

2023 ANNUAL SUSTAINABILITY REPORT

# From Bold Ideas to Exponential Impact

April 2024



**BCG**

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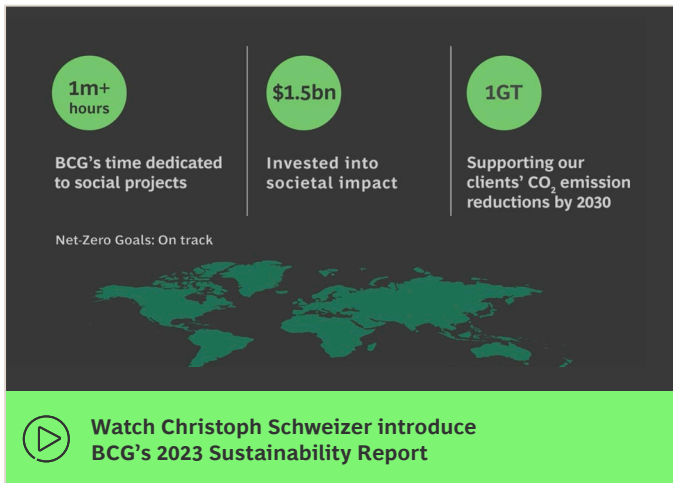


Christoph, CEO

## Executive Introduction

BCG's Annual Sustainability Report tells the story of our positive impact on society. Through key metrics and our clients' testimonials, this report showcases the many ways in which we strive to live up to our purpose: unlocking the potential of those who advance the world.

The biggest themes for BCG and our stakeholders in 2023 included the swift evolution of the ongoing climate crisis, geopolitical uncertainty, generative AI, and growing social inequities. This year's report, *From Bold Ideas to Exponential Impact*, summarizes how we worked to conquer the complexity of these many challenges—and find the most valuable, sustainable, and innovative solutions.



## A History of Driving Impact for Our Clients

“The most important value of all, for each professional, must be dedication to the task of optimizing client contribution to society.” Those are the words of Bruce Henderson, who founded BCG in 1963. We continue to live by them six decades later. Here are some examples of how we did so in 2023:

- Since 2020, we've invested \$1.5 billion in social and planetary impact. Working in the private, public, and social sectors, we've supported sustainable development through pro bono and financial support.
- Over the past decade, BCGers have dedicated more than 1 million hours to a broad range of social projects and objectives.
- In 2023, we completed more than 2,200 cases related to social and planetary impact for over 1,000 clients.
- Among the largest companies we work with, 72% tackled at least one social or planetary impact project.
- We were deeply involved in key global events aimed at driving social and environmental progress, such as the UN SDG Summit in New York and COP28 in Dubai.
- We're helping our clients implement reductions of more than 1 gigaton of CO<sub>2</sub> emissions by 2030—equivalent to the annual combined emissions of Germany and the UK.

## Walking the Talk

Although we measure our success by the positive impact of our clients and partners, we also commit to excellence in how we operate as a firm. That means taking care of our people, investing in the communities where we work and live, and protecting our planet.

By the end of 2023, our headcount numbered 32,000—an increase of more than 6% over the prior year. Attracting and retaining top talent is one of our highest priorities. Central to that effort is dedication to diversity, equity, and inclusion. In 2023, women made up 47% of our global workforce and 39% of our Executive Committee. And in the US, 44% of our people and 55% of our new hires were from racial or ethnic minority groups.

Our internal climate goals remained front and center in 2023, and we've stayed on track. Despite a rebound in business travel after the pandemic, our 2023 emissions intensity fell 59% compared with our baseline in 2018. And while the focus of our net zero agenda is to reduce emissions intensity, we also purchased high-quality carbon credits equivalent to the volume of our unabated emissions.

We have committed to invest in breakthrough technologies that are necessary for the world to reach net zero. Last year, we invested in high-permanence direct air capture technology, as well as sustainable aviation fuel—both nascent climate technologies that are vital paving stones on the road to net zero.

## Toward a Sustainable Future

The firm increased both its revenue and its impact in 2023, unlocking the potential of more clients than ever before. We're proud of how we've nurtured a culture among our people and our clients that continues to allow us to reach our goals. And we look forward to continuing that push toward more sustainable business and a more sustainable world.



**Christoph Schweizer**  
Chief Executive Officer  
(CEO)



**David Webb**  
Chief Sustainability Officer  
(CSO)






Doha - Shaza

## About This Report

Welcome to Boston Consulting Group’s Annual Sustainability Report. Here, we outline our strategy for realizing our vision, purpose, and values in a way that overcomes urgent global challenges and maximizes our positive contribution to society—how we move from bold ideas to exponential impact.

Reporting on January 1 through December 31, 2023, this document covers the significant nonfinancial impact of Boston Consulting Group, Inc., and treats Boston Consulting Group, Inc., as a unified entity.<sup>1</sup> Boston Consulting Group, Inc., is the parent of all our global operating entities. By extension, this document meets the demands of relevant environmental, social, and governance (ESG) reporting standards for BCG subsidiaries, including entities such as Boston Consulting Group Nordic AB (“BCG Sweden”) and BCG UK1 Limited. This report also doubles as our yearly Communication on Progress (CoP) to the UN Global Compact.

For this reporting cycle, Boston Consulting Group, Inc., has reported in accordance with the GRI Standards. The appendix features index tables that detail compliance with those standards, the World Economic Forum Stakeholder Capitalism Metrics Index, and the recommendations from the Task Force on Climate-related Financial Disclosures. The BCG Executive Committee and Steering Committee members responsible for the report’s subject matter have reviewed and approved its contents. As we continue to integrate ESG with risk management, members of the Audit and Risk Committee also reviewed and approved this report.

 <p>COMMUNICATION ON PROGRESS</p>	<p>This is our <b>Communication on Progress</b> in implementing the Ten Principles of the <b>United Nations Global Compact</b> and supporting broader UN goals.</p> <p>We welcome feedback on its contents.</p>
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Should you have any inquiries regarding this report, please direct them to [SustainabilityReporting@bcg.com](mailto:SustainabilityReporting@bcg.com).

1. Although most of the content of this report focuses on events from the 2023 calendar year, certain statements look forward and thus reflect our current expectations regarding future events. Words such as “expects” and “plans” are intended to identify forward-looking statements. Such statements are based on the best information available to us on the date of publication, but they are subject to many risks and uncertainties that may cause actual results to differ. We undertake no obligation to publicly update or revise any forward-looking statements in this report.



## About BCG

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients to embrace a transformational approach aimed at benefiting all stakeholders—empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact.<sup>2</sup>

Our diverse, global teams bring deep industry and functional expertise and a range of perspectives that question the status quo and spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and corporate and digital ventures. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.

## BCG in Numbers

# 1963

founded by  
Bruce Henderson

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# 32K

employees

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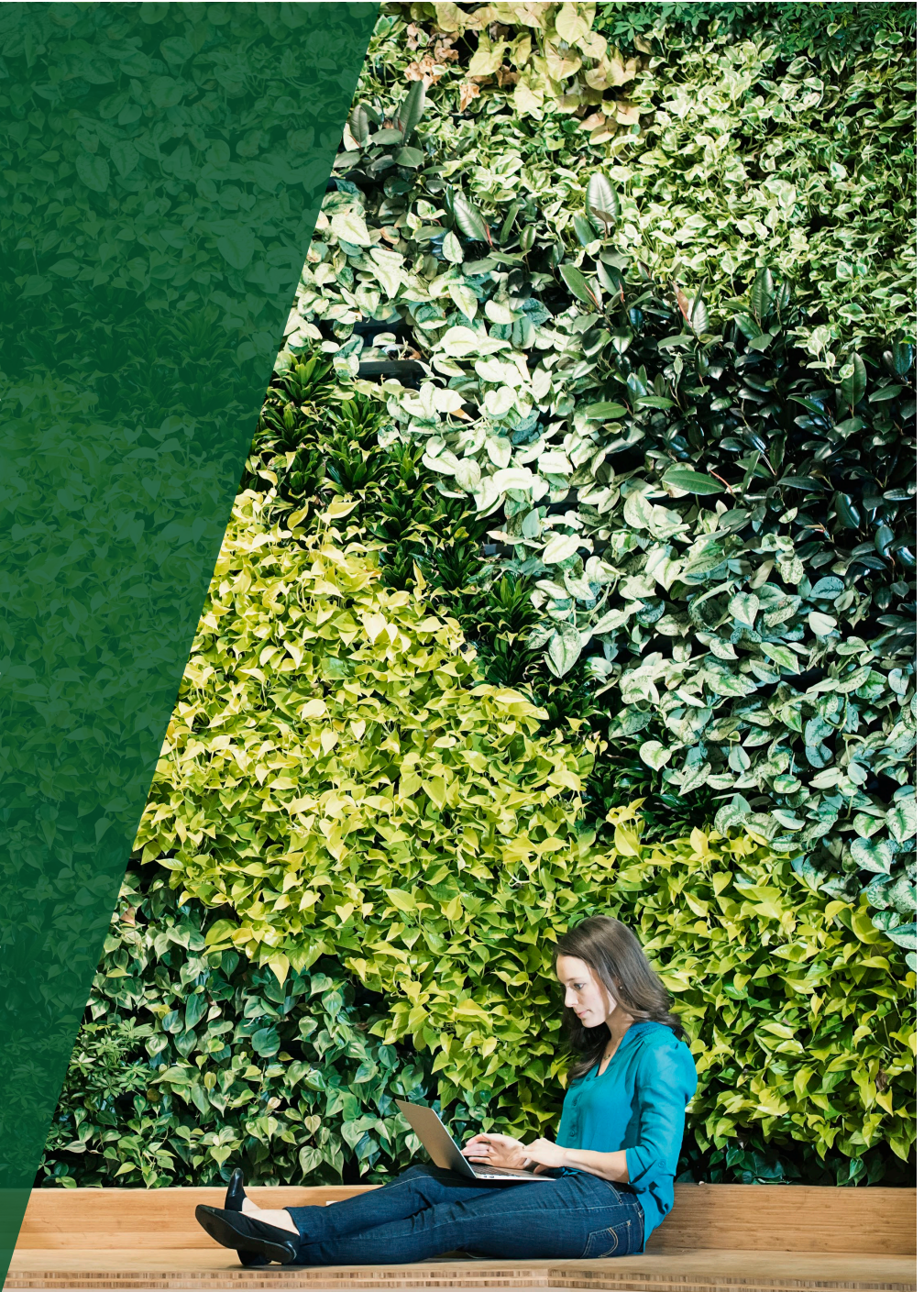
# \$12.3B

revenue

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# 100+

cities with BCG  
offices, in more than  
50 countries



2. BCG defines *societal impact* as any initiative that delivers positive social or planetary impact. To avoid double-counting, if a particular project delivers both social and planetary impact, we count it as only one societal impact project overall. This explains the seeming discrepancy between total numbers of social impact, climate and sustainability, and societal impact cases. We take the same approach to data on client involvement.



## Purpose, Principles, and Values

At BCG, our purpose is to unlock the potential of those who advance the world.

BCG is a global company and works across diverse geographies and cultures. Our principles help ensure that we deliver our purpose wherever and whenever we work:

- **We bring insight to light** by challenging traditional thinking and ways of operating and by bringing fresh perspectives to the toughest problems.
- **We drive inspired impact** by looking beyond the next deadline to the next decade and by collaborating closely with our clients to enable and energize their organizations.
- **We conquer complexity** by discovering unique sources of competitive advantage and hidden truths in dynamic, complex systems.
- **We lead with integrity** by confronting hard issues, staying true to our values, and stating our views candidly and directly.
- **We grow by growing others**, enabling our clients, our colleagues, and the broader community to build success and achieve their full potential.

Complementing these principles, our values help form the foundation of our culture and ensure that BCG is an inclusive, rewarding, and inspiring place to work. We are committed to the highest standards of ethics and business conduct, as detailed in our Values Statement, to which we expect each employee to adhere:

- **Integrity** as an expression of courage and accountability
- **Respect** for the individual and their capacity and desire for personal growth
- **Diversity** of thought, expertise, experience, and background
- **Clients come first**, and their success is the measure of our success
- **Strategic perspective**, enabling our clients to deliver superior results in a sustainable manner
- **Value delivered** in the form of tangible, positive, and lasting change
- **Partnership** guided by a long-term view of our relationships, internally and with clients
- **Expanding the art of the possible** because the goal is not simply to apply best practice, but also to invent it
- **Social impact** to make the world a better place

We introduce every employee to these principles and values as they arrive at BCG, and our biannual Key to Purpose awards help to recognize, reward, and embed them over time.

## Impact Within Our Own Operations

BCG contributes to positive societal impact through our engagement with clients and partners, but the way we operate as a firm is just as important. Whether by managing potential risks or maximizing opportunities for planet, people, and prosperity, we aim to lead with integrity. That means following the same advice that we give our clients and seeking to foster sustainable operations across ESG topics.

For more information, including our performance according to the World Economic Forum's Stakeholder Capitalism Metrics and the GRI Index, see [pages 106–111](#) of the appendix.





Kuala Lumpur - Local BCG team

## Governance

Boston Consulting Group, Inc., continues its operations as a privately held entity. The corporation is wholly owned by the members of its partnership. The firm’s global offices are either directly or indirectly under the ownership of Boston Consulting Group, Inc.

The firm’s board of governors oversees governance at Boston Consulting Group, Inc. The CEO and the Executive Committee act on the board’s behalf except in the case of certain powers that the board reserves for itself. This Executive Committee is responsible for shaping the firm’s strategy, vision, and direction across areas such as investments, policies, growth, business mix, personnel, and philosophy. The composition of the Executive Committee includes both appointed and elected members, with the CEO’s position subject to a board election every four years. Each CEO can serve for a maximum of two terms. Appointees by the CEO on the Executive Committee typically hold positions for up to six years. The board may extend appointees’ terms if it deems such action beneficial for the firm. Elected members undertake three-year terms, with eligibility for reelection for a subsequent and final term.

Further details on the Executive Committee’s makeup and the expertise of its members are accessible on our [leadership webpage](#).

Several steering groups oversee the environmental, social, and governance issues discussed in this report. They report directly to the Executive Committee and present reports on priority topics.

The leadership team of BCG’s Social Impact practice, consisting of managing directors and partners (MDPs), spearheads initiatives covered in the “Driving Social Impact” section of this report. Meanwhile, the Internal

Sustainability Strategic Committee manages BCG’s commitment to environmental sustainability, as outlined in the “Protecting Our Planet” chapter. This committee oversees internal net zero efforts, and the Climate and Sustainability Leadership Team engages with clients and wider society.

Since 2022, David Webb has been our chief sustainability officer (CSO). He chairs the Internal Sustainability Strategic Committee (Strat Co) and reports to the CEO. The Strat Co, which convenes monthly and is responsible for BCG’s sustainability strategy and climate risk oversight, consists of BCG’s global chair, CSO, chief financial officer, and people chair. Their annual performance evaluations and remuneration are linked to the firm’s internal sustainability performance.

In 2023, the People Team’s leadership shifted from Dinesh Khanna to Alicia Pittman. This report’s “Empowering Our People” chapter focuses on our three main cohorts: consultants, business services and knowledge teams, and MDPs. The People Team aims to attract, develop, energize, and retain talent while supporting the success of our people and clients. The People Team’s chair also participates in the Executive Committee and the Internal Sustainability Steering Committee. Nadjia Yousif, appointed as BCG’s chief diversity officer (CDO) in 2022, continues to promote diversity, equity, and inclusion both within and outside the firm. The CDO reports directly to BCG’s CEO.

The Executive Committee nominates prospective members of the Audit and Risk Committee, and the board elects them. The Audit and Risk Committee, chaired by chief risk officer Adam Farber, is chiefly responsible for addressing topics that appear in the “Promoting Responsible Business Practices” chapter of this report.



## Stakeholders

Engaging with our key stakeholder groups is essential for our operations, for our overall effectiveness, and for our ability to deliver our sustainability strategy. Our efforts in this regard underscore our commitment to making informed decisions that reflect evolving priorities in our rapidly changing

business landscape and in society at large. The table below offers an overview of BCG's main stakeholder groups, detailing our engagements with them and the methods we use to incorporate their feedback into our strategy, operations, and approach to risk and material topics.

STAKEHOLDERS	WHY WE LISTEN	EXAMPLES OF HOW WE LISTEN
<b>BCG leadership</b>	To set the firm's strategic direction and priorities, and to understand which corporate sustainability issues are most important to our leadership and clients	<ul style="list-style-type: none"> <li>• Biannual meeting of worldwide MDPs</li> <li>• Annual people survey for MDPs</li> <li>• Management committees and briefing calls</li> </ul>
<b>BCG employees</b>	To inform our people management strategy and employee value proposition, and to understand which corporate sustainability issues are most important to our people	<ul style="list-style-type: none"> <li>• Annual people survey</li> <li>• Regular pulse check surveys</li> <li>• Weekly case team surveys</li> <li>• Annual global town hall meetings for all staff</li> <li>• Biannual career management and development meetings</li> <li>• Employee networks on ESG topics</li> </ul>
<b>Clients</b>	To better understand the challenges that our clients and their industries face, and to identify opportunities to improve our services and client delivery	<ul style="list-style-type: none"> <li>• Client relationship management and dialogue</li> <li>• Business leader surveys</li> <li>• Client ESG questions in tender documents</li> <li>• Client-led reporting disclosures (such as EcoVadis)</li> </ul>
<b>Future talents</b>	To understand what drives the career selection and decision-making process of highest-potential talent, and to better position BCG as the employer of choice	<ul style="list-style-type: none"> <li>• Participation in recruitment events</li> <li>• Surveying our candidates and new recruits</li> </ul>
<b>Civil society</b>	To understand the most complex global challenges, to contribute to thought leadership and coalitions on these topics, and to align our programs with emerging best practices and stakeholder expectations	<ul style="list-style-type: none"> <li>• Participation in industry forums, working groups, and roundtable events</li> <li>• Placement of BCG employees with BCG partner organizations</li> <li>• Responding to consultations and ad hoc dialogue</li> </ul>
<b>Suppliers</b>	To better understand supplier concerns, and to manage risk in our supply chain in order to identify opportunities to collaborate on ESG topics	<ul style="list-style-type: none"> <li>• Regular tender processes</li> <li>• Ongoing supplier relationship management</li> <li>• Annual business reviews</li> </ul>

## Material Topics

Materiality assessment and risk management are intrinsically linked because both involve identifying, assessing, and managing risks and opportunities—whether potential or actual. For that reason, BCG deals with the most material issues identified through our materiality assessment within our global enterprise risk management (ERM) process. Our chief risk officer, Adam Farber, oversees ERM—an arrangement that helps ensure that both materiality and risk contribute to decision making and strategy. The reverse is also true: our strategy can inform both materiality and risk management. To learn more about risk management, see [page 86](#).

We continue to advance our methods every year, and in 2023 we enhanced our approach to materiality. Crucially, we calibrated the risk appetite framework applied in ERM processes with the way we assess the risk and opportunity of each material topic. This shared language permits us to quantify materiality results in a way that we can seamlessly integrate into our ERM assessments. As a result, we can more easily manage material topics such as social impact, climate action, and corporate culture alongside other risks and opportunities.

BCG conducted a double materiality assessment (DMA) in 2023 in which we considered not only the impact that ESG topics might have on our business but the impact our business can have on ESG topics, including human rights.

As in previous years, we aligned our methodology with those of GRI, TCFD, and WEF. And although we are not

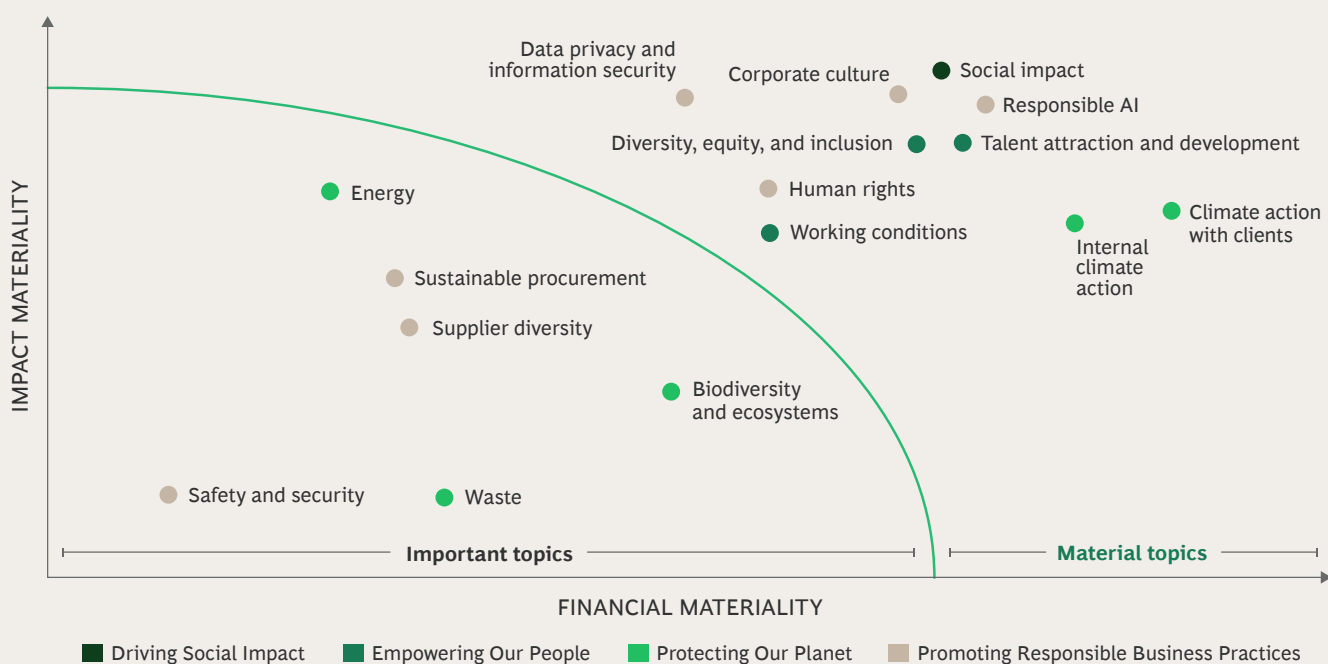
obligated to adhere to the European Corporate Sustainability Reporting Directive (CSRD) this year, our DMA methodology has made strides toward aligning with the CSRD framework. This does not, however, signify full harmony with the directive’s standards. To ensure accuracy and relevance, we validated our initial results with our stakeholders, using database-driven analysis, surveys, and direct interviews of key stakeholders. We also tried to ensure that the sample of stakeholders we consulted was representative at the global level.

Our DMA steering committee, which included the CSO and members of BCG’s Audit and Risk Committee, approved the DMA. We acknowledge that our potential positive impact extends to the services that we provide to stakeholders to advance their climate, responsible AI, and social impact capabilities. We continue to actively manage important topics internally such as climate change, corporate culture, and diversity, equity, and inclusion (DEI) via our ERM program.

We acknowledge the value of receiving external assurance on material topics. Although we are at the beginning of this journey, we have again received limited assurance for one highly material topic: internal climate action. (See [page 51](#).)

BCG recognizes that visualization of DMAs will undoubtedly evolve in coming years. Nevertheless, we present our results below with a familiar two-axis diagram. (See Exhibit 1.) We adopt this visualization method to enhance the accessibility of our results to our stakeholders today.

## Exhibit 1 - BCG’s 2023 Double Materiality Assessment



Source: BCG analysis.



Since 2022, we have altered our definition of material to make future harmonization with the CSRD easier. Although we still consider sustainable procurement, supplier diversity, waste, and safety and security to be important topics, they no longer qualify as material topics under newer, more stringent thresholds. On the other hand, a number of topics—such as climate action with clients, social impact, responsible AI, DEI, and data privacy and information security—remain material. This report explores these material topics as well as other topics.

Progress toward harmonizing with the CSRD also prompted us to update how we categorize topics, although these changes are not extensive. For example, social impact (formerly “client work for social impact”) has absorbed community engagement to improve internal accountability for such indicators. For similar reasons, we now group code of client service, business ethics, and anti-corruption under corporate culture. And although neither topic is material, we consider the topics of energy and of biodiversity and ecosystems to be informative and important. BCG will continue to identify, assess, and manage these topics as DMA methods evolve.

## 2023 Awards and Recognition



BCG achieved an A rating in CDP Climate Disclosure grading for the third consecutive year, putting us in the top 2% of companies rated by CDP



BCG achieved a platinum rating in the EcoVadis sustainability assessment, placing us in the top 1% of assessed companies



The Science-Based Targets initiative (SBTi) validated our targets as aligning with the most ambitious goal of the Paris Agreement: to limit a global temperature rise to 1.5°C above preindustrial levels



BCG received a perfect score on the Disability Equality Index, a benchmarking tool that helps companies build a roadmap of measurable, tangible actions for achieving disability inclusion and equality



For the 16th year, BCG received a perfect score on the Corporate Equality Index, recognizing equality for lesbian, gay, bisexual, and transgender employees



Seramount named BCG as one of the 100 Best Companies to Work For



BCG is ranked on the Glassdoor Best Places to Work list for 2024, which relies solely on input from employees



BCG was rated the Best Company for Career Growth, Culture, DE&I, and Leadership, and receive eight additional awards



Forbes and Statista rated BCG as one of the World's Top Female Friendly companies



Each year since 2019, Vault has ranked BCG as one of the top three best consulting firms to work for

## Our Vision and Societal Impact

BCG aims to become the most positively impactful company in the world.

For decades, our business model has enabled us to address the world’s most complex and urgent problems in a unique way, collaborating with the private sector, NGOs and foundations, multilateral organizations, and governments. By pooling our efforts with premier global organizations and leveraging BCG’s finest resources to tackle social and planetary challenges, we’ve unlocked meaningful transformation where it’s most needed. When we contribute to people and planet in this way, we call it societal impact.

The Sustainable Development Goals (SDGs), which the United Nations established in 2015, continue to serve as a vital framework for pursuing a greener, fairer, more prosperous society. By delivering societal impact, BCG helps drive progress toward the SDGs. Although the accomplishments it lists are not exhaustive and are constantly evolving, Exhibit 2 describes our SDG contributions across the four pillars of the WEF Stakeholder Capitalism Metrics Index: prosperity, planet, people, and governance. It also showcases some key societal impact milestones that BCG reached in 2023.

## Exhibit 2 - From Bold Ideas to Exponential Impact

### Prosperity



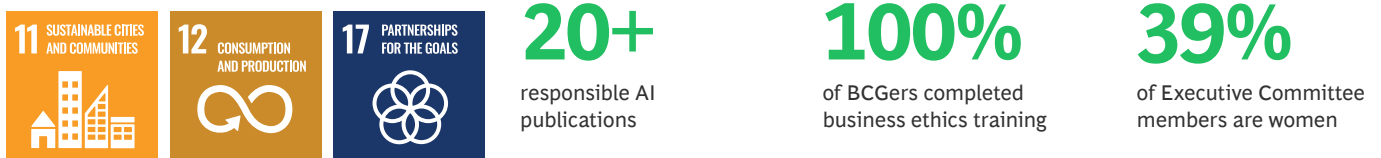
### Planet



### People



### Governance



Source: United Nations Sustainable Development Goals.

This report encompasses a broad range of societal impact. For the most part, we cover social impact topics, including eradicating poverty, improving access to health care, providing high-quality education, and reducing inequalities in the “Driving Social Impact” chapter. In this chapter, we tell our story through the lens of the SDG accelerators we have helped to unlock:

- A digital revolution that leaves no one behind
- Local collaboration for global impact
- The power of the private sector
- Getting creative to close financing gaps
- Proactive adaptation and resilience

We address environmental topics, such as combating climate change and protecting natural habitats, in the “Protecting Our Planet” chapter. There, we tell the story of how we unlocked the climate and sustainability potential of our clients by focusing on six core areas:

- Sustainable strategy and transformation
- Decarbonization
- Sustainable operations
- Food and nature-based solutions
- Green technology
- Finance and investing

Although cases that primarily drive social impact appear in the “Driving Social Impact” chapter, and cases involving planetary impact receive special attention in the “Protecting Our Planet” chapter, the holistic nature of societal impact means often results in overlap and collaboration between the two. For that reason, the case studies we present highlight both primary and secondary contributions to SDGs.

### **Making a Measurable Impact**

BCG is committed to continually improving our transparency, accountability, and methods of impact measurement. Both the qualitative information and the quantitative information provided in this report are as accurate, up-to-date, clear, and reliable as possible. Our methods will evolve with best practice, but review by our own and external experts—sometimes corroborated through third-party verification, helps ensure that the data in this report is the product of robust and rigorously applied methodologies.

In the “Driving Social Impact” chapter, our [theory of change](#) guides our social impact teams. We have one goal in mind: to drive change that shapes a better future. We’ve

invested in our ability to manage and measure impact. With support from impact advisors at [Value for Good](#), our impact management team has created standardized measurement goals and criteria.

Value for Good also provided the foundation for our newly launched Impact Academy, a platform to inform, engage, and upskill our social impact teams and the wider BCG community. With impact at the core of all we do, we have established a culture based on integrity, open dialogue, and a learning mindset. Combined with a dedication to systematic analysis, this helps ensure that our social impact metrics are as accurate as possible now and are constantly improving.

For the “Protecting Our Planet” chapter, we’ve increased the resources available to identify and measure the climate action that we achieve through client work. Combined with similar methodological rigor that our social impact teams employ, this helps to ensure that the figures provided on projects, clients, and other climate and sustainability investments are reliable and constantly advancing.

Meanwhile, our most material environmental topic internally involves our carbon emissions. For this reason, we maintain a best-in-class global carbon accounting system that meets the GHG Protocol Corporate Standard, and we independently verify our emissions against the ISO 14064-3 standard. This has helped us earn inclusion on the CDP A List for three consecutive years. Also of note: in 2023, our EcoVadis rating advanced from gold to platinum, placing us in the top 1% of companies assessed. Taken together, these initiatives indicate our commitment to measure and disclose our impact transparently, rigorously, and robustly.

### **The Power of Collective Action at the Global Level**

Societal impact is a team sport. BCG champions this approach by leveraging our extensive expertise across sectors to drive bold initiatives that unlock material societal impact.

Our collaborative efforts extend beyond multiple client engagements. Across the globe, we collaborate in strategic partnerships across private, social and public sectors. These efforts aim to contribute to a more equitable, sustainable, and prosperous world, and the societal impact they have already delivered demonstrate the power of collective action.

The “Driving Social Impact” and “Protecting Our Planet” chapters tell the story of their partnerships from their own perspectives to emphasize their social and planetary impacts, respectively. Nevertheless, working holistically at a global level often generates planetary and social benefit simultaneously. The table below showcases key collaborations that have advanced our societal impact at the highest level in 2023, demonstrating our commitment to collective action and driving systemic change.



### COP28 and United Nations

The UN addresses many of the world's challenges, including the climate crisis. One way it does so is through the Conference of the Parties (COP). BCG was a Principal Strategy and Action Partner to COP28, held in Dubai, United Arab Emirates.

At COP28, we provided implementation support across environmental topics, including hydrogen, climate finance, decarbonization, food system transformation, and nature protection. One example is our publication with IRENA and the Global Renewables Alliance, [Tripling Renewable Power and Doubling Energy Efficiency by 2030: Crucial Steps Towards 1.5°C](#). This outlined enablers to triple global renewable power capacity to 11,000 GW and double average annual energy efficiency improvements by 2030.

We also helped drive social impact by unlocking insight on adaptation and resilience. Relevant publications include ["Adaptation and Resilience Through Land Transport Infrastructure Systems"](#) to help communities impacted by climate change, the [first annual Sharm-El-Sheikh Adaptation Agenda implementation report](#) for COP28, and adaptation and resilience needs across [finance](#), [planning](#), [food and agriculture](#), and [human settlements](#). Finally, we hosted events and workshops on clean tech, green jobs, and social banking; for the last of these, we launched our report [Banks Can Deliver Both Social Impact and Profits. Here's How.](#)

### World Economic Forum

The World Economic Forum aims to build initiatives for cooperation and progress in the public and private sectors. BCG is a strategic partner of the WEF.

Rich Lesser, BCG's global chair, is the chief advisor to the WEF Alliance of CEO Climate Leaders, which this year supported three strategic initiatives: climate policy, the energy transition, and decarbonizing upstream emissions. BCG is also a member of the Chief Sustainability Officer Community and the Natural Climate Solutions Alliance.

In 2023, we contributed to protecting our planet through our work on projects such as the [race to net zero](#), technology for climate adaptation, and accelerating a just transition. Our social impact practice launched two publications that ultimately benefit people and communities: [Tech for Climate Adaptation](#) and [Accelerating a Green and Just Transition](#).

