

McKinsey
& Company

Social Responsibility Report 2019:

**Helping create
positive, enduring
change in the world**



We have always sought to make a difference on the issues that matter, and our commitment to making a difference in society is embedded in everything we do. We believe our firm has an opportunity and a responsibility to use our knowledge and our capabilities to help address the world's most pressing social and environmental issues. We are committed to helping create positive, enduring change in the world.

Our approach to social responsibility includes empowering our people to give back to their communities, operating our firm in ways that are socially responsible and environmentally sustainable, and working with our clients to intentionally address societal challenges. We recognize that we are on a journey, and that we must continually work to strengthen these three pillars of our social responsibility.

Here we report on our progress to date. We highlight some of the projects we have undertaken in 2019 with nonprofits to improve community well-being and to protect our environment, and we describe the internal practices and initiatives that we have prioritized as part of our commitment to acting responsibly. We look forward to reporting further progress in future years.



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As I write this, we are in the midst of a once-in-a-generation global humanitarian challenge. The COVID-19 pandemic has upended billions of lives, taking a disproportionate toll on vulnerable populations. People without education, steady employment, adequate income, or access to healthcare are at heightened risk to their lives and livelihoods.

This health crisis has now been joined by a social crisis—one brought into sharp focus as examples of brutal racial injustice have sparked a vehement, visceral outcry that has continued for weeks. Every day, there are countless stories of people who are suffering from these dual scourges. Fortunately, there are also many inspiring stories of people and institutions stepping up worldwide to help. The world needs more of these stories.

So while 2019 seems like the distant past, I believe that the stories of how our firm made a positive difference in the lives of others last year are as relevant as ever. The colleagues behind these stories are living our purpose: to help create positive, enduring change in the world. They demonstrate their commitment, and ours, to giving back to our communities, making our organization more environmentally sustainable and socially responsible, and embedding social responsibility in our client work.

This report serves as our second Communication on Progress, and we're proud to align our social impact work with many of the UN Sustainable Development

Goals. We remain unwavering in our commitment to do more to tackle societal challenges and to report on our progress as a staunch participant and supporter of the UN Global Compact and its Ten Principles.

I hope these stories bring you renewed optimism and inspiration, as they have for me. For next year's report, I look forward to sharing stories of colleagues who rose to the challenges of the current crises and helped to responsibly plan for what lies ahead. We are committed to doing our part and are humbled to be working shoulder to shoulder with our fellow citizens as we work to help save lives, safeguard livelihoods, protect our shared communities, and ensure racial justice and inclusion for all.

At McKinsey, we choose to tackle some of the world's biggest challenges—and we are early on a journey to ensure that our purpose is reflected in all we do to overcome them. We will learn from our experiences, and from one another, along the way. We will continue to assess the scale of the challenges and measure our collective impact on them. Doing so will help us ensure that our contributions matter and that we're helping create positive, enduring change in the world.

Kevin Sneader
Global Managing Partner
McKinsey & Company

Helping create positive, enduring change in the world



Foreword by
Kevin Sneader



Our social responsibility by the numbers

We are harnessing our knowledge, capabilities, and people to address some of the world's most pressing challenges. Here are some of our accomplishments and milestones in 2019.

49%
of new hires were women



0
net carbon emissions

Top 1%
of companies assessed by EcoVadis



600+
nonprofits supported through pro bono service, board membership, and volunteering



\$300M
cumulative earnings by 37,000+ Generation graduates to date



19%
reduction in carbon emissions per capita (2017–19)



125,000+
hours contributed to firm-founded nonprofits, pro bono engagements, and internal social responsibility initiatives

90%
of our top spend suppliers have signed our Supplier Code of Conduct (or provided similar codes governing the conduct of their own employees)



SUPPORTING THE SDGS

Supporting the Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs), adopted by United Nations Member States in 2015, outline a vision of how we can build a better world and provide a global framework endorsed by governments, businesses, and civil society. As a member of the UN Global Compact, we are aligning our social responsibility efforts with these goals and are proud that our work contributes to their advancement.





SUPPORTING THE SDGS

Supporting the Sustainable Development Goals

— continued

Our focus

In 2019, we strengthened our commitment to the SDGs by identifying a subset of them where we have made social responsibility commitments to date and where we see potential for distinctive impact across our operations.



SDG 8: Decent work and economic growth

We have committed to Sustainable Development Goal 8 (SDG 8) because all of our firm’s work—from the support we provide to the public sector to the strategies we develop for some of the world’s biggest companies—is tied to work and economic growth. And we believe that income and well-being are the foundation upon which many of the other SDGs sit. Many of our most ambitious and successful social impact efforts are anchored on SDG 8. This includes our support for Generation, an independent nonprofit founded by McKinsey to tackle global unemployment, and our pro bono workforce development partnerships in communities around the globe.



SDG 12: Responsible consumption and production

As an organization that spans more than 130 offices in 65 countries, we understand the impact our operations can have at a global scale and are committed to promoting sustainable consumption. We prioritize managing our operations and the goods and services we purchase in a socially and environmentally responsible manner. In 2019, we adopted a new Sustainable Procurement Policy. It outlines our ambition to deliver social and environmental impact both through the way we select, purchase, use, and ultimately dispose of products and services, and through the way we work with our suppliers to improve the social and environmental impact of their goods and services. We also understand the impact waste management can have on communities around the world, and through McKinsey.org, a nonprofit we founded, we support Rethinking Recycling, an initiative that helps communities build green, inclusive, and economically viable waste systems.



SDG 13: Climate action

We are committed to minimizing our own environmental footprint while supporting others who work to improve environmental sustainability. We publicly support the Paris Agreement and have set targets to reduce our greenhouse gas (GHG) emissions and transition to 100% renewable electricity by 2025. Additionally, we became carbon neutral in 2018 by reducing our carbon emissions where possible and offsetting all our remaining emissions. Our overall emissions have decreased by 19 percent per capita since 2017. We also work with our suppliers—including more than 50 of the world’s largest airlines and five large hotel groups—to foster sustainable relationships and contribute the knowledge we generate through research and client experience to help find structural, long-term solutions.



Generating knowledge that benefits society

McKinsey and [the McKinsey Global Institute \(MGI\)](#) have a long history of producing in-depth, fact-based reports that examine the trends shaping business, society, and our planet. The research helps the private, public, and social sectors make critical decisions and drive impact.



**Affordable housing in Los Angeles:
Delivering more—and doing it faster**
SDG: 1, 11



**The future of work in America:
People and places, today and tomorrow**
SDG: 8



**The future of women at work:
Transitions in the age of automation**
SDG: 5, 8



Women in the Workplace 2019
SDG: 5, 8



**Inequality: A persisting
challenge and its implications**
SDG: 1, 8, 10



**'Tech for Good': Using technology to
smooth disruption and improve well-being**
SDG: 1, 3, 8



**Digital identification: A key to
inclusive growth**
SDG: 8, 9, 11



**The power of parity: Advancing
women's equality in Africa**
SDG: 5, 8



**Climate risk and response: Physical
hazards and socioeconomic impacts**
SDG: 13



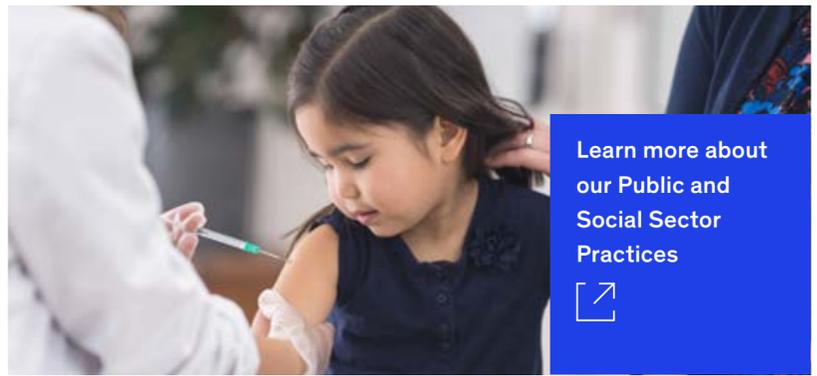


Helping clients drive positive social impact

We help organizations around the world in the private, public, and social sectors make lasting improvements to their performance and realize their most important goals. For some organizations, addressing economic and social issues is the goal. Other organizations strive to improve the sustainability of their operations or prepare for disruptions such as automation that might threaten livelihoods. We also aim to embed societal impact in our day-to-day client engagements across topics that can help all clients drive positive change in the world.

Serving those who serve society

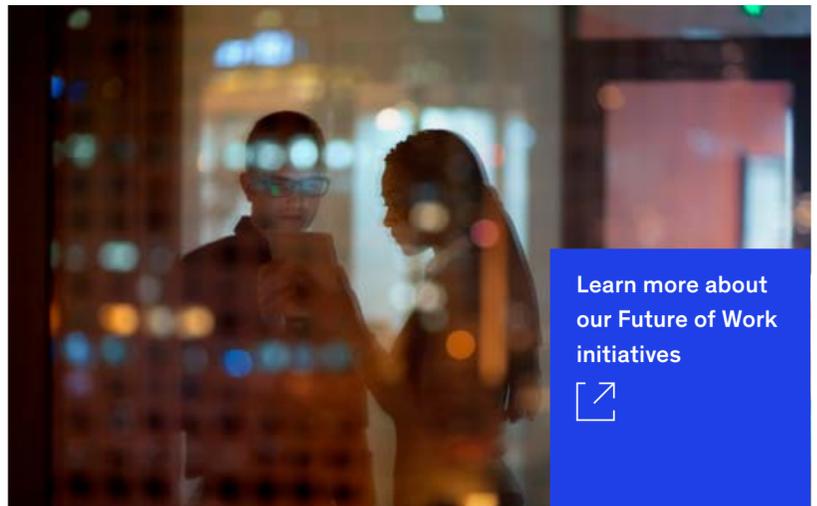
McKinsey's global Public and Social Sector Practices have a long history of helping governments, public-sector bodies, and social-sector organizations improve people's lives around the world while addressing some of the world's most pressing economic and social issues. We work with clients to help alleviate chronic social problems through our work in education, economic development, public health, and philanthropy, and are committed to strengthening public services worldwide.



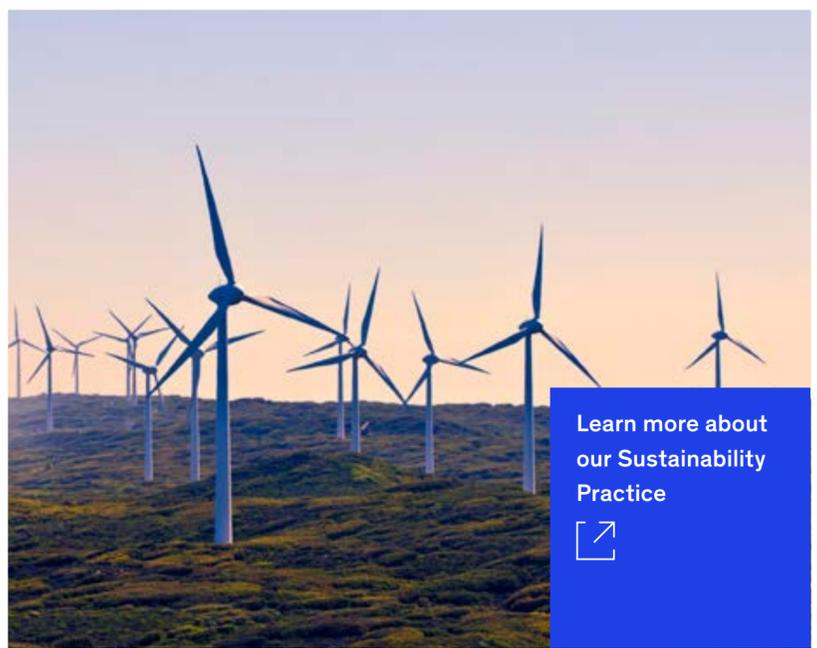
Learn more about our Public and Social Sector Practices [↗](#)

Working with clients to embed environmental sustainability in their operations

McKinsey's Sustainability Practice helps businesses, investors, and governments drive rapid decarbonization and accelerate adaptation, reduce climate risk, and eliminate waste across production systems to achieve an orderly transition to a low-carbon, sustainable growth economy. We work with clients to develop and implement sustainability strategies based on our extensive cross-industry expertise, which includes capital markets knowledge, frontline operating experience, and a proven ability to drive organizational transformation.



