BCG

AI Code of Conduct

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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.
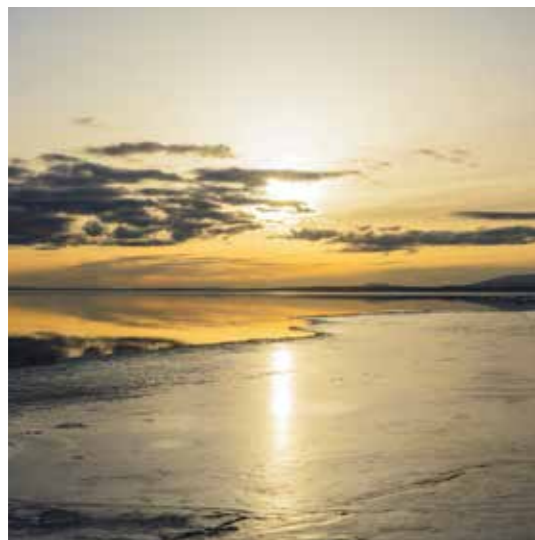
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>
> – Christoph Schweizer, CEO

A Message from Our CEO

Dear colleagues and friends of BCG,

As you know, AI and data are playing an increasingly vital role in our clients' businesses. Clients trust us to help them transform their organizations and industries through AI. And though AI presents another exciting avenue for us to live our Purpose—**to unlock the potential of those who advance the world**—it comes with risks. We have an obligation to ensure that the AI solutions we create deliver transformative impact without inadvertently harming people or communities or compromising BCG's values.

This is a time for BCG to lead with integrity. We have a duty to ourselves, our clients, and society to proactively ensure that the responsible use of AI is core to our approach. This Code of Conduct outlines what we're already doing, as well as our promise for the future: to continue to responsibly design, develop, and deploy AI systems around the world.

Thank you for your continued support and engagement. I look forward to advancing our clients and the world through AI – responsibly.

Christoph Schweizer

BCG Purpose + Responsible AI

In the constantly changing field of AI, with its potential benefits and mounting risks, it's vital that we anchor ourselves to our Purpose: to unlock the potential of those who advance the world.

Our Purpose is underpinned by five pillars that capture the core facets of who we are as an organization. They guide how we interact with each other, our clients, and the world, including our approach to designing, developing, deploying, and using AI. Our Responsible AI approach is anchored to our timeless Purpose Principles, which capture our distinctive strengths: Bring Insight to Light, Drive Inspired Impact, Conquer Complexity, Lead with Integrity, and Grow by Growing Others.

BRING INSIGHT TO LIGHT

We make the unknowns of AI known, illuminating all possible outcomes of a system before and during the design process. We drive **transparency by explaining** how an AI algorithm operates, what data it uses, how it decides, and what its intentions are.

Example:

BCG developed FACET, an open-source library for explainable AI to support exploration and understanding of supervised machine-learning models. FACET breaks down feature interactions into three key components: redundancy, synergy, and independence. By helping developers and business users understand how algorithms analyze the data sets on which AI predictions are based, FACET reestablishes human control over and trust in AI.

DRIVE INSPIRED IMPACT

We employ AI boldly and proactively to create transformative business impact, but with protections to ensure that it doesn't harm **society**. By creating **safeguards** to protect data and reduce unintended behaviors and outcomes, we can be confident that the systems we devise are **secure, equitable, and fair.**

Example:

BCG worked with a brick-and-mortar retailer to optimize the footprint of its locations. We helped the client think beyond just cost and revenue forecasts to consider the socioeconomic diversity of the neighborhoods where its stores would be opened or closed. The approach helped our client live up to the DEI commitments it had made to shareholders and customers.

CONQUER COMPLEXITY

We **bring to light the possibilities and risks** that machine learning presents. Our task is to design elegant AI systems to **solve problems, create value, and minimize the environmental impact** of their operation and the outcomes they produce.

Example:

BCG worked with a global fashion retailer to retool its demand forecasting system in a way that enabled human control while leveraging AI. We created a system which AI made forecasts that humans could then modify based on emerging fashion trends. The company was rewarded with increased sales, reduced costs, less waste, and a smaller carbon footprint.

