

# BCG Policy Statement

In Support of the Act on Corporate Due Diligence Obligations in Supply Chains  
(Lieferkettensorgfaltspflichtengesetz)

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**BCG**

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## 01- About BCG

Boston Consulting Group (BCG) is a global consulting firm that partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. Our success depends on a spirit of deep collaboration and a global community of diverse individuals determined to make the world, and each other, better every day.

BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients from the private, public and not-for-profit sectors in all regions to embrace a transformational approach aimed at benefiting all stakeholders—empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact. Our diverse, global teams are passionate about unlocking potential and making change happen, delivering integrated solutions through leading-edge management

consulting, technology and design, and corporate and digital ventures.

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

BCG continues to grow in size and impact, unlocking the potential of more clients than ever before. We are proud of how we have nurtured a culture among our people and our clients that continues to allow us to reach our purpose of unlocking the potential of our clients as they advance in the world, and we look forward to continuing that push toward more sustainable business and a more sustainable world.



# 02

## Commitment to Human Rights and the Environment

A commitment to responsible and ethical practices defines our approach to business and engagement. We consider this longstanding commitment critical to the success of both 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](#). We commit to respecting the [UN Guiding Principles on Business and Human Rights](#) and participate in the [United Nations Global Compact \(UNGC\)](#).

The same purpose, values, and frameworks guide our approach to the environment: we help our clients capture opportunities to build a more sustainable and resilient world, while supporting them to minimize any negative environmental impacts. We commit to doing the same ourselves. As such, we update our [Environmental Responsibility Statement annually](#).

### Culture and Responsible Business Practice

BCG leads with integrity, and all BCGers have a collective responsibility to act on this principle every day. Nevertheless, we acknowledge that policies, codes of conduct, and robust processes are important tools to communicate, enable, and embed a culture of responsible business practice.

BCG has a strong internal risk and compliance program that ensures that BCG is rigorous and thorough and drives for continuous improvement when it comes to the internal and external risk environment. Effective risk management is a key component of BCG's strategic planning.

### BCG's 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 of Conduct is distributed annually to all staff, who must confirm that they understand and are compliant with it.

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, along with 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.

## Human Rights Strategy

Respect for the individual is a core value at BCG, as reflected in our firm's history and the BCG Code of Conduct. Notably, our commitment to the UNGC 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. BCG has maintained a perfect score on 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 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.

## Human Rights in Our Supply Chain

BCG recognizes that, like other firms in our industry, working with suppliers that do not adhere to fair labor practices is a potential risk. BCG expects suppliers to share our 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. Our global supplier screening program checks suppliers for sanctions, bribery, corruption, politically exposed persons, and negative media, which highlights human rights and environmental issues as indications of each supplier's historical behavior. Findings from the screening process are reviewed and escalated for further action as needed.

Monitoring the effectiveness of our actions so far has taught us that continuous improvement is key: horizon scanning and internal auditing have helped us identify new regulatory requirements, form appropriate responses, and embed both these requirements and responses into our human rights risk management process.

