

A Time to Lead

2021 Annual Sustainability Report

April 2022



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

It's been a very turbulent couple of years. The global pandemic has impacted all of us, and tragically some of us have lost loved ones. All of us have changed how we work, interact, and travel. This context makes BCG's purpose—to unlock the potential of those who advance the world—even more salient. And this year's sustainability report highlights how we have delivered on that objective.

In my first year as CEO of BCG, I feel immensely proud of what we have achieved and of our positive impact in the world. We helped our clients navigate these volatile times and address their most critical challenges. We have learned a lot—and we are emerging from the pandemic stronger, more agile, and better positioned to help our clients and partners respond to the uncertainty ahead.

Stepping Up to Lead

The theme for this year's report is “a time to lead.” And this could not be truer for BCG.

In 2021, we delivered more than 1,300 social impact consulting projects to over 650 clients, and we invested more than \$320 million of BCG resources to help tackle the world's greatest societal challenges. We also remained at the forefront of COVID-19 response and recovery, delivering more than 370 public-sector support efforts in almost 50 countries worldwide since the start of the pandemic.

Even so, combating the climate crisis remains the defining challenge of our time—and one of my top priorities as CEO. I'm proud of how BCG shaped the global response in 2021. We were the exclusive consulting partner for COP26 and launched new partnerships with the First Movers Coalition and Breakthrough Energy Catalyst, aimed at advancing climate technologies. We also delivered to our clients over 780 cases that address climate and sustainability challenges, doubling our support in this area.

Internally, we are committed to our goal of achieving **net-zero climate impact** by 2030. In 2021, we validated our target—to cut in half our emissions intensity by 2025—with the Science Based Targets initiative (SBTi). To our knowledge, this is one of the most ambitious intensity reduction targets in our industry. In 2021, we were recognized for our leadership as the only management consultancy to earn a place on the CDP Climate A-List.

The Power of People

Our ability to attract and retain the best talent from all backgrounds—to fully reflect the diverse world in which we live and work—is our first priority. We have improved in gender diversity, increasing the proportion of women joining BCG from 44% to 48% in 2021 and maintaining equal promotion and retention rates for men and women in our consulting teams. We want to be the employer of choice for all candidates by offering an unparalleled employee experience and by creating an environment that allows our people to thrive personally and professionally. We are committed to advancing racial equity, and we deployed more than \$60 million of BCG resources on racial equity-focused projects in 2021 and raised the proportion of racial and ethnic minorities joining our US team to over 50% in 2021.

Although the events of the past two years have had a strong impact on many BCGers, we have supported each other, and we have adapted—all while continuing to deliver exceptional value to our clients. We have prioritized the safety, well-being, and resilience of our people.

This report focuses on what was achieved in 2021, but the decade ahead promises to pose a wide range of urgent, complex challenges for business leaders. I'm excited by the opportunities this presents for BCG as we work to conquer complexity, deliver inspired impact, and live out our purpose in the years ahead.



Christoph Schweizer
CEO, BCG

In my first year as CEO of BCG, I feel immensely proud of what we have achieved and of our positive impact in the world.





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About This Report

Welcome to Boston Consulting Group's 2021 Annual Sustainability Report. Here we outline policies and programs designed to realize our values and purpose while addressing urgent global challenges. We describe BCG's material nonfinancial impact during the 2021 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 2021 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 84).

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

25,000

employees

\$11

billion revenue

90+

offices in more
than 50 countries

90%

of global business from
repeat customers

Our Purpose

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

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

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



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

2021 in Numbers



95%

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



80%

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

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. The Executive Committee is composed of appointed and elected members. The CEO is elected by the full board every four years, and a CEO can serve a maximum of two terms. Executive Committee members appointed by the CEO are generally eligible to serve for a maximum of six years, although that maximum may be extended if it is in the best interests of the firm to do so. Elected members serve three-year terms and must be re-elected for their second and final term.

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

The Executive Committee has established a number of steering groups to manage the environmental, social, and governance topics outlined in this report. These steering groups have a reporting line to the Executive Committee and will be invited to present to the Executive Committee on priority topics. More detailed information regarding the specific governance for each topic is addressed within the relevant chapters of this report.

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 (MDPs). 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 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 MDPs from BCG's Social Impact practice, People Team, and Operations Services, whose annual performance rating and remuneration are tied to their internal sustainability performance. At least 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 People Team. The People Team focuses 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, energize, and retain talent across all cohorts and to put measures in place to support the success of our people and our clients. The People Team chair also sits on the Executive Committee, as well as on the Internal Sustainability Steering Committee.

Audit and Risk Committee

The topics covered in the “[Promoting Responsible Business Practices](#)” chapter 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.

2. Source: 2022 BCG People Survey.

Stakeholder Engagement and Materiality

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

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 and in society. 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 to understand which corporate sustainability issues are most important to our leadership and clients	• 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 to understand which corporate sustainability issues are most important to our people	• Annual people survey • Regular pulse check surveys • Weekly case team surveys • 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 to identify opportunities to improve our services and client delivery	• 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 to better position BCG as the employer of choice	• Participation in recruitment events • Surveying our candidates and new recruits
Civil society	To understand the most complex global challenges and to contribute to thought leadership and coalitions on these topics; to align our programs with emerging best practices and stakeholder expectations	• Participation in industry forums, working groups, and roundtable events • Placement of BCG employees with BCG partner organizations • Responding to consultations and ad hoc dialogue
Suppliers	To better understand supplier concerns and to manage risk in our supply chain in order to identify opportunities to collaborate on ESG topics	• Regular tender processes • Ongoing supplier relationship management • Annual business reviews

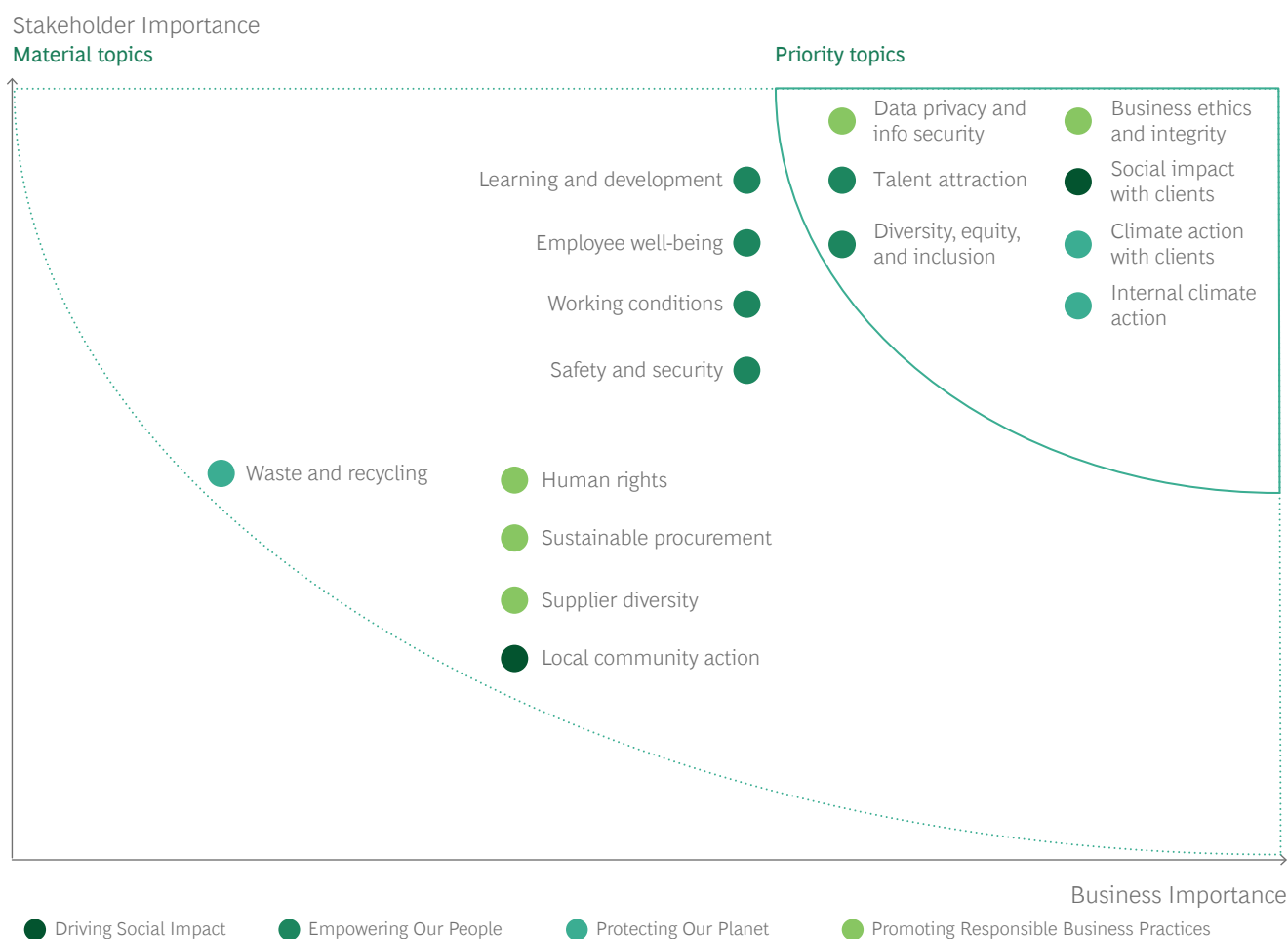
Focusing on the Topics That Matter Most

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 2021, 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 reporting frameworks to shape and inform our materiality assessment. We use the [Sustainability Accounting Standards Board \(SASB\)](#) sectoral guidance as a basis for defining our material topics, and we align our material topics with the ten global principles outlined in the [UN Global Compact](#). We have also referenced the [GRI standards](#), the [WEF Stakeholder Capitalism Metrics](#), and the [Task Force on Climate-Related Financial Disclosures](#) framework as bases for our disclosure. In the appendix of this report, we provide many index tables to explain our alignment to these standards.

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 "Stakeholder Engagement and Materiality" ([page 75](#) of the appendix), we have defined each of the material topics listed below and have outlined the main feedback received from our stakeholder engagement in 2021. We have also indicated the section of the report where you can read about BCG's response to this feedback.



BCG 2021 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 2021 performance relating to this topic.

Transparently Reporting Our Impact

BCG is a signatory of the [World Economic Forum's Stakeholder Capitalism Metrics](#). We support the greater convergence of ESG reporting standards, in pursuit of more prosperous, equitable societies and a more sustainable

relationship with our planet. Below, we outline our performance according to these metrics in four areas: governance, planet, people, and prosperity. To see how we are performing within the full set of 21 core metrics, please use the index table in the appendix of this report ([page 78](#)).

Governance

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

35% of the Executive Committee are **women**. Our Executive Committee is composed of appointed and elected members covering BCG's key geographies and business areas.



of BCG employees have completed our mandatory Anti-Bribery & Corruption and Code of Conduct online training.³

of BCG employees have access to a confidential ombudsperson channel designed to seek advice or raise concerns.

We have a robust risk management and compliance program to **protect our partnership** and the BCG brand through proactive identification and mitigation of risks.



Prosperity

Our global headcount grew to **25,000** in 2021.

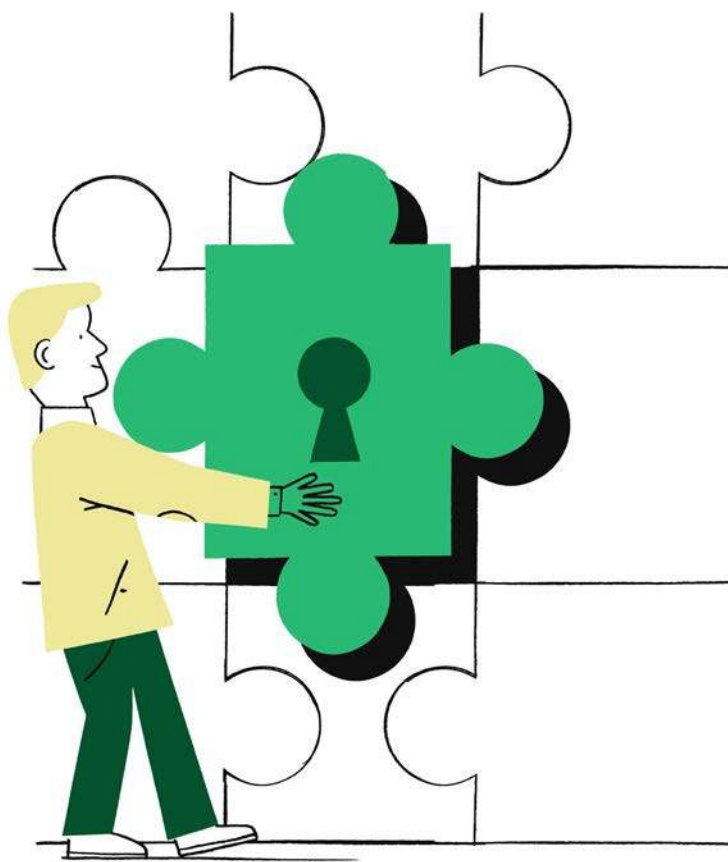
We invest from **10% to 15%** of our annual capacity in research and development activities.

We invested

\$320 million in social impact and community investment initiatives in 2021.

We generated

\$11 billion in revenue globally in 2021.



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



Planet

We have committed to reach net-zero climate impact by **2030**.

Our total greenhouse gas emissions amounted to **151** metric kilotons of CO₂e (↓ 74% versus 2018).

We have set science-based targets that aim to **cut in half** our emissions intensity by 2025 (against a 2018 baseline).

BCG is a certified **CarbonNeutral®** company.

100% of our electricity consumption came from renewable energy sources in 2021.

We align our reporting with the **TCFD** recommendations.⁴



People

7,000 people joined BCG, with women representing **48%** of new hires.

Women now make up 45% of our global headcount.

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

45% of our US staff and 51% of new joiners in the US are from racial or ethnic minorities.

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

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

4. Taskforce on Climate-Related Financial Disclosure (TCFD); see the [page 73](#) of the appendix of this report for more details on how we have aligned our reporting with the TCFD framework.

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.

We firmly believe that achieving the SDGs together requires action in four key areas:

- Unleashing innovation to reduce the total investment needed
- Mobilizing capital to fuel efforts across the public, private, and social sectors
- Reshaping corporate strategies to deliver positive social impact profitably
- Creating new cross-sector partnerships to leverage complementary strengths

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

Beyond our support for our clients and social impact partners, we also have an impact on the SDGs through the projects we support within our carbon credit portfolio as part of our CarbonNeutral® company certification. The primary focus of these projects is Goal 13, climate action, but these projects also deliver secondary benefits that align with the SDGs. For more details, see our carbon credit portfolio map on [page 44](#).



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

2021 Awards and Recognition



Achieved an A rating in the 2021 [CDP Climate Disclosure](#), placing us in the top 2% of companies rated by CDP



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



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



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



Ranked in the top three in the [Vault Consulting 50](#), for the 11th consecutive year



Received a perfect score for the 15th consecutive year on the [Human Rights Campaign's Corporate Equality Index](#), which recognizes equality for lesbian, gay, bisexual, and transgender employees



Named a "100 Best Company," "Best Company for Dads," and "Top Company for Executive Women" by Seramont



Ranked in the [Glassdoor](#) Top 20 Best Places to Work list for the 12th consecutive year in the US



Rated in the [Comparably](#) 2021 awards, including Best Company for Diversity, Best Company for Women, and Best Company Culture, plus another eight awards (full list [here](#))



Driving Social Impact

Our commitment to finding and catalyzing effective solutions to pressing societal issues is at the heart of our company's purpose: to unlock the potential of those who advance the world. We bring world-class expertise to the work of addressing the UN's Sustainable Development Goals (SDGs), helping organizations develop and focus their social impact agendas, and partnering with them to build their capabilities and 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.

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- Delivering Systemic Change in the Public Sector
- Supporting Our Local Communities
- Shaping the Global Agenda
- Developing Thought Leadership

2021 Highlights



We are driving progress across the private, public, and social sectors on critical sustainability issues. We delivered over 1,300 social impact consulting projects, up from approximately 900 projects last year, and 70% of our largest clients worked with BCG on social impact topics.



BCG's Social Impact practice consulting represented 10% of the firm's work in 2021 as we continued to expand the breadth of sustainability topics we work with clients on, with particular emphasis in 2021 on accelerating progress in climate and sustainability. We have also continued investing in resources to deepen our knowledge and maximize our impact.



Our Social Impact practice team is now over 1,600 people strong and growing, reflecting our commitment to have an impact on the world's greatest challenges, including health, poverty, education, equity and inclusion, and climate.



We remained at the forefront of COVID-19 response and recovery, and have delivered approximately 370 public-sector support efforts across 50 countries worldwide since the start of the pandemic.

2021 in Numbers



1,300 social impact cases completed with 660 clients

70% of our largest clients were involved in at least one social impact case

40% of managing directors and partners were actively involved in a social impact case

\$320 million invested in community and global social impact initiatives

1,600+ experts at BCG worked on social impact topics across industries and geographies

~90% of BCG's staff say that they take pride in the firm's social impact work

370 public sector COVID-19 support projects across 50 countries since the start of the pandemic

Partnering with Our Clients to Drive Societal Impact

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 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.

Governance

Social Impact is structured as a functional practice embedded in BCG's industry work and incorporated in the firm's other functional capabilities as well as in its 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 BCG Vice Chair of Social Impact [Wendy Woods](#) to drive the social impact and sustainability strategy for the firm's commercial and pro bono work. Supporting them 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:

- 1 Seek out appropriately regulated, profitable private sector solutions.
- 2 Find unprofitable solutions that need stakeholder funding and support.
- 3 Develop and implement new, 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 advancing large-scale change, and understanding of the ecosystems surrounding various challenges related to SDGs.



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



Improving Corporate Clients' Total Societal Impact

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 both 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 the positive economic, social, and environmental impact of a company's core business model, capabilities, and operations. Profitable societal impact is scalable societal impact, offering wide benefits for the company itself, for its stakeholders, and for society.

In 2021, we helped hundreds of clients embed sustainability in their core business model.



BCG's Social Impact practice has grown quickly to address the unprecedented challenges faced by our clients—and the world. [Watch this video](#) to find out more.

Delivering Systemic Change in the Public Sector

Public-sector organizations are under pressure to deliver more for their citizens, while responding to complex problems, societal challenges, and crises. We help our public-sector clients improve how they operate so that they can meet and, if possible, surpass these expectations. Specifically, 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.

We are invested in understanding how our work—and the work of our government clients—delivers positive impact to citizens. It's one of the reasons that we founded and continue to support the not-for-profit foundation [Centre for Public Impact](#) (CPI). Beyond our ongoing annual commitment, BCG gave a \$7 million grant to CPI in 2021 to help it accelerate its impact in low- and middle-income countries and in the areas of climate and sustainability.

In 2021, our public-sector work was more urgent and important than ever, as we continued to support clients in their response to the global coronavirus pandemic. BCG was involved in more than 370 public-sector COVID-19 response and recovery efforts in almost 50 countries around the world.

Advancing Progress Through Social Sector Partners

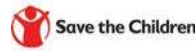
Our global partnerships undergird our significant institutional investment in social impact. We help these organizations develop their capabilities, improve their effectiveness, and better deliver on their missions. We have long-term partnerships with the [World Food Program](#) (WFP), [Save the Children](#),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

Our Social Impact Partners:



BILL & MELINDA
GATES foundation

Teach For All



Supporting Our Local Communities

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 keeping our people engaged and attuned to our values.

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 their 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 related to societal impact and sustainability. And many BCGers choose to participate in programs that allow them to gain valuable experience working outside the firm for nine months with our global and local social impact partners.

2021 in Numbers



87%

of BCG's staff say that they take pride in the firm's social impact work



67%

list involvement in social impact work as an important factor in their choice to remain at the firm⁵

5. Source: 2021 Social Impact Survey.

Activating a Comprehensive ESG Strategy

CASE STUDY

In order to meet the rising expectations from employees, consumers, and investors—as well as from new company and board leadership—a leading retailer wanted to embark on a mission to embed an authentic ESG strategy into the core of its organization-wide transformation. BCG partnered with the company to address this goal, and together we created, launched, and activated a new ESG strategy in less than four months.

