

Greenway Consulting Group

<u>Team Member Name</u>	<u>Year</u>	<u>Major</u>
Aviva Ashish Mehta	2023	Master of Business Analytics
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Topic: BYD: Driving Sustainable Growth with Closed-Loop Supply Chains

Audience: Board of directors/members of BYD Auto Co., Ltd.

Sustainable Development Goal

SDG #6 : Ensure availability and sustainable management of water and sanitation for all

SDG #8 : Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SDG #9 : Build resilient infrastructure, promote sustainable industrialization, and foster innovation

SDG #12 : Ensure sustainable consumption and production patterns

SDG #17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Executive Summary

BYD is one of the world's largest electronic vehicle manufacturers, with over 1.85 million electric vehicles sold in 2022. However, despite BYD's growing sales in the USA, the company still faces challenges due to the perception that Chinese companies lack commitment to ESG efforts. Our vision for BYD is to build its brand image as a pioneer in sustainable transportation by striving towards a closed-loop supply chain and implementing sustainable growth strategies.

To achieve this, we recommend a three-step approach. First, BYD can improve raw material extraction by enrolling in The International Lithium Association to operate under higher industry standards in Chile. This will help BYD create partnerships with established companies to gain access to technologies such as Direct Lithium Extraction and the adoption of seawater to reduce freshwater depletion and contamination in the region. Second, BYD can expand its manufacturing facilities and improve working conditions in the United States. This will increase BYD's market share, contribute to the development of sustainable and resilient supply chains, and meet the increasing demand for electric buses. Finally, BYD can create a closed-loop supply chain by creating a direct recycling facility in its Lancaster, CA, plant to recover cobalt, nickel, and other precious metals used in its manufacturing of lithium-ion batteries. This will also make BYD eligible for tax credits listed in the Inflation Reduction Act of 2022.

By implementing these recommendations, BYD can establish its position as a leader in the sustainable and affordable transportation industry, dispel the notion that Chinese companies lack commitment to ESG efforts, and contribute to a cleaner and more sustainable future.