

News Release

Hyundai Motor Group, SK Innovation to Collaborate on Development of EV Battery Industry Ecosystem

- Collaboration to cover diverse areas including EV battery sales solutions, battery reuse and recycling
- Strengthen the stability of the battery supply chain and maximize added value by creating a virtuous cycle of resources
- Two parties to enhance competitiveness of battery reuse business in the EV era
- Hyundai Motor Group continues expanding cooperation with global battery industry players to explore new business opportunities and improve technologies

SEOUL, September 8, 2020 – Hyundai Motor Group and SK Innovation Co. have agreed to cooperate in the development of a sustainable ecosystem for electric vehicle (EV) batteries that are key to the future mobility industry.

The two parties announced today their plan to cooperate in diverse business areas related to the EV battery industry, including battery sales solutions, battery management service and battery reuse and recycling.

The collaboration stems from the companies' shared need to create a battery value chain and strengthen eco-friendliness in business operations covering the entire lifecycle of EV batteries.

Unlike existing cooperation schemes between mobility companies and battery companies that tended to center on battery supply, the Hyundai-SK cooperation aims for a virtuous cycle of battery usage known as the Battery as a Service (BaaS), which includes lease or rental service. As a result, the cooperation is expected to catalyse the spread of diverse cooperation systems between mobility and battery companies.

Through this partnership, the two parties aim to strengthen the stability of the battery supply chain and create a virtuous cycle of resources from recycling to production; reduce carbon emissions; encourage optimal design that connects EVs and battery reuse, and create synergies by maximizing added value through the optimal design of batteries.

To enable cooperation, both sides are focusing on the initial process of collecting and verifying the battery pack of Kia Motors' Niro EV model.

In particular, the two companies will seek solutions that can maximize value and eco-friendliness of EV batteries, including reuse of batteries that are no longer useable in vehicles in diverse applications such as the Energy Storage Systems (ESS); and battery recycling that extracts economically valuable metals such as lithium, nickel and cobalt.

These innovations are expected to enhance the value and competitiveness of the battery recycling industry, which will buttress the future EV era.

Furthermore, Hyundai Motor Group and SK Innovation plan to synergize their respective affiliates' business infrastructures and capabilities spanning diverse industries, thereby strengthening their battery competitiveness and expanding the growth of related sectors.

"Hyundai Motor Group's cooperation with SK Innovation, a first-tier battery supplier for our Electric Global Modular Platform (E-GMP) that will be introduced in 2021, marks a critical first step in maximizing synergies between mobility and battery companies," said Youngcho Chi, President and Chief Innovation Officer of Hyundai Motor Group. "We expect our cooperation to play an immensely positive role in strengthening Hyundai-Kia's competitiveness in clean mobility as well as expanding the supply of eco-friendly EVs."

"This collaboration between Hyundai Motor Group, which is leading the popularization of EVs in the global market, and SK Innovation, which possesses the advanced technology in battery development and recycling, is highly meaningful in that the two have joined forces to collaborate across the entire EV cycle," said Dongseob Jee, President of SK Innovation's Battery Business. "Both companies will create a seamless collaboration system to explore new business opportunities across the whole battery value chain."

Apart from collaborating with SK Innovation, Hyundai Motor Group is striving to secure and open up new markets by collaborating with global players specializing in EV battery reuse, including Korea Hydro & Nuclear Power Co., Wärtsilä, OCI, and Hanwha Solutions. The Group, via the collaboration with SK Innovation Co., plans to fundamentally reinforce its technological competitiveness by securing technology and infrastructure, and expand its business areas.

- End -

About Hyundai Motor Group

Hyundai Motor Group is a global corporation that has created a value chain based on automobiles, steel, and construction and includes logistics, finance, IT and service. With about 250,000 employees worldwide, the Group's automobile brands include Hyundai Motor Co. and Kia Motors Corp and Genesis. Armed with creative thinking, cooperative communication and the will to take on all challenges, we are working to create a better future for all.



More information about Hyundai Motor Group, please see: www.hyundaimotorgroup.com

More information about Hyundai Motor and its products can be found at:
worldwide.hyundai.com or globalpr.hyundai.com

Visit the Kia Motors Global Media Center for more information: www.kianewscenter.com

For more information on Genesis and its new definition of luxury, please visit <https://www.genesis.com>

Disclaimer: Hyundai Motor Group believes the information contained herein to be accurate at the time of release. However, the company may upload new or updated information if required and assumes that it is not liable for the accuracy of any information interpreted and used by the reader.

Contact:

Jin Cha

Global PR Team / Hyundai Motor Group

sjcar@hyundai.com

+82 2 3464 2128