress. Our goal is to be the leading private sector catalyst, partnering with organizations across industries as they fast-track their decarbonization journeys. The mandate to increase the rate of progress is at the core of our work today. 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 ↗ is our firm's client service platform, which helps organizations move from making plans to achieving real results on their sustainability journeys.

— We engage with companies—including those in high-emitting sectors—to help them reduce emissions, save costs, and create value while meeting the world's demand for food, energy, and materials.

— We collaborate with incumbents, entrepreneurs, and start-ups to drive technological innovation, deployment, affordability, and scale at unprecedented speed.

— We work with banks and investors to help them decarbonize their portfolios and spur investments toward sustainable solutions.

— We work with leaders across sectors and regions to promote a nature-positive economy, using research and data to create strategies that deliver new opportunities, manage risks, and restore natural ecosystems.

By serving clients on sustainability topics, we aspire to help them make rapid progress toward their climate commitments, measuring results in months rather than decades.

3,200
colleagues worked on sustainability engagements

58
countries where we collaborated with clients on sustainability engagements

*"We help businesses **build resilient models** that meet economic goals and sustainability aims, adapting to changes in customer preferences and advances in energy and climate technology."*

Sanjay Kalavar, senior partner and co-leader of McKinsey Sustainability

Our key actions in 2024

Deploying our core client capabilities

Building green businesses

We helped incumbents, entrepreneurs, and innovators accelerate the growth of green businesses by optimizing funding strategies, fostering cross-sector collaboration, and providing strategic support. For key climate technologies, we assist clients as they develop pathways that drive scale, innovation, and deployment—ultimately helping to reduce technology costs and build markets for next-generation climate solutions.

We also hosted **Green Business Building Summits** ⬀ in eight countries, convening 1,500 C-suite executives from green tech disruptors, incumbents with ambitious green growth agendas, and sustainability investors to discuss challenges and successes.

Creating value through decarbonization

Companies need to look at their entire operations— from designing products and managing their supply chain to manufacturing—to find and reduce carbon emissions. Success requires complex trade-off decisions that span product design, supply chains,

industrial processes, distribution networks, circularity, and technology innovation. In 2024, we helped companies track and reduce emissions across their entire value chains, helping leaders create plans that consider both cost and carbon impact.

Amplifying climate investment

We collaborated with asset managers, banks, insurers, and private equity firms to help reduce their climate risk exposure, transition to net-zero emissions, and create sustainability-focused products. Additionally, we helped investors as they identify high-impact carbon reduction opportunities and support their sustainability-driven portfolio companies. We work with our clients to analyze detailed climate scenarios to help financial institutions assess climate-related risks and manage financed emissions.

▶ **Read our sustainability impact stories** ⬀ **to learn more about how we have collaborated with our clients.**

Tomas Nauclér, senior partner, at our Green Business Building Summit in Stockholm.

In 2024, we accelerated green business growth, tracked and reduced emissions, and partnered with financial institutions to drive sustainable investment.

Convening global leaders to catalyze knowledge and impact

We work side by side with leading institutions to address challenges that no organization can solve alone. Key initiatives include:

— At Davos, we released joint research with the World Economic Forum, **Circularity in the Built Environment: Maximizing CO$_2$ Abatement and Business Opportunities,** ⬀ which demonstrates that transitioning from a linear to a circular economy in the built environment could simultaneously fuel economic growth and reduce CO$_2$ emissions.

— As a key driver of the **Climate Transition Impact Framework,** ⬀ we assisted with the quantitative assessment of global climate scenarios across various countries, demonstrating the impact of measuring potential socioeconomic outcomes during the transition. Building on our work from last year, we helped bring together leaders from the public and private sectors and nongovernmental organizations across six global convenings to discuss the unlocks for shaping a transition that delivers win–win outcomes for both the climate and people.

— As the Platinum Partner for Climate Week NYC, we shared insights during the opening ceremony and led conversations on what is needed to accelerate climate action across more than 20 gatherings of leaders across industries and sectors.

— During COP16, the 16th Conference of the Parties to the United Nations Convention on Biological Diversity, we convened 233 senior leaders from the public, private, and social sectors, including CEOs and ministers. Sessions focused on discussing steps leaders can take to safeguard biodiversity and natural resources while generating socioeconomic benefits.

— At **COP29, the United Nations Climate Change Conference** ⬀ in Azerbaijan, McKinsey Sustainability hosted a series of in-person and live-streamed events that reached more than 7,850 attendees. These events focused on the practical steps leaders can take to achieve sustainability and growth across key areas such as energy, climate tech, adaptation, and finance.

— We also served as a knowledge partner for the Indonesia International Sustainability Forum in 2024, working to inspire innovation and foster collaboration that enables sustainable, inclusive growth across Asia. The event, which attracted over 11,000 participants from 53 countries, focused on participants crafting strategies and formal partnerships that advance sustainability across industries.[12]

Shaping the net-zero agenda through insights
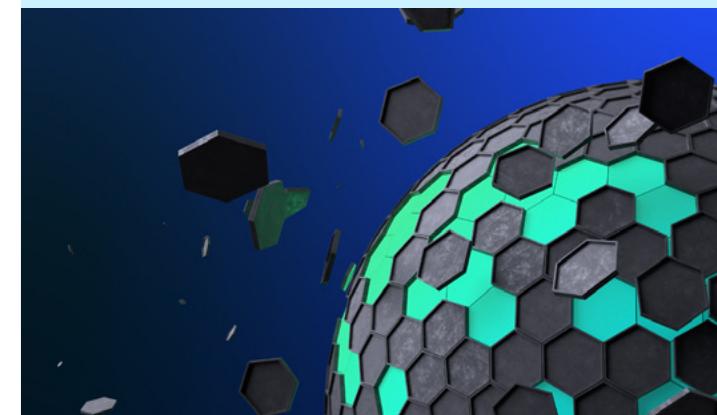
We are accelerating the journey to net zero, publishing **in-depth, fact-based insights** ⬀ that meaningfully advance progress and problem-solving on the global energy transition.

Decarbonization is at the top of the leadership agenda—but the drive to net zero is also at an inflection point. The imperative to transition to an energy system that is clean and sustainable and at the same time affordable and secure presents leaders with a "devilish duality" that makes decision making fraught with risk.

We help leaders navigate this dilemma through publications covering a range of topics: physical climate risk, sustainability, decarbonization, and approaches to addressing global, regional, and sector-specific energy challenges. Through our research and insights, we seek to generate new thinking, identify practical solutions, and inspire the bold action necessary to realize a safer and more sustainable future.

OUR INSIGHTS

The hard stuff: Navigating the physical realities of the energy transition

Learn what it will take to transition to low-emissions energy technologies at scale ⬀

OUR INSIGHTS

A radical approach to cost reduction at climate tech companies

Read our guide to scaling critical climate solutions ⬀

12   Indonesia International Sustainability Forum. ⬀

Our firm

Charting our firm's path to net zero

We are rapidly accelerating our progress in cutting greenhouse gas (GHG) emissions, reducing Scope 1 and 2 emissions by 62 percent and Scope 3 travel emissions by 50 percent in 2024.[13]

Our approach

Cutting our emissions

We have set emissions reduction targets, validated by the Science Based Targets initiative (SBTi), the world's preeminent scientific standard-setting institution:

— 2025 near-term target: reduce Scope 1 and 2 emissions by 25 percent and Scope 3 business travel emissions per full-time equivalent (FTE) by 35 percent relative to our 2019 baseline

— 2030 near-term target: reduce Scope 1 and 2 emissions by 64.5 percent and Scope 3 business travel emissions per FTE by 55 percent relative to our 2019 baseline

— 2050 net-zero target: reduce Scope 1 and 2 emissions by 90 percent and Scope 3 business travel emissions per FTE by 97 percent relative to our 2019 baseline

[second column]

We are implementing a variety of measures to achieve these targets, such as switching to electric vehicles (EVs), transitioning to 100 percent renewable electricity, fostering purposeful travel, and procuring sustainable aviation fuel (SAF).[14] We recognize that reaching net zero is a journey and our progress may not always be linear, but we are committed to doing our part and acting today.
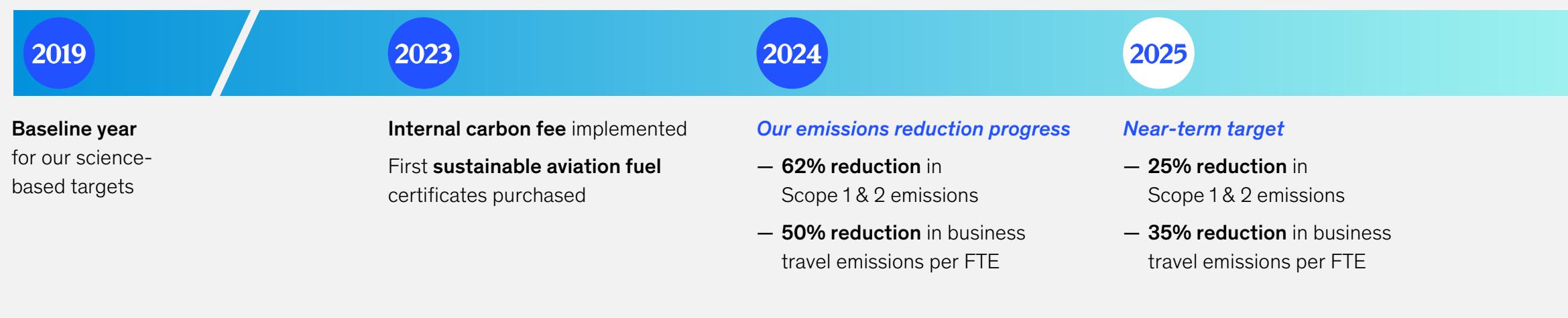
Compensating for remaining emissions

Since 2018, we have compensated for the emissions we have not yet eliminated by purchasing carbon avoidance and removal credits. We have partnered with **Frontier** ⤢ and **Symbiosis** ⤢ to help scale permanent carbon removal technologies and high-integrity nature-based removals (NBRs), respectively. We will transition to purchasing 100 percent carbon removal credits by 2030.

Catalyzing climate action

We partner with clients, nonprofits, suppliers, and other companies to protect nature, advance new technologies, and enable critical climate financing. Our advance market commitments and collaboration with other buyers play an important role in our carbon-related procurement.

We are currently outperforming our 2025 emissions reduction targets

2019

Baseline year
for our science-based targets

2023

Internal carbon fee implemented

First **sustainable aviation fuel** certificates purchased

2024

Our emissions reduction progress

— **62% reduction** in Scope 1 & 2 emissions

— **50% reduction** in business travel emissions per FTE

2025

Near-term target

— **25% reduction** in Scope 1 & 2 emissions

— **35% reduction** in business travel emissions per FTE

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13   Relative to our 2019 baseline. Our business travel emissions per full-time equivalent (FTE) include emissions reductions from sustainable aviation fuel (SAF) certificate purchases.

14   SAF is an alternative, drop-in jet fuel which, compared to fossil jet fuel, can reduce emissions significantly. SAF 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 **sustainable fuels**. ⤢ Learn more about how we account for SAF certificates in our **GHG emissions reporting methodology and improvements**.

Our key actions in 2024
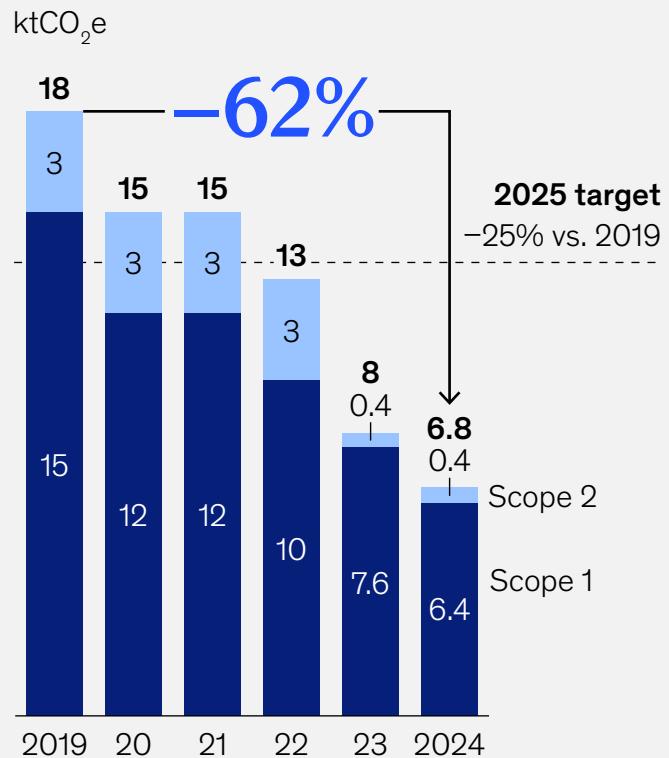
Cutting our emissions

Scope 1 and 2 emissions

Our Scope 1 and 2 emissions represent 2 percent of our 2019 baseline. Our Scope 1 emissions include company cars, office heating and cooling, and on-site electricity generation. Our Scope 2 emissions include consumption of electricity and district heating.

We have reduced Scope 1 and 2 emissions by 62%, outperforming our 25% reduction target for 2025

Our Scope 1 & 2 emissions
$ktCO_2e$

−62%

	2019	20	21	22	23	2024
Total	18	15	15	13	8	6.8
Scope 2	3	3	3	3	0.4	0.4
Scope 1	15	12	12	10	7.6	6.4

2025 target
−25% vs. 2019

Scope 2

Scope 1

Electrifying our owned vehicles

Our owned vehicles account for a large share of our Scope 1 emissions, and we are implementing policies to reduce these emissions. For example, we have EV-only policies in countries that represent more than 61 percent of our fleet. EVs now account for 39 percent of our owned vehicles, up from 4 percent in 2019. In countries where EV infrastructure is challenging, we are pursuing alternative lower-emission fuels and alternative transportation packages.

Making our offices more sustainable

We are working with our real estate team and Green Teams to identify and implement measures to reduce the environmental impact of our offices, including emissions from office heating and cooling.[15] For example, we have increased our global office space in LEED-certified (or equivalent) commercial interiors or office buildings to 66 percent.[16] Fifty-eight percent of our global office buildings or interiors are LEED Gold or Platinum (or equivalent) certified and several of our offices are ISO 14001 certified.[17]

Purchasing 100 percent renewable electricity

To minimize our Scope 2 emissions from electricity consumption in our offices, we aim to procure electricity from renewable sources. Where this is not feasible, we purchase renewable electricity certificates. As a result, we have been sourcing 100 percent renewable electricity since 2023, ahead of our 2025 target.[18] In 2024, we started procuring renewable electricity certificates to cover electricity-related emissions that colleagues generate while working from home.

Sara and Joselyn, members of our Costa Rica Green Team, volunteering at a local park.

HIGHLIGHT
How our Green Teams drive sustainable change locally

Our Green Teams comprise colleagues that are passionate about improving the environmental sustainability of their local office and community. They raise awareness about sustainability topics, encourage colleagues to make more sustainable travel choices, and lead projects in their communities. For example, our Green Team in Bengaluru, India, installed solar panels at a local school to provide clean electricity for students, and our Green Team in Prague, Czechia, led a tree-planting project to increase biodiversity in the local Prokop Valley Nature Reserve.

15　The main environmental impact of our offices comes from greenhouse gas (GHG) emissions. Nevertheless, our assessment of how our offices overlap with nature-critical areas concluded that several of our offices are located in water-stressed areas. We minimize water consumption in our offices by implementing water-saving measures. Additionally, although waste from our offices is relatively immaterial, our offices have implemented a range of initiatives to address it, from facilitating recycling to eliminating single-use plastics.

16　Leadership in Energy and Environmental Design (LEED) is a widely used and global green building certification.
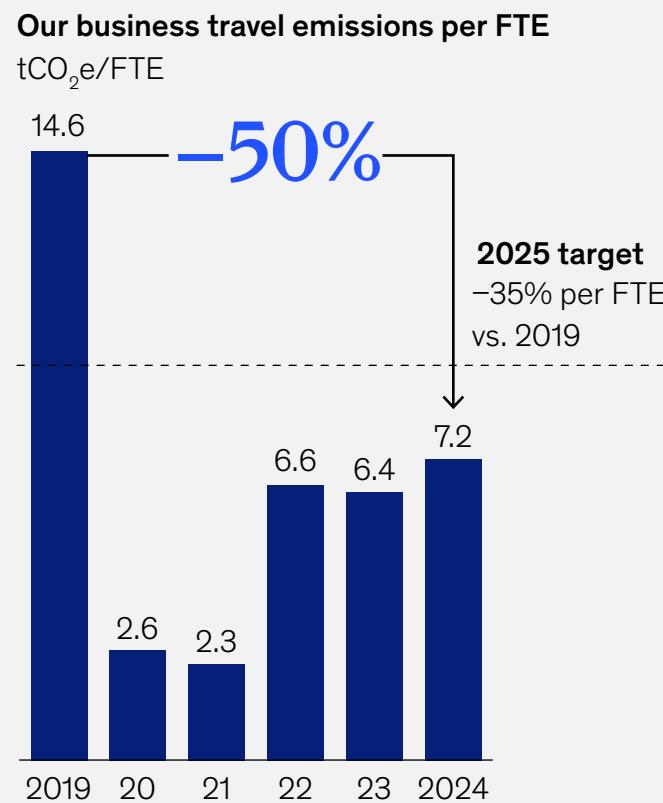
17　Our global environmental management system (EMS) reflects best practice standards outlined in ISO 14001, the internationally recognized standard for EMSs.

18　In 2024, 98% of our procurement was aligned with RE100 criteria. In cases where we cannot procure electricity certificates from within country due to market barriers, we procure from the next best countries.

Scope 3 emissions

Our Scope 3 emissions represent 98 percent of our 2019 baseline. They are mostly driven by business travel, primarily air travel, followed by hotel stays and ground transportation. In 2024, we achieved a 50 percent reduction in air and ground travel emissions per FTE relative to our 2019 baseline, outperforming our target of a 35 percent reduction by 2025.[19]

We have reduced travel emissions per FTE by 50%, outperforming our 35% reduction target for 2025[19]

Our business travel emissions per FTE
tCO_2e/FTE

−50%

14.6

2.6   2.3   6.6   6.4   7.2

2025 target
−35% per FTE
vs. 2019

| 2019 | 20 | 21 | 22 | 23 | 2024 |

Expanding our carbon fee beyond air travel
Since January 2023, we have collected an **internal carbon fee** ⬀ of $50 per tCO_2e on all air travel globally, which we charge as part of every flight booking. We will increase the carbon fee over time, and in 2024, we began expanding it to other emissions categories, including accommodation. In addition to creating transparency with colleagues around the environmental impact of different travel options, the carbon fee finances our carbon-related procurement, including carbon credits and SAF.

Building awareness about travel emissions and highlighting more sustainable travel alternatives
We foster transparency about travel emissions and travel choices by providing colleagues with emissions dashboards at the individual, project, and client level. Our reduced business travel emissions per FTE are driven by several factors, including the purposeful use of remote and hybrid working models, strategic local staffing, web-based and localized recruiting and learning events, and initiatives that encourage colleagues to use rail travel and electric ground transportation when possible.[20]

Growing the market for SAF to help decarbonize aviation
We are committed to identifying and implementing ways to travel purposefully. At the same time, in-person interactions with our clients are essential to provide our best support, and time spent with our colleagues is equally important for building high-performing, cohesive teams and providing mentorship. To reduce the emissions from air travel essential to our business model, we collaborate with airlines, fuel producers, and other aviation stakeholders to support the development of SAF.
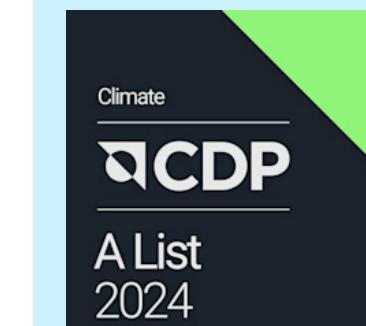
The SAF market is still small compared to the scale needed, many technologies are under development or in the pilot stage, and regulations and accounting standards are evolving. We use our procurement initiatives to support the development of the SAF market and gain valuable insights. In 2024, we ran our own request for proposal (RFP) in addition to participating in the **Sustainable Aviation Buyers Alliance's (SABA)** SAF purchases. In 2024, we addressed over 6 percent of our air travel emissions via SAF (over 17,500 tCO_2e).[21] We have to date made purchasing commitments equaling over 100,000 tCO_2e of emissions reductions through 2030. SAF represents a critical component of our net-zero strategy, complementing changes in how we work.

▶ **Learn more about how we are partnering with our suppliers to reduce Scope 3 emissions**.

HIGHLIGHT
We received CDP's highest recognition for our leadership in reporting and reducing GHG emissions

Climate
CDP
A List 2024

We are scaling up the SAF market through purchasing commitments exceeding 100,000 tCO_2e of emissions reductions through 2030.

19   The reported percentages are rounded for simplicity, but they are based on precise calculations using unrounded data to ensure accuracy. Due to rounding, the totals may not match the overall reported total. Our Scope 3 business travel emissions targets are based on air and ground travel and exclude emissions from accommodation, in line with the Science Based Targets initiative's (SBTi) guidance.

20   Local staffing refers to placing colleagues on projects within their own city or within close proximity, thereby minimizing the need for business travel.