### World Business Council for Sustainable Development

The WBCSD brings organizations together to shift the systems they work within toward a more sustainable future. BCG remains a key partner on critical topics.

In 2023, we supported initiatives focused on circularity, procurement, and avoided emissions, which led to three key outputs: a [protocol](#) to help companies combat plastic pollution; a [series of masterclasses and articles](#) to upskill corporates on topics such as sustainable procurement, decarbonization, and net zero; and a white paper on how [avoided emissions](#) can serve as an indicator of green leadership.

At COP28, we collaborated with WBCSD and the COP Presidency to launch the [Action Agenda on Regenerative Landscapes](#), which maps a path to sustainable agriculture that would benefit 3.6 million farmers by 2030. With members across the food and agriculture value chain, as well as local governments and other stakeholders, the Action Agenda aims to create the transparency needed to unlock and scale up sustainable agriculture over the years.



# Driving Social Impact

## 2023 in Numbers

**1M+**

hours we have dedicated to social impact in the past decade

**550+**

clients we supported to drive social impact, up 30% since 2022

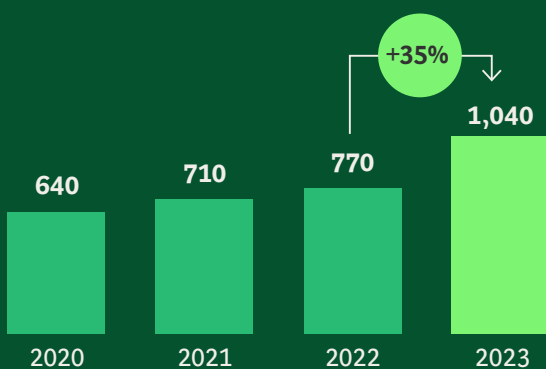
**2.6K+**

BCG consultants helped clients drive social impact

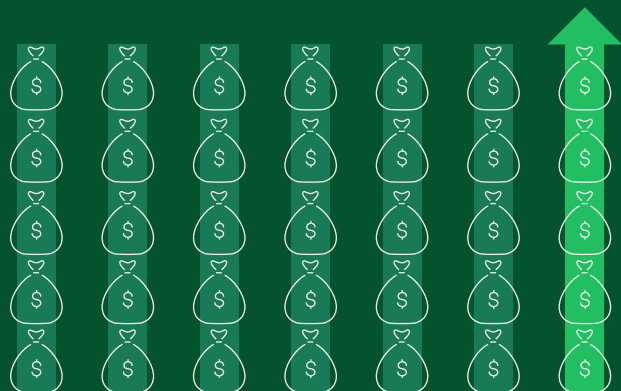
**56%**

of our largest clients were involved in at least one social impact case in 2023

Delivered 1,000+ social impact cases in 2023, up 35% since 2022



\$340 million invested in driving positive social impact in 2023, up 37% since 2022<sup>3</sup>



3. This figure includes pro bono and low bono cases, investments in local social impact projects, and global social impact partnerships.



As the timeline for fulfilling the UN Sustainable Development Goals (SDGs) ticked past its halfway point, the world looked ahead to the achievement target date of 2030 with hope, along with the need for some course correction.

At BCG we believe that SDG fulfillment is both necessary and possible. For that reason, we proudly reaffirm our enduring and substantial commitment to societal impact. In 2023, BCG contributed \$340 million to help solve the year's most pressing social issues. We have now invested more than \$1 billion into driving social impact since 2020.

### 2023 Highlights

In 2023, Social Impact and Climate & Sustainability continued to be two of our fastest-growing practices. Not including MDPs, 2,600 BCG employees used their expertise to drive social impact.

We also reached an important milestone in 2023: over the past decade, BCG has dedicated over 1 million hours to supporting a broad range of social impact projects and objectives across the globe. This figure includes pro bono work.

In a year of uncertainty, BCG stayed true to our belief that social impact is critical, regardless of the tenor of the business cycle. We played a major role in convening the private, public, and social sectors to accelerate progress on the SDGs. We continued to provide humanitarian support during major crises, both manmade and natural.

By dedicating our time and resources alongside our clients and partners, we believe that we can help catalyze change where it is most needed and move SDG fulfillment from aspiration to realization. In 2023, we identified six accelerators for progress on the SDGs:

- **A Digital Revolution That Leaves No One Behind.** Digital technology and data have the potential to meaningfully advance social impact efforts.
- **Local Collaboration for Global Impact.** Collaboration is key, but it can sometimes proceed slowly. An approach that emphasizes achieving a local impact first can help.
- **The Power of the Private Sector.** The private sector can advance progress while also improving competitive strength.
- **Getting Creative to Close Financing Gaps.** A collective response from the financial ecosystem is essential to close critical gaps.
- **Working to Bridge Social Divides.** Public sector organizations play a vital role in enhancing equity and equality for individuals, communities, and countries.
- **Proactive Adaptation and Resilience.** Communities must transform themselves to increase their resilience to locked-in effects of climate change.

## 2023 in Numbers

**\$340M**

invested in solving urgent social issues, up by 37% since 2022<sup>4</sup>

**1,000+**

projects driving social impact—a year-on-year increase of over one-third

**550+**

clients we supported to drive social impact, up 30% since 2022

4. This figure includes pro bono cases, investments in local social impact projects, and global social impact partnership.



To bring these accelerators to life, our social impact work focuses on seven key areas:

- **Economic Development.** Accelerate the end of extreme poverty and improve livelihoods by fostering inclusive growth and opportunity.
- **Global Health.** Make health care more accessible to promote healthy lives for all.
- **Food, Hunger, and Agriculture.** Eliminate hunger, increase food security, and accelerate agricultural development.
- **Education.** Develop high-quality education and skills support for all.
- **Diversity, Equity, and Inclusion.** Build more equitable and inclusive businesses and societies.
- **Humanitarian Crisis Action.** Strengthen preparedness, immediate response, and longer-term recovery.
- **Climate Adaptation and Resilience.** Safeguard populations, and build climate-risk resilience.

## Taking Stock While Plotting the Path Ahead with Our SDG Accelerators

We believe that true societal transformation requires systemic change, innovation, and, crucially, collaboration. These are essential ingredients in every BCG's social impact case or project—large or small. Whether it be at the local level in one of our more than 100 offices around the globe or on the biggest of stages, such as during [United Nations General Assembly week](#) or [COP](#), change happens when we look past the status quo and work together.

This thinking underlies our optimism with regard to making progress on the SDGs. As this pivotal stock-take year progressed, our social impact work enabled us to identify the six SDG accelerators for bringing SDG achievement within reach. (See the sidebars [“A Digital Revolution That Leaves No One Behind,”](#) [“Local Collaboration for Global Impact,”](#) [“The Power of the Private Sector,”](#) [“Getting Creative to Close Financing Gaps,”](#) [“Working to Bridge Social Divides,”](#) and [“Proactive Adaptation and Resilience.”](#))

The aim of all six accelerators is to help advance SDG progress from goals to scalable plans—from potential to reality—thereby strengthening the means of implementation and the Global Partnership for Sustainable Development. By adopting this approach, we can contribute to SDGs that have the largest societal impact as well as to the systemic, collaborative change required to deliver SDG 17 (Partnerships for the Goals). Although this chapter primarily focuses on SDGs that drive social impact, the pursuit of societal impact is often holistic. Therefore, the examples presented here will also highlight secondary contributions to planetary objectives where relevant.



# A Digital Revolution That Leaves No One Behind



## SDGs in Focus



Technology has the potential to supercharge much-needed progress toward SDG targets. BCG’s research shows that digital solutions have already affected 70% of the 169 SDG targets, but the impact can stretch far beyond individual use cases. In fact, in comparing countries within the same income group, we have found that advances in digital infrastructure realize up to 40% faster progress on the SDGs.

The opportunities within digital are plentiful and are applicable across many of the SDGs—from enhancing digital public infrastructure to improving public service delivery to breaking down access barriers through the power of mobility and apps.

In 2023, the Learning Passport initiative directly enhanced SDG 4 (Quality Education) by reaching 55 million learners with digital education tools. (See “[Case Study: Embracing Digital Solutions for Education](#).”) Simultaneously, it indirectly fostered SDG 10 (Reduced Inequalities) by ensuring inclusive access to these resources, particularly for marginalized learners. In addition, the collaborative efforts between UNICEF and Microsoft, facilitated by BCG, exemplify the spirit of SDG 17 (Partnerships for the Goals) by uniting diverse entities to achieve a common educational mission.



## Case Study Embracing Digital Solutions for Education

### Partner's Challenge

In an increasingly digital age, a digital divide continues to exacerbate inequality across the world. Globally, 1.3 billion children do not have access to the internet, especially in lower- and middle-income countries and rural areas. The inequity is further compounded by the fact that 127 million children are not in school due to disasters, conflict, and other emergencies.

Learning Passport, a collaborative project of UNICEF, Microsoft, and the University of Cambridge, uses digital tools to tackle these daunting educational challenges. Its goal is to reach 55 million learners over the next decade, helping to bridge the world's educational inequalities and the digital divide.

### BCG's Contribution

In 2019 and again in 2023, BCG helped expand Learning Passport's digital reach and impact. Key objectives that BCG helped advance included the following:

- **Digital Use Case Prioritization.** Develop criteria to prioritize digital solutions for diverse types of learners, emphasizing the hardest-to-reach groups.
- **Digital Delivery Model Testing.** Analyze and refine digital delivery models in Mexico and India to overcome expansion barriers and optimize digital resource allocation.
- **Digital Stakeholder Management.** Strengthen UNICEF's capabilities in managing digital partnerships, and enhance engagement with technology and education sectors.
- **Digital Success Recalibration.** Redefine digital success metrics, including user engagement and digital educational outcomes.

### Potential Unlocked

BCG's strategy involves extending Learning Passport's digital reach to about 55 million users over the next decade. This strategy is a testament to the power of digital transformation in education and contributes directly to SDG 4 (Quality Education).

**Digital Metrics and Impact.** The expanded digital metrics permit a broad view of platform usage, engagement, and educational outcomes, addressing digital inequalities in line with SDG 10 (Reduced Inequalities). The strategy underscores the importance of digital access and equity in education, particularly for marginalized learners.

**Future Digital Insights and Directions.** The post-implementation phase highlights the critical need for adaptable digital solutions in diverse educational contexts, aligning with SDG 17 (Partnerships for the Goals). The success of Learning Passport in 33 countries offers a blueprint for future digital educational initiatives.



# 1.3B

children lack internet access

# 127M

children aren't in school because of crises in their region

# 55M

users that Learning Passport intends to reach over the next decade



# Local Collaboration for Global Impact



## SDGs in Focus



We know from experience that collaboration is the key to successful change. When it comes to critical global priorities such as the SDGs, stakeholders can't go far unless they go together—all of them. In regions of greatest need, optimal impact depends on localized collaboration.

In-country collaborations—in which public, private, and social sector players join forces to tackle critical problems—offer several powerful benefits. First, they encourage stakeholders from a variety of groups to pool their resources, especially financial resources, which in turn enables bigger ambitions and amplified impact. Second, they invite knowledge sharing, giving various participants—such as funders, country organizations, and local communities—the opportunity to bring their expertise to bear on challenges and help strengthen outcomes. Third, collaboration ensures that different organizations and initiatives aren't duplicating efforts. Fourth, and perhaps most important, local collaboration typically allows programs to maintain a sharper focus on the beneficiary in question, leading to much greater effectiveness.

One example of how BCG addressed this problem in 2023 is our collaboration with UN Global Compact, in which we helped our clients deliver progress for SDG 13 (Climate Action) by assisting 50 CEOs in committing to impactful climate measures at COP27. (See "[Case Study: Collaboration for Global Impact](#).") The climate benefits of this work are clear, but the collaboration also facilitated progress on SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 9 (Industry, Innovation, and Infrastructure) by helping to create a vision of inclusive, sustainable growth. Finally, this effort also aligns with SDG 17 (Partnerships for the Goals).

## SDGs in Focus



Another example involves our work with one of the world's biggest nonprofit foundations. (See "[Case Study: Creating Value in and Altering Perceptions of Pastoral Communities](#).") It aimed to shift perceptions about pastoralists in Africa from a view of that saw them primarily as passive aid recipients to one that recognized them as dynamic contributors to Africa's growth. This work also contributed to Sustainable Development Goals SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities).

## Case Study Collaboration for Global Impact

### Partner's Challenge

The UN Global Compact identified a crucial need for collaboration among African businesses to address global and continental challenges. That meant bringing together prominent African business leaders and their companies to collectively identify and address the region's pressing issues, with the goal of providing leadership for broader, global impact.

### BCG's Contribution

In 2020 and 2021, BCG supported the Global Compact by helping to develop its global strategy, including its strategy for Africa, highlighting the unique role that the Compact plays in convening leaders on key issues. One result of that work was a targeted approach to establishing the Africa Business Leaders Coalition (ABLC). BCG's strategic foresight and operational acumen were instrumental in bringing together businesses that operated in more than 50 African countries, collectively generating \$150 billion in revenue and employing over 1 million people, thus providing a genuine platform for effective regional collaboration and global impact.

BCG's role extended to devising the ABLC's strategy and operations and supporting the establishment of its secretariat to ensure efficient coordination and implementation of initiatives. This work included engaging actively with ABLC members to reach accord on the "Africa Business Leaders' Climate Statement," which the coalition unveiled at COP27 in Sharm el-Sheikh, Egypt, and included commitments from more than 50 CEOs on climate mitigation, adaptation, resilience, and finance, and on the just transition.

To enable progress on these commitments, BCG built and delivered a learning program for ABLC CEOs and their sustainability leads focusing on the "what," "why," and "how" of fulfilling their pledges, while also creating a framework for capturing actions that companies have undertaken.



### Potential Unlocked

The ABLC's focus on climate action, particularly in the context of COP27, highlights the power of collaboration for global impact. The work has already notched several notable achievements:

- Thirty-nine companies have set ambitious targets for renewable energy use.
- Twenty-seven companies are actively decarbonizing their operations and transparently disclosing emissions data.
- Thirty-four companies are integrating climate risks into their strategic planning.

These actions demonstrate the coalition's commitment to producing measurable impacts that benefit the region and contribute to global sustainability and climate goals.

Going forward, the ABLC will continue to focus on climate commitments, but it will also expand its activities into the area of gender equality and explore other new focus areas. The aspiration is to increase the coalition's size, enhance its role as a genuine and comprehensive pan-African force for action, and amplify Africa's voice in global forums.



## Case Study

# Creating Value in and Altering Perceptions of Pastoral Communities

### Partner's Challenge

One of the world's largest foundations, known for its long-standing commitment to agricultural development, particularly in sub-Saharan Africa, embarked on an initiative to improve awareness of the pivotal role that pastoral communities play in Africa. The opportunity for positive social impact was considerable, as the work involved enhancing pastoral communities' economic resilience and livelihoods by improving their access to markets, resources, and support systems. Meeting the challenge required addressing the data gap, debunking myths about pastoralism, and thus paving the way to optimize their vital role in economic and food security advancements.

### BCG's Contribution

In collaboration with Strathmore University and the University of Florida Livestock Systems Innovations Lab, BCG conducted a comprehensive market analysis. Our findings revealed eagerness for collaboration between pastoralists and the private sector but also identified barriers, including product-market misalignment and external market obstacles. BCG's analysis led to the identification of key leverage points, including direct private sector collaboration and advocacy for government support.

BCG's strategy included two noteworthy programs:

- **Pathfinder Pilots.** Working with companies to develop business models that would benefit both companies and pastoralists promised profitability and scalability. In Ethiopia, a pilot Pathfinder project showcased a vertically integrated approach to streamlining the value chain.
- **Platform Development.** BCG, in collaboration with Strathmore University, is supporting the African Union-InterAfrican Bureau for Animal Resources (AU-IBAR) to launch the African Pastoral Markets Development (APMD) Platform. This initiative aims to integrate the pastoral private sector into Africa's livestock markets, supported by data-driven policy and investment coordination.

# \$15M

to be allocated to pastoral communities  
from 2022 through 2024

### Potential Unlocked

The foundation allocated more than \$15 million for 2022 through 2024. Expected outcomes for the pastoral communities include better-quality livestock supply, improved livelihoods, and increased resilience to changes that are beyond their control. For instance, in Kenya, the program could help increase pastoral household incomes threefold and improve nutrition while reducing greenhouse gas emissions.

The vision for the APMT initiative and Pathfinders includes broadening the project's scope to cover more areas and expanding the coalition to create a comprehensive pan-African entity. The initiative is in a strategic position to amplify Africa's voice globally, fostering collaboration among leading African companies and international partners.

# The Power of the Private Sector



## SDGs in Focus



[Achieving the SDGs without the private sector](#) would be impossible. Private sector involvement in social and planetary issues, especially when the results are profitable, can help provide the scale necessary to achieve our goals on time. It can also serve as a source of significant competitive advantage for companies.

Research shows that when companies invest appropriately in sustainability issues that are material to their business, they can [enhance shareholder returns by up to 5%](#), increase revenues, and reduce their cost of capital. When they go beyond compliance to societal contribution, they are also in a better position to seize new opportunities such as attracting the best talent, expanding into new markets, and mitigating risks.

Increased private sector investment permits faster change and opens the way to provide or raise funds with the [rigor and diligence expected of for-profit organizations](#). The goal is not to undertake a corporate social responsibility project capped by the restraints of a pro bono model. Long-lasting change requires a shift in both mindset and operating model—one that takes societal impact out of a nice-to-do bucket and instead integrates these considerations into the core of the business.

Although there is still much to do in the private sector, we have seen inspiring examples of progress across industries and geographies. That's why we're proud to present a case study involving our work with a leading global retail group. (See "[Case Study: A Leading Retail Group and the Fight Against Food Waste in Australia](#)."") Here, we collaborated with our client to tackle food waste, delivering direct contributions to SDG 2 (Zero Hunger) and SDG 12 (Responsible Consumption and Production). And given the contribution of food waste to global greenhouse gas (GHG) emissions, this initiative is likely to unlock second-order benefits to SDG 13 (Climate Action).



## Case Study A Leading Retail Group and the Fight Against Food Waste in Australia

### Partner's Challenge

A leading global retail group is tackling the critical issue of food waste in Australia, which incurs an annual cost of AU\$36.6 billion to the economy. With 30% of fruits and vegetables wasted due to surplus or failure to meet standards, and with food waste contributing 8% to 10% of GHG emissions, the challenge is both environmental and economic.

Farmers frequently generate excess supply but lack the necessary relationships with buyers and the necessary means to efficiently transact and ship their goods, resulting in viable produce being discarded into landfills, even as approximately 750 million people face food insecurity globally. The retail group is extending its impact by collaborating with suppliers to address this problem.

### BCG's Contribution

In collaboration with the retail group, BCG X embarked on a nine-month project to build a sustainable solution. This involved creating a new business, a profit-for-purpose digital marketplace that enables the transaction, donation, and logistical movement of wholesale produce, simplifying the process for farmers to sell or donate surplus goods.

This platform covers three core services:

- **Match.** Facilitate transactions among buyers and sellers across Australia, providing opportunities to sell excess or nonstandard produce.
- **Move.** Offer streamlined, cost-effective logistics solutions for produce transportation.
- **Amplify.** Generate insights and foster connections for food rescue innovation and policy change.

### Potential Unlocked

By the end of 2028, this new business model is projected to reduce upstream fruit and vegetable waste by 15%, cut GHG emissions by 10%, and provide up to 370 million meals per annum to those experiencing food insecurity.

Enhancing the efficiency of food rescue operations, the platform increases the availability of nutritious produce for food rescue organizations, thereby reducing food insecurity and ensuring that more individuals have access to essential nutrients. As of our most recent update in April 2024, this newly created enterprise surpassed 1 million meals distributed and has successfully onboarded all major food rescue organizations in the country. As the digital marketplace continues to add buyers and suppliers, it expands its efforts to effectively cover the market and maximize its reach and impact.

# 15%

projected reduction of upstream fruit and vegetable waste

# 10%

reduction in greenhouse gas emission

# 370M

meals provided per annum to those experiencing food insecurity

# Getting Creative to Close Financing Gaps



## SDGs in Focus



Enormous amounts of funding are needed to meaningfully advance the SDGs and indeed to achieve real progress across our SDG accelerators. Although stakeholders have already mobilized billions of dollars in this cause, the remaining gap is estimated at \$3.9 trillion annually. But the challenge is not just figuring out how to reduce the shortfall in funds; it's also knowing how to deploy the funds for maximum speed and impact.

The need for direct investment across many SDG focus areas is clear, but we also see huge potential in blended finance to attract and mobilize crucial private capital. If actors across the investment ecosystem can harness their creativity, the potential for new models is as exciting as it is essential. That's why we're proud to showcase our work with a prominent US-based retail corporation that directly contributes to SDG 17 (Partnerships for the Goals) through the finance it unlocks, and also provides co-benefits to SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities). (See [“Case Study: Empowering Minority- and Women-Owned Businesses for Sustainable Growth.”](#))



## Case Study

# Empowering Minority- and Women-Owned Businesses for Sustainable Growth

### Partner's Challenge

In the US, structural inequality has raised barriers to the success of underrepresented businesses. Aside from being unjust, the situation deprives global economies of opportunities to capture greater growth.

A prominent retail corporation that is committed to championing diversity, equity, and inclusion (DEI) embarked on an initiative to further expand its programs for accelerating the growth of underrepresented businesses. The initiative builds on the retailer's established workshop program and a comprehensive diversity campaign.

### BCG's Contribution

To help our client, BCG first performed an assessment to understand what underrepresented businesses need in order to unlock accelerated and sustainable growth. The primary challenges we identified were access to capital, access to markets and customers, and access to mentorship and expertise.

Informed by these findings, we helped design a comprehensive response that included the creation and launch of an innovative, jointly funded initiative with a multi-hundred-million-dollar investment aimed at supporting underrepresented and underserved businesses.

The initiative is designed to accelerate the growth of such businesses by directly investing \$30 million to provide access to capital, mentorship, and markets, complementing and building on the corporation's current diversity and inclusion efforts.

### Potential Unlocked

BCG assisted the corporation in expanding its support offerings to include access to capital and coaching to drive toward sustainable and scalable business models.

This initiative, with a ten-year investment and return period, will give underrepresented businesses access to critical and patient capital, enabling them to grow sustainably. It also marks a significant milestone, as the corporation became one of the first retailers to directly invest in a comprehensive effort of this sort.

Beyond financial support, the program also provides underrepresented businesses with further access to a supportive ecosystem of partners that offer business strategy assistance, financial guidance, and operational support. Viewed as a whole, this case not only demonstrates how the corporation addresses DEI in its supply chain, but also exemplifies how a company can create a more equitable and sustainable future for people, planet, and community.

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# \$30M

directly invested in businesses to provide access to capital, mentorship, and markets

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# Working to Bridge Social Divides



## SDGs in Focus



Public sector organizations exert enormous influence on the lives and livelihoods of individuals, communities, and, ultimately, countries. For that reason, BCG’s work with public sector clients and partners is of vital importance to our objective of overcoming social divides and enhancing equity and opportunity for disadvantaged populations.

This year, we have been working around the globe on various projects designed to improve equity and quality of life across many dimensions.

From assisting in an effort to future-proof the workforce in Puerto Rico to pulling the levers of growth in a Southeast Asian country, these initiatives have the potential to bridge social divides while also unlocking prosperity and dialogue between diverse actors. In Puerto Rico, we delivered on SDG 4 (Quality Education) by transforming the educational system through partnerships across the sector, and on SDG 8 (Decent Work and Economic Growth) by developing additional skilled workers. (See “[Case Study: A 21st-Century Workforce Strategy for Puerto Rico.](#)”) Our work also has potential long-term benefits for SDG 9 (Industry, Innovation, and Infrastructure) as these workers begin to deliver a more prosperous country.

## SDGs in Focus



Meanwhile, our work for a Southeast Asian government to unlock finance from development finance institutions and private sector entities for key sectors such as automotive and electronics. (See “[Enabling Economic Growth in Southeast Asia.](#)”) In this instance, the second-order impacts of generating more economic growth contribute to SDG 1 (No Poverty), SDG 5 (Gender Equality), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 8 (Decent Work and Economic Growth).



## Case Study

### A 21st-Century Workforce Strategy for Puerto Rico

#### Partner's Challenge

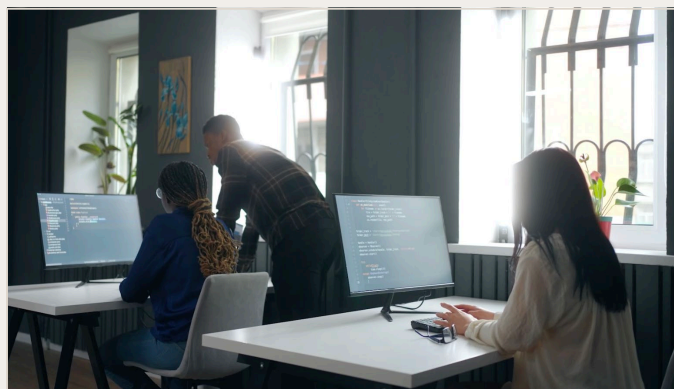
Puerto Rico faces a significant challenge in readying its workforce to meet the needs of the 21st century. The region has struggled to align educational outcomes with the burgeoning demands of businesses, particularly with regard to roles in engineering and computer science. This gap stifles economic growth and limits the capacity for innovation and sustainable development within the island's communities.

#### BCG's Contribution

We supported the Puerto Rican government in developing and implementing a strategic plan that aims to turn Puerto Rico into a top region for 21st-century talent. Achieving that goal means adding 50,000 additional skilled workers by 2033.

We led the implementation of four transformative initiatives:

- **K-12 Lighthouses.** Invest in pilot schools to provide early career exposure and skill acquisition around computer science and applied technologies to prep students for technical degrees and careers.
- **Expansion of Short-Form Credentials.** Support and attract coding academies, bootcamps, and other short-form credential providers to deliver training and employment placement in high-demand roles.
- **Workforce Service for Employers.** Support new and existing priority employers in navigating all of their talent needs in Puerto Rico, from recruiting and hiring to training and upskilling.
- **Enhancing Higher Education Through Stackable Degrees.** Redesign bachelor's degree programs to update curricula and offer credentials throughout the four- to five-year educational journey—for example, certificates after the first year and associate's degrees after the second.



Watch how Puerto Rico is building a tech talent ecosystem for economic development

#### Potential Unlocked

Less than a year into our concerted efforts, the impact is palpable:

- An executive order now mandates computer science education in high schools, a testament to the systemic change underway.
- Hundreds of students are engaged in short-form credential programs, equipping them with vital, market-relevant skills.
- Recognizing the shift, top universities now offer dozens of updated programs, including certificates and associate degrees.

These strides are significant milestones toward unlocking the full potential of Puerto Rico's workforce, propelling the island into a future where technology and talent synergize to create a thriving socioeconomic landscape.

We can measure the initiative's success through increased interest in computer science careers among K-12 students, through rising enrollment in educational programs, and through the placement of skilled workers in modern roles. Continuous assessment and adaptation of strategies will ensure the realization of this vision.

## Case Study

### Enabling Economic Growth in Southeast Asia

#### Partner's Challenge

Countries across Southeast Asia, including Cambodia, face several macroeconomic challenges, including:

- Infrastructure deficit in urban and rural infrastructure
- Limited employment in higher-value add sectors such as manufacturing
- Slow economic recovery and growth following COVID-19

#### BCG's Contribution

Our approach in this example involved leading initiatives to prioritize and activate investment and financing pipelines, spotlighting key opportunities for growth. In this regard, we created long-term development roadmaps, upskilling initiatives, and working tools and playbooks for future use.

#### Potential Unlocked

We project that our work will contribute to an inward investment increase of \$500 million in the automotive sector and \$1.6 billion in the electronics sectors, alongside significant job creation.

The vision for sustained impact includes the following:

- Large-scale job creation, especially for marginalized communities, with more than 50% of new roles likely to be held by women, leading to further economic empowerment
- Increased exports and industrialization, fostering economic growth
- Higher national income and an overall reduction in poverty

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# \$500M

increased investment in the automotive sector

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# \$1.6B

increased investment in the electronics sector

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# 50%

of new roles in the targeted sectors likely to be held by women

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# Proactive Adaptation and Resilience



## SDGs in Focus



The risks posed by Earth’s changing climate are global and cut across all of our SDG accelerators. Vulnerable populations, however, are especially likely to feel its adverse effects. The good news is that by acting to increase resilience, governments and corporations can ensure that they are prepared to safeguard populations and environments from climate risk, including extreme heat, floods, droughts, and rising sea levels. This is the goal of BCG’s adaptation and resilience work.

The World Bank warns that climate change could force 130 million more people into poverty within a decade. This prospect poses an obvious threat to further progress on the SDGs, and it demands a proactive, creative, [data-backed approach](#) to managing today’s risks and increasing resilience in the face of tomorrow’s. BCG’s social impact and climate and sustainability teams excel at responding to challenges that arise where people and planet concerns intersect.

For example, BCG was proud to partner with a Southeast Asian government in 2023 to address this problem. (See [“Case Study: National Adaptation Plan in Southeast Asia.”](#)) This case study, involving work at a national scale, helped to deliver SDG 13 (Climate Action) and SDG 17 (Partnerships for the Goals). But working at such a high level has many systemic co-benefits too, such as safeguarding the assets of the region, in keeping with SDG 1 (No Poverty), and enhancing the climate resilience of especially coastal communities, an aspect of SDG 11 (Sustainable Cities and Communities). Finally, our integrated approach to adaptation, which targets sectors such as agriculture, is likely to contribute to SDG 15 (Life on Land).

## Case Study National Adaptation Plan in Southeast Asia

### Partner's Challenge

Adaptation and resilience planning is high on the global agenda. At COP28, participating governments agreed on the Global Goal on Adaptation, reinforcing the urgent need for all countries to increase their efforts and begin to implement national adaptation plans (NAPs) by 2030. BCG supported the development of the first NAP, working with a Southeast Asian country that has extensive coastal exposure and is highly vulnerable to the impact of climate change.

Over the past ten years, extreme climate events in the country have inflicted economic losses and damage equivalent to about twice the country's education budget. It urgently needed to develop a climate adaptation and resilience strategy to safeguard its citizenry, ecosystems, and economy.

### BCG's Contribution

BCG applied an integrated adaptation and resilience approach, powered by our [Climate Impact AI](#), to develop a multihazard, multisectoral NAP. We supplemented this NAP with a comprehensive implementation roadmap and knowledge toolkit to ensure effective execution across all sectors and regions.

Guiding principles included the following:

- Deploy climate science and analytics to enable data-driven decisions. BCG's Climate Impact AI modeled future scenarios to understand drivers of climate impact, pinpoint the most vulnerable regions, and guide national priorities and approaches to adaptation and resilience.
- Identify priority sectors to target adaptive capacity for maximum impact. We developed cross-cutting solutions for eight priority sectors, including agriculture, population displacement, migration, and energy.
- Promote stakeholder involvement through a collaborative approach. We conducted more than 20 engagements with over 300 representatives from academia, civil society, local organizations, and the private sector, driving collective ownership of the NAP process.

### Impact Realized

The development and implementation of the NAP will enhance the nation's resilience to climate change. In one region alone, it will contribute to safeguarding 200,000 lives and \$2 billion in physical assets. This best-in-class NAP serves as an example for other nations to follow as they accelerate their adaptation and resilience efforts, cementing the country's status as a world leader in this area.

8

priority sectors identified

200K

lives safeguarded

\$2B

in physical assets safeguarded



## The Importance of Community Impact

Large-scale transformational impact is clearly a priority for our social impact teams, but we do not undertake global efforts at the cost of forgoing local community-focused work. Projects of the latter type are important for tangible impact and often involve collaboration with local partners that have vital context and expertise about the specific challenges confronting marginalized groups, communities, and geographies.

A good example of our efforts in this area is our [North America Center for Inclusion and Equity](#), which continues to partner with leading organizations to help build inclusive cultures, deliver social impact, create business value, and drive measurable and sustainable change.

BCG partnered with the Capital One Insights Center to better understand the conditions necessary to boost the wealth-generating potential of business ownership for Black and Hispanic entrepreneurs. We conducted surveys with more than 1,000 current and former business owners and residents in Richmond, Virginia, and engaged in on-the-ground conversations with 21 community organizations that provide support to local business owners.

The challenges we observed were significant, but we also identified a clear path for change. The research suggests that the public and private sectors can support minority business owners by offering increased access to startup and growth capital, a more coordinated local business ecosystem, and greater access to capabilities and expertise. Our recommendations help ensure access to resources, empowerment, success, and wealth generation.

