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# Polestar positions its supply chain in China to demonstrate a sustainable industry



The premium electric vehicle manufacturer, Polestar, needed to get a clear view of its sustainability strategy and to prioritize initiatives, while aligning them to its global strategy. By leveraging sustainability expertise and best practices, BearingPoint helped Polestar to define a strategic roadmap that enables their supply chain to increase climate neutrality, circularity, transparency, and cultural inclusion for a green future.



Polestar is a premium electric vehicle manufacturer founded by Volvo Cars and Geely Holding, headquartered in Sweden. The company has two manufacturing facilities in China, and additional future manufacturing planned in the USA. Its vehicles are currently available and on the road in 14 global markets across Europe, North America, and China.

## Supply-chain sustainability is seen as a must, not as an option

In recent years, China has started changing regulations to promote environmental protection that is applicable to various industries, including the automotive sector.

Polestar, a global automotive manufacturer and distributor of high-end 100% electrical vehicles, wanted to address these ecological requirements proactively and better align their supply chain to sustainable practices. As a Swedish-headquartered company with most of its operations in China, Polestar wanted to get a better understanding of its sustainability strategy and to prioritize initiatives, while aligning them to its global strategy. The company needed general guidance on how to change their existing processes and KPIs to meet sustainable supply-chain demands, but also specific advice on how to adapt them to the changes in Chinese regulation. As such, Polestar had to achieve a common vision across its divisions and functions – including supply chain, marketing, sales, and IT – regarding their sustainability strategy and actions, thus enhancing their cross-country collaboration towards the same objectives.

## Leveraging supply-chain sustainability expertise and adapting it to the Chinese market

BearingPoint supported Polestar with a four-step approach, resulting in a strategic roadmap covering short-, medium-, and long-term objectives. The team first analyzed the client's current sustainable source-to-pay processes and supply-chain maturity level using an assessment questionnaire. This focused on all important areas, such as sourcing and procurement, production, logistics, and marketing. BearingPoint then identified the client's existing initiatives and their capabilities available to implement them, with the related pain points. Leading practices were then integrated into these initiatives, followed by an analysis of fit/gap-to-industry benchmarks and global sustainability aspects. This resulted in designing a target picture of a sustainable sourcing and procurement department. BearingPoint then defined new processes and dedicated tools to support these activities, such as a sourcing decision matrix.

The quick wins for 2021 were prioritized, while identifying prerequisites, setting timelines, and designating teams to support the corresponding tasks. A framework of 100+ initiatives was created, with clear actions and recommendations. Together with the client, BearingPoint defined a strategic roadmap, prepared the documentation and implementation plan, and onboarded teams and aligned stakeholders to support each theme until 2024.

## Becoming more eco-friendly by improving strategy and roadmap

Polestar has gained a clear vision and a common understanding of its sustainability strategy across all divisions and functions in its Chinese operation, with a comprehensive roadmap for developing initiatives for the next three years. Polestar's strategy now covers sustainability best practices, which enables the company's supply chain to increase climate neutrality, circularity, transparency, and cultural inclusion for a green future.

By leveraging new, dedicated tools, Polestar can make data-driven decisions for its supplier procurement processes. They can assess and monitor their suppliers' sustainability from economic, environmental, and social perspectives, as well as appraise their cost-versus-sustainability benefits. This also results in the ability to challenge Polestar's suppliers to improve their service offerings by integrating more eco-friendly practices into their own supply chains.

## Contact

For more information, please contact Tunde Laleye, Partner at [tunde.laleye@bearingpoint.com](mailto:tunde.laleye@bearingpoint.com).