Learn more about our Future of Work initiatives [↗](#)



Learn more about our Sustainability Practice [↗](#)

Preparing our clients and communities for the future of work

Work is changing, driven by innovative technologies, generational shifts, and new ways of working. McKinsey's Future of Work team helps employers, governments, and educators prepare for these shifts and build prosperous, inclusive economies. In the private sector, we help companies test their digital and automation potential and develop lasting programs for upskilling, reskilling, and redeployment. We also work with governments, educators, nonprofits, industry associations, and others to build geographic competitiveness, healthy workforce systems, skilling programs, and social protections for vulnerable groups during transition.

Embedding societal impact in our day-to-day client engagements

In 2019, we launched Working with Purpose as one of three pillars of our social responsibility agenda. Our goal is to weave societal impact throughout all of our client engagements across three themes: environment, workforce and community, and consumer well-being. We are helping our clients have positive societal impact, in addition to financial impact, by incorporating these themes into the analysis and recommendations of our work and our client counseling conversations.



People

We are committed to making a difference in the communities in which we live and work. Whether it is by helping the unemployed learn new skills and find jobs through our support of Generation, a nonprofit founded by McKinsey, or through our worldwide pro bono work focused on helping vulnerable communities, our efforts have made a difference to the lives of people across the globe.

FURTHER READING

Inequality:
A persisting
challenge and
its implications



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SPOTLIGHT ON

Five years of training and job placement through Generation

“When my husband passed away, I had no savings to take care of my kids. Through the job I got from Generation, I am able to send my kids to school and meet all my family’s needs really well. I can create a brighter future for my kids.”

Seema

Generation India graduate



SPOTLIGHT ON

Five years of training and job placement through Generation

— continued

In 2012, McKinsey examined a global and seemingly intractable problem: the staggering number of young people who were unemployed, even as many businesses struggled to fill job vacancies. To tackle these challenges, McKinsey founded Generation, a nonprofit organization designed to overcome the most persistent barriers to young people finding stable employment.

In 2019, Generation marked its five-year anniversary and the culmination of the firm's five-year \$70 million cash and in-kind commitment. Generation is now a 300+-person organization operating in 14 countries, with 37,000+ graduates to date and a wide range of employer partners and funders all over the world. Generation has expanded its focus beyond young people to helping midcareer learners in need of reskilling for new employment opportunities with a new program called ReGeneration—this program is now up and running in Singapore, Spain, and the United States.

Throughout 2019, our unrestricted general operating support enabled Generation to build tools, technology solutions, and functional services at the global level to support Generation programs across the world. We continued to provide our most precious resource of all: our people. Each year, colleagues from around the world spend time as fellows at Generation, applying their many skills—ranging from problem solving to data analytics and business development—to the continued

success and growth of Generation. In addition, McKinsey leaders played supportive roles in the exploration and expansion of Generation to four countries (Australia, Brazil, France, and the United Kingdom).

300+

Generation is now a 300+-person organization operating in 14 countries



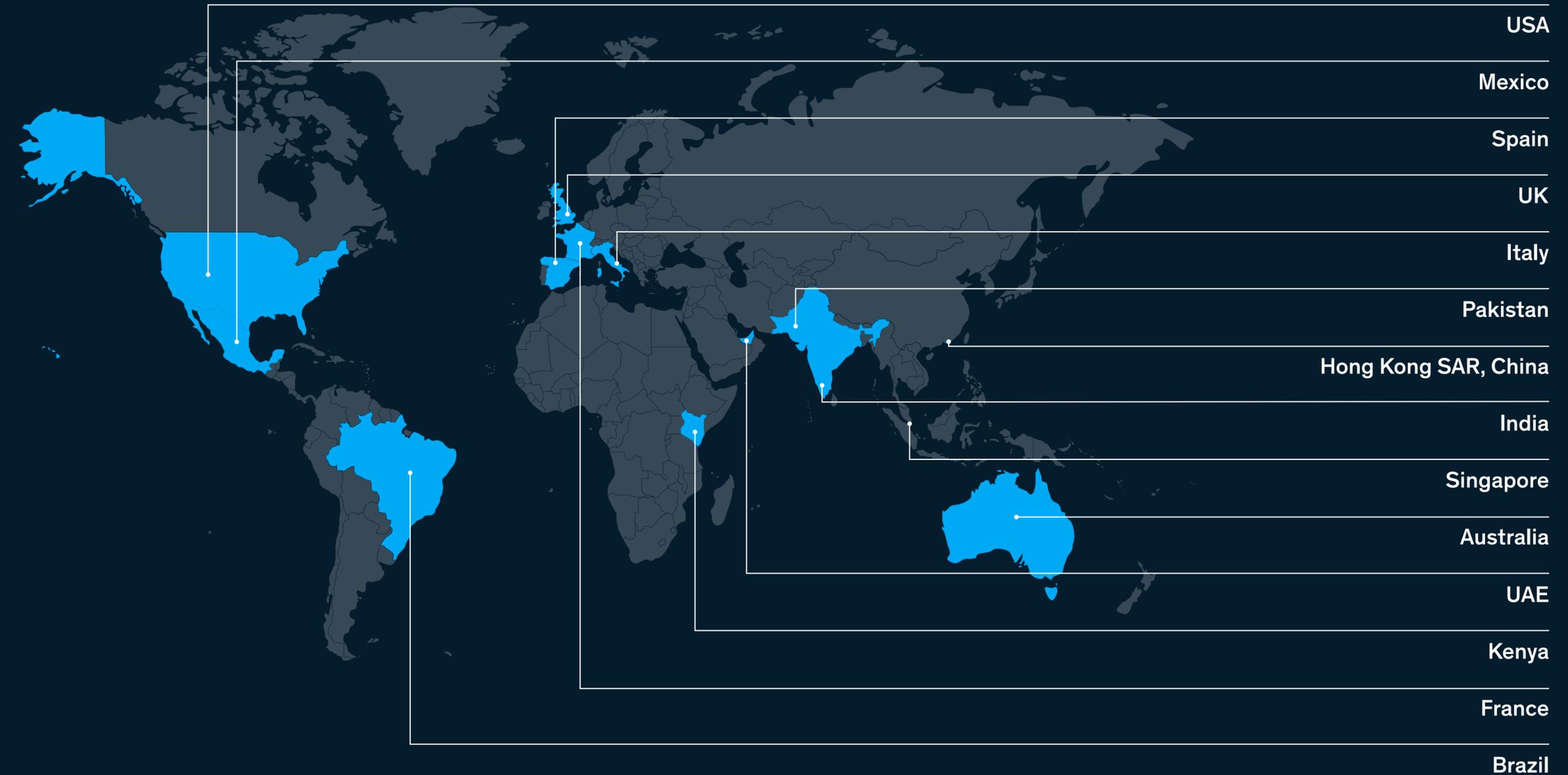
SUPPORTING THE SDGS



SPOTLIGHT ON

Generation around the world

— As of December 2019



Learn more about Generation



80%

of Generation graduates employed within 90 days of program completion

10,470

graduates in 2019 (out of 37,000+ graduates to date)

1,244

new employers in 2019 (out of 3,281 to date)

54%

female graduates

40%

of graduates have dependents

\$300M+

cumulative earnings by Generation graduates

CHANGE IN ACTION

Giving back across the globe



SUPPORTING THE SDGS



McKinsey has offices in 130 cities, from Abu Dhabi to Zurich. These communities are home to our clients and their customers, to our own people and their families. We want them to be inclusive, sustainable, and prosperous places to live and to work. We believe we have an opportunity and a responsibility to deploy our resources, our people, and our capabilities to give back.

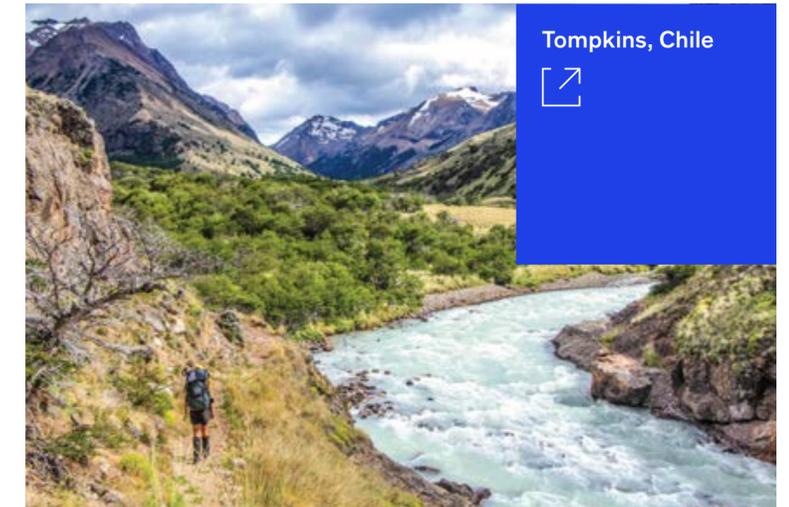
Every year we work with more than 600 nonprofits, organizations that are addressing some of the world's most pressing social challenges. Through pro bono service, board membership, and volunteering, we strive to bring insights from our work to strengthen their impact and help them grow. Each McKinsey office forms its own partnerships, reflecting the issues that colleagues are passionate about and that matter locally.

Our annual Giving Back Award celebrates teams whose efforts in their offices and practices, beyond client work, are making a lasting impact in their community. The award recognizes office- and

practice-level efforts that tackle social issues in the community and region, including pro bono, volunteering, and charitable donations.

Our colleagues' work is evaluated equally on two fronts: impact and colleague engagement. In 2019, we conducted rigorous due-diligence efforts to verify the impacts of these projects. The process illuminated the significant time and effort our colleagues have contributed to giving back around the world.

We chose four teams in 2019 as Giving Back Award recipients based on their commitment to improving their communities:



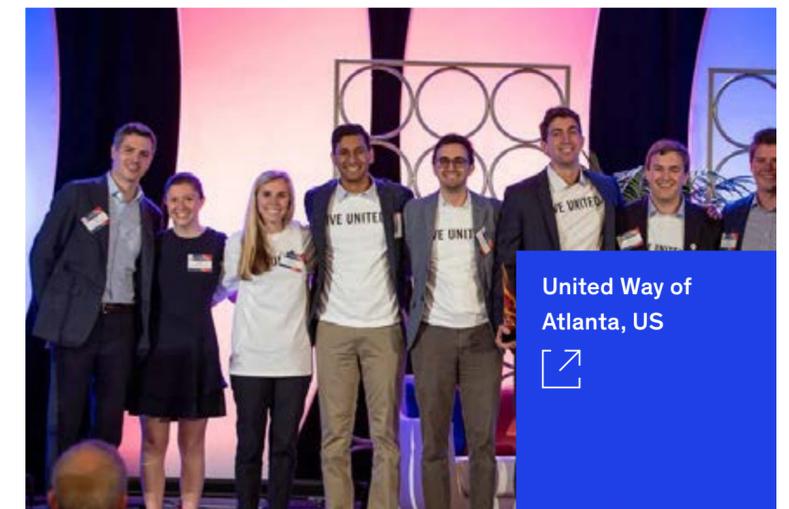
Tompkins, Chile



Pratham, India



Work Ready, UK



United Way of Atlanta, US



CHANGE IN ACTION

Harnessing the power of data to feed those in need



SUPPORTING THE SDGS



In Chicago's Cook County, one of the most populous counties in the United States, thousands of people lack reliable access to nutritious food. To help, a pro bono team from McKinsey's Chicago office began working with the Greater Chicago Food Depository, an organization that provides food for over 800,000 people every year in Cook County. By organizing and analyzing vast amounts of community data, our team was able to help the organization examine and improve its work with donors and partners and prioritize neighborhoods in greatest need of support.

For example, by using an AI-powered tool to measure and analyze key indicators of need across the city, the Food Depository can now prioritize food distribution to neighborhoods with the greatest needs, while preventing spoilage and improving nutritional equity.

"McKinsey's commitment to our mission is something we felt in every conversation. In turn, that gave us confidence and lifted our own belief in what's possible. Your investment in us is translating into impact for the tens of thousands of people who need us more than ever."

Kate Maehr
Executive Director and CEO



McKinsey team helps a massive food bank find new ways to feed a city

200 communities that are home to about 5 million people served through a new data-driven tool developed with McKinsey's help

60M pounds of food¹, to be optimally distributed without spoilage

20,000 volunteers to be engaged through integrated volunteer information and tailored messaging delivered to individual and corporate donors

¹ Only 60 million of total ~75 million pounds shipped could be allocated using the tool.

CHANGE IN ACTION

Reaching new heights in tackling India's literacy challenge



India

SUPPORTING THE SDGS



Pratham, one of India's largest nongovernmental organizations, sought our help to focus and expand its impact. Pratham's core mission is to help ensure that children in India grow up knowing how to at least read, write, and do basic arithmetic. The organization already had impressive reach, but wanted to help even greater numbers of children and young people in less resource-intensive ways.

