

McKinsey
& Company

Due Diligence Report 2024

McKinsey & Company, Inc. Norway's account of
due diligence pursuant to Section 4 of the
Norwegian Act relating to enterprises' transparency
and work on fundamental human rights and decent
working conditions (Transparency Act)

June 2025

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Preface

This report has been prepared in accordance with Section 5 of the Transparency Act and summarizes the approach taken by McKinsey & Company, Inc. Norway ("McKinsey Norway") to identify and assess actual and potential adverse impacts on human rights and decent working conditions in our own operations, supply chain or business partners. This report includes:

- A general description of McKinsey Norway's business and the company's procedures for addressing actual and potential adverse impacts on fundamental human rights and decent working conditions.
- The results of McKinsey Norway's human rights due diligence, including, if relevant, measures that have been or are planned to be implemented in this regard, along with the results or expected results of such measures.

This report covers the period from 1 January 2024 to 31 December 2024 ("Reporting Period").

Due Diligence Report

1 POLICY STATEMENT

We aspire to create a work environment that supports, inspires and respects all colleagues, applicants, clients, and suppliers. We are committed to respecting human rights across the entire value chain. We stand against the use of child, forced, or exploited labor, as well as forced or exploitative working conditions. We do not assist clients with such practices in any way in any part of our practices across the world.

2 OUR BUSINESS OPERATIONS

2.1 Description of company

McKinsey Norway, a corporation organized and existing under the laws of the state of Delaware, United States of America, operates in Norway through a branch entity. McKinsey Norway's direct, sole shareholder is McKinsey & Company, Inc. Scandinavia, and it is an indirect, wholly-owned subsidiary of McKinsey & Company, Inc. (together "McKinsey").

McKinsey is a global firm which offers management consulting services and provides advice to private, public, and social sector institutions. Illustrative examples of types of services provided include evidence-based empirical research, fact-based problem solving, data gathering, and economic analysis. McKinsey has deep functional and industry expertise as well as a breadth of geographic reach.

We operate as a "one firm" global partnership that fully embodies our values and our high standards of ethical conduct and responsibility. Our partnership model defines our approach to setting policies and processes across our firm. For that reason, when this report describes activities of McKinsey globally, these activities also apply to McKinsey Norway (unless otherwise specified).

2.2 Description of our supply chain and business partners

Globally, our supply chain¹, as defined in the Transparency Act, comprises primarily of services using temping agencies and hired-in workers/consultants.

¹ Supply chain is defined in the Transparency Act as any party in the chain of suppliers and sub-contractors that supplies or produces goods, services, or other input factors included in an enterprise's delivery of services or production of goods from the raw material stage to a finished product

Our business partner relationships², as defined in the Transparency Act, mainly consist of:

- Professional advisory services
- Travel services
- Technology services
- Real estate
- Research & data
- Facilities, and
- Office supplies

During the Reporting Period, McKinsey Norway engaged a range of suppliers and business partners, the majority of which were based in Norway. The remaining suppliers and business partners for McKinsey Norway were predominantly based in Sweden, the United States, and the United Kingdom.

2.3 Human rights policies and procedures

We adhere to the principles set forth in the United Nations Global Compact (UNGC), the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights.

Our [Code of Conduct](#) ("Our Code") defines a set of expectations for the behavior of all firm members. Our Code addresses human rights, and decent working conditions and outlines our grievance mechanisms.

Our Human Rights Policy³ affirms our established commitment to human rights across our operations and our supply chain. We have processes in place to identify, assess, and address potential adverse impacts on human rights that we may have caused, contributed to, or be linked to, whether among our colleagues, in our client work, or in our supply chain or business partner relationships.

Our Policy against Discrimination and Harassment⁴ prohibits all forms of harassment or discrimination and enables all firm members to report any actual or potential concerns of discrimination, harassment, or retaliation through clearly designated reporting channels.

Every firm member has a duty to speak up and report concerns about activities that may violate Our Code, our firm's policies and standards, or the law without fear of retaliation. Our duty to speak up, is an obligation to report. In addition to clearly defined

² Business partner relationship is defined in the Transparency Act as any party that supplies goods or services directly to the enterprise, but that is not part of the supply chain

³ Refer to our [Human Rights Statement](#), which is an external version of our internal Human Rights Policy

⁴ Our Workplace Conduct Policy was updated and renamed to Policy against Discrimination and Harassment during the Reporting Period

internal channels, McKinsey has [Got a Concern?](#), our confidential and anonymous, where permitted by law, global ethics helpline for reporting concerns (including human rights related grievances) by phone or online. External parties - in particular, our suppliers and those working with them - can report any concerns, including those that relate to human rights. We review all concerns and ensure that further inquiry and review are handled in accordance with applicable laws. We do not tolerate retaliation for raising or reporting a concern in good faith or participating in a review or investigation. Any colleague who engages in retaliation may be subject to discipline, up to and including separation from our firm.

