

Modern Slavery Act 2015: Statement

McKinsey & Company is a values-driven organisation, and we aspire to meet the highest professional, legal and ethical standards.

As a participant in the United Nations Global Compact, McKinsey supports the protection of internationally proclaimed human rights, the elimination of all forms of forced and compulsory labour and the effective abolition of child labour.

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of our business.

Beyond our own firm, we take seriously our commitment to assist organisations and grass-roots initiatives that promote human rights and tackle forced-labour and child-labour practices. We provide expertise and support to a wide range of philanthropic, civic and cultural organisations that work on these issues, and have partnered closely with non-governmental organisations at both a global and local level through diverse pro bono activities and memberships.

This statement sets out our approach to modern slavery. For more information on McKinsey's approach to social responsibility, please visit our [Social Responsibility page](#) or see our [2022 ESG Report](#).

Our firm

McKinsey is a global management consulting firm committed to partnering with organizations to accelerate sustainable and inclusive growth. We work with clients across the private, public and social sectors to solve complex problems and create positive change for all stakeholders. To do that, we operate a “one firm” global partnership that fully embodies our values and our high standards of ethical conduct and social and environmental responsibility.

Given the nature of the services we provide and the professional workforce we employ, we assess the risk of modern slavery or human trafficking in our own organisation to be low.

Our supply chain

Our supply chain comprises primarily services, including professional advisory services, travel services and IT services, as well as office supplies. We have reviewed our supply chain and believe the overall risk of modern slavery is low, owing to:

- The nature of the goods and services that we procure (mostly services, mostly skilled professions);
- The locations from which we procure them (mostly in developed markets); and
- Our procurement practices (for example, we agree to reasonable terms and ensure timely payment).

While the overall level of risk is low, these criteria also enable us to identify where the risk may be higher.

Our policies on slavery and human trafficking

We are committed to ensuring there is no modern slavery or human trafficking in our supply chain or in any part of our business. Our internal policies reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking are not taking place anywhere in our supply chain.

Our [Code of Professional Conduct](#) defines a set of expectations for the behaviour of all firm members and for others working on our behalf. It also addresses modern slavery elements and outlines grievance mechanisms. As outlined in our Code, our commitment to human rights informs whom we serve and on what topics, and we will not do work that supports or enables human rights violations.

Our [Human Rights Statement](#) affirms our established commitment to human rights and our commitment against contributing to, participating in or enabling the use of child, forced or exploited labour or forced or exploitative conditions and against assisting our clients in doing so in any way.

Training and grievance mechanisms

We continue to implement our human rights-related policies and Code of Professional Conduct on an ongoing basis, while supporting these with regular awareness building and training. New colleagues must adhere to the Code and participate in an onboarding session that informs them about our firm's values. Annually, all colleagues must certify they comply with our firm's core policies and complete Professional Standards and Risk training.

Every firm member has the right to raise concerns about values, ethics and professional conduct without fear of retaliation. In addition to clearly defined internal channels, we have a global hotline that allows colleagues to raise concerns relating to potential violations of laws and our firm's policies, professional standards and values in a confidential manner and,

where legally permissible, anonymously. We do not tolerate retaliation of any kind against firm members who in good faith report potential or actual ethics or legal violations.

Due diligence processes for slavery and human trafficking

We have embedded checks for modern slavery in our routine supplier due diligence process and have raised awareness of these issues with colleagues who manage this supplier vetting process.

The due diligence process reflects the relative risk for potential suppliers and includes:

- Checks against global sanctions and enforcement databases (for example, OFAC Sanctions List and World Bank Debarment List) and adverse media review to identify risks, including human rights abuses, human trafficking and labour violations.
- Further vetting and evaluation of those potential suppliers identified as medium or high risk, including higher spend suppliers, who will be asked as part of a questionnaire about their policies and procedures in place regarding human rights, modern slavery, forced labour, child labour or human trafficking. Certain suppliers may also be asked to further complete an evidence-based assessment on a third-party platform requiring document verification and review by an independent expert, and McKinsey may request corrective actions to address environmental, social and governance (ESG) improvement areas.
- A [Supplier Code of Conduct](#) that all suppliers are expected to comply with. As part of our Supplier Code of Conduct, McKinsey requires suppliers to fully comply with the applicable legal requirements of slavery, forced labour and human trafficking laws (including the Modern Slavery Act 2015) and expects suppliers to enact practices to ensure compliance with such laws.

Ongoing steps

McKinsey does not tolerate slavery, forced labour or human trafficking in any form and expects its suppliers to adhere to the same standards.

Since our last published slavery and human trafficking statement dated June 2022, we have:

- Established a cross-functional Human Rights Working Group to operationalize our approach to human rights due diligence and management, including on modern slavery.
- Standardized use of updated contracts at a global firm level with all supply chain partners entering into new contractual arrangements with us to confirm their

compliance with the Modern Slavery Act 2015 as well as other applicable global laws relating to modern slavery; to warrant that they have not been convicted of any offences relating to slavery or human trafficking; and to ensure they implement due diligence procedures in their own supply chains.

- Continued to use a supplier vetting and onboarding process and technology platform that embeds in its risk assessment an evaluation of modern slavery based on criteria such as the country of operation and government response, as assessed by the Global Slavery Index.
- Updated our Supplier Code of Conduct to include new supplier expectations and requirements to align with emerging regulations, including respect for freedom of association, and continue our commitment to sustainable and ethical procurement.
- Updated our Human Rights Statement to align with emerging regulations and our ongoing commitment to human rights.
- Maintained our membership of the World Economic Forum's Stakeholder Capitalism Metrics initiative, reflecting our commitment to increase transparency around how we report on our performance against ESG indicators, including on human rights and modern slavery.
- Maintained our membership of the United Nations Global Compact and participated in the Communication on Progress Questionnaire which demonstrates our progress on the Ten Principles of the UN Global Compact, including on human rights and modern slavery.
- Added a supplementary human rights-specific risk analysis tool and launched collaboration with a third-party supplier assessment platform. The supplier assessments conducted through this platform require document verification and review by an independent third party against globally recognized human rights standards and frameworks. Based on assessment results, McKinsey may request corrective actions from suppliers to address any identified risks or ESG improvement areas and confirm completion of the action.
- Made Got A Concern? available to all external parties, including suppliers. Got a Concern? enables both McKinsey colleagues and external parties to confidentially raise concerns about potential misconduct or violations of laws, policies, values or professional conduct. Details of this confidential process are available on the Got a Concern? webpage.

We remain committed to continually improving our practices to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

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This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2022. This statement has been approved by the Directors of McKinsey & Company, Inc. United Kingdom, in June 2023.



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June 2023