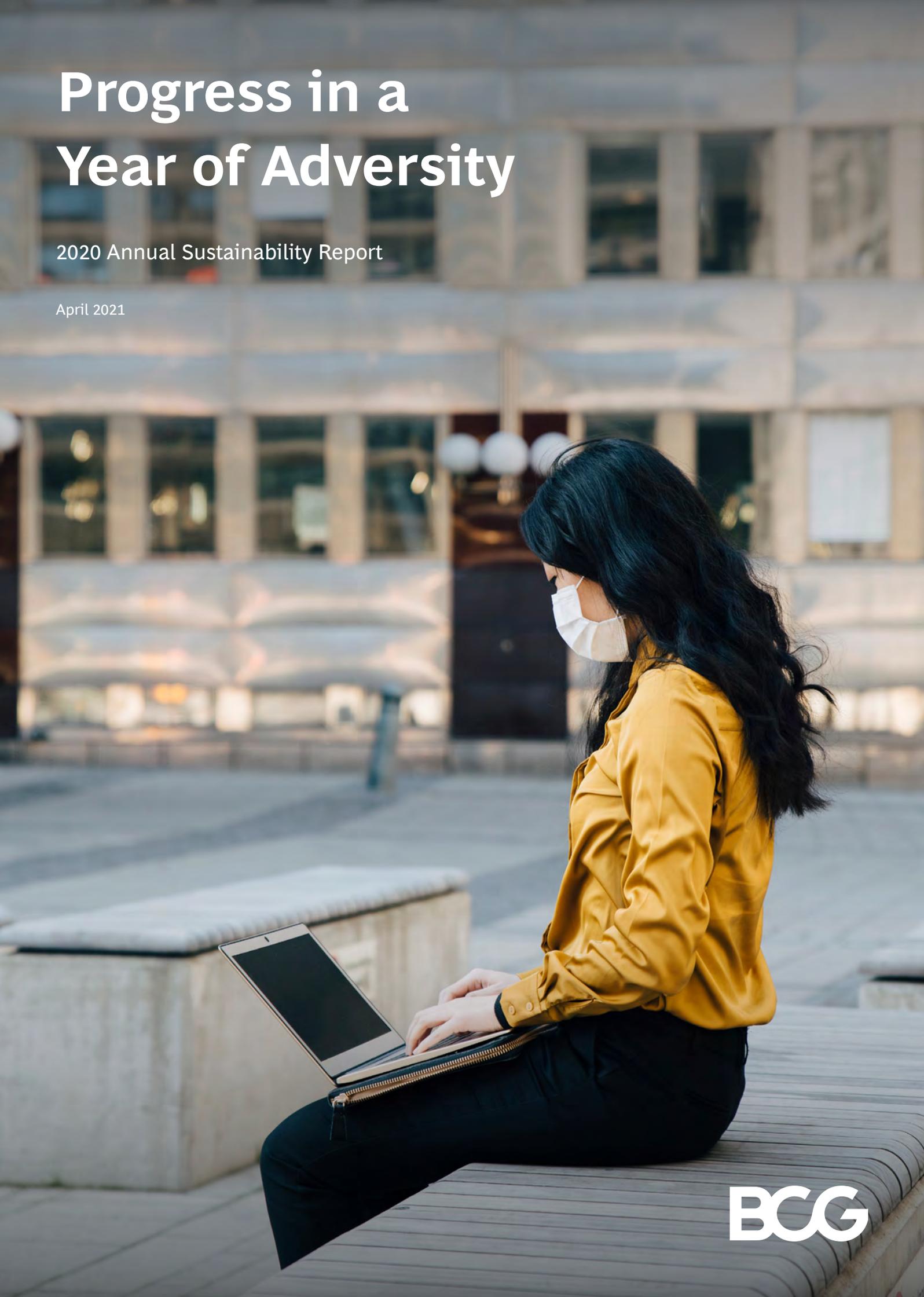


Progress in a Year of Adversity

2020 Annual Sustainability Report

April 2021



BCG

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

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

One year ago, when we released our 2019 Annual Sustainability Report, we were still in the early days of the COVID-19 pandemic. We had entered a decade that we expected would be filled with volatility and uncertainty, but we could never have imagined what 2020 had in store.

This year has proved to us at BCG that it's more important than ever to understand and elevate purpose—acting decisively to use our unique capabilities to address the world's needs and unlock the potential of people inside and outside the firm. Purpose gives us the focus, clarity, alignment, and meaning necessary to increase stability, reduce fear, see beyond current crises, and plan for a stronger future.

So many of BCG's accomplishments in 2020 were a result of how single-mindedly we lived our purpose. Those efforts have helped us face these challenging times, and I'm so proud of the impact we've had. Collaborating closely with clients and partners, we made a difference in a number of areas, but there are two in particular that I'd like to highlight.

First, we met the challenge of quickly and effectively pivoting many of our teams to COVID-19 response and recovery efforts, working on projects around the world that focused on urgent health care needs, epidemiological economics, equity concerns, and logistical solutions that brought much-needed personal protective equipment to frontline workers. In 2020, we supported more than 300 COVID-19 projects in over 40 countries.

Another huge accomplishment for 2020 was our deepened commitment to battling climate change. In September, we announced our pledge to reach [net-zero climate impact](#) within the firm by 2030. The world needs to achieve net-zero emissions by 2050, but those that can move faster should do so, which is why we set this exciting goal. As we progress, we will continually learn, innovate, and collaborate.

At the same time, we know we can make our biggest climate contribution through the work we do with our clients. In concert with our net-zero announcement, we officially committed an investment of \$400 million over the next decade to enable our teams to drive climate impact across industries and around the world. All told in 2020, we completed more than 400 climate and environmental projects with clients.

As we look to the years ahead, we know that BCG's growth and success depend on its ability to attract and retain exceptional people from all backgrounds, fully reflecting the diverse world in which we live and work. We invest deeply in our people, through training, mentorship, and a

culture of apprenticeship, engaging recruits from day one, accelerating their personal growth, and giving them the opportunity to find their own paths.

In 2020, we again promoted and retained men and women at equal rates, with women representing 44% of our global staff. We partnered with Management Leadership for Tomorrow to develop the MLT Black Equity at Work Certification Program, a systematic, measurable, broad-based effort for companies that want to achieve Black equity. We joined the Valuable 500, committing ourselves to putting disability inclusion on our people agenda. And we launched Pride@BCG in eight new countries, growing globally by 20%. We have now earned a perfect score from the Human Rights Campaign's "Best Places to Work for LGBT Equality" 14 years in a row.

To promote responsible business practices within the firm and with our clients, we continued to foster and promote a culture of transparency that aims to encourage individuals to remember their personal responsibilities and maintain a strong moral compass in all their activities. We work to bring our values to life. We make thoughtful choices about the work we take on and how we carry out that work, and we speak up if we see something that concerns us.

Our purpose journey at BCG is ongoing, something we strive to get better at every day. We know that by bringing purpose to life, leading with humanity and empathy, we can help focus, align, encourage, and lift all members of our organizations and have a positive impact on the world. This report will give you clear insights into how we are evolving our business to drive positive social impact, protect our planet, empower our people, and promote responsible business.



Rich Lesser
Chief Executive Officer



Welcome to the Report

Boston Consulting Group's 2020 Annual Sustainability Report outlines policies and programs designed to realize our values and purpose while addressing urgent global challenges. We describe BCG's material nonfinancial impact during the 2020 calendar year for Boston Consulting Group, Inc., as a single entity.¹ Boston Consulting Group, Inc., is the ultimate parent company for all our operating entities worldwide, including Boston Consulting Group Nordic AB ("BCG Sweden"). We take an operational control approach to defining our reporting boundary.

In preparing this report, we have referenced the GRI core reporting standards, the World Economic Forum Stakeholder Capitalism Metrics, the Task Force on Climate-Related Disclosure recommendations, and the Ten Principles of the UN Global Compact.

¹ Although most of the content of this report focuses on events from the 2020 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 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.

This report also serves as our annual Communication on Progress (COP), submitted to the UN Global Compact (UNGC) Office. We reaffirm our commitment to the UNGC principles, and we summarize their practical application in a UN Global Compact Content Index table in the appendix (page 69).

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



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

About BCG

1963

Founded by Bruce Henderson

22,000

More than 22,000 employees

\$8.6

billion revenue

90

Offices in more than 90 cities

50

Offices in more than 50 countries

500

Many of our clients rank among the 500 largest corporations

90%

of global business from repeat customers

Our Purpose and Values

At BCG, our purpose and values are at the heart of everything we do. We know that a clear articulation of an organization's purpose can be transformational. To excavate our own purpose, we set out on a journey to capture and communicate it, seeking answers to two questions: "Who are we when we're at our best?" and "What fundamental need in the world are we working to address?" After extensive exploration, we arrived at this:

Our purpose is to unlock the potential of those who advance the world.

Underpinning this simple phrase are five core purpose principles:

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

These principles are foundational to our purpose and permeate our culture. They articulate what BCG looks like at its best, and they serve as a compass to ensure that we embody our ethos and realize our purpose. 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.



Watch our purpose launch video [here](#).

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

2020 IN NUMBERS

98%

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

80%

of our people believe that BCG is meeting its purpose to help “unlock the potential of those who advance the world”²

2. Source: 2020 BCG People Survey.

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 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.

You can read more about the composition of BCG's Executive Committee and its members' competencies on our leadership webpage: <https://www.bcg.com/about/people/leadership>.

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 present to the Executive Committee on priority topics. More detailed information regarding the specific governance for each topic is addressed within the relevant chapters.

Social Impact Leadership Team

The initiatives covered in the "Driving Social Impact" chapter of this report are addressed by the Social Impact practice leadership team. The leadership team is composed of managing directors and partners. The Social Impact practice leader also sits on the Internal Sustainability Steering Committee.

Internal Sustainability Steering Committee

The programs covered in the "Protecting Our Planet" chapter of this report are addressed by the Global Internal Sustainability Steering Committee. This committee oversees the development, implementation, and progress of our sustainability strategy, including oversight of climate-related risks with support from our global risk management team. The committee is composed of managing directors and partners from BCG's Social Impact practice, People Team, and Operations Services, whose annual performance rating and remuneration are tied to their internal sustainability performance. One member of the committee sits on the Executive Committee.

People Team Committee

The topics covered in the "Empowering Our People" chapter are addressed by the Global People Team. The Global People Team is focused on the needs of our three main cohorts: consultants, partners, and the business services and knowledge teams. Its purpose is to set programs and policies to attract, develop, excite, 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, as well as the Internal Sustainability Steering Committee.

Audit and Risk Committee

The topics covered in the "Promoting Responsible Business Practices" section of this report are addressed by the Audit and Risk Committee. Members of this committee are nominated by the Executive Committee and elected by the board of directors.

Transparently Reporting Our Impact

In 2020, BCG joined 60 other leading global companies in signing on to the [World Economic Forum's Stakeholder](#)



Governance

Our purpose is to **unlock the potential of those who advance the world.**

100% of BCG employees have completed our Anti-Bribery & Corruption online training.³

100% of BCG employees have access to a confidential ombudsperson channel where they can seek advice or report concerns.

More information available in the "Promoting Responsible Business Practices" chapter.



People

Women make up **44%** of our global headcount and **35%** of our Executive Committee.

We have achieved **equal promotion and retention rates** for women and men within the consulting team since 2016.

100% of BCG employees have access to health and well-being resources or services under the Wellbeing@BCG framework.

BCG employees complete **one week of formal training** annually, on average.

More information available in the "Empowering Our People" chapter.

Capitalism Metrics. In doing so, we support the greater convergence of ESG reporting standards, in pursuit of more prosperous, equitable societies and a more sustainable relationship with our planet.



Prosperity

We generated **\$8.6 billion** in revenue globally in 2020.

We had a global headcount of **22,000** in 2020.

More information available in the "About BCG" section of this report.



Planet

We had an audited total of **177 KtCO₂e** of greenhouse gas (GHG) emissions in 2020.⁴

100% of our electricity came from renewable sources in 2020.

We will achieve **net-zero** climate impact by 2030 at the latest.

We have aligned our report with the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD).

More information available in the "Protecting Our Planet" chapter.

3. Because new people routinely join and leave BCG, some of whom may not have completed our compliance training or annual acknowledgments at the time of reporting, compliance is marginally under 100%.

4. 1 KtCO₂e = 1,000 metric tons of carbon dioxide equivalent.

Stakeholder Engagement and Materiality

Identifying our primary stakeholder groups and engaging with them to define our most material topics is 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.

Listening to the Voices That Matter Most

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. The table below highlights our primary stakeholder groups and explains why and how we listen to them to shape our materiality assessment.

Stakeholder(s)	Why We Listen	How We Listen
BCG leadership	To set the strategic direction and priorities for the firm and understand which corporate sustainability issues are most important to our leadership and clients	<ul style="list-style-type: none"> • Biannual meeting of worldwide managing directors and partners (MDPs) • Annual people survey for MDPs • Management committees and briefing calls
BCG employees	To inform our people management strategy and employee value proposition and understand which corporate sustainability issues are most important to our people	<ul style="list-style-type: none"> • Annual people survey • Annual global townhall 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 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 for the brightest talent and 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 the most complex global challenges and contribute to thought leadership and coalitions on these topics; to align our programs with emerging best practices and stakeholder expectations	<ul style="list-style-type: none"> • Participation in industry forums, working groups, and roundtable events • BCG employees placed on secondment with BCG partner organizations • Responding to consultations and ad-hoc dialogue
Suppliers	To better understand supplier concerns and 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 • Strategic category planning

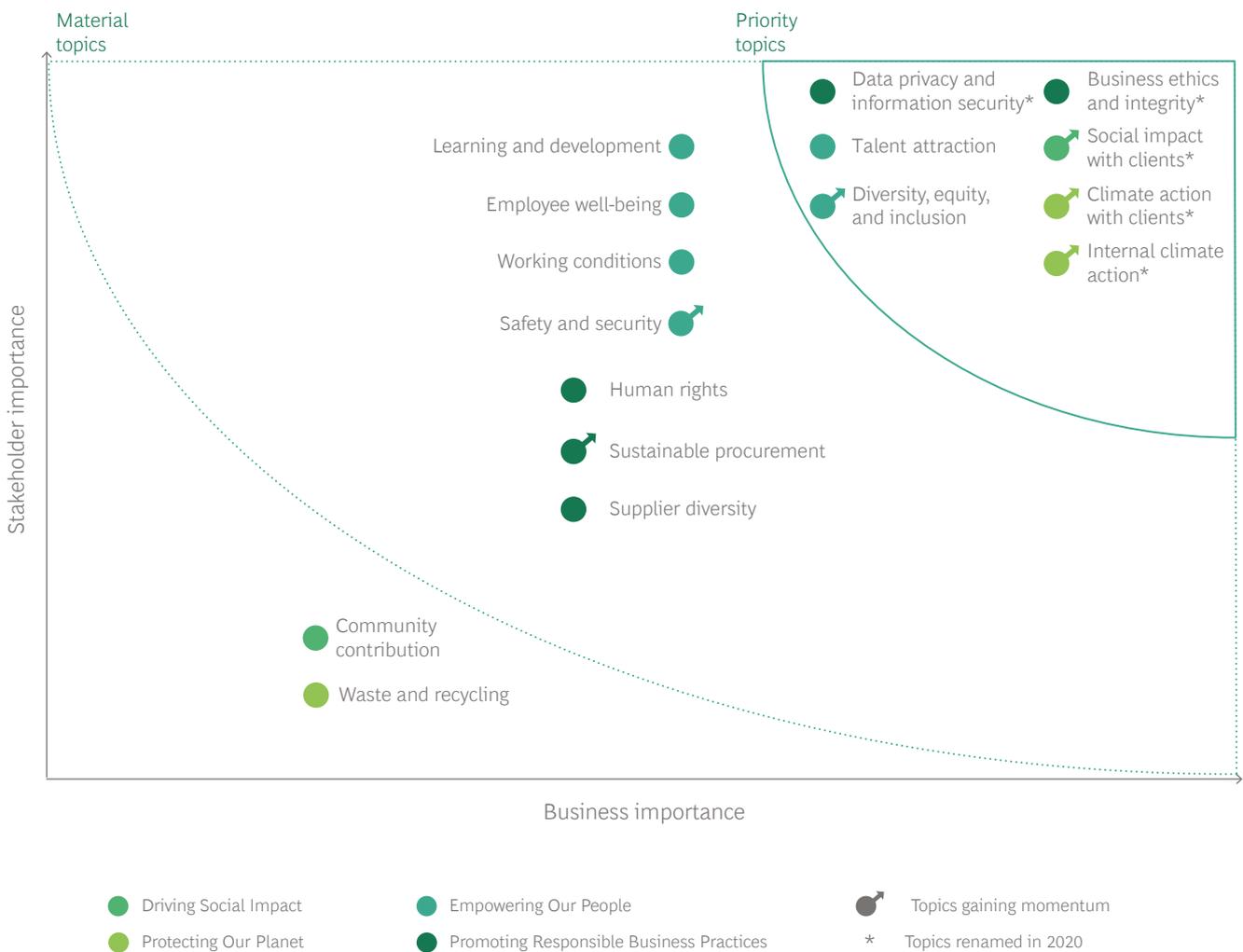
Focusing on the Topics That Matter Most

We update our materiality assessment annually, owing to the rapid pace of BCG’s transformation and the increasing maturity of our ESG programs. Our materiality assessment is based on ongoing trends analysis and stakeholder input. In 2020, we 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 frameworks to shape and inform our materiality assessment. We use the Sustainability Accounting Standards Board 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 also referenced the GRI standards as a basis for our disclosure and have included a Global Reporting Initiative Content Index table in the appendix of this report (page 70).

We depict the importance of our highest-priority ESG topics to our stakeholders and to our business on two separate axes in the matrix below. This serves as a consistent framework for articulating our priorities and engaging with our stakeholders about the journey we are taking.

In the appendix (page 61), we have defined each of the material topics listed below and have outlined the main feedback received from our stakeholder engagement. We have also indicated the section of the report where you can read about BCG’s response to this feedback.



BCG 2020 Materiality Matrix. Click on a topic to navigate to the relevant section of the report, where you can read more about our approach and our 2020 performance relating to this topic.