## The Power of Collective Action for Social Impact

BCG's extensive network of clients and partners uniquely positions us to drive impact where it's needed. The role we can play as a convenor at our own events or as a contributor to others' events is important in helping us connect with public, private, and social sector leaders that share the same goals as us: advancing progress of the SDGs. Often, BCG's expertise across many practice areas helps us turn bold ideas into exponential, holistic impact, as detailed on [page 12](#).

Our Social Impact practice's contribution is unique. From our position as [Principal Strategy and Action Partner at COP28](#) to our extensive event presence at [UN General Assembly Week and New York Climate Week](#), we fully recognize the importance of connecting with the international community to take stock of where we currently stand and where we can progress together. Although the particular topic of conversation may change, our commitment remains resolute.

## PREPARE Call to Action to the Private Sector

At COP28, US Special Presidential Envoy for Climate, John Kerry, and USAID Administrator, Samantha Power, announced that BCG had responded to the [U.S. President's Emergency Plan for Adaptation and Resilience \(PREPARE\) Call to Action](#)—a growing coalition of 31 major private sector players committed to advancing adaptation and resilience in developing countries. As part of its contribution, BCG launched a study, [From Risk to Reward: The Business Imperative to Finance Climate Adaptation and Resilience](#), written in collaboration with the Global Resilience Partnership and USAID, that details the range of opportunities and financial benefits available to the private sector from financing adaptation and resilience. We launched and presented the report at COP28 at the [US Center](#) and at a [technical panel](#). Insights from this report are shaping how governments engage with the private sector to mobilize financing globally, after being featured in USAID Administrator Power's recent [climate speech](#) to the private sector and other [private sector campaigns](#).

## Save the Children

BCG has been a proud partner of Save the Children since 2006, collaborating on a wide range of strategic, operational, and organizational issues. We have partnered with the organization across many key social and planetary concerns, including our [collaboration to design an innovative digital companion](#) for children and caregivers in the aftermath of the Ukraine refugee crisis. We also recently collaborated on a short article about the impact of climate change on children's educational access: [Harnessing Education to Build Climate Resistance](#). Finally, BCG seconded two experts to Save the Children in 2023, demonstrating our dedication to collaborate beyond the boundaries of our firm to drive social impact.

## World Economic Forum

In addition to the impact we deliver holistically with our Climate & Sustainability practice, BCG has a long-standing relationship with World Economic Forum (WEF) that goes beyond engaging with the organization's global gatherings, such as the Annual Meeting in Davos and the Annual Meeting of the New Champions in China. We are regular collaborators across a broad range of topics, and [our projects are widely published](#). In 2023, our social impact teams launched two publications with WEF: [Tech for Climate Adaptation](#) and [Accelerating a Green and Just Transition](#).

## COP 28 and UN High-Level Champions

BCG was proud to serve as the Principal Strategy and Action Partner to COP28, the UN Climate Change Conference, spanning not only topics related to nature, climate (including adaptation and resilience), and energy, but also the ways in which we can deliver a just, equitable transition. Although COP is primarily about climate change, the outcomes drive significant positive social impact, too. From a social impact perspective, COP28 saw us host and share stages and agendas across many key topics.

On adaptation and resilience, we observed growing global momentum for the Sharm el-Sheikh Adaptation Agenda (SAA), the first global solutions agenda for adaptation and resilience to detail targets that the world must achieve by 2030 to enhance resilience for vulnerable people globally. In addition to helping develop the SAA for COP27, as part of our ongoing collaboration with the UN Climate Change High-Level Champions, BCG assisted in operationalizing the SAA and report on its progress for COP28. We contributed to the [assessment of global progress](#) through engagement with 50+ public, private, and social sector stakeholders. We also helped convene task forces comprising 20+ major organizations to drive locally led implementation of the Agenda. And we helped write the [first annual SAA implementation report](#) for COP28, which charted progress and identified key gaps in accelerating adaptation and resilience action across food, water and nature, health, finance, and other areas. We also took a deep dive into the infrastructure system through a publication titled “[Adaptation and Resilience Through Land Transport Infrastructure Systems](#),” launched in collaboration with the UN High-Level Champions, that examines why a life-cycle-based approach is critical for sectors such as transportation infrastructure.

Our work with the UN High-Level Champions builds on our previous work for COP27, where we explored adaptation needs in four key areas:

- [2030 Adaptation Outcomes for Adaptation and Resilience Finance](#)
- [2030 Adaptation Outcomes for Adaptation and Resilience Planning](#)
- [2030 Adaptation Outcomes for Food and Agriculture](#)
- [2030 Adaptation Outcomes for Human Settlements](#)

BCG also hosted a number of events at regional climate weeks and COP28 that convened major players from the private and public sectors to address the criticality of cross-sector collaboration in advancing adaptation and resilience action. This includes BCG’s flagship adaptation and resilience event, Planning Through to Action; the [report](#) and [event launch](#) of the Southeast Asia Climate Adaptation and Resilience Alliance, of which BCG is a co-founding member along with the World Wide Fund for Nature (WWF) and ThinkCity; and an industry panel and roundtable on adaptation and resilience for land transport infrastructure.

In addition, BCG hosted events on social banking at which we launched our report [Banks Can Deliver Both Social Impact and Profits. Here’s How](#) and hosted a workshop and networking event alongside Barclays and Ceres, focusing on how financial institutions can ensure just transitions through cleantech financing and green jobs.



Munich - Platinion



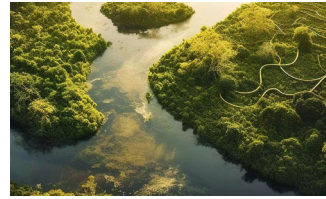
## Articulating Our Impact to the World

In addition to driving impact through our client work and seat-at-the-table strategy, we amplify our impact via our extensive thought leadership program. In 2023, we shared reports, articles, blogs, podcasts, and videos on topics, sectors, and geographies across our seven impact areas:

### Climate Risk and Adaptation and Resilience



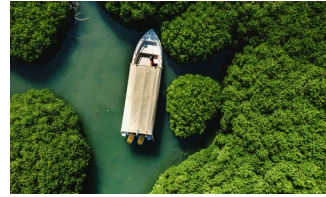
[We Can't Meet the SDGs Without Climate Adaptation and Resilience](#) [!\[\]\(c3d993ca47bfe2a953c700506ce31fa0\_img.jpg\)](#)



[Financing Climate Adaptation and Resilience Is Good for Business and the World](#) [!\[\]\(e3f8612927870f2e0f9f5989e6dd3064\_img.jpg\)](#)



[Safeguarding Coastal Cities from Climate Change](#) [!\[\]\(17413706fd4997a1a4bdf85c6864eee1\_img.jpg\)](#)

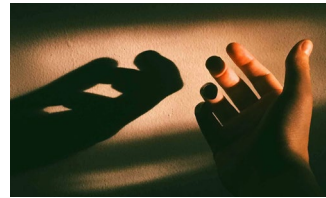


[Mangroves, Storm Walls, and Other Ways to Protect Coasts from Climate Change](#) [!\[\]\(cf531ed27e91483460120fcc057b3901\_img.jpg\)](#)

### Economic Development

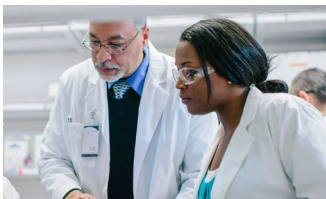


[The Sustainable Development Goals Matter More Than Ever](#) [!\[\]\(95b425611cbd2b8716a140cf67c81822\_img.jpg\)](#)



[Unveiling the Shadow Economy](#) [!\[\]\(4f6bf54ae7e4144a72d78316053e412d\_img.jpg\)](#)

### Global Health



[Embedding Health Equity into the Heart of Biopharma](#) [!\[\]\(1f56542a42e2413e44a2b2023033aa2e\_img.jpg\)](#)



[How Public-Health Leaders Can Fight the Next Pandemic](#) [!\[\]\(5a351309c3b87e4420622c1f0e57efc0\_img.jpg\)](#)



[The Future of Digital Health](#) [!\[\]\(23a2e9ddc7bb0ef55393d38b772a848d\_img.jpg\)](#)

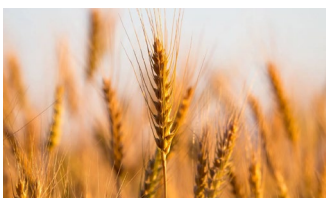
### Food, Hunger, and Agriculture



[COP28 Action Agenda on Regenerative Landscapes: Accelerating the Transition](#) [!\[\]\(206536f97fdb267876a3a10ea42b0254\_img.jpg\)](#)



[Rethinking Collaboration to Power SDG Progress](#) [!\[\]\(241407ae374027aec4b030ca93d07b05\_img.jpg\)](#)



[Making Regenerative Agriculture Profitable for US Farmers](#) [!\[\]\(b626ca8a6876887fc3858e02aec38235\_img.jpg\)](#)

## Education and Skilling



[Connecticut's Unspoken Crisis: Getting Young People Back on Track](#) ↗



[A Fair Chance for Job Candidates with Criminal Records](#) ↗



[Ten Lessons for Universities to Prepare Students for Long-Term Success](#) ↗



[The Next Frontier of Workplace Culture](#) ↗

## Diversity, Equity, and Inclusion



[Breaking Down Funding Barriers for Asian American and Pacific Islander Entrepreneurs](#) ↗



[Your Workforce Includes People with Disabilities. Does Your People Strategy?](#) ↗



[Women in Tech](#) ↗

## Humanitarian Crises



[How the Private Sector Can Help Strengthen the Global Humanitarian System](#) ↗



[Unlocking the Potential of Private Sector's Nonfinancial Contributions to the Humanitarian System](#) ↗



[Improving Reporting and Uniting Efforts to Close the Humanitarian Funding and Resourcing Gap](#) ↗



[Bring Climate Adaptation and Resilience into the Core of Humanitarian Planning and Action](#) ↗



# Protecting Our Planet



## 2023 in Numbers

# 1GT+

projected reduction in CO<sub>2</sub> emissions by 2030, implemented by our clients with our support

# 700+

clients that 4,300 BCG consultants supported to protect our planet

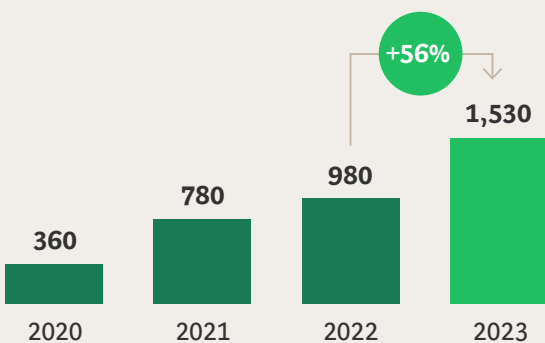
# 70%

of our top 100 Energy and Industrial Goods clients took on climate and sustainability cases

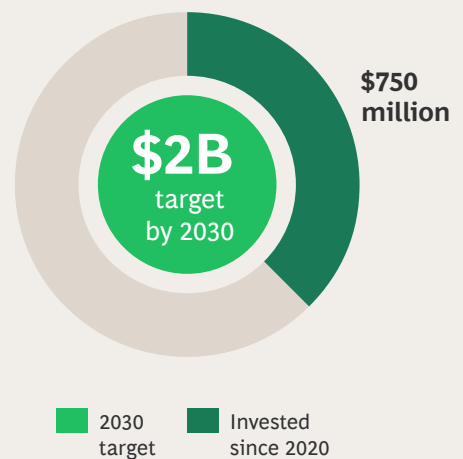
# ~50%

reduction in overall emissions intensity by 2025, a target that we remain on track to achieve

**Delivered 1,500+ climate and sustainability projects in 2023, up 56% since 2022**



**Invested a further \$240 million into protecting our planet in 2023 and are now more than 1/3 of the way to our 2030 goal of \$2 billion<sup>5</sup>**



5. Includes consulting support, external secondments, net zero partnership costs, and marketing initiatives.





Economic headwinds, geopolitical upheaval, and greater impacts from climate change formed the backdrop against which business and government leaders around the world faced tough decisions in 2023. From the global stocktake at COP28, we also learned that the world is not making progress at the necessary speed and scale on climate and sustainability. However, 2023 also saw green technologies set new records. Global annual renewable capacity increased by almost 50%, the fastest pace in two decades, and deforestation in the Amazon fell by nearly 50% in 2023 compared with 2022.

In the face of these challenges and opportunities, BCG continued to increase its focus with decision makers across sectors to deliver significant value for business, government, and society—unlocking the potential of those who advance the world. We’re proud to have continued supporting our partners in implementing action plans to reduce emissions by more than 1 gigaton by 2030,<sup>6</sup> which is equivalent to the combined annual emissions of Germany and the UK.

In 2023, we continued to focus on the critical drivers for achieving net zero and sustainable systems. We partnered with a multitude of industries, including high-emitting and hard-to-abate sectors, and collaborated with governments and financial institutions. As technology and science enhanced our ability to understand and respond to climate and sustainability challenges, our teams moved in step with those developments to deliver new solutions across [planetary boundaries](#). We also collaborated with organizations to help scale up their pioneering carbon removal technology.

Increasingly, our Climate & Sustainability practice focuses on working with clients on end-to-end transformation, supporting new business models that are sustainable and profitable. In fact, we were recognized as a [Leader in Worldwide ESG/Sustainability Strategy Consulting Services in 2023](#) by IDC Marketplace, an eminent global vendor assessor. According to its report, “BCG’s capabilities in addressing the intersections of environmental and social issues allows the company to deploy solutions that will encompass the holistic nature of corporate sustainability.”

6. This figure is an estimate that uses best professional judgement. For clients where BCG has provided implementation support, it aggregates the emissions reductions projected by 2030.

BCG’s Climate & Sustainability practice was our fastest-growing practice globally in 2023. We expanded its portfolio to include more than 1,500 projects, an increase of more than 50% since last year. In 2023, the practice worked with 700 clients, up from 240 clients in 2020. We feel a sense of accomplishment working with our diverse clients to develop plans to radically reduce emissions, mitigate risk through adaptation and resilience, and support the sustainability of our natural resources and food systems. In 2023 alone, we worked with roughly 70% of top 100 Energy and Industrial Goods clients on climate and sustainability solutions, with six core areas of focus. Each focus area contributes to accelerating the achievement of the UN Sustainable Development Goals (SDGs). The SDGs in Focus sidebars, found throughout this chapter, highlight how each case study does this.

- Sustainable strategy and transformation
- Decarbonization
- Sustainable operations
- Food and nature-based solutions
- Green technology
- Finance and investing

In addition to these areas, we are developing our expertise on the topic of green business building. This area will focus on climate innovation, technology, and growth, shaping business enterprise as a vehicle to solve climate and biodiversity crises.

BCG is investing in promising cutting-edge solutions, too. So far, our climate and sustainability-specific investments to drive climate action total \$750 million of a \$2 billion commitment this decade. These investments, which are in addition to investments that our Social Impact practice has made, span key stakeholders shaping the sustainability journey, including but not limited to global initiatives such as CDP (formerly Carbon Disclosure Project), Science Based Targets initiative (SBTi) and the World Economic Forum (WEF); the UN and other multilateral organizations; and, of course, our diverse client base. We also demonstrated our strong belief in collective action through our ongoing partnership with the UN High-Level Climate Champions, and by serving as the principal strategy and action partner to the COP28 Presidency.

BCG recognizes the complexity of this work and the importance of ensuring that we influence the planet in a positive way that aligns with the Paris Agreement's goals. We have embedded clear guidelines in the firm-wide selection process that screens all prospective client work at BCG to ensure that our work is in line with our climate policies and will have a positive impact.

We also understand the need to balance environmental concerns, such as emissions and pollution reduction, with social considerations, such as a just transition, gender equity, energy access, and economic development. We will continue to refine our policies and approach as we deepen our engagement. By treating our climate and sustainability agenda as a North Star, we can help organizations work toward a sustainable future for themselves while also helping to secure the future of our planet. (See the sidebars "[Sustainability Strategy and Transformation](#)," "[Decarbonization: Unlocking the Path to Green Growth](#)," "[Sustainable and Efficient Operations](#)," "[Food and Nature-Based Solutions](#)," and "[Sustainable Finance and Investing](#).")

### 2023 Highlights

#### Center for Policy and Regulation

In March 2023, BCG launched its [Center for Climate and Sustainability Policy and Regulation](#) to help clients navigate policies and regulations that aim to accelerate the transition toward a net zero, nature-positive global economy. The center assembles experts who have deep insight into the complex and dynamic policies and regulations reshaping industries, scaling green technologies, and creating new value pools.

#### Quantis and BCG: One-Year Anniversary

Despite being a time of transition, the first year of Quantis as a BCG company included considerable growth and impact. Acquired by BCG in September 2022, Quantis welcomed a new leader, [Allon Zeitoun, in September 2023](#). The purpose-driven environmental sustainability company is unique among its peers in focusing on building a planetary economy, where nature and business work in balance. Quantis strives to transform companies by using a holistic, science-based approach that considers all planetary boundaries.

## 2023 in Numbers

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# \$240M

invested in protecting our planet in 2023, putting us more than one-third of the way to our \$2 billion 2030 goal

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# 1,500+

Climate & Sustainability projects worked on in 2023, a year-on-year increase of 56%

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# 4,300

BCG consultants helped our clients protect our planet

---

# 40+

pro bono partnerships that we engaged in

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# Sustainability Strategy and Transformation



## SDGs in Focus



The landscape for conducting business has evolved. Firms must craft sustainability strategies and inventive business models that not only promise financial gains but also make a meaningful positive impact on the planet and on society. BCG helps companies do just that, while building an enduring competitive advantage.

Now, more than ever, a diverse group of stakeholders—including investors, customers, employees, regulators, and policymakers—expect businesses to actively engage in solving issues such as climate change and economic disparity. In response, business leaders must redefine their corporate vision, diversify their portfolios, and reshape their business models to advance on the path to sustainability. Embarking on this path not only spurs innovation and value creation but bolsters the business’s overall strength and capacity to adapt and thrive.

To learn more about our work, visit our Climate Change and Sustainability [landing page](#). In one instance, we helped a company contribute to SDG 13 (Climate Action), as well as to SDG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and Production), and SDG 15 (Life on Land). (See “[Case Study: Transforming Burgo Group into an ESG Leader.](#)”)



## Case Study

### Transforming Burgo Group into an ESG Leader



Watch how Burgo defined industry-leading decarbonization targets

#### Partner's Challenge

The sustainability of our planet, well-being of its inhabitants, and robustness of the global economy are under threat because of unsustainable industrial practices. This challenge is starkly evident in the forestry and paper production sectors.

Burgo Group, a leading European producer of graphic papers, specialty papers, and container board, recognized the pivotal role it could play in advancing sustainability. Despite already contributing positively by using residual wood products, thus providing an economic incentive for forest growth, Burgo aimed to elevate its environmental stewardship and become an ESG leader, acknowledging the broader challenges of climate change and sustainability.

#### BCG's Contribution

BCG stepped in to help Burgo realize its vision by developing a comprehensive ESG strategy aligned with its ambitions for sustainable operations. BCG's expertise was instrumental in structuring a detailed roadmap for sustainable development across seven key areas, with a pronounced emphasis on decarbonization.

This roadmap defined ambitious decarbonization targets and facilitated establishing a dedicated organization within Burgo for ESG management. BCG's support helped Burgo transition from strategic planning to operational implementation, particularly through the Grow 2030 plan, which laid out multiple targets for transforming the business model to a sustainable one.

#### Potential Unlocked

The collaboration has led to a significant shift toward sustainability within Burgo, positioning it in the vanguard of the industry's move to a greener future. The structured approach to ESG management and the focus on decarbonization promote sustainable management of forests and reduce the company's carbon footprint.

Through the Grow 2030 plan, Burgo is not only addressing its environmental impact, but also opening the way for sustainable growth and value creation within the framework of sustainability. This partnership is a good example of BCG helping to drive systemic change, enabling companies like Burgo to have a positive impact on people, the planet, and the economy.

# Decarbonization: Unlocking the Path to Green Growth



## SDGs in Focus



Decarbonization can deliver up to \$26 trillion in economic gains by 2030. BCG helps organizations deploy forward-thinking decarbonization solutions that boost sustainability, support long-term growth, and aim to capture that value.

Companies need to remove carbon from their operations, manufacturing, product designs, and supply chains. Government policies, such as the US Inflation Reduction Act of 2022 and the European Green Deal, offer meaningful incentives for large-scale decarbonization, conferring significant advantages on companies that act now—with potential for significant green growth.

To learn more about the services we deliver, visit our Climate Change and Sustainability [landing page](#). One relevant example involves using climate action to help clear a path to economic and social development through climate action. (See “[Case Study: Driving Economic and Social Development Through Decarbonization](#).”) As with many climate and sustainability cases, our contribution to SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action) is likely to support second-order benefits—in this case, to SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 11 (Sustainable Cities and Communities).

## Case Study

# Driving Economic and Social Development Through Decarbonization

### Partner's Challenge

Malaysia, like other nations, faces a complex challenge in meeting its growing energy demands while addressing adverse environmental repercussions. Like many other countries, Malaysia relies for energy production on fossil fuels that contribute to greenhouse gas emissions. The country has steadily progressed toward more sustainable and eco-friendly energy sources.

This transition is not solely an environmental imperative. It represents a significant opportunity for Malaysia to drive economic and social development, aligning with the objectives of the UN's SDGs.

### BCG's Contribution

To help our client, BCG first performed an assessment to In 2023, recognizing the urgency of these challenges, the Malaysian government partnered with BCG to develop the National Energy Transition Roadmap (NETR). NETR is designed to accelerate the transition of Malaysia's energy system toward more sustainable, lower-emission, and diversified energy sources.

The approach enlists federal and state governments, industry, the general public, and the international community as participants. NETR identifies 50 policy-driven initiatives aimed at reducing emissions in the energy sector by 32% by 2050. Through NETR, Malaysia will focus on improving energy efficiency; enhancing renewable energy and bioenergy; reducing greenhouse gas emissions; greening mobility; accelerating innovation to commercialize hydrogen and carbon capture, usage, and storage technologies; and strengthening energy infrastructure.

NETR represents the culmination of five years of work that BCG has done in Malaysia to support Malaysia's transition toward net zero.

### Potential Unlocked

The implementation of NETR aligns Malaysia with relevant SDGs, contributing to global efforts to combat climate change. The resulting increased use of renewable energy resources is expected to reduce the country's carbon emissions.

Economically, NETR is likely to spur innovation and investment in the green technology sector, fostering new industries and employment opportunities. NETR aims to unlock \$300 billion in capital flows in support of the energy transition, with energy security as the cornerstone. The initiatives that NETR highlights should lift GDP by 10% to 15% and create 350,000 jobs, with 70% of that additional money flowing to low- to medium-income households.

The transition to cleaner energy sources also promises improved air quality and health benefits, contributing to the well-being of Malaysia's citizens. And the development of a more resilient and sustainable energy system will enhance energy security, ensuring reliable and affordable energy

# 50

policy-driven initiatives aimed at reducing emissions in the energy sector by 32% by 2050

# 350K

potential jobs created for Malaysian citizens

# 70%

of additional money flowing to low- to medium-income households



# Sustainable and Efficient Operations



## SDGs in Focus



Achieving sustainable operations isn't just an endpoint but a key element in a broader strategy to foster business expansion. Our approach involves collaborating with clients to enhance the sustainability of operations. This includes cutting emissions throughout the product life cycle, advancing sustainable procurement and supply chain practices, boosting operational efficiency, and shifting to a circular economy, all while generating value for the business.

While more information on our capabilities can be found at our Climate Change and Sustainability [landing page](#), a recent example illustrate the way sustainable operations drives not only SDG 13 (Climate Action), but SDG 7 (Affordable Clean Energy) and SDG 9 (Industry, Innovation, and Infrastructure). (See "[Case Study: Paving the Way for Electric Trucks.](#)")

## Case Study

### Paving the Way for Electric Trucks

#### Partner's Challenge

Commercial vehicles are responsible for 50% of transportation's carbon emissions. Regulations and subsidies in the US and Europe aim to stimulate the use of electric commercial vehicles, but adoption has been slow, in part because of the high life-cycle cost of batteries.

A leading global manufacturer of battery cells, LG Energy Solution, based in South Korea, entered the commercial vehicle market with the goal of reducing prices and making it feasible for truck owners to incorporate electric trucks into their fleets.

#### BCG's Contribution

BCG worked with LG Energy Solution to develop a market entry strategy to help it reach this goal. We investigated and analyzed the unmet needs of OEM customers in the market and built corresponding strategies, creating solutions based on product lineups that would enhance customer satisfaction and economic viability from the perspective of total cost of ownership. We also helped the company develop operational strategies for customer acquisition, facilitating matches with European customers in particular.

#### Potential Unlocked

The work has allowed LG Energy Solution to reduce the life cycle cost of batteries, expanding the options for truck owners as they enter the electric market. It has also contributed to revenue stream diversification, establishing growth opportunities for the future.

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# 50%

of transportation-related carbon emissions  
come from commercial vehicles

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# Food and Nature-Based Solutions



## SDGs in Focus




Nature, biodiversity, and agriculture are intrinsically linked. The planet’s ecosystems provide vital services that range from agriculture to climate regulation to water storage and filtration to air purification. The estimated value of these resources exceeds \$150 trillion annually.

Yet human activity continues to endanger the natural world. We are in the midst of Earth’s sixth mass species extinction event, and one-fifth of the world’s countries are at risk of ecosystem collapse. Forward-looking companies understand the compelling business case for building a nature-positive operation, finding synergies between efforts to reduce adverse environmental impact and efforts to increase business value.

At the same time, the challenges related to food systems and security are complex and urgent. Climate change threatens the food supply—along with the incomes of those who grow crops or raise livestock. And workers, customers, and shareholders are exerting pressure on companies to reduce their carbon footprint. BCG understands these complexities and helps our clients address them through a holistic, systems-mapping approach.



 **Watch how OCP Group is leading the way in climate and sustainability in the agricultural sector**

To learn how BCG remediates, protects and regenerates nature, including our holistic approach to agriculture, visit our Climate Change and Sustainability [landing page](#). In addition, we are proud to showcase in the video above some of the work we did in 2023. Here, we provided insights to help OCP Group contribute to SDG 7 (Affordable and Clean Energy), SDG 13 (Climate Action), and SDG 12 (Responsible Consumption and Production).




# Sustainable Finance and Investing



## SDGs in Focus



 Watch how banks can play a role in creating positive social and planetary impact

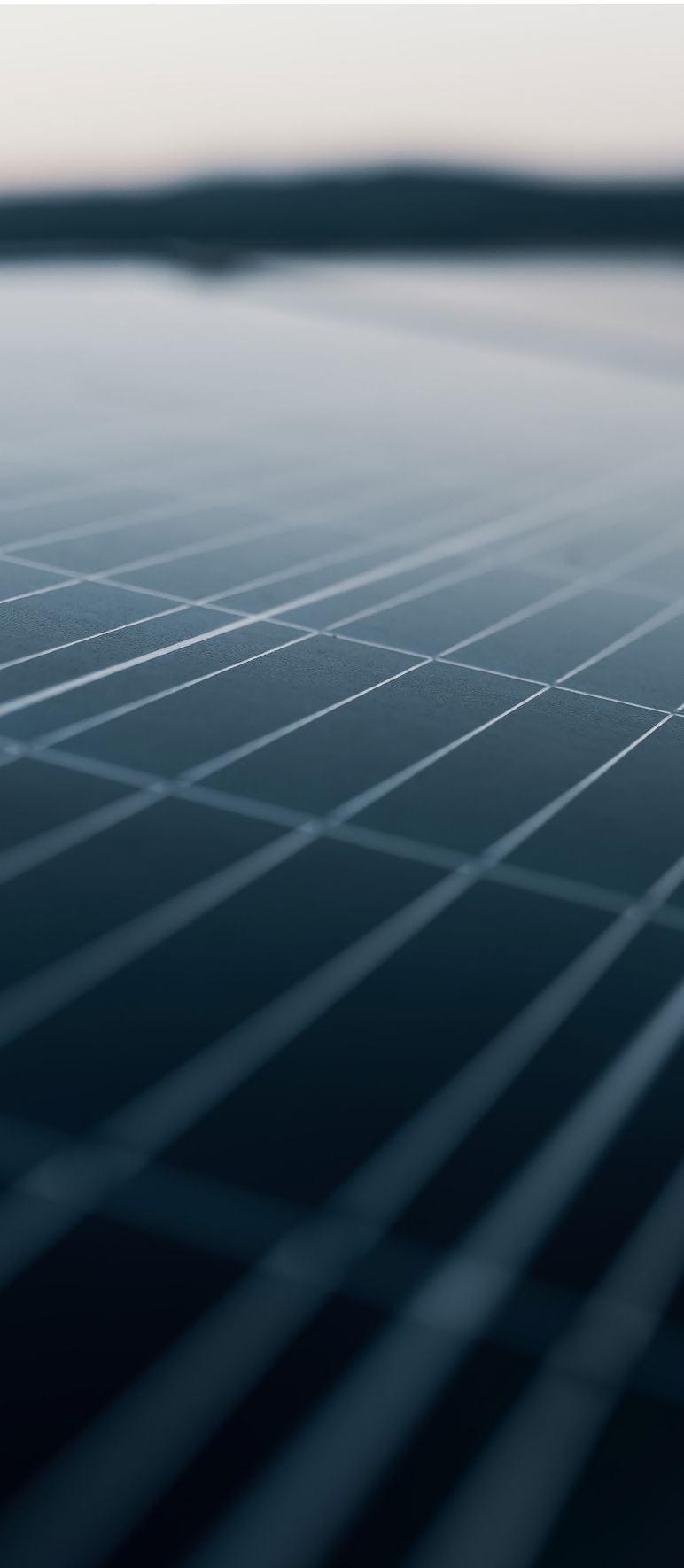
The transition to a more environmentally sustainable, socially inclusive world will create unprecedented financing opportunities and reallocation of capital flows. BCG works with clients to build capabilities in sustainable finance and investing in order to capture this source of value and competitive advantage.

We work with financial institutions to develop enterprise-wide strategies and operating models for delivering sustainable finance and investing ambitions, and we help them translate their net zero commitments into action. We also work with corporate and investment banks to more effectively pursue new sustainable finance opportunities.

You can find more information on our capabilities at our Climate Change and Sustainability [landing page](#). Besides contributing to SDG 7 (Affordable and Clean Energy), SDG 13 (Climate Action,) SDG 15 (Life on Land), and the financially orientated targets of SDG 17 (Partnerships for the Goals), pursuing sustainable finance opportunities will deliver co-benefits to SDG 8 (Inclusive and Sustainable Economic Growth) that will grow over time.

At COP28, Douglas Beal, global lead of Social Impact and Just Transition in Financial Institutions at BCG, and Tom Hall, global head, Social Impact & Philanthropy at UBS, discussed how they've helped clients maximize their impact in a measurable way. (See the video on this page.)

Whether driving social impact or protecting our planet, this robust, scalable way of moving capital toward sustainability goals is emblematic of BCG's approach to sustainable finance and investing.



## Client Story Showcase

The preceding case studies represent just a fraction of the work we delivered in 2023. For more examples, from strategy to infrastructure, see the client story showcase below.

80 years in the construction industry

120 countries served globally

 **Leading the Way on Circularity**

**Climate mitigation, adaptation, and resilience**

 **Building Infrastructure for the Future**

**65,000 tires**

 **Pioneering Sustainable Industrial Strategy**



## The Power of Collective Action for Planetary Impact

A critical part of delivering impact on climate and sustainability lies in collective action through partnerships with major multilateral organizations such as the UN, as well as in global initiatives such as Breakthrough Energy and the First Movers Coalition.

In supporting these partnerships, BCG draws on the full breadth of its expertise to deliver holistic solutions to complex problems. To see how we help partners such as the UN, COP28, World Business Council for Sustainable Development, and WEF move from bold ideas to exponential impact, see [page 12](#).

At the same time, our Climate & Sustainability practice catalyzes and magnifies the progress of these partnerships in unique ways. These include pursuing efforts to protect biodiversity, accelerate investment and innovation, and achieve a net zero future. When it comes to achieving progress, we believe that there is strength in numbers. By working together, we can break down barriers that are too difficult or complex for any single organization to surmount.

For this reason, our partnerships are diverse: we work with governments, business associations, international NGOs, and other members of civil society to drive action on a range of solutions. BCG contributes expertise through pro bono or low bono engagements. The following is a snapshot of BCG's climate and sustainability partnerships.