Against this backdrop, a McKinsey team from our Chennai office helped Pratham on a pro bono basis to develop a five-year strategic plan to identify the organization's most effective interventions and scale them. One such effective intervention is the direct work that Pratham does in communities and government schools to demonstrate how primary school children's learning can improve significantly in a short period of time with limited resources. Another intervention is Pratham-government partnerships in which Pratham teams work closely with government teams to mainstream Pratham's effective teaching-learning methods and goals into the elementary school system.

"We were already reaching millions of children and youths, but our work with McKinsey helped us create a road map for a longer run and a more effective set of programs for helping more young people succeed in school and in life."

Rukmini Banerji

CEO, Pratham Education Foundation



Giving back for literacy in India



Watch In India, McKinsey teams up with Pratham to help millions of children learn to read and write

15M+

children in grades 1–8 reached through large-scale partnerships with governments across 15 states

40+

percentage-point improvement in basic skills across direct delivery program areas reaching more than 150,000 children in 3,500+ communities

5,000

villages reached directly to date

CHANGE IN ACTION

Creating jobs in South Africa



In 2018, McKinsey launched the Tirelo program in South Africa as a pro bono commitment with the goal of helping address the country's unemployment challenges, especially those faced by black South Africans. Tirelo, which means service, runs two initiatives. The first is the Meleza Growth Accelerator, which assists fast-growth small and medium-size enterprises (SMEs) in creating jobs by helping them expand into high-potential sectors. The second is Thola, an online sales platform that expands the reach and sales of small suppliers, again helping them grow and create more jobs.

In 2019, we worked to scale up the program and make it sustainable by engaging a broader audience of stakeholders and by partnering with public and private entities to help secure future funding. As a result, Thola is now operated by the Department of Small Business, which will continue to grow what is now a successful e-commerce site.

44

SMEs served in more than 12 industries through collaboration with a network of private-equity firms, nongovernmental organizations, and government institutions

2,500+

jobs identified through Meleza to date

SUPPORTING THE SDGS



CHANGE IN ACTION

Battling homelessness through stable employment



Since 2013, colleagues in our London office have collaborated with nonprofit Thames Reach to provide people who have previously been homeless with the support and skills they need to find stable employment. McKinsey volunteers work closely with the Thames Reach team to deliver the Work Ready Program, which offers a week-long course with classes in employment and life skills, followed by longer-term mentoring relationships to give program participants additional support during their search for work opportunities.

In 2019, we helped Work Ready set up a crowdfunding platform to help course participants fund vocational training programs, find long-term employment, and network with others. Of the first 95 campaigns created through the platform, all were funded in 100 days or less, with 29 participants finding jobs.

400+

graduates from 14 Work Ready courses since 2013

55%

of course participants went on to find jobs

90%

of course participants report an increase in confidence and motivation

SUPPORTING THE SDGS



CHANGE IN ACTION

Providing support to refugees in need



Lebanon and Jordan



“The specific improvements that McKinsey helped us to design, implement and embed are not only making us more efficient and responsive in the services we deliver to displaced people; working with McKinsey to get to those improvements has released greater confidence among IRC staff in the Middle East to take on additional problems at the local level.”

Mark Schnellbaecher
Regional VP

The International Rescue Committee (IRC) helps people whose lives have been shattered by conflict and disaster. Founded in 1933 with the support of Albert Einstein, the IRC serves over 25 million clients in over 40 countries.

In 2018, more than 250 colleagues from our Middle East office visited IRC program sites and conducted workshops with IRC colleagues to identify ways to tackle some of their key challenges.

In 2019, we went on to work with the IRC to help the organization improve the way it delivers its programs to serve beneficiaries. Our focus was on the operational and financial activities that support IRC programs and partner organizations. Pilot programs in Lebanon and Jordan based on this work helped reduce the time it took for refugees to receive financial aid and helped the IRC train and deploy workers more efficiently, serving more people in need.

50%

reduction in wait times for financial assistance cash transfers due to the digitization of the transfer process

45%

less time waiting for supplies due to improvements made to the procurement process

3

days of wait time for payment to refugee workers, down from two months

SUPPORTING THE SDGS



CHANGE IN ACTION

Fostering “impact unicorns” in the start-up world



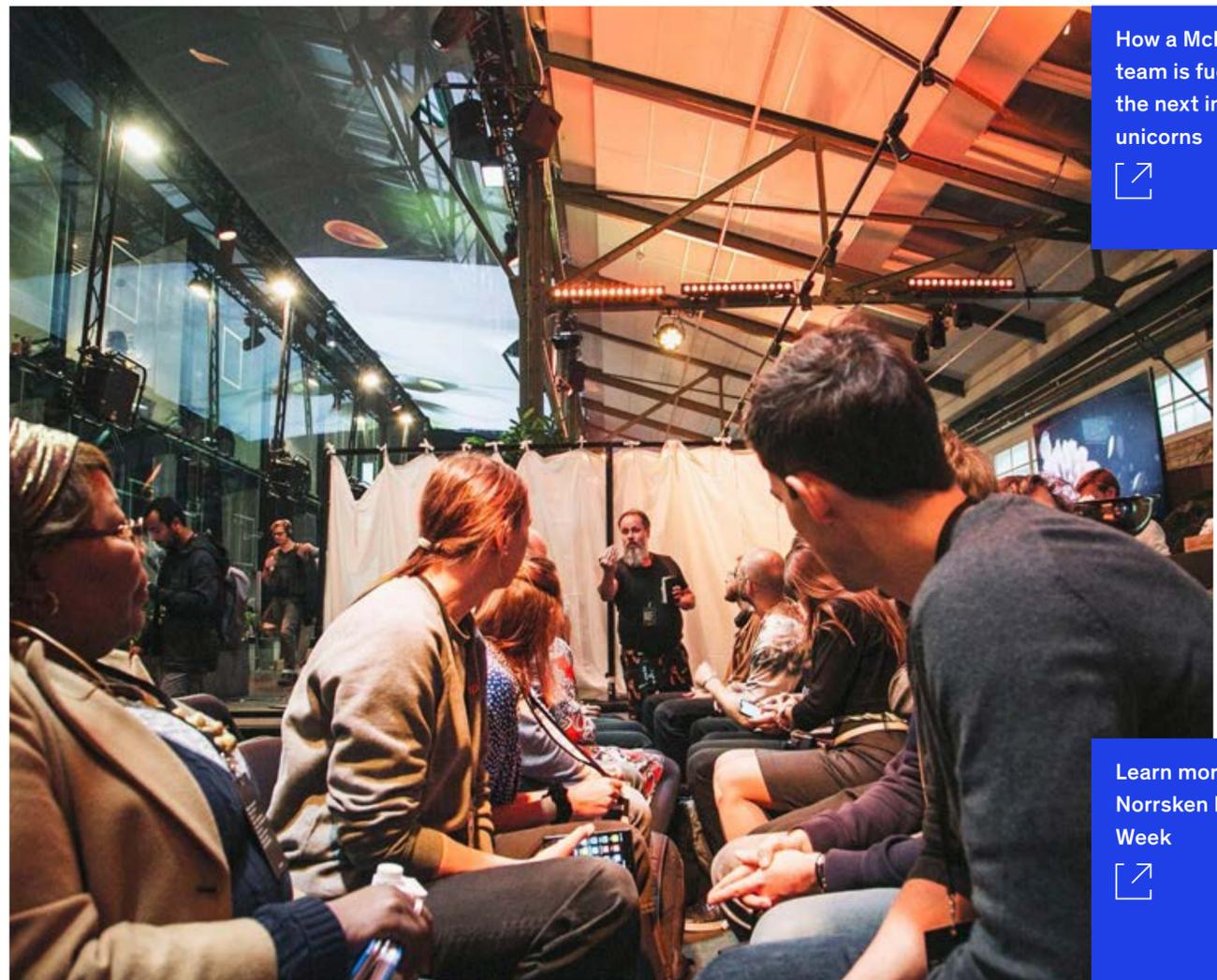
SUPPORTING THE SDGS



There is growing recognition that businesses can successfully go beyond the pursuit of shareholder profits to help address social issues, too. Norrsken, a Swedish nonprofit, was founded in 2016 to do just this. Its aim is to facilitate collaboration between key stakeholders and infuse venture capital into promising solutions that tackle big social challenges by identifying “impact unicorns”—start-ups with the potential to change one billion lives for the better.

In 2019, we helped Norrsken on a pro bono basis to launch Impact Week, an event that brought hundreds of start-ups together with venture-capital investors to explore how technology and entrepreneurship might be put to work to address global challenges such as famine, food waste, poverty, and discrimination. The event culminated in the launch of the Norrsken Award, the biggest award in the Nordic region for social impact start-ups. The three winners included a textile recycler, a company developing a method to improve tropical weather forecasting, and one that aims to help farmers produce their own fertilizer from renewable resources.

Building off Norrsken’s success in Northern Europe, we also helped the organization develop a plan to expand globally, beginning in Africa with the creation of East Africa’s biggest hub for entrepreneurship in Rwanda. The hub, which is due to open in 2021, will target early-stage entrepreneurs and support their growth journeys.



How a McKinsey team is fueling the next impact unicorns [↗](#)

Learn more about Norrsken Impact Week [↗](#)

“McKinsey has been absolutely instrumental in our growth and impact. Since day one, McKinsey consultants have worked closely with the Norrsken team to help formulate an overarching strategy, structure the fund, expand to new markets, organize Impact Week, support the winners of Impact Week, and most recently, create a blueprint of our organization for others to replicate.”

Erik Engellau-Nilsson
CEO, Norrsken Foundation

CHANGE IN ACTION

Pairing job seekers with employers through a public-private partnership



SUPPORTING THE SDGS



In 2019, we joined a public-private partnership called the Atlanta Committee for Progress (ACP) to help launch new initiatives aimed at improving the economic vitality of Atlanta, Georgia.

Founded in 2003, ACP includes over 40 of the city's most influential civic leaders, CEOs, and university presidents who work closely with the mayor's office on issues involving economic development, education, and improved infrastructure and quality of life. With the help of a McKinsey team, ACP launched a major initiative in partnership with Atlanta Technical College focused on workforce development called the Center for Workforce Innovation (CWI). The CWI is now a fully staffed organization that pairs students seeking employment skills with industry partners that have specific employment needs.

As part of this initiative, McKinsey worked with Atlanta Technical College to develop a business plan that institutionalizes the operational costs of the program through increased support from industry partners and donors, and to create a recruitment and community-engagement strategy to increase student enrollment. The team also helped identify best practices for government, education, and industry partnerships and helped to align key curriculums with industry and community needs.



“From diagnosing the problem and creating the strategy to standing up the long-term model, McKinsey has been an invaluable partner as we thought through how to increase economic mobility in our city through workforce development. The local McKinsey office continues to help our city strive for progress and has had a lasting impact that will be felt for years to come.”

Shan Cooper

Executive Director for the Atlanta Committee for Progress

220

students seeking employment recruited by the Center for Workforce Innovation, with plans to scale to 10,000 incremental graduates in five years

56

industry partners representing a wide range of industries across Atlanta are involved in the Center for Workforce Innovation

92%

retention rate of students in the program as the first class works toward graduation

Planet

The world faces a critical moment in tackling climate change, environmental pollution, and the responsible use of resources. We are actively supporting organizations that are working to improve environmental sustainability—including the pioneering work of McKinsey.org’s flagship Rethinking Recycling program—while contributing our research and insights and helping to find structural, long-term solutions to environmental challenges.



FURTHER READING

Climate risk and response: Physical hazards and socioeconomic impacts



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CHANGE IN ACTION

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SPOTLIGHT ON

Rethinking Recycling through [McKinsey.org](https://www.mckinsey.org)

“Now, we are proud
waste workers.”

[Pak Sis](#)

Bali, Indonesia



SPOTLIGHT ON

Rethinking Recycling through McKinsey.org

— continued

SUPPORTING THE SDGS

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<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>13 CLIMATE ACTION</p>

Rethinking Recycling, the flagship program of McKinsey.org, aims to empower every community to build green, inclusive, and economically viable recycling systems. Founded in 2018, McKinsey.org is an independent nonprofit created to address the world’s most complex social and environmental challenges, and Rethinking Recycling is taking on just that sort of challenge by helping communities all over the world.