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



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. The SDGs include ending poverty, improving health, providing access to high-quality education, and reducing inequality. They also address environmental challenges, such as tackling the climate crisis and preserving natural environments. The goals represent an urgent call for action by all countries to work in partnership to achieve peace and prosperity for people and the planet.

Achieving the SDGs Together

As a global firm engaged with business, government, and the social sector on critical challenges and transformational strategies, BCG focuses intensively on the SDGs. We help a wide array of organizations develop their capabilities in the area of global sustainable development.



Although we aim to address all of the SDGs in our work, we believe that collaboration across sectors is imperative, so we place special emphasis on Goal 17: partnerships to achieve the goals. In this video we explain how BCG is partnering with private, public, and social sector organizations to achieve the SDGs.



BCG collaborates with the public, private, and social sectors to help advance the UN SDGs. Watch this video to learn more.

2020 Awards and Recognitions



Achieved an 'A-' rating in the 2020 [CDP Climate Disclosure](#), placing us in the top 14% assessed by CDP⁵



Achieved a Gold rating in the [EcoVadis](#) supplier sustainability assessment, placing us in the top 5% of companies assessed by EcoVadis



Certified as a CarbonNeutral® company, since 2018



Maintained the number one ranking in [Consulting magazine's](#) Best Firms to Work For list, for the seventh consecutive year



Ranked in the top three in [Vault's](#) Best Consulting Firms to Work For list, for the tenth consecutive year



Received a perfect score for the 14th consecutive year on the [Human Rights Campaign's Corporate Equality Index](#), which recognizes equality for lesbian, gay, bisexual, and transgender employees



Named one of the "100 Best Companies" for parents in the US for the 14th year by [Working Mother](#) magazine



Named as a Best Company for Women and Best Consulting Company for Women in 2020, as determined by anonymous reviews left on [Fairygodboss](#)



Ranked in the [Glassdoor](#) Top 20 Best Places to Work list for the 11th consecutive year in the US



Rated in the [Comparably](#) 2020 awards Best Company Culture 2020, Best Company for Diversity 2020, and Best Company for Women 2020.

5. BCG submitted a nonpublic response in 2020. Our assessment was shared with the customers that requested our response, but it is not publicly available on the CDP website.



Driving Social Impact

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

Contents

Partnering with Our Clients to Drive Societal Impact

Shaping the Global Agenda

Supporting Our Local Communities

2020 Highlights and Scorecard



In 2020, BCG's social impact work was more critical than ever. COVID-19 brought an unprecedented threat to our global community, and BCG was at the forefront of the response and recovery, working with clients to create resilience, enable a sustainable recovery, and position themselves to function with maximum effectiveness in a new reality. We worked on about 300 COVID-19 support efforts across more than 40 countries.

We delivered approximately 900 social impact consulting projects with more than 600 organizations, driving progress across the private, public, and social sectors on critical sustainability issues.

We continued to incorporate total societal impact—encompassing economic, social, and environmental impact—into every part of our business. And Social Impact was the firm's fastest-growing practice.

2020 Performance Data Tables

Social impact metrics 2020



~900
social impact
client cases



30%
of managing directors and partners
are actively involved in a social
impact case⁶



~600
clients with social
impact cases



50%
of largest clients are involved in at
least one social impact case

6. BCG began tracking this metric in 2020.

Partnering with Our Clients to Drive Societal Impact

APPROACH

We believe that BCG, like all businesses, needs to take a [multistakeholder approach](#) to its overall strategy and make a positive difference in society. We achieve our greatest societal impact in collaboration with our clients. By maximizing the impact of these cooperative efforts, we accomplish far more than we could alone. We believe that the best way to overcome complex social and environmental challenges is by enriching and expanding our partnerships, fostering system-level coalitions, and transforming the role of business in society—the heart of our social impact approach.

Our social impact work focuses on driving impact in six key impact areas:

- **Climate and Environment.** Take climate action, and respect and restore nature.
- **Diversity, Equity, and Inclusion.** Build more equitable and inclusive societies.
- **Education.** Provide high-quality education and skills.
- **Economic Development.** Accelerate inclusive growth.
- **Global Health.** Promote healthy lives for all.
- **Humanitarian Crisis Action.** Strengthen preparedness, immediate response, and longer-term recovery.

Our social impact capabilities are growing rapidly to meet the varied imperatives of sustainability, complex societal challenges, and the evolving role of business in society. We drive progress through social impact consulting, helping clients use their core business assets and operations to profitably achieve positive environmental and social impact. We work across ecosystems, globally and locally, and at the industry and company level to drive global change and have a positive impact on the communities in which we live and work.



BCG's Social Impact practice has grown quickly to address clients'—and the world's—unprecedented challenges. Watch this video to find out more.

GOVERNANCE

Social Impact is structured as a functional practice embedded in BCG's industry work and incorporated in BCG's other functional capabilities as well as in the firm's adjacent business models, including [BCG Digital Ventures](#) and [BCG GAMMA](#). It is led by [Rich Hutchinson](#), who is a member of our global leadership. Rich works closely with CEO [Rich Lesser](#) and BCG Vice Chairman of Social Impact [Wendy Woods](#) to drive the social impact and sustainability strategy for the firm's commercial and pro bono work. Supporting him are an extensive leadership team, a dedicated practice management and operations team, and an expansive expert consulting and knowledge team.

OUR THEORY OF CHANGE

BCG has 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 theory of change holds that we can make progress by following three main avenues: appropriately regulated, profitable private-sector solutions; non-profitable solutions that stakeholders fund and support; and development and implementation of innovative solutions. BCG drives and enables solutions in each of these categories through our global network of social impact partners, high-level cross-sector relationships, data and analytics tools, deep expertise in driving large-scale change, and understanding of the ecosystems surrounding SDG challenges.



BCG's theory of change puts solutions to the world's toughest challenges within reach. Watch this video to find out more.

BCG's Role in Driving Scalable Social Impact in 2020



We work with clients to advance social impact across the key domains of our theory of change.

↓ 2020 HIGHLIGHTS

Accelerating Total Societal Impact and Sustainability with Corporate Clients

The role of business in society has evolved. Investors, customers, employees, policymakers, and society as a whole demand proof that a company is doing more than just conducting business in a sustainable way and abiding by ethical business practices—and stakeholders expect companies to have a purpose and to contribute to the greater good. Surface-level sustainability and corporate social responsibility efforts that do not transform the business model miss the opportunity to capture the true value of what we call total societal impact (TSI).

TSI is a gauge of the leveraging and transformation of a company's core business models, capabilities, and operations to create positive economic, social, and environmental impact in profitable ways. This growth yields numerous benefits for the company itself, for its stakeholders, and for society.

In 2020, we helped hundreds of clients embed TSI into their core business model. One example, involving our work with Credit Suisse, is detailed in the case study on [page 15](#).

Delivering Systemic Change in the Public Sector

We work with country governments, aid agencies, development finance institutions, and other funders to maximize their positive social and environmental impact and deliver systemic change at scale.

Because of the global pandemic, our social impact work with public-sector clients took on an added urgency in 2020. BCG was involved in approximately 300 COVID-19 response and recovery cases around the world, including the case study from Nigeria detailed on [page 17](#).

Advancing Progress Through Social Sector Partners

Our global partnerships undergird our significant institutional investment in social impact. We help these organizations develop their capabilities, improve their effectiveness, and better deliver on their missions. We have long-term partnerships with the World Food Program (WFP), Save the Children, the Bill & Melinda Gates Foundation, the World Wide Fund for Nature (WWF), Teach For All, and Yunus Social Business.



CASE STUDY

Partnering with Credit Suisse to Help It Become a Sustainability Leader

Credit Suisse, a leading wealth manager, investment bank, and financial services firm with a global footprint, has been a longtime partner and client of BCG. In early 2020, Thomas Gottstein took the helm at Credit Suisse as CEO, coming in with high aspirations for the firm and the positive role that it could play in society.

One of his first moves was to create a new group function, called Sustainability, Research, and Investment Solutions (SRI), to be led by Lydie Hudson, a member of the executive board who had held several other senior leadership positions. Soon after, BCG joined forces with Credit Suisse to think through a number of key strategic and organizational issues to help make this new function successful and to fully integrate sustainability across the firm, its businesses, its investments, and its client product offerings.

In the context of a very challenging environment, including a global pandemic and ever-increasing concerns about climate change, BCG and Credit Suisse identified an enormous opportunity to drive greater impact in the world and significant annual incremental revenue through a novel approach to sustainability. This led to the bank's public announcement in mid-2020 of its goal of becoming a sustainability leader in its industry by 2022, and BCG and Credit Suisse have been working together since then to make that happen.

We started off with an analysis of the enterprise as a whole, including identifying key sustainability opportunities and areas for growth. This effort included interviewing board members, investors, and NGO leaders to gain a 360-degree perspective. We also embarked on deep-dive diagnostics and opportunity assessments of wealth management, asset management, and investment banking.

We then helped the bank develop a strategy, with five key elements:

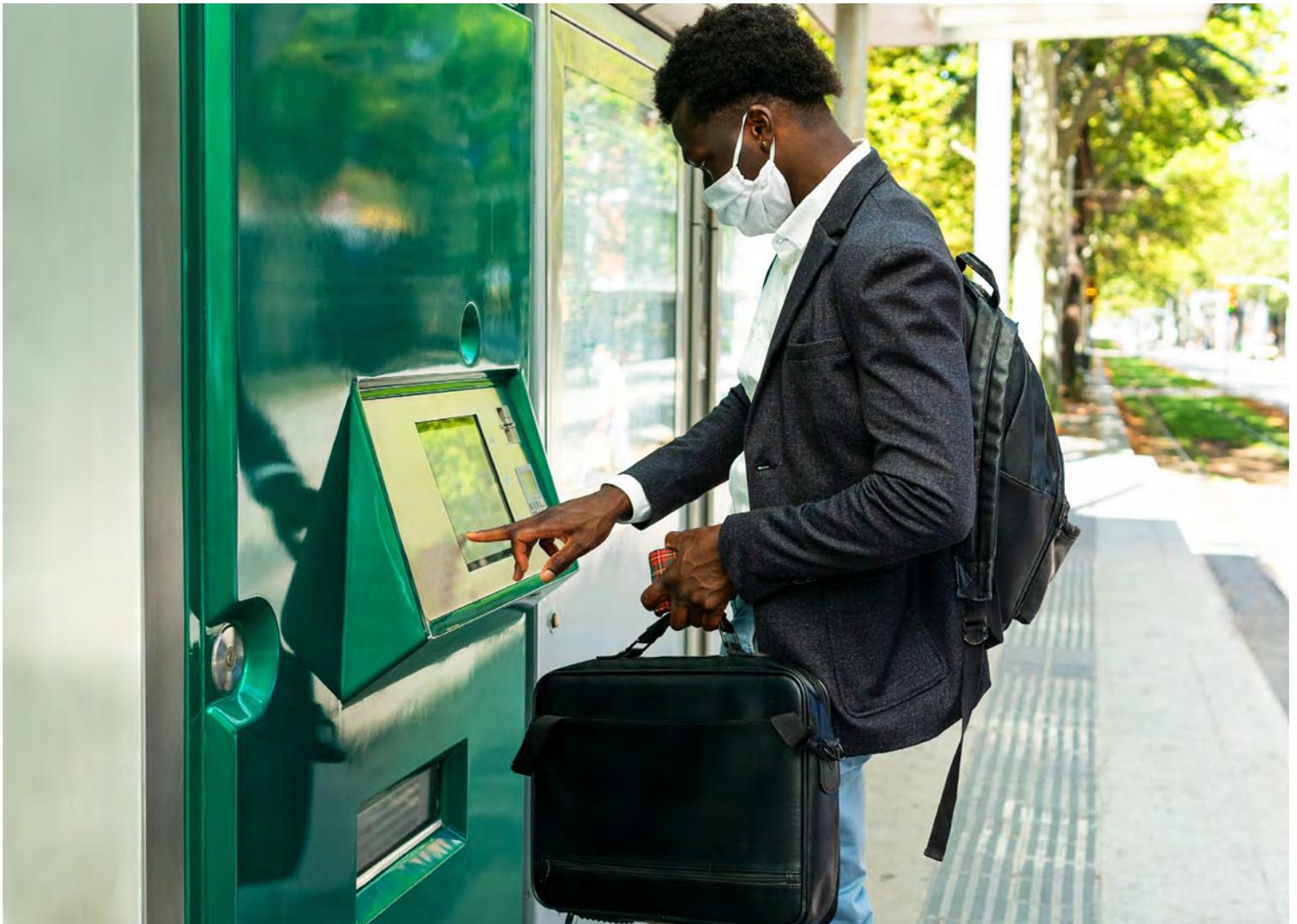
- Developing three primary themes of focus: supporting sustainable land, food, and water systems; becoming the bank for sustainable disruption (supporting both the disruptors and those being disrupted); and enabling clients through the climate transition
- Fully integrating environmental, social, and corporate governance (ESG) factors into the core of asset management and wealth management products and solutions
- Increasing growth in sustainable finance opportunities, especially those in transition finance
- Creating a unique methodology to clearly define what is truly sustainable—and what constitutes a transition activity—from a financing perspective, taking multiple potential nuances into consideration
- Solidifying Credit Suisse’s corporate sustainability profile through its business conduct, such as by improving its diversity and inclusion, reducing its carbon footprint, and increasing its communication transparency with stakeholders

Although Credit Suisse is still in the early stages of its journey, we’ve already seen encouraging progress, as reflected in a recent MSCI ESG rating upgrade from BBB to A. This follows various announcements, changes, and commitments that demonstrate its determination to become a leader in sustainability. Credit Suisse has announced ambitious climate transition targets for itself and its portfolio, such as a commitment to develop science-based targets, reach net-zero carbon emissions no later than 2050, and align financing with the Paris Agreement’s goal of 1.5° C.

In addition, Credit Suisse has redesigned its governance structure to include a sustainability leader within its board of directors. The firm is also forming a sustainability advisory committee, which will engage external experts tasked with providing critical feedback and drive strategy. The bank is also holding itself to account by adding sustainability considerations to various stages of the compensation process, including executive compensation.

BCG continues to work with Credit Suisse on this overall strategy, integrating sustainability and ESG into investment processes, products and services offered, and engagement with clients. We’re proud to be supporting Credit Suisse on this ambitious journey.





CASE STUDY

Crisis Recovery and Economic Development in Nigeria

BCG was deeply involved in COVID-19 recovery efforts across Africa. In Nigeria, the federal government laid out a clear but broad economic sustainability plan with a \$6.5 billion budget and 17 sectoral initiatives. Presented with this ambition, the international community and a group of donors working in Nigeria sought to systematically align their priorities and to coordinate support with the government. BCG worked with a broad group of development partners to develop a risk prioritization map to help identify the greatest economic risks caused by COVID-19 and potential opportunities for support. We then conducted deep dives on specific topics to drive economic recovery, including how to expand mobile-money access and digital financial services in rural areas, how to leverage broadband connectivity to scale up job creation in the service sector, how to expand the adoption of solar home systems, and what potential impact various shifts in trade and customs would likely have on the economy.

BCG's support is helping build momentum for Nigeria's economic recovery priorities. For example, in August 2020, the CBN licensed three new public-sector banks, which can now offer high-volume, low-value digital transaction services such as remittances, micro-savings accounts, and withdrawals. BCG supported a nodal group of donors and international partners in engaging the Nigerian government to accelerate opportunities to broaden financial inclusion and safety nets via these public sector banks. Extending the reach of mobile banking services to rural unbanked populations could also allow the government to deliver social welfare benefits directly to those citizens' bank accounts.



CASE STUDY

Supporting the World Food Programme's Nobel Prize-Winning Work

Since 2003, BCG has been honored to work side by side with the World Food Programme, which won the Nobel Peace Prize in 2020. This partnership represents one of BCG's commitments to live our purpose of supporting those who truly advance the world.

BCG teams work with WFP on a number of topics. In 2020, we supported the organization's effectiveness across strategic, operational, and organizational issues, helping to meet urgent food needs and develop longer-term solutions to hunger and food insecurity. We applied the concept of [Smart Simplicity](#) to the urgent and complex task of preventing child stunting, which is caused by chronic hunger.

BCG GAMMA, our dedicated advanced analytics and data sciences team, along with BCG consultants, teamed with WFP to enhance the organization's leverage of leading-edge, data-driven solutions to enable it to deliver more impact in its work during the COVID-19 pandemic.

We continue to support WFP's Innovation Accelerator, which identifies, nurtures, and scales disruptive startups and innovations to end global hunger. In 2020, its innovations had a direct impact on the lives of 2 million people across the globe—and indirectly affected many more.

Our strategic partnership with WFP reflects our shared commitment to delivering impact at scale—by bringing resources, solutions, and hope to people and communities who need them most urgently. WFP's tremendous efforts received well-deserved recognition when the organization won the Nobel Prize for Peace in 2020.



Watch this video to learn more about our long-standing partnership with the World Food Programme, the recipient of the 2020 Nobel Peace Prize.



CASE STUDY

Support for Small Businesses Owned by Minority Women

Grameen America, the largest microfinance organization in the US, builds on the legacy and proven model of 2006 Nobel Peace Prize Laureate Muhammad Yunus. The organization provides microloans, financial training, and support to female entrepreneurs across the US—most of whom come from minority groups and are underserved by the banking community.

Minority-owned businesses often face significant structural inequities when trying to gain access to capital through traditional financial services. In most cases, Grameen is the only source of credit available to these women as they seek to build their businesses. Grameen wants to build on its success to date by emphasizing outreach to Black communities. BCG is working with Grameen on a growth strategy to expand to predominantly Black cities and to better identify, reach, and support low-income Black entrepreneurs.

When government efforts to slow the spread of COVID-19 led to the closure of most commerce, these entrepreneurs were hit disproportionately hard. In the early months of the pandemic, BCG worked with Grameen to find the most effective way to help its members benefit from the US government's Paycheck Protection Program, which offers forgivable payroll loans. Securing these loans gave many people in this frequently forgotten segment of the economy a way to feed their families and pay the rent.



Learn more about the role of microfinance in the age of COVID-19 in this insightful interview with Grameen America CEO Andrea Jung.

Shaping the Global Agenda

APPROACH

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

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

We continue to help shape global, regional, and industry agendas and drive positive change by taking an active role in key business-led forums, such as the World Economic Forum, World Business Council for Sustainable Development (WBCSD) and the US Business Roundtable.

