



2023 SUSTAINABILITY REPORT


# We Solve for a Better Future

Shaping a More Sustainable World

LEX™



 Photo by  
**Todd Anstett**  
Manager, London

 Cover photo by  
**Richard Trueman**  
Data & Analytics Solutions  
Manager, London

## Our Vision

- 4 Message from leadership
- 5 About L.E.K.
- 6 Our purpose and report
- 7 2023 highlights
- 8 Sustainability standards, accreditations, and frameworks
- 9 Materiality assessment
- 10 Stakeholder engagement

## Our Planet

- 12 L.E.K. sustainability commitments and progress
- 13 Committing to Net-Zero
- 14 Emissions performance: Baseline year to 2023
- 15 Scope 1 & 2 emissions
- 16 Scope 3: Business travel
- 17 L.E.K.'s transition to Net-Zero
- 18 Continuing our commitments through policy and action
- 19 Beyond value chain mitigation
- 20 Embedding environmental sustainability throughout the organization

## Our Clients

- 23 Message from our Vice Chair of Sustainability
- 24 Maximizing our clients' sustainability impact
- 25 Evolving our service lines to anticipate and position our clients for success
- 26 Putting our commitment to work, making a difference for our clients and their communities
- 28 Promoting industry change with forward-thinking perspectives
- 30 Engaging leaders around the world on sustainability progress and initiatives
- 31 Sharing our knowledge, insights, and expertise for the benefit of all

## Our People

- 34 Embracing a 'people-first' culture focused on diversity and recognition
- 37 Promoting the well-being of all L.E.K. employees
- 38 Nurturing the power of community through the people of L.E.K.
- 41 Advancing opportunity for growth and development at L.E.K.
- 43 Training and promoting for a more collaborative culture
- 45 Encouraging ongoing learning for the benefit of the individual and the organization

## Our Community

- 47 Benefiting communities through pro bono and volunteer projects
- 48 Sharing L.E.K.'s expertise to positively impact our communities
- 52 Donating to groups that make a difference
- 53 Embracing the spirit of giving for the benefit of others

## Our Operations

- 55 Maintaining oversight and transparency throughout the organization
- 57 Living our values for the benefit of all our stakeholders
- 58 Ensuring integrity and compliance across the business

## Appendix

- 61 Data performance tables
- 65 GRI Index
- 69 TCFD Disclosures
- 75 TPT Disclosures



L.E.K. conducted an employee photo contest featuring submissions from our global team members. Each submission is marked with a camera icon.



## OUR VISION

# Introduction and overview

To Solve for a Better Future, L.E.K. is committed to striving to create a better world for all. This includes our clients and those they call customers, the people who work for L.E.K. and the members of their families, and the communities in every global location where we each live and serve.

We believe a more sustainable future begins in our everyday actions. That is why L.E.K. is proud to celebrate our progress, recognize the work yet to be done, and continue our quest to make a positive difference.

# Message from leadership

## Dear Stakeholders,

I am pleased to present L.E.K. Consulting's 2023 Sustainability Report, which outlines our ongoing commitment to sustainability and responsible business practices.

I am proud of this report, which chronicles the efforts of so many L.E.K. colleagues. Our collective dedication and collaborative spirit showcase the tangible steps we are taking toward a more sustainable future.



Over the past year, we have made significant strides on our sustainability journey and during 2023 we published our inaugural public sustainability report. This milestone underscored our dedication to transparency and accountability in our sustainability efforts.

We became the first major consultancy to have long-term carbon reduction targets validated by the Science Based Targets initiative (SBTi) and we received a Gold rating from EcoVadis for our sustainability performance.

In addition, we were thrilled to receive an A-rating from CDP in our first submission—an incredible achievement. We accomplished this by formalizing and reporting on the responsible practices that L.E.K. continues to adhere to, such as a commitment to robust business ethics and a significant focus on climate initiatives, while reaffirming our dedication to Equity, Diversity & Inclusion (ED&I). We have ingrained sustainability into our approach to governance and the associated governance structures, recognizing that the 'G' of ESG is crucial to delivering on our environmental and social commitments.

---

**"In an ever-changing world, sustainability has become an increasingly important strategic issue for all stakeholders. We embrace the opportunity to contribute to a more sustainable world and solve for a better future."**

Climate has become an integral part of our conversations, moving from "what we will do" to "what we are doing." 2023 was a year where we refined processes and built capabilities for the future, particularly in emissions data. Recent discussions across all offices about energy efficiency and our operational plans illustrate how L.E.K. is committed to decarbonizing to achieve Net-Zero globally.

We are proud to report that we are on track to meet our 2027 SBTi targets for Scope 1, 2, and 3 emissions, controlling our emissions while opening two new offices in 2023. We have further expanded the Sustainability Centre of Excellence (SCE) and made significant impacts in assisting clients across industries. Our deepened capabilities now include sustainability strategy, decarbonization, and circular economy strategy. We remain confident that our future sustainability goals are ambitious yet achievable.

Our dedication goes beyond environmental stewardship. We aim to cultivate a diverse and inclusive workplace where everyone is valued and respected. By fostering a culture that celebrates differences and promotes equal opportunities, we believe we can provide even greater value to our clients and society.

Since our founding, L.E.K. has sought to help clients master their defining moments and address their most difficult challenges. In an ever-changing world, sustainability has become an increasingly important strategic issue for all stakeholders. We embrace the opportunity to contribute to a more sustainable world and solve for a better future.

Thank you for your continued trust and support as we work together to shape a better world.

Warm regards,

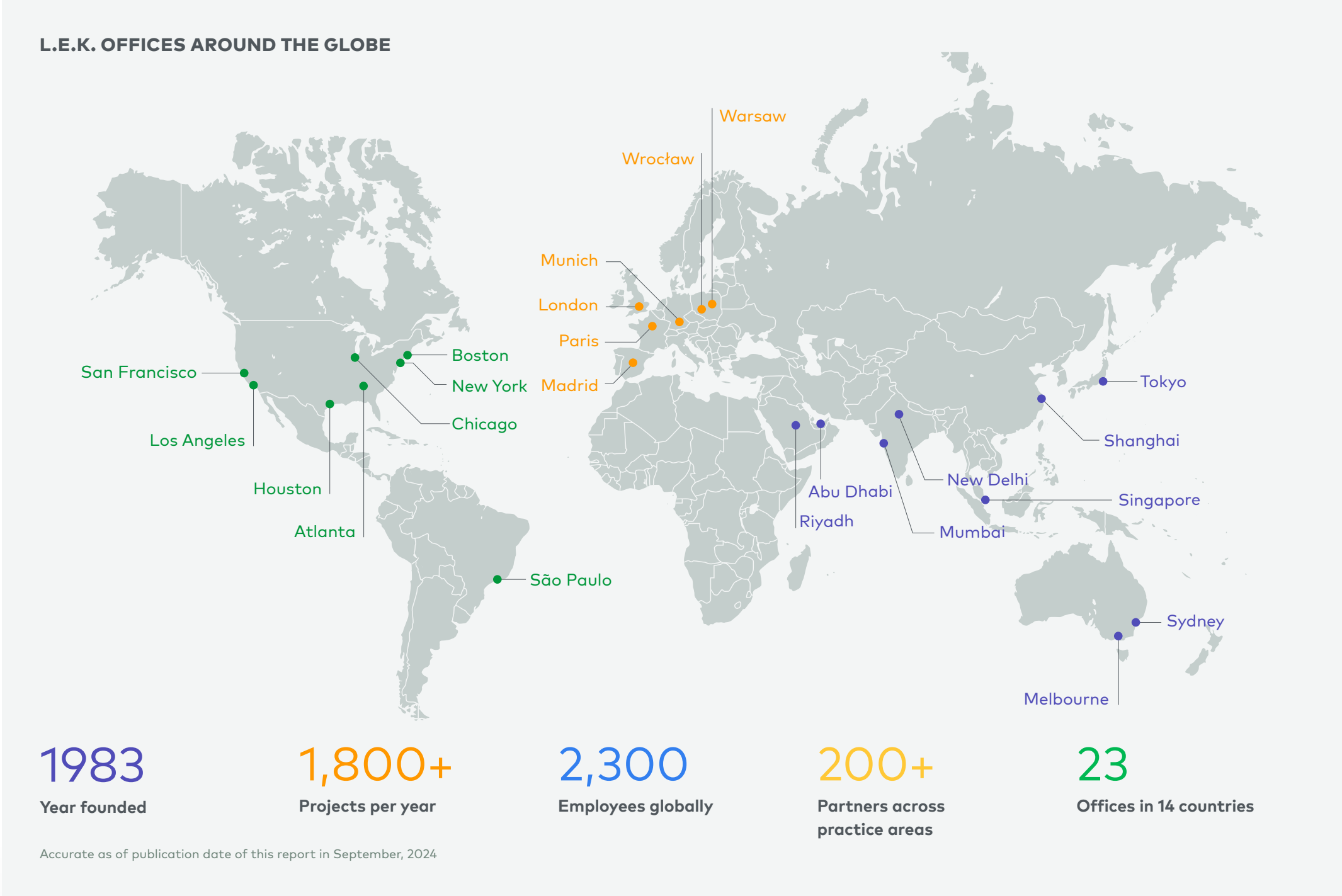
A handwritten signature in black ink, appearing to read "Clay Heskett".

**Clay Heskett**  
Global Managing Partner  
L.E.K. Consulting

# About L.E.K.

We are an independent global strategy consultancy dedicated to collaborating with business leaders to tackle critical challenges and deliver value for all stakeholders. Our mission is to help clients reshape their organizations' trajectories in an ever-evolving world, uncovering opportunities and empowering them to excel during pivotal moments, leading to lasting and sustainable impact.

Our reputation is built on a rigorous analytical approach, where we prioritize gathering the best available data to inform our strategies. With this robust foundation, we now integrate sustainability expertise into our proven consulting methods. Our diverse team, representing various backgrounds, nationalities, and perspectives, enables us to thoroughly evaluate the multifaceted challenges our clients encounter.



# Our purpose and report

Our corporate purpose and sustainability strategy are interconnected and mutually reinforcing. Our purpose encapsulates our values, mission, and broader impact on society and the environment. We are united by a shared set of values that enable us and our clients to Solve for a Better Future.

## About this report

This report outlines our internal sustainability strategy and reviews our 2023 initiatives, highlighting our policies and programs that positively impact the planet, our employees, and the communities we serve. We also present the significant contributions we've made to our clients' sustainability efforts. We understand that genuine progress is achieved through the powerful collaboration between our efforts and those of our clients.

This report includes data and information as of 2023 for L.E.K. Consulting Group Limited ("L.E.K. Consulting" or "L.E.K.") across all its worldwide operating entities. L.E.K. Consulting is a privately held corporation wholly owned by the shareholders, governed by its Board of Directors ("Board"), Global Operating Committee ("GOC"), and the leaders of its offices and practices. This report was reviewed and approved by L.E.K.'s Global Managing Partner and the Board in August 2024. More information about our executive leadership can be found on our [website](#).

We understand the critical importance of the topics covered in this report and we continuously strive to improve our efforts in these areas. Feedback and questions about this report may be directed to [sustainabilityinternal@lek.com](mailto:sustainabilityinternal@lek.com).

## L.E.K.'S PURPOSE

### We Solve for a Better Future



**We accelerate exceptional personal and professional growth in our people, forging trusted and uniquely incisive leaders**



**We relentlessly focus on resolving our clients' toughest problems, bringing clarity and conviction to achieve sustainable success**



**We empower our people and our clients to shape a better world**



# 2023 highlights

## Environmental

1.5°C

Near-term and Net-Zero targets validated by SBTi for Scopes 1, 2, and 3—maintaining our commitment to transition in line with a 1.5°C world

100%

Maintained goal of 100% office electricity from renewable sources

63%

Absolute reduction in Scope 1+2 emissions since 2019

65%

Per headcount reduction in Scope 3 emissions from business travel since 2019

## Social

42%

Women represented in our total global headcount

41%

U.S. consulting employees who self-identified as ethnically or racially diverse

\$3M+

Over \$3 million in donations and pro bono work globally

100+

Fundraising and volunteer events

## Governance

4

Board meetings with Sustainability on the agenda in 2023

A-

Achieved a score of A- for our inaugural CDP response, placing us in the top 17% of leaders in the specialized professional services activity group

20+

Sustainability Steering Committee meetings and six ESG Committee meetings conducted in 2023

Gold

Achieved a rating of Gold for our inaugural disclosure to EcoVadis



# Sustainability standards, accreditations, and frameworks

## United Nations Sustainable Development Goals

L.E.K. is committed to advancing the United Nations Sustainable Development Goals (SDGs), the global framework for driving progress toward a more sustainable future. Actively working toward the SDGs is critical to our firm’s commitment to employees, clients, society, and the planet. Due to the interconnected nature of the goals and the vast array of work conducted by our firm, our efforts touch on all 17 goals in various ways. However, we identified four SDGs (highlighted on this page) where L.E.K. can have the most meaningful impact. In selecting these areas of focus, we considered our ability to influence the target, alignment with our core values, and those most important to our stakeholders.



**Achieve gender equality and empower all women and girls**



**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**



**Ensure sustainable consumption and production patterns**



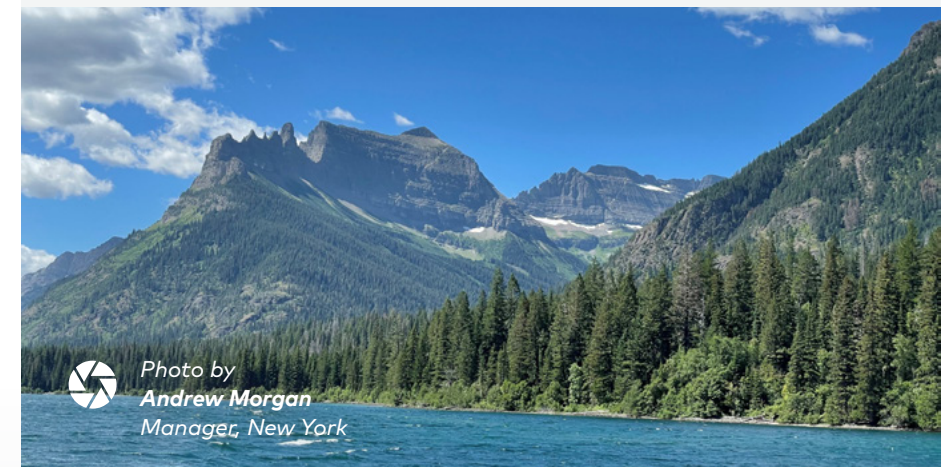
**Take urgent action to combat climate change and its impacts**

## Our commitment to global sustainability standards, accreditations, and frameworks

At L.E.K., we support the increasing global demand for transparency and accountability in sustainability goal setting and actions, and the important role of globally recognized standards and frameworks. In 2022, our Board approved an ambitious set of multi-year sustainability objectives and targets across the full scope of environment, social, and governance impacts, including the adoption of emissions targets aligned with the Science Based Targets initiative (SBTi)<sup>1</sup>, reporting against the Task Force on Climate-related Financial Disclosures (TCFD) framework and submitting our Communication on Progress to the United Nations Global Compact (UNGC) and our first CDP Climate Survey. We continue to drive progress against these goals and in 2023 our emissions reduction targets were approved by SBTi, while we formalized our Climate Transition Plan in accordance with the Transition Plan Taskforce (TPT). In addition, we received a ‘Gold’ rating from EcoVadis and achieved a score of A- from CDP for our 2023 disclosures. The Appendix section of this report contains index tables with relevant data across the range of our key metrics for 2023 incorporating Global Reporting Initiative (GRI) core reporting.



### ALIGNING WITH:



<sup>1</sup> Approved in August 2023

# Materiality assessment

We consider environmental and social priorities when setting our business strategy, ambitions, and action plans. In 2022, we conducted a materiality assessment to formalize this process, which was reviewed again in 2023 to re-validate the findings.

We used globally accepted reporting frameworks and standards, such as SASB (Sustainability Accounting Standards Board), TCFD, UNGC, GRI, and the WEF (World Economic Forum) Global Risks Report, to select material topics. We also gathered input from a broad range of stakeholders, including our leadership, employees, clients, communities, and regulators. The resulting list of material topics identifies our priority areas to maximize our sustainability impact. We address our ambitions, actions, and accountability for these identified material sustainability impact areas in this report.

## MATERIALITY ASSESSMENT PROCESS



### Identify Topics

We identified ways in which we could have meaningful impact on the world by leveraging reporting frameworks and standards such as SASB, GRI, UNGC, and by reviewing WEF global risks, benchmarking other industry participants, and conducting internal discussions and third-party consultations



### Engage Stakeholders

To understand our impact across the identified topics, we collected feedback from stakeholders



### Review and Strategize

Feedback was then aggregated and discussed by our senior leadership to identify our 12 most material impactful topics

**This process will be repeated when appropriate to ensure that L.E.K. is capturing the most material sustainability priorities while reflecting on and progressing with our commitments. This may include assessing the impact of double materiality to better understand both how sustainability issues affect our business and how our business activities impact the environment and society.**

## L.E.K. materiality assessment results

Materiality	Related SDGs targeted by L.E.K.
<b>ENVIRONMENT</b>	
Internal impact on climate	13 
Environmental impact from client work	12, 13 
<b>SOCIAL</b>	
Social impact from client work	5, 8  
Volunteering and pro bono work	8
Diversity, equity, and inclusion	5, 8
Employee health and well-being	8
Equitable and high-quality recruitment	5, 8
Employee training and development	8
<b>GOVERNANCE</b>	
Ethical business practices	8, 12  
Data privacy and security	8, 12
<b>ECONOMIC</b>	
Resource efficiency	8, 12, 13   
Thought leadership and innovation	12 

# Stakeholder engagement

We actively engage with our internal and external stakeholders to understand what matters most to them, especially in the current climate of evolving expectations and heightened focus on sustainable and responsible business practices.

## CLIENTS



Our clients increasingly highlight the importance of environmental sustainability, climate change, diversity and inclusion, business ethics, and data security. Client engagement is essential to our business and is fundamental to our ability to deliver lasting value. Our client relationships are characterized by ongoing dialogue, and we actively solicit feedback throughout the process. Additionally, we conduct and publish results from surveys with business leaders across the various industries in which we operate.

## EMPLOYEES



We regularly engage with employees through an annual people survey, quarterly roundtable discussions, local town hall meetings, and various other formal and informal touchpoints to better understand employee needs. Our employees have established Employee Resource Groups (ERGs) to represent different affinity groups within L.E.K. and to interact with senior leadership on issues that matter to them. Additionally, our recruiting and alumni relations teams maintain continuous engagement with future and former employees.

## COMMUNITIES



Our offices have community impact committees focused on engaging with local non-profit organizations in the communities where we operate. This engagement includes fundraising events and employee volunteer initiatives for selected charities. Additionally, we undertake pro bono projects with community organizations to deepen our understanding of their impact and strengthen our relationships.

## LEADERSHIP



Our Board and its associated committees, including the ESG Committee, Global Belonging Advisory Committee, and Global Operating Committee (GOC), regularly discuss our sustainability strategy and the relevant impacts, risks, and opportunities. These groups establish our sustainability strategies and priorities across our geographies and practices. The [Sustainability Centre of Excellence](#) also serves as a central hub, bringing together sustainability expertise within the organization through the SCE Board, which comprises over 30 partners.



Photo by  
**Ameena Jovonovich**  
Associate, New York

## OUR PLANET

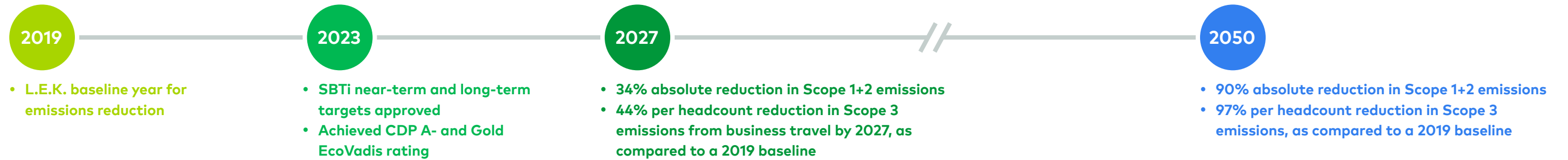
# Building on our environmental legacy

The global climate crisis, driven by unprecedented human-induced greenhouse gas (GHG) emissions, necessitates urgent action to limit global warming and associated risks. As the first major consulting firm to achieve carbon neutrality in 2008, L.E.K. is committed to achieving Net-Zero by 2050. In 2023, our near- and long-term emission SBTi targets were approved, aligning with the trajectory to limit global warming to 1.5°C.



# L.E.K. sustainability commitments and progress

## Our sustainability milestones and goals



## L.E.K. plans to meet our commitments using the following pillars:

### Analyze

- We periodically calculate our total carbon footprint across Scopes 1, 2, and 3
- We analyze our impact, highlighting emissions hotspots and areas for reduction
- We strive to continuously improve the quality of our data and calculations
- We recognize that our impact extends beyond emissions, ensuring that we measure our waste production and water consumption globally
- We have achieved third-party reasonable assurance of our 2023 emissions

### Reduce

- In line with our commitments, we will reduce our environmental impact in the near- and long-term
- Scope 1 & 2 reductions have been and will continue to be realized by energy efficiency, renewable electricity procurement, and technology selection
- Scope 3 emissions have reduced due to changes in travel behavior since 2019

### Remove

- Annually, we purchase a portfolio of independently verified high-quality carbon credits to mitigate or remove our remaining emissions
- We have committed to ensuring that 100% of our carbon credit portfolio in 2030 will be attributable to removal credits
- All of the projects we support align with at least two of our chosen UN SDGs, with all 17 UN SDGs represented by our portfolio

### Engage

- We recognize that we must engage internal and external stakeholders to maintain progress toward a Net-Zero transition
- Internal engagement is driven by educational events, data-driven carbon literacy, and localized GoingGreener Champions based in L.E.K. offices globally
- We will continue to engage with our value chain to ensure collaborative progress across all environmental, social, and governance topics

### Innovate

- We continuously develop our technical capabilities to ensure that we can innovate to meet our goals
- Through our expertise providing external client work and our internal capabilities, we will continue to trial and adopt novel tools and techniques to manage and reduce our environmental impact

# Committing to Net-Zero

## L.E.K. environmental policy

L.E.K. is committed to the use of Earth’s resources responsibly and promotes greater environmental responsibility. We seek to improve our environmental performance and leave a sustainable environmental legacy for future generations.