The work began with a comprehensive diagnostic, identifying the current state and including all stakeholders in our analysis. We then created an ESG strategy and activation plan, linking this workstream to the company's broader transformation journey. We also fine-tuned and accelerated the company's data and reporting capabilities and helped plan and launch its ESG report and other communications with stakeholders.

The company's new strategy included specific commitments to customers, employees, local communities, and the planet, as well as a clear plan to achieve them. The strategy aligned with the company's core purpose and met with excitement internally and externally. This project is a great example of how retail companies can make a significant impact by curating sustainable products, brands, and experiences as part of their ESG strategy.



Improving COVID-19 Vaccine Access, Delivery, and Tracking

CASE STUDY

COVAX is a groundbreaking global collaboration co-led by the Coalition for Epidemic Preparedness Innovations (CEPI), Gavi, and the World Health Organization, alongside key delivery partner UNICEF. Its aim is to accelerate the development and manufacture of COVID-19 vaccines, and to guarantee that every person in the world has fair and equitable access to the vaccines.

BCG was contracted by Gavi to help design and operationalize COVAX's donations mechanism. This work involved supporting COVAX in designing policies and procedures for receiving and distributing donated vaccines, and in project-managing the institutionalization of a sustainable process. We also helped manage the delivery of vaccines by building the supply chain capacity to track doses, from donation to delivery, in low- to middle-income countries.

Our support has helped COVAX secure pledges of 1 billion vaccine doses from donor countries and to deliver more than 500 million doses to over 100 countries by the end of 2021. Not only did we help increase the operation's scale, but also we dramatically increased its speed, reducing the average time from donation to delivery by four to six weeks.

Beyond our COVAX support, we identified a critical need for data-driven analytics to inform decision making within the rapidly evolving COVID-19 vaccine landscape. We developed and launched VaxImpact, an innovative data analytics tool, to support geographies and governments in their vaccine distribution efforts. This platform helps planners evaluate and optimize their vaccine distribution and deploy simulation-driven analyses to increase vaccine coverage and equity, while minimizing waste. VaxImpact has already enabled clients across Europe, Africa, Asia, and the US to expedite vaccine administration as quickly and cost effectively as possible.



[Watch the video](#) to learn more about our partnership with Gavi.

Building Resilience in Egyptian Food Systems in a Post-COVID-19 World

CASE STUDY

The world relies on sustainable agriculture, resilient supply chains, and the availability of healthy food. We work with businesses, foundations, and governments to make the world's food supply flourish—even in the face of global disruptions.

Agriculture is a key pillar of the Egyptian economy, accounting for 11% of the country's GDP and 23% of jobs and providing food security for more than 100 million Egyptians. However, the sector is confronted by several supply chain challenges that have been exacerbated by the global pandemic.

Through a program called Accelerated COVID-19 Economic Support (ACES), BCG worked in partnership with the UK Foreign Commonwealth and Development Office and the Egyptian government to optimize two agricultural value chains—maize and aquaculture—leveraging advanced analytics to increase supply chain resilience and support socioeconomic growth.⁶

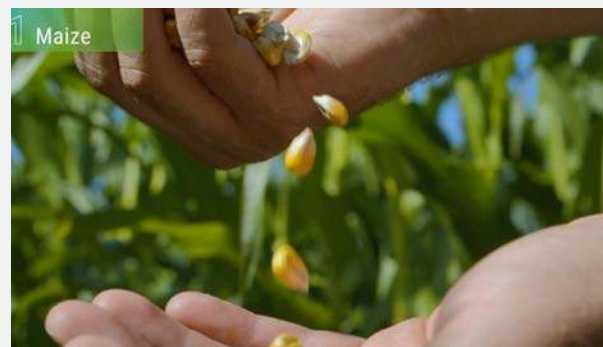
The analyses that BCG conducted highlighted two imperatives for increasing agricultural resilience: building a network of supply chain assets such as ice factories and maize-drying units to ensure that produce reaches consumers in good condition; and setting up enabling tools and schemes, such as quality tracking tools and price platforms, to guarantee the new assets' economic viability.

To support the Egyptian delivery unit, we created an AI analytical toolbox with specific dashboards designed for policymakers and agricultural planners. The tools offer insights and data visualizations to support the growth strategy for supply chain assets.

Once operational, the program is expected to have multiple positive socioeconomic impacts in Egypt:

- An increase of about 20% in maize farmer revenues
- Enhanced access to fresh fish for around 22 million people
- 11,000 new jobs
- An estimated 4% reduction in agricultural water use

The approach developed by BCG provides a blueprint for agricultural value chain analyses that could be replicable for other clients in the future.



[Watch the video](#) to learn more about the work we delivered in Egypt through the ACES program.

⁶. ACES is a UK government-funded program to support governments' response to the global pandemic.

Education in Africa with Teach For All

CASE STUDY

To tackle the complex challenges facing children in disadvantaged communities, we need a coalition of leaders. The Teach For All global network develops leaders in classrooms and communities to ensure that children everywhere have the opportunity to learn. The network now spans 60 countries on six continents, and over 65,000 leaders have participated in its programs to improve the education opportunities for more than 6 million children.

Through a wide-ranging global education partnership, BCG helps Teach For All senior leaders plan strategies and priorities so that the organization can continue to grow and reach more people. Over the past two years, we helped two network members in Africa refine their strategies and unlock greater potential.

Teach For Nigeria. As part of its growth agenda, Teach For Nigeria wanted to understand the readiness of each state in Nigeria to be included in its expansion ambitions. We supported the development of a rigorous fact base that highlighted priority growth states. Our recommendations informed the leadership team's decisions on the possible scenarios to adopt in scaling Teach For Nigeria while ensuring that the organization will focus resources where they are most urgently needed and will deliver the greatest impact.

Teach For Uganda. We helped Teach For Uganda develop its new growth strategy. In 2021, Teach For Uganda had a network of 65 fellows reaching more than 20,000 students. The organization set a bold vision to grow to 500 teachers and 250,000 students over the next five years. BCG helped codify a five-year strategic plan to deliver on this vision, including defining a theory of change and creating value propositions. We supported the development of a new end-to-end fundraising approach and created an implementation roadmap with charters and detailed activity plans.



[Watch this video](#) to learn more about our partnership with Teach For Uganda.

Advancing Inclusion and Equity in Local Communities

CASE STUDY

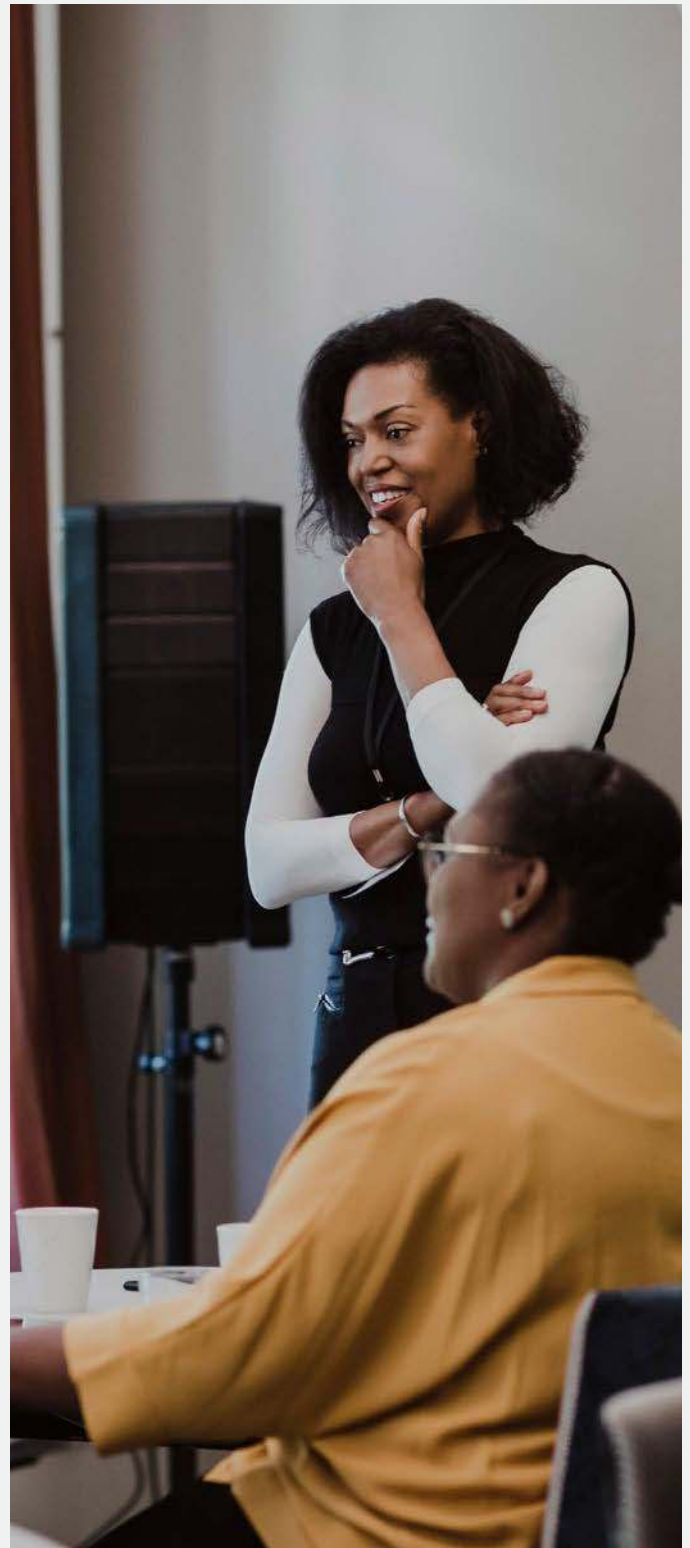
BCG's North America Center for Inclusion and Equity partners with leading organizations to help build inclusive cultures, deliver social impact, create business value, and drive systemic change. We are committed to driving measurable change for underrepresented populations.

In support of this commitment, we were proud to cofound the [Southern Communities Initiative](#) (SCI), in collaboration with Vista Equity Partners, PayPal, and the Walton Family Foundation. Launched in 2021, SCI is a consortium of more than 80 partners that have collectively committed over \$50 billion to tackle a number of endemic problems facing communities of color. SCI interventions target the seven most inequitable communities in the southern states of the US, where about 60% of all Black Americans live.

The initiative focuses on addressing multiple urgent challenges for people of color, including expanding access to capital, building and scaling minority business enterprises, increasing education and workforce development opportunities, addressing housing and health inequities, and helping households connect and adopt high-speed internet.



[Watch this video](#) to learn more about our partnership with the Southern Communities Initiative.



Shaping the Global Agenda

The challenges faced by the global community in 2021 clearly demonstrated the importance of building a more sustainable, equitable, and inclusive society. Businesses can play a critical role in achieving this goal—if they work together. Because current commitments toward a sustainable future will not suffice, BCG urges organizations and governments to adopt much more ambitious goals for sustainable development.

Throughout 2021, we continued to seek ways to raise our own ambitions and show our support for industry-led initiatives to deliver positive societal impact. We 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](#).

We joined a coalition of more than 50 companies that have committed to aligning their reports to the World Economic Forum's [Stakeholder Capitalism Metrics](#) in a global effort to support the greater convergence of ESG reporting standards. (See page 78 for more details.)

Ahead of the crucial COP26 climate negotiations, where BCG served as the exclusive consultancy partner, we signed numerous business-led letters pressing for ambitious climate action, including:

- [We Mean Business](#), exhorting world leaders to keep 1.5°C alive
- [WEF CEO Climate Alliance](#), calling on policy makers to take decisive climate steps
- [Glasgow Is Our Business](#), demanding stronger emissions reduction commitments from business and government leaders
- [Global Citizen Live](#), urging government leaders, corporations, and philanthropists to fund the fight against climate change and poverty

We also joined with 60 companies in signing the Clean Skies for Tomorrow Leaders' [ambition statement](#), which aims to accelerate the supply and use of sustainable aviation fuel so that it accounts for 10% of jet aviation fuel supply globally by 2030.

Beyond using BCG's influence to support business-led calls to action, we became founding members of a number of business-driven coalitions dedicated to tackling specific climate and sustainability issues:



Breakthrough Energy Catalyst

We joined six other leading businesses to become a founding partner of this groundbreaking program to accelerate the development of the climate-smart technologies necessary to achieve net-zero emissions by 2050.



First Movers Coalition

We became a founding member of this joint effort by the World Economic Forum, in partnership with US Special Presidential Envoy for Climate John Kerry, to drive demand for zero-emissions technologies across the value chain of hard-to-abate sectors. In this role, we commit to partner with air transport operators to replace at least 5% of conventional jet fuel with sustainable fuel by 2030 for our air travel.



Aviation Climate Taskforce

We cofounded this new nonprofit organization, composed of ten global airline leaders and BCG, whose purpose is to accelerate breakthroughs in emerging technologies to decarbonize aviation.



Council for Inclusive Capitalism

We joined this historic collaboration of CEOs and global leaders, which aims to harness the power of business for good—specifically supporting the development and launch of the Council's Just Transition framework.

Developing Thought Leadership

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 benefits, often in collaboration with clients, coalitions, and other stakeholders. Our thought leadership in 2021 spanned a diverse array of topics covering many of the UN's SDGs. We also published a number of reports in collaboration with our social impact partners.

A Selection of Articles Reflecting Our Social Impact Thought Leadership

01

Racial Equity in Banking Starts with Busting the Myths

02

Reimagining Global Health After the Coronavirus

03

Sustainability Is Our North Star

04

The Digital Agriculture Revolution Will Take More Than Innovation

05

Reduce Carbon and Costs with the Power of AI

06

How to Tell If Your Business Model Is Truly Sustainable

07

How Tech Offers a Faster Path to Sustainability

08

Private Investors Must Commit as Much as Eight Times More to the Low-Carbon Economy

09

Food for Thought: The Protein Transformation

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Transforming Africa's Food Systems from the Demand Side

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The Time Is Ripe for Food Traceability

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How Private Equity Can Converge on ESG Data

13

What Governments Can Do to Curb Inequality

14

The Biodiversity Crisis Is a Business Crisis

15

How African Countries Can Forge an Inclusive Economic Recovery

16

Economic Resilience Is Built on Societal Well-Being

PARTNER REPORTS

01

Vaccinating Nations: Country Planning for an Unprecedented Immunization Campaign

02

Looking Back, Looking Forward: What It Will Take to Permanently Close the K-12 Digital Divide

03

A Practitioner's Guide to Operationalising Net Zero for Banks

04

The True Value of Food – A Powerful Aid to Business Decision-Making



Protecting Our Planet

For governments and businesses today, no topic is more urgent than climate action. Combating the climate crisis is the defining challenge of our time and a top priority for BCG. We partner with businesses and governments to help them transform commitments into action and build a more sustainable, decarbonized, and resilient world. This is the right move not just for the good of the planet but also for the long-term sustainability of corporations. In addition to our work with clients, we help shape the global agenda through our climate partnerships and lead by example through our own net-zero transformation.

Contents

Partnering with Clients to Drive Climate Action

Shaping the Global Agenda

Managing Our Own Environmental Impact

2021 Highlights



Climate and sustainability consulting is the fastest-growing topic across all areas of BCG's business. In 2021, we doubled our support to clients across all sectors and geographies, totaling more than 780 climate and sustainability projects with more than 450 organizations.



BCG was the leading consultancy engaged in shaping global climate action, which we did through our exclusive consulting partnership with [COP26](#) and our support to the UN High-Level Climate Action Champions. We also became founding members of the [First Movers Coalition](#) and [Breakthrough Energy Catalyst](#), two programs aimed at advancing climate technologies.

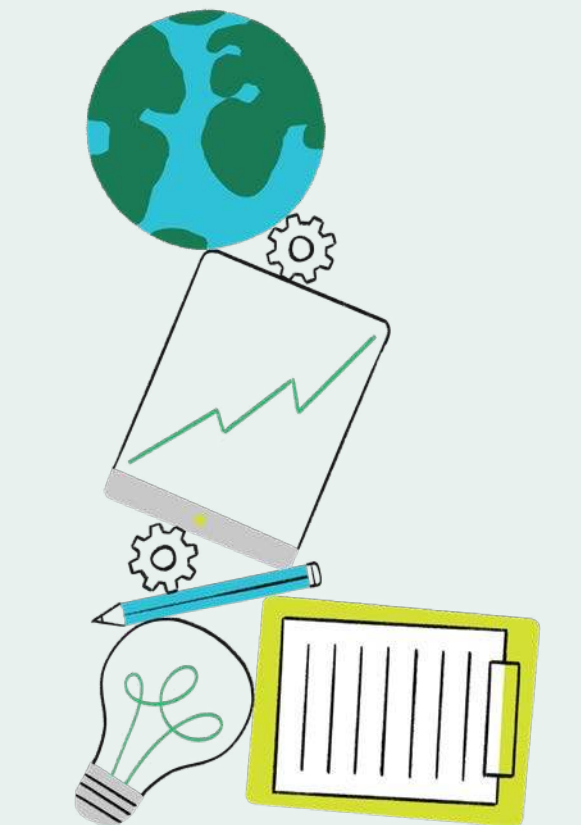


We progressed against our pledge to achieve [net-zero climate impact](#) by 2030 and validated our targets—to cut our emissions intensity in half by 2025—with the [Science Based Targets initiative \(SBTi\)](#). We believe that this is one of the most ambitious targets for emissions intensity reduction in our industry.



BCG was the only global management consulting firm to receive an A rating in the 2021 [CDP Climate Disclosure](#), and we maintained a gold rating in the [EcoVadis](#) supplier sustainability assessment, placing us in the top 5% of companies assessed.

2021 in Numbers



780

climate and sustainability cases completed with more than 450 clients

\$240

million invested in climate and sustainability action so far this decade

1,000+

experts at BCG worked on climate topics across industries and geographies

74%

reduction in BCG's absolute greenhouse gas (GHG) emissions against our 2018 baseline year

15

voluntary carbon market projects supported across 12 countries to maintain CarbonNeutral® Company certification

100%

of our electricity came from a renewable energy source

~2,000

people participated in our global green challenge competition

Partnering with Clients to Drive Climate Action

Extreme weather events in 2021 once again exposed the devastating effects of our changing climate, from torrential rain and floods wiping out entire regions of Germany, China, and Nepal to wildfires and record high temperatures in California, Greece, Kenya, and Australia. Undeniably, our planet is already experiencing the effects of a warming climate, and the [2021 IPCC Sixth Assessment Report](#) further reinforced the causality between human-induced emissions and the changing climate. At the same time, other critical risks to our planetary health—such as waste management, air pollution, ocean plastics, and biodiversity loss—have compounded the risks posed by the climate crisis.

Not all of the news was bad, however. This was a critical year in terms of movement toward the goal of halving emissions by 2030, with the COP26 conference hosted in Glasgow in November a highlight. Although the actions announced at that event may have fallen short of what the science demands, we saw real progress during the year on issues such as methane, deforestation, climate finance, and the phase-down of fossil fuels. The private sector was a major contributor to this progress, as business leaders championed initiatives such as the First Movers Coalition, the Glasgow Financial Alliance for Net Zero, and Breakthrough Energy Catalyst. Yet much more is needed.

As a leading management consulting firm with global reach and intellectual diversity that spans every significant industry and function, we want to engage with all players that are willing and motivated to make a difference. We believe that our greatest environmental impact comes from [working in collaboration with our clients](#), including some of today's biggest emitters, to maximize the effectiveness of their sustainability policies. We aim to support them in their transition, recognizing that the process is complicated and requires a regionally differentiated approach that balances environmental concerns (carbon footprint and pollution) with social elements (a just transition, gender equity, energy access, and economic development). Our [research](#) shows that embedding solutions to such challenges at the heart of a company's business model can yield outstanding long-term value creation.

BCG is recognized as a leader in helping businesses define and deliver on their net-zero aspirations to become “nature positive,” and the firm has received [Gold Accreditation](#) from CDP and become a [Science Based Targets Network Referral Program](#) participant.

