

2022 ANNUAL SUSTAINABILITY REPORT

Expanding Our Reach, Enhancing Our Impact

April 2023



BCG

Cover image: London - Bayo, Principle;
and Anna, Project Leader

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

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

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Executive Introduction

2023 marks BCG's 60th anniversary—a time to pause and reflect on what we're contributing to the world and how we're living up to our values. Our 2022 Annual Sustainability Report, which we—CEO Christoph Schweizer and CSO David Webb—are pleased to introduce, gives us a chance to do just that.

This year's report—*Expanding Our Reach, Enhancing Our Impact*—offers a window into our impact through a wide range of client stories and a thoughtful exploration of the ways in which we've driven positive change within the firm, with our clients, and for society.



Christoph, CEO



Opportunities to Live Up to Our Commitments

New and unexpected shocks in 2022, including devastating war in Ukraine and deepening geopolitical uncertainty, presented BCG with more urgent opportunities than ever to lead with integrity and work toward our purpose of “unlocking the potential of those who advance the world.”

The pages that follow spell out how we stepped up, responding to the challenges and pushing forward our agenda to drive positive societal and planetary change.

Driving Impact with Our clients

Our founder Bruce Henderson put it well: “The most important value of all, for each professional, must be dedication to the task of optimizing client contribution to society.” Whether we’re responding to a sudden crisis, such as a global pandemic, or to multifaceted problems that require long-term solutions, such as climate change, we believe at BCG that we have the ability and the responsibility to take action.

Here are some examples of how that action manifested in 2022:

- We completed more than **1,500 projects related to societal and planetary impact** with 780 clients.
- **72% of the largest companies we work with were involved** in at least one societal or planetary impact case.
- About **40% of the firm’s managing directors and partners were actively involved** in impact work.
- We’ve **invested \$1 billion** so far this decade to advance societal and planetary impact with leading private, public, and social sector organizations, including both pro bono and direct financial support.

Within Our Four Walls

Our client work and external partnerships represent only part of our impact. To lead by example outside BCG, we must also work hard to examine our internal challenges and transform our own operations.

This starts with our people, who are the engine of our impact and our success. We continue to make it a top priority to attract and retain the best people from all backgrounds—nurturing an environment in which all feel free to challenge each other and learn from one another.

Diversity is key to building that environment. Our global team grew to more than 30,000 people in 2022, with women representing 46% of our global headcount and 33% of our Executive Committee. In the US, 46% of our people and 51% of our new hires in 2022 were from racial or ethnic minority groups. To provide an unparalleled experience for our people, we invested heavily in learning and development, and offered broad flexibility programs to improve day-to-day sustainability.

We also continued accelerating progress on our internal net-zero climate goals in 2022. Our footprint was about 30% smaller than our 2018 baseline, putting us on track to achieve our 2025 science-based targets and deliver on our 2030 net-zero ambition. To address the emissions we cannot yet reduce, we purchase an equivalent volume of high-impact carbon credits, helping to advance and scale the most promising solutions for carbon dioxide removal, such as direct-air capture and storage.

More Impact, More Growth

The year 2022 required quick thinking and agility—a readiness to grow and change. As a business, we saw double-digit revenue growth, demonstrating that socially transformative business is also profitable business, and that we have an important role to play in supporting clients and organizations as they navigate these uncertain times.



Christoph Schweizer
Chief Executive Office



David Webb
Chief Sustainability Officer



New York - Neema, Principal

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About This Report

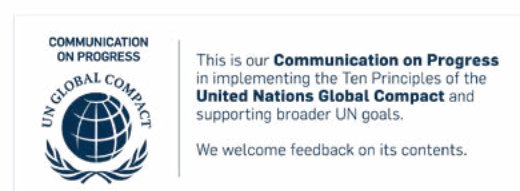
Welcome to Boston Consulting Group's 2022 Annual Sustainability Report. Here we outline policies and programs designed to realize our values and purpose while addressing urgent global challenges. We describe BCG's material nonfinancial impact during the 2022 calendar year for Boston Consulting Group, Inc., as a single entity.¹ Boston Consulting Group, Inc., is the ultimate parent company for all of our operating entities worldwide. This report also fulfills the requirements of relevant ESG reporting regulations applicable to BCG subsidiaries, such as Boston Consulting Group Nordic AB ("BCG Sweden").

Boston Consulting Group, Inc., has reported in accordance with the GRI Standards for this reporting period. In the Appendix of this report, you can find index tables covering the GRI core reporting standards, the World Economic Forum Stakeholder Capitalism Metrics, and the Task Force on

Climate-Related Disclosure recommendations. This report was reviewed and approved by members of BCG's Executive Committee, as well as by representatives from the Steering Committees who oversee the topics covered in this report.

This report also serves as our annual Communication on Progress (CoP), which we submit to the UN Global Compact alongside—for the first time this year—the CoP questionnaire.

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



1. Although most of the content of this report focuses on events from the 2022 calendar year, certain statements look forward and thus reflect our current expectations regarding future events. Words such as "expects" and "plans" are intended to identify forward-looking statements. Such statements are based on the best information available to us on the date of publication, but they are subject to many risks and uncertainties that may cause actual results to differ. We undertake no obligation to publicly update or revise any forward-looking statements in this report.



About BCG



1963

founded by Bruce Henderson



30,000

employees



\$11.7

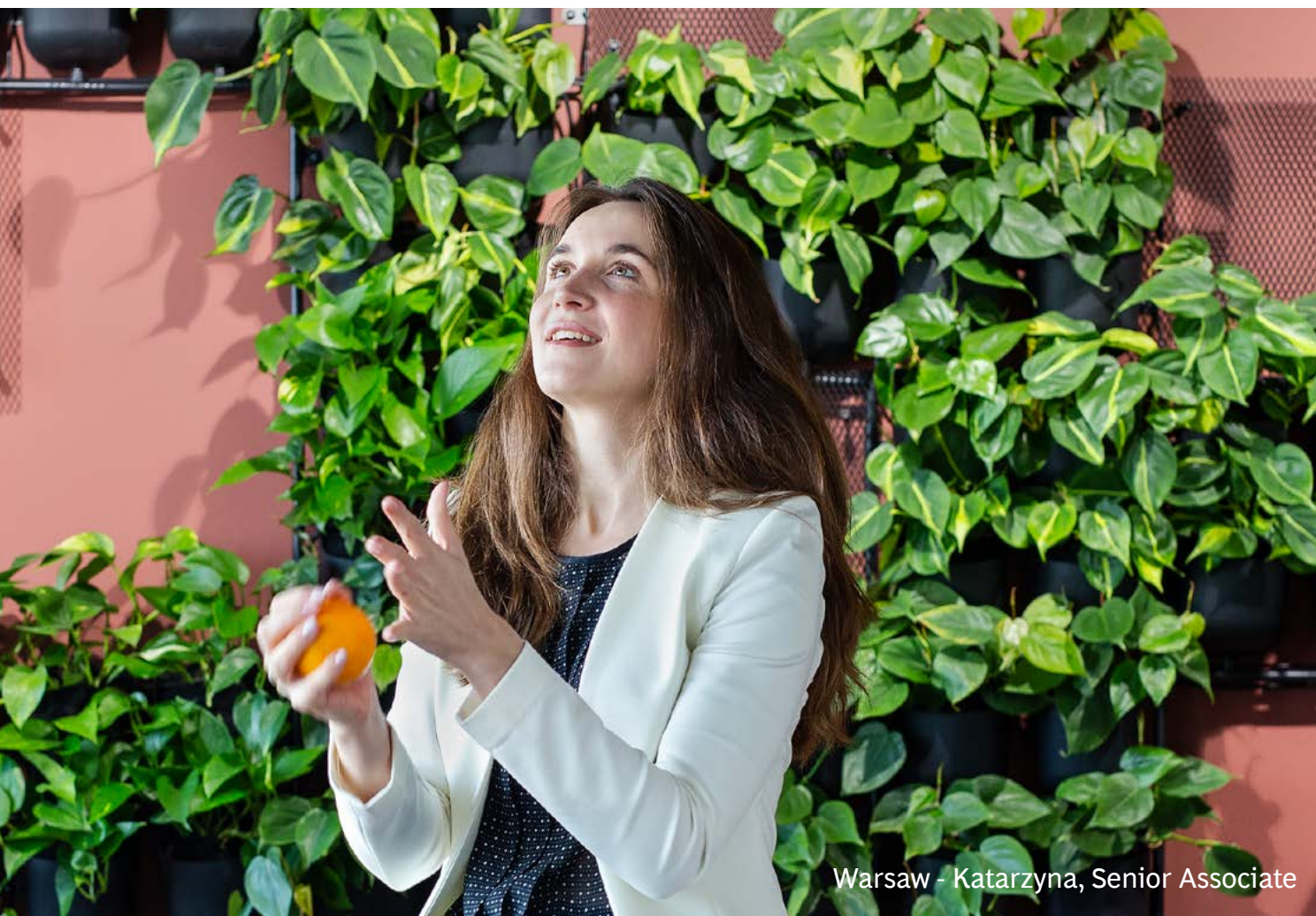
billion revenue



100+

offices in more than 50 countries

Brussels - Tom, Principle;
and Laura, Consultant



Warsaw - Katarzyna, Senior Associate

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Our Purpose and Values

At BCG, our purpose is at the heart of everything we do, as we pursue the answers to two questions: “Who are we when we’re at our best?” and “What fundamental needs in the world are we working to address?” In essence, our purpose boils down to this:

Unlocking the potential of those who advance the world.

Underpinning this simple phrase are five core purpose principles:

- **We bring insight to light** by challenging traditional thinking and ways of operating and by bringing fresh perspectives to the toughest problems.
- **We drive inspired impact** by looking beyond the next deadline to the next decade and by collaborating closely with our clients to enable and energize their organizations.

- **We conquer complexity** by discovering unique sources of competitive advantage and hidden truths in dynamic, complex systems.
- **We lead with integrity** by confronting the hard issues, staying true to our values, and stating our views candidly and directly.
- **We grow by growing others**, enabling our clients, our colleagues, and the broader community to build success and achieve their full potential.

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 realize our fundamental goals. We celebrate colleagues who best personify these principles with our biannual Key to Purpose awards, and we issue frequent communiqués to engage with 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 individual and their capacity and desire for personal growth



Diversity of thought, expertise, experience, and background



Clients come first and their success is the measure of our success



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



Expanding the art of the possible because the goal is not simply to apply best practice, but also to invent it



Social impact to make the world a better place

2022 in Numbers



95%

of our people say they feel a personal accountability to uphold BCG's values



100%

of our people complete a training covering our values and purpose



Munich - Platinion case team

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Our Vision and Impact in 2022

1,500+ projects on societal and planetary impact completed with 780 clients in 2022

~150 thought leadership publications focused on solving societal and planetary issues in 2022

\$1B+ invested in societal and planetary impact so far this decade

40% of managing directors and partners were actively involved in impact work

72% of our largest clients were involved in at least one societal or planetary impact case

2,100+ experts at BCG working on societal and planetary impact topics across industries, functions, and geographies

Our Vision and Impact

We have defined a bold vision to be the most positively impactful company in the world.

To achieve this goal, we must take a rigorous approach to solving the world's toughest challenges.

Our Impact with Clients

For decades, we've dedicated our time and resources to working together with corporate clients, governments, partners, and NGOs to create positive economic, environmental, and societal impact in ways that are sustainable for the long term. By investing for impact alongside some of the world's leading organizations—and bringing the best of BCG to social impact challenges—we have helped realize change where it is most needed.

- **Over 1,500** projects on societal and planetary impact completed with 780 clients in 2022
- **Over \$1 billion** invested in societal and planetary impact so far this decade²
- **72%** of our largest clients were involved in at least one societal or planetary impact case
- **~150** thought leadership publications focused on solving societal and planetary issues in 2022
- **40%** of managing directors and partners were actively involved in impact work
- **2,100+** experts at BCG working on societal and planetary impact topics across industries, functions, and geographies

Our Impact Within Our Operations

BCG is a signatory of the World Economic Forum's Stakeholder Capitalism Metrics. Below, we outline our performance against the four themes of the metrics: planet, people, prosperity, and governance. For more information, see the GRI Index table in the Appendix (page 96).

2. Investments include both cash and in-kind support for social impact and climate and sustainability programs from January 2020 to December 2022.



Sydney - Jan, Senior Specialist



Planet

- We have committed to reach **net-zero** climate impact by 2030.
- We have invested more **than \$500 million** in climate action so far this decade.
- Our greenhouse gas emissions in 2022 amounted to **~406** metric kilotons of CO₂e (down ~30% versus 2018).
- Our science-based targets aim to **cut in half** our emissions intensity by 2025 (against a 2018 baseline).
- **100%** of our office electricity came from renewable energy sources.
- We align our reporting with the **TCFD** recommendations.³



People

- **10,000** people joined BCG, with women representing **45%** of new hires.
- **46%** of our global headcount are women.
- We maintain **equal** promotion and retention rates for women and men within the consulting team.
- **46%** of our US consulting staff and **51%** of new hires in the US are from racial or ethnic minorities.
- BCG employees complete **one week** of formal training annually, on average.
- **100%** of BCG employees have access to health and well-being resources and services.



Prosperity

- Our global headcount grew to over **30,000**.
- We generated **\$11.7 billion** in revenue globally.
- We invest from **10% to 15%** of our annual capacity in research and development.
- We invested **\$460 million** in societal and planetary impact with clients in 2022.



Governance

- **100%** of BCG employees have completed our mandatory business ethics online training.⁴
- **100%** of BCG employees have access to a confidential ombudsperson channel designed to seek advice or raise concerns.
- Our Executive Committee is composed of appointed and elected members covering BCG's key geographies and business areas. **33%** of the Executive Committee are women.
- We grew our Global Risk Management function by **32%** in 2022.

3. Taskforce on Climate-Related Financial Disclosure (TCFD); see page 89 of the Appendix for more details on how we have aligned our reporting with the TCFD framework.

4. 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%.

Governance

Boston Consulting Group, Inc., is a privately held corporation. The corporation is wholly owned by the members of its partnership. BCG's offices are owned directly or indirectly by Boston Consulting Group, Inc.

Boston Consulting Group, Inc., is governed by its board of directors. BCG's CEO and Executive Committee are empowered to act on behalf of the board except for certain powers that the board has reserved to itself. The Executive Committee is responsible for setting the firm's strategy, vision, and direction with regard to investments, policy, growth, business mix, people, and philosophy. The Executive Committee is composed of appointed and elected members. The CEO is elected by the full board every four years, and a CEO can serve for a maximum of two terms. Executive Committee members appointed by the CEO are generally eligible to serve for a maximum of six years, although that maximum may be extended if it is in the best interests of the firm to do so. Elected members serve three-year terms and must be reelected for their second and final term.

You can read more about the composition of BCG's Executive Committee and its members' competencies on our [leadership webpage](#).

The Executive Committee has established a number of steering groups to manage the environmental, social, and governance topics outlined in this report. These steering groups have a reporting line to the Executive Committee and will be invited to report to the Executive Committee on priority topics.

BCG's Social Impact practice leadership team addresses the initiatives covered in the "Driving Social Impact" chapter of this report. The leadership team is composed of managing directors and partners (MDPs).

With regard to the programs covered in the "Protecting Our Planet" chapter of this report, the Internal Sustainability Strategic Committee (Strat Co.) addresses BCG's internal net-zero efforts, and the Climate and Sustainability Leadership Team addresses BCG's engagement with clients and the broader society.

In 2022, [David Webb](#) became BCG's chief sustainability officer (CSO). David chairs the Strat Co. and reports directly to BCG's CEO. The Strat Co. is responsible for leading the development and implementation of our sustainability strategy, including oversight of climate-related risks. The Strat Co. currently consists of BCG's chairman, chief sustainability officer, chief financial officer, and people chair and meets monthly. All Strat Co. members have their annual performance rating and remuneration tied to the internal sustainability performance of the firm.

The People Team addresses the topics covered in the "Empowering Our People" chapter. Led by chair Dinesh Khanna, the People Team focuses on the needs of BCG's three main cohorts: consultants, business services and knowledge teams, and managing directors and partners. Its purpose is to set programs and policies to attract, develop, energize, and retain talent across all cohorts and to put measures in place to support the success of our people and our clients. The People Team chair also sits on the Executive Committee and on the Internal Sustainability Steering Committee. In 2022, [Nadjia Yousif](#) became BCG's chief diversity officer (CDO) to drive our agenda and be the voice for diversity, equity, and inclusion internally and externally. Our CDO reports directly to BCG's CEO.

The Audit and Risk Committee is chiefly responsible for addressing the topics covered in the "Promoting Responsible Business Practices" chapter of this report. Members of this committee are nominated by the Executive Committee and elected by the board of directors.

Stakeholder Engagement

Identifying our primary stakeholder groups and engaging with them to define our most material topics are critical to ensuring that our strategy, work, and reporting cover the right topics in the right way. Doing so also allows us to focus resources and investment on the activities through which we can drive the greatest impact.

We firmly believe that stakeholder engagement should be a continuous process aimed at understanding how priorities are evolving in a fast-paced and dynamic business environment and in society. The table below highlights our primary stakeholder groups and explains why and how we listen to them in the process of shaping our materiality assessment.

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

Focusing on the Topics That Matter Most

We update our materiality matrix annually, matching the rapid pace of BCG's transformation and the increasing maturity of our ESG programs. The matrix reflects ongoing trends analysis and stakeholder input. We have solicited input from a diverse group of external and internal stakeholders, including our leadership, employees, clients, suppliers, NGOs, and future talent.

We also consult existing reporting frameworks to shape and inform our materiality assessment. We use the Sustainability Accounting Standards Board (SASB) sectoral guidance as a basis for defining our material topics, and we

align our material topics with the ten global principles outlined in the UN Global Compact. We have aligned this report with the GRI standards, WEF Stakeholder Capitalism Metrics, and Task Force on Climate-Related Financial Disclosures framework as well. In the Appendix, we provide index tables to explain our alignment with these standards.

The results of our materiality assessment, depicted in Exhibit 1, include two new topics for 2022—artificial intelligence (AI) and code of client service. Click on a topic to navigate to the relevant section of the report, where you can read more about our approach and our 2022 performance relating to this topic.

Exhibit 1 - BCG 2022 Materiality Assessment

- Client work on social impact
- Community engagement
- Client work on climate impact
- Climate action and emissions
- Talent attraction
- Working conditions
- Diversity, equity, and inclusion
- Learning and development
- Employee well-being
- Business ethics and anti-corruption
- Risk management
- Human rights
- Sustainable procurement
- Supplier diversity
- Data privacy and information security
- Responsible AI*
- Code of client service*
- Safety and security

● Driving Social Impact

● Protecting Our Planet

● Empowering Our People

● Responsible Business Practices

* New topic for 2022

Source: BCG.

UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) ratified by the member states of the United Nations in 2015 provide a blueprint for achieving a better and more sustainable future for all. (See [Exhibit 2](#).) The SDGs include ending poverty, improving health, providing access to high-quality education, and reducing inequalities. They also address environmental challenges, such as tackling the climate crisis and preserving natural environments. The goals represent an urgent call for action by all countries to work in partnership to achieve peace and prosperity for people and the planet.

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 have an impact on all of the SDGs in our work with clients, we believe that collaboration across sectors is imperative, so we place special emphasis on Goal 17: partnerships to achieve the goals.

Beyond our support for our clients and social impact partners, we also have an impact on the SDGs through the projects we support within our carbon credit portfolio as part of our CarbonNeutral® company certification. The primary focus of these projects is Goal 13, climate action, but these projects also deliver secondary benefits that align with other SDGs. For more details, see [Exhibit 10](#) on page 55.

Exhibit 2 - The UN Sustainable Development Goals (SDGs)



Source: United Nations Sustainable Development Goals.

2022 Awards and Recognitions



Achieved an A rating in the 2022 CDP Climate Disclosure for the second year, placing us in the top 2% of companies rated by CDP



Achieved a Gold rating in the EcoVadis supplier sustainability assessment for the third consecutive year, placing us in the top 2% of companies assessed by EcoVadis



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



Maintained the number one ranking in *Consulting* magazine's Best Firms to Work For list, for the ninth consecutive year



Received a perfect score for the 16th consecutive year on the Human Rights Campaign's Corporate Equality Index



Named as one of the 100 Best Companies to Work For by Seramount



Ranked in the Glassdoor Top 10 Best Places to Work list in the US



Rated Best Company for Diversity, Global Culture, Career Growth, and Happiness by Comparably (plus another nine awards)



Rated as one of the World's Top Female Friendly companies by Forbes and Statista



Ranked as one of the top three best consulting firms to work for by Vault for the third consecutive year



Sole corporate recipient of the 2022 Ethical Leadership Award

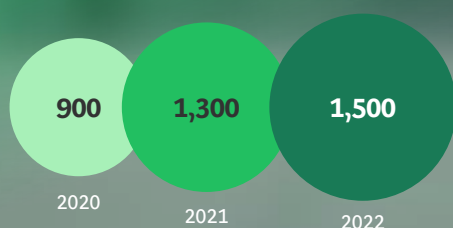
Driving Social Impact



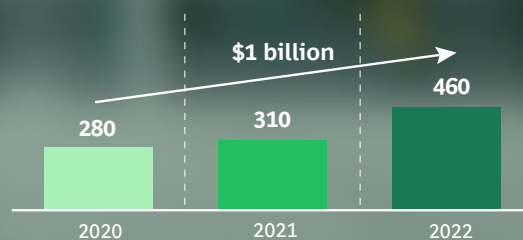
Shenzhen - Hermin,
Senior Associate

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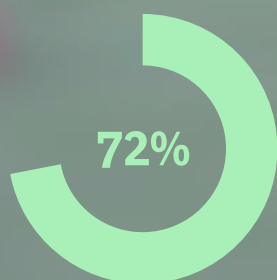
1500+ projects on societal and planetary impact topics completed with **780** clients



>\$1 billion invested to advance societal and planetary impact since 2020¹



72% of our largest clients were involved in at least one societal or planetary impact case in 2022



2,100+ experts at BCG working on societal and planetary impact topics



¹Investments include both cash and in-kind support for societal and planetary impact programs.

2022 Highlights



BCG's Social Impact and Climate & Sustainability practices have been BCG's fastest-growing capabilities, growing exponentially to a dedicated team of more than 2,100 people and delivering impact efforts that represented 12% of BCG's work in 2022. To sharpen our focus and accelerate further in both of these crucial areas, Social Impact and Climate & Sustainability became separate sister practices this year.



Social Impact and Climate & Sustainability are central to BCG's purpose, as 40% of managing directors and partners and 22% of our consulting team worked full time on at least one impact project last year.



In a tumultuous year, BCG responded to multiple unfolding crises. We provided humanitarian support across various phases of the Ukraine war, worked to ensure a better response to the next global pandemic, and helped craft climate risk adaptation and resilience plans for the Global South, among other actions.



As part of our goal to be the most positively impactful company in the world, we're helping some of the world's biggest private sector organizations catalyze change. Last year, we led more than 1,500 societal and planetary impact projects.

2022 in Numbers



~**150** thought leadership publications focused on solving societal and planetary issues in 2022



40% of BCG's managing directors and partners actively involved in societal and planetary impact work



6 key topic areas being worked on, covering Economic Development, Global Health and Education



22% of our consulting team worked on a societal and planetary impact case in 2022

At BCG, we are committed to being the most positively impactful company in the world. This ambition lies at the heart of everything we do and is core to our purpose and values.

For decades, we've dedicated our time and resources to working together with corporate clients, governments, and NGO partners to create positive economic, environmental, and societal impact in ways that are sustainable for the long term. By investing for impact alongside some of the world's leading organizations—and bringing the best of BCG to social impact challenges—we have helped realize change where it is most needed.

As we work to advance progress on the UN's Sustainable Development Goals (SDGs), we strongly believe that the private sector has an important role to play. Scalable social impact initiatives can offer companies and investors an opportunity to be a force for good while driving profit. We help our clients make this link between social impact and business success through authentic ESG efforts and the transformation of their core businesses. We also lead by example through the work of our BCG Social Impact and Climate & Sustainability practices.

Impact at Our Core

At BCG, we bring profoundly different, innovative ways of thinking to the world's greatest challenges. Our goal is to create sustainable advantage for our clients through lasting societal impact and authentic ESG.

Rich Hutchinson, a long-standing member of BCG's global leadership, heads our Social Impact practice. Rich works closely with an extensive global leadership team, including Wendy Woods, BCG's vice chair of Social Impact and Climate & Sustainability. They are supported by BCG's global community of social impact practitioners more than 1,600 strong.