- **We will become** more energy efficient and reduce our carbon emissions consistent with our commitments to the Science Based Targets initiative (SBTi)
- **We will buy and use** natural resources in a responsible and sustainable manner respecting our planet, including our oceans, forests, land use, water systems, biodiversity, and minimizing air pollution
- **We will adopt** the waste hierarchical approach to the elimination of waste and encourage the circular economy by focusing on prevention, re-use, recycling, recovery, or, as a last resort, disposal; and seek to reduce the volume of waste we produce
- **We will influence** beyond our own footprint through client work that has positive environmental impact for the planet
- **We will provide** training and communication for employees to increase awareness, understanding, and technical knowledge to deliver our environmental improvement goals
- **We will seek** to work with our suppliers and our value chain to improve their own environmental performance and operate collaboratively to support L.E.K. in meeting our environmental targets
- **We will comply** with all relevant environmental legislation and regulatory requirements
- **We will transparently report** on our performance against our environmental objectives and targets

**“Our sustainability journey started many years ago and is based on a recognition that both environmental and social considerations are incredibly important for a global business like L.E.K. Since we became carbon neutral in 2008, we have laid the foundations for further sustainability progress and in 2023 we continued to deliver against our ambitions. This included gaining formal approval on our SBTis, achieving strong scores for our CDP and EcoVadis disclosures, and publishing a transition plan that leverages data to help us make more informed and impactful decisions. This is a testament to our ongoing dedication to ensuring our firm operates sustainably and responsibly for the future.”**

**George Woods**

*Partner (Head of Sustainability Steering Committee), Sydney*

### 2023 ENVIRONMENTAL HIGHLIGHTS

1.5°C

Near-term and long-term Science Based Targets validated by SBTi in line with the Paris Agreement

100%

Renewable electricity used to power our offices

63%

Reduction in absolute Scope 1+2 emissions from 2019–2023

65%

Reduction in Scope 3 business travel emissions per headcount from 2019–2023

5

Global carbon credit projects supported

20%

of carbon credit portfolio made up by removals projects, an increase from 8% in 2022

15+

Local office green teams globally



# Emissions performance: Baseline year to 2023

## Approach

L.E.K. annually calculates our GHG emissions inventory in line with the standards set out by the GHG Protocol. We take an operational control approach to defining our reporting boundary.

## Scope 1 & 2

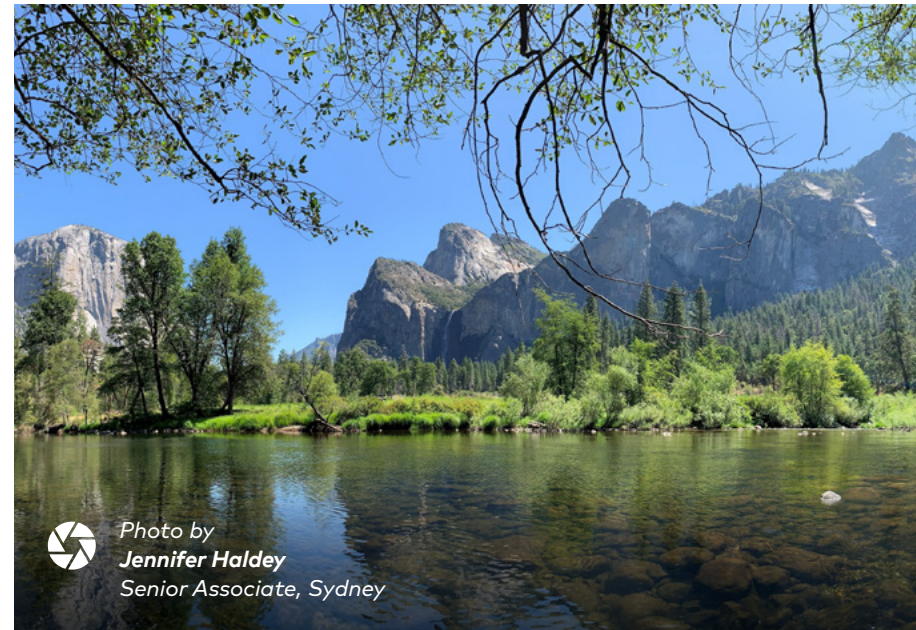
Energy consumption and refrigerant leakage data is collected from our global offices. We follow a hierarchical data quality approach which targets actual consumption data from primary data sources. Where actual consumption data is not available, we estimate consumption based on regional L.E.K. specific benchmarks. We report on a market-based approach for our Scope 2 emissions.

## Scope 3

L.E.K.'s Scope 3 emissions boundary consists of purchased goods and services, fuel and energy related activities, waste from operations, business travel, employee commuting and homeworking, and investments. Where possible, we calculate actual emissions based on primary sources of activity data. For some categories where high quality data is not currently available, we rely on a spend-based approach.

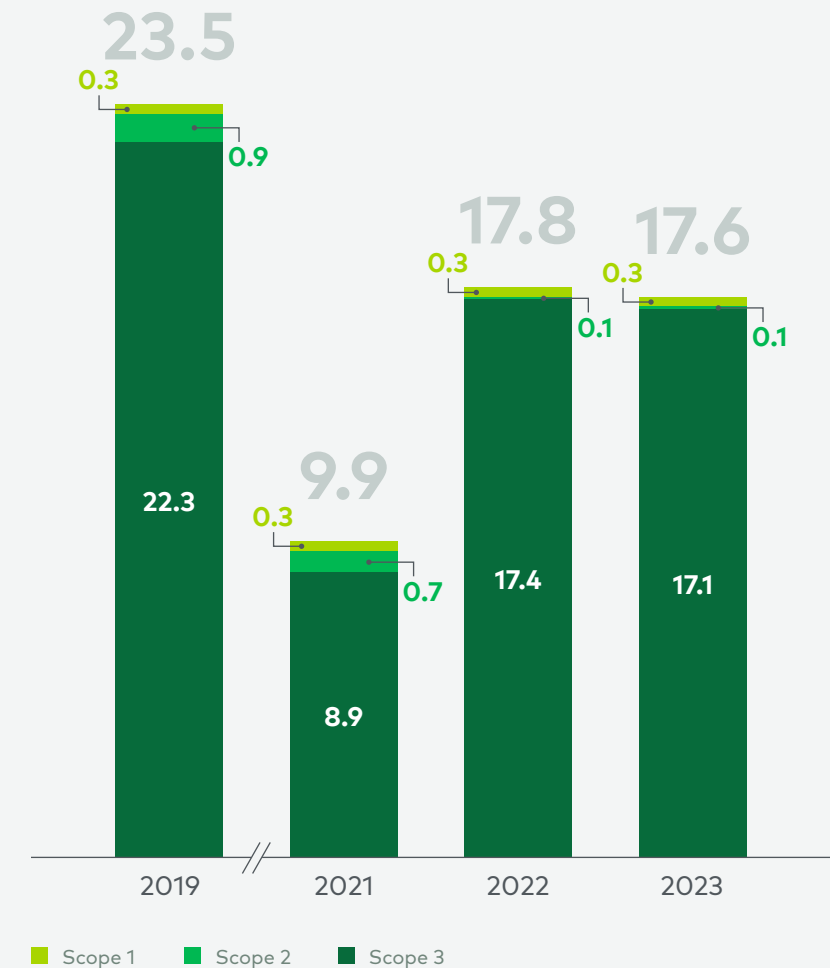
## Verification

Each year, L.E.K. engages with an independent third party to audit and verify our emissions inventory in line with ISO 14064-3 standard. In 2023, we achieved reasonable assurance.



## L.E.K. TOTAL EMISSIONS BY SCOPE (2019–23)<sup>1</sup>

Thousand tonnes of CO<sub>2</sub>e



<sup>1</sup> Numbers may not sum due to rounding

# Scope 1 & 2 emissions

63%

## Reduction in Scope 1 & 2 emissions

In 2023, we maintained our progress toward our near-term Scope 1 & 2 Science Based Target by further reducing the absolute emissions from our offices globally. This further reduction was achieved despite an increase in our global office floorspace. We have realized these reductions through the continued identification and implementation of office-specific energy efficiency initiatives in existing offices combined with the formalization of our environmental assessment of new office locations.

100%

## Procurement of renewable electricity globally

We have continued to maintain the procurement of renewable electricity to cover 100% of L.E.K.'s annual electricity demand. We achieve this via the direct procurement of renewable energy tariffs combined with the purchasing of Energy Attribute Certificates for the offices where we cannot directly procure.

80%

## Buildings with green certification

Eighty percent of our current offices have a green building certificate. Six of our seven Americas offices are in buildings with a LEED Gold or LEED Platinum certificate, while five of six of our European offices are in buildings that are LEED or BREEAM certified. These green certifications enable us to have active and open dialogue with our building managers to ensure both parties are maximizing the opportunity for sustainability.

## Looking forward

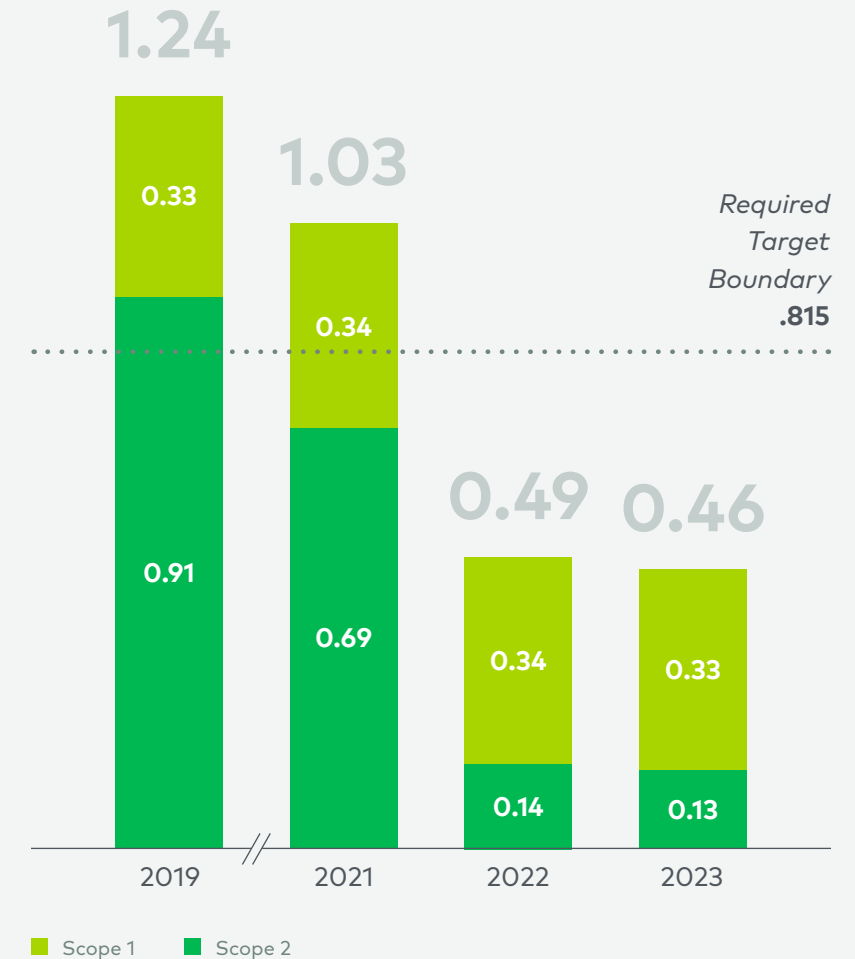
Despite our considerable progress toward our near-term Science Based Target, we continue to investigate opportunities for decarbonization and energy efficiency within our own operations. We plan to continue to procure renewable electricity for all offices, engage with the local office managers and GoingGreener Champions to identify opportunities to decarbonize our fuel and electricity supply further while maximizing the efficiency of energy use within all offices. The formalized environmental assessments of new office locations means we are able to model the impact of opening new offices or relocating existing offices to inform sustainable decisions. All of these initiatives, combined with the progression of technology, will ensure that we continue our trajectory toward our Net-Zero Scope 1 & 2 commitment for 2050.

**“Measuring the environmental impact of business activity and setting appropriate targets are critical parts of L.E.K.’s approach to sustainability. By embracing data to better understand where we can affect change in the short-, medium-, and long-term, L.E.K. can make better operational and strategic decisions in response to global sustainability challenges.”**

**Kyle Main**  
Consultant, London

## L.E.K. TOTAL SCOPE 1 & 2 EMISSIONS (2019–23)<sup>1</sup>

Thousand tonnes of CO<sub>2</sub>e



<sup>1</sup> Numbers may not sum due to rounding

# Scope 3: Business travel

## 65%

### Reduction in business travel emissions intensity

In 2023, we maintained our progress toward our near-term Scope 3 business travel target by further reducing the emissions intensity of our business travel. This further reduction represented a continued change in business travel behaviors since COVID-19. Virtual meetings have become standard business practice and L.E.K. team members are flying less for internal purposes and collaborating with our clients to reduce flights for face-to-face meetings.

## Monthly

### Reporting of air travel emissions data

Throughout 2023, we developed a process to calculate and report global air travel emissions on a monthly frequency. The monthly process allows for detailed analysis of the drivers of air travel emissions across L.E.K. globally and identification of deviations from historical trends as they occur. This allows us to actively manage our emissions in real time and proactively plan for decarbonization actions.

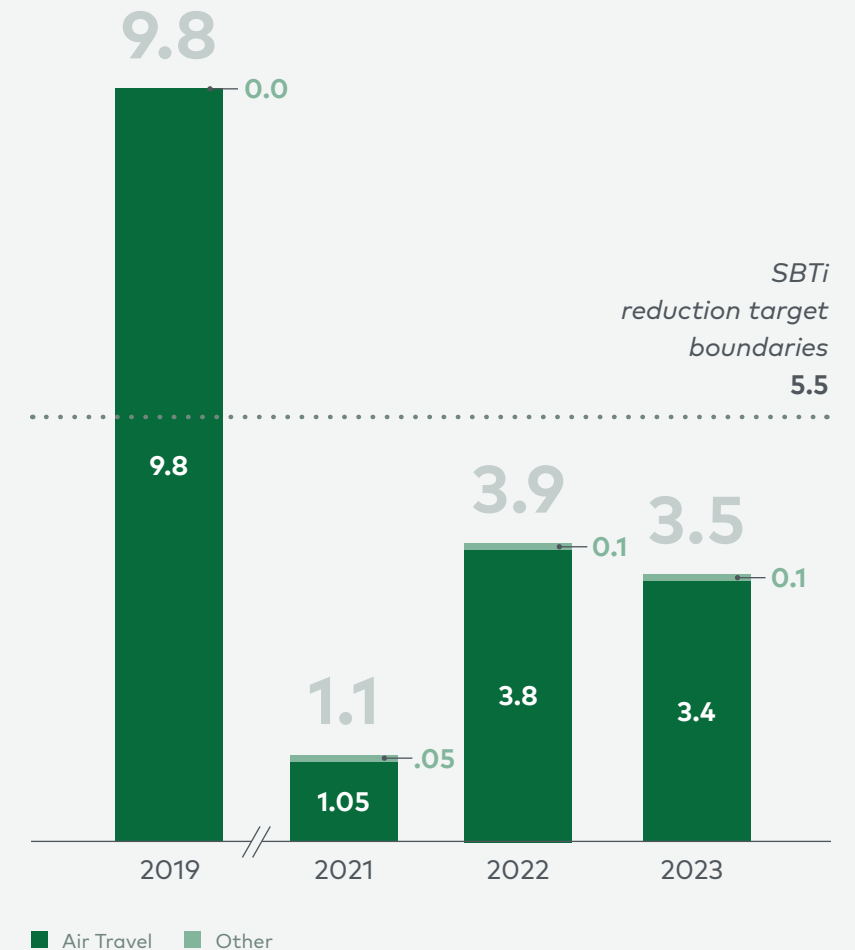
### Looking forward

Our strong progression toward our 2027 near-term SBT has positioned L.E.K. well to meet our near-term and long-term commitments. In order to meet our future commitments, we will continue to investigate techniques to minimize the impact of business travel without compromising the quality of service provided to our clients. In the near future, we plan to continue the development of our emissions analysis tools to further the carbon literacy of employees and decision makers. We plan to investigate the suitability of mechanisms such as carbon budgets and internal carbon pricing as levers for decarbonization of business travel.



### L.E.K. SCOPE 3 BUSINESS TRAVEL EMISSIONS RELATIVE TO NEAR-TERM SBTi GOAL (2019–23)

Tonnes of CO<sub>2</sub>e per head



1 Numbers may not sum due to rounding

# L.E.K.'s transition to Net-Zero

## L.E.K.'s transition plan

Our transition plan is built into our business strategy and planning, including financial and resourcing implications. We have analyzed our emissions and identified high impact areas to prioritize across all emission scopes. The delivery of our transition plan is overseen by the L.E.K. Board and the executives in our Global Operating Committee. We have aligned our disclosures to the Transition Plan Taskforce, evidence of which is detailed in the [Appendix](#).



Photo by  
**Ameena Jovonovich**  
Associate, New York

## Scope 3 (non-business travel) decarbonization

L.E.K.'s Scope 3 reduction commitment extends beyond business travel. L.E.K. has set Net-Zero targets in line with the Paris Agreement to reduce Scope 3 emissions across our whole value chain by 2050. We are also promoting circularity and minimizing waste by adopting the waste hierarchical approach, and we encourage our employees to consider their water usage and the impact of their behaviors on biodiversity and natural resource depletion.

We have continued to move our IT infrastructure to Microsoft Azure's carbon neutral data centers, virtual servers, and other cloud-based solutions to reduce energy consumption.

In 2023, we rolled out a global IT hardware update to ensure that settings were optimized for energy efficiency across our global IT portfolio. We continue to explore the end-of-life treatment of our IT hardware to minimize our contribution to the generation of e-waste.

To further engage in sustainable behaviors and provide employees insight into everyday actions to enhance sustainability, we conduct an annual "Commuting and Work-From-Home" survey to measure employee emissions, and we share these results with our employees.

## Sustainable procurement

We are working closely with our suppliers to achieve our decarbonization goals. We are constantly evaluating ways to implement more sustainable procurement policies and decrease emissions from our supply chain. Our aim is to partner with suppliers who share our commitment to sustainability and adhere to our Supplier Code of Conduct, encouraging them to measure and publicly disclose their greenhouse gas emissions and reduction efforts.

**"Aligning L.E.K. to a Net-Zero transition requires sustainability to be built into all areas of our own operations and value chain. Internal and external engagement is the key to delivering meaningful environmental progress alongside business performance."**

**Joe Millican**

*Environmental Sustainability Manager, London*

## OUR 2023 AWARDS AND RECOGNITION



L.E.K. achieved an A- rating for our first disclosure to CDP Climate Disclosure



L.E.K. achieved a gold rating for our first disclosure to EcoVadis



The SBTi validated our near-term and Net-Zero targets

# Continuing our commitments through policy and action

## Climate-related risks and opportunities

In 2023, we continued to evaluate climate related risks and opportunities and their impact on L.E.K. across short-, medium- and long-term time horizons, and across three separate climate scenarios. Previous qualitative analysis was developed further to investigate the quantitative impact that physical and transitional risks and opportunities will have on L.E.K.'s own operations today and in the future.

We will continue to develop our process in line with the latest recommendations and expand our analysis to further understand L.E.K.'s impacts and dependencies on the environment alongside our climate-related risks and opportunities. We disclose our climate-related financial information in line with the recommendations of the [TCFD](#).

**"While analyzing climate change in L.E.K., I gained a deeper understanding of the risks facing the world, particularly my city, which is at extreme risk from rising sea levels and flooding. This awareness prompted me to make significant changes to my daily habits, such as using public transportation more and cycling whenever possible. I am committed to reducing my impact because now I recognize that every action counts in mitigating climate change."**

**Mehul Tripathi**  
*Senior Analyst, New Delhi*



# Beyond value chain mitigation

## Tree-Nation

Since 2021, L.E.K. has planted a tree for every past and current team member globally through our partnership with [Tree-Nation](#). We now have over 10,500 trees in our "L.E.K. forest". Tree-Nation has planted more than 40 million trees in 80+ reforestation projects on six continents. Our support for this project complements our formal offsetting strategy and engages the L.E.K. community in fighting climate change through reforestation.