↓ 2020 HIGHLIGHTS

Protect the Vulnerable—Protect Us All

In the early months of the COVID-19 pandemic, we quickly identified three primary populations that were at especially high risk from the disease: those most susceptible to adverse health outcomes, those most likely to be exposed to the coronavirus, and those suffering economic hardships as a result of workplace shutdowns or reduced demand. But deciding how best to protect the people most vulnerable to COVID-19 and its fallout should not rely on a model that pits lives against livelihoods—not least because that is a false tradeoff. The best approach has been to reduce exposure among those most vulnerable to adverse health outcomes, which directly benefits the healthy, the economically vulnerable, and society overall.

Supporting Our Local Communities

APPROACH

BCG has a long-standing commitment to tackling the world's most intractable problems, and this commitment extends to making a difference in our local communities around the globe. We are committed to serving the cities and towns in which we live and work, engaging in both pro bono consulting work and volunteer activities. Not only is this the right thing to do for our communities, but we also believe it is central to engaging our people. More than 90% of BCG's staff say that they take pride in the firm's social impact work, and more than half list involvement in such work as an important factor in their choice to remain at the firm⁷ In addition, more than 620 BCG employees serve on the boards of over 820 charities and NGOs around the world.

In response to this demand, we have established a global network of local social impact leaders, who drive programs in support of social sector organizations. For example, many BCG offices organize community service days, in which staff members volunteer at local nonprofits or invite local nonprofits to offices for full-day strategy sessions.

We also offer 12-month social impact immersion programs, which enable our consultants to work on projects with our clients in areas involving societal impact and sustainability. And many BCGers also choose to participate in secondment programs, which allow them to gain valuable experience working outside the firm for nine months with our global and local social impact partners.



take pride in
the firm's
social impact work



list involvement
in such work as an important
factor in their choice
to remain at the firm



BCG employees serve
on the boards
of over 820 charities
and NGOs around the world

7. Source: 2020 BCG People Survey.

Our thought leadership in 2020 spanned a diverse array of topics covering many of the SDGs. We also published a number of reports in collaboration with our social impact partners:

2020 Social Impact BCG Thought Leadership:



A High-Return Strategy for a Safer Reopening



The Policies We Need to Protect the Vulnerable—Right Now



A Recipe to Reduce Food Loss and Waste



Protect the Vulnerable—Protect Us All



Communicating Leadership During COVID-19



The Quest for Sustainable Business Model Innovation



Doing Good to Grow Beyond Great



Sustainability Matters Now More Than Ever for Consumer Companies



ESG Commitments Are Here to Stay



Three Principles to Guide Africa's COVID-19 Response



Fighting COVID-19 in Africa Will Be Different



Vaccines Aren't the End of the Fight, but the End of the Beginning



Fighting Hunger and Other Complex Problems with Smart Simplicity



Why the New Competitive Advantage Demands Sustainability



Financial Institutions Can Help Break the Cycle of Racial Inequality



Your Supply Chain Needs a Sustainability Strategy

Four Social Impact Partnership reports



COVID-19 Business Recovery: A Guidance Framework for a Sustainable & Inclusive 'New Normal.' (WBCSD-BCG)



The Multitrillion-Dollar Social Impact Opportunity for Telcos (GSMA-BCG)



Unlocking Tomorrow's ESG Opportunities (WEF-BCG)



Building Resilience Through Humanitarian Investing (WEF-BCG)



CASE STUDY

Helping the Houston Food Bank Manage the Challenges of COVID-19

Since 2017, BCG had partnered with the Houston Food Bank, the largest food bank in the US, providing food and essentials to 1.1 million food-insecure people in southeast Texas. The COVID-19 pandemic introduced a range of complex challenges: a vastly increased demand for food assistance, which is likely to last well beyond 2020; reduced physical access to food-insecure people; and the need to

keep volunteers safe. BCG worked on a range of solutions with the Houston Food Bank, including the development a new data-driven home-delivery system that proved to be particularly important for the many schoolchildren who suddenly lost access to free meals. We helped the organization address urgent short-term challenges with bold ideas while also setting it up for long-term effectiveness.



Protecting Our Planet

Combating the climate crisis is a defining challenge of our time. At BCG, we believe that now is the time for bold climate and sustainability leadership, and we recognize the urgent need to reduce emissions and address systemic threats to the world's climate and environment. This is the right move not just for the good of the planet but also for the long-term sustainability of corporations. Tackling climate change is of strategic importance across all industries, within the public sector, and throughout corporate investing. To maximize our positive impact on these issues, we concentrate our efforts in three domains: partnering with clients to help them realize their climate and environmental ambitions, shaping the global agenda, and managing our own environmental impact.

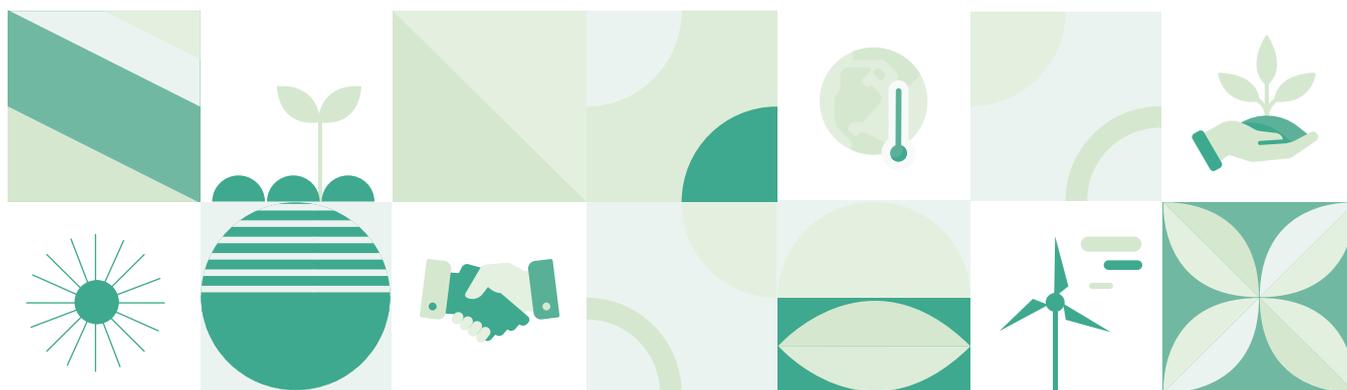
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Shaping the Global Agenda

Managing Our Own Environmental Impact

2020 Highlights and Scorecard



Climate and environment consulting is one of our fastest-growing topics, both within our Social Impact practice and across other areas of the business. We completed approximately 400 climate and environment projects with more than 300 organizations in 2020.

We announced a new pledge to achieve **net-zero climate impact** by 2030. To reach this goal, we have set new emission reduction targets and will neutralize our remaining climate impact by investing in carbon dioxide removal projects around the world.

BCG achieved an A- rating in the 2020 CDP Climate Disclosure, a mark that put us in the top 14% of all participating companies, and a gold rating in the EcoVadis supplier sustainability assessment, placing us in the top 5%.⁸

2020 Performance Data Tables

Partnering with our clients metric 2020



~400

Total number of climate and environment cases completed



~300

Number of clients with climate and environment cases

Managing our own environmental impact metric

Target

Target year

2020

Share of BCG's operations covered by CarbonNeutral® company certification⁹

100%

Annually

100%

Reduction in Scope 1 and 2 emissions per full-time equivalent (versus 2018 baseline)

90%

2025

90%

Reduction in business travel emissions per full-time equivalent (versus 2018 baseline)¹⁰

30%

2025

84%

Electricity consumption from renewable energy sources¹¹

100%

Annually

100%

Employees receiving climate training materials and communications

100%

Annually

100%

8. BCG submitted a nonpublic response to CDP in 2020. Our assessment was shared with the customers that requested our response, but it is not publicly available on the CDP website.

9. Our CarbonNeutral® company certification covers our full reported Scope 1, 2, and 3 emissions, in accordance with the CarbonNeutral Protocol.

10. Our business travel emissions dropped significantly in 2020 as a result of travel restriction imposed in response to the global pandemic.

11. We achieved this by continuing to transition our direct electricity supply to renewable tariffs, where feasible to do so, and by buying unbundled Energy Attribute Certificates to reach 100% renewable electricity.

Partnering with Clients to Drive Climate Action

APPROACH

In 2020, we saw multiple instances of the devastating effects of climate change, including Australia’s “black summer” of widely damaging bushfires, record wildfires in California, the most active Atlantic hurricane season on record, and a prolonged period of tropical temperatures in Siberia, leading to increased permafrost melt. Our changing climate poses severe and irreversible threats to societies, economies, and ecosystems. Waste management, air pollution, plastics in the ocean, and other environmental challenges further threaten our earth, its ecosystems, and its biodiversity.

Employees, customers, investors, and governments care deeply about today’s societal challenges, including the need to fight climate change and protect the environment. Embedding solutions to such challenges at the heart of a company’s business model can yield outstanding long-term value creation.

As a leading management consulting firm with global reach and intellectual diversity that spans every significant industry and function, we believe that our greatest environmental impact comes from [working in collaboration with our clients](#) to maximize the effectiveness of their sustainability policies. We work with corporations, banks, investors, industry associations, governments, and NGOs to align their strategies with a well-below-2°C path, consistent with the Paris Agreement, and to realize competitive advantage in a low-carbon economy. We are piloting a methodology that will enable us to assess the impact of our climate and environment work as it accounts for an ever-increasing share of our projects.

We have the capabilities to work with and support clients in sectors where abatement is most difficult or where emissions are greatest. We consider it our role to help them find solutions that will spark the most significant change and accelerate progress toward net zero. By partnering with all those willing to take on the challenge, we have a key seat at the table to ensure that it happens.

We understand the complexity of this issue, and we are learning as we go. But by treating 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 securing the future for our planet.

↓ 2020 HIGHLIGHTS

Accelerating Climate and Environmental Impact with Corporate Clients

In 2020, we continued to see growth in our climate and environment work, both within our Social Impact practice and across other areas of the business. We worked with more than 300 clients to deliver approximately 400 such projects—and our core climate and environment team worked on two-thirds of these. We expect demand for climate and environment services to maintain its current trajectory of significant growth as the climate emergency continues to shape corporate strategies.

We are moving forward with investment in our climate and environment work, in order to broaden the scope of our impact. In 2019, BCG brought together the firm’s climate thought leadership, expertise, and tools to form the [Center for Climate and Sustainability](#). In 2020, we continued to build out this team, adding expertise in additional industries and geographies and expanding beyond traditional businesses to include the investor and public policy angle. This helps us offer a holistic perspective to our clients across public, private, and social sectors.

As part of BCG’s market-leading net-zero pledge, we announced a new \$400 million commitment over the next decade to enable our teams to drive climate and environmental impact across governments, industries, NGOs, and coalitions. We will use this funding to broaden and deepen our climate partnerships, advance thought leadership, and expand BCG’s capabilities on this critical topic.



CASE STUDY

Helping a Premium Car Manufacturer Design Its Climate Action Roadmap

Context

A premium car manufacturer wanted to become an industry leader on sustainability, aligned with the Paris Accord, but it lacked a comprehensive strategy and narrative for reducing CO₂ emissions along its entire value chain (Scope 3) after 2020. Faced with increasing pressure from competitors, regulators, and the public, company leaders realized that it could not achieve premium market positioning without a sustainability strategy. So, with BCG's support, it set about designing one. As the automotive industry shifts from vehicles that run on internal combustion engines to electric cars, the need for emission reductions will move from end use to the manufacturing stage—the supply chain, in particular. Addressing this stage of the process will thus be of critical importance to the company's credibility and to its impact on the environment.

Actions

BCG supported the client in developing a comprehensive climate strategy focused on setting a credible and achievable CO₂ reduction targets. In collaboration with the client, we identified underlying emission reduction levers, designed supporting governance, and defined an offsetting strategy for any remaining emissions.

Together, over the course of five months, BCG and the car manufacturer reached four strategic milestones:

- Assigned emission reduction targets that are consistent with the Paris Accord, spanning both its own production (Scope 1 and 2) and that of its supply chain (Scope 3 upstream), while also delivering on regulatory demands for strong growth in its electric fleet (Scope 3 downstream)

- Identified a comprehensive set of carbon reduction levers, including changes to manufacturing inputs (such as use of green electricity, heat, and steel), as well as deliberately incorporating the CO₂ footprint into the vehicle design
- Embedded a steering logic in the organization to ensure that all layers have incentives to achieve the climate ambition
- Defined a high-quality offsetting strategy for operational emissions that the company cannot avoid or reduce

Impact

This project repositioned our client as a sustainability leader among its competitors. And since the project's success depends, in part, on the climate impact of its suppliers, it is creating a snowball effect along the value chain from end to end.



CASE STUDY

Decarbonizing Electricity Generation in Greece by 2028

Context

As part of Greek Prime Minister Kyriakos Mitsotakis's 2019 election pledge, the government committed to decommission all lignite power plants in Greece by 2028—the vast majority of them by as early as 2023. This will help the EU member nation move from the tail of the pack to the front in the ambitiousness of its climate strategy, while also improving public health, lowering energy costs, and overseeing a socially just transition. The strategy primarily affects the regions of West Macedonia and Peloponnese, and around 7,000 employees and their families.

Actions

BCG supported the government in developing its “next-day vision” to promote a sustainable and diversified economic growth model for the affected regions. The team focused on defining pillars of growth, analyzing investment options,

designing business incentives that leverage EU funding schemes, and orchestrating the spatial redevelopment of the lignite mines and adjacent areas.

BCG delivered a comprehensive master plan for a just transition, which the Greek prime minister touted as being “detailed, robust, and realistic ... [supported by] all social and business stakeholders.”

Impact

The project achieved its dual goal of establishing a roadmap for decommissioning all lignite power plants by 2028, while simultaneously having a positive impact on local communities. It proposes 16 landmark investments, along with a series of additional investments. The complete package of investments, totaling more than €7 billion, will ultimately reduce CO₂ emissions of 20 metric tons per year and create 8,000 new and sustainable jobs.



CASE STUDY

Launching Corporate Collective Action to Address the Biodiversity Challenge

Context

Earth's biodiversity is under immense pressure. Over the past 50 years, the population sizes of mammals, birds, fish, amphibians, and reptiles have declined globally by more than two-thirds, according to WWF's latest *Living Planet report*. Although agriculture has contributed to this decline, it is also an important part of the solution. Regenerative farming practices can help protect soil health and water, support biodiversity, enhance resilience, and keep more carbon in the ground, while also improving farmers' livelihoods. To help reverse harmful global agricultural practices, 27 companies operating at various points along the agricultural value chain—including Danone, L'Oréal, Mars, McCain Foods, Unilever, Walmart, and Yara—have come together in the OP2B (One Planet Business for Biodiversity) initiative, launched within French President Emmanuel Macron's One Planet Lab framework.

Actions

Over the course of 2020, BCG served as OP2B's knowledge partner and supported the coalition on several fronts, including:

- Defining systemic, measurable solutions to protect and restore cultivated and natural biodiversity within the value chains
- Supporting members in defining and disclosing ambitious, time-bound, measurable commitments by CBD COP 15 (postponed to 2021), backed by an array of innovative on-the-ground pilots
- Initiating pioneering cross-company and transformational projects, including innovative funding mechanisms, to translate these commitments into action

Impact

The project established OP2B as the leading business initiative on biodiversity in its first year of existence, with a presence at major international summits, including the UN General Assembly and the EU Business Nature Summit. The work also kick-started a new initiative, bringing

together six members in a collective approach to transitioning to regenerative agriculture in the north of France, and it established a process for more such collective actions. Finally, our work contributed to shaping the corporate biodiversity commitments of more than ten companies.

Shaping the Global Agenda

APPROACH

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



World Economic Forum. BCG supports 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 2020, BCG's CEO, Rich Lesser, became chief advisor to the WEF's Alliance of CEO Climate Leaders.



COP26. BCG is supporting the UK government in preparing and organizing the UN COP26 climate change conference in Glasgow. As part of our engagement, BCG also supports Nigel Topping, the UN

High-Level Champion for Climate Action, in growing his Race to Zero campaign, which BCG joined in 2020.

We also established new partnerships with leading climate actors, such as the SBTi and CDP, and we furthered global awareness of the climate topic through our knowledge partnership with TED Countdown. In addition, BCG continued to take an active role in business-led forums such as the World Business Council for Sustainable Development (WBCSD) and the US Business Roundtable, helping the latter draft its [climate statement](#) in 2020.

We believe that solving complex climate and sustainability issues requires cross-sector collaboration and diversity of thought. Our environmental research provides a fact base for climate action, resulting in dozens of publications over the course of 2020. We also foster strategic partnerships with organizations that spearhead creative responses to climate change, and we have published joint reports on the topic with WEF, WWF, Ellen MacArthur Foundation, and the Global Financial Markets Association.

↓ 2020 HIGHLIGHTS

In collaboration with the WEF, BCG supported “The Net-Zero Challenge” series, assessing progress by corporations, governments, and civil society since the 2015 Paris Accord. [The first report](#), published in January 2020, includes a set of proposals for accelerating climate action. The second, which came out in January 2021, [focuses on supply chains](#).

We released more than 30 thought leadership publications focused on various climate and environment topics, including fossil fuel demand and the energy transition; COVID-19 and its effects on public policy and environmental awareness; the role of industries in taking climate action; and the value and cost of food, forests, water, and biodiversity. We have highlighted some of these key thought leadership pieces below.

A Selection of Articles Reflecting Our Climate and Environment Thought Leadership in 2020



Climate Should Not Be the Virus's Next Victim



Climate Disruption and the Path to Profits for Machinery Makers



A New Approach to the Intractable Problem of Climate Change



How an EU Carbon Border Tax Could Jolt World Trade



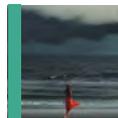
Balancing Local Water Needs with Global Supply Chains



How Government Can Fuel a Green Recovery



A New Course for Climate in the US?