### COP28 and the United Nations

In 2023, BCG was proud to support COP28 as the gathering's principal strategy and action partner. In this role, we provided strategic insight and analysis, sectoral and technical expertise, and action agenda implementation support across such topics as renewables, hydrogen, climate finance, green capital markets, decarbonization of heavy-emitting sectors, food system transformation, and nature protection.

Among the highlights of our COP28 work was the Action Agenda on Regenerative Landscapes—an initiative co-chaired by COP28, the UN Climate Change High-Level Champions, the World Business Council for Sustainable Development, and BCG—which aims to accelerate the transition to regenerative agriculture. BCG is also proud to have supported COP28, IRENA, and the Global Renewables Alliance on a report, [Tripling Renewable Power and Doubling Energy Efficiency by 2030: Crucial Steps Towards 1.5°C](#), which outlines key enablers to achieve the COP28 Presidency's agenda to triple global renewable power capacity to 11,000 gigawatts and double average annual energy efficiency improvements by 2030.

BCG has collaborated extensively with the UN High-Level Champions on Climate Change since 2020, supporting several priority initiatives and campaigns. Our work builds on our ongoing commitment to the UN Framework Convention on Climate Change, for which we also served as the exclusive consulting partner at COP26 and COP27.



### Breakthrough Energy Catalyst

Breakthrough Energy Catalyst is a novel platform that funds and invests in project companies that utilize emerging climate technologies to reduce emissions. The platform aims to accelerate and scale the adoption of these technologies worldwide and thereby reduce their “green premiums.”

BCG was a founding partner of Breakthrough Energy Catalyst in 2021, and we continue to support its evaluation of new decarbonization technologies and its efforts to understand how best to remove barriers to their adoption. In 2023, we evaluated approximately 20 emerging climate technologies (including thermal energy storage, green cement, and H2 pipeline infrastructure) to assess their GHG impact, their need for catalytic funding, and their readiness to scale, as well as to identify which ones Catalyst should prioritize for investments, ultimately leading the organization to add a new technology to its scope. This work is critical to identifying, funding, and scaling technology solutions that will enable the world to reach its climate targets. Together with Breakthrough Energy Catalyst and Third Way, an American think tank, we published multiple reports and analyses on the [competitiveness of clean technology in the US](#).

### CDP

BCG and CDP, the world's preeminent disclosure platform, have a long-standing strategic partnership. We collaborate on high-impact societal topics such as aligning the disclosure framework with the International Sustainability Standards Board, building CDP's new global tech platform, and assessing which levers drive the greatest reduction in emissions. These joint efforts provide greater transparency about what companies are doing to deliver on their climate targets. We also partnered with CDP on efforts at New York Climate Week and COP28, as well as on initiatives that aim to enable talent upskilling and growth. In addition, we partner with CDP on thought leadership, yielding key insights such as the power of supply chain decarbonization (supply chains generate 11 times the emissions of in-house operations on average).



## First Movers Coalition

BCG is a founding member and lead knowledge partner of the First Movers Coalition (FMC), a group of forward-thinking companies convened by the US government (with the US Special Envoy for Climate at the helm) and the World Economic Forum. FMC aims to jump-start global demand for critical emerging solutions by mobilizing the necessary investments and lowering the associated costs.

Our efforts in support of FMC in 2023 included work to increase demand, bring products to market, streamline procurement, and build enabling ecosystems for industrial decarbonization. We partnered with FMC to find ways to increase investment in near-zero-emission products and services and to encourage advance offtake agreements from customers so suppliers can scale with certainty. In the two years since its inception, FMC has become the single largest global clean demand signal, and its 96 members have made commitments representing annual climate technology demand of \$16 billion, which is estimated to lead to annual CO<sub>2</sub>e emissions reductions of 31 million metric tons.

In 2023, we also collaborated on a series of papers with FMC outlining the organization's insights and impact: [Fuelling the Future of Shipping: Key Barriers to Scaling Zero-Emission Fuel Supply](#), [Surfacing Supply of Near-Zero Emission Fuels and Materials in India](#), and ["Harnessing Purchasing Power to Drive Decarbonization."](#)

## Science Based Targets initiative

BCG is proud to partner with the Science Based Targets initiative (SBTi), an organization that drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets. SBTi remains the gold standard for corporate climate commitments, as it sets the rules for "what counts" as a credible climate target, and it is one of the largest influencers of corporate climate action.

In 2023, we partnered with SBTi to refine its Scope 3 requirements and guidance, to provide insights into the challenges faced by financial institutions in their efforts to update the industry's net zero standard, and to support foundational research and development into the role of value chain mitigations. We also supported SBTi in streamlining its own technical operating model and reviewing its strategic direction with regard to measuring company performance and target delivery. Our aim is to continue growing SBTi's base of committed companies, while also driving even greater positive impact by helping them reach their climate targets.

## Science Based Targets for Nature

Linked to SBTi, Science Based Targets for Nature (SBTN) is a network of more than 45 organizations that aims to develop methods and resources for setting and achieving nature-related science-based targets for companies, and climate- and nature-science-based targets for cities.

In 2023, BCG supported SBTN in launching the first-ever science-based targets for nature. We then partnered with the network to implement the targets in 16 pilot companies and to help develop new nature-related guidelines for financial institutions. In addition, we worked with SBTN and pilot companies to distil insights and lessons from the pilots and to build a strategy for 2024.

Together, we organized and co-hosted workshops at the London, Asia-Pacific, and New York Climate Weeks for organizations looking to implement a nature-positive approach. [We also interviewed Erin Billman](#), SBTN's executive director, to share more about the origin and impact of these new guidelines.

## World Business Council for Sustainable Development

BCG's partnership with the World Business Council for Sustainable Development (WBCSD) spans multiple critical sustainability topics, supporting the council's aim to form a global community whose members shift the systems they work within toward a better future.

In 2023, we partnered with WBCSD and the COP28 Presidency to launch the [COP28 Action Agenda on Regenerative Landscapes](#), a flagship initiative designed to accelerate the transition to regenerative agriculture. We also supported WBCSD initiatives that focused on circularity, procurement, and avoided emissions, leading to three key outputs in 2023: a [plastics protocol](#) aimed at accelerating the transition to plastic circularity by introducing 60 plastic metrics for companies to collect data on in order to comply with impending regulations; a [series of master classes and articles](#) on critical decarbonization levers to upskill WBCSD members on topics such as achieving sustainable procurement, preparing for net zero, reducing emissions, and conducting targeted interventions; and a white paper on how companies can leverage [avoided emissions](#) as an indicator of green leadership.

## World Economic Forum

As a [strategic partner of the World Economic Forum \(WEF\)](#), we worked on a number of ongoing projects in 2023, including the [race to net zero](#), [technology for climate adaptation](#), accelerating a [just transition](#), green and sustainable development in China, and low-carbon technologies for chemicals production. Rich Lesser, our global chair, is a senior member and advisor to the WEF Alliance of CEO Climate Leaders, and BCG is a member of the WEF Chief Sustainability Officer Community and the Natural Climate Solutions Alliance.

Our work with the Alliance of CEO Climate Leaders in 2023 supported three strategic initiatives: providing policy advocacy; increasing the alliance’s ambitions and action on Scope 2 and the energy transition; and developing an action plan for the alliance and its suppliers to decarbonize Scope 3 upstream emissions. We also published [The State of Climate Action](#), a report that complements the global stocktake with a comprehensive view—across nations, corporations, technologies, and financing—of the gap between ambition and action on net zero.

We also partnered with WEF on AI for climate adaptation and resilience, with the mission to accelerate development and use of AI and advanced analytics in climate A&R efforts to drive awareness, speed, scale, and cost efficiency of new technologies. [Innovation and Adaptation in the Climate Crisis](#) explores data-driven and digital technologies that are emerging as mission-critical tools for climate adaptation. Another joint report, [What Future for Climate and Trade?](#) maps future scenarios to highlight the interaction of climate action, global trade, and economic growth.

## World Wildlife Fund

In 2012, we began supporting the mission of World Wildlife Fund (WWF) to halt environmental degradation and build a future in which people live in harmony with nature.

In 2023, we supported WWF on a number of projects including developing a basin-focused strategy to unlock investment in preserving key basins in the Amazon, assessing the impact on nature of the energy transition, and supporting a global decarbonization framework for shipping. Our partnership also included supporting WWF at the Convention on Biological Diversity (COP15) on a “New Deal for Nature & People” to reverse nature loss by 2030. We also delivered two key reports: [Navigating the Waters: Strategic Solutions for Water Resilience](#) and [Building a Nature-Positive Energy Transformation](#). Thought leadership pieces like these helped deliver major engagements, such as roundtables at the UN Water Summit, New York Climate Week, Africa Climate Week, and Asia Climate Week. Finally, we seconded several BCGers to WWF in 2023, demonstrating not only a commitment to driving planetary impact, but also a dedication to open innovation and advancing systemic change beyond the boundaries of our own firm.







New Delhi - Aanya

## BCG's Internal Net Zero Roadmap



### Measure

We measure, analyze, verify, and report our climate impact on an annual basis

2018 EMISSIONS  
BASELINE

**31Kt**

absolute Scope 1 and Scope 2 emissions in 2018

**553Kt**

absolute Scope 3 emissions in 2018



### Reduce

We have set science-based targets to reduce our emissions intensity along our value chain

2025 SCIENCE-BASED  
TARGETS

**92%**

reduction (per FTE) in Scope 1 and Scope 2 emissions by 2025 vs. 2018

**48.5%**

reduction (per FTE) in Scope 3 business travel emissions by 2025 vs. 2018 baseline



### Remove

We address our remaining emissions by purchasing high-quality carbon credits

2030 NET ZERO  
COMMITMENTS

**100%**

remaining emissions removed with high-quality carbon credits



### Improve

We engage experts, NGOs, and standard setters to continually improve our approach

STAKEHOLDERS  
(NON-EXHAUSTIVE)

**BUSINESS AMBITION FOR 1.5°C**





## BCG's Own Commitment to Net Zero and Environmental Sustainability

BCG drives climate action by unlocking our clients' potential to become climate and sustainability leaders. But we also drive authentic sustainability action inside BCG. This section outlines the progress we have made toward our own internal environmental goals, as outlined in our [Environmental Responsibility Statement](#). This statement, which we update each year, embodies our commitments and principles and affects the way BCG operates every day.

Our internal sustainability program is overseen by the Global Internal Sustainability Strategic Committee (Strat Co) and chaired by BCG's chief sustainability officer (CSO) David Webb. David has led the internal sustainability program since 2022. Strat Co, established by BCG's global Executive Committee (our board equivalent), meets monthly to ensure that we're on track to meet both our long-term and our near-term net zero targets.

While other Strat Co members have incentives tied to climate-related topics, this is most comprehensively the case for the CSO, who establishes climate objectives annually; meeting those objectives directly impacts his variable compensation. One member is Global Chair Rich Lesser, who also serves as chief advisor to the World Economic Forum Alliance of CEO Climate Leaders. Strat Co's two Executive Committee leaders have developed fluency in the topic of climate action to help deliver this element of BCG's business strategy. In addition, our CSO regularly leads climate and sustainability engagements with clients. For more information, see the "Governance" section in the introduction to this report ([page 8](#)).

BCG drives climate action by unlocking our clients' potential to become climate and sustainability leaders. But we also drive authentic sustainability action inside BCG. This section outlines the progress we have made toward our own internal environmental goals, as outlined in our [Environmental Responsibility Statement](#). This statement, which we update each year, embodies our commitments and principles and affects the way BCG operates every day.

To execute the program, the Strat Co formed the Global Internal Sustainability Team, whose mandate has three pillars:

- **Measure.** Set baselines for carbon accounting, and monitor and disclose progress.
- **Reduce.** Lower the firm's carbon emissions and other negative environmental impacts.
- **Remove.** Take away 100% of the emissions that we're unable to reduce by 2030, using the most effective nature-based and engineered carbon removal solutions.

Climate change is the most material environmental topic for BCG. That's why we have committed to achieving [net zero climate impact](#) by 2030 and to becoming climate positive thereafter, removing more carbon from the atmosphere than we emit each year.

We follow the GHG mitigation hierarchy by first avoiding and reducing emissions within our value chain, and then compensating for and neutralizing our remaining emissions. We have set validated near-term science-based targets that aim to cut our GHG emissions intensity in half by 2025. Our targets align with the most ambitious goal of the Paris Agreement: to limit global temperature rise to 1.5°C above preindustrial levels. We have already significantly reduced our Scope 1 and Scope 2 emissions and have established a clear decarbonization plan for our Scope 3 business travel emissions.

In addition to reducing our GHG emissions, we have, since 2018, purchased and retired a volume of independently verified carbon credits equivalent to our remaining unabated emissions. As part of our journey toward net zero climate impact, we will transition our carbon credit portfolio to 100% CDR credits by 2030. Our goals are to support high-quality nature-based solutions and to help pioneer the most promising technological solutions, such as direct air capture (DAC) and storage.

In keeping with best practice, such as [WWF's Blueprint](#), we have quantified and publicly communicated the price we expect to pay to reduce, avoid, and remove emissions as we work toward net zero. We expect to pay a blended carbon price of \$35 per metric ton in 2025, rising to approximately \$80 per metric ton by 2030. In 2023, our blended carbon price was \$18 per metric ton.

## 2023 in Numbers

**3**

consecutive appearances on CDP's annual A List

**100%**

BCG offices using 100% renewable electricity since 2019

**52%**

of our carbon credit portfolio consists of high-quality carbon removal projects

**\$18**

our blended carbon price per metric ton

**100%**

of employees received training materials on the climate and environment topic

**45+**

BCG offices with a green building certification

**1.5K+**

colleagues are BCG Green Team members

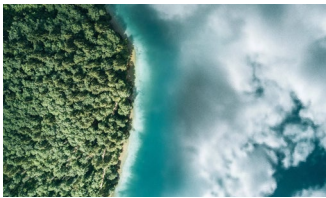


We recognize that requirements and expectations for credible net zero strategies will continue to evolve with scientific and technological developments and with ongoing stakeholder engagement. An independent third-party entity verifies the accuracy of claims related to BCG's net zero program, including PAS 2060 carbon neutral certification.<sup>7</sup> As we progress on this journey, we will continue to learn and adapt our approach in collaboration with experts, NGOs, clients, and other key stakeholders.

Although climate change remains the most material environmental topic at BCG, we understand that sustainability demands a holistic approach. For that reason, we monitor and manage other topics too, such as energy, water, and resource consumption. Given the localized, office-specific nature of these topics, the Global Internal Sustainability Team receives support in the form of bottom-up change advanced by our local Green Teams. A network of over 1,500 members across more than 100 offices, Green Teams help drive gains in energy, water, and waste sustainability while fostering a culture of sustainability necessary to achieve our environmental ambitions.

7. Verified by EcoAct, our PAS 2060 company certification covers our full reported Scope 1, Scope 2, and Scope 3 GHG inventory, which are included only in our business travel emissions target. The credits we currently purchase are a mix of avoided-emissions projects (such as projects to prevent deforestation), which aim to keep additional carbon from entering the atmosphere, and removal projects (such as reforestation and biochar), which remove CO<sub>2</sub> directly from the atmosphere.

## Further Reading



[BCG's Net Zero Strategy](#)  
↗



[Environmental Responsibility Statement](#)  
↗



[The First Three Years of BCG's Net Zero Journey](#) ↗



[CDP Climate Disclosure](#) ↗

## Measuring Our Climate Impact

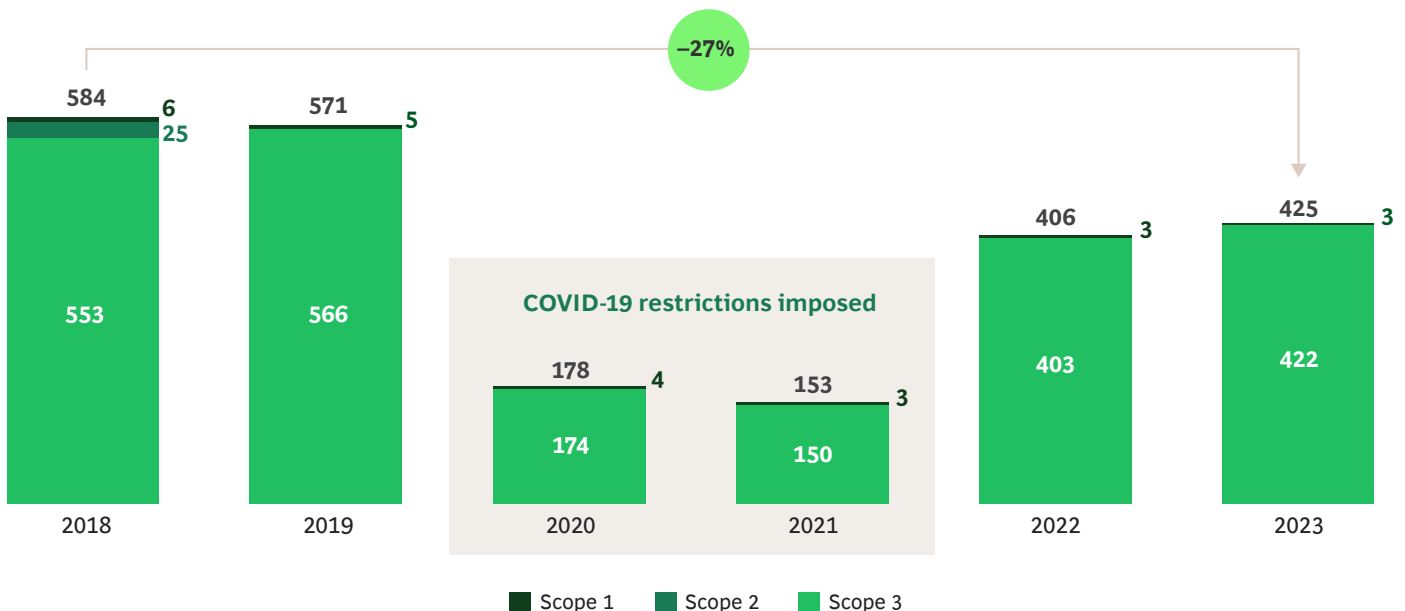
We have established a global carbon accounting system in accordance with the GHG Protocol Corporate Standard, and we independently verify our emissions against the ISO 14064-3 standard.<sup>8</sup>

We report emissions in metric kilotons of carbon dioxide equivalent (KtCO<sub>2</sub>e). Our Scope 3 emissions boundary includes business travel—our largest source of emissions—as well as purchased goods and services, capital goods,

employee commuting, and other smaller emissions sources. Within our reported GHG inventory, for air travel emissions, we measure and include the climate impact of GHG emissions from the combustion of fuel, as well as the impact of non-GHG sources that have a radiative-forcing impact.<sup>9</sup> (See Exhibit 3.) A detailed description of our GHG reporting methodology and Scope 3 reporting boundary is available in the appendix ([page 96](#)), followed by our Taskforce on Climate-Related Financial Disclosures reporting.

## Exhibit 3 - BCG's Greenhouse Gas Emissions

DATA IN METRIC KILOTONS OF CARBON DIOXIDE EQUIVALENT (KtCO<sub>2</sub>e)



Source: BCG analysis.

Note: Numbers in this exhibit may vary from those reported in previous years as data is improved and updated.

8. We take an operational control approach to consolidating our carbon emissions inventory.

9. Although CO<sub>2</sub> is a significant and crucially long-lived pollutant from aviation, it represents only about 50% of the total warming caused by flying. Other emissions from aviation, such as nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), and particulate matter (PM), as well as indirect factors such as the formation of contrails and clouds, contribute to effective radiative forcing (ERF). Following best practice, we account for the non-GHG climate impact of aviation by multiplying the CO<sub>2</sub> impact by 1.9, effectively doubling our flight emissions. We include non-GHG warming effects within our full reported GHG boundary. But in accordance with the Science Based Targets initiative (SBTi) aviation sector guidance, we exclude them from our business travel target boundary. For the same travel target, we also include upstream well-to-tank emissions from the combustion of aviation fuel; however we do not include these in the full reported GHG inventory above. Please see Table 1 on [page 96](#) of the appendix for a summary of our full GHG inventory and target boundaries.



Compared with our 2018 baseline, our 2023 emissions were 27% lower in absolute terms and 59% lower on a per-person intensity basis. Compared with absolute emissions in 2022, our emissions in 2023 increased. The increase in absolute emissions since 2022 is not surprising, given the continued rebound from two years of COVID-19, and we have accounted for it in our plans to achieve our emissions reduction targets. Moreover, as discussed in the next section, we have taken concrete action to remain on track to achieve [net zero climate impact](#) by 2030.

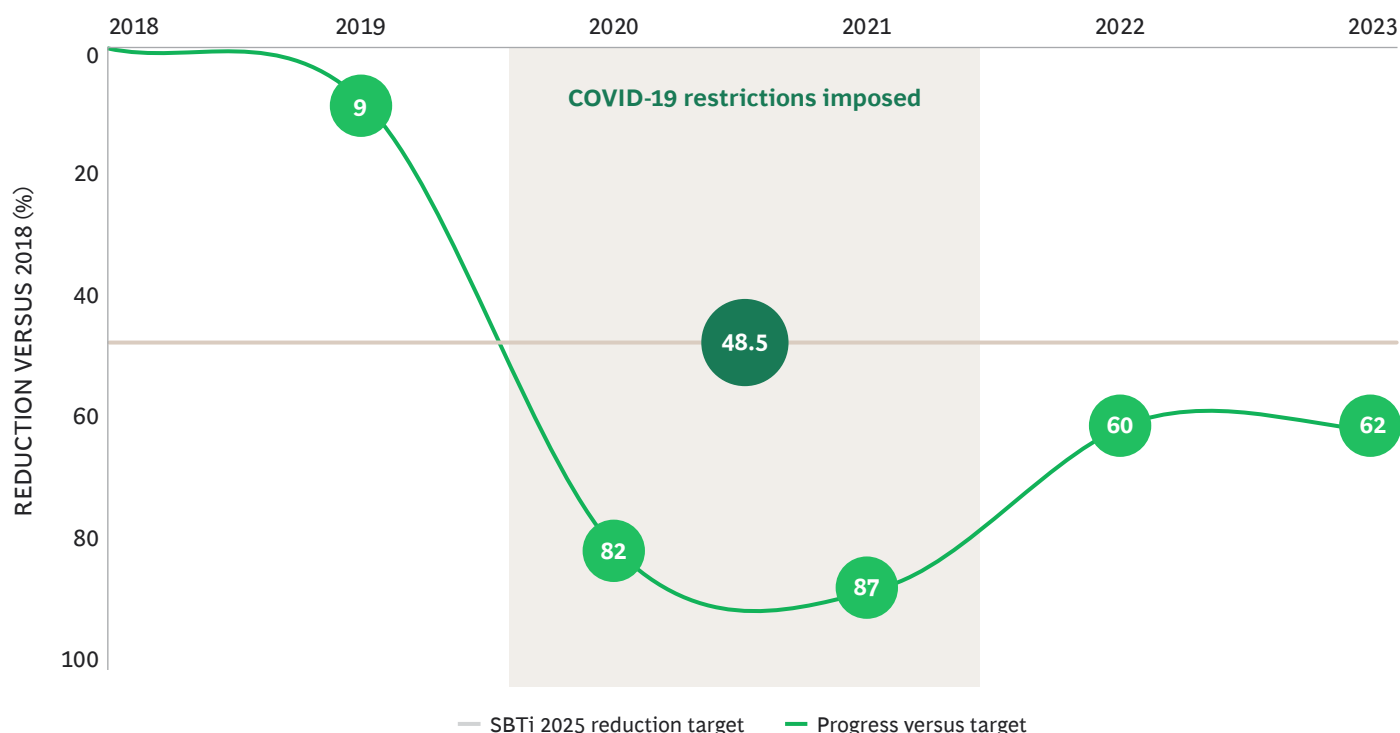
### Reducing Our Emissions Intensity

To achieve our goal of net zero emissions by 2030, we're focusing on reducing our main source of emissions: business travel. At BCG, as at many other firms in our industry, business travel makes up about 80% of total emissions. We aim to cut emissions from business travel by 48.5% per employee by 2025, compared with our 2018 levels, setting one of the most ambitious targets in our sector. SBTi has validated this target, giving us confidence that the goal is both bold and achievable.

In 2023, our emissions intensity from business travel was 62% lower than in 2018. We achieved this reduction through a mix of strategies: approximately 50% from altering our travel habits and 12% from improvements in efficiencies.<sup>10</sup> (See Exhibit 4.)

## Exhibit 4 - Progress on BCG's Scope 3 Business Travel Science-Based Target

Target: Reduce Scope 3 business travel emissions by 48.5% per FTE by 2025 against the 2018 baseline year



Source: BCG analysis.

Note: FTE = full-time equivalent employee.

As we continue to adapt our business model, we're finding innovative ways to lower our travel-related emissions without compromising the quality of our client services, building strong relationships, or altering our commitment to improving our employee experience. To meet our reduction target, members of a dedicated network of change agents—including managing directors and partners (MDPs) and business leaders from every region, practice, business unit, and function—have helped develop emissions reduction plans tailored to their specific

geographic and business contexts. We are now implementing these plans across our organization.

Three years into our net zero commitment, we've found that achieving our goal requires a multifaceted approach. Key strategies include adopting purposeful co-location practices, rethinking how we organize events, enhancing transparency and accountability, encouraging the use of greener travel options, and supporting the use of SAF.

10. Aviation efficiency gains are reflected in annual changes to the emissions factors that we use to calculate our climate impact.

Cascading Carbon Budgets to Strengthen Accountability. To strengthen our reduction program's accountability, we created carbon budgets in 2023 that align with decision rights and a reduction pathway. This adaptation helped us set clear yearly targets for regions, practices, and functions. Budget owners have begun deploying emissions reduction initiatives tailored to their specific contexts, allowing leaders to make tradeoffs to meet their objectives consistently with BCG's goals.

**Accelerating the Adoption of Purposeful Co-location Teaming Models.** We have updated our models for engagement and teaming so that we more purposefully co-locate and collaborate among teams and with clients. We now actively involve our clients in defining a co-location model for our projects, which helps us reduce emissions, improve productivity, increase flexibility, and maximize value creation. Furthermore, we are embedding client location as an additional factor influencing resourcing decisions for our projects to minimize travel without compromising on expertise and value creation. Finally, we're promoting the option of weekend stays at client sites to reduce the number of trips taken during the project life cycle. This option offers carbon savings and an improved employee experience.

**Evolving Our Approach to Internal Meetings and Events.** In addition to changing our approach to client travel, we are committed to lowering our travel emissions for internal meetings and events. For example, our practices are adapting the format, cadence, and location choices for their meetings to lower emissions per participant. This has helped them stay within their carbon budgets. We have also adopted a new model for some of our global and regional meetings and learning and development programs where new tools have helped planners reduce emissions per attendee by approximately 40% to 50%. To support this model, event organizers are using a CO<sub>2</sub> optimizer tool that enables them to quickly identify the meeting location that will generate the lowest quantity of emissions, based on the attendees' location.

**Creating Transparency and Accountability for Travel Emissions.** We have established internal reporting and monitoring tools to provide transparency for each carbon budget owner. Whether at the level of a region, practice, function, or business unit, all parts of the firm are progressing toward their GHG emissions targets. Further, we have deployed dashboards to enable all MDPs, directors, and business and project leaders to track their individual and project travel emissions. The dashboards help them understand the underlying drivers of emissions and assess how theirs compare with those of their peers within BCG, encouraging greener travel decisions.

Complementing these transparency instruments is a suite of planning tools. For example, our case emissions calculator enables case leaders to quickly identify the most carbon-intensive cases and model different scenarios that will have less environmental impact. The aforementioned meeting location optimizer tool enables large-event planners to identify the best location for a meeting on the basis of attendee location. This helps maximize participation while minimizing emissions and financial cost. With such specialized tools, our teams can contribute to our net zero goals without compromising other business priorities.

**Promoting Greener Travel Modes.** Besides being prudent about travel frequency, we promote greener travel modes whenever possible. For example, where viable, we try to increase the proportion of trips taken by train instead of airplane where available and appropriate. We are tracking this shift, providing transparency, and nudging our colleagues toward this behavior through our booking tools and policies.

**Supporting the Use of SAF.** BCG has been an early mover in adopting SAF as a key component of our net zero strategy. Our approach recognizes SAF's potential to reduce jet fuel's life-cycle emissions by up to 100% compared with conventional jet fuel—and acknowledges the need to partner with the industry to scale up supply. In 2023, with travel emissions still on track to reach our 2025 target, we focused on strengthening partnerships and contributing to the development of an efficient SAF emissions reductions market. This included partnerships with accounting standards and registries—in particular, through our involvement in the Sustainable Aviation Buyers Alliance.



### Decarbonizing Our Direct Operations

Our direct energy (Scope 1) and electricity (Scope 2) emissions are small relative to our Scope 3 GHG inventory. Nevertheless, we have set a science-based target to reduce Scope 1 and Scope 2 emissions by 92% per FTE by 2025 versus our 2018 baseline year, which the SBTi has validated. In pursuing this target, we have taken decisive action to reduce those emissions.

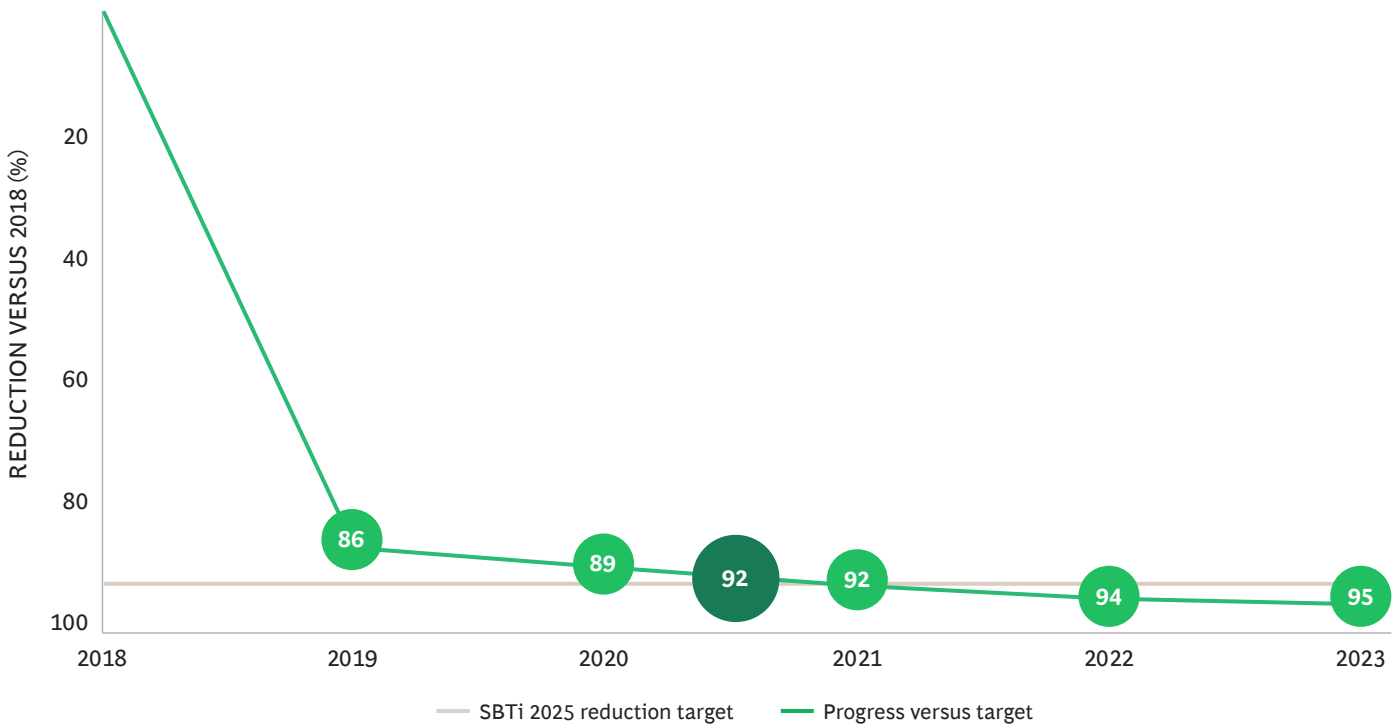
In 2023, our Scope 1 and Scope 2 emissions intensity was 95% lower than in our 2018 baseline year. (See Exhibit 5). Of this reduction, approximately 82% came as a result of shifting to renewable sources of electricity to power our offices. We achieved this by continuing to transition our direct electricity supply to renewable tariffs wherever feasible and by procuring unbundled energy attribute certificates to reach 100% renewable electricity for the remainder.<sup>11</sup>

A further 13% reduction resulted from reducing our consumption of natural gas within our offices for heating and from shifting our leased car fleet toward hybrid and electric vehicles. Hybrid and electric vehicles now represent around 49% of our leased cars, compared to 39% in 2022 and 7% in 2018.