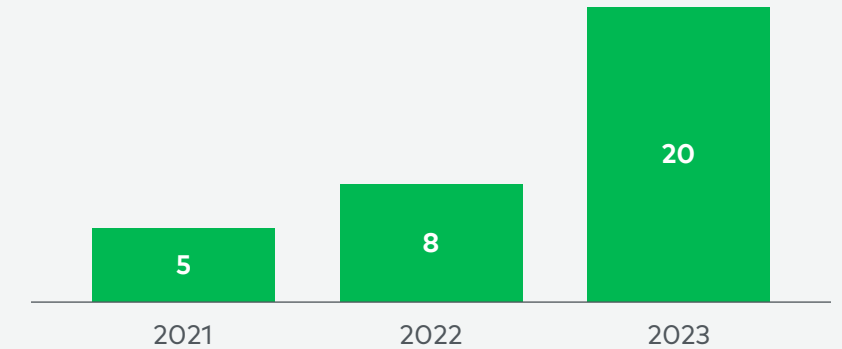
## Carbon Neutral

We carefully assess the projects we support, both for their quality and their alignment with UN SDGs, as we work toward meeting our target of 100% removals credits by 2030. Carbon neutrality is only part of our journey and supports our primary efforts to reduce our emissions as much as possible where we can, before offsetting the balance.

In 2023, we maintained our certification as a CarbonNeutral® company through our partnership with Climate Impact Partners. L.E.K. purchases of high-quality carbon credits were instrumental in achieving Carbon Neutral certification.



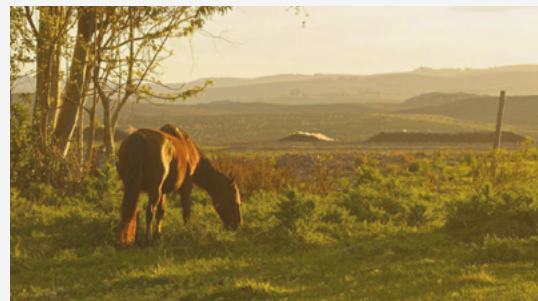
### PERCENTAGE OF CARBON CREDIT PORTFOLIO MADE UP OF REMOVALS



## MAKING A DIFFERENCE AROUND THE WORLD



**Dhaka Methane Leak Repairs**  
Energy efficiency-based project for carbon mitigation  
(SDGs: 3, 7, 9, 8, 12, 13)



**Guanare Afforestation, Uruguay**  
Afforestation nature-based solutions project for carbon removal  
(SDGs: 8, 13, 15)



**Bondhu Chula Stoves, Bangladesh**  
Clean cooking carbon mitigation project focused on health and livelihoods  
(SDGs: 1, 3, 5, 8, 13, 15)



**Community Reforestation, Ghana**  
Afforestation nature-based solutions project for carbon removal  
(SDGs: 1, 2, 3, 4, 5, 6, 8, 10, 11, 12, 13, 14, 15, 17)



**Orinoco River Basin REDD+, Colombia**  
Forest conservation (REDD+) nature-based solutions project for carbon mitigation  
(SDGs: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17)



# Embedding environmental sustainability throughout the organization

Encouraging and embedding environmental stewardship at every level of the organization is integral to meeting our decarbonization goals.

We have an active network of GoingGreener Committees and GoingGreener Champions in each office. These committees play a vital role in making L.E.K. more sustainable by organizing initiatives and events, raising environmental awareness, and supporting local environmental organizations. Across the world, L.E.K. has 17 Committees with over 60 Champions helping to raise the profile of sustainability across the business by hosting events in our offices to educate and engage employees across various sustainability topics. These included inviting external thought leaders in ESG, hosting sustainability lunches, screening documentaries, running field trips, and more. By delivering environmental training on topics such as climate change, decarbonization, and responsible resource usage to our employees, we can help our teams to engrain more sustainable ways of working into their everyday practices both inside and outside of the organization.



## EXAMPLES OF 2023 INITIATIVES

GoingGreener Committee Champions, in collaboration with Ekosystem Wrocław, a local environmental organization, organized the first **Clean-Up event** in 2023. Our goal was to remove litter from the riverbanks to enhance the natural beauty of the area and contribute to the well-being of the Wrocław community. We believe that this cleanup initiative presents a valuable opportunity for us to give back to our community and protect the environment we all share. By working together, we can ensure that everyone in Wrocław can enjoy cleaner riverbanks.

We also continued to host global **Earth Day "Lunch and Learns"** across our regions to communicate L.E.K.'s sustainability efforts and discuss how employees engaged in the associated causes. This helps to ensure sustainability remains in the hearts and minds of L.E.K. employees while presenting a forum to share knowledge, discuss ideas, and understand how individuals and teams can make sustainability-led change to improve environmental and social outcomes in and out of the workplace.

**"GoingGreener Champions are integral to progressing the sustainability of our offices. Each office's Champions engage with the local employees to develop and implement actions to improve sustainability in line with each office's unique local circumstances. Education of employees around important sustainability topics is a key part of the progress."**

**Daniel Roberts**

*Manager in Sustainability Centre of Excellence and U.S. Industrials Sector, GoingGreener Champion in Houston*



# Embedding environmental sustainability throughout the organization CONTINUED

In 2023, we ran our Green Innovation Fund again, an internal competition for all employees to submit local proposals with positive impact on emissions, biodiversity, or waste reduction. The 2023 winners were:

## 2tonnes educational workshop

Paris proposed to hold the '2tonnes' workshop where teams collaboratively project themselves to the year 2050, exploring both individual and collective measures for achieving a low-carbon transition. The workshop challenges participants to select actions that would lead to a carbon footprint of two tonnes in 2050, offering a hands-on opportunity to comprehend the tangible steps needed at both individual and national levels to align with the 2015 Paris Agreements and limit global warming to +1.5°C.

## TerraCycle 'Zero Waste Box'

The Sydney team has implemented a solution to divert office-based waste from landfill. Using TerraCycle's zero waste box, employees now have the opportunity to recycle plastic films that were previously included in general waste bins.

## London speaker series

The London GoingGreener Committee expanded their Sustainability Speaker Series, organizing talks, seminars, and events from external sources, as well as collaborating with sustainability partners for tours and charity-linked volunteering days, with the goal of enhancing employee engagement, promoting sustainable behaviors, and extending L.E.K.'s network for recruitment efforts.

---

**"Sustainability is the cornerstone of our collective future, ensuring that the resources we depend on today are preserved for generations to come. My involvement in L.E.K.'s internal sustainability initiatives has made me realize the intricate balance necessary to protect our environment while fostering innovation and growth. It indeed requires a united effort, with benefits and responsibilities shared among all."**

**Shubham Upreti**  
*Analyst, New Delhi*

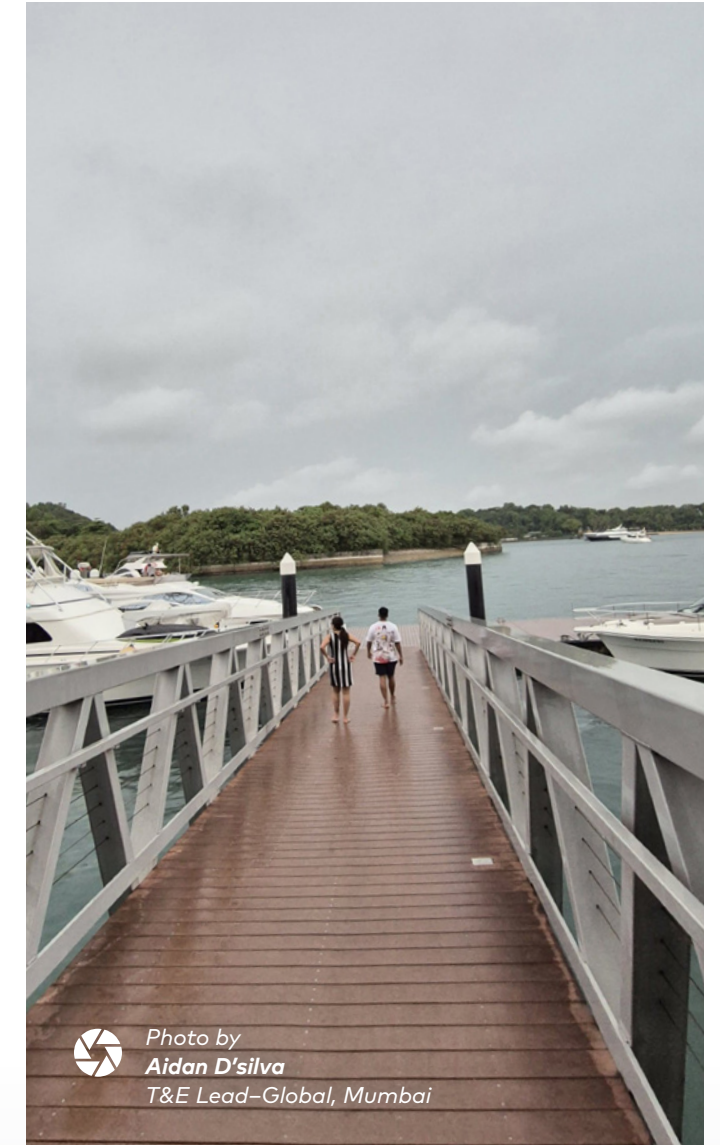


Photo by  
**Aidan D'silva**  
T&E Lead-Global, Mumbai



## OUR CLIENTS

# Supporting our clients to embed sustainability into their business strategies

L.E.K.'s positive impact is driven not only by our own operational footprint but also through the paramount decisions we advise our clients on.

Our Sustainability Centre of Excellence continuously innovates sustainability service lines to best meet our clients' needs, develops industry-leading perspectives on trends and topics, and recommends clients on ways to integrate sustainability into their core business and investment strategies.

Through our cross-regional and cross-sector collaboration on sustainability at L.E.K., in 2023 we brought meaningful recommendations to clients to maximize their sustainability impact, as well as promote broader industry change.

# Message from our Vice Chair of Sustainability



In 2023, we continued to make great strides in helping advance sustainability through the work we do with our clients.

We saw sustainability become an increasingly discussed topic globally in our external conversations as organizations—ranging from traditional energy companies to medical device companies, financial institutions to public sector government entities—seek ways to incorporate sustainability into their operations and strategy. Long gone are the days sustainability is seen as just an obligation. More and more organizations wish to get ahead of sustainability trends to secure the opportunities it brings to grow and align their business to contribute to a better future. As our clients navigate complex strategic pathways, I am proud that we can serve as partners to challenge approaches to sustainability, and closely collaborate on ways to benefit returns as well as drive a positive impact.

Our clients' increasing interest in sustainability is mirrored in the growing internal momentum of sustainability among our consulting employees. Our global Sustainability Centre of Excellence, the engine behind sustainability-related initiatives and insights at the firm, has grown to a Board of 35 partners, whose frequent discourse on topics such as sustainable aviation fuel, decarbonization of steel, and sustainability opportunities in pharma, led to numerous published thought pieces that help us bring expert guidance and the latest research to our clients, as well as promote broader industry change. L.E.K. explores sustainability with clients as an essential pillar to

operations, investment criteria, and growth strategy. We aim to continue our commitment to developing a more inclusive, sustainable and prosperous world with our clients through the sustainability-focused projects we lead and seek to work alongside leaders across all sectors and regions to bring environmental stewardship and social responsibility to the forefront of successful strategy.

Sincerely,

A handwritten signature in black ink that reads "John Goddard". The signature is written in a cursive, professional style.

**John Goddard**  
*Vice Chair, Sustainability*  
*L.E.K. Consulting*

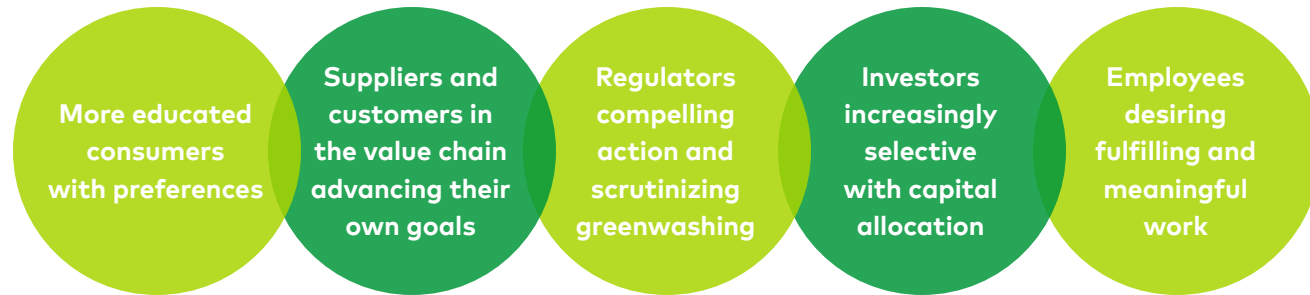
---

**"Sustainability continues to be a genuine firm commitment that drives us to continue to shape a world where business success goes hand in hand with environmental stewardship and social responsibility."**

# Maximizing our clients' sustainability impact

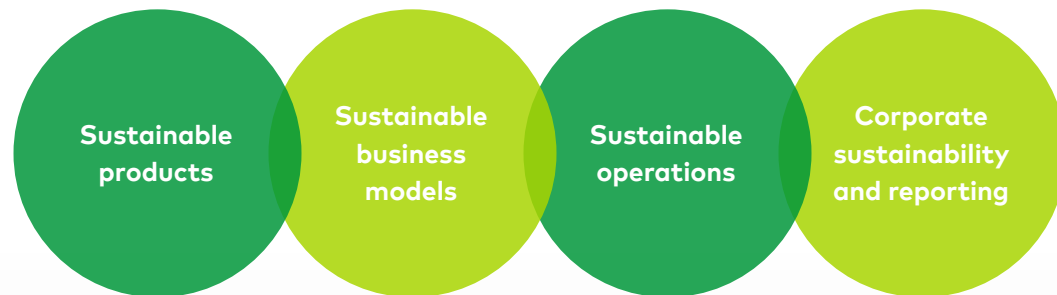
## Stakeholders are becoming increasingly sophisticated around sustainability

Throughout 2023, we saw businesses facing increasing pressure to act on sustainability from a range of stakeholders—from customers demanding more sustainable product options, to employees choosing fulfilling and meaningful work. As awareness grows, these stakeholders are becoming more sophisticated about what sustainability means and what 'good' looks like.



## Companies are embedding sustainability throughout their organizations

Narrow, short-term or siloed sustainability approaches are no longer good enough. Companies are increasingly looking to embed sustainability throughout their organization—from the products and business models they offer, to the way they operate and communicate their sustainability progress. Our mission is to help our clients put sustainability at the very heart of their business, setting them up for long-term success and maximizing their sustainability impact.



### L.E.K. SUSTAINABILITY PROJECT HIGHLIGHTS<sup>1</sup>

## 190+ Projects

#### Decarbonizing toward Net-Zero

Including Net-Zero strategy, carbon reduction, renewable energy, energy efficiency, emissions control, roadmap and implementation, and ESG data and reporting

## 240+ Projects

#### Building a sustainable economy

Including sustainability strategy, circular economy, sustainability infrastructure, packaging and chemicals, future mobility, environmental services, and financial services

## 110+ Projects

#### Accelerating human progress

Including food revolution, health and wellness, employee benefits, community support, safety and security, diversity and inclusion, and equity and affordability

<sup>1</sup> Cumulative until end of 2023

# Evolving our service lines to anticipate and position our clients for success

As our clients face increasingly holistic, strategic, and varied sustainability challenges, we are continually developing and refining our sustainability service lines to best suit our clients' needs.

**"As with all our work at L.E.K., we are focused on the issues that matter most to our clients and have strategic implications across businesses. Scope 3 and circular economy have implications on operating model choices and growth opportunities."**

Rebecca Scottorn

Partner (Co-lead of the Sustainability Centre of Excellence), London

In 2023, we evolved our sustainability service lines to meet changing client needs, providing increasingly sector-specific, holistic, and commercially-sensitive solutions.

Across our sectors, we saw our clients facing a diverse array of sustainability challenges, covering the range of Sustainable Development Goals (SDGs) we aim to support. Decarbonization (SDG13 and SDG7) continued to be a critical priority for clients, with an increasing focus on Scope 3 emissions reduction and decarbonization of hard-to-abate sectors such as steel and aviation. Circular economy (SDG12) also moved up the corporate agenda in sectors such as MedTech, while consideration of social factors such as access and quality became increasingly important in Healthcare (SDG3) and Education (SDG4).

Given this diversity of relevant sustainability issues, we made our service lines increasingly sector-specific, added industry experts to our Executive Sustainability Board, and developed new service lines to meet unmet needs (such as Circular Economy Strategy). We also focused on helping clients identify material issues and develop holistic approaches to sustainability, through our new Sustainability Strategy offering.

Finally, we focused on helping our clients navigate changing economic conditions—with an emphasis on balancing complex trade-offs and achieving long-term commercial success embedded across all our sustainability service lines.

## CORE SUSTAINABILITY OFFERINGS

Some of our core sustainability offerings include:

**Sustainability strategy:** helping clients define their strategic approach to sustainability by assessing material topics and identifying key pillars

**Decarbonization strategy including Scope 3 emissions reduction:** helping our clients assess emissions hotspots and develop Net-Zero/emissions reduction plans, including quantification of Scope 3 emissions and reduction implementation pathways

**Circular economy strategy:** helping clients create a strategy to develop and/or scale circular business models and initiatives (e.g. developing post-consumer closed loop processes)

**Sustainability-driven growth strategy:** helping clients identify growth opportunities based on sustainability trends, for example, through entering new sustainable markets, serving new customer segments, or launching new sustainable products

**Sustainability investment strategy:** helping our clients assess markets or assets against sustainability criteria, and identify areas to invest that combine financial return with positive impact

**Sustainability in due diligence:** helping private equity bidders and vendors assess the sustainability 'readiness' of a business, linking sustainability risks and opportunities to the commercial investment thesis

## SUSTAINABLE DEVELOPMENT GOALS



# Putting our commitment to work, making a difference for our clients and their communities

## CASE STUDY: **HY24**

**L.E.K. worked with a sustainability-focused joint venture investment fund to evaluate an investment opportunity to spearhead decarbonization of the hard-to-abate steel sector**



Hy24 is committed to scaling the global hydrogen economy by investing in opportunities aligned with its sustainability agenda. L.E.K. worked with Hy24 to conduct due diligence on a strategic investment in H2 Green Steel, a Swedish company focused on decarbonization of the steel industry.

L.E.K. helped Hy24 understand the competitiveness of the target company and its ability to maintain its competitive position by assessing the overall market demand for green steel, existing low carbon steel technologies, and steel production cost models for several archetype plants.

## CASE STUDY: **ASP Global**

**L.E.K. supported a U.S. healthcare supply chain player to develop an ESG strategy that enables the company to better align its business with health system customers' growing interest in sustainability**



As a direct sourcing services provider, ASP Global was interested in developing a strategy that would enable the organization to better serve the needs of health systems which are increasingly prioritizing sustainability in their operations.

L.E.K. was engaged to help ASP Global identify and navigate its sustainability priorities. Through a materiality assessment, Scope 1 and 2 emissions modeling, and suppliers' ESG maturity review, we helped the client determine key pillars for the business' ESG strategy and articulate its sustainability-related value proposition to internal and external stakeholders, including suppliers and investors.

### IMPACT

We provided Hy24 with a clear view on the target's proposition and the demand and supply for green steel, which ultimately resulted in a successful investment with the target raising €1.5 billion in equity. Raised funds were allocated to building the world's first green steel plant and Europe's first giga-scale electrolyzer in Boden, Sweden.

### IMPACT

ASP Global received a comprehensive sustainability strategy and structured method of engaging with its supply chain to embark on a decarbonization journey. L.E.K. also delivered a set of internal-facing materials (e.g. emissions model, supplier classification, and engagement plan) to equip the team with the tools to successfully execute the aligned strategy.



# Putting our commitment to work, making a difference for our clients and their communities CONTINUED

## CASE STUDY: **BD (Becton, Dickinson and Company)**

### L.E.K. helped develop a circular economy strategy for a major medical device company to recycle and reuse medical consumables



BD is one of the largest global medical technology companies in the world and is advancing the world of health by improving medical discovery, diagnostics, and the delivery of care. BD is also a sustainability pioneer with many initiatives aimed at reducing its environmental impact and promoting sustainable practices. Notably, in mid-2023, it launched a pilot to evaluate the feasibility and scalability of a regulated medical waste recycling program to enable a full circular economy for its medication delivery business (syringes, needles, and sharps containers). With a proof of concept in hand, BD sought support to develop a strategy for scaling and commercializing this program beginning in the U.S.

L.E.K. was engaged to support development of the commercial and operational model of a scalable circular economy program targeted to health systems. L.E.K. built an extensive fact base on customer needs related to sustainability, openness to partnerships, and evolution of the regulatory environment. Ultimately, and with close collaboration with BD and its medical waste management partner, Casella, L.E.K. helped develop a strategy with supporting rationale and expected financials for BD to commercialize and operationalize a market-leading, first-to-the-world sharps medical device circularity program. L.E.K. also provided a detailed roadmap to inform execution of recommendations.

#### IMPACT

L.E.K. produced an investment business case which quantified Return on Investment (ROI) potential, a commercial model, and implementation roadmap to articulate the value of the circular economy to BD and all other involved stakeholders, and further BD's leadership in sustainability.

## CASE STUDY: **Shell**

### L.E.K. undertook a global study to assist Shell's policy team in understanding the outlook and future industry dynamics for sustainable aviation fuel (SAF)



SAF is the only scalable option pre-2050 to decarbonize the aviation industry yet faces distinct challenges related to technological readiness, cost, and availability of feedstock.

L.E.K. was engaged by Shell to help navigate the future development of SAF. The work considered the role SAF plays in air travel, its affordability as a key lever in aviation decarbonization, the supply- and demand- side issues SAF faces, and the overall economics for the industry. Key findings included the likely development in the cost of SAF through to 2050, the impact on ticket prices and passenger demand of full cost pass through, and the key requirements to deliver the required industry funding.

