

MOVE

Kia Sustainability Report 2024



Movement that inspires



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READER'S GUIDE

READER'S GUIDE 'MOVE' is the name of the Kia Sustainability Report, which refers to a movement that makes a positive change in the world through mobility. You can check more details by clicking the icon.



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CEO Message

“ Sustainable Movement
for an Inspiring Future for All ”



We are deeply grateful to our stakeholders for your encouragement and support in our transformation into a Sustainable Mobility Solutions Provider.

In 2023, Kia achieved its best results in history.

Sales increased year-over-year, with solid growth in our key regions of Korea, the United States, and Europe. Our dedicated electric vehicles, EV6 and EV9, were recognized for their excellence in global markets, including being named North American Utility Car of the Year in 2023 and 2024.

Even with these remarkable achievements, Kia has never stopped thinking about sustainability. In 2023, we established a new ESG Management Framework to further establish a concrete plan for sustainability that has been consistently emphasized through our corporate vision, philosophy, and brand strategy.

We set "Sustainable Movement for an Inspiring Future" as our ESG vision, which envisages our determination to continuously move toward an inspiring future with various stakeholders. We are practicing ESG management that includes eco-friendliness, circular economy of resources, safety, stakeholder satisfaction, sound governance, and ethical management under the three core values of "Cleaner and Circular," "Safe and Satisfying," and "Transparent and Trustworthy."

In the Environmental aspect, to mitigate the global climate crisis, we are reducing carbon in all stages of supply, production, logistics, disposal, and use with the goal of achieving carbon neutrality by 2045. Moreover, to accomplish RE100 by 2040, we generate our own solar power at AutoLand India and AutoLand Hwaseong, and have signed the largest power purchase agreement in Korea to secure renewable energy.

We have also been collaborating with Ocean Cleanup, a global environmental NGO, and began removing waste from the sea and recycling the collected waste plastic into resources.

In the Social aspect, by improving product quality for customer safety and satisfaction, we were recognized for our competitive power for quality. In the J.D. Power U.S. Automotive Performance, Execution and Layout (APEAL) Study, seven of Kia's vehicles ranked first in their respective classes. In addition, we provided support for electrification R&D and equipping carbon-neutral facilities to secure the future competitiveness of our suppliers. For local communities, in Korea, we expanded Green Trip a CSR program that supports travel for people with disabilities, and globally, Green Light Project (GLP), a CSR program that supports self-reliance in underdeveloped countries.

In the Governance aspect, Kia strengthened our board accountability. The majority of the board consists of independent directors who have expertise in various fields, such as industry, technology, finance, and accounting. Additionally, we have reinforced our shareholder-friendly policies by constantly increasing dividends and repurchasing and retiring treasury shares to enhance corporate value.

In acknowledgment of these efforts, Kia was included in the Dow Jones Sustainability World Index (DJSI) in 2023 for the second consecutive year.

Sustainable Movement for an Inspiring Future



Cleaner & Circular



Safe & Satisfying



Transparent & Trustworthy

Kia aims to continue our growth as a better company that resonates authentically by addressing global environmental and social issues.

Cleaner & Circular

To mitigate climate change, Kia will reduce greenhouse gas emissions by accelerating our RE100 implementation, which involves expanding the self-generation of power to our maximum capacity and signing agreements to introduce renewable energy to AutoLands in Korea and abroad. Additionally, through our partnership with Ocean Cleanup, we will strengthen our resource circulation system by reprocessing marine plastic waste into new vehicle accessories for the EV3, to be released within the year. Furthermore, to expand the use of recycled plastic in our vehicles to over 20% by 2030, we will develop specific action plans, including material development and the establishment of a waste resource supply chain.

Safe & Satisfying

Kia aims to internalize a corporate culture centered around customers and people in its corporate values and actions. Additionally, We will strengthen the ESG management system of our suppliers by establishing a dedicated organization for secondary and tertiary suppliers to support them in building sustainable supply chains and reflecting the results of ESG assessments in our supply chain management strategies. To create a happy society for everyone, we plan to launch corporate social responsibility efforts for multicultural families and people with disabilities who suffer from a lack of social support and acceptance.

Transparent & Trustworthy

To internalize the culture of ESG management across the company, we will emphasize the sustainability elements in management's KPI performance evaluation.

In addition to ensuring diversity by increasing the proportion of diverse independent directors, we will constantly enhance the standards for review and decision-making on important matters to be implemented based on the varied expertise of our board members.

We will further practice transparent management by raising employees' awareness of compliance through actively deploying fair trade compliance activities and expand shareholder value by continuing repurchase and retirement of treasury shares.

Dear valued stakeholders,

In these times of uncertainty, Kia seeks to continue our transformation for unwavering growth. We will persist in our efforts for EV transformation to respond to the market environment, consolidate our position as a Tier 1 EV brand, and strengthen our PBV competitiveness to meet the needs of diverse customers.

To exercise our global corporate citizenship, we vow to remain steadfast in our commitment toward sustainability for all. Through our sincere determination to address climate change, achieve shared growth with stakeholders, and conduct transparent and ethical management activities, we will pursue our ESG vision of "Sustainable Movement for an Inspiring Future." We respectfully request your continued interest and support for Kia in our endeavors.

Thank you.

June 2024

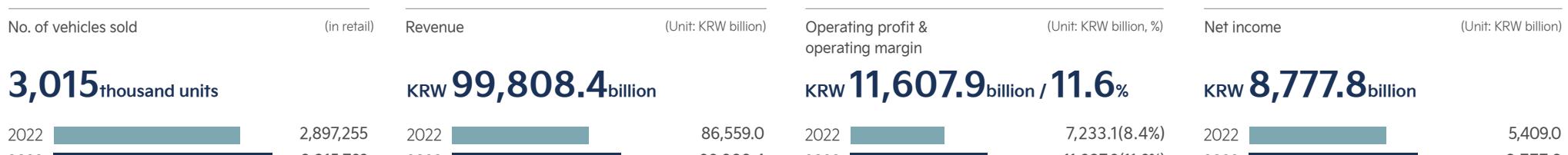
Ho-sung Song, CEO/President, Kia



Company Overview

Since its foundation in 1944, Kia has evolved into a global automobile brand with a relentless spirit of challenge. In 2021, we changed our company name and logo from 'Kia Motors' to 'Kia' and announced a new brand direction and vision, transforming from an automobile manufacturer to a mobility brand. Along our journey of transformation into a 'Sustainable Mobility Solutions Provider' we will continue to strengthen our business capabilities, focus on sustainable growth, and we will remain committed to moving toward a future that inspires everyone.

Major Financial Performance



1. Based on the management accounting standards

Line-up of Kia

(as of June, 2024)

Sedan



Morning | Ray | K3 | K5 | K8 | K9
Pegas | Ceed

RV (Recreational Vehicle)



Niro | Stonic | Seltos | Sportage | Sorento | Mohave
Carnival | Soul | Carens | KX1 | Sonet
Zhipão | XCeed | Telluride

EV & PBV (Platform Beyond Vehicle)



EV Niro | Niro Plus | EV5 | EV6 | EV9
Bongo3 | Soul | Ray
HEV K5 | K8 | Niro | Sorento | Sportage | Carnival
PHEV Niro | Sorento | Sportage | Ceed | Xceed

Commercial Vehicle & Bus



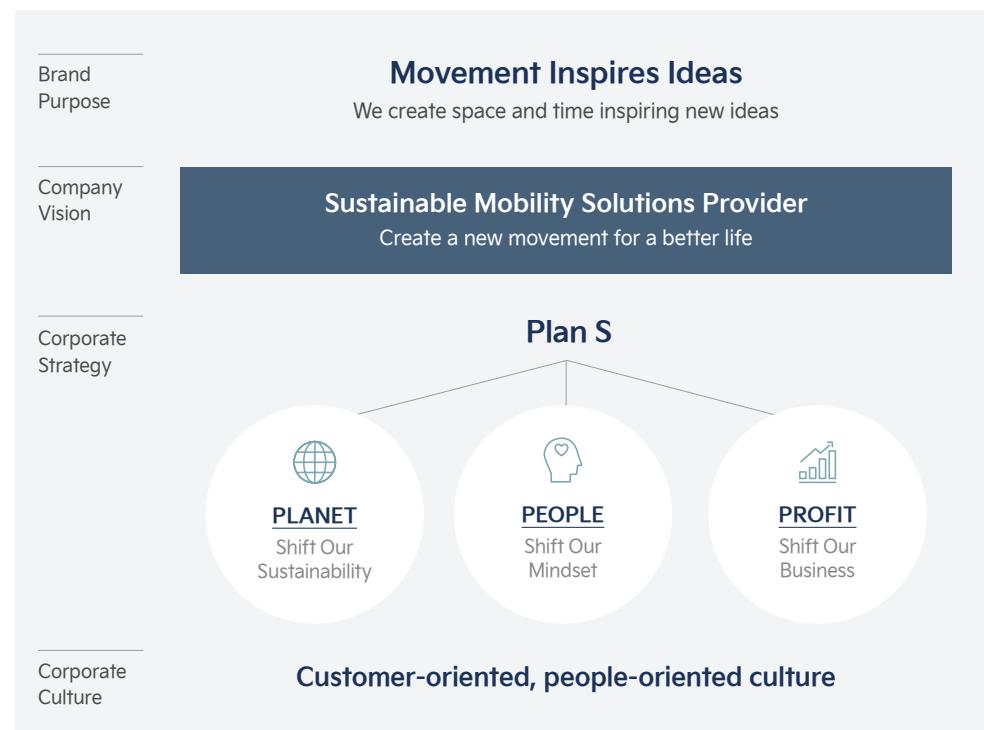
Bongo3 | Granbird

About Kia

Since its brand relaunch in 2021, Kia has been transforming its entire business and has established a corporate vision system to drive its business more systematically. Kia believes in the power and value of movements that inspire new ideas and value of movements that inspire new ideas, and we exist to create spaces and times that enrich them. Based on this belief and brand purpose, Kia has established "Sustainable Mobility Solutions Provider" as its corporate vision.

Corporate Vision

We established Plan S as a mid- to long-term strategy to achieve our corporate vision, realized through three pillars: Planet, People, and Profit. Planet focuses on leading environmental and social responsibility. People aims to deliver the highest customer value. Profit enhances future revenue by becoming an EV Tier 1 Brand, a PBV 1st Mover, and strengthening business fundamentals. Our goal is to foster a "customer-oriented and people-oriented" corporate culture.



Brand Strategy

As a 'Sustainable Mobility Solutions Provider', Kia promises to always create new movements to make life better for our customers. for a better life. As a responsible mobility company, Kia is committed to providing Kia aims to be a brand that contributes to customers, communities, and the global society and environment by providing sustainable mobility solutions customers, communities, and the global society/environment.

Prologue **Consistent New Kia Brand**

Total Transformation

- Comprehensive changes based on the new CI and design philosophy
- Strengthening global brand presence through innovation in customer experience at touchpoints



Chapter 1 **Desirable EV Brand**

EV Tier 1 Brand

- Expanding EV lineup and securing competitiveness to become a EV Tier 1 Brand
- Enhancing customer convenience through advanced battery strategy and expanded charging infrastructure



Chapter 2 **Personalized Mobility Brand**

PBV 1st Mover

- Pioneering the PBV market through the development of customized vehicles and solutions
- Providing customized mobility experiences to meet diverse customer needs



Chapter 3 **Aspirational Solutions Brand**

Generating values by interconnecting future business

- Developing autonomous driving technology based on SDV¹
- Creating synergies with future businesses, including building a sustainable mobility ecosystem

1. Software Defined Vehicle



Global Network

Kia operates production bases, R&D centers, and design centers in major regions at Korea and overseas, strives to provide customized products and services through its global sales and service network.



Head Office	Regional Headquarters	Sales and Services	Production	R&D
Head Office (Holleung-ro, Seocho-gu, Seoul) ①	North America (Irvine, USA) ② Europe (Frankfurt, Germany) ③ Russia (Moscow) ④ Latin America (Miami, USA) ⑤ Middle East & Africa (Dubai, UAE) ⑥ Asia Pacific (Kuala Lumpur, Malaysia) ⑦ India (Gurgaon, India) ⑧	Korea Sales sector 15 headquarters, 283 direct sales branches, 353 agencies, 8 delivery centers Service sector 18 direct service centers, 761 comprehensive/ specialized Auto Q Overseas Sales sector 23 sales corporations, 165 agencies, 4,537 dealerships Sales Corporation USA ⑨ /Canada ⑩ /Germany ⑪ /UK ⑫ /Spain ⑬ /France ⑭ /Italy ⑮ /Austria ⑯ /Hungary ⑰ /Czech Republic ⑱ /Slovakia ⑲ /Poland ⑳ /Belgium ㉑ /Sweden ㉒ /Netherlands ㉓ /Australia ㉔ /New Zealand ㉕ /Thailand ㉖	Korea AutoLand Gwabgmyeong (330,000 units) ㉗ AutoLand Hwaseong (530,000 units) AutoLand Gwangju (490,000 units) Overseas China Yeomseong Plant (Yancheng, 750,000 units) ㉘ Slovakia (Zilina, 330,000 units) ㉙ Georgia, USA (Georgia, 340,000 units) ㉚ Mexico (Pesqueria, 400,000 units) ㉛ India (Andhra Pradesh, 350,000 units) ㉜	Korea Hyundai Motor Group Technology Research Center (Hwaseong, Gyeonggi-do) ㉗ Environment Technology Research Center (Yongin, Gyeonggi-do) Uiwang Technology Research Center (Uiwang, Gyeonggi-do) Overseas R&D Center and Design Center R&D Center USA Detroit, Chino, Irvine, CPG ㉓ Europe Ruesselsheim, Nurburgring ㉔ Japan Yokohama ㉕ China Yantai ㉖ India Hyderabad ㉗ Design Center USA Irvine ㉘ Europe Frankfurt ㉙

ESG Major Achievements

Kia has established an ESG vision titled "Sustainable Movement for an Inspiring Future," emphasizing the importance of sustainable growth more than ever. We are strengthening our response to key ESG issues that are crucial for our sustainable growth and impactful to our stakeholders, solidifying the foundation of our ESG management system.

ESG Evaluation · Awards

	<p>S&P Dow Jones Sustainability Indices 'World' Index for 2 consecutive years</p>
	<p>GSMA Sustainability category for 6 consecutive years · Hall of Fame induction</p>
	<p>Chosun Biz 2023 THE ESG THE ESG AWARDS Grand Prize</p>
	<p>CDP Korea Climate Change Won Carbon Management Sector Honors Award</p>

Major Achievements in Various Areas

Environmental

Driving solar power at domestic and overseas

AutoLand Hwaseong(4MW), and Kia India(2MW) completed in 2023



Promotion of securing renewable energy

Signing Korea's Largest PPA
Agreement(Introduction of a total of 219MW PPA by 2031)



Expanding the use of Recycled Plastic

Establishing enterprise governance for over 20% application in 2030
(Plastic Recycling Council)



Eco-friendly materials in EV9

Recycled plastic and bio-based eco-friendly materials, weigh about 34kg.
(Based on EV9)



Social

Supporting future competitiveness of suppliers

Funding including R&D investment,
Established an organization to support 2nd/3rd tier suppliers



Improving supplier ESG management

Conducting diagnostics for All 1st-tier suppliers and prioritized 2nd-tier suppliers,
Establishing ESG compliance provisions in contracts



Reinforced safety and health at workplace

Secured ISO 45001 certification at all business sites,
Expanding adoption of new safety technologies



Expanding Kia's representative social contribution

Green Light Project in 3 new countries,
established Green Trip Jeonju base,
Confirmed site for restoration of tidal flats



Governance

Incorporating ESG into CEO performance evaluations

Organizing sustainability elements beyond business and finance (safety, culture, etc.)



Expanded diversity and independence of the Board of Directors (BoD)

Over 50% independent directors,
60% female independent directors
(As of 2024)



Enhanced shareholder-friendly policies

Dividend: 5,600 won per share (+60% YoY),
Buyback: 500 billion won, 50% retired
※ Additional 50% buyback planned upon Q3 '24 financial target achievement.



Evaluation of the effectiveness of the compliance control standard

Conducting an evaluation of the effectiveness of the compliance control standard through external experts once a year



Sustainable & Future Focus

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Sustainable Future Mobility



PBV, the Key Momentum for Customer-Oriented Kia

Kia's customizable PBV integrates software and future technologies that will facilitate business operations and customers' daily lives and differentiate their mobility experience. In this regard, Kia redefined PBV from "Purpose-Built Vehicle" to "Platform Beyond Vehicle." As a "Platform Beyond Vehicle," PBV will usher in a new era of business and lifestyle by providing extended experiential value. Through PBV, Kia will expand its B2B business and drive B2C demand, getting a foothold as the first mover in the global PBV market.

PBV Optimized for Customers' Business and Lifestyle

Platform Beyond Vehicle(PBV) is the future of personalized mobility. Its interior can be flexibly modified to meet the user's purpose, whether it's for passenger transportation, logistics, or leisure. If the traditional car is ready-to-wear, PBV can be likened to a tailored suit. With the recent boom in e-commerce, we expect to see steep growth in the B2B market mainly for transportation and delivery services. As a result, the B2B companies' vehicle needs, including electrification, are expected to increase dramatically. Kia's PBV products will help B2B customers improve the challenges they face in operating their existing fleet, contributing to their business efficiency and the environmental value of B2B companies.

A Dedicated Platform for Skateboard-type PBVs to Reflect Different Needs

Kia PBV has a specialized customer-oriented process where customers are directly involved from the product configuration stage to propose specifications, which are then incorporated into the development process. To effectively reflect various needs, we designed and applied a highly scalable, dedicated skateboard platform for PBVs, enabling excellent interior space utilization while maximizing customers' vehicle utilization through interchangeable upper body modules.

