

McKinsey
& Company

2023 ESG Report

Accelerating sustainable and inclusive growth for all



McKinsey colleagues Damien, Wenting, and Liz.



Message from our global managing partner

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

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

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

Sustainability

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

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

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

Inclusive growth

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

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

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

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

Responsible practices

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

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

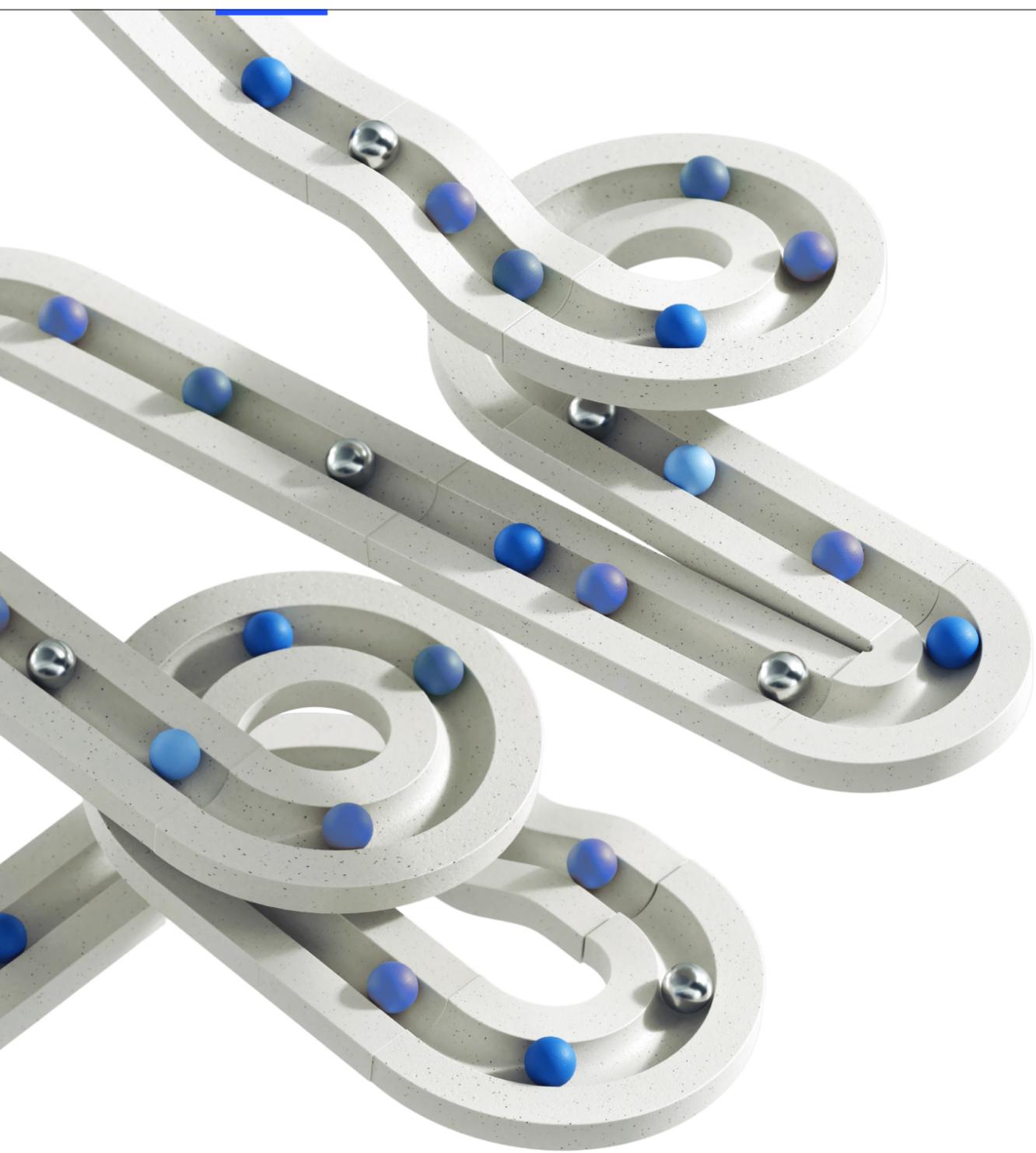
All of our colleagues are required to complete comprehensive training on our policies annually. Every member of our firm is critical to upholding our high standards.