#### IMPACT

L.E.K. developed a detailed SAF market fact base and set of recommended steps to deliver SAF at scale, including recommendations for specific stakeholders in the aviation ecosystem, institutional investors, and policymakers L.E.K. identified as critical to engage moving forward.

# Promoting industry change with forward-thinking perspectives

## Executive insights

Showing up with a well-informed perspective on fast-evolving and emerging market trends to help clients make critical business decisions is at the core of what we do, and our approach to sustainability topics is no different.

At L.E.K. we continue to invest in research and studies to drive thought leadership on the latest sustainability subjects to advise our clients on their most pressing business challenges—as well as promote change across the broader industry.

Our recent studies highlight how companies are leveraging the circular economy for both sustainability and financial gains, tackling the challenges of decarbonizing logistics, and integrating sustainability into R&D. We've explored the rise of ESG in the pharma industry, developed a comprehensive Net-Zero transformation framework, and analyzed green technologies in hard-to-abate sectors like steel and aviation—with particular expertise in sustainable aviation fuel.

Our work not only addresses the risks of diminishing natural capital but also offers strategies for effective mitigation, showcasing our commitment to driving a sustainable future across industries.

### The Race is On: ESG in the Pharma Industry

Is the pharma industry on its ESG game? L.E.K. asked 49 pharmaceutical and biotech firms, along with 22 contract manufacturing organizations, about the progress they've made so far in advancing their environmental, social and governance performance to develop key learnings.



*"For companies of all sizes, ESG pressure is mounting. As pharma's customers are setting more stringent ESG requirements for their suppliers (exemplified by the National Health Service's Net-Zero strategy), pharma companies need strategic clarity on ESG policies and targets to be able to compete. But the volume and diversity of ESG demands is such that efforts need to be carefully prioritized. Pharma companies will benefit from a clear assessment of materiality, based on a thorough analysis of what matters to their stakeholders—customers, shareholders, employees, governments—and considering trade-offs against the financial and non-financial impact of ESG measures on their operations. This should form the basis of their ESG strategy and communication."*

### The Circular Economy as an Economic Opportunity

L.E.K. assessed how businesses are converting the transition toward circularity into economic opportunity, the challenges they face, and some foundational topics businesses can engage with to prepare for the transition.



*"The circular economy is emerging as an opportunity for businesses to achieve financial goals. Businesses are increasingly looking toward the circular economy as a business opportunity and are implementing innovative business models that both reduce waste and create financial returns. Doing so takes advantage of macro trends toward circularity, advanced by regulators, consumers, and other stakeholders."*

# Promoting industry change with forward-thinking perspectives CONTINUED

## Further executive insights

### Decarbonizing the Supply Chain: Are You Doing Enough?

L.E.K. outlined key challenges around technological maturity, investment criteria, and capability requirements that amount to important trade-offs in decarbonizing the logistics sector to prompt companies to think about their own sustainability positioning.



### To Make Products More Sustainable, Incorporate Sustainability Fully Into R&D

L.E.K. explored the business case for integrating sustainability into the R&D process and highlighted key success factors to achieving this by studying industry examples of successful organizations, in industries ranging from biopharma to oil and gas.



### Operationalizing Decarbonization

Inspired by findings from L.E.K.'s 2023 Decarbonization Survey indicating that leaders are strongly committed to decarbonization, L.E.K. created a Net-Zero transformation framework featuring five key areas of the value chain and four necessary enablers that would guide companies toward a successful decarbonization strategy.



### Natural Capital: Assessing Organizational Risks and Uncovering Opportunities

L.E.K. highlighted the risks that organizations face because of the decreasing quantity and quality of natural capital, as well as the opportunities that come from mitigating their natural capital use and impact.



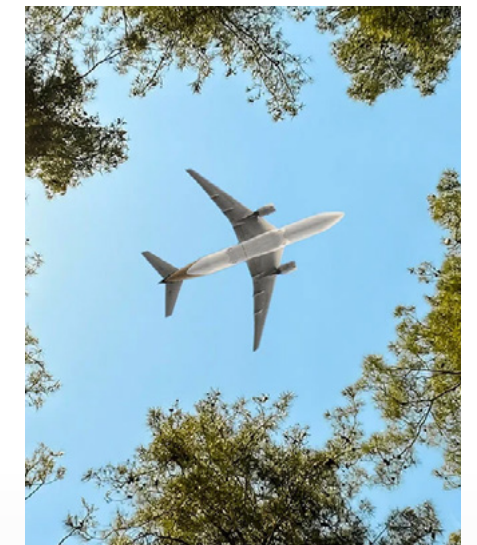
### Decarbonization of the Steel Industry

As a hard-to-abate sector, the steel industry is facing global regulatory pressure to decarbonize. L.E.K. featured green technologies for steel manufacturing, including iron ore electrolysis technology, as a potential alternative to green H2 and CCUS technologies.



### Fueling the Future of Aviation

L.E.K. authored a detailed and richly evidenced report clarifying the central role that SAF will play in the future of aviation, setting out the key challenges that must be overcome, and offering insight for value-chain participants on the roles that they will need to play to accelerate and deliver a clean future for the global aviation sector.



# Engaging leaders around the world on sustainability progress and initiatives

L.E.K.'s [Global Decarbonization Survey](#) engaged 400 leaders of international companies in C-suite, sustainability and corporate leadership roles across the U.S., Europe, and Asia in early 2023 to investigate how decarbonization is shaping their commercial strategies.

Participants covered executives located in the U.S., UK, France, Germany, Australia, and China. Sector coverage includes 136 individuals in the industrials sector, 96 in healthcare, 84 in consumer products, 56 in transportation, and 28 in energy.

As presented during the [Economist's Sustainability Week Conference](#) and reported in [Sustainability Magazine](#), our survey found most companies were committed to and have made significant progress in implementing decarbonization initiatives but continue to face challenges around the cost of investment required.

The survey highlighted that those companies that believe decarbonization is strategically important to their business strategy and a potential growth driver are more likely to achieve benefits such as better competitive advantage and lower cost of capital than companies that pursue a compliance-only approach to sustainability—a key finding that informs L.E.K.'s approach to advising clients on sustainability issues.

## Decarbonization ambition levels vary from passive to highly proactive

What is the major goal of your decarbonization efforts?

**Laggards**

**4%**

*"We have not clarified an overall goal."*

**Minimalists**

**18%**

*"We are focusing only on meeting regulatory compliance and disclosure obligations."*

**Risk Mitigators**

**34%**

*"We are using decarbonization to mitigate operational and reputational risks."*

**Growth-Focused Pragmatists**

**29%**

*"We are factoring decarbonization initiatives into business strategy and seeing it as a growth driver for the organization."*

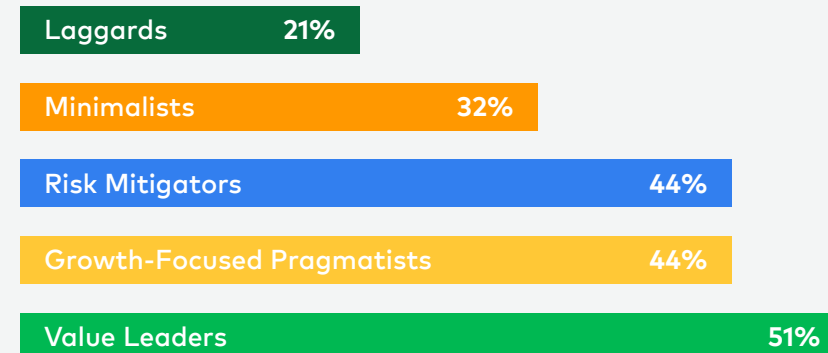
**Value Leaders**

**15%**

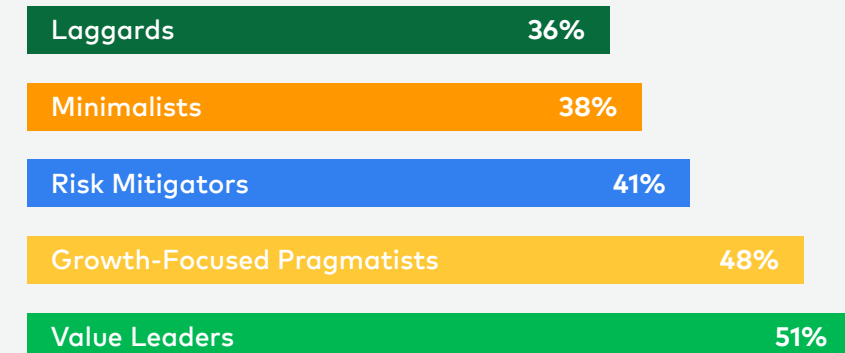
*"Decarbonization is driving the strategic agenda as we look to be an innovator within our sector and lead with our values."*

## This variation impacts the benefits realized

*"Our cost of capital has decreased."*



*"We are in a better strategic position relative to our competition."*



# Sharing our knowledge, insights, and expertise for the benefit of all

## Speaker events

This year, L.E.K. doubled our presence at, and sponsorship of, sustainability speaker events compared to 2022. These events highlighted the decarbonization progress of companies across industries as well as energy transition technology advancements.

We plan to continue sharing our sustainability insights with industry leaders through these events to contribute to productive discourse on critical sustainability topics affecting our clients and their value chains.



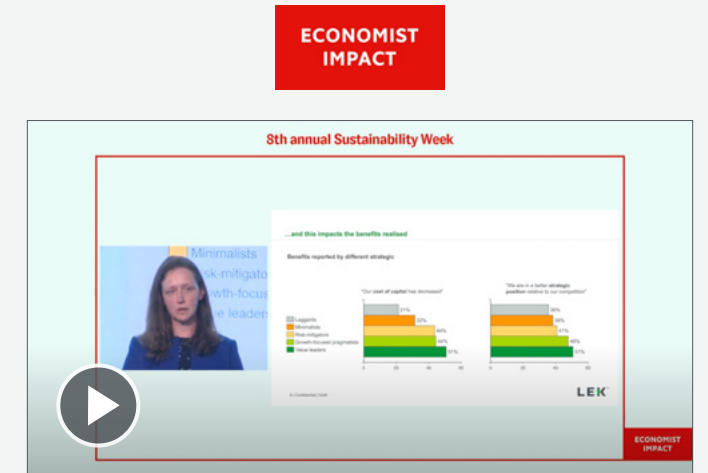
### 2023 ECONOMIST'S SUSTAINABILITY WEEK CONFERENCE

Rebecca Scottorn presented her perspectives from L.E.K.'s study to reveal the real progress companies are making on decarbonization and an action plan for executives to realize the benefits of investing in sustainability.

#### The Decarbonization Imperative: Lifting the Lid on Corporate Responses

Next steps for leadership:

- If you don't have a formal strategy in place already, put one in place
- Reconsider strategies focused only on minimal compliance
- Develop a realistic roadmap to turn strategy into reality
- Identify targeted solutions to overcome barriers
- Begin making necessary investments now, don't put them off for later



### 2023 FT ENERGY TRANSITION SUMMIT

Philip Meier, L.E.K. Partner leading the Analytics practice in Europe with a focus on technologies that enable energy transition, shared his views on a panel discussing whether the refining capacity can match the demand for biofuels and sustainable aviation fuel.

#### The Revival of Biofuels: Building Up Production and Refining Capacity for a Booming Sector

L.E.K. perspectives:

- The largest investors (e.g. pension funds, infrastructure funds) require either price or demand certainty to invest in biofuels; until the market is more stable, it will only attract more speculative capital
- Cargo flights and airlines with a higher proportion of business travelers are more able to move strongly on biofuels because their customers are more interested in lowering emissions and less price sensitive than vacationers
- Historically, the price of fuel is not correlated with demand for air travel as airlines are adept at passing through these costs to customers



# Sharing our knowledge, insights, and expertise for the benefit of all CONTINUED

## Pro bono and public sector sustainability projects

At L.E.K. we believe working on an actionable plan to achieve a more sustainable future necessitates collaboration with not only business organizations, but also policymakers and scholars who enact change through regulatory and public-private cooperation.

As such, in 2023 we engaged in several fellowships and government-facing initiatives to help public institutions understand the most pressing areas that require their attention and bring together stakeholders from different sectors to engage in collaborative discussion grounded in rigorous research and analysis.

This year we focused on the future of aviation, the relationship between climate change and health outcomes, and scaling advanced energy solutions to meet Net-Zero targets.

We are proud to help shape the latest thinking on sustainability and guide policies that drive monumental change. We aspire to continue our collaboration with similar organizations in the coming years and contribute to building a more connected community committed to a global cause.

### Scenario Analysis of the Future of Australian Aviation

To facilitate the development of an aviation white paper for the Australian Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA), L.E.K. assessed the potential evolution of drivers of change in the aviation sector to 2050.

Focusing on market demand and supply, as well as sustainability factors as key drivers that will influence the direction of the aviation industry, we analyzed industry scenarios and their potential outcomes—passenger volume, aircraft movement, CO<sub>2</sub> emissions—to inform areas such as SAF feedstock availability, Net-Zero emissions targets, and scale up of Advanced Air Mobility that would require industry and government intervention.



**Australian Government**

### Impact of Climate Change on Health

L.E.K. has been collaborating with WEF as part of its Climate and Health Initiative to assess the ways and degree to which climate change impacts human health directly and indirectly to identify critical areas of intervention and drive multi-industry stakeholder group discussions aimed at addressing these concerns.

The health impact measured includes the direct impact such as worsening of diseases and the indirect impact such as displacement and economic harm that in turn lead to negative health outcomes. After mapping these impact areas through a comprehensive literature review involving over 40k sources, L.E.K. identified key areas that lack adequate guidance and require active involvement to build climate-resilient health systems. We developed two interactive tools showcasing the study results and outlining potential interventions. The findings and recommendations were published in an Insight Report in June 2024.



### Advanced Energy Solutions Community

The WEF Advanced Energy Solutions community is committed to engaging leaders within the energy system to expedite the deployment of advanced solutions, including clean fuels and hydrogen, advanced nuclear, and carbon storage and removal.

In collaboration with the WEF, L.E.K. has developed a foundational vision for this group of stakeholders, which has helped increase community engagement around key trends related to scaling advanced energy solutions. Further enriched by discussions with over 40 CEOs and energy leaders, we have pinpointed a general lack of confidence in the technology, demand, business case, and public perception as the principal barriers to scaling these solutions, rather than issues of technology readiness. L.E.K. and the WEF are collaborating to bolster industry cooperation and streamline regulations to foster confidence in advanced energy solutions. We are planning to release a series of industrial insight papers in 2024.





## OUR PEOPLE

# Empowering our people to shape a better world

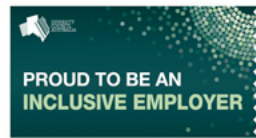
Our firm is built around the promise of helping our clients master their defining moments and to solve their most difficult challenges. We are dedicated to attracting, nurturing, and supporting talent to foster a human-centric culture. We share a common commitment to Solve for a Better Future by developing others as we develop ourselves. We cultivate relational ties so that our people feel connected and valued, leading to deeper relationships and a sense of belonging, so they are set on a path to success at L.E.K.

# Embracing a 'people-first' culture focused on diversity and recognition

## Industry recognition

We are proud that L.E.K. has been recognized by both our employees and consulting industry stakeholders as a top consulting firm across our global regions.

- Top 5 Consulting Firm in Health Sciences in Europe, Asia, and North America<sup>1</sup>
- Diversity Council of Australia Inclusive Employer (2023–2024)
- Seramount 100 Best Companies (2023)



**“What are the key attributes of the best job in the world? I believe they include having accelerated opportunities for growth, working alongside friends and colleagues who both challenge and inspire you, and achieving harmony with your personal and professional goals and values. At L.E.K., we strive to create an environment that provides our people with the best job in the world.”**

**Rustin Richburg**  
Chief Talent Officer and Partner, New York

Diversity of thought, experience, and background is central to our approach at L.E.K. We currently have more than 70 nationalities among our employees globally. In Europe alone, more than 60 different nationalities are represented (with many languages spoken fluently).

In our most recent global employee engagement survey, almost 30% of our employees globally identified as an underrepresented minority.<sup>2</sup> Over a third of our employees identified as LGBTQ+ or an Ally. We will continue to embed diversity across all aspects of the L.E.K. experience as we endeavor to empower a purpose-driven career for our people.

## Our ED&I vision

Our vision for L.E.K. is a workplace environment where all employees feel safe to be their authentic selves. Psychological safety is at the heart of this. Our Equity, Diversity and Inclusion (ED&I) Committee has adopted a framework (focused on culture, career, community, and clients) with the intention of ensuring that our people feel represented and connected, regardless of their gender, race, ethnicity, disability, age, socio-economic or cultural background. We have also established our Belonging@LEK campaign to foster a culture of inclusion and belonging.

## HIGHLIGHTS FROM 2023

**2,287**

Our global headcount grew to almost 2,300 (6% increase from 2022)

**42%**

Women represented 42% of our total global headcount

**45%**

~550 new employees joined L.E.K., 45% of whom were women

**41%**

of our U.S. consulting employees self-identified as ethnically or racially diverse

**34%**

Consulting employees who were promoted to a more senior level

**100%**

Employees with access to health and well-being support services

<sup>1</sup> 2024 Vault rankings based on 2023 data

<sup>2</sup> Gallup employee engagement survey of L.E.K. employees, March 2023 (participation ~70%)

# Embracing a 'people-first' culture focused on diversity and recognition CONTINUED

## Our foundations

To embed our ED&I vision successfully, we have strong foundations within the organization to provide a platform for positive change. The Global ED&I committee, sponsored by the Board, is responsible for driving strategy, reporting, and bringing alignment across global functions and regions. At a regional level, ED&I Connect committees coordinate employee activities and representation.

We make training and programming available for employees to build their understanding and raise awareness of diversity and inclusion in the workplace. Anti-harrassment training is also made available to employees.

## Our progress

Globally, we have made improvements in terms of gender diversity. Women represented 42% of our total headcount in 2023 and 45% of our new joiners were female, an increase for the 3<sup>rd</sup> consecutive year. We have increased the proportion of women at the most senior levels of the organization, with women representing 24% of L.E.K.'s leadership in 2023. The number of female Partners also continues to increase.

At L.E.K., we are committed to equal gender representation. This is a priority that is key to the success of our firm. We have taken significant steps to ensure gender parity across all our processes, including employee retention and progression. We also had higher levels of retention of female employees in 2023 than in previous years.



**"I have been at L.E.K. for over seven years and I have never stopped growing in my time here. What I love is the exceptional caliber of people. Everyone inspires you to become your best self. I feel empowered every day to propose and execute new ideas within a culture that values creativity, excellence, and caring for each other."**

**Adamantia Velonis**  
*Director of IT Strategy & Communications, London*

# Embracing a 'people-first' culture focused on diversity and recognition CONTINUED

## Diverse recruitment

We are committed to improving the diversity of our recruitment efforts across the organization. Not only will this further enhance the experiences of our employees, but it will encourage greater diversity of thought and broaden our collective perspective, better positioning us to help our clients solve their biggest challenges.

## Highlights from our offices

In L.E.K.'s U.S. offices, we actively engage in diversity recruitment through partnerships with a variety of organizations and events, such as Reaching out MBA (ROMBA), the Forte Foundation, and the Management Leaders for Tomorrow. As part of this work, the U.S. offices conducted two pre-MBA forums to help Underrepresented Minority (URM) students understand the career paths available to MBA graduates.



We also partner with many on-campus organizations, at both the undergraduate and graduate levels. We have a pre-MBA Diversity Program in the U.S. for incoming female, Black/African American, Latinx/Hispanic, and Native American students to learn about career opportunities at L.E.K. In 2023, 41% of consulting employees in the U.S. identified as non-white or an under-represented minority, which positions L.E.K. among the leaders in our peer group.

L.E.K. is committed to encouraging women to succeed. In Australia, we offer a financial award and internship to female students at Melbourne Business School. Senior female L.E.K. employees in Australia attend the MBS 'Women In Management' Event. The London, Paris, and Munich offices host Women's Network panels and workshops, as well as sponsoring university societies like 'Cambridge Women in Business'.

Our offices have also introduced initiatives to improve the socio-economic diversity of our new hires. Our partners in Shanghai engage with a broad range of schools to encourage students to consider a career at L.E.K. In London, we have a longstanding relationship with the [Social Mobility Foundation](#) for work experience students.

We have also hosted events specifically aimed at under-represented groups, including case and career workshops, coaching sessions, and mentorship initiatives, across our U.S. and European offices.

## Pay equality

Our pay practices are simple. We ensure that all consulting employees are paid the same as their direct peers, while also providing opportunities to reward outstanding performance through our bonus structure. We regularly review remuneration to ensure that employees with the same experience and qualifications are rewarded equally. We think it is important that everyone at L.E.K. shares in the success of the firm, which is why we offer a profit-sharing plan to all of our employees. L.E.K. is fully compliant with regulatory requirements regarding reporting on gender pay across all jurisdictions. We fully support the EU's Pay Transparency directive introduced in April 2023.



## SPONSORS FOR EDUCATIONAL OPPORTUNITIES (SEO) LONDON CONSULTING

The London Office has an ongoing partnership with [Sponsors for Educational Opportunity \(SEO\) London Consulting](#), a company focused on supporting talented students from underserved and underrepresented backgrounds obtaining internships or full-time roles in top consulting companies. SEO London Consulting helps these students in their final year(s) of university and L.E.K. London has hired eight Associates through SEO.

