Supplier Code of Conduct

Date of last review/update: December 1, 2020
Supplier Code of Conduct

Introduction

McKinsey & Company (“McKinsey”) is committed to the highest standards of integrity and social responsibility, and McKinsey expects all its Suppliers engaged in providing products and services to McKinsey (“Suppliers”) to have, or to make, a similar commitment. The McKinsey Supplier Code of Conduct (“Code”) describes McKinsey’s expectations of how its Suppliers conduct business. McKinsey expects Suppliers to act in accordance with the Code, and at a minimum requires that all Suppliers comply with applicable laws and regulations within the geographies where they operate, and be open and cooperative with the regulators enforcing such laws. In instances where expectations outlined in the Code differ from local laws, Suppliers must follow these expectations within the bounds of applicable local laws.

Overview

The Code reflects McKinsey’s values and sets forth what is expected of its Suppliers with respect to the following topics:

1. Ethics and integrity
2. Data privacy and security
3. Inclusion and diversity
4. Employment and working conditions
5. Wellbeing, health and safety
6. Environment

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Ethics and integrity

McKinsey is committed to the highest ethical standards and compliance with all applicable laws, rules, and regulations. In particular, McKinsey requires Suppliers to adhere to the following standards:
Bribery and anti-corruption

Suppliers must fully comply with requirements of all applicable bribery and anti-corruption laws (e.g., U.S. Foreign Corrupt Practices Act, UK Bribery Act).

Gifts and entertainment

Suppliers must not offer or accept any gift to obtain improper advantages or influence for the Supplier, McKinsey (such as McKinsey’s employees and their family members and associates), or any third party. Gifts include a benefit, fees, commissions, dividends, cash, gratuity, services, or any inducements.

Non-retaliation for reports of concern

McKinsey expects Suppliers to have a policy and process for reporting of workplace concerns. The policy and process should be transparent and understandable, and should protect reporting and participating individuals from retaliation.

Data privacy and security

McKinsey requires its Suppliers to protect the privacy of individuals and the security of confidential assets and information.

Confidential assets and information

Suppliers must protect McKinsey’s and its clients’ confidential assets and information. Suppliers must design and maintain processes to provide appropriate protections for this information.

Personal information and privacy

McKinsey requires Suppliers to protect personal information in compliance with all applicable local laws. Personal information provided by or on behalf of McKinsey should only be used, accessed, and disclosed as permitted by the Supplier agreement.

Inclusion and diversity

McKinsey fosters an inclusive culture and believes diversity should be celebrated and discrimination of any form should not be tolerated.

Non-discrimination and workplace diversity

Suppliers must comply with all applicable laws relating to discrimination in hiring, employment practices, and harassment and retaliation.
McKinsey expects Suppliers to operate workplaces free of discrimination, harassment, victimization, and any other abuse on any grounds including but not limited to age, disability, ethnic or social origin, gender, gender identity, nationality, race, sexual orientation, marital status, parental status, pregnancy, political convictions, religious beliefs, union affiliation, or veteran status.

**Supplier diversity**

As one component of McKinsey’s long-standing commitment to advancing diversity and inclusion, McKinsey actively promotes relationships with diverse and underrepresented businesses in McKinsey’s strategic sourcing and procurement process. McKinsey searches for Suppliers that similarly value diversity in Suppliers’ own supply chain and that support McKinsey’s goals with respect to supplier diversity. McKinsey expects Suppliers to: (i) utilize search and assessment processes that are both unbiased and transparent, (ii) ensure that Suppliers’ procurement teams proactively provide diverse businesses with fair access to bids, and (iii) where practicable, actively seek out and provide opportunities for diverse suppliers to participate in business opportunities.

**Employment and working conditions**

As a participant in the United Nations Global Compact, McKinsey supports the Universal Declaration of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. McKinsey strives to adhere to the principles set forth in these standards, and expects its Suppliers to do the same.