BCG serves our clients not just through our direct social impact projects but by embedding social impact in our work across industries and in our adjacent businesses, including **BCG X** and BrightHouse. Social impact is also a deep part of each BCG office through our support of local communities.

Social Impact Client Work

Our social impact work drives impact and improves lives in six key areas:

- **Economic Development.** Accelerating the end of extreme poverty and improving livelihoods by fostering inclusive growth and opportunity.
- **Global Health.** Making health care more accessible to enable healthy lives for all.
- **Education.** Creating quality education and skills support for all.
- **Diversity, Equity, and Inclusion.** Building more equitable and inclusive businesses and societies.
- **Climate Adaptation and Resilience.** Fostering a just transition to a more sustainable world.
- **Humanitarian Crisis Action.** Strengthening preparedness, immediate response, and longer-term recovery.

We achieve our greatest societal impact in collaboration with our clients. We work in three main client-oriented global social impact business teams:

- **Socially Transformative Business.** We believe that **ESG transformations** are vital to delivering sustainable advantage for corporations as well as the progress needed on the UN SDGs. We help businesses find the most material ways to positively impact people and generate value across their operations—by building equitable and inclusive supply chains and by creating products and services that benefit society. This impact includes increasing health access and equity, bridging digital divides, and improving accessibility of financial products and services.
- **Development Impact.** We focus on scaling impact in areas with the greatest need, primarily in Africa, India, and Southeast Asia. These emerging markets have the lowest achievement of the UN SDGs, with about 85% of the world's extreme poverty forecasted to be concentrated in sub-Saharan Africa by 2030. We partner with bilaterals, multilaterals, foundations, NGOs, and governments to accelerate the delivery of the UN SDGs.
- **Government Impact.** BCG has a rich history of making a strong impact in the public sector, and our government impact teams focus on supporting governments to tackle structural societal divides, enhancing equity and opportunity for those in need.

IMPACT: Bringing Pfizer's Innovative Portfolio of Medicines to the African Union

Societal Problem

Half of the world's population suffers from a health equity gap, living without access to high-quality, safe, effective medicines. In this context, Pfizer announced "[An Accord for a Healthier World](#)" to provide access to innovative medicines for people living in 45 lower-income countries. The program has the potential to improve the health of up to 1.2 billion people affected by deadly infectious diseases, as well as certain cancers and inflammatory diseases.

Partner's Challenge

The toughest challenge has been figuring out how to make the innovative portfolio available across 45 developing countries without defining individual go-to-market strategies. Pfizer sought BCG's assistance in developing a partnership model that mitigates risks, meets regulatory requirements, and ensures high distribution security.

BCG's Contribution

A large part of our work in helping Pfizer achieve this ambitious mission focused on setting up the complex program: designing the initial portfolio, deciding which geographies to include, assessing different options for a go-to-market model, and analyzing and securing the supply chain. We worked on distribution, enabled sustainable prices, and conducted a regulatory analysis to initiate drug approval processes on time while also leveraging existing registrations as much as possible. Finally, we translated the strategy into tangible functional and cross-functional plans.

Partner's Impact

In the months since the program launched in May 2022, it continues to address inequities in global health by providing medicines and vaccines. Rwanda, one of the first countries in the program, has already received medicines for cancers and infectious and inflammatory diseases. But Pfizer also engages in a broader effort to ensure the effective distribution of the provided medicines. To secure the supply of medications in Rwanda, the program optimized the supply chain for the long term and deployed a global health team to the region.

Today, the program continues to expand. Negotiations with other developing countries are ongoing in an effort to align on health care priorities and provide access to medicines to millions of people. In early January 2023, Pfizer announced plans to further expand its Accord for a Healthier World to extend access to the full portfolio of medicines and vaccines to all eligible individuals.



45

lower-income countries
with increased access to
innovative medicines



1.2 billion

with the potential to access
treatment for deadly
infectious diseases

IMPACT: Accelerating an Industry-Leading Supplier Diversity Program

Societal Problem

Minority and women-owned businesses face significant inequities—including disproportionately low representation and access to financing—that contribute to a multitrillion-dollar racial wealth gap in Black and Latinx communities in the US. For decades, major companies have aspired to help close this gap by intentionally shifting their spending to diverse suppliers when they can. And in recent years, in part due to broader recognition of systemic inequity, companies have intensified their focus on supplier diversity programs and have made unprecedented public commitments.

But challenges have arisen along the way, including difficulties in finding diverse suppliers that are large enough, strengthening relationships with those suppliers, and finding ways to embed a culture of intentional inclusion within organizations.

Partner's Challenge

In 2020, a global technology firm made a bold public commitment to supplier diversity, including a specific focus on supporting Black-owned businesses. The company had a plan to help it reach its financial commitment in the near term, but it wanted to embed the goal of supplier diversity into its culture so that any efforts would be sustainable and so that spending would grow over time. In addition, the company wanted its impact to go beyond dollars and cents, to strengthen diverse businesses' capabilities and capacity and drive impact in diverse communities.

BCG's Contribution

Over the course of eight months, BCG worked side-by-side with this company, leveraging our deep subject matter expertise and existing external partnerships with diverse businesses. We focused on four main areas:

- Setting a foundation by bolstering program governance
- Securing advocacy by, for example, activating a network of champions across the enterprise
- Fostering diverse suppliers by establishing mentorship-focused alliances to help them build scale
- Focusing on global expansion, by influencing diverse spending outside the US

Partner's Impact

As a result of our work together, the company has begun to take a leadership position in corporate supplier diversity. It now has a clear line of sight toward a fivefold increase in diverse spending within five years and has secured strong organization buy-in and integration with the firm's culture. The company is making industry-defining moves, pushing the envelope of what large companies can do to support diverse businesses and drive real impact.



New York - Brian, Finance

Spotlight on Development Impact



Scaling Impact in Areas with the Greatest Need

We have deep experience in international development and have delivered more than 600 projects worldwide over the past five years, building a strong track record of driving large-scale change and on-the-ground impact. Collaboration among local BCG offices in key emerging markets across **Africa**, India, and Southeast Asia, along with our global expertise and capabilities, is powering these projects. Social Impact projects make up half of BCG's business in Africa, which has been the fastest-growing system at the firm over the past three years.

Our strong relationships across the public, private, and social sectors give us unique convening power. Our global partnerships enable us to leverage new models and create **more powerful solutions**. For example, over the past two years, our team in Johannesburg has leveraged these relationships to help South Africa define its "just transition" plan and secure more than \$8 billion in climate funding from developed nations.

Increasingly, we are integrating our analytics, AI, and digital capabilities into our development consulting work, and we are among the few players in the development space with this set of capabilities. For example, we have created a geographic forecasting model that uses satellite imagery to provide a 6- to 12-month prediction of deforestation in high-risk areas. Through this early warning system, we aim to help authorities reduce illegal deforestation in Borneo by 30% and to avoid over 200 megatons of CO₂ emissions.

We have worked with the UK Foreign, Commonwealth & Development Office (FCDO) to deliver the £28 million Growth Gateway program to increase trade and investment between UK and Africa. And we were at the forefront of resource mobilization for COVID-19 by supporting the World Health Organization's ACT-Accelerator, which has raised more than \$24 billion for low- and middle-income countries.



\$8 billion

Helping to secure \$8 billion in climate funding for South Africa's "just transition" plan



30%

Supporting a 30% reduction in illegal deforestation in Borneo, helping to avoid 200 megatons of CO₂ emissions



Kuala Lumpur - Racheal, Recruiter

IMPACT: Ensuring Accessible and Inclusive Education Through Reform in India

Societal Problem

Although India has improved access of its young people to school education, learning outcomes remain significantly below expectations. The Annual Status of Education Report 2017 (the most recent edition) indicates that in primary schools, only 26% of 10-year-olds could do division and that 27% of 10- to 14-year-olds could not read texts written for 6- to 9-year-olds. At the secondary level, dropout rates remain high and Indian schools tend to follow a fairly standardized curriculum with limited flexibility, choice, ability to specialize, or links to employability.

Partner's Challenge

State governments in India are responsible for delivering public education but are hamstrung by several structural challenges. Most states must manage very large, unwieldy public education systems consisting of 40,000 to 50,000 schools and about 200,000 to 300,000 teachers per state. There is a teacher shortage of more than 30%, on average, even if underqualified contractual teachers are counted as fully qualified regular teachers. Compounding the difficulty of the situation is a very thin administrative and managerial workforce, with limited monitoring, accountability, and academic expertise. As a result, most states have seen a large shift (over 50%) in the student-age population to private schools in recent years.

BCG's Contribution

BCG has been working with the state governments of Delhi, Rajasthan, Jharkhand, Madhya Pradesh, and Odisha (and collaborating with national public policy think tank NITI Aayog in the last three states) to implement systemic reforms in education. We partnered with all except the state of Delhi to take the following steps:

- Conduct a comprehensive diagnostic of the education systems, and co-create a long-term transformation roadmap.
- Implement key systemic reforms such as school consolidation, teacher cadre restructuring, teacher rationalization, and academic interventions focused on foundational literacy and numeracy and digital skills.
- Institute key accountability mechanisms incorporating management information systems and real-time, data-based school system monitoring.

With the government of Delhi, BCG helped conceptualize and implement Schools of Specialised Excellence, giving students in grades 9 through 12 access to first-of-its-kind specialized education in any field of their choice, under the aegis of the Delhi Board of School Education.

Partner's Impact

Education reform requires a long-term agenda, but the state governments that BCG has worked with are beginning to show gradual but robust improvement in key education parameters. The percentage of schools with an adequate pupil-teacher ratio has risen in each state, and metrics such as teacher attendance show considerable growth. Several districts in Jharkhand, Madhya Pradesh, and Odisha consistently rank among the top districts in education in the Aspirational Districts Ranking and have improved their scores under the central government's education indices.



5 Indian states

supported through school
education transformation program



26 million

children impacted



12-14%

improvement in foundational
literacy and numeracy

IMPACT: Mitigating Climate Risks in Lagos

Societal Problem

The impacts of climate change are being felt across the world, especially in developing countries that face large threats but often have relatively few resources to help them adapt. [Adaptation and resilience efforts are needed now](#) to protect these countries' people, natural ecosystems, and economies—and BCG is working with leaders, including governments, to drive action forward.

Partner's Challenge

Cities around the world are experiencing increasingly severe and frequent climate hazards. The city of Lagos, home to the fourth-busiest port in Africa, with a local GDP of about \$85 billion, is a leading example: its population is on track to double by 2050 to approximately 47 million, and its geographic setting makes it particularly vulnerable to extreme heat, heavy rainfall, and sea level rise.

BCG's Contribution

BCG adaptation and resilience teams have been working alongside the local government since 2021 to develop detailed, plausible, local scenarios for climate change, and to simulate and quantify the resulting impact. We estimated that the total cost of inaction on sea level rise and extreme temperatures could total from \$27 billion to \$34 billion, including GDP loss and infrastructure damage. The social impact would be massive: 700,000 people relocated, 900+ health and education centers disrupted, and sharp increases in poverty and heat-related deaths.

The case teams then leveraged BCG's [climate analytics approach](#) (Climate Impact AI) to identify the areas of the city where the impact on critical infrastructure and on social, natural, and economic systems would be most severe. This led the teams to develop a localized and prioritized portfolio of projects and to assess their social and economic impact. These projects fall into three main categories:

- **Flood-proof critical infrastructure to protect communities and businesses.** Recommended projects include reinforcing existing sea walls, building new sea walls, and restoring mangrove habitats.
- **Protect vulnerable population groups.** Actions include relocating vulnerable people as needed, increasing water access and quality, and retrofitting vital social assets such as health centers and schools to ensure continued access.

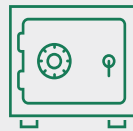
- **Anticipate risk and improve response to crisis.**

Possibilities include integrating climate risks into urban planning and land zoning decisions, creating climate emergency funds, and developing awareness programs to educate vulnerable communities.

Partner's Impact

This work was showcased at COP27. In the linked video, [Governor Babajide Sanwo-Olu discusses how this work is helping Lagos](#) avoid a potential cost of inaction of \$30 billion or more and keep millions of people safe. Now armed with a robust adaptation and resilience plan and a portfolio of projects, Lagos needs to take the next step of [securing funding](#) for the project pipeline from a mix of capital sources—grants, low-cost public funding, domestic capital, climate-focused funds, and commercial investment—and beginning to drive implementation. Private sector engagement will be critical, as these sources can contribute funding to unlock returns or protect their assets and support implementation through innovative A&R solutions.

It may be too late to prevent the crisis from coming at all, but countries still have time to respond and adapt. With comprehensive A&R systems in place, cities like Lagos may find themselves leading the way.



~\$30 billion

of cost potentially avoided through climate risk mitigation plan



~700,000

lives and livelihoods better protected from climate disruption

Spotlight on Government Impact



Working to Bridge Societal Divides

BCG works with governments around the world and often connects private and public sectors to unlock the potential of both. Our social impact work in this area concentrates on helping governments tackle structural societal divides and enhance equity and opportunity for disadvantaged populations. Recent examples span our impact areas, particularly humanitarian crisis action and economic development.

For example, when the **war in Ukraine** broke out in February 2022, the invasion triggered one of the largest humanitarian crises since World War II, prompting a mass mobilization of 5 million refugees and **causing second-order effects** that continue to reverberate through the world today. As in all humanitarian crises, speed was the first priority, with sustained and strategic support essential to achieve lasting impact.

BCG teams have supported Ukraine across three distinct and vital phases of emergency aid:

- **Providing Immediate Refugee Support.** Our teams worked alongside the UN High Commissioner for Refugees and the Polish government to help model **refugee flows and inform an optimal support response**. BCG colleagues across Europe mobilized quickly to create an app to pair refugees with available shelter in the immediate aftermath of the war's onset. In addition, a BCG Digital Ventures team supported **betterplace.org** on **#Unterkunft**, which saw around 50,000 users register 100,000 beds for refugee use within a week of launch.
- **Averting a Food Crisis.** We collaborated with world leaders to highlight the **emerging food crisis** and frame it for action, working with key players at both the UN and the World Economic Forum to identify rapid response scenarios. We also examined the knock-on effect of increasing costs outside Ukraine, in **collaboration with the World Food Programme**.
- **Rebuilding.** We are part of an ongoing project with the European Bureau and European Investment Bank to define a recovery strategy, governance plan, and operating model to help rebuild Ukraine's economy. We also teamed with WWF to **copublish a report** on sustainable economic recovery for the country.



100,000

beds for Ukrainian refugees available within one week



€4 billion

in loans and grants dispersed in Ukraine, by EIB



5 million

people's water and electricity supply maintained, through EIB funding

IMPACT: Ukraine Rebuilding Strategy for the European Investment Bank

Societal Problem

On February 24, 2022, Russian military forces entered Ukrainian territory, violating Ukraine's national sovereignty and multiple international agreements. This marked the start of a full-scale invasion of Ukraine—the first large active military confrontation in Europe since the Balkan conflicts of the 1990s.

The invasion resulted in the displacement of more than 6 million people, and the country has already sustained over \$130 billion in direct infrastructure damage. To allay the massive suffering of Ukraine's people and its economy, the international community is engaged in relief and rebuilding efforts, even as combat continues.

Partner's Challenge

Undertaking a countrywide assistance and rebuilding strategy at the scale required in Ukraine fell beyond the typical mandate of the European Investment Bank (EIB). The task was complex and had strategic implications that didn't fit into ordinary lender-project-beneficiary frameworks. Recognizing these special circumstances, the EIB engaged with an experienced strategy advisor to develop a suitable plan to help.

BCG's Contribution

Aware of the immense need for reconstruction and the relatively low level of available funding, BCG prioritized rebuilding initiatives where the EIB could have the greatest short- and long-term impact. We defined a set of prioritization principles, ranging from ensuring the survival of Ukraine and its people to long-term rebuilding efforts that would maximize economic benefits after the conflict ended. On the basis of these principles, we modeled, scored, and ranked proposed initiatives to find the ones with the highest potential and select them for further detailing and, ultimately, funding. We also helped coordinate approaches among the various international organizations and put in place a coordination framework for the main EU lenders.

Partner's Impact

Since the start of the conflict, the EIB was able to disburse more than €4 billion in loans and grants to the Ukrainian federal government, Ukrainian municipalities, and cross-border efforts. Much of this money was shifted from now-defunct initiatives to high-impact reconstruction and relief projects, including efforts that have maintained water and electricity supplies for over 5 million people. Read more about the impact generated [here](#).



Warsaw - Konrad, Consultant

IMPACT: Extending the Social Safety Net in Morocco

Societal Problem

For years, millions of Moroccans have suffered from a widening gap in health equity. Although the government responded swiftly to the COVID-19 crisis, the pandemic highlighted the importance of improving health access and strengthening social protection programs. In this context, the government announced a transformational sweep of social reforms to be implemented over the course of three years, from 2023 to 2025—an ambitious timeline, given the scope of change involved.

Partner's Challenge

Undertaking a countrywide project with ramifications affecting the lives of millions of people was never going to be an easy task. The government needed assistance in structuring the reform and its main pilots, prioritizing where to start, and ensuring an effective and timely intervention.

BCG's Contribution

Starting with expansion to universal health care coverage, BCG teams looked at the optimal ways to restructure the reform agenda. Our analysis centered on increasing the quality of care, ensuring the financial sustainability of programs, and taking into account interdependencies between informational and regulatory systems. The team provided support to integrate a portion of Morocco's most vulnerable citizens (around 10 million people) into the universal health care scheme, which was completed in a matter of months.

Partner's Impact

As of December 1, 2022, more than 90% of Morocco's people have access to universal health care, up from 42% just months before—one of the most rapid increases in modern history. This has enabled millions of vulnerable families to benefit from significant health access improvements. In addition to free access to public sector hospitals and primary health care centers, these populations can now obtain reimbursement for private care and prescription drugs—a critical shift, as poor access to medication often contributes to worsened health outcomes. Moroccans now also have access to financial support for important procedures, such as surgeries, and specialized expensive drugs for illnesses such as cancer and HIV.

In addition to supporting the effort to expand universal health care, BCG's team worked with the government to model scenarios for expanding child support to vulnerable families, assessing options to extend the country's pension scheme and unemployment benefits, and instituting other reforms. This social protection reform has already yielded positive outcomes in Morocco, with more to come.



90%

of Morocco's population now have access to universal health care



~10 million

most vulnerable people now benefit from improved health-care access

Spotlight on Social Impact Partnerships



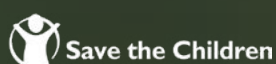
Businesses can play a critical role in building a more sustainable, equitable, and inclusive society if they work together and in collaboration with governments and NGOs. Our global partnerships are a long-standing part of our social impact strategy and investment commitment. We seek to have sustained, ongoing working relationships with leading global social sector organizations to accelerate impact in our areas of focus. (See Exhibit 3.) We work alongside these organizations to help them develop their capabilities, improve their effectiveness, and better deliver on their missions.

We also drive positive change by taking an active role in key business-led forums, such as the World Economic Forum (WEF), World Business Council for Sustainable Development (WBCSD), Thomson Reuters Foundation, and US Business Roundtable. We actively participated in the UN General Assembly week, UN Global Compact Forum, Concordia Summit, and Aspen Institute ESG Summit.

Exhibit 3 - Our Social Impact Partners



Teach For All



Munich - Johannes, Principal;
and Oliver, Managing Director

Spotlight on Local Communities

BCG also has a long-standing commitment to making a difference in our local communities around the globe. In addition to our global Social Impact practice work, we support local NGOs with pro bono consulting, secondments of BCG consultants, and volunteer activities. Not only is this the right thing to do for our communities, but also we believe it is central to keeping our people engaged and attuned to our values.

Our global network of local social impact leaders drives programs in support of social sector organizations. Many BCG offices have centers with sophisticated community impact programming and partnerships, such as the Center for Canada's Future. Most BCG offices organize community service days, in which staff members volunteer at local nonprofits or invite local nonprofits to their offices for full-day strategy sessions.

Any BCG consultant can embed social impact in their BCG career through volunteering, working on a social impact case, or participating in our immersion and secondment programs, which provide a more dedicated experience. All BCGers also have access to learning materials to develop their skills in social impact and to help support this as part of their career.

Helping Young People in Germany Gain Access to the Labor Market

Cofounded in 2008 by BCG and the BMW Foundation, JOBLINGE is a collaboration across Germany's private, public, and social sectors dedicated to helping integrate underprivileged young people into the labor market. So far, JOBLINGE has supported more than 15,000 young people across 30+ locations. BCG supports the program by leading operational and development strategies to ensure further growth and impact. For example, we helped launch JOBLINGE Kompass, a program that helps young refugees integrate into the labor market.

Filling Educational Gaps for Ukrainian Refugees

BCG's Classrooms for Ukraine is a social impact project that originated in our Berlin office. We brought together displaced Ukrainian refugee teachers and displaced Ukrainian children to organize classes and activities that would bridge the gap until government programs were in place. We also offered job placement guidance to adult refugees while their children were in school. We also promoted employment opportunities within BCG itself via the Ukraine Virtual Hub, a global platform connecting Ukrainian refugees with employment opportunities at the firm.

Advancing Inclusion and Equity in Local Communities

BCG's North America Center for Inclusion and Equity partners with leading organizations to help build inclusive cultures, deliver social impact, create business value, and drive systemic change. BCG engaged with Grameen America Inc. (GAI) to enhance access to its unique microloan program, which helps low-income women obtain capital funding. Systemic exclusion of Black women in the financial system is one key driver in the poverty crisis, and the new Elevating Black Women Entrepreneurs ([Elevate](#)) initiative is a viable model for expanding financial inclusion and addressing this gap. The program provides advanced education on loan and financing options, credit scores, budgeting, business plans, and more—all under the umbrella of building a profitable business. In less than a year, the organization disbursed \$2.1 million in loans to nearly 600 Black women entrepreneurs as part of a broader goal of supporting 80,000 Black women entrepreneurs by 2030.

Taking Great LEAPs in Canada

BCG helped found LEAP | Pecaut Centre for Social Impact, a Canadian nonprofit that identifies and scales social interventions that work. Over the past ten years, hundreds of BCGers in Canada have partnered with LEAP to identify, support, and scale more than 25 social ventures. For example, BCG provided strategy and scaling support for the Indigenous Youth Mentorship Program, a youth-led after-school program to support children's well-being, and SNAP, a children's mental health organization that BCG helped scale from 40 to over 240 locations, reaching more than 31,000 children across Canada. Since 2012, LEAP has had a positive impact on more than 2 million of Canada's most vulnerable citizens and helped unlock over \$500 million in economic impact.

IMPACT: Reimagining Technology Education in India

Societal Problem

Higher education is at an inflection point. As technology accelerates at an unprecedented pace, universities around the world are feeling pressure to reinvent themselves. Meeting increasingly complex global challenges and SDGs requires multidisciplinary thinkers who can transcend traditional boundaries of engineering, physical sciences, humanities, social sciences, and business, and solve real problems.

Partner's Challenge

A group of CEOs and entrepreneurs responded to this challenge and came together to build a 21st-century university in India that would reimagine technology education and research for a changing world. This effort entailed rethinking everything about a university, including programs, research focus, organization, and financial sustainability. It also meant building an institution from the ground up.

BCG's Contribution

BCG's team was part of the founding group that helped conceptualize and establish Plaksha University from scratch and detailed the pillars of a new model of 21st-century higher education.

To help make that happen, BCG undertook the following actions:

- We supported Plaksha through its end-to-end journey—conceptualizing the mission and plans, selecting land, fundraising from philanthropists and marquee corporations, entering global academic partnerships, and recruiting faculty.
- Along with distinguished academic experts, we offered guidance on creating and launching pioneering interdisciplinary academic programs at the undergraduate and graduate levels.
- We provided support, including ensuring funding, to set up research centers focused on some of today's biggest challenges—clean energy and climate, digital agriculture, water security, and digital health.

Partner's Impact

Plaksha University is now a 50-acre campus in India with distinguished leadership and faculty from top institutions such as MIT, Stanford, Oxford, Cornell, and the Indian Institutes of Technology. Plaksha has more than 75 founders from across Asia, North America, and Europe, as well as deep partnerships with institutions including the University of California at Berkeley, Purdue, Cornell, and the University of California at San Diego.

It has used a selective admission process to recruit a highly meritorious founding cohort of students, and it has already established industry-sponsored research centers that focus on clean energy and digital agriculture. In addition, the university is in advanced discussions with industry for an ambitious Digital Terrascope initiative, which will enable massive collection, curation, and use of data for public good.

In 15 years, the university will have more than 8,000 high-quality students and 500-plus faculty members. Plaksha will enable transformative impact through its alumni and research centers, and it will pioneer a new playbook for technology education for the coming decade.



