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 help clients with total transformation—inspiring complex change, enabling organizations to grow, building competitive advantage, and driving bottom-line impact.

To succeed, organizations must blend digital and human capabilities. Our diverse, global teams bring deep industry and functional expertise and a range of perspectives to spark change. BCG delivers solutions through leading-edge management consulting along with technology and design, corporate and digital ventures—and business purpose. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, generating results that allow our clients to thrive.
Executive Introduction

2019 was a pivotal year for BCG. I am proud of the steps we have taken—both through our client work and through the transformation of our own operations—to address important societal challenges and to help shape a brighter future. In a time of rapid change and unprecedented global economic, sustainability, inclusion, and global health challenges, we have never been more committed to working with organizations across the social, public, and private sectors to create solutions that increase our collective impact and make bold progress. In 2019, we delivered more than 700 social impact projects with over 450 organizations.

As we release this report, we recognize that the world is facing a public health crisis. While this report focuses on activities during 2019, we cannot ignore the profound impact that COVID-19 is having on individuals, communities, health-care systems, and economies all around the world, as well as on our clients and their industries. At BCG, we are committed to doing everything we can to support our people, our clients, and our communities during this challenging time, and addressing this humanitarian crisis together.

Among the world’s other defining challenges today is climate change—a complex and urgent problem that confronts both business and society. Combating the climate crisis is a key priority within BCG. True collaboration between business and government is essential to achieving necessary change. We need governments and investors to focus on setting the right context, while businesses move decisively to reduce net emissions. In that vein, in 2019, we launched the Center for Climate Action to help our clients prepare for a decarbonized world, supporting them as they drive technological and economic transformation and realize competitive advantage in a low-carbon economy. We also advanced ongoing efforts to reduce our own environmental impact and to retain CarbonNeutral® company certification through a combination of internal emissions reduction projects and the purchase of carbon credits.

Looking ahead to the new decade, we believe that the engine fueling growth at BCG will be our ability to attract and retain exceptional people from all backgrounds and to develop an organization that fully reflects the diverse world in which we live and work. We invest deeply in our people, through training, mentorship, and a culture of apprenticeship, engaging recruits from day one, accelerating their personal growth, and providing them with the opportunity to find their own paths. This is deeply embedded in our culture at all levels. In 2019, we earned the top spot on Consulting Magazine’s list of “Best Firms to Work For” for the sixth consecutive year, and Fortune magazine placed BCG in the top ten of its “100 Best Companies to Work For” for the eleventh consecutive year.

Our firm’s purpose—to unlock the potential of those who advance the world—drives everything we do at BCG. Now, more than ever, in today’s challenging world, we are committed to living this purpose. We also dedicate ourselves to living our values every day and to maintaining the highest standards of responsible and ethical behavior. As we grow our business in this complex environment, we consistently strive to uphold our values and adapt to emerging business challenges; to foster and promote a culture of transparency that encourages individuals to raise the most sensitive topics; and to act with a profound sense of humility and respect for our place in society and the responsibilities that come with our unique access, people, and capabilities.

I hope that you find this report to be of value and that it helps you get a sense of how we are evolving our business practices to positively impact society, protect our planet, and empower our people. Not only do we feel that this is the right way to do business, but we believe that it will bring long-term value to our people, clients, and society.

Rich Lesser
Chief Executive Officer
Welcome to Boston Consulting Group’s inaugural Annual Sustainability Report. Here we outline policies and programs designed to actualize our values and purpose while addressing urgent global challenges. We describe BCG’s material nonfinancial aspects and impacts during fiscal year 2019 for The Boston Consulting Group, Inc. as a single entity, aligned with the reporting guidelines of the UN Global Compact (UNGC). The Boston Consulting Group, Inc. is the ultimate parent company for all of our operating entities worldwide, including The Boston Consulting Group Nordic AB (“BCG Sweden”). We take an operational control approach to defining our reporting boundary. We have also referenced the GRI standards as a basis for disclosure. For more information on these standards, please see the GRI Index table in the appendix of this report.

This report also serves as our first communication on progress toward furthering the principles of the UNGC, to which BCG became a Participant in 2018. We reaffirm our commitment to the UNGC principles and summarize their practical application in an index table in the appendix.

If you have any questions about this report, please send them by email to SustainabilityReporting@bcg.com.
About BCG

Boston Consulting Group (BCG) 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 help clients with total transformation—inspiring complex change, enabling organizations to grow, building competitive advantage, and driving bottom-line impact.

To succeed today, organizations must blend digital and human capabilities. Our diverse, global teams bring deep industry and functional expertise and a range of perspectives to spark change. BCG delivers solutions through leading-edge management consulting along with technology and design, corporate and digital ventures, and business purpose. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, generating results that allow our clients to thrive.

Boston Consulting Group is a privately held corporation. BCG has offices in more than 90 cities in over 50 countries and operates as one firm worldwide. The corporation is wholly owned by the members of its partnership. BCG’s offices are owned directly or indirectly by The Boston Consulting Group, Inc.

For more information about BCG’s leadership (Executive Committee, Chairman, and Global Practice Area Leaders), visit https://www.bcg.com/about/people/leadership.aspx.

1963 Founded by Bruce Henderson

$8.5 billion revenue

90% of global business from repeat customers

Offices in more than 50 countries

Many of our clients rank among the 500 largest corporations

More than 21,000 employees

Offices in more than 90 cities
At BCG, our purpose and values underlie everything we do. We know that a clear articulation of an organization’s purpose can be transformational. To excavate our own purpose, we set out on a journey to capture and communicate it, seeking answers to two questions: “Who are we when we’re at our best?” and “What fundamental need in the world are we working to address?” After extensive exploration, we arrived at this encapsulation of our purpose: to unlock the potential of those who advance the world.

Underpinning this simple phrase are five core purpose principles:

1. **We bring insight to light** by challenging traditional thinking and ways of operating and bringing fresh perspectives to the toughest problems.

2. **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.

3. **We conquer complexity** by discovering unique sources of competitive advantage and hidden truths in dynamic, complex systems.

4. **We lead with integrity** by confronting the hard issues, staying true to our values, and stating our views candidly and directly.

5. **We grow by growing others**, enabling our clients, colleagues, and the broader community to build success and achieve their full potential.

These principles are foundational to our purpose and permeate our culture. They articulate what BCG looks like at its best, and they serve as a compass to ensure that we embody our ethos and actualize our purpose. We celebrate colleagues who best personify these principles with our “Keys to Purpose” awards, and we issue frequent communiqués to engage and inspire our people.
Our Values

Having a strong culture anchored in clear values helps make BCG a market leader—and a rewarding, inspiring place to work.

We are committed to the highest standards of ethics and business conduct, as set forth in our Values Statement. Every BCG employee is expected to uphold these standards.

INTEGRITY
as an expression of courage and accountability

RESPECT FOR THE INDIVUAL
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

THE 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

SOCIAL IMPACT
to make the world a better place

EXPANDING THE ART OF THE POSSIBLE
because the goal is not simply to apply best practice, but also to invent it
Materiality and Stakeholders

We regularly engage with external and internal stakeholders with regard to our sustainability and societal impact goals, performance, and reporting. Feedback from our primary stakeholders—clients and employees—comes through formal and informal channels:

• From clients, we see interest in our performance on key nonfinancial aspects such as environmental sustainability and supplier diversity, as evidenced by invitations to participate in collaborative initiatives that address these issues and by requests for more information about our efforts on matters identified here as material.

• Clients also tell us that consultancy services designed to help them maximize their positive societal impact, such as those offered by our Social Impact practice, are increasingly important. This reflects growing investor interest in environmental, social, and corporate governance (ESG) performance, as well as employee and customer scrutiny of clients’ societal impact.

• Employees offer input via our global network of green teams—groups of consulting and support staff who volunteer to reduce environmental impact in their local offices.

• We receive regular informal feedback from employees at global town hall meetings and via direct messages to leadership. In 2019, two of our town hall meetings covered sustainability topics in great detail, generating much dialogue, producing useful suggestions, and informing our priorities.

• Beyond drawing insights from clients and employees, we use industry benchmarks such as CDP and EcoVadis to assess our material topics and identify best practices.

Our materiality matrix is shown below. This matrix focuses on aspects pertinent to human rights, labor, environment, and opposition to bribery and corruption. Accordingly, it excludes aspects that are important to our business but incidental to the UNGC and to nonfinancial reporting, such as account planning.

<table>
<thead>
<tr>
<th>Higher Importance of topics to our stakeholders</th>
<th>Higher Importance of topics to our business</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Learning and development</td>
<td>• Anti-bribery and corruption</td>
</tr>
<tr>
<td>• Employee well-being</td>
<td>• Climate change</td>
</tr>
<tr>
<td>• Advocacy on social issues</td>
<td>• Data security</td>
</tr>
<tr>
<td>• Waste and recycling</td>
<td>• Diversity and inclusion</td>
</tr>
<tr>
<td>• Human rights</td>
<td>• Social Impact client work</td>
</tr>
<tr>
<td>• Volunteering and community engagement</td>
<td>• Talent acquisition</td>
</tr>
<tr>
<td>• Supplier labor practices</td>
<td>• Economic performance</td>
</tr>
<tr>
<td>• Supplier diversity</td>
<td></td>
</tr>
<tr>
<td>• Alignment with voluntary environmental and</td>
<td></td>
</tr>
<tr>
<td>governance standards</td>
<td></td>
</tr>
<tr>
<td>• Advocacy on social issues</td>
<td></td>
</tr>
<tr>
<td>• Economic performance</td>
<td></td>
</tr>
<tr>
<td>• Learning and development</td>
<td></td>
</tr>
<tr>
<td>• Employee well-being</td>
<td></td>
</tr>
<tr>
<td>• Advocacy on social issues</td>
<td></td>
</tr>
<tr>
<td>• Waste and recycling</td>
<td></td>
</tr>
<tr>
<td>• Human rights</td>
<td></td>
</tr>
<tr>
<td>• Volunteering and community engagement</td>
<td></td>
</tr>
<tr>
<td>• Supplier labor practices</td>
<td></td>
</tr>
<tr>
<td>• Supplier diversity</td>
<td></td>
</tr>
<tr>
<td>• Alignment with voluntary environmental and</td>
<td></td>
</tr>
<tr>
<td>governance standards</td>
<td></td>
</tr>
<tr>
<td>• Advocacy on social issues</td>
<td></td>
</tr>
<tr>
<td>• Economic performance</td>
<td></td>
</tr>
</tbody>
</table>
When trying to solve complex social and environmental challenges, no organization or sector can succeed alone. Partnership is at the heart of how we push for positive change.

– Rich Hutchinson, Social Impact Practice Lead
UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) ratified by the United Nations’ member states in 2015 provide a blueprint for achieving a better and more sustainable future for all. The SDGs include ending poverty, improving health, providing access to high-quality education, and reducing inequality. They also address environmental challenges, such as tackling the climate crisis and preserving natural environments. The goals are an urgent call for action by all countries to work in partnership to achieve peace and prosperity for people and the planet.

Achieving the SDGs Together
As a global firm engaged with business, government, and the social sector on critical challenges and transformational strategies, BCG focuses intensively on the SDGs. We help a wide array of organizations develop their capabilities in the area of global sustainable development. Although we address all of the SDGs in our social impact work, we believe that collaboration across sectors is imperative, so we place special emphasis on Goal 17: Partnerships to achieve the goals.

Closing the SDGs Investment Gap
Current rates of spending worldwide fall nearly $2.5 trillion dollars short of the investment necessary to meet the SDGs. In response to this gap, BCG is taking the following steps:

- Foster innovation to reduce the investment and time required to achieve results.
- Develop new models to leverage the complementary strengths of the public, private, and social sectors.
- Mobilize capital across the global ecosystem.
- Encourage companies to apply their formidable resources and scale to address societal issues.