Sustainability Is Our North Star

To address the complexity of working on climate and sustainability topics with our clients and to ensure that the work we do has a positive influence on the planet and aligns with the goals and spirit of the Paris Agreement, we have policies in place and have identified areas of work that we will not do, as well as flagging other topics that must be assessed by an internal committee on a case-by-case basis.

Going forward, we will expect our clients to commit publicly to meaningful climate targets or to be in the process of developing such commitments. We already support 65% of our top clients in developing and delivering science-based climate strategies. We review our portfolio of work with our largest- and highest-emitting clients to ensure that our work contributes to progress toward a net-zero world and their climate goals.

We understand the complexity of this issue. We are learning as we go and will continue to refine our policies and approach as we deepen our engagement. But by treating the 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.

2021 Highlights

Accelerating Climate and Environmental Impact with Corporate Clients



Climate and sustainability consulting has been the fastest-growing topic across all areas of BCG's business. We support clients in all sectors and geographies, totaling more than 780 climate and sustainability projects with more than 450 organizations in 2021. We expect demand for our climate and sustainability consulting services to accelerate further as the climate emergency continues to shape corporate strategies.



To match the rising demand for climate services, the number of our consultants involved in this work has grown significantly. In 2021, more than 1,000 experts worked on climate topics across industries and geographies. Our work spans all aspects of the sustainability transformation, including setting and developing net-zero strategies, decarbonizing operations, and growing new sustainable businesses. To support clients, we have also developed proprietary tools such as [CO2 AI](#), an AI-powered tool that enables clients to more accurately measure their carbon footprint and empowers them to make strategic and operational decisions to reduce it.



In 2021, BCG accelerated its climate action through innovation by establishing [BCG Green Ventures](#), a new offering that brings together deep sector-specific knowledge, strategic expertise, business-building capabilities, and our proven track record in climate and sustainability innovation. BCG Green Ventures supports corporations in their transition to a net-zero economy, with a dedicated team that focuses on partnering with corporates to invest in, co-build, and scale sustainable businesses.



As part of BCG's market-leading net-zero pledge, we have made a \$400 million commitment over the next decade to enable our teams to drive climate and environmental impact across governments, industries, NGOs, and coalitions. Since the start of 2020 we have already spent more than \$240 million and will continue to use this funding to broaden and deepen our climate partnerships, advance thought leadership, and expand BCG's capabilities on this critical topic.

Learn more about how we're engaging with other corporates on climate action:



Sustainability: Insights from Ingka Group | IKEA CEO Jesper Brodin



How One Utility Is Taking the Lead on Net Zero: Insights from PSE President & CEO Mary Kipp



Decarbonization: Insights from Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping CEO Bo Cerup-Simonsen



Climate Challenges: Insights from Oil and Gas Climate Initiative (OGCI) Investments CEO Pratima Rangarajan



The Journey to Become Climate Neutral: Insights from Eneco CEO As Tempelman



A Tectonic Shift of Capital Is Just Beginning: Insights from BlackRock Chairman & CEO Larry Fink

Developing a Just Transition to Net Zero

CASE STUDY

Although 90% of the world is now committed to net zero, the real challenge lies in transforming that commitment into actual emissions reductions and action plans. The transition to a net-zero economy is technologically, economically, and socially complicated. Yet ensuring that a country's population supports the required efforts is paramount: the sectors and countries that supply the world's energy today may not be the ones that do so tomorrow.

In 2021, BCG helped several countries and governments devise net-zero pathways, demonstrating how the ambition can be achieved in a socially just and economically feasible manner. Here are two examples.

Deep Dive: Climate Action in South Africa

South Africa is an unlikely candidate for climate leadership. It is one of Africa's biggest greenhouse gas emitters and has one of the highest carbon intensities globally, relying on coal for about 90% of its power generation. In addition, a large share of South Africa's exports are carbon-intensive commodities, and these exports are critical to the nation's economy; the coal and mining value chain alone supports approximately 2 million to 4 million livelihoods. At the same time, Southern Africa is one of the places most at risk from climate change, facing an average temperature increase of about 3°C under the most optimistic scenarios.

In this context, BCG collaborated with the National Business Initiative and Business Unity South Africa to develop "[Climate Pathways and a Just Transition for South Africa](#)," a study that examines what a net-zero transition plan could look like for the country and unpacks what would be required for a just transition. This holistic plan for the economy focused on reducing emissions and building climate resilience, as well as on addressing inequality and poverty. It was supported by more than 100 industry and policy experts and engaged with civil society, government, and more than 30 of South Africa's leading CEOs to come up with an ambitious and robust plan for the economy.

The study has been instrumental in raising confidence and ambition on climate and was used as one of the key inputs by the Presidential Climate Commission to inform the country's revised nationally determined contributions commitment ahead of COP26. This commitment was critical to the \$8.5 billion financing package South Africa secured at COP26, which was supported by the EU, France, Germany, the UK, and the US.



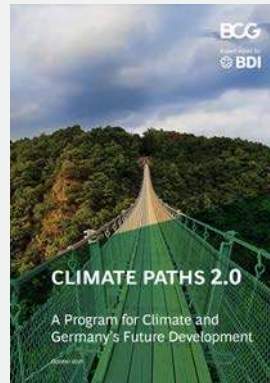
[Watch this video](#) to learn more about this project.

Deep Dive: Climate Action in Germany

In response to Germany's increased climate ambition, BCG partnered with the Federation of German Industries (BDI) on a landmark study called "[Climate Paths 2.0](#)." The results show how the country can achieve its emissions reduction targets (almost halving emissions by 2030 and reaching net zero by 2045), while securing the country's industrial power and the prosperity of this and future generations.

The study offers a clear policy proposal to achieve Germany's climate targets, detailing the technical levers required to achieve carbon neutrality in every sector, as well as the required investments and costs. To the best of our knowledge, it is the first time that leading corporations and associations in one of the world's largest economies have teamed up to shape a concrete, comprehensive net-zero policy proposal. "Climate Paths 2.0" was developed in the course of a thorough process involving more than 150 experts from BDI, BCG, and around 80 German companies and associations, from March to September 2021. It provides unique content depth, advancing 110 technical measures across all sectors, evaluating their climate impact and costs, specifying 60 suggestions for policy instruments to close emissions gaps economically and to manage a just transition, and assessing fiscal implications in detail.

Many of the policy proposals listed in "Climate Paths 2.0" have been taken up in the incoming German government's climate action plan for the rest of the decade.



Read the full report [here](#).



[Watch this video](#) to learn more about this project.

Supporting Standard Chartered on Its Path to Net Zero

CASE STUDY

Standard Chartered is a leading global bank with a strong footprint in emerging markets in Asia, Africa, and the Middle East. It committed to reaching net-zero direct emissions by 2030 and financed emissions by 2050—a target well ahead of most of the emerging markets where it operates. Recognizing the climate transition as a strategic imperative that will reshape its industry, the bank is committed to engaging with all business clients to understand their role in transitioning to overall net-zero emissions by 2050.

Over the course of 2021, BCG brought together a global team that worked on the ground alongside Standard Chartered employees to focus on two main axes:

- **A Net-Zero Roadmap.** BCG supported the bank across all steps of developing its roadmap to net zero. This included understanding current emissions, sector-specific reduction scenarios, and sector-specific targets; weighing the business and financial implications of the journey; assessing finance opportunities from the transition; and designing the target operating model.
- **Transition Frameworks.** BCG also partnered with Standard Chartered to develop a transition framework for carbon-intensive sectors, enabling the bank to best serve its clients' transition to sustainable business models. This work involved developing deep sector-specific climate transition pathways and client archetypes, providing detailed overviews of key climate technologies to support expertise building, designing a comprehensive process to engage the bank's clients on their climate transition, and building dedicated client pitches to test and fine-tune the approach.

This joint effort by the BCG and Standard Chartered teams enabled the bank to accelerate its critical efforts to engage with and support clients—especially those in emerging markets, where climate finance matters most. The bank now has a clear roadmap to use in realizing its ambitious commitments.



AI Solutions for Net-Zero Progress

CASE STUDY

BCG has developed a revolutionary AI software solution that provides critical support for our clients' net-zero commitments and progress. **CO2 AI** enables our clients to measure their emissions baseline, formulate reduction targets, simulate initiatives to reduce emissions at scale, and support decision making at all levels of the company.

We worked with a global beverage company that had set ambitious CO₂ reduction targets, aiming to significantly reduce its Scope 1, 2, and 3 emissions by 2030. Achieving these goals would require accurate carbon emissions baselining, the identification of possible reduction levers, and the development of a detailed implementation roadmap. In addition, operational and business owners would need to fully understand the emissions impact of their day-to-day decisions.

The ability to accurately measure CO₂ emissions is essential to net-zero progress. By working with BCG and using our patented **CO2 AI** solution, the company gained a clear, detailed understanding of its footprint and sped up its journey toward lower emissions.

Our work consisted of three main components:

- **Measure.** We leveraged AI and machine learning to build a detailed emissions baseline, joining activity data and corresponding emissions factors based on CO2 AI's proprietary database with more than 120 data sources. By mapping over 700,000 data points, we improved the precision of the company's measurement of its Scope 3 emissions by 30% to 50%, compared with the traditional method.

- **Decide.** We created a simulator with more than 50 decarbonization levers to assess the potential CO₂ impact of business decisions at high level of granularity across the organization as well as on CAPEX and OPEX. The abatement levers drive the key initiatives, which are then brought together in an action roadmap to track the impact on emissions.

- **Reduce.** To track progress, we ensured that all potential initiatives would remain visible to management through a centralized web application. The project has identified significant reductions in supply chain emissions, putting the company on track to achieve its 2030 reduction ambition.

The shift has been significant. For example, the company moved from having one global average emissions factor for glass to a much more detailed set of factors based on color, recycled content, supplier energy mix, origin, and more. This level of granularity allows leaders to make informed business decisions about product lines and environmental impact.

Shaping the Global Agenda

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



COP26

BCG supported the UK government in preparing and organizing the UN Climate Change Conference (COP26) in Glasgow. As part of our engagement, BCG also supported Nigel Topping and Gonzalo Muñoz, the UN High-Level Climate Action Champions, in growing the Race to Zero campaign, which BCG joined in 2020.



World Economic Forum

BCG supported various climate initiatives at the World Economic Forum, including the Net-Zero Challenge, Mission Possible Platform, Natural Climate Solutions Alliance, and Global Future Council on Net Zero Transition. In 2021, Rich Lesser, global chair of BCG, continued to act as chief advisor to the WEF's Alliance of CEO Climate Leaders. We also partnered with WEF and the US State Department to launch the [First Movers Coalition](#), a group of forward-thinking companies ready to jump-start global demand for critical emerging climate solutions, helping to mobilize the necessary investments and draw down costs.



WWF

2021 was the ninth year of BCG's long-standing partnership with the World Wide Fund for Nature (WWF). Jointly we provided insights on various topics and copublished reports on deforestation, plastics pollution, and net-zero pathways.



Breakthrough Energy

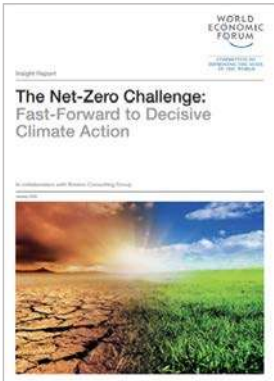
BCG helped found the [Breakthrough Energy Catalyst](#) program as an anchor partner. This new program (within the larger Breakthrough Energy network, founded by Bill Gates) brings together businesses, governments, philanthropies, and individuals to invest in critical climate technologies that will make it possible to reach net-zero emissions.



[Watch this video](#) to learn more about BCG's partnership with Breakthrough Energy Catalyst.

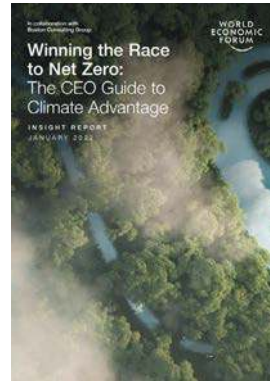
We also continued to work with leading climate actors, such as the Science Based Targets initiative and CDP, and we worked to increase global awareness of climate topics through our knowledge partnership with TED Countdown.

In collaboration with the World Economic Forum, BCG supported “The Net-Zero Challenge” series, assessing progress by corporations, governments, and civil society since the 2015 Paris Accord:



01

The first report, published in January 2020, included a set of proposals for accelerating climate action.



03

The third report, published in January 2022, provided a CEO guide to securing climate advantage.



02

The second report, published in January 2021, explored the role of supply chains in driving climate action.

2021 Highlights

Advancing Climate Action Through Thought Leadership



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. We released nearly 50 thought leadership publications focused on various climate and environment topics, including climate innovation, opportunities for AI to improve emissions' measurement, implications of a carbon border tax, decarbonization of various industries such as shipping and trucking, and alternative proteins and biodiversity. We have highlighted some of these key thought leadership pieces on [page 36](#).

Supporting COP26 and the UN High-Level Climate Action Champions

CASE STUDY

Efforts to rapidly reduce global emissions and adapt to a warmer world require a collaborative effort by businesses, investors, governments, and society. The annual Conference of the Parties (COP) brings these actors together to drive ambitious action. COP26, hosted by the UK in Glasgow in November 2021, was the first climate change conference since Paris 2015 in which the world assessed progress toward limiting global warming to well below 2°C—in addition to strengthening climate action across the public and private sectors. BCG was the exclusive COP26 consultancy partner, joining and supporting leaders from the public, social, and private sectors in seeking solutions.

BCG supported COP26 for nearly two years in our role as the exclusive consulting partner. We worked with the UK Presidency team, which has been responsible for delivering COP26 since late 2019, interacting closely with the COP26 strategy director and his team on the development, operationalization, and delivery of the strategy for COP26 through a combination of project and expert support, as well as secondments.

We have also been deeply embedded in the UN High-Level Champions team, working with the High-Level Climate Action Champions Nigel Topping and Gonzalo Muñoz for nearly two years. We worked side by side with the team to support its flagship campaigns [Race to Zero](#) and [Race to Resilience](#), helping formulate sectoral decarbonization targets, launch a fully searchable online database of Race to Zero members, and refine and deliver the nonstate actor program at COP26 itself. Since COP26, we have entered into a multiyear partnership with the High-Level Champions team and will continue to support them through COP27 and beyond.

Important progress has occurred on multiple fronts in the lead-up to COP26 and at the conference itself:

- Increased government commitments on net-zero ambitions, deforestation, methane, and phasing out coal financing
- Strong private sector mobilization, with more than 5,200 corporates joining Race to Zero, over 450 financial institutions joining the Glasgow Financial Alliance for Net Zero, and an accelerated shift to zero-emissions vehicles

- Major global initiatives announced to bridge the gap from early innovation to fully scaled demand: First Movers Coalition, Breakthrough Energy Catalyst, Glasgow Breakthroughs, and Green Public Procurement initiative

Despite the progress, significant challenges remain to be addressed in upcoming COPs, including the need for a loss and damage fund for nations that are most vulnerable to climate change, financing for climate adaptation and resilience (\$100 billion pledge), and still-insufficient 2030 commitments to keep the world's temperature increase well below 2°C.



Read the report [Inside COP26 Executive Perspectives](#) to learn more about BCG's role at COP26 and the key outcomes.



[Watch this video](#) to find out what COP26 delivered and what's coming next in this video featuring COP26, We Mean Business, and Breakthrough Energy.

A Selection of Articles Reflecting Our Climate and Environment Thought Leadership in 2021

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Identifying Resource Scarcities in the Race to Sustainability

02

Use AI to Measure Emissions—Exhaustively, Accurately, and Frequently

03

For Consumer Companies, It Will Take Collective Action to Fight Deforestation

04

Net-Zero Trucks? Yes, It's Possible

05

Building a Climate-Resilient, Low-Carbon, Job-Rich Africa

06

Value Creation in a Decarbonizing Economy

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Why Climate Action Needs a Gender Focus

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How the EU Carbon Border Tax Will Redefine Value Chains

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Global Shipping's Net-Zero Transformation Challenge

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Governments That Invest in Climate Innovation Invest in Growth

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How Asset Owners Can Go from Net Zero to Climate Leadership

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The Green Tech Opportunity in Hydrogen

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The Biodiversity Crisis Is a Business Crisis

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Ecosystems for Ecosystems: How Businesses Can Enable Collective Action Against Climate Change

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Winning the Battle in the EV Charging Ecosystem

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01

Supply Chains as a Game-Changer in the Fight Against Climate Change

02

Unlocking the Potential of Carbon Markets to Achieve Global Net Zero

03

Non-Financial Risks Reshape Banks' Credit Portfolios

04

Deforestation and Conversion Free Supply Chains: A Guide for Action

Managing Our Own Environmental Impact

Approach

If the world is to reach the Paris Agreement goal of net-zero carbon emissions by 2050, urgent action is needed today. At BCG, we recognize that our greatest climate impact comes through our client work, but we also want to lead by example by reducing the negative impact of our own operations and value chain.⁷ In September 2020, we announced a bold new commitment to achieve **net-zero climate** impact by 2030 and thereafter to become climate positive, removing more carbon from the atmosphere than we emit each year.

The primary focus of our net-zero program is to reduce our emissions in line with the Paris Agreement. In 2021, we increased the ambition of our climate targets, committing to cut our GHG emissions intensity in half by 2025. The SBTi has validated our targets as aligning with the most ambitious goal of the Paris Agreement: to limit the global temperature rise to 1.5°C above preindustrial levels.

In addition to reducing our GHG emissions, since 2018 we have compensated for our remaining climate impact by purchasing and retiring a volume of independently verified carbon credits equivalent to our full footprint. Accordingly, we maintained **CarbonNeutral®** company certification.⁸ As part of our journey toward net-zero climate impact, we will transition our carbon credit portfolio to 100% carbon removal credits by 2030. Our goal is to help scale and advance the most promising frontier CO₂ removal solutions, such as direct-air capture and storage, while also securing enough high-quality carbon removal credits to meet our net-zero goal.

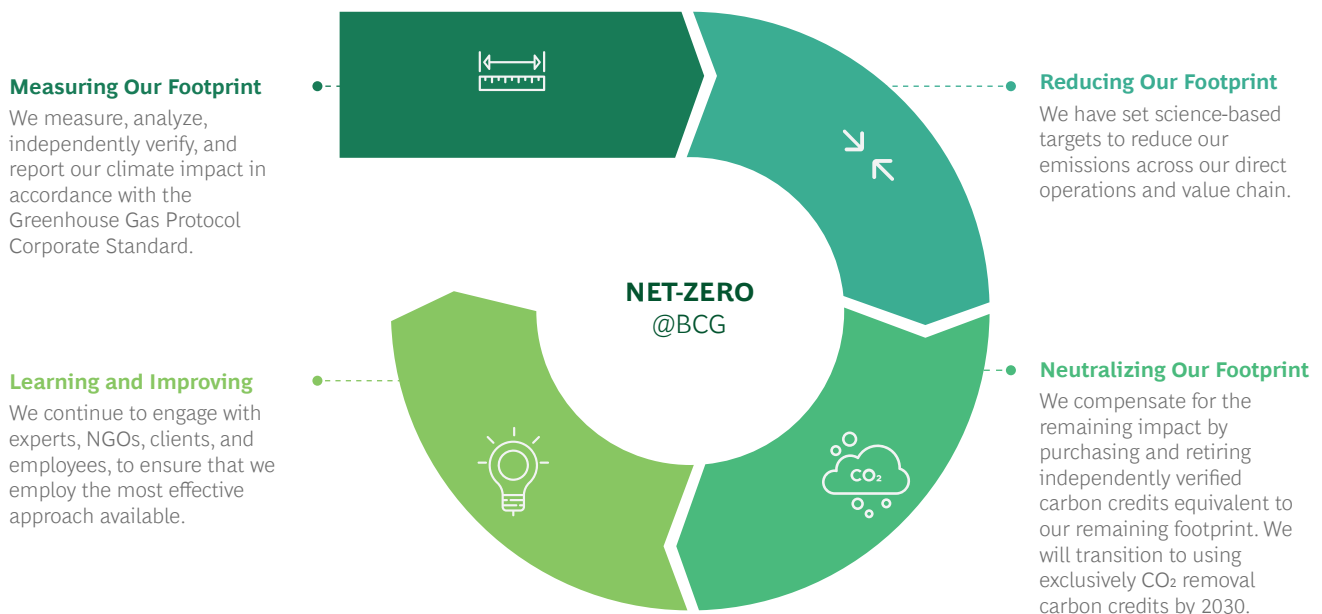
In recognition of our robust climate strategy and approach, BCG secured a place on the prestigious **CDP Climate A-List**, the gold standard of corporate climate transparency. BCG is one of only 200 companies globally to receive this accolade in 2021, and the only management consulting firm to do so.

