



"Tainted Steel": New report ties Hyundai's supply chain to dirty Russian coal and widespread environmental and human rights abuses

First-of-its-kind analysis reveals automaker's giant failure to decarbonize and conduct proper due diligence is driving climate destruction and litany of violations across complex web of steel suppliers

EMBARGOED UNTIL Monday, February 3
(16:00 EST/13:00 PST/15:00 CST) /
Tuesday, February 4, (06:00 KST/04:00
ICT/08:00 AEDT)

Washington D.C. – [An explosive new report](#) from Mighty Earth, "*Tainted Steel: The Deadly Consequences of Hyundai's Dirty Steel Supply Chain*," uncovers alarming environmental and human rights abuses tied to Hyundai's global steel supply chain. This groundbreaking analysis, which reviews over 54,000 shipments from 154 companies, is the first-of-its-kind to offer a comprehensive look at the devastating impacts of a major automaker's global steel supply chain, spanning everything from coal and iron ore mining to steelmaking facilities across several continents. The investigation meticulously maps this complex web of suppliers, exposing the death, destruction, and outsized emissions linked to their operations.

Key stats and facts of Hyundai's steel supply chain suppliers:

- Formosa in Vietnam received US\$450M worth of Russian coking coal between 2022 and 2024, contributing to record coal-fired emissions in the Southeast Asia country in 2024.
- It's estimated that air pollution from South Korea's steel making facilities, two of which are operated by POSCO and one by Hyundai Steel, will result in 19,400 premature deaths between 2022 and 2050, with an economic burden of US\$111B.
- Brazilian mining giant, Vale, paid US\$56M in fines to the US Securities and Exchange Commission for the Brumadinho dam disaster in which 272 Indigenous people lost their lives. 319 lawsuits were filed against Vale, with many still active.

- In 2024, US Steel paid US\$37M in pollution control and reliability upgrades. It was also hit with a US\$15M fine for air pollution, one of the largest in Pennsylvania's history.
- Ternium's Santa Cruz steel facility in Rio emits over 10M tons of CO2 annually and is responsible for 50% of the city's total GHG emissions. The company's iron ore mining operations in Mexico have been linked to multiple forced disappearances of activists.

Why focus on Hyundai and steel?

Steel production accounts for 7% of global emissions, with the auto industry as the third-largest consumer. Automakers' reliance on coal-based steel is worsening global heating. Despite its glossy image of sustainability through EV promotion, Hyundai has yet to shift away from coal steel, allowing harmful practices in its supply chain to persist. As the world's third-largest automaker and owner of its own steel company, Hyundai has both the opportunity and responsibility to lead change.

Dirty coal, Human Rights violations, and toxic health impacts:

Research shows that Hyundai Steel continues to source steel manufactured with Russian coal, which likely ends up in cars sold in the U.S. and EU. One of Hyundai's suppliers, Formosa, also imported over \$450 million worth of Russian coal between 2022 and 2024, contributing to record coal use and emissions in Vietnam. These shipments come from mines connected to JSC Stroiservis, a company sanctioned by the U.S. in response to Russia's invasion of Ukraine.

Matt Groch, Senior Director of Decarbonization at Mighty Earth said:

"Hyundai hides behind its glossy image, while choosing to ignore the horrors in its steel supply chain which cost lives and livelihoods. With recent shipments of dirty Russian coal to Hyundai Steel in South Korea, it's clear the automaker doesn't care where it gets its raw materials from. Its continued reliance on coal is a big issue for Hyundai and it needs to take urgent steps to phase it out, while also taking control of its supply chain to protect the environment and people's lives."

Beyond Russia, sources of coal for Hyundai's supply chain extend to other regions with severe environmental and human rights impacts. Coal mining in Australia, Canada, and Colombia is linked to environmental destruction, such as habitat loss, water pollution and huge quantities of climate destroying methane emissions, as well

as serious human rights abuses, including violence against Indigenous communities and exploitation.

The company's iron ore supply chain also raises significant concerns. Iron ore supplied to Hyundai's steel supply chain is linked to Vale's catastrophic Brumadinho disaster in Brazil in which 272 people lost their lives on January 25th 2019, when a tailings dam burst and engulfed the local community. Violence against community leaders in Mexico, where activists opposing mines operated by Ternium [have been forcibly disappeared](#).