Recent Awards and Honors

- Ranked number one on Consulting Magazine’s “Best Firms to Work For” list for the sixth consecutive year
- Ranked in the top ten of Fortune’s “100 Best Companies to Work For,” for the 11th consecutive year, placing 10th overall on the 2019 list
- Received a perfect score for the 11th consecutive year on the Human Rights Campaign’s Corporate Equality Index, which recognizes equality for lesbian, gay, bisexual, and transgender employees
- Named one of the “100 Best Companies” for parents in the US for the 13th year by Working Mother magazine
- Honored as one of four Catalyst Award winners in 2018, featuring Women at BCG as an innovative program for the recruitment, development, and advancement of women
- Ranked number three on Glassdoor’s “Best Places to Work” list for 2018, earning a Glassdoor Employees’ Choice Award, which relies solely on the input of employees
- Ranked 10th among LinkedIn’s “Top Companies 2018” in the UK and among the top companies in three other countries in 2018
- Ranked number one on Vault’s list of the best consulting firms to work for in Asia-Pacific

Positively Impacting Society

Our social impact work is integral to our company’s purpose: to unlock the potential of those who advance the world. We are committed to finding and catalyzing effective solutions to pressing societal issues and prioritizing sustainability. BCG partners with others to make a difference in the world. We bring world-class expertise on the SDGs, help organizations develop and focus their social impact agendas, and help them build their capabilities to deliver with impact and effectiveness. As a result, our clients enhance their contributions to sustainable development and, by doing so, realize significant benefits to their own organizations.

Contents

Partnering with Our Clients to Drive Societal Impact

Shaping the Global Agenda
Partnering with Our Clients to Drive Societal Impact

APPROACH
We achieve our greatest societal impact in collaboration with our clients. By maximizing the impact of these cooperative efforts, we accomplish far more than we ever could alone. We believe that the only way to overcome complex social and environmental challenges is in partnership—the heart of our social impact approach. By enriching and expanding our partnerships and by fostering system-level coalitions, we are pursuing our ambition to be the most positively impactful company in the world.

Our social impact work focuses on driving transformation across four key topics:

- Global Development. Accelerate inclusive growth.
- Global Health. Promote healthy lives for all.
- Climate and Environment. Tackle climate change, and respect and restore nature.
- Education. Provide high-quality education and skills.

We are scaling up our Social Impact practice in response to the varied imperatives of sustainability, societal impact, and business:

- Local Social Impact Efforts. We have significantly refined many of our local Social Impact investments and are building capability hubs for our global focus areas.
- Global Social Impact Partners. We continue to support our long-term strategic partners through increasing investments and secondments (temporary assignments of BCG staff to work with one of our partners).
- Social Impact Topic and Sector Businesses. We drive progress with social impact consulting, helping clients use their core business assets and operations to profitably achieve positive environmental and social impact.
- Embedding Social Impact Inside. We are embedding Social Impact as a lens throughout BCG, incorporating societal impact—which encompasses economic impact, social impact, and environmental impact—into every part of our business, beginning with Digital Ventures’ commitment to include such impact as the 14th element in its innovation sprint methodology.

We are also committed to serving the local communities in which we live and work, engaging in both pro bono work and volunteer activities. Many BCG offices organize community service days, in which staff members volunteer at local nonprofits or invite local nonprofits to BCG offices for full-day strategy sessions. We offer 12-month Social Impact immersion and secondment programs that enable our consultants to work on projects involving societal impact and sustainability with our clients, or to gain valuable experience outside BCG with our global and local social impact partners.
Driving Total Societal Impact with Corporate Clients
Social impact work with our corporate clients and investors goes well beyond the legacy concept of corporate social responsibility to deliver total societal impact (TSI). In today’s world, companies can no longer pursue societal issues as a side activity. Instead, they must use their core business to create both positive societal impact and greater shareholder value. Customers, employees, and investors alike care about TSI—the aggregate of a company’s economic, social, and environmental effects on the world.

Delivering Systemic Change in the Public Sector
We work with country governments, aid agencies, development finance institutions, and other funders to maximize their positive social and environmental impact and deliver systemic change at scale.

2019 in Numbers

50%
We work with approximately half of our firm’s largest clients on social impact topics.

$2B
BCG investments have enabled almost $2 billion in consulting on social impact in the past ten years.

700
In 2019, BCG delivered over 700 social impact projects with over 450 organizations.

$500M
In 2019, BCG delivered more than $500 million in social impact consulting.

2019 Highlights
Driving Sustainable Development in Rwanda
Since 2017, BCG has partnered with the Government of Rwanda and its agency responsible for private-sector development, the Rwanda Development Board, on a transformation effort to create jobs and reduce trade deficits through greater private investment. Our partnership has led to a transformation of the Development Board completed in 2019 with the setup of the Investment Accelerator. This accelerator, which BCG continues to support, has played a role in facilitating investments worth over $450 million and has created approximately 19,000 direct jobs.

“We established joint BCG and Rwanda Development Board teams to rethink how to attract private investments in Rwanda, and brought in agile approaches and principles to rapidly test ideas with an investor-centric lens.”

— Shalini Unnikrishnan, BCG Managing Director and Partner

Watch this video to learn more about BCG’s work with the Rwanda Development Board.
Helping a Major Asset Manager Become a Leader in Sustainable Investing

One leading asset manager committed to having 100% of its actively managed funds incorporate ESG factors into the core of its investment decision making. The firm engaged BCG to develop a plan and build internal capabilities to deliver on this ambitious commitment. The BCG team included leading global experts in asset management, sustainable investing, and advanced analytics. We worked in a highly integrated way with the client on an enterprise-wide effort that included client insight analysis and internal capability for building ESG analysis into its core investment and decision-making processes.

The sustainable investing market is growing and generating above-market financial performance:

- 53% of global investors select asset managers with expertise in ESG strategy.²
- 63% of 2,200 studies found a positive relationship between ESG and financial performance.³
- 20% less downside deviation in market value exists for sustainable funds than for traditional funds.⁴

---

Although more children than ever before have access to education, research shows that school attendance does not necessarily result in learning. Many children, even if they attend school, are not acquiring fundamental skills. Consequently, 53% of children in developing countries and 80% of those in poor countries experience learning poverty.\(^5\) Globally, 387 million primary-school children will not achieve minimum proficiency levels in reading and math, profoundly limiting their life prospects.

To address the critical need for better access to high-quality education and improved learning pathways, BCG partnered with UNICEF to develop the go-to-market strategy and business plan for the Learning Passport, a new technology platform designed to close the learning poverty gap by providing high-quality, flexible learning opportunities for primary-school children.

The Learning Passport meets the needs of three key target audiences:

- For learners, it provides a pathway to continuous learning from high-quality materials and produces a record of each child’s progress.
- For educators, it provides a curriculum framework with curated content and teaching instructions.
- For governments, it provides resources and tools to support the provision of education to all vulnerable children.

The Learning Passport has the potential to transform lives across the world. If all students in low-income countries acquired at least elementary-level reading skills, 171 million people could be lifted out of poverty.\(^6\) This would represent a 12% reduction in global poverty.

---

How Motivation Can Fix Public Systems
In a talk about motivating people to drive change, BCG managing director and partner Abhishek Gopalka discussed how he helped improve the health system of Rajasthan, a state in India that is home to more than 80 million people, by using the powers of transparency and public accountability. (See the video clip below.)

Watch this video to find out how motivation can fix public systems.

Advancing Progress Through Social Sector Partners
Our global partnerships undergird our significant institutional investment in Social Impact. We help these organizations develop their capabilities, improve their effectiveness, and better deliver on their missions. We have long-term partnerships with the World Food Programme (WFP), Save the Children, the Bill & Melinda Gates Foundation, the WWF, Teach For All, and Yunus Social Business.

Our Social Impact Partners:

Shaping the Global Agenda

APPROACH
We amplify our societal impact by researching solutions to global challenges and sharing them across sectors. Our extensive Social Impact practice generates insights that we employ to accelerate progress toward sustainability and societal impact, often in collaboration with clients and other stakeholders.

As current commitments will not suffice for a sustainable future, BCG is urging organizations and governments to adopt much more ambitious goals for sustainable development. To support this progress, we supply new insights from business, science, technology, and society, and we engage leaders in provocative discussion and experimentation to expand the boundaries of Social Impact theory and practice.

2019 HIGHLIGHTS
Winning the ’20s: Optimizing for Both Social and Business Value
At the turn of a decade and a tipping point for business, we have been asking “What will it take to win in the 2020s?” Seismic shifts in global context call for corresponding changes in the way we work, including redefined conceptions of a good company, a good investment, and a good leader. To win in the 2020s and beyond, businesses will have to be about more than just business. Companies will have to create value not only for shareholders but also for society—by confronting humanity’s toughest challenges. This means that they must optimize for both social and business value. Leaders must think beyond traditional initiatives for corporate social responsibility and instead center their organization’s purpose on doing good while doing well. Read the full BCG thought leadership article on this subject here.
Our thought leadership in 2019 spanned a diverse array of topics covering many of the SDGs:

- Shrimp Farmers Worldwide Must Adopt Sustainable Practices—or Risk Falling Behind
- What Companies Can Learn from World Leaders in Societal Impact
- Want to Boost the Global Economy by $5 Trillion? Support Women as Entrepreneurs
- Six Ways to Speed Progress on the Health SDGs
- How to Make Teacher Effectiveness Reforms Stick
- How Asset Managers Can Seize the Lead in Sustainable Investing
- Optimize for Both Social and Business Value
- Innovation Is the Only Way to Win the SDG Race
- How Mobile Money Agents Can Expand Financial Inclusion
- Turning More Tassels
- Aligning Economic Incentives to Eradicate Diseases
- The Net-Zero Challenge: Global Climate Action at a Crossroads
- CEO Guide to the Circular Bioeconomy
- The Business Case for Carbon Capture
- Flipping the Script on Climate Action
- A Circular Solution to Plastic Waste
Protecting Our Planet

Combating the climate crisis is a defining challenge of our time. At BCG, we recognize the urgent need to reduce emissions and address systemic threats to our environment. To maximize our impact, we concentrate our efforts in three domains: partnering with clients to drive climate action, shaping the global agenda, and managing our own environmental impact.

Contents

Partnering with Clients to Drive Climate Action

Shaping the Global Agenda

Managing Our Own Environmental Impact
Partnering with Clients to Drive Climate Action

APPROACH
According to the World Meteorological Organization, 2019 concluded a record-breaking decade of global warming, retreating ice, and sea-level rise—driven by greenhouse gases from human activities. Already evident around the world, our changing climate poses severe and irreversible threats to societies, economies, and ecosystems. The World Economic Forum 2019 Global Risks Report identified environmental risks as being three of the top five risks by likelihood and four of the top five risks by impact—a finding that emphasizes the threat that the climate crisis poses to our planet and to humanity. Additional environmental challenges such as waste management, air pollution, and ocean plastics further threaten the Earth and its ecosystems.

We launched the Center for Climate Action to support businesses and governments in preparing for a decarbonized world and to drive technological and economic transformations to realize competitive advantage in a low-carbon economy.

BCG is helping to shape the global response to the climate crisis through our partnership with the World Economic Forum on the Net Zero Challenge, our support for climate negotiations at COP26 in Glasgow, and industry-specific consortia helping develop sector-specific solutions.

As a leading management consulting firm with global reach and intellectual diversity spanning every significant industry and function, we achieve our greatest environmental impact by working in collaboration with our clients. Our climate and environment team partners with clients from the private, public, and social sectors to help them prepare for a decarbonized world, supporting them as they drive technological and economic transformations to realize competitive advantage in a low-carbon economy.

We focus our commercial work on industry sectors that are most essential to tackling climate change, including Energy, Industrial Goods, Public Sector, Consumer Goods, and Travel and Tourism. In 2019, we worked with and discussed climate and environment topics with clients in all of these sectors.