The cost of improperly managed waste is estimated at \$2.5 trillion annually¹, both from the damage to already-fragile ecosystems and from the public health impacts of dumping and burning trash. Rethinking Recycling tackles the waste crisis by mobilizing every stakeholder in the process—from waste pickers to global multinational companies to community leaders—to work together to structure the recycling marketplace so waste can be recycled and repurposed in more sustainable, economically viable ways. The program focuses on providing local communities with the strategic and operational expertise to reengineer waste systems into profitable enterprises and

¹ Hodal, Kate. “Marine Plastic Pollution Costs the World up to \$2.5tn a Year, Researchers Find.” *The Guardian*, April 4, 2019. Guardian.com



on reskilling waste workers to support enhanced collection and distribution. At the same time, Rethinking Recycling also connects community stakeholders to global investors that can scale local recycling solutions, while growing a stable market for recyclable products.

In 2019, Rethinking Recycling launched proof-of-concept pilots in Argentina and Indonesia that helped create new economic opportunities for waste workers, many of whom are women. As a result, vulnerable communities in Buenos Aires now have access to formalized recycling-collection systems for the first time. In Bali, the transformation of an unused waste center into a thriving enterprise has delivered good jobs to essential waste workers with a 200 percent increase in wages, along with increased access to healthcare and safety equipment. Overall, Rethinking Recycling has delivered programs to more than 27,000 people, resulting in an average recycling rate of 30 percent, higher than most cities in the United States.

Rethinking Recycling is working with a diverse coalition of partners, ranging from local municipal governments in Argentina and Bali to large corporate consortia. The program model is set for expansion across new cities in Latin America and Southeast Asia so that more communities can help build the collective vision of a world without waste.

SPOTLIGHT ON

Rethinking Recycling through McKinsey.org

— continued

2019 Impact



Buenos Aires, Argentina

5x

increase in earnings for workers, of whom 90% are female, from sale of recyclables in community-run sorting facility for dry recyclables like plastic, glass, and paper

120+

workers trained for recycling program serving 20,000 citizens in an informal settlement

First

formal residential compost collection service in all of Buenos Aires



Bali, Indonesia

In four months

McKinsey.org built a profitable community-run waste management and recycling center, while ensuring a 200% increase in wages for all workers

Over 50%

of participating households now separate waste, compared to an average 11% in Bali

Over 30%

of waste is now diverted from landfill and the oceans, compared to nothing before

Learn more about Rethinking Recycling

CHANGE IN ACTION

Offsetting emissions through the introduction of a sustainable land-management system in Panama



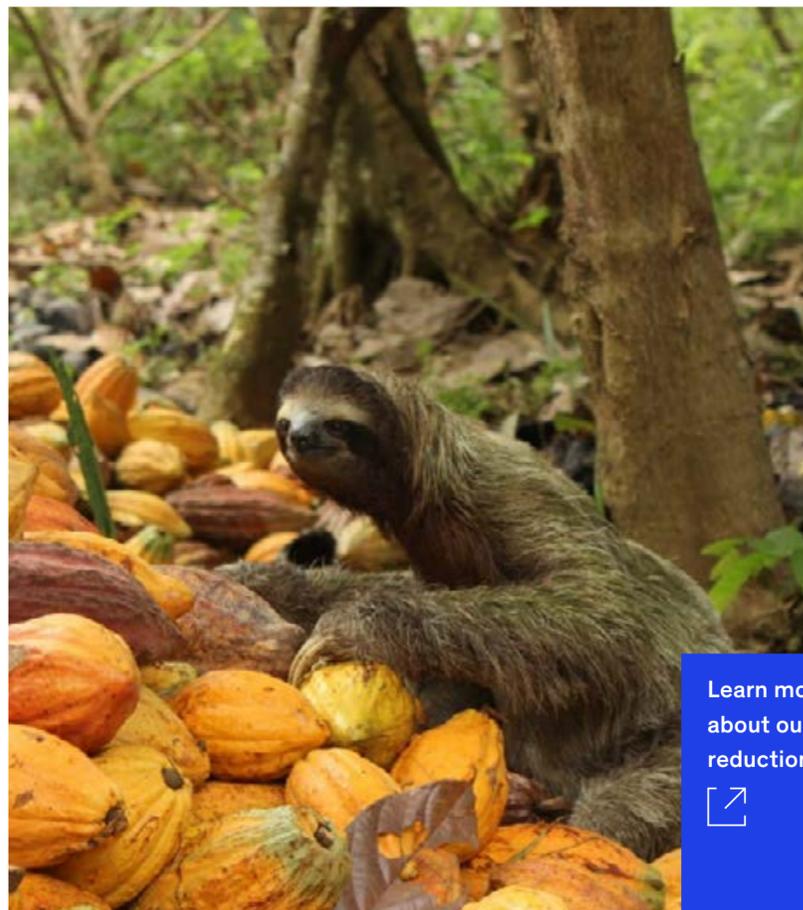
Panama

SUPPORTING THE SDGS



We are committed to remaining carbon neutral, so we invest in carbon-reduction projects to offset all emissions we have not yet eliminated. One such project is Tropical Mix, which aims to restore a healthy forest ecosystem while also supporting the sustainable production of cacao and timber.

To counter the damage done to tree cover and wildlife by years of extensive cattle ranching, several small farms are working together through Tropical Mix to reforest lands with mostly native tree species, creating a mixed tropical forest. Specific project areas are dedicated to the fair and sustainable production of cacao and timber, certified by UTZ and the Forest Stewardship Council respectively. As a result of these efforts, residents benefit from higher employment, higher wages, and health and pension benefits.



Learn more about our carbon reduction projects [↗](#)

7.5M+

trees planted to date

13,000+

hectares of land restored and protected

150+

residents employed

CHANGE IN ACTION

Building knowledge and partnerships around environmental sustainability



SUPPORTING THE SDGS



Developing insights

In 2019, we published more than 70 articles, reports, and other media aimed at finding and promoting structural, long-term solutions to environmental challenges.

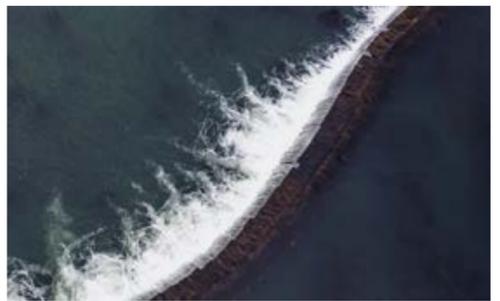
[Selected sustainability insights:](#)



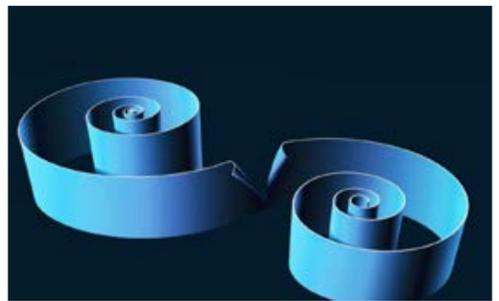
[Accelerating plastic recovery in the United States](#)



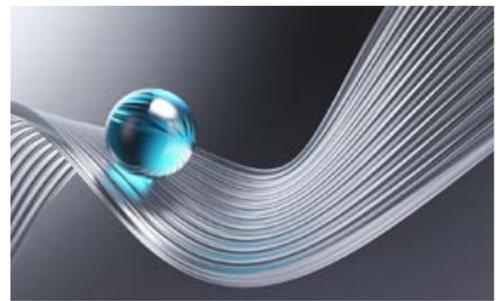
[Climate risk and response: Physical hazards and socioeconomic impacts](#)



[Earth to CEO: Your company is already at risk from climate change](#)



[The decoupling of GDP and energy growth: A CEO guide](#)



[The road to seamless urban mobility](#)



[The future of food: Meatless?](#)



[Five ways that ESG creates value](#)



[Fueling the energy transition: Opportunities for financial institutions](#)

Partnering to protect our planet

McKinsey works with leading institutions to develop distinctive thought leadership and convene partnerships that tackle problems that any one institution alone could not. We bring the best of our firm's knowledge, expertise, and analysis to identify innovative solutions.

Our environmental sustainability partnerships include:

[WEF's Global Battery Alliance](#)



[Coalition for Climate Resilient Investment](#)

For several years, McKinsey has partnered with the Ellen MacArthur Foundation to build a fact base on the economic and environmental benefits of a circular economy.

[Read The circular economy opportunity for urban and industrial innovation in China](#)

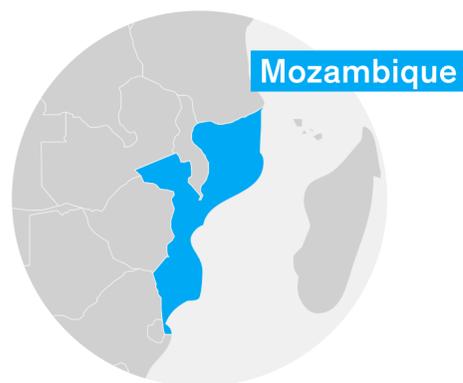
70+

[environmental sustainability articles, reports, and other media published on McKinsey.com](#)

[Read more of our sustainability insights](#)

CHANGE IN ACTION

Helping communities in Mozambique recover and build resilience following a natural disaster



SUPPORTING THE SDGS



From April to June 2019, a McKinsey team joined UNICEF’s Mozambique country office to support the humanitarian response to back-to-back cyclones that caused massive wind damage and flooding. Food shortages and a cholera outbreak led to more casualties, with over 2 million people, including thousands of children, affected. As the world comes to terms with climate change, countries like Mozambique have contended in recent years with more frequent extreme weather events, as well as their devastating effects.

The McKinsey team worked with UNICEF amid the ongoing relief effort to support its experts in delivering aid to the people of Mozambique and address short- and long-term needs. McKinsey was able to help UNICEF strengthen processes for improved decision making in emergency situations, use data analytics to more effectively expedite damage assessments and track relief efforts, and design a program to reconstruct national schools in partnership with the Mozambican government and other key stakeholders. These efforts ultimately helped Mozambique build the capacity to better manage the effects of future natural disasters.



“In a humanitarian crisis often there seems to be enough light just for the next step. By silently embedding themselves in our structures, the McKinsey team provided that safe space where we discovered that precious light to go beyond the darkness and look with trust into the future.”

Marcoluigi Corsi

Deputy Regional Director, UNICEF East Asia/Pacific
(former Country Representative of UNICEF Mozambique)



Practices

We have an opportunity and an obligation to manage our firm in ways that are socially responsible and environmentally sustainable. As a participant in the United Nations Global Compact, we support and respect the Ten Principles on human rights, environment, labor, and anti-corruption, and reflect these principles throughout our policies and practices.

Our commitment to managing our firm responsibility is also reflected in how we serve our clients and how we operate internally.

We bring this commitment to life through our values, our Code of Professional Conduct, and our policies and practices related to the environment, our supply chain, our people, and our professional standards.

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CHANGE IN ACTION

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SPOTLIGHT ON

Green Teams

Going green globally

“Small actions can lead to big changes when you share them with 100 offices around the world.”

Diane Buzea

Junior Associate and Founding Member
of the France Green Team



SPOTLIGHT ON

Green Teams

— continued

In 100 offices around the world, more than 800 of our colleagues have joined Green Teams to help reduce the firm’s environmental footprint and build awareness of the importance of environmental sustainability.

2019 Go Green Award winners

Our Go Green Award recognizes colleagues and Green Teams who have gone above and beyond to make their offices more environmentally sustainable. Our 2019 winners prove that a small team of people can galvanize change, and they shared their passion outside of the firm, too: each winning team received funds to donate to an environmental charity of its choice.



Watch a video about the Amsterdam Green Team’s “AMO Goes Green” initiative [↗](#)



100

Green Teams globally

800+

engaged colleagues

300+

initiatives

SUPPORTING THE SDGS



SPOTLIGHT ON

Green Teams

— continued



Australia Green Team

First established in Sydney, the Australia Green Team now spans three locations. The team leads quarterly campaigns to reduce paper and plastic waste, trains new staff on office environmental practices, and has created materials used by Green Teams across the globe. Additionally, the team has introduced new office-wide initiatives including the introduction of composting waste bins and sustainable event planning guidelines.

100%

reduction in the use of plastic bottles

100%

reduction in takeaway coffee cups



San Francisco Green Team

The San Francisco Green Team was one of our original Green Teams and has been at the forefront of environmental leadership at McKinsey. In addition to efforts to reduce the use of single-use plastics and increase composting and community-outreach efforts, it helped establish our official Green Team network used to share best practices globally.

100,000+

plastic bottles eliminated per year

100,000+

plastic coffee pods eliminated per year



France Green Team

The Green Team in France is one of our newer Green Teams, formed in early 2019. Within six months, it had more than 40 members. Armed with energy, data, and humor to win office colleagues' support, the team has, among other things, radically reduced waste and the use of plastic products.