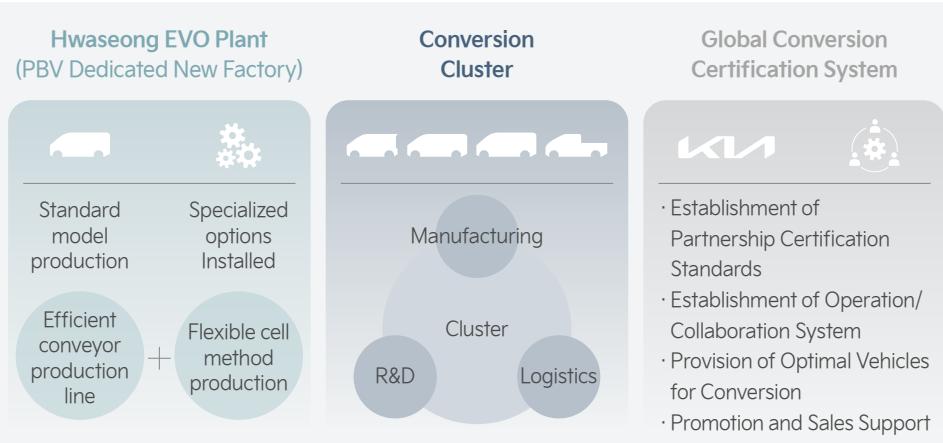
Kia PBV will also offer optimized options for body types, as well as interior and exterior layouts, door types, batteries, and more to accommodate customers' needs and purposes. PBV solutions that will be available through an open platform are also underway to enhance customer convenience. Customers can choose from PBV-specific solutions, as well as their own business solutions and third-party solutions to best fit their business objectives. The solutions will be optimized for customers' business journey, including fleet operations, vehicle maintenance, and fuel efficiency management. We have a mid-to long-term plan to apply next-generation autonomous driving technologies to transform our customers' businesses together. We also aim to complete Kia's PBV-specific ecosystem by securing capabilities and infrastructure for solutions such as various financing programs applicable at each stage of vehicle use, including purchase, use, and disposal, as well as charging and specialized after-sales support.

IVI Solution (In-Vehicle Infotainment)	FMS Solution (Fleet Management System)	EV Charging Consulting Solution
<ul style="list-style-type: none">· Use AI to deliver useful information tailored to users' travel goals· Offer the IVI App Market where users can enjoy smartphone-like experience inside the vehicle	<ul style="list-style-type: none">· Collect and manage vehicle data of multiple PBVs through the API system for integrated vehicle management· Maximize efficiency in business operations through preventive maintenance based on vehicle condition, etc.	<ul style="list-style-type: none">· Provide information on optimal charging schedules and charging stations considering customers' PBV operational conditions

Sustainable Future Mobility

Flexible PBV Production System

Kia's PBV production system is based on the principles of 1) optimizing production for low-volume production of various products, 2) applying environmentally friendly manufacturing methods, and 3) minimizing loss of raw and subsidiary materials during the manufacturing processes. We are building a PBV-dedicated factory, Hwaseong EVO Plant at AutoLand Hwaseong, where the first PBVs will be produced. The plant will feature a hybrid production line optimized for multi-variety production that combines the traditional conveyor production system with a flexible cell production system. In addition, Kia will systematically collaborate with various partners mainly through the conversion cluster being built near Hwaseong EVO Plant to efficiently develop PBV conversion models and ensure the quality.



PBV's Collaboration Plans with Various Industry Domains

Kia is in discussions with more than 70 of its key global customers on specific PBV-related businesses, with a particular focus on collaborating with customers in the ride-hailing, delivery, and utility domains to ensure the successful launch and market entry of PV5 in 2025.

In the ride-hailing domain, we work with companies like Kakao Mobility and Uber to provide convenient and hyper-personalized experience for their customers, drivers, and passengers. For the delivery domain, we are cooperating with CJ Logistics and LOTTE Global Logistics, among others, to increase business productivity and reliability. Finally, we are working to collaborate with various companies in the utility domain to develop corporate fleet optimized for maintenance services and provide real-time fleet management solutions.

Partnership Kia Signs a PBV MOU with Uber

Through a business agreement with global ride-sharing company Uber, Kia will provide PBVs based on its first dedicated PBV model, PV5, scheduled for mass production in 2025. Equipped with the first PBV-dedicated EV platform, PV5 offers more space and greater roominess than traditional passenger taxi models. It will also feature a driver-only application with an open infotainment system and a personalized travel experience for the convenience of passengers.

In addition, we are actively collaborating on 1) PBV diagnosis and preventive maintenance services using KIA Connect, 2) expansion of the KIA Flex service in North America by syncing it with Uber's platform, and 3) public and home charging infrastructure utilizing the global charging network to reduce charging inconvenience for Uber drivers.

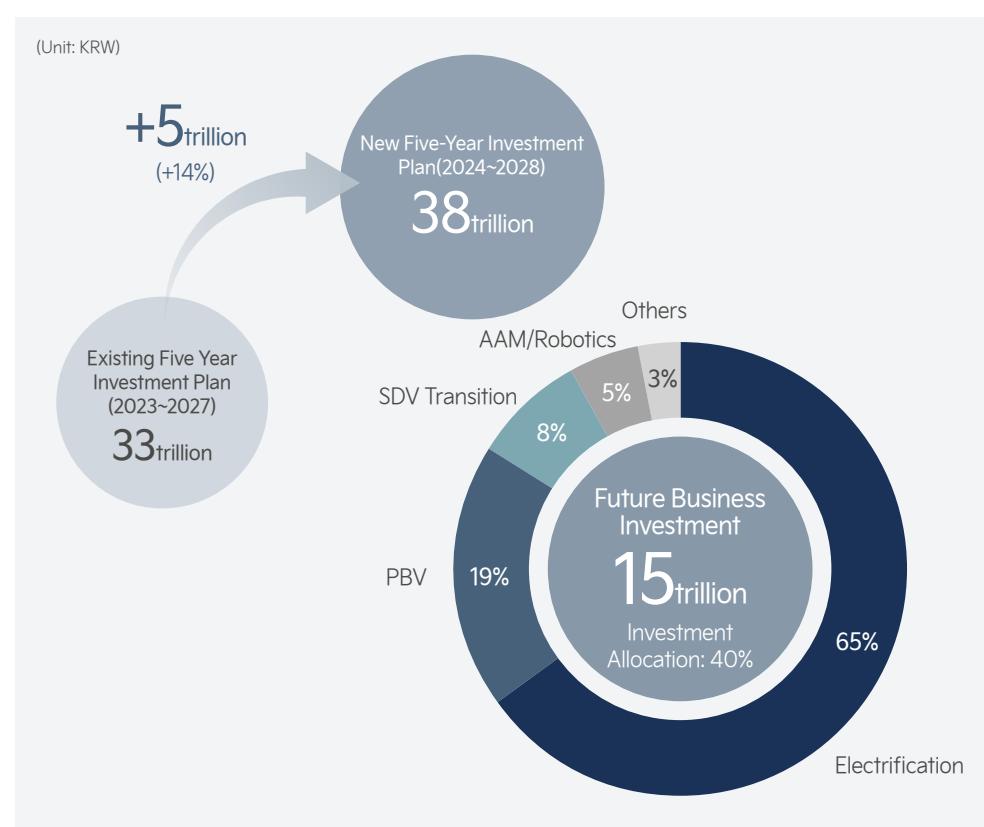
The two companies will continue to collaborate to develop and deliver user-oriented solutions enabled by software, data, and artificial intelligence(AI). This partnership confirms the value and role of PBVs as customized vehicles that meet diverse needs, while also contributing to Kia's goal of providing total mobility solutions optimized for each customer's business environment.



Sustainable Future Mobility

Increased Investment in New Technologies for Future Growth

Building on our best-ever results in 2023, Kia will continue to invest for future growth. Over the next five years, our mid-to long-term investments will total KRW 38 trillion, up KRW 5 trillion from the five-year plan announced in 2023, demonstrating Kia's commitment to actively allocate resources from improved earnings in existing businesses to invest in future growth. As a result, KRW 15 trillion is allotted for investment in future businesses, with 24% of that planned for PBV and Robotics/AAM. To this end, we are cooperating with specialized companies like Boston Dynamics and Supernal. We also continue to work on technological advancements in autonomous driving and PBV that can extend the future sustainability of our existing businesses.



Application of Various Autonomous Driving Technology

Hyundai Motor Group is cooperating with Motional, a joint venture with Aptiv, a US autonomous driving company, to develop autonomous vehicles and service business models. Together, we are working on the application of autonomous driving technologies to PV5, Kia's first PBV model, which is optimized for mobility enabled by flexible design and space layout that meets customer needs.



Robotics, the Key to Unlocking the Unlimited Possibilities of Future Mobility

In 2021, Hyundai Motor Group acquired Boston Dynamics, a specialized robotics company, securing the growth engine for the robotics business to transform the mobility industry. In 2022, Boston Dynamics signed a KRW 18 billion supply contract with DHL and supplied the first commercialized versions of the logistics robot Stretch in February 2023 while an increased number of Spot, Kia's factory safety service robot, being distributed at industrial sites in Korea and abroad. Kia plans to continue to explore new business opportunities, such as last-mile robot delivery services, utilizing its manufacturing and production capabilities as well as PBVs.



AAM, a New Mobility Solution that Goes Beyond to the Road in the Sky

At CES 2020, Hyundai Motor Group unveiled the S-A1, its first future-oriented Advanced Air Mobility(AAM) concept aircraft, presenting a new conceptual mobility solution that provides seamless travel based on connectivity between AAM, PBV, and mobility transit hubs. HMG is developing electric vertical take-off and landing(eVTOL) aircraft led by Supernal, an independent company established in the United States in 2021, and shaping the future of air mobility for Hyundai Motor Group. Supernal is on track for mass production of eVTOL airframes in 2028, by unveiling a mock-up of its next-generation airframe, the SA-2, at CES 2024. Kia aims to complete multimodal mobility that connects ground and air through the PBV business. We plan to continue to explore new business opportunities such as multimodal service connecting ground to urban air mobility in collaboration with Supernal and mobility hub business with vertiport operators.



Social Contribution for a Better Society

Kia Value System of Social Contributions

Kia actively responds to social issues such as the environment, the socially disadvantaged, and the changing demographics of society, and takes action for their practical solution.

In particular, under our social contribution mission of "Contributing to the free and safe movement of humankind through sustainable mobility", we focus our social contribution programs on three areas: Environment for climate change response and ecosystem protection, Mobility for free and safe movement, and Challenge for the growth and self-reliance of future generations.

[Introduction Video for Kia Social Contribution](#)



Social Contribution for a Better Society

Kia's Major CSR Social Contributions

Environment

Climate change response and ecosystem protection



Tidal Flat Restoration | Protecting marine ecosystems and enhancing biodiversity

We will make a number of genuine efforts, such as planting various halophytes on domestic tidal flats to preserve biodiversity, expanding their carbon absorption capabilities, and sponsoring research to ensure that the ecological and environmental value of excellent tidal flats is widely recognized by the international community.



Ocean Cleanup | Ocean plastic collection and resource circulation

Kia has partnered with global environmental NGO Ocean Cleanup to help tackle ocean plastic pollution. We will continue to find innovative solutions for a cleaner world by leading the way in building a circular value chain to prevent plastics from being thrown back into the environment.

Mobility

Free and safe movement



Green Trip | Enhancing the mobility rights for people with disabilities by supporting accessible travel

Green Trip is a social contribution program that provides a safe and convenient mobility environment for people with disabilities to experience freedom of travel. We operate modified Carnivals and Ray vehicles that can accommodate motorized and manual wheelchairs, as well as those that users can drive on their own, depending on the level of disability. In 2023, we introduced vehicles with ramps to make it easier for people with disabilities on wheelchairs to board vehicles, and we opened an office in Jeonju, Jeollabuk-do to provide services in seven regions nationwide.

* Total of 89,483 users (June 2012-June 2024)



New vehicles with ramps introduced in 2023

Challenge

Growth and self-reliance of future generations



Green Light Project | Supporting the growth and self-reliance of underdeveloped countries

Green Light Project is a project that provides opportunities for people facing limitations so that they can challenge themselves, and supports community growth and self-reliance. Since 2012, we have supported social infrastructure such as education, healthcare, and economy in 19 bases in 15 countries across Africa, Asia, and Europe. Over the past 11 years, Kia's GLP projects have generated an estimated total of KRW 37.16 billion in social performance¹.



[New CSR] Supporting Independence of Multicultural Youth

In line with government policies, Kia is planning a new social contribution project targeting multicultural youth to contribute to solving issues in our society. Our goal is to support the social and economic independence of multicultural youth and contribute to the development of Korea as a healthy society with more respectful and accepting attitudes toward diversity.

1. Estimated impact creation multiplier based on GLP Africa's 5 key facilities, multiplied by total investment excluding indirect expenses.

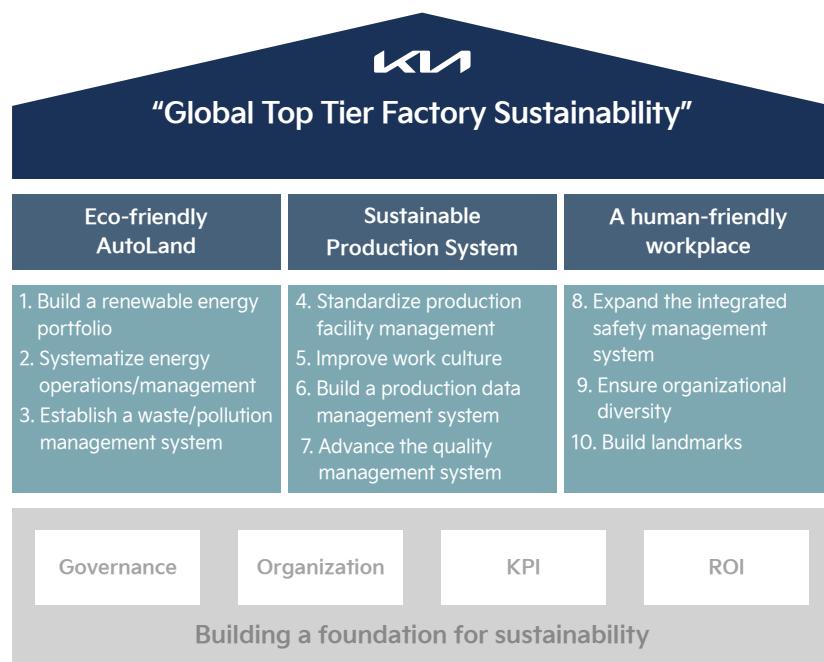
Social Contribution for a Better Society

Major Social Contributions by Domestic and International Business Sites

Domestic Business Sites		International Business Sites	
Yangjae (Headquarters)	Domestic business sites	Kia China Yancheng Plant	Kia India
<ul style="list-style-type: none">Kia Frientoring Mentoring underprivileged college studentsBlue car eco-class Providing eco-education in societies	<ul style="list-style-type: none">Kia Inspiring Class Supporting youth career educationK-Mobility Care Helping welfare organizations and low-income families maintain older vehiclesWelcome Wheel Donating portable ramps for people with disabilitiesECO STARTUP Incubating eco-startups	<ul style="list-style-type: none">Kia Gawon Supporting college student entrepreneurship	<ul style="list-style-type: none">1 Car 1 Tree Campaign Donation of 1 tree per vehicleProject D.R.O.P* Collecting and recycling waste plastic <p>* Develop Responsible Outlook for Plastic</p>
AutoLand Hwaseong		Kia America	AutoLand Georgia
<ul style="list-style-type: none">Kia Challenge ECO Project Environmental education for elementary, middle, high school, and college studentsIndependence-Support Project Supporting independence of young individuals preparing for independence		<ul style="list-style-type: none">St. Jude Hospital Supporting pediatric cancer research and treatment	<ul style="list-style-type: none">A.W.I.M* Science, technology, and math learning support <p>* A World In Motion</p>
AutoLand Gwangju	AutoLand Gwangmyeong	Kia Central & South America	AutoLand Slovakia
<ul style="list-style-type: none">Kia Challenge Supporting culture and arts and mentoringKia With Supporting various environmental enactment programs	<ul style="list-style-type: none">K-Academy Learning and emotional support for low-income youthK-School Providing afterschool programs for underprivileged teenagers	<ul style="list-style-type: none">Kia Parks Creating green spaces in local communities	<ul style="list-style-type: none">Bike KIA Building bike roads and bike sharing infrastructuresSpark Curiosity Science and Technology Education Center for Youth
CSR Projects in Partnership with Hyundai Motor Group			
<ul style="list-style-type: none">Gift Cars Campaign Public-interest mobility campaign (emergency safety training)	<ul style="list-style-type: none">Kids Auto Park Operating children traffic safety experience center		

Strengthening Sustainability in Production Sites

Kia established the AutoLand Sustainability Guideline(A.S.G.) in 2023 to apply to AutoLand plants to advance ESG at our production sites. These guidelines provide the foundation for moving from sustainability efforts at the individual plant level to a consistent system across all AutoLands. The ESG guidelines are expected to be highly effective with instructions specific to each production site, such as streamlining production facilities.



1. Predictive maintenance method that analyzes equipment data to detect and preempt anomalies.
2. Key Performance Indicator (KPI): Objective measures to assess performance needed to achieve goals.
3. Return on Investment (ROI): Net profit compared to investment cost.

[Direction of Sustainability at AutoLand] ① Eco-friendliness

Requires management of energy use and environmental impact throughout product lifecycle

Build a renewable energy portfolio	Systematize energy operations/management	Establish a waste/pollution management system
<ul style="list-style-type: none"> · Generate self-powered solar energy · Develop a predictive maintenance system¹ for solar energy 	<ul style="list-style-type: none"> · Manage energy use efficiency · Optimize energy generation 	<ul style="list-style-type: none"> · Strengthen waste recycling management · Measure and manage contaminants real-time

[Direction of Sustainability at AutoLand] ② Sustainable Production System

Strengthen responsiveness to change and customer demands by efficiently producing and managing risks

Standardize production facility management	Improve work culture	Production Data Management System	Advance the quality management system
<ul style="list-style-type: none"> · Establish a unified production facility system 	<ul style="list-style-type: none"> · Build engineer morale · Enhance work environment on site 	<ul style="list-style-type: none"> · Energy metering infrastructure · Analyze production efficiency 	<ul style="list-style-type: none"> · Validate the use of vision AI · Manage claims data

[Direction of Sustainability at AutoLand] ③ A Human-Friendly Workplace

Meet internal and external societal needs, such as eliminating discrimination of employees and helping communities thrive

Expand the integrated safety management system	Ensure organizational diversity	Build landmarks
<ul style="list-style-type: none"> · Proactively addressing safety in hazardous areas · Climate Change Disaster Prevention System 	<ul style="list-style-type: none"> · Building an inclusive culture · Infrastructure for women and people with disabilities 	<ul style="list-style-type: none"> · Developing a visitor engagement program · Creating spaces for customer experience

[Direction of Sustainability at AutoLand] ④ Building a Foundation for Sustainability

Continue to reform governance, organization, and KPIs² to bring sustainability to the manufacturing sites

Reestablish a governance structure	Build leadership/management organizations	Reorganize investment decisions	Add KPI metrics
<ul style="list-style-type: none"> · Participate in company-wide councils · Operate internal councils 	<ul style="list-style-type: none"> · Establish cross-departmental R&R · Raise sustainability awareness 	<ul style="list-style-type: none"> · Apply non-financial values · Review changes to ROI³ criteria 	<ul style="list-style-type: none"> · Redefine assessment criteria · Refine assessment items

Strengthening Sustainability in Production Sites

Ten strategic directions toward sustainability have been developed from the three directions of A.S.G(AutoLand Sustainability Guideline)—eco-friendly AutoLand, a sustainable production system, and a human-friendly workplace—with mid- to long-term goals have been established accordingly.