7. CarbonNeutral certification is achieved in accordance with The CarbonNeutral Protocol.
Launching the Center for Climate Action

Conscious of the urgent need for a coordinated response to the climate crisis, BCG in 2019 brought together the firm’s climate thought leadership, expertise, and tools to form the Center for Climate Action (CCA). Advancing the global drive for decarbonization, the CCA helps position organizations for success in a low-carbon world by focusing on three areas: business strategy, operations, and stakeholder engagement. It also works with local and national governments, NGOs, and social sector groups to develop and implement strategies to reduce carbon emissions.

As companies reorient their strategy toward low-carbon transformation, the CCA evaluates business and portfolio impacts under a range of future climate scenarios. On the operations side, the CCA helps companies identify and realize the most cost-efficient path to reducing emissions in their own operations and in their supply chains, while navigating the dynamic policy environment.

2019 IN NUMBERS

$300M

BCG has invested to enable almost $300 million in climate and environment consulting projects in 2019.

350 | 250

BCG worked on more than 350 climate and environment projects with more than 250 organizations in 2019.

↓ 2019 HIGHLIGHTS

Watch the launch video for the Center for Climate Action.
Disruption and Opportunities: Supporting a Mining Client on the Global Response to Climate Change

Context

Over the past 25 years, the mining industry context was heavily framed by the emergence and growth of China, which triggered dramatic growth in demand for metals and minerals.

While China is likely to remain firmly at the center of the industry context, the broad-based effort to decarbonize and limit further global warming to a maximum of an additional 2°C by 2050 is expected to transform the industry. Global warming is likely not only to create strategic challenges but also to open up exciting opportunities. Companies need to consider the potential threats and their resilience toward them, as well as opportunities for growth and positive impact. In general, they need to take a more proactive approach to understanding the climate change challenge, their role in it, and pathways of mitigation.

Actions

To get a better understanding of the disruptive force of climate change and to proactively drive an ambitious sustainability agenda, a leading mining company partnered with BCG.

Working with BCG, the client defined its strategic response to climate change by quantitatively assessing the resilience of its portfolio to the effects of climate change abatement, identifying strategic questions, and developing best-in-class disclosure on sustainability and the pathway to achieving it.
Outcomes

Together, over the course of nine months, BCG and the mining company:

- Framed the likely global response to climate change and how it may disrupt the mining industry
- Identified and addressed the major strategic questions arising from this disruptive dynamic, including identifying specific opportunity areas
- Conducted deep dives into key end sectors (such as transport, steel, buildings, and power generation) that would be particularly impacted by climate action, and developed several abatement scenarios by analyzing the future makeup of end sectors and major countries through 2050
- Collaborated in deriving the impact of abatement scenarios on mid- and long-term commodity demand and price outlook
- Defined strategic questions of climate action
- Developed a detailed narrative for external disclosure of climate-change-related risks and opportunities

Impact

This project increased transparency for management on the financial impact of climate change across scenarios, provided a robust climate-related disclosure narrative for external stakeholders, and built a foundation for strategic discussions on specific climate-related risks and opportunities.
Collectively, the energy and industrial sectors have a heavy carbon footprint, accounting for approximately 75% of global greenhouse gas emissions. For these sectors, identifying the investments that are most likely to lower this impact is a priority.

In 2019, BCG worked with OGCI Climate Investments, a voluntary CEO-led initiative whose members account for about 30% of global oil and gas production, to maximize the impact of its $1 billion climate fund’s investments.

The initiative established the fund to invest in technologies and solutions to lower the carbon footprint of energy and industries. The fund focuses on three areas:

- Reducing methane leakage during the production, delivery, and use of oil and gas
- Reducing the production of carbon dioxide by increasing industrial energy efficiency and transportation efficiency
- Recycling carbon dioxide into useful products or putting it into long-term storage via carbon capture, utilization, and storage (CCUS)
Objectives

To maximize the impact of its fund, BCG worked with OGCI Climate Investments to refine its investment strategy and identify a set of investment pathways within its three focus areas. To determine the total potential impact that the fund could make, BCG worked with the initiative to assess the emissions footprint for different sectors and value chains along four dimensions:

- **Technological Solutions.** We assessed existing technological solutions.
- **Demand.** We determined the current state of demand, whether from the market or driven by policy.
- **Business Models.** We explored existing business models that could be used to deploy the technology.
- **Infrastructure.** We evaluated existing conditions to determine whether necessary infrastructure and supply chain structures were in place.

Actions

BCG supported the fund in designing a framework for measuring the emissions impact of its portfolio and its investment pathways, and developed a dashboard enabling it to visualize its portfolio along key strategic dimensions. This tool can be used to assess opportunities and to evaluate the fund’s investments.

For the fund’s CCUS investment strategy, BCG supported its preparations for the CCUS investment day, helping it develop and refine the narrative so that it could attract interest from the financial community.

Impact

The project created a comprehensive scoping and assessment of the levers and opportunities needed to achieve impact within the fund’s three investment focus areas. It prioritized strategic pathways for using the fund to support favorable market conditions by removing barriers to the development of business models, infrastructure, and demand, and to promote technology breakthroughs.
Helping Close the Loop on Waste with Circular Solutions

Corporate leaders are increasingly aware of the business and societal value of strategies for reusing and recycling resources to move us toward a circular economy. This approach replaces the traditional take-make-dispose economic model with a new one that is regenerative by design.

The climate crisis demands that companies view the relationship between business and the environment from a fresh perspective. Those that do so will be in the best position to combat climate change and ecosystem degradation while also capturing valuable new business opportunities.

In 2019, our teams delivered several ground-breaking projects for clients embracing the circular economy.

Tackling Plastic Pollution in the Mediterranean

Every year, 570,000 tons of plastic enters Mediterranean waters, the equivalent of dumping 33,800 plastic bottles into the sea every minute. Working with a global non-profit institution to reduce plastic pollution, BCG helped design an improved waste management model for the Turkish Ministry for Environment and Urbanization. We provided expert analysis of waste management ecosystems in Turkey and around the world, and helped develop the best-fit solution for the Turkish market—from waste generation to collection, processing, and recycling. Our work included helping to devise the operating model and governance structure design for the future Deposit Return System planned in Turkey.

Read our latest thought leadership on a circular solution to plastic waste.

---

Shaping the Global Agenda

APPROACH
BCG is helping to shape the global response to the climate crisis by partnering with the World Economic Forum on the Net Zero Challenge and by supporting climate negotiations at COP26 in Glasgow. Our CEO, Rich Lesser, is a member of the WEF CEO Alliance of Climate Leaders, helping guide the global transition to a low-carbon, climate-resilient economy. We also take an active role in business-led forums, such as the World Business Council for Sustainable Development and the US Business Roundtable, dedicated to developing sector-specific climate solutions.

We believe that solving complex climate and sustainability issues requires cross-sector collaboration and diversity of thought. We foster strategic partnerships with organizations spearheading creative responses to climate change. For example, our eight-year partnership with MIT Sloan Management Review produced cutting-edge research and analysis, including business cases for sustainability and sustainability-related profitability.

BCG’s environmental research provides a fact base for climate action, crucial to finding effective solutions to the climate crisis. We counsel clients to move beyond current emissions policies and adopt more ambitious emissions reduction strategies, informed by insights that we extract from business, science, technology, and society. We engage leaders in provocative discussion and experimentation to expand the boundaries of sustainability theory and practice.

2019 HIGHLIGHTS
In collaboration with the World Economic Forum (WEF), BCG published the first half of a two-part series, “The Net-Zero Challenge,” assessing progress by corporations, governments, and civil society since the 2015 Paris Accord. WEF published the full report, which includes a set of proposals for accelerating climate action, in January 2020.

We also released “Flipping the Script on Climate Action,” a new publication from the BCG Center for Climate Action dedicated to analyzing the economic impact of aggressive action to combat the climate crisis. Current research indicates that the economic costs of unchecked climate change would clearly exceed the economic impact of significant investment to decarbonize the economy, as advances in low-carbon technologies have made emission reductions in most sectors affordable.

Read the latest thought leadership from our Center for Climate Action.

Helping WWF Strike a New Deal for Nature and People
As part of a partnership established in 2012, BCG has supported the design, strategy, and implementation of the New Deal for Nature and People, the flagship 2020 program of the World Wide Fund for Nature (WWF). The New Deal is an integrated advocacy platform directed toward heads of state, governments, businesses, investors, and the civil society in an effort to fully leverage the unique policy opportunities of 2020. Its mission is to reverse biodiversity loss and put nature on a path to recovery, with the objective of zero net loss of nature by 2030.

The New Deal promotes an ambitious and robust set of goals and targets covering pivotal environmental issues—in particular, fostering a convergence of the climate change and biodiversity agendas through nature-based solutions. In that endeavor, BCG consultants and experts support WWF teams in strategy, program organization and governance, and research, as well as in coordination of the 80+ offices of the network as they aim for global and transformative impact.

Read our latest thought leadership article, “The Net-Zero Challenge: Global Climate Action at the Crossroads.”
Managing Our Own Environmental Impact

**APPROACH**
We are committed to minimizing the negative environmental impacts of our business operations. We recognize that our activities—primarily business travel and the energy consumed across our offices—adversely affect the climate and environment, and we are determined to lessen these impacts.

To stimulate firmwide efforts, BCG adopted a carbon-neutral goal in 2018. Since then, we have been certified for our compliance with The CarbonNeutral Protocol, which provides a transparent framework for addressing emissions through internal abatement and through the retirement of carbon credits equivalent in volume to our unabated emissions. Although this action was an important first step, we strive to continuously reduce our gross emissions. We will learn and adapt to a changing global context in order to minimize our emissions and employ the most effective approach available.

Active engagement and agility are critical to optimizing our program. In particular, we recognize that stakeholder perceptions of carbon neutrality and offsetting will evolve with the global conversation and scientific consensus. Accordingly, we are committed to continuously reviewing and adjusting our actions as we deepen our engagement.

**Governance**
A steering committee consisting of managing directors and partners oversees our internal sustainability efforts, which our sustainability team leads day to day. Representatives from our Center for Climate Action participate in the steering committee and help ensure alignment between our client programs and our internal programs. Participants in a global network of office green teams promote local environmental initiatives at the office level.

**2019 IN NUMBERS**

<table>
<thead>
<tr>
<th>15%</th>
<th>100%</th>
<th>11</th>
<th>1000+</th>
</tr>
</thead>
<tbody>
<tr>
<td>reduction in carbon emissions per full-time equivalent (FTE) employee, versus the baseline year of 2018</td>
<td>renewable electricity purchased</td>
<td>climate mitigation carbon projects globally</td>
<td>green team members globally</td>
</tr>
</tbody>
</table>

Our internal carbon program focuses on four priorities:

- **Measuring Our Footprint.** We have established a global process to measure our carbon footprint in accordance with the GHG Protocol Corporate Standard and to independently verify our emissions against the ISO 14064-3 standard.

- **Reducing Our Emissions.** Using 2018 as our baseline year, we have developed global internal emissions reduction targets and implemented a series of initiatives to drive progress toward these goals across our operations.

- **Purchasing and Retiring Carbon Credits.** On voluntary carbon markets, we purchase and retire a volume of carbon credits equivalent to our unabated carbon footprint, in accordance with The CarbonNeutral Protocol.

- **Engaging with Stakeholders.** We engage with internal and external stakeholders to continue to learn and to improve our strategy.

---

**11.** Since 2018, BCG has been certified as a CarbonNeutral company, in accordance with The CarbonNeutral Protocol. Our certification covers our Scope 1 and Scope 2 emissions and all Scope 3 sources required by The CarbonNeutral Protocol (business travel, waste, and T&D losses). The CarbonNeutral Protocol is aligned with the GHG Protocol Corporate Standard (including the separate guidance on Scope 2 and 3 accounting).
Measuring Our Emissions
Using the Greenhouse Gas (GHG) Protocol Corporate Standard, we established a global carbon accounting process and independently verified our carbon footprint, first in 2018 (our baseline year) and again in 2019. In 2019, our total GHG emissions were 561,000 tCO2e, a 2% absolute reduction against our 2018 baseline.13

Scope 1 and Scope 2 emissions contributed only 1% of BCG’s total footprint in 2019. These emissions primarily stem from heating our offices. Scope 3 emissions made up the remaining 99% of our footprint, the largest source of which is business travel, which accounted for 82% of our total GHG emissions in 2019.

