

McKinsey launches Vivid, a sustainability innovation hub in Asia

Regionally headquartered in Singapore, Vivid aims to help governments and businesses successfully navigate the risks and opportunities presented by the transition to a more sustainable future

19 November 2021 – McKinsey & Company announced today the launch of Vivid, a sustainability innovation hub for Asia headquartered in Singapore, supported by the Singapore Economic Development Board (EDB). Vivid will help governments and businesses across Asia navigate the urgent implications of climate change and transform their economies and organizations towards net-zero carbon emissions.

The launch is part of McKinsey Sustainability's expansion in Asia as the firm accelerates its client service across five key areas:

- 1. Sustainability strategy and portfolio optimization:** Charting organizational and national decarbonization and climate strategies
- 2. Decarbonization transformation:** Embedding carbon transformation through digital tracking, decarbonization levers and product lifecycle
- 3. Green business building:** Working with Leap – the business-building arm of McKinsey – to advise incumbent leaders on launching new businesses anchored in new and sustainable markets
- 4. Net-zero financial institutions:** Developing portfolio assessment and stress-testing methodologies for FIs to achieve net-zero and supporting programmatic work for portfolio transitions
- 5. Sustainable investing:** Developing strategies to build carbon market infrastructure in Asia, advising sustainability-focused investors on fund strategies, and advancing Singapore as an investment hub for carbon and adjacent sustainability markets

The announcement builds on McKinsey's recent acquisition of Vivid Economics, a strategic consultancy with broad sustainability and macroeconomic capabilities, and Planetrics, a climate analytics suite that helps quantify, report, and manage climate risks.

"Singapore has always been a strategic regional hub for major flows in trade, capital and data. This makes the country an ideal platform to lead conversations on sustainability that are unique to businesses and society in Asia. With the launch of Vivid, we look forward to partnering with governments and businesses in tackling some of the most complex sustainability challenges here, while accelerating their transition to a net-zero future," said Vishal Agarwal, senior partner at McKinsey & Company.

"We are delighted that McKinsey chose to establish Vivid in Singapore. This reinforces the findings from a recent study by South Pole, Vivid and Engeco which found Singapore well-positioned to provide a diverse range of carbon services that complement the region's efforts in sustainability. We look forward to collaborating with McKinsey, and other like-minded companies, to develop innovative sustainability

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solutions for the region and beyond from Singapore,” said Dawn Lim, Vice President and Head, Commercial and Professional Services, EDB.

According to McKinsey research, Asia could potentially face more severe consequences of climate change than other parts of the world. By 2050, between \$2.8 trillion and \$4.7 trillion of gross domestic product in Asia will be at risk every year from a loss of effective outdoor working hours due to higher temperatures and humidity.

About McKinsey & Company

McKinsey is a global management consulting firm committed to helping organizations create change that matters. Located in more than 130 cities and 65 countries, our teams help clients across the private, public and social sectors shape bold strategies and transform the way they work, embed technology where it creates value, and build capabilities to sustain the change. Through our client service in sustainability, we aspire to be our profession’s preeminent impact partner and advisor on sustainability, climate, energy transition, and environmental, social, and governance (ESG)—from the board room to the engine room.

For more information on McKinsey, please visit [mckinsey.com](https://www.mckinsey.com).

About Vivid Economics

Vivid Economics is a strategic economics consultancy spanning public policy and support for commercial decision making with a broad, international focus and a deep specialization in carbon markets. Its climate analytics suite – Planetrics – helps quantify, report and manage climate risks and helps our clients navigate the urgent implications of climate change and move towards net zero carbon emissions. As of 4 March 2021, Vivid Economics and Planetrics are now part of McKinsey.

For more information on Vivid Economics, please visit [vivideconomics.com](https://www.vivideconomics.com).