160,000

coffee capsules and plastic cups eliminated per year

200

new recycling bins installed, recycling 24 tons of waste per year



Gurgaon Green Team

Our 230,000-square-foot office in Gurgaon, India, is a knowledge center where 1,900 colleagues work across eight floors. The team focused on energy savings and waste reduction by installing LED lighting, converting office waste into recycled stationery, and processing electronic waste. By adding thousands of plants, the team also brought a touch of nature into the office while improving air quality.

50%

reduction in energy consumption from lighting

30,000kg

of office waste converted into recycled stationery

OUR INTERNAL PRACTICES

Addressing our environmental footprint

We are committed to minimizing our own environmental footprint while supporting others who work to improve environmental sustainability.

Our approach has four components:

- 1** We minimize our footprint, focusing on greenhouse gas emissions that account for most of that footprint.

- 2** We offset all emissions we have yet to eliminate, making our firm carbon neutral.

- 3** We work with our suppliers to foster sustainable practices.

- 4** We contribute our research and insights to help find structural, long-term solutions to environmental challenges.



For our direct emissions and emissions from purchased energy (Scope 1 and Scope 2 emissions), we have set targets in line with the Paris Agreement. We aim to achieve these targets by improving energy efficiency in our offices, transitioning to 100 percent renewable electricity, and electrifying our company cars.

We also continue to reduce the intensity of our travel, which accounts for most of our indirect emissions (Scope 3 emissions). In 2019, we reduced these emissions by 10 percent per capita compared with 2018. Key drivers of this reduction include a shorter distance flown by our colleagues as well as a change in emission factors for air travel, reflecting the aviation industry's improved efficiency.

**19%**

reduction in carbon emissions per capita (2017–19)

0

net carbon emissions since 2018

60%

emissions-reduction target by 2030 (Scopes 1 and 2 GHG emissions)

90%

emissions-reduction target by 2050 (Scopes 1 and 2 GHG emissions)

OUR INTERNAL PRACTICES

2019 greenhouse gas emissions

We monitor our GHG emissions and independently verify them in line with the GHG Protocol and best practices. For example, we include radiative forcing in emission factors for air travel. In 2019, our total GHG emissions were 743,000 tCO₂e (market-based).

Overall emissions decreased by 6 percent, despite the growth of our firm in 2019. As in previous years, air travel was the largest source of our emissions, accounting for 82 percent of the total.

Emissions per capita decreased by 10 percent, from 26.4 tCO₂e per capita in 2018 to 23.8 tCO₂e per capita in 2019.

19%

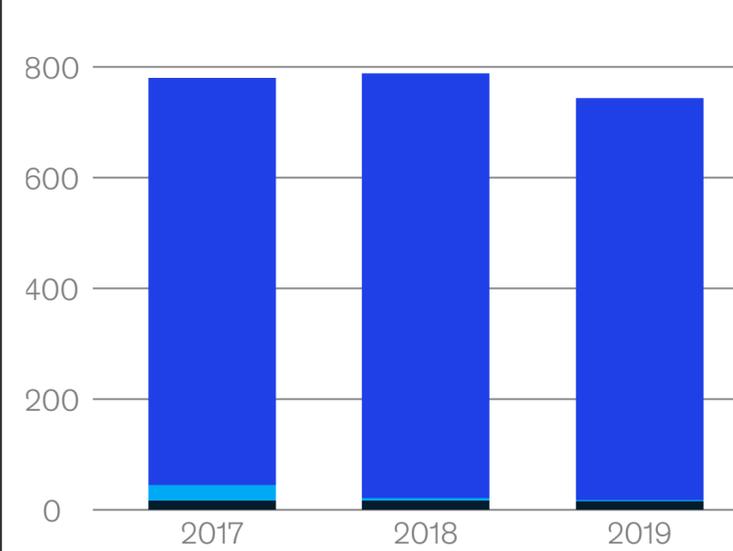
decrease in emissions per capita (2017–19)



See our GHG emissions reporting methodology



Market-based GHG emissions by Scope (thousand tCO₂e)



	2017	2018	2019
Scope 1	16	16	15
Scope 2	29	5	3
Scope 3	735	767	725
Total	780	787	743

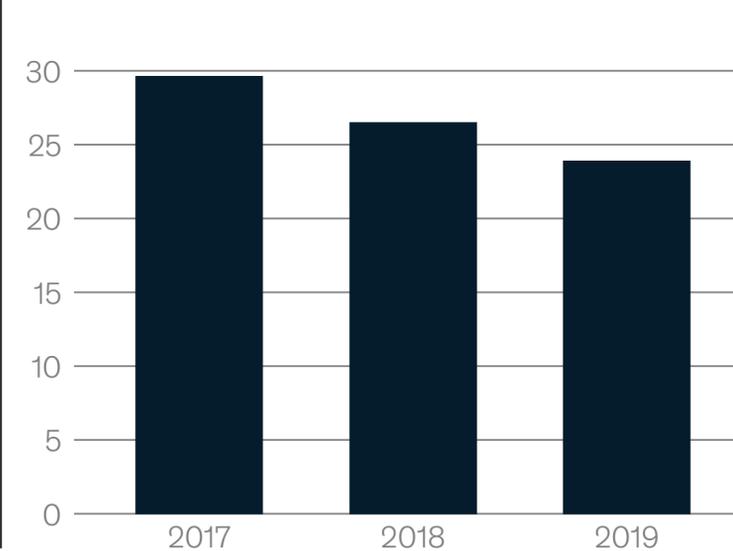
Note: Figures may not sum to total, because of rounding.

Scope 1: Direct emissions (for example, from combustion of fuels in owned or controlled boilers)

Scope 2: Indirect emissions from the generation of purchased electricity, heat, or steam

Scope 3: Other indirect emissions (for example, business travel, purchased goods)

Market-based GHG emissions per capita (tCO₂e)



	2017	2018	2019
Per capita	29.5	26.4	23.8

OUR INTERNAL PRACTICES

Transitioning to 100 percent renewable electricity by 2025

RE 100

In 2018, McKinsey became the first global consultancy to join RE100, a coalition of organizations committed to using 100 percent renewable electricity.

We set a target of reaching this goal by 2025 and have made progress. Ninety-five percent of our electricity consumption came from renewable sources in 2019, compared with 87 percent in 2018. Several of our offices began using renewable electricity for the first time in 2019, contracting directly with providers or through the purchase of energy attribute certificates, such as renewable-energy certificates (RECs).

We share what we have learned during our transition toward renewable electricity with our clients and suppliers and encourage them to make a similar commitment.



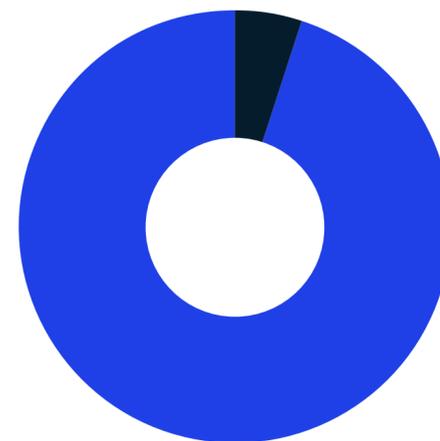
Learn more about RE100



95%

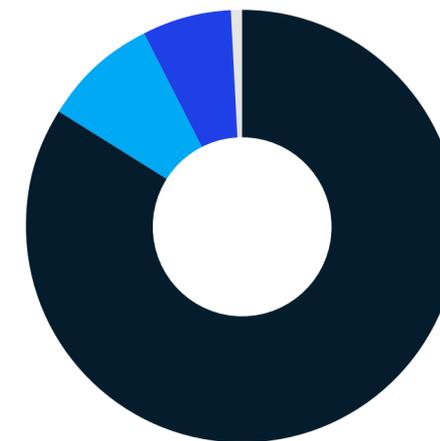
of our electricity consumption came from renewable sources in 2019

Renewable electricity, 2019



■ Non-renewable	5%
■ Renewable	95%

Renewable electricity mix, 2019



■ Wind	83.9%
■ Hydro	8.8%
■ Solar	6.6%
■ Geothermal	0.7%

Note: Figures may not sum to total, because of rounding.

OUR INTERNAL PRACTICES

Offsetting emissions

As part of our commitment to carbon neutrality, we offset all emissions we have not yet been able to eliminate, including those from travel. We do so by investing in carbon-reduction projects that are independently verified to international standards (such as Gold Standard and Verified Carbon Standard).

The projects in which we invest tend to focus on nature-based solutions (such as reforestation, forest conservation, and sustainable agroforestry), a focus chosen by colleagues in a firm-wide poll. To offset our 2019 carbon footprint, we invested in ten different projects worldwide, offsetting 743,000 tCO₂e.

These projects provide additional benefits beyond the avoidance or sequestration of carbon—for example, more biodiversity or sustainable livelihoods for local communities. Each project contributes to several SDGs.



Learn more about our carbon-reduction projects



CHANGE IN ACTION

Making our offices more sustainable



SUPPORTING THE SDGS

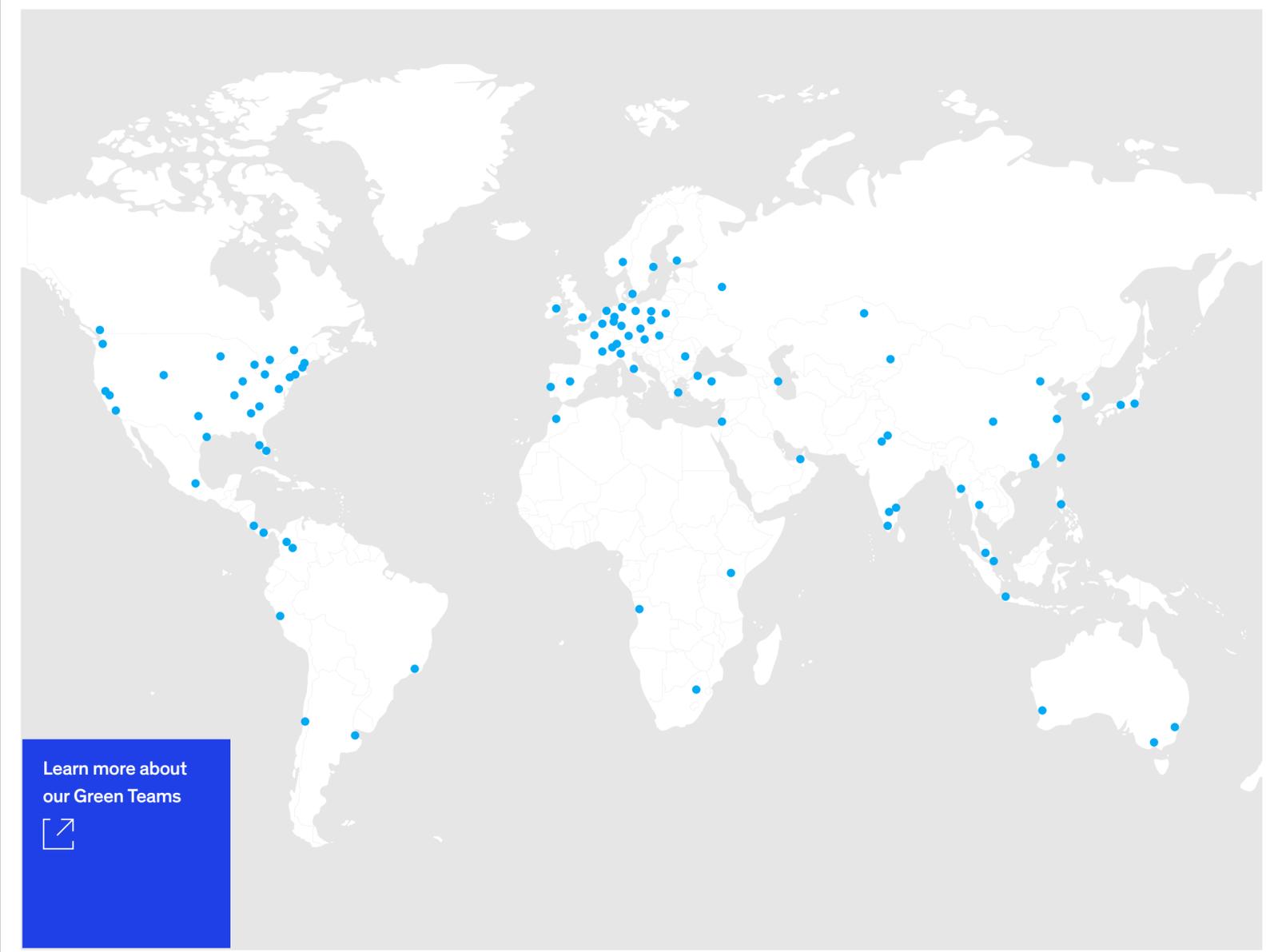


Our offices play an important role in addressing our environmental footprint. By improving energy efficiency, switching to renewable electricity, and minimizing our waste, we promote environmental sustainability in our offices worldwide.