21   The calculated percentage is based on our air travel emissions excluding the non-greenhouse gas (GHG) emissions impacts of air travel (i.e., radiative forcing), in line with the SBTi's guidance.
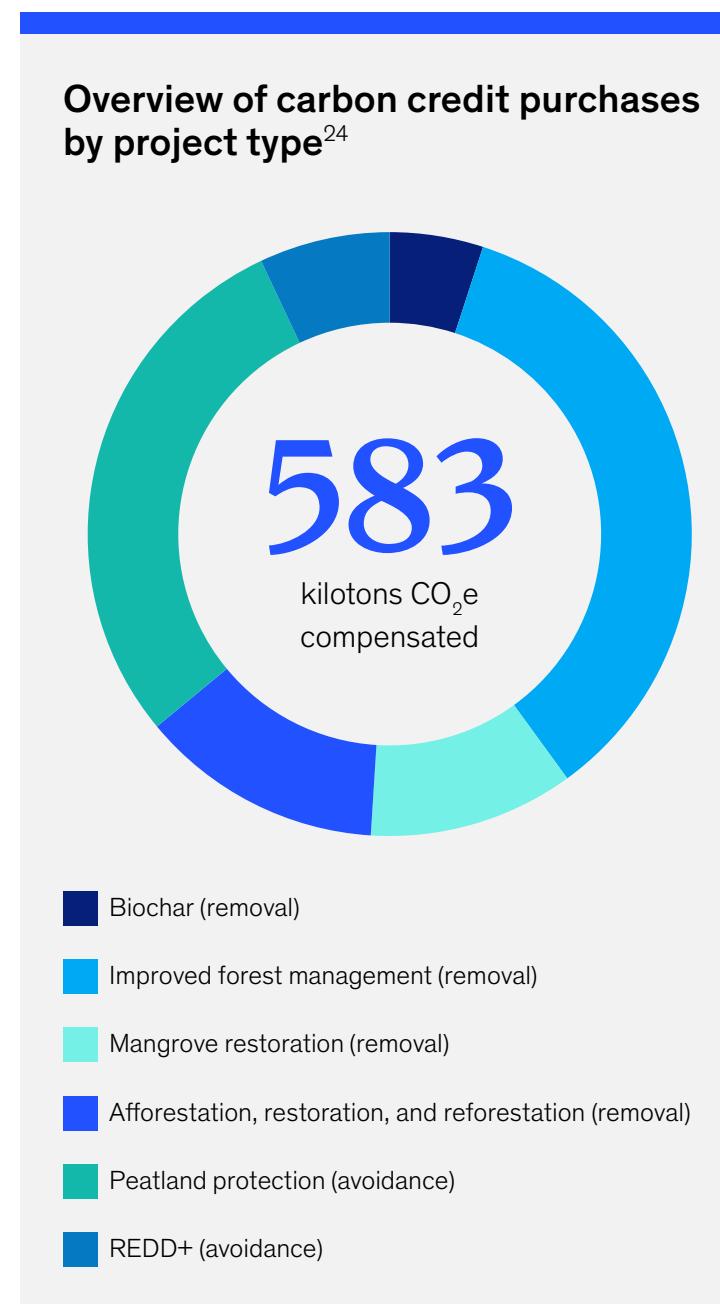
Compensating for remaining emissions

Achieving net zero requires ambitious emissions reductions. That is why, in line with guidance from the SBTi, we have committed to reducing emissions with clear, interim reduction targets. In parallel, we are committed to supporting carbon avoidance and removal projects through the purchase of carbon credits, recognizing that these solutions are and will continue to be needed to address residual emissions.[22]

Our research ↗ states that closing the carbon removals gap to achieve net zero requires a range of solutions across NBRs and technology-based removals (TBRs). **Our research** ↗ also shows the importance of halting deforestation by the end of this decade. This research is reflected in our carbon credit portfolio choices.

We purchase carbon credits that are certified by international standards.[23] With the support of third-party due diligence, we continually monitor, reassess, and adjust our portfolio to ensure the integrity of our carbon credit purchases.

In 2024, 64 percent of our carbon credits came from carbon removal projects, including 5 percent from TBR projects. By 2030, we will transition to 100 percent removals. Across our 2024 SAF and carbon credit purchases, we spent $31 per tCO_2e.

Overview of carbon credit purchases by project type[24]

583

kilotons CO_2e
compensated

- ■ Biochar (removal)
- ■ Improved forest management (removal)
- ■ Mangrove restoration (removal)
- ■ Afforestation, restoration, and reforestation (removal)
- ■ Peatland protection (avoidance)
- ■ REDD+ (avoidance)

Diversifying our purchasing approach

We purchase carbon credits and SAF in three ways:

1 We sign bilateral, long-term purchasing agreements today, committing to future deliveries of carbon credits and SAF. These kinds of bilateral purchases provide project developers with revenue certainty, which, in turn, can make a project attractive to investors and more likely to happen. In 2024, we made purchasing commitments for (a) 75,000 tCO_2e removed through direct air capture to be delivered over five years, (b) 15,000 tCO_2e removed through reforesting parts of the Amazon, and (c) SAF certificates covering over 100,000 tCO_2e abated by 2030.

2 We participate in advance market commitments, in which we collaborate with other buyers to support market demand for new climate solutions and technologies so they can scale successfully.

▶ **Learn more about our collaborations**.

3 We make in-year purchases through brokers and other suppliers to address our remaining needs.

We help suppliers access the financing needed to scale and contribute to global net zero through a variety of long-term purchasing agreements.

In 2024, we supported a carbon removal project in Namibia that turned regional invasive bush species into biochar.

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22 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 (for example, avoided deforestation or reforestation) or tech-based solutions, such as methane capture or direct air capture.

23 International standards include the Gold Standard and Verified Carbon Standard in conjunction with Climate, Community, & Biodiversity Standards.

24 This reflects the carbon credits that were retired against our firm's 2024 carbon footprint by the type of project.

Catalyzing climate action now

We partner with clients, nonprofits, suppliers, and other companies to protect nature, advance new technologies, and ensure critical climate financing. The following advance market commitments and buyer collaborations demonstrate how we work with others to accelerate climate action.

	✦ **Frontier**	**LEAF Coalition** Coordinated by Emergent	**SABA** SUSTAINABLE AVIATION BUYERS ALLIANCE	**Symbiosis**
Focus of the collaboration and how it supports our net-zero goals	**Frontier** ↗ is an advance market commitment to buy an initial $1+ billion of permanent carbon removal between 2022 and 2030. Frontier can play an important role in helping scale the technologies needed to remove carbon from the atmosphere, which, in combination with significant emissions reduction, is crucial to limit the global temperature increase to 1.5°C.	The **LEAF Coalition** ↗ is a first-of-its-kind public–private partnership to protect tropical forests through large-scale financing. More than 30 corporations and four governments have committed over $1 billion in funding to finance jurisdictional-scale forest protection. Research, including **our own** ↗, shows that by 2030, deforestation would need to decline by more than three-quarters—if not halted completely—to achieve a 1.5°C scenario.	**Sustainable Aviation Buyers Alliance (SABA)** ↗ is focused on accelerating the transition to net-zero aviation by scaling and standardizing high-integrity SAF, catalyzing new production and technological innovation. SABA brings together corporate buyers, airlines, and fuel producers to support the scale-up of SAF, which is a critical component of our own net-zero journey.	**Symbiosis** ↗ is an up to 20 million-ton advance market commitment to contract with the next generation of nature-based carbon removal projects by 2030, driving positive outcomes for people and our planet. This collaboration supports our goal of scaling high-integrity nature-based solutions as we transition to 100 percent removals by 2030.
2024 progress	In 2024, Frontier buyers signed seven offtake agreements worth nearly $280 million, supporting the development of permanent carbon removal solutions like direct air capture, enhanced rock weathering, and river liming.[25]	In 2024, the LEAF Coalition continued to make progress toward issuing their first credits from Ghana and Costa Rica through the ART TREES standard and announced a landmark deal in Pará, Brazil. The Integrity Council for the Voluntary Carbon Market approved the ART TREES standard, paving the way for LEAF credits to receive a "Core Carbon Principles" label.	SABA finalized its second SAF RFP in 2024, aggregating demand across close to 20 corporate buyers for SAF certificates linked to up to 50 million gallons of SAF. Together, SABA members secured expected emissions reductions of 500,000 tCO_2e through 2030.	In 2024, we collaborated with other Symbiosis members to establish key infrastructure for administering the advance market commitment. This involved setting quality criteria for reforestation and agroforestry projects and developing the structure and process that helped launch Symbiosis' first RFP.

25   **Annual letter to Frontier buyers.** ↗

Inclusive growth

In this chapter

Our clients

Our firm

Our giving

*From left to right: **JP Julien**, partner, a leader of the McKinsey Institute for Economic Mobility, Philadelphia; **Janine**, learning coordinator, McKinsey.org, Manila; **Felipe Child**, partner, leader of the Public & Social Sector and Healthcare practices for Latin America, and leader of social responsibility for Latin America, Bogotá.*

Inclusive growth at a glance

We're working to create growing and inclusive organizations, economies, and communities

We do this by partnering with our clients, colleagues, and a wide range of nonprofit partners. Together, we drive growth that accelerates economic opportunity around the world so that more people can participate in and benefit from the economy. This work is fueled by our diverse meritocracy, which has allowed us to drive positive, enduring change throughout our history.

Our clients

700

new businesses built by McKinsey Business Building since 2019[26]

18%

of global GDP growth contributed by our clients[27]

1M

new jobs per year contributed by our clients[27]

Our giving

$1.05B

contributed in monetary and in-kind support since 2020 toward our $2B commitment to social responsibility by 2030 ($194M in 2024)

26   Formerly Leap by McKinsey.

27   The following numbers are based on our ongoing analysis of publicly held companies between 2018–2023. We assess the percentage of global gross domestic product (GDP) growth driven by our clients relative to total global GDP growth. We also establish the average net new jobs created by our publicly held clients during this period.

*"We help **unlock untapped potential**, resulting in stronger businesses and better outcomes for people."*

Lucy Pérez ↗ is a senior partner, global leader of the McKinsey Health Institute, leader in our Life Sciences practice, and global leader of our Hispanic and Latino Network, based in Boston.

Lucy partners with life sciences and healthcare organizations to address strategic, organizational, and operational challenges and publishes research that advances inclusive growth.

An integrated approach to driving inclusive growth

Helping create more inclusive organizations, economies, and communities is an aspiration broader than any one team or function. That's why we mobilize and integrate the best of our firm across four key areas—our client work, insights, actions, and giving—to make the greatest impact possible.

Inclusive growth

Key focus area

Our clients	Our insights	Our actions	Our giving
Driving inclusive growth with our clients	**Using our insights to drive positive, enduring change**	**Building a distinctive and inclusive workforce; developing and caring for our colleagues**	**Growing economic opportunity in our communities**

How we drive progress	We partner with social sector organizations to advance their missions while working with companies across industries to harness their unique opportunities to promote inclusive growth.	Research from our three institutes and 30+ industry and client capability teams enables leaders to make strategic decisions that spur innovation, growth, and a more inclusive world.	We seek to hire the world's most exceptional people from all backgrounds, perspectives, and sources, and to foster a supportive culture that encourages continual, self-directed growth.	We help people move toward the empowerment line, raise their incomes, and improve their lives through our McKinsey.org capability-building programs, pro bono projects, volunteering, and charitable giving.
Examples of our 2024 impact	We partnered with Banco de Crédito del Perú to help grow and build the capabilities of Yape, a digital-payment app enhancing financial inclusion for over 16 million users, including five million unbanked.	The McKinsey Global Institute published **research** ↗ on what it would take to lower the costs of basic goods and services to improve living standards for a billion people.	We continued to broaden our search for exceptional individuals, hiring from 2,000 different sources since 2022.	We reached 230,000 new learners through the McKinsey.org Forward program across Africa, Europe, the Middle East, and the United States.

Using our integrated approach to drive progress on key inclusive growth topics

Example: Women's health

Our insights

In collaboration with the World Economic Forum, the McKinsey Health Institute published a report on the **women's health gap** ⬈. The findings revealed that women spend 25 percent more time in poor health relative to men and that reducing health inequities could not only improve the lives of millions of women, but also boost the global economy by at least $1 trillion annually by 2040.

Our clients

We partner with a range of clients in the private, public, and social sectors to drive women's health outcomes. For example, we helped one of the largest life science companies find and reach 30 percent more patients in need of a life-changing women's health product.

Our actions

We created an online resource outlining firm benefits that support women's health and well-being. Benefits include access to an in-network virtual women's health clinic and expert-led courses on female-specific health topics.

Our giving

The McKinsey Health Institute is collaborating with the Frazier Family Coalition to scale the Philadelphia Partnership for Nutrition and Health. This includes improving maternal health outcomes through tailored food benefits and nutrition counseling to high-risk expectant mothers with gestational diabetes.

Megan Greenfield, partner and affiliated leader of the McKinsey Health Institute, speaking on women's health at the World Economic Forum annual meeting in Davos.

Our clients

Driving inclusive growth with our clients

We help organizations grow, bringing greater value to the people they serve and employ. Because when organizations thrive, people progress and economies prosper.

Our approach

Growth is a powerful engine for positive, enduring change. When organizations grow, it creates opportunities for people to advance—in their skills, careers, and incomes. In turn, when people advance, so do businesses and economies.

We work side-by-side with leaders to fuel this virtuous cycle by building strong and productive organizations. We do this by unlocking new competitive advantages— from the markets they serve, to the products and services they offer, to the way they train and develop employees. Then, we help clients intentionally share the benefits of their growth with a broader range of stakeholders.

We work hand in hand with our clients to design bold, innovative strategies that drive growth and create lasting impact.

We partner with clients to drive growth and generate opportunities for inclusion, including:

▶ **Designing bold growth strategies**

We collaborate with clients to craft tailored growth strategies, leveraging technology and innovation to unlock opportunities, drive success, and achieve measurable business growth.

▶ **Building and scaling new businesses**

We help clients imagine, build, and scale new businesses, turning ambition into outsized growth. By partnering with clients to unlock new sectors and markets, we create jobs, value, and the "unicorns" of tomorrow.[28]

▶ **Upskilling workforces**

We build healthier and more resilient workforces by upskilling, reskilling, and developing our clients' employees, readying them with the leadership and functional skills needed to succeed in the future of work.

▶ **Innovating to improve lives and livelihoods**

We work across sectors to build stronger, more resilient institutions and economies, supporting long-term growth and unlocking new opportunities to improves lives and livelihoods.

▶ **Fostering growth and inclusion across customer bases**

We partner 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.

28   Unicorns refer to companies valued at more than $1B.

Our key actions in 2024

Designing bold growth strategies

Fueling growth through tech and AI

Technology is a leading driver of business value and a critical enabler of sustainable and inclusive growth. **QuantumBlack,** ↗ the artificial intelligence (AI) arm of McKinsey, helps organizations rewire themselves to build, adopt, and scale AI capabilities. **McKinsey Technology** ↗ collaborates with clients to transform their organizations by building modern technology functions, reinventing technology delivery, and future-proofing the foundation. The **Growth, Marketing & Sales** ↗ practice helps organizations unlock transformative value and inclusive growth by bridging the right strategy, culture, and capabilities to deliver on the promise of tech.

In 2024, through our partnership with Design for Good, more than 100 McKinsey colleagues from our digital and analytics team created new products and services to advance the United Nations' Sustainable Development Goals. The collective impact ranged from dozens of children's lives saved in Ghana, to thousands being educated on menstrual health in Liberia, to millions of tons of clean water being saved in the United Kingdom.[29]

Promoting growth through effective value creation strategies

For companies to drive inclusive growth, they must also create long-term value. We work with companies to reshape their business models, including diversifying supply chains, transforming to better serve customers, and upskilling leaders and employees to thrive in the future of work.

Our leadership development programs equip leaders with the tools and insights needed to champion inclusive practices within their organizations. We shape our clients' operations and investments to contribute to social stability and economic development, helping communities thrive. For example, we partnered with the Global System for Mobile Communications Association to launch the first industry-wide Responsible AI Maturity Roadmap to provide telecommunications operators with the tools and guidance to test and assess their responsible use of the technology.

Beyond our client work, as a member of the World Economic Forum's Resilience Consortium, we promote a more resilient global economy through collaborative crisis management, shared best practices, and public–private partnerships.

Building and scaling new businesses

Unlocking growth through new business building

Growth ↗ is always a top priority for business leaders, but what sets the highest performers apart is their choice to grow in a sustainable and inclusive way. They adopt the right mindset, strategy, and capabilities—enabled by tech and AI—to expand their core business, innovate into adjacent markets and industries, and create breakout businesses.

With two-thirds of CEOs ranking new business building as their top strategic move for the next 12 months, **McKinsey Business Building** ↗ helps clients transform ambition into significant growth opportunities.[30] McKinsey Business Building has built 700 new businesses since its inception in 2019, including several unicorns or decacorns.[31] In 2024, the 108 businesses McKinsey Business Building helped build created 11,000 jobs.[32] Examples of our work in 2024 included building a commercial real estate decarbonization solution for a leading utility player in Europe, creating a new Fleet-as-a-Service business with a legacy automotive original equipment manufacturer in North America, and establishing a state government business in Asia to drive a country's energy transition.

Upskilling workforces

Enhancing performance and organizational health by prioritizing people

We partner with clients to create healthy, people-focused organizations in which employees thrive. Our **Organizational Health Index** ↗ uses data to boost clients' culture and performance. It helps employees thrive by providing insights that improve their work environment, well-being, resilience, and retention. Our **McKinsey Academy** ↗ capability-building programs have been crucial for upskilling and reskilling individuals in the evolving job market. In 2024, we expanded our curriculum to include advanced modules on generative AI and refreshed our digital and analytics offerings.

In 2024, we launched the Inclusive Leaders Academy, a 12-week virtual program for mid-level to early-senior leaders. This program equips participants with the skills to foster an inclusive culture, enhance team creativity, promote trust and belonging, and mentor diverse team members. Having stronger skills in these areas enables managers and leaders to achieve better organizational outcomes. We also published **The Journey of Leadership,** ↗ a book that highlights our firm's human-centric leadership style rooted in self-awareness, empathy, and vulnerability. This guide helps leaders make decisions that benefit both their organizations and society, drawing from the Bower Forum, our CEO leadership development program, in which hundreds of business leaders have experienced personal and professional growth.

700

new businesses built by McKinsey Business Building since 2019[33]

29　Learn more in **Design for Good's 2024 Annual Review.** ↗

30　Learn more in our article, **How CEOs are turning corporate venture building into outsize growth.** ↗

31　Unicorns refer to companies valued at more than $1B and decacorns are companies valued at more than $10B.

32　This number includes clients for whom we have built multiple businesses.

33　Formerly Leap by McKinsey.

Driving operational excellence and empowering frontline workers

Across all industries, businesses are reimagining their operations to enhance productivity. But despite advancements in automation, digitization, and AI, supporting and investing in the frontline workforce remains an important consideration. Companies' success hinges on cultivating engaged and empowered workforces by focusing on frontline talent and next-generation **operational excellence**. In fact, our research shows that organizations investing in frontline talent can generate $17,000 to $34,000 in new value per frontline employee.[34]

To seize this opportunity, we partner with our clients to equip their frontline workers with crucial skills through capability-building programs across the operations value chain. We also help companies achieve a competitive advantage by building an **integrated talent operating model** to better attract, retain, and develop their workforce. In 2018, we cofounded **the Global Lighthouse Network** with the World Economic Forum to identify and share successful talent innovations from top-performing sites in an organization's network. As of 2024, we have identified 189 sites that have achieved exceptional operational impacts through digital transformation.[35]

1M
new jobs per year created by our clients[38]

We deliver capability-building programs that equip frontline talent with crucial skills that support organizational growth.

Innovating to unlock new value
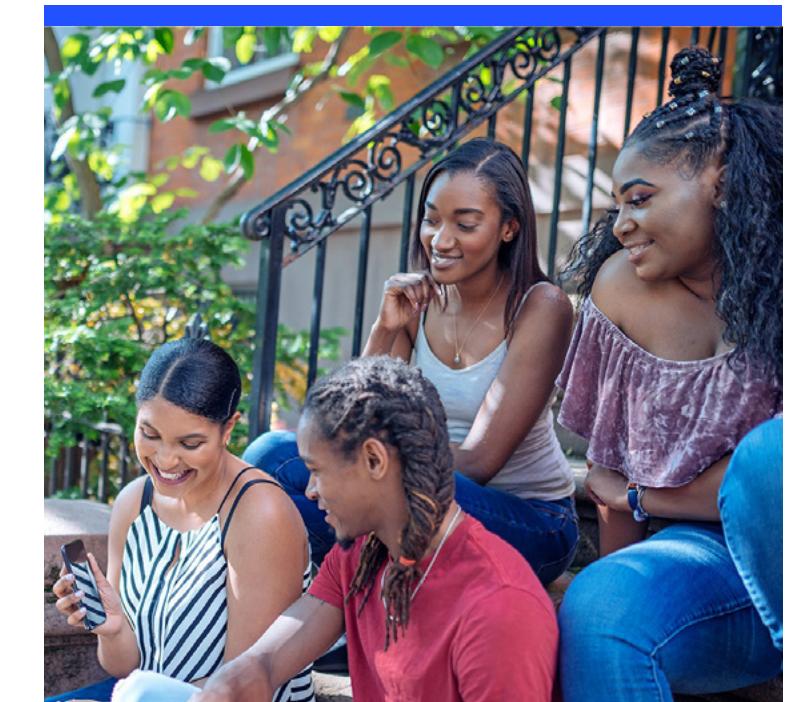
Supporting the social, healthcare, and public sectors to improve lives and livelihoods

Our work with social, healthcare, and public sector entities is guided by our mission to improve lives, livelihoods, and health, and create resilient communities around the world. We collaborate with organizations across five priority areas: growing and reinvesting in economies, transforming health systems, elevating government performance, building resilient infrastructure, and supporting inclusive workforces.