Insurers Take Up the Climate Fight



The Case for a Circular Economy in Electric Vehicle Batteries



The Pandemic Is Heightening Environmental Awareness



Climate Action Pays Off in Transportation and Logistics



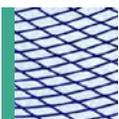
The Staggering Value of Forests—and How to Save Them



A Decarbonization Roadmap for Upstream Oil and Gas



The True Cost of Food



Think Small to Unlock Carbon Capture's Big Potential



How China Can Achieve Carbon Neutrality by 2060

Four Climate and Environment Partnership Reports



Climate Finance Markets and the Real Economy (GFMA-BCG)



Fires, Forests, and the Future: A Crisis Raging Out of Control? (WWF-BCG)



Why Climate Change Is No Prisoner's Dilemma (WEF-BCG)



Beyond Science-Based Targets: A Blueprint for Corporate Action on Climate and Nature (WWF-BCG)



CASE STUDY

Advocating for a UN Treaty on Plastic Waste

Context

Plastic waste is a major problem for the planet, and the situation is only getting worse. Over the past 60 years, we've cumulatively produced more than 1 metric ton of plastic per person alive. Yet unlike with other environmental challenges, no international treaty or governance is in place to address this issue.

Actions

BCG, in partnership with WWF and the Ellen MacArthur Foundation, developed the business case for a new UN treaty aimed at eliminating plastic leakage into the ocean by 2040. To drive momentum in the run-up to the 2021 UN Environment Assembly, the partnership published a [report](#), along with a short video and social media campaign.

The report analyzes today's issues and urges the formulation of a UN treaty to address the main gaps in making progress.

Impact

The report was widely cited by almost 40 leading consumer companies, including Unilever, Procter & Gamble, Tesco, PepsiCo, Coca-Cola, and Mars, which published a manifesto calling on UN member states to develop a global treaty on plastic pollution. PlasticsEurope and the International Council of Chemical Associations directly cited the paper in external communications and encouraged engagement on the topic—evidence that organizations increasingly recognize the importance of addressing plastics pollution.

**11 MILLION
METRIC TONS**

More than 11 million metric tons of plastic flow into the ocean each year. We need a global response to put an end to this highly damaging trend. Watch the launch video [here](#).

Managing Our Own Environmental Impact

APPROACH

Although our greatest climate and environmental impact will come through our client work, we are committed to minimizing the negative effects of our own business operations. We recognize that our activities—primarily business travel and the energy consumed in our offices—adversely affect the climate and environment, and we are determined to lessen these impacts over time. Other environmental concerns such as waste, water, and biodiversity, are also important, but we are focusing our efforts on mitigating our climate impact—our most material topic.

BCG has been certified as a CarbonNeutral® company since 2018. In 2020, we set a new ambitious target: to reach net-zero climate impact by 2030. To reach this goal, we will take significant action to reduce our footprint and neutralize our remaining climate impact by investing in leading-edge CO₂ removal projects.



Watch the BCG net-zero launch video here.

We also joined the [Business Ambition for 1.5°C](#) campaign, led by the SBTi, in a commitment to set science-based targets within the next two years.

2020 IN NUMBERS

70%

reduction in absolute carbon emissions versus 2018 baseline

100%

renewable electricity

100%

of operations covered by CarbonNeutral® company certification

¹² Like many other professional services, we follow best practice by using full-time-equivalent employee (FTE) as the denominator for our intensity target. If we were to use a per capita intensity figure instead of FTE, our emissions would appear about 5% to 10% lower.

¹³ BCG submitted a nonpublic response to CDP in 2020. Our assessment was shared with the customers that requested our response, but it is not publicly available on the CDP website.

As we progress on this journey, we will continuously learn, innovate, and collaborate, engaging with experts, NGOs, and other key stakeholders. 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. We will continue to review and adapt our net-zero strategy and activities as we deepen our engagement.

Our program focuses on three key priorities:



Measuring Our Footprint. 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.



Reducing Our Footprint. To reduce the climate impact of our operations and those of other companies in our end-to-end value chain, we have set targets that encompass the full scope of emissions. This includes reducing direct energy and electricity emissions (Scope 1 and Scope 2) by 90% per full-time-equivalent employee (FTE) and business travel emissions (Scope 3) by at least 30% per FTE by 2025 (against our 2018 baseline year). As part of our Business Ambition for 1.5°C commitment, we will pursue setting targets in line with the criteria of the SBTi.¹²



Mitigating Our Remaining Footprint. To maintain CarbonNeutral® company certification, we purchase and retire a volume of carbon credits on the voluntary carbon market that is equivalent to our annual carbon footprint. We will transition to 100% CO₂ removal carbon credits, including nature-based and engineered solutions, to meet our net-zero climate impact pledge by 2030.

We received an A- rating in the 2020 CDP Climate Disclosure, recognized as the gold standard for corporate climate transparency. This places BCG in the top 14% of all companies assessed by CDP.¹³

↓ 2020 HIGHLIGHTS

Measuring Our Footprint

High-quality data is the backbone of any effective climate program. 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.¹⁴ We measure and include within our footprint the climate impact of greenhouse gas (GHG) emissions as well as that of non-GHG sources, such as the radiative-forcing impact of air travel.

In 2020, our Scope 1 and Scope 2 emissions were 4 KtCO₂e and represented 2% of our total footprint.¹⁵ These emissions primarily stemmed from heating and powering our offices. Scope 3 (indirect) emissions, made up the remaining 98% of our footprint, the largest source of which was business travel, accounting for 91 KtCO₂e in 2020. We also estimated several other Scope 3 emissions sources, such as purchased goods and services and emissions from working from home. These other emissions sources contributed approximately 82 KtCO₂e in 2020.¹⁶ A detailed description of our greenhouse gas reporting methodology is available in the appendix of this report (page 61).

↓ 2020 HIGHLIGHTS

Reducing Our Footprint

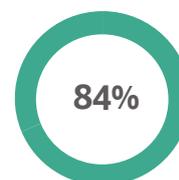
In 2020, we formally announced our two new emission reduction targets and joined the Business Ambition for 1.5°C campaign, committing to set science-based targets for carbon footprint reduction within two years.

Our Emissions Reduction Targets



Business travel target:

To reduce business travel emissions by **30%** per full-time-equivalent employee by **2025** (against our 2018 baseline year)¹⁷



in 2020



Direct energy and electricity target:

To reduce direct energy and electricity emissions by **90%** per full-time-equivalent employee by **2025** (against our 2018 baseline year)



in 2020

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

15. KtCO₂e = thousand metric tons of carbon dioxide equivalent.

16. Other Scope 3 emissions sources include - purchased good and services, capital goods, waste, employee commuting (including working-from-home emissions for 2020), upstream transportation and distribution, and fuel- and energy-related activities not included in Scope 1 or Scope 2.

17. We use conversion factors from the UK's Department for Environment, Food & Rural Affairs (DEFRA) that include radiative forcing uplift for flights.

Business Travel Emissions

Unsurprisingly, the COVID-19 pandemic and related travel restrictions suddenly and dramatically reduced our business travel emissions. In 2020, compared to our 2018 baseline year, emissions from business travel were down approximately 80% in absolute terms. The pandemic has also given us a unique opportunity to reassess our business travel norms and client delivery approach. Our goal is to learn from this experience to sustain lower business travel emissions in pursuit of our 30% reduction per FTE target.

Thanks to our continual investment in IT infrastructure and online collaboration tools, we were able to transition our workforce almost overnight to remote working, while continuing to deliver excellent client service and keeping teams connected and safe. We also transitioned internal business functions—such as recruitment, learning and development, and global events—to online platforms, with positive feedback from participants about the virtual meeting experience. The shift to remote working was reflected in a dramatic increase in our video conference call hours which grew from 2 million hours in 2019 to over 10 million hours in 2020.

To achieve our 2025 target, we must redefine travel norms with our employees and our clients and establish more sustainable delivery models. We will critically assess the elements of work that can remain virtual going forward and reintroduce travel when it is key to client value creation and our employee value proposition. We have created an internal taskforce dedicated to defining our next-generation ways of traveling for client work. We have also named a managing director for each region around the globe to lead local business-travel emissions-reduction efforts. This approach will ensure that emission reduction initiatives are relevant to and appropriate for the geographic and business context of the region. Our sustainability team is responsible for supporting local planning and implementation, as well as for providing tools and support to enable effective monitoring and reporting.

In addition, our global travel team has implemented several changes to our main online travel-booking tool to promote more sustainable decisions. Employees in Europe can see GHG emissions per flight prior to booking. In 2021, this functionality will be expanded to Asia and North America. The online booking tool has also been reconfigured to prioritize train options over air travel for certain routes. These interventions raise employee awareness of the carbon impact of flying at the booking stage and promote selection of less carbon-intensive travel options at that stage. And finally, we have introduced a new feature that displays “green” hotels, offering preferences based on hotel sustainability certifications and adding electric and hybrid car options for rental car bookings.

We anticipate that airlines will continue to make advances in low-carbon technology, which will reduce the carbon intensity of flying. We are actively engaging with airlines that are leading this transition, both through our core consulting work and through our supplier relationship management.

With regard to sustainable aviation fuels (SAFs) specifically, we support efforts to scale these technologies. Since 2019, we have participated in the WEF-led Clean Skies for Tomorrow (CST) coalition as an active member of a workstream focused on creating a scalable marketplace for sustainable aviation fuel. We are also encouraged by the SBTi [aviation sector guidance](#)—released for stakeholder consultation in November 2020—that includes commentary on Scope 3 business travel targets that we think will boost broader efforts to scale SAFs and advance climate action more broadly within the sector.

	2018	2019	2020	Change (%, versus 2018)
Absolute business travel emissions (KtCO ₂ e)	448	470	91	–80
Business travel emissions intensity (tCO ₂ e per FTE)	27	24	4	–84

Note: Like many other professional services, we follow best practice by using full-time-equivalent employee (FTE) as the denominator for our intensity targets. If we were to use a per capita intensity figure instead of FTE, our emissions would appear about 5% to 10% lower.

Energy and Electricity Emissions

Although our direct energy and electricity (Scope 1 and Scope 2) emissions are small relative to our Scope 3 footprint, we are taking decisive action to reduce these emission sources.

In 2020, 100% of our electricity came from renewable energy sources. 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.

In 2020, our internal sustainability and global real estate teams collaborated to establish guidance to support the sustainability evolution of our office portfolio as we work toward achieving the remainder of our target. We developed:

- A new green-building selection standard to use with our brokers during the office selection process
- A new green-office refurbishment standard to use with our architects and contractors in the office fit-out process
- A series of best-practice documents to support sustainable operations within our offices

We have continued to make progress with our TeamScape program, which minimizes excess space within our offices while leaving room for future growth. By rationalizing our office space, we optimize the workplace experience and reduce consumption of resources and energy. We are also proceeding with efforts to enhance our workplace portfolio strategy as we learn from and adapt to the global pandemic, focusing on developing future workplaces that will boost employee experience and minimize environmental impacts.

Fuel Efficiency of Leased Cars

We are taking action to improve the fuel efficiency of our leased car fleet, which contributed 71% of our total Scope 1 emissions in 2020. We tripled the number of hybrid and electric vehicles we leased in 2020, helping to reduce absolute Scope 1 emissions from our fleet's fuel consumption by 10% in 2020, despite a 10% increase in the number of cars in the fleet.

GHG emissions (in thousand tCO ₂ e) ¹⁸	2018	2019	2020	Change (% versus 2018)
Absolute Scope 1 emissions (KtCO ₂ e)	5	6	4	-18
Absolute Scope 2 - market-based (KtCO ₂ e) ¹⁹	25	0	0	-100
Absolute Scope 2 - location-based (KtCO ₂ e) ²⁰	29	19	16	-43
Scope 1 and 2 emissions Intensity (tCO ₂ e per FTE)	1.8	0.3	0.2	-90

Note: Like many other professional services, we follow best practice by using full-time-equivalent employee (FTE) as the denominator for our intensity targets. If we were to use a per capita intensity figure instead of FTE, our emissions would appear about 5% to 10% lower.

18. tCO₂e = metric tons of carbon dioxide equivalent.

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

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

↓ 2020 HIGHLIGHTS

Mitigating Our Remaining Footprint

CARBONNEUTRAL® COMPANY CERTIFICATION



While continuing to focus our efforts on reducing our carbon footprint, we also want to minimize the climate impact of our unabated emissions. Accordingly, we purchase and retire an equivalent volume of independently verified carbon credits on the voluntary carbon market for all of the Scope 1, Scope 2, and Scope 3 emissions that we cannot yet eliminate from our footprint. As a result of these efforts, we have achieved CarbonNeutral® company certification for the third consecutive year.²¹

NET-ZERO PLEDGE

In September 2020, we announced a new net-zero pledge that builds on our existing record of carbon neutrality. As part of this commitment, we will begin directing more of our voluntary carbon-offset purchases toward carbon dioxide removal (CDR) projects, with the added objective of helping to scale projects and technologies that the world will need to achieve the ambitions of the Paris Accord.

Today, the carbon credits that we purchase primarily finance compensation—or avoided emissions—projects, such as projects to prevent deforestation. These projects aim to prevent additional carbon from entering the atmosphere, as opposed to CDR projects that actually remove additional CO₂ from the atmosphere—for example, by planting a new forest.

To meet the Paris Accord’s ambitions, CDR projects will need support from firms that are in a position to help bolster supply and lower the cost of credits. Over the next decade, we will transition our projects portfolio from two-thirds avoided emissions and one-third nature-based CDR projects in 2020, to a net-zero portfolio of 100% CDR projects in 2030, including both nature-based and engineered solutions.

By implementing this portfolio, we expect to voluntarily pay an average cost of \$80 per metric ton of CO₂ by 2030, a dramatic increase from the current voluntary carbon offset market average of \$3 to \$6 per metric ton and BCG’s 2020 portfolio average of about \$7 per metric ton.²²



A seedling at a BCG supported community reforestation programme in East Africa

This transition will occur gradually, as we recognize the importance of our continued near-term support for avoided-emissions projects, the time and investment required to establish and scale CDR projects, and our need to learn more about this fast-evolving market in order to support the projects that are best for the planet. We will base our choices on the best available science, with reference to best-practice guidance such as [WWF’s guidance on voluntary carbon credit guidance](#) as it evolves.

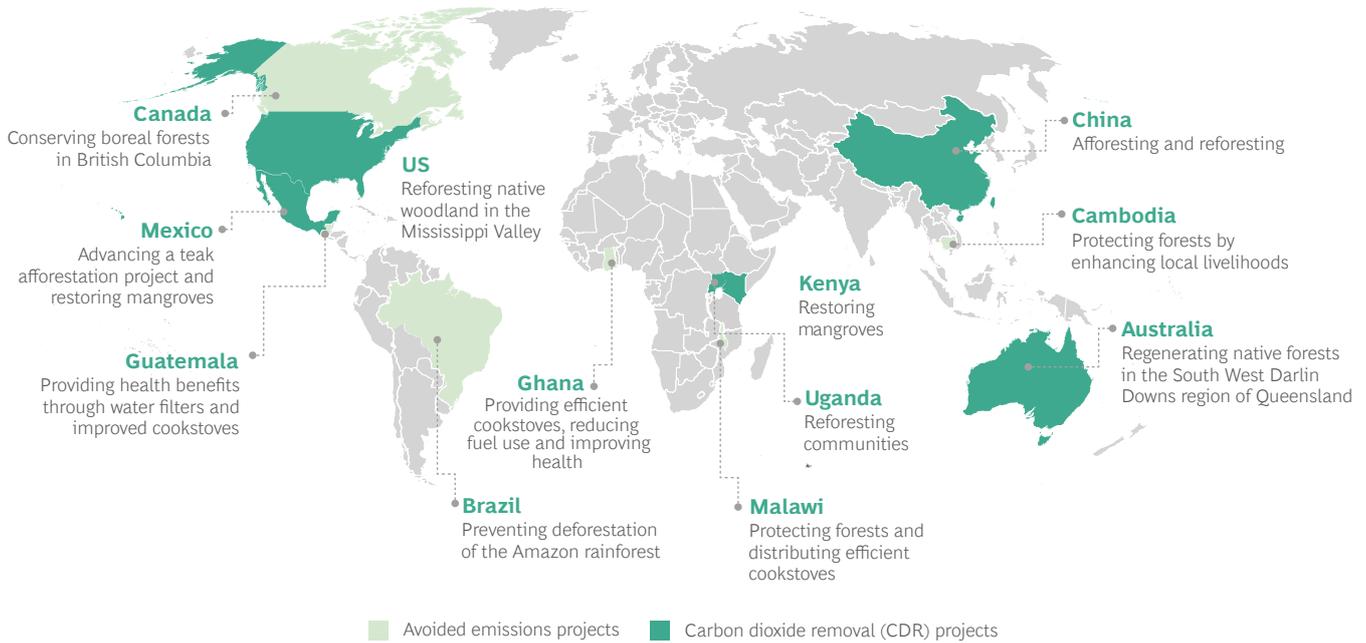
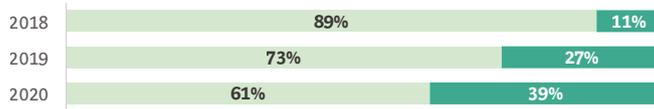
Our 2020 Offset Portfolio

Our CarbonNeutral® company certification covers our full reported Scope 1, Scope 2, and Scope 3 emissions. We partner with a carbon offset specialist to ensure that our offsets are in line with best practice—that is, that all projects are attributable, measurable, permanent, additional, and unique. All of the carbon offset projects that we support are verified against approved best practice standards (such as the Gold Standard and VCS) of the International Carbon Reduction and Offset Alliance (ICROA), and an independent third party audits them to ensure that they meet core quality criteria.

For our 2020 portfolio, we prioritized nature-based solutions, including some that remove carbon from the atmosphere and some that try to protect and restore existing forests. We also selected projects that deliver multiple types of benefits, including some that drive employment and education impact, and some that promote the UN Sustainable Development Goals. We supported 14 projects across 12 countries, and our ratio of CDR projects increased from 30% in 2019 to 40% in 2020. (See the map below.)

²¹ Our CarbonNeutral® company certification covers our full reported Scope 1, Scope 2, and Scope 3 emissions in accordance with the CarbonNeutral Protocol.