Our Client Service Policy applies globally across all sectors, whether work is paid or unpaid. The Policy requires that we evaluate the clients we serve and the likely impacts of our potential work before we commit to any new client engagement.

Our global Sustainable Procurement & Responsible Buying Policy outlines our ambition to deliver positive social and environmental impact through our selection, purchase, use, and disposal of products and services, as well as through our work with our suppliers and business partners to improve the social and environmental impact of the goods and services they offer. We strive to partner with suppliers that share our values and commitment to responsible conduct and ask them to agree to our [Supplier Code of Conduct](#)⁵ ("Supplier Code"). The Supplier Code is available in thirteen languages and outlines the standards and values we expect of our suppliers and is embedded in our standard contract template.

3 ASSESSMENT OF ACTUAL AND POTENTIAL ADVERSE IMPACTS

3.1 Approach and methodology

In our own operations

During the Reporting Period, McKinsey Norway continued its focus on ensuring decent working conditions for its employees and promoting non-discrimination in employment and gender equality.

Through our Human Rights Policy, we are committed to compliance with all laws regulating minimum working age for each individual's position, including any laws pertaining to the employment, apprenticeships, and internships of youths and students and the strict prohibition on the use of forced labor and exploitative working conditions in line with the definition of "forced labor" by the International Labor Organization (ILO) as "work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily."

⁵ Some exceptions apply

We support our human rights-related policies with regular awareness building and training. All active McKinsey colleagues are required to participate in risk training and certify compliance with firm policies and Our Code on an annual basis. Some of the topics covered in annual mandatory training include human rights, anti-harassment, workplace conduct, anti-corruption, conflicts of interest, information security, and environmental sustainability. Upon joining the firm, all new colleagues are required to complete mandatory training to build an understanding of Our Code and policies and participate in an in-person or virtual onboarding session where they learn about McKinsey values and what is expected of them as colleagues. External workers are also expected to adhere to our policies and standards and complete the required learnings. The learning materials cover topics, including but not limited to, upholding our values, anti-corruption, and discrimination and harassment.

In our client work

All client service we undertake is expected to comply with our Client Service Policy.

We systematically assess our client engagements based on a set of criteria, across five dimensions (referred to as “CITIO”), where human rights are considered in: Country, Institution, Topic, Individual, and Operational considerations. Within each of these dimensions, we have defined and regularly update the criteria that our colleagues apply when assessing a potential client or engagement to comply with applicable laws and consider the potential unintended consequences of our work. Some criteria describe “bright lines”—work we will not perform under any circumstances—while others require discussion and special approval, extra oversight related to delivery, and restrictions on the scope of work.

In our supply chain and business partner relationships

Our supplier due diligence process is part of a risk-based approach to identify, prevent, mitigate, account for, and, where applicable, support remediation of any adverse impacts on human rights and decent working conditions in our supply chain.

As part of our supplier due diligence process and in alignment with our internal procurement policy, the standard Request for Proposal (RFP) templates used by our sourcing team during the supplier sourcing and selection stages, for applicable suppliers, include questions to screen potential suppliers based on their practices and policies. These questions focus on areas such as human rights, including assessment of supplier policies and/or processes that protect and promote human rights.

New suppliers go through an onboarding process that includes risk-based screening to confirm the supplier follows applicable laws and meets our standards⁶. This process includes additional questions for suppliers with potentially higher human rights risk based on considerations such as spend level, country risk, and category

⁶ Some exceptions apply (for instance, suppliers for which an alternative third-party vetting process is utilized)

risk. During onboarding, suppliers are asked to agree to our Supplier Code⁷ or attest to having a comparable one in place. Our Supplier Code requires suppliers to comply with the applicable legal requirements of human rights and decent working conditions and expects suppliers to enact practices to ensure compliance with such laws. The Supplier Code is embedded in our standard contract template. Once a supplier is onboarded, we conduct diligence checks to assess changes in suppliers' circumstances at intervals determined by the supplier's risk profile.

In addition, we leverage a risk analysis tool with a human rights-specific risk filter and evidence-based supplier assessment platform by an independent third-party organization to supplement our overall supplier diligence process. These tools cover environment, human rights, business ethics, and sustainable procurement issues. Supplier assessments conducted through this platform require document verification of policy, practice, and performance claims in the areas of environment, fair labor and human rights, business ethics, and sustainable procurement. The independent third-party organization reviews documents against globally recognized standards and frameworks, including those for human rights. Based on suppliers' assessment results, we may request corrective actions through the platform or direct engagements with suppliers to address improvement areas and monitor their progress. At this point, the practices described herein primarily apply to our tier 1 suppliers. While we have limited oversight over tier 2 suppliers or beyond, the evidence-based assessments (as described above) request documentation of our tier 1 suppliers' human rights policies and supplier practices with respect to their own suppliers (our tier 2 suppliers).