Danilo Chammas, President Director of the Cordillera Institute said:

"As Brumadinho honors the 272 lives brutally lost exactly six years after the tragedy of the dam collapse, we express our disappointment that Hyundai is yet another corporation profiting from the damage and rights violations caused by the iron ore mining industry in Brazil. We expect this company to assume its responsibility, review its practices immediately and explain the measures taken to the public."

In addition to coal and iron ore, the report exposes how Hyundai Motors continues to depend primarily on coal-based steel production to manufacture its vehicles, which is causing devastating impacts to the climate and local communities. Steelmaking facilities supplying Hyundai in South Korea (POSCO and Hyundai Steel), Brazil (Ternium), Vietnam (Formosa), and the U.S. (U.S. Steel) are causing lethal health impacts and widespread environmental pollution.

Nancy Bui, Founder of Justice for Formosa Victims (JFFV) said:

"Formosa Steel Ha Tinh caused Vietnam's worst environmental disaster, dumping toxic waste that killed marine life, destroyed livelihoods in four provinces, and devastated the environment. They failed to compensate victims adequately, continued polluting, and collaborated with the Vietnamese government to imprison advocates. As Formosa's largest buyer, Hyundai enables this harm. We urge Hyundai to stop purchasing Formosa steel to uphold its environmental protection, human rights, and consumer trust commitments"

The report also exposes how Hyundai's inadequate supply chain due diligence and failure to shift away from coal-based steel sustains the status quo documented in the

report, allowing mining and steelmaking companies to justify the expansion and continuation of coal-based operations, whilst creating an enabling environment where abuses can persist unchecked throughout the company's supply chain.

Haebin Gahng, Researcher at Solutions for Our Climate (SFOC) said:

“South Korea's heavily coal-based Korean steel industry continues to extend the life of its blast furnaces, impacting local communities and contributing to the worsening climate crisis globally. Having the automotive industry demand green steel can strongly motivate steelmakers to transition away from coal-based production to cleaner alternatives - and Hyundai Motors has a critical role to play in galvanizing this change. Due to the automaker's unique corporate structure and ties with POSCO and Hyundai Steel, the impact of Hyundai's efforts to establish a clean supply chain will extend far beyond the company itself.”

What Mighty Earth is calling for:

- **Accelerate Transition to Electric Vehicles (EVs)** - Hyundai must expedite the phase-out of fossil-fuel vehicles, and fully embrace a future of 100% electric vehicles.
- **Decarbonize Steel Supply Chains** - Hyundai should establish science-based targets to decarbonize its supply chains, including annual purchasing goals for low-carbon and zero-carbon materials, backed up with binding purchase agreements.
- **Commit to phasing out coal** - Hyundai must unequivocally commit to halting new coal investments, and phasing out coal usage in its supply chains
- **Enhance Human Rights Due Diligence** - Hyundai must implement proactive measures to identify, prevent, and remediate human rights violations, particularly those tied to transition mineral sourcing and Indigenous People's rights.
- **Uphold Workers' Rights and Community Benefits** - Hyundai should adopt Community Benefit Agreements with host communities, and institute independent, third-party monitoring of labor conditions within its supply chains.

For further information or to arrange an interview please contact:

Justin Lee | The Worker Agency | Berkeley, CA

justin@theworkeragency.com | +1 360 545 3150

Sydney Jones | Press Secretary | Mighty Earth (Based Washington DC)

syd@mightyearth.org | +1 703 945 1721

Carole Mitchell | Global Director of Communications | Mighty Earth (Based London)

carole@mightyearth.org | +44 7917 105000

Notes to the Editor:

Hyundai Right to Reply

In its response to Mighty Earth, Hyundai failed to provide evidence of due diligence on the specific facilities or suppliers mentioned, merely stating that “it is difficult to provide specific answers due to security issues” without offering further explanation. The company did not present any evidence disproving its sourcing from these controversial facilities and suppliers.

About Mighty Earth

Mighty Earth is a global advocacy organization working to defend a living planet. Our goal is to protect half of Earth for Nature and secure a climate that allows life to flourish. We are obsessed with impact and aspire to be the most effective environmental advocacy organization in the world. Our team has achieved transformative change by persuading leading industries to dramatically reduce deforestation and climate pollution throughout their global supply chains in palm oil, rubber, cocoa, and animal feed, while improving livelihoods for Indigenous and local communities across the tropics.

www.mightyearth.org