²² Voluntary carbon offset market average source: Forest Trends’ Ecosystem Marketplace, “Financing Emissions Reductions for the Future: State of Voluntary Carbon Markets 2019.” Washington, DC: Forest Trends, 2019



↓ 2020 HIGHLIGHTS

Engaging Our People

We recognize the importance of engaging and educating all of our people on climate and environment topics. We launched a new series of online courses in 2020 covering climate science, how to engage clients on the climate topic, and what BCG’s internal climate actions have been. We promoted the courses to all staff, and BCG’s leadership received infographic communications summarizing the key lessons from these courses. Furthermore, to raise awareness of the highest-impact climate cases at BCG, we established a new series of climate impact stories sent from BCG’s CEO to all staff at BCG.

Through our social impact practice, we engage our firm’s leadership monthly, sharing key developments and practical guidance on how to best support our client’s climate agendas. We also have an active network of over 4,000 employees who receive regular social impact communications, and more than 800 people joined our global social impact meeting in 2020.

In addition to providing learning opportunities, we encourage our people to engage practically in local climate action. Our global green team network grew again by 25% in 2020, with more than 1,250 active green team members across over 80 offices. This network, which designs and implements initiatives to reduce our environmental impact at the local level, delivered many inspiring projects in 2020. We launched our green team awards program to recognize work delivered through this network, with three awards available: Green Team of the Year, Best New Project, and Green Champion of the Year.

The winner of the Best New Project award went to the London green team, which developed a travel emissions dashboard that enables leaders in BCG’s London office to track their personal and their teams’ business travel emissions, with the aim of positively influencing travel decisions related to staffing, client engagement, and personal travel. This project is now being piloted for a global rollout.

2020 IN NUMBERS

100%

of employees received training materials on the climate and environment topic

80+

office green teams are active around the world

1,250

BCG people are green team members (25% more than in 2019)



Empowering Our People

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

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Learning and Development

Safety and Security

2020 Highlights and Scorecard



We launched our new global recruiting campaign, **Welcome to the Group**. This campaign showcases BCG at our best: a global community of diverse individuals determined to make the world and each other better every day.

We continued to advance our diversity, equity, and inclusion agenda internally with an increase in the proportion of female staff globally (to 44%) and new joiners in the consulting team (to 42%). We've had equal retention and promotion rates for men and women within the consulting team since 2016.

In the US, we publicly **announced** six new commitments to advance racial equity, including investing \$100 million of our talent resources over five years to support organizations that address racial injustice and inequality in the nation.

We quickly adapted our global people programs to ensure the safety, well-being, resilience, and development of our people despite the challenges posed by the COVID-19 pandemic.

For the seventh consecutive year, BCG maintained the number one ranking in **Consulting** magazine's "Best Firms to Work For" list.

2020 Performance Data Tables

Diversity, equity, and inclusion metric 2020



22,000
Global headcount

Gender

	2020
Global female representation	44%
Female representation on Executive Committee	35%
Female representation among leadership ²³	23%
Female representation among entry-level new hires to the consulting team	42%

Racial and ethnic minorities (US only)²⁴

US headcount (racial and ethnic minority representation)	39%
US leadership (racial and ethnic minority representation) ²⁵	26%

23. Includes managing directors, partners, and other senior leadership roles.

24. We are currently able to disclose race and ethnicity data for our US operations only. BCG does not mandate all staff to self-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.

25. Includes managing directors, partners, and other senior leadership roles.

2020 Performance Data Tables (Continuation...)

Learning and development metric

2020

Average number of training days per person ²⁶	1 week
Average number of online modules completed per learner	29
Attendance at career step training ²⁷	91%

Employee well-being metric

2020

Employees with access to well-being support services	100%
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Safety and security metric

2020

New offices conducting a physical security risk assessment	100%
New consultants completing our travel safety e-learning	100%

Attracting the Best Talent

APPROACH

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

We have four primary goals in this area:

- To be the premier employer of choice, by offering an unparalleled 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 diversity of perspective to our clients' biggest challenges
- To recruit as one firm, with local flexibility, considering market- and business-based differences in approaches and hiring pools

Our approach varies in accordance with the recruiting norms across the businesses and in the more than 50 countries where we operate and seek talent with suitable skills and experiences. It evolves as we respond to changes in market competitiveness, meet the needs of prospective candidates, and seek to further optimize our effectiveness.

For example, we have introduced new online preparation resources and assessments and provided unconscious-bias training to our interviewers and recruiters. We outline the relevant recruiting process to our candidates and provide feedback along the way. Throughout, we give candidates opportunities to experience our culture in order to help 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. Our numerous employee-focused programs, many of which are detailed in this report, help maintain BCG's position as a leading employer of choice.

²⁶. We continue to have our staff invest in a week of learning. In 2020, the mix shifted from mainly in-person live programs to virtual learning due to the global pandemic.

²⁷. Total number of learners attending the course within tenure window requirements, divided by total eligible population for the course.

↓ 2020 HIGHLIGHTS

Our [Welcome to the Group](#) campaign showcases BCG at our best: a global community of diverse individuals determined to make the world and each other better every day. All campaign images (photographed prior to COVID-19-related restrictions) feature actual BCGers to highlight the diversity of our workforce and our collaborative spirit.

In 2020, we rolled out a number of new digital tools to streamline and enhance our recruitment process and the candidates' journey. We began leveraging a tool that uses artificial intelligence and machine learning to source candidates. Drawing on more than 750 million profiles from over 40 external platforms, the tool enables us to build diverse talent pipelines. We rolled out a new candidate engagement app to support candidates virtually throughout the interview process and make them feel welcome at BCG. We also launched global interview preparation and online assessment tools. Our offices are leveraging these tools to virtually prepare and assess our candidates, expand our talent pools in a scalable way, provide candidates with a modern experience, and improve their success rates.

We continued to invest in our recruitment team at BCG. We welcomed our first managing director and partner dedicated exclusively to recruiting—a person with more than 20 years of deep industry experience in talent and HR. We also continued building our recruiting capability by upskilling our team with 21st-century skills through our newly introduced Recruiter Academy, an online training platform.

A number of external benchmarking programs recognized our award-winning approach. For the seventh consecutive year, BCG ranked number one 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. For the 14th time, *Working Mother* magazine named BCG one of its "100 Best Companies for Parents" in the US. Vault's top-50 prestigious consulting firms, chosen by practicing consultants, ranked BCG number two.

2020 IN NUMBERS

87%

of our staff say that they would choose BCG again, knowing what they know now about the company²⁸

150,000+

prospective candidates participated in our [virtual experience program](#), giving them a true feel for what it's like to work at BCG in various roles

28. Source: 2020 BCG People Survey.

Working at BCG

APPROACH

BCG's most essential asset is its people, and we are committed to maintaining a world-class employee experience. BCG constantly strives to find innovative ways of working, whether by enabling remote work or by offering programs that allow our people to explore their passions outside the workplace. We provide equitable base pay and award bonuses on the basis of performance, both of which we monitor worldwide, as well as offering an array of development opportunities and a global network to cultivate employee growth and development. Each individual has a unique perspective and story, and our goal is to develop that person's remarkable talents.

The experience that BCG offers its employees is broad and multifaceted. It includes:

- **Performance and Development Opportunities.** Each employee can take advantage of a personalized performance and development plan. Whether through project-specific feedback or through 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 are dedicated to providing timely feedback and a career review at least once each year.
- **Career Mobility.** Various job mobility opportunities provide our people with motivation and options for growth. BCG's Global Career Framework encourages growth through exploration across topics, practices, and locations. We also curate development plans for employees—including learning sessions, project opportunities, and coaching—and post vacancies on our internal jobs board, as well as sharing with alumni and posting them externally.
- **Employee Dialogue.** We encourage robust dialogue between employees and senior leadership. BCG engages their employees formally on the office, regional, and global level through staff meetings, town halls, and our annual People Survey. This survey enables us to track our progression from previous years and ensure that we are acting on the feedback received. BCG has been sending out some version of this survey for more than 20 years and historically receives a global response rate of over 80%.

- **Predictability, Teaming, and Open Communication (PTO).** To promote sustainable work-life harmony, we introduced PTO, a global support mechanism to foster sustainable teaming for our consultants worldwide. In 2020, we conducted a global survey to assess how staff were responding to the challenges posed by the COVID-19 pandemic. We provided additional support to case teams through our network of PTO facilitators, who supported teams with collective performance and individual resilience. More than 95% of case teams stated that they have discovered effective ways of teaming and caring for each other. We will introduce 90 senior PTO coaches in 2021 to further support our teams.
- **Flexible Work Arrangements.** Another way BCG provides support to employees is by offering flexible work arrangements. In addition to being eligible for paid parental and military leaves, employees can take time off for personal matters or for a particular passion. They can also choose FlexTime arrangements, with reduced or staggered hours, or FlexLeave, which allows them to take time off for an extended period, typically up to eight weeks.
- **Alumni.** We also support our people who move on to new challenges or pursuits. BCG alumni remain an integral part of the BCG family. They become brand ambassadors and business leaders in their own right, and many become future clients. Among our alumni, 98% opt in to receive communications and invitations, and 87% agree that staying in touch with BCG is important to them. BCG’s Career Transition Plan gives job search assistance to consultants who are ready to move on from consulting.

↓ 2020 HIGHLIGHTS

In 2020, we focused on enhancing our employee experience, with particular emphasis on support for mental health and the shift to a virtual work environment. We sent out surveys to understand and adapt to challenges associated with COVID-19, and we encouraged employees to connect in new ways in virtual or new work settings. Beyond the ongoing one-on-one virtual check-ins with line managers, we facilitated connections with a broader network of colleagues through virtual social events.

We continued to offer global mobility opportunities, including the Associate Abroad and Global Ambassador programs, and are working to adapt these opportunities to a world of COVID-19-induced travel restrictions. These programs provide international exposure and career development by expanding industry experience and network opportunities. Relocation support—including housing placement and language training, if applicable—is a component of both programs. Even with the travel restrictions in force during 2020, more than 250 BCG employees took advantage of our secondment program, many of them remotely, in both the client space and the social impact space.

We initiated several new programs to improve the work-from-home experience. For example, employees based in North America took part in “power-down PM” and “focus Fridays,” which established a protected block of time free of virtual meetings.

2020 IN NUMBERS



Diversity, Equity, and Inclusion

APPROACH

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

To attract and retain diverse employees who are representative of the society in which we live and do business, we cultivate leaders committed to making BCG a company that gives all individuals an opportunity to flourish and succeed. We run a set of global networks with associated initiatives such as **Women@BCG** and **Pride@BCG**, as well as regionally managed **affinity groups**, including **AccessAbility@BCG**, **Veterans@BCG**, **Asian Diversity@BCG**, **Black+Latinx@BCG**, and other racial and ethnic diversity networks.

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

ACTIVITIES TO DRIVE CHANGE

Global diversity, equity and inclusion activities include mandatory anti-harassment and cultural awareness training, as well as periodic unconscious-bias training, beginning at the entry level and recurring as people rise through the ranks. The training sessions explain the origins, occurrence, and behavioral consequences of unconscious bias; they also give participants tools for identifying when they may be at risk of acting on such bias and for minimizing its impact in the workplace.

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

We focus on recruiting diverse talent, with structured protocols to eliminate bias from the recruiting process.

- We have formal flexibility policies to improve predictability and employee sustainability.
- We hold regional and local conferences and affiliation events to bring together members of our diversity networks.
- We offer tailored talent development, mentoring, and sponsorship. **Women@BCG**, for example, offers **Apprenticeship-in-Action** to improve the quality of the day-to-day apprenticeship experience; **Segment of One** to support women as they strive to fulfill their professional and personal ambitions; and **Partner Pairings** to provide mentorship opportunities at the most senior level.

DIVERSITY, EQUITY, AND INCLUSION GOVERNANCE

Our global diversity, equity, and inclusion chair and our global people chair oversee our diversity, equity, and inclusion initiatives, assessing progress and priorities regularly at Executive Committee meetings. A dedicated global team leads **Women@BCG**, along with regional teams composed of a managing director and partner and a dedicated manager, as well as leaders in each local office. A managing director and partner leads **Pride@BCG** globally, supported by a dedicated global pride manager, staff in each BCG region, and a network of leaders across our offices. Other networks operate regionally or locally to best meet the needs of the group.

↓ 2020 HIGHLIGHTS

Women@BCG

Our largest diversity network and one of our most well-developed programs, Women@BCG seeks to increase the number, success, and satisfaction of women at the firm. Specific goals include:

- Maintaining female representation of at least 40%
- Recruiting at least 40% female entry-level associates and consultants worldwide
- Achieving equal promotion and retention rates for women and men in the consulting team

We have a particular focus on supporting the role of women in technology. We continue to invest heavily in increasing gender diversity in our digital businesses and in upskilling digital competencies for our female consultants.

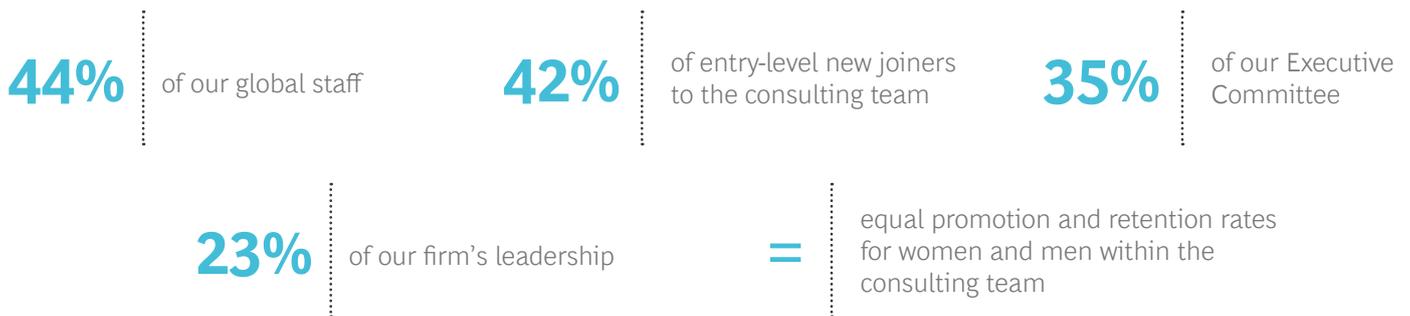
In 2020, our [Women@BCG](#) agenda—to increase the number, success, and satisfaction of women at the firm—made strong gains. We have equal retention and promotion rates for men and women globally at all career steps in the consulting team since 2016. The number of female managing directors and partners has grown at three times the rate of the number of male managing directors and partners over the past ten years.



At BCG, we're working to close the gender gap in technology and increase opportunities across the firm. Watch this video to find out more.

2020 IN NUMBERS

In 2020, women at BCG had the following attainments:



↓ 2020 HIGHLIGHTS

Racial Equity at BCG

Tragic events in the US this year have highlighted systemic inequities that exist within society and deepened discussions about the topic around the world. In response, BCG sought to bring better focus to our racial equity agenda and practices. In June 2020, to continue to drive accountability and contribute to the external discussion, we **publicly announced** six commitments to advancing racial equity in the US.

1. We will catalyze change by investing \$100 million of our talent resources over five years to establish multiyear partnerships with leading organizations that address racial injustice and inequality in the US.
2. BCG is accelerating representation of Black BCGers and further committing to make BCG a place where all talent thrives. This involves driving retention parity, increasing representation in leadership, educating leaders and staff, and enhancing sponsorship and development.
3. Through the lens of **total societal impact**, we are advancing the pursuit of racial equity with our clients.
4. We are strengthening our supplier diversity efforts, increasing the number of minority- and women-owned businesses, and measuring the diversity of our vendors.
5. We are fostering accountability by accelerating the clarity, ambition, and measurement of our racial equity goals.
6. BCG is donating \$1 million over five years to organizations that are leading change in racial equity, starting with the NAACP Legal Defense and Education Fund and the Southern Poverty Law Center.

In 2020, we launched our Racial Equity Taskforce to fulfill our commitments and drive results. This work centered on three key pillars:

- **Team and Culture.** Increasing representation and driving a diverse, equitable, inclusive culture
- **Business Partners and Practices.** Pushing for diversity, racial equity, and inclusion with our partners and clients
- **Societal Impact.** Deploying our resources for social and systemic change

We also significantly expanded our global networks, launching racial and ethnic diversity networks in Europe, Australia, and Africa while adjusting for the different realities and needs in each market.

**DIVERSITY
EQUITY
INCLUSION**
U.S. 2021 REPORT

BCG

Read more about our approach to racial diversity, equity, and inclusion (DE&I) in our inaugural DE&I report (US only). [Download the report.](#)

2020 IN NUMBERS²⁹



²⁹ We are currently able to disclose race and ethnicity data for our US operations only. BCG does not mandate all staff to self-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.

↓ 2020 HIGHLIGHTS

Pride@BCG

The [Pride@BCG](#) network strives to unlock the potential of LGBTQ employees, clients, and beyond. In 2020, we had 650 active members in the network, an increase of more than 20% over the previous year. This follows a sustained annual growth rate of approximately 20% over the past ten years.

We strengthened our [Pride@BCG](#) initiatives in 2020 by appointing our first full-time global pride manager and onboarding staff members to represent Europe, Latin America, and Asia—in addition to our existing team in North America. Expanding our geographical reach, we officially launched [Pride@BCG](#) in eight additional countries, locations with a difficult social context for LGBTQ individuals. We also continued to expand our network of [Pride@BCG](#) allies and provide 1:1 mentorship to network members. We organized numerous digital events for members and allies at global, regional, and local levels to continue fostering affiliation, dialogue, and learning during the lockdown. These events included discussions with BCG's most senior leaders. To identify and address the needs of intersectional populations within the LGBTQ community, we also launched an intersectional working group.

As part of our LGBTQ efforts outside BCG, we continued to push the envelope in thought leadership and published two landmark reports:

- [Unlocking the Diversity Dividend in South-east Asia](#)
This report focuses on the state of LGBTQ diversity and inclusion in six countries in Southeast Asia.

- [A New LGBTQ Workforce Has Arrived—Inclusive Cultures Must Follow](#)

This report, published in collaboration with New York's LGBT Center, surveyed employees across the US to understand the experiences of today's LGBTQ workforce.

We also launched the [Out@Work](#) Barometer across more than 15 countries. This survey establishes a baseline for LGBTQ diversity, equity, and inclusion in the workplace.