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

Our net-zero program is governed by the Global Internal Sustainability Steering Committee. For more details, see the Governance section ([page 6](#)).



Watch the BCG net-zero launch [video here](#).



7. Our reporting is prioritized to address our most material topic, mitigating our climate impact. While other environmental concerns, such as waste, water, and biodiversity, are also important, they are not addressed in this report.

8. Our CarbonNeutral® company certification covers our full Scope 1, 2, and 3 footprints. The credits we currently purchase are a mix of avoided-emissions projects (such as preventing deforestation) that aim to keep additional carbon from entering the atmosphere, and removal projects (such as reforestation and direct-air capture) that remove CO₂ directly from the atmosphere.

Measuring Our Footprint



High-quality data is the backbone of any effective climate program. We have established a global carbon accounting system for greenhouse gases (GHGs) in accordance with the GHG Protocol Corporate Standard and independently verify our emissions against the ISO 14064-3 standard.⁹ We measure and include within our footprint the climate impact of GHG emissions as well as that of non-GHG sources, such as the radiative-forcing impact of air travel. We report emissions in metric kilotons of carbon dioxide equivalent (KtCO₂e).¹⁰

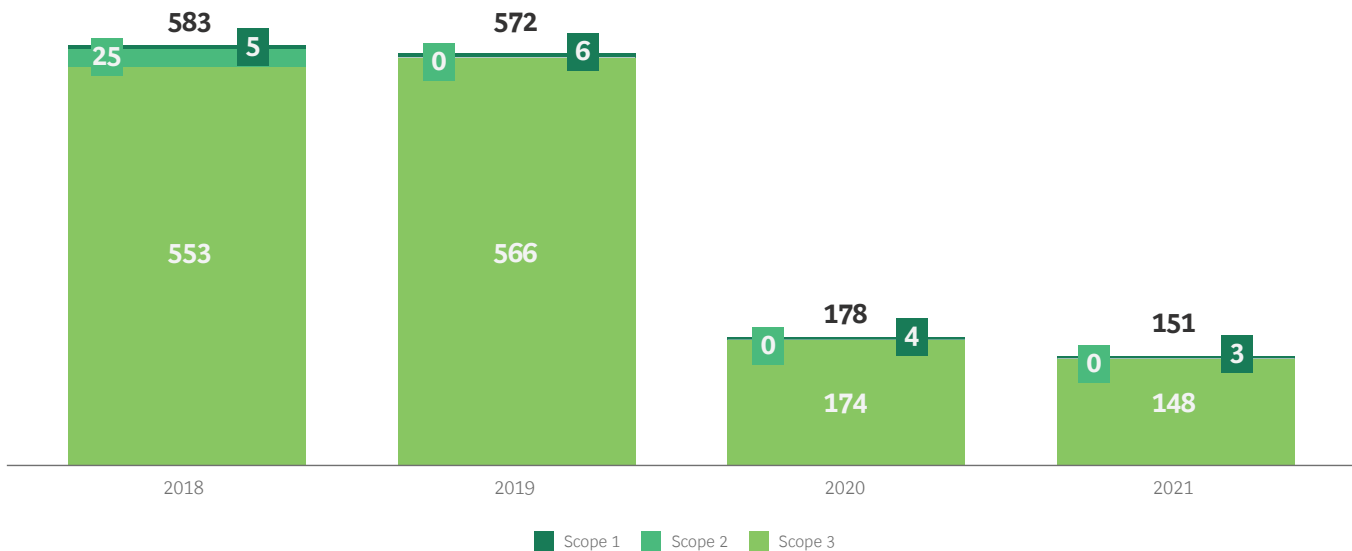


In 2021, our Scope 1 and Scope 2 (market-based) emissions were 3 KtCO₂e and represented 2% of our total footprint. These emissions stemmed from heating and powering our offices and from our leased car fleet. Scope 3 (indirect) emissions made up the remaining 98% of our footprint, the largest source of which was business travel, which accounted for 70 KtCO₂e in 2021. We include several other Scope 3 emissions sources in our footprint as well, such as purchased goods and services and emissions from working from home, which contributed approximately 78 KtCO₂e in 2021.¹¹ Overall, our 2021 emissions were down 74% against our 2018 baseline, due largely to the COVID-19 pandemic but also to additional measures that we took to reduce emissions.

A detailed description of our greenhouse gas reporting methodology is available in the appendix of this report (page 72).

BCG GHG Emissions (2018–2021)

Data in metric kilotons of carbon dioxide equivalent (KtCO₂e)



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

10. While CO₂ is a significant and crucially long-lived pollutant from aviation, it is estimated to represent only about 50% of the total warming caused by flying. Other emissions from aviation, such as nitrogen oxides (NO_x), sulfur oxides (SO_x), and particulate matter (PM), as well as indirect factors such as the formation of contrails and clouds, contribute to effective radiative forcing (ERF). Following best practice, we account for the non-GHG climate impact of aviation by multiplying the CO₂ impact by 1.9, effectively doubling our flight emissions.

11. Other Scope 3 emissions sources include purchased good and services, capital goods, waste, employee commuting (including working-from-home emissions for 2021), upstream transportation and distribution, and fuel- and energy-related activities not included in Scope 1 or Scope 2.

Business Travel Target

To reduce business travel emissions by **48.5%** per FTE by 2025 (against our 2018 baseline year)

Performance

	2018	2019	2020	2021
Absolute business travel emissions (KtCO ₂ e)	448	470	91	70
Reduction in business travel emissions intensity per FTE (against our 2018 baseline year)	0%	−9%	−82%	−87%

Note: Progress versus target has been independently verified by a third party. The target boundary includes biogenic emissions and removals from bioenergy feedstocks. In accordance with the SBTi aviation sector guidance, we include upstream well-to-tank emissions when calculating progress against this target and exclude non-GHG warming impacts from aviation (radiative forcing). We include non-GHG warming impacts in our absolute business travel emissions (reported above) and our full reported footprint on [page 38](#). We will continue to monitor and seek to align with best practice as it relates to reporting aviation emissions, particularly with regard to the use of sustainable aviation fuel. For more details on our carbon accounting methodology, see the appendix ([page 72](#)).

In 2021, we increased our business travel emissions target to a 48.5% reduction per FTE by 2025 versus our 2018 baseline year, making it one of the most ambitious such targets in our industry. We expect to meet this target largely through planned changes to ways of working and travel norms. We will achieve the remaining reductions through expected efficiency gains from airlines and by supporting the use of sustainable aviation fuel (SAF) for flights taken by BCG employees.

In 2021, our business travel emissions intensity was 87% lower than our 2018 baseline year. Of this reduction, approximately 80% came through reduced travel volume, driven largely by the restrictions imposed in response to the global pandemic, and the remainder came from aviation efficiency gains, combined with a small reduction from our first SAF purchases, made in 2021.

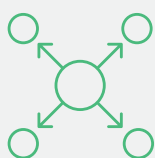
Responding to the Global Pandemic

COVID-19, although devastating, dramatically accelerated the shift to virtual and hybrid meetings and provided BCG with a unique opportunity to pilot new approaches worldwide. We launched a global taskforce to codify the lessons we were learning during the pandemic and are now rolling out new case team models that tailor our travel strategy to our firm's range of geographies, industries, clients, and projects.

We have developed a global network of change agents—composed of MDPs across every region—who have created emissions reduction plans appropriate for each geographic and business context. We also have established internal reporting and monitoring tools to provide transparency on how each region is performing against their targets.

2021 Highlights

Reducing Our Footprint



In 2021, we increased the ambition of our emission reduction targets and validated these targets with the Science Based Targets initiative (SBTi).



Throughout 2021, we continued to develop and enhance online platforms for a number of internal functions—such as recruiting, learning and development, and global events—with positive feedback from participants about the virtual meeting experience. We are committed to lowering our travel footprint for internal meetings and events, with functions such as our learning and development team setting ambitious targets to reduce travel emissions by 50% per learner.

The shift to remote working was evident in another increase in our videoconference call hours, with the average employee spending 50% more time on videoconference calls in 2021 than in 2020.

Supporting the Net-Zero Transition in the Aviation Industry

Aviation is widely recognized as one of the hardest sectors to decarbonize, requiring collaboration across the value chain to support the transition to net-zero emissions. We welcome the [2050 net-zero commitment](#) that the Air Transport Action Group made in October 2021, and we are committed to engaging with airlines through our core consulting work and through our supplier relationship management to make this transition a reality.

In 2021, we directly engaged more than 20 airlines in conversations about decarbonizing aviation. Our strategy includes taking short-term actions, such as purchasing SAF today, and investing in the next generation of aviation decarbonization technologies by establishing collaborative partnerships.

In this context, we were proud to cofound in 2021 the [Aviation Climate Taskforce](#), a nonprofit organization composed of ten global airline leaders and BCG. The taskforce aims to accelerate breakthroughs in emerging

technologies to decarbonize aviation. Its primary emphasis is on accelerating critical middle-term solutions such as synthetic fuels while also advancing shorter-term solutions, such as bio-based SAF, and longer-term solutions, such as hydrogen technologies.

Even as the long-term transition to net-zero aviation emissions is underway, we are taking immediate action. SAF can produce up to 80% lower life-cycle CO₂ emissions than conventional fossil jet fuel and is available as an alternative fuel today. Since 2019, we have participated in the WEF-led [Clean Skies for Tomorrow](#) coalition's efforts to create a scalable SAF marketplace. These efforts resulted in the publication in June 2021 of the [SAFc framework](#), which enables aviation customers to take ownership of their emissions reduction goals and further advance the deployment of SAF.

In April, BCG became a founding member of the [Sustainable Aviation Buyers Alliance](#), which aims to accelerate the path to net-zero aviation by driving investments in SAF, catalyzing production and technological innovation, and supporting policy engagement. We also joined the [Breakthrough Energy Catalyst](#) and became a founding member of the First Movers Coalition. Both of these programs aim to send a strong demand signal to support scaling up SAF and other low-carbon technologies. As a founding member of the [First Movers Coalition](#), we have committed to partner with air transport operators to replace at least 5% of the conventional jet fuel used for our air travel with SAF by 2030.

Beyond supporting these initiatives to scale the broader SAF market, we have signed purchase agreements to provide upfront financial support for the development of new SAF production facilities in the coming years. Our partnerships thus far include:



SkyNRG

We signed an eight-year partnership with SkyNRG, joining its innovative [Board Now](#) program. Our support will enable the development of a new SAF facility, which, once operational, will produce 100,000 metric tons (about 33 million gallons) of SAF annually from waste streams.



United Airlines' Eco-Skies Alliance

By joining this first-of-its-kind program, BCG and a dozen other corporations have contributed to the purchase of approximately 3.4 million gallons of SAF in 2021.



Neste MY Sustainable Aviation Fuel

BCG has signed a new agreement for the purchase of Neste SAF to be delivered to SAS and Finnair in 2021, covering the volume of all travel on those airlines by BCG employees in the Nordics.

Office Energy Target

To reduce direct energy and electricity emissions by 92% per FTE by 2025 (against our 2018 baseline year)

Performance

	2019	2020	2021
Reduction in Scope 1 and 2 emissions intensity per FTE (against our 2018 baseline year)	82%	90%	92%

Notes: We use a market-based approach to report Scope 2 emissions, which factors in the purchase of renewable electricity. In 2019, we shifted to 100% renewable electricity for our offices and therefore report 0 tCO₂e Scope 2 (market-based) emissions.

GHG Emissions	2018	2019	2020	2021
Scope 1 (KtCO ₂ e)	5	6	4	3
Scope 2 - market based (KtCO ₂ e)	25	0	0	0
Scope 2 - location based (KtCO ₂ e)	29	19	16	16

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 emissions sources.

100% Renewable Electricity to Power Our Offices

In 2021, 100% of our electricity consumption 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 for the remainder.¹²

Making Our Offices More Sustainable

Our offices are a key component of our environmental footprint. By improving energy efficiency, switching to renewable power, and minimizing our waste and water consumption, we are making our offices more sustainable worldwide. We have developed and implemented BCG green-building selection standards and green fit-out standards. The criteria in these standards cover a wide range of environmental topics, from green building certification (more than 40 of our offices have received green building certification) to the environmental credentials of our office furniture.

Driving Our Leased Car Fleet Toward an Electric Future

We are taking action to improve the fuel efficiency of our leased car fleet, which contributed approximately 80% of our total Scope 1 emissions in 2021. Hybrid and electric vehicles now represent around one-third of our leased cars. In 2021, we doubled the number of fully electric vehicles in our fleet, with some BCG offices committing to renew only electric leases from 2022 onward. These changes have helped reduce Scope 1 emissions from leased cars by 13%, despite a 6% increase in the number of cars in the fleet.

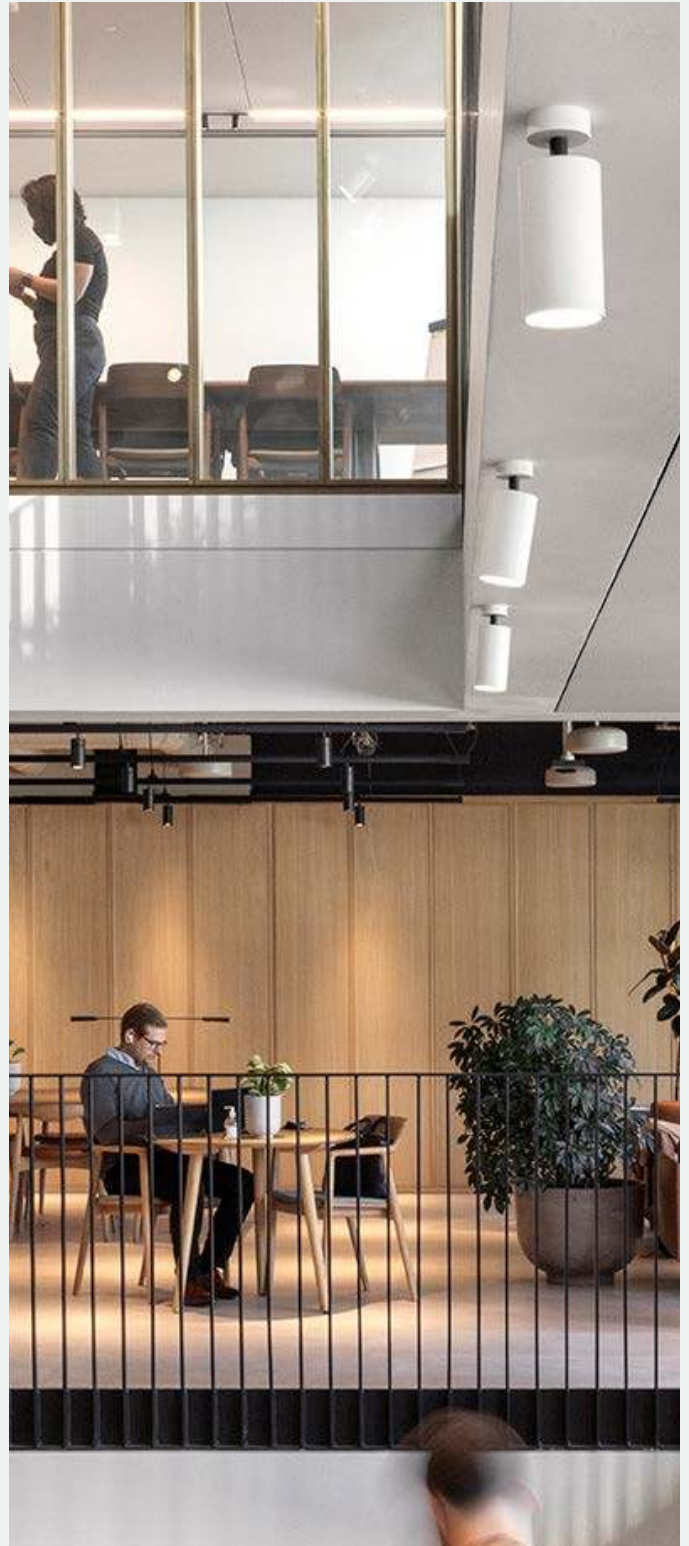
¹² We seek to align the energy attribute certificates we purchase to be as close as is feasible to the country and year of electricity consumption.

BCG's New Sustainable Flagship Office in London

CASE STUDY

Our new London office is a flagship for the sustainable office of the future. BCG chose a BREEAM Excellent and LEED Gold building, designed to achieve 28% lower embodied carbon intensity than the RICS benchmark.¹³

This all-electric building relies on air-source heat pumps on the roof to provide heating and cooling, avoiding the need for carbon-intensive gas boilers. An 80m² array of solar thermal panels located on the roof supplies heat for hot water, further reducing the building's energy requirements, and the building is powered by 100% renewable electricity, backed by Renewable Energy Guarantee of Origin (REGO) certificates. The office meets the highest specifications for office fittings, furniture, and technology that balance environmental and wellness credentials.



¹³. BREEAM is an international scheme that provides independent third-party certification of the sustainability performance of buildings. “Excellent” means the building is in the top 10% of buildings assessed. Leadership in Energy and Environmental Design (LEED) is a certification system developed by the US Green Building Council. “LEED Gold” is the second-highest rating. Royal Institution of Chartered Surveyors (RICS) developed a whole-life Building Carbon Database used for benchmarking purposes.

Transitioning Our Portfolio Toward Carbon Removal

As part of our net-zero commitment, we have begun directing more of our voluntary carbon credit purchases toward carbon dioxide removal (CDR) projects, with the added objective of advancing the most promising frontier solutions, such as direct-air capture and storage. We have committed to using 100% CDR projects by 2030. We expect to pay a blended price of about \$35 per metric ton in 2025 on carbon avoidance and removal, rising to approximately \$80 per metric ton on 100% carbon removal in 2030 (as we shift from primarily avoided emissions credits to exclusively removal credits).

In 2021, we retired carbon credits from 15 projects across 12 countries, and our ratio of CDR projects increased from about 40% in 2020 to 44% in 2021. (See the map on the facing page.) Of the credits retired in 2021, 87% were issued from forestry-related projects and the remaining 13% from technology projects, such as fuel-efficient cookstoves. These actions demonstrate our ongoing support for advancing natural climate solutions. Our blended average price was \$9 per metric ton in 2021, an increase over the \$7 per metric ton we paid last year, and significantly more than the current voluntary carbon market average of around \$3 per metric ton.¹⁵

We believe that being transparent about the type, quality, and blended cost of the credits we purchase is an important step in helping to scale higher-quality solutions. To this end, we also participated in the [CIX auction](#), a first-of-its-kind program aimed at promoting price discovery through the auctioning of a curated portfolio of high-quality nature-based credits.

We partner with a carbon market specialist to help align our purchases with emerging best practices and to ensure that the projects meet our strict selection criteria. All of the carbon credits purchased and retired in 2021 were independently verified against the leading voluntary standards (including the Gold Standard and VCS), which have been approved by the International Carbon Reduction and Offset Alliance.¹⁶

Given the pace of change within the voluntary carbon market, we recognize the importance of continuously adapting and aligning our approach as we deepen our engagement with experts, NGOs, and standard setters, and adopting best practices as they continue to emerge.