8,000

students to be enabled with
high-quality technology education



4

strategic partnerships established
with leading education institutions



75

founders involved in opening
Plaksha University

Spotlight on Thought Leadership

In addition to driving impact with our clients, we amplify our impact through deeper research and by publishing content about our unique approaches to global challenges. In 2022, we shared myriad insightful content across six priority topic areas correlated to the UN SDGs. We

also published several reports in collaboration with organizations that share our dedication to positively impacting the world, and a series of Executive Perspectives on the effects of the war in Ukraine, offering insights relevant to leaders in the public and private sectors.

A Selection of Articles Reflecting Our Social Impact Thought Leadership in 2022

ESG and Sustainable Investing

01

From Compliance to Courage in ESG

02

Social Responsibility: How business leaders can turn ESG into a competitive edge—and a calling

03

Directors Can Up Their Game on Environmental, Social, and Governance Issues: The BCG-INSEAD Board ESG Pulse Check

04

It's Time for Institutional Investors to Embrace the S in ESG

Humanitarian Crises/Food Systems

01

The War in Ukraine and the Rush to Feed the World (co-authored by Ertharin Cousin)

02

Four Futures for the Global Food System

03

Closing the Food Waste Gap

04

Migration Matters: A Human Cause with a \$20 Trillion Business Case (in partnership with UN IOM)

Diversity, Equity, and Inclusion

01

Know Where You Stand to Take a Stand on Equity

02

To Fix the Labor Shortage, Solve the Care Crisis

03

How Google Approaches Supplier Diversity

04

The Importance of Being Equitable in Product Design

Education and Skilling

01

A Human Approach to Closing the Digital Divide (in partnership with Comcast)

02

Education as a Catalyst for Climate Progress (in partnership with Educate Girls, The Education Commission, Education Outcomes Fund, and Malala Fund)

03

Why Children Are Unsafe in Cyberspace (in partnership with the Global Cybersecurity Forum)

04

What a Multicountry Study Reveals About K–12 Education Models for Students with Disabilities

Global Health

01

Biopharma's Role in Achieving Health Equity

02

Finding the Signal: Harnessing Artificial Intelligence and Advanced Analytics at the Intersection of Climate and Global Health (in partnership with USAID)

03

How Public-Health Leaders Can Fight the Next Pandemic

04

The Future of Digital Health

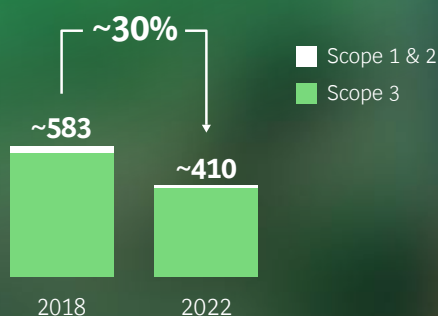
Protecting Our Planet



Amsterdam - Thom, Associate

[Contents](#)

~**30%** reduction in BCG's carbon footprint compared to our 2018 baseline



>**2,000** climate and sustainability impact cases delivered since 2020



renewable electricity used to power our offices of our operations certified as CarbonNeutral®



>**\$500 million** invested in climate and sustainability initiatives so far this decade¹

¹Investments include both cash and in-kind support for climate and sustainability initiatives.

2022 Highlights



Climate and sustainability consulting is the fastest-growing topic across all areas of BCG's business. In 2022, we deepened our client support across all sectors and geographies, totaling close to 1,000 climate and sustainability projects with more than 500 organizations.



BCG was the leading consultancy engaged in shaping global climate action, working across sectors and geographies. For the second year in a row, we were the exclusive consulting partner to COP, and we supported the UN High-Level Climate Action Champions.



BCG was recognized on the CDP Climate A List for the second consecutive year. CDP is widely recognized as the gold standard of corporate climate transparency. The CDP Climate A List acknowledges companies that are leading the way on action to cut emissions, mitigate climate risks, and advance the low-carbon economy.



We acquired Quantis, a sustainability consulting firm, to further strengthen our climate and sustainability expertise and help us lead the global transformation toward a new planetary economy in which business gives nature a seat at the table.

2022 in Numbers



90+ thought leadership publications focused on various climate and sustainability topics



\$16/tCO₂e our blended carbon price in 2022 per metric ton



94% reduction in Scope 1 and 2 emissions intensity since 2018 (tCO₂e per FTE)



60% reduction in Scope 3 business travel emissions intensity since 2018 (tCO₂e per FTE)

2022 was a year of great turmoil economically, politically—and also environmentally. Continuing to combat climate change and the broader planetary crisis remains a top priority for BCG. Despite the urgency of the climate crisis, countries are still falling short in taking action to reduce global emissions. In fact, 2022 emissions are forecasted to be the highest in recorded history.⁵ Presented with this context, BCG is partnering with businesses and governments to help them transform and build a more sustainable and resilient world. This is the right move not just for the good of the planet but also for the long-term sustainability of our clients. We are committed to shaping the global agenda through our climate partnerships and leading by example by staying on track on our own net-zero transformation.

Climate and Sustainability as Our North Star

Extreme environmental events in 2022 exposed the devastating effects of our changing climate: the warmest summer on record in Europe, heavy rainfalls causing floods and landslides in Asia, extreme waves of cold in the US, and more. Undeniably, our planet is changing rapidly, and we are insufficiently prepared. We face the double difficulty of curbing our planetary footprint to minimize additional disruptions while adapting to the consequences of our already altered environment. The challenges extend to other critical risks to our planetary health, such as waste management, air pollution, ocean plastics, and biodiversity loss.

Despite these challenges, there were signs of hope. COP27, the UN Climate Change Conference held in November 2022 in Sharm El Sheikh, Egypt, endorsed the first global plan focused on adaptation and resilience to climate change, known as the Sharm El Sheikh Adaptation Agenda, and delivered an important agreement on a climate-related loss and damage fund, a key aim of the COP27 presidency. At COP15, the UN Biodiversity Conference held in December 2022 in Montreal, countries from around the world adopted “30x30,” which aims to protect 30% of the planet’s land and water by 2030. The private sector continues to be a major contributor to progress on these fronts, delivering on pledges and driving climate action along value chains.

As a leading management consulting firm with global reach and intellectual diversity that spans every significant industry and function, we want to engage with all players that are willing and motivated to make a difference. Our aim is to put climate and sustainability at the top of all clients’ agendas, starting with those that have the largest footprints, in both the private and public sectors. By doing so, we can achieve positive impact on a planetary scale. Today, we work with about two-thirds of our highest-emitting clients on climate and sustainability projects, and we are committed to increasing this number to 80% in 2023. In addition, we work with many governments around the world on their strategies for carbon emission mitigation and for climate change adaptation and resilience.

We recognize the complexity of this work and the importance of ensuring that we have a positive influence on the planet and that we align our efforts with the goals and spirit of the Paris Agreement. We have established clear internal policies and processes to assess the climate projects we take on. We have identified areas of work that we will not do, and we flag other high-risk topics that an internal BCG committee must assess on a case-by-case basis.

We also understand the need to balance environmental concerns, such as emissions and pollution reduction, with social considerations, such as a just transition, gender equity, energy access, and economic development, and we recognize that a regionally differentiated approach is often necessary.

We will continue to refine our policies and approach as we deepen our engagement. By treating our climate and sustainability agenda as a North Star for all our engagements, we can help organizations work toward a sustainable future for themselves while also helping to secure the future of our planet.

5. Source: Global Carbon Project: [2022 Global Carbon Budget](#).

Our Team and Expertise

In 2022, BCG set up a dedicated Climate & Sustainability practice, which functions in collaboration with the Social Impact practice and all other BCG practices. Hubertus Meinecke, the global leader of this practice, works closely with an extensive global leadership team, including Rich Lesser, BCG's global chair, to advance our work on this crucial agenda.

The breadth of work related to protecting our planet extends across six topic areas:

- Climate and sustainability transformation
- Decarbonization solutions
- Sustainable food and nature solutions
- Sustainable operations
- Sustainable finance and investing
- Green tech, innovation, and growth

Issues related to climate and sustainability continue to evolve. Although the science is clear, the solutions sometimes aren't. With this in mind, we launched a Climate & Sustainability Academy at BCG—a program to help us train our staff and clients with the latest developments and insights across the full spectrum of planetary challenges. The Academy rests on five pillars, ranging from raising awareness of climate and sustainability issues across our entire staff to highly prestigious training programs for our deepest experts. We highlight three initiatives below.

Stewardship Program

More than 130 BCGers have participated in this intensive, 80-hour training program developed and launched in partnership with the Judge Business School at the University of Cambridge and the Climate School at Columbia University, and taught by leading professors. The program involves one week of classes on campus and 40 hours of virtual learning covering a broad range of climate and sustainability topics. We plan to add a third university in the Asia-Pacific region in 2023 and run both a spring program and a fall program, thereby tripling participation.

Accelerator Program

This 16-hour foundational training program is designed to educate the wider BCG population, as well as our clients, on the critical topics of climate and sustainability. This program combines asynchronous self-paced modules and live virtual masterclasses run by internal and external experts. Following a pilot version of the course conducted in 2022, 3,000 BCGers will participate in this training in 2023.

Climate & Sustainability Learning Hub

This online learning hub houses more than 20 climate and sustainability learning journeys with content developed and curated by BCG experts covering a broad range of related topics. This hub's goal is to provide easy-to-digest, on-demand resources for our staff to increase their skills on relevant climate and sustainability topics for their case work or to provide additional learning opportunities. In 2023, we will offer credentials on many of these topics.

Beyond increasing the size of our own team, we are proud to have acquired [Quantis](#), a pioneering environmental sustainability consultancy with more than 250 consultants. For more than 15 years, Quantis has focused on supporting organizations in achieving sustainable business transformations.



1,500+

BCG experts work on climate and sustainability topics across industries and geographies



130

BCGers participated in an intensive 80-hour climate stewardship program

Accelerating Climate and Sustainability Impact with Corporate Clients

Climate and sustainability consulting continues to be one of the fastest-growing capabilities at BCG; the number of projects has increased sixfold since 2019. We support clients in all sectors and geographies, pursuing a total of nearly 1,000 climate and sustainability projects with more than 500 organizations in 2022. We expect demand for our climate and sustainability consulting services to continue to grow across clients, sectors, and geographies—but also to deepen in terms of the types of engagements we have with clients, moving from setting ambitions to implementing action plans for footprint reduction.

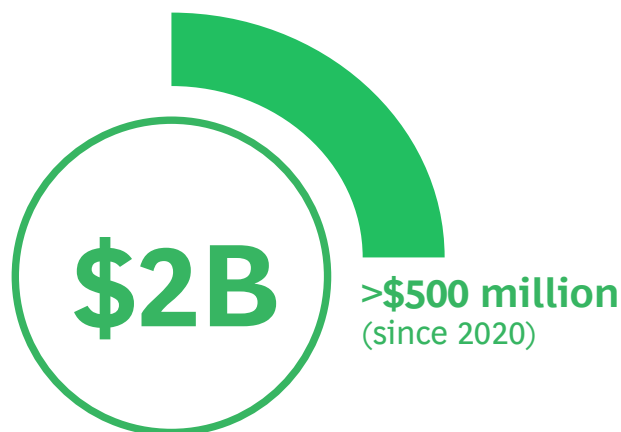
Our work spans all aspects of the sustainability transformation, including setting and developing ambitions, making operations sustainable, and growing new sustainable businesses. As discussed in [our research](#), we believe that AI can help solve the climate crisis. We continue to develop proprietary AI-powered tools such as [CO₂ AI](#), [Circelligence](#), and [Climate Impact AI](#) that enable our clients to accurately measure their carbon footprint, strategically reduce emissions throughout their value chain, embed circular economy principles to drive more value from fewer raw materials, and facilitate socioeconomic optimization of climate adaptation investments.

Recognizing that no single company can solve this crisis alone, we invest in partnerships with other leading organizations. In 2022, we launched a partnership with [SAP](#) to enable our clients to holistically monitor and report on ESG progress. BCG is now a recognized leader in helping businesses define and deliver on their net-zero and nature-positive aspirations, as demonstrated by our [Gold Accreditation](#) from CDP, our participation in the [SBTN Referral Program](#), and our membership in the [IFRS Sustainability Alliance](#).

In 2022, we also launched our lighthouse program, in which we partner with leading organizations globally on their sustainability transformation. For example, we are partnering with heavy emitters such as JSW Steel on their decarbonization journey and support the growth of green energy with leading companies like China Light & Power.

In 2020, we made a \$400 million commitment to advance climate action with clients and partners. We have already invested more than \$500 million in climate action this decade, driven by the rapid growth outlined above. Recognizing this strong progress, we have increased our commitment to \$2 billion by 2030, which we will use to broaden and deepen our climate partnerships, advance thought leadership, and expand BCG's capabilities.⁶

\$2 billion commitment to advance climate action this decade



6. Investments include both cash and in-kind support.

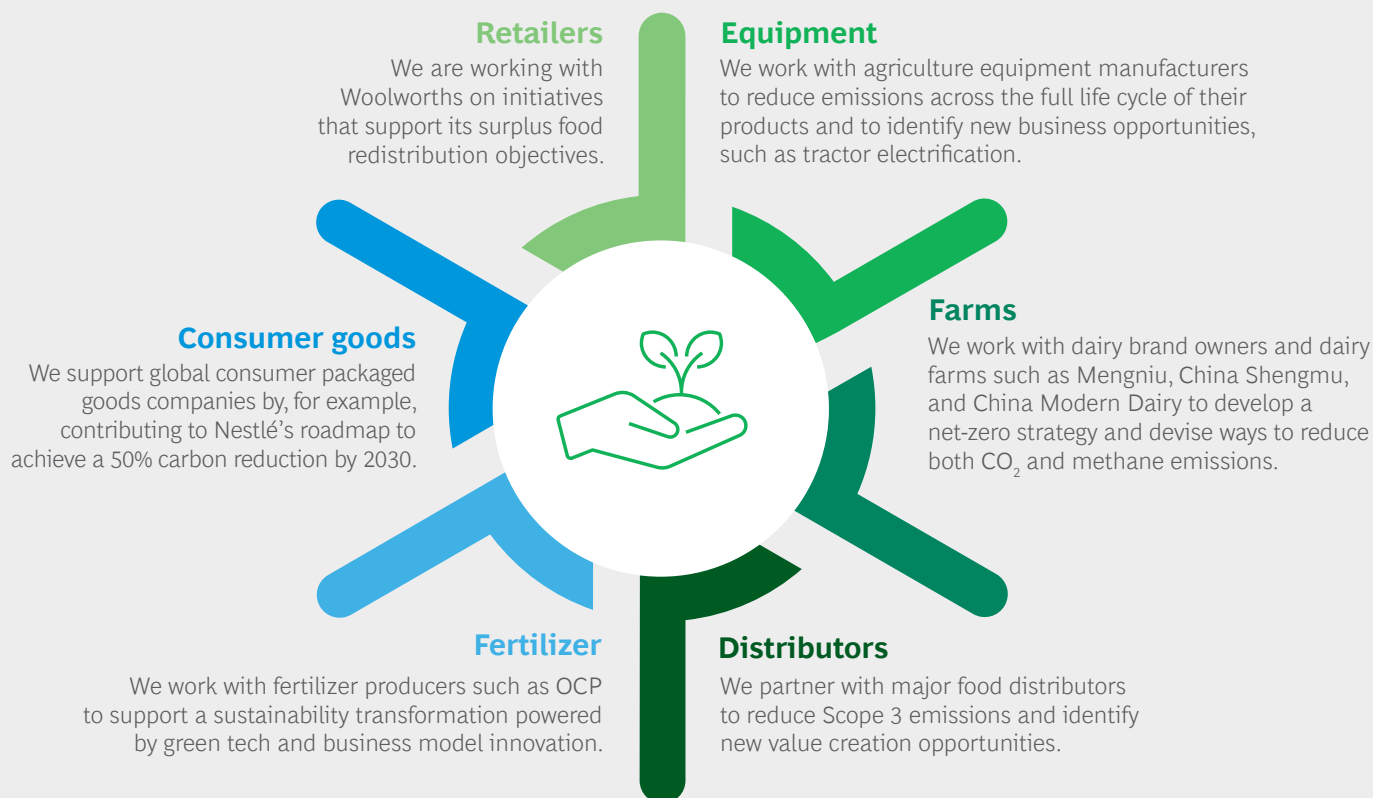
Advancing Sustainable Food Systems

The world's population passed 8 billion in 2022. The challenge of feeding this growing population comes with a set of environmental consequences. Food production and distribution affect all of the largest environmental concerns. For example, one-quarter of the world's greenhouse gas emissions result from food production, and the indus-

try is a primary driver of biodiversity loss. Like a stable climate, biodiversity is a crucial aspect of a resilient and functional planet, including the ability of healthy ecosystems to store carbon and to supply resources.

We engage holistically with players at every link of the food value chain to combat climate change and biodiversity loss for a sustainable and resilient food supply:

Exhibit 4 - How BCG Is Advancing Sustainable Food Systems



Source: BCG analysis.

Thought Leadership Publications



Agribusiness Can Lead the Shift to Sustainable Finance



Four Futures for the Global Food System



The Untapped Climate Opportunity in Alternative Proteins

IMPACT: Decarbonizing Dairy Value Chains

Partner's Challenge

The dairy industry faces many obstacles on the road to lowering its environmental footprint, including direct and indirect emissions of various greenhouse gases (GHGs) from feed production, and methane and nitrous oxide emissions from livestock manure. Methane, a highly potent GHG, is a natural by-product of the digestion process. Mengniu, a leading Chinese manufacturer of dairy products, sought to implement a strategy for its value chain that would address these emissions and enable it to reach net zero by 2050.

For this purpose, the company needed to procure tools for accurately tracking emissions, implement best-practice sustainable farming principles, and find ways to collaborate, communicate, and train employees along the value chain.

BCG's Contribution

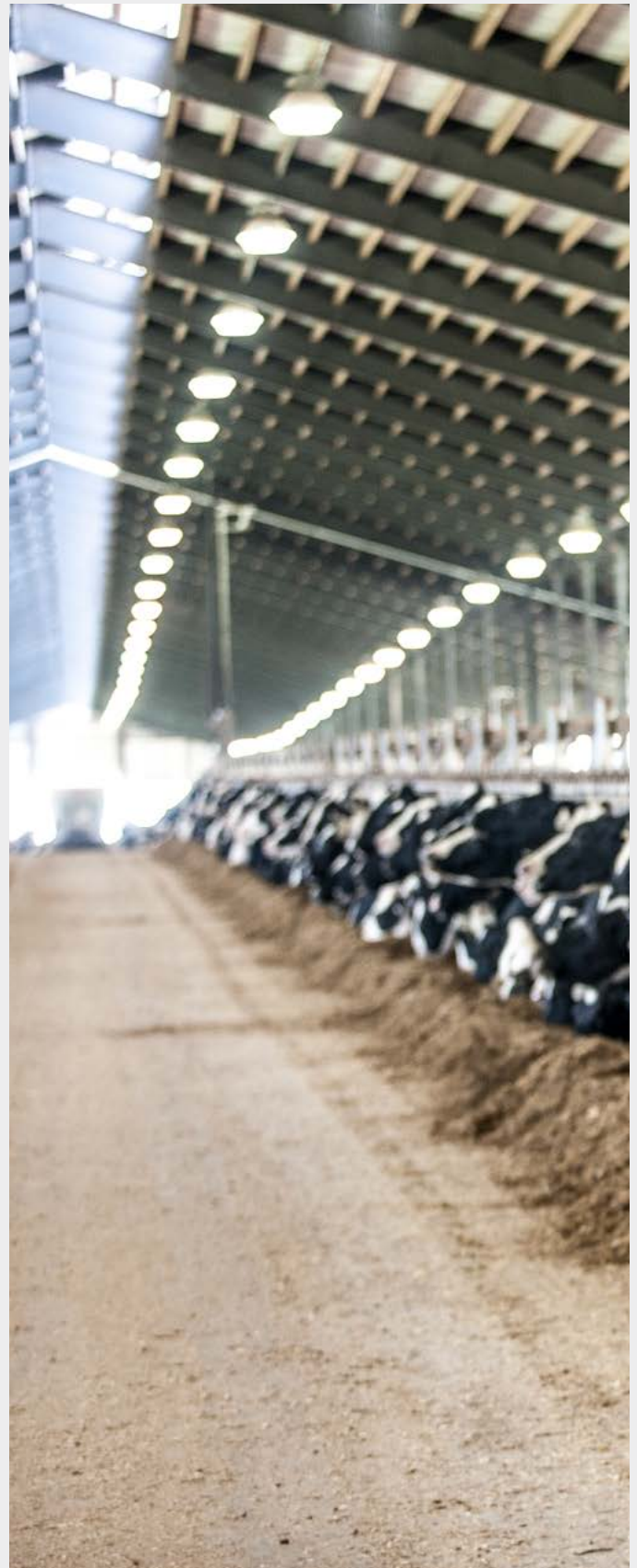
BCG worked closely with the company and its main suppliers, China Modern Dairy and China Shengmu, to embed sustainability at all layers of the company.

Operationally, we helped Mengniu develop low-emission farms, working with the company's partners to get a holistic view of current output through a carbon emissions inventory, spot tests to collect missing data, and comparative analysis of emissions structures. We identified key reduction levers and simulated carbon emission curves, and then developed multiple initiatives that we turned into detailed implementation plans. In one example, China Shengmu now converts deserts, where its farms are located, into forests and grasslands for feed cultivation.

On the management side, we facilitated leadership discussions of priority initiatives on the basis of cost-benefit analysis. We helped the company upskill its workforce and delivered models to ensure effective governance, giving farm managers and key employees the capacity to carry out carbon audits independently.

Partner's Impact

The program put Mengniu, China Modern Dairy, and China Shengmu on a path to reduce the amount of methane arising from their operations and to decarbonize their farming activities and achieve net zero by 2050.



Helping Mobility Accelerate Climate Action

2022 marked the end of the global pandemic for most of the world's population, and with it the reopening of borders and a return to travel for many. Global CO₂e emissions decreased by 6% during the pandemic, and the mobility sector was disproportionately impacted—down 10%.⁷ In 2022, however, mobility sector emissions rebounded quickly and have returned pre-pandemic levels.⁸ Although transportation accounts for a relatively small share of global emissions today, it is projected to grow in importance over time. And while some decarbonization technologies such as flight electrification and hydrogen-

powered shipping are still being developed, many solutions—for example, light-vehicle electrification, sustainable and synthetic fuels, and shared economy technologies—are ready to be deployed at scale to decarbonize mobility. It is therefore critical to move fast, both for our planet and for industry players.

We recognize that transforming the mobility sector is too complex for any single player to accomplish. We therefore partner with organizations across the mobility sector and all parts of their value chains.

Exhibit 5 - How BCG Is Helping Mobility Accelerate Climate Action

Manufacturing

We worked with Schaeffler Group, a global automotive and industrial supplier, to turn its ESG and climate ambitions into tangible targets and actions. And we've helped various auto manufacturers improve the transparency of their emissions footprint and define their net-zero roadmaps.

Materials

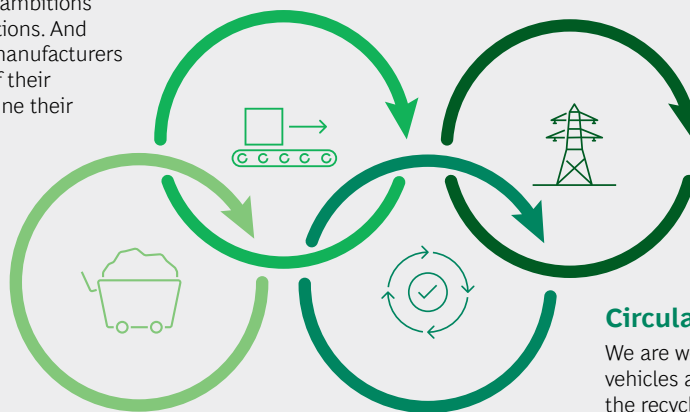
We have worked with metals miners to reduce emissions and set targets. We supported JSW Steel in decarbonizing its largest steel plant, setting it on a path to cut 9 million tons of CO₂ from just one location by 2030. (See more details on JSW Steel on page 39.)

Infrastructure

We are partnering with the UK government to catalyze the rollout of EV charging infrastructure. We are supporting players such as ASPI to build their ESG foundations and meet stakeholders' expectations, as demonstrated by top ratings from various agencies. We conducted a deep dive on decarbonization strategies and climate resilience in the face of more frequent extreme weather events.