Inclusion Accelerators

In 2020, we rapidly expanded our Inclusion Accelerators. These groups promote allyship and raise awareness of ways to advance diversity, equity, and inclusion in the workplace. Many local offices host "Authentic Conversations," which provide a forum for open dialogue about culture and identity and provide another opportunity for employees to feel understood, respected, and supported.

We also reinforced our structured approach to inclusion by establishing a set of global tools and resources to share best practices and connect diversity, equity, and inclusion leaders across all markets—enabling the firm to build an inclusive culture for all BCG employees.

Disabilities

This year we signed on to the [Valuable 500](#) as part of our effort to build a global commitment to disability support. We run local networks in North America, Australia, New Zealand, and the UK to accelerate our inclusiveness of people with disabilities and to connect employees dealing with chronic illness, neurodiversity, physical disability, or mental health concerns, among other issues.

↓ 2020 HIGHLIGHTS

Shaping the Global Agenda

BCG is working to shape the diversity dialogue within the firm, with our clients, in public forums, and in society as a whole. Our cutting-edge research yields insights into the challenges and opportunities involved in cultivating diversity, equity, and inclusion. In 2020, we shared the results of more than 15 research papers with the business community on topics of racial equity; caregivers and COVID-19; diversity, equity, and inclusion in a downturn; LGBTQ issues; and more. Read our latest research [here](#).

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

- **World Economic Forum Partnering for Racial Justice in Business Initiative.** We are a founding member of a global coalition of organizations committed to creating equitable and just workplaces for underrepresented racial and ethnic employees, and to collectively advocating for inclusive policy change.
- **Forte Foundation.** We are a sponsor of the foundation, which is dedicated to directing women toward leadership roles in business and industry.
- **Women's Forum for the Economy & Society and AnitaB.org (Grace Hopper).** We are a sponsor and thought partner, supporting a committee of 12 companies collaborating to boost women's participation in STEM fields.
- **UN Women.** We cohost a gender diversity roundtable in Denmark that assembles leaders of the Danish private sector, educational institutions, and societal organizations to share experiences and best practices for advancing gender diversity.
- **Catalyst.** BCG is a key research partner of Catalyst, and BCG representatives sit on the board of advisors and the board of experts, helping build workplaces that work for women. Our CEO, Rich Lesser, is a Catalyst CEO Champion for Change.
- **Gender and Diversity KPI Alliance.** We joined this alliance to support the use of key performance indicators that measure gender and diversity in the workforce.
- **US Business Roundtable's Education & Workforce and Finance Subcommittees.** Our CEO, Rich Lesser, serves on both subcommittees.
- **Management Leadership for Tomorrow (MLT).** In 2020, we partnered with this organization to develop the MLT Black Equity at Work Certification Program. BCG is also currently working to earn certification under the program for our own organization.
- **The Female Quotient.** We are a sponsor of the Equality lounge at WEF Davos and lead discussion sessions about ways to remove barriers to women in business.
- **The Valuable 500.** We are a member of this coalition, committed to keeping disability inclusion on our people agenda.
- **Open for Business, GiveOut, OUTstanding (InVolve), and Partnership for LGBTI Equality.** BCG partners with these organizations to create LGBTQ-inclusive business environments.

Employee Well-Being

↓ 2020 HIGHLIGHTS

APPROACH

We strive to ensure that all employees are physically and emotionally fit, in good financial health, comfortable and safe in the workplace, connected to their communities, and harmonious in their home and work 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, an initiative that we launched in 2019, supports delivery of solutions suitable for each locale through common channels that make resources for well-being accessible to all employees and their families. We encourage innovation in program design, empower employees to take care of their whole selves, and aim to support people at all life and career stages.

We make well-being education and insights available to all employees through our global well-being microsite, learning platform, and global employee assistance program, so they can access support anytime and anywhere when they need it most.

↓ 2020 HIGHLIGHTS

During the first quarter of 2020, we completed the rollout of our employee assistance program to ensure that all employees had access to mental health, financial, and legal counseling, along with well-being and work-life support 24 hours a day, seven days a week.

We launched our Global Wellbeing@BCG microsite, offering employees access to many different resources, including videos, COVID-19 resources, and mindfulness training. The site received more than 30,000 page views in its first ten months.

We established a global well-being advisory function as part of our Global Benefits Center of Expertise, providing expert advisory services to local HR teams on all topics related to well-being.

2020 IN NUMBERS

100%

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

2,500

More than 2,500 employees participated in Wellbeing@BCG virtual learning sessions

Support in Times of Crisis

As the pandemic took hold across the world in 2020 and the firm transitioned to remote working, we quickly recognized the need to support our employees' emotional health. We took several measures to address the anxiety, stress, and isolation many people were feeling. We created a series of virtual learning modules, including a mental health training series focusing on loneliness, anxiety, and leading with compassion. This originated in North America and was subsequently rolled out across the firm.

Given the very positive feedback about this support and the strong level of interest in it, we offered additional training sessions throughout the year, with more than 1,500 unique participants attending six sessions anchored around World Mental Health Day. The goal of these sessions was to destigmatize the emotional challenges people were facing and to strengthen lifelong coping skills.

BCG also introduced the Wellbeing@BCG Sustainable Performance video series. This series of five bite-size videos provides practical, inspiring, evidence-based ideas to help employees manage stress, enhance performance, switch off and recover, perform under pressure, and improve sleep.

To support BCG caregivers across geographies, businesses, tenures, and roles, we designed the COVID Flex60 program as an enhancement to our standard flexibility and part-time programs. Employees gained access to new leave-of-absence options and extra paid holiday time.

Learning and Development

APPROACH

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 (including in-person, virtual, online, and team-based) for ease of access. We help our people hone the skills needed to perform in their current roles and to realize their full potential and personal growth.

In a traditional year, our approach centers on three core elements:

- 1. Personalized career step educational programs**—typically a multidimensional learning journey that uses a range of tools and techniques, including digital learning primers, virtual and in-person classroom-based learning and discussion, and post-program learning reviews
- 2. An extensive repository of internally developed learning resources**—more than 3,000 modules for core skills and expert knowledge, as well as access to a wide selection of external libraries such as LinkedIn Learning
- 3. Upskilling campaigns**—rapid training of a large number of employees across many different cohorts or career steps on specific skill sets, using intensive targeted programs that typically combine digital learning primers and classroom sessions

Because of COVID-19, in-person training sessions were not possible during most of 2020, so we quickly adapted approach to ensure that our core principles remained intact, providing a rich learning opportunity for the onboarding training of new joiners and for the upskilling of more experienced staff. We delivered more than 620,000 training experiences, including live virtual programs and on-demand offerings.

Our Global Learning Council sets priorities and regularly reports to the Executive Committee and to People Team leadership. The 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.

2020 IN NUMBERS

29

online modules completed annually per learner

91%

attendance at career step training

1

One week of formal training completed annually per average employee

21,000

More than 21,000 employees trained to work effectively from home in 2020

↓ 2020 HIGHLIGHTS

Adapting to a New Remote Learning Model

In response to the COVID-19 pandemic, we transitioned our live in-person programs to virtual settings—seizing the opportunity to experiment when possible. We launched our Lead.Connect.Virtually campaign, which includes an extensive online catalog of resources to empower employees to stay up to date with best practices for working and leading in a remote environment.

To promote continued learning during the pandemic, we introduced a new “Unlock Your Potential” campaign, allowing employees to devote up to a week of dedicated time toward digital upskilling during downtime. We also made available an extensive online catalog of offerings and provided a range of virtually held wellness sessions to support and strengthen our people's resilience and well-being during these challenging times.

Accelerating Our Learning and Development 2023 Vision

The transition to virtual learning in 2020 enabled us to strengthen the foundation of our 2023 vision of more integrated and personalized learner journeys, and accelerate toward it. We experimented with new technologies, such as connected classrooms, to offer more effective, agile training not just to individuals but to entire case teams.

Besides improving the learning journey, reducing the number of in-person events will help the firm minimize business travel emissions. Prior to 2020, we had set an ambitious goal of reducing our carbon footprint by 30% per participant by 2025. Pivoting on our experiences in 2020, when our travel footprint almost disappeared, we expect to be able to accelerate the reduction beyond 30% by 2025.

Embedding OneBCG Onboarding

This year, we created greater consistency in new hires' onboarding experience. Building on past success, we scaled up the audience of new joiners who have access to our on-demand training opportunities as prehires. We broadened the client-facing roles that our core curriculum covers and took the first steps toward expanding the existing managing director and partner curriculum for all firm leaders.

We also continued to support our firmwide initiatives for diversity, equity, and inclusion through training sessions and more inclusive training material.

Safety and Security

APPROACH

Staying Safe on the Road

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

As part of our broader safety governance framework, we provide our people with up-to-date travel safety and security information through a mobile application so that they can make informed decisions to avoid jeopardizing their health and well-being. The mobile application provides situation alerts and one-touch connection to our 24-7 response center.

Creating a Safe and Secure Workplace

All of our offices have programs in place to ensure the health and safety of employees and guests. These programs also follow physical security standards 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. New office buildings are subject to a comprehensive risk assessment to mitigate our employees' and firm's exposure to risk. Our internal audit team conducts office reviews for all BCG offices on a three- or four-year cycle (depending on risk exposure) including an assessment of office safety and security protocols and practices. For most of 2020, onsite reviews were impossible, so our team quickly developed and delivered a virtual program.

2020 IN NUMBERS

100%

of our new offices opened in 2020 were subject to a physical security risk assessment

100%

of our new consulting staff completed our mandatory travel safety training

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

↓ 2020 HIGHLIGHTS

BCG's safety and security focus in 2020 centered on our COVID-19 response, which required swift collaboration and global coordination as the disease quickly became a pandemic and governments worldwide mandated travel suspensions, lockdowns, and office closures. We developed digital tools, including two mobile apps, to support employees and leadership in our return-to-office efforts. We continue to develop global protocols to provide guidance on contact tracing, return-to-office procedures, testing, vaccines, and other topics as they arise. A global working team remains intact and meets weekly to address the ongoing COVID-19 pandemic.

It is essential that all of our employees be aware of our safety and security procedures. In 2020, we launched a refreshed travel safety e-learning module, which is mandatory for all new consulting staff. Participants gave the training session an initial rating of 4.5 out of 5. In addition, we provide emergency alert training to all local office users on an ad hoc basis, as well as during all new-hire inductions. We redesigned our Global Security microsite in 2020 and launched a COVID-19 microsite, along with travel tools to navigate country restrictions.



Promoting Responsible Business Practices

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

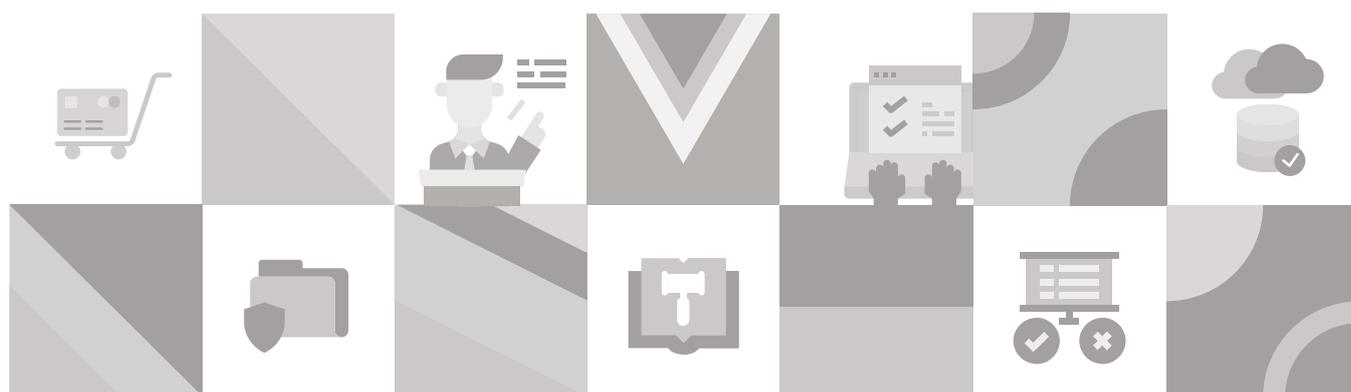
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2020 Highlights and Scorecard



BCG updated and published a refreshed global Code of Conduct —after which 100% of our people completed a web-based training session, confirming their understanding of its content and compliance with its terms.

In our annual People Survey, 98% of respondents stated that they feel a personal accountability to uphold BCG's values and ethical standards.

For the 14th time, BCG achieved a 100% score in the Human Rights Campaign Foundation's Corporate Equality Index.

We developed and rolled out training on our supplier governance policy to all buyers at BCG, and training on sustainable procurement to all category managers. These efforts help our teams source and manage suppliers in line with our policies and in support of our sustainability priorities.

We continued to advance our Information Excellence program to improve the information life cycle for client engagement. The updated program includes a new policy that focuses on collection, transfer, storage, sharing, archiving, and deletion of materials acquired or created throughout our client engagements.

2020 Performance Data Tables

Responsible Business Practices metric	Target	Target year	2020 ³⁰
Employees who completed our Code of Conduct and Anti-Bribery & Corruption online training	100%	Ongoing	100%
Employees who completed annual acknowledgment of Code of Conduct and Anti-Bribery & Corruption policies	100%	Annually	100%
Sustainable Procurement metric	Target	Target year	2020
Sourcing managers trained in sustainable procurement topics	100%	Annually	100%
Spending with diverse suppliers (US only)	5%	Annually	2%
Supplier contract templates that include a clause on adherence to the supplier code of conduct	100%	Annually	100%
Supplier questionnaire templates that include sustainability questions	100%	Annually	100%
Data Privacy and Information Security metric	Target	Target year	2020
Employees who completed our data privacy and information security online training	100%	Ongoing	100%
Employees who completed annual acknowledgment of data privacy and information security policies	100%	Annually	100%

³⁰. Because new people routinely join and leave BCG, and some of them may not have completed our compliance training or annual acknowledgments at the time of reporting, compliance is marginally under 100%.

Responsible Business Practices

BCG Code of Conduct

Our Code of Conduct (the Code) sets expectations for the behavior of all members of BCG, complements the ethos underlying our UN Global Compact (UNGC) commitment, and serves as a bridge connecting our firm's values, our policies and norms, and each individual's actions. Updated this year to meet best-practice standards, it is designed to foster ethical decision making and promote behavior that meets the highest standards of professional conduct.

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

The internal risk review process assesses BCG local offices' adherence to the Code, as well as to global and local policies and processes. All instances of discrimination or harassment are subject to reviews that enable appropriate escalation and resolution.

Everyone at BCG must agree to adhere to the provisions of the Code as a condition of their employment and must reaffirm their compliance every year. In 2020, as in prior years, and in conjunction with the updated Code of Conduct, 100% of BCG employees were required to complete a web-based training session on the updated Code of Conduct and confirm their understanding of the Code and compliance with its terms. The Code training is mandatory, and we deliver and track it via our online learning platform. Employees who fail to complete it on time are subject to technical restrictions that are not removed until they complete the training. The Code is one of several important types of training covered during the induction program for new joiners and in the annual certification process for our various cohorts.

2020 IN NUMBERS

100%

of new BCG employees completed our Code of Conduct and Anti-Bribery & Corruption online training as part of their onboarding process³¹

31. Because new people routinely join and leave BCG, and some of them may not have completed our compliance training or annual acknowledgments at the time of reporting, compliance is marginally under 100%.

Anti-Bribery and Corruption

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

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

In addition to completing our mandatory Code of Conduct training, all new BCG employees must complete an interactive Anti-Bribery & Corruption learning module, which explains the principles of the policy and identifies potential risks. This module has customized content that enables our leadership cohorts to home in on scenarios and risks that are especially relevant to their roles.

Our zero-tolerance approach to bribery and corruption extends beyond our own employees to our contractors and suppliers. BCG expects them to operate in full compliance with all applicable laws and regulations while conducting business with and/or on behalf of BCG—including all laws that apply extrajurisdictionally, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. These criteria are clearly specified in our Supplier Code of Conduct, which is publicly available and communicated to all BCG suppliers. (For more details, see the "Sustainable Procurement" section on page 57.)

Human Rights

Respect for the individual is a core value at BCG, as reflected in our Code of Conduct and our company history. We have zero tolerance for any use of child labor or forced labor practices. In all 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, 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 ten principles. Notably, this 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 ten 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 partners or suppliers that violate our policies or standards. Our [Supplier Code of Conduct](#) defines these expectations as minimum requirements for suppliers seeking to conduct business with us.

In 2020, we released our UK [Modern Slavery Act Report](#), which explains our process for preventing slavery and human trafficking in any part of our business or supply chain. In parts of our business and supplier service categories where we assess or believe the potential risks of modern slavery to be significant, we are taking a number of additional preventive measures. These include gathering information from major suppliers that fall into higher-risk service categories in order to understand what they are doing to promote human rights compliance within their own supply chain, as well as conducting research into new suppliers for red flags indicative of modern slavery. (For more information on our engagement with suppliers, see the "Sustainable Procurement" section on page 57.)

Risk Management

Our objective is to protect our partnership and the BCG brand through proactive risk identification and support of mitigating activities. Our partners and employees are accountable for identifying and mitigating risks in their day-to-day work. We support these efforts through our Risk Management function, which is dedicated to developing and implementing a strategy to identify, assess, and mitigate significant risk exposures across the globe, as overseen by our Audit and Risk Committee (a board committee in our firm).

We maintain an enterprise risk register, which we continuously evaluate and update, taking into consideration both internal and external sources in identifying and prioritizing risks. We ground this structured approach to risk in the enterprise-level risk universe detailed in the risk register. BCG's risk register assesses risks across several dimensions, including risk likelihood, impact, and velocity; the control environment; how well the risk is managed; and how it has changed and evolved over time. We assess BCG's risk exposure through quantitative measures combined with some degree of subjective evaluation. The output of our enterprise risk register drives priorities for our Enterprise Risk Management team.

Office Risk Reviews

Our internal and independent risk review team conducts impartial reviews of the control environment within all BCG's offices worldwide and supports management in all areas of control, risk management, and governance. Although the cadence for office risk reviews depends on that office's actual or perceived risk, under most circumstances they occur every three to four years. The risk review team partners with leaders in BCG's offices and helps define their risk universe, develop action plans for managing risks, and improve operational efficiency. The risk review is expansive in scope and covers all of the firm's major functional and geographical areas, including our specialty businesses, such as Digital Ventures. The risk review team reports key risk trends and findings to the Audit and Risk Committee twice per year, and summarizes and communicates those findings to the Executive Committee annually. For most of 2020, onsite reviews were not possible because of the global pandemic, so our teams developed and delivered a virtual risk review program.