LEAD WITH INTEGRITY

We seek to set an ethical standard in our indus-try. As a champion of accountability, we openly discuss risks with our clients. We decline projects that conflict with our values and principles, we protect data and personal privacy, and we take responsibility for what we make and what our systems make happen.

Example:

BCG worked with a payroll and HR services pro-vider to deploy and test methods for bias de-tection in its sales lead generation process. We helped develop a B2B decision support system to identify sources of bias related to the demo-graphic makeup of potential customers. We worked with the client to surface biases encod-ed in the historical data, designed the system to minimize those biases, and developed an inter-nal white paper for company leadership to edu-cate business stakeholders and data scientists.

GROW BY GROWING OTHERS

We grow our clients' businesses by empowering leaders to make the right **economic** and **ethi-cal** decisions. This means finding solutions that augment or advance both machine learning and **human progress.**

Example:

BCG worked with Microsoft to develop a set of in-dustry-leading guidelines for product leaders to help implement AI responsibly. The resource pro-vides a clear, actionable framework for leaders to guide product teams in assessing, designing, and validating Responsible AI (RAI) systems within their organizations.

Living Our Principles

Applying our Responsible AI Principles requires investing in the people, processes, and technology that touch every aspect of our organization.

OUR PRODUCTS

We conduct early risk assessments to ensure that projects align with our values. We also offer BCG's RATE.ai Responsible AI algorithmic impact assessment to help product managers guide their teams toward proactively identifying and addressing risks.

Our Delivery Excellence program provides added layers of independent oversight to help us evaluate risk, develop mitigations, review execution for quality, and, when needed, escalate for senior leader alignment.

OUR PEOPLE

To empower our teams to act on our Responsible AI Principles, raise concerns, and take responsibility for all that we build, we offer a range of RAI training.

We've developed a comprehensive set of interactive technical tutorials and open-source software to support our technical teams and ensure implementation of best practices. We've also expanded the role of our ombudspersons to allow staff to easily raise RAI concerns.

OUR LEADERS

A multidisciplinary Responsible AI Council composed of global senior leaders monitors all RAI implementation. Officers leading product teams evaluate AI as a distinct category of risk, and teams have clear escalation paths to firm leadership. To complement these measures, we give leaders dedicated training to build and maintain their RAI awareness.

OUR CLIENTS

To aid clients on their RAI journey, we enable their product teams with open-source tools like FACET and Code Carbon and frameworks such as Ten Guidelines for Product Leaders to Implement AI Responsibly. In addition to publishing our insights on RAI, we share our expertise in a variety of industry forums, including the Business Roundtable and the World Economic Forum. Our goal is to encourage and champion broad RAI adoption.

Our Promise to Act

Responsible AI is about more than building superior technical solutions; it's about earning the trust of our employees, leaders, clients, and society. We're committed to providing transparency and holding ourselves accountable to our promise of Responsible AI through the following actions.

INTENDED USE
We'll partner with clients to clearly define the intended use for every AI product.

TRANSPARENCY
We'll make available to our clients the output from our algorithmic impact assessments.

DOCUMENTATION
We'll share AI product documentation (e.g., model cards, data provenance) with our clients, including RAI risks and mitigations.

REGULAR REPORTING
We'll ensure that our Responsible AI Council generates an annual report on our RAI program.

ENABLEMENT
We'll empower our clients by continuing to build tools, frameworks, and other artifacts that they can use to implement Responsible AI practices.