Strategic Direction of AutoLand	Image of Strategies Achieved	2040 Goals
Eco-friendly AutoLand	<p>① Build a renewable energy portfolio</p> <p>We operate 100% on renewable energy and have our own power generation and storage capabilities.</p> <p>② Systematize energy operations/management</p> <p>Our production sites are certified as green buildings, contributing to energy conservation and reducing environmental pollution.</p> <p>③ Establish a waste/contaminant management system</p> <p>We systematically monitor and disclose emissions of carbon and other pollutants.</p>	<p>Achieve RE100</p> <hr/> <p>Reduce production plant energy use by 20%, enable full process automation excluding assembly¹</p> <hr/> <p>Build company-wide monitoring control towers and establish dashboards for the process environment</p> <hr/> <p>Achieve zero serious accidents in production lines and below 3.0 at suppliers²</p>
Sustainable production systems	<p>④ Standardize production facility management</p> <p>We manage energy efficiency and operate automated facility systems based on the EMS(Energy Management System).</p> <p>⑤ Improve the work culture (Back to the Basics)</p> <p>Our production sites are maintained based work principles and work culture agreed between labor and management.</p> <p>⑥ Build a production data management system</p> <p>We monitor production efficiency(power usage, equipment operation, water usage) in real time and identify points of improvement.</p> <p>⑦ Advance the quality management system</p> <p>Quality control is driven by automated systems and reflects customer feedback.</p>	
A human-friendly workplace	<p>⑧ Expand the integrated safety management system</p> <p>We create accident-free workplaces and prevent damage from natural disasters with smart safety equipment.</p> <p>⑨ Ensure organizational diversity</p> <p>We are a diverse group of people, and we respect each other's differences and views.</p> <p>⑩ Build landmarks</p> <p>As a local landmark, our production sites provide sustainable value to community members.</p>	

1. The final process of installing interior and exterior parts such as instrument panels and seats, assembling core parts of automobiles such as engines, transmissions, and axles, and completing vehicles through electrical components, wiring, and piping.

2. Compliance with the level stipulated by the revised Serious Accidents Punishment Act in January 2023

Our Priorities

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Kia ESG Strategy

In 2021, Kia designated sustainable ESG management a key corporate direction and presented our corporate strategy, "Plan S," declaring a shift toward eco-friendly, customer-centered, and future-oriented new businesses. In 2023, based on this vision and systematic management, we established a new ESG management system to emphasize Kia's sustainable direction and values and are implementing ESG strategies and activities based on this system.

Mid- to Long-Term ESG Roadmap

Kia has been strengthening our infrastructure and capabilities for sustainability management, including the creation of a dedicated ESG organization by 2022. Building on this, we have been working to improve our internal composition by establishing a mid- to long-term ESG strategy from 2023 and publicizing our ESG management activities.

Based on these substantial ESG efforts, we plan to continue our sustainability efforts by creating ESG value in our business value chain starting in 2026 and achieving carbon neutrality by 2045.



ESG Vision and Core Values

Kia's ESG vision is "Sustainable Movement for an Inspiring Future," which means we will constantly move toward an inspiring future together with our various stakeholders, including customers, shareholders, suppliers, communities, and the natural environment. To realize this, we have established three core values that cover aspects such as eco-friendliness, resource circulation, safety, stakeholder satisfaction, sound governance, and ethical management.



Kia ESG Strategy

Through our ESG vision and strategy, Kia seeks to ensure that all employees are aware of what we do for sustainability.

We are determined to implement sustainability activities that minimize the negative impacts of Kia's business and enhance the positive impacts on our environment and society.

Sustainable Movement for an Inspiring Future



Cleaner & Circular

Play a leading role in shaping green and circular economy for our planet



Safe & Satisfying

Create a safe and satisfying society for all



Transparent & Trustworthy

Make our governance transparent and reliable

Responding to Climate Change through Building an Eco-Friendly Manufacturing Environment

- Achieving Carbon Neutrality
- Transition to Renewable Energy
- Creating Eco-Friendly Business Sites

Producing Eco-Friendly Products through Building a Resource Circulation System

- Applying Eco-Friendly Materials
- Expanding the Use of Recycled Materials

Protecting Everyone's Lives through Prioritizing Safety

- Internalizing Safety Management
- Strengthening Product Reliability

Realizing Win-Win Growth through Satisfying Stakeholders

- Protecting Customer Rights
- Protecting Human Rights
- Providing Fair Value
- Building a Sustainable Supply Chain
- Expanding Social Contribution Impact

Building a Robust Governance Structure through Transparent Management

- Ensuring Board Transparency
- Making Decisions Based on ESG (Environmental, Social, and Governance)
- Disclosing Transparent ESG Information

Enhancing Corporate Trust Based on Responsible Management

- Ethical/Compliance Management

ESG Governance

To strengthen ESG-conscious decision-making, Kia oversees ESG issues at the Sustainability Management Committee of the Board of Directors, the highest decision-making body, and discusses matters reviewed through Global ESG councils. We also establish ESG performance targets for each division based on our mid- to long-term ESG strategy and reflect them in key performance indicators(KPIs), and proactively prevent risks by monitoring the company-wide ESG status at all times via our ESG platform.

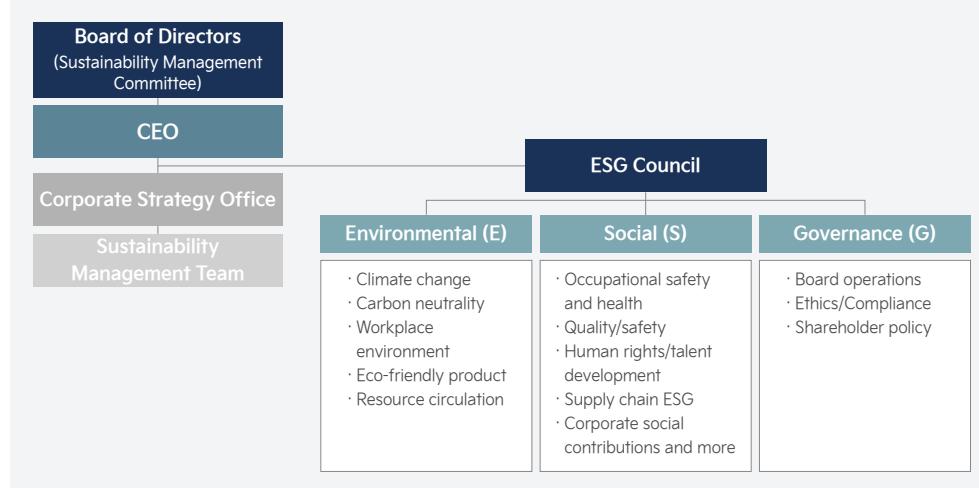
ESG-Centered Decision-Making

To strengthen ESG-conscious decision-making, the Sustainability Management Committee of the Board of Directors, Kia's highest decision-making body, meets every quarter to review ESG issues. In addition, we operate a dedicated sustainability management organization, implement improvement tasks for each sector based on the newly established mid- to long-term ESG strategy, and monitor progress through the council.

Reviews and Decisions of the Sustainability Council in 2023

Anti-Corruption	Implementation of the Employee Code of Ethics, compliance with fair trade, and support for compliance
Occupational Health & Safety	Annual occupational health and safety plan, ways to remediate serious accidents and enhance company-wide occupational safety
Local communities	Corporate social responsibility activities and donations
ESG Action Plan	Kia's mid- to long-term ESG strategy system
Internal Transactions	Approval of changes to internal transactions with or among affiliates, approval of transactions between directors and the company, and approval of the total transaction amount of the largest shareholder
Business	Plans for establishing a joint venture, progress of used car certification business, etc.

Kia ESG Governance



ESG Performance Management

Kia incorporates ESG into the performance evaluation of the top management and each division and business unit to ensure that work and decisions are made from a sustainability perspective. In particular, in 2023, we included "building an ESG system" in the purpose of operating KPIs and applied ESG to overseas sector KPIs for the first time, encouraging the implementation of ESG perspective-based work within the entire organization.

Key Performance in Strengthening ESG Decision-Making

Addition of "Building ESG System" to KPI operational purpose	First to apply ESG to Overseas sector KPIs	Review of ESG implementation through national and international ESG councils
Internalize ESG company-wide through the performance assessment system	Assess greenhouse gas emissions, renewable energy use, electrification sales, and more	Share and check ESG issues with relevant sectors in Korea and major overseas regions such as Europe and North America

ESG Data Platform

The ESG data platform enables Kia to consolidate our various ESG management performance and disclose accurate information, as well as respond to global regulations and external assessments in an integrated manner. It is also being utilized to internalize ESG management by checking and diagnosing the ESG level of the entire company. We will continue to enhance our ESG data platform to provide accurate information to our stakeholders, including proactively preventing possible ESG risks by monitoring the ESG status of each sector at all times.



Double Materiality Assessment

Overview

Kia conducts an annual double materiality assessment to disclose its activities and performance on material issues to stakeholders, and reviews and enhances its sustainability strategy on these issues. The assessment process was guided by the implementation guidance for the European Sustainability Reporting Standard (ESRS²) issued by the European Financial Reporting Advisory Group (EFRAG¹). Dual materiality refers to the degree to which a company's business activities can have a positive or negative impact on society and the environment (impact materiality) and the degree to which external sustainability-related factors can have a positive or negative impact on the company's financial position (financial materiality). Through the double materiality assessment, we identified prioritized ESG issues for enhancing sustainability management from the perspective of internal and external stakeholders. Kia will continue to enhance our double materiality assessment methodology under the global disclosure standards and drive substantive improvements through strategic assignments for identified material issues.

The Concept of Double Materiality



Double Materiality Assessment Process

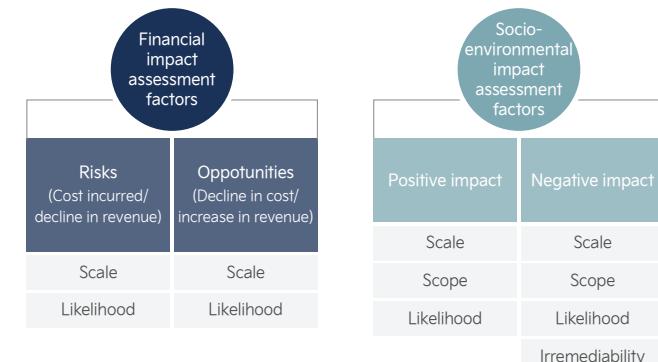
Kia organized a pool of issues based on the sustainability issues suggested by the European Sustainability Disclosure Standard and activities in each issue's value chain, and conducted in-depth interviews with internal and external stakeholders (March 18–29, 2023, 2 weeks). Based on the results of the interviews, we assessed impact materiality and financial materiality, and developed our ESG strategy based on the level of materiality.



Overview of Assessment Methodology

Assessment method	<ul style="list-style-type: none"> In-depth interviews and surveys 5-point scale survey for each factor based on the interview
Assessment target	<ul style="list-style-type: none"> Consisting of internal and external stakeholders for each issue Issue-specific internal working-level staff and managers, external experts in the relevant field
Issue pool selection method	<ul style="list-style-type: none"> Segmentation by value chain based on ESRS sub-level topics Issue pool determined by peer companies, automotive industry, ESG initiatives, and media analysis

Assessment Factors



Double Materiality Assessment Results

We assessed the financial and socio-environmental impacts of each issue, resulting in a total of 12 material issues. Material issues were selected based on the top 50% of quantified issue-specific impact scores. In the environment sector, seven issues related to climate change and the circular economy were identified. In particular, climate change-related issues encompass upstream,¹ own operations,² and downstream³ related topics, confirming the importance of managing the entire value chain of the issue. Kia has declared a supply chain-wide goal of carbon neutrality by 2045 and will continue to manage through Kia's Climate Change Response Strategy to achieve this goal.

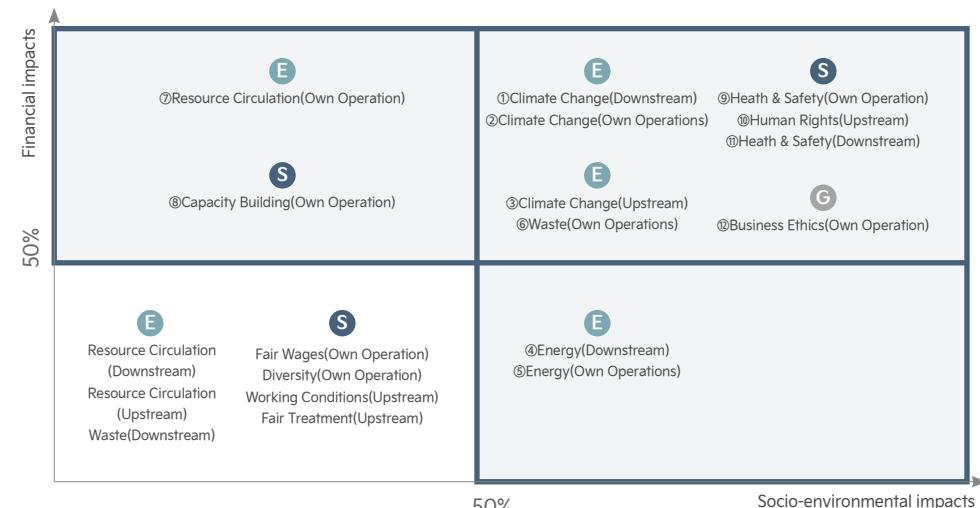
In the social area, four material issues were identified: education and training of employees, health and safety of employees, human rights management in the supply chain, and safety and satisfaction of customers. We will expand our management of human rights and safety across our value chain, including our employees, supply chain, and customers. Finally, in the governance area, strengthening anti-corruption compliance management was ranked as a material issue. This report complies with the reporting format required by the IFRS⁴ sustainability reporting standard and is organized into four areas: governance, strategy, risk management, and metrics and targets, based on high-level topics that include material issues.

1. Steps to produce, process, and procure raw materials utilized in Kia's business

2. Steps taken at all business sites within Kia's sphere of control

3. Steps related to customers using Kia products and disposal and recycling after use

4. International Financial Reporting Standards



Areas	High-level topics	Subtopics	Material issues	Value chain	Impact materiality	Financial materiality
Environment	Climate change	Climate change mitigation	① Reducing carbon emissions at the vehicle operation stage	Downstream	●	●
			② Reducing carbon emissions across all business sites	Own operations	●	●
	Energy		③ Inducing and supporting carbon reduction in the supply chain	Upstream	●	●
			④ Improving vehicle energy use efficiency	Downstream	○	●
	Resource circulation	Waste	⑤ Switching to renewable energy at all business sites	Own operations	●	○
			⑥ Managing and reducing waste across business sites	Own operations	○	●
Social	Employees	Resource inflows, including resource usage	⑦ Using raw materials efficiently and increasing recycling	Own operations	○	●
		Training and capacity building	⑧ Fostering talent and expanding career development support	Own operations	○	●
	Supply chain	Employee health and safety	⑨ Ensuring employee safety and health	Own operations	●	○
		Other work-related rights	⑩ Monitoring and managing supply chain human rights	Upstream	●	○
	Customer safety and quality	Consumer health and safety	⑪ Managing product safety risks and improving customer experience	Downstream	●	●
Governance	Business ethics	Corruption and bribery	⑫ Strengthening anti-corruption compliance management	Own operations	○	●



Management Status by Material Issue

Kia is strengthening its sustainable management by identifying the financial (risks and opportunities) impacts and socio-environmental impacts (positive and negative) for 12 material issues on Kia's business and establishing future plans.