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

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

Bob Sternfels
Global managing partner, McKinsey & Company





2023 progress highlights

Sustainability

4,600

of our colleagues worked on 1,720 sustainability engagements with 761 clients across 67 countries and in every industry

2,000

climate technology leaders convened at our Green Business Building Summits in 13 countries

\$156M+

allocated by Frontier buyers, including McKinsey, across four offtake agreements to support innovative carbon removal companies¹

100%

of our air travel emissions are covered by a \$50/ton internal carbon fee to finance our carbon-related procurement²

Inclusive growth

19M

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

\$856M

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

48%

of our global workforce were women³

620

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

Responsible practices

~\$1B

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

100%

of our new clients were vetted against our industry-leading CITIO client service framework⁴

100%

of colleagues completed annual risk training and certified compliance with firm policies and our Code of Conduct⁵

¹ Learn more about the [Frontier offtake agreements](#). [↗](#)

² In 2023, we collected the carbon fee on all air travel. Starting in 2024, we will collect the fee on all carbon emissions, including, but not limited to, emissions from air travel, ground transportation, and hotel stays.

³ All demographic-related metrics in the report are based on colleague self-identification.

⁴ CITIO is the framework we use to assess a potential client or engagement consisting of five interrelated dimensions: Country, Institution, Topic, Individual, and Operational considerations. Learn more [about CITIO](#). [↗](#)

⁵ This figure does not include firm members exempted from the training because they weren't actively working at the time of the program (for example, leave of absence, left our firm).

About McKinsey

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

Our purpose

To help create positive, enduring change in the world

Our mission

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

Our values

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

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

45,100

colleagues

68

countries

4,100

clients served

\$16B

revenue



Colleagues in our London office.

We aspire to accelerate sustainable and inclusive growth

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

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

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

20%

of global GDP growth

1M

new jobs per year

80%

of reported CO₂ emissions reductions

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



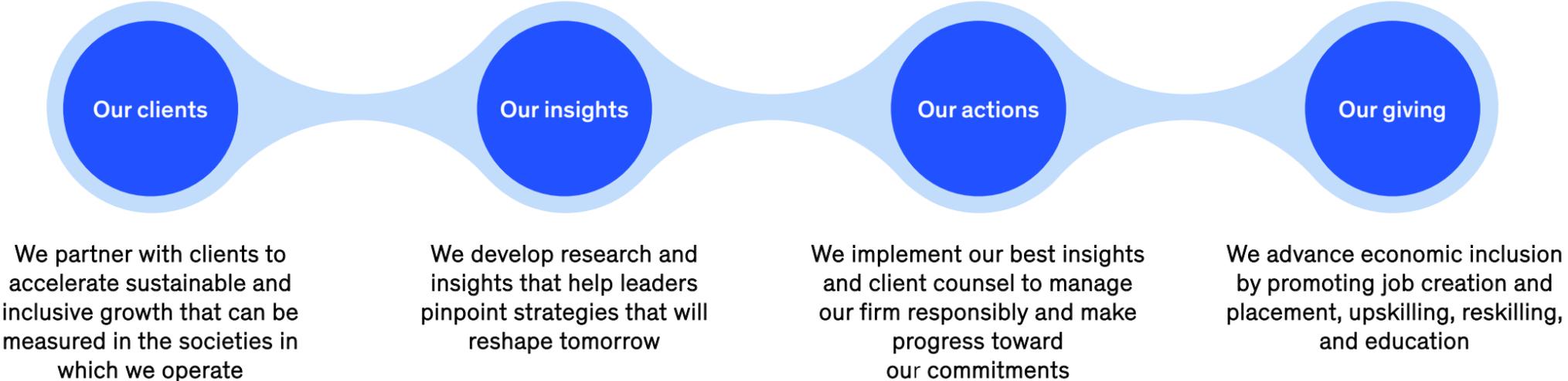
How we approach ESG

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

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



How we bring our aspiration to life



Sustainability at a glance

We aspire to be the largest private sector catalyst for decarbonization

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

Our clients

1,720

sustainability-related client engagements

Our actions

100%

of our air travel emissions are covered by a \$50/ton internal carbon fee to finance our carbon-related procurement⁷