COMMUNITY ENGAGEMENT
We'll continue to proactively engage the business and AI ecosystem by sharing our knowledge, encouraging others to act, and advancing Responsible AI before challenges arise.
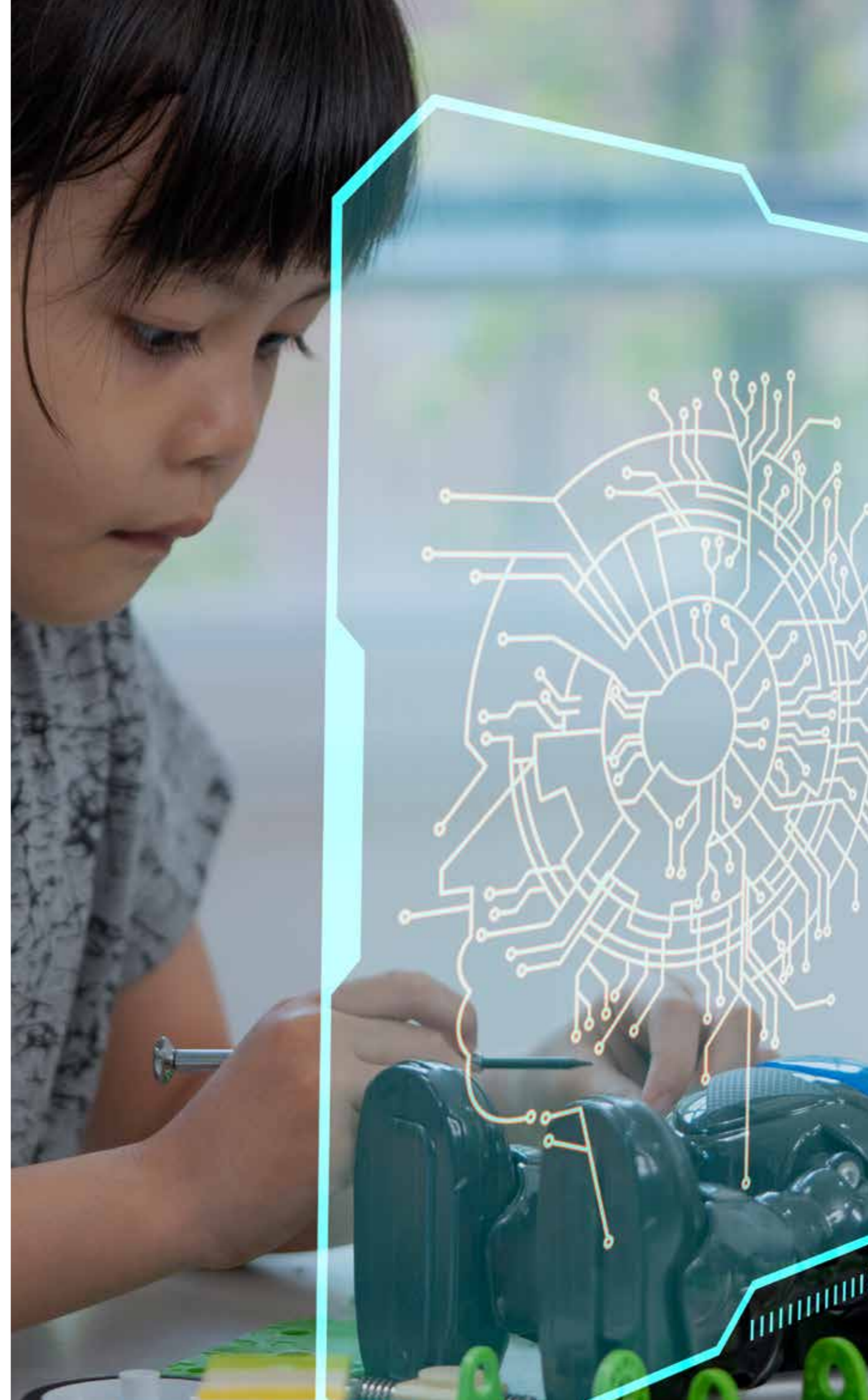
Future Proofing Responsible AI

Responsible AI obligations do not end when an AI product is deployed. Issues can emerge when input data evolves, source code is modified, or underlying software packages or models are updated. Core to our approach is enabling our clients' monitoring regimes to ensure that emergent issues are rapidly identified and addressed.

In addition, Responsible AI approaches cannot be static. They must support ongoing governance and monitoring, and they must evolve with AI techniques, data availability, real-world outcomes, and regulations. We've created a responsive, adaptive governance system that scans the environment for cutting-edge research, breakthrough best practices, and emerging risks and opportunities. We then weave those findings into how we do things. We're committed to helping others do the same.

To fulfill this commitment, we'll continue to evolve our practices and ground them in our Purpose: **to unlock the potential of those who advance the world.**