In 2024, we helped organizations pursue sustainability, inclusion, and economic growth simultaneously. Examples include collaborating with the Coalition for Epidemic Preparedness Innovation to develop vaccines in less than 100 days, partnering with the government of Spain to **build a more resilient industrial supply chain**, and supporting a European Commission Directorate-General to **enhance regional readiness and responsiveness** to public health emergencies.

Advancing health worldwide

Better health is vital for economic prosperity. The McKinsey Health Institute (MHI) is driving enduring change in human health by helping global leaders, organizations, and institutions prioritize health as an investment, not an expense. In 2024, this included publishing research and collaborating with **ecosystem partners** in areas that are critical to adding years of higher-quality life for humanity, such as brain health, women's health, healthy longevity, and healthy workforces. Our research revealed that investing in optimal employee health and well-being could create $3.7 trillion to $11.7 trillion in global economic value.[36] MHI is also partnering with our ecosystem to create a **brain economy** that prioritizes positive brain health as a catalyst for economic growth. MHI is taking action to advance health in select cities by partnering with city-level, national, and global stakeholders in areas such as brain health and metabolic health.[37]

HIGHLIGHT

Promoting economic mobility

In 2020, we launched an initiative to boost economic mobility in Black communities, generating insights on topics from housing to healthcare. Given the success and opportunity to advance economic mobility for other underserved groups, we have since expanded our efforts to support Latino and rural populations, while further investing in Black economic mobility, through the establishment of the **McKinsey Institute for Economic Mobility**.

To see our work in action, explore our research on the **barriers and opportunities facing Black and Latino residents** in America.

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34   Learn more in our report, **Unlocking frontline potential with an integrated talent operating model**.

35   Learn more in our blog post, **Putting people first: A new imperative for manufacturing**.

36   Learn more in our report, **Working nine to thrive**.

37   Learn more in our report, **How to achieve great health for all? Start in your city**.

38   The following numbers are based on our ongoing analysis of publicly held companies between 2018–2023. We establish the average net new jobs created by our publicly held clients during this period.

Fostering growth and inclusion across customer bases

Driving growth in banking and insurance
Our financial services practice helps banking and insurance clients enhance their capabilities and transform their service models to better meet the needs of diverse customer segments. We work with banks and insurers to put together programs for providing financial services to underserved populations and organizations, such as lower-income individuals and small businesses.

In 2024, we accelerated inclusive growth by helping clients increase micro, small, and medium enterprises' access to financial services. Moreover, we documented how technological developments are helping more people gain access to financial services: our survey of Spanish-speaking Latin Americans shows that the debit card has replaced cash as respondents' preferred payment method, and that mobile payments have also grown in popularity.[39] These findings offer a roadmap for enhancing customer benefits, such as improving payment experiences and offering more tailored payment options. We continued partnering with Banco de Crédito del Perú to **help grow and build the capabilities of Yape,** ↗ a digital-payment mobile app improving financial inclusion for its more than 16 million users, including five million users without formal banking relationships.[40] The app's widespread reach and impact are evident in how "Yapeame" has evolved into a verb.

HIGHLIGHT

Joining forces to combat inequality

In 2024, we joined the World Business Council for Sustainable Development's Business Commission to Tackle Inequality (BCTI). This cross-sector coalition provides another avenue for us to collaborate in creating economies and societies where everyone can thrive through efforts like making essential products and services more accessible and affordable, and preparing people for the future of work. We also share our research around sustainable and inclusive growth and economic empowerment with the members of BCTI and their networks.

▶ **Learn more about BCTI's agenda for business action.** ↗

"Yapeame" has become a common phrase in Perú for requesting payments.

We partnered with Banco de Crédito del Perú to build Yape, a digital-payment app enhancing financial inclusion for over 16M users, including 5M unbanked.

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39   Learn more in our report, **The rapid evolution of payments in Latin America.** ↗

40   Learn more in Grupo Credicorp's **2024 Financial Inclusion Index** ↗ and **news release.** ↗

Improving retail experiences, products, and services to meet consumer needs

We partner with companies across the retail and consumer goods value chain to meet evolving consumer demand. Our proprietary **ConsumerWise** ⤢ research helps clients identify gaps in consumer needs by generation, gender, race/ethnicity, and region. Using this data, we work with clients to create value for a broader and more diverse set of consumers. For instance, in 2024, our Inclusion Assessment **helped KFC** ⤢ measure its progress in closing the gender experience gap, providing the transparency needed to achieve its parity goals.

We also work closely with retail and consumer packaged goods companies to better support and upskill their workforces. For example, we conducted research with a retail client to better understand the needs of its frontline employees. Based on this research, we tailored career development programs for each employee group and launched cultural transformation initiatives to enhance the employee experience and improve retention. Our research regarding the **state of frontline retail employment** ⤢ in the United States provides additional insights on how retailers can improve the experience of their frontline employees.

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41   The economic empowerment threshold is based on a measure of prices for a basket of essential goods that is consistent across economies, with the largest portions usually coming from housing and utilities, food, transportation, and healthcare. In lower-income economies, it is $12 a day in terms of purchasing power parity; in higher-income economies, the amount is higher because of differences in relative prices of these items as well as differences in what is needed to participate in economy and society. For more detail, refer to **From poverty to empowerment: Raising the bar for sustainable and inclusive growth.** ⤢ Source: WageIndicator June 2022, October 2022, and January 2023 data sets; World Data Lab.

OUR INSIGHTS

Tracking the "empowerment line" to promote inclusive growth in G20 countries
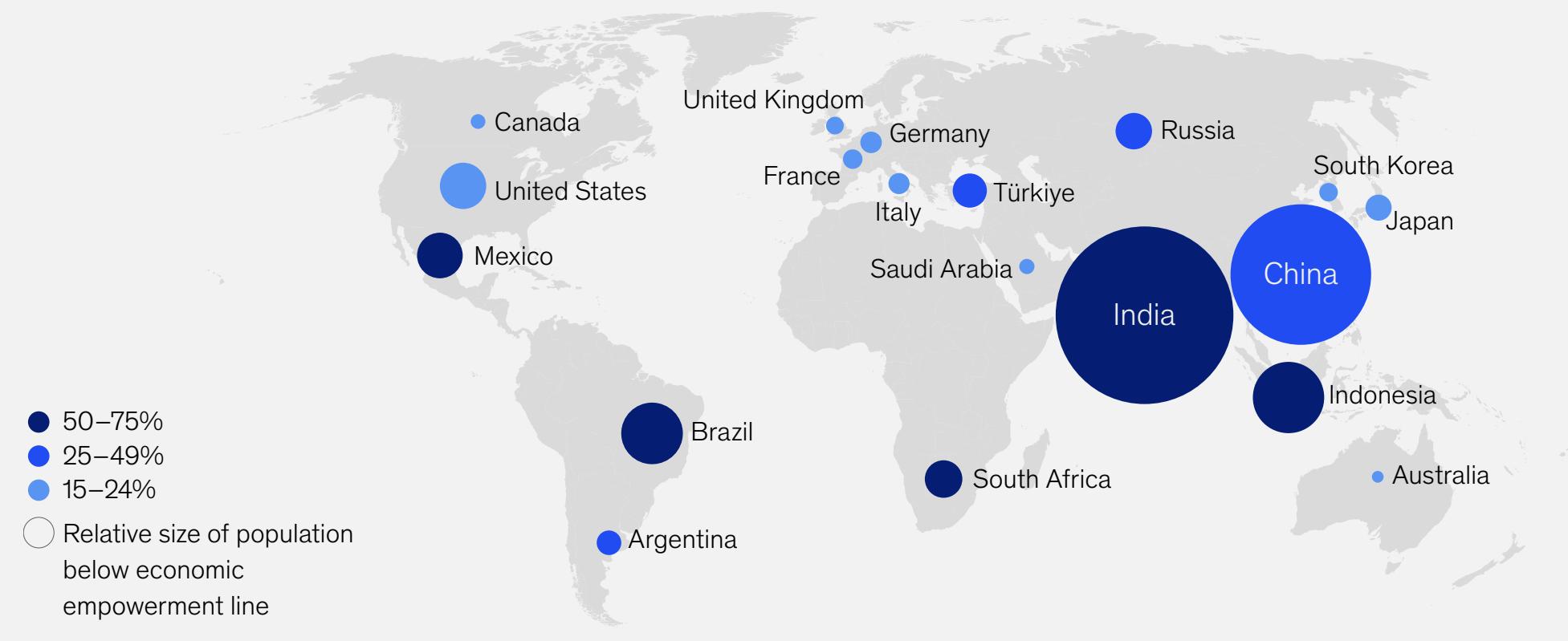
Ten years ago, we created an innovative analytical framework, the "empowerment line," to estimate the cost to the average citizen of fulfilling eight basic needs: food, energy, housing, potable water, sanitation, health care, education, and social security.

Since then, we've used this framework to explore what it would take to **raise minimum living standards and get on a net-zero path** ⤢ in this decade and **lower the costs of basic goods and services to improve living standards**. ⤢

In 2024, as part of our role as a partner to the B20 Forum in Brazil, we measured the population living below the empowerment line in B20 economies, then **created an agenda** ⤢ to help countries move from aspiration toward action in the three pillars of growth, inclusion, and sustainability.

Approximately 50% of the population in G20 economies lives below the empowerment line

Share of G20 economies' population below empowerment line, % of economy's population, 2022[41]

● 50–75%
● 25–49%
● 15–24%

○ Relative size of population below economic empowerment line

Our firm

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.

Our approach

Our People strategy encompasses each and every colleague, from the moment they join us until they become alumni. It is built to ensure that we have the breadth of skills and diversity of backgrounds and experiences to be impact partners for our clients while also creating an unrivaled environment for fostering talent.

Our diverse meritocracy has defined who we are throughout our history. We don't guarantee equity in outcomes, but we strive to ensure everyone has a fair shot to succeed. We want the world's best, regardless of background or where they were educated.

As part of our strategy, we continue to recruit and hire distinctive thinkers and leaders from an ever-growing range of institutions and sources. At McKinsey, we prioritize continuous skill development and on-the-job learning, ensuring all colleagues can benefit from these opportunities. We also emphasize sponsorship and mentorship, recognizing their crucial role in leadership development.

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

Kristine, a senior business analyst, and Laura, an engagement manager, pictured in our Boston office.

When colleagues join our firm, we offer them an opportunity for accelerated growth where they will learn more at a faster rate, develop the skills to lead, and experience the benefits of a collaborative environment, all built on the foundation of meritocracy. In parallel, we offer world-class benefits, well-being support, and meaningful relationships.

We know that creating a sense of belonging for all colleagues is imperative to building an exceptional workplace environment. That's why our internal strategy, policies, and programs to support a diverse, inclusive workplace—known as All In, Diversity & Inclusion (AD&I)—are built into everything that we do.

A diverse meritocracy is in our DNA and spelled out in our values.

Our diverse meritocracy

Our approach to AD&I is grounded in our history, dual mission, and values. We focus on three strategic pillars to create lasting positive impact: our people, our clients, and our world.

We believe that our diversity of experiences, backgrounds, and perspectives, coupled with an inclusive environment where people can thrive, are what drive our distinctive ability to solve some of the world's most pressing challenges. While we don't guarantee equitable outcomes, we seek to ensure everyone has a fair chance to succeed.

In addition to our internal efforts, we invest in research on the business and economic case for diversity and in pro bono partnerships to help our clients and other organizations maximize their impact.

We are proud to be recognized for our inclusive environment.

Our key actions in 2024

Championing diversity and inclusion within our firm

At McKinsey, diversity and inclusion are a fundamental aspect of our success; they are how we work and what we value so that our colleagues can thrive.

Supporting Equal at McKinsey
Across our global offices, we host events that welcome and support our Equal at McKinsey community, a network for LGBTQ+ inclusion. Our Equal Europe Multi-Hub Conference convened colleagues to discuss the unique challenges and opportunities within the community. The Asia Proud Leaders' event united regional colleagues for a day of panels and workshops, fostering a spirit of unity and celebration during Pride month.

Empowering the next generation of women leaders
Our Next Generation Women Leaders program hosted events in Europe, the Middle East, Africa, and Asia–Pacific aimed at developing exceptional women leaders. The virtual sessions provided attendees with insights into the importance of women in leadership, opportunities to enhance key skills, and a platform to build a lasting community. This year, we saw a significant uptick in program applications from Southeast Asia and Japan, marking a promising step toward advancing women in these regions.

Building communities that promote belonging
Our **networks and communities** are essential for fostering a sense of belonging and growth among all colleagues. While our groups inspire a global community, local office chapters are crucial for building and maintaining strong connections.

Open to all colleagues, our networks and communities include—but are not limited to—the McKinsey Black Network, Hispanic and Latino Network, Asians at McKinsey, Equal, Veterans at McKinsey, and Access

McKinsey (colleagues with disabilities, chronic illnesses, and mental health challenges).

One of these groups is Prism, a community for colleagues interested in social mobility and broadening others' access to our firm. Prism is focused on helping McKinsey feel like home for anyone, including colleagues who have not had the same economic advantages and educational opportunities as those who have typically found their way to our firm.

A global firm with inclusion at the center
We are an actively inclusive firm, ensuring that everyone has the skills they need to be successful and operate in an environment where all feel at home. We strive for every office to be a safe and welcoming space, fostering a sense of belonging, fairness, and authenticity. Our Inclusion Allies program strives to develop, connect, and activate a global cohort of inclusive leaders through training, initiatives, mentoring, and research. And, as a global firm, we also recognize that diversity varies by region. We set global programming for AD&I while allowing local context to shape programs and maximize impact.

HIGHLIGHT

Strengthening social mobility for all

Colleagues from our German offices were honored with the Social Diversity Award by Netzwerk Chancen for promoting equal opportunity for people from diverse socioeconomic backgrounds.

Better serving our clients through diverse perspectives

Counseling clients
Our diverse meritocracy is an essential part of helping our clients achieve the positive, enduring change they aspire to. The wide-ranging experiences and backgrounds of our colleagues foster a diversity of thought that enables us to deliver distinctive value to our clients.

Our **People & Organizational Performance** ↗ practice helps clients build inclusive cultures where everyone can reach their full potential. By partnering to develop the next generation of diverse leaders and creating environments where they can thrive, we drive significant and lasting performance improvements.

▶ **Learn more about how we partner with clients to drive inclusive growth**.

Advancing economic mobility
In 2024, we hosted our seventh annual Black Economic Forum with the Executive Leadership Council and the Beta Iota chapter of the Boulé Foundation. Hundreds of Black CEOs and executive leaders from various sectors, including many of our clients, gathered to advance economic mobility. This year's theme, "The Economic State of Black Residents: The Role of Place on Economic Development and Community Outcomes," drew from research by the **McKinsey Institute for Economic Mobility**. ↗

HIGHLIGHT

Partnering to advance diversity

We collaborate with partners to multiply our reach and impact, including, but not limited to:

— The Asian American Foundation

— The Amos Bursary

— Aspen Institute Latinos and Society

— The Executive Leadership Council

— The Female Quotient

— LeanIn.Org

— New Voices Foundation

— Women's Forum for the Economy & Society

— World Economic Forum

Driving positive change

We invest in diversity and inclusion research to establish a robust fact base that can be used to drive positive change. Our research and insights span a wide range of global topics from economic mobility to **diversity and inclusion**. ↗ At the same time, we work to uplift diverse communities by partnering with leading organizations, thoughtfully diversifying **our suppliers** and creating economic opportunity through **pro bono projects and charitable giving**.

Publishing insights to accelerate action
In 2024, alongside our tenth annual Women in the Workplace report, we published research on the business case for diversity in Hollywood, highlighting the underrepresentation of **Latinos** ↗ and **Asians and Pacific Islanders**. ↗ This builds on our previous work on **Black representation in Hollywood**. ↗

We also explored the topics of economic and social mobility with studies on **ethnocultural minorities in Europe** ↗ and our fourth report on **Latino economic mobility**, ↗ focusing on small and medium-sized businesses. Additionally, the McKinsey Institute for Economic Mobility conducted in-depth research on the state of Black residents.

OUR INSIGHTS

A decade of Women in the Workplace

In 2024, we marked the ten-year anniversary of our annual Women in the Workplace report, written in partnership with LeanIn.Org. This report, one of our most-read reports in 2024, draws insights from a decade of data to inform crucial conversations about women's experiences in corporate America. We surveyed over 480,000 individuals and more than 1,000 companies, creating a unique data pool that helps shape strategies for advancing and supporting women.

↗

Women in the Workplace 2024: The 10th-anniversary report

Accelerating our progress in women's representation in 2024:[42]

50%
of our global workforce were women

51%
of our global new hires were women

48%
increase in women leaders since 2019

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42   All demographic-related metrics in this report are based on colleague self-identification.

Mishael and Tomi, business analysts in our London office.

A progress update on our commitments

In 2020, we introduced a set of commitments to advance diversity and are proud to share the progress we've made over the past four years. We are advancing these critical efforts across every part of our firm, including our client service, research, community engagement, talent attraction, and supply chain.

These actions move the needle and shift the narrative on how our commitments translate into sustainable impact. As we mark these milestones, we recognize that this work is never finished.

Our key actions in 2024

— Our **McKinsey Black Network** ↗ (MBN) leadership in North America and the number of MBN colleagues in Latin America grew significantly.

— We expanded the reach of our **Connected Leaders Academy**, ↗ enrolling 90,400 participants since 2020 and equipping them with skills, peer networks, and sponsorship tools.

— The McKinsey Institute for Economic Mobility published insights to inspire, empower, and sustain action that leads to the economic development of communities around the world.

— We provided pro bono consulting services to a range of nonprofits that support Black communities, addressing topics such as wealth creation, education, and health and well-being. Example organizations include Opportunity@Work, Homeboy Industries, Teach First, and Kiva US.

90,400
leaders enrolled in the Connected Leaders Academy since 2020

74
insights published by the McKinsey Institute for Economic Mobility since 2020

$86M
invested in pro bono engagements to support Black communities since June 2020 ($21M in 2024)[43]

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43 We have updated our methodology for the categories of spend included to align with evolving best practices in social responsibility reporting. The value provided in our 2022 Report, $30M, has been restated to $36.4M (cumulative from June 2020 through December 2022). The value in our 2023 Report, $27M, has been restated to $28.6M (January 2023 through December 2023).

Attracting top talent

We seek to hire the world's most exceptional people from all backgrounds, perspectives, and sources. Our research shows that the best outcomes—for our clients and for our own firm—are achieved when our teams reflect the diversity of our clients, communities, and society. As a result, our recruiting efforts are intentionally broad, including:

— Online events and opportunities across all regions that allow individuals to connect with us regardless of their location, expanding our reach to a wider and more diverse pool of candidates.

— Programs that expand outreach and pipeline development to broad talent sources—including women, ethnic minorities, LGBTQ+ individuals, and first-generation students—are embedded in our talent attraction strategy. Examples include our global Proud Speakers series; **Inspire** ↗ in North America; **Future Black Leaders** ↗ and **Skills for Success** ↗ in Europe; Young Leaders Bootcamp in Latin America; and **Next Generation Women Leaders** ↗ in Europe, EEMA (Eastern Europe, Middle East, and Africa), and Asia.

We partner with external organizations to reach and connect with diverse talent, 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 early-career Black professionals to connect, develop new skills, and learn about career opportunities.

To ensure fairness in our hiring, we employ a full suite of consciously inclusive solutions in every stage of our recruiting process. Our job descriptions focus on skills, and our enhanced application process includes digital assessments to evaluate a diverse range of experiences and backgrounds. Our global candidate interview preparation strategy received a gold medal in the 2024 Brandon Hall Group HCM Excellence Awards.

Our key actions in 2024

Reaching the talent of the future

— Since 2022, we have hired talent from 2,000 different sources.

— We completed the global rollout of a best-in-class candidate experience survey to drive insights and inspire improvements in our talent attraction function.

— We launched a digital affinity training program for all global talent attraction colleagues, focusing on best practices and practical examples for hiring diverse and distinctive talent. This complements our inclusion training for recruiters and assessors, ensuring evidence-based hiring decisions with the guidance of a dedicated inclusion adviser.

— We introduced Next Gen Interviewer Training, a formal two-step assessor learning experience, to ensure a fair and consistent interview process and support the hiring of distinctive talent.

— We introduced new affinity recruiting programs to continue to reach new candidate sources, including:

- In North America, we established the Women's Leadership Summit for first-year MBA women and McKinsey First Year Immersion for students studying at US Historically Black Colleges and Universities or Hispanic Serving Institutions.

- In Brazil, we launched the Future Leaders Program for first-generation Black students.

- In Asia, we ran an eight-month series of skill-building sessions designed for women, LGBTQ+ individuals, and first-generation students.

- In Europe, we introduced FirstGen Interview Academy and FirstGen Journeys.

HIGHLIGHT

Celebrating gender parity in hiring

In 2024, we reached gender parity in global hiring for the first time in our history. This journey began nearly 20 years ago with a focused effort to attract more women applicants for consultant positions in North America. Over time, this initiative expanded to all roles and regions, with particular emphasis on areas with the largest opportunities.

Our approach has included top-down support from firm leaders, regular internal reporting and analysis of recruiting statistics, dedicated training for all recruiters, and a commitment to fair and inclusive hiring. We apply these same strategies to our outreach and pipeline development efforts for ethnic minorities, LGBTQ+ individuals, and first-generation students.

