

**December 31, 2023****Name:** Hyundai Motor Company**Ticker:** 005380-KR**Market Cap (\$mm):** \$36,623**Country:** South Korea**Sector:** Consumer Discretionary**Industry:** Automobiles**Sector Outlook**

The Information Technology sector makes up a disproportionately large share of the stocks that were hit hard during the most recent bear market in 2022, which has led to a strong recovery this year as markets rebound. A tight labor market and strong wage growth should benefit the sector, as technology investments are replacements for labor in the most basic sense. Additionally, the sector should benefit from trends related to artificial intelligence, mobile, cloud computing and the "Internet of Things".

**Company Description**

Hyundai Motor Co., Ltd. engages in the manufacture and distribution of motor vehicles and parts. It operates through the following segments: Vehicle, Finance, and Others. The Vehicle segment offers motor vehicles. The Finance segment provides financing, leasing and credit cards. The Others segment includes the manufacture of railways. The company was founded on December 29, 1967 and is headquartered in Seoul, South Korea.

**Financial Snapshot**

Revenue by Product Segment	%	Revenue by Geographic Segment	%
Vehicles	80%	South Korea	31%
Financial	14%	North America	39%
Others	6%	Europe	16%
		Asia	11%
		Others	3%

**Company & Sustainability Analysis**

We purchased Hyundai, a Korean automotive company engaged in design, manufacture, distribution, and sale of vehicles, to diversify bounce exposure into categories that fell more than the market downturn and we believe it is primed to participate in a new bull market's initial rebound. Hyundai's desirable mass market offerings, tech innovations and exposure to fast growing regions should support margin strength as global auto production recovers. Additionally, the company should benefit from growing electrification trends as it focuses on expanding its popular EV offerings in key markets.

**Sustainability Analysis**

Hyundai Motor Company is rated CCC by MSCI ESG Research. The CCC rating is primarily based on poor corporate governance practices and product quality assurance. Hyundai faces challenges with ongoing lawsuits over alleged concealment of engine and airbag defects and allegations of child labor in an Alabama supplier plant. Efforts are being made to resolve these lawsuits, and since they have been ongoing since 2022, their surprise power is limited. In addition, Hyundai has robust clean tech strategy relative to peers and put effort into maintaining detailed policies on business ethics. Moving forward, the company stands to benefit from its desirable mass market offerings, tech innovations and exposure to fast growing regions should support margin strength as global auto production recovers.

Hyundai's efforts in expanding its EV offerings and dedication to robust clean tech strategy directly support SDG 7 (Affordable and Clean Energy) meant to "Ensure access to affordable, reliable, sustainable and modern energy for all".

Hyundai Motor Company is categorized as a Sustainable Investment aligned with the environmental objectives of the EU's Sustainable Finance Disclosure Regulation (SFDR) as defined by Fisher Investments. In order for a company to be considered a sustainable investment, it must be assessed by Fisher Investments as meeting the following criteria: (i) it must contribute to an environmental or social objective; (ii) it must do no significant harm (DNSH) to any other environmental or social objective; and (iii) it must follow good governance practices.

*\*This write-up is provided to fulfil the requirements of the Austrian Ecolabel and should be considered an 'example point in time analysis'. There is no guarantee that the security remains in the relevant strategy or the analysis remains current beyond the date of analysis.*

**\*\*Sources: Fisher Investments Research, FactSet Research Systems, Company Investor Relations**

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