2021 Highlights

Neutralizing Our Remaining Footprint

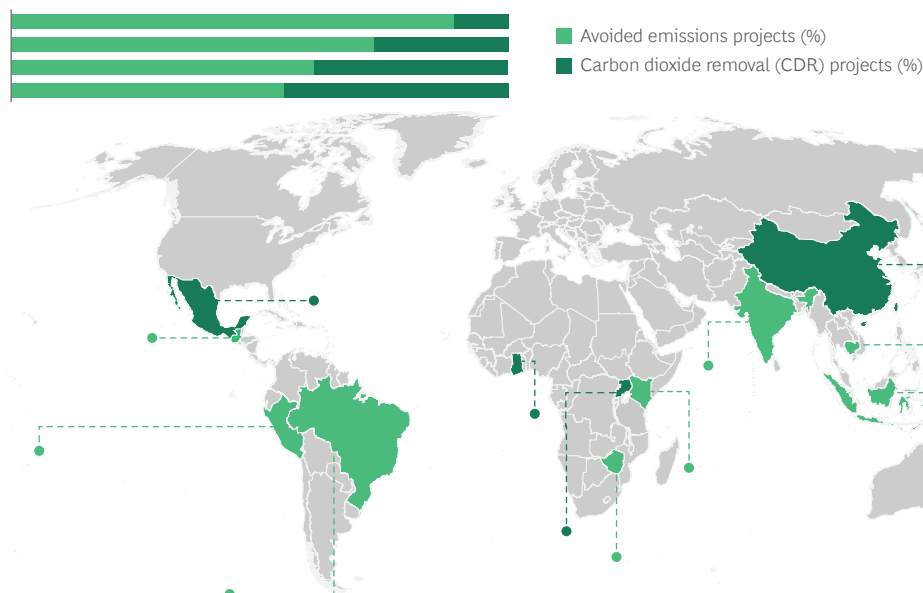
CarbonNeutral® Company Certification

While continuing to focus our efforts on reducing our carbon footprint, we also want to compensate for our remaining unabated emissions. Accordingly, we purchase and retire an equivalent volume of independently verified carbon credits on the voluntary carbon market for all emissions sources that we cannot yet eliminate from our footprint. As a result of these efforts, we have maintained CarbonNeutral® company certification for the fourth consecutive year.¹⁴

¹⁴. Our CarbonNeutral® company certification covers our full reported Scope 1, Scope 2, and Scope 3 emissions in accordance with the CarbonNeutral Protocol.

¹⁵. Forest Trends' Ecosystem Marketplace, 2021. "Market in Motion," State of Voluntary Carbon Markets 2021, Installment 1. Washington DC: Forest Trends Association.

¹⁶. 87% of the credits retired by BCG in 2021 were verified against the Verified Carbon Standard (VCS) and 13% were verified against Gold standard.



Advancing Direct Air Capture and Storage

In 2021, we signed a new ten-year partnership with [Climeworks](#), a leader in CDR via direct-air capture (DAC). This is the first of several agreements in DAC and advanced decarbonization technology that we expect to sign. Besides committing to purchase Climeworks' CDR service as part of our net-zero removals portfolio, we will provide consulting services to Climeworks, focused on the broader adoption and scaling of its services.

Powered by 100% renewable energy, Climeworks' DAC technology captures CO₂ directly from the air and stores it underground in volcanic rock, using a mineralization process developed by Carbfix. This process ensures that the captured CO₂ can remain stored for thousands of years, offering the most permanent carbon removal solution currently available.

Through this partnership, and through others in this space still to come, our goal is to help unlock a meaningful DAC capacity and to demonstrate the significant impact that DAC can have in enabling companies to get to net-zero climate impact.

Supporting Forest Conservation Efforts

Beyond increasing our support for CO₂ removal projects, we recognize the vital importance of protecting existing forests today. Reversing deforestation is essential to achieving the goals of the Paris Agreement and finding any pathway to a 1.5°C future. With this in mind, BCG joined Lowering Emissions by Accelerating Forest finance ([LEAF](#)), a new public-private coalition coordinated by the nonprofit [Emergent](#). So far, LEAF has mobilized \$1 billion for countries and states committed to protecting tropical and subtropical forests and reduce deforestation.

By unleashing private and public financing, while deploying the authority of governments to regulate and enforce land use, the jurisdictional approach that LEAF proposes can help achieve large-scale and long-lasting forest protection by directly addressing the fundamental drivers of tropical deforestation.

Count Us In

In 2021, BCG joined [Count Us In](#), a global campaign that aims to inspire 1 billion people to take personal action on climate. In partnership with Giki Zero, we organized a global green challenge competition in which BCG teams competed against each other by pledging and completing green challenges to score points. Approximately 2,000 people participated in the global competition, which lasted for eight weeks.

2021 Highlights

Engaging Our People on Our Net-Zero Journey



We recognize the importance of educating all of our people on climate and environment topics and engaging them in our goals. Over the course of the year, there has been a groundswell of support across BCG for the net-zero program.

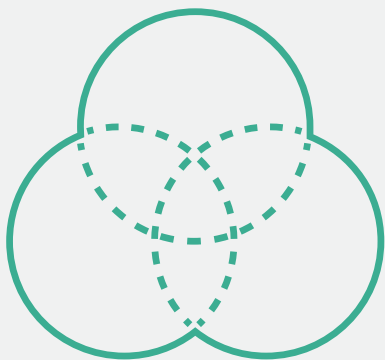


Our global green team has grown to over 1,300 active members driving local actions across more than 80 offices. This network, which designs and implements initiatives to reduce our environmental impact at the local level, delivered many inspiring projects in 2021. Our green team awards program recognizes the impact delivered through this network, with four awards available: Green Team of the Year, Best New Project Idea, Green Champion of the Year, and Green Sponsor of the Year.



The winner of our 2021 Green Champion of the Year award was Jeanne Lawrence of BCG's Paris office. She has been driving an employee education and engagement program called the Climate Collage—a group activity that helps educate participants on the causes and effects of climate change. More than 25% of the Paris office has participated in the Climate Collage thanks to Jeanne's leadership, and the activity is now being integrated into the new-hire onboarding program.

2021 in Numbers



100%

of employees received training materials on the climate and environment topic

~2,000

people participated in our global green challenge competition

80+

office green teams are active around the world

1,300+

BCG people are green team members



Empowering Our People

Our 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 aim to be the employer of choice by offering an unparalleled employee experience and by creating an environment that allows our people to thrive personally and professionally.

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[Employee Well-Being](#)

[Learning and Development](#)

[Safety and Security](#)

2021 Highlights



We have continued to prioritize the safety, well-being, and resilience of our people throughout the global pandemic with tailored programs, policies, and support mechanisms for parenting, caregiving, and mental health.



We have begun delivering on our commitment to advance racial equity in the US. We have deployed \$60 million to deliver equity-focused projects with both public and private partners, and donated over \$650,000 to Black equity-focused organizations.



We continued to advance our gender diversity agenda with an increase in the proportion of women globally (to 45%) and new joiners (to 48%), as well as maintaining equal promotion and retention rates for women and men within the consulting team.



We maintained our leadership position on numerous external benchmarking programs, including *Consulting* magazine's "Best Firms to Work For" list, the Fairygodboss Best Consulting Companies, and Glassdoor's Best Places to Work.

2021 in Numbers



25,000

colleagues across BCG

7,000

people joined BCG

100%

of our people had access to personalized career planning and received an annual performance review

1 week

of formal training completed, on average, per employee

100%

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

Globally, women represent:

35%

of our Executive Committee

45%

of our global staff

48%

of new joiners

In the US, racial and ethnic minorities represent:

45%

of our staff

51%

of new joiners

Attracting the Best Talent

Approach

Our success depends on our 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.

Our talent goals:

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

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 individual career development and privacy needs of prospective candidates, and seek to further optimize our effectiveness.

To ensure that we attract the best talent, we have introduced new online preparation resources and delivered a more personalized experience on our [careers site](#), as well as providing unconscious-bias training to our interviewers and recruiters. We outline the recruiting process to our candidates at the beginning of the journey and continually provide feedback along the way. We also give candidates opportunities to experience our culture, helping them make an informed decision.

For instance, our virtual experience and internship programs offer students from many disciplines and backgrounds the chance to experience BCG firsthand. Throughout 2021, we added new modules to our virtual experience programs, including a climate and sustainability module that articulates our values as a company and introduces candidates to our industry-leading climate and sustainability work. Our proposition of doing challenging, impactful work in a highly supportive environment has helped establish us as a leader in these areas.

2021 Highlights

In 2021, we placed a strong focus on our climate and sustainability goals and on prioritizing the safety and well-being of our candidates and recruiters, with an enhanced hybrid recruiting experience and expanded use of digital tools. This enabled us to streamline our recruitment process and further customize the candidates' journey. Our candidate engagement app, which offers consulting candidates virtual support throughout the recruiting process, was rolled out to 60% of our offices globally. Our interview preparation and online assessment tool launched in 2021, and all BCG offices around the world now use it. Improvements to our careers site resulted in a significant increase in the number of people clicking to apply for a role.

For the first time in a decade, we ran extensive internal and external research to understand what the best people in consulting and digital fields look for in an employer, what their perceptions of BCG are, and why people join and stay at our company. Over the course of 2022, we will embed the insights from this research in our new Candidate Value Proposition. In addition, we enhanced our [Welcome to the Group](#) campaign, which highlights our global workforce and collaborative spirit, with mobile-enabled video content, allowing employees to film testimonials and answer questions about BCG culture.

A number of external benchmarking programs recognized our award-winning approach. 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. BCG was also recognized as one of the Best Consulting Companies by Fairygodboss and as one of Glassdoor's Best Places to Work. For the second time, Vault named BCG as one of its top three employers.

2021 in Numbers



~7,000

people joined BCG, 48% of whom were women



220,000+

prospective candidates participated in our virtual experience program, giving them a true feeling for what it is like to work at BCG

Working at BCG

Approach

BCG's most important asset is its people, and we are committed to creating a best-in-class employee experience. The challenges presented by the global pandemic over the past two years have highlighted the importance of supporting our employees personally and professionally. We have been at the forefront of finding new ways of working that enable our people to thrive in a more virtual and hybrid work environment, as well as providing new programs to support well-being and work-life balance.

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

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

- **Performance and Development Opportunities.** Each employee can take advantage of a personalized performance and development plan. Whether through project-specific feedback or an individual development plan, employees have access to robust career and learning discussions and tools that will enable them to grow and develop. Managers across the globe provide timely feedback and a career review at least once each year.
- **Employee Dialogue.** We encourage robust dialogue between our people and BCG's leadership. Our people survey gives employees an opportunity to provide feedback on their experiences. Because we conduct the survey annually, we can track progress over time and ensure that we are acting on the feedback received.
- **Predictability, Teaming, and Open Communication (PTO).** To promote sustainable work-life harmony, we continue to utilize PTO, a support mechanism designed to foster sustainable teaming for our consultants globally. In the period since this effort began, BCG has invested more than \$100 million of our own capacity into this effort, working side by side with the Harvard Business School team to design, roll out, and support this program. In 2021, we developed additional digital components that create an enhanced experience for our consultants in a virtual work environment.

- **Career Mobility.** Various job mobility opportunities offer our people motivation and options for growth. BCG's Global Career Framework encourages growth through exploration across topics, practices, and locations. We also curate personalized career development plans for all employees, which include learning sessions, project opportunities, and coaching. We support the development of our people by posting vacancies on our internal jobs board, as well as sharing openings with alumni and posting them externally.
- **Flexible Ways of Working.** Another way BCG provides support to employees is by offering flexible work arrangements. In addition to being eligible for paid parental and military leave, employees can take time off for personal matters or for a particular passion. In addition, we continue to add new tools and programs and pilot new technologies to increase day-to-day flexibility.
- **Affiliation and Fun.** Part of our commitment to providing a best-in-class employee experience involves providing opportunities to have fun and meet colleagues outside normal business interactions. In 2021, we launched BCG Games, a series of games and challenges, bringing global BCG to life and focusing on fun and connection. More than 6,000 employees and 750 teams signed up to participate, taking part in virtual escape rooms, hack-a-thons, and trivia quizzes, as well as wellness and environmental challenges.

2021 Highlights

In 2021, we continued to enhance our employee experience, with particular emphasis on support for mental health and adoption of new ways of working in response to the challenges posed by the global pandemic. We sent out surveys to understand and adapt to the challenges our people were facing, and we encouraged employees to connect in new ways in their virtual or hybrid work settings. As part of the “Five R’s” framework (reinforce, recognize, reconnect, recharge, reimagine), we focused on expanding our offerings to recharge our people’s mental health. BCG has provided an array of wellness resources, including access to motivational videos, well-being mobile apps, and online support communities.

BCG continued to offer global mobility opportunities despite pandemic travel limitations, including the Associate Abroad and Global Ambassador programs. 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.

Pay Equity

Ensuring fair and equitable pay for employees is part of BCG’s commitment to an inclusive workplace that fosters diverse perspectives. BCG is a member of Employers for Pay Equity, where we sign an annual pledge promoting transparency, accountability, and equal pay.

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

2021 in Numbers



>75% of employees responded to the annual People Survey, for the fifth consecutive year

100% of employees received an annual performance review and have access to personalized career development opportunities ¹⁷

100% of people have access to health and well-being services through our Wellbeing@BCG framework

¹⁷ All employees with sufficient reviewable time within the calendar year receive annual reviews.

Diversity, Equity, and Inclusion (DEI)

Approach

Diversity is one of BCG's core values. Our success depends on employing passionate, open-minded people, who bring a range of expertise and experience and represent all genders, gender identities, sexual orientations, ethnicities, physical abilities, and neurodiversities. This diversity enables 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 are committed to giving all individuals an opportunity to flourish and succeed. Our global networks **Women@BCG** and **Pride@BCG**, as well as regionally managed **affinity groups**, including **AccessAbility@BCG**, **Veterans@BCG**, **Asian Diversity@BCG**, **Black+Latinx@BCG**, **Colorful@BCG**, and other racial and ethnic diversity networks, provide valuable support and programming for our employees.

We invest substantially in original research to develop insights that advance diversity, equity, and inclusion in our client organizations and throughout society. From our work within BCG, with clients, and through our research, we have learned how to create a diverse, inclusive culture that helps our organization thrive in a rapidly changing world, improving their internal culture, ability to innovate, and financial performance.

DEI Governance

Our global DEI chair and our global people chair oversee our DEI initiatives, assessing progress and priorities regularly at Executive Committee meetings. A dedicated global DEI team leads **Women@BCG**, **Pride@BCG**, and **AccessAbility@BCG**, along with regional teams composed of MDPs and dedicated managers, as well as a network of leaders and supporting staff across our offices. Other networks operate regionally or locally to best meet the needs of the group.

Activities to Drive Change

Our global DEI activities include mandatory anti-harassment and cultural awareness training, as well as a DEI learning journey that begins at entry-level roles and evolves as people progress.

We run a number of initiatives to promote DEI at BCG, starting with hiring diverse talent through structured protocols aimed at eliminating bias from the recruiting process. We've launched a series of MBA fellowships at several European business schools, offering monetary awards and mentorship for women as well as racial and ethnic minority candidates.

We hold regional and local conferences and affiliation events for members of our diversity networks. And through our **Women@BCG** program, we offer a number of tailored talent development, mentoring, and sponsorship opportunities:

- **Apprenticeship-in-Action**, a **program** that coaches women leaders to improve their communication and leadership skills and encourages a broader range of leadership styles
- **Segment of One**, a program premised on recognition that each person is unique and requires a specific type of support through evolving career and life stages
- **Leadership Pairings**, which provide mentorship opportunities for aspiring leaders to connect with mentors at the most senior levels of BCG

2021 Highlights

Women@BCG

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

- Ensuring that women continue to represent at least 40% of global employees
- Ensuring that women continue to make up at least 40% of entry-level associate and consultant roles worldwide
- Maintaining equal promotion and retention rates for women and men

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 consultants who are women. To help close gender gaps in STEM fields, we've partnered with the international not-for-profit Girls Who Code. Together, we're building a training program to help young women and girls successfully prepare for technical interviews, with the goal of increasing the number of women who enter and advance in tech.

In 2021, our Women@BCG agenda continued to make strong gains. We have achieved equal retention and promotion rates for men and women globally at all career steps of the consulting team since 2016. Over the past ten years, the number of MDPs who are women has grown at three times the rate of the number of men.

2021 in Numbers



In 2021, women had the following attainments at BCG:

35% of our Executive Committee

24% of our firm's leadership

45% of our global staff

41% of entry-level new joiners to the consulting team

Equal promotion and retention rates for women and men within the consulting team

2021 Highlights

Racial and Ethnic Diversity

BCG continues to drive progress on our commitment to DEI within and beyond BCG. This work has three key pillars:

- **Our Workplace.** Increasing representation and driving a diverse, equitable, inclusive culture
- **Our Work.** Pushing for diversity, racial equity, and inclusion with our partners and clients
- **Our World.** Deploying our resources for social and systemic change

In June 2020 in the US, we [publicly announced](#) six commitments to advancing racial equity in our continuing effort to drive accountability and contribute to the external discussion of this issue. We're pleased to say that we have made progress on each of these commitments:

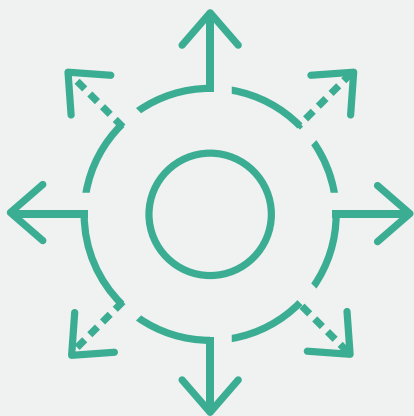
Commitment	Progress
1 Accelerate representation of Black BCGers and further commit to make BCG a place where all talent thrives	10% of new hires identify as Black or African American across our US offices
2 Foster accountability by accelerating the clarity, ambition, and measurement of our goals	200+ senior leaders have participated in the Groundwater Leadership Program to build awareness and collective action on racial equity
3 Strengthen our supplier diversity efforts, increasing the number of minority- and women-owned businesses	BCG launched a new Supplier Diversity Program, with a new full-time manager
4 Advance the pursuit of racial equity with our clients through our Social Impact Practice.	100+ racial equity projects launched internally and externally to amplify impact
5 Catalyze change by investing \$100 million in talent resources over five years	\$60 million deployed in BCG talent, including 400+ BCGers engaged in equity-focused projects with both public and private partners since 2020
6 Donate \$1 million over five years to organizations that are leading change in racial equity	\$650,000+ donated to Black equity-focused organizations since June 2020

In addition, through our North America Center for Inclusion and Equity, we partner with leading organizations to help build inclusive cultures, deliver social impact, create business value, and drive systemic change.

We also significantly expanded our global networks, launching racial and ethnic diversity networks in Europe, Australia, and Africa. Some examples of these are:

- **Colorful@BCG**, a network active in our Germany and Austria offices that fosters cultural and ethnic diversity at BCG and promotes diversity and anti-racism within the broader society
- **Racial and ethnic diversity networks** in our London-Amsterdam-Brussels (LAB) system to foster inclusion and belonging, along with a voluntary ethnicity self-ID campaign in the UK to increase data transparency and better inform our DEI efforts
- **Other local networks**, such as Kulcha & Ethnicity and First Nations in Australia and New Zealand and People of Color in Johannesburg

2021 in Numbers¹⁸



45%

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

51%

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

30%

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

¹⁸. We are currently able to disclose race and ethnicity data for our US operations only. BCG does not mandate all staff to identify their own 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.

Pride@BCG

Pride@BCG is BCG's network for LGBTQ+ employees and allies. In 2021, the network had more than 800 members (before counting allies), an increase of more than 20% over the previous year. Ten members of Pride@BCG became managing directors and partners in 2021, providing leadership role models. In addition, our Germany and Austria offices announced an ambition to have at least 5% LGBTQ staff in its workforce by 2025.

Beyond supporting and increasing internal awareness of LGBTQ+ topics, we issued two key thought leadership reports to help raise external awareness. (See at right.)

In addition, we partnered with the United Nations Global Compact, United Nations Human Rights (Office of the High Commissioner), Business for Social Responsibility (BSR), and the World Economic Forum's Partnership for Global LGBTI Equality (PGLE) in developing the UN LGBTIQ+ Standards Gap Analysis Tool, a confidential online assessment tool designed to help companies ensure inclusion in the workplace and in society more broadly.