Circularity

We are working on improving the circularity of vehicles and their components by increasing the recycling rate and extending the lifespans of materials. For example, we are supporting ATD's plans to develop recycling value chains and Sibanye-Stillwater's efforts to develop a European supply of low-carbon battery metals (virgin and recycled material).

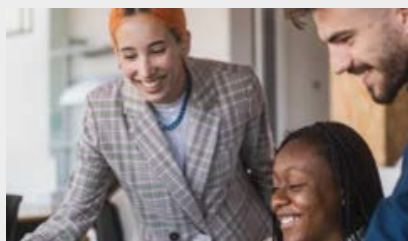


Source: BCG analysis.

Thought Leadership



What the Shift to Zero-Emission Vehicles Means for Commercial Transportation



Six Pitfalls to Avoid When Mobilizing for Sustainability



Greener Steel, Greener Mining?

7. Source: Carbon Brief.

8. Source: IMF, 2022.

IMPACT: Large-Scale Decarbonization Efforts at JSW Steel

Partner's Challenge

JSW Steel, a leading steel manufacturer in India and one of the fastest-growing companies in the world, has set an ambitious sustainability agenda with clear commitments aligned to the country's nationally determined contributions to climate change abatement as defined by the Paris Accord. Specifically, the company aims to reduce its CO₂ emissions by more than 42% by 2030 throughout its production value chain, without compromising its growth ambitions. This is a challenging task for any steel company, but especially so in emerging markets such as India, given their heavy reliance on ore-based ironmaking (using blast furnaces with coking coal input) as opposed to using scrap for steelmaking as companies in many developed economies do.

JSW Steel has raised a sustainability linked bond to help accelerate timelines to achieve its aspirations. Consistent with its intention to be a leader in the decarbonization of the steel industry and in the transparency of its actions, JSW Steel participates in the CDP climate change disclosure program. It is the only manufacturing company from India, and one of three steel companies globally, to achieve an "A" (Leadership) rating, the highest possible.

BCG's Contribution

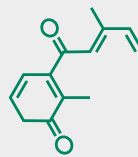
In 2022, JSW Steel began its partnership with BCG to pursue its decarbonization agenda at its largest integrated steel plant, in Vijaynagar, in the state of Karnataka, India. The partnership covers three major priorities:

- **Integrate decarbonization into plant performance.** We helped create a granular view of shop- and material-level CO₂ contributions, along with a comprehensive scorecard to track the top 35 KPIs that have an impact on emissions and a method for integrating that scorecard into plant performance review systems. We deployed digital tools and dashboards for enhanced transparency on emissions metrics and for seamless tracking and reporting of identified initiatives and levers for emission reductions.

- **Design and implement climate "lighthouse" projects.** We helped design and prioritize more than 100 shop-level climate initiatives, which have now reached various stages of implementation. These initiatives incorporate several best-in-class solutions, while also focusing on practices that can be implemented using existing technology to quickly gain efficiency.
- **Support change management and governance.** We helped support organization-wide change management by actively training more than 35 climate champions, running workshops for more than 500 employees, and driving employee sensitization to the importance of sustainability.

Partner's Impact

The program is helping JSW Steel redefine and achieve its CO₂ emissions reduction ambitions. The company is now on track to cut 9 million tons of CO₂ from just one location by 2030 through the identified initiatives. The company now aims to replicate this program across all its other locations to drive even larger at-scale reductions in carbon emissions.



9 million tons

Helping JSW steel cut 9 million tons of CO₂ by 2030

IMPACT: Roadmap to Net Zero for a Leading Global Truck Manufacturer

Partner's Challenge

A leading global manufacturer of trucks and commercial vehicles committed to building a net-zero supply chain by 2040. The CO₂ reduction plan had not yet been operationalized, and emissions measurement was mostly manual, making it difficult to implement and account for reductions. The company's procurement sustainability department wanted to set concrete emissions reduction targets and establish an IT solution to increase the transparency and management of the company's Scope 3 upstream footprint.

BCG's Contribution

BCG supported the client by applying a holistic transformation approach to its procurement process. We helped the company define a CO₂ reduction pathway through 2040 based on commodity-specific CO₂ reduction levers. The final CO₂ reduction repository included 50 actionable levers and ways to engage with suppliers, as documented in a procurement handbook and tested with suppliers in a series of workshops. In addition, the company deployed BCG's **CO₂ AI** footprint calculator, providing transparency on CO₂ for all commodities and purchased parts, including giving all buyers the ability to view and manage the footprints of their purchasing categories and update specific emission factors.

Partner's Impact

Through our work, the client has a clear view of and confidence about the actions required to build a net-zero supply chain by 2040.



Climate Risk, Adaptation, and Resilience

Climate change and its effects are no longer just a potential risk for companies, governments, and societies. Environmental disasters such as floods, wildfires, extreme heatwaves, heavy rainfall, and droughts already affect millions of people, businesses, economies, and natural ecosystems around the world. Global leaders must address the climate hazards that will affect us all. To do so, governments and companies will have to develop local adaptation and resilience strategies to address the complexity of the problem and preserve human life. BCG tackles this challenge holistically, in cooperation with our clients, by moving climate-risk assessment, adaptation, and resilience to the top of corporate and government agendas.

BCG Thought Leadership

1. Localize Your Climate Adaptation Plans
2. How South African Mining Can Address Climate Change Challenges
3. Make Climate Adaptation a Top Business Priority

Supporting the Sharm el-Sheikh Adaptation Agenda

Although climate action is accelerating, mitigation alone is not enough. Global action on the topic of adaptation and resilience is urgent. To respond to this challenge, the COP27 Presidency, in partnership with the UN Climate Change High-Level Champions and the Marrakech Partnership, launched the Sharm El Sheikh Adaptation Agenda. This agenda identifies 30 adaptation outcomes needed by 2030 across five key impact systems—food security and agriculture, water and nature, human settlements, oceans and coastal areas, and infrastructure—with planning and finance as critical cross-cutting enablers.

BCG collaborated with the UN Climate Change High-Level Champions to conduct research and analyses on what it will take to achieve these outcomes by 2030. We published the resulting work as a series of four coauthored reports, launched at COP27. (See the links to the reports below.)

The reports explain the context and challenges across systems, and they detail the global actions needed to achieve the Sharm El Sheikh Adaptation Agenda. Together with the High-Level Champions, we presented these insights at COP27, providing a platform to rally action from public, private, and civil sectors and institutionalize adaptation and resilience as a critical pillar of the global climate agenda.

The BCG teams built on their global experience supporting the adaptation and resilience efforts of public and private sector clients and complemented these insights with additional research, expert interviews, and close collaboration with the High-Level Champions. We will continue to bring our partners the latest insights and thinking to help shape the global agenda on adaptation and resilience.



2030 Adaptation Outcomes for Adaptation & Resilience Planning



2030 Adaptation Outcomes for Adaptation & Resilience Finance



2030 Adaptation Outcomes for Food & Agriculture



2030 Adaptation Outcomes for Human Settlements

IMPACT: Planning for Adaptation and Resilience in Southeast Asia

Partner's Challenge

Southeast Asian countries are severely vulnerable to climate hazards, such as sea-level rise and cyclones, and are among the countries most affected by extreme weather events. In some of these countries, the majority of the population lives in low-lying coastal areas with many city dwellers inhabit informal, impermanent settlements. Many countries in the region have lost large parts of their forests over the past 75 years.

BCG's Contribution

BCG partnered with a Southeast Asian government and the UK Foreign Commonwealth and Development Office (FCDO) to create a framework and a roadmap to enable the development of a full national adaptation and resilience plan, guided by best practices from UN standards and best-in-class principles defined by BCG to identify key gaps.

We began with an integrated, analytics-powered approach to responding to sea-level rise in one province. With BCG's proprietary Climate Impact AI tool, we conducted a pilot and quantified the future effects of sea-level rise on people, ecosystems, and economies at a granular level. We found that the impact of not taking action would include the displacement of 100,000 people, at a cost of about \$3.2 billion, resulting in an 8% decrease in provincial GDP and potential damage to about 50% of the province's wetlands.

Impact

The work has empowered decision makers with the insights needed to develop a robust adaptation plan, prioritize adaptation and resilience projects optimized for socio-economic ROI, and mobilize funding using evidence-based analysis. The results also revealed an opportunity to leverage public-private partnerships with local conglomerates and multinationals whose assets are also vulnerable. These partnerships could provide funding for adaptation projects that will protect both private assets and local communities.

The next step is for the government to roll out the approach across the country, developing a portfolio of adaptation and resilience projects, and engaging stakeholders and investors in their funding and implementation.



Shaping the Global Agenda

BCG has continued to help shape the global response to the climate crisis, broadening and deepening our engagement with leading climate actors:



COP27

BCG assisted the Egyptian government in preparing and organizing the UN Climate Change Conference (COP27) in Sharm El Sheikh. As part of our engagement, BCG supported Dr. Mahmoud Mohieldin and Nigel Topping, the UN High-Level Climate Action Champions, in their Race to Zero and Race to Resilience campaigns. BCG also substantially contributed to the definition of the Sharm El Sheikh Adaptation Agenda & Adaptation Outcomes by 2030.



World Economic Forum

BCG supported various climate initiatives at the World Economic Forum, including the [Net-Zero Challenge](#), [Mission Possible Platform](#), Natural Climate Solutions Alliance, and Global Future Council on Net Zero Transition. In 2022, Rich Lesser, global chair of BCG, continued to act as chief advisor to the WEF's Alliance of CEO Climate Leaders. We also continued to partner with the WEF and the US State Department to expand the [First Movers Coalition](#), a group of forward-thinking companies ready to jump-start global demand for critical emerging climate solutions, helping to mobilize the necessary investments and draw down costs.



CDP

BCG established a worldwide exclusive strategic partnership to accelerate the decarbonization of supply chains. Together, we developed the CO₂ AI Product Ecosystem, the reference platform for product-level climate and environment data sharing. Beyond the platform, BCG is supporting CDP on its most pressing strategic questions.



EDCI

We supported the private equity community in its efforts to drive convergence around meaningful ESG metrics and generate comparable, performance-based ESG data. To enable this process, we helped launch the ESG Data Convergence Initiative (EDCI). The initiative has seen remarkable growth in its inaugural year, with more than 250 private equity firms representing \$25 trillion of assets joining it and over 2,000 portfolio companies participating in the inaugural benchmark.



WWF

2022 was the ten-year anniversary of BCG's long-standing partnership with the World Wide Fund for Nature (WWF). Jointly, we provided insights on various topics and co-published reports on deforestation, plastics pollution, and net-zero pathways.

We also continued to work with leading climate and sustainability actors such as the SBTi, SBTN, VCMI, Breakthrough Energy Catalyst, and WBCSD.

Advancing the Climate Action Agenda with COP27

Climate action requires radical collaboration across businesses, investors, governments, and society. In November 2022, Egypt hosted thousands of representatives from these groups at the 27th Conference of the Parties to the UN Framework Convention on Climate Change (COP27) in Sharm El Sheikh. COP27 made real progress in advancing the agenda of the Global South, including agreeing to establish a first-ever loss and damage financial facility in response to long-time demands and elevating concerns related to adaptation, water, food, and a just transition. For our viewpoint on the progress made at COP27 and the priorities for the years ahead, see [COP27: An Inside Perspective](#).

BCG's senior delegation of climate experts attended the conference, as did a large number of leaders from around the world. Overall, COP27 saw a marked shift in emphasis from pledges to action. For example, Egypt announced a \$15 billion Nexus on Water, Food and Energy package of

mitigation, adaptation, and development projects, with a novel joint approach on all three topics. And the Just Energy Transition Partnership, launched with \$20 billion in initial funding, will help Indonesia pursue renewable energy over fossil fuels, with the potential for additional agreements with Vietnam, Senegal, and India to follow.

Despite progress, climate change remains this century's defining challenge. At COP28 in 2023, leaders will deliver the first worldwide assessment—the “global stocktake”—of progress toward limiting global warming and addressing its impact. The world will be found wanting. This global stocktake will also have to identify urgently needed solutions to close gaps in mitigation, adaptation, and finance by 2030 to get the world on track to meet the Paris Agreement temperature goal. Subsequent COPs must make critical progress in raising ambition, implementing effective policies and regulations, and delivering impact through projects at pace and scale.



What Doing the Work Means



A Key Demand Center



Sustainability Is a Team Sport



Adaptation and Resilience Needs Business Support



What Gets Measured Gets Financed



Our Best Bet for Progress

Advancing Climate Action Through Thought Leadership

The world faces complex climate and sustainability problems that require holistic approaches in cross-sector collaborations. BCG's environmental research provides a fact base for climate transformation. We released 90 thought leadership publications focused on various climate and environment topics, including climate technology innovations, AI solutions, sustainable consumer behavior, sustainability as a strategic advantage, decarbonization of various industries, and circularity. We also released episodes of “The So What from BCG” podcast series on the topic of sustainability to prepare business leaders and executives for the future. We have highlighted some of these key thought leadership pieces below.



90

thought leadership publications
focused on various climate and
sustainability topics

A Selection of Articles Reflecting Our Climate and Environment Thought Leadership in 2022

- | | | | |
|--|--|---|--|
| 01
Technology Is the Fast Track to Net Zero | 02
AI Is Essential for Solving the Climate Crisis | 03
Better Climate Financing Depends on Better Data | 04
Deep Tech Powers New Net-Zero Business Models |
| 05
Environmental Risks Go Far Beyond Climate Change | 06
Five Ways CEOs Can Take On the Climate Challenge | 07
From Compliance to Courage in ESG | 08
How to Build a High-Impact Sustainability Alliance |
| 09
New Data Shows How Private Equity Stacks Up on ESG | 10
Nudging Consumers Toward Sustainability | 11
An Inflection Point for the Energy Transition | 12
The Challenges of a Sustainability Transformation |
| 13
The Net-Zero Insurer | 14
Actions Speak Louder Than Words in Delivering Net Zero | 15
Closing the Food Waste Gap | 16
Securing Valuable Resources for a Sustainable Future |

Climate and Sustainability Partnership Reports

- | | | |
|--|---|---|
| 01
Ukraine: A Sustainable Economic Recovery for People and Nature | 02
Most Innovative Companies 2022: Are You Ready for Green Growth? | 03
BCG-WEF Project: The Net-Zero Challenge |
|--|---|---|

Podcast Episodes on the Topic of Climate and Sustainability

- | | | |
|---|--|---|
| 01
The So What from BCG: Climate Adaptation and the Cost of Inaction | 02
The So What from BCG: Can Our Green Future Also Be Fair? | 03
The So What from BCG: What COP27 Means for Africa |
|---|--|---|

Our Commitment to Net-Zero Climate Impact

At BCG, we have boldly committed to achieving **net-zero climate impact** by 2030 and thereafter to become climate positive, removing more carbon from the atmosphere than we emit each year. (See Exhibit 6.)

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

In addition to reducing our GHG emissions, since 2018 we have purchased and retired a volume of independently verified carbon credits equivalent to our remaining unabated emissions and maintained CarbonNeutral® company certification.⁹ As part of our journey toward net-zero climate impact, we are transitioning our carbon credit portfolio to 100% carbon dioxide removal (CDR) credits by 2030. Our goals are to support high-quality nature-based solutions and to help pioneer the most promising technological solutions, such as direct-air capture and storage.

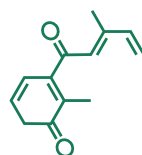
In alignment with best practice such as WWF's Blueprint, we have quantified and publicly communicated the price we expect to pay to reduce, avoid, and remove emissions as we work toward net-zero.¹⁰ We expect to pay a blended carbon price of \$35 per metric ton in 2025, rising to approximately \$80 per metric ton by 2030. In 2022, our blended carbon price was \$16 per metric ton, an increase versus \$11 per metric ton in 2021.

We recognize that the requirements and expectations for credible net-zero strategies will continue to evolve with scientific and technological developments and ongoing stakeholder engagement. As we progress on this journey, we will learn and adapt our approach through collaboration with experts, NGOs, clients, and other key stakeholders.

Our net-zero program is governed by the Global Internal Sustainability Steering Committee and led by BCG's Chief Sustainability Officer **David Webb**, who was appointed to this position in 2022. For more details, see the Governance section of this report (page 11).

Additional Information

- [BCG's Net-Zero Strategy](#)
- [Environmental Responsibility Statement](#)
- [Taskforce on Climate-Related Financial Disclosure \(TCFD\) Index](#)
- [CDP Climate Disclosure](#)



\$16

our blended carbon price in 2022
per metric ton

9. Our CarbonNeutral® company certification covers our full reported Scope 1, Scope 2, and Scope 3 GHG inventory, excluding upstream well-to-tank emissions for air travel, which are included only in our business travel emissions target. The credits we currently purchase are a mix of avoided-emissions projects (such as preventing deforestation), which aim to keep additional carbon from entering the atmosphere, and removal projects (such as reforestation and direct-air capture), which remove CO₂ directly from the atmosphere.

10. Source: World Wide Fund for Nature (WWF) report: *Beyond Science-Based Targets: A Blueprint For Corporate Action On Climate And Nature*.

Exhibit 6 - Our Net-Zero Roadmap



Source: BCG analysis.
Note: KtCO₂e = metric kilotons of carbon dioxide equivalent; FTE = full-time equivalent employee.



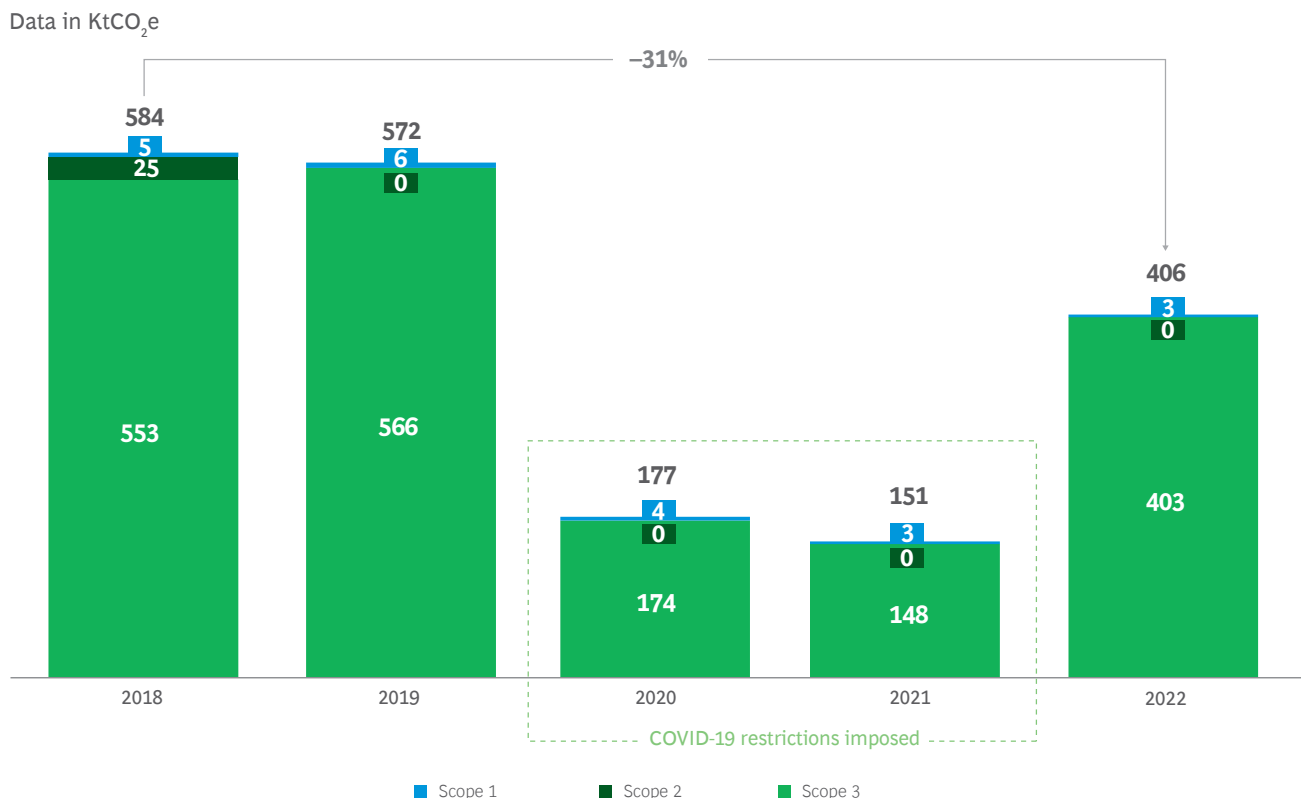
Measuring Our Climate Impact

We have established a global carbon accounting system in accordance with the GHG Protocol Corporate Standard, and we independently verify our emissions against the ISO 14064-3 standard.¹¹ We report emissions in metric kilotons of carbon dioxide equivalent (KtCO₂e). A detailed description of our greenhouse gas reporting methodology and Scope 3 reporting boundary is available in the Appendix (page 86).

Relative to our 2018 baseline, our 2022 emissions remained 30% lower in absolute terms and 54% lower on a per person intensity basis. In comparison with our absolute emissions to 2021, our emissions in 2022 increased, due mainly to the return of business travel in 2022 following the easing of COVID-19 travel restrictions.

Our Scope 3 emissions boundary includes business travel—our largest source of emissions—as well as purchased goods and services, capital goods, employee commuting, and other smaller emissions sources. Within our reported GHG inventory, for air travel emissions, we measure and include the climate impact of GHG emissions from the combustion of fuel, as well as the impact of non-GHG sources that have a radiative-forcing impact.¹² (See Exhibit 7.)

Exhibit 7 - BCG's Greenhouse Gas Emissions



Source: BCG analysis.

Note: KtCO₂e = metric kilotons of carbon dioxide equivalent.

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

12. Although CO₂ is a significant and crucially long-lived pollutant from aviation, it represents only about 50% of the total warming caused by flying. Other emissions from aviation, such as nitrogen oxides (NO_x), sulfur oxides (SO_x), and particulate matter (PM), as well as indirect factors such as the formation of contrails and clouds, contribute to effective radiative forcing (ERF). Following best practice, we account for the non-GHG climate impact of aviation by multiplying the CO₂ impact by 1.9, effectively doubling our flight emissions. We include non-GHG warming effects within our full reported GHG boundary. But in accordance with the Science Based Targets initiative (SBTi) aviation sector guidance, we exclude them from our business travel target boundary. For the same travel target, we also include upstream well-to-tank emissions from the combustion of aviation fuel; however we do not include these in the full reported GHG inventory above. Please see Table 1 on page 87 of the Appendix for a summary of our full GHG inventory and target boundaries.

Evolving Our Approach to Business Travel

To realize our net-zero ambition, we focus primarily on reducing our largest source of emissions: business travel. We have committed to cutting business travel emissions by 48.5% per FTE by 2025 versus our 2018 baseline year, making it one of the most ambitious such targets in our industry.

Our business travel emissions intensity in 2022 was 60% lower than in our 2018 baseline year. Of this reduction, approximately 50% came through changes in the way we travel, 9% through aviation efficiency gains, and 1% from the purchase of sustainable aviation fuel (SAF) in 2022.¹³ (See Exhibit 8.)

We are thoughtfully evolving our operating model to reduce business travel emissions, while maintaining our excellence in client service and seeking to enhance our employee value propositions. To meet our target, members of a global network of change agents—composed of managing directors and partners across every region of BCG—have created emissions reduction plans appropriate for their geographic and business context and are working toward operationalizing the changes across the organization.

Accelerating the Adoption of Hybrid and Flexible Teaming Models.

