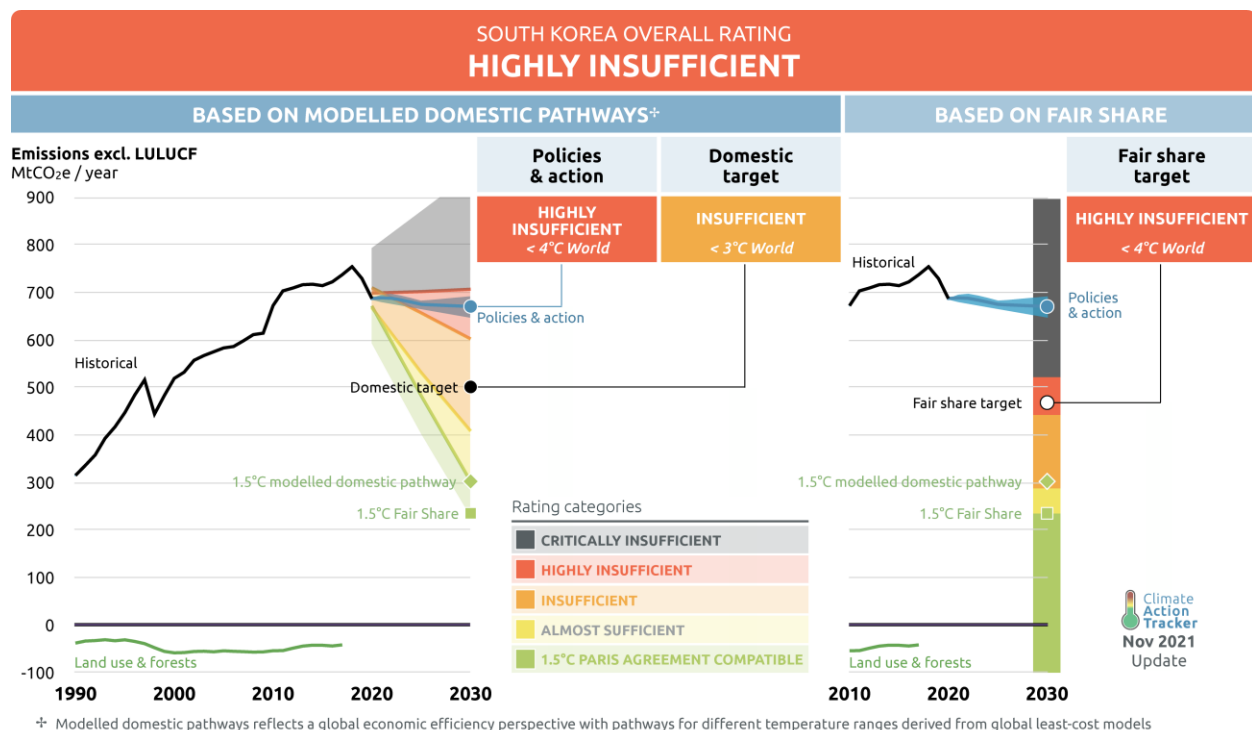


Hyundai Motor Group Affiliates Join RE100

Four of Hyundai Motor Group's major affiliate companies are now part of [RE100](#), joining the ranks of other automotive giants like BMW and General Motors. Climate Group's RE100 is a global renewable energy initiative bringing corporations together to reach 100% renewable energy.

This is a significant step for the South Korean automaker and the country's industrial giants. Hyundai is the [second largest company](#) in the country behind Samsung. However, Samsung is still largely remaining silent on net-zero targets. Their support of net-zero is key to the country achieving carbon neutrality.

Hyundai's announcement is also a needed wake-up call for South Korea as a whole. The country has been slow to join the global movement of decarbonization. South Korea's Renewable energy capacity [only accounts for](#) around 6.5% of its total energy mix, making it the lowest out of all G20 nations and the second lowest in OECD. While last year South Korea did announce a net-zero target for 2050, the [recent election](#) has raised some uncertainty about future progress.