2021 has also been a crucial year for advancing LGBTQ+ equality in multiple jurisdictions. We signed in support of marriage equality in Switzerland ahead of a referendum on the topic in the country, and we signed in support of the Equality Act in the US. In addition, we lent our voice and presented our LGBTQ-focused research at various forums around the world, including at World Pride in Copenhagen.

We also continued to receive recognition for our work in this space. We earned a perfect score for the 15th consecutive year in the Human Rights Campaign's Corporate Equality Index 2022, recognizing equality for lesbian, gay, bisexual, and transgender employees globally.

In Mexico, for the fifth year in a row, we reached 100 points in the Global Equality Program; and in India, for the second year in a row, we received Gold Employer status—the highest tier—on the basis of our LGBTQ+ DEI policies. In addition, six BCGers were listed in the OUTstanding Role Models List 2021, supported by Yahoo Finance.



Why the First Year Matters for LGBTQ+ Employees, based on our flagship Out@Work Barometer series, sheds light on various aspects of being LGBTQ+ at work.



Pride with Purpose, compiled in collaboration with Goldman Sachs, Latham & Watkins, and our partner GiveOut, provides insights into how businesses can support the LGBTQ+ movement.

AccessAbility@BCG

Our AccessAbility@BCG network—which is active in North America, Australia, New Zealand, the UK, the Netherlands, and Belgium—connects BCGers on such topics as physical disability, neurodiversity, chronic illness, and mental health.

In 2021, we further developed our AccessAbility@BCG strategy, goals, and initiatives to continue to foster disability inclusion within our firm. Our initial focus is on:

- Promoting awareness and education across BCG
- Fostering a sense of belonging by connecting our colleagues, caregivers, and allies through a global AccessAbility@BCG community
- Establishing foundational standards, guidelines, and policies to ensure a barrier-free work environment, both physical and digital

Fostering Inclusion

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

As an example, one of the objectives of our Next Generation Ways of Working is to foster a positive, safe, and inclusive team environment that enables learning, personal satisfaction, and growth. We strive to achieve this by recognizing and leveraging the team's diverse talents and expertise, as well as by enhancing psychological safety.

We also continued to expand our Inclusion Accelerators. These groups promote allyship and raise awareness of ways to advance DEI in the workplace. Local offices create programming and education initiatives on topics of culture and identity.

We hosted dozens of “Authentic Conversations,” which provide a forum for open dialogue about culture and identity and an opportunity for employees to feel understood, respected, and supported.

To generate lasting impact across the business environment and in the wider world, we also collaborate with organizations leading the way on DEI issues, including:

- **World Economic Forum's Partnering for Racial Justice in Business Initiative.** We are a founding member of this global coalition of organizations committed to creating equitable and just workplaces for underrepresented racial and ethnic employees and collectively advocating for inclusive policy change.
- **Forte Foundation.** We are a sponsor of this foundation, which is dedicated to directing women toward leadership roles in business and industry.
- **Women's Forum for the Economy & Society.** We are a sponsor and knowledge partner for this organization, 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 our representatives sit on the board of advisors and the board of experts, helping build workplaces that work for women. Our CEO, Christoph Schweizer, 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.
- **Management Leadership for Tomorrow (MLT).** In 2020, we partnered to develop the MLT Black Equity at Work Certification Program and are currently working to earn certification under the program.
- **The Female Quotient.** We are a sponsor of the Equality Lounge at WEF Davos and lead discussion sessions on how to remove barriers to women in business.
- **The Valuable 500.** We are a member of this coalition of companies committed to keeping disability inclusion on the people agenda.
- **Open for Business, GiveOut, OUTstanding (InVolve), and Partnership for LGBTI Equality.** BCG partners with these organizations to create LGBTQ-inclusive business environments.
- **Bloomberg.** We are a sponsor of the Equality Summit, which brings together leaders and allies for solutions-oriented dialogue.

2021 Highlights

Shaping the Global Agenda

The pandemic has amplified gender, racial, and class divides; put enormous strain on caregivers; and driven millions of women out of the workforce. As we strive to make BCG the most supportive, inclusive, and equitable workplace for all talent, we have invested in proprietary DEI research to inform BCG's and our clients' people agendas and to feed into our DEI publications.

In 2021, we developed a new DEI framework that paves the way for a more human-centered, holistic view of the topic. It considers how employees' needs change over the course of their career, rather than putting employees into boxes (man, woman, Black, LGBTQ+, and so on).



Watch [this video](#) to learn what DEI has meant to Gabrielle Novacek, MDP and DEI researcher, in the aftermath of her spouse's medical diagnosis.

Our most read DEI research in 2021:

01

It's Time to Reimagine Diversity, Equity, and Inclusion

02

The Payoff for Upskilling Women in STEM

03

Why the First Year Matters for LGBTQ+ Employees

04

Inclusive Cultures Have Happier and Healthier Workers

05

Diversity, Equity, and Inclusion Still Matter in a Pandemic

06

Racial Equity in Banking Starts with Busting the Myths

07

With Caregivers in Crisis, Companies Need to Step Up

08

Learning from Women Who've Made It to the Top in Tech

Employee Well-Being

Approach

We strive to ensure that all employees are physically and emotionally fit, in good financial health, comfortable and safe in the workplace, connected to their communities, and harmonious in their home and work lives. To that end, we offer high-quality benefits and family support programs, flexibility, time off to recharge and pursue personal interests, and extensive opportunities for personal and professional development.

Wellbeing@BCG is a global program that supports the delivery of well-being 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 when they need it most.

2021 Highlights

In light of the challenges presented by the global pandemic, we have continued to keep a razor-sharp focus on employee well-being, with an emphasis on employees' emotional health and resilience. The Wellbeing@BCG microsite is our go-to resource for all employees, offering access to videos, COVID-19 guidance, mindfulness training, and discounts on wearable health-tracking devices. Our employee assistance program ensures that all employees have access to mental health, financial, and legal counseling, along with well-being and work-life support that is available 24 hours a day and seven days a week. In 2021, we rolled out interactive behavioral health tools and resources to address issues such as stress, anxiety, depression, and insomnia.

Our Wellbeing@BCG virtual-learning series, which we launched in 2020 to support employees with emotional health challenges created by the pandemic, continued to grow in popularity. More than 5,800 participants attended 27 webinars in 2021, learning about topics such as sleep, parenting, caregiving, and mental health. Augmenting these global sessions were many local sessions conducted across the firm. Eight of the virtual-learning sessions ranked in the top ten virtual-training sessions that BCG offered across all topics.

Supporting Innovation

Our global well-being advisory function, part of our Global Benefits Center of Expertise, provides expert advisory services to local HR teams on all topics related to well-being, including evaluating, testing, and creating innovative solutions. In 2021, we launched several pilot programs designed to support the personal sustainability of our employees. One such program combined research-backed micro-learning modules, personalized data insights derived from a wearable device, and one-on-one coaching; it has received great feedback from participants. We are in the process of further developing the program for a broader rollout in 2022.

Supporting Caregivers and Families

To support BCG caregivers across geographies, businesses, tenures, and roles, we continued to offer the COVID Flex60 program, new leave-of-absence options, and extra paid holiday time.

2021 in Numbers



100%

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



5,000+

More than 5,000 employees participated in Wellbeing@BCG virtual learning sessions



800+

More than 800 employees participated in our personal sustainability pilot programs

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 in-person classroom-based learning and discussion, virtual live sessions, digital learning primers, and post-program learning reviews
- 2. An extensive repository of internally developed learning resources and external libraries**—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, GetAbstract, TED@Work, and ones that offer more-technical skills
- 3. Upskilling campaigns**—rapid upskilling of a large number of employees across many different cohorts and career steps on specific skill sets, using intensive targeted programs that typically combine digital learning primers and classroom sessions

Because of COVID-19, in-person learning experiences were not possible during most of 2021, but we gradually resumed some in-person experiences on a smaller scale while continuing to ensure employee safety, which is our top priority. During the pandemic, we have preserved our core principles of providing rich opportunities for the onboarding learning of new joiners and for the upskilling of more experienced staff. We delivered more than 600,000 learning 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.

2021 Highlights

Adopting a Continuous Learning Model

We made significant progress in our transformation from discrete, annual learning events to continuous learning experiences. This approach also allows for a more balanced mix of formal training and active coaching support.

In 2021, we launched two continuous learning journeys. The first, for our junior hires, offers a strong onboarding start followed by upskilling experiences that are more self-paced and self-directed, reflecting the unique learner's needs. That journey ends with a capstone event that prepares the employee for the next learning journey. The second, for our newly elected managing directors and partners, supports them in their new role and focuses on commercial upskilling, combining multiple elements: live sessions, rich discussions, shared experiences during peer coaching, and in-depth one-on-one coaching. The results have been remarkable, with learners recommending the process to peers.

We also scaled up our Unlock Your Potential experience—self-paced learning journeys that enable employees to devote up to a week of dedicated time to upskill their digital and functional expertise during downtime. This program is coupled with an extensive online catalog that includes a wide range of topics from core skills through expertise, leadership, and well-being. Over the past year, in response to high demand during these challenging times, we stepped up our virtually held well-being sessions to support and strengthen our people's resilience and well-being.

We also expanded our offering of tailored learning paths to more job families and profiles within the business, as well as across functions, such as HR and IT, moving from “one-size-fits-all” to a more personalized approach.

Reconnecting and Preparing Our Learners for Pressing Business Needs

Looking forward, we hope to support our learners as they begin reconnecting for training in person more frequently than has been possible over the past two years. We expect topics such as AI, sustainability, and climate to be high priorities for our clients' CEOs. Accordingly, we will continue to invest in upskilling our staff broadly and deeply on these topics so that BCG remains the trusted partner of choice for our clients, allowing them to make choices that lead to sustainable competitive advantages.

2021 in Numbers



23 online modules completed annually per learner¹⁹

1 week of formal training completed annually, on average, per employee

92% attendance at career step training

24,000+ More than 24,000 employees reached with our learning experiences

¹⁹. Average for BCG employees who completed online modules.

Safety and Security

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 global 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. To cultivate awareness among our employees, we include health and safety procedures as a standard module in our new-hire induction process. Employees visiting a new office for the first time have access to local health and safety procedures. New office buildings are subject to a comprehensive risk assessment to mitigate our employees' and the firm's exposure to risk. 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. In 2021, onsite reviews were not possible, so our team continued to deliver a virtual program established in 2020.

Coping with COVID-19

COVID-19 response and employee support continued to be a key focus of BCG's safety and security initiatives in 2021. To promote the physical and psychological safety of our employees and to ensure a healthy, productive return to the office, it was imperative that our employees felt safe—and trusted that they would be cared for.

We actively worked with our people and clients to reduce the risk of COVID-19 transmission. We implemented vaccine distribution programs in collaboration with local governments across ten different countries to promote vaccination among our employees and within our communities. We provided paid time off for employees to get vaccinated, and we quickly developed and launched testing programs to support our people and our phased-in return-to-office approach. New tools and programs were launched to help employees balance mental well-being and productivity and to support them as they began to bridge remote working, office working, and client travel. We solicited employee feedback early and frequently to help address needs and build confidence.

We collaborated and captured insights from our many locations—sharing knowledge and experiences to take decisive action when conditions changed. We also leaned on our external science and medical experts for additional information at various stages of the pandemic. Faced with ongoing uncertainty, we monitor data and trends inside and outside the workplace and remain flexible and agile in our approach. Our global, regional, and local working teams meet regularly to address these issues.

We continue to work with all of our offices globally on an enhanced incident-response program. In addition to conducting simulation activities, we apply lessons learned during events that occurred in 2021—such as civil unrest, major weather events, and terrorist attacks—to develop new tools to support business resilience. These include a new web and mobile app that expedites and facilitates dynamic response across our incident response teams and a new enterprise-wide business continuity tool and enhanced disaster recovery functionality.

2021 in Numbers



100%

of new offices opened in 2021 were subject to a physical security risk assessment



100%

of new consulting staff completed our mandatory travel safety training



Promoting Responsible Business Practices

Dedication to responsible and ethical practices defines our 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 company values and purpose.

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Data Privacy and Information Security

2021 Highlights



We are committed to leading with integrity as we serve our clients and guide our teams. This year we refreshed our Code of Client Service—which links our values, purpose, and Code of Conduct—to clearly define the types of work we do, who we work for, and how we engage with clients.



We launched a new firm-wide change management program to strengthen our data protection policies, processes, and tools. These efforts have broadened and deepened our strong foundation to enable an effective data protection program.



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

2021 in Numbers



25,000

Our global headcount grew to 25,000 in 2021

\$11 billion

We generated \$11 billion in revenue globally in 2021

10–15%

We continued to invest 10% to 15% of our annual capacity in R&D activities

100%

of BCG employees have completed our Code of Conduct and Anti-Bribery & Corruption online training as part of their onboarding process²⁰

100%

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

100%

of BCG offices undergo a periodic internal risk review

100%

of our sourcing managers have been trained in sustainable procurement

²⁰. Because new people routinely join BCG, and some of them may not have completed the training at the time of reporting, compliance is marginally under 100%.

Responsible Business Practices

BCG Code of Conduct

Our Code of Conduct (the Code) sets expectations for the behavior of all BCGers, complements the ethos underlying our UN Global Compact (UNGC) commitment, and serves as a bridge connecting our firm's values, our policies and norms, and the actions of individuals. Updated in 2021 to ensure that it remains aligned with 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 Assurance & Advisory team deploys a regular process to assess the adherence of BCG's local offices to the Code, as well as to global and local policies, processes, and standards. 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 2021, as in prior years, 100% of BCG employees were required to complete a web-based training session on the updated Code of Conduct, confirm their understanding of the Code, and agree to comply with its terms. 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.

BCG's Code of Client Service

The BCG Code of Client Service (BCCS) provides a framework for global policies and processes related to our client work. A key element of the broader Code of Conduct, the BCCS underlines our commitment to lead with integrity as we serve our clients, operate in our communities, and guide our teams. In practice, the BCCS links our values, purpose, and Code of Conduct to clearly define what types of work we do, who we work for, how we engage with clients, how we use external advisors and information, and how we work together.

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 as an employer of choice for the best talent.

The Anti-Bribery & Corruption policy is a key component of our Code of Conduct and Code of Client Service, defining our commitment, expectations, and approach. All BCGers are expected to abide by all laws, treaties, and regulations that prohibit bribery and other corruption, including the US Foreign Corrupt Practices Act of 1977, as amended, and the UK Bribery Act. Accordingly, BCGers 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. This policy pertains to all members of the BCG community, including MDPs, officers, employees, contractors, clients, and others with whom we conduct business. We also adhere to 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 through appropriate channels if they encounter a situation without a clear resolution. Channels for raising questions or concerns include our legal team; our confidential ombudsperson channel; and our office, regional, and executive leadership. Our Assurance & Advisory team regularly 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 BCGers must complete an interactive Anti-Bribery & Corruption learning module, which explains the principles of the policy and identifies potential risks. This module contains customized content that enables our leadership cohorts to home in on scenarios and risks that are especially relevant to their roles. In 2021, a mandatory Anti-Bribery & Corruption refresher course was made part of required training for all BCGers.

Our zero-tolerance approach to bribery and corruption extends beyond our own employees to our contractors and suppliers. BCG expects all third parties to operate in full compliance with all applicable laws and regulations at all times. These criteria are clearly specified in our [Supplier Code of Conduct](#), which is publicly available and acknowledged by all BCG suppliers. (For more details, see the "Sustainable Procurement" section on [page 67](#).)

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 of our work, we uphold individual human rights without compromise. Our respect for human rights includes a deep appreciation of diversity. We provide equitable base pay and award bonuses on the basis of performance, 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 commitment includes supporting and respecting the protection of internationally proclaimed human rights and ensuring that we are not complicit in human rights abuses. The UNGC's 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 partner or supplier that violates our policies or standards. Our [BCG Supplier Code of Conduct](#) defines these expectations as minimum requirements for suppliers seeking to conduct business with us.

In 2021, we released our sixth [UK Modern Slavery Act Report](#), which explains our process for preventing slavery and human trafficking in our business and 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 take 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 ensure human rights compliance within their own supply chain, and 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 67](#).)

Taxation

Each BCG subsidiary is organized as a separate and independent legal entity and calculates and provides for income taxes in the tax jurisdictions in which it operates. Our global tax strategy is a critical element of our commitment to responsible and sustainable growth. We support the OECD international tax reform work on Base Erosion and Profit Shifting (BEPS), and we aim to comply fully with our obligations, engaging openly with tax authorities and other stakeholders to pay a fair share of tax in each jurisdiction in which we operate. BCG has already adopted a transfer pricing methodology that facilitates allocation of BCG's global profits among all countries where we operate, based on where our partners are located.

2021 in Numbers



100%

of new BCG employees completed our Code of Conduct and Anti-Bribery & Corruption online training as part of their onboarding process ²¹



100%

of active full-time employees completed the annual acknowledgment of the Code of Conduct, confirming their understanding of and compliance with its terms ²²



95%

of BCGers say they feel a personal accountability to uphold BCG's values and ethical standards ²³



100%

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

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

²². Because active employees routinely depart BCG, and some of them may not have completed the annual acknowledgment at the time of reporting, compliance is marginally under 100%.

²³. Source: 2021 BCG People Survey.

Global Risk Management

The BCG Global Risk Management function protects our partnership and the BCG brand by working with the business to facilitate proactive management of risks across regions, functions, and risk categories. As the first line of defense, our MDPs and all employees are accountable for identifying and mitigating risks in their day-to-day work. The risk function supports these efforts by developing and implementing a coordinated strategy to identify, assess, and mitigate significant risk exposures across our global organization, as overseen by our Audit and Risk Committee (a board committee in our firm). The Global Risk Management organization consists of three specialist teams: Enterprise Risk Management, Global Compliance, and Assurance & Advisory.

Enterprise Risk Management

BCG's Enterprise Risk Management (ERM) team maintains and implements a framework to support the proactive identification, assessment, mitigation, monitoring, and reporting of key risks to the organization's objectives. Central to these efforts is the enterprise risk register, which various stakeholders continuously evaluate and update, taking into consideration both internal and external sources in identifying and prioritizing risks. 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 and strategic risk initiatives for our ERM team. ERM also provides support and guidance in risk management best practices to offices and functions across BCG globally.

Global Compliance

The Global Compliance Team provides steering and oversight on compliance topics that anchor how all BCGers support each other, support our clients, and run our business. Led by our newly named global head of compliance and working closely with the legal team and with regional and functional compliance resources, the Global Compliance Team creates, maintains, and continuously improves the policies, processes, and systems that support critical global compliance topics. A network of risk and compliance nodes across BCG complements the Global Compliance Team, which works in close partnership with MDPs and local leadership to ensure their close alignment and to reinforce the individual responsibility and accountability of all BCGers.

Assurance & Advisory

Our internal Assurance & Advisory team independently and objectively examines and evaluates the adequacy and effectiveness of BCG's governance, risk management, and internal controls at the local office level, within BCG's global functions, and within our new businesses. The team regularly reviews each of BCG's global offices, functions, and new business to ascertain risks and deficiencies and to identify opportunities for improvement. These reviews are expansive in scope and typically occur at least every three years in all offices, depending on the local risk environment and the results of prior reviews.

On the basis of its reviews, the Assurance & Advisory 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. In accordance with the Institute of Internal Auditors standards, an independent external body periodically performs a quality assurance review of the Assurance & Advisory function.

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 or other internal policies 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 reporting, 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

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

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

- **Environmental.** We focus on protecting our planet and natural resources while delivering on our ambitious net-zero climate impact goal.
- **Social.** We aim to improve the quality of livelihoods and to advance diversity, equity, and inclusion through support of socially responsible and diverse suppliers.
- **Economic.** We look to build a more prosperous economy by driving investment in innovation and financial inclusion across our supply chain.

Below, we outline the **five core tenets** of our sustainable procurement approach.

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 Questionnaires

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 anti-bribery 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.

Supplier Diversity Program

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. Our procurement team maintains a master list of all such suppliers, and it reports and monitors spending with these suppliers on a quarterly basis. In 2021, 3% of our spending was with diverse suppliers.

