

## Our tax strategy

We act with integrity in all tax matters, as a responsible tax payer. We are committed to full compliance with all tax obligations, and full disclosure to tax authorities as required by law.

### **Tax governance**

The board of directors (Shareholders Council) of McKinsey & Company, Inc. has assigned responsibility for tax governance to the Finance and Infrastructure Committee (“the FIC”), a committee of the Shareholders Council. Our tax strategy is set by the FIC. The FIC monitors application of the tax strategy in the context of our overall tax position. The Chief Financial Officer (“the CFO”) has executive responsibility for tax matters. Day to day management of our tax affairs is delegated to the Director of Finance, who reports to the CFO and the FIC. The Director of Finance works closely with the Head of Tax and Finance Function leads to identify, assess and monitor tax risks. The Director of Finance and Head of Tax report regularly to the FIC on our tax position and tax risks.

### **Risk management**

We manage our tax affairs within a framework of internal processes and controls. The framework applies to all matters that materially affect our tax compliance obligations. The framework is designed to reduce the level of tax risk that arises from our activities as far as is reasonably practicable. The framework is applied by teams that are staffed with appropriately qualified individuals, applying diligent professional judgement. We monitor application of the framework to ensure that the controls operate effectively, and adapt to new tax risks. Key tax risks are monitored for operational and legislative changes that can impact upon the way in which such risks are managed. We consult with reputable tax advisors where tax law is unclear or subject to interpretation.

### **Attitude towards tax planning and level of tax risk**

We manage tax risk to ensure compliance with all tax legislation, whilst being tax efficient in the decisions we make. In areas of uncertainty, or when evaluating alternative courses of action, we take decisions that are consistent with our values as a responsible corporate citizen, and aligned with our business activities. We apply a conservative, objective and prudent risk standard, requiring confidence that the relevant tax authority would agree with our tax position. Our Firm is owned exclusively by our Partners: individuals who are actively involved in running the business. We expect our Partners to take a similar approach in relation to their own

tax obligations. We require our Partners to appoint independent tax return preparers, and annually certify to the Firm that they are in compliance with their individual tax obligations.

## **Relationship with tax authorities**

We aim to foster positive working relationships with tax authorities. We work with tax authorities to help them develop a better understanding of our business. Where issues arise, we are committed to addressing these promptly, and resolving the issues in a transparent and constructive manner. We aim to file correct and complete returns, on time. Any inadvertent errors in returns or submissions made to tax authorities are fully disclosed as soon as practicable after they are identified.