Our commitment to sustainability is woven into our broader policies and practices, including our real-estate standards. We aspire to the highest environmental standards for new offices and major renovations (LEED Gold or Platinum or the equivalent). Thirty-six percent of our office space already meets this level of certification, with two of our largest offices—London and New York—achieving LEED Gold certification in 2019. In the same year, the São Paulo office earned LEED Platinum certification. In total, more than half of our global office space has achieved green-building certification.



Our 100 Green Teams play an important role in making our offices more sustainable



Learn more about our Green Teams [↗](#)

36% of our global office space is LEED Gold or Platinum Certified (or equivalents)

40%+ of offices globally have eliminated all single-use plastics

500,000+ single-use plastic items expected to be saved per year in Asia alone

OUR INTERNAL PRACTICES

Engaging suppliers

We are committed to managing our firm in a way that both is socially and environmentally responsible and makes a difference to communities. This commitment extends to the goods and services we purchase and to the choice of suppliers with whom we work.

In 2019, we adopted a new global Sustainable Procurement Policy. It outlines our ambition to deliver social and environmental impact through our selection, purchase, use, and disposal of products and services, and through the way we work with our suppliers to improve the social and environmental impact of the goods and services they offer.

Through our sustainable procurement practices, we also seek to reinforce our public commitment to the UN's Sustainable Development Goals, the Paris Agreement, and the United Nations Global Compact, to which we are a signatory.

We hold our suppliers to the same high standards of social responsibility that we hold ourselves. Our Supplier Code of Conduct sets out our expectations of organizations that work with us.

The code reflects McKinsey's values and our expectations of our suppliers, including acting ethically and with integrity, maintaining data privacy and security, embracing inclusion and diversity, ensuring fair employment and wages, reducing environmental impact, and providing working conditions that support safety, well-being, and health.

By the end of 2019, 90 percent of our biggest-spend suppliers¹ had signed our code or had their own codes of conduct setting similar standards. In addition, we ask all new suppliers to agree to the code, and our standard supplier agreement sets out our expectation that they meet our standards for data privacy and security, anti-corruption, and equal-employment opportunities.

¹ Ninety-five suppliers that accounted for more than half of our spend in 2017.

Supplier diversity

We strive to increase the diversity of our suppliers, including those that are small businesses and companies owned by women, people from minority ethnic groups, LGBTQ+ individuals, and veterans. Suppliers who meet this definition account for over 10 percent of our spending in the United States. Although travel accounts for a large proportion of spending and our main travel suppliers are large airlines and hotel chains, we are continually seeking out new ways to increase the diversity of our suppliers.

90%

of our top spend suppliers have signed our Supplier Code of Conduct (or provided similar codes governing the conduct of their own employees)



Read our Supplier Code of Conduct



CHANGE IN ACTION

Working with our suppliers on environmental sustainability



SUPPORTING THE SDGS



In addition to embedding sustainability goals, principles, and requirements in procurement processes and decisions, we are committed to working with our suppliers to help them improve the social and environmental impact of the goods and services they offer.

As indirect emissions from travel account for the majority of our carbon footprint, we have prioritized proactively raising environmental sustainability issues with our travel-focused suppliers. In 2019, we proposed several initiatives to more than 50 of the world's largest airlines and five large hotel groups. Together, these suppliers account for nearly 90 percent of our carbon footprint.

During discussions with our most utilized hotel group partners, who collectively represent over 19,000 individual properties and 680,000 employees, we focused on best practices for addressing their environmental footprint. These include: setting science-based emission-reduction targets, phasing out single-use plastics (for example, single-use shampoos), reducing water consumption in line with international benchmarks, switching to renewable electricity, and offsetting carbon emissions.

In conversations with our key airline suppliers, we focused on topics such as target setting (for example, targets for emissions and fuel efficiency), sustainable aviation fuel, offsetting, waste, and disclosure, leveraging extensive research conducted by our team. We continue to focus on finding paths with our suppliers to create solutions that minimize our footprint.

“It is great to see that McKinsey is challenging us on sustainability. We look forward to working together on this in the future.”

Sustainability Director
large global hotel group

90%

of our carbon footprint is accounted for by suppliers we proposed new initiatives to



OUR INTERNAL PRACTICES

Fostering diversity and inclusion

Based on our own research, we know that diverse teams are tied to better business performance and that an inclusive culture is imperative to retaining diversity. We encourage diversity in all its forms, including age, gender, sexual orientation, gender identity, disability, and socioeconomic background. And, as a talent-first organization, we remain deeply committed to embedding opportunity and fairness at the heart of every colleague's experience.

McKinsey maintains a fully resourced team led by our chief diversity officer to actualize our diversity and inclusion goals. These colleagues draw on a global center of excellence and then work across the firm to define strategies and implement best practices, all in line with our own research and customized to the needs of our organization.

In 2019, we focused our efforts on accelerating inclusion, implementing programs in a systemic way across the entirety of our firm. Here are just a few highlights:

- **Transparency and accountability**

We've heightened leadership accountability for our change efforts, created greater data visibility, and shared best practices based on what we know works across the firm.

- **Inclusive culture**

We launched a global Inclusion Nudging program aimed at fostering a more inclusive culture. More than 2,700 team leaders and partners have opted in to receive timely nudges on inclusive behavior changes they can demonstrate daily. Eighty-five percent of participants say the nudges have prompted behavior change.

- **Talent development**

Our Inclusion Learning programs reached 22 times more colleagues in 2019 as we integrated D&I content into all our main firm learning programs. We also added new learning programs to increase the sponsorship of women and diverse colleagues and encourage practical behaviors for building an inclusive culture.

- **Establishing our "NextGen 100"**

To provide a stronger feedback loop between our younger colleagues and leadership, we created a global group of individuals passionate about our efforts who act as an advisory council and sounding board on the impact and direction of our diversity and inclusion programs.

Learn more about diversity and inclusion at McKinsey



140+

citizenships reflected across our offices

135

languages spoken by McKinsey colleagues

65+

countries with McKinsey offices

OUR INTERNAL PRACTICES

Fostering diversity and inclusion

— continued

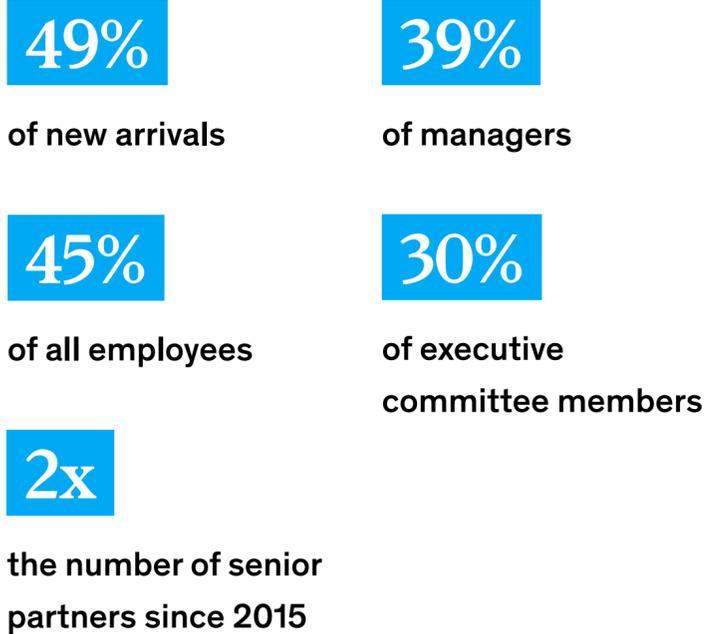
Women at McKinsey

Our commitment to inclusion and equality for women is embedded in the fabric of our firm. It is an integral part of our mission to attract, retain, and develop the most talented and qualified people in the world, regardless of gender.

Best-in-class flexibility and parental-leave programs (as well as programs to support those returning from leaves), inclusive leadership and unconscious-bias training, and our global initiative to ensure our women are fully sponsored are just a few policies and practices that enable women at McKinsey to balance a full life with an exceptional career.

The past five years have seen meaningful progress for us as a firm. Women now represent 45 percent of our colleagues globally and 49 percent of all new arrivals. What's more, our number of female partners has more than doubled since 2015, and women make up 30 percent of our executive committee. Our aspiration is to ensure that women are equally represented at all levels and have an exceptional experience at McKinsey.

Representation of women at McKinsey, 2019:



Learn more about Women at McKinsey



Our network

Our networks support our people, providing a welcoming environment where mentorship and community create an unparalleled sense of belonging and growth.

Our 13 groups and communities include GLAM (for LGBTQ+ colleagues), the McKinsey Black Network, Access McKinsey (for colleagues with disabilities), Parents of Special Children, and groups for Hispanic/Latino, and Asian and Asian-American colleagues, among others. These groups are critical to promoting diversity and inclusion, helping us fulfill our mission of creating an unrivaled environment for exceptional people.

Awards and recognition

Vault: #1 consulting firm in Diversity & Inclusion 2018 and 2019



Working Mother: Top 10 in Best Companies for four of the past five years



LinkedIn: Top Companies 2017, 2018, and 2019



Human Rights Campaign | Best Places to Work: Corporate Equality Index score of 100 for LGBTQ equality (every year since joining the survey in 2006)



OUR INTERNAL PRACTICES

Supporting our people in an unrivaled environment

Our people are central to everything we do. We are committed to supporting them by creating an unrivaled environment.

To that end, we offer generous healthcare benefits, life insurance, disability coverage, and retirement programs. But our efforts extend well beyond benefits.

We offer a range of programs to ensure our people can do their best work every day while balancing their personal priorities, such as flexible working conditions and generous parental leave. Take Time, for instance, gives consultants the option to take an extra five to ten weeks off between projects, while Pace helps them stay in their current role longer in order to reduce the pressure to fulfill new requirements. There are also part-time programs and opportunities for short- or long-term rotations, a mothers' network that offers coaching and support, and a "phase back" option that helps employees transition back to work after parental leave. We also offer mental health and well-being support.

We give our people unrivaled learning opportunities, investing more than \$600 million a year in knowledge development and learning and capability building. Learning is embedded into every aspect of our work. For example, a core learning journey exists for each role at McKinsey, comprising in-person, virtual, and digital solutions. McKinsey colleagues also have access to elective, on-demand learning and participate in formal and informal learning events.

100%

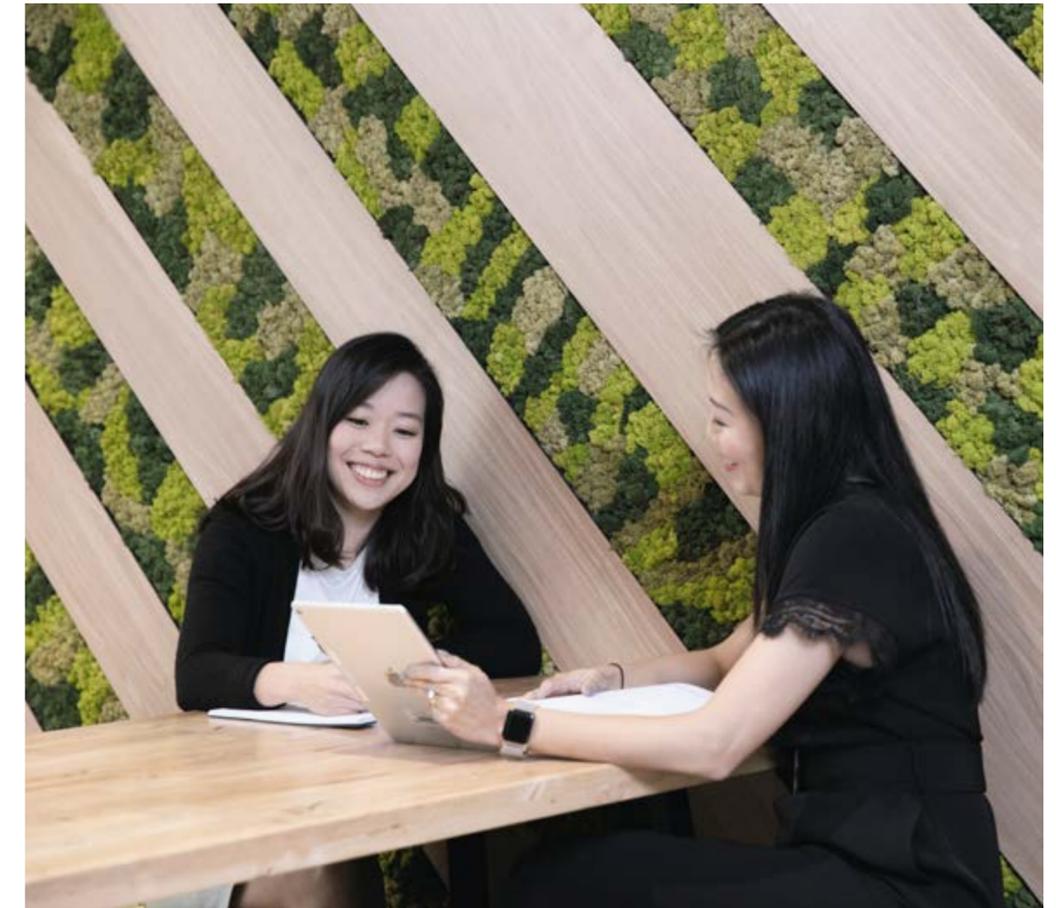
of our people receive regular performance and career development reviews¹

100%

of our people have access to personalized career-development plans and resources

100%

of our people have access to relevant benefits according to their location, regional regulations, role, and other factors



¹ With few exceptions (for example, medical leave), which could bring this marginally below 100%.