Topics	Material issues	Business importance of the issue		Kia's response	Future plans	Report page
		Financial impact	Socio-environmental impact			
 Climate change	Reducing carbon emissions at the vehicle operation stage	<ul style="list-style-type: none"> Trends in eco-friendly vehicles such as electric and hydrogen vehicles as new engines of growth, and response to regulations such as vehicle fuel efficiency and greenhouse gas emissions 	<ul style="list-style-type: none"> Impact of climate change on consumption and usage and contributing to the formation of consensus on reducing carbon 	<ul style="list-style-type: none"> Increasing the sales of eco-friendly vehicles Improving product's fuel and electricity efficiency through continuous R&D 	<ul style="list-style-type: none"> Reviewing and accelerating transition to green business portfolio 	31, 34, 39 40-41
	Reducing carbon emissions at all business sites	<ul style="list-style-type: none"> Response and operational costs to carbon tax and emissions trading, legal sanctions related to emissions, and physical risks from extreme weather events 	<ul style="list-style-type: none"> Kia's 2045 carbon neutrality goal and carbon reduction efforts 	<ul style="list-style-type: none"> Implementing carbon reduction plan Joining the K-EV100 and electrification of business vehicles 	<ul style="list-style-type: none"> Continue advancing specific carbon neutrality action plans, including process efficiencies and energy savings 	31-32 35-38 40-41
	Inducing and Supporting Supply Chain Carbon Reduction	<ul style="list-style-type: none"> Response and operational costs to carbon tax and emissions trading, legal sanctions related to emissions, and reduced demand for carbon-intensive products 	<ul style="list-style-type: none"> The need to manage GHG across the supply chain, performing life cycle assessments (LCAs) on components, and carbon neutrality training for suppliers 	<ul style="list-style-type: none"> Conducting supply chain ESG assessments Supporting programs for supply chain carbon neutrality training Participating in CDP supply chain 	<ul style="list-style-type: none"> Including low-carbon items within supplier assessment criteria Expanding support for capacity building of low-carbon operations 	31, 33 40-41
	Improving Vehicle Energy Efficiency	<ul style="list-style-type: none"> Decrease in demand for internal combustion engines and fuel inefficient products, increase in product delivery costs due to inefficient downstream supply chains 	<ul style="list-style-type: none"> Environmental impact of fossil fuel use in internal combustion engines 	<ul style="list-style-type: none"> Applying technologies to improve fuel efficiency of internal combustion engines Improving EV energy efficiency to improve the cost of ownership 	<ul style="list-style-type: none"> Enhancing quality and performance and expanding infrastructure to accelerate eco-friendly vehicles transformation 	34 40-41
	Transition to Renewable Energy at All Business Sites	<ul style="list-style-type: none"> Increase in operational costs due to energy supply and price fluctuations resulting in increased energy supply instability 	<ul style="list-style-type: none"> Environmental impact of fossil fuel use and energy consumption in business operations 	<ul style="list-style-type: none"> Establishing a roadmap for RE100 implementation Installing solar power generators at all business sites Purchasing/using renewable energy through (v)PPAs 	<ul style="list-style-type: none"> Strengthening management for timely introduction of renewable energy 	32 40-41
 Resource circulation	Managing and Reducing Site-Wide Waste Disposal	<ul style="list-style-type: none"> Higher costs for high-risk, non-recyclable waste disposal Increase in recycling rates and reduced waste disposal costs by changing waste disposal methods (incineration/landfill → recycling) 	<ul style="list-style-type: none"> Building an eco-friendly corporate image and building a circular economy by complying with waste-related laws and regulations Environmental pollution concerns due to improper waste management 	<ul style="list-style-type: none"> Establishing vehicle disposal and battery circulation system Pursuing Zero Waste to Landfill verification at business sites 	<ul style="list-style-type: none"> Building cross-departmental collaboration and communication for responsible designs 	43 47-48 52-53
	Using Raw Materials Efficiently and Increasing Recycling	<ul style="list-style-type: none"> Legal sanctions and the impact on brand image and consumer trust in the event of wasting resources or causing environmental damage 	<ul style="list-style-type: none"> Environmental and ecosystem impacts of overharvesting raw materials 	<ul style="list-style-type: none"> Recycling iron scraps in the press process Goal to use at least 20% recycled plastics by 2030 	<ul style="list-style-type: none"> Reducing (new) raw material use and continuing R&D investments for increasing recyclability 	43 45-46 49-51 52-53

Management Status by Material Issue

Topics	Material issues	Business importance of the issue		Kia's response	Future plans	Report page
		Financial impact	Socio-environmental impact			
 Employees	Fostering Talent and Supporting Career Development	· Overall impact on financial and non-financial business capabilities	· Neglecting human resource management weakens business competitiveness across the board, acquiring the foundation for mid- to long-term growth through human resource development	· Organizational capacity building, Mobility Academy · Data-driven customer care, DT/AI Academy	· Expanding training for the green business transition · Preparing training to build capacity for customer-centric business	55-57
	Ensuring employee safety and health	· Financial losses due to production downtime, fines/penalties, and penalties for executives and managers in the event of a major disaster	· Exposing employees to safety risks and deterioration of their health · Preventing catastrophic events by building preemptive and preventive systems	· Establishing and implementing mid- and long-term directions for security assurance	· Establishing a safety management system using AI, etc. · Enabling safety-related communication channels	58-63
 Supply chain	Monitoring and managing human rights in the supply chain	· Impact on brand image, legal sanctions, and human resource acquisition in case of labor rights issues of suppliers' workers	· Social impacts of ensuring labor rights for suppliers' workers, such as prohibiting child and forced labor	· Including labor and human rights as part of supplier assessment · ESG assessment of domestic and international suppliers	· Advancing human rights assessment and monitoring of suppliers	68-72
 Customer safety and quality	Managing product safety risks and improving customer experience	· The cost of litigation and compensation, impact on the brand image and consumer trust in the event of a harm	· Actual and potential safety impacts on product consumers and users, impact on social trust	· Driving a customer-centric safety strategy · Applying driving assistance solutions	· Promoting the adoption of new safe driving assistance technologies · Advancing follow-up process for product stewardship	74-79
 Business ethics	Strengthening anti-corruption compliance management	· Causing operational damage from related legal actions and deterioration of reputation and trust with stakeholders; establishing internal controls to mitigate unpredictability	· Raising awareness on moral hazard and compliance based on operational results	· Self-compliance checks for impartial conduct of business (anti-graft, anti-bribery, etc.)	· Strengthening internal controls to minimize compliance issues	81-83

Addressing Material Issues to Kia Business

Kia operates a response strategy for material issues related to our operations and products, and has established a more in-depth management system that includes reviewing goals and achievements and linking them to management KPIs.

																
		Reducing carbon emissions at the vehicle operation stage		Reducing carbon emissions across all business sites		Ensuring employee safety and health										
Materiality of the Issue	The EU plans to reduce 100% of carbon emissions from passenger vehicles by 2035 and has banned the sale of new internal combustion engines from 2035. The market for electrified vehicles is expanding as internal combustion engine vehicles are phased out, and our technology and market leadership in electrified vehicles can help drive revenue growth. The automotive industry accounts for the largest share of carbon emissions in the operation of automotive vehicles, and to reduce carbon emissions in operation, we are undergoing electrification to mitigate climate change risks and turn them into opportunities.	Production processes in the automotive industry consume a lot of energy. This energy use translates into carbon emissions, which can result in operational costs due to participation in carbon taxes and emissions trading programs, as well as legal sanctions related to emissions if carbon-related regulations become more stringent in the future. Kia recognizes this risk and is committed to reducing carbon emissions across our global business sites.			As a manufacturing industry that relies on a large workforce of employees, occupational health and safety is an important issue. Especially with the strengthening of major accident penalty laws in Korea, there has been an increased legal responsibility on management. Safety issues not only lead to personal losses and damages but also impact product quality, highlighting the importance of safety and health management.											
Response Strategies	Kia's low-carbon mobility strategy can also be found in our 2045 Carbon Neutrality Strategy. In 2022, we launched our first dedicated electric car, the EV6, followed by the EV9, an all-electric SUV, in 2023. The EV9 is the world's first SUV flagship EV with optimal EV power based on the E-GMP platform. Going forward, Kia will launch a total of 15 vehicles by 2027, giving customers the opportunity to choose from a wide range of EVs.	In April 2022, we joined RE100, a global initiative that aims to transition 100% of the electricity used by businesses to renewable energy. We have a roadmap to accomplish this and plan to gradually transition all of our electricity to renewable energy by 2030 for our international business sites and by 2040 for all of our business sites. In particular, the development of the AutoLand Sustainability Guideline (A.S.G) in 2023 solidified our strategic framework for enhancing the ESG capabilities of our manufacturing operations. We are also launching and expanding dealerships across our global bases that are designed in accordance with Kia's Store Sustainability Guidelines to make our sales locations more environmentally friendly.			Kia has established a company-wide safety environment level diagnosis system (KIA SEMS) in accordance with the mid- to long-term direction of securing safety, and has implemented improvement activities every year. In 2023, we implemented a close support project for each organization to improve safety standards. ① Improved KIA SEMS metrics ② Established a multi-departmental plan to prevent accident recurrence ③ Conducted support projects for two-unit plants for two weeks each under the three themes of identifying/improving obstacles through safety awareness diagnosis; the target plants showed improvement in KIA SEMS indicators. Compared to 2023, the 2024 outreach program will cover a wider range of themes and more departments.											
Goals and Achievements	<table border="1"> <tr> <td>Goals</td> <td>To sell 2.48 million eco-friendly vehicles in 2030 (Increase the proportion of eco-friendly vehicles sold in key markets to 80 percent)</td> </tr> <tr> <td>Achievement status</td> <td>576,000 eco-friendly vehicles sold in 2023 (+18% y/y)</td> </tr> </table>	Goals	To sell 2.48 million eco-friendly vehicles in 2030 (Increase the proportion of eco-friendly vehicles sold in key markets to 80 percent)	Achievement status	576,000 eco-friendly vehicles sold in 2023 (+18% y/y)	<table border="1"> <tr> <td>Goals</td> <td>To reach renewable energy conversion rate 100% in 2040 (12% in 2025, 66% in 2030, 82% in 2035)</td> </tr> <tr> <td>Achievement status</td> <td>Renewable energy conversion rate Approximately 9% in 2023</td> </tr> </table>	Goals	To reach renewable energy conversion rate 100% in 2040 (12% in 2025, 66% in 2030, 82% in 2035)	Achievement status	Renewable energy conversion rate Approximately 9% in 2023	<table border="1"> <tr> <td>Goals</td> <td> <ul style="list-style-type: none"> To reduce 3-year average and year-over-year industrial accident rates To reduce combined accident rate compared to 3-year average To acquire safety and environmental system certifications and achieve 80 points on KIA SEMS in 2025 </td> </tr> <tr> <td>Achievement status</td> <td>Scored 75.4 on SEMS in 2023 (target: 73)</td> </tr> </table>	Goals	<ul style="list-style-type: none"> To reduce 3-year average and year-over-year industrial accident rates To reduce combined accident rate compared to 3-year average To acquire safety and environmental system certifications and achieve 80 points on KIA SEMS in 2025 	Achievement status	Scored 75.4 on SEMS in 2023 (target: 73)	
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Achievement status	Scored 75.4 on SEMS in 2023 (target: 73)															
Managing goals of top executives	Kia is establishing KPIs and aligning executive incentives to address climate change. The KPIs of key organizational leaders include green car sales targets achievement status.	Kia's RE100 drive to transition to renewable energy is reflected in KPIs across the head of key divisions. We regularly check whether all domestic and overseas production subsidiaries have or plan to install solar power generation facilities and manage KPIs.		Through Kia SEMS, Kia inspects the status of safety and health management annually and reflects the final evaluation results in executive and departmental KPIs to guide responsible safety management in each sector.												

Addressing Material Issues with External Stakeholders

We identify key impacts of material issues relevant to external stakeholders and report output metrics and impact valuation results to quantify the social cost of those impacts.

			
		Reducing carbon emissions at the vehicle operation stage	Using raw materials efficiently and increasing recycling
Key impacts	With a growing number of regulations and initiatives to combat climate change, it is becoming an essential part of sustainable management for companies to adopt climate change mitigation strategies across their value chain. As such, Kia is aggressively embracing electrification in our automotive business and turning the risks posed by climate change into new opportunities. The electrification strategy is not only an effective way for the automotive industry, which has the highest on-road carbon emissions, to combat climate change, but it is also an important milestone in Kia's progress towards a sustainable future.	With global plastic production increasing by 42% over the past decade, and 72% of it ending up as waste, the importance of a circular economy is emerging as a serious issue. In 2023, the European Commission is proposing a draft of the End-of-Life Vehicle Regulation (ELVR), which will strengthen the obligations of producers of end-of-life vehicles from new vehicles to end-of-life disposal. Kia aims to minimize the environmental impact of plastic by using recycled materials in our products. We will continue to expand the use of materials such as water bottles, PET bottles, waste bumpers, waste fibers, and waste nonwovens, and apply the principle of using eco-friendly materials in all new vehicles in the future.	
Measuring Social Costs	Output metric: We continue to advance our LCA to estimate EV driving emissions reductions. Impact valuation: Upon comparing the carbon emissions of the EV6 model and its equivalent internal combustion engine model, the Sportage, over 200,000km of driving, the EV6's direct emissions were 11.36 tCO ₂ eq and the Sportage's emissions were 33.77 tCO ₂ eq, resulting in a carbon reduction of 22.41 tCO ₂ eq per vehicle. Improving carbon emissions reduces the social cost of carbon dioxide in the atmosphere. In a government service report submitted in February 2022, the researchers calculated the social cost of carbon at KRW 55,400 per ton. This is the social cost of an increase of one ton of carbon dioxide in the atmosphere, estimating resulting the environmental pollution and health damages. The EV6 is expected to sell 17,227 units domestically in 2023, which translates to a reduction of approximately 386,057 tCO ₂ eq. This was approximately KRW 21,387,561,678 (approximately KRW 21.4 billion) in social savings.	Output metric: In order to quantify the results of minimizing environmental pollution through our plastic recycling business, we use the amount of plastic recycled as a metric. Impact valuation: Kia typically uses post-consumer plastics in about 2% of all vehicle parts. Considering that Kia's total vehicle sales in 2023 will be 3,015,762 units, we estimate that each vehicle uses approximately 5.8 kg of plastic, resulting in a total savings of approximately 17,491,420 kg (approximately 17,491 tons). According to the World Wide Fund for Nature (WWF), the social cost of producing and disposing of the roughly 200 million tons of plastic made in a year is about \$3.7 trillion, or \$1,850 per ton (KRW 2.41 million). If Kia's waste plastic savings were converted into social costs, the social cost savings would be approximately KRW 42,153,310,000 (approximately KRW 42.2 billion).	

1. This measurement is based on data managed by the company and utilizes national statistics, research findings, etc.

The monetary values used in the measurement are subject to change based on new research, and the completeness of the measurement results cannot be verified, so it cannot be considered as part of financial disclosure.

Material Topics

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Material Topics 1

Climate Change



As a global company, Kia is committed to taking responsibility for the climate crisis and taking concrete steps to improve. We are committed to reducing our carbon footprint by achieving RE100, accelerating electrification, and expanding life cycle assessment to achieve net zero carbon emissions at every stage of our products by 2045. We are also creating a collective value chain effort through various programs to help our suppliers become carbon neutral.

Material Issue

Climate Change Mitigation

1. Reducing carbon emissions across all business sites
 2. Reducing carbon emissions at the vehicle using level
 3. Inducing and supporting carbon reduction in the supply chain
- Energy**
4. Switching to renewable energy at all business sites
 5. Improving vehicle energy use efficiency

Governance

Governance

Kia supports achieving the Paris Agreement goal of keeping the increase in global average temperature below 2°C above pre-industrial levels, and is working to achieve Net Zero, including Scope 3, by 2045 as part of the government's carbon neutral policy implementation. Since 2021, we have been reporting on our progress in addressing climate change, and we report our progress and plans in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) Reporting Framework.

When we sponsor the activities of associations, including those related to climate change, and expects them to act in accordance with the Paris Agreement and its policy standards and framework. In the event that this is not the case, we annually review the activities of key business-related associations to which our operations are members and reconsider our membership to ensure that we are making a positive environmental impact in the long term.

Key Elements of TCFD Recommendations



Key Timeline



Board-level Oversight of Climate Change Risks and Opportunities

Kia manages company-wide ESG risks through the Sustainability Management Committee under the Board of Directors. The Sustainability Management Committee is required to meet at least once a year to report on the status of implementation of tasks related to climate change issues and plans for action. The Board of Directors is the final decision-making authority and accountability body for climate change, receiving reports on business performance and plans, including climate change and carbon neutrality, and making key decisions, and reports to the CEO who takes accountability.

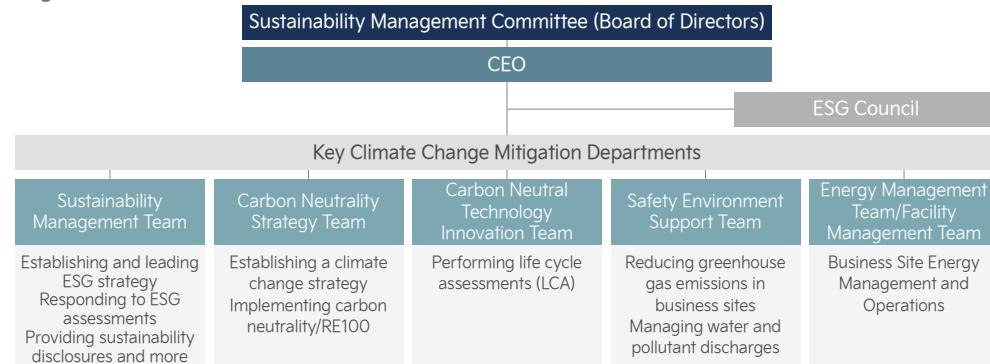
Leadership's Role in Assessing and Managing Climate-related Risks and Opportunities

In 2022, Kia established a dedicated carbon neutrality team to analyze climate-related risks and manage the challenges of its net zero strategy. The Head of Corporate Strategy is assigned the role of oversight and accountability, and matters deemed to be key issues are reported to the Board and CEO.

Climate-Related Incentives

Kia is linking the environmental management performance to the KPIs of the CEO and major domestic division heads. The CEO's KPIs include internal and external ESG ratings, carbon neutrality, and ESG issues such as natural capital protection. The CEO is also evaluated on KPI achievement and incentivized annually through salary as well. Organizational leaders (executives) of major domestic and overseas organizations are evaluated on KPIs based on the rate of achievement of climate change mitigation tasks including CO2 regulation response and carbon emissions. Other metrics such as the number of electric vehicles produced and sales of electric vehicles are included in KPIs, and performance pay is compensated according to the degree of KPI achievement. Additionally, in an employee idea contest focused on greenhouse gas and energy reduction, we provided in-kind rewards for the winning proposal, which suggested improvements in greenhouse gas emissions and energy efficiency through plant and facility development.

Organizational Chart



Climate Change

Strategy | Kia's '2045 Value Chain Carbon Neutrality' Declaration

Upstream Kia Operation Downstream

In 2021, Kia declared our commitment to "2045 Carbon Neutrality" to contribute to the development of our customers, communities, and international society. By 2045, we will achieve net-zero carbon emissions at every stage of the value chain, including the supply, production, use, logistics, and disposal of vehicles. As an automaker, Kia is most directly responsible for emissions from the production and use phases, which currently account for more than 80% of our total emissions. We aim to overturn this by building a greener manufacturing environment and aggressively transitioning to electrification.