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 of Conduct may arise. We 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 communication, including our confidential ombudsperson program, which is designed specifically to support this approach. 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.

Sustainable Procurement

APPROACH

BCG's commitment to the highest ethical and professional standards extends beyond our own operations to our supply chain. As a leading global company, we recognize our obligation to support sustainable and responsible value chains and to protect human rights, labor rights, and the environment. Below, we outline the five core tenets of our management approach to sustainable procurement.

Supplier Code of Conduct

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

The SCoC establishes minimum requirements across four broad categories: business practices and ethics; labor practices and human rights; environmental regulations and protection; and protection of assets, intellectual property, and data. It also delineates the process for suppliers to use in reporting on their compliance, as well as the range of potential BCG responses to 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. The policy applies to all BCG staff and third parties involved in the sourcing, selection, and management of suppliers. It outlines processes and practices for the full life cycle of supplier engagement in order to effectively identify and mitigate risk.

Supplier Sustainability Questionnaire

We have integrated a supplier sustainability questionnaire into our standard supplier request-for-proposal template. The questions posed raise awareness of our commitment to sustainability in the supply chain, provide options for our sourcing teams to use sustainability criteria in evaluating new suppliers, and improve the quality of data we collect about the sustainability commitments and performance of new suppliers. In 2020, we enhanced these sustainability questions to further determine the energy efficiency of specific products. As part of our commitment to carbon neutrality, we are also 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 helps inform future engagement with suppliers on the subject of carbon emissions.

Supplier Screening

BCG promotes both sustainability and diversity in its supplier sourcing and selection process. We conduct antibribery and corruption screening of new suppliers, looking for red flags related to sanctions, legal actions, reputation, negative news, and PEP (politically exposed persons) status, and we continuously monitor critical suppliers for negative news and financial health. 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.

Promoting Supplier Diversity

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

↓ 2020 HIGHLIGHTS

This year we developed and rolled out training to all sourcing managers at BCG on our supplier governance policy. The policy describes our procedures for sourcing and managing a supplier throughout the life cycle of the relationship, covering supplier selection, due diligence, contracting, supplier management, risk activities, and supplier termination. We also delivered new training to all category sourcing managers on integrating sustainability into purchasing decisions.

We had developed a roadmap for sustainable procurement, which was to serve as the foundation for a best-in-class sustainable procurement program. Unfortunately, due to the COVID-19 pandemic, our procurement team had to refocus its efforts in 2020. Making progress in sustainable procurement remains a key priority for 2021.

Data Privacy and Information Security

Data Privacy

We respect and adhere to all local laws and regulations pertaining to the protection of personal information and the rights and freedoms of individuals. Privacy and data protection are essential to preserving the trust of our clients and employees. Our global privacy and data protection program 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 policy, global privacy policy, global personal data classification policy, global data retention policy, global personal data breach notification policy, and employee privacy policy, among others. We also provide legal guidelines to help staff interpret these policies. These internal policies and guidelines are binding for every BCG employee and facilitate compliance across our operations.

BCG's data protection office oversees our global privacy and data protection program and reports to our chief risk officer. The data protection office serves as the contact point for data protection authorities, handles internal and external data privacy requests, provides advice on adherence to data privacy regulations, monitors compliance, and manages the network of local data protection contacts. The data protection office is an escalation point in the event of a personal data incident that may have compromised the rights and freedoms of individuals. In partnership with our risk team, the data protection office also administers BCG's data-privacy training and awareness program.

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

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

In 2020, we created a new, BCG-specific security and data-privacy training course. The new online training refreshes important aspects of data protection and uses real-life examples to train BCG's workforce. It supplements the existing mandatory data-privacy and information-security onboarding training.

We also conducted an internal audit of our global data protection processes and policies to identify opportunities to further strengthen our capabilities and drive continued improvement.

Information Security

The BCG 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-layered, 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 framework established by the International Standard ISO/IEC 27002. We employ best practices for optimal management of business risks, weighing costs, tradeoffs, impact, and likelihood, while also focusing on people, processes, and technologies.

To support our ISRM program, we use a four-step approach:

- **Manage.** We proactively manage our information security by establishing proper governance and robust internal policies and standards. We also emphasize secure management of our suppliers.
- **Prevent.** We prevent cyber events by having the necessary technical controls in place and by building our security layers on the most advanced technologies. We also cultivate security awareness among our employees through communications and training.
- **Detect.** We continuously monitor BCG's environment in order to detect any threats, and we conduct regular testing of our environment for possible weaknesses.
- **Respond.** We have robust business continuity, disaster recovery, and incident response plans ready in case of an event.

2020 IN NUMBERS

100%

of new employees completed our mandatory data privacy and information security training as part of their onboarding process³²

100%

of BCG employees annually certified their understanding of and compliance with the appropriate data privacy and information security policies³³

In 2020, we brought ISRM to the next level by holistically improving programs in all security domains, including supplier risk management, cloud governance, data classification, data loss prevention, enterprise risk management, application assurance, and incident response. We also made significant investments to improve our work-from-home and remote access technology to support the growing number of remote workers and increase business resilience both on BCG's side and on the suppliers' side.

We maintained several information security compliance and audit certifications in 2020:

- Cyber Essentials certification for BCG's UK offices
- Trusted Information Security Assessment Exchange (TISAX) certification for offices in Germany, India, and the US
- System and Organization Controls (SOC) audits for major BCG products

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

33. 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%.

We made significant investments to improve our work-from-home technology, increasing resilience and aiding employee sustainability.





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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 emission 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. When possible, we collect consumption data from invoices or directly from our suppliers. When the landlord supplies energy utilities, we try to obtain energy usage data through the landlord. When we cannot obtain this data, we use industry benchmarks to estimate energy consumption. In 2020, we accounted for decreased office occupancy due to COVID-19 in our energy consumption for sites where consumption is estimated using industry benchmark data. 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 emission source and makes up the majority of our GHG footprint. Our business travel emissions include flights, hotel nights, rail, rental cars, and taxis. To calculate it, we take the distances traveled per mode and class of transport, as provided by our travel agent, and multiply those figures by the Department for Environment, Food & Rural Affairs (DEFRA) annual GHG emission conversion factors.

When measuring the climate impact of air travel, we also account for non-GHG-related climate impact. Although CO₂ is a significant and long-lived pollutant from aviation, it represents only about 50% of the total warming caused annually by flying. Other emissions from aviation, such as nitrogen oxides, sulfur oxides, and particulate matter, as well as indirect factors such as the formation of contrails and clouds, contribute to effective radiative forcing (ERF). We apply an uplift factor of x1.9 to account for ERF. We will continue to monitor scientific guidance for gauging the non-GHG-related climate impact of air travel and adjust our methodology as required.

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 hotel emissions, we take the hotel nights booked per country, as provided by our travel agent, and multiply those numbers by DEFRA emission factors. For taxi emissions, since we do not have a record of the exact mileage, we convert cost data into mileage using an external benchmark dollars-per-mile conversion rate to estimate the total distance traveled and then use the DEFRA conversion factors to calculate emissions.

Other Scope 3 Emissions

To calculate supply chain emissions, we collect data on the economic value of purchased goods and capital goods, and multiply those figures by third-party emission factors (tCO₂e/\$ spending) to estimate the full life-cycle emissions. For purchased services, we obtain supplier-specific data via public CDP disclosures, where possible, and allocate these to BCG using a tCO₂e/\$ spending allocation method. In situations where supplier-specific information is not available, we use averages from the supplier-specific data 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 well-to-tank (WTT) emissions and transmission and distribution (T&D) losses—we measure our electricity and fuel consumption and apply the relevant DEFRA emission factors. We estimate other smaller emission sources—such as employee commuting, waste, and upstream transportation and distribution—on the basis of the best available data. In 2020, we included an estimate of GHG emissions from remote working within the employee commuting Scope 3 category.

Restatements

We have restated our hotel emissions for 2018 and 2019 due to an issue with the uplifts we apply to our emissions to account for bookings made outside of our primary business travel booking tool. We have also restated our 2019 Scope 2 (location-based) emissions. This is a result of having improved the accuracy of our energy consumption data from 2019. These restatements also had a very minor impact on our fuel- and energy-related Scope 3 footprint.

Managing Climate-Related Risk and Opportunity

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. Below we summarize our approach to managing climate-related risk in line with the reporting recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Governance

Please see [page 4](#) of this report for details about BCG's climate governance.

Climate-Related Risk Management

We have developed a multilevel process for monitoring and managing climate-related risks:

Climate Change Risk Assessment. We conduct a specific climate change risk assessment that covers transitional risks (such as regulation, technology, legal, market, and reputational) and acute and chronic physical risks along the BCG value chain. We assess the likelihood, impact, and mitigation effectiveness of these climate-related risks across short (0 to 2 years), medium (3 to 5 years) and long (6 to 20 years) time horizons. We engage with various internal and external stakeholders—including internal functions (such as finance, risk, and legal) and client-facing climate experts—to complete the assessment. Our Sustainability Steering Committee and Enterprise Risk Management Team review and validate the assessment on a half-yearly basis.

Enterprise Risk Management Review. The Risk Management Team reviews and validates the output of the climate change risk assessment. This team is responsible for identifying, assessing, and prioritizing firmwide risks, and assisting our managing directors and partners with risk governance and mitigation. It also consolidates and incorporates any substantive risks from the climate change risk assessment into the global risk register.

Local Physical Risk Assessment. BCG's Global Security team is responsible for managing physical risks to BCG offices, including chronic climate-related physical risks (such as rising sea levels) and acute climate-related physical risks (such as extreme weather events). The Security team engages with our 90-plus offices to identify relevant risks and develop mitigation and resilience plans at the local level.

Although we have a thorough process in place to monitor climate-related risks and our mitigation approach, 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 a large emitter relative to others, and we are not subject to substantive climate regulation or policy.

We invest 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. In addition, 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 investment in client sustainability and in internal measures to achieve net-zero emissions helps mitigate any reputational risks that might have a substantive impact.

Climate-Related Opportunities

As climate change becomes a greater priority for organizations seeking to minimize their risks and exploit opportunities, BCG is experiencing an increase in demand for sustainability- and climate-related services. Given the scale of adaptation and mitigation challenges required to cope with climate change even under the most optimistic climate change scenarios, we expect demand for these services to continue to increase across a diverse and expanding range of sectors and industries, presenting a significant opportunity to BCG. (See page 25 of this report for more details.)

To realize this growing opportunity, we continue to invest heavily in our climate and environment work. In 2020, BCG announced a new \$400 million commitment over the next decade to enable its teams to drive climate and environmental impact across governments, industries, NGOs, and coalitions, and to advance global progress toward the [net-zero ambition](#).

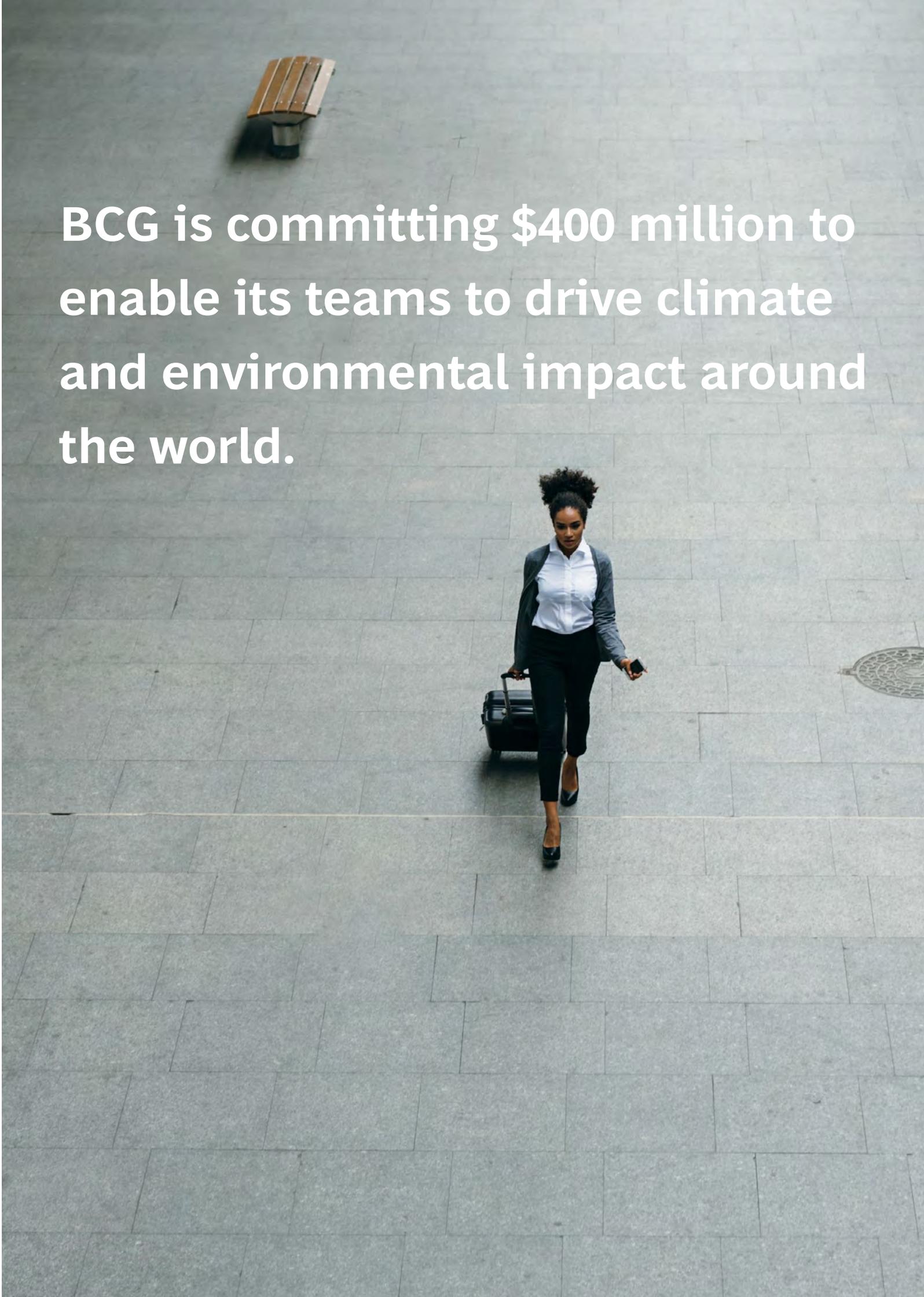
Impact on Business Strategy

As outlined in the examples above, we consider the risks and opportunities that climate change presents and factor them into our core business strategy, operations, and financial planning. At BCG, we recognize the urgent need to reduce emissions and address systemic threats to our climate. We are investing in our thought leadership and building our consultant capacity in this topic area in response to this opportunity. We also recognize the cost avoidance benefits of reducing our business travel emissions intensity and are factoring this into our business strategy and financial planning.

We use climate scenario analysis to assess our resilience and inform our business strategy. We use the IPCC Representative Concentration Pathways to determine the annual linear emission reduction requirements—as defined by the Science Based Targets initiative—to meet different climate warming scenarios. This scenario analysis was integral to our decision to join the Business Ambition for 1.5°C campaign in September 2020.

Key Performance Indicators

We do not currently use financial measures to assess climate-related risks because of the low risk posed to our business. However, we do monitor and report the financial performance and growth of our climate and environment work (reported on [page 25](#)). In addition, we track our carbon emissions globally (reported on [page 34](#)) and monitor the cost savings associated with achieving our emission reduction targets.

A high-angle photograph of a woman in business attire walking on a paved plaza. She is wearing a white shirt, a grey blazer, black trousers, and black heels. She is pulling a black rolling suitcase and holding a smartphone. In the upper left corner, there is a wooden bench. The ground is paved with large, grey rectangular tiles. A circular manhole cover is visible on the right side of the image.

BCG is committing \$400 million to enable its teams to drive climate and environmental impact around the world.

Stakeholder Engagement and Materiality

The table below provides a detailed description of each of the topics listed in the materiality matrix that appears on page 9 of this report. The table outlines the main feedback

we received from our stakeholders on each topic during the reporting year, followed by our response to it. It also indicates the section of the report where you can read about BCG's response to the feedback.