**"The U.S. offices have a variety of affinity and Employee Resource Groups. It is great to attend different groups' events and partner with peers to hold events that celebrate our diversity!"**

**Anthony (Ton) Luk**  
*Senior Manager, San Francisco*

# Promoting the well-being of all L.E.K. employees

## Listening to our employees

We realize that we have an important role to play in giving our people the support and resources they need to succeed. To do this effectively, we need to listen and create opportunities to hear from our people. We regularly ask our employees to share their thoughts on our culture and purpose. Our March 2023 Gallup employee engagement survey generated high levels of employee engagement (70% of those surveyed). We regularly hold townhalls, roundtables, and weekly opportunities for employees to provide feedback and communicate with their teams and managers regarding any concerns, including working conditions.

Our focus on listening to our employees and taking action has resulted in a significant improvement in employee retention. We have seen the number of employees choosing to build careers at L.E.K. increase steadily over the last five years.

## Mental health and well-being

We understand the importance of creating an environment in which our people feel empowered to do what is needed to stay balanced. L.E.K. offers a range of options to promote well-being and help enhance our employees' quality of life.

We give employees access to meditation and well-being services through Calm and Thrive, as well as professional services such as WorkLifeMatters. Individual offices have established Wellness Committees to organize initiatives and events to encourage employees to prioritize their mental and physical well-being.

We have a flexible working model whereby employees can work part of the week remotely. Employees working long or atypical hours are compensated with 'TOIL' (Time Off In Lieu). We also give employees the flexibility to work part-time and take sabbaticals to pursue their passions away from the office.

L.E.K. also offers private health insurance to all employees, which includes access to additional therapy and holistic wellness benefits (coverage varies across regions). In many of our offices, employees also receive an allowance for health and fitness expenses, such as gym memberships.

At the end of 2023, L.E.K. organized a second Global Festive Fitness Challenge, involving 765 colleagues from across L.E.K.'s offices, and beating last year's participation by over 200. This event brought colleagues together through sport, physical exercise, and competition, helping foster a sense of belonging within local offices and the global L.E.K. community. The Challenge also raised thousands of dollars for charitable causes through associated voluntary contributions.



## Parents and families

An important dimension of our inclusion efforts at L.E.K. is giving parents and families the support they need to succeed. L.E.K. is proud to be recognized as a top firm for families—we rank highly in the Seramount awards.<sup>1</sup>

We have carefully designed a package of benefits to help our employees balance the demands of work and family life. In addition to generous gender-neutral parental leave arrangements, L.E.K. also offers childcare packages and services for greater flexibility for new parents. L.E.K. has implemented a Temporary Adjustment Program, placing new parents in a non-consulting role for up to nine months after returning to work. In the U.S., we are pleased to offer comprehensive, inclusive fertility benefits and support for all paths to parenthood through our partnership with Carrot Fertility.



## Health and safety at work

We ensure that everyone at L.E.K. feels safe at work and that we adhere to good working practices. All employees should feel safe commuting to work; we encourage employees to take a taxi home when working late at night. L.E.K.'s offices are a mix of open floor space and meeting rooms, giving employees access to quiet spaces when needed, with common areas and refreshments available for employees who need to take a break.

We also require all our employees (including subcontractors) to undergo health and safety training (including fire safety), and we promote safe working practices in all our offices (e.g. by investing in ergonomic office furniture). All our offices and equipment are regularly inspected, in conjunction with building management representatives to ensure the safety of our team members. We have designated fire wardens in our offices as well as trained first aiders and mental health first aiders.

<sup>1</sup> Seramount 100 Best Companies (2023) and Best Companies For Dads (2022)

# Nurturing the power of community through the people of L.E.K.

Our Employee Resource Groups (ERGs) support employees from different backgrounds to promote employee well-being and create an organization where our people want to build their careers. We are proud of the positive impact our ERGs have made across our organization.



## Mosaic@LEK



Mosaic is an Employee Resource Group for anyone at L.E.K. who identifies as a member of or an ally to a racial and/or ethnic minority group. Mosaic is comprised of general members across all offices as well as specific identity-groups such as Asian@LEK, Black@LEK, Indigenous@LEK, Jewish@LEK, and Latinx@LEK, who all endeavor to create and sustain an inclusive work environment.



# Nurturing the power of community through the people of L.E.K. CONTINUED

## Women@LEK



Women@LEK works across the organization and supports global programming to champion diversity and support women as they grow and develop their consulting careers. Women@LEK organizes events, mentorship opportunities, and regional and global summits, to connect and enable network opportunities for women—internally and externally—and to ensure women are equipped to achieve their full potential and emerge as leaders.



## Pride@LEK



Pride@LEK supports the firm's LGBTQ+ employees by offering a welcoming, safe, and empowering environment and creating a sense of community. The group also serves as a resource for both current and prospective employees whose family members identify as LGBTQ+ and welcomes involvement from the firm's broader network of allies.



# Nurturing the power of community through the people of L.E.K. CONTINUED

## Vets with Impact



Vets with Impact seeks to enhance L.E.K.'s culture and talent advantage by attracting, recruiting, developing, and retaining high-caliber military veterans and reservists who wish to pursue careers in strategy consulting. Vets with Impact creates a welcoming environment for military veterans and reservists by facilitating career transitions from the armed forces to strategy consulting, championing employees still serving in the military reserves, building camaraderie and a network of mutual support among members, and transferring military leadership expertise to the broader firm.



## Parents@LEK



Parents@LEK provides resources for employees who have children to help them balance their goals as professionals and parents. This group supports L.E.K.'s family-friendly policies and is committed to providing a supportive environment for working parents, providing information on internal policies and external resources.



# Advancing opportunity for growth and development at L.E.K.

To attract and retain the best talent, we need a transparent, fair, and equitable recruiting process.

We give our employees the best possible career development opportunities to help them grow and thrive—during their L.E.K. journey and beyond. We want to broaden the horizons of our employees, encouraging them to take the opportunities to seek out new experiences. We believe this enables our people to build deep relationships and lasting networks.



## Attracting top talent and ensuring an equitable recruitment process

Our recruitment teams are dedicated to creating a process designed to maximize fairness and accessibility. All our employees who participate in interviewing applicants undergo training on unconscious bias and advice for how to make objective decisions at every stage of the recruitment process.

We have designed a process that is transparent and predictable to provide certainty to applicants and make the process both engaging and reassuring. Outcomes are communicated clearly and formally to all candidates. We are purposefully confronting bias within the process by removing gendered language from job descriptions and introducing CV-blind assessment stages. We want to make the process welcoming for all, ensuring that candidates have a diverse set of interviewers, typically meeting between four to eight L.E.K. employees.

## Our Summer Internship Program

Every year, we welcome Summer Associates and Summer Consultants to learn more about L.E.K. More than 40% of our Summer Associates and Consultants return to L.E.K. upon receiving a full-time offer.<sup>1</sup> This is a popular route to a career at L.E.K.; 14% of our incoming full-time Associates and Consultants in 2023 had previously interned with L.E.K.



**“When I joined as an Associate, I was wowed by the comprehensive orientation and the ongoing learning opportunities from formal classroom to on-the-job learning from peers. The skills I’ve learned at L.E.K. were very transferable when I moved from Consulting to Core Services.”**

**Victoria Li**  
*People Team Planning and Operations Senior Manager, Chicago*

<sup>1</sup> 5-year weighted average of Summer Associate and Summer Consultant conversion (2018–2022)

<p><b>100%</b> of recruiting employees receive anti-bias interview training</p>	<p><b>14%</b> of our incoming full-time Associates and Consultants in 2023 had previously interned with L.E.K.</p>
---	--

# Advancing opportunity for growth and development at L.E.K. CONTINUED

## Career development

Across L.E.K., we help our colleagues to learn new skills and grow their careers. We have formal mentorship programs that give our newest Associates the opportunity to benefit from the experience of some of our most senior Partners. All employees are assigned a Career Development Coach to help them design an individual development plan to advance their careers, drawing on their coach's experiences to guide them.

We also have more informal interactions. Every new joiner is assigned a 'buddy' to welcome them to the firm and offer advice on more day-to-day matters. L.E.K. also has a sponsorship program focused on connecting women and employees from underrepresented minorities with senior leaders who can give them advice and advocacy. We believe these initiatives create an environment in which our people feel valued, heard, and encouraged to grow.

Our apprenticeship model is hands-on; it happens daily at all career levels across our global network, giving employees the opportunity to learn and grow together. L.E.K. also has one of the most comprehensive training programs among its competitors. New hires at every level from Associate to Manager begin with a structured orientation to equip them with the essential skills needed, followed by a carefully designed three-year program to make sure that our employees are receiving both on-the-job and classroom training.



# Training and promoting for a more collaborative culture

L.E.K. provides a learning experience for our people that encourages them to seek out personal and professional development opportunities.

## Training proposition

In their first year at L.E.K., new Associates will have access to up to 130 hours of allocated and online training. New Consultants can expect up to 90 hours of learning and development as part of the two-year Consultant program. After each internal promotion, employees receive relevant training to prepare them for their new role.

## Feedback and promotion

We believe that feedback should be shared as frequently as possible. Our employees receive regular feedback throughout the year with feedback touchpoints at the end of every case, as well as formal review sessions twice a year to agree on development objectives for the following six months. Our employees are considered for promotion on a regular basis. This process allows our talented and ambitious colleagues to react quickly and effectively to feedback and accelerate their personal development; more than one third (34%) of our consulting employees received a promotion in 2023. Promotions are meritocratic, and all employees are evaluated based on their performance and readiness for the next role.



## BACK TO THE OFFICE DAYS

Our offices in Australia set aside a day every month for in-office events and initiatives primarily focused on learning and development. A selection of training sessions is available to employees, targeted at a range of different levels, lasting from a few hours up to a full day. Not only does this initiative give employees access to over 100 hours of training every year in addition to their allocated development program, but it allows all employees to come together and connect with each other in person each month.

## INDIVIDUAL RECOGNITIONS

- **Jen Wu:** [2023 Rising Star of the Profession](#)
- **Lucas Pain:** [2023 Top Consultant: Excellence in Leadership](#)
- **Tobias Koesters:** [2023 Excellence in Client Service](#)
- **Darren Perry:** [2023 Excellence in Pro Bono](#)
- **Gigi Wong:** [2023 Emerging Leaders Award](#)

## Celebrating our teams

Beyond individual recognitions, we also believe it is important to recognize team accomplishments. We currently have two global awards where internal initiatives or client projects that have had particularly large impacts are celebrated every year:

- **The Iain Evans Client Impact Award** recognizes outstanding commitment to innovation, impact, and driving results for our clients. This award reflects founder Iain Evans' unwavering commitment to client results that has served as a strong foundation for our global business.
- **The Stuart Jackson Colleagues and Community Benefit Award** recognizes internal initiatives or client case work that benefits our colleagues, our communities and/or society at large. This award reflects Vice Chairman and recent Global Managing Partner Stuart Jackson's focus on making L.E.K. a great place to work, having a positive impact in our communities, and helping to shape a better world.

# Training and promoting for a more collaborative culture CONTINUED

## Employee training proposition

### Introductory Training and L.E.K. On-Boarding

All incoming L.E.K. employees partake in a comprehensive, best-in-class orientation program to introduce them to work and working culture at L.E.K. Consulting.

### Self-Driven, Self-Paced Training Programs

L.E.K. offers employees the opportunity to further refine their skills in areas such as data and analytics (e.g. Tableau or Alteryx) via Kubicle online trainings and certificate programs.

### Core Services Training

Our Core Services employees also take advantage of relevant consulting training offerings. They can receive professional development support for industry qualification across different functions (such as Finance and HR CIPID qualifications). Core Services employees also host and attend masterclasses from our functional experts (such as Data & Analytics, Knowledge Management, and Digital).

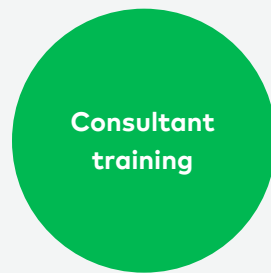
### Promotion-Specific Training Opportunities

Promotion timelines are rapid at L.E.K., with 34% of consulting employees receiving promotion to a new role in 2023; as such, we provide our employees with the relevant support to succeed within the responsibilities of their new role through promotion orientation and development trainings. This training prepares our employees for success in their new role and serves as a base for their continued, role-specific training programs as they develop.

### Office-Specific Training Opportunities

Our local and regional leadership teams tailor training to their specific offices and regions. A selection of training sessions are available to employees, targeted at a range of different levels, lasting from a few hours up to a full day (10 hours). This initiative gives employees access to over 100 hours of training every year (including online training) in addition to their allocated development program.

## L.E.K.'S ROLE-SPECIFIC TRAINING PROPOSITION



Incoming Associates are trained across seven tracks, which span over a three-year, tenure-based program to equip employees with a fundamental consulting skillset:

- Research
- Technical
- Quantitative
- Finance
- Accounting
- Management
- Strategy

Consultants are trained across five tracks to enhance their consulting skillset with project and team leadership skills:

- Common case circumstances
- Quantitative
- Communication
- Management
- Problem solving

Senior consulting employees receive training to help them develop their management and leadership skills:

- Team leadership and followership
- Executive engagement
- Media and Board presentation
- Global Management Conference
- Firm and commercial management

# Encouraging ongoing learning for the benefit of the individual and the organization

L.E.K. continues to build new capabilities so that our people will have greater access to a broader range of opportunities to build and develop their own skill sets.

## SWAP

Through the SWAP program, employees can swap places with a peer in another L.E.K. office for six months, giving them the chance to experience life and work in another country. Our SWAP program also helps to ensure that our unique L.E.K. culture is consistent globally. On average, we arrange 50 SWAPs each year, affording international opportunities to 10–20% of eligible employees.<sup>1</sup>

## Externships

We recognize the tremendous value to our firm from externships: short-term leave for consulting employees to expand their horizons and capabilities by volunteering for a non-profit organization of their choice.

## Secondments

We support our consultants to gain direct insights into companies and industries through secondments providing practical experience with an L.E.K. client.

## Internal rotations

We give consultants the opportunity to work in one of L.E.K.'s non-consulting internal functions, such as sustainability, data and analytics, sector specialist, and chief of staff roles.

## Educational sponsorships

We offer business school sponsorships to employees to support their further education. Although business school sponsorship is common among our contemporaries, we pride ourselves in the support we give our employees in preparing for business school and the accelerated leadership responsibilities they have when coming back to L.E.K. following their graduation. We also encourage many of our Core Services employees to pursue qualifications and accreditations in their specialist fields, which enables them to stay up to date with the latest developments in their areas of expertise.

## Alumni

The L.E.K. journey continues even after our employees leave to pursue new endeavors. Our alumni are a part of the extended L.E.K. community of 10,000+ individuals, including 7,100+ alumni across 60+ countries and ~80 industries. We have an active alumni program that provides opportunities for former employees to meet and engage with current L.E.K. leaders virtually and in-person. In 2023, we celebrated the firm's 40<sup>th</sup> anniversary and hosted 17 alumni events globally. We also have an increasing number of full-time alumni 'returners' and those who support us as advisors on specific client work.

L.E.K. employees and alumni tell us of the lasting friendships they have made at L.E.K. Our employees value the L.E.K. community and we provide the resources to organize events to bring our people together in an informal capacity, with a busy calendar of different activities that includes something for everyone. We also organize more structured events, including off-sites and annual get-togethers to give our employees from all over the world the chance to get together, share ideas, and create lasting friendships.



<sup>1</sup> Based on 2023 SWAPs, with target cohorts defined as Senior Associate/A2s, Associate Consultants, and Senior Associate Consultants



## OUR COMMUNITY

# Shaping better communities for a better world

“To solve for a better future” isn’t just a slogan, it’s a guiding principle shaping every aspect of our work. For over three decades, we’ve committed to pro bono projects that create positive change, addressing pressing social issues from improving education systems to enhancing healthcare accessibility. Our passionate employees regularly contribute their time and skills to local charities and community events, with tangible impacts that transform lives and uplift entire communities.

# Benefiting communities through pro bono and volunteer projects

At L.E.K., we support our people to make a difference through our long-running program of pro bono work.

L.E.K.'s pro bono work includes both L.E.K.-sponsored pro bono projects, involving our consulting employees working full-time with non-profit organizations, and voluntary pro bono projects run by teams of colleagues alongside their day-to-day casework. In 2023, ~20% of consulting employees participated in either an L.E.K. or voluntary pro bono engagement.

Our pro bono work at L.E.K. is designed to maximize our impact at both a local and global level. We work with local organizations in the immediate vicinity of L.E.K. offices, ranging from children's hospitals and care homes to social impact funds, as well as international charities. L.E.K. is committed to supporting these organizations, deploying our strategic capabilities to help organizations scale, develop growth plans, and boost their community impact.

## L.E.K. pro bono projects

For nearly 30 years, L.E.K. has been offering pro bono services. In 2023, our global offices contributed an estimated value of over \$3 million in pro bono cases and charitable donations. We take pride in partnering with organizations that serve their communities.

## Voluntary pro bono projects led by our employees

In addition to official L.E.K. pro bono projects, our employees also provide consulting services on a voluntary basis, through Advance Pro Bono and Inspire. These projects are managed by junior members of our firm, giving them the opportunity to develop and grow as leaders and make a positive impact on the world.



**"At L.E.K., we believe that doing great work for our clients and building a great team is not enough to build a great firm. Through our expansive pro bono, volunteer service and charitable giving programs, we aim to help make a lasting impact in our communities."**

**Manny Picciola**  
Regional Head of Americas, Managing Director and Partner (Former leader of U.S. pro bono program), Chicago

### HIGHLIGHTS IN 2023

**\$2.6M+**

Value of L.E.K.-sponsored pro bono projects

**100+**

Consulting employees participating in pro bono or volunteer consulting projects

**30+**

Volunteer projects led or mentored by junior consulting employees

**25%+**

Employees donated to a charity in the GivingBack@LEK portal

**~\$450K**

Donated globally in employee donations and matched funding

**100+**

Fundraising and volunteer events



# Sharing L.E.K.'s expertise to positively impact our communities

## L.E.K. PRO BONO PROJECTS



### Autistica

Autistica is a UK based charity headquartered in London, which focuses on funding research and campaigning for those with autism. Its mission is to create breakthroughs that enable autistic people to live happier, healthier, and longer lives. This is aided by funding research, shaping policy, and working more closely with autistic people.

L.E.K. helped Autistica to create a plan to develop evidence-based solutions aimed at empowering autistic people to improve their professional skills while enabling employers to build neurodiverse and inclusive workforces.

By identifying the barriers to employment across each stage of autistic peoples' career pathways and segmenting the proposed interventions and research into those that directly affected individuals' careers and those more broadly influencing employers' practices, L.E.K. supported Autistica in the development of a set of initiatives that could result in a doubling of the employment rate for the UK's autistic population.

---

**"Working on the project with Autistica was truly fulfilling. Not only was the case work meaningful, as we collaborated to articulate Autistica's compelling value proposition addressing the autism underemployment issue, but it also provided a valuable step-up opportunity as a new associate and was a great learning experience."**

**Daniel Winter**  
*Associate Consultant, London*



### SisterWorks

SisterWorks is a non-profit social enterprise that seeks to economically empower migrant, refugee and asylum seeker women in Australia. SisterWorks provides education and training to equip refugee and migrant women to overcome barriers and enter employment in Australia. SisterWorks also functions as a social enterprise that sells unique products made by their community members, thus providing additional employment opportunities.

SisterWorks has experienced significant growth in demand for its services, membership and its supporters' network in recent years. L.E.K. supported SisterWorks to develop a three-year digital roadmap across its business units to address existing digital problem areas and prioritize simple and low-cost solutions.

L.E.K.'s work will enable SisterWorks to transform their digital capabilities, which will allow the organization to grow faster and more effectively support refugee and migrant women in Australia. The work has provided a roadmap and certainty to the SisterWorks team going forward.

---

**"The right digital infrastructure is of vital importance for not-for-profit organizations like SisterWorks Inc. L.E.K. Consulting understands our vision and challenges and with their professional support, we have produced a Digital Strategy with a three-year roadmap to transform SisterWorks' digital platform and practices, allowing us to perform in the most productive manner with maximum impact."**

**Ifrin Fittock**  
*CEO of SisterWorks*



# Sharing L.E.K.'s expertise to positively impact our communities CONTINUED

## L.E.K. PRO BONO PROJECTS



### Top Box Foods

Top Box Foods is a Chicago-based non-profit organization that sources, packages, and delivers healthy food items to individuals and communities who struggle with malnutrition (e.g. SNAP/EBT recipients). Top Box Foods approached L.E.K. Consulting to develop a clear strategic plan aimed at securing sustainable funding sources.

L.E.K. structured this engagement into two phases: During Phase 1, L.E.K. first identified a long list of federal and state agency fundings that are related to food and nutrition. Through primary and secondary research, the L.E.K. team narrowed down a shortlist of funding sources that are relatively sustainable and aligned well with Top Box Foods' mission.

In Phase 2, L.E.K. formulated a strategic plan outlining how Top Box Foods can best access these funds while remaining committed to its mission of providing healthy and affordable food to the community. Top Box Foods received a comprehensive fact base of food and nutrition funding sources in the U.S. L.E.K. also provided an actionable plan detailing the necessary steps for Top Box Foods to secure the most sustainable and accessible funding sources.

---

**"Working on an engagement for a not-for-profit organization was incredibly rewarding. Not only was it a learning opportunity, but it was also inspiring to follow the impact this work had."**

**Young Lu**  
*Associate Consultant, London*



### One Fact Foundation

One Fact Foundation uses machine learning and open-source principles to transform healthcare access and efficiency. One Fact uses computational tools to improve health outcomes by increasing transparency, decreasing administrative burdens, and more. A big initiative of the foundation is to demystify healthcare pricing by increasing transparency on pricing for like procedures across institutions.

While having a number of different tools at their disposal, One Fact Foundation was uncertain of how to best deploy their time and effort for maximum impact. They engaged with L.E.K. to provide strategic rationale for pursuing different use cases of machine learning in healthcare.