In 2024, we reached gender parity in global hiring.

Since 2022, we have hired talent from 2,000 different sources.

Developing and caring for our colleagues

We strive to foster a supportive culture that encourages continual, self-directed growth and to develop leaders with deep expertise who create lasting, positive change in the world.

Our approach

To ensure the world's best talent thrives in our firm, we have to be actively inclusive to ensure everyone has the skills they need to be successful and operate in an environment where all feel our firm is home. That's why our approach to developing and caring for our colleagues is focused on award-winning, skills-based programming that emphasizes apprenticeship, feedback, on-the-job experiences, and a common learning curriculum. We use several tools like our Pulse surveys and annual Mentorship, Apprenticeship, and Sponsorship Survey to track and support our colleagues' professional and personal development goals. These allow us to monitor, assess, and implement solutions to meet their needs.

We recognize that optimal performance is achieved when our colleagues are healthy and well. Therefore, our health and well-being programs are holistic, supporting mental, physical, social, and spiritual health, as well as financial well-being. We have identified key moments of transition, such as starting a family or becoming a manager, when well-being is most at risk. To address these, we provide easily accessible guides with relevant benefits, points of contact, and best practices, ensuring colleagues have access to the support they need during these critical times.

Additionally, we monitor colleagues' well-being through Pulse surveys, using the data to design new initiatives for those who need them most and to prompt individual intervention and care as required. This proactive approach reinforces our colleagues' understanding that they are supported and valued, both in their professional roles and personal lives.

HIGHLIGHT

For the second year in a row, *TIME* and Statista named McKinsey the top company for future leaders.

TIME
BEST COMPANIES FOR FUTURE LEADERS
IN PARTNERSHIP WITH
statista
2025

↗

Developing our colleagues

Our key actions in 2024

Putting development at the center of how we work
To ensure continual growth opportunities, we have continued to integrate critical development elements into our culture through the Way We Work (WWW). The WWW outlines essential practices for every team, regardless of size, location, or mission, to achieve both exceptional client impact and a positive team experience. It promotes rituals such as team kickoffs, 1:1 feedback sessions, team retrospective meetings, and handovers with final feedback, which create purposeful moments to discuss and work on team members' development goals.

Our research indicates that teams practicing these rituals achieve significantly higher feedback scores on development and apprenticeship. Supported by the WWW function, our team leaders actively encourage the adoption of these rituals among colleagues, fostering a culture of continuous improvement and support.

Promoting continuous, skills-based learning
We foster a supportive, collaborative environment where every colleague has the chance to grow, build skills, and meet performance expectations. Our comprehensive approach includes understanding,

developing, and credentialing colleagues' skills at every stage of their journey.

Expertise-based credentials not only recognize and verify distinct capabilities but also help us match skills to client needs, craft personalized learning opportunities, and develop robust talent strategies. These credentials foster communities and celebrate unique personal value propositions.

We are reimagining our feedback culture to better support development. Our modernized, skills-based feedback system empowers both individuals and teams to take ownership of their feedback, leveraging it to build necessary capabilities. Additionally, we invest in research and innovation through a learning lab—a team that stays on the leading edge of learning design principles for firm employees—ensuring continuous modernization of our development approaches. We offer around 4,400 learning programs and provide access to additional external content, further enriching our colleagues' professional growth.

Upskilling our colleagues in AI

Our colleagues start upskilling in artificial intelligence (AI) as soon as they join our firm and continue throughout their tenures. They learn to use advanced AI tools to boost their impact and efficiency, whether working alone or in teams. Through programs like our AI Bootcamp and AI leadership courses, consulting colleagues gain expertise in helping clients unlock value with AI, build AI-enabled businesses, and modernize their core technology. Our technologist colleagues stay on the cutting edge of building and deploying AI solutions at scale through our 12-month Engineering Excellence program and industry-recognized certifications.

Helping colleagues chart their own growth journeys

Our Leadership Growth Plans, rooted in skills and impact, are an integral practice. They offer colleagues a framework to evolve their aspirations, identify next steps in their development, and engage support partners that can help them grow.

Enabling advancement based on skills and impact

Our professional advancement model focuses on skill proficiency, impact, and leadership, both with clients and within our teams. This model is built on a universal skill ontology that sets clear expectations, recognizes

experience, and helps colleagues identify their strengths and next steps. We also have technological competency models that guide deeper expertise in specific areas.

By combining these models and applying skills on the job, colleagues can build their unique profiles and advance based on their development and performance. Assessments and progressions are supported by the right technological tools and the expert oversight of our People function colleagues and evaluators.

Unlocking opportunities to gain global perspectives

We believe in fostering growth and development by giving our colleagues a variety of professional experiences across different client practices, firm functions, and geographies. In 2024, our mobility programs offered colleagues the opportunity to collaborate with sponsors and peers within a specific practice, deepening their knowledge and experience.

As we help our colleagues become global citizens, we measure their global experience in five key areas: international work, client engagements, cultural diversity, pre-McKinsey international experience, and international mobility. This assessment not only helps us recognize and celebrate our global practitioners

but also allows us to offer tailored recommendations to further develop their skills. It also inspires new opportunities as they continue to grow and advance within our firm.

Supporting our alumni

We are dedicated to supporting our colleagues' success even after they leave our firm and are excited to welcome back alumni who bring new skills and expertise. Our alumni network includes 63,900 former colleagues across 163 countries. Our alumni have founded 82 tech unicorns, and 1,100 are CEOs or C-suite leaders in private, public, and social sector organizations around the world. TIME and Statista recently released their 2025 list of the 175 best companies for future leaders, with **McKinsey claiming the top spot for the second year in a row**. ⃞ The project analyzed 4,000 résumés of top US leaders in business, government, academic, nonprofits, and other sectors to determine which companies appear most often.

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

Shiv, a business analyst, pictured in our Atlanta office.

$5,610

invested in learning per consulting colleague on average in 2024

Our alumni have founded 82 tech unicorns, and 1,100 are CEOs or C-suite leaders.

Caring for our colleagues

Our key actions in 2024

Investing in colleague well-being

[Our well-being research](#) ↗ consistently shows that supporting mental, physical, social, and spiritual health benefits both employees and businesses. We have embraced this understanding by engaging and empowering colleagues globally on holistic health and well-being.

— Our cross-functional well-being initiative, Well@Work, integrates the **McKinsey Health Institute**'s ↗ research and frameworks, our world-class health and work–life benefits, a strong focus on purpose and values, and efforts to foster local and global connectivity and belonging. This initiative empowers colleagues to invest in their mental, physical, social, and spiritual health.

— In 2024, we launched the Well@Work website to colleagues globally. This site explains the importance of well-being and holistic health and directs colleagues to the best resources in a user-friendly, data-backed way. It focuses on six key career moments (for example, joining our firm, becoming a manager, starting a family) and proactively addresses common challenges. The site also offers self-assessments, team support tools, and a repository of global well-being benefits and programs, such as free professional coaching.

— We continue to promote health and well-being in core **Way We Work rituals** and have a team of colleagues trained to help if teams struggle in these areas.

— Our flagship learning programs, from new hire orientation to partner training, emphasize the importance of well-being for both individuals and teams. These topics are integral to our leadership framework for team leaders and partners.

Prioritizing the mental health of colleagues and their families

We remain deeply focused on the mental health of our colleagues and their families. We have a well-established global mental health program—Mind Matters—that 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 24/7 mental health support, coaching, and resources through our global Employee Assistance Program (EAP). Recognizing the critical need for quality, timely care, we worked to increase awareness and utilization of our program in 2024. Our EAP offers on-demand therapy, coaching, and self-paced learning programs. We also offer local mental health providers for more options and specialized care, all accessible via our Mind Matters intranet site.

— Our Mind Matters points of contact act as local liaisons for colleagues seeking care. While they are not health professionals, they provide a safe space for discreet initial discussions on mental health and well-being and help navigate internal and external resources. This year, we added dozens of new points of contact to ensure all global colleagues have access to knowledgeable and sensitive support for mental health resources, benefits, and interventions.

— To advance the conversation on mental health in our global offices, we continued our World Mental Health Day speakers series featuring experts on resilience, holistic well-being, and leadership. We also hosted training programs, colleague storytelling campaigns, and other local events to advance and destigmatize mental health conversations across our firm.

Enabling flexibility for individuals

Our colleagues continue to have access to several flexible work models to support them in different phases of work and life. Part-time programs allow individuals to reduce hours per day or days per week for short or sustained periods. Leaves of absence— paid or unpaid—create space for colleagues to step away from work and return when they are able (after recovery, for example, for a health leave or after a period of time away to pursue a unique full-time experience). New parents may be able to request extended time away following their parental leave, and our firm provides additional support before, during, and when returning from extended leaves of absence (such as a re-integration plan and coaching) as we recognize colleague needs extend beyond the leave itself.

For client service colleagues, our "Take Time" program continues to provide additional time off between projects, ensuring that colleagues have periods of time off if they want to pursue their passions and priorities beyond work (for example, travel, art, learning).

Like many other companies, post-COVID, we continue to evolve our approach to hybrid work. In some geographies, we have asked colleagues to work in person several days a week, gaining the value of in-person apprenticeship, connectivity, and a shared sense of culture while maintaining some flexibility that was gained from hybrid/remote work. In other geographies, we continue to enable teams to make function- and team-specific decisions about how and where colleagues work, recognizing that the "one size fits all" model is not nearly as important as purposeful presence that emphasizes rapid apprenticeship, connection with one another and our clients, shared culture, and social well-being.

We seek to support the mental, physical, social, and spiritual health of our colleagues.

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 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.

Delivering competitive compensation and benefits

Our approach to compensation and benefits is driven by a total rewards philosophy, ensuring we offer and clearly communicate competitive pay and valuable benefits. This strategy helps attract, excite, develop, and retain exceptional talent. Central to our People strategy is the commitment to equity in our total rewards. Our Compensation Policy Committee oversees the design and implementation of our compensation strategy, governs our benefits programs, and ensures adherence to tax laws and local regulations.

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 2024 weighted pay ratio of 99 percent, which represents a total compensation ratio of women colleagues to men, controlled for role type and level by country.[44] This outcome highlights that employment decisions, including compensation, are based on legitimate business needs, job requirements, and individual qualifications. Each colleague is compensated based on relevant skills, performance in role, and 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 use data from WageIndicator to verify that we pay all colleagues a living wage in their market. And our lowest compensation ranges are above the applicable minimum wage, including for entry-level positions.

Providing world-class benefits

We deliver world-class benefits globally, ensuring all colleagues have access to comprehensive services and offerings that enhance their health and well-being and that of their families, and safeguard their personal and professional lives. Our wide range of personal health and financial well-being programs are tailored to the diverse needs of our workforce and are designed to be sustainable and reliable, while continuously evolving based on colleague needs and market innovations. We also focus on making our offerings easy to access, understand, and use to provide our people a high standard of care.

Our benefits

Our holistic benefits package for colleagues and their families includes:[45]

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 savings and investments

— Tax-advantaged savings accounts

— Financial protection insurances

— Financial coaching and wellness solutions

— Debt and financing solutions

— Retail savings

— Charitable donation matching

Life and work well-being

— 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

We are proud to report that we had 99% gender pay equity among our colleagues in 2024.

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44 This pay ratio was calculated using annualized 2024 total compensation of women colleagues relative to men, controlled for role type and level by country, including partners and non-partners. Groupings with a total number of colleagues fewer than ten were excluded. We conduct frequent pay equity analyses by country to ensure a comprehensive view across the organization.

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

Our giving

Growing economic opportunity in our communities

We're helping grow economic opportunity through our capability-building programs, pro bono work, volunteering, and charitable giving.

Our approach

Economies are growing, but people are being left out and left behind. If our world—and our clients—are going to keep growing sustainably, then everyone must be able to participate in and benefit from the economy.

That's why, as part of our $2 billion commitment to social responsibility efforts by 2030, we are working to accelerate economic opportunity through job creation and placement, upskilling, reskilling, and education. We are helping people around the world move toward the **empowerment line**, ↗ raise their incomes, and improve their lives through our McKinsey.org capability-building programs, pro bono projects, volunteering, and charitable giving. In 2024, we supported 4,500 nonprofits and dedicated 281,000 hours to social responsibility.[46]

▶ **Learn more about how we are growing economic opportunity.** ↗

In addition, we encourage and create opportunities for all of our colleagues to be active members of their communities through donation matching, paid volunteer time, local office grant-making, and nonprofit board service.

$1.05B

contributed in monetary and in-kind support since 2020 toward our $2B commitment to social responsibility by 2030 ($194M in 2024)

McKinsey.org-hosted training with Cape York Partnership.

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46   Starting in 2024, the count of supported nonprofits expanded to include those supported through charitable donations, nonprofit fellowships, and **McKinsey.org**, ↗ in addition to those supported through pro bono engagements, McKinsey Gives, and McKinsey Grants.

Our key actions in 2024

Building capabilities through McKinsey.org

Through **McKinsey.org**, ↗ we're sharing the best of McKinsey to help more people succeed. We equip people and nonprofits with essential skills and practical tools so they're all the more ready to shape their future.

In 2024, we made a significant investment in expanding our capability-building programs in response to high demand. We brought our McKinsey.org Forward program, which helps people build 21st century skills, to the United States and Europe. We also expanded our programming for nonprofits by running our first **Ability to Execute for Nonprofits** ↗ cohorts in Europe and China, and we made our **Organizational Health Index for Nonprofits** ↗ program available year-round.

Building essential skills to boost careers

This year, we reached 230,000 new learners through the **McKinsey.org Forward** ↗ program across Africa, Europe, the Middle East, and the United States. Through digital courses and virtual sessions, the experience focuses on adaptability, effective communication, problem-solving, workplace relationship-building, well-being, and developing a digital toolkit for the new world of work. McKinsey colleagues from across our offices lead virtual sessions to share their skills with learners.

In Europe, we piloted new modules on generative AI and navigating diversity to further participant workplace readiness. In the United States, we

partnered with nonprofits like **Bottom Line** ↗ and **Year Up United** ↗ to reach students in postsecondary education programs working to thrive professionally and in life. Building on our initial success upskilling career starters, we have also evolved the program to support those navigating change later in their career journeys.

Helping nonprofits be their best at doing good

We help nonprofits that advance economic opportunity better deliver on their missions by creating high-performance cultures. Our research underscores the crucial connection between healthy nonprofits and the impact of their work: 91 percent of staff in nonprofits with the strongest organizational health say their organization is effective at achieving their mission, compared to only 60 percent in the least healthy nonprofits.[47]

Among our highlights this year is our continued support to **Per Scholas**, ↗ a nonprofit that offers technology skills training, professional development, and access to employer networks to individuals often excluded from tech careers. We have helped Per Scholas strengthen their leadership and execution capabilities to support their continued growth. We also expanded our work with **JA (Junior Achievement) Worldwide** ↗—a nonprofit that prepares young people to succeed in a global economy—by building new ways of working with their Africa, China, and Europe teams. And, together with **Cape York Partnership**, ↗ we adapted our program to meet the needs of First Nations communities in Australia.

19.6M

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

OUR INSIGHTS

Read our research on lowering the cost of essentials and improving living standards ↗

A better life everyone can afford: Lifting a quarter billion people to economic empowerment

*"Forward encouraged me to think, reflect, and apply new workplace skills daily. I feel **I finally have a framework** for moving forward with my career now."*

Erum, Forward participant

Creating economic opportunity around the world

Our pro bono projects tap into the best of our expertise to accelerate the impact of nonprofits around the world.

Helping close the opportunity gap in North America

We are dedicated to helping individuals below the empowerment line and in underrepresented communities find jobs, develop skills, and expand their education. This year we continued to support the movement **Opportunity@Work** ↗ is leading to Tear the Paper Ceiling and drive $20 billion in wage gains for American workers who are STARs—Skilled Through Alternative Routes. We supported Opportunity@Work in creating a playbook and hub to help states accelerate skills-based hiring based on learnings from our work with the state of Colorado. We also developed a tool that integrates skills-based hiring insights into talent management platforms like Workday, Indeed, and Jobcase, potentially opening up opportunities for tens of millions of job seekers.

Another way we help communities is by supporting nonprofits in their efforts to innovate and scale up. This year we worked with **Braven**, ↗ a nonprofit that helps college students secure their first jobs, to **launch a streamlined career readiness portal**, ↗ enabling them to reach more students across the United States. We supported Bottom Line, a nonprofit that helps first-generation college students graduate and start their careers, to **develop an expansion plan**. ↗ And we worked with **Hire Heroes USA** ↗ to **bridge the career gap** ↗ for veterans and their spouses.

Innovating to improve learning outcomes in Latin America

We partnered with **Colegio Los Nogales**, ↗ a school in Bogotá, Colombia, to develop an effective, affordable, and scalable online math program called **Mentu** ↗. Now a self-standing ed-tech start-up, Mentu has grown from this initial program to offering an expansive portfolio of AI solutions for teachers, including Shaia, an AI-enabled teacher's assistant that instantly creates customized lesson plans while providing detailed feedback to teachers to improve students' educational outcomes.

Launching a digital platform to increase education access in Türkiye

Since 2021, we have supported the **Turkish Education Foundation** (TEV) ↗, which enables gifted students with limited financial resources to attend university. Recognizing the need to extend its support beyond scholarships, TEV envisioned a comprehensive digital platform, Obigenç, to assist university students in accessing financial aid, mentorship, career opportunities, and more. To help TEV bring this vision to life, we designed the launch product, leveraging research-backed user personas and journeys, and a feature roadmap. Obigenç successfully launched earlier this year, supporting hundreds of thousands of students on their journeys.

Uplifting Japan's education and foster care systems

Since 2021, we have offered training programs to support Japan's public education and foster care systems. We collaborate with municipalities across Japan to deliver trainings to primary school teachers, including 1:1 coaching on critical skills like problem-solving and collaboration. This year, we have expanded the program to include officials from boards of education and school principals, who can act as trainers and promoters of these core competencies. We are also collaborating with the Nippon Foundation and local and regional governments to help them achieve their goal to double the number of foster parents. We supported the launch of the Family Childcare Organization, including a training program for foster parent recruitment for municipalities nationwide. The program helps leaders and practitioners gain new skills, become better connected, and enhance their capacity to continually improve support for foster parents and children in need.
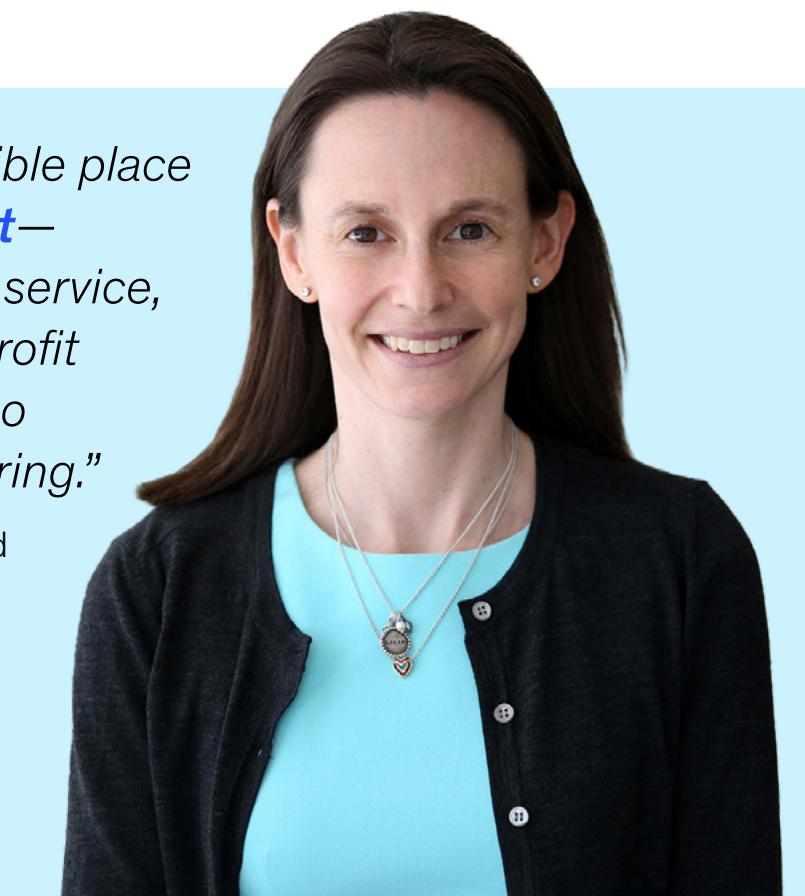
Building skills and connectivity for Black leaders in Brazil

Since 2018, we have hosted the Juntos Conference in Brazil to address the lack of representation of Black Brazilians across sectors. Run in partnership with other large companies committed to increasing representation, Juntos serves as a platform for networking and professional development. Through training, panels, and career fairs, the annual Juntos Conference supports the creation of an inclusive environment to help Black professionals succeed.

> *"McKinsey is an incredible place to **amplify your impact**—not just through client service, but also through nonprofit board service, pro bono projects, and volunteering."*
>
> **Julie Goran,** partner and board member of Coney Island Prep

Leveraging AI and technology to drive impact

We use our best-in-class artificial intelligence (AI) and technology capabilities to grow economic opportunity and drive impact at scale. Through our **Noble Intelligence** initiative, we deploy AI to tackle global issues, from expanding education access and reducing unemployment to supporting vulnerable populations affected by natural disasters.

