

## 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 organizations 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 organizations that work on these issues and have partnered closely with non-governmental organizations 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:  
<https://www.mckinsey.com/about-us/social-responsibility>.

### **Our firm**

McKinsey & Company is a global partnership which offers management consulting services and provides advice to leading private, public and social sector institutions. We help our clients make significant and lasting improvements to their performance and realize their most important goals.

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 which we procure (mostly services, mostly skilled professions).
- The locations from which we procure them (mostly in developed markets).
- 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 that 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 is not taking place anywhere in our supply chain.

### **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, World Bank Debarment List) and subject to adverse media review to identify risks including human rights abuses, human trafficking and labour violations.
- Plans to embed in our 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.
- Those potential suppliers identified as medium or high risk are subject to further vetting and evaluation based on the specific supplier's circumstances.

### **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 May 2018, we have implemented a Supplier Code of Conduct and related supplier questionnaire which are being rolled out on a phased basis. 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 UK Modern Slavery Act 2015) and expects suppliers to enact practices to ensure compliance with such laws.

Higher risk suppliers will be asked as part of the questionnaire about their policies and procedures in place regarding human rights, modern slavery, forced labour,

child labour or human trafficking, and whether the company has been in violation of any related offences within the last five years.

In addition to the specific ongoing steps we have already set out above, 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 2018.

A handwritten signature in black ink, appearing to read 'V Hunt', with a stylized flourish at the end.

Vivian Hunt DBE, Director of McKinsey & Company, Inc. United Kingdom  
Managing Partner, UK & Ireland, McKinsey & Company  
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