

CONFIDENTIAL

Memorandum to
All colleagues

From
Kevin Sneader

February 4, 2021

Today's settlement on opioids and setting a higher standard

Today we reached a settlement with 49 State Attorneys General, five territories and the District of Columbia related to the Firm's past work for opioid manufacturers.

This marks an important step in accepting the consequences of a chapter in our Firm's story about which I am not proud.

In reaching today's agreement, the State Attorneys General importantly acknowledged our "good faith and responsible corporate citizenship". However, this does not lessen the need for us to learn the lessons and address the challenges that still lie ahead in relation to opioids.

Indeed, while our past work with opioid manufacturers was lawful and never intended to do harm, we have always held ourselves to a higher bar. We fell short of that bar. We did not adequately acknowledge the epidemic unfolding in our communities or the terrible impact of opioid misuse and addiction, and for that I am deeply sorry.

It is also a key reason why we chose the course of action announced today since it allows funds to be deployed quickly and directly to victims of the opioid crisis while avoiding a long and protracted legal process.

I have thought a lot about how we got to this point, and more importantly, how to make every effort to ensure we never get here again. Today's focus is on opioids, but we have also faced other issues that have made clear the importance of improving how we act everywhere that we operate.

As you know, we have made fundamental changes to our professional standards, policies, risk management and culture over the past two years. These changes include:

- Adopting a new [Client Service Policy](#) in 2019 that would have stopped us from doing this work on multiple grounds as the epidemic unfolded. It is also what led us to cease all opioid-specific work anywhere in the world.
- Introducing a new [code of conduct](#) that leaves no room for doubt as to the conduct that is expected of every colleague. We said we would have no tolerance for those who violate our professional standards. In this case, after a thorough investigation, two partners have been terminated for violating our Firm's professional standards.
- Adopting a [purpose statement](#) after a year of debate and dialogue and using this to inform the decisions that we make.

But we need to go further. And we will. We must use this moment to bring further energy to the discussions we have around our values and, critically, to the actions we all take to ensure they are delivered without fail every day, everywhere.

This settlement and the journey towards it have caused me to reflect on our history and how it should inform our future. Since our founding in 1926, we have set the standard for our profession. James O. McKinsey defined a vision for what the field of management consulting could become. Marvin Bower grounded that vision in a set of values and professional standards that have guided how we serve clients for decades.

I expect that this generation of Firm members will collectively set – and continue to evolve – a new and higher standard for ourselves and for our profession. After all, while we cannot change the past, we can shape the future and in so doing build on the many remarkable examples of positive, enduring change that we have helped our clients create over the last 95 years.

A handwritten signature in black ink, appearing to read "Kevin". The signature is written in a cursive, slightly slanted style.