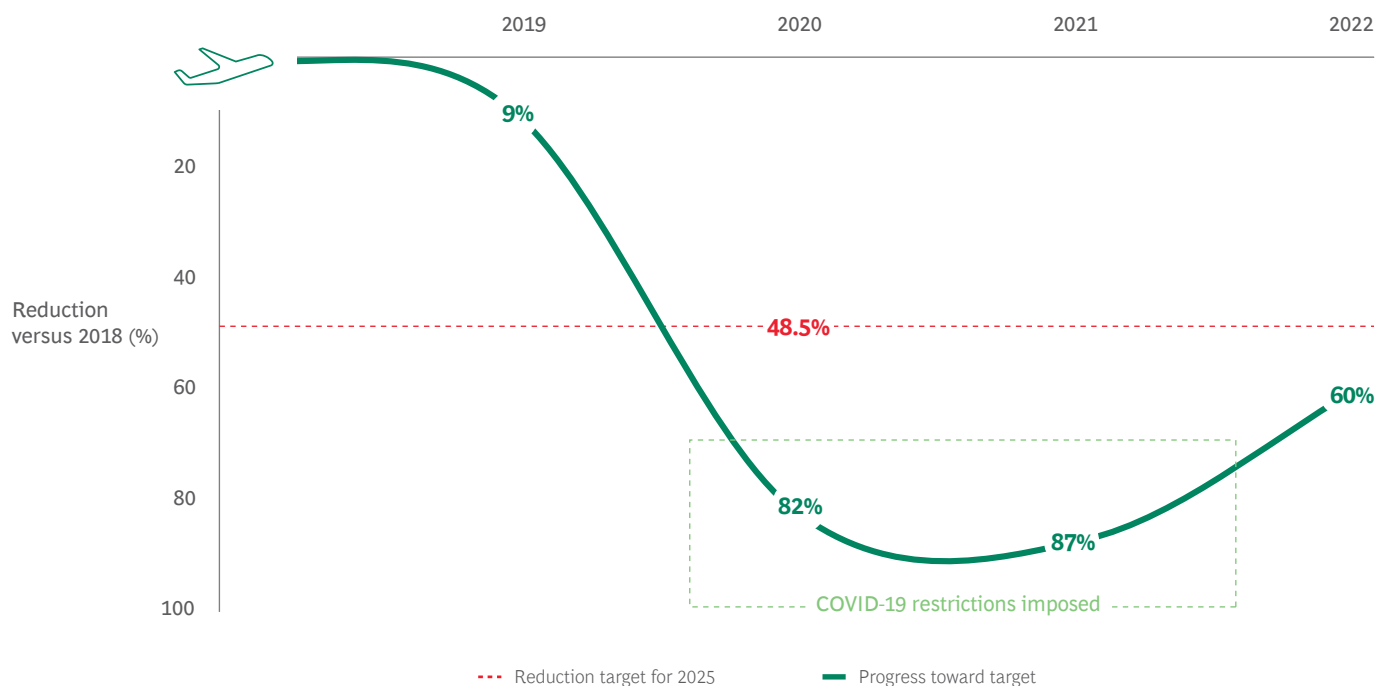
We began developing new team travel norms prior to the global pandemic and have since fine-tuned these models. We now actively engage our clients to define an intentional co-location and travel plan for our projects, helping to reduce emissions, improve productivity, and increase flexibility. For colleagues who travel frequently to client offices, we provide an option to stay over the weekend if they would like to, in order to reduce the number of trips taken during the project.

Evolving Our Approach to Internal Meetings and Events.

In addition to changing our approach to client travel, we are committed to lowering our travel emissions for internal meetings and events. For example, our learning and development team has introduced a number of operational changes that aim to reduce travel emissions by 50% per learner. We have also adopted a new model for some of our global meetings, changing the format and locations to reduce emissions per attendee by approximately 40%. To support event organizers, we launched a new tool that enables them to quickly identify the meeting location that will generate the smallest quantity of emissions, based on the attendee's location. The tool also offers greener meeting and event guidelines, including practical recommendations to reduce emissions during events.

Exhibit 8 - Scope 3 Business Travel Science-Based Target

Reduce Scope 3 business travel emissions by **48.5%** per FTE by 2025 (against 2018 baseline year)



Source: BCG analysis.

Note: FTE = full-time equivalent employee.

13. The aviation efficiency gains are reflected in the annual changes to the emissions factors we use to calculate our climate impact.

Creating Transparency and Accountability for Travel Emissions.

We have established internal reporting and monitoring tools to provide transparency into how each region and business unit is progressing toward the GHG emissions target. Further, we have deployed dashboards to enable all of our managing directors, partners, and project leaders, to track their individual and project travel emissions and understand how this compares to their peers' emissions and their historical travel patterns. We also developed a new carbon budgeting feature that enables users to quickly calculate the emissions savings from changing the way they travel for their projects.

Changing the Way We Travel. Besides reducing the number of trips we take, we look for ways to increase the proportion of trips taken by train instead of airplane—for example, in Europe, where taking the train is often a viable alternative. We have set the train as a default choice in our travel booking tool for viable routes, and our offices are tracking and incentivizing this shift in behavior.

Supporting the Use of SAF. We are exploring other ways to further reduce our climate impact, such as by purchasing SAF for flights taken by BCGers. High-integrity SAF is the most viable in-sector aviation decarbonization lever currently available, delivering up to 85% lower life-cycle CO₂ emissions than conventional jet fuel. Today, SAF volumes are quite small—less than 0.03% of global aviation fuel demand—and early adopters like BCG are required to help scale and advance high-integrity solutions. We are proud of the actions we have taken in 2022 to help advance the SAF market:

- BCG signed new SAF partnerships directly with Qantas and Air Canada by participating in Air Canada's Leave Less Travel Program, and we continued to deepen our engagement with our existing partners, including SkyNRG, Neste, and United Airlines.
- We supported the development of WEF's [Sustainable Aviation Fuel Certificate \(SAFc\) Emissions Accounting and Reporting Guidelines](#), published in October 2022. This guidance aims to standardize the measurement and reporting of SAF reductions, and it has informed our own approach. We have enhanced our own selection criteria to reflect the evolution of best practice.¹⁴
- We helped to develop the Sustainable Aviation Buyers Alliance (SABA) [Sustainability Framework for SAF](#) and participated in the first joint SAF certificate pilot purchase agreement through SABA.¹⁵

Decarbonizing Our Direct Operations

Although our direct energy and electricity (Scope 1 and Scope 2) emissions are small relative to our Scope 3 GHG inventory, we have taken decisive action to reduce those emissions. We have set a science-based target to reduce Scope 1 and Scope 2 emissions by 92% per FTE by 2025 versus our 2018 baseline year.

In 2022, our Scope 1 and Scope 2 emissions intensity was 94% lower than in our 2018 baseline year. (See [Exhibit 9.](#)) Of this reduction, approximately 82% came through shifting to renewable sources of electricity to power our offices. We achieved this by continuing to transition our direct electricity supply to renewable tariffs, wherever feasible to do so, and by buying unbundled Energy Attribute Certificates to reach 100% renewable electricity for the remainder.¹⁶ A further 12% reduction came from reducing consumption of natural gas within our offices for heating and from shifting our leased car fleet toward hybrid and electric vehicles. Hybrid and electric vehicles now represent around 40% of our leased cars, and since 2018 we have increased the number of fully electric vehicles by over 400%, with several BCG offices committing to renewing only electric leases from 2022 onward. Having surpassed our target for 2025 already, we are now working to maintain this level as we focus on driving down other emissions sources.

Making Our Offices More Sustainable

Our offices are a key component of our environmental footprint. By improving energy efficiency, switching to renewable power, and minimizing our waste and our water consumption, we are making our offices more sustainable worldwide. We target the highest environmental standards for new offices and major renovations, with more than 40 of our offices now holding a formal green building certification, such as LEED Platinum or BREEAM. To support sustainable decisions across all BCG offices, we partnered with a specialist sustainability firm to develop BCG's green office selection and fit-out standards, which cover a wide range of environmental topics, from energy and water use to greener office furniture selection.

14. In particular, we require that SAF be verified against certification standards, currently including RSB CORSIA and ISCC CORSIA certification as the preferred standard, or RSB Global, RSB EU, ISCC Plus, or ISCC EU as an acceptable standard in the short term.

15. SAF is a relatively new product, and the accounting and reporting frameworks are still being developed. For this reporting period, we claim emissions reductions from the use of SAF purchases by aligning with the [World Economic Forum Sustainable Aviation Fuel Certificate \(SAFc\) Emissions Accounting and Reporting Guidelines](#).

16. We seek to align the Energy Attribute Certificates we purchase as closely as possible to the country and year of electricity consumption.

Closing the Loop on Waste

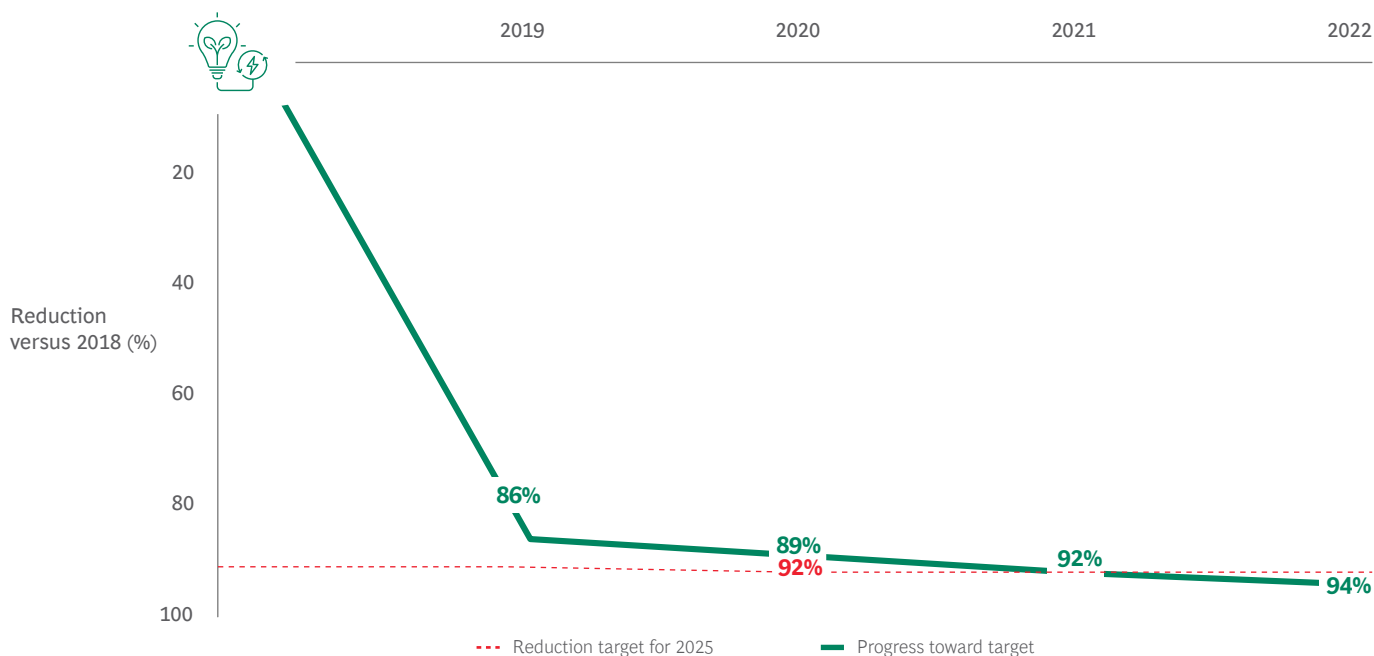
Across our offices and operations, we aim to embed the principles of the waste hierarchy (avoid, reduce, reuse, and recycle). For example, we avoid and reduce paper consumption by applying paperless office principles, and we increase rates of general office waste recycling by installing recycling facilities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

Engaging Our Employees in Our Climate Journey

We educate all employees and raise their awareness of climate issues, as well as providing tangible actions that they can take to contribute to BCG's net-zero commitment. To complement the broad range of online and in-person learning events that we host, we support local action through our global network of green teams, which has grown to more than 1,300 active members. Distributed across more than 80 BCG offices, the teams focus on designing and implementing initiatives to reduce our environmental impact at the local office level.

Exhibit 9 - Scope 1 and Scope 2 Science-Based Target

Reduce Scope 1 and Scope 2 emissions by **92%** per FTE by 2025 (against 2018 baseline year)



Source: BCG analysis.

Note: FTE = full-time equivalent employee.

BCG's Flagship Sustainable Office in Washington DC

We selected and fit out BCG's sustainable flagship office in Washington to comply with the firm's green office standards, a framework developed in collaboration with a specialist sustainability consulting firm to maximize our offices' sustainability performance and impact across their full life cycle.

Using the standards, we defined an ambitious set of sustainability targets, including a 38% reduction in water consumption and a 20% reduction in lighting power density, compared with an average office. We targeted having an EnergyStar rating for at least 90% of the equipment and appliances in the office, and we partnered with a specialist B-Corp furniture supplier to source climate-neutral furniture from local independent traders. A large central staircase encourages movement around the office and reduces elevator use, while a bike storage area, bikeshare subsidy program, and close public transport links facilitate greener commuting options. We also carefully considered the office's accessibility—leading us to introduce motion activated access controls, smooth flooring transitions, and braille signage.

The building base was designed and constructed in accordance with the DC Green Code, and the interior design and construction is currently being assessed for LEED standard certification.



2022 in Numbers



100%

renewable electricity used to power our offices since 2019



40+

BCG offices with a green building certification



100%

of employees received training materials on the climate and environment topic



80+

office green teams are active around the world



1,300+

colleagues are BCG green team members

Neutralizing Our Remaining Climate Impact

We are investing in a portfolio of high-quality carbon abatement solutions on the voluntary carbon market. We are pursuing three objectives:

- Increase the proportion of CDR credits in our portfolio, transitioning to a net-zero portfolio composed entirely of CDR credits by 2030, and continue to support high-quality avoided emissions credits as we make this transition.
- Continue to increase our focus on quality and integrity across the portfolio.
- Work to advance the most promising nascent methodologies and technologies, including the most promising CDR to capture and store carbon permanently.

At the same time, we seek to maintain a balance in volume, purchasing and retiring a volume of independently verified carbon credits equivalent to our reported footprint, and thereby achieving CarbonNeutral® company certification.¹⁷

We believe that being transparent about the type, quality, and blended cost of the credits we purchase is an important step in helping to scale high-quality solutions. That's why we report on the progress we've made on those fronts each year. See [Exhibit 10](#) for a detailed breakdowns of our carbon credit portfolio.¹⁸

2022 Progress

Expanded CDR Credit Volumes and Share of Portfolio

In 2022, we expanded the CDR share of our portfolio to 48%, up from 44% in 2021. We have diversified our impact by supporting three new types of pioneering CDR projects:



Mangroves Restoration (Delta Blue Carbon project, Pakistan). Mangroves can store up to five times as much carbon as tropical forests. In addition to removing CO₂ from the atmosphere, this project is improving livelihoods in local communities and protecting ecosystems within a region that has been identified as among the 40 most biologically rich in the world.



Soil Carbon Sequestration (Carbon by Indigo project, US). We partnered with Indigo Ag, the first company to produce verified, agriculture-based carbon credits at scale, to support farmers across 5.5 million acres of US farmland in their transition toward more sustainable farming practices. Indigo's second credit issuance, projected for early 2023, will further demonstrate how changes resulting from sequestering carbon increase soil quality and crop yields while supporting farming livelihoods.



Biochar (Biochar project by NetZero, Cameroon). This project stabilizes atmospheric carbon in agricultural soils for hundreds of years. The technology extracts the carbon captured in crop residues through a pyrolysis process (heating at high temperature in oxygen-deprived conditions). The resulting product—solid carbon called *biochar*—is extremely stable and can be used as a soil amendment, achieving long-term carbon removal and improving soil health and crop productivity.

¹⁷. To maintain CarbonNeutral® company certification, we purchase and retire a volume of independently verified carbon credits equivalent to our full reported Scope 1, Scope 2, and Scope 3 GHG inventory (as enumerated in Exhibit 10. Our current portfolio is a mix of avoided emissions credits and CO₂ removal credits.

¹⁸. We partner with a carbon market specialist to help align our purchases with emerging best practices and ensure that the projects meet our strict selection criteria. All of the carbon credits we purchased and retired in 2022 were independently verified against the leading voluntary standards (including the Gold Standard and VCS), which have been approved by the International Carbon Reduction and Offset Alliance.

Increased Our Focus on the Integrity and Quality of Credits

The lack of transparency within the voluntary carbon market makes it difficult for buyers to differentiate between high- and low-quality projects, with buyer's decisions often based on pricing. In 2022, to support the emergence of a truly efficient carbon market in which project quality and pricing correlate, we worked with Sylvera, which offers an independent carbon credit rating and monitoring platform. This helped us gain greater insight into our past and current portfolio, informed forward-looking purchases, and ensured that project quality was at the forefront of our decision-making process in supporting carbon projects. During the year, our Internal Sustainability team participated in several working groups and pilot testing processes—including with VCMI, GHG Protocol, SBTi, and IC-VCM—to enable the emergence of an efficient, high-integrity voluntary carbon market.

Helped to Advance Promising Nascent Technologies and Methodologies

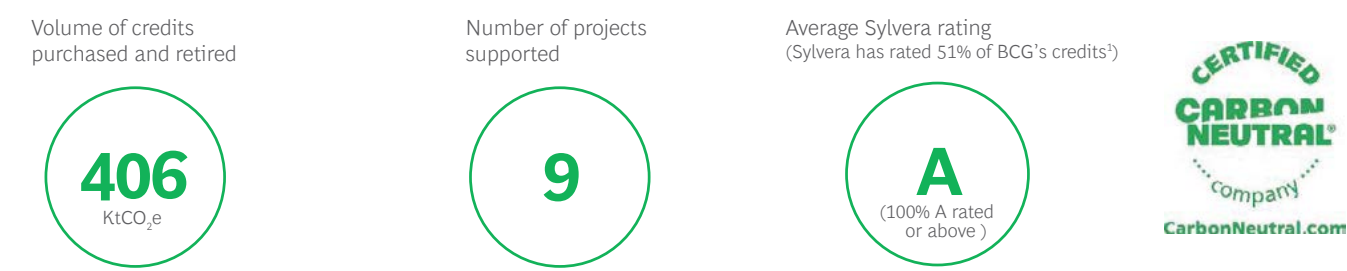
In 2022, we joined the NextGen CDR Facility as one of five founding buyers, bringing together climate leaders from across industries and regions. The target blended price of \$200 per metric ton sends a strong demand signal that companies are keen to support the scale-up of innovative high-quality removals today. To send a similarly strong demand signal to advance the most promising nascent climate solutions, we continued our support of the WEF's First Movers Coalition and the Breakthrough Energy Catalyst program, as well as working directly with project developers such as Climeworks to help define its people strategy, alongside our existing carbon removal purchase agreement.

To support higher-quality nature-based solutions, we formally signed on as participants in Emergent's [LEAF coalition](#) in 2022 and selected the target jurisdictions where we will focus our impact. The coalition aims to halt deforestation by financing large-scale tropical forest protection. By applying a jurisdictional approach, this approach reduces the risk that deforestation will occur elsewhere within the jurisdiction, yielding a higher-integrity carbon credit.

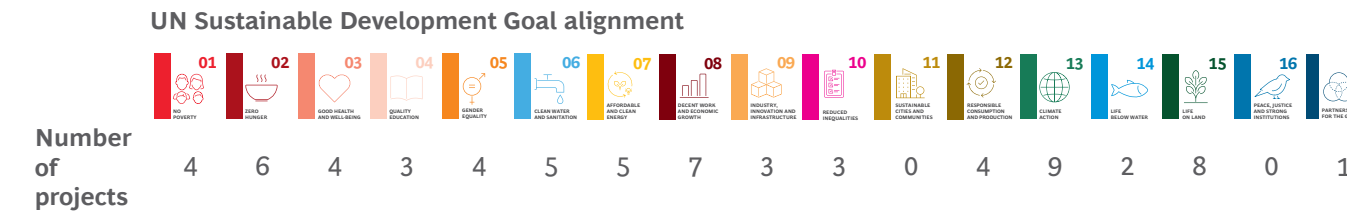
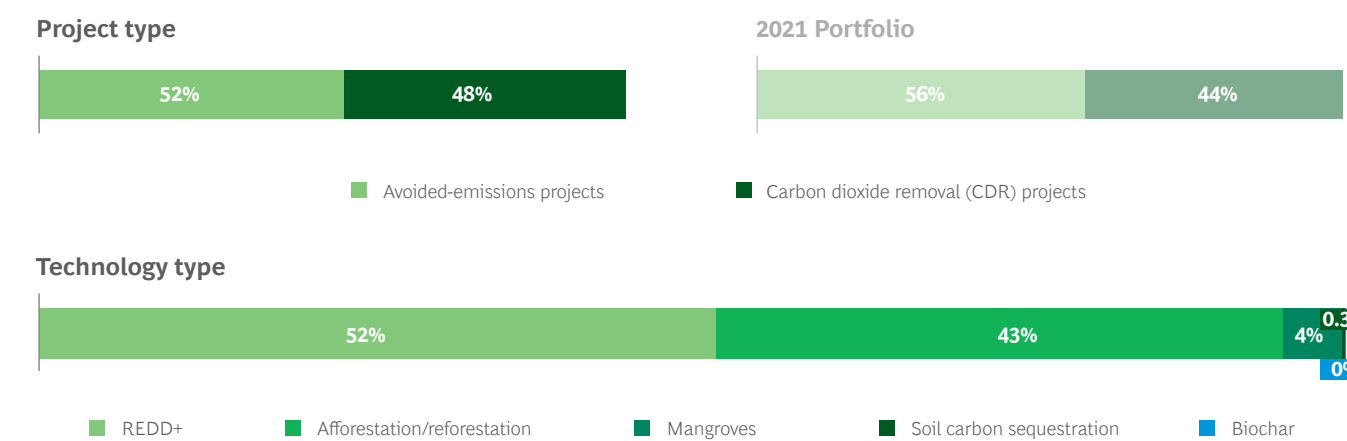


Exhibit 10 - Understanding Our 2022 Carbon Credit Portfolio Mix

2022 Portfolio Summary



2022 Portfolio Breakdowns



Source: BCG analysis.

Note: KtCO₂e = metric kilotons of carbon dioxide equivalent; REDD+ = Reducing emissions from deforestation and forest degradation.

¹ Sylvera portfolio coverage and average project ratings are calculated at the time of CarbonNeutral@ company certification.

Empowering Our People



Brussels - BCG case team

[Contents](#)

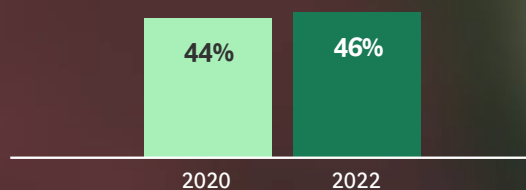
Our global headcount grew to over **30,000**



~30K
headcount

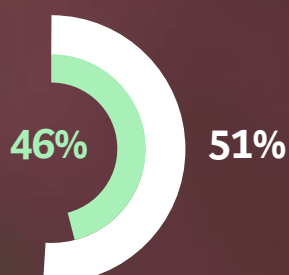
>20%
growth

Women represent **46%** of our global headcount



Women (headcount)

46% of our consulting team and **51%** of our new hires in the US are from racial or ethnic minorities



100% of employees have access to health and well-being support services



2022 Highlights



We launched our new recruiting campaign: “Beyond is where we begin.” By sharing authentic voices of BCGers, this campaign offers an external articulation of the promises we make to our people, communicating the reasons to join, stay at, and grow at BCG.



We continue to deliver on our commitment to advance racial equity in the US. We have deployed more than \$70 million to deliver equity-focused projects with both public and private partners and have donated more than \$900,000 to Black equity-focused organizations.



We launched AccessAbility@BCG as a central pillar of our global diversity, equity, and inclusion program. We baselined the reasonable accommodations that we have in place across all BCG offices and developed clear guidelines for our HR, IT, and real estate teams to best support colleagues with disabilities.



We maintained our leadership position on numerous external benchmarking programs, including *Consulting* magazine’s “Best Firms to Work For” list, Comparably’s Best Consulting Companies for diversity and global culture, and Vault’s top three employers.

2022 in Numbers



10,000 people joined BCG in 2022, 45% of whom were women



>78% of employees responded to the annual People Survey



20% growth in the global Pride@BCG diversity affinity network



>30,000 employees participated in a learning experience

We aim to be the employer of choice by offering an unparalleled employee experience and by creating an environment that allows our people to thrive personally and professionally. Our mission is to unlock the potential of diversity, equity and inclusion at BCG. We believe that diverse teams with inclusive and equitable work practices strengthen our organization, allowing us to better support our clients and advance justice, dignity and belonging.

Attracting the Best and Most Diverse Talent

Our success depends on our ability to attract and retain intellectually curious, diverse, and accomplished individuals. We invest considerable time in finding those who will best contribute to our clients and our culture by recruiting executives, experienced professionals, and new graduates from around the world.