Reducing Our Emissions
We are committed to reducing our global GHG emissions at the source, focusing especially on emissions from business travel and office energy consumption. Overall, BCG’s GHG emissions decreased by 15% per full-time equivalent (FTE) employee against our 2018 baseline year.

---

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

13. tCO2e = tonnes of carbon dioxide equivalent. For Scope 2, we calculate emissions using a market-based approach. Our Scope 3 methodology uses DEFRA conversion factors for business travel emissions sources, including radiative forcing for air travel emissions. Our reporting covers all material emission sources and complies with The CarbonNeutral Protocol criteria. Our GHG footprint was independently verified under the ISO 14064-3 standard.

14. We use the market-based approach to calculate Scope 2 emissions.
Business Travel
The mobility of our people is integral to serving our clients, providing our employees with diverse and rewarding experiences, and enabling BCG’s global collaborative delivery model. Nonetheless, given the adverse effects of business travel on the climate, we are committed to taking meaningful action to curtail travel emissions without compromising our client and employee offerings. As of the end of 2019, we had reduced our reported business travel emissions by 9.5% per FTE against our 2018 baseline year. The reduction in business travel emissions per FTE is due primarily to a change in the conversion factors we use to calculate GHG emissions. The flight conversion factors declined, on average, by 8% in 2019 as a result of improved efficiencies within the aviation industry.  

In 2019, we began mobilizing our organization to reduce travel emissions, starting with aligning BCG’s managing director and partner group on this objective. We hope to achieve rapid progress on this front, driving a broad program of activities across BCG regions to reduce the intensity of business travel emissions.

We have introduced several initiatives related to this objective:

• Reduced the frequency of our global practice area meetings
• Restricted air travel for some internal events, meetings, and training sessions in certain geographies
• Included a travel topic in our case team meeting template, to prompt routine consideration of requirements and alternatives to travel for client work
• Continued to invest in online collaboration technologies, and encouraged digital teaming through targeted communications campaigns

We anticipate that airlines will continue to make advances in low-carbon technology, which will reduce our Scope 3 flight-related emissions. We actively support companies that are leading this transition, both through investment in our consulting work with airline clients and through our travel procurement decisions.

9.5% reduction in business travel emissions per FTE against our 2018 baseline

In 2019, we logged more than 2.5 million hours of videoconferences, a 25% increase from 2018 and our total number of virtual meeting hours per FTE increased by 8%.

15. We use conversion factors supplied by the UK’s Department for Environment, Food & Rural Affairs (DEFRA) that include radiative forcing uplift for flights.
Office Energy
The energy used to heat and power our offices constitutes a relatively small portion of our total carbon footprint, but we consider it important to reduce emissions from these sources, as well. We are working toward reducing Scope 1 and Scope 2 emissions by 90% per FTE by 2025 (against our 2018 baseline). We achieved an 82% reduction in our Scope 1 and Scope 2 emissions per FTE in 2019, primarily by transitioning to 100% renewable electricity in our offices.

In offices where we can select the electricity supplier, we have begun transitioning to renewable electricity tariffs. In offices where landlords manage the electricity supply, we engage with them to make this switch. Where it is not yet possible to switch our direct supply, we buy energy attribute certificates equal to our consumption in each energy market, to support the development of renewable electricity and send a demand signal to the market.

We are taking steps to improve the energy efficiency of our real-estate portfolio. Currently, more than 40 of our offices are LEED, BREEAM, or equivalent certified; 60% of them are LEED Gold Certified or above. We have also made progress with our TeamScape program, which minimizes excess space within offices while allowing for future growth. We have deployed TeamScape in more than 80% of our offices, reducing the physical space in newer offices by 25% per person over the past five years and curtailing the consumption of resources and energy.

Case Study: Creating a Sustainable Headquarters
We designed and built our new headquarters in Boston with sustainability at its core. Certified as a LEED Gold Standard building, this office is designed to use less energy and water, minimize waste, increase efficiency, and improve employees’ health and productivity. The electricity comes entirely from a renewable source, and the building received an Energy Star Score of 100.

Once we occupied the office, the Boston office green team collaborated with the landlord’s management team to engage a new waste control supplier, enabling the introduction of a composting program. This year we will install two beehives on the roof terrace; the bees will be capable of producing 10 pounds of honey in their first season while also contributing to pollination of the local ecosystem and to sustainability.

Lease Car Fuel Efficiency
We are improving the fuel efficiency of our lease car fleet in order to further reduce our Scope 1 emissions. We increased the number of hybrid and electric vehicles in our fleet by 11% in 2019; in Italy—where we have our largest fleet of lease cars—the average fuel efficiency improved by 3 kgCO₂/Km, and the number of electric and hybrid cars in the fleet increased by over 50%.

Engaging with Stakeholders
We engage with a range of internal and external stakeholders, often with our client-facing teams, to identify new reduction opportunities, strengthen partnerships, raise awareness of the latest developments, and build momentum to catalyze action at scale.

Our vibrant and growing green team network designs and implements initiatives to reduce our environmental impact at the local level. Across 79 of our offices, more than 1,000 members of the BCG community have become active in local green teams. We have seen significant growth in the engagement and action of our network, with many inspiring projects in 2019.

Case Study: Paris Green Team Week
The Sustainability Week hosted by the Paris office green team was a highlight of 2019, featuring six presentations, seven workshops, and five newsletters. More than 500 employees engaged on topics ranging from sustainable cooking to ocean preservation. The week, which included presentations by guest speakers from WWF and Entreprises pour l’Environnement (EpE), informed BCG staff about the climate crisis and inspired them to help adopt and act on solutions.
Purchasing and Retiring Carbon Credits
In achieving CarbonNeutral company certification, we first lower our emissions in line with our internal reduction targets. For emissions that we cannot yet eliminate, we purchase and retire an equivalent volume of carbon credits on the voluntary carbon market. These credits finance important climate mitigation projects around the world, delivering verified emission reductions and contributing to the global goal of keeping temperature rise below 2°C.

All of our carbon credits must meet core quality criteria including monitoring, reporting, and verification by independent third-party auditors; avoidance of leakage; additionality; and permanence.

We prioritize natural climate solutions, including those that remove carbon from the atmosphere and those that seek to protect and restore existing forests. We also try to select projects that deliver additional benefits, such as employment and education, and help to support the UN SDGs. We are committed to continuously reviewing and adjusting our actions to achieve maximum climate impact, based on the latest available guidance.

Keo Seima REDD+, Cambodia: Protecting 716,000+ Acres to Enhance Local Livelihoods
Covering over 716,000 acres of forest in eastern Cambodia, this project seeks to mitigate drivers of deforestation while also enhancing local livelihoods. It works with approximately 12,500 people within the 20 participating villages. Activities include patrolling to monitor risks of deforestation, and clarifying and securing indigenous community tenure. Sustainable development co-benefits include creating new income generation opportunities, literacy and numeracy education to support off-farm livelihoods, and capacity-building to support sustainable agriculture.

Mississippi Valley Reforestation, US: Reforesting 1 Million Acres in the Mississippi Alluvial Valley
This project aims to reforest 1 million acres of the Lower Mississippi Alluvial Valley. Decades of deforestation and agricultural land use conversion have reduced the forest area by more than 80%. Landowners who enroll in the project agree to plant and protect trees, reducing carbon dioxide emissions by an estimated 200 tCO₂e per acre. The project creates revenue for landowners, brings jobs to the area, and enhances local water quality and biodiversity.

16. Since 2018, BCG has been certified as a CarbonNeutral company in accordance with The CarbonNeutral Protocol. Our certification covers our Scope 1 and Scope 2 emissions and all Scope 3 sources required by The CarbonNeutral Protocol (business travel, waste, and T&D losses). The CarbonNeutral Protocol is aligned with the GHG Protocol Corporate Standard (including the separate guidance on Scope 2 and 3 accounting).
Empowering Our People

CG’s ability to attract and retain the best talent from all backgrounds—to fully reflect the diverse world in which we live and work—is fundamental to our success in delivering value to our clients. We prioritize our people with sustained investments in talent acquisition, diversity and inclusion, employee well-being, learning and development, and safety and security.

Contents

Attracting the Best Talent
Diversity and Inclusion
Employee Well-Being
Learning and Development
Safety and Security
Attracting the Best Talent

**APPROACH**

BCG’s success depends on its ability to acquire and retain intellectually curious, diverse, and accomplished individuals. We invest considerable time to find those who will best contribute to our clients and our culture, recruiting experienced professionals and new graduates from around the world.

We have four primary goals in this area:


- To optimize BCG’s growth and ability to deliver long-lasting client impact by anticipating and adapting to changes in consultant profiles

- To bring diversity of perspective to our clients’ biggest challenges

- To recruit as one firm, with local flexibility, considering market- and business-based differences in approaches and hiring pools

Our approach varies in accordance with the recruiting norms in the 50+ countries and across the businesses where we operate and seek talent with suitable skills and experiences. We respond to changes in market competitiveness and meet the needs of prospective candidates. Throughout the recruiting process, we give candidates opportunities to experience our culture in order to help them make an informed decision. Our internship programs, for example, offer students from many disciplines and backgrounds the chance to experience BCG first-hand. Our manifold employee-focused programs, many of which are detailed in this report, help maintain BCG’s position as a leading employer of choice.

**2019 HIGHLIGHTS**

- In 2019, we had our largest intake of new hires to date.

- For the sixth consecutive year, BCG maintained the number one ranking in *Consulting Magazine’s* Best Firms to Work For list, based on a survey of more than 11,000 consultants across 300 firms covering all major industries.

- For the thirteenth consecutive year, *Working Mother* magazine named BCG one of its 100 Best Companies for parents in the US.

- Vault’s top-50 prestigious consulting firms, chosen by practicing consultants, ranked BCG number two.
Diversity and Inclusion Approach

Diversity is one of BCG’s core founding values. Passionate, open-minded people of all genders, gender identities, sexual orientations, ethnicities, expertise, and experience are fundamental to our success, as they enable us to provide fresh perspectives, challenge established norms, and devise innovative solutions. Our diversity makes us stronger and more successful in everything we do.

“BCG partners with our clients in solving the hardest problems challenging their businesses—and the world. We do this by channeling the diversity of our people and their thinking, as well as our shared commitment to uncovering the truth. The solutions we develop in partnership with our clients transform not just companies but also entire industries and even segments of society.”

—Rich Lesser, Chief Executive Officer

In order to attract and retain diverse employees who are representative of the society in which we live and do business, we cultivate leaders committed to making BCG a company in which all individuals have an opportunity to flourish and succeed. We run a set of global networks with associated initiatives, such as Women at BCG and Pride at BCG, as well as regionally managed affinity groups, such as AccessAbility Network, Veterans Network, Asian Diversity Network, and Black and Latinx Network.

In addition to the work we do to build diversity and inclusion inside BCG, we invest heavily in original research to develop insights that will advance the issue in our client organizations and throughout society. Related reports address such topics as ambition, mobility, engagement, and overall career satisfaction. From our practice and research, we have learned how to create a diverse, inclusive culture that helps organizations thrive, improving financial performance and innovation.

“Our goal is to increase diversity, unlocking the potential of every BCGer and client team member. To do so, we invest in people and in the research that reveals which tools, programs, and cultural changes are necessary to deliver sustainable impact.”

—Matt Krantz, Managing Director and Senior Partner and Global Diversity and Inclusion Chair

Diversity and Inclusion Governance

Our global diversity and inclusion chair and our global people chair oversee our diversity and inclusion initiatives, assessing progress and priorities regularly at executive committee meetings. A dedicated global team leads Women at BCG, along with regional teams composed of a managing director and partner and a dedicated manager, as well as nodes in each local office. A managing director and partner leads Pride at BCG globally, supported by a network of nodes across many of our offices. The network will soon have a dedicated global manager. Other networks are run regionally or locally to best meet the needs of the group.