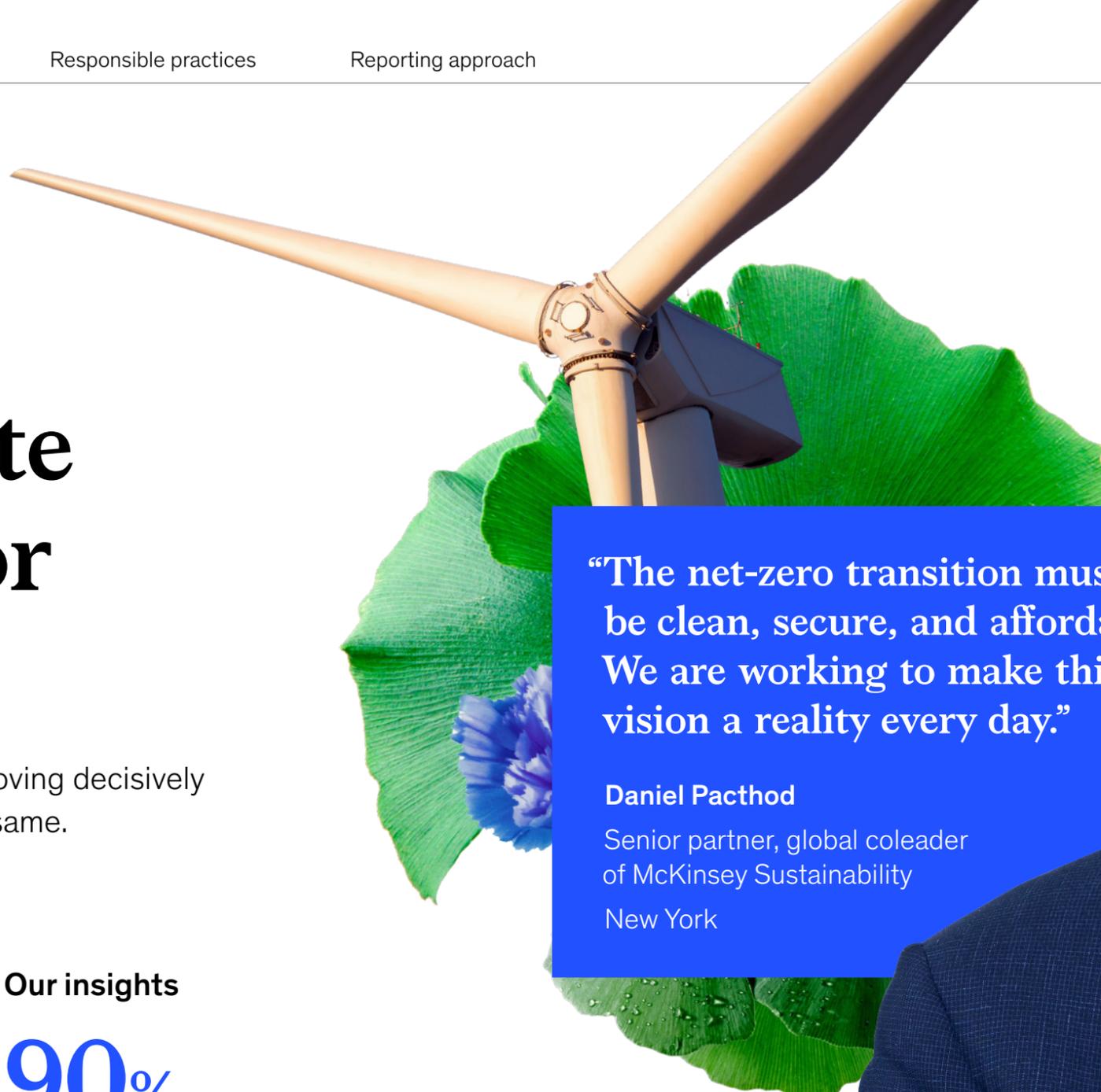
Our insights

90%

of the greenhouse gas (GHG) abatement our planet needs could come from proven technologies⁸

⁷ In 2023, we collected the carbon fee on all air travel. Starting in 2024, we will collect the fee on all carbon emissions, including, but not limited to, emissions from air travel, ground transportation, and hotel stays.