Accelerating job matching with AI at Generation
In 2024, we celebrated the **ten-year anniversary of Generation**, the independent global employment nonprofit we founded based on our education-to-employment research. Since its founding, Generation has helped more than 125,000 learners reskill for careers that would have otherwise been inaccessible, with an 83 percent job placement rate and $1.5 billion in life-changing wages earned by graduates to date.[48] We have been proud to provide funding, fellows, and pro bono engagements to enable their impact.

In 2024, we partnered with Generation to create an AI-enabled tool that matches learners' profiles with job vacancies, an effort that built upon a prior project through which we helped develop Generation's digital capabilities. This tool replaced a time-intensive, manual process, freeing up the Generation team's time for learner coaching and support. After successful pilots in the United Kingdom and Mexico, Generation plans to roll out the tool to all its country teams in 2025 so that their graduates can find better jobs, faster.

Responding in times of crisis

Our firm has a long history of supporting humanitarian disaster response through pro bono work, volunteering, and donations. Established in 2023, **Data Insights for Social and Humanitarian Action (DISHA)**, is an initiative led by the UN Global Pulse, the Secretary-General's Innovation Lab. DISHA aims to responsibly deploy proven data and AI innovation to establish resilience, enable anticipatory action, and accelerate recovery for impacted communities.

With the support of our consulting teams, data scientists, engineers, and other partners, DISHA develops AI-driven solutions that enhance digital public infrastructure impacting millions of lives globally.

In the past year, DISHA delivered two solutions to enable quicker and more targeted resilience planning and response to natural disasters:

— A building damage assessment tool using AI trained on satellite imagery, which accelerates damage analysis sixfold and increases coverage area sevenfold compared to current approaches.

— A first-of-its-kind socio-economic mapping (SEM) tool using machine-learning and large-scale telecommunications data to identify movement patterns and inform relief efforts. In 2024, the SEM solution supported nongovernmental organizations during several disasters in the Philippines that affected more than ten million people.[49]

Using advanced analytics to improve the frontline flood response in Brazil

When Rio Grande do Sul, the southernmost state of Brazil, experienced a historic downpour that displaced more than a half million people, we worked alongside the local government to assess the scope of the damage, prioritize rebuilding efforts, and understand the magnitude of loss across sectors and cities. We drew on our global expertise—from teams that had responded to other disasters to our agricultural advanced-analytics center, **ACRE** —to synthesize historical comparisons with damage estimates and information coming in from across the state. This data allowed the local government to understand the economic impact on a granular level and thus direct resources most efficiently.

OUR INSIGHTS

Explore the opportunities and risks of using AI to tackle global challenges

AI for social good: Improving lives and protecting the planet

*"Helping Rio Grande do Sul in this moment was **the most rewarding thing I've done** in my career."*

Sergio Canova, partner

48 For more information and the latest impact metrics, visit **Generation's website**.
49 United Nations Development Coordination Office, **Time for solidarity: Typhoon relief efforts in the Philippines**.

Responsible practices

In this chapter

From left to right: **Jeannine**, *assistant general counsel, Amsterdam;*
Oscar, *associate director of compliance, anti-corruption, San José;*
Aaron, *client service risk manager, strategy & operations, Shanghai.*

Responsible practices at a glance

We aim to lead with integrity and set the standard for accountability and compliance in our profession

We are committed to upholding the highest professional and ethical standards in every aspect of our firm's operations. These principles guide our daily practices, from client and supplier selection to data protection.

100%
of new clients vetted against our industry-leading CITIO client service framework[50]

Top 1%
of companies in our industry in sustainable procurement, as rated by EcoVadis[51]

100%
of colleagues completed the annual risk training and certified compliance with firm policies and our Code of Conduct[52]

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50   We assess our engagements based on a set of criteria across five dimensions: Country, Institution, Topic, Individual, and Operational considerations (CITIO). Learn more about our **Client Service Policy and CITIO framework**.

51   A leading sustainability ratings organization.

52   This figure does not include firm members who qualified for an exemption (such as a leave of absence).

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*"We are dedicated to **delivering impact responsibly and maintaining the trust** of our clients, colleagues, and society."*

Sherina Ebrahim ⬀ is a senior partner, member of the Shareholders Council, and chair of the Risk, Audit, and Governance Committee, based in New Jersey.

Sherina helps set the strategic direction and policies of our firm, while chairing the committee providing oversight of our sustainability, inclusive growth, and responsible practices activities.

Governance

We take a comprehensive approach to governing our firm and investing in our people, policies, and technology to build trust and uphold the highest standards of integrity, risk management, and governance.

Our governance structure

McKinsey operates as a single global partnership united by a strong set of values and the drive to deliver positive, enduring change. We are led by our global managing partner, an elected board of directors known as the Shareholders Council (SHC), a global leadership team known as the Enablement Team (ET), and the leaders of our offices and practices.

▶ **Learn more about our leadership.** ⤤

Shareholders Council

The SHC provides board oversight by setting the strategic direction and policies of our firm. It includes the managing partner and 31 senior partners who are elected by their peers to serve three-year terms.[53] 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, cybersecurity,

corporate governance, risk management, and other related 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.

Enablement Team

The ET provides management oversight by supporting and accelerating the execution of our strategic priorities. It comprises the managing partner and firm leaders representing regions, industries, client capabilities, and firm functions, such as Finance, People, Technology, Reputation, and Risk.

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53   Learn more about our **Shareholders Council.** ⤤

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 overall governance; risk management and ethics and compliance (E&C) activities; internal audit process; environmental sustainability strategy; and social responsibility program.
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.

Our governance of sustainability, inclusive growth, and responsible practices

At the board level, the Risk, Audit, and Governance Committee (RAGC) of the SHC provides strategic direction to, and oversight of, our programs and disclosures related to sustainability, inclusive growth, and responsible practices. This includes our environmental sustainability strategy and climate-related efforts; our social responsibility and giving program; and our risk, ethics, and compliance programs. At the management level, our Sustainable and Inclusive Growth Council (Council) is the leadership team that coordinates implementation of these programs.

The RAGC oversees Council activity and receives and acts upon recommendations from the Council. It approves our disclosure strategy, key policies, initiatives, and new targets, and it periodically reviews progress against targets. Our global managing partner and members of the RAGC review and approve the content of our annual Sustainable and Inclusive Growth Report. In 2024, the members of the RAGC were trained on the latest social responsibility and environmental sustainability developments in a dedicated session covering both our client service and our firm's own actions on these topics.

The Council consists of senior firm function, client service, and regional leaders across Sustainability, People, Risk, Communications, E&C, Legal, and Internal Audit. It is chaired by the senior partner who serves as our firm's global leader of reputation and engagement. The Council oversees implementation of related programs and initiatives and monitors progress against them. In 2024, the Council met periodically to review progress against our priorities and to provide guidance on preparing our firm for compliance with upcoming disclosure regulations.

Our governance structure

Risk, Audit, and Governance Committee
A committee of the SHC responsible for board oversight

- Approves our sustainability, inclusive growth, and responsible practices strategy, programs, key initiatives, and new targets and reviews and monitors our performance against our targets
- Oversees our double materiality assessment
- Reviews the quality and functioning of our disclosure controls and procedures

Sustainable and Inclusive Growth Council
A leadership group responsible for management oversight

- Oversees the implementation of our sustainability, inclusive growth, and responsible practices strategy and priorities
- Coordinates the development and execution of policies, initiatives, and targets for material topics
- Coordinates our materiality assessment and stakeholder engagement
- Oversees our reporting related to sustainability, inclusive growth, and responsible practices

Functions and Units   *Non-exhaustive*
Create and drive topic-specific programs and initiatives

| Environment Sustainability | Data Privacy and Security | Ethics and Compliance |
| Procurement | People/Human Resources | Enterprise Risk Management |

Oversight of risk and ethics and compliance

Our firm uses three lines of defense to manage risk and compliance. All colleagues should see themselves as 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 colleagues in several dedicated control functions, collectively covering a broad spectrum of risks facing our firm, including:

— Legal

— E&C

— Risk, including: client service risk, enterprise risk management (ERM), cyber and data risk, geopolitical risk, and 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. Our E&C function collaborates closely with our Legal and Risk functions to enable our firm to lead with integrity.

The RAGC 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.

HIGHLIGHT

Advancing our risk and compliance program

Starting in 2018, we made significant investments 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. We continue to strive to operate and maintain the leading risk and compliance program in the professional services industry.

Our global E&C officer reports directly to the global managing partner.

Transparency and reporting

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**, ↗ a 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**.

Ethics and compliance

We prioritize ethics and responsible practices, investing to drive meaningful changes and build trust with our clients, colleagues, and society.
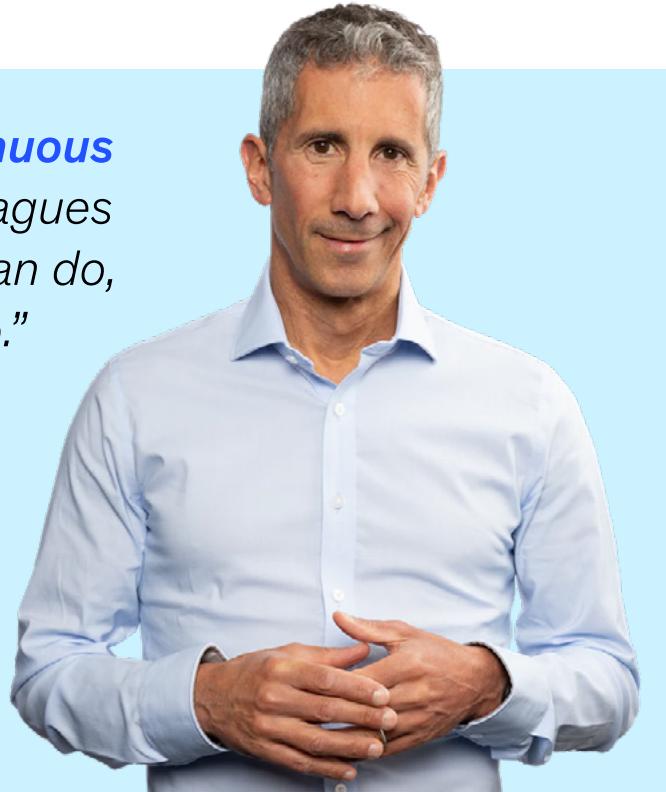
Our approach

We are proud of our legacy 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 are committed to creating and sustaining a culture that educates and empowers our colleagues to respect one another, do what's right, and inspire a shared commitment to ethics, integrity, and professionalism in our daily actions.

Building and maintaining a culture of integrity is the collective responsibility of every firm member. Our Ethics and Compliance (E&C) team works closely with colleagues around the world to ensure our programs are risk-based, robust, and effective.

E&C is led by our 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 learnings together with dedicated risk learning experts

— monitoring compliance with policies and controls, and continually improving our E&C program

We have additional global committees and groups in place to support our E&C 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.

> *"There is no finish line, only **continuous improvement**. We want our colleagues to think not only about what we can do, but also about what we should do."*
>
> **Daniel Trujillo,** partner, global chief ethics and compliance officer

Vicky, a director of people analytics, pictured in our Atlanta office.

Our E&C program, Code of Conduct, and policies

We are evolving our E&C program to continue protecting our firm and enabling impact. We continuously enhance our strategy, identifying talent development priorities, and reimagining our structure and scope of activities to live the principle of compliance by design. We are invested in expanding the depth and breadth of our monitoring practices across the engagement life cycle and sectors that we serve. The effectiveness of our actions are measured through various metrics, firm surveys, and monitoring programs.

Our Code of Conduct (our **Code** ↗) outlines behavioral expectations for all firm members, ensuring they understand our policies and values. It reflects our commitment to ethical decision making, professional conduct, and accountability. The principles in our Code guide us in living our purpose, mission, and values daily. These principles underscore our dedication to our clients, communities, and each other. We comply with all laws and regulations, and in 2024, we translated the Code into 25 languages to enhance usability. All colleagues are required to annually certify their understanding of our Code.

We expect all colleagues and others working on our behalf—such as contractors, advisers, and other suppliers—to adhere to 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 our suppliers**.

Risks addressed by our E&C program

We have long-standing policies governing what work we will and will not do. Our Client Service Policy includes rigorous frameworks embedded in the way we assess risk and monitor compliance for all our client work.

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 include, among others:
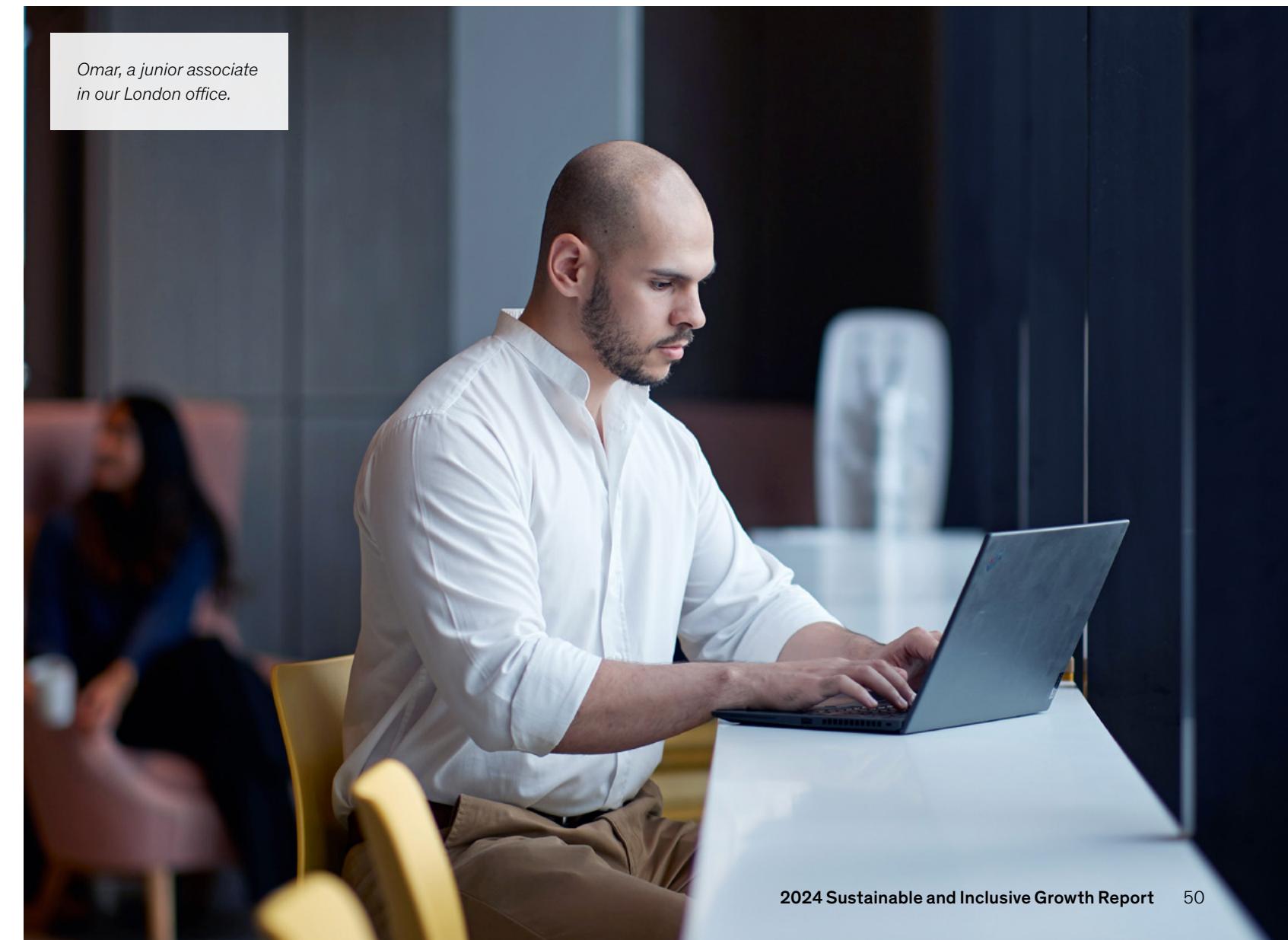
— anti-corruption and bribery

— antitrust and competition

— conflicts of interest

— third-party related

— data protection and privacy

— immigration

— labor and employment

— insider training

— recruiting and hiring

— trade and sanctions

Anti-corruption

Our anti-corruption program supports our firm's commitment to operating ethically and in compliance with relevant anti-corruption laws.

We do not offer, accept, solicit, or pay a bribe, in any form or of any value, to any person—including to secure any advantage in connection with our work or operations—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.

Omar, a junior associate in our London office.

Global E&C training

Trainings are fundamental to our E&C program. In 2024, we enhanced our risk-based trainings by introducing scenario-based learning modules. These modules provide practical applications of our Code and policies, helping our colleagues understand and adhere to these in real-world situations.

We support every firm member through training and communication to keep our commitment to ethics, integrity, and compliance top of mind. Our trainings 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, acknowledge, and adhere to our Code and policies

— participate in onboarding where they learn about our firm's 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 2024, 100 percent of colleagues completed the annual risk training and certified compliance with firm policies and our Code.[53] In addition to these firm-wide programs, colleagues receive function and role-targeted training to better apply our Code and policies in their day-to-day work.

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. The 2024 Values Day theme was "Feedback: fueling personal growth and impact," a critical element that enables our dual mission to our clients and our firm members. This year at Values Day, we recognized over 100 colleagues for role modeling ethical behavior.

Our duty to speak up

We aspire to create an environment in which everyone feels comfortable seeking advice directly with a colleague or raising their concerns through our firm's formal channels.

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 support our firm members and third parties to raise concerns confidentially and, where legally permissible, anonymously and without the fear of retaliation.

We offer three formal channels to our firm members to report concerns:

— Human Resources

— Our global Got a Concern? ethics helpline

— Our Global Partnership Office

Our Got a Concern? ethics helpline is supported by a third-party provider, which enables a reporting platform for individuals to submit reports confidentially and anonymously. This supports our firm's compliance with specific whistleblowing legislation in various locations where we operate.

▶ **Learn more about our [Got a Concern? Ethics helpline](#).** ⤤

Every firm member has the obligation to raise concerns about violations of our firm's Code, policy, or the law, including any issues raised relating to human rights.

All good faith allegations of potential violations of our firm's Code, policy, or the law 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. Our Ethics team handles all concerns raised. A core team conducts internal reviews objectively and empathetically, and if a violation of our Code, policies, or the law is found, we take appropriate action.

In addition, external parties—in particular, our suppliers and those working with them—can report any concerns, including those that relate to human rights. We review all concerns and ensure that further inquiry and review are handled in accordance with applicable laws.

100%

of colleagues completed the annual risk training and certified compliance with firm policies and our Code[54]

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54   This figure does not include firm members who qualified for an exemption (such as a leave of absence).

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 environments, 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.

We routinely and systematically undertake risk assessments and reviews, and update or create new policies, procedures, or processes accordingly. These assessments incorporate 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 & Resilience Taxonomy. The official Risk & Resilience Taxonomy covers 11 Level 1 risk areas, each of which is further divided into several Level 2 risk areas. We regularly update this taxonomy to ensure that we have an up-to-date view on new or emerging risk types.

Risk assessments and reviews help us understand the nature of the risks we face and what policies and controls we have in place to mitigate those risks.

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

*"We take a **holistic approach to risk management**, working hard to understand present and future risks and what we can do to proactively mitigate them, thereby enhancing the resilience of our firm."*

Fritz Nauck, senior partner and chief risk officer

Our key actions in 2024

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. In 2024, we:
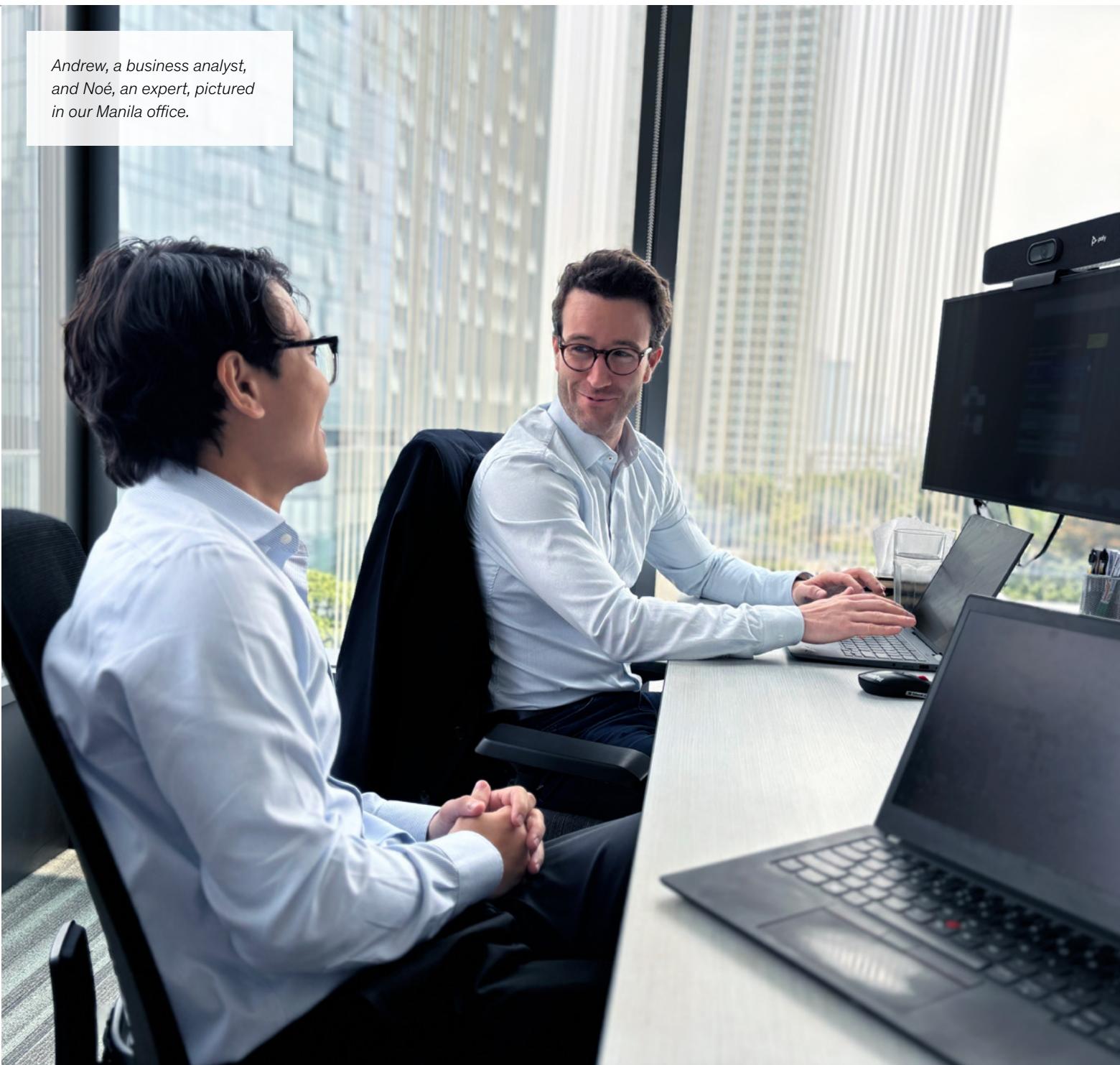
— launched solutions to improve how risk guidance is delivered to partners, transforming it into a dynamic living document that can be referred back to throughout an engagement

— built an artificial intelligence (AI) tool to extract contract terms for compliance checks

— integrated multiple risk metrics into a single portal, providing visibility to all colleagues on personal risk metrics relevant to their roles

— expanded the use of digital simulations on high-priority risk topics, enabling colleagues to apply integrity competencies and policy guidelines in realistic situations, which resulted in measurable increase in knowledge and skills compared to previous training formats

Communication channels

Colleagues receive regular messaging from the global managing partner, 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.