Our talent goals:

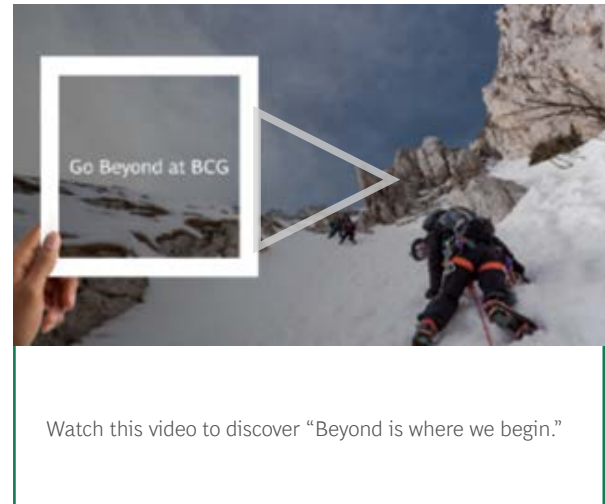
- To be the premier employer of choice by offering an unparalleled, innovative employee experience
- To optimize BCG's growth and ability to deliver long-lasting client impact by anticipating and adapting to changes in client needs
- To bring diverse perspectives to our clients' biggest challenges
- To recruit as one firm with local flexibility, considering market- and business-based differences in approaches and hiring pools

To ensure that we continue to attract the best, most diverse talent, we launched a new recruiting campaign, introduced new online preparation resources, and delivered a more personalized experience on our [careers site](#). We also provided ongoing unconscious-bias training to our interviewers and recruiters. We outline the recruiting process to our candidates at the beginning of the journey and continually provide feedback along the way. We also give candidates opportunities to learn about our culture through experience programs and by meeting BCG colleagues, helping them make an informed decision.

Our virtual experience and internship programs, for instance, offer students from many disciplines and backgrounds the chance to experience BCG firsthand. In 2022, we added new modules to our virtual experience programs, including one for parents and caregivers who are returning to work after a career break. Our proposition of doing challenging, impactful work in a highly supportive environment has helped establish us as an employer of choice.

2022 Highlights

For the first time in a decade, we ran extensive internal and external research reaching more than 2.2 million people across the globe to understand what the best people in consulting and digital fields look for in an employer, what their perceptions of BCG are, and why people join and stay at our company. Leveraging this insight, we launched our new recruiting campaign in September 2022, with the tagline "Beyond is where we begin." Through the authentic voices of BCGers, this campaign offers an external articulation of our internal promise to our people, and it communicates to our candidates reasons to join, stay at, and grow at BCG.



Against the backdrop of the war in Ukraine, we launched a virtual hub for Ukrainian talent in April, making it easier for Ukrainians to search and apply for a full spectrum of roles across BCG. We also maintained a strong focus on our climate and sustainability goals, and on the experience of our candidates and recruiters, with an enhanced hybrid recruiting experience and expanded use of digital tools. This has enabled us to reduce recruiting travel emissions by more than 50% versus our 2018 baseline levels, while also streamlining our recruitment process and further customizing the candidates' journey. We rolled out our candidate engagement app, which personalizes and digitizes a candidate's recruiting journey, to 70% of our offices globally. And all BCG offices globally have now adopted our interview preparation and online assessment tool, launched in 2021. Combining these new tools with improvements to our careers site has led to a significant increase in the number of people clicking to apply for a role.

A number of external benchmarking programs recognized our award-winning approach. BCG ranked in *Consulting magazine's* "Best Firms to Work For" list, based on a survey of more than 12,000 consultants across over 300 firms covering all major industries. *Comparably* recognized BCG as one of the Best Consulting Companies for diversity, global culture, career growth, and happiness. *Forbes* and Statista named BCG as one of the World's Top Female Friendly companies. And *Vault* included the firm as one of the top three employers for the third time.



2022 in Numbers



~10,000

people joined BCG, 45% of whom were women



270,000+

prospective candidates enrolled in our virtual experience program (an increase of more than 20% over last year)



Doubled

the conversion rate of people clicking to apply for roles on our career site in 2022

Working at BCG

People are BCG's most important asset, and the firm has always been committed to creating a best-in-class employee experience. We aim to build an environment where our employees do not just succeed but thrive. We support our employees personally and professionally by enabling new ways of working to ensure that they can prosper in a virtual and hybrid work environment, as well as by enhancing our programs to support well-being and work-life balance.

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

The experience that BCG offers its employees is comprehensive and multidimensional.

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

Robust Employee Dialogue. We encourage thorough dialogue between our people and BCG's leadership, and we engage our employees formally at the office, regional, and global level through staff meetings and town halls. We also have a number of local works councils across the firm with which local BCG leaders engage regularly. At the core of all this is a robust culture across BCG of participation and active listening, including the involvement of many of our employees in key committees and decision making.

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

Teaming at BCG. We continue to pioneer new models to foster sustainable teaming across BCG. Through coaching, leadership activation, and engagement at scale, BCG supports teams in adopting behaviors and best practices that the firm has codified through leadership alignment, stable team rhythms, psychological safety, and a growth mindset. About 100 BCG teaming coaches work with case teams at any given time and embed teaming best practices in learning journeys across all seniority levels. The impact is clear: around 90% of all case teams report that they experience psychological safety, and about 85% say they have opportunities to learn and grow.¹⁹

Flexibility. We also understand that our employees need flexibility and adaptability in the workplace, even as they respond to the needs of our clients and business. In 2022, we launched our Flex@BCG global framework, which describes different ways of working flexibly across the firm and enables employees to navigate the options available to them. In addition to being eligible for paid parental and military leave, employees can request time off for personal matters or for a particular passion; all employees across the firm have a right to request part-time work. And we continue to add new tools and programs and pilot new technologies to increase day-to-day flexibility.

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

Affiliation and Fun. Part of our commitment to providing a best-in-class employee experience involves providing opportunities to have fun and meet colleagues outside normal business interactions. In 2022, as market conditions allowed, we resumed in-person events such as holiday parties, retreats, and community service days, giving our staff opportunities to connect and build and renew friendships. Teams are finding creative ways to balance the need to be together with the importance of managing and reducing carbon emissions.

19. September 2022 Pulse Check Survey.

2022 Highlights

Our purpose is to unlock the potential of those who advance the world. We can do that only when we fully expand and realize our own potential, which we enable through our value proposition, or People Promise. In 2022, we launched multiple projects to address the evolving needs of our people. The goal of each of these projects was to reinforce and augment the offering according to the three pillars of our People Promise: meaning and impact, people and culture, and growth and development. Highlights include the following:

- We accelerated efforts to improve day-to-day sustainability and team effectiveness through our ways of working.
- We increased our emphasis on information transparency and employee empowerment to support career journeys, including upgrading our internal job posting platform, proactively sharing open roles, and introducing individual development plans and development dashboards.
- We invested in developing skills and expertise through our continuous learning journeys.
- We rolled out the Flex@BCG framework, enabling employees to navigate the flexible opportunities available to them and giving all employees the right to request part-time work.

Ensuring Fair and Equitable Pay

Ensuring fair and equitable pay for employees is part of BCG's commitment to an inclusive workplace that fosters diverse perspectives. For example, in the US, as a member of Employers for Pay Equity, BCG signs an annual pledge to promote transparency, accountability, and equal pay.

Our compensation function manages BCG's global pay practices, using tools and frameworks to support pay equity and operate without bias or discrimination. We develop salary and incentive structures based on role type, skill set, level of contribution, and local market pay data. Our pay levels are highly competitive and greatly exceed minimum wage requirements, including in the US, where the hourly pay of all regular employees exceeds \$20 per hour. To reinforce our commitment to equitable pay, we review compensation annually, taking into account factors such as an individual's proficiency, experience, and level of performance, as well as the location of the role. Although we apply more rigorous standards than are legally required, we also comply with all applicable pay equity laws and regulations, such as the Gender Pay Gap, the reporting requirement in the UK.

2022 in Numbers



>78%

of employees responded to the annual People Survey, for the fifth consecutive year



100%

of employees received an annual performance review and have access to personalized career development opportunities²⁰



100%

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

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

Diversity, Equity, and Inclusion

Diversity, equity, and inclusion (DEI) are core BCG's values—and we don't compromise on these values, no matter where we operate. Our success depends on employing passionate, open-minded people who bring with them a range of expertise and experience and represent, among other dimensions, all genders, gender identities, gender expressions, sexual orientations, races and ethnicities, physical abilities, and neurodiversities. This diversity enables us to provide fresh perspectives, challenge established norms, and devise innovative solutions. It makes us stronger and more successful in everything we do—and it is a moral imperative firm-wide.

We are committed to nurturing an inclusive and equitable firm to provide all our employees with opportunities to flourish and succeed. In 2022, we performed a flagship research study on inclusion, and it demonstrated that an inclusive work environment leads to higher levels of happiness and well-being among employees, along with improved retention. According to this research, leadership commitment is a crucial driver of feelings of inclusion, and in 2022 BCG's leadership continued to invest significantly in our commitment to DEI, including naming a chief diversity officer and appointing six women (one-third of the total) to the [Executive Committee](#). Women represent almost one-quarter of our firm's leadership and 46% of our global staff. In addition, we continue to maintain equal promotion and retention rates for men and women across the firm. We have also made great strides in our racial and ethnic representation, with racial or ethnic minorities making up 46% of the total consulting team, 51% of the firm's new hires, and 30% of the firm's leadership in the US. Our research found that another important driver of inclusion in the workplace is a bias-free environment. In that context, we track and address any reported instances of harassment or discrimination of any kind and have a global ombudsperson process in place to raise concerns. [\(See page 78 for more details.\)](#)

Beyond our high-level commitment to DEI practices internally at BCG, we are committed to driving and shaping DEI in society more broadly. We believe that to bring about meaningful change, we have a collective obligation to tackle and solve these complex challenges, and we have confidence that together we can succeed. We therefore invest substantially in research and thought leadership that advances DEI at BCG, in our client organizations, and throughout society. From this work, we continue to learn how to create a more diverse, equitable, and inclusive culture that helps BCG thrive and helps us support our clients in a rapidly changing world. In 2022, we launched a new equity and inclusion client-service offering as part of our Social Impact practice, helping clients realize enhanced value creation and competitive advantage by creating more equitable and inclusive workplaces.

Activities to Drive Change

Globally our internal DEI activities include mandatory anti-harassment and cultural awareness training, as well as a DEI learning journey that begins with entry-level roles and continues as our employees progress.

We run many initiatives to promote DEI at BCG, starting with ensuring that we hire diverse talent by using structured protocols aimed at eliminating bias from the recruiting process. We also offer MBA fellowships at several business schools, providing mentorship, training workshops, summer learning programs, and monetary awards for women, LGBTQ+ people, and racial and ethnic minority candidates to increase the diversity of our recruitment pool.

We hold regional and local conferences and affiliation events for members of our global diversity affinity networks, including Women@BCG, Pride@BCG, and Accessibility@BCG. And through our Women@BCG program, we also offer tailored talent development, mentoring, and sponsorship opportunities, including these:

- **Segment of One.** In this program, senior BCG leadership monitors the progress of every woman at BCG to provide support through her evolving career and life stages.
- **Leadership Pairings.** Aspiring women leaders can pursue mentorship opportunities, connecting with mentors at the most senior levels of BCG.
- **Leadership Development Programs.** These programs offer women coaching on their communication and leadership skills, and encourage a broad range of leadership styles.

DEI Governance and Organization

In 2022, we furthered our commitment to DEI by appointing Nadjia Yousif as BCG's **chief diversity officer** (CDO) to drive our agenda and be the voice for DEI both to BCG's most senior leadership and externally. Our CDO reports directly to BCG's chief executive officer and has driven an ambitious agenda with three near-term priorities:

1. Enhance leadership accountability for DEI objectives and outcomes.
2. Systematically support inclusion across all of BCG.
3. Shape the global societal DEI agenda.

A dedicated global DEI team is responsible for collecting and analyzing DEI data, driving accountability, managing thought leadership, and leading our global diversity affinity networks along with regional and local teams composed of senior leadership and dedicated managers. Every function within the global People Team at BCG—such as recruiting, learning and development, and career development—includes a DEI scope, and every member of those functional teams works closely with the global and regional DEI teams.

Global Diversity Affinity Networks

In addition, regional diversity affinity networks provide valuable affiliation and programming for our employees, including Veterans@BCG, AsianDiversity@BCG, Black+Latinx@BCG, Indigenous@BCG, Colorful@BCG, Bold@BCG, People of Colour@BCG, Kulcha & Ethnicity@BCG, First-Generation Network@BCG, and Family@BCG.



Women@BCG

Women@BCG seeks to increase the number, success, and satisfaction of women at the firm. Across the globe, we focus on recruiting and retaining women in all our practice areas and businesses. For example, we invest in increasing gender diversity in our digital businesses and in upskilling digital competencies for women consultants. To help close gender gaps in STEM (science, technology, engineering, and mathematics) fields, we’ve partnered with the international not-for-profit Girls Who Code. Together, we have built a training program to successfully prepare young women and girls for technical interviews, with the goal of increasing the number of women who enter and advance in tech. In addition, we partnered with the Women’s Forum to publish a report exploring how to unlock women’s leadership through STEM skills.

In 2022, our Women@BCG agenda continued to make strong gains. We have achieved our aspirations, with women representing 46% of our overall headcount and 41% of new joiners in entry-level associate and consultant roles, while maintaining equal retention rates for men and women globally on both consulting and non-client-facing teams. Over the past decade, the number of women managing directors and partners has grown at three times the rate of the number of men managing directors and partners.

Pride@BCG

Pride@BCG is BCG’s global diversity affinity network for LGBTQ+ employees and allies. Our efforts were recognized externally, with Open For Business naming BCG as a Global Equality Champion, and with the Human Rights Campaign Corporate Equality Index awarding BCG a perfect score of 100%.

We made significant progress on all six pillars of our Pride@BCG strategy in 2022:

- 1. Recruiting Diverse Talent.** We participate in, sponsor, and organize leading LGBTQ+ recruiting conferences around the world. For example, we were the lead sponsors for EUROUT and ROMBA, and we participated in similar events in India, Japan, and other countries. We also launched a fellowship for LGBTQ+ individuals at several MBA programs.
- 2. Safety and Security.** We made headway in expanding our membership and formally launching Pride@BCG in countries around the world where being LGBTQ+ can pose a safety risk. In addition, we expanded our benefits and policies to make them more LGBTQ+ inclusive in various countries. In the US, for example, we conducted a comprehensive audit that led to an expansion of benefits, including coverage for gender-affirming health care and family support benefits such as for adoption and surrogacy.

2022 in Numbers

	2022	2021
Women to represent over 40% of employees globally	46%	45%
Women to represent over 40% of entry-level consulting hires	41%	41%
Equal promotion and retention rates for women and men	=	=

Women also represent...

33% of our Executive Committee

24% of our firm’s leadership²¹

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

3. Inclusive Culture and Psychological Safety. We hosted numerous presentations, panel discussions, and external speakers from the LGBTQ+ community who shared their experiences and insights to help make the day-to-day experience of our members more inclusive.

4. Affiliation and Community. We resumed in-person events and successfully held Pride conferences across the three BCG regions to support affiliation and community development.

5. Professional and Personal Development. We offer our members a bespoke mentorship program that we enhanced this year by piloting a software solution to streamline and improve mentor-mentee matchings.

6. Societal Impact. We completed the research for the next edition of our flagship Out@Work Barometer, a regular thought leadership report. Our theme for this edition is the experience of trans, nonbinary, and gender-nonconforming individuals in the workplace.

AccessAbility@BCG

2022 has been a historic year for AccessAbility@BCG, as it formally became a pillar of the global DEI program. Our priority, beyond establishing the global community, was to baseline the reasonable accommodations we have in place across all BCG offices and to develop guidelines for local HR teams to best support colleagues with disabilities. In addition, we are working with our IT and real estate teams to improve digital and physical accessibility within our offices.

We achieved several milestones across our four priority AccessAbility goals:

- **Affiliation.** We launched AccessAbility@BCG in May 2022 and gained nearly 750 members by the end of the year. We also have local affinity networks in offices across the US, Australia, and Europe—all working to support colleagues across all dimensions of disability.
- **Awareness and Education.** We held six global Authentic Conversations to raise awareness of accessibility topics, introduced the AccessAbility mentorship program, launched a mental health championship training for BCG employees in conjunction with Global Wellbeing@BCG, and hosted the first-ever BCG-wide disability, inclusion, and awareness campaign on equitable people policies and processes.
- **Seat at the Table.** In addition to our existing membership with Valuable 500, we became a corporate partner of [Business Disability Forum](#) and [DisabilityIN](#), helping to advance inclusion beyond BCG.
- **Thought Leadership.** We performed extensive market research focused on employees with disabilities, the results of which we will publish in 2023.

2022 in Numbers



+20%

growth in the global Pride@BCG diversity affinity network



1,100

active members (not including allies)



45

countries supported through the network

Racial and Ethnic Diversity, Equity, and Inclusion

BCG continues to drive progress on racial and ethnic equity and diversity within and beyond BCG. This work has three key pillars:

- **Our Workplace.** Increasing representation and driving a diverse, equitable, inclusive culture

- **Our Work.** Pushing for diversity, racial equity, and inclusion with our partners and clients
- **Our World.** Deploying our resources for social and systemic change

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

Commitment

Progress in 2022

- | | |
|---|--|
| 1. Accelerate representation of Black BCGers and further commit to making BCG a place where all talent thrives | 10% of new hires identify as Black or African American across our US offices, and our retention programs demonstrate progress, with no significant retention gaps across demographics in 2022 |
| 2. Foster accountability by accelerating the clarity, ambition, and measurement of our goals | 600+ senior leaders have participated in the Groundwater Leadership Program to build awareness and collective action on racial equity. Increased optimization and capabilities with dashboard that helps leaders manage outcomes across DEI |
| 3. Strengthen our supplier diversity efforts , increasing the number of minority- and women-owned businesses | Our Supplier Diversity Program has demonstrated progress, with a 47% increase in spending on minority-owned business enterprise suppliers in 2022 |
| 4. Advance our clients' pursuit of racial equity through our Social Impact practice | 120+ racial equity projects launched to amplify impact |
| 5. Catalyze change by investing \$100 million in BCG talent resources over five years | \$72 million deployed in BCG talent, including 700+ BCGers engaged in equity-focused projects with both public and private partners since 2020 |
| 6. Donate \$1 million over five years to organizations that are leading change in racial equity | \$900,000+ donated to Black equity-focused organizations since June 2020 |

Our [North America Center for Inclusion and Equity](#) leads our work with companies, governments, and social impact organizations in that region to build inclusive and equitable cultures, expand organizational diversity, and drive systemic change alongside business value and social impact.

We also expanded our regional racial and ethnic diversity affinity networks in Europe, Australia, and Africa. For example, the **Kulcha & Ethnicity, First Nations, and People of Colour** networks have been established in Australia, New Zealand, and South Africa respectively, reflecting each office's individual cultural heritage to encourage inclusion and belonging. In addition, we initiated a voluntary ethnicity self-identification campaign in the UK to improve data transparency.

Fostering an Equitable and Inclusive Workplace

At BCG, we systematically track retention and promotion data globally as we aspire to have equal rates for both men and women, which we have achieved for several years. We also track retention and promotion data for other diversity groups in specific locations, depending on data availability. Ensuring fair and equitable pay for employees is a key part of BCG's commitment to creating an inclusive workplace. See page 61 for more details on BCG's compensation practices.

We continuously reinforce our structured approach to inclusion by using a set of global tools and resources to share best practices and connect DEI leaders across all our markets—building an inclusive culture for all BCG employees.

Around the globe, regional teams and local offices create programming and educational initiatives on topics of culture and identity to promote allyship and raise awareness of ways to advance inclusion in the workplace and to promote psychological safety among all our employees. For example, we hosted dozens of “Authentic Conversations,” which provide a forum for open dialogue about culture and identity and give employees an opportunity to share their lived experiences and for all BCGers to feel understood, respected, and supported.

Leaders typically have tools and strategies for quantifying and tracking progress on diversity and equity in the workplace, but less guidance for assessing inclusion. Many companies have struggled to objectively measure inclusion, discern whether their interventions are having the intended effect, and course-correct with confidence.

To fill this void, we embarked on an ambitious research project to understand what drives feelings of inclusion in the workplace. We surveyed around 27,800 workers across industries in 16 countries to develop BCG's **BLISS Index**. (BLISS stands for “bias-free leadership, inclusion, safety, and support.”) The BLISS Index is a comprehensive, statistically rigorous tool that uses sophisticated modeling techniques to identify which experiences at work drive feelings of inclusion and ultimately influence decisions about whether employees will stay in a job or leave it—a topic that will become even more important as the struggle for talent becomes fiercer and the economy more uncertain. BCG's BLISS Index has identified a set of actionable drivers for leaders to use in building positive experiences of inclusion in their workplaces around the globe.

2022 in Numbers²²



46%

of total consulting team staff in the US are members of racial or ethnic minorities



51%

of the firm's new hires in the US are members of racial or ethnic minorities



30%

of the firm's leadership in the US are members of racial or ethnic minorities

22. We are currently able to disclose race and ethnicity data for our US operations only. BCG does not mandate that all staff identify their race or ethnicity, which prevents us from reporting globally on these metrics. Members of “racial or ethnic minorities” in this context include Asian, Hispanic/Latinx, Black/African American, Native American, and two or more races.

Shaping the Global Agenda

We engage with leading private and public sector organizations and NGOs to build inclusive businesses and DEI programs that create long-term, sustainable advantage for their talent, their organization, and society. Beyond our work with clients, BCG invests substantially in proprietary DEI research and every year publishes numerous articles with actionable recommendations to drive improved DEI outcomes for ourselves, our clients, and the world at large.



DEI is fundamental to our firm, a crucial lever for our clients, and essential for the personal growth of our people. Watch this short video to hear BCGers share their experiences in driving DEI for clients while unlocking their own potential.

Our most read DEI research in 2022:



Rethink & Broaden Diversity, Equity, and Inclusion to Create a Competitive Advantage



Reinventing Gender Diversity Programs for a Post-Pandemic World



To Fix the Labor Shortage, Solve the Care Crisis



It's Time for Institutional Investors to Embrace the S in ESG



The Importance of Being Equitable in Product Design



Know Where You Stand to Take a Stand on Equity

Driving Change Through Partnership

We collaborate with organizations that are leading the way on DEI issues to generate lasting impact across the business environment and in the wider world:

Bloomberg Equality and the **Conference Board**. We sponsored conferences to bring together leaders and allies for solutions-oriented dialogue and best-practice sharing.

Catalyst. BCG is a key research partner of Catalyst, and BCG representatives sit on its board of advisors and experts, helping build workplaces that work for women. Our CEO Christoph Schweizer is a Catalyst CEO Champion for Change.

The Female Quotient. We are a sponsor of the Equality Lounge at Davos, where we lead discussion sessions on how to remove barriers and increase inclusion for women in business.

Women's Forum for the Economy & Society. We are a sponsor and knowledge partner with this group, supporting a committee of 12 companies that collaborate to boost women's participation in STEM fields.

UN Women. We cohost gender diversity roundtables with this organization in Denmark and Finland, assembling leaders to share experiences and best practices for advancing gender diversity. We also publish thought leadership pieces based on proprietary research through this roundtable initiative.

G20 Empower. We are a knowledge partner in this alliance of private sector and government leaders who jointly advocate for the advancement of women in leadership positions in the private and public sectors.

Girls Who Code. We partnered to develop Technical Interview Prep, a free learning module to successfully prepare young women and nonbinary people for thriving careers in the tech industry.

Open for Business, GiveOut, OUTstanding (INvolve), and Partnership for LGBTI Equality. BCG partners with these organizations to support and advance LGBTQ-inclusive business environments.

World Economic Forum's Partnering for Racial Justice in Business Initiative. We are a founding member of this global coalition committed to creating equitable and just workplaces for underrepresented racial and ethnic employees and collectively advocating for inclusive policy change.

Management Leadership for Tomorrow. We partnered with this group to develop the Black Equity and Hispanic Equity at Work Certification Programs. We have achieved bronze certification in the Black equity program and are developing a comprehensive racial equity plan to continue to make progress on this front.

The Valuable 500, Business Disability Forum, and DisabilityIN. We partner with these organizations to promote disability inclusion.

Exhibit 11 - Our Diversity, Equity, and Inclusion Partners



Source: BCG.

Learning and Development

We aim to deliver a world-class learning experience that accelerates employee development, deepens a sense of belonging, and unlocks employees' potential to have an impact on our firm, our clients, and the world. We facilitate continuous learning for our employees, offering multiple delivery channels (in person, virtual, online, and team based) for easy access. We help our people hone the skills they need to perform in their current roles and to realize their full potential and personal growth.

Our approach centers on three core elements:

1. Personalized Career-Step Educational Programs.

These are typically multidimensional learning journeys that use a range of tools and techniques, including in-person classroom-based learning and discussion, virtual live sessions, digital learning primers, and post-program learning reviews.

2. An Extensive Repository of Internally Developed Learning Resources and External Libraries.

We have more than 4,000 modules for core skills and expert knowledge, as well as access to a wide selection of external libraries—such as LinkedIn Learning, GetAbstract, and TED@Work—that offer more technical skills.

3. Upskilling Campaigns.

We engage in rapidly upskilling a large number of employees across many different cohorts and career steps on specific skill sets, using intensive, targeted programs that typically combine digital learning primers and classroom sessions.