3.2 Outcome of assessment

In our own operations

In the Reporting Period, McKinsey Norway did not identify any actual significant impacts on fundamental human rights and decent working conditions in own operations. As a professional services firm, we understand that we have inherent risks in the following areas that we continue to assess: wellbeing of firm members, discrimination and harassment, health and safety of firm members, pay equity and compliance with wage laws. In the event a significant risk is identified, we have processes in place to track, monitor, and remediate issues, as appropriate and have taken preventive measures with these areas in focus, as noted in section 4 below.

In our client work

During the Reporting Period, for our client work, to the extent that any potential risks were identified in reviewing a new client engagement, none of which were human rights related, McKinsey Norway put restrictions in place to ensure that our work was consistent with our Client Service Policy and our responsible client and engagement selection framework (CITIO), as described in section 3.1.

⁷ Some exceptions apply

In our supply chain and business partner relationships

In the Reporting Period, McKinsey Norway did not identify any actual adverse impacts on fundamental human rights and decent working conditions in our supply chain or business partner relationships. We recognize the risk that adverse impacts may occur in the following non-exhaustive areas: employee health and safety, diversity and inclusion, child labor, forced labor and human trafficking, social dialogue and working conditions. Therefore, our suppliers are made aware of our zero-tolerance stance enforced through our policies and Supplier Code. We have also implemented several mitigating actions, as described below. In view of the above, we believe the overall risk of adverse human rights impacts in our supply chain and business partner relationships is low based on:

- The nature of the goods and services that we procure, primarily consisting of services, mostly from skilled professions.
- The geographic locations from which we source, predominantly in developed markets.
- Our procurement practices including agreeing to fair terms and ensuring timely payments.
- Our supplier due diligence process, which incorporates risk assessments specifically addressing human rights and the results of our supplemental risk analysis, indicates that the majority of our standard suppliers present a low potential risk for human rights issues more broadly.

4 MITIGATING ACTIONS AND TRACKING PROGRESS**4.1 Measures to cease, prevent, and mitigate*****In our own operations***

- Compliance with minimum working age: We are committed to compliance with laws regulating minimum working age. We run a global monthly compliance check for all regions where we operate, including Norway, to ensure there are no employees under the age of 16.
- Non-discrimination in employment: In the Reporting Period, we reviewed, updated and renamed our Workplace Conduct Policy to Policy Against Discrimination and Harassment, which establishes our standards for non-discrimination. We conduct an annual review of our policies to address compliance with the jurisdictions in which we operate, including Norway. We further deepened our internal investigations capabilities by continuing to train, apprentice, and certify additional Human Resources professionals in offices around the world who are responsible for investigations into concerns that are conducted by colleagues who may have violated our non-discrimination, anti-harassment, and anti-retaliation policies and standards.
- Gender equality: To ensure fairness in our hiring processes, we employ a suite of consciously inclusive solutions in our recruiting process. We have a digital affinity training program for global talent attraction colleagues, focusing

on best practices and practical examples for hiring diverse and distinctive talent. This complements our inclusion training for recruiters and assessors, ensuring evidence-based hiring decisions with the optional guidance of a dedicated inclusion adviser. We also have a Women Leadership Program targeted towards Norwegian-speaking students and professionals to enhance women leadership in business.

- **Pay equity:** We are committed to equal pay for equal work and have processes in place to help ensure pay equity. Our employment decisions, including compensation, are based on legitimate business needs, job requirements, and individual qualifications. Central to our pay equity approach are objective benchmarking and market insights, as well as robust audit practices. We monitor pay equity regulations in all countries where we operate, including Norway.
- **Adequate wage:** We use data from WageIndicator to verify that we pay all colleagues a living wage in their market, including in Norway, and our lowest compensation ranges are above the applicable minimum wage, including for entry-level positions. Overall, our compensation in Norway is grounded in the local labor market for talent.
- **Health and Safety:** We continue to review and maintain our health and well-being programs to support our colleagues' mental, physical, social, and spiritual health, as well as financial well-being. We monitor colleagues' well-being through Pulse surveys. We believe that all colleagues should always feel safe and secure. As such we proactively seek to safeguard the well-being and personal security of colleagues in all the contexts in which they operate. Our firm Security Team is staffed by experienced professionals across the world. It partners with colleagues in our offices and functions (Human Resources, Real Estate, Travel, and Technology) to achieve these objectives. Additionally, we leverage leading industry providers to deliver global security and medical support.