Double materiality assessment integration

We continue to integrate sustainability and responsible practices perspectives into our enterprise risk management (ERM) risk review processes. Building on our first double materiality assessment (DMA) conducted in 2023, which incorporated relevant insights from the annual risk review, in 2024 we refined our approach to further align it with our ERM framework. This included harmonizing the definition of financial materiality across both the ERM risk review process and the DMA. The ERM team is a core member of our cross-functional DMA team, with the key role to provide guidance on risk identification and assessment within the DMA process. The DMA insights in turn inform our annual risk review process, with input from our firm's relevant subject matter experts, for example those focused on climate risk.

Andrew, a business analyst, and Noé, an expert, pictured in our Manila office.

**We continue to improve our risk management tools and processes.**
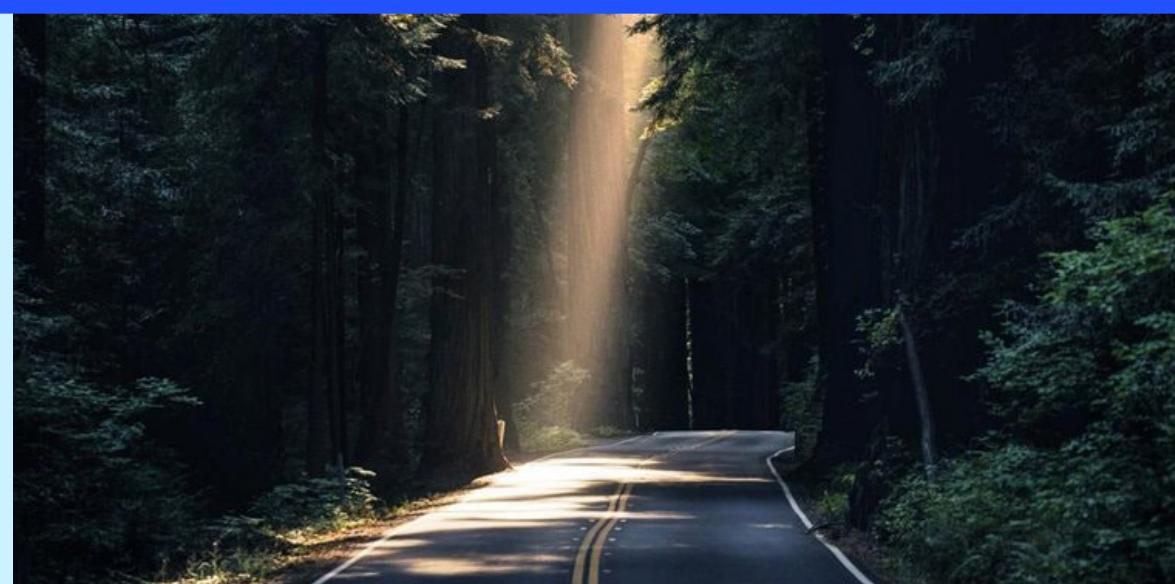
Risk & Resilience Taxonomy

— **Strategic risk:** risks caused by changes in the regulatory, technological, political, and geopolitical environment, and societal trends, which impact our firm's strategic and competitive distinctiveness

— **Ethics, legal, and regulatory compliance risks:** 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, and in particular, who we serve and on which topics (for example, client and engagement selection, including engagement life cycle)

— **Product and capabilities risks:** risks arising from the creation and provision of client-facing capabilities and risk to the protection of our firm's proprietary knowledge

— **Technology risk:** risks associated with the vulnerability of our firm's IT system and technology, including cyber threats

— **Communications and publishing risk:** risks arising from our firm's internal and external communications, and the disclosure, use, or publishing of our firm's name or work

— **Physical security risk:** risk of safety of our firm members and security of our firm locations

— **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 costs structures

OUR INSIGHTS

Building a resilient tomorrow: Concrete actions for global leaders

Explore how organizations are adapting to global challenges

Double materiality assessment and risk integration

Annual risk review

The ERM team provides input and advises on the calibration of risks in the double materiality assessment

Double materiality assessment

Subject matter experts provide input on the annual risk review on relevant topics, such as climate risk

Working with clients

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

Clients and colleagues at our Innovation & Learning Center in Venice.

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.

We designed our approach to ensure we make responsible, principles-based decisions about our client work, upholding our firm's high professional standards. Our firm declines engagements that fail to meet these standards.

▶ **Read more about our [client and engagement selection](#). ↗**

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, which 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: Country, Institution, Topic, Individual, and Operational considerations (CITIO).

Within each of these dimensions, we have defined and regularly update criteria that our colleagues must apply when assessing a potential client or engagement to comply with applicable laws and ensure we consider the potential unintended consequences of our work. Some criteria describe "bright lines"—work we will not perform under any circumstances—while others require discussion and special approval, extra oversight related to delivery, and/or restrictions on the scope of work.

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. We update them annually at minimum, with many updated more frequently in response to changes in global or local industry contexts and/or regulations. We review each client engagement we undertake against the related industry guidelines prior to starting work.

In addition to the industry-level guidelines, we have continued to update our guidelines on evergreen topics, including conflicts of interests and geopolitical issues, to ensure our approach evolves as new issues come to light or regulations change.

Our teams, processes, and systems

In 2024, we continued to invest in growing our Risk, Legal, and Ethics and Compliance (E&C) teams. Our Client Service Risk team continues to provide professional, judgment-based input and decisions on client situations requiring bespoke review and advice. The team brings together expertise from risk, legal, compliance, and communications professionals and integrates input from external research and internal systems checks to ensure that a holistic review is performed against our policies and guidelines. The E&C team conducts additional reviews to further ensure that we adhere to our policies and guidelines.

We escalate a subset of the most complex cases to a global decision-making body, the Client Service Risk Committee (CSRC), which comprises senior firm leaders and is 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.
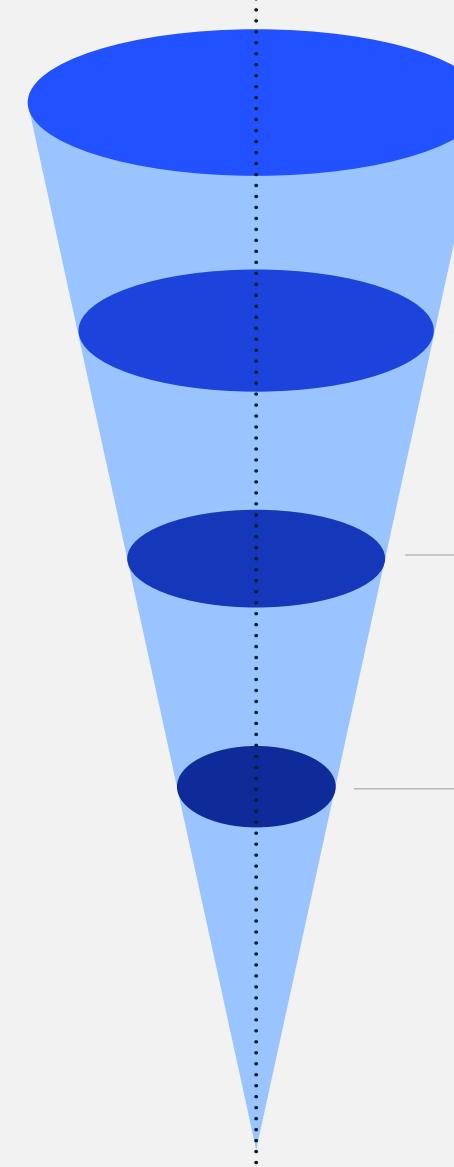
In addition to strengthening our teams and processes, we have continued to evolve our digital systems and tools for managing client service risk. Our digital infrastructure ensures that every client engagement is assessed for risk prior to our starting the work, and enables linkages and controls across 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

Client and engagement risk evaluation process

Prospective client engagements

Diligence
Complete due diligence on new clients and assess findings against CITIO framework

Client

Global risk assessment
Identify engagement-level and sector-specific risks

Sector-specific risk assessment
Use sector-specific framework to review and categorize work by risk level, guiding teams on whether to decline opportunities or proceed with specific guardrails[55]

Engagement

Additional review for select cells
The Client Service Risk team reviews high-risk clients and engagements, as well as all engagements for specific cells, prior to starting work[56]

55   Risk categories include high risk, medium risk, and work our firm will not undertake.
56   Includes Social, Healthcare, and Public Entities (SHaPE), Life Sciences, and Digital & Analytics (Tech Delivery).

Working with suppliers

As a global firm with offices in 67 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 Supplier Risk and Sustainable Procurement department leads our Responsible Buying program within 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 sustainability, inclusive growth, 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.

100%
of eligible Optimize colleagues completed sustainable procurement training

Our key actions in 2024

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.[57] The Supplier Code of Conduct outlines the standards and values we expect of all our suppliers and is embedded in our standard contract template. The Supplier Code of Conduct is available to download in 13 languages on our **Supplier Standards webpage** ⧉ and was last 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 adverse human rights impacts in our supply chain. It supports our commitment to the UN Guiding Principles on Business and Human Rights and the UN Global Compact and aligns our diligence efforts under the Organisation for Economic Co-operation and Development Due Diligence Guidance for Responsible Business Conduct.

As part of our supplier due diligence process, the standard request for proposal (RFP) templates used by our Sourcing team include questions to screen potential suppliers based on their practices and policies. These questions focus on areas such as environmental sustainability, human rights, 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.[58] This process includes additional questions for suppliers with potentially higher human rights risk based on considerations such as spend level, country risk, and category risk. We carry out

periodic diligence checks to assess changes in suppliers' circumstances at intervals determined by the supplier's risk profile. We also conduct continuous monitoring of adverse media for a subset of our highest-risk suppliers.

We leverage a third-party risk analysis tool and supplier assessment platform to supplement our overall supplier diligence process. These tools cover environment, human rights, business ethics, and sustainable procurement issues. 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. An independent third party reviews documents against globally recognized standards and frameworks. Based on assessment results, we may request corrective actions through the platform or in direct engagements with suppliers to address improvement areas and monitor their progress.

Training for Optimize 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 2024, 100 percent of eligible Optimize colleagues completed the sustainable procurement training.

57   Some exceptions apply.

58   Some exceptions apply (for instance, suppliers for which an alternative third-party vetting process is utilized).

Expanding inclusion across our supplier base

As an organization with a global footprint and broad supplier base, we recognize our opportunity to drive impact through our procurement decisions. Aligned with our broader aspiration to drive sustainable and inclusive growth, we are committed to finding opportunities to advance inclusion across our supply chain—from what we buy, to how and from whom we buy it. For example, in 2024, we updated our standard RFP template to include the topic of living wage.

We are corporate members of nine US and global nonprofit organizations dedicated to expanding opportunity to diverse-owned and small businesses. Collaboration with these organizations broadens our access to innovative suppliers, enhances our knowledge of best practice in supplier development, and reinforces our commitment to inclusive economic growth.

▶ **For a full list of our nonprofit corporate memberships, please** [visit our website](#). ↗

In 2024, we hosted our third global supplier summit.

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, we have made engaging with our travel-related suppliers a priority.[59] For example, in 2024, we again achieved our annual goal of engaging with suppliers representing at least 80 percent of our business travel emissions. We also hosted our third global supplier summit, where we shared our sustainability goals and expectations with suppliers, including many of our business travel-related suppliers. Finally, we requested that selected suppliers—including many business travel-related suppliers—participate in the CDP Supply Chain program. Collaboration with suppliers via 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 2024, we were ranked in the top 1 percent of companies in our industry evaluated by EcoVadis in the sustainable procurement category, highlighting our commitment to responsibly managing our supply chain.

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

OUR INSIGHTS

Decarbonizing logistics: Charting the path ahead

Discover the five key actions firms can take to reduce their logistics emissions ↗

The McKinsey Sustainability hub at COP29 in Azerbaijan.

Human rights

We are committed to respecting human rights in our internal operations and expect the same from our business collaborators and suppliers.

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 commitment to these principles is reflected in our policies and practices, ensuring that human rights are respected in our own operations and throughout our value chain.

Our **Human Rights Statement** ⬈ affirms our commitment to respecting human rights. 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 Sustainable and Inclusive Growth Council oversees our approach to respecting human rights across our value chain. Our cross-functional Human Rights Working Group comprises representatives from Ethics and Compliance, Client Service Risk, Global

Social Responsibility, Legal, People, and Procurement functions, and continues to operationalize our approach to human rights due diligence. Our global chief ethics and compliance officer also serves as the chief human rights officer, overseeing risk management related to human rights across our operations and supply chain.

We continually review and enhance our human rights practices to stay ahead of emerging regulations, identify new risks, and incorporate best practices in our human rights risk management programs.

Policies and standards

Our **Code of Conduct** ⬈ (our Code) includes explicit commitments to respecting one another, maintaining an inclusive and respectful meritocracy, never engaging in harassment or discrimination, and working safely.

Our Recruiting and Hiring Policy establishes the requirement for all personnel processes to be merit-based and applied without discrimination. We foster and preserve inclusivity across every facet of our firm. Our firm comprises people from diverse backgrounds, with varying perspectives, working styles, and areas of expertise.

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. We prohibit any form of discrimination, harassment, bullying, or other offensive conduct toward any individual based on race, color, religion, sex, sexual orientation, gender identity, marital status, pregnancy, age, disability, national or ethnic origin, military service status, citizenship, or other characteristics. We also prohibit any behavior that

makes the work environment hostile, intimidating, or offensive to colleagues.

Our Supplier Code of Conduct outlines our expectations of our suppliers, including ensuring fair employment and wages, reducing environmental impact, and providing working conditions that support safety, well-being, and health.

▶ **Learn more about our supplier standards and values.**

We have a deep and long-standing commitment to advancing diversity and inclusion in business, in society, and within our firm. We believe that inclusion is not only every individual's responsibility, but also a critical leadership skill and is core to our leadership development model, which serves as a standard used to evaluate colleagues' annual performance.

Human rights due diligence

We have processes in place to identify, assess, and address potential human rights violations among our colleagues, in our client work, and in the supply chain. Learn more about our approach to **ethics and compliance**, **working with clients**, and **working with suppliers**.

Our due diligence approach is detailed in our modern slavery and supply chain transparency statements across different regions:

— **UK Modern Slavery Statement** ⧉

— **Australia Modern Slavery Act Statement** ⧉

— **Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act** ⧉

— **Norway Due Diligence Report** ⧉

In our own operations

Our Code outlines our expectation that all firm members must be able to work in an environment free from harassment and discrimination. 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 are 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 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**. We ensure equitable compensation and benefits, and continuously monitor and improve our practices and programs to support these commitments.

In our client work

As outlined in our client service approach and reflected in our CITIO framework and our industry and topical guidelines, our commitment to human rights informs whom we serve and on what topics.[60] 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).

In our supply chain

We hold our suppliers to the same high standards of social responsibility that we hold ourselves to. We do not tolerate human rights violations in any form at any stage of our supply chain and require our suppliers to enact practices to maintain a respectful and safe workplace. We also require our suppliers not to tolerate physical violence, threats, corporal punishment, mental coercion, verbal abuse, disrespectful behavior, bullying, or harassment of any kind. We focus on sustainable procurement and require our suppliers to comply with all applicable wage and labor laws and regulations. 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**.

▶ **For additional information, please see the Ethics and compliance section of this report and our Human Rights Statement**. ⧉

Raising concerns

Our Got a Concern? ethics helpline enables colleagues and external parties to raise any concern relating to a human rights issues confidentially and, where legally permissible, anonymously. We review all complaints and ensure that further inquiry and review are handled in accordance with applicable laws.

▶ **For additional information, please see the Our duty to speak up section of this report.**

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60   We assess our engagements based on a set of criteria across five dimensions: Country, Institution, Topic, Individual, and Operational considerations (CITIO).

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.

Our approach

Data privacy

As a professional services firm, responsibly managing data is an essential part of our business. We promote a culture of trust and transparency, striving to uphold the highest standards of privacy and personal data protection worldwide. Protecting personal privacy is a core principle of our Code of Conduct, which all firm colleagues and those working on our behalf are required to follow.

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.

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. We review the policy annually, and all firm members are required to confirm their compliance each year. The policy requires that personal data be:

— collected, accessed, used, and shared only to achieve legitimate business purposes or comply with legal requirements

— used fairly and transparently

— disposed of when there is no longer a legitimate purpose for retaining it

Underpinning the policy is our Privacy Program, a combination of standards, guidelines, technology, dedicated privacy professionals and training and awareness campaigns. Our Privacy Program seeks to ensure that we are able to demonstrate our accountability as diligent data stewards for our clients and firm members.

*"We're not just meeting expectations; **we're setting new standards** comparable to industry leaders for a sustainable and secure future."*

Anthony Esposito, chief security and information officer

Information security

We are committed to safeguarding firm and client data. We have established global information security in addition to our privacy program, 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. We design our controls with informative guidance from industry best practices such as NIST and ISO/IEC 27001.[61]

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](#).** ⬈

Our key actions in 2024

An independent assessor provided us with a Service Organization Control (SOC) 2 attestation for our internal information security controls. We have expanded the scope of our SOC 2 to include all technology used globally by our firm. Furthermore, our Asia–Pacific region has successfully obtained an ISO/IEC 27001 certification, demonstrating our commitment to upholding the highest information security standards.

We achieved ISO/IEC 27001 certification on information security across the Asia–Pacific region.

OUR INSIGHTS

A board-level view of cyber resilience

Learn how boards of directors should approach oversight of cybersecurity

⬈

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61   National Institute of Standards and Technology.

Reporting approach and appendix

In this chapter

Report scope

McKinsey's 2024 Sustainable and Inclusive Growth Report is our annual report detailing our commitments, programs, and performance on sustainability, inclusive growth, and responsible practices. All information reflects McKinsey's worldwide operations, covering the period from January 1, 2024, to December 31, 2024, unless otherwise noted.

We continue to align our reporting with leading standards and frameworks. This report has been prepared with reference to 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 seventh 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 reporting indexes.**

Our greenhouse gas (GHG) emissions inventory and renewable energy use data, as well as select social responsibility contributions data, were independently verified by Grant Thornton at a limited assurance level. See **Grant Thornton's report of independent public accountants**.[62]

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

WE SUPPORT

UN GLOBAL COMPACT

Beyond why to how

Adam Kendall, partner, speaking at COP29.

Stakeholder engagement

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

These tables summarize the most common ways we engage our stakeholders, why we engage them, the feedback we received, and how we responded.