CHANGE IN ACTION

Mind Matters



SUPPORTING THE SDGS

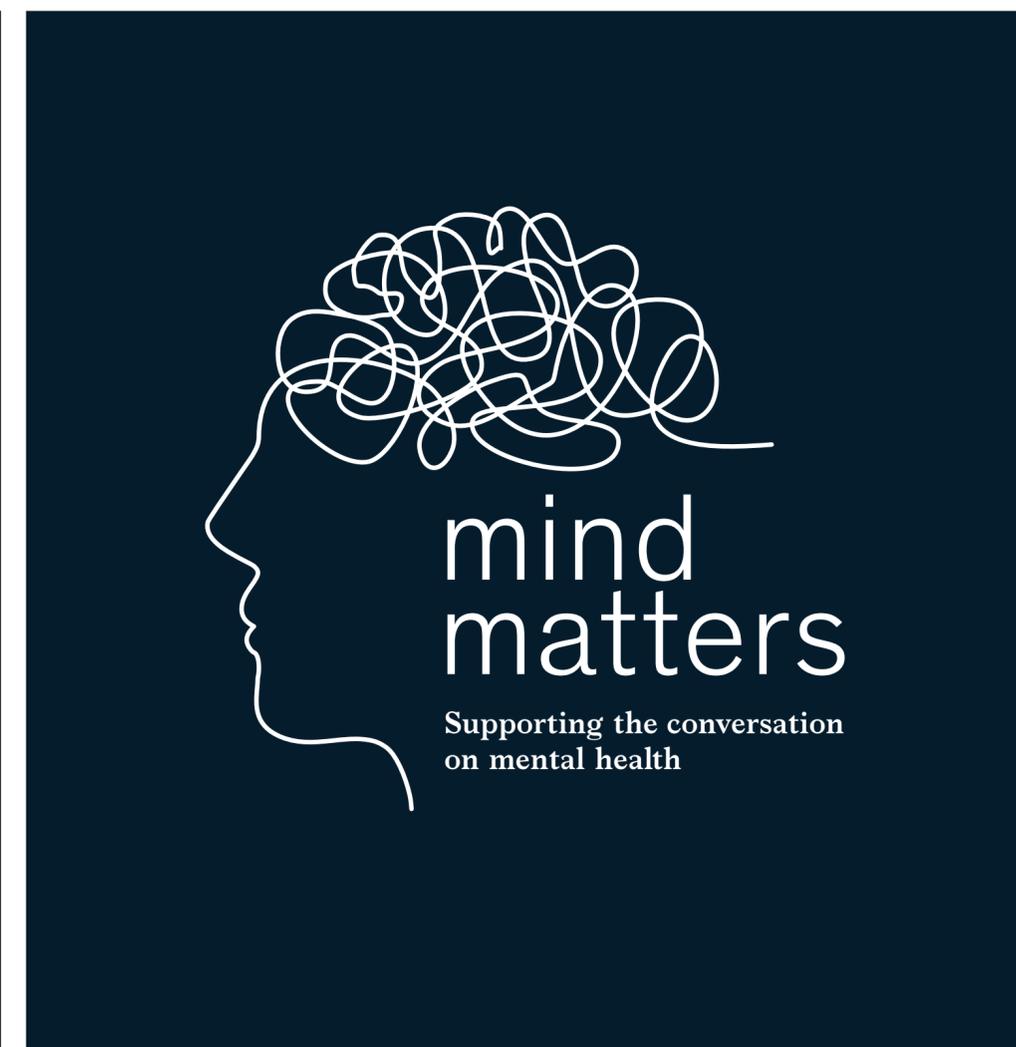


Supporting the conversation on mental health

We all have stress in our lives. But what happens when that stress starts to damage our mental health and well-being? According to the World Health Organization, one in four of us will experience a mental-health issue in our lifetime.

To support colleagues who find themselves under stress or suffering a more acute mental illness, we introduced a program called Mind Matters. It helps colleagues manage stress associated with work or home life and maintain a sustainable work-life balance and helps colleagues and their families identify mental-health support and resources when needed.

The program offers free, independent, and confidential support from clinically trained professionals, and an intranet portal with easy access to community and global resources, including a bank of stories from colleagues who have experienced mental-health challenges. It also includes a training and awareness campaign aimed at early intervention and the de-stigmatizing of mental-health issues—all backed by a network of trained people who can help colleagues access resources quickly.

**100%**

of our people and covered family members have access to McKinsey-provided mental health resources

“I’m so proud and grateful to be part of a firm that recognizes this need and cares so deeply for its people.”

Personnel Committee Manager
USA

OUR INTERNAL PRACTICES

Upholding the highest ethical standards

McKinsey is committed to working to protect human rights, upholding international labor standards, and opposing bribery and corruption. Underscoring this commitment, we became a participant of the UN Global Compact in 2018.

We have strict policies and professional standards that apply to every member of the firm. Any breach of these standards is subject to comprehensive investigation, with appropriate action taken.

Every firm member has the right to raise concerns about values, ethics, and professional conduct without fear of retribution. 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 the firm's policies, professional standards, and values in a confidential manner and, where legally permissible, anonymously.

Our Code of Professional Conduct and client and engagement selection

Our Client Service Policy guides our decisions on which clients we serve and on which topics. We assess the risks of every client and engagement, taking into account factors such as the location, the institution, the topic, and the people involved as well as operational considerations. Based on that risk assessment, we may apply additional measures to manage risks. We may also decide to step back from specific engagements. An enhanced set of rules govern our work for public-sector, social-sector, and state-linked clients, where risks may be higher.

Our Code of Professional Conduct defines a set of expectations for the behavior of all firm members. It serves as a guide to help colleagues understand the core elements of our policies and how those policies are anchored in our values. We expect all colleagues to comply with this code of professional conduct, and we expect others working on our behalf, such as contractors, advisers, and other suppliers, to act in a manner that is consistent with our code.

100%

of colleagues completed an annual learning program about our Professional Standards in 2019. The program covers topics such as ethics, anti-corruption, and risk management

100%

of our offices held a Values Day in 2019—a day set aside to reflect together on what it means to live our values

SUPPORTING THE SDGS



[Read our Code of Professional Conduct](#)

OUR INTERNAL PRACTICES

Human rights and labor

Our firm is a meritocracy. We strive to create a work environment that supports, inspires, and respects all colleagues, applicants, and clients.

We are committed to upholding internationally proclaimed human rights and internationally recognized labor standards. We stand against the use of child, forced, or exploited labor, as well as forced or exploitative working conditions. We will not assist clients in such practices in any way.

In addition to our policies related to Human Rights and Discrimination and Harassment, our Code of Professional Conduct defines a set of expectations for the behavior of all firm members and for others working on our behalf. 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. We do not tolerate physical violence, threats, bullying, or verbal abuse of any kind in the workplace, whether in our own or our clients' locations.

We also require suppliers to comply with McKinsey's Supplier Code of Conduct, which prohibits all forms of forced labor, child labor, and human trafficking, and requires compliance with all laws regarding discrimination, harassment, and retaliation.

We support our human-rights-related policies and our Code with regular awareness activities and training. All new hires are required to read McKinsey's Code of Professional Conduct and participate in an onboarding session where they learn about our values, which address key human-rights issues such as inclusion, discrimination, and harassment. In addition, all McKinsey colleagues are required to review our core policies annually—including those related to human rights—and certify that they will comply with those policies.



All McKinsey colleagues take a program of mandatory professional standards and risk learning modules annually. And each colleague's core learning curriculum includes training on topics related to diversity and inclusion and personal conduct—such as unconscious bias, inclusive leadership, psychological safety, sponsoring diverse colleagues, mental health, sexual harassment, and bullying.

100%

of our people are required to participate in training on human-rights issues such as inclusion, discrimination, and harassment

OUR INTERNAL PRACTICES

Human rights and labor

— continued

Human rights

Our Human Rights Policy sets out these commitments, along with the responsibilities and governance arrangements:

- We strive to adhere to the principles set forth in the UN Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.
- This includes firm members’ ability to agree to terms and conditions of employment voluntarily, without coercion, and to freely end their employment on appropriate notice.
- The policy applies to all firm members, and all firm members are responsible for their own actions and for the firm’s compliance with this policy. Any firm member failing to follow this policy will be subject to disciplinary action, up to and including separation from the firm.

- Our global people function is responsible for reviewing and reporting compliance with the policy to the People Committee of the Shareholders Council (our firm’s equivalent of a board of directors) on an annual basis.

Our [UK Modern Slavery Statement](#), a country-level statement, further demonstrates our commitment to upholding these principles.

Discrimination and harassment

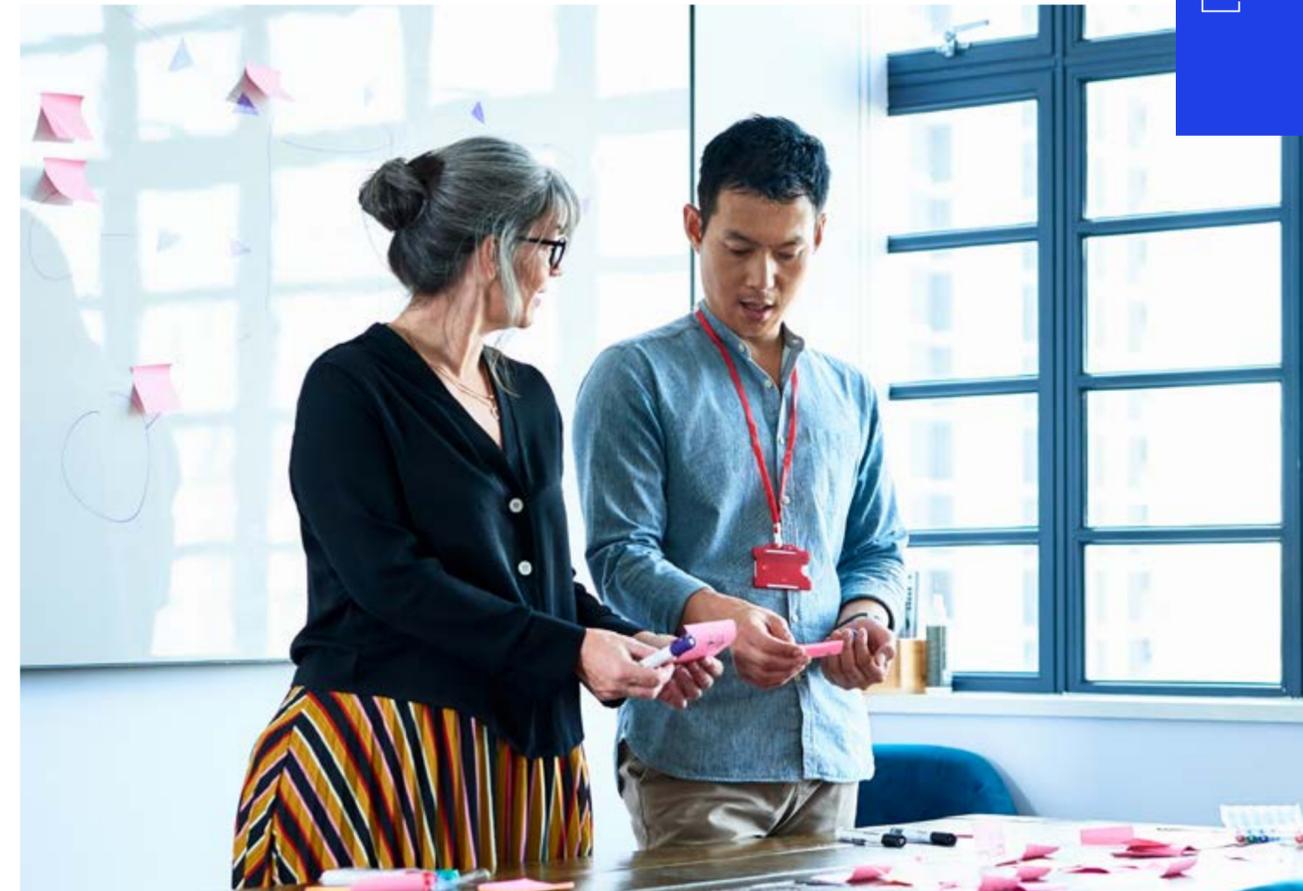
Our Ensuring an Environment Free From Discrimination and Harassment Policy makes clear our expectation that all firm members must be able to work in an environment free from harassment and discrimination. The policy expressly prohibits the following:

- Any form of discrimination, harassment, bullying, or other offensive conduct toward any individual on the basis of race, color, religion, sex, sexual orientation, gender identity, marital status, pregnancy, age, disability, national or ethnic origin, military-service status, citizenship, or other characteristic.
- Any behavior that makes the work environment hostile, intimidating, or offensive to colleagues because of any characteristic listed above.