Having entered our Scope 1 and Scope 2 target zone for 2025 already, we are now working to maintain this reduction of at least 92% per FTE while driving down larger emissions sources, such as business travel, as discussed in the previous section.

## Exhibit 5 - Progress on BCG's Scope 1 and Scope 2 Science-Based Target

Target: Reduce Scope 1 and Scope 2 emissions by **92%** per FTE by 2025 against the 2018 baseline year



Source: BCG analysis.

Note: FTE = full-time equivalent employee.

<sup>11</sup> We seek to align the energy attribute certificates we purchase as closely as possible to the country and year of electricity consumption.



## Neutralizing Our Remaining Climate Impact

In 2023, continuing the approach we took in 2022, we invested in high-quality carbon abatement solutions on the voluntary carbon market. We focused on three objectives:

- Make progress on our commitments of 100% carbon dioxide removal (CDR) and more than 100,000 tons of durable CDR by 2030.
- Continue working to ensure the integrity and quality of credits, especially on nature-based solutions.
- Scale up our support of DAC, leveraging BCG's full range of expertise.

While doing all this, we sought to compensate for our annual emissions with a portfolio of independently verified carbon credits that we purchased and retired.<sup>12</sup> We achieved carbon neutrality in our business operations for the period January 1 to December 31, 2023, in accordance with PAS2060 requirements.

We believe that transparency is the key to scaling up high-quality solutions. With this as our guiding principle, we comply with all relevant regulations and have an independent third party verify all claims linked to BCG's net zero program.<sup>13</sup> We also voluntarily disclose the carbon credit type, quality, and blended cost of the credits we purchase. We hope that more and more buyers will follow a similar approach, thereby promoting a better-functioning voluntary carbon market. For a detailed breakdown of our carbon credit portfolio, see [Exhibit 6](#).<sup>14</sup>

## 2023 Progress

**Realizing Our 2030 CDR Commitments.** This year, we successfully increased the share of CDR in our portfolio to 52%, coming closer to our goal of achieving 100% CDR by 2030 while also enhancing the quality of the projects we supported, as discussed in the next section of the report. In addition, we strengthened our expertise and internal capabilities in hybrid CDR pathways, such as biomass carbon removal and storage (BiCRS) and biochar. This led to a tenfold increase in our CDR retirement from biochar to more than 3,000 tons, both from the ramp-up of our existing partnership with NetZero Biochar in Brazil and from a new agreement with Exomad Green in Bolivia. These accomplishments are reflected in our average credit price, which rose to \$18 per ton of CO<sub>2</sub> to avoid, reduce, and remove our emissions.

Beyond increasing our durable removals purchases for 2023, we built a strong pipeline of deals in the durable CDR space, helping us to progress toward our FMC commitment to purchase 100,000 tons of durable removals by 2030. In particular, we signed large DAC and storage deals (as noted in the previous section) and welcomed NextGen's inaugural contracts with 1PointFive (for DAC), CarboCulture (for biochar), and Summit Carbon Solutions (for BiCRS), expecting first deliveries by 2025. As a founding buyer of the NexGen facility, we hope that these first deals will send a strong demand signal that buyers are ready and keen to support the scaling of innovative high-quality removals today.

## Working to Ensure the Integrity and Quality of

**Credits.** In 2023, the dynamics of the voluntary carbon market became increasingly intricate, influenced by growing demand for verifiable quality claims and new regulatory frameworks. These dynamics make staying ahead of the curve a key challenge for business to overcome.

Anticipating and recognizing these dynamics, we have prioritized the creation of a comprehensive evaluation framework that we believe is among the best in its class. Our framework enables us to select nature-based carbon removal initiatives, setting a future-oriented standard for best practices. It leverages years of Global Internal Sustainability Team experience, as well as BCG's advisory expertise and carbon removal knowledge. It also draws on continuing engagements with retailers, project developers, rating agencies, leading standard boards, and working groups in which BCG participates, such as the VCMI Early Adopters Program.

For example, we have a special preference for projects that employ rigorous monitoring, reporting, and verification; foster the population of native species; innovate through new technology; contribute to climate adaptation and resilience in local communities; and deliver fair and transparent benefits to stakeholders.

We combine our evaluation framework with the expertise of independent rating agencies.

We expect to leverage our project selection framework to secure further multiyear procurement agreements and to support projects from an earlier stage of development.

Although 2023 showed that the voluntary carbon market needs to improve in several important ways, we are doing our best to select the highest-quality credits and transparently share our portfolio composition. We are monitoring best practices as we go, informing and strengthening our evaluation framework over time.

<sup>12.</sup> To maintain carbon neutrality in accordance with PAS2060 standards, we purchase and retire a volume of independently verified carbon credits equivalent to our full reported Scope 1, Scope 2, and Scope 3 GHG inventory (as enumerated in Exhibit 4). Our current portfolio is a mix of avoided emissions credits and CO<sub>2</sub> removal credits.

<sup>13.</sup> In particular, we are in compliance with California's Voluntary Carbon Market Disclosures Act (AB 1305). We also disclose the pertaining entity, project, carbon offset, protocol, and verification information for voluntary carbon offsets sold within California [here](#).

<sup>14.</sup> All of the carbon credits we purchased and retired in 2023 were independently verified against the leading voluntary standards (including the Gold Standard and VCS), which have been approved by the International Carbon Reduction and Offset Alliance.

**Increasing Our Support for DAC.** Although the market began paying increasing attention to DAC in 2023, we noticed a gap in the understanding of the technology’s long-term potential and associated tradeoffs—a gap that was preventing the ecosystem from scaling. We reflected on how BCG could best help shift this paradigm, leading to two key BCG initiatives in 2023.

First, we gathered expertise from all across BCG, from DAC technology experts to carbon markets specialists, and published an [in-depth cost analysis and call to action](#). We concluded that although the technology is very high-cost today at its very small scale, it has strong potential to move down the cost curve to \$150 to \$200 per ton of CO<sub>2</sub>e. If it achieves removal costs in this range, DAC could play a critical role in efforts to reach global net zero, offering scalable, permanent, and verifiable CO<sub>2</sub> removal. We identified actions that suppliers, standards, companies, and governments should take to unlock the potential of DAC to operate at much lower cost and at the scale of gigatons.

We found that a key lever from buyers is the existence of early adopters willing and able to support nascent technologies and thus provide the required catalytic impact. This finding corroborated our preexisting carbon removal strategy.

## BCG’s Net Zero Partners



Second, we built a diversified DAC portfolio for our own footprint, signed a 15-year partnership with Climeworks, and developed new collaborations with 1PointFive and CarbonCapture Inc. (See Exhibit 6.)

Especially for DAC, we engage with our clients to drive CDR innovation. This means directly supporting clean tech developers, but also helping clients to decarbonize and establish a CDR portfolio. Since it is too early to know which CDR methods will be the most effective, we remain committed to fostering innovation across the spectrum of emerging CDR technologies.

## Exhibit 6 - 2023 Carbon Credit Portfolio Overview

### 2023 portfolio summary

**425** KtCO<sub>2</sub>e  
volume of credits purchased and retired

**13**  
projects supported

COMMITTED TO HIGH-QUALITY CARBON CREDITS

**BBB**  
minimum carbon credit quality rating by Sylvera<sup>1</sup>

**100%**  
of our Sylvera-rated projects rank in the top 25% for quality

### 2023 portfolio breakdowns

#### Project type



#### 2022 portfolio



#### Technology type



### UN Sustainable Development Goals alignment



Source: BCG analysis.

Note: REDD = reducing emissions from deforestation and forest degradation.

<sup>1</sup>Sylvera has rated 72% of BCG’s portfolio volume as of March 31, 2024.

### Keeping Track of Key Environmental Topics

We know that sustainability demands a holistic approach, and we appreciate that we must consider our energy, water, and resource use, too. To deal with the localized, office-specific nature of these topics, our Global Internal Sustainability Team enlists support from teams that operate at a local level, including real estate, procurement, and Green Teams.

### Selecting Sustainable Offices

Our offices are a key contributor to our environmental footprint. By improving energy efficiency, switching to renewable power, and minimizing our waste and our water consumption, we are making our offices more sustainable worldwide. We target the highest environmental standards for new offices and major renovations, and more than 45 of our offices now hold a formal green building certification, such as LEED Platinum or BREEAM. To support sustainable decisions across all BCG offices, we partnered with a specialist sustainability firm to develop BCG's green office selection and fit-out standards, which cover a wide range of environmental topics, from energy and water use to selecting more sustainable office furniture.

### Paris When It's Sustainable

In 2023, our relocation of BCG's Paris office to 75 Avenue de la Grande Armée demonstrated our commitment to improving the environmental and social sustainability of our offices. The carbon-efficient redevelopment of the "L1ve" building, originally built in the 1960s, was a key consideration in the selection process, complemented by its achievement of prestigious green-building certifications such as HQE Excellent, LEED Gold, and WELL Gold.

The renovation's ambitious circular economy approach—which avoided 394 metric tons of CO<sub>2</sub> emissions by reusing more than 81 metric tons of materials from the existing building structure and façade—along with features such as renewable energy rooftop solar panels and a geothermal system, demonstrated that the renovator's mission matched ours.

Access to biodiversity-friendly terraces, an interior garden, bike storage, and nearby public transport further aligned with our environmental vision, while also promoting employee well-being and community engagement. By integrating BCG's sustainable office fit-out standards and incorporating an array of work and communal spaces, together with wellness-focused and inclusive facilities, we helped foster a healthy and equitable work environment that supports the needs of our diverse workforce.

Collectively, these actions not only align with SDG 7 (Affordable and Clean Energy), SDG 13 (Climate Action), and SDG 12 (Responsible Consumption and Production), but also support SDG 3 (Good Health and Well-Being), reflecting our holistic approach to environmental and social responsibility.

### Closing the Loop on Waste

Across our offices and operations, we aim to embed the principles of the waste hierarchy (avoid, reduce, reuse, and recycle). For example, we avoid and reduce paper consumption by applying paperless office principles, and we increase rates of general office waste recycling by installing recycling facilities for all major waste streams across all offices, to the extent possible. For our most material waste streams, such as electronic waste, we partner with specialist companies that reuse components to extend their life cycle and ensure proper recycling for all nonreusable components. Owing to our relatively low volumes of waste generation, we do not currently report total waste volumes or set formal targets on this topic.

### Engaging Our Employees in Our Climate Journey

We educate all employees and raise their awareness of climate and environmental issues, in addition to identifying actions that they can take to contribute to BCG's net zero commitment. To complement the broad range of online and in-person learning events that we host, we support local action through our global network of Green Teams, which has grown to more than 1,500 active members. Distributed across our BCG locations, these teams focus on designing and implementing initiatives to reduce our environmental impact at the local office level. (See "[Case Study: The Amsterdam Green Team: Veggie by Default.](#)")





## The Amsterdam Green Team: Veggie by Default



### Challenge

The BCGers in our Amsterdam office love to eat in the office canteen. But food choice has a large role to play in protecting the planet. Besides contributing significantly to global carbon emissions, agriculture can exert pressure on other parts of the ecosystem, such as the water supply. With these considerations in mind, the Green Team in Amsterdam asked, “Can we still eat great food but manage the impact on the planet?”

### Green Team Contribution

The Green Team knew the power of “status quo bias”—people’s tendency to accept the default option. So they set about making Amsterdam office canteen meals vegetarian by default.

Change isn’t easy. The team had to empathize with all the office’s stakeholders—including the cooks and the receptionists who ordered the ingredients—and it also learned that lacking animal protein doesn’t automatically make a food more sustainable overall. Much depends on the use of sustainable agriculture. Nevertheless, the Amsterdam Green Team gained traction through veggie cooking classes for the cooks, fun communication materials, and direct connection with suppliers. Eventually, these efforts helped the team receive final approval from the office lead.

### Potential Unlocked

On September 1, 2023, Amsterdam’s canteen meal went vegetarian by default, although people could still order meat-based meals if they wished, thereby ensuring inclusivity.

Assuming conservatively that they will reduce meat consumption by 75% each year, which amounts to a savings of around 1,000 kg, the Green Team estimates that the office will achieve a GHG reduction of about 50 metric tons of CO<sub>2</sub>e annually. Although that is a local, office-size impact, the team is proud of its contribution to SDG 6 (Clean Water and Sanitation) and SDG 13 (Climate Action). Furthermore, the team shared its story during a Green Team townhall, inspiring others and helping make sustainability the norm at BCG. As sustainability becomes embedded in our culture, we hope to see positive spillover effects across the rest of our decision making and operations.



# Empowering Our People



Johannesburg - Isme and Londani

## 2023 in Numbers

**32K**

our global headcount, a year-over-year increase of more than 6%

**100%**

of employees have access to health and well-being support services

**100%**

of employees have access to personalized career development opportunities

**1.2M**

online learning hours logged by BCG employees

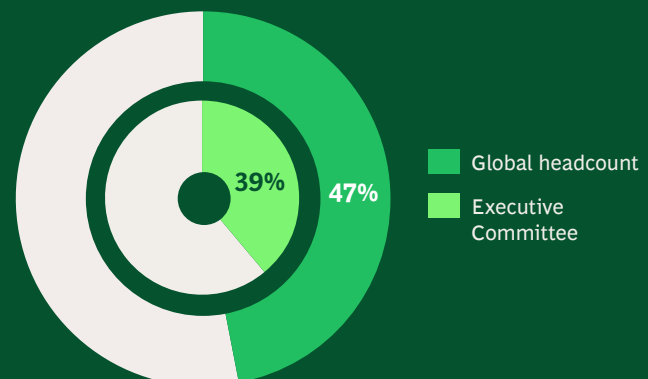
## Attracting the best and most diverse talent

Racial or ethnic group representation in the US



Headcount New hires

Women representation







Paris - Consulting team

**O**ur dedication to fostering an environment where every individual can thrive is rooted in our commitment to diversity, equity, and inclusion. BCG aims not only to attract the brightest minds from a multitude of backgrounds, but also to nurture their talent.

In 2023, we continued to unlock the potential of our people. Through our dedication to building a culture rooted in fairness and belonging, we continued to build our reputation as an employer of choice.

### Attracting the Best and Most Diverse Talent

Our success depends on our ability to attract intellectually curious, collaborative, and accomplished individuals from diverse backgrounds. This applies to all talent, including executives, experienced professionals, and new graduates from around the world.

#### Our Talent Goals

To achieve our vision, we have set the following goals:

- To attract talent by offering an unparalleled, innovative Employee experience
- To provide opportunities for intellectual challenges, constant exploration, and accelerated learning
- To create diverse, global teams that bring deep industry and functional expertise to their work
- To tailor our recruiting process to each role, offering a distinctive high-touch, high-tech experience, fostering close relationships with our top candidates as part of the recruiting process

### Driving Fair and Inclusive Recruitment

Inclusion is a top priority at BCG, and we strive to make it a central component of our recruitment practices. Inclusive hiring draws candidates from a wide range of backgrounds, encouraging them to apply and share their skills and experiences.

Our Talent Acquisition team champions the advancement of gender diversity, for example, by striving to recruit a balanced gender mix and by improving the integration of lateral hires. BCG also works through career and campus programs and partnerships to ensure that candidates from underrepresented backgrounds have the opportunity to learn about and prepare for a career in consulting.

In addition, BCG provides global messaging guidelines and ongoing unconscious-bias training for our interviewers and recruiters. We outline the recruiting process to our candidates at the beginning of the journey and provide feedback along the way. We also give them opportunities to learn about our culture through experience programs and by meeting BCGers, helping them make an informed decision.



### Providing a High-Quality Experience for Candidates

We engage candidates with highly personalized content. We offer an innovative candidate experience through virtual tools that broaden BCG’s reach in the market, encourage diverse candidate pipelines, maximize cost and recruitment efficiencies, minimize our carbon footprint, and yield sustainable headcount growth. These innovations foster a more personalized candidate journey and a more streamlined recruiting process. They have also resulted in a 52% reduction in total carbon emissions from recruitment activities compared to the 2018 baseline, and a 72% reduction in emissions intensity with BCG’s headcount growth taken into account.

Our virtual experience and internship programs offer students from many disciplines and backgrounds firsthand exposure to leaders in business and society who are tackling critical challenges. Further, our HT2 (“High Touch, High Tech”) program, launched in the first half of 2023, has yielded multiple benefits in applicant tracking and candidate relationship management:

- Seamless, consistent workflows empower users to navigate every stage of the process with ease.
- Improved data and analytics and more streamlined tracking systems increase the transparency of candidate data, and globally aligned KPIs and dashboards enhance pipeline reporting.
- Human-guided AI innovation in structuring automated tasks increases work-life sustainability and reinforces a focus on BCG’s strategic priorities.
- Clear, aligned governance emphasizes straightforward user access rights and enhances candidate pipeline management.
- An elevated candidate experience provides greater clarity about open roles, enabling candidates to join BCG’s talent community and be considered for potential future opportunities.

### Strengthening Our Employer Brand to Reach a Wider Talent Pool

To ensure that we continue to attract the best, most diverse talent, we developed several recruiting campaigns to share BCGers’ authentic voices, introduce new online resources to help candidates prepare for the recruiting process, and deliver a more personalized experience on our careers site.

We expanded our talent pool, continuing to drive diversity and quality. We fully harnessed BCG’s employer brand and positioning in the talent market, achieving 100% adoption and engagement with our recruiting campaign, launched in September 2022: [Beyond is where we begin](#). These initiatives have helped attract top diverse talent and have provided consistent messaging that articulates the promises we make to our people and communicates reasons to join, remain, and grow at BCG.

In 2023, we maintained our leadership position in numerous external benchmarking programs. BCG received recognition from platforms across more than 50 categories, including Comparably’s Best Consulting Companies for Career Growth, Culture, DE&I, and Leadership; Forbes’s Best Employers for Women; Handshake’s Early Talent; LinkedIn’s top score on its Disability Equality Index; Glassdoor’s Best Places to Work; Time’s World’s Best Management Consulting Firms; LinkedIn’s Top Companies; and Vault’s Top Ranked Consulting Firm.

### BCG Diversity, Equity, and Inclusion Awards



## 2023 in Numbers

# 32K

our global headcount, a year-over-year increase of more than 6%

# 44%

of our US employees are from racial or ethnic minority groups, including 55% of our new hires

# 47%

of our global headcount and 39% of our Executive Committee are women





BCG's Boston office

## Working at BCG

People are BCG's most important asset, and the firm has always been committed to creating a best-in-class employee experience. We aim to build an environment where our employees do not just succeed but thrive.

BCG empowers the career development of its people with expansive programs of learning and development, digital support systems for growth and feedback, and a dynamic global network of employees and BCG alumni. Each person at BCG brings unique perspectives and ideas, and our goal is to develop every individual's extraordinary talent—to be the best place for them to grow and succeed.

BCG offers its employees the opportunity to drive impact through meaningful work in a supportive and inclusive environment that encourages each person to embrace a growth mindset and experience accelerated learning that will be of lifelong value.

### 2023 Highlights

In 2023, we continued to address the evolving needs of our people by reinforcing and augmenting our offering across the three pillars of our People Promise: meaning and impact, people and culture, and growth and development. Highlights include the following:

- We expanded our Teaming@BCG offering beyond our case teams to improve the day-to-day sustainability and team effectiveness of a broader employee base.
- We celebrated our firm's 60th anniversary with locally sponsored and global events that showcased our heritage, impact, and aspirations for the future.
- We introduced BLISS (Bias-Free, Leadership, Inclusion, Safety, and Support), our first firmwide survey of inclusion.
- We launched a new global online platform with practical resources to support those working at reduced capacity and to give employees a place where they can ask for advice, share tips, and learn more about working at reduced capacity.
- We announced investments in GenAI to upskill our colleagues and evolve how we work with one another and our clients.
- We held a series of global interactive information sessions to provide greater transparency on the range of elective modules available to our consulting staff as part of their career journey.



**Performance and Development Opportunities.** Each employee can take advantage of a personalized performance and strengths-based development plan. Employees have access to robust career and learning discussions and tools that will enable them to grow and develop. Managers across the globe provide timely feedback and a career review at least once each year.

**Robust Employee Dialogue and Active Listening.** We encourage thorough dialogue between our people and BCG's leadership, and we engage with our employees formally at the local, regional, and global levels through staff meetings and town halls. We also have a number of local works councils across the firm in which local BCG leaders regularly take part. At the core of these initiatives is a robust culture of participation and active listening that extends across the firm.

We conduct a People Survey that gives employees an opportunity to provide feedback on their experiences. Because we conduct the survey annually, we can track progress over time and ensure that we are acting on the feedback received. As appropriate, we supplement the People Survey with an additional, shorter survey that enables us to quickly take the pulse of employees on topics that may be top of mind for them and to react to any concerns or suggestions raised. Another valuable forum is our Employee Input Panel, an opt-in network that gives participating staff opportunities to provide feedback on projects and initiatives that will affect their experience.

**Teaming at BCG.** We continue to pioneer models that foster effective teaming across the firm. With coaching, leadership activation, and engagement at scale, BCG supports teams in adopting behaviors and best practices that the firm has codified through leadership alignment, stable team rhythms, psychological safety, and a growth mindset. About 115 BCG teaming coaches work with case and business services teams at any given time, embedding teaming best practices in learning journeys across all seniority levels. The impact is clear: more than 85% say that they experience psychological safety within their teams and that they feel encouraged to continuously learn and develop.<sup>15</sup>

**Flexibility.** BCG's employees need flexibility and adaptability in the workplace, even as they respond to the demands of our clients and business. Our global Flex@BCG framework describes different ways of working flexibly across the firm and enables employees to navigate the options available to them. All employees can request time off for personal matters or for a particular passion, and all have a right to request part-time work. In addition, all employees who become parents are eligible for parental leave. Finally, to increase day-to-day flexibility, we continue to add new tools, enablers, and programs and pilot new technologies.

**Career Mobility.** Various job mobility opportunities give our people special motivation and options for growth. BCG's Global Career Framework encourages growth through exploration across topics, practices, and locations. We also curate personalized career development plans for our employees, including learning sessions, project opportunities, and coaching. We support employee development by offering structured mobility programs, posting vacancies on our internal jobs board, and highlighting senior business services leadership roles through a quarterly all-staff email, as well as by sharing openings with alumni and posting openings externally.

**Affiliation and Fun.** Part of our commitment to providing a best-in-class employee experience involves offering opportunities to have fun and meet colleagues outside normal business interactions. These include events such as holiday parties, retreats, and community service days, which give our staff occasions to connect and to build and renew friendships. BCG teams are finding creative ways to balance the need to be together with the importance of managing and reducing carbon emissions.



Johannesburg - Ama

15. 2023 People Survey.



## 2023 in Numbers

# 100%

of employees received an annual performance review and have access to personalized career development opportunities<sup>16</sup>

# 100%

of employees have access to health and well-being services through our Wellbeing@BCG framework

### Ensuring Fair and Equitable Pay

Ensuring fair and equitable pay for employees is part of BCG's commitment to an inclusive workplace. Our compensation function manages BCG's global pay practices, using tools and frameworks that support pay equity and operate without bias or discrimination. We develop salary and incentive structures on the basis of local market pay data as well as information about the role and skill set that each position requires. Our pay levels are highly competitive and greatly exceed minimum wage requirements, including in the US, where the hourly pay of all regular employees exceeds \$20 per hour.

To reinforce our commitment to equitable pay, we review compensation regularly, taking into account factors such as an individual's proficiency, experience, and level of performance, as well as the location of the role. We comply with all applicable pay equity laws and regulations, such as the UK's Gender Pay Gap reporting requirements. In addition to our legal requirements, we apply more rigorous standards—for example, ensuring that BCG pays above a living wage in all markets.

### Diversity, Equity, and Inclusion

Addressing diversity, equity, and inclusion (DEI) is a moral and business imperative. As our own research demonstrates, fostering an inclusive culture is essential to attracting and retaining the best talent from all backgrounds. Teams of people with diverse backgrounds and experiences are more innovative and better able to solve the world's toughest problems. Organizations that commit to and invest in DEI are well positioned to navigate the challenges of a rapidly changing business landscape and generate better ideas to contribute to long-term sustainable growth.

To create exceptional value and impact, we seek to attract the best, most diverse talent in the world, and we promote a fair and inclusive workplace in which all employees thrive. We have a responsibility to advance fairness, dignity, and belonging in our workplace, our client work, and our world.

Diversity and respect for the individual have been core values at BCG for years, and we don't compromise on these values regardless of where we operate. That's why we're proud to [publicly commit to DEI](#). We strive to provide an inclusive environment where all of our employees can flourish. To advance this agenda, we focus on three strategic pillars: inclusion and equity, accountability, and dedication to shaping the global societal agenda.

#### Inclusion and Equity

BCG is deeply committed to building an equitable and inclusive culture that maximizes the benefits of having employees with a wide range of experiences and identities. Our research has shown that feelings of inclusion are critical to employee happiness, well-being, motivation, and retention. In 2023, we conducted our [BLISS](#) survey with all of our staff to establish an inclusion baseline. We will repeat the survey regularly to determine where we need to improve.

16. All employees with sufficient reviewable time within the calendar year receive annual reviews.

**Awareness and Education.** We continue to expand our offerings of required and optional DEI training to support our teams and leaders throughout their careers at BCG.

Every newcomer to BCG receives mandatory, comprehensive DEI training that introduces our core values and diverse networks. We embed DEI principles across our portfolio of professional development modules, including leadership and communications. Our “conscious inclusion” initiatives and DEI-focused events, local and global, help ensure that diversity, equity, and inclusion are not just discussed but authentically practiced. This approach highlights our commitment to making diversity a driving force for innovation and success.

For example, since 2020, we have partnered with the Groundwater Institute to create an immersive learning experience that increases understanding of structural racial inequities and works to change systems and improve outcomes. To date, more than 800 BCGers have participated.

In addition to offering these training programs, we maintain a BCG-curated, on-demand library of short courses, TED talks, and books on DEI topics, all of which are available to all staff.

**Mentorship and Affiliation.** Mentorship and sponsorship are critical to enabling success, particularly for individuals from underrepresented and/or historically marginalized backgrounds. Accordingly, we have established mentorship and affiliation programs across the globe and for a wide variety of identities, including (but not limited to) women, members of the LGBTQIA+ and AccessAbility communities, and individuals from racial and ethnic minorities. These programs aim to ensure that members of our diversity affinity networks have support and guidance to succeed at BCG.

Complementing our mentorship opportunities, our highly engaged affinity networks and communities provide programming, conferences, and affiliation opportunities for individuals with shared identities.<sup>17</sup>

**Sharing Lived Experiences.** Around the globe, regional teams and local offices create programming and educational initiatives on topics of culture and identity to promote allyship, raise awareness of ways to advance inclusion in the workplace, and enhance psychological safety. Inclusion Accelerators—local office committees responsible for programming and education initiatives on topics of culture and identity—exist in many offices and are responsible for driving an inclusive culture through targeted programming. Another initiative is Authentic Conversations, a series of online and in-person panel discussions on topics of culture and identity that give employees an opportunity to share their lived experiences so they can feel heard, respected, and supported.

**Fair and Inclusive Recruitment.** Our success depends on employing passionate, open-minded people who possess a range of expertise and experience and who represent, among other dimensions, all genders, gender identities, gender expressions, sexual orientations, races, ethnicities, physical abilities, and neurodiversities. This diversity enables us to represent the world we live in, to provide fresh perspectives, to challenge established norms, and to devise innovative solutions. It makes us stronger and more successful in everything we do. Our recruitment approach includes structured evaluation and interview protocols that are designed to eliminate bias from the recruiting process, as well as global MBA fellowships for diverse candidates at several business schools, and internship opportunities for diverse students, including Black/African American, Hispanic/Latino, and Indigenous/ Native American/Alaska Native students in the US.

**Equitable Career Landscape.** We monitor performance evaluation, retention, promotion, and compensation to ensure that we have equitable practices across BCG.

**Preventing Bias and Discrimination.** We track and address any reported instance of harassment or discrimination of any kind and have a global ombuds team in place for employees to raise concerns with.

<sup>17</sup> Our global affinity networks are AccessAbility@BCG, Pride@BCG, and Women@BCG. We also have many local networks and communities, such as AsianDiversity@BCG, Black+Latinx@BCG, Bold@BCG, Christian@BCG, Colorful@BCG, Family@BCG, First-GenerationNetwork@BCG, Flextime@BCG, Indigenous@BCG, Jewish@BCG, Kulcha & Ethnicity@BCG, Muslim@BCG, PeopleofColour@BCG, SocioeconomicDiversity@BCG, and Veterans@BCG.



## Accountability

Our commitment to DEI starts with our most senior leaders, including our CEO and Executive Committee, who engage regularly on key DEI issues. Our Executive Committee is 39% women.

Every function within the global People Team—including recruiting, learning and development, and career development—has a DEI scope and works closely with the global and regional DEI teams to ensure that our policies and practices reflect our DEI mission.

We systematically track our global retention and promotion data, and we aspire to have equal rates for men and women. We also track retention and promotion data for other demographic groups in specific locations, where we can collect the data. This year we initiated the Count Me In campaign to collect additional demographic information globally (consistent with our data privacy obligations as an employer). Count Me In encourages voluntary self-identification to help us better understand our workforce and invest in DEI-related programs where they're needed most.

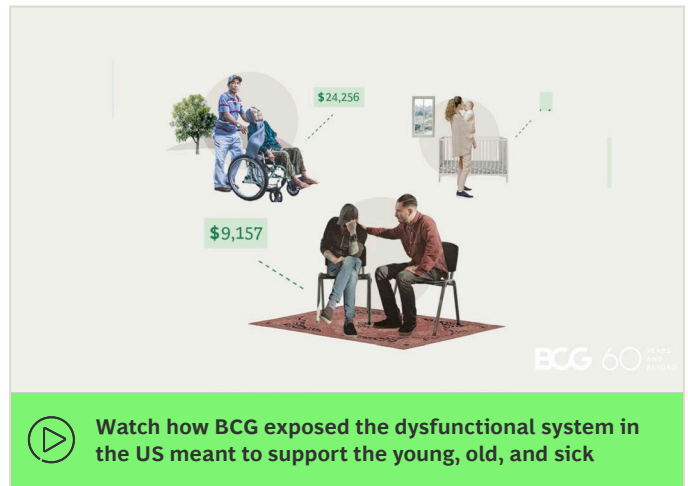
## Shaping the Societal DEI Agenda

Beyond our high-level focus on DEI practices within BCG, we are committed to driving and shaping DEI in society more broadly. We believe that we and our partners have a collective obligation to address and solve these complex societal challenges to bring about meaningful change.

**External Partnerships.** Partnering with leading external organizations allows us to extend the reach of our knowledge and expertise, while learning alongside world-class DEI leaders. (See [page 76](#) for details on these partnerships.) In addition, our regional and local DEI teams and offices work with many local organizations to advance DEI in their communities.

**Thought Leadership.** BCG invests substantially in proprietary DEI research. In 2023, we published 25 DEI articles with actionable recommendations to drive improved outcomes for ourselves, our clients, and the world at large. Topics included the importance of inclusion, how companies can support people with disabilities, and transgender inclusion. (See [“Case Study: First-Time Internal Rollout of BCG’s BLISS Survey.”](#))

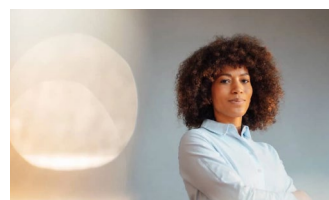
This work has had a broad impact. Our Trans@Work article was published in the *Harvard Business Review*. In India, BCG served as knowledge partner to the G20 Empower Alliance, developing recommendations aimed at accelerating women’s leadership and empowerment in the private sector. In Singapore, BCG convened a business roundtable to discuss our report *Taking Diversity to the Next Level in Southeast Asia* and to consider how to collaborate to advance DEI in the region. A White House Executive Order that expanded access to aid for dependent care cited our research forecasting an estimated loss in US GDP of \$290 billion a year from 2030 onward if the country fails to address the crisis in the care economy. (See “Thought Leadership” on [page 75.](#))



**Client Engagement.** BCG’s Social Impact practice supports clients’ efforts to enhance value creation and competitive advantage by creating more equitable and inclusive workplaces—and thereby increasing the prevalence of what we call *socially transformative business*. In 2023, we conducted more than 200 projects in equity and inclusion. Also, our North America Center for Inclusion and Equity celebrated its second anniversary in 2023.