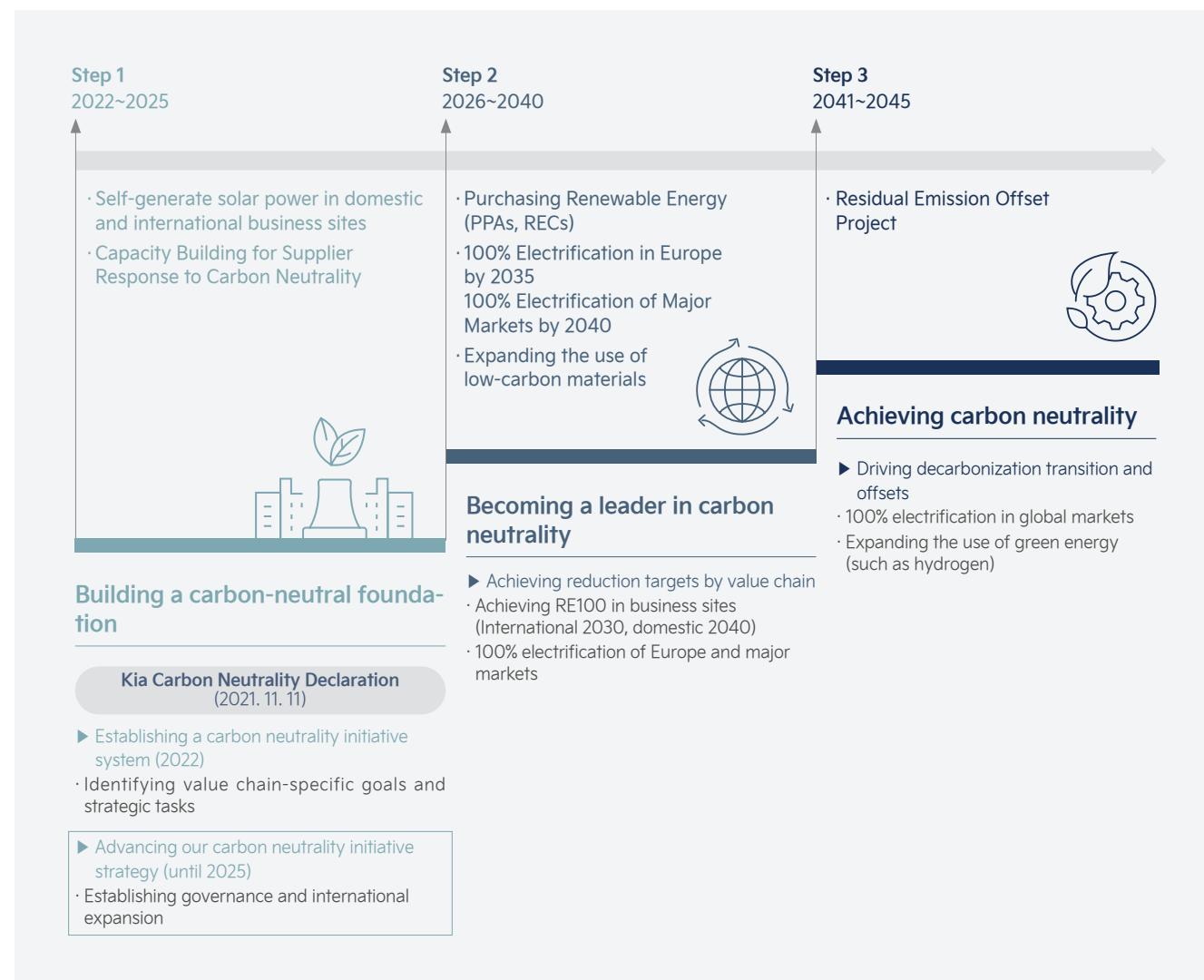
In the production phase, we will reduce carbon emissions through vehicle electrification and energy efficiency, and transition to renewable energy via self-generated solar power and PPAs.

In the vehicle usage phase, minimizing carbon emissions is crucial for carbon neutrality. Under 'Plan S,' we will expand electrification, aiming for all vehicles sold in Europe by 2035 and in major markets by 2040 to be electric.

In the supply phase, we will reduce emissions by establishing a monitoring system for primary suppliers' carbon emissions and gradually applying low-carbon steel to vehicles starting in 2030.

Achieving carbon neutrality across the value chain is challenging for Kia alone. It requires close cooperation with various stakeholders, including suppliers of raw materials and components, partners involved in recycling end-of-life products, and government agencies. Kia is committed to creating a sustainable automotive industry by supporting suppliers' carbon-free transition and expanding government and institutional partnerships.

Carbon Neutrality Roadmap



Climate Change

Strategy | RE100 Implementation

Upstream
Kia Operation
Downstream

Kia RE100 Roadmap

Kia joined the RE100 initiative in April 2022, which has launched by the UK-based nonprofit organizations The Climate group and CDP. We pledged to transition to 100% renewable energy for our business sites by 2040. In phases, we plan to transition all of our electricity to renewable energy by 2030 for our international business sites and by 2040 for all of our business sites, a decade ahead of the RE100 initiative's recommended transition to 100% renewable energy by 2050.

Kia has revised the interim targets of RE100 road map upwards. We are installing 62MW of self-generation solar facilities at domestic and overseas business sites and introducing (v)PPAs in the United States, China, and India in a timely manner. Moreover, based on the largest PPA procurement agreement in Korea signed in December 2023, we plan to accelerate the transition to renewable energy at our domestic business sites and achieve the transition target raised by 3% point in 2030 and 4% point in 2035.

Roadmap to achieve RE100



1. PPA: Power Purchase Agreement 2. vPPA: Virtual Power Purchase Agreement
3. REC: Renewable Energy Certificate, Certificates that prove electricity is generated from renewable sources
4. GO: Guarantee of Origin, certification system for the origin of energy

Progress of RE100 Implementation

Kia is pursuing a renewable energy transition centered on Solar power self-generation and (v)PPAs. We plan to directly generate and use 86 GWh of renewable energy annually through solar self-generation totaling 62 MW across our global business sites. Last year, we completed and operated a total of 6MW of solar self-generation facilities at our Hwaseong, Korea and India plants. This year, we plan to install 56MW of solar self-generation facilities at our Hwaseong, Gwangju, US, Slovakia, India, and Mexico plants. We are pursuing (v)PPAs for our plants in Korea, the U.S., China, and India, and will sign contracts to introduce renewable energy (v)PPAs this year, furthering our transition to renewable energy.

RE100 portfolio across all business sites



Climate Change

Strategy | Driving Carbon Neutrality in the Supply Chain

Direction of Carbon Reduction in the Supply Chain

Kia is driving carbon reduction not only in our own business sites but also in our supply chain. Initially, we will support our suppliers in calculating and managing their carbon emissions, and in the future, we will encourage them to participate in carbon reduction by assigning reduction targets that consider their capabilities and characteristics. Kia will also reduce our carbon emissions from raw materials by expanding the use of low-carbon and recycled materials for steel and aluminum.

To this end, Kia made Carbon Neutrality Guide for Suppliers that lays out what we expect from the suppliers we do business with, and we are investigating the carbon emissions of our first-tier suppliers' operations and considering how we can support them in reducing their carbon emissions.

Kia operates carbon neutrality training programs for employees of suppliers, carbon reduction equipment purchase support programs for small and medium-sized suppliers, and energy diagnosis consulting programs. We are also developing systems to help our suppliers systematically manage the emissions of their business sites and products and to help them respond to carbon-related regulations.

Supply Chain Carbon Neutrality

Establishing a supply chain carbon emissions calculations and management system

Empowering supplier to achieve carbon neutrality and driving carbon reductions for suppliers

Applying low-carbon and recycled materials

Capacity Building for Supplier Carbon Neutrality

Kia joined the CDP Supply Chain in 2023 as part of our commitment to strengthening the climate change response capacity of our suppliers. This is one of the projects run by the CDP, a program that asks suppliers to disclose carbon-related information (climate change-related issues and strategies and carbon emissions) and diagnoses and evaluates their level of response.

Kia has conducted in-person and online training for over 360 first-tier suppliers to help them respond to the CDP supply chain. We provided training on the meaning and importance of carbon neutrality, the theory and practice of calculating GHG emissions, and the contents of the CDP questionnaire and how to write a response. Kia will continue to provide training and support this year to diagnose the level of carbon neutrality response based on the responses of suppliers last year and to help them build a climate change response system.

In addition, Kia has a LCA(Life cycle assessment) support program for products to help our suppliers calculate the carbon emissions of their products from raw material extraction to manufacturing to delivery to us. For this activity, we collaborate with an external expert organization to help our suppliers calculate their carbon emissions on an individual component basis and identify high-carbon processes to identify areas for reduction.



Creating the Carbon Neutrality Guide for Supplier

Creating the Carbon Neutrality Guide for Suppliers

- Building a greenhouse gas response system
- Managing supply chain carbon reductions
- Disclosing greenhouse gas emissions information
- Defining supplier responsibilities and roles

Carbon Neutrality Guide for Suppliers



Joining the CDP Supply Chain

Joining the CDP Supply Chain to request carbon-related disclosures from suppliers

- Enhancing supplier competitiveness to respond to global regulations and disclose information related to carbon neutrality and climate change

Running a Supplier Carbon Reduction Support Program

Supporting energy efficiency facilities for reducing carbon emissions at suppliers' business sites

- Helping suppliers pay for equipment to increase energy efficiency, such as air compressors, high-efficiency inverters, LED lighting, and more.

Climate Change

Strategy | Carbon Neutrality Strategies in the Product Use Phase

Upstream Kia Operation Downstream

Improving Fuel and Energy Efficiency to Reduce End-of-use Emissions

Developing Technologies to Improve Fuel Efficiency Kia is enhancing fuel efficiency and reducing carbon emissions in its vehicles by improving aerodynamics and developing new technologies. These include optimizing the design of various car parts, improving cooling resistance, and creating the third-generation Smartstream powertrain for better fuel injection. Additionally, Kia employs integrated flow control valves, continuous variable valve duration systems (CVVD), and low-pressure exhaust gas recirculation (LP-EGR) to further reduce emissions.

Enhancing the Credibility Of Fuel Efficiency Tests Kia complies with fuel efficiency laws and regulations in our major markets, including Korea, North America, and Europe, and conducts fuel efficiency certification tests according to each country's standards. To improve the reliability of fuel efficiency and emissions measurements conducted under controlled conditions (on cycle), we have our fuel efficiency measurement facilities inspected by external expert organizations such as the Korea Laboratory Accreditation Scheme (KOLAS) and the Korea Automotive Technology Institute (KATECH). We also conduct fuel efficiency tests in collaboration with various national research institutes to ensure the credibility of our fuel efficiency measurement results. The results of the on- and off-cycle test comparative analysis are reported at least annually to the executive in charge of R&D.

On-Road (Off-Cycle) Fuel Efficiency Test

A vehicle's fuel efficiency is affected by various variables, including internal factors such as gearshift, vehicle weight, and air conditioning, as well as external factors such as road conditions and traffic. As such, in addition to fuel efficiency testing under controlled conditions (on-cycle), we conduct off-cycle testing by applying driving profiles similar to real-world roads.

Collaboration with Third-party Organizations Kia conducts a correlation analysis between our real-world fuel efficiency test results and those of other organizations. In the US market, we compare to fuel efficiency data published by third-party organizations such as the EPA, J.D. Power, and Consumer Reports, and in the European market, we compare to data from third-party organizations such as Green NCAP, Auto Bild, and Spritmonitor. We compare our fuel efficiency measurements with third-party organizations in each country to increase the credibility of our fuel efficiency test results.

Energy Efficiency and Battery Efficiency Kia is committed to ensuring the reliability of high-quality batteries and improving the commercial value of our batteries. Kia's EV batteries are designed to last up to 250,000 to 300,000 km at 70 to 80% battery performance, which translates to 12 to 15 years of cumulative use assuming customers drive 20,000 km per year.

Contribution to Carbon Emission Reduction through the Launch of Excellent EV Products

facilities to decreasing carbon emissions during product usage by producing high-quality electric vehicles. Kia continues to lead the domestic and global EV markets with successive launches of outstanding EV products. Moving forward, Kia aims to steadily increase sales and market share of EV vehicles. By enhancing its lineup and advancing technology efforts to satisfy a broader range of customers, Kia plans to expand the share of EV vehicle sales to 52% in key markets by 2030.

Long-Term EV Lineup Plan

New Line-up	2023	2024	2025	2026	2027	Vehicles in Operation(2027) ¹
EV	3	1	4	1	1	13
PBV	-	-	1	-	1	2
EV Total	3	1	5	1	2	15

1. Including vehicle models released from 2021 to 2022



Flagship EV

Building an innovative image with the launch of EV6 and EV9



Volume EV

Leading the popularization of EV with EV3 and EV4 deployment



PBV

Creating new business to acquire new growth engines

Strategies to Become a Tier 1 EV Brand

Enhancing the EV Lineup	<ul style="list-style-type: none"> Launching 15 models by 2027 (including PBVs)
Expanding EV sales	<ul style="list-style-type: none"> Targeting the international sales of 1.6 million EVs in 2030 Targeting the sales of 1.37 million EVs in key markets including Korea, North America, Europe, and China in 2030
Strengthening the competitiveness of batteries	<ul style="list-style-type: none"> Offering various battery options Ensuring the steady supply of batteries through purchase bids and expanding JVs
Expanding charging infrastructure	<ul style="list-style-type: none"> Korea: Targeting the construction of over 5,400 public superfast charging stations by 2030 International: Targeting the construction of over 30,000 charging stations in North America and 17,000 charging stations in Europe by 2030

Climate Change

Strategy | Climate Change-related Risks and Opportunities in the Short, Medium, And Long Term

Upstream

Kia Operation

Downstream

Kia has identified risks and opportunities due to climate change, comprehensively analyzed causal factors and business impacts, and developed countermeasures to mitigate individual risks.

① Transitional risk

Type	Identified risk	Period	Key potential financial impacts	Kia's Response Plan
Policy 	Rising prices of domestic emissions trading programs	Short-term	Increased operational costs	Kia has been participating in Korean emissions trading scheme as an allocated company since 2015. We are obligated to comply with allocated emissions through the reduction activities of greenhouse gas and energy. For emissions that exceed the allocated amount, additional emissions allowances must be secured. If the purchase of emissions allowances is insufficient, a fine of three times the average price for the implementation year may be imposed according to the 'Enforcement Decree of the Act on the Allocation and Trading of Greenhouse Gas Emission Permits.' In order to proactively respond to increasing financial burdens, such as stricter carbon emissions regulations and the purchase of emissions allowances, Kia predicts carbon emissions by major energy sources and sets target emissions through the Global Energy-Greenhouse gas Management System(GEMS) installed at AutoLand in Korea. Furthermore, we aim to minimize future financial burdens by preemptively implementing various reduction measures, such as developing and adopting new energy-saving technologies, switching to renewable energy, and self-generating electricity, including solar power.
Legal 	Tighter emissions standards for ICE (internal combustion engines) Vehicle in Europe	Short-term	Fines and litigation risks	The EU plans to reduce 100% of carbon emissions from passenger vehicles by 2035 and has banned the sale of new internal combustion engines from 2035. As the EU's emissions regulations for internal combustion engine vehicles are becoming stricter, the potential for fines and litigation risks for non-compliance is increasing. Kia plans to proactively respond to the 2035 internal combustion engine regulations by expanding the global EV sales share from the current 30% to 38%, and increasing the European EV sales share from the current 63% to 79% by 2030.
Technology 	Instability of supplying raw materials for electric vehicle batteries	Short-term	Decreased sales	As the transition to EVs accelerates at major automakers, Securing the supply of battery raw materials is becoming increasingly important. Kia is already progressing with confirmed parts sourcing for current development models. Additionally, for the long term, Kia plans to expand its battery supply capacity from a mere 22GWh as of 2023 to 139GWh by 2030 by increasing joint venture partnerships and other stable supply strategies.
Reputation 	Increasing demands for climate change disclosure	Short and mid-term	Decreased enterprise value Increased response costs	Global companies are increasingly being asked by a wide range of stakeholders to transparently disclose their climate change policies and responses, which directly affects their reputations. Non-financial information is increasingly being used as a key measure of a company's investment value alongside financial information by major global sustainability metrics such as the CDP and DJSI. In addition, investment in corporate social responsibility is a growing trend. As such, Kia recognizes the need for a more long-term and proactive approach to business management, considering not only financial factors but also non-financial factors that affect corporate sustainability, such as ESG factors. Since joining CDP in 2018, Kia has and will continue to disclose climate change information transparently to meet the high expectations of our stakeholders.

Climate Change

Strategy | Climate Change-related Risks and Opportunities in the Short, Medium, And Long Term

Upstream Kia Operation Downstream

Kia has identified risks and opportunities due to climate change, comprehensively analyzed causal factors and business impacts, and developed countermeasures to mitigate individual risks.

② Physical risk

Type	Identified risk	Period	Key potential financial impacts	Kia's Response Plan
Acute 	Damage to business from extreme weather	Short-term	Increased operational costs	When Kia assessed climate risks based on the location of our production sites, it was found that physical risks such as landslides and cyclones existed for seven out of eight sites. In response, Kia has established a proactive preparedness system in case of physical hazards such as floods and typhoons. In 2020, AutoLand Gwangju experienced flooding caused by torrential rains that shut down the line, resulting in 1,189 vehicles being flooded. The estimated damage recovery costs were approximately KRW 12 billion. As physical damages are likely to recur in the future and are considered a key risk, Kia has developed an emergency response manual and is identifying and managing expected risks in the event of a disaster through regular facility inspections and maintenance and thorough safety management.
Chronic 	Operational disruptions due to changes in average precipitation	Long-term	Increased operational costs Decreased sales	In preparation for a decrease in average precipitation, Kia is considering plans such as developing water recycling technologies and improving facilities, as well as building a zero-discharge system through internal deliberations. Difficulties in supplying water due to changes in average precipitation can affect operating costs by increasing the unit cost of water. If product quality is reduced due to poor water quality, there is the potential for lower sales resulting in lower revenues. Depending on the cause and magnitude of the damage, if presumed at 1% of total revenue, the damages are expected to be approximately KRW 998 billion. To counter this, Kia is installing a tertiary RO (reverse osmosis) membrane to recycle the wastewater through the RO system. AutoLand Gwangju has introduced RO systems at Plant 2, and AutoLand Gwangmyeong, Hwaseong, and Gwangju plants 1 and 3 have already completed construction in 2017 and 2018 to maximize the amount of wastewater recycled and used. We are also working to reduce water use by reviewing and improving our industrial water infrastructure, and we are monitoring water quality around the clock to ensure that our products are not affected by water quality.

