

Modern Slavery Act 2015: Statement

McKinsey & Company is a values-driven organisation and we aspire to meet the highest professional, legal and ethical standards.

As a participant in the United Nations Global Compact, McKinsey supports the protection of internationally proclaimed human rights, the elimination of all forms of forced and compulsory labour and the effective abolition of child labour.

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of our business.

Beyond our own firm, we take seriously our commitment to assist organisations and grass-roots initiatives that promote human rights and tackle forced-labour and child-labour practices. We provide expertise and support to a wide range of philanthropic, civic and cultural organisations that work on these issues and have partnered closely with non-governmental organisations at both a global and local level through diverse pro bono activities and memberships.

This statement sets out our approach to modern slavery. For more information on McKinsey's approach to social responsibility, please visit: <https://www.mckinsey.com/about-us/social-responsibility>.

Our firm

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

Given the nature of the services we provide and the professional workforce we employ, we assess the risk of modern slavery or human trafficking in our own organisation to be low.

Our supply chain

Our supply chain comprises primarily services, including professional advisory services, travel services and IT services, as well as office supplies. We have reviewed our supply chain and believe the overall risk of modern slavery is low owing to:

- The nature of the goods and services which we procure (mostly services, mostly skilled professions).
- The locations from which we procure them (mostly in developed markets).
- Our procurement practices (for example, we agree to reasonable terms and ensure timely payment).

While the overall level of risk is low, these criteria also enable us to identify where the risk may be higher.

Our policies on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of our business. Our internal policies reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chain.

Due diligence processes for slavery and human trafficking

We have embedded checks for modern slavery in our routine supplier due diligence process and have raised awareness of these issues with colleagues who manage this supplier vetting process.

The due diligence process reflects the relative risk for potential suppliers and includes:

- Checks against global sanctions and enforcement databases (for example, OFAC, World Bank Debarment List) and subject to adverse media review to identify risks including human rights abuses, human trafficking and labour violations.
- Those potential suppliers identified as medium or high risk are subject to further vetting and evaluation based on the specific supplier's circumstances. This includes higher risk and higher spend suppliers, who will be asked as part of a questionnaire about their policies and procedures in place regarding human rights, modern slavery, forced labour, child labour or human trafficking.
- A Supplier Code of Conduct which all suppliers are expected to comply with. As part of our Supplier Code of Conduct, McKinsey requires suppliers to fully comply with the applicable legal requirements of slavery, forced labour and human trafficking laws (including the UK Modern Slavery Act 2015) and expects suppliers to enact practices to ensure compliance with such laws.

Ongoing steps

McKinsey does not tolerate slavery, forced labour or human trafficking in any form and expects its suppliers to adhere to the same standards.

Since our last published slavery and human trafficking statement dated June 2020, we have:

- Become one of the 60 founding signatory members of the World Economic Forum’s Stakeholder Capitalism Metrics initiative, reflecting our commitment to increase transparency around how we report on our performance against environmental, social and governance (ESG) indicators, including on human rights and modern slavery.
- Started to roll-out our updated standard contracts for use at a global firm level with all supply chain partners entering into new contractual arrangements with us to confirm their compliance with the Modern Slavery Act 2015 as well as other applicable global laws relating to modern slavery; to warrant that they have not been convicted of any offences relating to slavery or human trafficking; and to ensure they implement due diligence procedures in their own supply chains.
- Continued to implement our Code of Professional Conduct, which also addresses modern slavery elements and outlines grievance mechanisms: <https://www.mckinsey.com/~/media/McKinsey/About%20Us/Social%20Responsibility/McKinsey-Code-of-Conduct-June-2019.ashx>). Our Code defines a set of expectations for the behaviour of all firm members and for others working on our behalf. As outlined in our Code, 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.
- Continued to implement our Human Rights Statement: <https://www.mckinsey.com/about-us/social-responsibility/code-of-conduct/human-rights-statement>). This statement affirms our established commitment to human rights and our commitment against contributing to, participating in, or enabling the use of child, forced or exploited labour or forced or exploitative conditions and against assisting our clients in doing so in any way.
- Piloted a new supplier vetting and onboarding process and technology platform that embeds in its risk assessment an evaluation of modern slavery based on criteria such as the country of operation and government response, as assessed by the Global Slavery Index.
- Continued to support our human rights-related policies and our Code with regular awareness and training. 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.

We remain committed to continually improving our practices to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

□ □ □

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2020.

A handwritten signature in black ink, appearing to read 'V Simmons', written in a cursive style.

Virginia Simmons

Director of McKinsey & Company, Inc. United Kingdom

June 2021