[How Grundfos Leveraged Workplace Data to Advance Diversity and Inclusion in the Manufacturing Industry](#)



[Grameen America to Support 80,000 Black Women Entrepreneurs by 2030](#)



# First-Time Internal Rollout of BCG's BLISS Survey



BCG's Boston office

## Challenge

Although many business leaders around the world share the aspiration to create an inclusive workplace, most face challenges in making it happen. They may be hindered by incorrect assumptions about employees' needs and experiences, and by a lack of robust and accurate measurements of inclusion. These barriers can diminish the effectiveness of initiatives aimed at SDG 10 (Reduced Inequalities) and impede progress toward SDG 8 (Decent Work and Economic Growth).

## BCG's Contribution

Inclusion for all is a [commitment integral to BCG's People Promise](#) and is deeply rooted in our organizational culture and strategy. To address the global challenge of effectively improving workplace inclusion, BCG has developed the BLISS survey tool. Grounded in statistical research into the drivers of inclusion and based on an external survey conducted in 16 countries, BLISS quantifies inclusion and its impact on employee retention, happiness, and well-being. It is one element of the services that BCG offers clients within our Social Impact practice.

We conducted the survey with our own people in order to understand our current inclusion landscape and identify areas for improvement. The 2023 BLISS survey establishes a baseline for measuring—and improving—our culture of inclusion.

## Potential Unlocked

BCG's inclusion score ranks us highly among the companies that invest substantially in their employee value proposition and DEI. The survey results also highlighted various opportunities to continue advancing inclusion at BCG, including the following:

- Committing senior leaders to inclusion as a business priority
- Providing senior leaders with training, so they have the skills necessary to enhance the inclusiveness of the firm's work environment
- Supporting business units by collaborating with local markets and functions to integrate and evolve inclusive practices and programs

BCG complements its initial BLISS measurement with a comprehensive approach to inclusion, featuring employee groups such as Women@BCG, Pride@BCG, AccessAbility@BCG, Black+/LatinX@BCG, and First Generation. We also employ multiple mechanisms to address concerns and foster employee well-being, including Teaming@BCG (focusing on team norms and collaboration), regular employee pulse checks, and an ombuds team. BCG's commitment to psychological safety and bias-reduction strategies in recruitment and performance management further highlights our dedication to an inclusive workplace.

The BLISS survey, along with other inclusion initiatives, reflects our dedication to driving systemic change in support of SDG 8 to foster a more inclusive global economy. Moreover, by adopting such methods ourselves, we gain empathy and authenticity as we collaborate with clients to achieve the same outcomes.





Italy - Lorenzo

### Highlights from Global Affinity Networks



Sydney - BCG colleagues

#### Women@BCG

Around the globe and in all of our practice areas, business units, and teams, Women@BCG seeks to increase the number, success, and satisfaction of women at the firm.

Our Women@BCG network supports women through robust and long-established programming aimed at expanding the firm's talent pools of women, educating leaders and staff, offering customized development and sponsorship plans that connect women with the firm's most senior leaders, preventing bias in our internal processes, and facilitating valuable connection and affiliation opportunities.

In 2023, Women@BCG saw continued strong gains by women at the firm. Women now represent 47% of our overall headcount and 46% of new joiners in entry-level associate and consultant roles. Women also make up 39% of our Executive Committee. Meanwhile, BCG has maintained equal retention rates for men and women globally on both our consulting and our business services teams.

18. Leadership includes managing directors and partners and other senior leadership roles across BCG.

### 2023 in Numbers

	2023	2022	2021
Women overall	47%	46%	45%
Women entry-level consulting hires	46%	41%	41%
Promotion and retention rates for women and men	=	=	=

#### Women also represent...

**39%**

of our Executive Committee

**24%**

of our firm's leadership<sup>18</sup>





### Pride@BCG

Pride@BCG, BCG's global network for LGBTQIA+ employees and allies, celebrated its 25th anniversary in 2023. BCG's commitment to LGBTQIA+ rights is externally recognized with a 100% perfect score on the Human Rights Campaign Corporate Equality Index since 2008. Further, the World Economic Forum DEI Lighthouses 2023 Report featured Pride@BCG as a highlight. A few key milestones in 2023:

- **Recruiting Diverse Talent.** Pride@BCG has adopted many cutting-edge initiatives to recruit LGBTQIA+ talent around the world—including through flagship BCG events such as PROUD 2024, an innovative, multiday, in-person event for high-potential candidates from Europe, South America, and Africa. We also participate in and sponsor leading LGBTQIA+ conferences around the world, such as EUROOUT (UK), RISE (India), and ROMBA (US).
- **Inclusive Culture and Psychological Safety.** We hosted numerous events, in person and virtually, to increase awareness, and familiarize our staff with LGBTQIA+ issues. This year, our programming and thought leadership emphasized the inclusion of the transgender, gender nonconforming, and nonbinary (TGNCNB) community.

## 2023 in Numbers

**1,200+**

members (excluding allies)

**~50**

countries supported through the network

- **Affiliation and Community.** We hosted many in-person and virtual events to foster community and affiliation for our members and allies, including multiple events to celebrate 25 years of Pride@BCG.
- **Professional and Personal Development.** We offer our members a bespoke Pride mentorship program. In 2023, we launched a pilot software solution to enhance this offering, which we subsequently expanded.
- **Societal Impact.** In addition to launching two original thought leadership reports on the subject area this year, we hosted a DEI roundtable with senior executives from Southeast Asia, had BCG delegates speak on LGBTQIA+ DEI issues at the World Economic Forum's annual meeting in Davos, hosted LGBTQIA+ business leaders in Cologne, and continued to engage with leading LGBTQIA+ nonprofits around the world.



### AccessAbility@BCG

In 2023, we continued to advance BCG’s disability internal inclusion agenda across three areas:

- **Affiliation.** Our AccessAbility@BCG network continued to play a key part in our disability inclusion agenda. As of December 2023, we had more than 1,400 members and allies across 50 countries.
- **Awareness and Education.** We held two companywide awareness and education campaigns in 2023. In May, we celebrated the one-year anniversary of the launch of AccessAbility@BCG as part of BCG’s global DEI agenda, holding an all-staff town hall hosted by BCG’s global People chair and by Caroline Casey, founder of the Valuable 500. In December, we ran a multichannel campaign highlighting International Day of Persons with Disabilities, aiming to raise awareness and overcome the stigma of disability in the workplace.
- **Equitable People Policies, Processes, and Workplaces.** In 2023, working with our global IT group, we improved our workplace adjustments with a focus on assistive software. In 2024, we will continue to evolve the catalog of available software to enhance the offer. We also held training sessions for AccessAbility@BCG members on accessibility features that are part of the BCG stack (including Zoom and Miro), and we will continue to offer regular trainings to improve the tech experience for everyone. We rolled out our Global Inclusive Office Design Guidelines, which define accessibility criteria for all new offices and for those undergoing renovation. We use these guidelines, which set a higher bar than local accessibility codes do, in selecting sites and designing our offices.

In 2023, we published [“Your Workforce Includes People with Disabilities. Does Your People Strategy?”](#)—BCG’s first thought leadership on disability inclusion—following a survey of nearly 28,000 employees in 16 countries. This research reveals a significant disclosure gap for people with disabilities and urges employers to invest in initiatives that can enable one-fourth of their workforce to feel happier, more included, more motivated, and more ambitious—all of which will lead to lower levels of attrition.

## 2023 in Numbers

**1,400+**

members and allies

**~50**

countries supported through the network



## Racial and Ethnic Diversity, Equity, and Inclusion

BCG continues to drive progress toward greater racial and ethnic equity and diversity within and beyond BCG.

We expanded our racial and ethnic diversity affinity networks in Europe, Australia, and Africa. For example, BCGers have established the Kulcha & Ethnicity,

First Nations, People of Colour, and BOLD & Asian networks in Australia and New Zealand, South Africa, and the UK, reflecting each market's individual cultural heritage.

We also made progress on the [six public commitments](#) we made in June 2020 to advance racial equity within and beyond BCG's US offices:

### Commitment

### Progress in 2023

**1 Accelerate representation of Black BCGers,** and further commit to making BCG a place where all talent thrives.

**9%** of new hires identify as Black or African American across our US offices, versus 6% in 2020.

**2 Foster accountability** by accelerating the clarity, ambition, and measurement of our goals.

Since 2020, **more than 800** BCG employees have participated in the Groundwater Leadership Program to build awareness of and accountability on racial equity. In 2023, we improved internal capabilities for tracking and sharing DEI metrics.

**3 Strengthen our supplier diversity efforts,** increasing the number of minority- and women-owned businesses.

Our Supplier Diversity Program has demonstrated progress, including a **doubling** in spending with Black and Latinx suppliers.

**4 Advance our clients' pursuit of racial equity** through our Social Impact practice.

We invested in **more than 130** racial equity projects to help organizations address issues of racial equity.

**5 Catalyze change by investing \$100 million in BCG talent resources over five years.**

We deployed **\$90 million** in BCG talent, including personnel who have engaged in equity-focused projects with public and private partners since 2020.

**6 Donate \$1 million over five years** to organizations that are leading change in racial equity.

We surpassed our goal to donate **\$1 million** to racial equity-focused organizations in the first four years of the five-year commitment.

Our [North America Center for Inclusion and Equity](#) leads our work with companies, governments, and social impact organizations in that continent to build inclusive and

equitable cultures, expand organizational diversity, and drive systemic change while increasing business value and social impact.

## 2023 in Numbers

**44%**

of employees in the US are members of racial or ethnic minority groups.

**55%**

of new hires in the US are members of racial or ethnic minority groups.

**29%**

of leadership in the US are members of racial or ethnic minority groups.



### Thought Leadership

In early 2023, we launched BCG's BLISS survey, a research tool for measuring inclusion in the workplace, discovering the inclusion factors that matter most to employees, and identifying groups at risk of low inclusion. This research has led us to develop an ambitious thought leadership agenda

aimed at enabling business leaders worldwide to make workplaces more inclusive for employees of all identities and backgrounds. The impetus for pursuing this agenda is the positive impact that inclusion has on the happiness, motivation, ambition, and retention of employees.

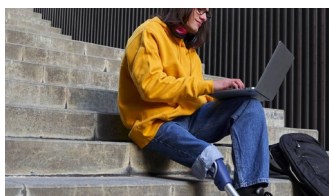
## 2023 Research Highlights



[Inclusion Isn't Just Nice. It's Necessary.](#)  
[↗](#)



[The Next Frontier of Workplace Culture: How Employers Can Win on Mental Health and Wellbeing](#)  
[↗](#)



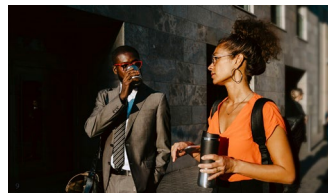
[Your Workforce Includes People with Disabilities. Does Your People Strategy?](#)  
[↗](#)



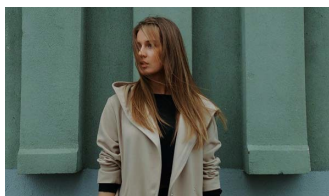
[Reinventing Childcare for Today's Workforce](#)  
[↗](#)



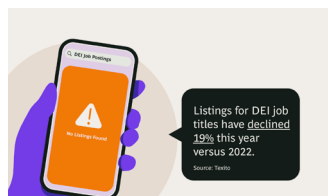
[Companies Are Failing Trans Employees](#)  
[↗](#)



[Strengthening the Links Between Business Ownership and Minority Wealth Building](#)  
[↗](#)



[Hiding in Plain Sight: First-Generation Professionals](#)  
[↗](#)



[Reaffirming DEI Investment: Why It's Critical During Turbulent Times](#)  
[↗](#)

## Driving Change Through Partnership

We collaborate with organizations that are generating lasting DEI impact across businesses and in the wider world:

- **The Conference Board.** We sponsored conferences to bring together corporate leaders to discuss solutions and share best practices. We discussed how to enable inclusion and adapt to employees' needs and expectations.
- **The Female Quotient.** We sponsored the Equality Lounge at Davos and Cannes Lyons, where we led discussion sessions on removing barriers to advancement and increasing inclusion for women in business.
- **Women's Forum for the Economy & Society.** We are a sponsor and knowledge partner of this group, and we participated in its global conference in Paris in November with a plenary on inclusion and a panel discussion about women in leadership.
- **UN Women.** We cohost a gender diversity roundtable with UN Women in Denmark, presenting our thought leadership and assembling leaders to share experiences and best practices for advancing gender diversity.
- **G20 Empower.** We are a knowledge partner in this alliance of private sector and government leaders that jointly advocate for the advancement of women in leadership positions in the private and public sectors.
- **Open for Business, GiveOut, OUTstanding (INvolve), and Partnership for Global LGBTQ+ Equality.** BCG partners with these organizations to support and advance LGBTQIA-inclusive business environments.
- **World Economic Forum's Partnering for Racial Justice in Business Initiative.** We are a founding member of this global coalition committed to creating equitable and just workplaces for underrepresented racial and ethnic employees and collectively advocating for inclusive policy change.
- **Management Leadership for Tomorrow.** We codeveloped the Black Equity and Hispanic Equity at Work Certification Programs. We have achieved silver certification in the Black Equity program and have embarked on Hispanic Equity certification. We are developing a comprehensive racial equity plan to continue to make progress on this front.
- **The Valuable 500, Business Disability Forum, and Disability:IN.** We partner with these organizations to promote disability inclusion.

## BCG's Diversity, Equity, and Inclusion Partners





## Employee Well-Being

### Our Vision

Wellbeing@BCG is our holistic global framework and set of guiding principles for supporting the delivery of health benefits and well-being solutions that are suitable for each locale and are accessible to all employees and their families. Our approach is founded on the belief that people should be physically and mentally well, socially motivated, in good financial health, and connected to their workplace and community. Through this effort, we contribute to SDG 3: (Good Health and Well-Being).

We empower employees to take care of themselves, and we support them at all life and career stages. Through our global well-being microsite, learning platform, and employee assistance program, we ensure that our people have access to the support they need when they need it most. To that end, we offer high-quality benefits and family support programs, flexibility in how and when they work, time off to recharge and pursue personal interests, and extensive opportunities for personal and professional development.

Our global well-being advisory function, part of our Global Benefits Center of Expertise, provides expert advisory services to local HR teams on all topics related to well-being, including creating, testing, implementing, and evaluating innovative solutions to bring value to our people.

### 2023 Highlights

We continue to develop our global well-being program, Energize to Thrive. Through leading-edge research in human physiology and holistic health, this program offers a suite of opportunities, from interactive webinars and diverse podcasts to engaging in-person events. It focuses on transforming daily routines into sources of energy and inspiration by creating habits related to recovery, movement, nutrition, and self-regulation—all of which have been shown to support physical and mental well-being.

We have also built the four cornerstones of Energize to Thrive into our continuous learning journeys so that all employees can benefit from these essential well-being skills and increase their work-life harmony. We enable innovation and continuous learning in numerous ways, including through micro-learning videos, data insights from wearable technology, and support from health coaches. This approach helps employees embed important insights into their future ways of working.

Our Wellbeing@BCG virtual-learning series continues to grow. Launched in 2020 to support employees with pandemic-related emotional health challenges, the initiative reached more than 8,100 participants in 2023 through 34 webinars. Participants provide important evaluations and feedback that we use to continuously enhance the program and inform topics of interest.

The growth of our MyBenefits platform at BCG is a key part of our commitment to strengthening the employee benefits experience. By the end of 2024, MyBenefits will be operational in more than 40 countries. This global expansion underscores our dedication to providing comprehensive health and well-being resources for all BCG employees. MyBenefits serves as a central hub of information and selection options for our diverse health and well-being benefits.

### Normalizing the Conversation About Mental Health

BCG is committed to fostering mental health awareness and removing the stigma associated with it. We envision a workplace where mental health is valued, promoted, and protected just as physical health is. We want everyone to have an equal opportunity to enjoy mental health and equal access to the support they need.

On World Mental Health Day (October 10, 2023), our global People chair issued a message to all colleagues to highlight the importance of prioritizing mental health and to promote the opportunity to complete the Everymind Mental Health Champion Course. Open to all BCGers, the course encourages people to invest time in their own and their colleagues' mental well-being.

Beyond our global efforts, we've ignited a series of transformative local initiatives. In our North America region, we are spearheading change through a comprehensive array of training and workshops designed for individuals and senior leaders. These sessions range from "Supporting Employee Mental Health" to "Soaring Past Setbacks: Strategies for Building Resilience," and they include unique offerings such as "Personal Care Journey/ Journey to Find a Therapist," "Getting Better Sleep," and "Surfing Through Stressful Times," which we have structured to resonate with and empower our teams.

BCG also recognizes the unique challenges that diverse groups face. That's why we've launched targeted workshops that focus on the nuanced intersections of identity, including mental health considerations for LGBTQIA+ communities and communities of color. Each initiative is a step toward a more inclusive, understanding, and mentally healthy workplace that hears every voice and supports every individual's well-being.

For example, our Central Europe system provides BCGers with an expansive mental health offering. In 2023, BCG trained 10% of the firm's core workforce in that region as certified Mental Health First Aiders. This program educated volunteers to spot signs of people within their team experiencing mental health issues and to guide them to appropriate support. Reference materials include a "Mental Health Master Guide," which identifies internal and external resources. The training series will continue in 2024.

Our Middle East system enhanced its holistic well-being offering in 2023, too, focusing on mental well-being and support. This effort included, but was not limited to, upskilling our employees with mental health qualifications, hosting “Real Talk” sessions with senior Middle East leadership to encourage open conversations and a psychologically safe environment, piloting the use of wellness coaches for our case team leadership, and bringing counselors into our offices at times of crises.

All employees have access to leading mental health and well-being professionals through the Employee Assistance Program and health insurance, and through extensive well-being resources. Mental well-being continues to be a top BCG priority for 2024, with even more focus on psychological safety and Inclusion.

## BCG in Numbers

# 100%

of BCG employees have access to resources and services that span the range of our Wellbeing@BCG framework

# 8.1K+

employees participated in Wellbeing@BCG virtual learning sessions



## Learning and Development

We believe that strong learning experiences enhance employees' development, deepen their sense of belonging, and greatly increase their potential impact on our firm, our clients, and the world.

We integrate learning into day-to-day work, offering multiple delivery channels (in-person, virtual, online, and team-based) to ensure easy access. This approach supports each employee's growth, from onboarding through individual skills aspirations and career progression, with formal, just-in-time, and on-the-job resources. We help our people hone the skills they need to perform in their current roles and to unlock their full potential for future growth. This contributes to SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth).

Our approach centers on four core elements:

- **Personalized Career-Step Educational Programs.** These multifaceted learning journeys use an array of tools and techniques, including in-person, classroom-based learning and discussion, virtual live sessions, digital learning primers, and post-program individual or group coaching.
- **An Extensive Repository of Internally Developed Learning Resources and External Libraries.** We have more than 4,000 modules for foundational skills and expert knowledge, as well as access to a wide selection of external libraries—such as LinkedIn Learning, GetAbstract, and TED@Work—that offer more technical skills.
- **Expertise-Building Accelerators.** We rapidly build the expertise of our employees across many different cohorts and career steps on specific skill sets, using intensive, targeted programs that typically combine digital learning primers and classroom sessions. Like the other elements on this list, this initiative contributed to the 1.2 million hours of learning that BCGers undertook in 2023.
- **Dedicated Apprenticeship Model.** Our apprenticeship model builds on a growth mindset with quick and tight feedback mechanisms. Our world-class learning and development offerings fuel this model in two distinct ways: first, new managers and case leaders master the ability to provide timely, specific, and actionable feedback; and second, we offer an extensive content library, along with coaching opportunities, to effectively support a learner's growing command of the material.

To ensure that our learning offering matches our employees' needs and the firm's priorities, our Global Learning Council sets priorities and regularly reports to the Executive Committee and People Team leadership. The Global Learning Council guides the evolution of our learning and development approach in response to new business needs, BCG's overall strategy, a varying and diverse skills base, and employee demand.

## 2023 Highlights

### Expanded Continuous Learning Journeys

We enhanced our learners' timely access to needed training and enabled them to continuously invest in their core learning. More than 5,700 employees accessed continuous learning journeys for their core learning modules in 2023, taking advantage of a strong onboarding start followed by self-paced, self-directed upskilling experiences personalized to their core needs.

### Strengthened Learning Experiences for Business Services Staff

Building on the success of Teaming@BCG, which the firm rolled out in 2022 to client-facing staff, we launched the program for our business services team members in early 2023.

Teaming@BCG codifies how we work at BCG. It compiles team practices, behaviors, and mindsets that form a shared language that strengthens cross-team collaboration and communication. Most of our teams have successfully deployed the Teaming@BCG approach, and we continue to invest in the program through learning series and expert coaching support.

In addition, we invested significantly in expanded learning opportunities for our business services staff. Learners across all levels, locations, and functions now have greater access to formal learning, and new delivery methods have enhanced the overall learning experience.

We also increased the number of learning programs that target role-specific expertise, invested in enabling our people managers, and launched the first-ever Global Learning Month, offering business services employees relevant learning opportunities such as improving communication, making better use of strengths, and boosting productivity. We are investing in developing technical skills, such as GenAI, and assessing how to leverage those technologies responsibly. And learners have access to curated, self-paced learning across a broad range of topics.

### Increased Expertise on Critical Topics

BCG is committed to continuously developing and updating our staff's technical and digital skills in line with the latest trends.

**Chapter Journeys.** This new learning offering targets varying skill levels, from novices entering the world of technical and digital operations to employees mastering foundational skills to experts who seek certification in the latest technologies.

Each of the seven self-paced Chapter Journeys includes a combination of cutting-edge curricula created by our in-house experts and externally sourced content. We categorize the content by level of capability and complexity. The external content comes from renowned platforms such as LinkedIn Learning, O'Reilly, Udemy, and Cloud Academy. This year, approximately 2,700 colleagues engaged with Chapter Journeys.



**Credentials.** We also offer opportunities for learners to earn certification in various areas, such as architecture, cloud, CRM, cybersecurity, human-centered design, ERP/enterprise solutions, and data science. We partnered with Credly.com for internal recognition of mastery via credentials, with more than 2,200 credentials conferred. We also offer external certifications through Alliance Partners, which more than 700 employees now proudly showcase on their LinkedIn profiles.

**Technology and Digital Advantage Global Academy.**

This offering launched in September 2023 and has become a pivotal resource for enhancing technical and digital expertise at BCG. As a central hub for self-paced learning, it offers access to a diverse range of top-quality content, including comprehensive overviews and in-depth explorations of topics such as technology platforms (including ERP), deep tech, digital transformation, and cyber and digital risk. We've seen a surge of interest in the Fundamental Tech Fluency credential, which is exclusive to BCG and establishes a solid foundation in digital and tech discussions, signifying the learners' readiness to embark on digital- and tech-focused projects.

**AI and Climate and Sustainability.** These topics are high business priorities for our clients' CEOs, and they represent a critical opportunity and challenge for people globally. For that reason, we are doubling down on our internal expertise. We're proud to offer a progressive learning approach with comprehensive multimode journeys, from nudges for broad audiences to credentialed expertise-building programs:

- **AI Academy.** This program begins with introductory instruction, followed by cohort experiences. At the end, participants take part in the AI Accelerator, an eight-week, 20-hour program of self-paced learning, along with virtual sessions with a Harvard Business School professor. This experience is in addition to the training offered to all BCGers as part of our rollout of GenAI tools. Such training has seen internal adoption rates quickly reach and surpass 70%.
- **C&S Academy.** The goal of the C&S Academy is to upskill our staff on climate and sustainability issues. Offerings include our nudge campaign, where we share microlearning insights with all staff; cohort learning journeys, to understand the business imperative of climate and sustainability for BCG; our C&S Learning Hub, which provides on-demand resources to staff; our C&S Accelerator, a foundational training program designed to educate the wider BCG population; and our 80-hour capstone stewardship programs, developed with top universities (Cambridge, Columbia, and Nanyang Tech) and taught by leading professors. In addition, we provide functional learning for internal professional groups, including finance and IT, to better serve their unique skill sets.

## 2023 in Numbers

1.2M

learning hours logged by BCG employees

44

hours of formal learning for client-facing employees (excludes informal learning)

88%

of employees participated in career step learning experiences

# Promoting Responsible Business Practices



Paris - Raphaël

## 2023 in Numbers

**100%**

of generative AI projects were reviewed by our Responsible AI team

**100%**

of our teams have completed business ethics training programs

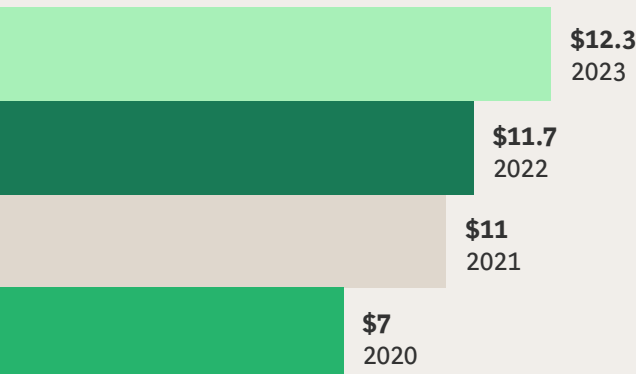
**100%**

of employees have completed data privacy and information security training

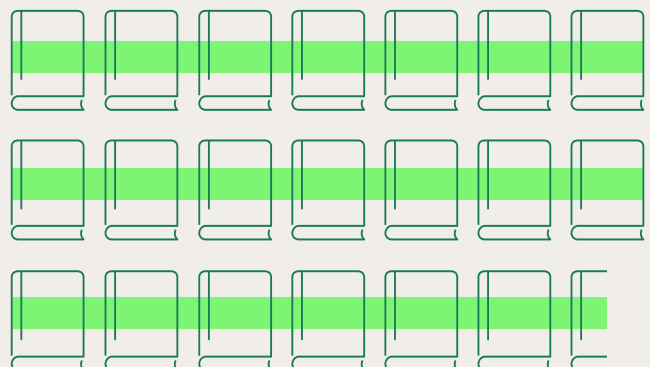


**10% to 15%** of our annual capacity was invested in research and development

### Global revenue generated (in billions)



### 20+ publications on Responsible AI in 2023



A commitment to responsible and ethical practices defines our approach to business and engagement. We consider this long-standing commitment critical to the success of our clients and our firm. We strive to transform business and society for the better, in collaboration with our clients and suppliers and in our own operations, always guided by [BCG's values and purpose](#).

BCG participates in the [United Nations Global Compact \(UNGC\)](#). We also commit to respect UN Guiding Principles on Business and Human Rights, and we have maintained a perfect score in the Human Rights Campaign's Corporate Equality Index.

Our chief risk officer oversees our global risk team. In 2023, we continued to invest heavily in risk management to improve our capabilities and expertise and to meet the needs of all our business and client stakeholders

## Corporate Culture and Responsible Business Practice

### BCG Code of Conduct

Our [Code of Conduct](#) sets expectations for the behavior of all BCGers, complements the ethos underlying our UNGC commitment, and serves as a bridge connecting our firm's values, policies, and norms to the actions of individuals. The Code is designed to foster ethical decision making and promote behaviors that meet the highest standards of professional conduct.

The Code covers topics such as our commitments to our clients, our employees, the firm, and society. It highlights the importance of ethically providing client services, protecting confidential information, managing actual and perceived conflicts, enabling information security, competing fairly, and maintaining a safe environment free of harassment and discrimination, together with a "speak up" culture that encourages stakeholders to raise concerns. It underscores our focus on achieving a positive and lasting impact on society. The Code also reaffirms our adherence to the laws and regulations of the countries where we do business.

As a participant in the UNGC, BCG supports the Ten Principles on human rights, labor, environment, and anti-corruption, and the UN Guiding Principles on Business and Human Rights. As reflected in the Code, we are committed to incorporating the UNGC goals into the strategy, culture, and day-to-day operations of the firm.

Our Assurance & Advisory team, described further on [page 87](#), periodically assesses the adherence of BCG's local offices to the Code, as well as to global and local policies, processes, and standards. Everyone at BCG confirms their adherence to the provisions of the Code as a condition of their employment and must reaffirm their compliance in a written acknowledgment every year.

<sup>19</sup> Because new people routinely join and depart BCG, and some of them may not have completed the training at the time of reporting, compliance is marginally under 100%.

In 2023, as in prior years, 100% of BCG employees were required to confirm their understanding of the Code and agree to comply with its terms.<sup>19</sup> Code training is mandatory for all BCGers every two years, and we deliver and track it via our online learning platform. Employees who fail to complete the training will have access to their BCG computer system blocked until they do.

### BCG's Code of Client Service

According to BCG's founder Bruce Henderson, the "most important value of all, for each professional, must be dedication to the task of optimizing client contribution to society." The BCG Code of Client Service (BCCS) provides a framework for global policies and processes to back our long-standing shared values and optimize the value we create for clients and society.

We regularly remind BCGers that a commitment to our values and purpose entails considering not only the value of our work for clients and society, but also any associated risk for clients, society, and BCG. Our aspiration, grounded in our company's values and purpose, is to create a culture committed to accountability, transparency, honesty, humility, and continuous improvement. A key element of the Code of Conduct, the BCCS underlines our commitment to lead with integrity as we serve our clients, operate in our communities, and guide our teams.

The BCCS rests on six core principles that address different dimensions of our firm's work. (See Exhibit 7.) In practice, these six guiding principles underpin the BCCS and help guide us in systematically identifying and evaluating opportunities and risks—and mitigating those risks—throughout the case life cycle so that we live up to the aspirations of our founder. We recognize, however, that written policies can go only so far in mitigating risk and that our people, culture, and processes are critical to ensuring that we optimize our contributions to society.

BCG also recognizes that our people sometimes encounter gray zones, where the right steps may be unclear. Although BCG empowers its case teams as its active first line of defense in risk management efforts, we also have robust resources and processes to support our teams in socializing risk mitigation across the firm. BCG's values-first culture is supported by dedicated teams, managing directors and partners (MDPs), other senior leaders, BCG's business functions, and regional and global governance bodies that aid in the implementation of the BCCS on myriad client, supplier, and employee matters. Our people are dedicated to supporting one another when navigating complex questions and gray zones. "Grow by growing others" is a guiding principle of our culture.



## Exhibit 7 - Our Code of Client Service Defines Our Expectations and Guiding Principles Across Six Dimensions and Values



**What types of work we do and where in the world we do it**



**Who we work for and how we engage**



**The impact our work can have on other clients and stakeholders**



**How we work with third parties**



**How we manage and protect information**



**How we work together and treat each other**

Source: BCG.

BCG's culture, supporting resources, and commitment to the firm's purpose of unlocking the potential of those who advance the world require collective effort. In keeping with that purpose, BCG regularly declines client work or other relationships that do not align with our values. Continuous improvement in these areas requires strict alignment to adapt to the constantly changing world around us and to shape actions and choices that embody our commitment to advancing responsible business practices.

### Anti-Bribery and Corruption

BCG's culture of integrity is upheld by a policy of zero tolerance for corruption. We consider this standard essential for performing our role in society, as well as for preserving our reputation as trusted advisors of our clients and as an employer of choice for the best talent. Our policies are consistent with the UN Convention Against Corruption.

The firm's Anti-Bribery & Corruption policy is a key component of both the Code of Conduct and the BCCS, defining our commitment, expectations, and approach. All BCGers are expected to abide by applicable laws, treaties, and regulations that prohibit bribery and other corruption, including the US Foreign Corrupt Practices Act and the UK Bribery Act. Accordingly, BCGers must not, either directly or indirectly through third parties, offer, attempt to offer, solicit, authorize, or promise any type of bribe or kickback to obtain business or an unfair advantage. This policy pertains to all members of the BCG community, including MDPs, officers, employees, contractors, and others with whom we conduct business. We also adhere to fair-competition regulations and all other laws in the countries where we do business.

BCG's Anti-Bribery & Corruption policy provides guidelines for hospitality, gifts, and other forms of giving to external individuals. BCG's compliance and legal teams maintain close and continuous engagement with the business, providing support to employees as needed and encouraging them to seek guidance through appropriate channels when faced with ambiguous situations.

In addition to completing our mandatory Code of Conduct training, all new BCGers must complete an interactive Anti-Bribery & Corruption learning module, which explains our values, clarifies the principles of the policy, and provides an overview of bribery and corruption risks and offenses, as well as offering guidance on interacting with government officials and on identifying and escalating potential red flags. Moreover, this module contains customized content that enables our leadership cohorts to focus on scenarios and risks that are most relevant to their roles. BCGers must also periodically participate in mandatory refresher training and, at key promotion points, in live training sessions.