L.E.K. completed a project for One Fact Foundation across two major workstreams. First, L.E.K. assessed the attractiveness of several use cases in which One Fact could deploy their software capabilities. Second, L.E.K. worked with One Fact to identify an optimal "go-to-market" strategy for ChildFx in low to middle income countries (LMICs).

L.E.K. was able to identify significant pockets of value for LMICs by reducing administrative/procedural burden and increasing physician or radiologist efficiency by providing a second confirmatory assessment of x-ray images. L.E.K. was able to help One Fact crystallize the value proposition for ChildFx in LMICs. In addition, L.E.K. was able to connect One Fact with a prominent KOL in the Radiology AI space and a Global health initiative which provides radiology services in LMICs.

---

**"A key benefit of working with L.E.K. was their explanation of how our AI use differentiates us. This work informed a 45-minute conversation with a major donor, from which we raised \$100,000 USD! We are now scaling nationally in the United States and internationally to low- and middle-income countries where our open-source AI can do the most good."**

**Jaan Li**  
*Founder and President, One Fact Foundation*



# Sharing L.E.K.'s expertise to positively impact our communities CONTINUED

## L.E.K. PRO BONO PROJECTS



### Creating Healthier Communities

Creating Health Communities (CHC) is a non-profit organization which aims to create better health equity for communities across the U.S. with a focus on African American maternal health. They do this by raising funds and partnering with local community organizations to provide healthcare, education, and support to women and children in the community.

CHC noticed that their sources of funding were changing. With the changing of generations, the ways people chose to donate to non-profit organizations was also changing. They wanted this to be evaluated and for us to look into their value proposition and see if it still resonated with the communities they worked in. Overall, they wanted us to identify potential opportunities of fundraising so they could shift or find new ways of gaining sponsorship.

We detailed strategies for CHC to leverage in highlighting its unique value proposition to drive revenue for both large charities and community-based organizations across workplace giving and health equity-related funding. CHC was able to take our findings to inform them on their next strategic moves. They were able to shift the scope of their work from fundraising to include market research and education.

---

**"The collaboration between CHC and L.E.K. was invaluable. (...) The L.E.K. team was professional, responsive, and an absolute joy to work with, going above and beyond to help us gather relevant information to support our efforts. (...) I certainly hope that we have an opportunity to engage with the L.E.K. team again in the future."**

**Stacie Dennis**

*Vice President, Creating Healthier Communities*

### ADDITIONAL PROJECTS



Additional pro bono projects completed recently include a strategic redesign for a non-profit devoted to improving opportunities for black professionals in theater (**Black Theatre Coalition**) and an expansion strategy for an organization fighting food insecurity and the environmental impact of food waste (**Share My Meals**), which are featured in these videos.

---

**"As a strategic advisor to clients across a range of industries and service lines, L.E.K. has a tremendous amount of expertise and talent that can be leveraged for good. It is a privilege to be able to leverage our greatest asset to help deserving organizations make a positive impact on communities."**

**Laura Brookhiser**

*Managing Director and Partner (Leader of U.S. pro bono program), Boston*



# Sharing L.E.K.'s expertise to positively impact our communities CONTINUED

## Voluntary pro bono projects led by our employees

### INSPIRE

#### Inspire

Our U.S. offices support Inspire, a national, volunteer-run 501(c)(3) charitable organization that provides consulting services to non-profits. Inspire's mission is to build a better world by helping non-profit organizations through strategic thinking and results-oriented analysis. This allows non-profits to develop new capabilities in disciplines including strategic planning, financial modeling, and marketing communications.

Case highlights from 2023 include developing a fundraising strategy for a non-profit providing music education in Chicago (winning Inspire's award for the year's most impactful project) and forming a mentor retention and engagement strategy for a national non-profit providing youth mentorship.

### Advance PRO BONO

#### Advance Pro Bono

Founded in London and independently run by L.E.K. Associates and Consultants since 2015, Advance Pro Bono (APB) is a registered charity which provides consulting services to non-profit organizations. It works with a range of non-profit organizations, from small-scale local organizations to non-profit leaders with an international presence.

Project highlights from 2023 include millennial fundraising strategy support for a children's hospital, building a business plan model to assess redevelopment financials for a care provider, evaluating a pilot program for a children's charity, and competitive intelligence on corporate offerings for an LGBTQ+ charity.

### IMPERIAL

#### Mentorship of Imperial Consulting Group (Imperial College London)

L.E.K. has been a long-standing partner of the Imperial Consulting Group at Imperial College London. As part of this partnership, L.E.K. consulting employees provides oversight and guidance to help the student teams achieve success.

Project highlights from 2023 include helping a high-street bank empower its customers toward achieving Net-Zero, identification of new opportunities to use biodegradable products, and testing the market for novel tech-based solutions to support the elderly in the community.



**"Advance Pro Bono has been a highlight of my L.E.K. career to date, as it gives volunteers the chance to leverage their consulting skillset in the charity sector and visibly see the impact of their meaningful work."**

**Erica Wallace**  
*Consultant and APB Committee member, London*



# Donating to groups that make a difference

L.E.K. has a tradition of charitable giving and has developed long-running partnerships spanning decades with charities and other non-profit organizations in our community.

We encourage our employees to contribute to developing L.E.K.'s strategy for charitable donations to maximize our impact based on what matters to them and their experiences living in our community. Our employees are also invited to nominate their chosen causes to be featured in our list of charities. For example, the London office regularly supports The Passage and Great Ormond Street Hospital Children's Charity, but the local team members also collectively determine the core charities the office will centralize fundraising to throughout the year. In 2023, the charities were Alzheimer's Research UK and The Ocean Cleanup which were supported through regular bake sales and donations at local events. Office-led events connect our global teams with the firm's culture of charitable giving.

## GivingBack@LEK Donations Program

L.E.K. introduced the GivingBack@LEK Program in February 2022 to facilitate firm-wide donation campaigns and to increase the impact of employee donations through corporate matching. The program includes dollar-for-dollar charitable matching for donations to qualified non-profits, but also rewards the time that employees volunteer with an hourly rate being earned toward donation credit.

In 2023, approximately \$450k was donated through GivingBack@LEK to 235 different causes, including employee-nominated charities. Some of the largest contributions were to Pan Massachusetts Challenge Inc., which the Boston office has supported for over 15 years through fundraising efforts, a charity auction, and participating in a two-day bike race to benefit life-saving cancer research at Dana Farber. Following the earthquake in Turkey and Syria, L.E.K. also raised over \$15,000 with global charities (The US Association for UNHCR, International Rescue Committee, Save the Children, The British Red Cross Society, International Medical Corps (UK), and the Australian Red Cross) for rescue and relief efforts.

**"Giving in all its forms—whether our money, time, or consulting expertise—is a core part of L.E.K.'s identity and mission. Our global GivingBack platform connects our people to this mission, allowing them to donate to causes they care most about. The firm not only encourages this but also gives alongside them to multiply their impact."**

**Stuart Robertson**

*Partner (Global GivingBack@LEK Committee Member), London*

## Community donations and volunteering

L.E.K. has established a global network of local community impact groups who work to bolster employee engagement and contributions to their local communities. The community impact groups lead various fundraising and volunteer efforts such as charity auctions, fundraising events, donation drives, and volunteering events. In 2023, our employees volunteered with 30+ causes globally.

**"I have been riding for over 15 years with L.E.K.'s team in the Pan-Mass Challenge, a major fundraising bike-a-thon across Massachusetts. The advancements in cancer treatment and patient care have been incredible, made possible by this support."**

**Lain Anderson**

*Managing Director, Boston*



# Embracing the spirit of giving for the benefit of others

## Americas

In 2023, more than 27% of employees in the Americas donated to organizations with the GivingBack@LEK program. The U.S. offices supported Movember, organized food and toy drives, and hosted charity auctions. Selected partner organizations included Pan Massachusetts Challenge Inc, Houston Humane Society, Minds Matter Houston, Operation Underground Railroad Inc, City Harvest Inc, HERHealthEQ Corp, and Larkin Street Youth Services. Office-wide volunteer days were also coordinated among six U.S. offices to support their local communities.

L.E.K. Boston volunteered with nine organizations: Playworks, Community Servings Inc, Cradles to Crayons, Victory Programs Inc, The Greater Boston Food Bank Inc, Animal Rescue League of Boston, Haley House Inc, New England Center and Home for Veterans, as well as the Pan Massachusetts Challenge Inc.

L.E.K. Los Angeles organized a cleanup effort in Venice Beach with One Sea Star Inc, and employees in Houston volunteered with the Houston Humane Society to bag food, organize supplies, and take care of the animals.

In South America, L.E.K. Sao Paulo supported social inclusion by hosting a competition focused on creating a diagnostic and strategic plan for Instituto Gabi, an organization built on a belief in the importance of helping others.



## Europe

L.E.K. London's biggest event of the year was their annual charity auction which supported Alzheimer's Research UK, The Passage, and Great Ormond Street Hospital Children's Charity. The London office also held smaller events, bake sales, and raffles throughout the year.

Other fundraisers included the Global L.E.K. Festive Fitness Challenge whose participants entered with a donation that benefited International Rescue Committee, U.K., Medecins Sans Frontieres (Doctors without Borders) and Save the Children.

Members of the Paris Women@LEK group participated in Odyssea's 10k race supporting Gustave Roussy, a cause that funds research in the fight against cancer, and the L.E.K. Munich office fundraised for Lichtblick Seniorenhilfe e.V. which supports senior citizens in need.

## APAC

L.E.K. Sydney supported The Kokoda Track Foundation Limited, City Community Care Incorporated, and BlaQ Aboriginal Corporation in a charity auction that raised over \$13,000. The Sydney and Melbourne offices also raised \$6,000 for Movember and supported the Cancer Council Australia's Biggest Morning Tea fundraiser in Sydney. The Cancer Council Australia advocates for the research, prevention and treatment of cancer while supporting patients and families.

L.E.K. Australia's consulting teams also participated in a volunteer day supporting an organization to develop strategy materials. Other events held by L.E.K. APAC included the Tokyo office's participation in the TELL Tokyo Tower Climb which fundraised for crisis and mental health support for the international community in Japan.

**"The Boston Office LEKers have always been passionate about local causes and non-profits. We have been happy to have countless volunteer events, donation drives, and information sessions to strengthen the bond with our community!"**

**Sarah Gottlieb**

*Associate Consultant, Boston*





## OUR OPERATIONS

# Building an organization that exemplifies integrity, trust and transparency

Strong governance is essential to the long-term delivery of sustainability goals. The founders established L.E.K. in 1983 with the explicit intention to build the firm on the foundations of integrity and responsible business practices. Today, we embed sustainability across our operations. As market expectations for sustainability and good governance evolve, we remain adaptive and flexible, always centered on our governance strategy being relevant, forward-thinking, and purposeful.

# Maintaining oversight and transparency throughout the organization

## The L.E.K. Board

The L.E.K. Board reviews and guides the firm's sustainability strategy, setting our strategic sustainability goals, with oversight responsibility for execution of the strategy, embedding of those goals in our operations, and monitoring corporate progress against them. The L.E.K. Board considers environmental and social impacts when reviewing major initiatives, business risks, and strategic and financial plans. The Board also identifies ESG risks and opportunities in collaboration with the Risk Committee.

Learn more about our [executive leadership team](#).

## Board committees

The L.E.K. ESG, Risk, and Audit Board committees operate under delegated authority from the Board and collectively oversee the effectiveness, performance, and execution of the firm's strategy and efforts on ESG and sustainability topics, including ESG risk management and non-financial reporting.

## Risk management

Sustainability risk-related matters are integrated into L.E.K.'s risk management processes. Our processes identify and assess environmental and social risks and opportunities, considering both impacts to the business and those resulting from L.E.K.'s actions. These include regulatory, reputational, operational, and legal risks, across the range of human rights, labor rights, anti-corruption, and environment.

In addition, we monitor our sustainability value chain risk and have established reporting processes for any activity which may not meet our requirements to ensure those risks are escalated and corrective actions are taken as needed.



For identified risks we review mitigations, adaptations, and actions, and have put in place policies, corporate compliance programs, and business continuity plans. We also adhere to the ISO 27001 standard<sup>1</sup>. It is the role of the L.E.K. Risk Committee to monitor and audit the efficacy of our policies and the risk mitigation measures we have adopted, to ensure L.E.K. is adequately addressing current sustainability risks and maximizing available opportunities. These are updated with changes in law, regulation, or available business data.

## Operations

The L.E.K. Global Operating Committee (GOC), led by L.E.K.'s Global Managing Partner, Clay Heskett, is tasked with delivering on our sustainability and ESG goals as part of their strategic and operational areas of responsibility. The GOC ensures our sustainability strategy is delivered alongside L.E.K.'s long-term business strategy. L.E.K. embeds sustainability in our operations through an internal sustainability function, a Sustainability Steering Committee, and management-level responsibilities for sustainability-related issues.

---

**"For more than 40 years L.E.K.'s leadership has sought integrity in our day-to-day running of the firm and dealings with stakeholders both inside and outside the firm... Across every governance forum we operate—including the Board and its committees, the Global Operating Committee, the regional Management Committees—there is a strong spirit of trying to do what's right, not just what's expedient or best on a narrow set of KPIs."**

**Stephen Sunderland**

*Partner, Board member, APAC Region Head, and ESG Committee member, Singapore*

<sup>1</sup> ISO 27001 only covers L.E.K. Consulting LLC

# Maintaining oversight and transparency throughout the organization CONTINUED

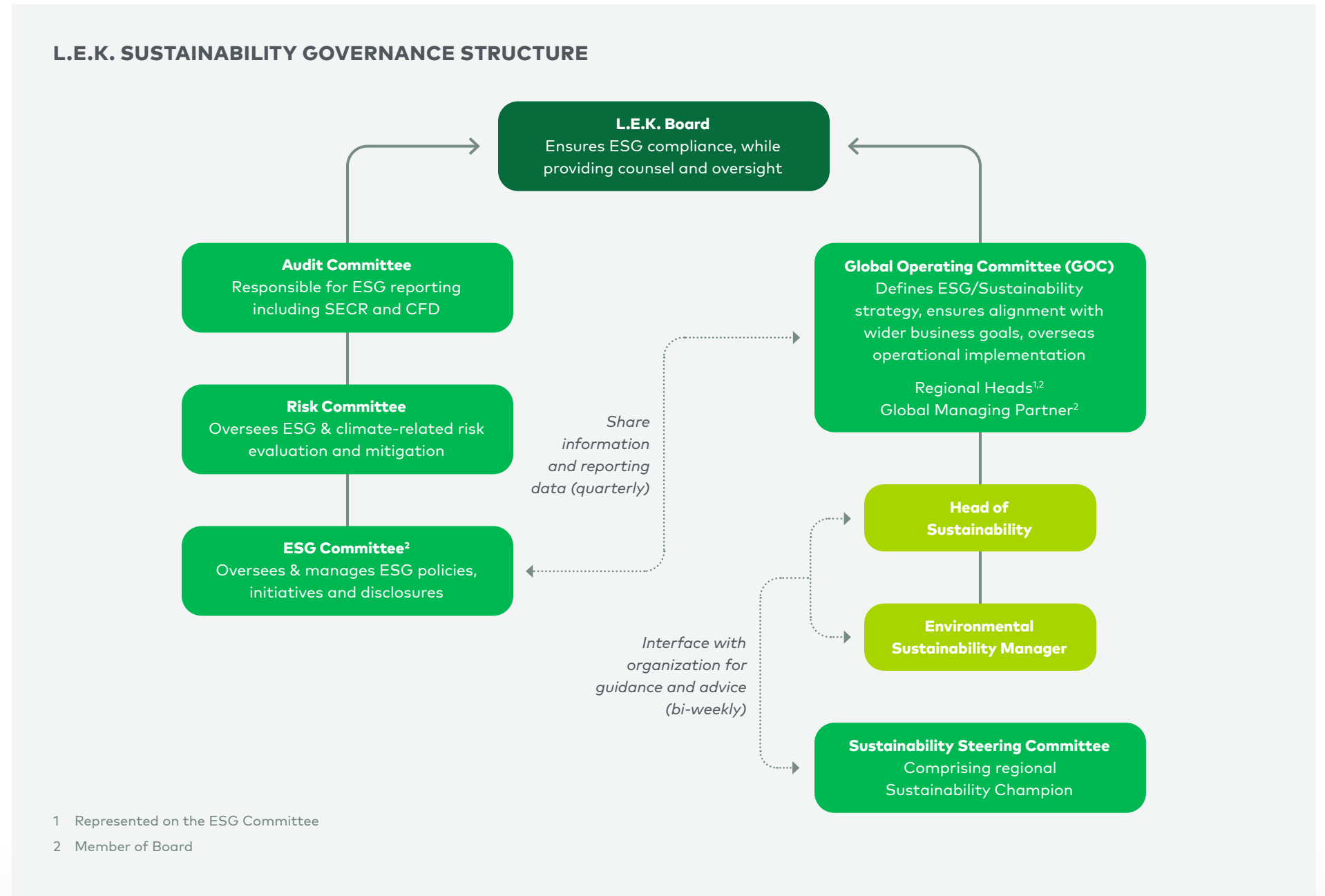
L.E.K. continues to ensure robust governance underpinned by strong leadership and a commitment to sustainability principles.

Last year, the L.E.K. Board of Directors approved an ambitious set of multi-year sustainability objectives and targets across the full scope of environment, social, and governance impacts, which included the setting of emissions targets aligned with the SBTi, communicating on our progress to the United Nations Global Compact, and reporting transparently against both mandatory and voluntary sustainability frameworks.

To meet our SBTi goals, we have created a decarbonization transition plan which we have included in this year's Sustainability Report. The L.E.K. Board oversees the execution of this plan and progress toward meeting our SBTi targets, working with the relevant committees and team leads to set the business up for success.

**"Sustainability begins at the top. The L.E.K. Board has made sure sustainability is incorporated into our purpose, mission, vision and values, and recognized as foundational in long-term value creation for our clients, our people and our firm."**

**Karen von Kienlin**  
Partner (L.E.K. Board Director), Munich



# Living our values for the benefit of all our stakeholders

At L.E.K., we strive to better the lives and achievements of all our stakeholders, which sets the tone for how we behave as individuals and as representatives of the firm.

Our internal policies exist to provide guidance on professional conduct for all employees. L.E.K.'s global policies, which apply to all members of the firm, exist because we work with uncompromising ethics and integrity, mutual respect, and the highest level of professional standards. Our policies follow, or exceed, applicable laws.

## Employee Code of Conduct

L.E.K.'s Employee Code of Conduct (the "Code") outlines how our core values, policies, and standards work together to make us outstanding firm citizens, which, in turn, allows us to serve our clients with unwavering results and impact.

The Code includes our commitments to clients, employees, and other stakeholders. It describes our expectations for maintaining a work environment free of discrimination and harassment and our engagement with the broader community. It guides our employees on how to engage with current and prospective clients in a confidential and fair manner and maintain the highest standards for information security. At L.E.K., we are committed to transparent and open communication with employees and our Code details how to report any potential breaches of our standards or policies.

Training and acknowledgment of the Code is mandatory for all personnel. The L.E.K. Board, with our Global General Counsel, has overall responsibility for the Code and for reviewing its effectiveness. The Code is reviewed at least annually.

## Client selection

L.E.K. is committed to working with clients who uphold the same high ethical standards we set for ourselves. Prospective clients go through compliance screening which includes checks against sanction lists, Know Your Client (KYC) investigations and inspections of claims and reputational issues or relevant risk profiles for the country of origin. The partner group at L.E.K. works with the Legal and Compliance functions to identify any projects at risk of not meeting our ethical standards and values. Any such projects are escalated to review at the L.E.K. Risk Committee if required.

We continuously review our client selection processes to ensure the highest standards are met by our clients and client engagements.

## Sustainable procurement

L.E.K.'s standards are shared with the suppliers that we work with across the globe. We encourage our suppliers to join our sustainability journey and aspire to the same standards as ourselves in their business operations including environmental, business ethics, labor, and human rights commitments. Suppliers are requested to adhere to our Supplier Code of Conduct and material suppliers are encouraged to complete our Sustainability Questionnaire. Our Sustainable Procurement Policy, Supplier Code of Conduct, and Sustainability Questionnaire are reviewed regularly by our ESG Committee, as we continue to develop our sustainable procurement in line with best practice.

---

**"We continued to make headway against our sustainability goals in 2023, maintaining a commitment to the principles of the UN Global Compact through our annual Communication on Progress, while scoring A- and Gold for CDP and EcoVadis disclosures, respectively, and gaining formal approval for L.E.K.'s SBTi targets."**

**Shuba Satyaprasad**

*Group General Counsel and Partner, Boston*



# Ensuring integrity and compliance across the business

## UN Global Compact

L.E.K. is a participant in the UN Global Compact, and our standards and policies are aligned with the ten guiding principles of the UNGC for human rights, labor rights, anti-corruption, and the environment. Our standards and policies are embedded within our operations, and we expect all stakeholders to support these commitments every day. As a participant in the United Nations Global Compact, we support:

- The Ten Principles on human rights, labor, environment, and anti-corruption
- The Universal Declaration of Human Rights
- The UN Guiding Principles on Business and Human Rights
- The International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work

L.E.K. is dedicated to providing a safe, healthy, and respectful work environment for all employees. We align our global policies and practices with the ILO core conventions regarding child labor, forced labor, freedom of association, the right to organize and bargain collectively, equal pay, and non-discrimination in the workforce.