**Modern slavery / human trafficking**

McKinsey does not tolerate slavery, forced labor, or human trafficking in any form. McKinsey requires Suppliers to fully comply with the applicable legal requirements of slavery, forced labor and human trafficking laws (e.g., UK Modern Slavery Act 2015), and expects Suppliers to enact practices to ensure compliance with such laws.

**Child labor**

McKinsey does not tolerate child labor in any form. Suppliers must act in compliance with all laws regulating minimum working age for each position, including any laws pertaining to the employment, apprenticeships, and internships of youths and students.

**Human rights**

McKinsey does not tolerate human rights violations in any form. McKinsey expects Suppliers to enact practices to maintain a respectful and safe workplace. McKinsey expects Suppliers to not tolerate physical violence, threats, corporal punishment,
mental coercion, verbal abuse, disrespectful behavior, bullying or harassment of any kind.

**Employment laws**

Suppliers must comply with all applicable local wage and labor laws. McKinsey expects Suppliers to provide employees with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work. All use of temporary, dispatch and outsourced labor shall be in accordance with local law.

**Wellbeing, health, and safety**

McKinsey expects Suppliers to implement sound health and safety practices across business operations.

**Health and safety**

Suppliers must comply with all applicable health and safety laws and regulations. McKinsey expects Suppliers to adopt practices to minimize health and safety risks, support accident prevention, and ensure a safe workspace for all workers.

**Environment**

McKinsey is committed to reducing the impact of its operations on the natural environment and working with its Suppliers to do the same.

**Environmental footprint**

Suppliers must comply with all applicable environmental laws and regulations. McKinsey expects Suppliers to address Suppliers’ environmental risk and impact. McKinsey expects Suppliers to measure, manage, and address energy usage and greenhouse gas (GHG) emissions. And, where applicable, McKinsey expects its Suppliers to measure, manage and reduce water and waste in its operations.

**Compliance with the Code**

**Violations**

Suppliers are required to promptly report to McKinsey legal violations or violations of the Code or other McKinsey policy.
Suppliers must promptly forward to McKinsey, if permitted by law, any subpoenas, regulatory requests, media inquiries, or other third-party requests concerning McKinsey.

To report a violation or other information, please email optimize_helpdesk@mckinsey.com (monitored 24 hours a day, 5 days a week). McKinsey will keep the reported information confidential, provided it does not hinder any investigation and is permitted to do so by law.

McKinsey’s Rights

McKinsey reserves the following rights to ensure and enforce Suppliers’ compliance with the Code.

Supplier selection

McKinsey will evaluate Suppliers’ compliance with the Code during the Suppliers’ evaluation and selection process, or upon McKinsey’s request.

Supplier assessment

During the Supplier certification process, Suppliers will be required to complete a self-assessment questionnaire on compliance with the Code. Suppliers may be asked to re-affirm compliance with the Code periodically. Upon request, Supplier will provide written information on its policies and practices related to compliance with the Code. McKinsey is committed to working with Suppliers to improve performance on topics addressed by this Code, and expects Suppliers to agree to work together with McKinsey to jointly address applicable and relevant topics.

Violations and termination

Supplier shall ensure that its subcontractors, if any, comply with the Code, and acknowledge that it is responsible for its subcontractors’ violations. In the event of non-compliance with, or violation of, the Code, McKinsey may give the Supplier a reasonable opportunity to respond with proposed corrective actions, unless the violation is severe or incurable, or there is a violation of law. McKinsey may suspend or terminate its relationship with the Supplier and/or disclose the matter to the appropriate authorities if there is a violation of law.

Order of Precedence; Changes to the Code

The Code is not meant to, and does not, supersede any applicable law, or any term in an agreement between McKinsey and a Supplier. To the extent there is any conflict between this Code and any applicable law or provision of any agreement, the applicable law or agreement controls. McKinsey reserves the right to update or change the Code requirements.
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