Our zero-tolerance approach to bribery and corruption extends beyond our own employees to our contractors and suppliers, as set out in a supplemental [Supplier Code of Conduct](#). BCG expects all third parties to operate in full compliance with all applicable laws and regulations at all times.

### Human Rights

Respect for the individual is a core value at BCG, as reflected in our firm's history, the BCG Code of Conduct, and the BCCS. As noted previously, BCG participates in the UN Global Compact (UNGC). We also commit to respecting the UN Guiding Principles on Business and Human Rights, as stated in our Supplier Code of Conduct, and we have maintained a perfect score in the Human Rights Campaign's Corporate Equality Index.

Given the nature of our industry and operations, the risk of labor rights violations within our operations is relatively low. In keeping with our values, we have zero tolerance for any use of child labor or forced labor practices. In all of our work, we uphold individual human rights without compromise. Our respect for human rights includes a deep appreciation of diversity. We provide equitable base pay and award bonuses on the basis of performance and behavior, both of which we monitor worldwide.

BCG is a participant in the UNGC and has publicly committed to adhering to the UNGC’s principles. Notably, this commitment includes supporting and respecting the protection of internationally proclaimed human rights and ensuring that we are not complicit in human rights abuses. The UNGC’s principles are derived from the Universal Declaration of Human Rights and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, both of which accord with BCG’s values.

We have identified that the following topic areas could present salient human rights risks to BCG:<sup>20</sup>

- Diversity, equity, and inclusion, including, for example, equal treatment and opportunities for all, accessibility, and measures against workplace harassment
- Data privacy and information security
- Working conditions
- Corporate culture
- Safety and security
- Protection of whistleblowers
- Sustainable procurement

The following example illustrates our response to human rights risk. For us, as for other firms in our industry, working with suppliers who do not adhere to fair labor practices is a risk that could materialize. BCG expects suppliers to share its commitment to human rights and equal opportunity, and we will not knowingly do business with any partner or supplier that violates our policies or standards. Our BCG Supplier Code of Conduct defines these expectations as minimum requirements for suppliers seeking to conduct business with us. Further, our [UK and Australia Modern Slavery Act reports](#) and [Norwegian Transparency Act Statements](#) explain our process for preventing slavery and human trafficking in our business and supply chain. Our global screening program vets suppliers for sanctions, bribery, corruption, and negative media as indications of each supplier’s historical behavior.

In 2023, specifically, BCG initiated a global program to further strengthen the way we assess and manage environmental, social, and governance (ESG) risk throughout our global supply chain; the priority was to roll out the program in the UK and Germany—with a phased global rollout to follow by end of 2024—that matches our values and ensures compliance with existing and emerging ESG regulations. These include Germany’s Supply Chain Due Diligence Act, and the and the EU’s forthcoming Corporate Sustainability Due Diligence Directive. We also appointed a human rights officer to monitor risk management, including for risks related to human rights and the environment, among our suppliers and in our own business globally.

Monitoring the effectiveness of our actions so far has taught us that continuous improvement is key: horizon scanning and internal auditing helped us identify new regulatory requirements, form appropriate responses, and embed them into our human rights risk management process. To learn more about how we identify, assess, act upon, and monitor human rights risks, see “Raising Concerns and Protecting Whistleblowers” on [page 85](#).

BCG is committed to ensuring that all of its employees are afforded all applicable rights under law, including the right to join labor unions, works councils, or other collective bargaining organizations where applicable. Given the nature of our industry and our private partnership model, trade unions, works councils, and collective bargaining agreements (CBAs) are not commonplace. In some regions, statutory CBAs are applicable, and BCG remains compliant with these. In addition, where country-level works councils exist, some CBAs have been developed that may contain more favorable conditions than the minimum legal requirement.

<sup>20</sup>. To identify these risks, we used a double-materiality assessment methodology, alongside our ERM processes.

## Raising Concerns and Protecting Whistleblowers

Although BCG's culture is rooted in outstanding professional standards, we acknowledge that at times ethical dilemmas, difficult decisions, and behaviors inconsistent with our Code of Conduct or other policies may arise. BCG urges any individual to report concerns about actual or suspected misconduct that may be in breach of our firm's values, business ethics, or policies, or that may be against the law. This information also helps us understand where potentially negative impacts on human rights could emerge in our global operations, assess the severity and likelihood of these risks, and mitigate the chances of their materializing in the first place.

We ask and encourage our people to adhere to the principle of "see something, say something" at all times. We support this principle through the following process, which accommodates both internal and external stakeholders, including suppliers:

- **Identify and Understand.** Everyone at BCG is responsible for reporting any known or suspected violations of our Code of Conduct, our policies, our values, or any law or regulation. We follow a strict nonretaliation policy and do not tolerate reprisal against any individual who raises a concern in good faith. Our global training includes reminders on the available channels for reporting concerns, and it emphasizes the responsibility of each BCGer to uphold our values. The information gathered helps us assess and understand the potential negative human rights impacts of our operations, evaluating the severity and likelihood of these risks as part of our ongoing risk assessment process.
- **Report and Reflect.** We believe that offering multiple reporting channels provides the best opportunity for us to capture issues or concerns. This includes our confidential Ombudschannel ombudsperson program and our Speak Up Line, both of which include anonymous reporting features, are designed to prevent and identify misconduct, and support BCG's aim to lead with integrity. BCG's Speak-Up Line is a dedicated platform that allows BCGers and non-BCGers—whether clients, suppliers, or other third parties—to report concerns. The Speak Up Line addresses elements of the EU Whistleblower Directive, including maintaining minimum standards for communication with the reporter, confidentiality and protection against reprisal, and anonymous reporting features, including an audio-based method of reporting. These channels not only identify issues post hoc, but also enable our proactive approach to human rights risk assessment.
- **Assess and Monitor.** Once someone raises a concern, regardless of the channel they use to submit it, we handle it with discretion and in confidence, subject to any overriding legal or regulatory requirements. We address all concerns appropriately and in accordance with our internal policies. Moreover, BCG promptly, independently, and objectively investigates business conduct incidents, including alleged corruption and bribery. This process also allows us to continuously improve our human rights impact assessment, adapting our strategies on the basis of the nature and frequency of the concerns raised.
- **Review and Adapt.** We review the effectiveness of our reporting channels annually in several ways, including through BCG's annual People Survey—a critical input to understanding how effectively we are supporting our employees on our value proposition. It asks staff for their honest opinions on topics related to BCG's values, reporting channels, and safety to speak up. Responses to the survey are analyzed and shared with BCG's Audit & Risk Committee (ARC) to identify areas of concern and make improvements. The ARC specifically reviews the escalation thresholds for comments related to harassment and takes targeted follow-up action in these areas. The ARC receives quarterly high-level reporting of concerns through BCG's Ombudschannel and Speak Up Line. In addition to mitigating risks, these insights enable us to improve our human rights risk assessment processes over time.



## Taxation

Taxes are a key element of a corporation's contribution to society. As such, BCG's worldwide tax strategy remains a cornerstone of our pledge to operate responsibly and sustainably. This commitment manifests in several core areas, such as ensuring that our tax practices are in harmony with the Organisation for Economic Co-operation and Development's initiatives on international tax reform, particularly in combating base erosion and profit shifting.

Our aim is not only to fully comply with our tax-related obligations but also to maintain transparent interactions with both tax authorities and our stakeholders. In alignment with this ethos, we have implemented a transfer pricing approach designed to help allocate our global earnings across all of the countries we serve. This methodology underscores our dedication to contributing a fair portion of taxes in every jurisdiction where we operate.

## 2023 in Numbers

# 100%

of active full-time employees completed the annual acknowledgment of the Code of Conduct, confirming their understanding of and compliance with its terms<sup>21</sup>

# 100%

of BCGers have access to a confidential ombudsperson channel where they can seek advice or report concerns

21. Because new people routinely join and depart from BCG, and because some of them may not have completed the training at the time of reporting, compliance is marginally under 100%.

## Global Risk Management

BCG's Global Risk Management function is a trusted advisor to the BCG community, enabling innovation and growth in our services, and helping navigate complex risk management decisions, while supporting and protecting our people, clients, and brand. Led by our chief risk officer, Global Risk Management is made up of specialist teams across compliance, data protection, enterprise risk management (ERM), assurance and advisory, information security, and safety and security. Their job is to be ready for what might come next, both from inside and outside the firm, and to partner with other global functions and the frontline business to proactively identify and holistically manage risks, applying appropriate guardrails when necessary.

Our approach to risk management follows established frameworks and processes that align with best practices and support our objectives and values as an organization and as a global risk function. Central to that approach is the fact that all BCGers are responsible for risk identification and risk management. Our specialist risk management teams work in partnership with our MDPs and employees to proactively identify and manage risks across our regions, practices, functions, and risk categories.

To foster ongoing engagement and partnership in identifying and mitigating the key risk exposures facing our business, we rely on a variety of initiatives:

- Proactive management and assessment of our global risk register through evaluation of various data sources and regular engagement with MDPs and other senior leaders of our firm
- Local and global commercial advisory processes to support case teams with client and topic selection and conflict management
- A global risk and compliance node network comprised of senior leaders across our geographies who help embed a culture of risk management and participate in our commercial advisory processes
- Internal risk reviews of BCG offices and functions every three to four years
- Full compliance with the ISO 27001 international information security standard
- Regular virtual and in-person training on various risk, compliance, and information security topics—including anti-bribery and corruption, conflict of interest, and cybersecurity—as well as cohort-specific training for employees in senior positions
- Alignment of BCG's first double materiality assessment—looking at the firm's impact on both people and the planet—with our global ERM system

This last point will help BCG comply with ESG regulations, such as the EU's Corporate Sustainability Reporting Directive, in the future. Moreover, a number of voluntary frameworks, including the Global Reporting Initiative and the World Business Council for Sustainable Development, consider it best practice.

The scope and effectiveness of BCG's governance, risk management, and internal controls receive independent and objective evaluation from our Assurance & Advisory team, as well as through our external auditor and industry certifications. Internal risk reviews typically occur on a three- or four-year cycle, depending on the local risk environment and the results of prior reviews.

In addition to conducting internal risk reviews, the Assurance & Advisory team leverages data analytics to enhance procedures, performing global functional and shared service reviews and geographic spot checks to validate that control changes are designed properly and operating effectively. At the highest level, risk oversight is provided by our CEO, Executive Committee, and Audit and Risk Committee—a committee of the board, along with an external and independent senior advisor, that meets at least six times each year to review the firm's risk management profile.

### 2023 Highlights

A key objective across Global Risk Management is to enable all BCGers to navigate the risk landscape while protecting and adding value for our clients, our employees, and the firm. To support this objective, BCG invests heavily in risk management to improve our capabilities and expertise and to meet the needs of our business and client stakeholders. This effort includes investment in technology solutions to digitize the function and ensure that all BCGers have the support they need to identify and manage risk.

In 2023, our investments included technology to support the System Commercial Advisory process, which governs high-risk engagements for client, topic, and conflict choices, as well as other key compliance processes.

## 2023 in Numbers

**100%**

of 2023 office reviews—including internal risk reviews, spot checks, and functional advisory—were completed

**100%**

for ISO 2700 certification coverage for our Information Security Management System

**92%**

of BCGers explicitly consider risk management in their daily work

## Safety and Security

BCG commits to providing a safe and secure work environment for our employees. Across the organization, our safety and security programs foster the adoption of best practices, helping to safeguard the security and well-being of employees.

Our Global Security team of experienced professionals partners with our offices, employees, and business teams to build internal resilience and protect our employees and assets through a comprehensive range of programs focusing on travel and workplace security.

### Staying Safe on the Road

Given the nature of our work, travel poses the most material risk to our employees' health and safety. Our Global Security team monitors global trends and potential threats in all locations where BCG operates. We adopt a risk-based approach to ensure the safety of our staff members during their travels.

Equipping our employees with advanced, real-time digital tools that provide access to travel safety, security, and medical support and enable immediate one-touch connectivity to our 24-7 response center is one of our key security strategies. This allows employees to make informed decisions that safeguard their well-being when traveling. For destinations where elevated security threats exist, we have a rigorous pretravel evaluation, planning, and authorization process overseen by our Global Security Committee, which consists of BCG's chief risk officer, our general counsel, a regional risk leader, and the executive director for security and sustainability. We partner with leading providers in the security industry to help ensure that our employees have access to security and medical support, regardless of their location.

### Creating a Safe and Secure Workplace

BCG offices implement programs to ensure the health and safety of our employees and visitors, adhering to BCG's physical security standards, which we fully revised and updated in 2023. These standards set the benchmark for securing our buildings, offices, and operational processes.

Our offices are designed to maximize natural light and provide ergonomic workstations, enhancing employee well-being and safety. Promoting awareness of health and safety procedures is integral to our approach and is a standard module in our new-hire induction process. Employees visiting an office for the first time have access to specific local health and safety procedures.

Before establishing a new office, BCG conducts comprehensive risk assessments to mitigate potential risks to our employees and the firm. The Global Security team plays an essential role in that work. As noted earlier, our Assurance & Advisory team conducts regular reviews of all BCG offices, typically on a three- to four-year cycle, depending on the level of risk exposure. These reviews include assessments of office safety and security protocols and practices, reinforcing our commitment to creating safe and secure workplaces across our global network.

## Building Resilient Operations

Our global and local Incident Response Teams, led by experienced MDPs and supported by our global team, are ready to respond to adverse events swiftly and effectively. They receive training and resources to reduce the impact of such events on our people, operations, and assets.

In 2023, we enhanced our business resilience, incident response capabilities, and disaster recovery processes with new trainings and tools. BCG conducted simulation exercises in every office, integrating insights from recent global events and leveraging and embedding digital dynamic response tools and processes that the firm introduced in 2021 and 2022.

The Global Security team intensified its efforts in horizon scanning and scenario planning to address the uncertain geopolitical climate. In collaboration with local leaders and industry experts, the team crafted scenarios, provided leadership briefings, and established cross-functional security working groups to ensure that BCG is thoroughly prepared for a wide range of contingencies. We continue to advance our resilience programs to protect our people and assets.

## 2023 in Numbers

# 100%

of new offices that opened in 2023 underwent a physical security risk assessment

# 100%

of new consulting staff completed our mandatory travel safety training

# Zero

work-related fatalities or high-consequence injuries



## Responsible Artificial Intelligence as a Strategic Priority

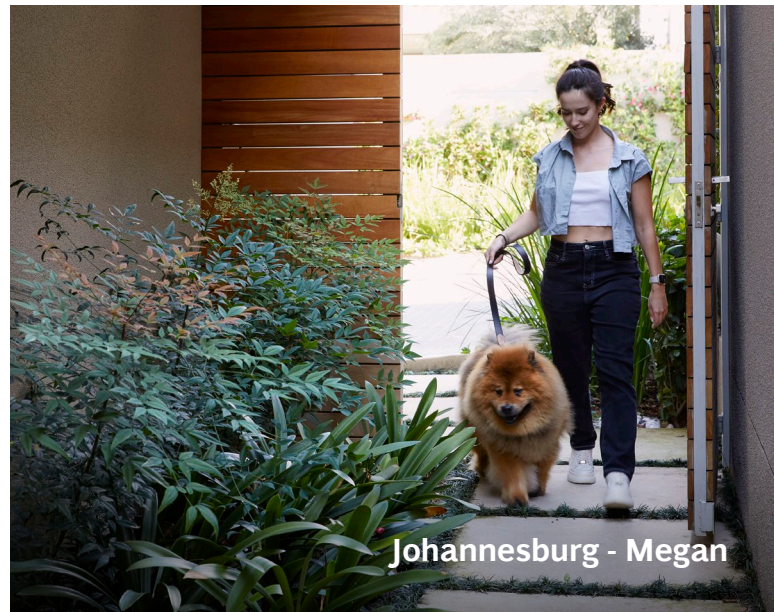
At the start of 2023, only a few short weeks after the launch of OpenAI's ChatGPT, the entire world seemed to suddenly become aware of the potential power and pitfalls of artificial intelligence (AI) and generative AI (GenAI).

As the year went on, we witnessed new and exhilarating ways of creating text, images, and video; retrieving and analyzing information; and interacting with chatbots in more fluid conversation. At the same time, because of the rapid and widespread popularity of GenAI tools, the public became aware of the many risks posed by AI and GenAI, such as biased, toxic, and erroneous content. Government officials seized the opportunity to approve new legislation, such as the EU AI Act, that has sweeping implications for the commercial deployment of the technology. In this context, the responsible design and implementation of AI matters more than ever.

Our clients trust us to help them deliver transformative business impact without inadvertently harming people, communities, or the environment—or compromising BCG's core values. This is why BCG's responsible AI (RAI) program is crucial to our work and fundamental to our client engagements. By unlocking our clients' potential to harness AI in a responsible way, we're helping build resilient digital infrastructure, promote inclusive and sustainable digitization, and fostering innovation.

Our chief AI ethics officer, [Steven Mills](#), oversees BCG's RAI program and leads the implementation of our global RAI policy. This policy is one component of BCG's Code of Client Service, which ensures that the work we do aligns with our core values and purpose. Our [AI Code of Conduct](#) further codifies BCG's commitment to responsibly design, develop, and deploy AI systems both internally and with our clients around the world.

BCG's RAI policy outlines a set of high-risk areas that require additional review and approval. These areas involve projects that could have a substantial positive impact on society and our clients but also pose a higher level of risk. Proposals for such projects are reviewed by BCG's Responsible AI Team with crucial input from the Responsible AI Council (RAIC), a global, cross-functional group of senior leaders and experts who provide feedback on each proposal, surfacing risks, defining mitigation strategies, and creating guardrails. BCG also integrates the Responsible AI Team into the firm's processes for AI software development to ensure that all mitigation strategies are in place and that the RAIC monitors the progress of each project over time. The Responsible AI Team also scans for new risks and opportunities as they emerge, helping to support excellence in the long term.



### 2023 Highlights

BCG enhanced its AI literacy by conducting GenAI training sessions for both technical and nontechnical staff, including top executives and managing directors and partners. These sessions gave attendees the knowledge they needed to incorporate BCG's RAI principles in the development and implementation of GenAI projects, while also identifying new and heightened risks associated with these tools.

To support the responsible use of GenAI, we established a comprehensive Generative AI Guidance page, providing up-to-date best practices. This page also includes detailed guidance and toolkits tailored for BCG teams using the enterprise version of ChatGPT for marketing content creation and external chatbot development.

We also formed the GenAI Focus Group, a multidisciplinary collective, to explore GenAI applications throughout BCG's global operations. This group is committed to evaluating cutting-edge use cases according to the latest industry standards for RAI, keeping abreast of regulatory changes, and advising our leadership on necessary updates to policies and procedures.

Following insights from the GenAI Focus Group, we refined BCG's RAI Policy to encompass the novel risks associated with GenAI tool usage. This process included unifying our AI software review and development frameworks across the RAI team, the Risk and Compliance team, and the AI quality assurance team (DevEx).

Additionally, we reviewed all GenAI tool access requests, establishing stringent guidelines for approved applications, particularly for high-risk cases, in line with BCG RAI Policy.

In response to the escalating demand for AI and GenAI expertise within BCG, we increased the RAI Team's headcount threefold, underscoring our commitment to scaling our AI capabilities sustainably and ethically.

## 2023 in Numbers

# 100%

of GenAI projects were reviewed by the RAI Team

# 100%

of high-risk cases were given guardrails

### Advancing Responsible AI Through Partnerships and Thought Leadership

AI technology is evolving rapidly, which can increase the difficulty of capturing its full value in a responsible way. However, BCG's expertise and partnerships with thought-leading organizations has helped to unpack this complexity:

- **Global AI Action Alliance of the World Economic Forum.** The alliance is a multistakeholder collaboration platform and project incubator designed to accelerate the adoption of inclusive, trustworthy, and transparent AI globally and across industry sectors. The alliance brings together more than 100 leading companies, governments, international organizations, nonprofits, and academics united in their commitment to maximizing the societal benefits of AI. With other members of this alliance, we are drafting *Responsible AI Stewardship for Investors* (forthcoming).
- **Responsible AI Institute.** The institute focuses on providing tools for organizations and AI practitioners to build, buy, and supply safe AI systems that are worthy of our trust. BCG provided input and feedback on RAI Institute's RAI Organizational Maturity Assessment (OMA) framework, its Conformity Assessment framework, and its Accredited Certification Program. Together, we published "Navigating Organizational AI Governance."
- **MIT Sloan Management Review.** This publication explores how leadership and management are transforming themselves in a disruptive world. It also helps thoughtful leaders capture exciting opportunities and address the challenges that emerge as technological, social, and environmental forces reshape how organizations operate, compete, and create value. BCG worked with *MIT Sloan Management Review* (MIT SMR) to conduct innovative, original research on RAI issues through global surveys and in-depth interviews with leaders working at a range of companies, deepening our understanding of RAI challenges and opportunities. One result was *Building Robust RAI Programs as Third-Party AI Tools Proliferate*, a report produced with MIT SMR that shares our insights and offers ways for organizations across the globe to implement RAI at scale.

## Key Publications on Responsible AI



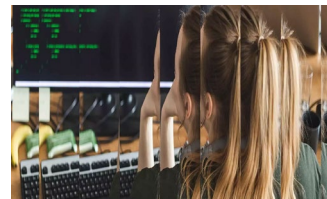
[Navigating Organizational AI Governance](#) ↗



[Is Your Organization Investing Enough in Responsible AI? 'Probably Not,' Says Our Data](#) ↗



[Building Robust RAI Programs as Third-Party AI Tools Proliferate](#) ↗



[AI at Work: What People Are Saying](#) ↗



[Finding Your Way Through AI's Regulatory Jungle](#) ↗



[Responsible AI Belongs on the CEO Agenda](#) ↗



## Information Security and Data Protection

Data protection and security are fundamental to every organization because they reinforce trust and integrity, which are vital for long-term success. In today's digital age, data is a valuable asset, and safeguarding it ensures the resilience and reliability of our operations. BCG's robust data protection measures and security controls demonstrate our commitment to ethical practices and to safeguarding confidential and personal data, in line with our principles of sustainability.

For our clients, this commitment means that they can trust us with their sensitive information, knowing that we will handle it responsibly and securely. This trust fosters stronger, lasting relationships, which are essential for enduring business growth. Secure data management also mitigates risks of data breaches, protecting our clients from potential financial and reputational harm. By safeguarding client information and navigating risks adeptly, BCG fortifies its reputation and contributes to the stability and success of its clients, generating lasting growth and innovation in the global business landscape.

From a societal perspective, prioritizing data security contributes to a safer digital environment. Promoting a culture of respect and responsibility demands upholding the rights and privacy of individuals. Furthermore, by setting high standards in data security, we strive to inspire other organizations to follow, thereby elevating industry practices.

We adhere to all local laws and regulations pertaining to the protection of personal information and the rights and freedoms of individuals. Protecting privacy and data is essential to preserving the trust of our clients and employees. Our global privacy and data protection program supports legal compliance and effective privacy risk management in all countries where we do business.

BCG's policies governing the use and protection of personal information and confidential data cover global data protection, privacy, personal data classification, data retention, personal data breach notification, and employee privacy policies, among others. We also provide guidelines to help staff interpret these policies; these guidelines are binding on every BCG employee and facilitate compliance across our operations in all markets.



### Data Protection

BCG's Data Protection Office oversees our global privacy and data protection program and reports to our chief risk officer and general counsel. The Data Protection Office serves as the contact point for data protection authorities, handles internal and external data privacy requests, provides advice on adherence to data privacy regulations, monitors compliance, and manages the network of local data protection contacts. In partnership with our risk team, the Data Protection Office also administers BCG's data-privacy training and awareness program.

Specific procedures promote compliance with global regulations. Among these procedures are the following:

- Engagement with staff to identify and manage data protection risk
- Comprehensive records of how BCG processes personal data
- Data protection impact assessments to determine whether high-risk information systems have proper controls in place to mitigate risks to individuals
- Data-processing agreements with vendors, outlining security and privacy responsibilities
- Controls to reinforce the lawful transfer of data within BCG and with BCG's data processors
- Methods to guarantee that BCG's employees manage personal data appropriately
- Processes to escalate issues and notify our clients and the appropriate authorities in the event of a personal data breach
- Dedicated staff to handle data access, correction, and deletion requests

In 2023, all employees completed mandatory privacy and security training. We developed these training modules to make them an engaging learning experience.



## 2023 in Numbers

# 100%

of BCG employees completed the annual compliance training<sup>22</sup>

### Information Security

Information security and risk management hold paramount significance in today's world, influencing not only individual organizations but also global economies, societies, and the interconnected fabric of the digital age.

BCG's Risk Management function partners with Information Security to adopt a structured approach in identifying, evaluating, and mitigating potential threats and vulnerabilities. It acts as a proactive shield against unforeseen events that could disrupt operations, upset financial stability, or tarnish reputations. Robust risk management empowers organizations to foresee challenges, make well-informed decisions, and allocate resources prudently to mitigate potential losses.

Ultimately, information security and risk management transcend organizational boundaries, influencing economies, driving technological advancements, and upholding the foundations of trust and reliability in a digitally dependent world. For BCG, these principles serve as the bedrock of excellence and integrity and ensure that we are trustworthy stewards of our clients' information.

BCG's Information Security Risk Management (ISRM) program safeguards BCG's brand and intellectual property, as well as employee and client information, from misuse, damage, and unauthorized access. We adhere to a multilayer, proactive approach to reinforce the confidentiality, integrity, and availability of information, while maintaining cost-effective security that protects the firm, our people, and our clients. We comply with all contractual requirements, laws, and regulations related to information security in the countries where we operate.

All information security policies and practices are risk sensitized and follow the code of practices established by the International Standard ISO/IEC 27002. We have received ISO 27001 certification for our global Information Security Management System and for all of our offices around the world. We also ensure that we have necessary certifications in local markets, such as Cyber Essentials Basic and Plus certification in the UK and TISAX certification for offices in Germany, India, and the US. We employ best practices for optimal management of business risks, while also focusing on people, processes, and technologies.

<sup>22</sup> Because new people routinely join and depart BCG, and some of them may not have completed the training at the time of reporting, compliance is marginally under 100%.

## Sustainable Procurement

BCG's commitment to sustainability goes beyond the boundaries of our firm to include the suppliers we use. We embed leading ESG principles in our procurement policy, processes, and governance—not only to drive more value for BCG but to unlock the potential of sustainability practices more broadly.

We define sustainable procurement as the management of environmental, social, and economic impacts of an end-to-end supply chain. BCG's goals are to prioritize environmental protection, make significant progress toward net zero climate impact, support social responsibility and diversity, and contribute to a more prosperous economy through innovation and financial inclusion in our supply chain.

To achieve this, we safeguard BCG by implementing risk identification and mitigation processes. We conduct due diligence and monitor suppliers to proactively identify and manage any adverse impact on BCG, the planet, and society, and we ensure supplier compliance with regulatory requirements. This approach helps BCG comply with regulatory requirements and allows us to meet the sustainability commitments we've made as a company.

For example, while ensuring we abide by laws concerning human rights, we also integrate BCG's commitment to net zero in our overall strategy, adhere to the principles of the UN Global Compact, and endorse the UN Guiding Principles on Business and Human Rights.

BCG's sustainable procurement strategy encompasses four key workstreams:

- **Establish robust governance.** We create a comprehensive framework, policies, and supplier code of conduct to ensure strong governance and ethical practices that integrate ESG considerations and ensure compliance with regulatory obligations.
- **Ensure regulatory compliance.** We integrate processes that keep BCG compliant with evolving ESG regulations, such as Germany's Supply Chain Due Diligence Act and the EU's anticipated Corporate Sustainability Due Diligence directive. This effort includes ongoing monitoring, reporting, and proactive risk management.
- **Track and report supplier emissions.** We gather supplier-specific emissions data to more accurately calculate and better manage the impact of our supply chain.
- **Expand the scope of reporting.** We continue to build on our sustainability reporting practices through this annual sustainability report, as well as through carbon and EcoVadis reporting. New efforts include supplier-specific emission reporting and reporting on ESG risks and due diligence for new regulations.

### Supplier Code of Conduct

Our Supplier Code of Conduct (SCoC) gives us a framework for ensuring that our suppliers follow high standards of business practices. It offers a systematic approach to developing a sustainable and responsible supply chain and is included in all of BCG's standard supplier contracts.

The SCoC establishes minimum requirements across four broad categories: business practices and ethics; labor practices and human rights; environmental regulations and protection; and protection of assets, intellectual property, and data. Within the SCoC, we affirm our commitment to the UN Global Compact and our support for the Ten Principles on human rights, labor, the environment, and anticorruption, and we state our expectation that our suppliers will share our commitment to human rights and equal opportunity in the workplace.

The SCoC also provides a process for suppliers to report their compliance or noncompliance, including a link to BCG's Speak Up Line, discussed on [page 85](#). Suppliers and others can use this line to file complaints or notices of violations and/or noncompliance by suppliers. The SCoC also informs suppliers of the range of potential BCG responses in the event that a supplier fails to meet SCoC requirements.

### Procurement Policy Framework

BCG is updating and developing policies and guidelines to support supplier life cycle management. They will reflect BCG's commitment to sustainable procurement and ESG initiatives and will enhance our governance, compliance, and reporting efforts. The Supplier Governance Forum will continue to provide oversight of the policy framework and of BCG's global supply chain.

The proposed framework will underscore our sustainability mission and values to ensure that BCG and our suppliers implement sustainable ways of working and follow best practices to ensure a balance among planet, people, and profits. The policies and guidelines will include criteria for BCG's preferred suppliers, prescreening and ongoing monitoring of suppliers, supplier assessments, and ESG due diligence initiatives.

### Supplier Sustainability Questionnaires

Our standard supplier request-for-proposal template includes a sustainability questionnaire. This gives us the opportunity to promote awareness of our commitment to sustainability in the supply chain, enable our sourcing teams to use sustainability criteria to evaluate new suppliers, and improve the quality of the data we collect to measure sustainability commitments and the performance of new suppliers.

In line with our commitment to carbon neutrality, we evaluate all supply chain emissions (reported in our Scope 3 purchased goods and services and capital goods categories). This data helps us make informed decisions when selecting suppliers, and it enables us to reduce emissions for specific supplier categories.

### Supplier Screening and Monitoring

We screen new suppliers to identify any red flags, and we monitor all current suppliers for concerns related to sanctions. We have established a protocol for raising red flags and escalating issues when we find that suppliers require additional screening. A periodic report shares the screening results with relevant business stakeholders and internal control groups to ensure effective ongoing management of supplier-related risks.

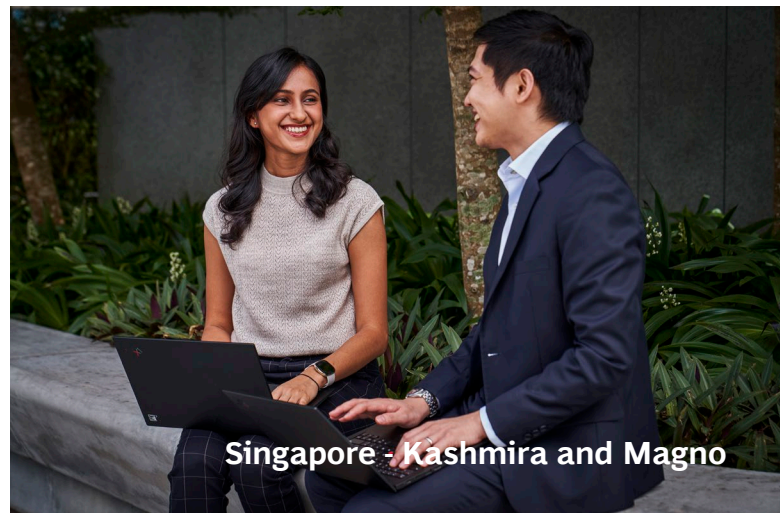
### US Supplier Diversity Program

BCG supports diversity and acknowledges the benefits of investing in diverse businesses. We recognize the important contributions diverse suppliers make in innovation while creating job growth and sustaining our country's economy. Diverse suppliers bring agility and expertise to assist us in supporting our customers and their missions.

Our program is geared toward strengthening our supplier base in the US and offers a fair bidding process for all suppliers to obtain sourcing opportunities within BCG. Our program recognizes the need to develop a more robust supplier database and encourages the use of businesses owned by minorities, women, veterans, members of the LGBTQ+ community, and other diverse supplier entities, as well as small businesses. In 2023, 10% of our US supplier spending was with diverse suppliers. We continue to mature our supplier diversity program and realize greater benefits in partnership with our diverse supplier networks.