2019 IN NUMBERS

According to our annual internal People Survey:

89%

89% of our consultants would choose BCG again, knowing what they know now about the company.

87%

87% of our consultants think that BCG is doing a good job of hiring the most talented consulting staff.
2019 HIGHLIGHTS

In 2019 we continued to elevate the role and effectiveness of our diversity networks. Aiming to create a sense of belonging for all employees, we offered a wide variety of inclusion activities, trainings, and dialogues about culture and identity. We expanded our already robust affinity networks.

Women at BCG

This is our largest diversity network—as women represent 43% of our staff—and one of our most well-developed programs. It seeks to increase the number, success, and satisfaction of women at the firm. Specific goals include:

- Maintaining female representation of at least 40%
- Recruiting at least 40% female entry-level associates and consultants worldwide
- Achieving equal promotion and retention rates for women and men (in accordance with their representation vis-a-vis the total number of consultants)

Supporting Women in STEM

Our recent research shows that women make up 36% of university graduates in the science, technology, engineering, and math (STEM) disciplines, but only 25% of the STEM workforce. We invested in increasing gender diversity in our digital businesses and in upskilling digital competencies for our female consultants.

We are the Research Partner for the Women’s Forum for the Economy and Society’s STEM Daring Circle, providing thought leadership and support to a committee of 10 companies collaborating to boost women in STEM.

Find out more about the ways we are supporting women in technology here.

2019 IN NUMBERS

Our Women at BCG agenda—to increase the number, success, and satisfaction of women at the firm—is making strong gains. We have equal retention and promotion rates for men and women globally at all career steps in the consulting team. The number of female managing directors and partners has grown at three times the rate of the number of male managing directors and partners over the past five years.

In 2019, women represented...

- 23% of our firm’s leadership
- 35% of our Executive Committee
- 43% of our global staff
- 36% of entry-level new joiners to the consulting team

Pride at BCG
The Pride at BCG network strives to lead in workplace equality for LGBTQ+ employees. Members represent all of BCG’s geographic regions, industries, and functional topics across the firm.

In 2019, we established new global mentoring programs for Pride members in the consulting team. We also piloted Pride ally trainings and launched Pride at BCG ally committees to educate and inform employees about this network. Recognizing our long-standing commitment to Pride at BCG, the Human Rights Campaign awarded BCG a perfect 100% rating on its Corporate Equality Index for the 12th consecutive year.

“I know I am welcome and even celebrated here, with a large network of over 500 Pride at BCG global members and thousands of amazing BCG allies. My office is a safe environment.”

—Anonymous consultant

Our Pride at BCG network grew by 21% globally in 2019, and has grown by 19% annually overall since 2012.

Inclusion and Other Networks
Many local offices are organizing Inclusion Committees and initiating an Authentic Conversations program. These conversations provide another opportunity for all of our people to feel respected and supported. In 2019, we quadrupled the number of offices hosting these dialogues—most of them in North America, but some in other geographies as well.

In the US, about 21% of top leadership, 24% of managing directors and partners, and 37% of total consulting team staff are racial or ethnic minorities.

“I liked being able to openly discuss identity and culture in the workplace with one another without judgment. It turns out that a lot of us face the same fears and insecurities, and it was nice to hear everyone talk about those things from a place of understanding.”

—Anonymous consultant

In some geographies, particularly in North America, a Diversity and Inclusion Council coordinates additional networks:

- **Black+Latinx at BCG** consists of consulting team members from a wide range of backgrounds, including African American, African, Afro-Caribbean, Hispanic, Latin American, and Latinx communities. We bring together individuals from these communities to build on common experiences, address challenges, and inspire commercial excellence. In 2019, the network launched a champions program to pair partners, principals, and project leaders at the regional level with a managing director and partner to support their success.

- **Veterans at BCG**, a group of former military and/or intelligence employees from across offices in the US, aims to support and empower BCG veterans.

- **AccessAbility at BCG** connects employees dealing with chronic illness, neurodiversity, physical disability, or mental health concerns, among other issues.
• **Asian Diversity Network** provides a supportive and inclusive environment for consulting team members from across the Asian diaspora (Asian American, East Asian, Asian Pacific Islander, and South Asian).

**Activities to Drive Change**
Global Diversity and Inclusion activities include mandatory anti-harassment and cultural awareness training. We provide periodic unconscious bias training for employees, beginning at the entry level and recurring as people rise through the ranks. The training sessions explain the origins, occurrence, and behavioral consequences of unconscious bias; they also give participants tools for identifying when they may be at risk of acting on such bias and for minimizing its impact in the workplace.

We run several initiatives to increase the diversity of our employee pool:

- Focus on recruiting diverse talent, with structured protocols to eliminate bias from the recruiting process
- Formal flexibility policies to improve predictability and employee sustainability
- Regional and local conferences and affiliation events to bring together members of our diversity networks
- Tailor-made talent development, mentoring, and sponsorship; Women at BCG, for example, offers Apprentice-ship in Action to improve the quality of the day-to-day apprenticeship experience, Segment of One to support women as they strive to fulfill their professional and personal ambitions, and Partner Pairings to provide mentorship opportunities at the most senior level

**Advancing the Conversation**
We are helping to shape the diversity dialogue internally at BCG, with our clients, in public forums, and in the wider society. Our cutting-edge research yields insights into the challenges and opportunities involved in cultivating diversity and inclusion. In 2019, we shared results of our research with more than ten publications in the business community. Read our latest research here.

To generate lasting impact across the business environment and in the wider world, we also collaborate with a number of other organizations, including the following:

- **Forte Foundation.** We are a sponsor of the foundation, which is dedicated to directing women toward leadership roles in business and industry.
- **Tina Brown’s Women in the World.** We sponsor this organization’s annual summit and related activities to support a series of important conversations about women’s issues in society and in business.
- **TEDWomen.** We co-sponsor and host workshops to promote women and girls as change makers.
- **Women’s Forum for the Economy & Society and Grace Hopper.** We are a sponsor and thought partner, advocating for gender diversity in STEM fields.
Wellbeing at BCG, an initiative that we launched in 2019, supports the delivery of solutions suitable for each locale through common channels that make well-being resources accessible to all employees and their families. We encourage innovation in program design, empower employees to take care of their whole selves, and aim to support people at all life and career stages.

To promote sustainable work-life harmony, we introduced Predictability, Teaming, and Open Communication (PTO), a global support mechanism to promote sustainable teaming for our consultants worldwide. All consultants complete a weekly “pulse check” survey that flags excessively long work hours. Since the launch of PTO, we have seen a 10-percentage-point increase in the number of consultants who consider their workload sustainable: 77% of employees agreed that the PTO program has improved the predictability and sustainability of their work, while 85% agreed that PTO helps them achieve their “personal protected time goals.”

2019 in Numbers

100% 100% of BCG employees now have access to services that span the six pillars of our Wellbeing at BCG framework.

UN Women. We co-host a gender diversity roundtable in Denmark that assembles leaders of the Danish private sector, educational institutions, and societal organizations to share experiences and best practices for advancing gender diversity.

Catalyst. We are a key research partner and sit on the board of advisors and the board of experts, helping build workplaces that work for women.

HRC, Open for Business, GiveOut, and OUTstanding. BCG partners with these organizations to create LGBTQ+-inclusive business environments and societies.

Our CEO, Rich Lesser, is a Catalyst CEO Champion for Change and a member of the 30% Club, a group of organizations dedicated to achieving 30% female representation on the boards of public companies.

Employee Well-Being

Approach
We strive to ensure that all employees are physically and emotionally fit, in good financial health, comfortable and safe in the workplace, connected to their communities, and harmonious in their home and work life. To that end, we offer high-quality benefit and family support programs, flexibility, time off to recharge and pursue personal interests, and extensive opportunities for personal and professional development.
During 2019, we launched Wellbeing at BCG, a global framework that provides flexibility for well-being programs, benefits, and initiatives at the local office level in response to employee needs and interests. Our global benefits center offers expert advisory services to local HR teams on all topics related to well-being. In consultation with internal and external partners, advisors facilitate initiatives to enhance BCG’s well-being programs and services, drive greater efficiencies in cost management and process, and support our diverse workforce. With Wellbeing at BCG, our firm, already widely recognized as a desirable workplace, becomes even more appealing.

Wellbeing at BCG is configured on six pillars: body, mind, finance, place, community, and work-life harmony. To ensure that every office provides support for all six pillars of the framework, we introduced an Employee Assistance Program (EAP) that offers mental health, financial, and legal counseling, along with well-being and work-life services. We increased employee access to these options from 50% to 100% by the end of 2019. We hired a Wellbeing at BCG senior manager to provide expert advice to our local HR teams on all topics related to well-being, including formulating strategy, enhancing existing offerings, vetting new proposals, and designing communications. We also developed a dedicated microsite, training playlists, a vendor toolkit, a well-being calendar of events, and communication templates—all to disseminate well-being knowledge as widely as possible.

Supporting Mental Health
We identified key priorities, including reducing the stigma associated with mental health issues, increasing access to mental health services through alternate channels such as onsite and virtual counseling, and helping individuals build resiliency skills. Related initiatives include the following:

- In Australia, BCG’s 12-week Personal Sustainability Program helps new hires build skills and strategies for resilience, sustainability, and mental fitness.
- In London, mental health awareness training prepares leaders to discern signs of mental health issues and to conduct supportive conversations. London employees also have access to onsite mental fitness coaching services.
- In the US, employees can engage with a mental health provider virtually, giving them access to the right professional whenever and wherever they need such support.
Learning and Development

APPROACH
To best serve our clients, we facilitate continuous learning for our employees. Offering multiple delivery channels (including in-person, virtual, online, and team-based) for ease of access, we help our people hone the skills needed to perform in their current roles and to develop their future potential and personal growth. We follow the 70/20/10 principle to help our people determine how to structure their development plan: 70% of learning should be through on-the-job experiences, 20% through reflection on those experiences (including team retrospectives, coaching, and mentoring), and 10% through formal education.

Our approach centers on three core elements:

- Career step-based educational programs—typically a multidimensional learning journey that uses a range of tools and techniques, including digital learning primers, classroom-based learning and discussion, and post-program learning reviews

- An extensive repository of internally developed learning resources, including more than 3,000 modules for core skills and expert knowledge, along with access to a wide selection of external libraries such as LinkedIn Learning

- Upskilling campaigns that rapidly train a large number of employees across many different cohorts or career steps on specific skill sets through intensive targeted programs that typically combine digital learning primers and classroom sessions

Our Global Learning Council assesses progress and sets priorities. The 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.

↓ 2019 HIGHLIGHTS
In 2019, we enhanced our online library with many new learning assets and more convenient access modes. The material is downloadable, available 24/7, and offered in multiple formats (such as quizzes, videos, and podcasts). These improvements brought an increase of more than 50% in online registrations. On average, our learners used 15 online resources per year in addition to our rigorous and extensive in-person training.

We foster a culture of continuous learning throughout our firm. Our extensive onboarding program for new hires often lasts three weeks or longer. Every year, our average employee invests about a week in formal on-the-job training, in addition to training in informal settings. Our senior leadership, too, demonstrates a commitment to lifelong learning. This ethos of ongoing education enables us to devise state-of-the-art solutions and deliver the best value to our clients.

<table>
<thead>
<tr>
<th>15</th>
<th>1WK</th>
<th>89%</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 online modules completed annually per learner</td>
<td>One week of formal training completed annually per average employee</td>
<td>89% attendance at career step training</td>
</tr>
</tbody>
</table>

2019 IN NUMBERS
Safety and Security

**APPROACH**

BCG is committed to providing a safe, secure work environment for all of our colleagues, as well as for visitors to our offices.