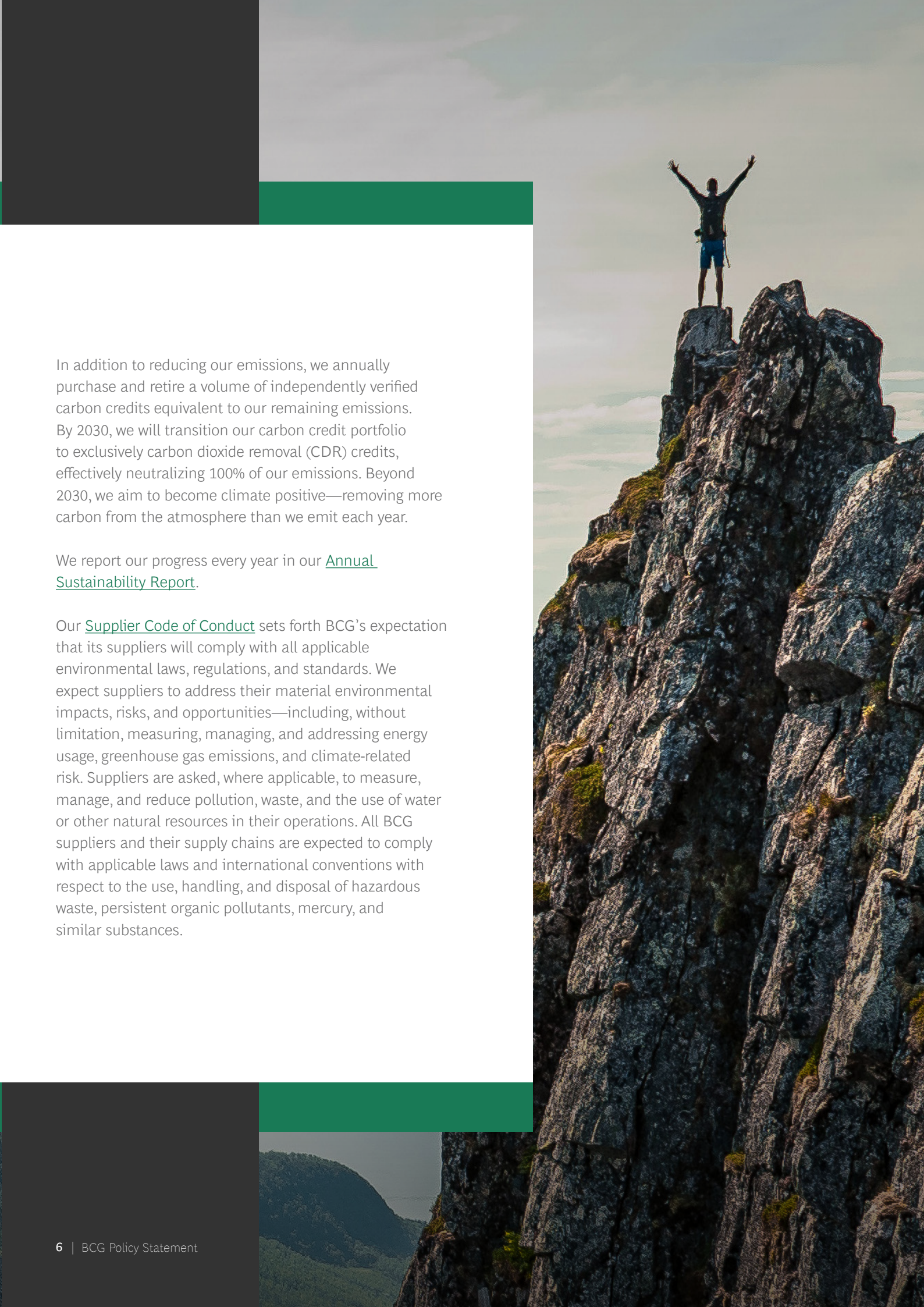
## Protecting the Environment

As a leading management consulting firm with a global reach and an intellectual diversity that spans every significant industry and function, our greatest opportunity to have a positive impact on the environment is through the services we deliver to our clients.

We work with businesses and governments to help them transform and build a more sustainable and resilient world. We have the capabilities to work with and support clients in all sectors, including those where emissions are greatest. Our aim is to help our clients find solutions that will spark the greatest change and speed up progress toward net zero. By partnering with all those willing to take on the challenge, we have a unique opportunity to accelerate progress.

In addition to helping our clients reduce their climate and environmental impact, we are determined to minimize our own. We have set the following targets validated by the Science Based Targets initiative (SBTi) as aligned with the goal of limiting warming to 1.5°C.

- To reduce absolute scope 1 and scope 2 emissions from direct energy and electricity use by 85% by 2025 from a 2018 base year
- To reduce scope 3 emissions from business travel by 58% per full-time equivalent by 2030 from a 2018 base year
- To reach net zero greenhouse gas emissions across the value chain by 2050.



In addition to reducing our emissions, we annually purchase and retire a volume of independently verified carbon credits equivalent to our remaining emissions. By 2030, we will transition our carbon credit portfolio to exclusively carbon dioxide removal (CDR) credits, effectively neutralizing 100% of our emissions. Beyond 2030, we aim to become climate positive—removing more carbon from the atmosphere than we emit each year.

We report our progress every year in our [Annual Sustainability Report](#).

Our [Supplier Code of Conduct](#) sets forth BCG's expectation that its suppliers will comply with all applicable environmental laws, regulations, and standards. We expect suppliers to address their material environmental impacts, risks, and opportunities—including, without limitation, measuring, managing, and addressing energy usage, greenhouse gas emissions, and climate-related risk. Suppliers are asked, where applicable, to measure, manage, and reduce pollution, waste, and the use of water or other natural resources in their operations. All BCG suppliers and their supply chains are expected to comply with applicable laws and international conventions with respect to the use, handling, and disposal of hazardous waste, persistent organic pollutants, mercury, and similar substances.

# 03

## Due Diligence Approach

### Risk Analysis

BCG has enhanced our risk management program and operational structure to include due diligences processes and analysis to identify inconsistencies with our ESG principles. Our processes are augmented with input from a third party. We conduct assessments of our own operations and of our supply chain on an annual basis in accordance with prevailing local legislative requirements and, if necessary, on an ad hoc basis. These assessments cover human rights such as child labor, forced labor, discrimination, health and safety, and working conditions, as well as environment-related risks such as environmental pollution, handling, collection, storage and disposal of waste, the import and export of hazardous waste, emissions, and the use of persistent organic pollutants and mercury. We expect to expand the scope of our due diligence efforts over time as a fundamental part of our commitment to continuous improvement to manage risk.