Clients

Engaging our stakeholders	Why we engage	Stakeholder feedback	Our response to feedback
Ongoing — Client request for proposals (RFPs) — Client engagements — Client impact survey — Industry collaborations — Client requests/inquiries	To gain deeper insight into the challenges they face relevant to their specific industry, enabling us to tailor our services and improve client delivery.	**Thought leadership** Continue to publish best-in-class insights and thought leadership that drives sustainable and inclusive growth	We fueled progress with **insights** in several ways. For example, we published insights through the McKinsey Global Institute on five critical economic and business themes: productivity and prosperity; resources of the world; human potential; global connections; and technologies and markets of the future. Through the McKinsey Health Institute, we published industry-leading research in areas such as mental health, employee health, women's health, and healthy aging. We have published 74 insights pieces through the McKinsey Institute for Economic Mobility since 2020.
		Climate action Use our position as a trusted partner to accelerate decarbonization and the net-zero transition with our clients and as a firm	At **COP29 in Azerbaijan**, ↗ we hosted a series of in-person and live-streamed events that reached thousands of attendees. These events focused on the practical steps leaders can take to achieve sustainability and growth across key areas such as energy, climate tech, adaptation, and finance. We also hosted **Green Business Building Summits** ↗ in eight countries, convening 1,500 C-suite executives from green tech disruptors, incumbents with ambitious green growth agendas, and sustainability investors to discuss key challenges and successes. We rapidly accelerated our progress in cutting greenhouse gas (GHG) emissions and are currently outperforming our 2025 emissions reduction targets. ▶ **Learn more about our progress on charting our firm's path to net zero.**

Colleagues

Engaging our stakeholders

Regularly

— Pulse survey (monthly)

— People survey (annually)

— Recruiting engagements

— Mentorship, Apprenticeship, and Sponsorship Survey (annually)

— Office town halls and convenings

Engagement from Bob Sternfels, global managing partner

— Regular blog posts, emails, and Slack messages

Why we engage

To create an unrivaled environment for exceptional people and equip our colleagues to both accelerate sustainable and inclusive growth and support our clients from idea to impact. Our goal is to share key priorities and provide opportunities for colleagues to engage and participate while also building awareness and engagement with our firm's unique expertise on a variety of topics. We do this across the full life cycle of a colleague—from candidate to firm member to alumnus.

We gather input and feedback through a variety of channels, including annual surveys (for example, Firm People Survey), just-in-time measures (for example, end-of-engagement feedback), interactions with firm and team leaders and professional development colleagues, and regular pulsing on colleague sentiment and topics (for example, monthly Pulse survey). These inputs help us shape our firm's People strategy, spur new efforts, initiatives, and programs at a global, regional, and local level, and support decision making with a clear fact base sourced directly from a representative group of our colleagues.

Stakeholder feedback

Employee well-being and development

Continue to expand and refine opportunities for professional growth and development

Offer access to additional resources to support overall well-being, including mental health

Creating stronger and more sustainable communities

Provide opportunities to make a meaningful difference in local communities through sustainability and inclusive growth focused initiatives

Foster a sense of local office community and create opportunities for colleagues to engage with local leaders on issues that impact their offices and communities

Leadership connectivity

Provide updates on—and create opportunities for two-way dialogue around—key firm priorities and decisions

Our response to feedback

We supported our colleagues' professional development by fostering a culture of continuous learning and well-being. We integrated development practices into our daily work, offered around 4,400 learning programs, and provided personalized support to help colleagues grow and advance based on their skills and impact. The success of these programs was evidenced by *TIME* and Statista naming McKinsey the top company for future leaders for the second year in a row.

We prioritized the mental, physical, social, and spiritual health of our colleagues through initiatives such as the Well@Work initiative, which offers resources and support for well-being, and the Mind Matters program, which provides 24/7 mental health assistance and local support. We also ensured flexibility with work models, competitive compensation, and comprehensive benefits, including a strong focus on pay equity and personalized health programs.

Our local Green Teams led initiatives to reduce office emissions, raise awareness, encourage sustainable travel, and engage in community projects. We encouraged and created opportunities for our colleagues to be active members of their communities through donation matching, paid volunteer time, local office grant-making, and nonprofit board service.

Local offices held regular town halls, events, and interest-groups meet-ups to build camaraderie, create opportunities for engagement, and support two-way dialogue with colleagues.

In addition to our regular surveys to collect colleagues' ideas and feedback, Bob Sternfels launched an internal blog for colleagues with regular updates on a wide range of firm topics to promote transparency and two-way dialogue.

Suppliers and workers in our supplier base

Engaging our stakeholders	Why we engage	Stakeholder feedback	Our response to feedback
Ongoing — Supplier RFPs — Qualification and onboarding (risk screen) — Supplier Code of Conduct expectations **Select suppliers** — Quarterly business reviews — Supplier training — Environmental, human rights, and responsible practices supplier assessments — Science-based target expectations — Education of relevant select supplier personnel on Supplier Code of Conduct compliance	To better understand the markets in which our suppliers operate and their environmental, human rights, and responsible practices challenges, enabling us to actively manage and mitigate potential risks within our supplier base, identify opportunities for collaboration on sustainability topics, take steps to improve supply resilience, and establish mutually beneficial supplier relationships.	**Supplier engagement** Continue to engage with suppliers and provide information on our sustainability and inclusive growth efforts in the supply chain Continue to communicate the importance of emissions reductions to suppliers and engage with suppliers on environmental topics **Supplier due diligence** Continue to conduct supplier due diligence processes under the UN Guiding Principles on Business and Human Rights Engage directly with workers in our supplier base and ensure they have access to, and awareness of, our supplier expectations and grievance channels	We addressed these efforts during our annual virtual supplier summit titled "McKinsey & Company's third annual supplier summit: Accelerating sustainable and inclusive growth." We continued to collaborate with suppliers via the CDP Supply Chain program, enabling us to better identify emissions-related risks and opportunities in our own supply chain as well as supporting and encouraging our suppliers as they continue their own emissions reduction journeys. We expanded the scope of our review of suppliers' environmental, human rights, and responsible practices performance, enhanced our periodic due diligence and continuous monitoring, and continued implementing evidence-based supplier assessments and our corrective action platform. We hosted training sessions for select suppliers, where we presented our "Got a Concern?" grievance channel as a secure and anonymous way to raise any issues.

Communities

Engaging our stakeholders	Why we engage	Stakeholder feedback	Our response to feedback
Ongoing — Local McKinsey office engagement in 136 cities — Partnerships with local, regional, and global nonprofits, including through pro bono engagements — Alumni website, webcasts, and in-person and virtual events	To deepen our understanding of the needs of the communities where we live and work, allowing us to develop locally relevant solutions and recommendations that create positive social impact, strengthen our local presence, and align our giving with community expectations and values.	**Giving back**	
		Continue to grow economic opportunity in our communities around the world and equip colleagues to participate, including making progress toward our $2 billion commitment to social responsibility by 2030	We helped grow economic opportunity through our capability-building programs, pro bono work, volunteering, and charitable giving. In 2024, we contributed $194 million toward our $2 billion commitment to social responsibility. We upskilled, reskilled, or supported economic inclusion for 19.6 million people through our nonprofit partners and pro bono programs. We reached 230,000 new learners through the McKinsey.org Forward program across Africa, Europe, the Middle East, and the United States. In addition, we encouraged and created opportunities for all of our colleagues to be active members of their communities through donation matching, paid volunteer time, local office grant-making, and nonprofit board service.
		Sustainable and inclusive growth leadership	
		Continue to demonstrate leadership on sustainable and inclusive growth topics and actions	We received CDP's highest recognition (an A score) for our leadership in reporting and reducing GHG emissions. We received several awards and recognitions for our inclusive environment and for promoting equal opportunity for people from diverse socioeconomic backgrounds. We published research that enables leaders to make strategic decisions that spur a more sustainable and inclusive world. Then, we made our insights available to the public to drive positive change at scale. In 2024, readers in 240 countries spent 2.2 million hours reading our insights.

Civil society

Engaging our stakeholders	Why we engage	Stakeholder feedback	Our response to feedback
Ongoing Continued engagement with various organizations on topics including: — gender equality — responsible business practices — climate change and environmental sustainability — economic opportunity ▶ **Visit our website for a list of our key memberships**. ⬀	To grasp the most complex global challenges, allowing us to contribute to thought leadership, coalition-building efforts, and the acceleration of new technologies, while aligning our programs with emerging best practice and stakeholder expectations to enhance our positive impact.	**Sustainability actions** Continue to partner with clients, nonprofits, suppliers, and other companies to protect nature, advance new technologies, and ensure critical climate financing **Impact partnerships** Continue to prioritize and promote diversity and inclusion within our firm, with our clients, and in partnership with leading organizations	We participated in advance market commitments, in which we collaborated with other buyers to support market demand for new climate solutions and technologies so they can scale successfully. ▶ **Learn more about how we partner to catalyze climate action**. We continued to build and strengthen our diverse meritocracy in several ways, including hosting events that welcomed and supported our Equal at McKinsey colleagues, empowering the next generation of women leaders, and building networks and communities that fostered a sense of belonging and growth among all colleagues. We also partnered with clients to **drive inclusive growth**. In 2024, we hosted our seventh annual Black Economic Forum, convening hundreds of Black CEOs and executive leaders from various sectors, including many of our clients, to advance economic mobility. We invested in diversity and inclusion research to establish a robust fact base that can be used to drive positive change. Our research and insights spanned a wide range of global topics, from economic mobility to workplace diversity. For example, we marked the ten-year anniversary of our annual **Women in the Workplace report**, ⬀ written in partnership with LeanIn.Org.

Double materiality assessment

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

The results inform our priorities, actions, and external reporting. In 2023, we conducted our first double materiality assessment (DMA), identifying the 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 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 topics list informs and aligns with the priority areas our firm is driving as part of our aspiration to accelerate sustainable and inclusive growth.

▶ **Please read the full description of our [2023 DMA process and results](#) (page 61).** ↗
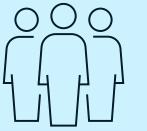
In 2024, we continued refining our materiality assessment process to align it with evolving guidance and emerging best practice examples. We plan to continue sharing our DMA approach and results in future reporting.

Our material topics

Sustainability

— Climate change

Inclusive growth

— Community engagement and pro bono

— Compensation and benefits

— Diversity and inclusion

— Employee learning and development

— Employee well-being and working conditions

Responsible practices

— 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

Mauricio, a partner, and Mohji, an engagement manager, in our São Paulo office.

How we create value

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

Our client service is our greatest opportunity for impact. Our 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 the transition to a net-zero economy
— With our clients, lead a wave of innovation and growth to reach net zero
— Pursue our own decarbonization to achieve net zero

Our foundations

| Client service and relationships | Capabilities, insights, and technology assets | Expertise of our colleagues | External collaborations | "One firm" partnership model | Supplier relationships |

Performance data

Sustainability

Energy consumption
MWh

	2022	2023	2024
Fuels	38,873	29,262	24,832
Purchased electricity	45,289	50,414	45,680
Purchased heat	8,771	3,221	3,479
Total energy consumed	92,933	82,897	73,991
Renewable electricity consumed	97%	100%	100%

Electricity consumption from renewable sources
Percent

	2022	2023	2024
Biomass	0%	2%	1%
Geothermal	3%	2%	0%
Hydro	12%	10%	12%
Solar	25%	29%	22%
Wind	60%	56%	59%
Others	N/A	1%	6%

63　Science Based Targets initiative (SBTi).

64　Certain of these metrics for the year ending December 31, 2024 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 independent assurance statement. Refer to the management assertion for the complete list of metrics subjected to review.

65　The reported percentages are rounded for simplicity, but they are based on precise calculations using unrounded data to ensure accuracy. Due to rounding, the totals may not match the overall reported total.

Greenhouse gas emissions
Kilotons CO_2e

	Included in SBTi boundary[63]	Included for offsetting	2019	2020	2021	2022	2023	2024[64,65]
Scope 1	Yes	Yes	15	12	12	10	8	6
Scope 2 (market-based)	Yes	Yes	3	3	3	3	<1	<1
Scope 2 (location-based)	No	No	23	17	17	19	19	18
Scope 3 air travel fuel burn, well-to-tank, and ground transportation	Yes	Yes	421	81	76	255	283	302
Scope 3 air travel non-greenhouse gas (GHG) emissions impact (radiative forcing)	No	Yes	284	48	48	171	189	200
Air travel emissions reductions through sustainable aviation fuel (SAF)	Yes	Yes	N/A	N/A	N/A	N/A	8	18
Scope 3 other	No	No	82	42	45	94	107	97
Scope 3 other, including reductions through energy attribute certificates (EACs) for work-from-home (WFH) emissions	No	Yes	82	42	45	94	107	92
Total emissions (market-based)			**804**	**185**	**184**	**533**	**588**	**605**
Total emissions (market-based), including reductions through SAF and EACs for WFH emissions			**804**	**185**	**184**	**533**	**580**	**583**

Performance against near-term science-based targets

	Target year	Target	2019	2020	2021	2022	2023	2024
Scope 1 and 2 absolute emissions (market-based), kilotons CO_2e			18	15	15	13	8	6.8
— Reduction vs. 2019	2025	25%	N/A	18%	19%	30%	56%	62%
Scope 3 emissions intensity (SBTi boundary including SAF reductions), tCO_2e/full-time equivalent (FTE)			14.6	2.6	2.3	6.6	6.4	7.2
— Reduction vs. 2019	2025	35%	N/A	82%	84%	55%	56%	50%

Greenhouse gas emissions reporting methodology and improvements

Measurement of our emissions

Our annual carbon accounting covers all material emissions sources, is aligned with the GHG Protocol, and is independently verified in accordance with the American Institute of Certified Public Accountants attestation standards.

Scope 1 and 2 emissions

Scope 1 covers all direct greenhouse gas (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. We calculated Scope 1 and 2 emissions using data from a global office survey. Where data was unavailable, we based the emissions calculations on consumption estimates. For 2024, we achieved a 96 percent survey response rate. 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 by our firm, outsourced activities, waste disposal, and use of cloud computing and other digital services, as well as the use of electricity and heating at home during work.

We calculated Scope 3 emissions based on mileage (ground transportation and colleague commuting), mileage and travel class (aviation), stay duration and location (hotels), energy consumption, spend (certain ground transport categories), and survey data (waste disposal and consumption of water bottles). Wherever data was missing, we used best-effort estimates for all scopes.

To calculate our air travel emissions, we use **emission conversion 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.[66] Between 2023 and 2024, the emissions factors remained unchanged. In 2023, we conducted a materiality assessment of this change and concluded that, to reflect actual 2023 load factors more accurately, we would continue to use air travel emissions factors as published in 2022 by the UK government. We continued this approach for 2024 as we believe it most accurately reflects actual in-year emissions and progress made.

In 2024, we procured renewable energy certificates (RECs) to cover our colleagues' emissions from electricity used in their home offices. Given emerging guidance, we report this as an out-of-inventory reduction.

Sustainable aviation fuel purchases

The sustainable aviation fuel (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** ⬈ initiative. We follow the book-and-claim approach and require registry use, where possible, and third-party certification of the SAF we purchase.

Science-based targets boundary

In line with the Science Based Targets initiative's (SBTi) 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 (WFH) emissions. We will continue to compute and publish our total footprint, including RFI, hotel, and WFH 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 emissions impacts of air travel remains nascent and is subject to change.

Improvements

In 2024, we made further improvements to emissions factors used in our carbon accounting. As part of our supplier engagement efforts with hotels, we restructured our Green Hotels program to align with external building and operational certifications. Hotel properties that align with these certifications can receive an emissions reduction by room night. Furthermore, we enhanced our methodology for calculating Scope 3 ground transportation emissions from taxis and rental cars by beginning to account for the emissions reductions achieved through the use of electric or hybrid vehicles by our leading vendors.

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66   International Air Transport Association (IATA) Global Outlook for Air Transport **industry statistics** ⬈ from December 2023 assume a load factor of 82.6% in 2019 and 82.3% in 2023.

Inclusive growth

Our People data[67]

Global governance bodies

	2022	2023	2024
Shareholders Council (firm's board)[68]			
Total members	31	31	31
Women	26%	23%	23%
Enablement Team (executive committee)[68]			
Total members	21	23	33
Women	33%	30%	24%

Global workforce[69]

	2022	2023	2024
Women, all colleagues	48%	48%	50%
Women, managers	45%	45%	46%
Women, leadership[70]	28%	28%	30%
Women, new hires	49%	48%	51%
Women, client-serving colleagues	38%	39%	40%
Women, client-serving new hires	41%	45%	48%

US workforce

	2022	2023	2024
Women	50%	49%	52%
Race/ethnicity[71]			
Black or African American	7%	7%	7%
Asian	29%	31%	30%
White	52%	50%	51%
Hispanic or Latino	8%	9%	9%
Native American	<1%	<1%	<1%
Two or more races	3%	3%	3%

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67   The figures from last year's report have been re-stated to reflect updated methodology for categorizing Equal Employment Opportunity (EEO) race/ethnicities. EEO race/ethnicity percentages now do not include colleagues who have not disclosed their race/ethnicity (i.e., we have removed the "undefined" race/ethnicity category). Race/ethnicity data captured in this report is based on self-identification. Percentages may not sum to 100% due to rounding. 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. This group is referred to as "racial/ethnic minority."

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

69   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%.

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

71   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. This group is referred to as "racial/ethnic minority." Race/ethnicity percentages on performance tables may not sum to 100% due to rounding.

Responsible practices

Our giving

	2022	2023	2024
Number of pro bono engagements	230	270	320
Number of pro bono clients served	190	220	250
Spend toward $2B commitment to social responsibility by 2030 (in cash and in-kind)[72]	$289M	$206M	$194M
Hours dedicated to social responsibility initiatives[72]	489,000	343,000	281,000
Number of nonprofits supported[73]	4,000	3,900	4,500

Ethics and compliance

	2022	2023	2024
Percentage of colleagues completed annual risk training and certified compliance with firm policies and our Code of Conduct[74]	100%	100%	100%

Working with suppliers

	2022	2023	2024
Percentage of Scope 3 business travel emissions represented by suppliers engaged on sustainability	80%	83%	82%
Percentage of Optimize colleagues completed sustainable procurement training	100%	100%	100%

72   This metric for the year ending December 31, 2024, 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 **independent assurance statement**.

73   Starting in 2024, the count of supported nonprofits expanded to include those supported through charitable donations, nonprofit fellowships, and **McKinsey.org**, in addition to those supported through pro bono engagements, McKinsey Gives, and McKinsey Grants.

74   This figure does not include firm members who qualified for an exemption (such as a leave of absence).

GRI content index

Statement of use: McKinsey & Company has reported in reference to the Global Reporting Initiative (GRI) Standards for the period January 1, 2024 to December 31, 2024.

Disclosure number	Disclosure title	Answer
GRI 1	**Foundation 2021**	
GRI 2	**General Disclosures 2021**	
2-1	Organizational details	**Introduction/About McKinsey** **About us** ↗ **Our offices** ↗ **McKinsey factsheet** ↗
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**

Disclosure number	Disclosure title	Answer
2-6	Activities, value chain and other business relationships	**Introduction/About McKinsey** **Responsible practices/Working with suppliers** **Responsible practices/Working with clients** **Industries** ↗ **Our open ecosystem of alliances and acquisitions** ↗
2-7	Employees	**Introduction/About McKinsey** **Inclusive growth/Building a distinctive and inclusive workforce at our firm** **Reporting approach and appendix/Performance data/ Inclusive growth**
2-8	Workers who are not employees	Not reported due to confidentiality constraints.
2-9	Governance structure and composition	**Responsible practices/Governance** **Our leadership** ↗
2-10	Nomination and selection of the highest governance body	**Responsible practices/Governance** **Our leadership** ↗
2-11	Chair of the highest governance body	**Responsible practices/Governance** **Our leadership** ↗

Disclosure number	Disclosure title	Answer
2-12	Role of the highest governance body in overseeing the management of impacts	**Responsible practices/Governance**
2-13	Delegation of responsibility for managing impacts	**Responsible practices/Governance**
2-14	Role of the highest governance body in sustainability reporting	**Responsible practices/Governance/Our governance of sustainability, inclusive growth, and responsible practices**
2-15	Conflicts of interest	**Responsible practices/Working with clients** **Client service policies** ↗ **Code of Conduct** ↗
2-16	Communication of critical concerns	**Responsible practices/Ethics and compliance/Our E&C program, Code of Conduct, and policies** **Responsible practices/Ethics and compliance/Our approach** **Code of Conduct** ↗
2-17	Collective knowledge of the highest governance body	**Responsible practices/Governance**
2-18	Evaluation of the performance of the highest governance body	**Responsible practices/Governance** Not all disclosures are reported due to confidentiality constraints.
2-19	Remuneration policies	**Inclusive growth/Developing and caring for our colleagues/ Caring for our colleagues** Not all disclosures are reported due to confidentiality constraints.

Disclosure number	Disclosure title	Answer
2-20	Process to determine remuneration	**Inclusive Growth/Developing and caring for our colleagues/ Caring for our colleagues/Delivering competitive compensation and benefits**
2-21	Annual total compensation ratio	**Inclusive growth/Developing and caring for our colleagues/ Caring for our colleagues** 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 clients** **Introduction/How we use insights to drive action** **Introduction/About McKinsey/We aspire to drive sustainable and inclusive growth with our clients, colleagues, and communities**
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.