③ Opportunity

Type	Identified Opportunity	Period	Key potential financial impacts	Kia's Response Plan
Market 	Creating green businesses	Mid- to long-term	Increased sales	The European Union (EU) has reached a final agreement on CO ₂ emissions regulatory targets for 2030 and is significantly tightening regulations to reduce carbon dioxide emissions starting in 2020. Kia has set a global sales target of 4.3 million units in 2030, and will continue our green business transformation by increasing the share of eco-friendly vehicles to 58% and EV sales to 38% in response to global regulations. In 2023, Kia sold 575,773 eco-friendly vehicles and generated KRW 26.7 trillion in eco-friendly vehicle sales, up about 18% from last year. To become the tier 1 EV Brand, Kia will address the rapidly growing EV market on four pillars. ① We will establish a lineup of 15 EVs, including mass-market models by 2027. ② In conjunction with enhancing the lineup, we aim to sell 1.6 million EVs in 2030. ③ We plan to improve the energy density and driving range of NCM batteries and diversify the sources of battery procurement to ensure supply chain stability. ④ For charging infrastructure, we will build over 5,400 public super-fast charging stations, including E-Pits, by 2030 in Korea, and more than 30,000 in North America and 17,000 in Europe through strategic partnerships with local companies in overseas regions.

Climate Change

Strategy

Impact of Climate Change Risks and Opportunities on Business, Strategy, and Financial Planning

Based on our eco-friendly policy, Kia is considering a production process that can reduce greenhouse gas emissions through an eco-friendly lifecycle management system from product design to disposal. As the expansion of green energy for RE100 implementation becomes more important, we have established a review process to specifically pursue this goal and are conducting financial analysis for RE100 portfolio.

RE100 Review Process

Phase	Phase 1	Phase 2	Phase 3	Phase 4
Key Activities	Mid- to long-term electricity use forecasting	Analysis of renewable energy transition needs	Establishing self-development goals/plans	Establishing a PPA/REC strategy
	Usage forecasting/analysis in conjunction with mid- to long-term business plans for all business sites	Calculating the annual renewable electricity transition needs by achieving energy efficiency	Analyzing installation site, amount of power generated, and economic feasibility for each business site	Establishing mid- to long-term domestic and overseas PPA/REC unit price forecasts, reviewing transition timing, and setting initiative strategies

Special Features in the Financial Perspective from the Portfolio for Achieving RE100 by Option

Classification	Carbon reduction	Pros	Cons
Self-generation (solar power)	Direct reduction (highly effective)	Reduces electricity costs	Requires upfront investment and maintenance costs
PPA			Needs to discover a generator for sign a long-term contract
REC	Indirect reduction	Easy to mitigate the risk of fluctuations in total energy usage	Incur additional spending as electricity/ REC unit costs continue to rise

The Need for Management Strategies Considering Various Climate Change-related Scenarios, including the Below 2°C Scenario

Kia has declared to reach carbon neutrality by 2045, considering the 1.5°C scenario, reflecting this in our corporate management strategy. We are also reviewing Korea's Nationally Determined Contribution (NDC) in reducing national greenhouse gases to consider industrial and regional characteristics. Moreover, Kia will begin to manage our Scope 1, 2, and 3 emissions more precisely through carbon emissions calculations based on life cycle assessment (LCA) and systematically prepare to join the Science Based Targets Initiative (SBTi).

Risk Management

Process for Identifying and Assessing Climate Change-related Risks

Kia regularly monitors climate change risks and opportunities across the entire value chain and identifies and manages key risks and opportunities through the ESG Council, a company-wide consultative body.

Risk Identification and Management Process



Procedures for managing climate change-related risks

The procedures for risk management and related decision making is as follows:



Climate Change

Risk Management | Climate Change Risk Managements Through Own Operations

Upstream

Kia Operation

Downstream

Adopting Technologies to Reduce Energy Use

Kia has established a medium to long-term goal of reducing 10% of the Scope 1 & 2 emissions from its domestic and international factories, based on 2019 levels, through energy efficiency improvements by 2030 and is developing a concrete implementation strategy for each plant. We will review the applicability of our energy efficiency themes to each plant, identify applicable sites, and establish yearly implementation plans and carbon reduction targets by 2024.

Kia is further considering the introduction of a standardized effectiveness verification process to accurately identify the effectiveness of energy savings, and in the future, we will verify objective investment effects through standardized measurement criteria.

Examples of Introducing Energy-saving Technology

	Ultra-power saving controls applied in 2022	Air smart controls applied in 2023	Variable motor load controls applied in 2023
Before	Power consumption due to standby loads during non-production hours	Air use due to leaks in and out of the facility during non-production hours	Constant speed operation of hydraulic pumps during equipment operation
Measures	Completely shutting off power source to standby power consuming parts during non-production hours	Completely shutting off primary air sources to equipment during non-production hours	Variable operation based on load detection of pressure sensors
Applied Results	Reduced 81.5% in power consumption at rest by completely shutting off power source, according to energy consumption savings evaluation results	Reduced 86% in compressed air by shutting off air sources during non-production hours	Reduced more than 50% power consumption during production hours, according to energy consumption savings evaluation results by syncing the control with motor loads

Signing Renewable Energy PPAs

In December 2023, Kia signed power purchase agreements (PPAs) to directly procure renewable energy. In total, the company will directly purchase and use 219MW of renewable energy over the medium to long term, the largest amount of renewable energy procured by a single company in Korea.

Starting in 2026, we will begin adopting renewable energy through PPAs at Korea business sites and will gradually source 250GWh of renewable energy per year from a total of 219MW of solar power facilities. In other words, about 30% of the total electricity used by Kia's Korea business sites will transition to renewable energy, sufficient to charge 2.5 million EV9s, Kia's flagship electric vehicle model, every year.

Despite Korea's geographical factors that make it difficult to access renewable energy, rising raw material prices, and high interest rates, Kia is proactively implementing procurement measures such as PPA. We will source clean and safe renewable energy through various means, including early equity investment in renewable energy business development, and strive our utmost to build an eco-friendly product manufacturing system.



Climate Change

Risk Management | Climate Change Risk Managements From Product Use

Upstream

Kia Operation

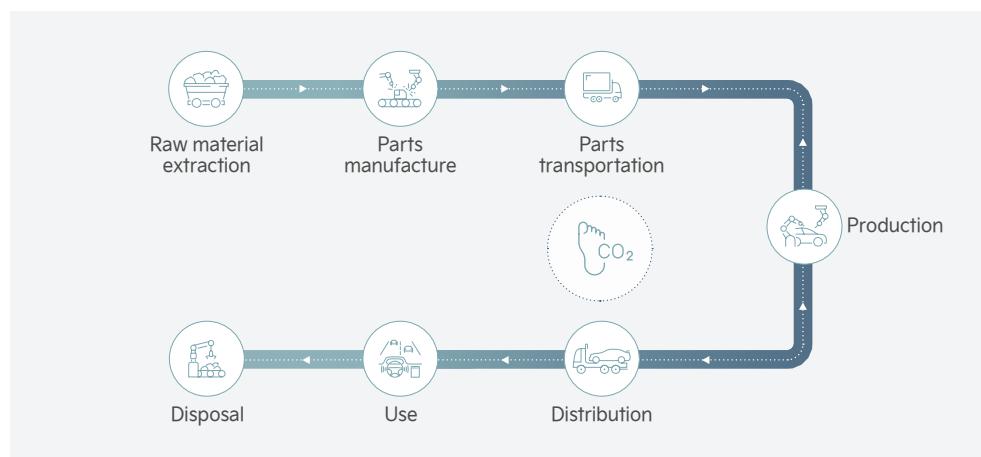
Downstream

Estimating carbon emissions through Life Cycle Assessment (LCA) and creating a carbon reduction strategy

Aside from direct emissions from driving a car, the carbon emissions of automobiles must also consider the indirect emissions that occur throughout its life cycle, from extracting raw materials, manufacturing parts, assembling the vehicle, generating energy sources, maintaining and disposing of the vehicle, and transporting it between each step. Kia is analyzing the environmental impacts of our products throughout their lifecycle through the Life Cycle Assessment (LCA). We apply the CML methodology¹ to conduct life cycle assessments for various impact categories, including global warming potential (GWP), abiotic depletion potential (ADP), acidification potential (AP), eutrophication potential (EP), ozone depletion potential (ODP), and photochemical ozone creation potential (POCP).

As of 2023, 43.11% of all vehicles sold by Kia have undergone an LCA. Based on the assessment results, we analyze the impact of each step, prioritize improvements, and incorporate them into our carbon reduction strategy. We also strive to eliminate the carbon emissions of our vehicles by strengthening our lineup of electrified products, and we will expand LCA for all of our vehicles in the future, focusing on those in the Korean, European, and US markets.

Scope for Calculating a Product's Carbon Emissions during Its Lifecycle



¹ Centrum voor Milieuwetenschappen Leiden, the LCA impact assessment methodology universally used by automakers worldwide

EV9 acquires Life Cycle Assessment Certification with E-GMP Electric Vehicle Platform

In December 2023, Kia received certification from TUV Rheinland for conducting LCA for the European model of EV9. The EV9, launched in April 2023, is notable for its carbon emissions calculation based on E-GMP, Hyundai Motor Group's dedicated electric vehicle platform.

The life cycle assessment demonstrated that the carbon emissions of the raw material extraction stage increased due to installing the high-capacity (99.8 kWh), high-voltage battery. However, due to the nature of electric vehicles, no direct carbon emissions were emitted during the operation phase, and even after accounting for the production process of the energy source (electricity), the carbon emissions during the operation phase were limited to 13.1 tons. Indirect emissions from the power generation process are expected to gradually decrease in line with Korea's Basic Plan on Electricity Supply and Demand and RE100 strategy. On the other hand, indirect emissions from the raw material extraction stage will be gradually improved by establishing and implementing systematic carbon reduction targets.

EV9's Carbon Footprint

- Driving 14.6
- Raw material extraction 0.7
- Production 0.7
- Disposal 0.7
- Distribution 0.6
- Parts transportation 0.03

Carbon emissions **29.6 tonCO₂-eq**



Key Specifications European market product:

Battery: Li-ion performance type	Battery: 99.8kWh	Motor: 150 kW	Energy efficiency: 20.2 kWh/100km
Body type: Wagon 5DR 6P	Drive: RWD	Tires: 19 inches	Curb weight: 2,501-2,561 kg

*The LCA results released in 2023 were based on the domestic specifications before mass production in Korea, whereas this year's results were evaluated according to European specifications for LCA certification, resulting in some changes.

Climate Change

Metrics & Targets | Metrics

GHG Emissions (Scope 1 & 2)

Data coverage: Domestic+Overseas Production Sites

Category	Unit	2021	2022	2023
Total emissions (Scope 1 & 2) ¹	Thousand tCO ₂ eq	1,139.1	1,166.9	1,130.9
Direct emissions (Scope 1)	Thousand tCO ₂ eq	365.1	379.9	354.0
- Domestic	Thousand tCO ₂ eq	260.5	266.0	244.6
- Overseas	Thousand tCO ₂ eq	104.7	113.9	109.3
Indirect emissions (Scope 2)	Thousand tCO ₂ eq	774.0	787.0	776.9
- Domestic	Thousand tCO ₂ eq	470.2	467.3	454.4
- Overseas	Thousand tCO ₂ eq	303.8	319.6	322.6
GHG emissions intensity (Scope 1+2)	tCO ₂ eq/Units	0.48	0.44	0.41
- Domestic	tCO ₂ eq/Units	0.60	0.58	0.52
- Overseas	tCO ₂ eq/Units	0.36	0.31	0.30

1. Slight change due to decimalization changes from prior year's published data

GHG Emissions (Scope 3)

Data coverage: Domestic+Overseas Production Sites

Category	Unit	2023
Total emissions (Scope 3)	tCO ₂ eq	99,498,189
- Purchased Goods and Services ¹	tCO ₂ eq	17,176,301
- Capital goods ²	tCO ₂ eq	1,876
- Fuel- and energy-related activities not included in Scope 1 & 2 ³	tCO ₂ eq	185,811
- Upstream transportation and distribution ⁴	tCO ₂ eq	34,952
- Waste generated in operations ²	tCO ₂ eq	60,863
- Business travel ²	tCO ₂ eq	11,066
- Employee commuting ²	tCO ₂ eq	47,932
- Upstream leased assets ⁵	tCO ₂ eq	4,539
- Downstream transportation and distribution ⁶	tCO ₂ eq	1,311,642
- Use of sold products ⁷	tCO ₂ eq	79,327,632
- End of life treatment of sold products ⁸	tCO ₂ eq	1,199,140
- Investments ⁹	tCO ₂ eq	136,435

1. Emission factors for raw materials (steel, aluminum, plastics, etc.) using global universal LCI DB and including Scope 1 and 2 emissions of some domestic component suppliers (scope of suppliers will be expanded in the future)

2. Emissions from overseas site (KaGA, KaSK, KCN, KIN, KMX)

3. Upstream emissions of used energy (electricity, LNG, gasoline, diesel, etc.)

4. Emissions from transportation and logistics of parts supplied to domestic production sites

5. Emissions from energy usage of leased assets among overseas entities

6. Transportation and logistics emissions of products (completed vehicles)

7. Emissions based on 200,000 km of driving distance (previously 150,000 km)

* Excludes Well to Tank emissions of energy (oil/electricity) required to operate vehicles

8. Total recycling/incineration/landfill emissions

9. Scope 1&2 emissions of companies in which own 20-50% of the shares

Climate Change

Metrics & Targets | Metrics

Energy Consumption¹

Data coverage: Domestic+Overseas Production Sites

	Category	Unit	2021	2022	2023
Total energy consumption	Total Consumption (MWh)	MWh	3,684,535	3,794,359	3,637,639
	- Domestic	MWh	2,443,496	2,467,659	2,322,506
	- Overseas	MWh	1,241,039	1,326,700	1,315,133
	Total Consumption (TJ)	TJ	19,405	19,763	19,036
	- Domestic	TJ	14,937	14,987	14,301
	- Overseas	TJ	4,468	4,776	4,734
Non-renewable energy consumption	Total Consumption (MWh)	MWh	3,544,881	3,653,010	3,486,109
	Total Consumption (TJ)	TJ	18,902	19,255	18,484
	- Domestic	TJ	14,937	14,987	14,292
	- Fuel	TJ	5,112	5,221	4,797
	- Electricity	TJ	9,824	9,766	9,495
	- Overseas	TJ	3,965	4,267	4,192
Renewable energy consumption	- Fuel	TJ	1,867	2,130	2,009
	- Electricity	TJ	2,098	2,137	2,184
	Total Consumption (MWh)	MWh	139,654	141,349	151,575
	- Domestic	MWh	-	38	1,024
	- Overseas	MWh	139,654	141,310	150,551
	Total Consumption (TJ)	TJ	503	509	551
	- Domestic	TJ	-	0.3	9
	- Overseas	TJ	503	509	542

1. Changes to prior year data (2021 to 2022) due to data range redefinition

Energy Intensity of Use

Data coverage: Domestic+Overseas Production Sites

	Category	Unit	2021	2022	2023
Total energy intensity of use	MWh/KRW 100 million		5.28	4.38	3.64
- Non-renewable energy intensity of use	MWh/KRW 100 million		5.08	4.22	3.49
- Renewable energy intensity of use	MWh/KRW 100 million		2.58	2.61	1.52

Metrics & Targets | Targets

Achieve carbon neutrality by 2045

- Scope 1 : Energy efficiency, business vehicle electrification, hydrogen energy transition
- Scope 2 : Achieve RE100 (Overseas : 2030, Domestic : 2040)
- Scope 3 : Global electrification transition, application of low-carbon material vehicles

GHG/Energy Reduction Targets

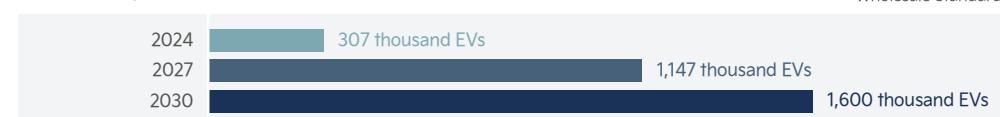
Category	Unit	2023 (Target)	2023 (Performance)	2024 (Target)
GHG emissions intensity	tCO ₂ eq/Unit ¹	0.50	0.41	0.34
Energy intensity of use ²	MWh/KRW 100 million	5.90	3.64	3.21

1. Changing units starting in 2023

2. Including oversea data coverage starting in 2023

Mid to Long Term Global EV Sales Plan

* Wholesale Standard



EV Sales Plan in Major Markets

Category	Unit	2024(Target)	2030(Target)
Total of Major Markets	EV Market Share	13%	52%
Korea	EV Market Share	12%	41%
North America	EV Market Share	10%	40%
Europe	EV Market Share	18%	79%
China	EV Market Share	18%	53%

Eco-friendly Vehicle Sales Performance and Target

* Wholesale Standard

Category	Unit	2021	2022	2023	2024(Target)
Total	Vehicles	303,848	492,593	598,846	760,888
HEV	Vehicles	133,477	254,327	311,671	871,865
PHEV	Vehicles	62,616	81,766	88,861	81,858
EV	Vehicles	107,755	156,500	198,314	307,165

Material Topic 2

Resource Circulation



Our planet's resources are getting scarcer and scarcer, and more and more waste is generated over time. Resource-efficient business is essential for corporate sustainability. Kia is actively implementing opportunities to recycle raw materials to ensure sustainable sourcing of key raw materials. We are also establishing a system that end-of-life products can be recycled into resources.

Material Issue

Resource Inflows including Resource Usage

- 6. Using raw materials efficiently and increasing recycling
- Waste
- 7. Managing and reducing waste across business sites

Resource Circulation

Governance

Kia manages four areas to operate a resource-efficient business model in compliance with the Act on Resource Circulation of Electrical and Electronic Equipment and Vehicles. We have a system for regular consultation among relevant departments to promote sustainable use and reduction of raw materials, waste management, recycling of manufacturing processes and scrap vehicles, and application of recycled plastics.