**Staying Safe on the Road**

Owing to the nature of BCG’s work, travel poses the most material risk to our people’s health and safety. Our dedicated Global Security team monitors all locations where we have employees, and it oversees measures to keep our staff safe and secure on the road. The team also tracks and reports adverse incidents, and it takes the actions necessary to protect our employees from harm. The objective of the security program is to make a significant, positive impact on the safety and well-being of our employees through our awareness, travel, physical security, incident response, and business continuity programs. The response to incidents is managed by our Incident Response Team, which is led by a managing director and partner and supported by a globally dispersed team to ensure around-the-clock support.

To provide our people with the latest travel safety and security information, we leverage a mobile application that empowers them to make informed decisions to avoid jeopardizing their health and well-being. The mobile application provides situation alerts, one-touch connections to our 24/7 response center, and access to our procedures for incident response and business continuity.

**Creating a Safe and Secure Workplace**

All of our offices have programs in place to ensure the health and safety of employees and guests. These programs also follow minimum physical security standards that establish criteria for securing the building, the office, and the operations. All of our offices seek to maximize natural light and provide ergonomic workstations to improve employee well-being and safety. New office buildings are subject to comprehensive risk assessment to mitigate our employees’ and BCG’s exposure to risk. Our internal audit team visits every office on a three-year cycle and conducts an onsite review that includes an assessment of building safety and security.

Maintaining a safe, secure, and professional workplace is a core element of our Code of Conduct, which specifies our commitment to creating an environment free of all forms of violence, including verbal and physical threats, intimidation or abuse, or any type of physical assault. To cultivate awareness among our employees, we include health and safety procedures as a standard module in our new-hire induction process. In addition, employees visiting a new office for the first time have access to the local health and safety procedures.

**2019 HIGHLIGHTS**

In 2019, we began physical security site assessments and gap analysis to evaluate and catalogue all of our office access control systems in order to standardize and improve our site security. We launched a joint global initiative with IT for business continuity and service recovery, a multi-phase project designed to improve the service continuity of critical business service processes.

To ensure that all of our employees are aware of our safety and security procedures, we updated the safety and security sections of the training for all new hires, thereby improving employee engagement with and awareness of this topic. To enhance access to support, we introduced the WorldCue mobile app, which offers one-touch assistance and location-based alerting for business travelers; we also expanded our team and placed security personnel strategically across all of our operational regions to provide around-the-clock safety and security support.

**2019 IN NUMBERS**

- **100%** Provided a risk assessment, including a safety and security module, to 100% of offices opened in 2019
- **22** Conducted 22 onsite office audits in 2019, covering safety and security and emergency planning
- **40** Offered 40 training sessions globally on safety and security topics ranging from preparing office-level incident response plans to training employees on Everbridge, our crisis communication platform
Promoting Responsible Business Practices

Dedication to responsible and ethical practices defines BCG’s approach to business. We consider this commitment critical to our success and to the reputational integrity of our clients and our company. We strive to transform business and society for the better, both in collaboration with clients and in our own operations, guided by our values and purpose.

Contents

- BCG Code of Conduct
- Anti-Bribery and Corruption
- Human Rights
- Supply Chain Sustainability
- Data Privacy
- Information Security Risk Management (ISRM)
As part of their onboarding process, 100% of new employees completed e-learning on business ethics issues covering the topics of bribery and corruption, information security and data privacy, and the BCG Code of Conduct.  

We updated 100% of our supplier contract templates to include a commitment to adhere to the Supplier Code of Conduct, and we incorporated a new supplier sustainability questionnaire into 100% of supplier Request for Proposal templates.  

We completed a three-year-modernization of our information security protocols and commenced a three-year follow-up plan to further improve maturity along all security domains.

2019 Highlights

BCG Code of Conduct

APPROACH
Our Code of Conduct (the Code) sets expectations for the behavior of all members of BCG, complements the ethos underlying our UN Global Compact (UNGC) commitment, and serves as a bridge connecting our firm’s values, our policies and norms, and each individual’s actions. It is designed to foster ethical decision making and ensure that our behavior meets the highest standards of professional conduct.

The Code covers a wide range of important topics, including providing client services ethically and with transparency, protecting confidential information and ensuring information security, competing fairly, and maintaining a safe environment free of harassment and discrimination. It underscores our commitment to achieving positive and lasting impact on society and our commitment to environmental sustainability. The Code also affirms our adherence to the laws and regulations of the countries where we do business.

The Code conveys to the BCG community the importance of the “see something, say something” principle. Everyone

at BCG is encouraged to raise concerns about potential misconduct without fear of adverse repercussions. We offer multiple channels of communication, including our confidential ombudsperson program, which is designed specifically to support this approach. Further, everyone at BCG is responsible for reporting known or suspected violations of our Code of Conduct and of any law, regulation, or policy. We address all such concerns appropriately in accordance with our internal policies.

The internal risk review process assesses BCG local offices’ adherence to the Code. All instances of discrimination or harassment are subject to reviews that ensure appropriate escalation and resolution.

Everyone at BCG must agree to the Code as a condition of their employment and must reaffirm their compliance every year. Web-based training on the Code is mandatory and is delivered and tracked via our online learning platform. The Code is also a key subject included in the induction program for new joiners and in the recurring training of our various cohorts.

18. 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%.
Anti-Bribery and Corruption

**APPRAOCH**

BCG’s culture of integrity entails zero tolerance for corruption of any kind. We consider this high standard essential for performing our role in society and for preserving our reputation as trusted advisors of our clients. Our Code of Conduct defines our commitment, expectations, and approach. We abide by all laws, treaties, and regulations that prohibit bribery and other corruption, including the Foreign Corrupt Practices Act of the US and the Bribery Act of the UK, which are international in their reach. Accordingly, BCG will not, either directly or indirectly through the use of third parties, offer, attempt to offer, solicit, authorize, or promise any type of bribe or kickback to obtain business or unfair advantage. In addition, we prohibit facilitation payments to individuals in order to expedite routine government actions such as issuing permits. This policy pertains to all members of the BCG community, including officers, employees, contractors, clients, and others with whom we conduct business. We also adhere to the fair-competition laws in the countries where we do business.

BCG’s Anti-Bribery and Corruption policy provides guidelines for hospitality, gifts, and other forms of giving. We expect our people to seek guidance if they encounter a quandary without a clear resolution that conforms to our Code of Conduct and our Anti-Bribery and Corruption policy. Channels for employees to raise concerns include our legal team, our confidential ombudsperson channel, and our office, regional, and executive leadership. Our risk review audit process assesses BCG local offices against the standards and expectations outlined in our Anti-Bribery and Corruption policy.

In addition to our mandatory Code of Conduct training, all new BCG employees must complete an interactive Anti-Bribery and Corruption learning module, which explains the principles of our Anti-Bribery and Corruption policy and identifies potential risks.

Our zero-tolerance approach to bribery and corruption extends beyond our own employees to our suppliers. BCG expects all suppliers to operate in full compliance with all applicable laws and regulations while conducting business with and/or on behalf of BCG, including those with extra-jurisdictional application, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. These criteria are clearly specified in our Supplier Code of Conduct, which is publicly available and communicated to all BCG suppliers. (For more details, see the “Supply Chain Sustainability” section below.)

---

19. 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%.

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

**APPROACH**
Respect for the individual is a core value at BCG, as reflected in our Code of Conduct and our company history. 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 based on performance, both of which we monitor worldwide.

BCG is a Participant of the United Nations Global Compact (UNGC) and has made a public commitment to adhere to the UNGC’s ten principles. Notably, this includes a commitment to support and respect the protection of internationally proclaimed human rights and to ensure that we are not complicit in human rights abuses. The UNGC’s ten principles are derived from the Universal Declaration of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles, both of which accord with BCG’s values.

BCG expects suppliers to share its commitment to human rights and equal opportunity, and we will not knowingly do business with any partners or suppliers that violate our policies or standards. Our Supplier Code of Conduct defines these expectations as minimum requirements for suppliers seeking to conduct business with us. (For more information on our engagement with suppliers, see the “Supply Chain Sustainability” section below.)

**2019 HIGHLIGHTS**
In 2019, we released our UK Modern Slavery Act Report, which explains our process for preventing slavery and human trafficking in any part of our business or supply chain. We also incorporated our Supplier Code of Conduct into our supplier contract templates, and continued our negative news searches on new suppliers for red flags related to modern slavery and human rights abuses, in addition to regularly monitoring critical suppliers.

For the 12th time, BCG achieved a 100% score in the Human Rights Campaign Foundation’s Corporate Equality Index.
Supply Chain Sustainability

**APPROACH**
BCG’s commitment to the highest ethical and professional standards extends beyond our own operations to our supply chain. As a leading global company, we recognize our obligation to support sustainable and responsible value chains and the protection of human rights, labor rights, and the environment. Our zero-tolerance policy toward corruption encompasses our suppliers as well. Mindful of our economic impact as a purchaser of goods and services, we encourage a more economically inclusive supply chain wherever possible.

**Supplier Code of Conduct**
Our **Supplier Code of Conduct (SCoC)** outlines the minimum requirements that suppliers must meet in order to do business with BCG. The SCoC forms the foundation of our systematic approach to cultivating a more sustainable and responsible supply chain. To that end, in 2019, BCG added the SCoC to all of our standard contract templates.

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. It also delineates the process for suppliers to use in reporting on their compliance, as well as the range of potential BCG responses to supplier failure to meet SCoC requirements.

**Supplier Governance Policy**
Our Global Supplier Governance Policy ensures that we source and manage suppliers in compliance with all applicable BCG policies and legal requirements. It also details our approach to delivering the best value for our business and clients. The policy applies to all BCG staff and third parties involved in the sourcing, selection, and management of suppliers. It outlines processes and practices for the full life cycle of supplier engagement in order to effectively identify and mitigate risk.

**Managing Sustainability in the Supply Chain**
BCG promotes both sustainability and diversity in its supplier sourcing and selection process. Our risk-based analysis has identified supplier screening as a key priority, given the nature of our business and our supplier base. Accordingly, we have reinforced our management systems to prioritize diligence checks on suppliers, including bribery and corruption, financial, and sanctions screening.
Our Risk, Legal, and Procurement Service Center teams are developing and operationalizing a screening program, complemented by education of targeted stakeholders to drive implementation. These teams have also established a protocol for red flags, escalations, and situations that raise the need for additional screening. A periodic report shares screenings, red flags, and escalations with relevant business stakeholders and internal control groups. As we roll out the program, we perform operational refinements and provide additional education to support engagement and successful implementation. In addition, we conduct six months of negative news searches on new suppliers for red flags related to slavery and human rights abuses, and we continuously monitor critical suppliers for negative news.

In 2018, BCG integrated a supplier sustainability questionnaire into our standard supplier Request for Proposal template. The questions posed in this questionnaire raise awareness of our commitment to sustainability in the supply chain, provide options for our sourcing teams to use sustainability criteria in evaluating new suppliers, and improve the quality of data we collect about the sustainability commitments and performance of new suppliers. As part of our commitment to carbon neutrality, we are also evaluating the carbon emissions associated with material supplier categories to inform future engagement with suppliers on the subject of carbon emissions.

### Promoting Supplier Diversity

BCG encourages the selection, where possible, of historically underutilized and diverse suppliers. Our standard supplier Request for Proposal template encompasses supplier diversity questions. In the US, where these efforts are most advanced, diverse suppliers include minority-owned, woman-owned, veteran-owned, and LGBTQ-owned businesses, as well as certain small and medium-size enterprises (SMEs). Our procurement team maintains a master list of all diverse suppliers, and it reports and monitors spending with these suppliers quarterly.

#### 2019 Highlights

In 2019, we released our Global Supplier Governance Policy, which describes our procedures for sourcing and managing a supplier throughout the life cycle of the supplier engagement. The policy covers supplier selection, due diligence, contracting, supplier management, risk activities, and supplier termination. We are in the process of refining and rolling out policy training, which will be available to all staff.