In our client work

Consistent with our ongoing practices, work for either new or existing clients is consistently subject to the CITIO risk review process described in section 3.1. Should we identify red flags based on initial due diligence, we undertake supplemental reviews, which may include more in-depth public record research, a review of an entity's policies and procedures, and/or dialogue with the entity to share our concerns and obtain more information. To complement our Client Service Policy and the CITIO framework, we have established guidelines for each of our global industry practices to guide how we apply our policies in specific, real-world client contexts. These guidelines outline additional types of work we will not do, as well as types of work requiring further review and approval. We update them annually at minimum, with many updated more frequently in response to changes in global or local industry contexts and/or regulations. We review client engagements we undertake against the related industry guidelines prior to starting work. In addition to the industry-level guidelines, we have continued to update our guidelines on evergreen topics, including conflicts of interests

and geopolitical issues, to ensure our approach evolves as new issues come to light or regulations change.

Along with strengthening our teams and processes, we have continued to evolve our digital systems and tools for managing client service risk. Our digital infrastructure ensures that client engagements are assessed for risk prior to starting the work, and enables linkages and controls across risk, finance, and team staffing processes.

In our supply chain

In the Reporting Period, we undertook the following measures:

- Conducted a supplemental annual human rights-risk analysis on our suppliers. The results of this analysis support our assessment that our human rights risk in our supply chain is low.
- Hosted a supplier summit where we shared our Supplier Code and human-rights-related expectations, including with respect to human rights and decent working conditions, with suppliers.
- Trained all eligible procurement colleagues on our Sustainable Procurement & Responsible Buying Policy, which includes our human rights expectations and requirements.
- Continued to roll out a supplementary human rights-specific risk analysis tool and invited more suppliers to complete the evidence-based third-party supplier assessment (as described in section 3.1).

4.2 Tracking progress

McKinsey is committed to continuous improvement across our operations and supply chain. We have implemented a policy governance practice to review and reauthorize policies on an annual basis. We also evaluate the effectiveness of our processes through targeted assessments, reviews, and audits. In addition, we leverage third-party platforms to benchmark policies and procedures against best practice (as discussed above).

In our own operations

We track the results of measures in our own operations by reviewing our practices, results identified through third-party assessments, training completion rates, and the number and type of complaints received through [Got a Concern?](#) (our global ethics helpline) and other internal reporting mechanisms.

In our client work

Responsibly managing the way we select and work with clients is a key part of our ambition to set the standard for accountability in our profession. In the Reporting Period, consistent with our ongoing practices, our work for all new and existing clients registered on our client management tool have been risk assessed along the CITIO risk framework.

In our supply chain

To date, 30 suppliers and business partners in our Norwegian operating entity supply chain have been invited to complete the evidence-based assessment by the independent third-party. These assessments include verification of any policy, process, or performance claims related to human rights and decent working condition management systems. Based on periodic reviews, we may assign corrective actions to certain suppliers. The results and tracking measurement will be communicated to internal stakeholders and suppliers in several ways, including, where appropriate, the inclusion of assessment results in quarterly business reviews with certain suppliers.

5 PRIORITIES FOR 2025

Our own operations priorities include:

- Continue to review and enhance Our Code, policies and standards, including Human Rights Statement and related policies, at least annually or more frequently, as required, to address legal or regulatory changes in the jurisdictions in which we operate
- Continue to train our colleagues on our Human Rights Policy
- Continue to train global Human Resources colleagues in their handling of internal investigations
- Continue to raise awareness of [Got a Concern?](#) (our global ethics helpline) for McKinsey colleagues and external parties
- Continue reviews to inform continuous improvement on human rights program, training, and awareness

Our client work priorities include:

- Continue to seek opportunities to better identify, analyze, and mitigate risk to evolve our approach to selecting clients and engagements
- Continue improving our risk management tools and processes

Our Supply chain priorities include:

- Continue providing periodic training for all colleagues on the procurement team incorporating information on sustainable procurement and responsible buying fundamentals, human rights and decent working conditions, and expectations under our relevant procurement policies and standards.
- Hosting our annual supplier summit/sustainability training for relevant and prioritized suppliers.
- Continue to analyze the risk associated with suppliers serving McKinsey Norway and, if any potentially high-risk suppliers are identified, invite them to the third-party, evidence-based supplier assessment platform, if deemed appropriate. Based on the assessment results, we may assign corrective actions and work directly with select suppliers/business partners to improve human rights and decent working conditions

We remain committed to meeting high standards for upholding human rights and decent working conditions across our operations and supply chain/business partner relationships and expect our colleagues and suppliers to adhere to our human rights-related principles, guidelines, and policies. Over subsequent periods, we hope to continue to review and enhance our policies and measures, in line with our aim of continuous improvement.

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This report has been signed and approved by the Directors of McKinsey & Company, Inc. Norway, in June 2025.

Signed by:

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Senior Partner and Director, McKinsey & Company, Inc. Norway

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