Material topic	Description	Stakeholder feedback in 2020	BCG's response	Page number
Business ethics and integrity	We are committed to the highest standards of ethics and business conduct. This commitment is critical to our success and to the reputational integrity of our clients and our company.	<ul style="list-style-type: none"> As our firm grows and expands in scope and complexity, it is more important than ever to ensure that our people understand our expectations and standards regarding business ethics and integrity. 	<ul style="list-style-type: none"> We refreshed and relaunched our Employee Code of Conduct and required all employees to complete an online learning module on the new code. 	55
Climate action with clients	Combating the climate crisis is a defining challenge of our time. We achieve our greatest environmental impact by partnering with our clients to tackle the climate crisis.	<ul style="list-style-type: none"> We need increased transparency on our client and case work selection in relation to climate issues. 	<ul style="list-style-type: none"> We provided a more transparent description of our client and case work selection process. 	25
		<ul style="list-style-type: none"> We need greater investment in order to advance climate action with clients. 	<ul style="list-style-type: none"> We announced a new \$400 million climate investment over the next decade to advance climate action with clients. 	25
Internal climate action	Reducing the negative climate impact of our own operations and value chain is a growing priority for our people, clients, and wider stakeholder group.	<ul style="list-style-type: none"> Employees, clients, and NGO partners want a more ambitious long-term climate commitment. 	<ul style="list-style-type: none"> We announced a new net-zero climate impact commitment. 	34
		<ul style="list-style-type: none"> There is a greater expectation to report climate-related risks and opportunities transparently, in line with TCFD requirements. 	<ul style="list-style-type: none"> We added a new section to this report on managing climate-related risk and opportunity. 	63

Material topic	Description	Stakeholder feedback in 2020	BCG's response	Page number
Data privacy and information security	Data privacy and information security are critical to safeguarding BCG's reputation and intellectual property, as well as to protecting employee and client information from misuse.	<ul style="list-style-type: none"> We need more frequent communications to educate employees on data protection requirements and best practices. 	<ul style="list-style-type: none"> We launched a new BCG-specific security and data privacy training course, as well as numerous supplementary all-staff communications. 	58
Diversity, equity, and inclusion	Diversity is one of BCG's core founding values. Passionate, open-minded people of all genders, gender identities, sexual orientations, ethnicities, expertise, and experience are fundamental to our success.	<ul style="list-style-type: none"> We need more urgent action on racial equity, diversity, and inclusion. 	<ul style="list-style-type: none"> We announced a new set of commitments toward advancing racial equity, both within BCG and throughout society. 	47
Social impact with clients	Our social impact work is integral to our company's purpose, which is to unlock the potential of those who advance the world. We are committed to finding and catalyzing effective solutions to pressing societal issues and prioritizing sustainability.	<ul style="list-style-type: none"> We should continue to focus our efforts on societal impact in collaboration with our clients where we can have our greatest impact. 	<ul style="list-style-type: none"> We continued to deepen engagement with clients, working with half of our largest clients on social impact projects. 	13
		<ul style="list-style-type: none"> We need a clear articulation of the different ways in which BCG engages with clients to advance social impact. 	<ul style="list-style-type: none"> We launched our new theory of change to enable our vision of making BCG the most positively impactful company in the world. 	13
Talent attraction	BCG's success depends on its ability to acquire and retain intellectually curious, diverse, and accomplished individuals who will best contribute to our clients and our culture.	<ul style="list-style-type: none"> We need to update and better align our recruitment campaign to our purpose and values. 	<ul style="list-style-type: none"> We launched a new recruitment campaign—Welcome to the Group—aligned to our purpose and values. 	42

Material topic	Description	Stakeholder feedback in 2020	BCG's response	Page number
		<ul style="list-style-type: none"> • New recruits, especially entry-level graduates, are very interested in BCG's sustainability program and performance and consider this when making career decisions. 	<ul style="list-style-type: none"> • We integrated many of the topics covered in this report (climate, diversity, social impact) into our new recruitment campaign. 	42
Working conditions	We aim to be the consulting employer of choice by offering an unparalleled working experience. This is essential for delivering value to clients, increasing our capabilities, and retaining the best talent.	<ul style="list-style-type: none"> • We need to leverage the positive lessons we learned from the COVID-19 lockdown, including increased work flexibility, reduced travel, and better adoption of online collaboration tools. 	<ul style="list-style-type: none"> • We launched a new internal taskforce responsible for defining BCG's next-generation models of ways of working and travel. 	43
Safety and security	Providing a safe, secure work environment for all of our colleagues and partners is essential.	<ul style="list-style-type: none"> • The emergence of COVID-19 presents a significant health threat to office work and travel. 	<ul style="list-style-type: none"> • We established a COVID-19 response team and took extensive action to minimize the risk posed by the virus. 	52
Learning and development	To best serve our clients, we need to facilitate continuous learning for our people.	<ul style="list-style-type: none"> • We need to shift from mostly event-based training to more personalized learner journeys. 	<ul style="list-style-type: none"> • We piloted and launched new virtual collaboration and online learning tools as we accelerated toward our future of integrated learner journeys. 	51
Employee well-being	Our greatest asset is our people. All employees must have access to the resources and services they need to support their well-being.	<ul style="list-style-type: none"> • We need increased flexibility and well-being support for employees, especially during the COVID-19 pandemic. 	<ul style="list-style-type: none"> • We launched new resources and policies to provide additional support to employees during the COVID-19 pandemic. 	50
Supplier diversity	As part of our commitment to diversity, equity, and inclusion, we encourage the selection, where possible, of historically underutilized and diverse suppliers.	<ul style="list-style-type: none"> • There's a demand for more urgent action on racial equity, diversity, and inclusion in BCG's supply chain. 	<ul style="list-style-type: none"> • We improved our supplier diversity program, providing more support for minority-owned businesses and SMEs. 	57

Material topic	Description	Stakeholder feedback in 2020	BCG's response	Page number
Human rights	Respect for the individual is a core value at BCG. In all of our work, we uphold individual human rights without compromise.	<ul style="list-style-type: none"> Our human rights approach should strengthen its focus on our supply chain and the suppliers where the greatest risk is posed. 	<ul style="list-style-type: none"> We gathered more information from our biggest and highest-risk suppliers to understand their actions to promote human rights compliance within their own supply chain. 	56
Sustainable procurement	Our commitment to the highest ethical, professional, and sustainability standards extends beyond our own operations to those of companies in our supply chain.	<ul style="list-style-type: none"> There are growing expectations for BCG to better manage sustainability within its supply chain. Buyers within global procurement require additional training to promote sustainable procurement with suppliers. 	<ul style="list-style-type: none"> We developed a new sustainable procurement roadmap for 2021. We conducted training sessions for sourcing managers in 2020 on key sustainability topics. 	57
Community contribution	As responsible corporate citizens, we are committed to supporting and advancing the communities in which we operate.	<ul style="list-style-type: none"> While local community action is important, the impact we can have through our social impact client work far outweighs local charity and community work. 	<ul style="list-style-type: none"> We continued to focus our efforts on social impact with clients, while enabling local action through a global network of local social impact leaders. 	20
Waste and recycling	We had previously reported waste as a material topic because of employee interest in the topic of office waste management.	<ul style="list-style-type: none"> In view of the urgent focus on carbon emissions and climate change, and the relatively small proportion of our footprint that comes from waste, we have deprioritized this topic in our materiality assessment. 	<ul style="list-style-type: none"> We have not included waste management within this report and have moved this topic lower on our materiality matrix. 	n/a

UN Global Compact Content Index

BCG signed the [UN Global Compact](#) in 2018, committing the firm to advancing ten universal principles in the areas of human rights, labor, the environment, and anticorruption. Our purpose and values, Employee Code of Conduct, business policies, and Supplier Code of Conduct are the cornerstones that enable us to live up to the standards set by the Global Compact.

This report also serves as our annual Communication on Progress (COP), which we submit to the UN Global Com-



COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

pack Office. The index table below shows where you can find specific content related to each of the ten principles.

BCG – UN Global Compact (UNGC) Content Index

Topic	Principle	Section	Page
Human rights	<ul style="list-style-type: none"> Businesses should support and respect the protection of internationally proclaimed human rights; and 	<ul style="list-style-type: none"> Human Rights Sustainable Procurement 	<ul style="list-style-type: none"> 56 57
	<ul style="list-style-type: none"> make sure that they are not complicit in human rights abuses. 	<ul style="list-style-type: none"> Human Rights 	<ul style="list-style-type: none"> 56
Labor	<ul style="list-style-type: none"> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 	<ul style="list-style-type: none"> Empowering Our People Promoting Responsible Business Practices 	<ul style="list-style-type: none"> 40 53
	<ul style="list-style-type: none"> the elimination of all forms of forced and compulsory labor; 	<ul style="list-style-type: none"> Empowering Our People Promoting Responsible Business Practices 	<ul style="list-style-type: none"> 40 53
	<ul style="list-style-type: none"> the effective abolition of child labor; and 	<ul style="list-style-type: none"> Empowering Our People Promoting Responsible Business Practices 	<ul style="list-style-type: none"> 40 53
	<ul style="list-style-type: none"> the elimination of discrimination in respect of employment and occupation. 	<ul style="list-style-type: none"> Empowering Our People Promoting Responsible Business Practices 	<ul style="list-style-type: none"> 40 53
Environment	<ul style="list-style-type: none"> Businesses should support a precautionary approach to environmental challenges; 	<ul style="list-style-type: none"> Protecting Our Planet 	<ul style="list-style-type: none"> 23
	<ul style="list-style-type: none"> undertake initiatives to promote greater environmental responsibility; and 	<ul style="list-style-type: none"> Protecting Our Planet 	<ul style="list-style-type: none"> 23
	<ul style="list-style-type: none"> encourage the development and diffusion of environmentally friendly technologies. 	<ul style="list-style-type: none"> Protecting Our Planet 	<ul style="list-style-type: none"> 23
Anti-corruption	<ul style="list-style-type: none"> Businesses should work against corruption in all its forms, including extortion and bribery. 	<ul style="list-style-type: none"> Promoting Responsible Business Practices 	<ul style="list-style-type: none"> 53

Global Reporting Initiative Content Index

For more information about these standards, please visit the GRI website, <https://www.globalreporting.org/>.

BCG's 2020 Annual Sustainability Report has been prepared referencing the GRI Standards. All referenced disclosures detailed in the report are listed in the table below.

GRI #	Disclosure	2020 response	Page reference
GENERAL DISCLOSURES			
102-1	Name of the organization	<ul style="list-style-type: none"> Boston Consulting Group, Inc. 	
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> See the "About Us" section of BCG.com. 	About Us
102-3	Location of headquarters	<ul style="list-style-type: none"> Headquarters – 200 Pier Four Blvd., Boston, MA 02210 	
102-4	Location of operations	<ul style="list-style-type: none"> BCG has offices in more than 90 cities in over 50 countries, and operates as one firm, worldwide. See list of offices on BCG.com. 	BCG Offices
102-5	Ownership and legal form	<ul style="list-style-type: none"> The corporation is wholly owned by the members of its partnership. BCG's offices are owned directly or indirectly by Boston Consulting Group, Inc. 	4
102-6	Markets served	<ul style="list-style-type: none"> Functional Practice Areas (FPA): Corporate Finances and Strategy; Global Advantage; Technology Advantage; Marketing, Sales & Pricing; Operations; People & Organization; Social Impact Industry Practice Areas (IPA): Consumer; Energy; Financial Institutions; Health Care; Industrial Goods; Insurance; Public Sector; Technology, Media & Telecommunications; Principal Investors & Private Equity 	Industries and Capabilities
102-7	Scale of the organization	<ul style="list-style-type: none"> BCG's 2020 headcount: 22,000 BCG's 2020 revenue: \$8.6 billion 	3
102-8	Information on employees and other workers	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Empowering Our People We report diversity metrics at a global level only. Information regarding the number of employees per contract and employment type are considered as company confidential. 	41
102-9	Supply chain	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Sustainable Procurement This section of our Annual Sustainability Report provides more information on our supply chain and sustainable procurement practices. 	57

GRI #	Disclosure	2020 response	Page reference
102-10	Significant changes to the organization and its supply chain	<ul style="list-style-type: none"> There were no significant changes to BCG's size, structure, supply chain, or ownership in 2020. 	
102-11		<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Protecting Our Planet <i>This section of the report outlines our commitment to managing environmental risks and avoiding environmental degradation.</i> 	
102-12	External initiatives	<ul style="list-style-type: none"> See examples of initiatives throughout our Annual Sustainability Report: <i>Driving Social Impact, Protecting Our Planet, Empowering Our People, Promoting Responsible Business Practices</i>. BCG signed the UN Global Compact in 2018. More information is available in the UNGC index table. 	11–52
102-13	Membership of associations	<ul style="list-style-type: none"> BCG fosters long-term relationships with a number of today's most relevant and innovative organizations. Details about our main memberships are available in the Global Partnerships section of BCG.com. 	Global Partnerships
102-14	Statement from senior decision maker	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Executive Introduction 	1
102-16	Values, principles, standards, and norms of behavior	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Our Purpose and Values 	3, 53
102-17		<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Promoting Responsible Business Practices 	
102-18	Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Promoting Responsible Business Practices 	53
102-40	Governance structure	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Introduction (Governance) 	4
102-41	List of stakeholder groups	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Introduction (Stakeholder Engagement & Materiality) 	7
102-42	Collective bargaining agreements	<ul style="list-style-type: none"> BCG's does not currently report on the percentage of employees covered by collective bargaining agreements. 	
102-43	Identifying and selecting stakeholders	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Introduction (Stakeholder Engagement & Materiality) 	7–8, 65–68
102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Introduction (Stakeholder Engagement & Materiality) 	7–8, 65–68

GRI #	Disclosure	2020 response	Page reference
102-44	Key topics and concerns raised	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – Introduction (Stakeholder Engagement & Materiality <i>Additional information is available in the stakeholder engagement and materiality feedback section of the appendix.</i> 	65–68
102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – About This Report <i>We report BCG’s material nonfinancial impacts for Boston Consulting Group, Inc., as a single entity</i> 	2
102-46	Defining report content and topic boundaries	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – About This Report BCG 2020 Annual Sustainability Report – Materiality and Stakeholders 	2, 7–8
102-47	List of material topics	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – Introduction (Stakeholder Engagement & Materiality) 	7
102-48	Restatements of information	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – Appendix <i>We have restated our 2019 Scope 1 and Scope 2 (location-based) emissions. The reasons for these restatements are described in the appendix of this report.</i> 	62
102-49	Changes in reporting	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – Materiality and Stakeholders <i>We outline any reporting changes in our materiality matrix.</i> 	7–8
102-50	Reporting period	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – About This Report <i>We describe BCG’s material nonfinancial impact during the 2020 calendar year.</i> 	2
102-51	Date of most recent report	<ul style="list-style-type: none"> <i>Our 2019 Annual Sustainability Report is our most recent report.</i> 	2019 Annual Sustainability Report
102-52	Reporting cycle	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – About This Report <i>We follow an annual reporting cycle.</i> 	2
102-53	Contact point for questions regarding the report	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – About This Report SustainabilityReporting@bcg.com 	3
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> <i>BCG’s 2020 Annual Sustainability Report has been prepared referencing the GRI Standards. All referenced disclosures that have been applied in the report are listed in this table.</i> 	
102-55	GRI content index	<ul style="list-style-type: none"> This GRI content index table specifies each of the GRI Standards included in the report 	

GRI #	Disclosure	2020 response	Page reference
102-56	External assurance	<ul style="list-style-type: none"> Our reported GHG emissions have been independently verified under the ISO 14064-3 standard. We have not sought external assurance for the full report. 	

ECONOMIC STANDARDS

GRI 205: Anti-corruption

103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Promoting Responsible Business Practices <i>For more information about how we determine our material topic, see the "Materiality and Stakeholders" section of the Annual Sustainability Report.</i> 	55
103-2	The management approach and its components	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Promoting Responsible Business Practices (Anti-Bribery & Corruption) 	55
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Promoting Responsible Business Practices (Anti-Bribery & Corruption) 	55
205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Promoting Responsible Business Practices (Anti-Bribery & Corruption) <i>100% of new BCG employees completed our Anti-Bribery & Corruption online training as part of their onboarding process.</i> <i>We also communicate our Anti-Bribery & Corruption expectations to our suppliers through our Supplier Code of Conduct.</i> 	55 Supplier Code of Conduct

GRI 206: Anti-competitive behavior

103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Promoting Responsible Business Practices <i>For more information about how we determine our material topic, see the "Materiality and Stakeholders" section of the Annual Sustainability Report.</i> 	55
103-2	The management approach and its components	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Promoting Responsible Business Practices (Anti-Bribery & Corruption) 	55
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Promoting Responsible Business Practices (Anti-Bribery & Corruption) 	55
206-1	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> We do not report the number of legal actions as that is company confidential information. 	55

GRI #	Disclosure	2020 response	Page reference
ENVIRONMENTAL STANDARDS			
GRI 305: Emissions			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – Protecting Our Planet (Managing Our Own Environmental Impact) <i>For more information about how we determine our material topic, see the “Materiality and Stakeholders” section of the Annual Sustainability Report.</i> 	34
103-2	The management approach and its components	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – Protecting Our Planet (Managing Our Own Environmental Impact) 	34
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – Protecting Our Planet (Managing Our Own Environmental Impact) 	34
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – Protecting Our Planet (Managing Our Own Environmental Impact) <i>Scope 1 gross emissions in 2020 = 4 KtCO₂e</i> <i>For information regarding the calculation methodology, see “Greenhouse Gas Reporting Methodology” in the appendix.</i> 	34
305-2	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – Protecting Our Planet (Managing Our Own Environmental Impact) <i>Scope 2 gross emissions (location-based) in 2020 = 16 KtCO₂e</i> <i>Scope 2 gross emissions (market-based) in 2020 = 0 KtCO₂e</i> <i>For information regarding the calculation methodology see “Greenhouse Gas Reporting Methodology” in the appendix.</i> 	34
305-3	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – Protecting Our Planet (Managing Our Own Environmental Impact) <i>Scope 3 gross emissions in 2020 = 174 KtCO₂e</i> <i>For information regarding the calculation methodology, see “Greenhouse Gas Reporting Methodology” in the appendix.</i> 	34

SOCIAL STANDARDS

GRI 404: Training and Education

103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> BCG’s 2020 Annual Sustainability Report – Empowering Our People (Learning and Development) <i>For more information about how we determine our material topic, see the “Materiality and Stakeholders” section of the Annual Sustainability Report.</i> 	51
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GRI #	Disclosure	2020 response	Page reference
103-2	The management approach and its components	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Empowering Our People (Learning and Development) 	51
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Empowering Our People (Learning and Development) 	51
404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> BCG 2020 Annual Sustainability Report – Empowering Our People (Learning and Development) <i>In 2020, our people completed one week of formal training per employee on average. We provide a global average for learning and development time. We do not report further cohort or gender breakdowns of training hours.</i> 	51
404-2	Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Empowering Our People (Learning and Development) <i>As outlined in our approach, we focus on providing career step-based educational programs as well as upskilling campaigns to facilitate continual career progression. In 2019, 91% of applicable employees participated in a career step program.</i> 	51

405: Diversity and Equal Opportunity

103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Empowering Our People (Diversity, Equity, and Inclusion) <i>For more information about how we determine our material topic, see the Materiality and Stakeholders section of the Annual Sustainability Report.</i> 	45
103-2	The management approach and its components	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Empowering Our People (Diversity, Equity, and Inclusion) 	45
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Empowering Our People (Diversity, Equity, and Inclusion) 	45
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> BCG's 2020 Annual Sustainability Report – Empowering Our People (Diversity, Equity, and Inclusion) <i>We currently provide the global gender percentage figures only for entry-level new hires, BCG leadership, the Executive Committee, and our global headcount. We do not currently report other diversity indicators, such as age and representation from minority or vulnerable groups.</i> 	45
405-2	Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none"> <i>We currently disclose information about our gender pay gap only for our UK operations, where there is a regulatory requirement to externally report this information. We do not currently report global numbers externally.</i> 	BCG UK Gender Pay Gap Report

