

## Modern Slavery 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 grassroots 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: [www.mckinsey.com/socialimpact](http://www.mckinsey.com/socialimpact).

### **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 realise 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 it (mostly in developed markets), and
- 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 additional risk 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 relative risk for each potential supplier is determined as follows:

- All potential suppliers are checked 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.
- We are planning to carry out a risk assessment of all of our potential suppliers, criteria for which include the risks of modern slavery based on the country of operation, as assessed by Global Slavery Index, and the nature of their work, such as reliance on low-skilled, temporary, seasonal or agency workers.
- Those potential suppliers identified as medium or high risk are subject to further vetting. In cases where there is a higher risk of modern slavery this includes a review of information which the supplier publishes about its approach to labour practices to ensure alignment with ILO Fundamental Principles.

### **Supplier adherence to our values**

We have zero tolerance to slavery and human trafficking. Our contracts with our suppliers generally include terms concerning labour practices which require them to confirm compliance with the ILO Fundamental Principles.

### **Further steps**

In addition to the steps we have already set out above, we remain committed to 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. We will also assess

the issues of slavery and human trafficking within our organisation and the effectiveness of our approach to managing them on a periodical basis.

□ □ □

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<sup>st</sup> December 2017.

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

Vivian Hunt, Director of McKinsey & Company, Inc. United Kingdom  
Managing Partner, UK & Ireland, McKinsey & Company

22<sup>nd</sup> May 2018