2021 Highlights

This year we began piloting new approaches to building environmental sustainability criteria into our supplier selection and management program. For example, we worked with the managers of specific spending categories to develop more bespoke questionnaires and scorecards to use in assessing supplier sustainability credentials and performance during the proposal stage. We also delivered a new training program to all category sourcing managers on how to integrate sustainability into purchasing decisions and ongoing supplier relationship management.

We continued to strengthen our supply chain emissions measurement approach and methodology by developing automated internal reporting and data visualization tools to calculate and assess the GHG emissions generated by specific suppliers and spending categories. We hope that this will create a strong foundation for engaging more proactively with suppliers on their own climate actions in the coming year.

Finally, we have continued to strengthen our supplier risk capability by establishing processes to screen client-facing contractors and their owners. The purpose of these policies is to enhance our ability to protect BCG from supplier-related risk.

2021 in Numbers



100%

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

100%

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

100%

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

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. Protecting privacy and data is essential to preserving the trust of our clients and employees. Our global privacy and data protection program supports legal compliance and effective privacy risk management in the countries where we do business.

BCG policies governing the use and protection of personal information include our global data protection 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 guidelines to help staff interpret these policies. These internal policies and guidelines are binding on every BCG employee, and they 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 might compromise 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.

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

- A comprehensive record of how BCG processes personal data
- Data protection impact assessments to determine whether high-risk information systems have proper controls in place to mitigate risks to individuals
- Data-processing agreements with vendors, outlining security and privacy responsibilities
- Controls to reinforce 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 2021, all employees participated in mandatory privacy and security refresher training. Following updated European GDPR requirements, we updated our internal personal data transfer regime, as well as the processes we use to ensure the protection of personal data shared with suppliers. All data processed by BCG is subject to a revised data classification policy. Supporting the launch of the updated policy is a firm-wide change management effort to create awareness of the policy and of the tools that we introduced to effectively label data according to its sensitivity. These efforts have broadened and deepened our strong foundation for an effective data protection program.

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 multilayered, 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 a cyber event.

We maintain several information security compliance and audit certifications:

- 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

2021 in Numbers



100%

of new employees completed our mandatory data privacy and information security training as part of their onboarding process²⁴

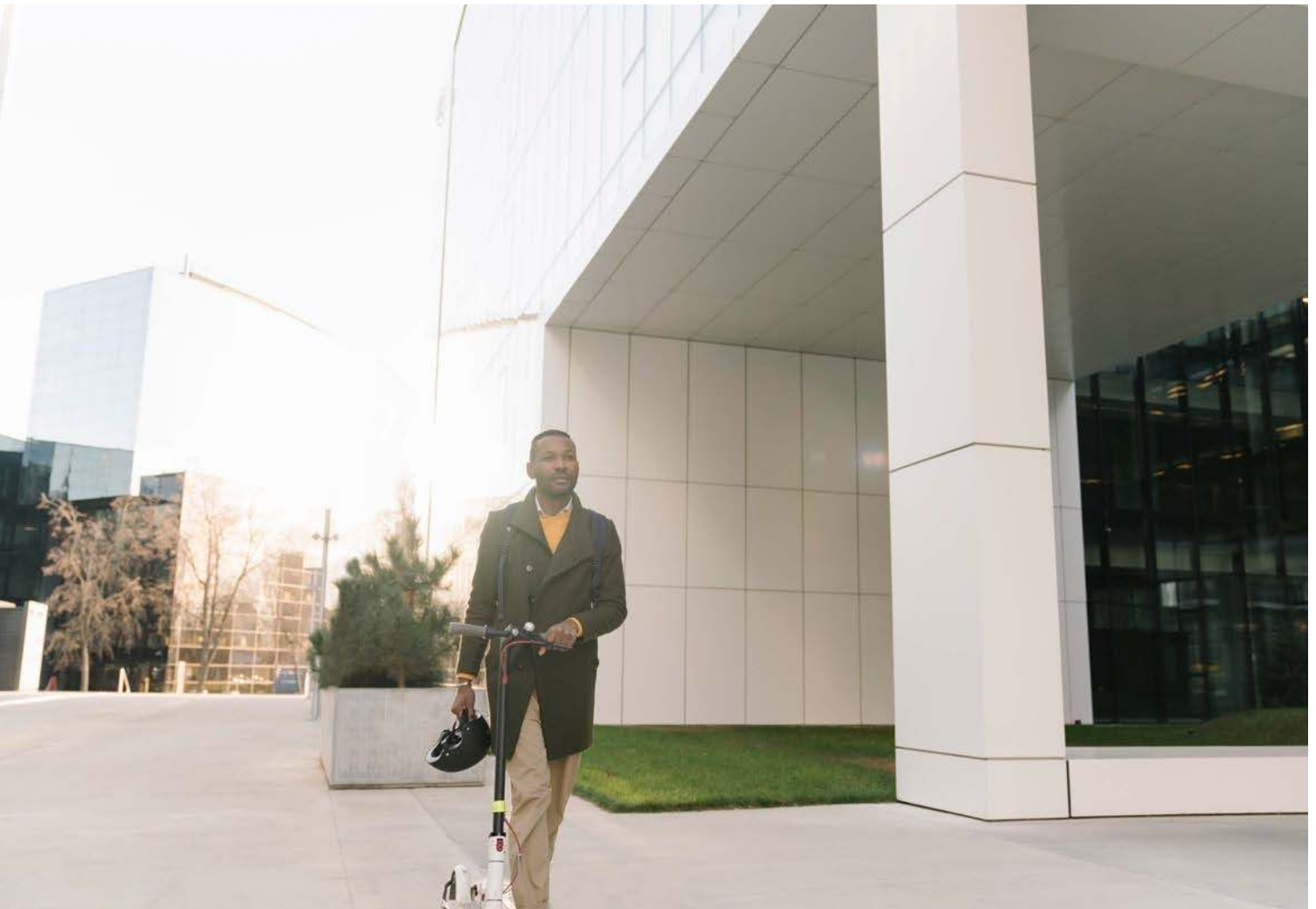


100%

of BCG employees annually certified their understanding of and compliance with the appropriate data privacy and information security policies²⁵

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

²⁵. 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%.



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Greenhouse Gas Reporting Methodology

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

Scope 1 and Scope 2 Emissions

We gather energy consumption data from our offices globally. Where possible, we collect actual consumption data from invoices 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. We follow the Scope 2 market-based accounting approach to account for our purchase of renewable electricity.

Scope 3 Business Travel Emissions

Business travel is our most material emissions source and makes up the majority of our GHG footprint. Our business travel emissions include flights, hotel nights, rail, rental cars, and taxis. To calculate those emissions, we use the distances traveled per mode and class of transport and the number of hotel nights, as provided by our global travel agent, and multiply the travel activity by the conversion factors produced by the UK government.²⁶ To account for travel booked by individuals outside our travel agent system, we apply a small uplift factor to flight, rail, and hotel emissions. For taxi emissions, since we do not have a central 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 UK government conversion factors to estimate the emissions.

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

- **Direct GHG emissions** resulting from the combustion of fuel to power the aircraft, known as tank-to-wake (TTW) emissions
- **Indirect GHG emissions** generated in the upstream production and transportation of the aircraft fuel, known as well-to-tank (WTT) emissions; the sum of WTT and TTW emissions is referred to as well-to-wake or life-cycle emissions

- **Non-GHG emissions** generated during the flight, such as nitrogen oxides, sulfur oxides, and particulate matter, as well as the formation of contrails that contribute to effective radiative forcing (ERF)

Although the impact of aviation on the global climate system clearly extends beyond the single effect of direct GHG emissions, the science in this area is nascent and the mitigation levers for addressing non-GHG factors remain largely untested. Accordingly, we have adopted the following recommendations from the SBTi Aviation Sector Guidance:²⁷

- In reporting progress toward our science-based target (as reported on [page 39](#)), we include both direct (TTW) and indirect (WTT) emissions, but we currently exclude non-GHG emissions.
- In reporting our full footprint and for our 2030 net-zero strategy, we include direct (TTW) GHG and non-GHG emissions. The conversion factors we use apply an uplift of 1.9 to the CO₂ emissions to account for the warming impact of non-GHG emissions.

We will continue to monitor scientific guidance for gauging the non-GHG-related climate impact of air travel and adjust our methodology as required.

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 emissions factors (tCO₂e/\$ spending) to estimate the full life-cycle emissions. For purchased services, we obtain supplier-specific data from public CDP disclosures where possible and allocate these to BCG using a tCO₂e/\$ spending allocation method. When supplier-specific information is unavailable, we use 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 WTT emissions and transmission and distribution (T&D) losses—we measure our electricity and fuel consumption and apply the relevant emissions factors. We estimate other, smaller emissions sources—such as employee commuting, waste, and upstream transportation and distribution—on the basis of the best available data. In 2021, we included an estimate of GHG emissions from remote working within the employee commuting Scope 3 category.

Restatements

No significant restatements for historical emissions have been identified.

²⁶. Conversion factors source: UK Department for Business, Energy & Industrial Strategy (BEIS), <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>.

²⁷. Science Based Targets initiative (SBTi) Aviation Sector Guidance, <https://sciencebasedtargets.org/sectors/aviation>.

Task Force on Climate-Related Financial Disclosures (TCFD)

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

For details about BCG's climate governance, see the governance section of the introduction ([page 6](#)).

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, and we include a summary of climate-related risks in our Annual Risk Report shared with BCG's MDPs.

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 MDPs 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 Global 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. In addition, we actively manage our own climate impacts through our net-zero program and our science-based targets.

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 27](#) of this report for more details.)

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

Impact on Business Strategy

We consider the risks and opportunities that climate change presents and factor them into our core business strategy, operations, and financial planning. We are investing heavily in our climate thought leadership and building our capacity in this topic area. We also recognize the cost avoidance benefits of reducing our business travel emissions intensity and are factoring this into our long-term 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 emissions reduction requirements—as defined by the Science Based Targets initiative—to meet different climate warming scenarios. This scenario analysis was integral to the process we used in setting our 1.5°C aligned science-based targets in 2021.

Key Performance Indicators

We monitor and report the performance and growth of our climate and environment work to reflect the opportunity this work presents. In 2021, we delivered approximately 780 cases to 450 clients, more than double the number of cases we delivered in 2020. We also invested \$160 million in climate-related initiatives, meaning that we have already invested \$240 of the pledged \$400 million for the entire decade in the first two years of this target.

In addition, we track our carbon emissions globally (reported on [page 38](#)) and our progress toward our science-based targets (reported on [page 39](#)). We also monitor the cost savings associated with achieving our emissions reduction targets and the program costs associated with delivering our net-zero strategy (including carbon credit and renewable energy certificate purchases). We disclose our implicit carbon price (\$9 per metric ton) on [page 43](#) of this report.

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 8](#) of this report. It also summarizes key feedback from our stakeholders received during the reporting period, along with our response to this feedback.

Material topic	Description	Stakeholder feedback in 2021	BCG's response in 2021	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.	BCG should strengthen its client service policies and guidance in light of increased public scrutiny of the projects conducted by consulting firms.	We launched BCG's Code of Client Service (BCCS), which provides a framework for the global policies and processes related to our client and project selection.	64
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.	BCG should clearly define its approach to working with clients in hard-to-abate sectors and show how this aligns with its commitments on climate.	We have developed internal policies to more clearly define the projects and clients we will and will not support.	26
		BCG should use its influential position to help shape the global response to the climate crisis.	We launched an exclusive consulting partnership with COP26 and supported the UN High-Level Climate Action Champion.	35
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.	BCG should continue to demonstrate its climate leadership position through adoption of best practices.	We set verified Science-Based targets in 2021 and established our position on the CDP Climate A List.	39
		BCG should send a strong demand signal to support the scale-up of emerging climate technologies such as sustainable aviation fuel and direct-air capture.	We launched new partnerships with Breakthrough Energy Catalyst and First Movers Coalition to advance low-carbon technology, and we signed offtake agreements with leaders such as Climeworks and SkyNRG.	40
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.	BCG should continue to adopt best practices to strengthen its approach to data privacy and information security.	We updated our data classification policy and launched a firmwide change management effort to raise awareness of the new policy and tools.	69

Material topic	Description	Stakeholder feedback in 2021	BCG's response in 2021	Page number
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.	BCG should use its influential position to help collectively build equitable and just workplaces for professionals with underrepresented racial and ethnic identities.	BCG joined the World Economic Forum's Partnering for Racial Justice in Business coalition and began delivering on its six racial equity commitments, including donating more than \$650,000 to organizations focused on Black equity.	51
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.	BCG should continue to prioritize delivering COVID-19 response and recovery cases.	We remained at the forefront of COVID-19 response and recovery, delivering about 370 public-sector support efforts across 50 countries since the start of the pandemic.	16
		BCG should continue to invest in developing capabilities and strengthening its social impact team to support growing demand from clients.	We invested over \$320 million in our social impact work and increased the size of our social impact consulting team, which is now more than 1,600 people strong.	15
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.	BCG should seek to better understand what the best people working in digital and consulting roles are looking for in an employer.	We ran a comprehensive internal and external research exercise and will embed the insights from this research in our new Candidate Value Proposition.	48
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.	BCG should enhance its support for employee mental health and resilience in response to the challenges presented by the global pandemic.	We launched a framework we call the "Five R's"—reinforce, recognize, reconnect, recharge, reimagine—with a particular focus on expanding our offerings to recharge the mental health of our people.	49
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.	BCG should continue to prioritize the safety and well-being of its people by reducing the risk of COVID-19 transmission within BCG's offices and teams.	We implemented vaccine distribution programs, provided paid time off to support employee vaccinations, and launched testing programs to support the safety of our people during our phased return-to-office period.	58
Safety and security	Providing a safe, secure work environment for all of our colleagues and partners is essential.			61

Material topic	Description	Stakeholder feedback in 2021	BCG's response in 2021	Page number
Learning and development	To best serve our clients, we need to facilitate continuous learning for our people.	BCG should focus learning and development programs on upskilling employees.	We scaled up our “Unlock Your Potential” campaign, which allows employees to devote up to a week of dedicated time toward digital upskilling during downtime.	59
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.	BCG should strengthen its approach to measuring supply chain emissions related to purchased goods and services.	We developed a more granular approach to quantifying our Scope 3 purchased goods and services emissions.	67
Community contribution	As responsible corporate citizens, we are committed to supporting and advancing the communities in which we operate.	BCG should be more transparent about the financial support it offers to local communities directly and through its social impact investments.	We disclosed our total investment in societal impact projects, which exceeded \$320 million in 2021.	16

World Economic Forum's Stakeholder Capitalism Metrics

BCG is a signatory of the [World Economic Forum's Stakeholder Capitalism Metrics](#). We support the greater convergence of ESG reporting standards in pursuit of more prosperous, equitable societies and a more sustainable relationship with our planet. We actively encourage our stakeholders and business partners to consider adopting the WEF metrics for their own reporting.

Below are our 21 core metrics, reported according to four pillars: governance, planet, people, and prosperity. We do not consider all of the metrics to be material for us as a private professional-services firm, which we explain. We have made good progress both in our performance across the relevant metrics and in our reporting coverage, and we are committed to going further in the years to come.

Rather than repeat all of the data points in the table below, we provide a link to the relevant section of this report where we disclose each one.

PILLAR 1: GOVERNANCE

21 Core Metrics

Disclosure

1	Setting purpose	Our purpose is to unlock the potential of those who advance the world. For more information, see "Our Purpose" and "Our Values" (page 4).
2	Governance body composition	Boston Consulting Group Inc. is governed by its board of directors with BCG's Executive Committee empowered to act on behalf of the board, except for certain powers the board has reserved to itself. The Executive Committee is composed of appointed and elected members covering BCG's key geographies and business areas. The members are eligible to serve for a maximum period of six years, which may be extended if it is in the best interests of the firm to do so. Elected members have three-year terms and must be reelected for their second term. Throughout 2021 and currently, 35% of the Executive Committee are women. For more information, see "Governance" (page 6) and "Empowering Our People Data" (page 82).
3	Material issues with an impact on stakeholders	Identifying our primary stakeholder groups and engaging with them to define our most material topics are critical to ensuring that our strategy, work, and reporting cover the right topics in the right way. We update our materiality assessment annually, because BCG is growing quickly, as is the maturity of our ESG programs. For more information, see "Stakeholder Engagement and Materiality" (page 75).
4	Anti-corruption	Dedication to responsible and ethical practices defines BCG's approach to business. We consider this commitment core to our success and to the reputational integrity of our clients and our firm. As part of our mandatory training on business ethics, 100% of BCG employees (including Executive Committee members) have completed our Anti-Bribery & Corruption and Code of Conduct online training. For more information, see "Anti-Bribery and Corruption" (page 64), and "Promoting Responsible Business Practices Data" (page 83).
5	Protected ethics advice and reporting mechanisms	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. Our confidential ombudsperson channel is available to 100% of BCG employees and is designed to support employees seeking advice or looking to report concerns about unethical or unlawful behavior. For more information, see "Raising Concerns" (page 66).
6	Integrating risk and opportunity into business process	The objective of our risk management program is to protect our partnership and the BCG brand through proactive risk identification and support of mitigating activities. 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. For more information, see "Enterprise Risk Management" (page 66).

PILLAR 2: PLANET

21 Core Metrics	Disclosure
7 Greenhouse gas (GHG) emissions	As part of our commitment to reach net-zero climate impact by 2030, 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. In 2021, our Scope 1 emissions were 3 KtCO₂e, our Scope 2 (market-based) emissions were 0 KtCO₂e, and our Scope 3 emissions were 148 KtCO₂e. For more information, see “Protecting Our Planet Data” (page 81) and “Measuring Our Footprint” (page 38).
8 TCFD implementation	BCG supports and publicly endorses the TCFD framework. We have aligned our report with the TCFD recommendations. As part of our commitment to reach net-zero climate impact by 2030, we have set science-based targets verified by the Science Based Targets initiative (SBTi) that align with the most ambitious goal of the Paris Agreement: to limit a global temperature rise to 1.5°C above preindustrial levels. For more information, see “Managing Climate-Related Risk and Opportunity” (page 73), “Protecting Our Planet” (page 24), and “Protecting Our Planet Data” (page 81).
9 Land use and ecological sensitivity	We are a professional services firm, and our land use is limited to our offices, which are primarily located in city centers. Given this context, we do not currently measure our impact on land use or biodiversity.
10 Water consumption and withdrawal in water-stressed areas	We are a professional services firm, and our water consumption is limited to use in the washrooms and kitchens in our offices. Given this context, we do not currently consider water use to be a material topic. However we do have programs in place to promote water conservation in our offices, such as waterless and low-flush facilities in our washrooms.

PILLAR 3: PEOPLE

21 Core Metrics	Disclosure
11 Diversity and inclusion	Diversity is one of BCG’s core founding values. We report numerous diversity metrics covering gender, racial, ethnic, and other diversity indicators. For more information, see “Empowering Our People Data” (page 82) and “Diversity, Equity, and Inclusion” (page 51).
12 Pay equity	Ensuring fair and equitable pay for all employees is part of BCG’s commitment to an inclusive workplace that fosters diverse perspectives. BCG is a member of Employers for Pay Equity, and as such we sign an annual pledge promoting equal pay, transparency, and accountability. Although we apply more rigorous standards than are legally required, we also comply with all applicable pay equity laws and regulations, including the UK’s gender pay gap reporting obligations. For more information, see “Pay Equity” (page 50), “Diversity, Equity, and Inclusion” (page 51), and BCG UK Gender Pay Gap Report.
13 Wage level	We provide equitable base pay and award bonuses based on performance, both of which we monitor worldwide. Compensation levels are market competitive and benchmarked annually, using multiple survey sources. Our pay levels are highly competitive and greatly exceed minimum wage requirements, including in the US, where all regular employees’ hourly pay exceeds \$20 per hour. For more information, see “Pay Equity” (page 50).