We also developed a sustainability roadmap for 2020, which will serve as the foundation for a best-in-class sustainable procurement program. The roadmap details sustainable procurement action plans, as well as KPI development over the next 12 to 18 months to monitor and report our supply chain sustainability performance. We have explored available tools to evaluate suppliers’ sustainability performance, which we are currently assessing in order to develop clear KPIs for monitoring the sustainability performance of our supply chain.

### 2019 in Numbers

<table>
<thead>
<tr>
<th>100%</th>
<th>100%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% of BCG written supplier contract templates have been updated to include a commitment to adhere to the Supplier Code of Conduct.</td>
<td>100% of supplier Request for Proposal templates have been updated to include a supplier sustainability questionnaire.</td>
<td>100% of new suppliers with operations in high-risk regions have been screened for instances of bribery and corruption, as well as sanctions related to these.</td>
</tr>
</tbody>
</table>
Data Privacy

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

BCG policies governing the use and protection of personal information include our global data protection policy, global privacy policy, global personal data classification policy, global data retention policy, global personal data breach notification policy, and employee privacy policy, among others. We also provide legal guidelines to help staff interpret these policies. These policies and guidelines are binding for every BCG employee and facilitate compliance across our operations.

BCG’s data protection office oversees our global privacy and data protection program and reports to our Chief Risk Officer. 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. The data protection office is an escalation point in the event of a personal data incident that may have compromised the rights and freedoms of individuals. In partnership with our risk team, the data protection office also administers BCG’s data privacy training and awareness program.

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

- A comprehensive record 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 ensure lawful transfer of data within BCG and with BCG data processors
- Methods to guarantee that BCG employees manage personal data appropriately
- Processes to escalate and notify the appropriate authorities in the event of a personal data breach
- Dedicated staff to handle data access, correction, or deletion requests

2019 HIGHLIGHTS
In 2019, we conducted an annual review of BCG’s global data protection policies to ensure compliance with local regulations and business requirements. All employees must complete our mandatory and strictly enforced data privacy and information security training as part of their onboarding process and must annually certify their understanding of and compliance with the appropriate policies. We also produce monthly targeted communications to highlight data protection precautions and to share best practices.

2019 IN NUMBERS

100% 100% 0%
100% of new employees completed our mandatory data privacy and information security training as part of their onboarding process. All employees annually certify their understanding of and compliance with the appropriate policies. BCG experienced 0% cybersecurity incidents of severity 1.

21. 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%.
22. Because active employees routinely depart BCG, and some of them may not have completed the annual acknowledgment at the time of reporting, compliance is marginally under 100%.
23. Incidents are rated on a severity scale from 1 to 4, where 1 indicates highest severity and 4 indicates lowest severity.
Information Security Risk Management (ISRM)

APPROACH
Our ISRM program safeguards BCG’s brand and intellectual property, as well as employee and client information, from misuse, damage, and unauthorized access. We use a multilayered, proactive approach to guarantee the confidentiality, integrity, availability, and non-repudiation 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.

BCG’s information security policies and practices are risk-sensitized and follow the framework established by the International Standard ISO/IEC 27002 (Information technology – Security techniques – Code of practice for information security controls). We employ best practices for optimal management of business risks, weighing costs, tradeoffs, impact, and likelihood, while also focusing on processes, technologies, and people.

To support our ISRM program, we have developed a four-step approach: Manage, Prevent, Detect, Respond.

For effective governance, BCG’s Chief Information Security Officer reports directly to BCG’s Chief Risk Officer and Chief Information Officer, as well as to the audit and risk committee and the information security committee.

2019 HIGHLIGHTS
In 2019, BCG completed a three-year modernization of our information security protocol. We upgraded our information security management system setup, supplier risk management, application assurance, cloud governance, data loss prevention extension to cloud, computer security incident response plan, incident response, and security operations team implementation. We have since received approval for a follow-up three-year plan to further improve maturity up to 3.0+ (CMMI) along all security domains. We also established a new business continuity function, which conducted simulations of cyber incidents to test the readiness of the cyber crisis management team and technical teams.
Appendix

Contents
Greenhouse Gas Reporting Methodology
Global Reporting Initiative Content Index
UN Global Compact Content 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 emission sources across Scopes 1, 2, and 3:

- **Scope 1** – Direct emissions from BCG-owned or BCG-controlled sources
- **Scope 2** – Indirect emissions from the production of electricity
- **Scope 3** – Indirect emissions from all the other activities in which BCG engages

**Scope 1 and Scope 2 Emissions**

We gather energy consumption data from our offices globally. Where possible, we collect actual consumption data from invoices or directly from our suppliers. Where energy utilities are supplied by the landlord, we seek to obtain energy usage data through the landlord. Where it is not possible to obtain this data, we use industry benchmarks to estimate energy consumption. We follow the Scope 2 market-based accounting approach to account for our purchase of renewable electricity.

**Business Travel Emissions**

Business travel is our most material emissions source and makes up the majority of our GHG footprint. Our business travel emissions include flights, hotel nights, rail, rental cars, and taxis. We take the distances traveled per mode of transport, as provided by our travel agent, and multiply those figures by the Department for Environment, Food & Rural Affairs (DEFRA) emission factors, including radiative forcing uplift for flights. To account for travel booked by individuals outside our travel agent system, we apply a small uplift to flight, rail, and hotel emissions. For hotel emissions, we take the hotel nights booked per country, as provided by our travel agent, and multiply those numbers by DEFRA emission factors. For our taxi emissions, since we do not know the exact mileage, we convert cost data into mileage using agreed-upon internal conversion rates and then apply DEFRA emission factors to those numbers.

**Other Scope 3 Emissions**

To calculate supply chain emissions, we collect data on the economic value of goods and services and multiply those figures by third-party emission factors (tCO₂/$ spending) to estimate the full life-cycle emissions of purchased goods. For purchased services, we obtain supplier-specific data via public CDP disclosures, where possible, and allocate these to BCG using a tCO₂/$ spending allocation method. Where supplier-specific information is not available, we use averages from the supplier-specific data to estimate emissions for the remaining service suppliers.

We calculate fuel- and energy-related activities that are not included in Scope 1 or Scope 2—such as well-to-tank (WTT) emissions, and transmission and distribution (T&D) losses—by measuring our electricity and fuel consumption and applying the relevant DEFRA emission factors. We estimate other smaller emissions sources—such as employee commuting, waste, and upstream transport and distribution—on the basis of the best available data.

**GHG emissions (in thousand tCO₂e)**

<table>
<thead>
<tr>
<th>Source</th>
<th>2018</th>
<th>2019</th>
<th>Difference (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>6</td>
<td>7</td>
<td>+16%</td>
</tr>
<tr>
<td>Scope 2 (market-based) ²⁴</td>
<td>25</td>
<td>0</td>
<td>−100%</td>
</tr>
<tr>
<td>Scope 2 (location-based) ²⁵</td>
<td>24</td>
<td>22</td>
<td>−5%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>542</td>
<td>554</td>
<td>+2%</td>
</tr>
<tr>
<td>Business travel</td>
<td>438</td>
<td>457</td>
<td>+4%</td>
</tr>
<tr>
<td>Other ²⁶</td>
<td>104</td>
<td>97</td>
<td>−7%</td>
</tr>
<tr>
<td>Total emissions (market-based)</td>
<td>573</td>
<td>561</td>
<td>−2%</td>
</tr>
</tbody>
</table>

²⁴. Scope 2 market-based accounting approach factors in the purchase of renewable electricity; hence the lower emissions total. In 2019, we shifted to 100% renewable electricity for our offices.

²⁵. Scope 2 location-based accounting approach uses the country-specific electricity grid emission factor provided by the International Energy Agency.

²⁶. Other Scope 3 includes supply chain emissions, waste, commuting, upstream fuel-related emissions, and upstream transport and distribution.
# Global Reporting Initiative Content Index

BCG’s 2019 Annual Sustainability Report and UN Global Compact Communication of Progress has been prepared referencing the GRI Standards. All of the referenced disclosures detailed in the report are listed in the table below. For more information about these standards, please visit the GRI website, https://www.globalreporting.org/.

<table>
<thead>
<tr>
<th>GRI #</th>
<th>Disclosure</th>
<th>FY19 Response</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-1</td>
<td>Name of the organization</td>
<td>BCG 2019 Annual Sustainability Report—About BCG</td>
<td>page 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>The Boston Consulting Group Inc.</em></td>
<td></td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products, and services</td>
<td>See the “About Us” section of BCG.com.</td>
<td>About Us</td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>BCG 2019 Annual Sustainability Report—About BCG</td>
<td>page 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Headquarters – 200 Pier Four Blvd., Boston, MA 02210</em></td>
<td></td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>BCG has offices in more than 90 cities in over 50 countries and operates as one firm worldwide. See the list of offices on BCG.com.</td>
<td>BCG Offices</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>BCG 2019 Annual Sustainability Report—About BCG</td>
<td>page 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The corporation is wholly owned by the members of its partnership. BCG’s offices are owned directly or indirectly by The Boston Consulting Group, Inc.</td>
<td></td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>See the “Industries and Capabilities” section of BCG.com.</td>
<td>Industries</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Functional practice areas (FPAs): Corporate Finance and Strategy; Global Advantage; Marketing, Sales &amp; Pricing; Operations; People &amp; Organization; Social Impact; Technology Advantage.</em></td>
<td>and</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Industry practice areas (IPAs): Consumer; Energy; Financial Institutions; Health Care; Industrial Goods; Insurance; Public Sector; Principal Investors &amp; Private Equity; Technology, Media &amp; Telecommunications.</em></td>
<td>Capabilities</td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organization</td>
<td>BCG 2019 Annual Sustainability Report—About BCG</td>
<td>page 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>BCG 2019 headcount: 21,000</em></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>BCG 2019 revenue: $8.5 billion</em></td>
<td></td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>BCG 2019 Annual Sustainability Report—Empowering Our People</td>
<td>page 30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>We report diversity statistics at a global level only. We consider information regarding the number of employees per contract and employment type to be company confidential. See the “About BCG” section for global headcount.</td>
<td></td>
</tr>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>BCG 2019 Annual Sustainability Report—Supply Chain Sustainability</td>
<td>page 44</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>There were no significant changes to BCG’s size, structure, supply chain, or ownership during 2019.</td>
<td>page 44</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>--------</td>
<td>------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary principle or approach</td>
<td>BCG 2019 Annual Sustainability Report—Protecting Our Planet</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td></td>
<td>This section of the report outlines our commitment to managing environmental risks and avoiding environmental degradation.</td>
<td></td>
</tr>
<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>BCG 2019 Annual Sustainability Report—UN Global Compact</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Content Index</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>See examples throughout the Annual Sustainability Report: Positively Impacting Society, Protecting Our Planet, Empowering Our People, Promoting Responsible Business Practices.</td>
<td></td>
</tr>
<tr>
<td>102-13</td>
<td>Membership of associations</td>
<td>BCG fosters long-term relationships with a number of today's most relevant and innovative organizations. Details about our main memberships are available in the “Global Partnerships” section of BCG.com.</td>
<td></td>
</tr>
<tr>
<td>102-14</td>
<td>Statement from senior decision maker</td>
<td>BCG 2019 Annual Sustainability Report—Executive Introduction</td>
<td>1</td>
</tr>
<tr>
<td>102-16</td>
<td>Values, principles, standards, and norms of behavior</td>
<td>BCG 2019 Annual Sustainability Report—Our Purpose</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BCG 2019 Annual Sustainability Report—Our Values</td>
<td>5</td>
</tr>
<tr>
<td>102-17</td>
<td>Mechanisms for advice and concerns about ethics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-18</td>
<td>Governance structure</td>
<td>BCG 2019 Annual Sustainability Report—About BCG</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>See our website for more information about BCG’s leadership (Executive Committee, Chairman, and Global Practice Area Leaders).</td>
<td></td>
</tr>
<tr>
<td>102-40</td>
<td>List of stakeholder groups</td>
<td>BCG 2019 Annual Sustainability Report—Materiality and Stakeholders</td>
<td>6</td>
</tr>
<tr>
<td>102-41</td>
<td>Collective bargaining agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-42</td>
<td>Identifying and selecting stakeholders</td>
<td>BCG 2019 Annual Sustainability Report—Materiality and Stakeholders</td>
<td>6</td>
</tr>
<tr>
<td>102-43</td>
<td>Approach to stakeholder engagement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-44</td>
<td>Key topics and concerns raised</td>
<td>BCG 2019 Annual Sustainability Report—Materiality and Stakeholders</td>
<td>6</td>
</tr>
<tr>
<td>102-45</td>
<td>Entities included in the consolidated financial statements</td>
<td>BCG 2019 Annual Sustainability Report—About This Report</td>
<td>2</td>
</tr>
<tr>
<td>102-46</td>
<td>Defining report content and topic boundaries</td>
<td>BCG 2019 Annual Sustainability Report—About This Report</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BCG 2019 Annual Sustainability Report—Materiality and Stakeholders</td>
<td>6</td>
</tr>
<tr>
<td>102-47</td>
<td>List of material topics</td>
<td>BCG 2019 Annual Sustainability Report—Materiality and Stakeholders</td>
<td>6</td>
</tr>
</tbody>
</table>
### Restatements of information

This is our first year publicly disclosing our emissions, so we have no restatements for 2019.