Using Sustainable Raw Materials

- Applying designs and materials based on raw and subsidiary materials principles to reduce the environmental impact of products



Waste Management

- Implementing waste reduction KPIs and reporting to Sustainability Management Committee led by a dedicated team (Safety and Environment Support Team)



Expanding Resource Circulation in Manufacturing Processes and from Scrap Vehicles

- Collaborating with European companies to recycle used batteries
- Introducing a process for recycling scrap metal in the manufacturing process



Developing and Applying Recycled Plastic Materials

- Building company-wide collaboration for recycled plastics
- Setting a goal to incorporate over 20% by 2030

Strategy

Sustainable Raw Materials Policy

Kia minimizes the unnecessary waste of natural resources by efficiently using the raw materials that go into the production of our products and services, and we monitor to ensure that none of our raw materials and subsidiary materials are produced in ways that degrade natural capital or cause environmental pollution. We are also improving our production processes to reduce the amount of raw materials we use per product.

Raw Materials Basic Principles

Kia establishes policies to minimize the unnecessary waste of natural resources by efficiently using the raw materials invested in the production of products and services. Additionally, Kia monitors for raw materials that may have been produced through illegal methods that damage natural capital or cause environmental pollution, and works to minimize their impact.

① Efficiency in the Use of Raw Materials Continuous improvements are made to the production processes of products and services to optimize the input of raw materials. These materials are managed under planned production, with comprehensive consideration of business strategies, production schedules, and inventory management.

② Reintroduction of Production Waste After the input of raw materials, waste and by-products such as metals (iron, aluminum, etc.), waste wood, and waste paper are either reintroduced into the company's own production processes or transferred and sold to other industries and external facilities for recycling.

③ Inspection of Raw Materials Production Sites The use of raw materials produced in an eco-friendly manner or those that have obtained

eco-friendly certifications is encouraged. Additionally, efforts are made to track the raw materials produced by damaging natural capital and to work towards improving any significant risks.

④ Protection of Biodiversity Develop and implement principles for biodiversity protection in the purchase/procurement of raw materials and throughout the business biodiversity protection throughout the business.

⑤ Prevention of Deforestation Recognize deforestation issues that may arise throughout the business, including the purchase and procurement of raw materials deforestation that may occur throughout the business, including the purchase and procurement of raw materials. Develop and implement deforestation prevention principles to minimize the negative impacts of deforestation in the course of business.

Waste Management Policy

Kia has established and operates a waste management and recycling policy to minimize the environmental impact of recycling, incineration, and landfilling of waste. We aggregate the amount of waste generated by type and check the performance against recycling rate targets, which are linked to KPIs for management and business sites. In 2024, we plan to obtain a zero-waste-to-landfill license (ZWTL) for AutoLand Gwangju. Our domestic plants have been implementing a resource recycling performance management system since 2019 and have been proactively responding to resource recycling policies by maintaining a recycling rate of over 90% since 2007.

We strictly separate waste for landfill and incineration and operate waste product recovery and recycling services in cooperation with waste product treatment companies to transition their disposal methods. We also provide information about our product recovery system to help customers dispose of their waste products properly.

Waste Basic Principles

Kia establishes and operates waste management and recycling policies to reduce waste generated during business operations and to ensure efficient waste disposal.

① Tracking waste disposal It shall follow procedures defined under the relevant laws and regulations to track the proper disposal of waste generated from business sites.

② Improving waste recycling It shall determine the optimal treatment method according to the type and amount of waste generated throughout business operation. Through this, the ratio of waste to be landfilled/incinerated is minimized, and the recycling rate of waste is improved.

③ Waste recycling It shall create an upcycling ecosystem that creates value by discovering wastes with a high rate of landfill/incineration during production process and by reinventing them into new products and services.

Resource Circulation

Risk Management | Responsible Design

In developing innovative new materials and new colors, the designers of Kia also consider the responsible use of resources and strive to minimize environmental impact. After an in-depth assessment of the current state of recycling and biomaterials development, we decided to apply the following three strategies.



Action 1

Leather-free

Kia is gradually eliminating the use of leather in our interiors. The EV9, released in 2023, was the first model in this endeavor. Our ultimate goal is to stop using leather altogether, replacing it with Bio PU (Bio Polyurethane) including biomaterials such as corn and eucalyptus. Bio PU has a similar texture to leather, is extremely durable, and the manufacturing process produces less emissions of harmful chemicals as well as carbon.



Action 2

Responsible Material Design

"Responsible Material Design" is a term that refers to 10 solutions, such as bio PU, recycled PET fabric, and BTX-free paint, that will be applied to Kia's new vehicles to help reduce their environmental impact.

To create impact, Kia has defined a standard of "Responsible Material Design" that will be applied to all models.



Action 3

BIO Fabrication

Kia is currently conducting preliminary development to develop our own bio fabric. The development of mycelium leather from the roots of mushrooms is a key future-focused project that Kia is undertaking in-house with outstanding partners to build a better future. We believe that in the future, we will be able to utilize technology to move toward a more nature-friendly direction.



PP+Bio PE plastic



PCM plastic



Bio paint



BTX free paint



Recycled PET fabric



Recycled PET fishing net carpet



Resource Circulation

Risk Management | Driving Wider Use of Recycled Plastics in Vehicles

In 2023, the European Commission drafted the End-of-Life Vehicles Regulation (ELVR), which reinforces the obligations of producers of finished vehicles from manufacturing of new vehicles to end-of-life disposal. Kia plans to increase the use of recycled plastics to more than 20% by 2030 to prepare for the strengthening of regulations related to resource circulation. To this end, we are working on R&D and implementation of related technologies, such as operating a council to expand the use of recycled plastics and recovering plastics from scrap vehicle parts through a pilot project on the scrap vehicle network.

The Planning Subcommittee of the Recycled Plastics Council monitors domestic and overseas recycled plastics legislation and trends to set the direction of the program, and the Company-wide Recycled Plastics Council checks the progress of each subcommittee and leads collaboration. The Development Subcommittee creates and continuously updates a development plan for parts that can be made with recycled materials while working on designs to incorporate them into our vehicles. Finally, the Supply Chain Subcommittee is working on securing the supply chain, including identifying materials companies with a competitive edge in recycled plastics.

Resource Circulation Requirements in the Draft ELVR

Mandatory Items for New Vehicle Certification
(expected to be effective in 2031)

- Application of recycled plastics (some limited to scrap vehicle sources)
- Notification of recycled content, including steel, aluminum, and magnesium (2028)

Initiative structure for company-wide Recycled Plastics Council



Strategy for Expansion of Recycled Plastics Application

Focused Development of High-yield Recycled Raw Materials

Expanded application of parts manufacturing using 8 types of materials (PP, PA, ABS, PET, TPO, PE, PBT, PC)

Technological development to increase yield of recycled raw materials from waste materials

Diversification of supply sources (agriculture/fishing-related/household waste) and expansion of supply volume

Establishing a Plan for Securing Waste Plastics (Open-loop)



Waste bale silage



Waste fishing nets



Waste plastic bag



Waste water bottles

Enhancing End of Life Vehicle Network (Closed-loop)



Korea: Increasing collection through waste plastic collection hubs



Europe: Securing local value chains through end of life vehicles network

Partnership | Signing an Agreement to Expand Recycled Plastics

According to the Korea Maritime Institute, the amount of discarded fishing nets in Korea is estimated at 44,000 tons per year. The Materials Research & Engineering Center at the Hyundai-Kia AVP Division is developing recycled materials and componentization technologies for waste fishing nets to strengthen the domestic resource circulation ecosystem. To this end, we are leading the way in recycling plastics from waste. In November 2022, we signed an "Eco-Friendly Plastic Recycling Initiative" agreement with Dongwon Industries to establish a partnership to recycle waste tuna fishing nets into automotive parts. Under the agreement, Dongwon Industries will supply approximately 100 tons of nylon material per year from discarded fishing nets to Kia and Hyundai, which will utilize the material to make plastic parts for automobiles, such as engine covers. Kia, Hyundai Motor Company, and Dongwon Industries will continue efforts to apply waste fishing nets for developing additional waste resources and parts.

Natural Capital Management

Risk Management | Recycling Scrap Steel from Production Process

Steel is a key raw material for automobile production. To minimize waste in the process, Kia recycles 100% of the scrap steel from the press plant to realize a resource-efficient production system. When the press plant produces coils (steel sheets) into panels to shape the exterior of a car, the unused and discarded parts are called scrap. We recycle 70% of the scrap from each process by sending it to steel mills, where the impurities from the molten steel are separated and mixed with the scrap in the steelmaking process to adjust the composition. The remaining 30% of the scrap is used to make vehicle components at our supplier foundries.

Of the approximately 202,000 tons of coils that are brought into Kia's press plants each year, approximately 73,000 tons of scrap are recycled into coils. The reduction of carbon emissions from this recycling activity is estimated at around 160,000 tons¹ per year. The sale of scrap to steel mills also has economic benefits, generating an estimated KRW 48.3 billion in revenue in 2023. In addition, the Molding System Manufacturing Engineering Team, in charge of Kia's press plants in Korea and abroad, is working with the production sector to optimize blank size and carry out activities that use the process resources more efficiently.

Steel usage in 2023 207,143 tons

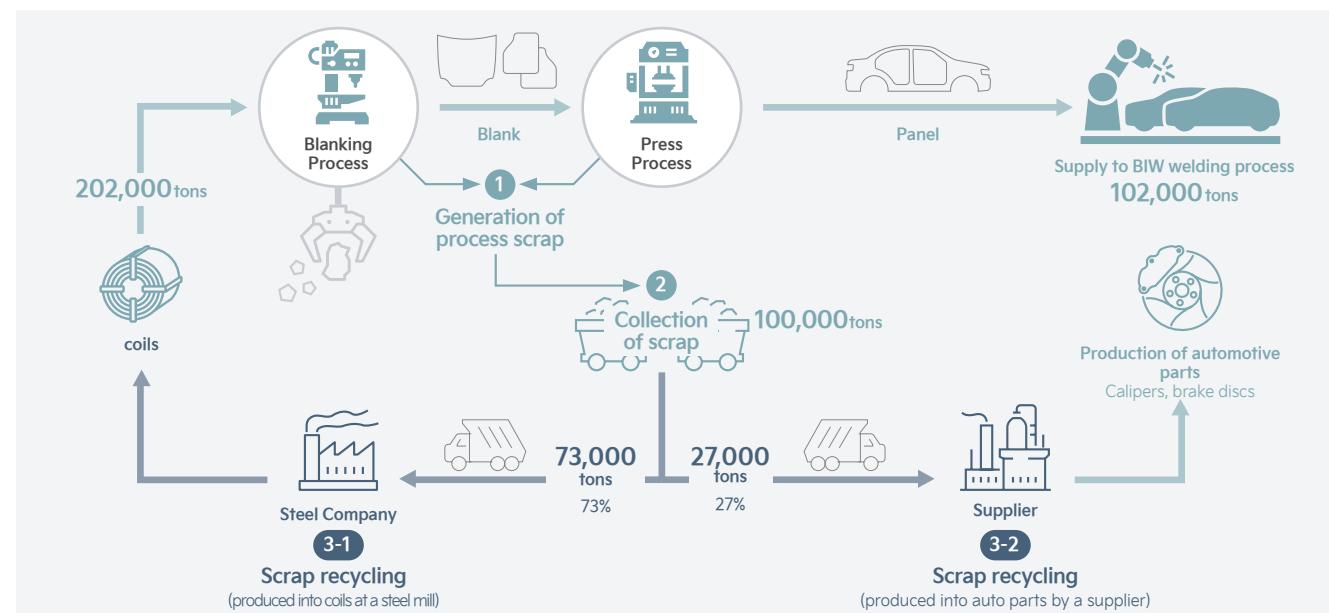
Scrap steel recycled 101,904 tons

1. Calculations based on the Hyundai Steel CO₂ emission factor

- Scrap: 27.7 kgCO₂/ton (from Korea Environment Industry and Technology Institute)

- Molten wire: 2,230 kgCO₂/ton (Hyundai Steel's own calculation)

Scrap Steel Recycling Process in Manufacturing¹



1. Recycling metrics: As of 2023

Optimizing blank size

Optimizing blank size through review and T/O to minimize the amount of discarded scrap

▼
Approximately 1,001 tCO₂eq reduced

- India subsidiary: 226 tons saved
- Mexico subsidiary: 223 tons saved
- ※ Based on production performance in 2023

Efficiency through improved production processes

- ① Increasing blank usage by keeping blank storage clean and damage-free
- ② Reusing discarded scrap as blanks for small parts with prior review

▼
Approximately 1,163 tCO₂eq reduced annually

- Slovakia subsidiary: 160 tons saved
- China and Mexico subsidiaries: 361 tons saved
- ※ Based on production performance in 2023

Streamline scrap transportation

Scrap transported for recycling is compressed into cubes using a bale press facility and shipped

▼
150% increase in transportation efficiency and increased input efficiency in reprocessing to increase productivity

- Slovakia subsidiary: Installed a new bale press (Jan. 2024)
- 15% increase in throughput, 20% increase in C/T

* Steel Reduction Amount: Actual reduction amount by car model X 2023 production performance

* Carbon Emission Reduction Amount: Calculate the amount of CO₂ generated when producing the reduced amount of steel by Hyundai Steel (calculated based on Hyundai Steel's CO₂ emission factor)

* Transportation Efficiency: Measure the increased transport volume when compressed compared to non-compressed scrap, based on the improvement over existing balers using the specifications of the newly installed baler

Resource Circulation

Risk Management | Circular Economy of Scrap EVs and Used Batteries

Kia has established a system for recycling end-of-life electric vehicles and batteries to mitigate the risk of stricter battery regulations. We have set a mid- to long-term goal of achieving a target recycling rate of 95% for used vehicles and are actively supporting scrap vehicle recycling companies (scrapyards, shredders, and heat recovery incinerators) nationwide who wish to advance the scrap vehicle recycling system. In addition, we subsidize recyclers' labor costs, heat recovery treatment costs, and transportation costs, and has established a collaborative system with specialized organizations such as the Korea Environment Corporation to ensure that recyclable resources are not simply incinerated or landfilled.

Scrap Vehicle Dismantling Process



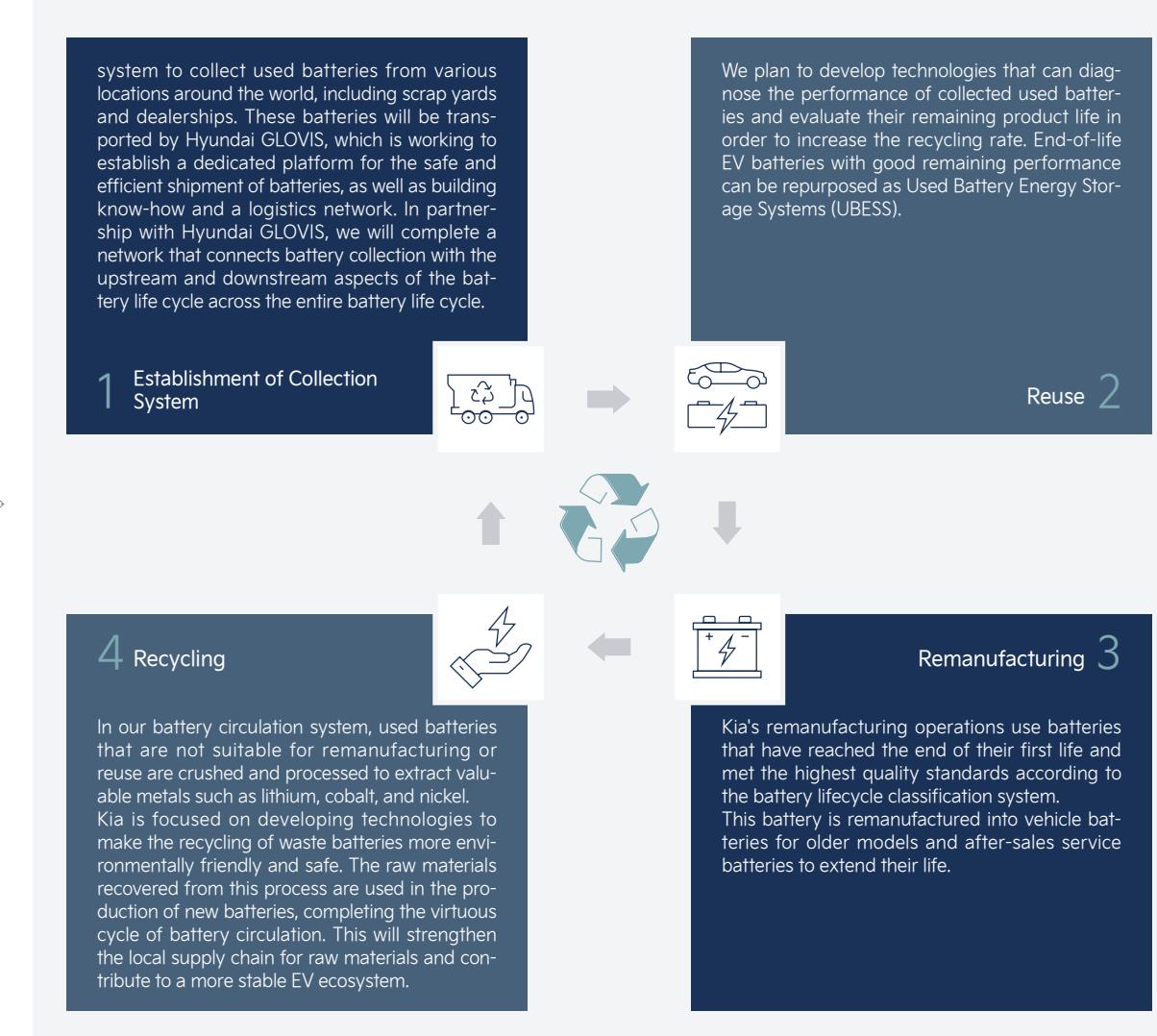
Basic Principles for End-of-Life Products

① Provide end-of-life product recovery information Provide customers with sufficient information to enable them to dispose of waste products legally and reasonably, and operate systems and procedures that support the environmentally sound disposal of waste products

② Recover waste products Collaborate with waste treatment companies to expand the recovery and recycling of waste products, and continue to improve the rate of reuse and recycling of resources after waste product recovery

③ Recycle waste products Incorporate recycled materials from resources recovered from waste products into products. To this end, we will promote the localization and parts development of recycled materials around major production and sales bases

Building a Circular Economy for End-of-life Batteries



Resource Circulation

Risk Management | Circular Economy of Scrap Vehicles and Used Batteries

Partnership Kia and encore | DB collaborate to recycle used batteries from electric vehicles

With the global automotive market reshaping around electric vehicles, it is becoming increasingly important to build a used battery recycling system. Market research firm SNE Research estimates that the used battery market will reach KRW 3 trillion in 2025, KRW 21 trillion in 2030, and KRW 600 trillion in 2050. In June 2022, Kia took a significant step forward by signing a contract to supply used batteries to encore | DB, a company specialized in second-life battery energy storage systems (BESS) under the German rail logistics company Deutsche Bahn AG. Under this agreement, we will supply used Soul EV (PS) batteries to encore | DB, who will disassemble the supplied battery pack and analyze the battery's state of health (SOH). Batteries with sufficient SOH are used as components in second-life BESS, and when they no longer have sufficient SOH for further use, they are recycled. As of April 2023, a total of 104 batteries have been delivered to encore | DB and are being reused as components for second life BESS.