⁸ To limit global warming to 1.5°C, these technologies need to scale exponentially by 2030. Learn more in our report, [What would it take to scale critical climate technologies?](#)



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

Daniel Pachtod

Senior partner, global coleader of McKinsey Sustainability
New York



Case studies



Lufthansa: Using data to enhance carbon footprint visibility

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

100%

spend transparency across connected systems

[Learn more](#)



TPG: Building a next-generation carbon platform

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

\$1B

targeted capital commitment

[Learn more](#)



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

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

2,500

companies across 17 sectors

[Learn more](#)

Inclusive growth at a glance

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

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

Our clients

1M

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

Our actions

19M

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

Our insights

46%

average person's lifetime earnings come from skills learned on the job⁹



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

Tania Holt

Senior partner, leader of Europe social sector practice
London

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

Case studies



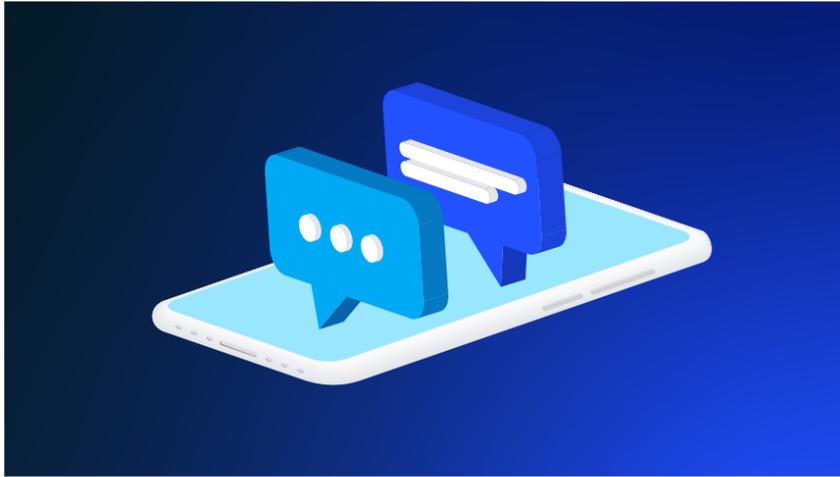
Starbucks: Designing stores that are inclusive for all

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

1st

Starbucks store leveraging the inclusive design framework opened

[Learn more](#)



ING: Using generative AI to put people first

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

37M

customers projected to be impacted

[Learn more](#)



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

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

200

employees hired and upskilled

[Learn more](#)

Responsible practices at a glance

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

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

Our clients

100%

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

Our actions

~\$1B

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

Our insights

60%

of surveyed consumers would be willing to pay more for products when employee safety and no child labor are guaranteed¹⁰



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

Daniel Trujillo

Partner, chief ethics and compliance officer
Austin



¹⁰ Learn more in our report, [Enabling socially responsible sourcing throughout the supply chain](#).

Report scope

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

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

Read the ESG reporting indexes in our full ESG report.

Our GHG emissions inventory and renewable energy use data as well as select social responsibility contributions data were independently reviewed by Grant Thornton at a limited assurance level. See Grant Thornton's report of independent certified public accountants in our full ESG report.¹¹

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

WE SUPPORT



¹¹ Disclaimer: The analyses and conclusions contained in this report refer to the period of the calendar year 2023 and to information and data available to McKinsey and do not purport to contain or incorporate all the information. Although its content reflects McKinsey's current expectations regarding future events, the analyses and conclusions contained in this report are based on various assumptions, being based upon factors and events subject to uncertainty. Statements of expectation, forecasts, and projections relate to such future events and are based on assumptions that may not remain valid for the whole of the relevant period. Future results could be materially different from any forecast contained in the analyses. The analyses contained herein were undertaken by McKinsey as of the dates noted herein. McKinsey undertakes no obligation to revise or update any such analyses or any forward-looking statements.



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

Learn more online at:

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

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

Social_Responsibility@McKinsey.com