### Changes in reporting

This is our first year publicly disclosing our emissions, so we have no changes for 2019.

### Reporting period

BCG 2019 Annual Sustainability Report—About This Report

### Date of most recent report

This is our first Annual Sustainability Report.

### Reporting cycle

BCG 2019 Annual Sustainability Report—About This Report

### Contact point for questions regarding the report

BCG 2019 Annual Sustainability Report—About This Report

### Claims of reporting in accordance with the GRI Standards

BCG’s 2019 Annual Sustainability Report and UN Global Compact Communication of Progress has been prepared referencing the GRI Standards. All of the referenced disclosures that have been applied in the report are listed in this table.

### GRI content index

BCG 2019 Annual Sustainability Report—Global Reporting Initiative Content Index

### External assurance

Our reported GHG emissions have been independently verified under the ISO 14064-3 standard. We have not sought external assurance for the full report.

---

**Economic Standards**

**GRI 205: Anti-Corruption**

<table>
<thead>
<tr>
<th>103-1</th>
<th>Explanation of the material topic and its boundary</th>
<th>BCG 2019 Annual Sustainability Report—Anti-Bribery and Corruption</th>
<th>page 42</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For more information about how we determine our material topic, see the “Materiality and Stakeholders” section of the Annual Sustainability Report.</td>
<td>BCG 2019 Annual Sustainability Report—Anti-Bribery and Corruption</td>
<td>Supplier Code of Conduct</td>
</tr>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>BCG 2019 Annual Sustainability Report—Anti-Bribery and Corruption</td>
<td>page 42</td>
</tr>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>BCG 2019 Annual Sustainability Report—Anti-Bribery and Corruption</td>
<td>page 42</td>
</tr>
<tr>
<td>205-2</td>
<td>Communication and training about anti-corruption policies and procedures</td>
<td>BCG 2019 Annual Sustainability Report—Anti-Bribery and Corruption</td>
<td>page 42</td>
</tr>
<tr>
<td></td>
<td>100% of new BCG employees completed our Anti-Bribery and Corruption online training as part of their onboarding process. We also communicate our anti-bribery and corruption expectations to our suppliers through our Supplier Code of Conduct.</td>
<td>BCG 2019 Annual Sustainability Report—Anti-Bribery and Corruption</td>
<td>Supplier Code of Conduct</td>
</tr>
</tbody>
</table>
# Environmental Standards

## GRI 305: Emissions

<table>
<thead>
<tr>
<th>Code</th>
<th>Explanation of the material topic and its boundary</th>
<th>Source</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-1</td>
<td>Explanation of the material topic and its boundary</td>
<td>BCG 2019 Annual Sustainability Report—Managing Our Own Environmental Impact</td>
<td>page 25</td>
</tr>
</tbody>
</table>

For more information about how we determine our material topic see the “Materiality and Stakeholders” section of the Annual Sustainability Report.

<table>
<thead>
<tr>
<th>Code</th>
<th>The management approach and its components</th>
<th>Source</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>BCG 2019 Annual Sustainability Report—Managing Our Own Environmental Impact</td>
<td>page 25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code</th>
<th>Evaluation of the management approach</th>
<th>Source</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>BCG 2019 Annual Sustainability Report—Managing Our Own Environmental Impact</td>
<td>page 25</td>
</tr>
</tbody>
</table>

## GRI 305-1 Direct (Scope 1) GHG emissions

<table>
<thead>
<tr>
<th>Code</th>
<th>Source</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>305-1</td>
<td>BCG 2019 Annual Sustainability Report—Measuring Our Emissions</td>
<td>page 26</td>
</tr>
</tbody>
</table>

Scope 1 gross emissions in 2019 = 7,000 tCO₂e. For information regarding our calculation methodology, see “Greenhouse Gas (GHG) Reporting Methodology” in the report’s appendix.

## GRI 305-2 Energy indirect (Scope 2) GHG emissions

<table>
<thead>
<tr>
<th>Code</th>
<th>Source</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>305-2</td>
<td>BCG 2019 Annual Sustainability Report—Measuring Our Emissions</td>
<td>page 26</td>
</tr>
</tbody>
</table>

Scope 2 gross emissions (location-based) in 2019 = 22,000 tCO₂e. Scope 2 gross emissions (market-based) in 2019 = 0 tCO₂e. For information regarding our calculation methodology, see “Greenhouse Gas Reporting Methodology” in the report’s appendix.

## GRI 305-3 Other indirect (Scope 3) GHG emissions

<table>
<thead>
<tr>
<th>Code</th>
<th>Source</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>305-3</td>
<td>BCG 2019 Annual Sustainability Report—Measuring Our Emissions</td>
<td>page 26</td>
</tr>
</tbody>
</table>

Scope 3 gross emissions in 2019 = 554,000 tCO₂e. For information regarding our calculation methodology, see “Greenhouse Gas Reporting Methodology” in the report’s appendix.

# Social Standards

## GRI 404: Training and Education

<table>
<thead>
<tr>
<th>Code</th>
<th>Explanation of the material topic and its boundary</th>
<th>Source</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-1</td>
<td>Explanation of the material topic and its boundary</td>
<td>BCG 2019 Annual Sustainability Report—Learning and Development</td>
<td>page 38</td>
</tr>
</tbody>
</table>

For more information about how we determine our material topic, see the “Materiality and Stakeholders” section of the Annual Sustainability Report.

<table>
<thead>
<tr>
<th>Code</th>
<th>The management approach and its components</th>
<th>Source</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>BCG 2019 Annual Sustainability Report—Learning and Development</td>
<td>page 38</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code</th>
<th>Evaluation of the management approach</th>
<th>Source</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>BCG 2019 Annual Sustainability Report—Learning and Development</td>
<td>page 38</td>
</tr>
</tbody>
</table>
### 404-1 Average hours of training per year per employee

<table>
<thead>
<tr>
<th>BCG 2019 Annual Sustainability Report—Learning and Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>In 2019, our people completed one week of formal training per average employee. We provide a global average for learning and development time. We do not report further cohort or gender breakdown of training hours.</td>
</tr>
</tbody>
</table>

### 404-2 Programs for upgrading employee skills and transition assistance programs

<table>
<thead>
<tr>
<th>BCG 2019 Annual Sustainability Report—Learning and Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>As outlined in our approach, we focus on providing career step-based educational programs as well as upskilling campaigns to facilitate continuous career progression.</td>
</tr>
</tbody>
</table>

### GRI 405: Diversity and Equal Opportunity

<table>
<thead>
<tr>
<th>103-1 Explanation of the material topic and its boundary</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCG 2019 Annual Sustainability Report—Diversity and Inclusion</td>
</tr>
<tr>
<td>For more information about how we determine our material topic, see the “Materiality and Stakeholders” section of the Annual Sustainability Report</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>103-2 The management approach and its components</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCG 2019 Annual Sustainability Report—Diversity and Inclusion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>103-3 Evaluation of the management approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCG 2019 Annual Sustainability Report—Diversity and Inclusion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>405-1 Diversity of governance bodies and employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCG 2019 Annual Sustainability Report—Diversity and Inclusion</td>
</tr>
<tr>
<td>We currently provide only the global gender percentage figures for entry-level new hires, BCG leadership, Executive Committee, and global headcount. Other diversity indicators such as age and minority or vulnerable groups are company confidential and are excluded from this report. See the Leadership page of BCG.com for more information regarding the diversity of our firm’s leadership.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>405-2 Ratio of basic salary and remuneration of women to men</th>
</tr>
</thead>
<tbody>
<tr>
<td>We currently disclose information about our gender pay gap only for our UK operations, where there is a regulatory requirement to externally report this information. Globally this information is not currently reported externally.</td>
</tr>
</tbody>
</table>
UN Global Compact Content Index

In November 2018, BCG became a Participant in the United Nations Global Compact (UNGC), a set of ten principles covering the areas of human rights, labor, environment, and anti-corruption.

We are committed to making the UN Global Compact and its principles part of the strategy, culture, and day-to-day operations of our company, and to engaging in collaborative projects that advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

This report serves as our Communication on Progress in implementing the principles of the UNGC and supporting broader UN goals. The table shows where relevant content can be found in this report.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Principle</th>
<th>Principle</th>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights</td>
<td>Principle 1</td>
<td>Businesses should support and respect the protection of internationally proclaimed human rights</td>
<td>Human Rights</td>
<td>page 43</td>
</tr>
<tr>
<td></td>
<td>Principle 2</td>
<td>Make sure that they are not complicit in human rights abuses</td>
<td>Supply Chain Sustainability</td>
<td>page 44</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Human Rights</td>
<td>page 43</td>
</tr>
<tr>
<td>Labor</td>
<td>Principle 3</td>
<td>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</td>
<td>Empowering Our People</td>
<td>page 30</td>
</tr>
<tr>
<td></td>
<td>Principle 4</td>
<td>The elimination of all forms of forced and compulsory labor</td>
<td>Promoting Responsible Business Practices</td>
<td>page 40</td>
</tr>
<tr>
<td></td>
<td>Principle 5</td>
<td>The effective abolition of child labor</td>
<td>Empowering Our People</td>
<td>page 30</td>
</tr>
<tr>
<td></td>
<td>Principle 6</td>
<td>The elimination of discrimination in respect of employment and occupation</td>
<td>Promoting Responsible Business Practices</td>
<td>page 40</td>
</tr>
<tr>
<td>Environment</td>
<td>Principle 7</td>
<td>Businesses should support a precautionary approach to environmental challenges</td>
<td>Protecting Our Planet</td>
<td>page 16</td>
</tr>
<tr>
<td></td>
<td>Principle 8</td>
<td>Undertake initiatives to promote greater environmental responsibility</td>
<td>Protecting Our Planet</td>
<td>page 16</td>
</tr>
<tr>
<td></td>
<td>Principle 9</td>
<td>Encourage the development and diffusion of environmentally friendly technologies</td>
<td>Protecting Our Planet</td>
<td>page 16</td>
</tr>
<tr>
<td>Anti-Corruption</td>
<td>Principle 10</td>
<td>Businesses should work against corruption in all its forms, including extortion and bribery</td>
<td>Promoting Responsible Business Practices</td>
<td>page 40</td>
</tr>
</tbody>
</table>
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 help clients with total transformation—inspiring complex change, enabling organizations to grow, building competitive advantage, and driving bottom-line impact.

To succeed, organizations must blend digital and human capabilities. Our diverse, global teams bring deep industry and functional expertise and a range of perspectives to spark change. BCG delivers solutions through leading-edge management consulting along with technology and design, corporate and digital ventures—and business purpose. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, generating results that allow our clients to thrive.