[UN Global Compact Communication On Progress](#)

## Human rights and labor rights

At L.E.K., we are committed to protecting and upholding the human rights of all individuals associated with L.E.K. including employees, business partners, and others who may act on L.E.K.'s behalf. As part of this commitment, we pledge to refrain from participating in or enabling the use of child, forced, or exploited labor, forced or exploitative conditions, and human trafficking. This applies to all L.E.K. employees, those doing business with, or for, L.E.K. and others who may act on L.E.K.'s behalf and applies to all L.E.K. office locations and wherever L.E.K. business is conducted.

[Human Rights policy](#)



## Modern slavery and human trafficking

L.E.K. is committed to ensuring that there is no modern slavery or human trafficking in our value chain or in any part of our business. Our Anti-Slavery, Human Trafficking, and Reporting Policy reflects our commitment to acting ethically and with integrity in all our business relationships and our efforts in implementing and enforcing effective systems and controls to ensure that slavery and human trafficking are not taking place within our value chain.

We have carried out risk assessment reviews of suppliers and supplier agreements and adopted measures to contractually mitigate the risk of slavery and human trafficking occurring in our business and value chain, and we have a reporting mechanism for any activity which may not meet the requirements.

We have introduced and continue to incorporate provisions in our contracts with third-party suppliers to get assurances that modern slavery does not take place within their business or their value chains. Any failure to comply is treated as a material breach of contract which entitles us to terminate our contractual relationship with immediate effect. We publish an annual statement on modern slavery on our website in accordance with section 54(1) of the Modern Slavery Act 2015.

[Modern Slavery policy](#)

# Ensuring integrity and compliance across the business CONTINUED

## Anti-bribery and anti-corruption

L.E.K. is fully committed to the highest ethical standards and does not undertake or condone, and seeks to prevent, bribery in any form. We do not tolerate, in any way, bribery and corruption from those working for L.E.K. or on its behalf or representing L.E.K. in any way. All new team members undergo mandatory onboarding and training on anti-corruption and anti-bribery and review our anti-bribery and anti-corruption policies, which are part of our [Employee Code of Conduct](#).

## Whistleblowing

L.E.K. is committed to an environment where open, honest communications are the expectation, not the exception. Our Whistleblowing & Employee Reporting Policy outlines when and how employees are to report any potential wrongdoings. Our policies are designed so that employees feel comfortable in approaching our People team or other members of leadership in instances of potential violations of policies or standards. We also offer employees the option to anonymously report in confidence any potential wrongdoing through our third-party hotline EthicsPoints. Suppliers, clients, and other stakeholders are also able to report potential violations directly to L.E.K. or through our hotline. L.E.K. also prohibits retaliation against any person who reports an incident as outlined in our Non-Retaliation Policy.

## Data privacy and security

L.E.K. is committed to protecting the privacy and security of its clients, employees, and other stakeholders. We comply with applicable data protection law including, but not limited to, the Federal Privacy Act (Australia), the EEA General Data Protection Regulation, and the UK Data Protection Act and UK GDPR, and the California Consumer Privacy and Privacy Rights Acts. We also provide L.E.K. employees with current information security and privacy, as well as data resources to ensure they are well-informed on the current key issues and we have an obligatory learning module for all employees.

L.E.K. is certified to the ISO 27001 standard<sup>1</sup>, which is recognized as the global standard for information security, demonstrating to our stakeholders the steps we have taken to protect the confidentiality, integrity and availability of data and the importance of this to L.E.K. We have taken a systematic approach to information security using process, technology and people controls covering the identification, treatment and management of potential information security risks. We have an effective risk management program to ensure vigilance and we invest in continual improvement in our ability to identify risks for potential information and data breaches. Our ISO 27001 standard is reassessed annually.



<sup>1</sup> ISO 27001 only covers L.E.K. Consulting LLC



## APPENDIX

# Reporting on our progress

- 61 Data performance tables
- 65 GRI Index
- 69 TCFD Disclosures
- 75 TPT Disclosures

Unless otherwise stated, all KPIs refer to L.E.K. Consulting Group Limited



# Data performance tables

Metric	Target	Year	2022	2023
<b>OUR PLANET</b>				
<b>Emissions breakdown</b>				
Reduction in absolute Scope 1 and Scope 2 emissions (vs. 2019 baseline) (%)	34%	2027	61%	63%
Reduction in absolute Scope 1 and Scope 2 emissions (vs. 2019 baseline) (%)	90%	2050	61%	63%
Reduction in Scope 3 business travel emissions per headcount (vs. 2019 base-line) (%)	44%	2027	61%	65%
Reduction in Scope 3 GHG emissions per headcount (vs. 2019 base-line) (%)	97%	2050	52%	46%
Share of L.E.K.'s operations covered by CarbonNeutral® company certification (%)	100%	Annually	100%	100%
Proportion of carbon dioxide removal (CDR) projects in carbon credit portfolio (%)	100%	2030	8%	20%
GHG emissions breakdown (000s tonnes of CO <sub>2</sub> e)	As above	As above	17.8	17.6
Scope 1	—	—	0.3	0.3
Scope 2	—	—	0.1	0.1
Scope 3 <sup>1</sup>	—	—	17.4	17.1
Category 1: Purchased goods and services	—	—	7.2	8.5
Category 3: Fuel and energy related activities	—	—	0.2	0.3
Category 5: Waste generated in operations	—	—	0	0.1
Category 6: Business travel	—	—	8.5	7.8
Category 7: Employee commuting	—	—	0.2	0.2
Category 8: Upstream leased assets	—	—	0.2	0
Category 15: Investments	—	—	0.2	0.1
Other	—	—	0.8	0.3

<sup>1</sup> Totals of categories may not align due to rounding



# Data performance tables CONTINUED

Metric	Target	Year	2022	2023
<b>OUR PLANET</b>				
<b>Other environmental metrics</b>				
Electricity consumption from renewable energy sources (%)	100%	Annually	100%	100%
Renewable energy as a proportion of total energy consumption (%)	100%	Ongoing	54%	61%
Waste diverted from landfill as a proportion of total waste (%) <sup>2</sup>	100%	Ongoing	47%	59%
Offices with an Environmental Management System (EMS) (%) <sup>3</sup>	100%	Ongoing	100%	100%
Operational sites for which an environmental and climate risk assessment has been conducted	100%	Annually	100%	100%
Employees receiving climate training materials and communications (%)	100%	Annually	100%	100%
<b>OUR PEOPLE</b>				
<b>Employment</b>				
Global headcount	—	—	2,150	2,287
Global new hires	—	—	800	550
<b>Gender</b>				
Representation of women globally (%)	—	—	43%	42%
Representation of women among global new hires (%)	—	—	44%	45%
Representation of women among entry-level hires to the consulting team (%)	—	—	39%	40%
Representation of women among leadership (%) <sup>4</sup>	—	—	23%	24%
Representation of women among Partners (%)	—	—	16%	17%
Representation of women on the Board of Directors (%)	—	—	17%	8%

<sup>2</sup> Based on actual data from 16 offices and pro rated across the L.E.K. office portfolio; we collect waste data from our operational sites, which are our only source of waste; none of our offices report any hazardous waste; non-hazardous waste is managed via recycling and waste management

<sup>3</sup> We are exploring the possibility of verifying our current Environmental Management Systems against ISO14001.

<sup>4</sup> Defined as Partners for consulting employees, and global and regional heads for core services

# Data performance tables CONTINUED

Metric	Target	Year	2022	2023
<b>OUR PEOPLE</b>				
<b>Racial and ethnic minorities (U.S. only)<sup>5</sup></b>				
Representation of racial and ethnic minorities among U.S. workforce (%)	—	—	34%	36%
Representation of racial and ethnic minorities among consulting employees (%)	—	—	39%	41%
Representation of racial and ethnic minorities among U.S. new hires (%)	—	—	45%	46%
Representation of racial and ethnic minorities among U.S. leadership (%) <sup>4</sup>	—	—	22%	22%
Representation of racial and ethnic minorities among Board of Directors (%)	—	—	8%	25%
<b>Other diversity indicators (U.S. only)</b>				
Veteran (%)	—	—	2%	2%
LGBTQ+ (%)	—	—	8%	8% <sup>6</sup>
<b>Working at L.E.K.</b>				
Employees who received skills development training (%)	100%	Annually	100%	100%
Employees who received sustainability training (%)	100%	Annually	100%	100%
Employees with access to health and well-being support services (%)	100%	Ongoing	100%	100%
Employees receiving annual performance reviews (%)	100%	Annually	100%	100%
Employees with access to individual development and career plan (%)	100%	Ongoing	100%	100%

<sup>5</sup> Defined as 'non-white' (self-reported)

<sup>6</sup> Based on most recent employee engagement survey



# Data performance tables CONTINUED

Metric	Target	Year	2022	2023
<b>OUR OPERATIONS</b>				
<b>Ethics metrics</b>				
Employees who completed acknowledgment of Code of Conduct and Anti-Bribery & Corruption policies (%)	100%	Ongoing	100%	100%
Employees who completed our Code of Conduct and Anti-Bribery & Corruption training (%)	100%	Ongoing	100%	100%
Employees who completed annual acknowledgment of data privacy and information security policies (%)	100%	Annually	100%	100%
Employees who completed our data privacy and information security training (%)	100%	Ongoing	100%	100%
Number of reports related to whistleblower procedure	0	Annually	0	1
Number of confirmed ethics incidents or legal actions reported (including corruption and bribery)	0	Annually	0	0
<b>Human rights and labor rights metrics</b>				
Availability of training on anti-discrimination and anti-harassment for employees (%)	100%	Ongoing	100%	100%
Availability of training on health and safety risks and good working practices for employees (%)	100%	Ongoing	100%	100%
Work-related fatalities and high consequence injuries	0	Annually	0	0
<b>Risk assessment metrics</b>				
Offices undergoing a periodic ethics risk assessment including corruption & bribery, and information security (%)	100%	Annually	100%	100%
Offices undergoing a periodic human rights risk assessment (%)	100%	Annually	100%	100%
Offices undergoing a periodic emergency response and/or health and safety risk assessment (%)	100%	Annually	100%	100%
Offices with ISO 27001 certified information security management system (%)	100%	Ongoing	100%	100%
Confirmed information security incidents	0	Annually	0	0



# GRI Index

GRI Disclosure	Disclosure Description	2023 Response
<b>GRI 2: GENERAL DISCLOSURES</b>		
2-1	Organizational details	Our Vision, <a href="#">page 6</a>
2-2	Entities included in the organization’s sustainability reporting	Our Vision, <a href="#">page 6</a>
2-3	Reporting period, frequency and contact point	Our Vision, <a href="#">page 6</a>
2-4	Restatements of information	No restatements of information
2-5	External assurance	Our Planet, <a href="#">page 14</a>
2-6	Activities, value chain and other business relationships	Our Vision, <a href="#">page 5</a> Our Vision, <a href="#">page 14</a> Our Operations, <a href="#">page 57</a>
2-7	Employees	Our People, <a href="#">page 34</a> Appendix, <a href="#">page 62</a>
2-9	Governance structure and composition	Our Operations, <a href="#">page 55</a>
2-10	Nomination and selection of the highest governance body	Our Vision, <a href="#">page 6</a> Our Operations, <a href="#">page 55</a> Appendix, <a href="#">page 69</a>
2-11	Chair of the highest governance body	Our Vision, <a href="#">page 6</a> Our Operations, <a href="#">page 55</a> Appendix, <a href="#">page 69</a>
2-12	Role of the highest governance body in overseeing the management of impacts	Our Operations, <a href="#">page 55–56</a> Appendix, <a href="#">page 69</a>
2-13	Delegation of responsibility for managing impacts	Our Operations, <a href="#">page 55–56</a> Appendix, <a href="#">page 69</a>
2-14	Role of the highest governance body in sustainability reporting	Our Vision, <a href="#">page 9</a> Our Operations, <a href="#">page 55–56</a> Appendix, <a href="#">page 69</a>
2-15	Conflicts of interest	Our Operations, <a href="#">page 55</a> Our Operations, <a href="#">page 57</a> Our Operations, <a href="#">page 59</a>
2-16	Communication of critical concerns	Our Operations, <a href="#">page 58–59</a> Appendix, <a href="#">page 64</a>



# GRI Index CONTINUED

GRI Disclosure	Disclosure Description	2023 Response
<b>GRI 2: GENERAL DISCLOSURES</b>		
2-17	Collective knowledge of the highest governance body	Our Operations, <a href="#">page 57</a>
2-18	Evaluation of the performance of the highest governance body	Confidentiality constraints mean we are unable to report all disclosures
2-20	Process to determine remuneration	Our People, <a href="#">page 36</a> Our Operations, <a href="#">page 58</a>
2-21	Annual total compensation ratio	Our People, <a href="#">page 36</a>
2-22	Statement on sustainable development strategy	Our Vision, <a href="#">page 8</a>
2-23	Policy commitments	Our Operations, <a href="#">page 57–59</a>
2-24	Embedding policy commitments	See relevant topics for details on embedding our policy commitments
2-25	Processes to remediate negative impacts	Our Operations, <a href="#">page 58–59</a>
2-26	Mechanisms for seeking advice and raising concerns	Our Operations, <a href="#">page 58–59</a>
2-27	Compliance with laws and regulations	Confidentiality constraints mean we are unable to report all disclosures
2-29	Approach to stakeholder engagement	Our Vision, <a href="#">page 9–10</a>
<b>GRI 201: ECONOMIC PERFORMANCE</b>		
3-3	Management of material topics	Our Vision, <a href="#">page 5</a> Our Vision, <a href="#">page 9</a> Our Operations, <a href="#">page 55</a>
201-2	Financial implications and other risks and opportunities due to climate change	Our Planet, <a href="#">page 18</a> Our Operations, <a href="#">page 55–56</a>
201-3	Defined benefit plan obligations and other retirement plans	Our People, <a href="#">page 36–37</a>
201-4	Financial assistance received from government	Confidentiality constraints mean we are unable to report all disclosures



# GRI Index CONTINUED

GRI Disclosure	Disclosure Description	2023 Response
<b>GRI 205: ANTI-CORRUPTION</b>		
3-3	Management of material topics	Our Vision, <a href="#">page 9</a> Our Operations, <a href="#">page 58–59</a>
205-1	Operations assessed for risks related to corruption	Our Operations, <a href="#">page 58–59</a> Appendix, <a href="#">page 64</a>
205-2	Communication and training about anti-corruption policies and procedures	Our Operations, <a href="#">page 58–59</a> Appendix, <a href="#">page 63</a>
205-3	Confirmed incidents of corruption and actions taken	Our Operations, <a href="#">page 58–59</a> Appendix, <a href="#">page 64</a>
<b>GRI 305: EMISSIONS</b>		
3-3	Management of material topics	Our Vision, <a href="#">page 9</a> Our Planet, <a href="#">page 11–21</a>
305-1	Direct (Scope 1) GHG emissions	Our Planet, <a href="#">page 11–21</a> Appendix, <a href="#">page 61</a>
305-2	Energy indirect (Scope 2) GHG emissions	Our Planet, <a href="#">page 11–21</a> Appendix, <a href="#">page 61</a>
305-3	Other indirect (Scope 3) GHG emissions	Our Planet, <a href="#">page 11–21</a> Appendix, <a href="#">page 61</a>
305-4	GHG emissions intensity	Our Planet, <a href="#">page 11–21</a> Appendix, <a href="#">page 61</a>
305-5	Reduction of GHG emissions	Our Planet, <a href="#">page 11–21</a> Appendix, <a href="#">page 61</a>
305-6	Emissions of ozone-depleting substances (ODS)	Our Planet, <a href="#">page 11–21</a> Appendix, <a href="#">page 61</a>
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Our Planet, <a href="#">page 11–21</a> Appendix, <a href="#">page 61</a>



# GRI Index CONTINUED

GRI Disclosure	Disclosure Description	2023 Response
<b>GRI 401: EMPLOYMENT</b>		
3-3	Management of material topics	Our Vision, <a href="#">page 9</a> Our People, <a href="#">page 33-45</a>
401-1	New employee hires and employee turnover	Our People, <a href="#">page 41</a>
401-3	Parental leave	Our People, <a href="#">page 37</a>
<b>GRI 404: TRAINING AND EDUCATION</b>		
3-3	Management of material topics	Our Vision, <a href="#">page 9</a> Our People, <a href="#">page 43-44</a>
404-1	Average hours of training per year per employee	Our People, <a href="#">page 43-44</a>
404-2	Programs for upgrading employee skills and transition assistance programs	Our People, <a href="#">page 42-45</a>
404-3	Percentage of employees receiving regular performance and career development reviews	Our People, <a href="#">page 43</a>



# TCFD Disclosures

## Disclosure Recommendation

## Disclosure Description

### GOVERNANCE

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

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

The L.E.K. Board ("Board") retains ultimate oversight for sustainability and all environmental, social and governance ("ESG") issues, and delegates authority to the L.E.K. ESG Committee to examine in depth the ESG issues L.E.K. has determined as material to its business, which includes issues related to climate change. The Board reviews and guides the firm's sustainability strategy, setting our strategic sustainability goals, with responsibility for the execution of the strategy, embedding of these goals in our operations, and monitoring corporate progress against these goals. The Board considers environmental and social impacts when reviewing major initiatives, business risks, and strategic and financial plans. The Board also identifies ESG risks and opportunities in collaboration with the L.E.K. Risk Committee.

The Board includes climate-related impact when considering and reviewing major plans of action, in both our risk management process and annual budgets. Climate-related physical and transition risks are on the L.E.K. risk register. Annually, a detailed qualitative and quantitative analysis of climate-related risks and opportunities is carried out at the office level, considering both the physical risks from climate change (acute and chronic) and the risks associated with the transition to a low-carbon global economy, across a range of globally recognized climate change scenarios. This is reviewed by the ESG Committee and then shared with the Board. The Board also oversees L.E.K.'s strategy, governance, risk management, metrics and targets relating to climate impact, climate risk, and sustainability opportunities. In 2023, the Board approved L.E.K.'s voluntary disclosures including EcoVadis, CDP, and the 2022 sustainability report.

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

L.E.K. has assigned climate-related responsibilities to its internal sustainability function, Sustainability Steering Committee, Global Operating Committee ("GOC"), ESG Committee, Risk Committee, and the Board. As matters arise relating to L.E.K.'s climate risks, opportunities, and impacts, these are discussed at management level and our internal sustainability governance structure is organized to identify and raise important matters ultimately to the Board.

The L.E.K. internal sustainability function, led by the Head of Sustainability (who reports to the Global Managing Partner), is responsible for the design and delivery of L.E.K.'s sustainability projects, including our decarbonization transition plan, climate-risk assessments, and compiling and submitting our sustainability information and data for voluntary accreditations and regulatory disclosures. The Sustainability Steering Committee provides the link between the internal sustainability function and the wider organization. It comprises representatives from each region from the partner group together with core services functions such as Marketing and IT, and meets fortnightly (or as needed) to discuss the full range of sustainability, environment, and climate-related matters that impact L.E.K., communicating its recommendations to the GOC and ESG Committee as appropriate, who then report to the Board.

The ESG Committee has the specific mission and remit to ensure that L.E.K. agrees, implements, communicates, and reviews its ESG strategy in line with, and in addition to, that expected of a UK-headquartered large private company. The ESG Committee recommends that appropriate strategies and action plans are in place to meet L.E.K.'s sustainability goals and monitors progress against these goals. Our sustainability goals and targets form part of the strategic and operational direction provided by the GOC, as sustainability is embedded in our processes. The information loop is completed by the ESG Committee sharing recommendations back to the GOC and summarized to the Board. The ESG Committee includes representatives from the Board, Group General Counsel, Chief Financial Officer, Chief Talent Officer, Vice Chair of Sustainability, representatives of the Audit and Risk Committees, and the Sustainability Steering Committee.

Environment and climate risk-related matters are reviewed by the L.E.K. Risk Committee at each of their meetings and are integrated into L.E.K.'s risk management processes. The Risk Committee considers the physical risk impact on the business from environment and climate, the risks resulting from L.E.K.'s impact on climate, and the risks and opportunities resulting from the global transition to a lower-carbon economy. Our identified risks include market, regulatory, reputational, operational, and legal.

The L.E.K. Global Managing Partner, Chief Financial Officer, Group General Counsel, Vice Chair of Sustainability, and Head of Sustainability have management-level responsibility for climate-related issues. The L.E.K. Global Managing Partner leads the strategic direction that drives L.E.K.'s own actions to address climate change, including the company's commitment to near-term emissions reduction and Net-Zero targets approved by the Science Based Targets initiative (SBTi), and has oversight of our consulting projects for clients that relate to climate change and environmental responsibility. The L.E.K. Global Managing Partner ensures the sustainability strategy (which includes climate risk impact) is aligned with, and incorporated into, L.E.K.'s long-term business strategy.



# TCFD Disclosures CONTINUED

**Disclosure Recommendation**

**Disclosure Description**

**STRATEGY**

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

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

L.E.K. has evaluated its risks and opportunities over the short-term (0–3 years), medium-term (4–6 years), and long-term (6+ years).

**Risks:** Scientists recommend that to mitigate against global warming and the future impact of climate change, economies need to reduce GHG emissions by transitioning to a “low-carbon” economy (IPCC (2014)). The future impacts of climate change that we have considered include acute physical risks (e.g. floods, wildfires, storms, and earthquakes) and chronic physical hazards (e.g. rises in sea levels, temperature increases and a higher frequency of extreme temperatures, and variability of precipitation). The identified risks associated with the transition to a lower-carbon economy include existing and emerging regulations, legal, technological, market, and reputational risks.