### Supply Chain Regulation

In recent years, new sustainability laws, such as Germany's Supply Chain Due Diligence Act, demand higher standards of supply chain management. BCG's ongoing commitments put us in a strong position to comply with these shifts in regulation. In 2023, we integrated any new laws into our global strategy, identified and assessed in-scope suppliers, and increased the size of our team to enhance how we manage human rights issues in our supply chain. We will continue to adapt our approach to best meet regulatory requirements and champion environmental and social issues within our procurement practices.



Singapore - Kashmira and Magno



## 2023 in Numbers

**100%**

of BCG's supplier contract templates include a commitment to adhere to the Supplier Code of Conduct

**100%**

of BCG's supplier request-for-proposal templates include a supplier sustainability questionnaire

**100%**

of suppliers are monitored for sanctions

### 2023 Highlights

BCG is committed to continuous improvement in sustainable procurement. In 2023, we advanced our sustainability initiatives, embodying our commitment to sustainable business practices:

- We achieved a Platinum rating in the EcoVadis supplier sustainability assessment, placing us in the top 1% of companies assessed by the platform.
- We successfully collaborated with our suppliers to establish reporting on diverse-supplier spending. We are also working with individual BCG offices on local supplier diversity initiatives.
- We initiated mandatory prescreening measures for suppliers in higher-risk countries.
- We set the foundation to roll out new supplier risk assessment tools in early 2024.
- We adopted tools for enhanced reporting and monitoring of supplier risk landscape.

We look forward to further integrating sustainability into our processes and advancing our commitment to sustainable procurement in the future.





Boston - Talent acquisition team

# Appendix

[Greenhouse Gas Reporting Methodology](#)

[Task Force on Climate-Related Financial Disclosures \(TCFD\)](#)

[Performance Data Tables](#)

[WEF Stakeholder Capitalism Metrics Index](#)

[GRI Index](#)

## Greenhouse Gas Reporting Methodology

BCG creates a greenhouse gas (GHG) inventory annually. We take an operational control approach to defining our reporting boundary and compile our inventory in line with the requirements of the GHG Protocol Corporate Standard, covering all material Scope 1, Scope 2, and Scope 3 GHG emissions sources. Our GHG emissions inventory is independently audited and verified against the ISO 14064-3 standard.

### Scope 1 and Scope 2 Emissions

We gather energy consumption data from our offices globally. Where possible, we collect actual consumption data from invoices, from landlords, or directly from energy suppliers. When we cannot obtain this data, we use industry benchmarks to estimate energy consumption on the basis of occupied floor space. We follow the Scope 2 market-based accounting approach to account for our purchase of renewable electricity.

### Scope 3 Business Travel Emissions

Business travel is our most material emissions source and makes up the majority of our GHG inventory. Our business travel emissions include flights, hotel nights, rail, rental cars, and taxis. To calculate those emissions, we use the distances traveled per mode and class of transport and the number of hotel nights, as provided by our global travel agent, and multiply the travel activity by the conversion factors produced by the UK government. To account for travel booked by individuals outside our travel agent system, we apply a small uplift factor to flight, rail, and hotel emissions. For taxi emissions, since we do not have a global record of all taxi journey mileage, we convert expenses data into mileage using an external benchmark dollars-per-mile conversion rate to estimate the total distance traveled. We then look at the average emissions intensity (gCO<sub>2</sub>/Km) for our largest taxi service provider to convert the distance traveled to emissions.

Whereas all other emissions sources use the latest available emissions factor set, DEFRA 2023, we calculated our 2023 air travel emissions using the DEFRA 2022 emissions factors. Although it is most common to utilize the factors that align with the reporting year, DEFRA has confirmed that using factors from other years is permissible if there is a reasonable justification for doing so. The reason for this change is that the DEFRA 2023 emission factors rely on load factor data from 2021, when the global aviation industry was severely impacted by the pandemic, meaning that the calculated carbon intensity of every passenger was far greater than usual. In comparison, the DEFRA 2022 emission factors were generated on the basis of 2019 data, from before the pandemic, and therefore more accurately reflect 2023's post-pandemic travel patterns.

For air travel emissions calculations, we consider four key components within our reporting:

- Direct GHG emissions resulting from the combustion of fuel to power the aircraft, known as tank-to-wake (TTW) emissions
- Indirect GHG emissions generated in the upstream production and transportation of the aircraft fuel, known as well-to-tank (WTT) emissions; the sum of WTT and TTW emissions is referred to as well-to-wake or life cycle emissions
- Non-GHG emissions generated during the flight, such as nitrogen oxides, sulfur oxides, and particulate matter, as well as the formation of contrails that contribute to effective radiative forcing (ERF)
- Emissions reductions from the purchase of sustainable aviation fuel (SAF)

Although the impact of aviation on the global climate system clearly extends beyond the single effect of direct GHG emissions, the science in this area is nascent and the mitigation levers for addressing non-GHG factors remain largely untested. Accordingly, we have adopted the following recommendations from the SBTi Aviation Sector Guidance:

- In reporting progress toward our science-based target (as detailed on [page 51](#)), we include both direct (TTW) and indirect (WTT) emissions, but we currently exclude non-GHG emissions.
- In reporting our full GHG inventory, and for our 2030 net zero strategy, we include direct (TTW) GHG and non-GHG emissions. The conversion factors that we use apply an uplift of 1.9 to the CO<sub>2</sub> emissions to account for the warming impact of non-GHG emissions.

In accordance with emerging best practices and guidance, we report our emissions with and without the application of SAF reductions.

### **Other Scope 3 Emissions**

To calculate supply chain emissions, we collect data on the economic value of purchased goods and capital goods, and we multiply those figures by third-party emissions factors (tCO<sub>2</sub>e/\$ spending) to estimate the full life cycle emissions. For purchased services, we use supplier-specific scope 1 and 2 data from public CDP disclosures where possible and allocate these to BCG using a tCO<sub>2</sub>e/\$ spending allocation method. When supplier-specific information is unavailable, we use industry and sector averages to estimate emissions for the remaining service suppliers.

To calculate fuel- and energy-related activities that are not included in Scope 1 or Scope 2—such as WTT emissions and transmission and distribution (T&D) losses—we measure our electricity and fuel consumption and apply the relevant emissions factors. We estimate other, smaller emissions sources—such as employee commuting, waste, and upstream transportation and distribution—on the basis of the best available data. In 2023, we included an estimate of GHG emissions from remote working within the employee commuting Scope 3 category.

### **Restatements**

No significant restatements for historical emissions have been identified.



## Table 1 - GHG Emissions Inventory and Target Boundaries

CATEGORY	NET-ZERO TARGET BOUNDARY	SBTI SCOPE 1 & 2 TARGET BOUNDARY	SBTI SCOPE 3 TARGET BOUNDARY	EMISSIONS (KtCO <sub>2</sub> e)		DIFFERENCE (%)
				2018	2023	
Scope 1	Included	Included	N/A	6	3	-52%
Scope 2 (market based) <sup>1</sup>	Included	Included	N/A	25	0	-100%
Scope 2 (location based)	Excluded	Excluded	N/A	29	18	-36%
<b>Scope 3</b>						
Business travel	Included	N/A	Included	492	333	-33%
Direct air travel GHGs (tank to wake)	Included	N/A	Included	214	144	-33%
Indirect air travel GHGs (well to tank)	Excluded	N/A	Included	44	30	-33%
Air travel GHG emissions reductions from SAF	Included	N/A	Included	0	0	-
Air travel non-GHG impact <sup>2</sup>	Included	N/A	Excluded	191	128	-33%
Other business travel emissions sources <sup>3</sup>	Included	N/A	Included	43	31	-29%
Other Scope 3 sources <sup>4</sup>	Included	N/A	Excluded	106	120	+13
<b>Total emissions (net-zero boundary)</b>				584	425	-27%
<b>Total emissions (net-zero boundary including SAF savings)<sup>5</sup></b>				584	425	-27%

1. We use a market-based approach to report Scope 2 emissions, which factors in the purchase of renewable electricity. In 2019, we shifted to 100% renewable electricity for our offices and therefore report 0 KtCO<sub>2</sub>e Scope 2 (market-based) emissions.
2. Additional warming impacts generated during a flight, such as nitrogen oxides, sulfur oxides, and particulate matter, as well as the formation of contrails that contribute to effective radiative forcing.
3. Other business travel emissions include hotel nights, train travel, rental cars, and taxi journeys.
4. Other Scope 3 emissions include purchased goods and services, capital goods, employee commuting, fuel- and energy-related emissions, and waste.
5. In accordance with the WEF Clean Skies for Tomorrow guidance, we adopt a dual reporting approach, including and excluding emissions reductions from the use of Sustainable Aviation Fuel certificates (SAFCs). In 2023, BCG did not use SAFCs.

## Table 2 - 2023 Carbon Credits Portfolio

TYPE	TECHNOLOGY	LOCATION	PROJECT NAME	STANDARD	ID	VINTAGE	VOLUME
HBD	Biochar	Bolivia	Exomad Green - Concepcion 1	Puro	432524	2023	3,000
HBD	Biochar	Brazil	NetZero-002-Lajinha	Puro	141608	2023	370
NBR	ARR	Brazil	Fazenda Nascente Do Luar Agroforestry Project	VCS	VCS-2079	2015–2020	25,500
NBR	ARR	China	Guoluo Grassland Sustainable Management Project	VCS & CCB Gold	VCS-2458	2016–2020	88,783
NBR	ARR	China	Zhangye City Afforestation Project in Gansu Province	VCS & CCB	VCS-2370	2018–2020	14,240
NBR	ARR	India	TIST Program in India	VCS & CCB Gold	VCS-994	2017–2021	8,000
NBR	Mangroves	Pakistan	Delta Blue Carbon - 1	VCS & CCB Gold	VCS-2250	2021	70,000
NBR	Soil carbon sequestration	US	Indigo U.S. Project No.1	CAR	CAR-1459	2018–2021	11,000
AVD	REDD+	Brazil	Agrocortex REDD Project	VCS & Social Carbon	VCS-1686	2018–2019	79,052
AVD	REDD+	Brazil	The Purus Project	VCS & CCB Gold	VCS-963	2019–2020	30,921
AVD	REDD+	Brazil	The Russas Project	VCS & CCB Gold	VCS-1112	2019	11,341
AVD	REDD+	Cambodia	REDD in Keo Seima Wildlife Sanctuary	VCS & CCB Gold	VCS-1650	2018–2019	78,263
AVD	REDD+	Indonesia	Katingan Peatland Restoration and Conservation Project	VCS & CCB Gold	VCS-1477	2018	4,326
							<b>424,796</b>

**Note:** ARR = Afforestation, reforestation, and revegetation; AVD = avoided emissions; HBD = hybrid removals; NBR = nature-based removals; REDD = reducing emissions from deforestation and forest degradation. Volumes are expressed in kilometric tons of CO<sub>2</sub>e.

## Task Force on Climate-Related Financial Disclosures (TCFD) Index

As a global company, BCG faces various physical and transitional climate-related risks. Although we deem the level of risk to be low, it is important to understand the potential long-term impact of these risks and take action to mitigate them. In this section, we summarize our approach to managing climate-related risks and opportunities in line with the reporting recommendations of the Task Force on Climate-Related Financial Disclosures ([TCFD](#)).

We provide more detail on our approach to managing climate-related risks and opportunities in our CDP Climate Disclosure, available at [www.CDP.net](http://www.CDP.net).

### Governance

BCG's Internal Sustainability Strategic Committee (Strat Co.) oversees the development, implementation, and progress of the firm's sustainability strategy and net zero target, including oversight of climate-related risks with support from the Audit and Risk Committee. The Strat Co., which currently consists of BCG's global chair, chief sustainability officer, chief financial officer, and people chair, meets monthly. All Strat Co. members have their annual performance rating and remuneration tied to the internal sustainability performance of the firm. The Strat Co. is also supported by three Operations Committees, which meet monthly to drive operational changes. Finally, the Internal Sustainability Team, led by BCG's chief sustainability officer, David Webb, is responsible for the day-to-day operation of the sustainability program.

### Strategy

Although we have a thorough process in place to monitor climate-related risks and our mitigation approach (see [page 101](#)), we have not identified any risks that could have a substantive impact on our business. This is primarily because we are a highly agile and resilient organization, our value chain is not significantly exposed to climate-related risks, we are not operating in a heavy emitting industry, and we are not subject to substantive climate regulation or policy. In addition, we actively manage our own climate impacts through our industry-leading net zero program.

Through our climate-related risk and opportunity assessment, we determined that the opportunities linked to the low-carbon transition far outweigh the risk. Given the scale of climate adaptation and mitigation, we expect demand for our climate services to continue to increase and to come from an expanding range of sectors and industries. To realize this growing opportunity, we continue to invest heavily in our climate and environment work and have pledged \$2 billion over the next decade to enable our teams to drive climate and environmental impact across governments, industries, NGOs, and coalitions, and to advance global progress toward the Paris agreement.

When establishing our corporate climate strategy, we conducted a scenario analysis to assess how to align our business with a 1.5°C trajectory, while taking into consideration numerous transitional risks (reputational, market, and technological). As a result, we have invested heavily in business continuity measures to manage risks to our core operations. For example, we mitigate business travel disruptions due to physical risks, such as extreme weather, through business continuity planning and investing in hybrid and remote project team models. BCG's global orientation enables us to adapt readily to a wide range of geographically concentrated risks, whether they be physical (such as extreme weather events) or transitional (such as new climate policy or legislation). Furthermore, our ongoing investments in client sustainability and in internal measures to achieve net zero emissions help mitigate any reputational risks that might have a substantive impact.



## Risk Management

At BCG, we have defined three processes for monitoring and managing climate-related risks as part of our framework for enterprise risk management:

- **Climate Change Risk Assessment.** First, we conduct a climate change risk assessment (CCRA), which looks at physical and transitional climate-related risks and opportunities across BCG's value chain. We assess the likelihood, impact, management approach, and effectiveness of each risk across short-, medium-, and long-term time horizons and under +1.5°C and +4°C warming scenarios. We update our CCRA twice per year, or as new global climate risks emerge, and our Strat Co. reviews it annually.
- **Enterprise Risk Management Integration.** Second, we review the output from the CCRA and integrate it into the global enterprise risk management (ERM) framework. We also share the output with the Audit and Risk Committee yearly, and we communicate the key risks to the MDP group through the annual risk report.
- **Local Risk Assessment.** Third, the global safety and security team is responsible for managing physical risks to BCG offices, including chronic and acute climate-related physical risks. In developing and maintaining BCG's business continuity and resiliency plan, the Safety and Security team identifies relevant risks and develops mitigation and resilience plans at the local level.

As explained in the strategy section above, although we have a robust risk assessment process, we have not identified any risks that could have a substantive impact on our business.

## Metrics and Targets

As explained in the strategy section on [page 100](#), the increase in client revenue from climate and sustainability consulting projects presents the greatest opportunity to BCG. Accordingly, we monitor and report the performance and growth of our climate and sustainability client work. In 2023, we delivered approximately 1,500 climate and sustainability projects, a year-on-year increase of over 50%. We also invested a further \$240 million in planetary objectives in 2023, in the form of cash or in-kind support.

In addition, we track our carbon emissions globally (reported on [page 52](#)) and our progress toward our science-based targets (reported on [page 51](#)). We also monitor the cost savings associated with achieving our emissions reduction targets and the program costs associated with delivering our net-zero strategy (including carbon credit and renewable energy certificate purchases). We disclose our implicit carbon price (\$18 per metric ton in 2023), which we expect could rise to approximately \$80 per metric ton by 2030.

## Performance Data Tables

DRIVING SOCIETAL IMPACT	TARGET	YEAR	2019	2020	2021	2022	2023
Number of societal impact client cases	–	–	562	916	1,381	1,758	2,271
Number of clients with a societal impact case	–	–	327	501	691	855	1,001
Percentage of largest clients with a societal impact case <sup>1</sup>	50%	Annually	–	52%	68%	72%	72%
Total investment in societal impact initiatives (\$millions) <sup>2</sup>	–	–	178	275	297	460	564

PROTECTING OUR PLANET	TARGET	YEAR	2019	2020	2021	2022	2023
Number of climate and sustainability cases	–	–	170	360	780	980	1,530
Number of clients with climate and sustainability cases	–	–	120	240	450	520	705
Total investment in climate and sustainability initiatives (\$millions) <sup>3</sup>	\$2 billion	2030	–	80	160	270	240
Share of BCG's operations covered by PAS 2060 carbon neutral certification	100%	Annually	100%	100%	100%	100%	100%
Reduction in Scope 1 and 2 emissions per full-time equivalent (vs 2018 baseline)	92%	2025	82%	90%	92%	94%	95%
Reduction in business travel emissions per full-time equivalent (vs 2018 baseline)	48.5%	2025	10%	84%	87%	60%	62%
Electricity consumption from renewable energy sources (%)	100%	Annually	100%	100%	100%	100%	100%
Proportion of carbon dioxide removal (CDR) projects in offset portfolio	100%	2030	30%	40%	44%	48%	52%
Employees receiving climate training materials and communications (%)	100%	Annually	100%	100%	100%	100%	100%

**Note:** A dash in place of a data point in any cell of this table indicates either that no target or target year has been set or that data was not available to report.

1. BCG defines societal impact as any initiative that delivers positive social or planetary impact. To avoid double-counting, if one single project delivers both social and planetary impact, then it is counted as only one societal impact project overall. This explains perceived discrepancy between total number of social impact, climate and sustainability, and societal impact cases. The same is true of clients.
2. BCG began tracking this metric in 2020. "Largest clients" refers to top 50 BCG clients.
3. Includes consulting support, external secondments, net zero partnership costs, and marketing initiatives.

EMPOWERING OUR PEOPLE	TARGET	YEAR	2019	2020	2021	2022	2023
<b>Employment</b>							
Global headcount <sup>4</sup>	–	–	21,000	22,000	25,000	30,000	32,000
Global new hires <sup>5</sup>	–	–	–	–	7,000	10,000	6,000
<b>Gender</b>							
Representation of women globally	40%	Annually	43%	44%	45%	46%	47%
Representation of women on the Executive Committee	–	–	35%	35%	35%	33%	39%
Representation of women among leadership <sup>6</sup>	–	–	23%	23%	24%	24%	24%
Representation of women among global new hires	–	–	–	44%	48%	45%	51%
Representation of women among entry-level hires to the consulting team	40%	Annually	36%	42%	41%	41%	46%
<b>Racial and ethnic minorities (US only)<sup>7</sup></b>							
US headcount (racial and ethnic minority representation)	–	–	38%	39%	42%	46%	44%
US leadership (racial and ethnic minority representation) <sup>8</sup>	–	–	27%	27%	30%	30%	29%
US new hires (racial and ethnic minority representation)	–	–	45%	51%	51%	51%	55%

4. Headcount includes permanent and temporary workers on BCG's payroll but excludes contingency workers.

5. Permanent new hires only, not including temporary or contingency workers.

6. Includes MDPs and other senior leadership roles across BCG.

7. BCG is currently able to disclose race and ethnicity data only for our US operations. Legal restrictions prohibit BCG from gathering this data in some of our geographies.

8. Includes MDPs and other senior leadership roles across BCG.



EMPOWERING OUR PEOPLE	TARGET	YEAR	2019	2020	2021	2022	2023
<b>Other diversity indicators (US only)</b>							
Veteran	–	–	2%	2%	2%	3%	2%
LGBTQ+ <sup>9</sup>	–	–	4%	4%	5%	6%	6%
Disability <sup>10</sup>	–	–	2%	2%	2%	3%	4%
<b>Working at BCG</b>							
Average number of training hours per client-facing employee <sup>11</sup>	–	–	1 week	1 week	1 week	1 week	44 hours
Average number of training hours per business service team employee	–	–	–	–	–	–	17 hours
Attendance at career step training	–	–	89%	91%	92%	91%	88%
Percentage of employees with access to health and well-being support services	100%	Annually	100%	100%	100%	100%	100%
Percentage of employees receiving annual performance reviews <sup>12</sup>	100%	Annually	–	–	100%	100%	100%
Percentage of employees with access to personalized career plan	100%	Annually	100%	100%	100%	100%	100%

**Note:** A dash in place of a data point in any cell of this table indicates either that no target or target year has been set or that data was not available to report.

9. LGBTQ+ data may not be fully representative due to opt-in process and confidentiality.

10. Disability data may not be fully representative due to opt-in process and confidentiality.

11. Before 2023, learning was measured in weeks. From 2023, methodological refinements enabled reporting in hours.

12. BCG is able to report against this metric only since the launch of a new global performance review process in 2021.

RESPONSIBLE BUSINESS METRICS	TARGET	YEAR	2019	2020	2021	2022	2023
<b>Revenue (\$billion)</b>	–	–	8.5	8.6	11	11.7	12.3
Employees who completed our Code of Conduct and Anti-Bribery & Corruption online training <sup>13</sup>	100%	Ongoing	100%	100%	100%	100%	100%
Employees who completed acknowledgment of Code of Conduct and Anti-Bribery & Corruption policies <sup>14</sup>	100%	Annually	100%	100%	100%	100%	100%
Percentage of offices undergoing a periodic internal risk review	100%	Ongoing	100%	100%	100%	100%	100%
Employees who completed our data privacy and information security online training <sup>15</sup>	100%	Ongoing	100%	100%	100%	100%	100%
Employees who completed annual acknowledgment of data privacy and information security policies <sup>16</sup>	100%	Annually	100%	100%	100%	100%	100%
<b>Sustainable procurement metrics</b>							
Sourcing managers trained in sustainable procurement topics	100%	Annually	100%	100%	100%	100%	100%
Spending with diverse suppliers (US only)	5%	Annually	–	2%	3%	4%	10%
Supplier contract templates that include a clause on adherence to the supplier code of conduct	100%	Annually	100%	100%	100%	100%	100%
Supplier questionnaire templates that include sustainability questions	100%	Annually	100%	100%	100%	100%	100%
<b>Safety and security metrics</b>							
New offices conducting a travel safety risk assessment	100%	Annually	100%	100%	100%	100%	100%
New consultants completing our travel safety e-learning <sup>17</sup>	100%	Annually	–	100%	100%	100%	100%

**Note:** A dash in place of a data point in any cell of this table indicates either that no target or target year has been set or that data was not available to report.

**13.** All BCG staff are required to take this training. All staff completed the training when it was released, and all new hires are required to complete it as part of their onboarding. Because new people routinely join BCG, and some of them may not have completed the training at the time of reporting, compliance is marginally under 100%.

**14.** Because some active employees depart BCG, and some of them may not have completed the annual acknowledgment at the time of reporting, compliance is marginally under 100%.

**15.** All BCG staff are required to take this training. All staff completed the training when it was released, and all new hires are required to complete it as part of their onboarding. Because new people routinely join BCG, and some of them may not have completed the training at the time of reporting, compliance is marginally under 100%.

**16.** Because some active employees depart BCG, and some of them may not have completed the annual acknowledgment at the time of reporting, compliance is marginally under 100%.

**17.** The mandatory training was launched in 2020.

## WEF Stakeholder Capitalism Metrics Index

BCG is a signatory of the [World Economic Forum's Stakeholder Capitalism Metrics](#). We actively encourage our stakeholders and business partners to consider adopting the WEF metrics for their own reporting. As not all metrics

are material for BCG, explanations have been provided where necessary. In each case, we provide a link to the relevant section of this report where you can read more about the topic.

#	Core metric	Page reference
<b>PILLAR 1: GOVERNANCE</b>		
1	Setting purpose	Purpose and values (page 7)
2	Governance body composition	Governance (page 8) Performance data tables (page 102)
3	Material issues with an impact on stakeholders	Materiality (page 10) Stakeholder engagement (page 9)
4	Anti-corruption	Anti-bribery and corruption (page 83) Performance data tables (page 102)
5	Protected ethics advice and reporting mechanisms	Raising concerns (page 85)
6	Integrating risk and opportunity into business process	Risk management (page 86)
<b>PILLAR 2: PLANET</b>		
7	GHG emissions	Measuring our climate impact (page 54) Performance data tables (page 102)
8	TCFD implementation	TCFD index (page 100) Performance data tables (page 102)
9	Land use and ecological sensitivity	Not applicable <sup>1</sup>
10	Water consumption and withdrawal in water-stressed areas	Not applicable <sup>2</sup>
<b>PILLAR 3: PEOPLE</b>		
11	Diversity and inclusion	Diversity, equity, and inclusion (page 67) Performance data tables (page 102)
12	Pay equity	Pay equity (page 67) Diversity, equity, and inclusion (page 67) <a href="#">BCG UK Gender Pay Gap Report</a>
13	Wage level	Pay equity (page 67)
14	Risk for incidents of child, forced, or compulsory labor	Human rights (page 83) <a href="#">BCG Supplier Code of Conduct</a>
15	Health and safety	Employee well-being (page 77) Safety and security (page 88)
16	Training provided	Learning and development (page 79) Performance data tables (page 102)

1. BCG uses a sector-level materiality screening tool to identify the most material impacts and dependencies on nature for our sector and sub-industry. BCG does not own real estate and only leases offices in urban centers. That's why our economic activities, such as infrastructure holding processes, were not found to have a medium, high or very high dependency on ecosystem services or natural capital. For the same reason, we do not apply medium, high or very high pressure on ecosystem services or natural capital either. Our double materiality assessment corroborates these findings. Nevertheless, BCG commits to supporting programs that protect and nurture nature and biodiversity, as found in the "Keeping Track of Key Environmental Topics" section ([page 60](#)). Here, we commit to annually reporting the number of offices we hold that have at least one sustainability certification (e.g. LEED).

2. We have programs in place to promote water conservation in our offices. However, given that we consume very low levels of water, this is not considered a material topic.



#	Core metric	Page reference
<b>PILLAR 4: PROSPERITY</b>		
17	Absolute number and rate of employment	Performance data tables (page 102)
18	Economic contribution	Performance data tables (page 102) About BCG (page 6)
19	Financial investment contribution	Not applicable <sup>3</sup>
20	Total R&D expenses	Performance data tables (page 102)
21	Total tax paid	Taxation (page 86)

## GRI Index

### GRI 1: STANDARDS

Statement of use	Boston Consulting Group, Inc. has reported in accordance with the GRI Standards for the period (January–December 2023).
GRI 1 used	GRI 1: Foundation 2021

### GRI 2: GENERAL DISCLOSURES

Disclosure	2023 Response (page number)
2-1 Organizational details	Boston Consulting Group, Inc. About BCG (page 6) Governance (page 8)
2-2 Entities included in the organization's sustainability reporting	About this report (page 5) <a href="#">BCG offices</a>
2-3 Reporting period, frequency and contact point	About this report (page 5)
2-4 Restatements of information	No significant restatements required
2-5 External assurance	GHG methodology (page 96) Governance (page 8)
2-6 Activities, value chain and other business relationships	About BCG (page 6) <a href="#">Industries</a> Sustainable procurement (page 92)
2-7 Employees	Performance data tables (page 102)
2-8 Workers who are not employees	Confidentiality constraints mean we are unable to report all disclosures.

3. As a privately owned partnership, BCG does not publicly disclose competitively sensitive financial metrics such as capital expenditure.

## GRI 2: GENERAL DISCLOSURES

Disclosure	2023 Response (page number)
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2-9 Governance structure and composition	Governance (page 8) <a href="#">BCG leadership</a>
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2-10 Nomination and selection of the highest governance body	Governance (page 8)
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2-11 Chair of the highest governance body	Governance (page 8)
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## GRI 2: GENERAL DISCLOSURES

Disclosure	2023 Response (page number)
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2-12 Role of the highest governance body in overseeing the management of impacts	Governance (page 8) <a href="#">BCG leadership</a>
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2-13 Delegation of responsibility for managing impacts	Governance (page 8)
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2-14 Role of the highest governance body in sustainability reporting	About this report (page 5)
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2-15 Conflicts of interest	Approach to risk management and oversight (page 85) <a href="#">BCG Code of Conduct</a>
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2-16 Communication of critical concerns	Raising concerns (page 85)
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2-17 Collective knowledge of the highest governance body	Governance (page 8) Our team and expertise (page 37)
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2-18 Evaluation of the performance of the highest governance body	Governance (page 8) Confidentiality constraints mean we are unable to report all disclosures.
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2-19 Remuneration policies	Governance (page 8) Ensuring fair and equitable pay (page 67)
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2-20 Process to determine remuneration	Governance (page 8) Ensuring fair and equitable pay (page 67)
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2-21 Annual total compensation ratio	Governance (page 8) Ensuring fair and equitable pay (page 67) Confidentiality constraints mean we are unable to report all disclosures.
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2-22 Statement on sustainable development strategy	Executive introduction (page 3) Our vision and impact (page 12)
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## GRI 2: GENERAL DISCLOSURES

### Disclosure

### 2023 Response (page number)

2-23 Policy commitments

[BCG Code of Conduct](#)  
[BCG Supplier Code of Conduct](#)  
[Environmental Responsibility Statement](#)  
 Our code of conduct and supplier code of conduct summarize our policy commitment, but confidentiality constraints mean we are unable to report all disclosures.

2-24 Embedding policy commitments

Details on how we embed our policies are available in the approach section of each chapter and material topic covered within this report.

2-25 Processes to remediate negative impacts

Raising concerns (page 85)  
[BCG Code of Conduct](#)  
[BCG Supplier Code of Conduct](#)

## GRI 2: GENERAL DISCLOSURES

### Disclosure

### 2023 Response (page number)

2-26 Mechanisms for seeking advice and raising concerns

Raising concerns (page 85)  
[BCG Code of Conduct](#)  
[BCG Supplier Code of Conduct](#)

2-27 Compliance with laws and regulations

Confidentiality constraints mean we are unable to report all disclosures.

2-28 Membership associations

[Our partner ecosystem](#)

2-29 Approach to stakeholder engagement

Stakeholder engagement (page 9)

2-30 Collective bargaining agreements

Employee dialogue (page 65)  
 Information unavailable. Collective bargaining agreements are not commonplace; therefore, global reporting is not available.



## GRI 201: ECONOMIC PERFORMANCE

### Disclosure

### 2023 Response (page number)

3-3 Management of material topics

About BCG (page 6)  
Governance (page 8)

201-1 Direct economic value generated and distributed

Performance data tables (page 102)

201-2 Financial implications and other risks and opportunities due to climate change

TCFD index (page 100)  
[2023 CDP Disclosure](#)

201-3 Defined benefit plan obligations and other retirement plans

Working at BCG (page 65)  
Employee well-being (page 77)

201-4 Financial assistance received from government

Confidentiality constraints mean we are unable to report all disclosures.

## GRI 205: ANTI-CORRUPTION

GRI 3-3 Management of material topics

Anti-bribery and corruption (page 83)  
Materiality assessment (page 10)

205-1 Operations assessed for risks related to corruption

Global risk management (page 86)

## GRI 205: ANTI-CORRUPTION

205-2 Communication and training about anti-corruption policies and procedures

Anti-bribery and corruption (page 83)  
Performance data tables (page 102)  
[BCG Code of Conduct](#)  
[BCG Supplier Code of Conduct](#)

205-3 Confirmed incidents of corruption and actions taken

Anti-bribery and corruption (page 83)  
Performance data tables (page 102)  
Confidentiality constraints mean we are unable to report on all of the required disclosures.

## GRI 305: EMISSIONS

305-1 Direct (Scope 1) GHG emissions

Measuring our climate impact (page 54)  
Performance data tables (page 102)

305-2 Energy indirect (Scope 2) GHG emissions

Measuring our climate impact (page 54)  
Performance data tables (page 102)

305-3 Other indirect (Scope 3) GHG emissions

Measuring our climate impact (page 54)  
Performance data tables (page 102)

305-4 GHG emissions intensity

Measuring our climate impact (page 54)  
Performance data tables (page 102)

## GRI 305: EMISSIONS

305-5 Reduction of GHG emissions	Measuring our climate impact (page 54) Performance data tables (page 102)
305-6 Emissions of ozone-depleting substances (ODS)	Measuring our climate impact (page 54) Performance data tables (page 102)
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Measuring our climate impact (page 54) Performance data tables (page 102)

## GRI 401: EMPLOYMENT

3-3 Management of material topics	Working at BCG (page 65) Attracting the best talent (page 63) Materiality assessment (page 10)
401-1 New employee hires and employee turnover	Attracting the best talent (page 63) Performance data tables (page 102)
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Working at BCG (page 65) Employee well-being (page 77)
401-3 Parental leave	Working at BCG (page 65)

## GRI 404: TRAINING AND EDUCATION

3-3 Management of material topics	Learning and development (page 79) Materiality assessment (page 10)
404-1 Average hours of training per year per employee	Learning and development (page 79) Performance data tables (page 102)
404-2 Programs for upgrading employee skills and transition assistance programs	Learning and development (page 79)
404-3 Percentage of employees receiving regular performance and career development reviews	Working at BCG (page 66) Learning and development (page 79)

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