PILLAR 3: PEOPLE (continuation)

21 Core Metrics	Disclosure
14 Risk for incidents of child, forced, or compulsory labor	Respect for the individual is a core value at BCG, as reflected in our Code of Conduct. 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 extends to our suppliers through our Supplier Code of Conduct, and we will not knowingly do business with any partners or suppliers that violate our policies or standards. For more information, see “Human Rights” (page 65), and the BCG Supplier Code of Conduct.
15 Health and safety	All BCG employees have access to health and well-being resources and services under the Wellbeing@BCG framework. We have also established robust safety and security programs and policies. As a professional services firm, we are at very low risk of industrial accidents or fatalities in our offices; as such, we do not report on work-related injuries. For more information, see “Employee Well-Being” (page 58) and “Safety and Security” (page 61).
16 Training provided	We aim to deliver a world-class learning experience that accelerates employee development, deepens a sense of belonging, and unlocks employees’ potential. We facilitate continuous learning for our employees, offering multiple delivery channels for ease of access. Each employee completes one week of formal training per year, on average. For more information, see “Learning and Development” (page 59) and “Empowering Our People Data” (page 82).

PILLAR 4: PROSPERITY

21 Core Metrics	Disclosure
17 Absolute number and rate of employment	At BCG, we aim to be the premier employer of choice by offering an unparalleled employee experience. In 2021, more than 7,000 people joined BCG taking our total headcount to 25,000. Among our new hires, 48% globally were women and 51% (in the US) represented a racial or ethnic minority. For more information, see “Empowering Our People Data” (page 82).
18 Economic contribution	BCG generated \$11 billion in revenue globally in 2021. We also invested more than \$320 million in community and global social impact initiatives. For more information, see “About BCG” (page 4), and “Driving Social Impact” (page 12).
19 Financial investment contribution	As a privately owned partnership, BCG does not publicly disclose competitively sensitive financial metrics such as capital expenditure.
20 Total R&D expenses (\$)	One of our core values is “expanding the art of the possible.” Our goal is not simply to apply best practices, but also to invent them. Innovation is integral to maintaining competitive advantage and developing solutions to meet our clients’ changing needs. We invest 10% to 15% of our annual capacity in research and development activities, including developing intellectual property, new methodologies, and client offerings. For more information, see “About BCG” (page 4).
21 Total tax paid	Each BCG subsidiary is organized as a separate and independent legal entity and calculates and provides for income taxes in each of the tax jurisdictions in which it operates. Our global tax strategy is a critical element of our commitment to responsible and sustainable growth. We support the OECD international tax reform work on Base Erosion and Profit Shifting (BEPS), and aim to comply fully with our obligations, engaging openly with tax authorities and other stakeholders to pay a fair share of tax in each jurisdiction we operate in. BCG has already adopted a transfer pricing methodology that facilitates allocation of BCG’s global profits among all countries we operate in, based on where our partners are located.

DRIVING SOCIAL IMPACT DATA²⁸

Driving Social Impact	Target	Year	2019	2020	2021
Number of social impact client cases	—	—	560	900	1,300
Number of clients with social impact cases	—	—	340	510	660
Percentage of largest clients with a social impact case ²⁹	50%	Annually	—	52%	68%
Total investment in social impact initiatives (\$million) ³⁰	—	—	180	290	320

PROTECTING OUR PLANET DATA

Protecting Our Planet	Target	Year	2019	2020	2021
Number of climate and sustainability cases	—	—	170	360	780
Number of clients with climate and sustainability cases	—	—	120	240	450
Total investment in climate and sustainability initiatives (\$million) ³¹	\$400	2030	—	80	160
Share of BCG's operations covered by CarbonNeutral® company certification	100%	Annually	100%	100%	100%
Reduction in Scope 1 and 2 emissions per full-time equivalent (vs. 2018 baseline)	92%	2025	82%	90%	92%
Reduction in business travel emissions per full-time equivalent (vs. 2018 baseline)	48.5%	2025	9%	82%	87%
Electricity consumption from renewable energy sources (%)	100%	Annually	100%	100%	100%
Proportion of carbon dioxide removal (CDR) projects in carbon credit portfolio	100%	2030	30%	40%	44%
Employees receiving climate training materials and communications (%)	100%	Annually	100%	100%	100%

GHG Emissions	2018	2019	2020	2021
Scope 1 (KtCO ₂ e)	5	6	4	3
Scope 2—market based (KtCO ₂ e) ³²	25	0	0	0
Scope 2—location based (KtCO ₂ e)	29	19	16	16
Scope 3 (KtCO ₂ e) ³³	553	566	174	148
Total greenhouse gas emissions—market based (KtCO ₂ e)	584	572	177	151

²⁸ In this and subsequent tables, a dash in place of a data point indicates either that no target or target year has been set, or that data was not available to report.

²⁹ BCG began tracking this metric in 2020. "Largest clients" refers to top 50 BCG clients.

³⁰ Includes pro bono and low bono cases, investments in local social impact projects, and global social impact partnership.

³¹ Includes consulting support, external secondments, net-zero partnership costs, and marketing initiatives.

³² 100% of our electricity came from renewable energy sources, resulting in 0 tCO₂e Scope 2 emissions.

³³ Scope 3 GHG emissions include business travel, employee commuting, waste, fuel- and energy-related activities, purchased goods and services, capital goods, and upstream transportation and distribution.

EMPOWERING OUR PEOPLE DATA

Empowering Our People

Target Year 2019 2020 2021

Employment

Global headcount	–	–	21,000	22,000	25,000
Global new hires ³⁴	–	–	–	–	7,000

Gender

Representation of women globally	40%	Annually	43%	44%	45%
Representation of women on Executive Committee	–	–	35%	35%	35%
Representation of women among leadership ³⁵	–	–	23%	23%	24%
Representation of women among global new hires	–	–	–	44%	48%
Representation of women among entry-level hires to the consulting team	40%	Annually	36%	42%	41%

Racial and Ethnic Minorities (US only)³⁶

Representation of racial and ethnic minorities among US workforce	–	–	38%	39%	42%
Representation of racial and ethnic minorities among US leadership ³⁷	–	–	27%	27%	30%
Representation of racial and ethnic minorities among US new hires	–	–	45%	51%	51%

Other Diversity Indicators (US only)

Veteran	–	–	2%	2%	2%
LGBTQ+ ³⁸	–	–	4%	4%	5%
Disability ³⁹	–	–	2%	2%	2%

Working at BCG

Average number of training days per person ⁴⁰	1 week	Annually	1 week	1 week	1 week
Percentage of employees with access to health and well-being support services	100%	Annually	100%	100%	100%
Percentage of employees receiving annual performance reviews ⁴¹	100%	Annually	–	–	100%
Percentage of employees with access to personalized career plan	100%	Annually	100%	100%	100%

Safety and Security Metrics

New offices conducting a travel safety risk assessment	100%	Annually	100%	100%	100%
New consultants completing our travel safety e-learning ⁴²	100%	Annually	–	100%	100%

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

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

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

³⁷. Includes MDPs and other senior leadership roles.

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

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

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

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

⁴². The mandatory training was launched in 2020.

PROMOTING RESPONSIBLE BUSINESS PRACTICES DATA

Responsible Business Metrics	Target	Year	2019	2020	2021
Revenue (\$billion)	–	–	8.5	8.6	11
Employees who completed our Code of Conduct and Anti-Bribery & Corruption online training ⁴³	100%	Ongoing	100%	100%	100%
Employees who completed acknowledgment of Code of Conduct and Anti-Bribery & Corruption policies ⁴⁴	100%	Annually	100%	100%	100%
Percentage of offices undergoing a periodic internal risk review	100%	Ongoing	100%	100%	100%
Employees who completed our data privacy and information security online training ⁴⁵	100%	Ongoing	100%	100%	100%
Employees who completed annual acknowledgment of data privacy and information security policies ⁴⁶	100%	Annually	100%	100%	100%

Sustainable Procurement Metrics

Sourcing managers trained in sustainable procurement topics	100%	Annually	100%	100%	100%
Spending with diverse suppliers (US only)	5%	Annually	–	2%	3%
Supplier contract templates that include a clause on adherence to the supplier code of conduct	100%	Annually	100%	100%	100%
Supplier questionnaire templates that include sustainability questions	100%	Annually	100%	100%	100%

⁴³. All BCG staff are required to take this training. All staff completed the training when it was released, and all new hires are required to complete it as part of their onboarding. Because new people routinely join BCG, and some of them may not have completed the training at the time of reporting, compliance is marginally under 100%.

⁴⁴. Because some active employees depart BCG, and some of them may not have completed the annual acknowledgment at the time of reporting, compliance is marginally under 100%.

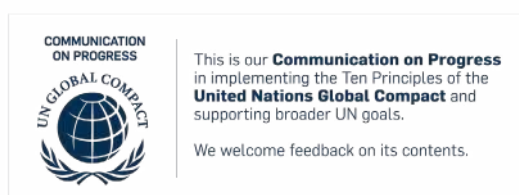
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⁴⁶. Because some active employees depart BCG, and some of them may not have completed the annual acknowledgment at the time of reporting, compliance is marginally under 100%.

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



BCG – UN Global Compact (UNGC) Content Index

Topic	Human rights	Principle	Section	Page
Human rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Human Rights	65
			Sustainable Procurement	67
Labor	Principle 2	make sure that they are not complicit in human rights abuses.	Human Rights	65
	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Empowering Our People	48
			Promoting Responsible Business Practices	64
	Principle 4	the elimination of all forms of forced and compulsory labor;	Empowering Our People	50
			Promoting Responsible Business Practices	65
	Principle 5	the effective abolition of child labor; and	Empowering Our People	50
			Promoting Responsible Business Practices	65
	Principle 6	the elimination of discrimination in respect of employment and occupation.	Empowering Our People	48
			Promoting Responsible Business Practices	64

Topic	Human rights	Principle	Section	Page
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	Protecting Our Planet	37
	Principle 8	undertake initiatives to promote greater environmental responsibility; and	Protecting Our Planet	37
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	Protecting Our Planet	37
Anti-corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Promoting Responsible Business Practices	64

Global Reporting Initiative Content Index

BCG's 2021 Annual Sustainability Report has been prepared referencing the GRI Standards. All referenced disclosures detailed in the report are listed in the table below. For more information about these standards, please visit the GRI website, <https://www.globalreporting.org/>.

GRI #	Disclosure	2020 response	Page reference
GENERAL DISCLOSURES			
102-1	Name of the organization	<i>Boston Consulting Group, Inc.</i>	
102-2	Activities, brands, products, and services	<i>See the "About Us" section of BCG.com.</i>	About Us
102-3	Location of headquarters	<i>Headquarters – 200 Pier Four Blvd., Boston, MA 02210</i>	
102-4	Location of operations	<i>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.</i>	BCG Offices
102-5	Ownership and legal form	<i>The corporation is wholly owned by the members of its partnership. BCG's offices are owned directly or indirectly by Boston Consulting Group, Inc.</i>	6
102-6	Markets served	<i>A full list of our capabilities and the industries we serve is provided on our website.</i>	Industries and Capabilities
102-7	Scale of the organization	<i>BCG's 2021 headcount: 25,000 BCG's 2021 revenue: \$11 billion</i>	4
102-8	Information on employees and other workers	<i>BCG's 2021 Annual Sustainability Report – Empowering Our People Data We report diversity metrics at a global level only.</i>	82
102-9	Supply chain	<i>BCG's 2021 Annual Sustainability Report – Sustainable Procurement This section of our Annual Sustainability Report provides more information on our supply chain and sustainable procurement practices.</i>	67
102-10	Significant changes to the organization and its supply chain	<i>There were no significant changes to BCG's size, structure, supply chain, or ownership in 2021.</i>	

GRI #	Disclosure	2020 response	Page reference
102-11	Precautionary principle or approach	BCG's 2021 Annual Sustainability Report – Protecting Our Planet <i>This section of the report outlines our commitment to managing environmental risks and avoiding environmental degradation.</i>	37
102-12	External initiatives	BCG's 2021 Annual Sustainability Report – Partnering with Our Clients to Drive Societal Impact <i>This section of the report outlines our key partnerships and external initiatives.</i>	14
102-13	Membership of associations	<i>BCG fosters long-term relationships with a number of today's most relevant and innovative organizations. A list of our key partnerships is available on our website.</i>	Global Partnerships
102-14	Statement from senior decision maker	BCG's 2021 Annual Sustainability Report – Executive Introduction	1
102-16	Values, principles, standards, and norms of behavior	BCG's 2021 Annual Sustainability Report – Our Purpose and Our Values BCG's 2021 Annual Sustainability Report – Promoting Responsible Business Practices	4 and 5 64
102-17	Mechanisms for advice and concerns about ethics	BCG's 2021 Annual Sustainability Report – Promoting Responsible Business Practices	66
102-18	Governance structure	BCG's 2021 Annual Sustainability Report – Governance	6
102-40	List of stakeholder groups	BCG's 2021 Annual Sustainability Report – Stakeholder Engagement and Materiality	7
102-41	Collective bargaining agreements	<i>BCG does not currently report on the percentage of employees covered by collective bargaining agreements.</i>	
102-42	Identifying and selecting stakeholders	BCG's 2021 Annual Sustainability Report – Stakeholder Engagement and Materiality	7
102-43	Approach to stakeholder engagement	BCG's 2021 Annual Sustainability Report – Stakeholder Engagement and Materiality	7
102-44	Key topics and concerns raised	BCG's 2021 Annual Sustainability Report – Stakeholder Engagement and Materiality <i>Additional information is available in the stakeholder engagement and materiality feedback section of the appendix.</i>	7 75

GRI #	Disclosure	2020 response	Page reference
102-45	Entities included in the consolidated financial statements	BCG's 2021 Annual Sustainability Report – About This Report <i>We report BCG's material nonfinancial impacts for Boston Consulting Group, Inc., as a single entity.</i>	3
102-46	Defining report content and topic boundaries	BCG's 2021 Annual Sustainability Report – About This Report BCG's 2021 Annual Sustainability Report – Stakeholder Engagement and Materiality	3 7
102-47	List of material topics	BCG's 2021 Annual Sustainability Report – Stakeholder Engagement and Materiality	8
102-48	Restatements of information	BCG's 2021 Annual Sustainability Report – Greenhouse Gas Reporting Methodology <i>We summarize restatements in the appendix of this report.</i>	72
102-49	Changes in reporting	BCG's 2021 Annual Sustainability Report – Stakeholder Engagement and Materiality <i>We outline any reporting changes in our materiality matrix.</i>	8
102-50	Reporting period	BCG's 2021 Annual Sustainability Report – About This Report <i>We describe BCG's material nonfinancial impact during the 2021 calendar year.</i>	3
102-51	Date of most recent report	<i>Our 2020 Annual Sustainability Report is our most recent report.</i>	2020 Annual Sustainability Report
102-52	Reporting cycle	BCG's 2021 Annual Sustainability Report – About This Report <i>We follow an annual calendar year reporting cycle.</i>	3
102-53	Contact point for questions regarding the report	BCG's 2021 Annual Sustainability Report – About This Report SustainabilityReporting@bcg.com	3
102-54	Claims of reporting in accordance with the GRI Standards	<i>BCG's 2021 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	<i>This GRI content index table specifies each of the GRI Standards included in the report.</i>	
102-56	External assurance	<i>Our reported GHG emissions and progress against GHG emissions targets have been independently verified under the ISO 14064-3 standard with a limited level of assurance.</i>	

ECONOMIC STANDARDS

GRI 205: Anti-corruption

103-1	Explanation of the material topic and its boundary	BCG's 2021 Annual Sustainability Report – Promoting Responsible Business Practices <i>For more information about how we determine our material topic, see the “Stakeholder Engagement and Materiality” section of the Annual Sustainability Report.</i>	64
103-2	The management approach and its components	BCG's 2021 Annual Sustainability Report – Promoting Responsible Business Practices (Anti-Bribery & Corruption)	64
103-3	Evaluation of the management approach	BCG's 2021 Annual Sustainability Report – Promoting Responsible Business Practices (Anti-Bribery & Corruption)	64
205-2	Communication and training about anti-corruption policies and procedures	BCG's 2021 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. We also communicate our Anti-Bribery & Corruption expectations to our suppliers through our Supplier Code of Conduct.</i>	64 Supplier Code of Conduct

GRI 206: Anti-competitive behavior

103-1	Explanation of the material topic and its boundary	BCG's 2021 Annual Sustainability Report – Promoting Responsible Business Practices <i>For more information about how we determine our material topic, see the “Stakeholder Engagement and Materiality” section of the Annual Sustainability Report.</i>	64
103-2	The management approach and its components	BCG's 2021 Annual Sustainability Report – Promoting Responsible Business Practices (Anti-Bribery & Corruption)	64
103-3	Evaluation of the management approach	BCG's 2021 Annual Sustainability Report – Promoting Responsible Business Practices (Anti-Bribery & Corruption)	64
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<i>We do not report the number of legal actions as that is company confidential information.</i>	

ENVIRONMENTAL STANDARDS

GRI 305: Emissions

103-1	Explanation of the material topic and its boundary	BCG's 2021 Annual Sustainability Report – Protecting Our Planet <i>For more information about how we determine our material topic, see the “Stakeholder Engagement and Materiality” section of the Annual Sustainability Report.</i>	24
103-2	The management approach and its components	BCG's 2021 Annual Sustainability Report – Protecting Our Planet	24
103-3	Evaluation of the management approach	BCG's 2021 Annual Sustainability Report – Protecting Our Planet	24
305-1	Direct (Scope 1) GHG emissions	BCG's 2021 Annual Sustainability Report – Protecting Our Planet <i>Scope 1 gross emissions in 2021 = 3 KtCO₂e</i> <i>For information regarding the calculation methodology, see “Greenhouse Gas Reporting Methodology” in the appendix.</i>	38
305-2	Indirect (Scope 2) GHG emissions	BCG's 2021 Annual Sustainability Report – Protecting Our Planet <i>Scope 2 (location-based) = 16 KtCO₂e</i> <i>Scope 2 (market-based) = 0 KtCO₂e</i> <i>For information regarding the calculation methodology, see “Greenhouse Gas Reporting Methodology” in the appendix</i>	38
305-3	Indirect (Scope 3) GHG emissions	BCG's 2021 Annual Sustainability Report – Protecting Our Planet <i>Scope 3 = 148 KtCO₂e</i> <i>For information regarding the calculation methodology, see “Greenhouse Gas Reporting Methodology” in the appendix.</i>	38

SOCIAL STANDARDS

GRI 404: Training and Education

103-1	Explanation of the material topic and its boundary	BCG's 2021 Annual Sustainability Report – Empowering Our People (Learning and Development) <i>For more information about how we determine our material topic, see the “Stakeholder Engagement and Materiality” section of the Annual Sustainability Report.</i>	59
103-2	The management approach and its components	BCG's 2021 Annual Sustainability Report – Empowering Our People (Learning and Development)	59

GRI #	Disclosure	2020 response	Page reference
103-3	Evaluation of the management approach	BCG's 2021 Annual Sustainability Report – Empowering Our People (Learning and Development)	59
404-1	Average hours of training per year per employee	BCG's 2021 Annual Sustainability Report – Empowering Our People (Learning and Development) <i>In 2021, our people completed one week of formal training per employee, on average. We provide a global average for learning and development time.</i>	59
404-2	Programs for upgrading employee skills and transition assistance programs	BCG's 2021 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 2021, 91% of applicable employees participated in a career step program.</i>	59

405: Diversity and Equal Opportunity

103-1	Explanation of the material topic and its boundary	BCG's 2021 Annual Sustainability Report – Empowering Our People (Diversity, Equity, and Inclusion) <i>For more information about how we determine our material topic, see the “Stakeholder Engagement and Materiality” section of the Annual Sustainability Report.</i>	51
103-2	The management approach and its components	BCG's 2021 Annual Sustainability Report – Empowering Our People (Diversity, Equity, and Inclusion)	51
103-3	Evaluation of the management approach	BCG's 2021 Annual Sustainability Report – Empowering Our People (Diversity, Equity, and Inclusion)	51
405-1	Diversity of governance bodies and employees	BCG's 2021 Annual Sustainability Report – Empowering Our People (Diversity, Equity, and Inclusion) <i>We currently provide the global gender breakdown for global headcount, new hires, leadership, and the Executive Committee. We report representation of racial and ethnic minorities for the US only.</i>	51
405-2	Ratio of basic salary and remuneration of women to men	<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. BCG is a member of Employers for Pay Equity, where we sign an annual pledge promoting equal pay, transparency, and accountability.</i>	BCG UK Gender Pay Gap Report