Disclosure number	Disclosure title	Answer
2-25	Processes to remediate negative impacts	**Responsible practices/Ethics and compliance** **Responsible practices/Ethics and compliance/Our E&C program, Code of Conduct, and policies** **Responsible practices/Human rights** **Human rights statement** ⬈
2-26	Mechanisms for seeking advice and raising concerns	**Responsible practices/Ethics and compliance/Our duty to speak up** **Responsible practices/Human rights** **Code of Conduct** ⬈ **Human rights statement** ⬈
2-27	Compliance with laws and regulations	Not reported due to confidentiality constraints.
2-28	Membership associations	Highlighted throughout the report **Sustainability/Charting our firm's path to net zero/Our key actions in 2024** **Sustainability/Charting our firm's path to net zero/Catalyzing climate action now** **Inclusive growth/Building a distinctive and inclusive workforce at our firm/Our diverse meritocracy** **Our commitment to environmental sustainability** ⬈ **Responsible practices/Working with suppliers/Expanding inclusion across our supplier base**

Disclosure number	Disclosure title	Answer
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/Double materiality assessment**
3-2	List of material topics	**Reporting approach and appendix/Double 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 Due Diligence Report** ⬈ **Australia Modern Slavery Act Statement** ⬈ **UK Modern Slavery Statement** ⬈ **Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act** ⬈ Not all disclosures are reported due to confidentiality constraints.
GRI 205	**Anti-Corruption 2016**	
3-3	Management of material topics	**Responsible practices/Ethics and compliance**

Disclosure number	Disclosure title	Answer
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/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/Our key actions in 2024** **Environmental statement** ↗
302-1	Energy consumption within the organization	**Sustainability/Charting our firm's path to net zero/Our key actions in 2024** **Reporting approach and appendix/Performance data/ Sustainability**
GRI 305	**Emissions 2016**	
3-3	Management of material topics	**Sustainability/Charting our firm's path to net zero/Our key actions in 2024** **Reporting approach and appendix/TCFD index**
305-1	Direct (Scope 1) greenhouse gas (GHG) emissions	**Sustainability/Charting our firm's path to net zero/Our key actions in 2024** **Reporting approach and appendix/Performance data/ Sustainability**

Disclosure number	Disclosure title	Answer
305-2	Energy indirect (Scope 2) greenhouse gas (GHG) emissions	**Sustainability/Charting our firm's path to net zero/Our key actions in 2024** **Reporting approach and appendix/Performance data/ Sustainability**
305-3	Other indirect (Scope 3) greenhouse gas (GHG) emissions	**Sustainability/Charting our firm's path to net zero/Our key actions in 2024**
305-4	GHG emissions intensity	**Reporting approach and appendix/Performance data/ Sustainability**
305-5	Reduction of GHG emissions	**Reporting approach and appendix/Performance data/ Sustainability**
GRI 308	**Supplier Environmental Assessment 2016**	
3-3	Management of material topics	**Responsible practices/Working with suppliers** **Supplier standards** ↗
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/ Caring for our colleagues**

Disclosure number	Disclosure title	Answer
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	**Inclusive growth/Developing and caring for our colleagues/ Caring for our colleagues**
401-3	Parental leave	**Inclusive growth/Developing and caring for our colleagues/ Caring for our colleagues**
GRI 403	**Occupational Health and Safety 2018**	
3-3	Management of material topics	**Inclusive growth/Developing and caring for our colleagues/ Caring for our colleagues**
403-1	Occupational health and safety management system	**Inclusive growth/Developing and caring for our colleagues/ Caring for our colleagues**
403-6	Promotion of worker health	**Inclusive growth/Developing and caring for our colleagues/ Caring for our colleagues**
GRI 404	**Training and Education 2016**	
3-3	Management of material topics	**Inclusive growth/Developing and caring for our colleagues/ Caring for our colleagues**
404-2	Programs for upgrading employee skills and transition assistance programs	**Inclusive growth/Developing and caring for our colleagues/ Caring for our colleagues**
404-3	Percentage of employees receiving regular performance and career development reviews	**Reporting approach and appendix/Performance data/ Inclusive growth**

Disclosure number	Disclosure title	Answer
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/We aspire to drive sustainable and inclusive growth with our clients, colleagues, and communities**
		Inclusive growth/Building a distinctive and inclusive workforce at our firm
		Reporting approach and appendix/Performance data/ Inclusive growth
405-2	Ratio of basic salary and remuneration of women to men	**Inclusive growth/Developing and caring for our colleagues/ Caring for our colleagues**
GRI 413	**Local Communities 2016**	
3-3	Management of material topics	**Inclusive growth/Growing economic opportunity in our communities**
413-1	Operations with local community engagement, impact assessment and development programs	**Inclusive growth/Growing economic opportunity in our communities**
		Reporting approach and appendix/Performance data/ Inclusive growth
		We are 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 standards ↗

Disclosure number	Disclosure title	Answer
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 standards ↗
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 Country, Institution, Topic, Individual, and Operational considerations (CITIO) framework	**Responsible practices/Working with clients**

Disclosure number	Disclosure title	Answer
Holistic Client Impact		
3-3	Management of material topics	**Introduction/How we partner with our clients**
		Introduction/How we use insights to drive action
		Sustainability/Advancing the decarbonization journey 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	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: — customer experience and inclusivity of customer base — employee and contractor well-being — social and environmental impact, including, for example, 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	Answer
Research and Thought Leadership		
3-3	Management of material topics	Examples included throughout the report. **Introduction/How we use insights to drive action** **Featured insights** ↗
McKinsey-specific	Description of the impacts of McKinsey's published research across the industry	**Introduction/How we use insights to drive action** **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** **Inclusive growth/Driving inclusive growth with our clients**

World Economic Forum IBC index

McKinsey has signed on to the Stakeholder Capitalism Metrics defined by the World Economic Forum International Business Council (IBC).
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	**Responsible practices/Governance** **Our leadership** ↗ **Reporting approach and appendix/Performance data/Inclusive growth**
Stakeholder engagement	3. Material issues impacting stakeholders	**Reporting approach and appendix/Double materiality assessment** **Reporting approach and appendix/Stakeholder engagement**
Ethical behavior	4. Anti-corruption	**Responsible practices/Ethics and compliance** **Code of Conduct** ↗
	5. Protected ethics advice and reporting mechanisms	**Responsible practices/Ethics and compliance/Our E&C program, Code of Conduct, and policies** **Responsible practices/Human rights** **Code of Conduct** ↗ **Supplier Code of Conduct** ↗ **Human rights statement** ↗

Theme	Core metric	Location of McKinsey response
Risk and opportunity oversight	6. Integrating risk and opportunity into business process	**Responsible practices/Risk management** **Reporting approach and appendix/TCFD index**
Planet		
Climate change	7. Greenhouse gas (GHG) emissions	**Sustainability/Charting our firm's path to net zero** **Reporting approach and appendix/Performance data/Sustainability**
	8. Task Force on Climate-related Financial Disclosures (TCFD) implementation	**Reporting approach and appendix/TCFD index**
Nature loss	9. Land use and ecological sensitivity	**Sustainability/Charting our firm's path to net zero**
Freshwater availability	10. Water consumption and withdrawal in water-stressed areas	**Sustainability/Charting our firm's path to net zero**

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

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/Inclusive growth**
		Inclusive Growth/Building a distinctive and inclusive workforce
	18. Economic contribution	**Introduction/About McKinsey/We aspire to drive sustainable and inclusive growth with our clients, colleagues, and communities**
	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 and caring for our colleagues/Developing our colleagues
Community and social vitality	21. Total tax paid	As a private firm, we do not extensively report financial information.

TCFD index

The Task Force on Climate-related Financial Disclosures (TCFD) continues to serve as the global framework for climate-related reporting in 2024. Its four pillars—Governance, Strategy, Risk Management, and Metrics and Targets—guide organizations in disclosing how they address climate-related risks and opportunities.

In 2024, TCFD's responsibilities transitioned to the International Sustainability Standards Board (ISSB). The ISSB's IFRS S2 Climate-related Disclosures Standard builds on the TCFD framework.

This index reflects McKinsey's continued alignment with the TCFD recommendations and is informed by information included in this report and in our 2024 CDP Climate Change disclosure available on **CDP's website**. ↗

1. Governance

1.1 Describe the board's oversight of climate-related risks and opportunities

McKinsey is led globally by our global managing partner (GMP); our elected board of directors, known as the Shareholders Council (SHC); a global leadership team known as the Enablement Team; and the leaders of our offices and practices.

The Risk, Audit, and Governance Committee (RAGC) of the SHC, provides strategic direction, oversight, and accountability for climate-related issues within our firm. This includes reviewing and guiding our climate strategy, monitoring and overseeing progress against climate-related goals and targets, reviewing material climate-related risks, and approving global policies relating to environmental sustainability. In 2024, the RAGC continued monitoring our firm's progress against our science-based targets (SBTs) to reduce our greenhouse gas (GHG) emissions in line with a 1.5°C pathway and set a new Science Based Targets initiative (SBTi)-aligned net-zero target for 2050.

The Finance and Infrastructure Committee (FIC) of the SHC has oversight of management's financial decisions and investments related to our climate transition plan, for example, climate-related acquisitions, carbon-related procurement budgets, and implementation of the internal carbon fee.

1.2 Describe management's role in assessing and managing climate-related risks and opportunities

The GMP, 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 McKinsey Sustainability by advocating for necessary resource allocation and structural changes inside our firm to make it happen. The GMP helps shape the environmental sustainability strategy and direction through his roles on the RAGC and the Enablement Team.

The global leader of reputation and engagement, a senior partner, leads our firm's Sustainable and Inclusive Growth initiatives and is responsible for the design and implementation of McKinsey's environmental sustainability strategy – including the development and implementation of the climate transition plan. This position is supported by the director of global social responsibility, as well as the director of environmental sustainability, who has overall day-to-day responsibility for addressing McKinsey's own environmental footprint.

The Enablement Team (McKinsey's global leadership body composed of the GMP and firm leaders representing regions, industries, client capabilities, and firm functions, such as Finance, People, Technology, Reputation, and Risk) provides management oversight by supporting and accelerating the execution of our strategies. It reviews our firm's air travel emissions footprint progress against our SBTs and discusses actions and decisions required from the RAGC on an as-needed basis. The Sustainable and Inclusive Growth Council (Council), consisting of senior firm leaders across sustainability, people, risk, communications, ethics and compliance, and legal functions provides oversight of our SIG agenda by defining our priorities, setting our direction, and monitoring progress, including for our environmental sustainability strategy and climate-related efforts. The global leader of reputation and engagement, the CFO, and the global leaders of McKinsey Sustainability review performance against the core KPIs of our climate transition plan monthly, including performance against emissions reduction targets, carbon fee collection and spending, and carbon-related procurement targets.

Regional senior partners and partners act as science-based targets (SBT) leaders, driving the delivery of regional emissions reduction targets.

2. Strategy

2.1 Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term

McKinsey considers climate-related risks and opportunities over short (0–2 years), medium (2–7 years), and long-term (7+ years) horizons, aligned with leading external guidance.

Physical risks
As a global firm with operations in 65 countries, we operate in areas that may experience climate-related risks, including physical hazards such as hurricanes, flooding, wildfires, and extreme heat. We identified short, medium, and long-term hazards pertinent to our operations by reviewing the impact of actual weather events on our offices, across various climate hazard categories, and by interviewing subject matter experts on security, risk, and resilience. We use climate models, including McKinsey Climate Resilience Analytics and downscaled CMIP5 data, as well as information from nation-specific databases, to generate severity and frequency projections of these climate hazards. We reflected that we own no significant long-life assets.[75]

Transition risks
Transition risks are not expected to have a substantial financial or strategic impact on our firm, due to their likelihood of occurrence and potential impacts on our capital assets. In addition, our exposure to transition risks is reduced, as our firm does not operate in

an emissions-intensive sector, and we are committed to reaching net zero. Our qualitative and quantitative scenario analysis, based on the UN Principles for Responsible Investment's (UNPRI) Inevitable Policy Response (IPR) "Required Policy Scenario," is aligned with a 1.5°C or lower temperature pathway and considers strong impacts from transitional risks—such as carbon pricing, regulatory shifts, technological innovation, reputational considerations, and liability exposures. Additionally, we modeled the effects of anticipated carbon pricing regimes on our global footprint. Despite these modeled impacts, transition risks are not expected to result in a substantive financial or strategic impact on our firm regarding its own emissions, given our established target of reaching net-zero emissions by 2050.

Opportunities
In 2021, we launched McKinsey Sustainability, a client-service platform, which leverages our thought leadership, tools and solutions, expertise, and ecosystem of collaborators to lead a wave of innovation and economic growth that safeguards our planet and advances sustainability. We expect that the increased demand for sustainability-based consulting services will represent a significant opportunity for McKinsey, including the projects in the following thematic areas: creating and scaling green businesses, driving brown-to-green decarbonization, leveraging carbon markets, protecting nature and biodiversity, and deploying sustainable finance and climate technologies.

2.2 Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Climate-related risks and opportunities have been integrated into McKinsey's strategic planning and financial decision making. Regulatory and carbon pricing risks are factored into scenario modeling, informing procurement decisions for renewable energy, sustainable aviation fuels, carbon credits, and energy-efficient building retrofits.

We consider both physical and transition risks in our assessments. Our analysis indicates that physical climate risks do not materially impact our financial situation, given McKinsey owns no significant long-life assets. Transition risks—including regulatory, market, and technological changes—are also not expected to have a substantive financial or strategic impact, due to our low emissions profile and limited exposure to emissions-intensive sectors. Additionally, we consider extreme heat to have a minor impact on our firm, given the air-conditioned environments at our workplaces and our small real estate footprint.

We have identified sustainability consulting as a material opportunity across horizons. According to Gartner, the market for sustainability consulting services is forecasted to reach $52.3 billion by 2026. We expect that the increased demand for sustainability-based consulting services will represent a significant opportunity for McKinsey, including positive impacts on our firm's financial position, financial performance, and cash flow.

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

In 2024, McKinsey conducted a cross-functional climate-related scenario analysis involving climate scientists, consultants, economists, sustainability experts, and risk and finance professionals to assess the financial and strategic implications of physical and transition climate impacts.

Hazard identification
McKinsey operates in 65 countries and faces climate hazards such as hurricanes, flooding, wildfires, and extreme heat. We assessed short, medium, and long-term hazards by reviewing past weather impacts on our offices and consulting experts. We defined "significant exposure" thresholds for each hazard (for example, a 1-in-100-year hurricane event with sustained winds exceeding 74 mph; flooding over three meters; more than ten high-fire-risk days annually) and calculated the proportion of offices and colleagues potentially impacted.

Climate modeling projections
In our scenario analysis, we collected global simulation results for hurricanes, flooding, wildfire, and extreme heat under 1.1°C and 1.5°C warming scenarios to represent short and medium-term physical climate risks. The warming level framework allows us to aggregate the output of an ensemble of climate models to make our analyses independent of the choice of a future emissions scenario and follows the Intergovernmental Panel on Climate Change's (IPCC) approach for modeling climate scenarios.

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75   Coupled Model Intercomparison Project Phase 5 is a coordinated set of climate model experiments designed to advance understanding of climate variability and change, providing data for the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5).

3. Risk management

Additionally, we compared against ten climate models to ensure the robustness of our physical risk results to make sure that they are not biased by a model that is too hot, cold, wet, or dry. We also take 20-year time averages within each model, centered on the year in which each model reaches the prescribed warming level, to minimize the influence of interannual variability on the results.

Using the IPCC's high-emission scenario SSP3-7.0, which roughly follows the current emissions trajectory, the global mean temperature has risen by 1.1°C under present-day climate conditions and is projected to reach 1.5°C warming by the early 2030s relative to the pre-industrial era (1850–1900). We used present-day and 2030 data to assess short and medium-term climate risks. By choosing these warming levels (and the scenarios that enable them), we constrain our model to a conservative view of what could happen in the physical world over the next seven years.

Physical and transition risks
Identified physical risks such as hurricanes, flooding, wildfires, and extreme heat do not materially impact financials, as McKinsey does not hold significant long-life assets. Transition risks have limited strategic or financial impacts due to their low likelihood, minimal asset exposure, and McKinsey's net-zero emissions commitment by 2050. Neither physical nor transition risks are expected to exceed established materiality thresholds.

Opportunities
Our scenario analysis identified client risks concentrated in hard-to-abate sectors post-2040 but also highlighted substantial opportunities through McKinsey's decarbonization expertise.

3.1 Describe the organization's processes for identifying and assessing climate-related risks

McKinsey integrates the identification and assessment of environmental dependencies, impacts, risks, and opportunities (IROs) within our multidisciplinary firm-wide enterprise risk management (ERM) and sustainable and inclusive growth activities. Climate risk is incorporated into our official risk and resilience taxonomy, forming the basis of annual risk review, year-round monitoring, and situational identification. This process encompasses upstream, own operations, and downstream value chain stages across all time horizons.

Risk and opportunity identification is decentralized, occurring within our geographic offices, industry practices, functional practices, and growth platforms. Reviews utilize qualitative and quantitative methods, external benchmarks, and third-party verification of emissions. In 2024, an internal cross-functional team assessed climate-related IROs using a four-step process. This process included identifying relevant IROs, consulting internal and external experts, prioritizing risks through defined materiality thresholds, and socializing the outcomes with leadership for alignment.

For our upstream supply chain, we screen major suppliers for sustainability, inclusive growth, and responsible practices risks, particularly related to Scope 3 emissions from business travel, using specialized risk analysis tools and supplier assessments. Suppliers contributing significantly to upstream emissions complete annual CDP

questionnaires, supplemented by third-party verified assessments.

For downstream activities, we employ a five-dimension Client Service Policy that requires us to 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 engagements based on a set of criteria: Country, Institution, Topic, Individual, and Operational considerations (CITIO).

3.2 Describe the organization's processes for managing climate-related risks

McKinsey manages climate risks based on its assessed materiality, with actions implemented by internal functions, local managing partners, and Firm Security. Physical risks receive immediate priority with responses including documented guidelines for extreme weather, scenario training, and premise evaluations. A comprehensive climate risk mitigation strategy includes an internal carbon fee, supplier engagement, and operational controls.

McKinsey requires its suppliers to act in accordance with our Supplier Code of Conduct, including the expectations that suppliers must comply with all applicable environmental laws and regulations, address their environmental risks and impacts, and measure, manage, and address energy usage and GHG emissions.

3.3 Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

Climate risk is part of our official risk and resilience taxonomy, which forms the basis of the annual risk review conducted by the ERM team. Climate-related risks are prioritized alongside other strategic and operational risks within McKinsey's ERM process. Reviews and assessments incorporate 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 and inform the integration of cross-cutting risk mitigation work across McKinsey.

4. Metrics and targets

4.1 Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

We report our progress annually in our Sustainable and Inclusive Growth Report. Our climate-related metrics include Scope 1, Scope 2, and Scope 3 GHG emissions, emissions intensity (market-based GHG emissions per full-time equivalent (FTE)), energy consumption, and renewable electricity usage as well as procurement of sustainable aviation fuels and carbon credits.

4.2 Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks

Our GHG emissions reporting includes Scope 1 emissions, Scope 2 emissions (both location-based and market-based), and Scope 3 emissions related to business travel. Our emissions intensity metric is calculated as market-based GHG emissions per FTE. For transparency, we also disclose total energy use, including electricity consumption and the proportion sourced from renewable energy.

Performance data, including historical views on our metrics and detailed descriptions of our GHG emissions accounting methodology, are provided in the **performance data** and **GHG reporting methodology** sections in our annual Sustainable and Inclusive Growth Report.

4.3 Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

McKinsey has near-term and long-term science-based targets validated by the SBTi. We are committed to reducing GHG emissions across our entire operation.

— By 2025, we aim to reduce our absolute Scope 1 and 2 emissions by 25 percent and our per FTE Scope 3 emissions from business travel by 35 percent, relative to our 2019 baseline.

— By 2030, we aim to reduce our absolute Scope 1 and 2 emissions by 64.5 percent and our per FTE Scope 3 emissions from business travel by 55 percent, relative to our 2019 baseline.

— By 2050, we are committed to reducing our absolute Scope 1 and 2 emissions by 90 percent and our per FTE Scope 3 emissions from business travel by 97 percent, relative to our 2019 baseline.

To compensate for emissions, which 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 removals for all unabated emissions.

Report of independent certified public accountants

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Management
McKinsey & Company, Inc.

We have reviewed management of McKinsey & Company, Inc.'s assertion that the environmental and social responsibility performance metrics set forth in the management assertion are presented in accordance with the criteria set forth therein.

McKinsey & Company, Inc.'s management is responsible for its assertion and for the selection and development of the criteria, which management believes provides an objective basis for measuring and reporting on the selected sustainability metrics. 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 (AICPA) in AT-C section 105, Concepts *Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. 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 McKinsey & Company, Inc.'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, Inc.'s assertion that the environmental and social responsibility performance metrics set forth in the management of McKinsey & Company, Inc.'s assertion for the year ended December 31, 2024, is presented in accordance with the criteria set forth therein, in order for it to be fairly stated.

Grant Thornton LLP

New York, New York
April 24, 2025

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McKinsey & Company management assertion

Management of McKinsey & Company, Inc. ("McKinsey") is responsible for the completeness, accuracy, and validity of the environmental and social responsibility performance metrics (the "metrics") included in the tables below as of or for the year ended December 31, 2024 (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 provide an objective basis for measuring and reporting on these 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 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 the 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	30,188
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 pro bono and social responsibility activities	
In-kind contributions	
Pro bono[76]	140,678
The value of time for the work recorded by McKinsey colleagues on pro bono engagements is captured using market rates for similar services in local market	
Social responsibility activities	23,386
Value of time recorded by McKinsey colleagues 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	**164,064**
Total value of 2024 contribution toward $2B commitment to social responsibility by 2030	**194,252**

In 2024, a total of 281,171 hours were contributed to pro bono and social responsibility activities.

Metrics related to greenhouse gas emissions

Metric description and assessment criteria	Metric value tCO_2e in '000s
Scope 1	6.4
Scope 2, market-based[77]	0.5
Scope 2, location-based[77]	17.8
Scope 3, business travel[77]	532.9
Scope 3, purchased goods and services market-based[77]	35.5

A total of 582.5 thousand tCO_2e of carbon offsets were purchased to cover the firm's total emissions reported for 2024.

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76   Pro bono engagements include services provided at no cost or significantly reduced cost to qualifying organizations (for example, nonprofits).

77   Measured using the World Resources Institute and World Business Council for Sustainability Development 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").

McKinsey & Company