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

2022 Highlights

Continuous Learning Model and Expanding Offerings

We have made significant progress on our continuous learning journeys, bringing core experiences to new-hire cohorts, internal people managers, and newly elected MDPs. More than 5,500 employees participated in 2022, taking advantage of a strong onboarding start followed by self-paced, self-directed upskilling experiences personalized to the learner's need. We also laid the foundation for expanding the continuous learning concept to our case leaders and are planning a rollout of this expansion during 2023.

In addition, we have pivoted our continuous learning beyond core learning experiences to encompass upskilling, including offering six chapter journeys on key topics such as cybersecurity and IT architecture. Over 5,000 learners have already engaged on these topics. In addition, we expanded functional learning for internal professional groups (including finance and IT) to better serve their unique skill sets.

Reconnecting Through In-Person Learning Experiences

One of our business priorities is to reduce carbon emissions by 50% per learner by 2025 versus a 2018 baseline, while maintaining the impact of in-person affiliation. This commitment requires a healthy balance of in-person and virtual learning offerings. In 2022, we managed to reduce carbon emissions per learner by approximately 65% relative to the 2018 baseline. This reduction was driven in part by the travel restrictions still in place in some geographies during the first quarter of the year.

We are glad to safely resume offering capstone experiences in person, allowing learners to take time to reflect on their career path and development. This is often critical for behavioral changes and provides an opportunity to reconnect with the broader firm via peer exchange and collaboration.

Professional-Grade Virtual Learning Experiences—Beyond Zoom

We delivered more than 745,000 self-paced and virtual learning experiences aligned with our balanced approach of virtual and in-person learning experiences. As we grow, we must do much more to meet the demand for upskilling. Virtual learning is imperative to our overall learning success. It reduces our carbon footprint, increases our ability to personalize offerings, and allows us to scale access to the strongest facilitators and experts while reducing time away from clients.

At the onset of COVID-19, we pivoted all offerings to virtual settings, mainly using Zoom. We learned a lot and have since pivoted to more professional-grade virtual offerings, including leveraging professional recording studios with lighting, camera setup, and film crews to create a more immersive experience for learners and facilitators alike. We will continue to invest in this trend, as we expect to increase the level of upskilling in the future—and virtual instruction is vital to meeting that demand.

Upskilling Thousands of Learners on Critical Topics

AI and climate and sustainability (C&S) remain high business priorities for our clients' CEOs and represent a critical challenge for people globally. For that reason, we are doubling down to help our clients solve this complex challenge.

We won't be able to recruit all the talent needed to deliver the work. Consequently, we rely on massive internal upskilling. We are proud to offer a progressive learning approach with comprehensive multimode journeys, from nudges for broad audiences to credentialed expertise-building programs through AI and C&S academies:

- **AI Academy.** This program starts with quick, basic instruction, followed by cohort experiences and topic-level experiences for case preparedness. We close with the AI Accelerator, an eight-week program of 20 hours of self-paced learning, combined with virtual sessions with a Harvard Business School professor, enabling participants to upskill on a core set of AI topics.
- **C&S Academy.** This program starts with bite-size, base-level content for all staff, followed by cohort experience to understand business imperatives, and then by master classes with topic deep dives to help people to become "C&S fluent." The program closes with a weeklong intensive course at a partner university (Cambridge or Columbia), complemented by virtual training that covers multiple disciplines ranging from climate science to materials engineering to conservation and provides staff members with the latest insights in climate science and solutions.

2022 in Numbers



23

online modules completed annually per learner²³



1 week

of formal learning experiences completed annually, on average, per employee



91%

attendance at career-step learning experiences



>30,000

employees participated in a learning experience

23. Average for BCG employees who completed online modules.

Employee Well-Being

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 lives. To that end, we offer high-quality benefits and family support programs, flexibility, time off to recharge and pursue personal interests, and extensive opportunities for personal and professional development.

Wellbeing@BCG is a global framework and set of guiding principles designed to support the delivery of health benefits and well-being solutions that are suitable for each locale and accessible to all employees and their families. We empower employees to take care of their whole selves, and we support them at all life and career stages. Through our global well-being microsite, learning platform, and employee assistance program, we ensure that our people have access to the support they need, when they need it most.

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

2022 Highlights

We launched Energize to Thrive, a series of programs for our employees that focuses on fundamental aspects of holistic well-being and human physiology to support personal sustainability and promote increased energy levels in individuals. Energize to Thrive is based on research-backed practical skills and habits related to recovery, movement, nutrition, and breathing—all of which have been shown to support physical and mental well-being. Employees can learn through a variety of channels, such as live webinars with leading experts, a series of short- and long-form podcasts, and in-person events. More than 50% of BCGers have participated in the well-being program since its launch in 2020.

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

We launched our Wellbeing@BCG virtual-learning series in 2020 to support employees with emotional health challenges created by the pandemic, and the initiative continues to grow in popularity. More than 8,000 participants attended 34 webinars in 2022, an increase of 88% over the prior year. And with very positive feedback, we will continue to evolve and expand this series to further support employee well-being and personal sustainability.

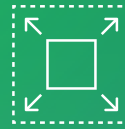
Normalizing the Conversation About Mental Health

At BCG, we envision a workplace where mental health is valued, promoted, and protected just as physical health is. We want everyone to have an equal opportunity to enjoy mental health and equal access to the support they need.

On World Mental Health Day (October 10, 2022), we launched the Everymind Mental Health Champion Course. Open to all BCGers, the course encourages people to invest a small amount of time toward their own and their colleagues' mental well-being. BCG also signed the Mental Health Pledge, created by Thrive Global and the Society for Human Resource Management, as evidence of our commitment to prioritizing the well-being of our employees.

Stigma and discrimination on this topic still exist and can be an obstacle that prevents more people from focusing on their own mental health. Although we recognize that change can take time, we continue to encourage peer-to-peer support and emphasize the value of pausing and reflecting on the importance of everyone's mental well-being.

2022 in Numbers



100%

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



>8,000

employees participated in Wellbeing@BCG virtual learning sessions



>100

employees completed the Everymind Mental Health Champion certification

Promoting Responsible Business Practices



Johannesburg - Darryn, Data Scientist

[Contents](#)

100% of our teams have completed our business ethics training programs



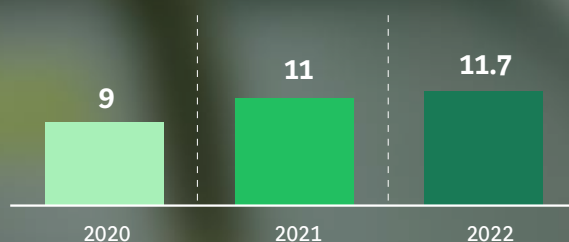
10-15% of our annual capacity is invested in research and development



32% growth in BCG's Global Risk Management headcount in 2022



\$11.7 billion generated in global revenue in 2022



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

As a participant in the United Nations Global Compact (UNGC), we remain steadfast in our support for the protection of internationally proclaimed human rights, and we have maintained a perfect score in the Human Rights Campaign's Corporate Equality Index.

We continued to invest heavily in risk management to improve our capabilities and expertise and meet the needs of all our business and client stakeholders. In 2022, we appointed a new chief risk officer to oversee our global risk team, which grew by 32% in 2022.

We launched a new Responsible AI policy and [AI Code of Conduct](#), the first of its kind in our industry. Our Chief AI Ethics Officer, [Steven Mills](#), oversees BCG's Responsible AI program and leads the operationalization of our global Responsible AI policy.

Responsible Business Practices

BCG Code of Conduct

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

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

Our Assurance & Advisory team, described further on page 78, periodically assesses the adherence of BCG's local offices to the Code, as well as to global and local policies, processes, and standards. Everyone at BCG confirms their adherence to the provisions of the Code as a condition of their employment and must reaffirm their compliance in a written acknowledgment every year.

In 2022, as in prior years, 100% of BCG employees were required to complete a web-based training session on the updated Code of Conduct, confirm their understanding of the Code, and agree to comply with its terms.²⁴ The Code training is mandatory, and we deliver and track it via our online learning platform. Employees who fail to complete the training face restricted access to BCG systems until they have met the requirement.

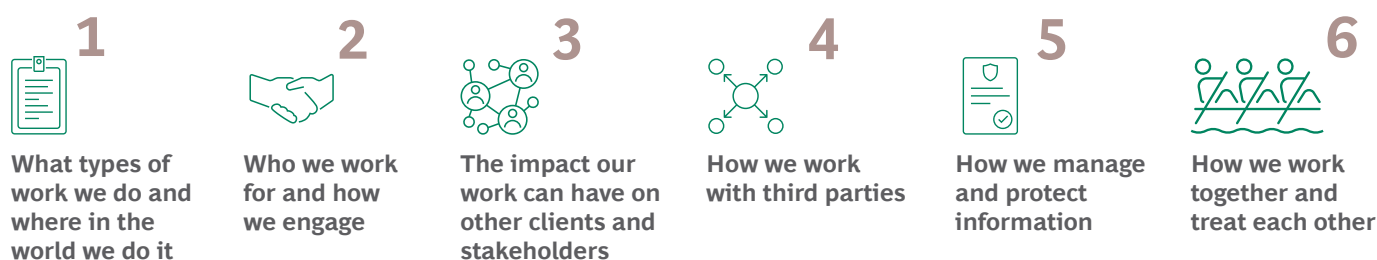
BCG's Code of Client Service

According to BCG's founder Bruce Henderson the "*most important value of all, for each professional, must be dedication to the task of optimizing client contribution to society.*" The BCG Code of Client Service (BCCS) provides a framework for global policies and processes to back our long-standing shared values and optimize the value we create for clients and society. We regularly remind BCG staff that a commitment to our values and purpose entails considering not only the value of our work for clients and society, but also any associated risk for clients, society, and BCG. Grounded in our company values and purpose, our aspiration is to create a culture committed to accountability, transparency, honesty, humility, and continuous improvement. A key element of the Code, the BCCS underlines our commitment to lead with integrity as we serve our clients, operate in our communities, and guide our teams.

The BCCS articulates six core principles that address key dimensions of the work we do at BCG. (See [Exhibit 12](#).) In practice, these principles help guide us in systematically identifying and evaluating opportunities and risks, and mitigating the risks, throughout the case life cycle so that we live up to the aspirations of our founder.

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

Exhibit 12 - Our Code of Client Service Defines Our Expectations and Guiding Principles Across Six Dimensions



Source: BCG.

We recognize, however, that written policies can go only so far in mitigating risk and that our people, culture, and processes are critical to ensuring that we optimize our contributions to society. BCG also recognizes that our people sometimes encounter “gray zones,” where the right steps may be unclear. Although BCG empowers its case teams as its active first line of defense in risk management efforts, we also have robust resources and processes to support our teams in socializing risk mitigation across the firm. BCG’s values-first culture is supported by dedicated teams, fellow MDPs, other senior firm leaders, BCG business functions, and regional and global governance bodies that aid in the implementation of BCCS on myriad client, supplier, and employee matters. Our people are dedicated to supporting one another when navigating complex questions and gray zones. “Grow by growing others” is a guiding principle of our culture.

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

Anti-Bribery and Corruption

BCG’s culture of integrity is upheld by a policy of zero tolerance for corruption of any kind. We consider this standard essential for performing our role in society, as well as for preserving our reputation as trusted advisors of our clients and an employer of choice for the best talent.

The Anti-Bribery & Corruption policy is a key component of both the Code and the BCCS, defining our commitment, expectations, and approach. All BCGers are expected to abide by applicable laws, treaties, and regulations that

prohibit bribery and other corruption, including the US Foreign Corrupt Practices Act and the UK Bribery Act. Accordingly, BCGers must not, either directly or indirectly through third parties, offer, attempt to offer, solicit, authorize, or promise any type of bribe or kickback to obtain business or an unfair advantage. This policy pertains to all members of the BCG community, including MDPs, officers, employees, contractors, clients, and others with whom we conduct business. We also adhere to fair-competition regulations and all other laws in the countries where we do business.

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

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

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

Human Rights

Respect for the individual is a core value at BCG, as reflected in our firm's history, the Code, and the BCCS.

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

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

BCG expects suppliers to share its commitment to human rights and equal opportunity, and we will not knowingly do business with any partner or supplier that violates our policies or standards. Our [BCG Supplier Code of Conduct](#) defines these expectations as minimum requirements for suppliers seeking to conduct business with us.

Additional detail is available in our [UK](#) and [Australia](#) Modern Slavery Act Reports, which further explain our process for preventing slavery and human trafficking in our business and supply chain. Under our global screening program, suppliers are screened for sanctions, bribery, corruption, and negative media as indications of each supplier's historical behavior.

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

2022 in Numbers



100%

of active full-time employees completed the annual acknowledgment of the Code of Conduct, confirming their understanding of and compliance with its terms²⁵



95%

of BCGers say they feel a personal accountability to uphold BCG's values and ethical standards²⁶



100%

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

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

26. Source: 2022 BCG People Survey.

Raising Concerns

Although BCG's culture is rooted in outstanding professional standards, we acknowledge that at times ethical dilemmas, difficult decisions, and behaviors inconsistent with our Code or other policies may arise. We ask and encourage our people to adhere to the principle of "see something, say something" at all times.

Everyone at BCG is encouraged to raise concerns about potential misconduct without fear of adverse repercussions. We offer multiple channels of reporting, including our confidential ombudsperson program and "speak up" line, both of which are designed to prevent and identify misconduct and support BCG's aim to lead with integrity. Once raised, each concern is handled with sensitivity and in confidence, subject to any overriding legal or regulatory requirements. Further, everyone at BCG is responsible for reporting known or suspected violations of our Code of Conduct, our values, and any law, regulation, or policy. We address all such concerns appropriately in accordance with our internal policies.

Taxation

In the environmental, social, and governance (ESG) framework, tax is an important component of a business's contribution to society. BCG's global tax strategy is a critical element of our commitment to responsible and sustainable business. This includes, among other things, ensuring that our tax practices align with the Organisation for Economic Co-operation and Development's international tax reform work on base erosion and profit shifting, aiming to comply fully with our obligations, and engaging openly with tax authorities and other stakeholders. To deliver on that commitment, BCG has adopted a transfer pricing methodology that facilitates allocation of BCG's global profits among all countries, thereby ensuring that we pay a fair share of tax in each jurisdiction in which we operate.

Global Risk Management

BCG's Global Risk Management function acts as a trusted advisor to the BCG community, enabling innovation and growth in our services, while supporting and protecting our people, clients, and brand in an ever-changing world. Led by our chief risk officer, Global Risk Management encompasses specialist teams across compliance, data protection, enterprise risk management, assurance and advisory, information security, and safety and security. The teams continuously look around corners, both internally and externally, and partner with other global functions and the frontline business to ensure that risks are identified proactively and managed holistically, and that appropriate guardrails are applied where required.

Our approach to risk management is guided by established frameworks and processes that align with best practices and support our objectives and values as an organization and as a global risk function. A central pillar of our approach is that all BCGers are responsible for risk identification and risk management. Our specialist risk management teams work in partnership with our MDPs and employees to proactively identify and manage risks across our regions, practices, functions, and risk categories. We foster ongoing engagement and partnership in identifying and mitigating the key risk exposures facing our business through a variety of initiatives:

- Proactive management and assessment of our global risk register
- Local and global commercial advisory processes for client and topic selection and conflict management
- Annual risk surveys and engagements with MDPs
- A global risk and compliance node network
- Periodic internal risk reviews of all BCG offices
- Regular virtual and in-person training on various risk, compliance, and information security topics

In recognition of our robust risk management approach to information security, BCG's global Information Security Management System received certification for full compliance with the ISO 27001 international information security standard.

The scope and effectiveness of BCG's governance, risk management, and internal controls receive independent and objective evaluation from our Assurance & Advisory team as well as through our external auditor and industry certifications. Internal risk reviews typically occur on a three- or four-year cycle, depending on the local risk environment and the results of prior reviews. At the highest level, risk oversight is provided by our CEO, Executive Committee, and Audit and Risk Committee—a committee of the board that meets at least six times each year to review the firm's risk management profile.

2022 Highlights

BCG continued to invest heavily in risk management to improve our capabilities and expertise and meet the needs of our business and client stakeholders. In 2022, Global Risk Management brought on a new chief risk officer, and BCG elevated this role to be included as a permanent member of BCG's Operating Committee. The function also expanded in scope to integrate information security as well as physical security, and the team grew by 32% in 2022. The Global Risk Management function continues to invest in technology solutions to support our objectives, which in 2022 included a governance risk and compliance solution as well as tools to support business continuity planning efforts and key compliance processes.

2022 in Numbers



32

BCG offices underwent an internal risk review



32%

growth in BCG's Global Risk Management headcount in 2022



100%

ISO 27001 certification coverage for our Information Security Management System

Safety and Security

BCG is committed to providing a safe, secure work environment for our employees. We accept the responsibility, as a group and as individuals, to help prevent situations that jeopardize our health and well-being. Our dedicated Global Security team, composed of experienced professionals, partners with our offices, employees, and other internal functions to ensure the safety and well-being of our employees through programs that focus on security awareness, travel, workplace safety and security, incident response, and operations resilience.

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 Global Security team monitors trends and adverse events in all locations where we have employees and takes a risk-based approach to keeping our staff safe and secure while traveling. We equip our people with digital tools that provide up-to-date travel safety and security information and one-touch connection to our 24-7 response center so that they can make informed decisions to avoid jeopardizing their health and well-being. Pretravel assessments, planning, and authorization processes are in place for locations where elevated security threats exist. In these cases, the authorizing body is the Global Security Committee, which consists of BCG's chief risk officer, our general counsel, a senior MDP, and the executive director for security and sustainability.

Our global and local Incident Response Teams, led by MDPs and supported by our global team, are trained and equipped to react to adverse events and reduce their impact to our people, operations, and assets.

Creating a Safe and Secure Workplace

Our offices have programs in place to ensure the health and safety of employees and guests. These programs follow BCG's standards of physical security that establish baseline criteria for securing buildings, offices, and operations. We maximize natural light in our offices and provide ergonomic workstations to improve employee well-being and safety. To cultivate awareness among our employees, we include health and safety procedures as a standard module in our new-hire induction process. Employees visiting a new office for the first time have access to local health and safety procedures. New office buildings are subject to a comprehensive risk assessment to mitigate our employees' and the firm's exposure to risk, and the Global Security team is part of every new office build team. Our Assurance & Advisory team conducts office reviews for all BCG offices, typically on a three- or four-year cycle (depending on risk exposure), including an assessment of office safety and security protocols and practices.

2022 in Numbers



100%

of new offices opened in 2022 were subject to a physical security risk assessment



100%

of new consulting staff completed our mandatory travel safety training



0

work-related fatalities or high-consequence injuries²⁷

27. Reporting on injuries and fatalities covers US operations only.

Building Resilient Operations

We continued to work with our global offices and our functions on enhanced business resilience and incident response. In 2022, in addition to conducting simulation exercises, we applied lessons learned during contemporary events—from the continuing effects of the COVID-19 pandemic to the war in Ukraine—to develop new tools and procedures to support business resilience. We worked in 2022 to embed new digital tools introduced in 2021 to enable dynamic responses across our incident response and business continuity teams and enhance disaster recovery capabilities. Given the uncertain geopolitical context in which we work, the Global Security team placed a greater emphasis on horizon scanning and scenario development in 2022. The team developed scenarios in consultation with local leadership and leading industry experts to ensure that BCG is as prepared as possible for all contingencies.

Coping with COVID-19

Our COVID-19 response and employee support became more complex and regionally diversified in 2022 as economies and markets adopted different testing requirements, rules about travel, and other restrictions on the basis of local case rates and differing approaches by public health authorities. To promote our employees' physical and psychological safety and to ensure a healthy, productive return to the office, to clients, and to international meetings, we needed our employees to feel safe and to trust that they would be cared for.

We continued to work with our people and clients to reduce the risk of COVID-19 transmission, even as many of our global and regional international meetings resumed in 2022. We reviewed and updated our internal procedures and measures in consultation with local offices and leadership. In order to adhere to applicable regulations, balance the varying expectations of employees from dozens of countries, and minimize the risk of transmission, we implemented a comprehensive program of pretravel guidance, testing, case monitoring, and contact tracing. Regular staff feedback helped us calibrate needs and build confidence.

Responsible Artificial Intelligence

Clients trust us to help them transform their organizations and industries through artificial intelligence (AI), which plays an increasingly vital role in their businesses. Though AI presents another exciting avenue for BCG to unlock the potential of those who advance the world, its use can carry risks. We have an obligation to ensure that our AI solutions deliver transformative impact without inadvertently harming people or communities or compromising BCG's values. This is why the responsible design and use of AI is fundamental to our approach.

Our Chief AI Ethics Officer, [Steven Mills](#), oversees BCG's Responsible AI program and leads the implementation of our global Responsible AI policy. This policy is one component of our broader BCCS, which ensures that the work we do aligns with BCG's core values and purpose. Our [AI Code of Conduct](#) further codifies BCG's commitment to responsibly design, develop, and deploy AI systems with our clients around the world.

BCG's Responsible AI policy defines a set of "high vigilance areas" that require additional review and approval. These involve projects that could have a substantial positive impact on society and our clients but also bring a higher possibility of risk. Proposals for such projects are reviewed by BCG's Responsible AI Council (RAIC, a global, cross-functional group of senior leaders and experts who provide feedback on each proposal, surfacing risks, defining mitigation strategies, and creating guardrails. Responsible AI is integrated into BCG's processes for AI software development to ensure that all mitigation strategies are put in place, the progression of each project is monitored over time by the RAIC, and new risks are identified as they emerge.

We are investing in training to upskill our teams and creating tools and frameworks that incorporate Responsible AI best practices. For example, we have developed software applications—such as [Code Carbon](#) and [Facet](#), two web-based project risk assessment tools—that empower our teams to address potential issues. We integrate the practice of responsible AI into our training, and we regularly hold dedicated executive-level workshops across the organization.

2022 Highlights

The Executive Committee's approval of BCG's Responsible AI policy in 2021 elevated this work across BCG and codified our firm's commitment. In 2022, we demonstrated this commitment to our external stakeholders through our [AI Code of Conduct](#) and an [accompanying video](#). The AI Code of Conduct—the first of its kind in our industry—connects these efforts to BCG's purpose. By sharing original research with the technology and business communities, we have established BCG as a responsible AI thought leader. We were nominated as a finalist for the RAI Institute's RAISE 2022 Leading Enterprise Award. DataIQ listed Steven Mills among the 100 Most Influential People in Data, and our work has been recognized in *MIT Sloan Management Review*, *Venture Beat*, *Protocol*, *Wired*, and other publications.

The global launch and rollout of our Responsible AI policy was another highlight of 2022. To support the launch, we created an internal microsite that explains how we operationalize this work, consolidates case studies, lists RAIC membership information, and provides internal tools and training. We also offered training sessions to technical and nontechnical staff, including executive leaders, to enable them to activate BCG's responsible AI principles during project execution.

Data Privacy

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

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

Governance

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

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

- 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 reinforce the 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, and deletion requests

2022 in Numbers



100%

of new employees completed our mandatory data privacy and information security training as part of their onboarding process²⁸



100%

of BCG employees annually certified their understanding of and compliance with the appropriate data privacy and information security policies²⁹

28. Because new employees routinely join BCG, and some of them may not have completed the training at the time of reporting, compliance is marginally under 100%.

29. 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%.

In 2022, all employees completed a newly designed mandatory privacy and security refresher training session. The Data Protection Office focused on new privacy and security laws, including the Chinese Personal Information Protection law and Cyber Security law, the California Privacy Rights Act, Ontario's bill 96, and offered new guidance.

Information Security

BCG's Information Security Risk Management (ISRM) program safeguards BCG's brand and intellectual property, as well as employee and client information, from misuse, damage, and unauthorized access. We adhere to a multi-layer, proactive approach to reinforce the confidentiality, integrity, availability, and nonrepudiation 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 code of practices established by the International Standard ISO/IEC 27002. We have received ISO 27001 certification for our global Information Security Management System, as well as Cyber Essentials certification in the UK, and TISAX certification for offices in Germany, India, and the US. We employ best practices.

Sustainable Procurement

Our commitment to delivering positive societal impact is central to our values and purpose and extends beyond our workforce and operations to our suppliers. By embedding attention to supplier sustainability and diversity in our procurement processes, we drive business growth and innovation while unlocking and advancing more sustainable business practices.