- Any form of retaliation against any individual who in good faith reports a complaint under this policy or who assists in an investigation.

The policy strongly encourages reporting of all incidents of discrimination, harassment, or retaliation, regardless of the offender’s identity or position, with clearly designated reporting channels. Individuals who are found to be responsible for harassment, discrimination, or retaliation will be subject to disciplinary action, up to and including termination of employment of the offender.

Read our human rights statement



OUR INTERNAL PRACTICES

Anti-corruption

**100%**

of colleagues completed an annual program of Professional Standards learning, including ethics, anti-corruption, and risk management

McKinsey's rule about corruption is simple: we will not offer, accept, solicit or pay a bribe, in any form, and of any value, to any person, including to get business or secure any advantage in connection with the firm's business, and we will never ask a third party to do so on the Firm's behalf. We are committed to complying with the anti-corruption laws of all the jurisdictions in which we operate, including the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

Regular anti-corruption training and policy compliance certification are mandatory for all firm members as part of our annual Professional Standards learning curriculum.

Our Anti-Corruption Policy expressly prohibits any form of bribe or kickback and provides guidelines for gifts, meals, hospitality, and other areas of potential risk.

It sets out processes for reporting concerns, ensures their confidentiality, and underscores that all firm members have the right to raise ethical concerns without fear of retribution.

The policy also sets out procedures for accounting and record-keeping controls and places responsibility for monitoring and testing on the firm's compliance, finance and internal audit departments.

Any firm member failing to follow this policy will be subject to disciplinary action, up to and including separation from the firm, and may be subject to proceedings brought by government enforcement agencies.

In addition to our Anti-Corruption Policy, our Code of Professional Conduct outlines the personal obligation of every colleague, and of those working on our behalf, to uphold our values, including acting with integrity and avoiding even the perception of corruption or bribery.

We have the trust not only of the clients that we serve, but also of the communities in which we operate and of the talented people who join our firm. That trust, and our reputation for integrity and independence, is precious. Our ability to have impact for our clients, provide opportunities for our people, and contribute to the economies and societies in which we live and work depends on it.

We will not participate in any form of corruption, and we have an obligation to inform our clients if we encounter actual or perceived corruption in their organizations. Firm members, and anyone acting on our behalf, must not offer gifts or favors to gain any form of advantage for ourselves, our colleagues, or any third party. Nor can we accept gifts that are intended to influence us, and we do not give preferential treatment in our merit-based hiring processes.

OUR INTERNAL PRACTICES

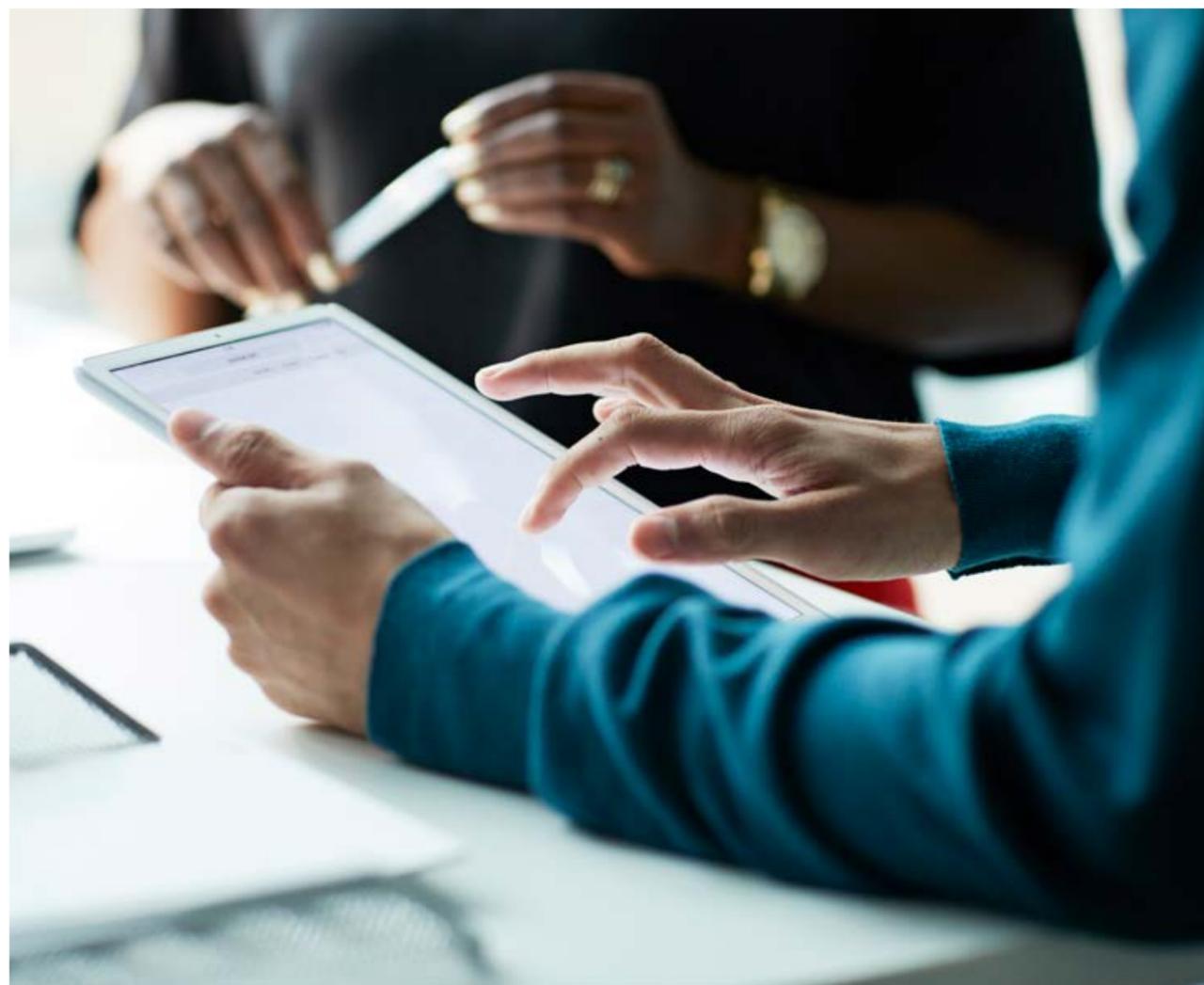
Data privacy and standards

Throughout our history, our clients have trusted us with their confidential information. Protecting that information is one of our core values.

This commitment has taken on even more importance in the digital age, when the ability to collect and create data, particularly personal data, has become easier; the value of analyzing data greater; and the regulatory requirements and restrictions respecting the processing of data more complex.

We are committed to meeting the highest standards of both data privacy and data security, whether the data belong to our clients, our business partners, third parties, or firm members.

In 2019, 99 percent of colleagues completed training courses covering data-privacy principles, data-protection practices, and cybersecurity behaviors. Indeed, in both 2019 and 2020, we received Guardians of Trust Awards, which honor leaders in information security, in recognition of our program of penetration testing on firm and third-party applications using crowdsourced ethical “white-hat” hackers.



Data privacy

We have implemented a global data-privacy program that builds on the requirements of the European General Data Protection Regulation (GDPR). By following global best practices, we meet our data-privacy legal obligations to individuals and contractual commitments to our clients. McKinsey has adopted a Global Data Protection and Privacy Policy that governs all client and firm data-processing activities. The firm’s policy requires that personal data are collected, accessed, used, and shared only on a strict need-to-know basis and only as necessary to support the firm’s and our clients’ fair and lawful processing purposes and that personal data are deleted when there is no longer a legitimate purpose for retaining them, in accordance with applicable laws. The data-privacy team provides firm members with guidelines for protecting all personal data, including client data, in connection with the firm’s activities, such as recruiting, promotional events, communications, and client engagements. The firm’s data-privacy policy is reviewed on an annual basis, and all firm members are required to acknowledge the policy and confirm their commitment to comply with the policy annually.

OUR INTERNAL PRACTICES

Data privacy and standards

— continued

Data security

Our information-security strategy focuses on the people, processes, and technology that play a role in maintaining our clients' trust and protecting our clients' information by: (1) taking a risk-based approach to managing our digital assets, (2) having industry-leading information-security technologies in place, (3) undertaking regular cyber-related training for our people (for example, phishing testing), and (4) ensuring our products and systems are deployed with security built in. Our objective is to implement best-in-class defenses, including technical solutions, governance, and employee capability building. Systems and controls are designed to meet ISO/IEC 27001 standards, in combination with industry best practices. An independent third party assesses McKinsey's information-security

organization and its security program every year based on the ISO 27001 standard (versus 2013) and additional technical testing of the McKinsey environment.

Our information-security program includes the performance of thorough assessments to evaluate and validate the security controls in place for new applications, systems, cloud environments, and third-party vendors. Where appropriate, these assessments also confirm certain data-privacy requirements, ensuring that each vendor commits to applying adequate technical and organizational measures to protect the personal data it processes on behalf of McKinsey. In addition, our legal team ensures that all vendor agreements include appropriate representations and obligations respecting the protection, processing, and transfer of the firm's data, including personal data where relevant. Our security-operations center is designed to ensure a high level of information security for McKinsey's applications (internal and external), systems, and all related data by providing best-in-class security-incident detection, analysis, containment, and mitigation.

Training

We require all employees to complete several forms of data-security and data-privacy training on a regular basis, including mandatory e-learning programs on McKinsey's confidentiality policies and practices. We also have a mandatory and award-winning, gamified e-learning module, which raises awareness around data-privacy principles, data-protection practices, and cybersecurity behaviors. This simulation helps learners to identify high-risk situations, practice taking risk-mitigating actions, and understand their responsibility in protecting the firm and our clients. In addition, we run regular phishing campaigns to help employees improve their ability to identify and handle phishing emails.

OUR INTERNAL PRACTICES

Promoting transparency and accountability

This report serves as our second Communication on Progress to the United Nations Global Compact (UNGC), which we signed in 2018.

As we continue our social responsibility journey, we seek to further increase transparency and accountability to our clients, our people, and other stakeholders. To that end, we are strengthening our reporting by aligning with recognized reporting frameworks, including the Global Reporting Initiative (GRI) Standards.

For more information on how we are addressing the Ten Principles of the UNGC and how we are satisfying the requirements of GRI, please see our 2019 Social Responsibility Appendix.

About our social responsibility

Our commitment to making a difference in society is embedded in everything we do. Our commitment starts at the top, with goals supported by our Global Managing Partner and with oversight from the firm's main leadership committees. Our social responsibility approach is shaped by a dedicated social responsibility team, led by a partner, and supported by a council of global firm leaders. Finally, our policies and practices are embedded into individual functions and cells across our firm.

We are honored to receive the Platinum rating from EcoVadis, the leading social responsibility rating organization. This places us in the top 1 percent of more than 60,000 evaluated organizations across the globe. This recognition reflects our commitment to ensuring that we have a positive and lasting impact on society.



McKinsey
& Company

Learn more online at

mckinsey.com/about-us/social-responsibility