**Opportunities:** L.E.K. has seen an increased demand for our consulting services from clients across a broad range of sustainability issues. To meet this demand, we are expanding our sustainability-related service offerings and expect to increase revenue from these types of projects. We have already delivered 200+ sustainability-related projects across various industry sectors, and expect to deliver more projects for clients that are transitioning to low-carbon business models, developing new lower-carbon products and services, and seeking to increase the market share of more environmentally responsible products.



## Disclosure Recommendation

## Disclosure Description

### STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

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

L.E.K. has committed to reduce GHG emissions across Scopes 1, 2, and 3 by 2050 in line with the Paris Agreement. We have Science Based Targets and a decarbonization transition plan in place to ensure we deliver on these targets. We have set near-term (by 2027) targets to cut Scope 1 and 2 GHG emissions by an absolute 34% and Scope 3 GHG emissions from business travel by 44% per headcount, as well as long-term (by 2050) Net-Zero targets to cut Scope 1 and 2 GHG emissions by an absolute 90% and Scope 3 GHG emissions by 97% per headcount. All targets are relative to a 2019 baseline and our business strategy and financial planning is aligned to delivering these commitments.

Our analysis of climate-related physical and transitional risks found no individual risks with a likely impact of >5% of revenue, or that would prevent us from conducting client work for five days or more, or that would undermine a significant part of our business or substantially impede our ability to recruit and retain employees.

Physical risks impacts include how climate change might impede the usage of our offices or reduce our employees' ability to work. Due to the global presence of L.E.K. across 14 countries and 23 offices, none of the individual offices represent a significant enough share such that climate events, acute or chronic, would have a substantive financial or strategic impact. Furthermore, L.E.K. leases all of its offices, so over time we can move to areas with a lower probability of acute events or lower propensity to chronic climate change. L.E.K.'s work providing strategy consulting services can be conducted from an office or remotely, which decreases the likelihood of business disruption and consequent financial or strategic impact. For example, L.E.K. continued to see strong performance during the COVID-19 crisis despite having to close most of its global offices for a significant amount of time. Similarly, during historic acute climate events in cities where our offices are located (such as the major winter storms in Texas in 2021, Hurricane Sandy in New York in 2012, or the earthquake and tsunami in Japan in 2011), L.E.K. experienced business disruptions but the associated costs and revenue losses were not substantive (i.e. <5% of annual revenues).

Transition risks impacts are largely mitigated by our diverse business across regions and industry sectors, with a wide distribution of clients. Each category of transition risk (i.e. emerging regulation, legal, technology, market, and reputation), was evaluated for the global corporate organization and considered by geography where appropriate (e.g. regulatory risk) and across three climate scenarios. This analysis considered the impact of these transition risks on L.E.K. stakeholders, including employees and clients both now and in future. Most transition risks are low likelihood and low impact, given our internal sustainability governance structures, financial controls, investments in our internal sustainability function, and external client-facing Sustainability Centre of Excellence (SCE). The largest identified transition risk to L.E.K. is from potential emerging regulation to curtail emissions from air travel, which may cause rises in the price of Sustainable Aviation Fuel (SAF). The success of L.E.K.'s business model is predicated on the delivery of our consulting services to clients and historically this has required in-person meetings. Though COVID-19 lockdown travel bans evidenced our product can at times be delivered virtually, it remains unclear how this will evolve and some business travel by air is likely to remain integral to our continued business success. We are committed to reducing our emissions from air travel and will do so through careful management of our business travel and by investing in SAF. Pricing pressure in SAF is expected as demand increases, although our forecast SAF requirements are not sizeable in the near and medium-term. Given anticipated longer-term technological developments that are expected to increase SAF supply, this transition risk is not currently considered financially substantive, although we will continue to closely monitor and assess this risk. As we decarbonize, costs are anticipated from future purchases of carbon removal credits, renewable energy certificates (RECs) and potentially carbon taxation and these have been included in our financial plans. Our financial projections also include the forecast costs of investment in new systems and processes to better capture and monitor our emissions, and their ongoing running costs. Additionally, we have created an annual Green Innovation fund to financially support office-originated local project initiatives with environmental benefits. Previous initiatives have included installing bike-racks, subsidizing bike-sharing programs, encouraging biodiversity with beehives, organizing speaker events, and investing in the circular economy through 'reduce, reuse, and recycle' drives.

We have identified sustainability-focused consulting services as a key strategic opportunity for L.E.K. that is aligned with our core strategy consulting capabilities. Through the work done by the SCE, L.E.K. has supported clients across a broad range of sustainability issues, including developing Net-Zero strategies, transaction support for investments in climate-focused businesses, commercial assessment of new green technologies, and the development of growth strategies for new products and services that address climate change or lower emissions. L.E.K. will realize this opportunity by continuing to invest in the SCE to provide our consulting teams with the necessary tools and knowledge to best support clients on sustainability-related topics. These revenues will come from both consulting projects specifically related to sustainability topics, and from embedding environmental and social sustainability considerations in our wider work. Over time, the revenue related to climate change will be financially substantive. The forecast revenue and associated costs have been incorporated into our financial planning.

L.E.K. seeks to actively promote environmental responsibility across its value chain through our Sustainable Procurement Policy. We are continuously assessing ways to establish more sustainable procurement policies and reduce emissions from our supply chain. Our goal is to work with suppliers who are aligned with our sustainability policies and Supplier Code of Conduct, encouraging them to measure and disclose publicly their GHG emissions and emission-reduction actions.

## Disclosure Recommendation

## Disclosure Description

### STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

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

To test L.E.K.'s resilience against physical climate risks, we analyzed the impact on our firm across three RCP emissions pathways (RCP 1.9, RCP 2.6, and RCP 6.0). We found evidence of strong resilience across our organization under these climate scenarios. To consider the impact of transitional risks on L.E.K. we assessed risks against NGFS scenarios (Net-Zero 2050, Delayed Transition, Current Policies).

We have analyzed the potential increase in the cost of temporary or long-term office closures, transport disruption, harm to employees, utility outages, and supply-chain risks. L.E.K. has limited financial cost exposure to direct physical damage as we lease all our offices and have flexible ways of working, including virtually. Our cost exposure under all scenarios is not substantive (i.e. not >5% of revenues) in the short- to medium-term. Under the RCP 6.0 climate scenario, over the long-term some office locations may become untenable, and our response will be to relocate and incur the associated costs. We have forecast the potential costs under the chosen climate scenarios, including incorporating data from published forecast pricing trends alongside our emissions forecasts and decarbonization targets. Identified costs are incorporated into our annual budgeting process and strategic planning.

As an advisory firm, L.E.K. revenues are expected to be resilient under all climate scenarios as we anticipate new client opportunities will continue to arise as corporations move to more environmentally responsible business practices. We forecast increased demand for our sustainability consulting services under all climate scenarios and timescales. Under our transition scenarios, our models predict greater demand for the client services we offer across decarbonization and themes associated with the transition to a lower-carbon global economy. We are investing in our sustainability credentials to service this client demand, and we will continue to grow our operations in this area.

We have evaluated our risks across these climate scenarios, and over short-, medium-, and long-term horizons, and concluded that no physical or transition risks have a substantive financial or strategic impact on our global operations. L.E.K. has developed emission reduction strategies across Scope 1, 2, and 3. We believe that by taking these active steps we will continue to be resilient to market shifts across different climate-related temperature scenarios. The costs to reduce our own emissions are included in our financial planning and we do not foresee these materially changing under 2°C or lower scenarios. For climate scenarios without additional efforts to constrain emissions (RCP6.0+), our business model also retains its resilience: offices with higher long-term climate change risks are subject to closer annual evaluation of temperature or sea level rises and local adaptation and mitigation strategies, in readiness to make decisions on changing location.

### RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks.

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

L.E.K. identifies and assesses climate-related risks for acute physical risks (e.g. floods, cyclones, hurricanes, and earthquakes), chronic physical risks (e.g. sea-level rise, temperature rise, and precipitation patterns), and the transition risks relating to the global movement to a lower-carbon economy, including existing and emerging regulatory, legal, technological, market, and reputational risks. This analysis covers L.E.K.'s global organization, with its 23 offices in 14 countries. The assessment is performed annually and considers short-, medium-, and long-term time horizons. We consider risks and opportunities that have a potential financial impact of >5% to our annual revenues to be substantive. We also consider as substantive any risks that could have a material effect on our ability to deliver consulting services to our clients, such as a global technology outage for five days stemming from a climate event or energy shock; or that undermine a significant part of our business; or that substantially impede our ability to recruit and retain employees. In 2023, the evaluation of L.E.K.'s physical and transition risks concluded that none presented a substantive financial or strategic risk to the overall business.

For the analysis of physical climate risks (both acute and chronic), the L.E.K. risk management process uses a standard risk assessment matrix with five levels of probability and severity, with a resultant low to very high scale that covers the combined likelihood and impact of extreme weather events caused by climate change. The assessment is conducted at the office level, based on information from a broad range of resources, including the IPCC (Intergovernmental Panel on Climate Change), CDP City Index and Climate Central, and local office context. This is evaluated over time and across three possible climate scenarios (RCP1.9, RCP2.5, and RCP6.0). Regarding the risks L.E.K. faces from the global transition to a lower-carbon economy, each is considered for relevance and across climate scenarios (Net-Zero 2050, Delayed Transition, Current Policies). The size of the risk impact is estimated to determine if it is substantive for the firm, considering the actions that are, and can be, taken to mitigate these risks. We look at the potential impact on revenue due to business interruption or possible client loss, and on costs from remediation measures, insurance expenses and maintaining employee health and well-being. Climate-related risks are on the L.E.K. risk register and considered quarterly by the L.E.K. Risk Committee. The ESG Committee reviews the climate-related risk analysis (updated annually) and communicates this to the Board.

Disclosure Recommendation	Disclosure Description
<b>RISK MANAGEMENT</b>	
<b>Disclose how the organization identifies, assesses, and manages climate-related risks.</b>	
<p>b. Describe the organization's processes for managing climate-related risks.</p>	<p>The L.E.K. climate-related physical risk analysis shows that while some territories have a higher propensity to acute physical climate events, such as hurricanes, wildfires, and floods, the risks are mitigated by the locations of our leased offices within these cities, and through our ability to continue to work virtually from remote locations should any office be temporarily inaccessible. We recognize that acute physical factors, such as extreme weather events, could cause the temporary or long-term closure of offices that could impact on our ability to serve clients. Extreme weather events also have the potential to harm company employees, who are our most valuable assets as a professional services firm. To mitigate against these risks, L.E.K. has invested in technology to enable our employees to work remotely, so we can keep our employees safe and continue to provide our consulting services. We have emergency processes in place for all our offices in the event of a sizeable acute climate-related physical event. Depending on the severity of the risk, we have identified that low physical climate-related risks can be accepted or transferred via insurance, while medium (and higher) risks should be reduced, transferred, and mitigated through emergency and disaster recovery processes, and in the long-term be avoided by relocating offices.</p> <p>Where a transition risk has been identified as relevant to L.E.K., processes are in place to mitigate and control these risks. For example:</p> <ul style="list-style-type: none"> <li>• <b>Emerging regulation:</b> we have identified as a risk the potential for increased travel costs because of emerging regulations on emissions from air travel. A sizable proportion of our Scope 3 emissions are from air travel. To mitigate this risk, L.E.K. is committed to decarbonize and reduce our emissions from business travel, especially by air, in line with our targets as validated by the SBTi.</li> <li>• <b>Technology risk:</b> novel technology solutions will be essential to meet global Net-Zero targets, including new energy sources, new fuels (including biofuels), advanced processes to reduce energy usage and resultant emissions, and improved ways to control emissions generated and released into the environment. Losing sight of relevant technological advances is a known risk that L.E.K. closely monitors for our own business and for our clients.</li> <li>• <b>Market risk:</b> L.E.K. has recognized the importance of understanding market developments relating to climate and the environment to ensure the firm is positioned to best serve our clients. We know that the positive impact L.E.K. can have on the climate crisis goes beyond our own footprint, including through the work we do with our clients. Failure to deliver on our planned growth in client projects related to climate represents a revenue risk to L.E.K., which is monitored by our GOC.</li> <li>• <b>Reputational risk:</b> L.E.K.'s success is built on its reputation, which not only attracts clients to the firm, but also helps us bring in top talent from around the world. Our environmental credentials are important to winning new engagements, providing market-leading analysis, and ultimately driving revenue. L.E.K. is committed to delivering on our carbon-neutral and Net-Zero pledges, which were first made in 2008 and were re-confirmed in 2022 by signing up to the SBTi emissions reduction targets. We have made our SBTi targets a key business priority, so not achieving these targets presents a significant reputational risk. We are implementing a comprehensive decarbonization transition strategy and we are totally committed to reducing our own emissions and supporting our clients in their goals to do the same. We therefore consider the risk of reputational damage due to inaction on our part to be minimal.</li> </ul>
<p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>L.E.K uses the same risk management matrix assessments for climate-related risk as it does for all corporate risks. This risk management process is owned by the Risk Committee. The physical and transitional risk impacts from climate-change are incorporated into the L.E.K. risk register and risk management processes, which are reviewed quarterly. It is the responsibility of the internal L.E.K. sustainability function to provide regular and timely updates to the Risk Committee and alert the chair of the Risk Committee, the Group General Counsel, of any changes to the risk profiles of climate-related risks.</p>

# TCFD Disclosures CONTINUED

Disclosure Recommendation	Disclosure Description
<b>METRICS AND TARGETS</b>	
<b>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b>	
<p>a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>L.E.K. evaluates the extent of our organization’s assets and business activities that are vulnerable to climate-related physical and transition risks, and the amount to which they could benefit from climate-related opportunities.</p> <p>We consider the financial impacts across the sub-categories of acute and chronic physical risk and policy, legal, technology, market, and reputation, as well as transition risks to identify the material climate-related risks most pertinent to L.E.K. We also evaluate climate-related business opportunities, considering resource efficiencies, energy sources, client services, markets, and resilience. This includes revenues and associated costs from client projects that include a sustainability element. In our forward planning, we have considered the potential for an increase in demand for our consultancy services related to climate.</p> <p>We did not identify any substantive financial impacts from climate-related risks in 2023, or any potential financial exposure to material adverse changes in demand for our consulting services, and we have no likely impairment or stranding of assets, nor financial impact on the value of assets and liabilities. We did identify as potentially substantive the future revenue opportunity from sustainability related consulting services and this is incorporated in our corporate financial forecasts.</p> <p>L.E.K. tracks our own climate impact by calculating our global carbon emissions as part of our commitment to meeting our Science Based Targets. Scope 1 and 2 emissions are assessed on an absolute emissions basis, whilst our Scope 3 emissions are assessed based on an intensity basis. Associated costs relating to our emissions reductions and Net-Zero goals are closely monitored, such as expenditure on carbon credits, renewable energy certificates, software to assist us in tracking and managing our emissions, and the costs to run our internal sustainability function.</p>
<p>b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</p>	<p>Please see our 2023 CDP disclosure or the ‘Our Planet’ section of our 2023 Sustainability Report for our Scope 1, 2 and 3 GHG emissions reporting.</p>
<p>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>L.E.K. is committed to reducing Scope 1, 2 and 3 GHG emissions—as defined by the GHG Protocol—to Net-Zero by 2050 as defined by the SBTi. We have set near-term (by 2027) targets to cut Scope 1 and 2 GHG emissions by an absolute 34% and Scope 3 GHG emissions from business travel by 44% per headcount, as well as long-term (by 2050) Net-Zero targets to cut Scope 1 and 2 GHG emissions by an absolute 90% and Scope 3 GHG emissions by 97% per headcount. All targets are relative to a 2019 baseline.</p>



# TPT Disclosures

## Disclosure Framework

## L.E.K. Disclosure

### 1. FOUNDATIONS

1.1. Strategic ambition	An entity shall disclose the Strategic Ambition of its transition plan. This shall comprise the entity's objectives and priorities for responding and contributing to the transition towards a low-GHG emissions, climate-resilient economy, and set out whether and how the entity is pursuing these objectives and priorities in a manner that captures opportunities, avoids adverse impacts for stakeholders and society, and safeguards the natural environment.	Our Planet, <a href="#">page 11–21</a>
1.2 Business model and value chain	An entity shall disclose a description of the current and anticipated implications of the entity's Strategic Ambition on its business model and value chain.	Our Planet, <a href="#">page 12–13</a>
1.3 Key assumptions and external factors	An entity shall disclose key assumptions that it has made and external factors on which it depends in order to achieve the Strategic Ambition of its transition plan.	Our Planet, <a href="#">page 17–18</a> Appendix, <a href="#">page 69–74</a>

### 2. IMPLEMENTATION STRATEGY

2.1. Business operations	An entity shall disclose information about the short-, medium-, and long-term actions it is taking or plans to take in its business operations in order to achieve the Strategic Ambition of its transition plan.	Our Planet, <a href="#">page 12–13, 15–17</a>
2.2. Products and services	An entity shall disclose information about short-, medium-, and long-term actions it is taking or plans to take to change its portfolio of products and services in order to achieve the Strategic Ambition of its transition plan.	Our Clients, <a href="#">page 25</a>
2.3. Policies and conditions	An entity shall disclose information about any policies and conditions that it uses or plans to use in order to achieve the Strategic Ambition of its transition plan.	Our Planet, <a href="#">page 13, 18</a> Our Operations, <a href="#">page 57–59</a> Appendix, <a href="#">page 71</a>
2.4. Financial planning	An entity shall, to the extent the financial effects of its transition plan are separately identifiable, disclose information about the effects of its transition plan on its financial position, financial performance and cash flows over the short-, medium-, and long-term, including information about how it is resourcing or plans to resource its activities in order to achieve the Strategic Ambition of its transition plan.	Our Planet, <a href="#">page 17–18</a> Our Operations, <a href="#">page 55</a> Appendix, <a href="#">page 69–74</a>

### 3. ENGAGEMENT STRATEGY

3.1. Engagement with value chain	An entity shall disclose information about any engagement activities with other entities in its value chain that it is undertaking or plans to undertake in order to achieve the Strategic Ambition of its transition plan.	Our Vision, <a href="#">page 10</a> Our Planet, <a href="#">page 13</a> Our Clients, <a href="#">page 27, 32</a> Our Operations, <a href="#">page 57–59</a> Appendix, <a href="#">page 71</a>
3.2 Engagement with industry	An entity shall disclose information about any engagement and collaborative activities with industry counterparts (and other relevant initiatives or entities) that it is undertaking or plans to undertake in order to achieve the Strategic Ambition of its transition plan.	Our Vision, <a href="#">page 8–10</a> Our Planet, <a href="#">page 17, 19–21</a>
3.3 Engagement with government, public sector, and civil society	An entity shall disclose information about any direct and indirect engagement activities with the government, regulators, public sector organizations, communities, and civil society that it is undertaking or plans to undertake in order to achieve the Strategic Ambition of its transition plan.	Our Clients, <a href="#">page 28–32</a>



# TPT Disclosures CONTINUED

## Disclosure Framework

## L.E.K. Disclosure

### 4. METRICS & TARGETS

4.1. Governance, business and operational metrics and targets	An entity shall disclose information about the governance, engagement, business and operational metrics and targets that it uses in order to drive and monitor progress towards the Strategic Ambition of its transition plan, and report against these metrics and targets on at least an annual basis.	Our Planet, <a href="#">page 11–19</a> Appendix, <a href="#">page 61–62</a>
4.2. Financial metrics and targets	An entity shall disclose information about any financial metrics and targets, relevant to its business, sector, and strategy, that it uses in order to drive and monitor progress towards the Strategic Ambition of its transition plan, and report against these metrics and targets on at least an annual basis.	Our Planet, <a href="#">page 16</a> Our Clients, <a href="#">page 25</a> Appendix, <a href="#">page 70</a>
4.3. GHG metrics and targets	An entity shall disclose information about the GHG emissions and removals metrics and targets that it uses in order to drive and monitor progress towards the Strategic Ambition of its transition plan, and report against these metrics and targets on at least an annual basis.	Our Planet, <a href="#">page 11–17</a> Appendix, <a href="#">page 61</a>
4.4. Carbon credits	An entity shall disclose information about how it uses or plans to use carbon credits to achieve the Strategic Ambition of its transition plan, and report on the use of carbon credits on at least an annual basis.	Our Planet, <a href="#">page 12–13, 19</a> Appendix, <a href="#">page 61, 71, 74</a>

### 5. GOVERNANCE

5.1. Board oversight and reporting	An entity shall disclose information about the governance body(s) (which can include a board, committee, or equivalent body charged with governance) or individual(s) responsible for oversight of the transition plan.	Our Operations, <a href="#">page 55–56</a> Appendix, <a href="#">page 69</a>
5.2. Roles, responsibility and accountability	An entity shall disclose information about management's role in the governance processes, controls, and procedures used to monitor, manage, and oversee the transition plan, as well as how it is embedded within the entity's wider control, review, and accountability mechanisms.	Our Operations, <a href="#">page 55–56</a> Appendix, <a href="#">page 69</a>
5.3. Culture	An entity shall disclose information about how it aligns or plans to align its culture with the Strategic Ambition of its transition plan.	Our Vision, <a href="#">page 6</a> Our People, <a href="#">page 33–45</a>
5.4. Incentives and remuneration	An entity shall disclose information about how it aligns or plans to align its incentive and remuneration structures with the Strategic Ambition of its transition plan.	Sustainability is indirectly incorporated into employee remuneration through the performance of the SCE and minimization of emissions (and associated costs) related to air travel.
5.5. Skills, competencies and training	An entity shall disclose information about actions it is taking or plans to take to assess, maintain, and build the appropriate skills, competencies, and knowledge across the organization in order to achieve the Strategic Ambition of its transition plan.	Our People, <a href="#">page 41–45</a> Appendix, <a href="#">page 63</a>