Our sustainable procurement program aims to deepen our engagement with our suppliers and use BCG's buying power to support three pillars of sustainability:

- **Environmental.** We focus on protecting our planet and natural resources while making progress toward our ambitious net-zero climate impact goal.
- **Social.** We help improve the quality of livelihoods and advance DEI by supporting socially responsible and diverse suppliers.
- **Economic.** We look to build a more prosperous economy by driving investment in innovation and financial inclusion throughout our supply chain.

Our sustainable procurement approach has five core tenets.

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 supplier 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 suppliers' failure to meet SCoC requirements.

Supplier Governance Policy

Our Supplier Governance Policy defines how 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. We have rolled out the policy in our UK office and will launch it in other major BCG hubs in 2023. The policy applies to BCG staff and all 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.

Supplier Sustainability Questionnaires

We have integrated a supplier sustainability questionnaire into our standard supplier request-for-proposal template. The questions that it poses raise awareness of our commitment to sustainability in the supply chain, provide opportunities 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. In 2022, we enhanced these sustainability questions to enable sourcing teams to determine the energy efficiency of specific products. As part of our commitment to carbon neutrality, we are evaluating the carbon emissions associated with all supply chain emissions (reported in our Scope 3 purchased goods and services and capital goods categories). This quantification will help inform future engagement with suppliers on the subject of carbon emissions.

Supplier Screening

BCG promotes sustainability and diversity in its supplier sourcing and selection process. We screen new suppliers and continuously monitor all suppliers for red flags related to sanctions. We also complete anti-bribery and corruption screening for suppliers in high-risk locations for reputation, negative news, and PEP (politically exposed persons) status. We have established a protocol for raising red flags and escalating issues when we find that suppliers require additional screening. A periodic report shares the screening results with relevant business stakeholders and internal control groups to ensure effective ongoing management of supplier-related risks.

Supplier Diversity Program

As part of our commitment to the growth and development of supplier diversity, we offer a fair bidding process for diverse suppliers to obtain procurement opportunities within BCG. 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. Our procurement team maintains a master list of all diverse suppliers, and it reports on and monitors spending with these suppliers on a quarterly basis. In 2022, 4% of our US spending was with diverse suppliers.

2022 Highlights

This year we worked with our internal teams and with clients' supplier diversity teams to establish reporting on spending on diverse suppliers. We are also working with individual offices on local supplier diversity initiatives.

In the area of supplier risk management, we developed a new supplier risk framework for improved governance and risk management during all stages of the supplier risk life cycle. The framework includes a new supplier risk assessment methodology—which we launched as a pilot—that more accurately identifies inherent and residual risks within suppliers. This framework permits proportionate risk treatment of suppliers that BCG uses to support its strategic objectives. In addition, we reviewed the BCG supplier base to ensure that our suppliers comply with the regulatory deadline for the GDPR regulations.

In response to the Ukraine conflict, we screened all of our Russian suppliers for sanctions, PEPs, and adverse media to ensure that we work only with reputable suppliers that are not sanctioned and do not pose any reputational risk. Our stand-up of daily monitoring across BCG's supplier base enables us to quickly and proactively identify suppliers impacted by global sanctions and to take appropriate action in instances where we find risks.

2022 in Numbers



100%

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



100%

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



100%

of BCG's category managers attended a sustainable procurement training program



4%

of our spending in the US was with diverse suppliers (compared to 2% in 2020)



New Delhi - Krtin, Associate; and Aanya, Associate

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Greenhouse Gas Reporting Methodology

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

Scope 1 and Scope 2 Emissions

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

Scope 3 Business Travel Emissions

Business travel is our most material emissions source and makes up the majority of our GHG inventory. Our business travel emissions include flights, hotel nights, rail, rental cars, and taxis. To calculate those emissions, we use the distances traveled per mode and class of transport and the number of hotel nights, as provided by our global travel agent, and multiply the travel activity by the [conversion factors](#) produced by the UK government. To account for travel booked by individuals outside our travel agent system, we apply a small uplift factor to flight, rail, and hotel emissions. For taxi emissions, since we do not have a global record of all taxi journey mileage, we convert expenses data into mileage using an external benchmark dollars-per-mile conversion rate to estimate the total distance traveled. We then look at the average emissions intensity (gCO₂/Km) for our largest taxi service provider to convert the distance traveled to emissions.

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

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

- Emissions reductions from the purchase of sustainable aviation fuel (SAF)

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

- In reporting progress toward our science-based targets (as detailed in Exhibit 6 on page 47), we include both direct (TTW) and indirect (WTT) emissions, but we currently exclude non-GHG emissions.
- In reporting our full GHG inventory, and for our 2030 net-zero strategy, we include direct (TTW) GHG and non-GHG emissions. The conversion factors that we use apply an uplift of 1.9 to the CO₂ emissions to account for the warming impact of non-GHG emissions.

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

Other Scope 3 Emissions

To calculate supply chain emissions, we collect data on the economic value of purchased goods and capital goods, and we multiply those figures by third-party emissions factors (tCO₂e/\$ spending) to estimate the full life cycle emissions. For purchased services, we use supplier-specific scope 1 and 2 data from public CDP disclosures where possible and allocate these to BCG using a tCO₂e/\$ spending allocation method. When supplier-specific information is unavailable, we use industry and sector averages to estimate emissions for the remaining service suppliers.

To calculate fuel- and energy-related activities that are not included in Scope 1 or Scope 2—such as WTT emissions and transmission and distribution (T&D) losses—we measure our electricity and fuel consumption and apply the relevant emissions factors. We estimate other, smaller emissions sources—such as employee commuting, waste, and upstream transportation and distribution—on the basis of the best available data. In 2022, we included an estimate of GHG emissions from remote working within the employee commuting Scope 3 category.

Restatements

No significant restatements for historical emissions have been identified.

Table 1 - GHG Emissions Inventory and Target Boundaries

CATEGORY	NET-ZERO TARGET BOUNDARY	SBTI SCOPE 1 & 2 TARGET BOUNDARY	SBTI SCOPE 3 TARGET BOUNDARY	EMISSIONS (KtCO ₂ e)		DIFFERENCE (%)
				2018	2022	
Scope 1	Included	Included	N/A	6	3	–49%
Scope 2 (market based) ¹	Included	Included	N/A	25	0	–100%
Scope 2 (location based)	Excluded	Excluded	N/A	29	17	–40%
Scope 3						
Business travel						
Direct air travel GHGs (tank to wake)	Included	N/A	Included	214	130	–39%
Indirect air travel GHGs (well to tank)	Excluded	N/A	Included	44	27	–39%
Air travel GHG emissions reductions from SAF	Included	N/A	Included	0	4	
Air travel non-GHG impact ²	Included	N/A	Excluded	191	116	–39%
Other business travel emissions sources ³	Included	N/A	Included	43	32	–25%
Other Scope 3 sources ⁴	Included	N/A	Excluded	106	129	+22%
Total emissions (net-zero boundary)				584	410	30%
Total emissions (net-zero boundary including SAF savings)⁵				584	406	30%

¹We use a market-based approach to report Scope 2 emissions, which factors in the purchase of renewable electricity. In 2019, we shifted to 100% renewable electricity for our offices and therefore report 0 KtCO₂e Scope 2 (market-based) emissions.

²Additional warming impacts generated during a flight, such as nitrogen oxides, sulfur oxides, and particulate matter, as well as the formation of contrails that contribute to effective radiative forcing.

³Other business travel emissions include hotel nights, train travel, rental cars, and taxi journeys.

⁴Other Scope 3 emissions include purchased goods and services, capital goods, employee commuting, fuel- and energy-related emissions, and waste.

⁵In accordance with the WEF Clean Skies for Tomorrow guidance, we adopt a dual reporting approach, including and excluding emissions reductions from the use of Sustainable Aviation Fuel certificates.

Table 2 - 2022 Carbon Credits Portfolio

LOCATION	NAME	TYPE	TECH	STANDARD	ID	VINTAGE	VOLUME
Brazil	Purus REDD+ – Acre Amazon	AVD	REDD+	VCS + CCB	VCS-963	2019–2020	128,560
Brazil	Agrocortex	AVD	REDD+	VCS	VCS-1686	2018	43,048
Indonesia	The Katingan Project - Borneo Peatlands	AVD	REDD+	VCS + CCB	VCS-1477	2017	39,000
China	Black River Afforestation	NBR	ARR	VCS + CCB	VCS-2370	2016–2020	58,250
Mexico	Fresh Breeze Teak Afforestation	NBR	ARR	VCS	VCS-1141	2019	100,000
Ghana	Community Reforestation	NBR	ARR	VCS	VCS-987	2019	18,000
Pakistan	Delta Blue Carbon	NBR	Mangrove	VCS + CCB	VCS-2250	2021–2022	18,250
U.S.A.	Indigo Carbon U.S.	NBR	Soil Carbon Sequestration	CAR	CAR-1459	2018	1,000
Cameroon	Biochar - Nkongsamba Facility	HBD	Biochar	Puro	N/A	2022	184
							406,302

Note: AVD = avoided emissions; EHR = engineered/hybrid removals; NBR = nature-based removals. Volumes are expressed in kilometric tons of CO₂e.

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

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

We provide more detail on our approach to managing climate-related risks and opportunities in our CDP Climate Disclosure, available at www.CDP.net.

Governance

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

Strategy

Although we have a thorough process in place to monitor climate-related risks and our mitigation approach (see page 90), we have not identified any risks that could have a substantive impact on our business. This is primarily because we are a highly agile and resilient organization, our value chain is not significantly exposed to climate-related risks, we are not operating in a heavy emitting industry, and we are not subject to substantive climate regulation or policy. In addition, we actively manage our own climate impacts through our industry-leading net-zero program.

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

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

Risk Management

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

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

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

Metrics and Targets

As explained in the strategy section above, the increase in client revenue from climate and sustainability consulting projects presents the greatest opportunity to BCG. Accordingly, we monitor and report the performance and growth of our climate and sustainability client work. In 2022, we delivered approximately 1,000 cases to 500 clients. Since 2020, we have also invested more than \$500 million—in the form of either cash or in-kind support—in climate and sustainability action.

In addition, we track our carbon emissions globally (reported on page 48) and our progress toward our science-based targets (reported in Exhibit 6 on page 47). We also monitor the cost savings associated with achieving our emissions reduction targets and the program costs associated with delivering our net-zero strategy (including carbon credit and renewable energy certificate purchases). We disclose our implicit carbon price (\$16 per metric ton in 2022), which we expect will rise to approximately \$80 per metric ton by 2030.

Performance Data Tables

DRIVING SOCIAL IMPACT	TARGET	YEAR	2019	2020	2021	2022
Number of societal and planetary impact client cases	–	–	560	900	1,300	1,500
Number of clients with societal and planetary impact cases	–	–	340	510	660	780
Percentage of largest clients with a societal and planetary impact case ³⁰	50%	Annually	–	52%	68%	72%
Total investment in societal and planetary impact initiatives (\$million) ³¹	–	–	180	280	310	460

PROTECTING OUR PLANET	TARGET	YEAR	2019	2020	2021	2022
Number of climate and sustainability cases	–	–	170	360	780	980
Number of clients with climate and sustainability cases	–	–	120	240	450	520
Total investment in climate and sustainability initiatives (\$million) ³²	\$2 billion	2030	–	80	160	270
Share of BCG's operations covered by CarbonNeutral® company certification	100%	Annually	100%	100%	100%	100%
Reduction in Scope 1 and Scope 2 emissions per full-time equivalent (vs. 2018 baseline)	92%	2025	86%	89%	92%	94%
Reduction in business travel emissions per full-time equivalent (vs. 2018 baseline)	48.5%	2025	9%	82%	87%	60%
Electricity consumption from renewable energy sources (%)	100%	Annually	100%	100%	100%	100%
Proportion of carbon dioxide removal (CDR) projects in carbon credit portfolio	100%	2030	30%	40%	44%	48%
Employees receiving climate training materials and communications (%)	100%	Annually	100%	100%	100%	100%

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

30. BCG began tracking this metric in 2020. "Largest clients" refers to top 50 BCG clients.

31. Includes both cash and in-kind support.

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

EMPOWERING OUR PEOPLE	TARGET	YEAR	2019	2020	2021	2022
Employment						
Global headcount ³³	—	—	21,000	22,000	25,000	30,000
Global new hires ³⁴	—	—	—	—	7,000	10,000
Gender						
Representation of women globally	40%	Annually	43%	44%	45%	46%
Representation of women on the Executive Committee	—	—	35%	35%	35%	33%
Representation of women among leadership ³⁵	—	—	23%	23%	24%	24%
Representation of women among global new hires	—	—		44%	48%	45%
Representation of women among entry-level hires to the consulting team	40%	Annually	36%	42%	41%	41%
Racial and ethnic minorities (US only)³⁶						
Representation of racial and ethnic minorities among US workforce	—	—	40%	42%	45%	46%
Representation of racial and ethnic minorities among US leadership ³⁷	—	—	27%	27%	30%	30%
Representation of racial and ethnic minorities among US new hires	—	—	45%	51%	51%	51%

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

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

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

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

37. Includes MDPs and other senior leadership roles.

EMPOWERING OUR PEOPLE	TARGET	YEAR	2019	2020	2021	2022
Other diversity indicators (US only)						
Veteran	—	—	2%	2%	2%	3%
LGBTQ+ ³⁸	—	—	4%	4%	5%	6%
Disability ³⁹	—	—	2%	2%	2%	3%
Working at BCG						
Average number of training days per person ⁴⁰	1 week	Annually	1 week	1 week	1 week	1 week
Percentage of employees with access to health and well-being support services	100%	Annually	100%	100%	100%	100%
Percentage of employees receiving annual performance reviews ⁴¹	100%	Annually	—	—	100%	100%
Percentage of employees with access to personalized career plan	100%	Annually	100%	100%	100%	100%

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

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

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

40. We continue to have our staff invest in one week of learning. In 2021, that mix was mainly virtual learning.

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

RESPONSIBLE BUSINESS METRICS	TARGET	YEAR	2019	2020	2021	2022
Revenue (\$billion)	–	–	8.5	8.6	11	11.7
Employees who completed our Code of Conduct and Anti-Bribery & Corruption online training	100%	Ongoing	100%	100%	100%	100%
Employees who completed acknowledgment of Code of Conduct and Anti-Bribery & Corruption policies ⁴²	100%	Annually	100%	100%	100%	100%
Percentage of offices undergoing a periodic internal risk review ⁴³	100%	Ongoing	100%	100%	100%	100%
Employees who completed our data privacy and information security online training ⁴⁴	100%	Ongoing	100%	100%	100%	100%
Employees who completed annual acknowledgment of data privacy and information security policies ⁴⁵	100%	Annually	100%	100%	100%	100%
Sustainable procurement metrics						
Sourcing managers trained in sustainable procurement topics	100%	Annually	100%	100%	100%	100%
Spending with diverse suppliers (US only)	5%	Annually	–	2%	3%	4%
Supplier contract templates that include a clause on adherence to the supplier code of conduct	100%	Annually	100%	100%	100%	100%
Supplier questionnaire templates that include sustainability questions	100%	Annually	100%	100%	100%	100%
Safety and security metrics						
New offices conducting a travel safety risk assessment	100%	Annually	100%	100%	100%	100%
New consultants completing our travel safety e-learning ⁴⁶	100%	Annually	–	100%	100%	100%

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

^{42.} All BCG staff are required to take this training. All staff completed the training when it was released, and all new hires are required to complete it as part of their onboarding. Because new people routinely join BCG, and some of them may not have completed the training at the time of reporting, compliance is marginally under 100%.

^{43.} Because some active employees depart BCG, and some of them may not have completed the annual acknowledgment at the time of reporting, compliance is marginally under 100%.

^{44.} All BCG staff are required to take this training. All staff completed the training when it was released, and all new hires are required to complete it as part of their onboarding. Because new people routinely join BCG, and some of them may not have completed the training at the time of reporting, compliance is marginally under 100%.

^{45.} Because some active employees depart BCG, and some of them may not have completed the annual acknowledgment at the time of reporting, compliance is marginally under 100%.

^{46.} The mandatory training was launched in 2020.

WEF Stakeholder Capitalism Metrics Index

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

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

#	Core metric	Page reference
PILLAR 1: GOVERNANCE		
1	Setting purpose	Purpose and values (page 6)
2	Governance body composition	Governance (page 11) Performance data tables (page 91)
3	Material issues with an impact on stakeholders	Materiality (page 13) Stakeholder engagement (page 12)
4	Anti-corruption	Anti-bribery and corruption (page 76) Performance data tables (page 91)
5	Protected ethics advice and reporting mechanisms	Raising concerns (page 78)
6	Integrating risk and opportunity into business process	Risk management (page 78)
PILLAR 2: PLANET		
7	GHG emissions	Measuring our climate impact (page 48) Performance data tables (page 91)
8	TCFD implementation	TCFD index (page 89) Performance data tables (page 91)
9	Land use and ecological sensitivity	Not applicable ⁴⁷
10	Water consumption and withdrawal in water-stressed areas	Not applicable ⁴⁸
PILLAR 3: PEOPLE		
11	Diversity and inclusion	Diversity, equity, and inclusion (page 62) Performance data tables (page 91)
12	Pay equity	Pay equity (page 61) Diversity, equity, and inclusion (page 62) BCG UK Gender Pay Gap Report
13	Wage level	Pay equity (page 61)
14	Risk for incidents of child, forced, or compulsory labor	Human rights (page 77) BCG Supplier Code of Conduct
15	Health and safety	Employee well-being (page 72) Safety and security (page 80)
16	Training provided	Learning and development (page 70) Performance data tables (page 91)

⁴⁷. We have programs in place to support biodiversity and ecological sensitivity surround our offices. However, as we do not own real estate and only lease offices in city center locations, this is not considered a material topic.

⁴⁸. We have programs in place to promote water conservation in our offices. However, given that we consume very low levels of water, this is not considered a material topic.

#	Core metric	Page reference
PILLAR 4: PROSPERITY		
17	Absolute number and rate of employment	Performance data tables (page 91)
18	Economic contribution	Performance data tables (page 91) About BCG (page 5)
19	Financial investment contribution	Not applicable ⁴⁹
20	Total R&D expenses	Performance data tables (page 91)
21	Total tax paid	Taxation (page 78)

GRI Index

GRI 1: STANDARDS

Statement of use	Boston Consulting Group, Inc. has reported in accordance with the GRI Standards for the period (January–December 2022).
GRI 1 used	GRI 1: Foundation 2021

GRI 2: GENERAL DISCLOSURES

Disclosure	2022 Response (page number)
2-1 Organizational details	Boston Consulting Group, Inc. About BCG (page 5) Governance (page 11)
2-2 Entities included in the organization's sustainability reporting	About this report (page 4) BCG offices
2-3 Reporting period, frequency and contact point	About this report (page 4)
2-4 Restatements of information	No significant restatements required
2-5 External assurance	GHG methodology (page 86) Governance (page 11)
2-6 Activities, value chain and other business relationships	About BCG (page 5) Industries Sustainable procurement (page 83)
2-7 Employees	Performance data tables (page 91)
2-8 Workers who are not employees	Confidentiality constraints mean we are unable to report all disclosures.

⁴⁹. As a privately owned partnership, BCG does not publicly disclose competitively sensitive financial metrics such as capital expenditure.

GRI 2: GENERAL DISCLOSURES

Disclosure

2022 Response (page number)

2-9 Governance structure and composition

Governance (page 11)
[BCG leadership](#)

2-10 Nomination and selection of the highest governance body

Governance (page 11)

2-11 Chair of the highest governance body

Governance (page 11)

GRI 2: GENERAL DISCLOSURES

Disclosure

2022 Response (page number)

2-12 Role of the highest governance body in overseeing the management of impacts

Governance (page 11)
[BCG leadership](#)

2-13 Delegation of responsibility for managing impacts

Governance (page 11)

2-14 Role of the highest governance body in sustainability reporting

About this report (page 4)

2-15 Conflicts of interest

Approach to risk management and oversight (page 78)
[BCG Code of Conduct](#)

2-16 Communication of critical concerns

Raising concerns (page 78)

2-17 Collective knowledge of the highest governance body

Governance (page 11)
Our team and expertise (page 34)

2-18 Evaluation of the performance of the highest governance body

Governance (page 11)
Confidentiality constraints mean we are unable to report all disclosures.

2-19 Remuneration policies

Governance (page 11)
Ensuring fair and equitable pay (page 61)

2-20 Process to determine remuneration

Governance (page 11)
Ensuring fair and equitable pay (page 61)

2-21 Annual total compensation ratio

Governance (page 11)
Ensuring fair and equitable pay (page 61)
Confidentiality constraints mean we are unable to report all disclosures.

2-22 Statement on sustainable development strategy

Executive introduction (page 2)
Our vision and impact (page 8)

GRI 2: GENERAL DISCLOSURES

Disclosure	2022 Response (page number)
2-23 Policy commitments	BCG Code of Conduct BCG Supplier Code of Conduct Environmental Responsibility Statement Our code of conduct and supplier code of conduct summarize our policy commitment, but confidentiality constraints mean we are unable to report all disclosures.
2-24 Embedding policy commitments	Details on how we embed our policies are available in the approach section of each chapter and material topic covered within this report.
2-25 Processes to remediate negative impacts	Raising concerns (page 78) BCG Code of Conduct BCG Supplier Code of Conduct

GRI 2: GENERAL DISCLOSURES

Disclosure	2022 Response (page number)
2-26 Mechanisms for seeking advice and raising concerns	Raising concerns (page 78) BCG Code of Conduct BCG Supplier Code of Conduct
2-27 Compliance with laws and regulations	Confidentiality constraints mean we are unable to report all disclosures.
2-28 Membership associations	Our partner ecosystem
2-29 Approach to stakeholder engagement	Stakeholder engagement (page 12)
2-30 Collective bargaining agreements	Employee dialogue (page 60) Information unavailable. Collective bargaining agreements are not commonplace; therefore, global reporting is not available.

GRI 201: ECONOMIC PERFORMANCE

Disclosure	2022 Response (page number)
3-3 Management of material topics	About BCG (page 5) Governance (page 11)
201-1 Direct economic value generated and distributed	Performance data tables (page 91)
201-2 Financial implications and other risks and opportunities due to climate change	TCFD index (page 89) 2022 CDP Disclosure
201-3 Defined benefit plan obligations and other retirement plans	Working at BCG (page 60) Employee well-being (page 72)
201-4 Financial assistance received from government	Confidentiality constraints mean we are unable to report all disclosures.

GRI 205: ANTI-CORRUPTION

GRI 3-3 Management of material topics	Anti-bribery and corruption (page 76) Materiality assessment (page 13)
205-1 Operations assessed for risks related to corruption	Global risk management (page 78)

GRI 205: ANTI-CORRUPTION

205-2 Communication and training about anti-corruption policies and procedures	Anti-bribery and corruption (page 76) Performance data tables (page 91) BCG Code of Conduct BCG Supplier Code of Conduct
205-3 Confirmed incidents of corruption and actions taken	Anti-bribery and corruption (page 76) Performance data tables (page 91) Confidentiality constraints mean we are unable to report on all of the required disclosures.

GRI 305: EMISSIONS

GRI 3-3 Management of material topics	Measuring our climate impact (page 48) Materiality assessment (page 13)
305-1 Direct (Scope 1) GHG emissions	Measuring our climate impact (page 48) Performance data tables (page 91)
305-2 Energy indirect (Scope 2) GHG emissions	Measuring our climate impact (page 48) Performance data tables (page 91)
305-3 Other indirect (Scope 3) GHG emissions	Measuring our climate impact (page 48) Performance data tables (page 91)
305-4 GHG emissions intensity	Measuring our climate impact (page 48) Performance data tables (page 91)

GRI 305: EMISSIONS

305-5 Reduction of GHG emissions	Measuring our climate impact (page 48) Performance data tables (page 91)
305-6 Emissions of ozone-depleting substances (ODS)	Measuring our climate impact (page 48) Performance data tables (page 91)
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Measuring our climate impact (page 48) Performance data tables (page 91)

GRI 401: EMPLOYMENT

3-3 Management of material topics	Working at BCG (page 60) Attracting the best talent (page 58) Materiality assessment (page 13)
401-1 New employee hires and employee turnover	Attracting the best talent (page 58) Performance data tables (page 91)
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Working at BCG (page 60) Employee well-being (page 72)
401-3 Parental leave	Working at BCG (page 60)

GRI 404: TRAINING AND EDUCATION

3-3 Management of material topics	Learning and development (page 70) Materiality assessment (page 13)
404-1 Average hours of training per year per employee	Learning and development (page 70) Performance data tables (page 91)
404-2 Programs for upgrading employee skills and transition assistance programs	Learning and development (page 70)
404-3 Percentage of employees receiving regular performance and career development reviews	Working at BCG (page 60) Learning and development (page 70)