Our risk-based approach to supplier due diligence includes an abstract risk analysis based on industry and geographic data to identify higher risk areas in our business and supply chain. Based on the outcome of the abstract risk analysis, we will routinely request self-assessments from certain suppliers to ascertain additional information on their policies and practices to better understand potential risks. As and when further actions are warranted with respect to unacceptable risk levels, we will engage with our suppliers to implement corrective measures, taking into consideration severity or risk, probability, and contribution to causation, as well as materiality

of the supplier within our supply chain and our ability to influence changes in their business practices. We will take further remediation actions as appropriate.

We continue to review and adapt our risk management practices for both our operations and our supply chain in support of the requirements of the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz).

### Preventive Measures

BCG has instituted and will continue to develop preventive and remedial measures in areas of increased human rights and/or environmental risk. Our goal, within both our operations and our supply chain, is to avoid any violation of human rights and/or environmental obligations and embed considerations for these risks in our procurement practices.

We note the following preventive measures that are in place:

- Publication of this policy statement on BCG.com
- A Code of Conduct that sets expectations for the behavior of all BCGers, connecting our firm values, policies, and norms to the actions of the individual. The Code is designed to foster ethical decision-making and promote behaviors that meet the highest standards of professional conduct. We aim for 100% of BCG employees to complete Code of Conduct training at least every two years

- A Supplier Code of Conduct that defines our minimum requirements for suppliers seeking to do business with BCG, and our expectation that all third parties always operate in full compliance with applicable laws and regulations. BCG will not knowingly do business with any partner or supplier that violates our policies or standards.
- Appointment of a human rights officer to monitor risk management and fulfilment of the obligations within this policy statement
- Screening of suppliers (sanctions, PEP, negative media, and financial stability)
- Pre-screening of suppliers for negative media, including human rights and environmental risks, in locations and supplier categories identified by BCG as presenting a higher risk to our business
- Updated risk management processes, including ESG supplier risk assessments focused on meeting local regulatory requirements. We intend to expand the scope of our risk assessment efforts over time
- Contract templates (and additive clauses) updated to reflect our Supplier Code of Conduct
- Request for proposal templates updated to reflect questions on human rights and environment

The following additional measures are to be implemented as we continue to develop our risk-management processes:

- Development of risk-based corrective action plans
- Development of Supplier Training on our Supplier Code of Conduct to emphasize the importance of compliance with human rights and environmental regulations and raising related risks

- Broaden our human rights and environmental risk screening capability to cover more of our supplier population
- Acknowledgement of the Supplier Code of Conduct (through phased rollout of a new onboarding system and process)
- Speak Up Line training and awareness. This channel may be used by anyone or others to file an anonymous complaint or notice of violations and/or noncompliance

## Remedies

BCG will take timely and appropriate steps to remediate any imminent or actual violation of human rights or environmental obligation that becomes known to us.

We will work with our suppliers to implement any recommended preventive or remedial measures; however, we reserve the right to impose sanctions or terminate a contract based on a serious violation.

Based on the results of our due diligence processes with respect to suppliers, BCG will continue to look at our supply chain partners. For those suppliers that may present medium to higher risk, BCG may require them to make changes to continue their partnership with BCG in alignment with BCG's values and Codes of Conduct. BCG will work with a supplier to clearly state its terms and expectations to remediate any risks. If a supplier fails to perform the agreed-upon remediation or is in violation of the BCG Code of Conduct, BCG may move to terminate the relationship either with immediate effect or at the end of the contract term.



# 04

## Complaints Procedure

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, policies, or the law. Our speak-up culture helps us understand where potentially negative impacts on human rights could emerge in our global operations, supports us to assess severity and likelihood for these risks, and mitigates the chances of them 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 our [Rules of Procedure for Complaints](#) 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.
- **Report and Reflect.** We believe that offering multiple reporting channels provides the best opportunity for us to capture issues and 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.

- **Assess and Monitor.** Once someone raises a concern, regardless of the channel they use to submit it, we handle the concern with discretion and in confidence, subject to any overriding legal and regulatory requirements.
- **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. BCG’s Audit and Risk Committee receives quarterly high-level reporting of concerns through BCG’s Ombudschannel and [Speak Up Line](#).

The information gathered through this process helps us to 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.

The BCG Supplier Code of Conduct provides a link to the [Speak Up Line](#) if suppliers wish to report questionable behavior, illegal or unethical behavior, or a possible violation.

BCG will maintain confidentiality to the extent possible and will not tolerate any retribution or retaliation taken against any individual who has, in good faith, sought out advice or reported illegal or unethical behavior or possible violations.



# 05

## Documentation and Reporting

BCG is committed to fulfilling its obligations under the Act on Corporate Due Diligence Obligations in Supply Chains. In addition to issuing this policy statement, our human rights officer provides updates at least annually to senior BCG leadership. BCG will file an annual report with the German Federal Office for Economic Affairs and Export Control (BAFA) to document our human rights and environmental due diligence obligations for the previous fiscal year. The report will be published on our website no later than four months after the end of our fiscal year and documentation will be available for seven years thereafter.



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