Source: [Climate Action Tracker](#)

Hyundai's Commitment to RE100

Hyundai Motor Company (Hyundai Motor), Kia, Hyundai Mobis, and Hyundai Wia have committed to being carbon neutral between 2040 and 2050. While the pathway for these companies to reach the target remains somewhat ambiguous, they have made a few announcements.

The four companies plan to form a joint response system in facilities where they operate together and invest in various forms of renewable energy. So far, these [renewable energy sources include](#) self-

production with solar panels, power purchase agreements (PPAs) with local renewable energy providers, and purchasing power through Korea Electric Power Corporation's (KEPCO) Green Premium program.

Additionally, plans are underway to reduce general energy requirements throughout the companies. These plans include developing an eco-friendly smart factory, increasing sustainability throughout their global supply chains, and accelerating the shift to electric vehicles.



Source: [Cision News](#)

Hyundai's Other Affiliates

Beyond Hyundai Motor, Kia, Hyundai Mobi, and Hyundai Wia, [twelve other affiliates](#) have agreed that they need to transition to 100% renewable energy and plan to implement renewable energy in their operations. While they have not made any direct pledges, this is a step in the right direction and may lead to official commitments in future. Now sixteen of Hyundai's thirty affiliate companies have made announcements that they will pursue net-zero.

That being said, we need to keep an eye on Hyundai's [remaining fourteen subsidiaries](#) that have not committed to reaching 100% renewable energy. These primarily consist of Hyundai's construction and steel production companies, which are industries that are notoriously large carbon emitters.

Major South Korean Corporations Are Still Lacking Net-Zero Initiatives

Currently, [nineteen Syrg Korean companies](#) are part of RE100, but several of Korea's major corporations are surprisingly absent. This includes the country's largest company, Samsung, whose [global energy footprint](#) is nearly one-fifth of South Korea's national total and produces as much carbon dioxide as Norway.

Samsung's Net-Zero Pledges

Samsung has made several [strong sustainability commitments](#) over the last few years, like utilizing recycled components, implementing plastic free packaging, and achieving zero-waste to landfill. However, their commitments toward renewable energy have been lacking.

Their central renewable energy pledge was to power all of their US, European, and Chinese operations with [renewable energy by 2020](#), which was achieved. However, this [only accounts for 20%](#) of the company's total energy use, with most occurring in Vietnam and South Korea – both fossil fuel reliant economies. In 2020, only 17.6% of the company's energy came from renewable sources, and their total greenhouse gas emissions increased 5% compared to the previous year.

The company's largest pushback on developing net-zero targets centres around a [lack of infrastructure](#) to support the shift. However, with other major Korean companies and [global computer chip manufacturers](#) announcing carbon neutral targets, this reason is losing legitimacy.

Renewable Energy in South Korea

Now that Hyundai and fourteen other South Korean companies are part of RE100, it is becoming clear that the country is slowly starting to shift towards renewables. The South Korean government is responsible for continuing to push this wave forward, increasing the country's renewable energy capacity as a whole. The country's recently elected president Yoon Suk-Yeol is a staunch supporter of nuclear power, which does have some merits but is not a form of renewable energy. And when compared to wind and solar power, nuclear power may fall short.



Source: [Power Technology](#)

Nuclear requires significantly [longer lead times](#) than wind and solar and has a higher risk of a severe disaster, like [in Fukushima](#) in 2011. Further, [the Levelized cost of energy](#) (LCOE) for solar and wind has been dropping exponentially, with a solar dropping 73% and wind by 37% since 2011. On the other hand, the LCOE of nuclear has remained relatively stable over the last several decades. The LCOE for solar and wind is already comparable to nuclear, so we can expect solar and wind to become more cost-effective in the coming decades.

Large scale investment in nuclear energy does not appear to be the best long-term choice for South Korea.

Furthermore, the adoption of solar and wind are integral in achieving the country's net-zero goals, and when you look at Asia as a whole, it is clear that [renewable energy is gaining share](#). If South Korea wants to stick with their regional and global peers, it must support industry leaders in their net-zero targets.