© Faruk Husseini | DB

Conceptual Diagram for Kia-encore Recycling of Used Electric Vehicle Batteries



Resource Circulation

Risk Management | Collaborative Projects to Build an Ecosystem of Circular Economy

MOU Signed for Bio-Char to Reduce Carbon Emissions in Agriculture

To contribute to domestic GHG reduction through investment in the Bio-char project, considered a next-generation resource circulation method, Kia signed a four-way MOU with the Ministry of Agriculture, Food and Rural Affairs, Shinhan Bank, and ESG startup Greenery to accelerate GHG reduction in the agriculture and livestock sector.

Through this MOU, we plan to support a Bio-char production pilot project in Euiseong-gun, Gyeongsangbuk-do. This will contribute to solving the problem of livestock manure, which has become a source of odor and greenhouse gas emissions, and preserving ecosystems through creating renewable energy.

Partnering with Ocean Cleanup to Collect Plastic Waste in the Ocean

According to the United Nations Environment Program (UNEP), over 8 million tons of waste plastics end up in the ocean every year, and the world's marine debris is creating giant garbage islands. According to data published in 2018 by Dutch nonprofit Ocean Cleanup, the largest garbage patch has 1.8 trillion pieces of trash floating on it, covering 1.55 million km². Left unattended, waste floats and disintegrates, making it harder to collect, and can be mistaken for food by marine life, threatening marine ecosystems and, in turn, human health.

In April 2022, Kia entered into a partnership with Ocean Cleanup as part of our commitment to a sustainable planet and future generations. Ocean Cleanup works to remove ocean plastic and trash in two ways: by stopping the influx of plastics into the ocean and by removing plastic that has already accumulated in the ocean. Ocean Cleanup uses its own cleanup solutions developed with the support of ocean scientists, volunteers, and businesses around the world. They include the System, a device that cleans up plastic in the ocean, and the Interceptor, a solution that extracts plastic from river water before it reaches the ocean.

Ocean Cleanup has used these technologies to continually improve its collections. As a result, it has succeeded in laying the groundwork for large-scale collection, achieving the largest collection per trip on the largest garbage island in the Pacific in 2023. It further aims to remove 90% of floating ocean plastic by 2040.

Kia and Ocean Cleanup, a Shared Mission and Vision

 [Kia-Ocean Cleanup Partnership](#)



Co-Mission

Together, we are on the journey towards a plastic-free ocean as part of a sustainable planet.

Co-Vision

Whilst striving for a circular value chain, we find ways to provide each other with resources ensuring the plastic catch never re-enters the natural environment.

Co-Code of conduct



Learn
and inspire
others



Lead
and pursue
innovative
technologies



Make viable
and tangible
progress



Be flexible
on this 7-year
journey

Resource Circulation

Risk Management | Collaborative Projects to Build an Ecosystem of Circular Economy

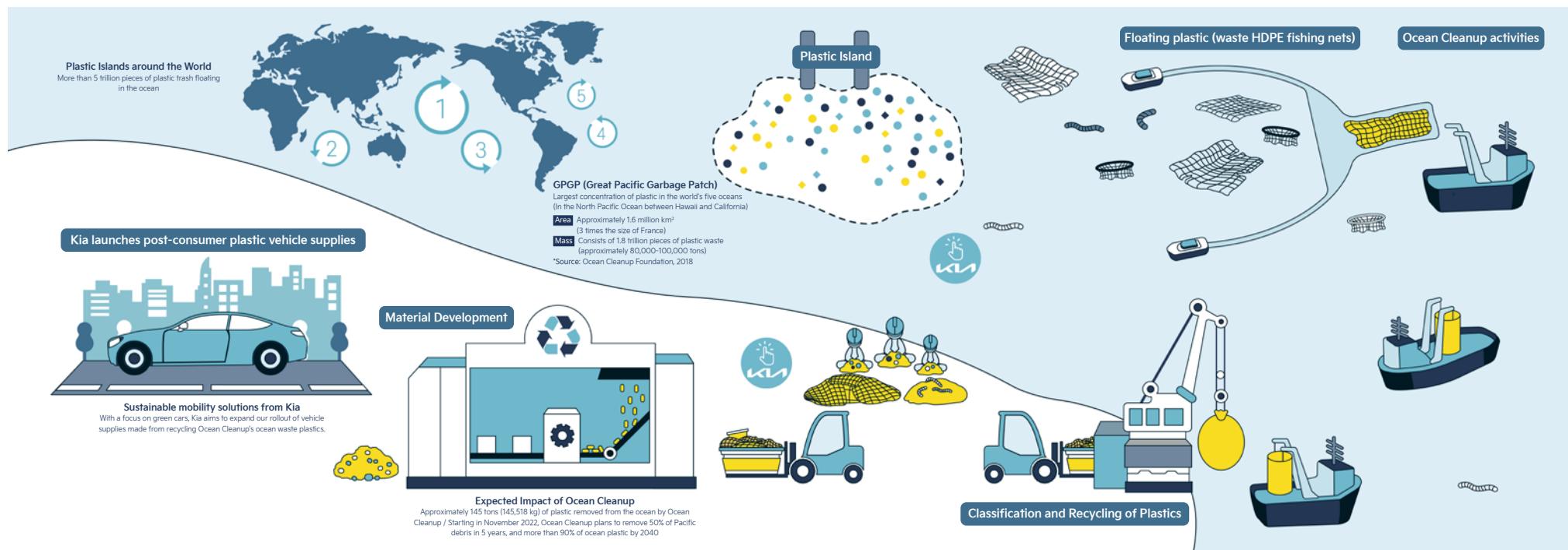
Recycling Marine Waste Plastics

Under a shared value system, Kia and Ocean Cleanup have developed a plan to practically recycle the plastic collected from the ocean. Based on the six principles of recycling—customer-centric, sustainable, practical, inspiring, future experiences, and storytelling—we plan to recycle plastic that Ocean Cleanup collected from the ocean into vehicle supplies.

The types of marine waste plastics collected are not consistent and the quality is not uniform. As such, Kia is working to stabilize the entire resource circulation process, from research on recycling to transforming them into actual materials. The Kia-Ocean Cleanup partnership is characterized by our involvement in the entire process of recycling, from collecting and sorting waste plastics to developing materials and products. As the fruit of our recycling partnership concluded in 2022 and materials research and development in 2023, EV3's vehicle supplies will be launched in 2024.



Kia-Ocean Cleanup Collaboration Builds a Circular Resource Value Chain



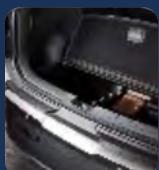
Resource Circulation

Risk Management | Expanding EV3's Use of Recycled Plastics

Kia's commitment to using eco-friendly raw materials is extended to the EV3. The model includes components produced from plastics recovered from scrap vehicles and post-consumer recycled plastics, weighing a total of 28.5 kg.

In the past, recycled plastics were only used in some parts like undercovers and wheel guards. EV3 marks the first time we've used of these materials in all exterior plastic molding components, including bumper covers, radiator covers, fenders, and door garnishes.

We will continue to contribute to circulation of resources through continuous research and development for eco-friendly products.

**Bumper Cover**Recycled PP
from scrap
vehicles**Fender/Door
Garnish**Recycled PP from
scrap vehicles**Wheel Guards**Industrial
recycled PET**Side Sill
Moldings**Recycled PP from
scrap vehicles**Luggage Board**Post-Consumer
Recycled PET**Headliners**Post-Consumer
Recycled PET

Resource Circulation

Metrics & Targets | Metrics

Waste

Data coverage: Domestic

Category		Unit	2021	2022	2023
Generation	Total waste generated	ton	210,532	199,934	231,938
	- General waste generated	ton	202,107	191,796	222,292
	- Designated waste generated	ton	8,425	8,138	9,646
	- Waste generation intensity	ton/KRW trillion	5,138	4,308	3,963
Recycling	Total waste recycled	ton	197,548	187,594	216,537
	- General waste recycled	ton	193,775	183,853	212,110
	- Designated waste recycled	ton	3,773	3,741	4,427
	Total recycling ratio	%	93.8	93.8	93.4
Disposal	Total waste disposed	ton	12,985	12,340	15,400
	- General waste	ton	8,333	7,943	10,181
	Incineration (energy recovery excluded)	ton	7,097	7,308	9,736
	Landfill	ton	1,236	635	445
Disposal	- Designated waste	ton	4,652	4,397	5,219
	Incineration (energy recovery excluded)	ton	4,556	4,376	5,110
	Landfill	ton	96	21	109

Recycling of End-of-life Vehicles

Data coverage: Domestic

Category		Unit	2021	2022	2023
Recycling of End-of-Life Vehicles	Recycling rate of end-of-life vehicles	%	82.6	82.4	82.5
	Including heat recovery	%	92.0	91.0	91.0
Amount of Resources Recovered When Dismantling Cars	Recovery weight	ton	195,370	199,606	199,871

Raw Materials

Data coverage: Domestic

Category		Unit	2021	2022	2023
Main raw materials ¹	Total usage	ton	267,208.3	267,267.7	281,528.8
	Intensity of use	kg/unit	218.5	211.0	208.1
Iron	Total usage	ton	193,865.8	195,570.7	207,142.7
	Intensity of use	kg/unit	158.5	154.4	153.1
Thinner	Total usage	ton	4,999.6	4,968.8	4,107.2
	Intensity of use	kg/unit	4.1	3.9	3.0
Paint	Total usage	ton	16,036.5	17,806.4	18,955.5
	Intensity of use	kg/unit	13.1	14.1	14.0
Aluminum	Total usage	ton	52,306.5	48,921.8	51,323.5
	Intensity of use	kg/unit	42.8	38.6	37.9

1. Changes to prior year data (2021 to 2022) due to data range redefinition

Resource Circulation

Metrics & Targets | Metrics

Water Consumption

	Category	Unit	Data coverage: Domestic		
			2021	2022	2023
Water intake	Total water intake	m³(ton)	6,755,826	7,006,517	6,343,388
	-Waterworks	m³(ton)	5,261,166	5,627,986	5,040,540
	-Underground water	m³(ton)	1,494,660	1,378,531	1,302,848
	Water intake from high water stress areas	m³(ton)	1,498,253	1,633,092	1,421,762
	-Waterworks	m³(ton)	885,268	1,000,485	897,377
	-Underground water	m³(ton)	612,985	632,607	524,385
Water withdrawal	Total water withdrawal	m³(ton)	4,894,039	4,737,786	4,645,326
	Water withdrawal to high water stress areas	m³(ton)	1,384,872	1,409,389	1,279,843
Water consumption	Total consumption	m³(ton)	1,861,787	2,268,731	1,698,062
	Water consumption in high water stress areas	m³(ton)	113,381	223,703	141,919
Water reuse	Amount of reuse ¹	m³(ton)	292,536	324,827	269,342

1. Changes to prior year data (2021 to 2022) due to data range redefinition, Only AutoLand Hwaseong figures are counted

Water Consumption by Business Site

	Category	Unit	Data coverage: Domestic		
			2021	2022	2023
AutoLand Gwangmyeong	Total water intake	m³(ton)	1,498,253	1,633,092	1,421,762
	-Waterworks	m³(ton)	885,268	1,000,485	897,377
	-Underground water	m³(ton)	612,985	632,607	524,385
	Water withdrawal	m³(ton)	1,384,872	1,409,389	1,279,843
	Water consumption	m³(ton)	113,381	223,703	141,919
	Total water intake	m³(ton)	3,450,012	3,525,286	3,062,939
AutoLand Hwaseong	-Waterworks	m³(ton)	3,450,012	3,525,286	3,062,939
	-Underground water	m³(ton)	0	0	0
	Water withdrawal	m³(ton)	2,508,317	2,284,497	2,159,070
	Water consumption	m³(ton)	941,695	1,240,789	903,869
AutoLand Gwangju	Total water intake	m³(ton)	1,807,561	1,848,139	1,858,687
	-Waterworks	m³(ton)	925,886	925,886	1,080,224
	-Underground water	m³(ton)	881,675	881,675	778,463
	Water withdrawal	m³(ton)	881,675	1,043,900	1,206,413
	Water consumption	m³(ton)	806,711	804,239	652,274

Metrics & Targets | Targets

Waste Reduction Target

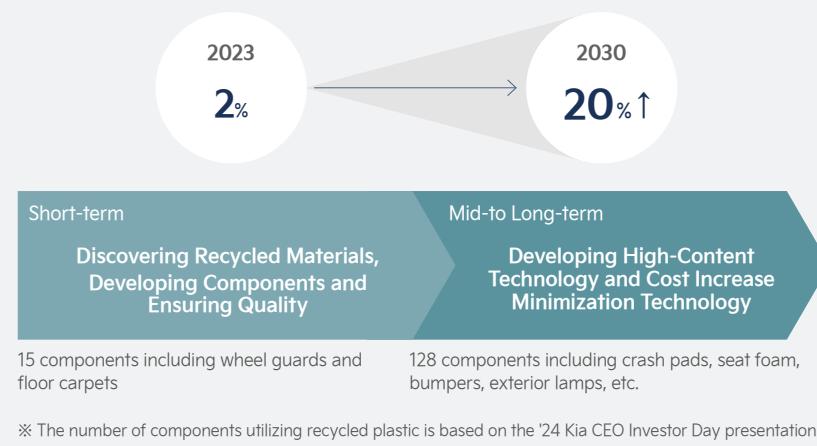
Category	Unit	Data coverage: Domestic		
		2023 (Target)	2023 (Performance)	2024 (Target)
Waste disposal intensity ¹	ton/KRW trillion	4,723	3,963	4,470
Waste recycling rate	%	95.0	93.4	95.0

1. The waste generation intensity target is set to the average over the past three years

Recycled Plastic Utilization Targets

In 2024, Kia set a goal of utilizing more than 20% recycled plastic by 2030. In the short term, we will focus on developing proactive recycled parts such as wheel guards and floor carpets and ensuring quality, and by the target date, we plan to develop technologies for high recycled plastic content and cost reduction and apply them to 128 recycled plastic parts such as crash pads, seat foam, bumpers, and exterior lamps.

Utilize over 20% recycled plastic by 2030



※ The number of components utilizing recycled plastic is based on the '24 Kia CEO Investor Day presentation.

Material Topic 3

Employee



Our employees are the driving force behind realizing Kia's vision. We provide a variety of training programs to help our employees reach their full potential in a rapidly changing industrial environment, and we are committed to preventing health and safety risks so that our employees can work in a safe environment with peace of mind.

Material Issue

-
- Talent Development
 - 8. Fostering talent and expanding career development support
 - Safety and Health
 - 9. Ensuring employee safety and health

Employee Talent Development

Governance

Kia has a dedicated organization to carry out employee-related tasks, including recruitment, training, career development, and internalization of a better organizational culture and corporate values.

In the recruitment and training departments we focus on developing training programs and employee career development with a focus on employee diversity and building the future business workforce. We also evaluate performance from a growth perspective and evaluate the effectiveness of our own training programs to make them more substantial.

Organizational Chart of the Talent Development Department



Strategy

Hiring Policy

To lead the future mobility industry, we are continuously recruiting talents in new technologies and new businesses, and we hire employees in a fair and transparent manner through systematic HR and recruitment management regulations and a systemized selection process. Kia has established a diversity and inclusion policy and incorporates it into workforce planning, training, and mentoring to strengthen our business competitiveness based on the creativity and potential of the employees.

For a fair hiring process Removed photos and gender entry from the application requirements	To hire based on jobs and strengthen specialty Hiring review led by front offices	For a reliable hiring process Adopted an in-house interviewer credential system
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An Education System Focused on Building Future Business Capacity

Kia operates a company-wide training system to ensure that employees, from executives to new hires, have the necessary competencies for each position and division. To develop job skills and improve organizational structure in line with the Plan S strategic direction, we offer a variety of training programs ranging from the latest mobility trends to data science and smart factories. We also run a mobility academy to develop new business capabilities and the DT/AI Academy to assist the transformation into a data-driven, customer-centric organization. The DT/AI Academy provides training programs not only in coding, but also in trend sensing based on data and field applications through alignment with jobs.

Course Name	Development Direction	Major Programs
Leadership	Nurturing brand / customer-oriented entrepreneurial leaders (Customer-oriented innovation, organizational change, and future business leading)	<ul style="list-style-type: none"> Ethical management training Team leader performance management program Inspiring coaching program New leader on-boarding program
Jobs	Fostering 'consilience' talents who can create new customer-oriented value and businesses built on job expertise	<ul style="list-style-type: none"> Mobility, DT1/AI Academy Professional Job Academy External education (subscription service), curation Onboarding program for new hires
Change management/ Organizational development	Customer-oriented change of the whole organization, encompassing mindset, conduct, and work methods	<ul style="list-style-type: none"> Kia Values & Behaviors (brand internalization) Leader support board
Common throughout the company	Operation of mandatory company-wide training courses such as legally mandatory education	<ul style="list-style-type: none"> Enhancing awareness of gender sensitivity, disability, and other issues Education for prospective retirees (future design process)
Common throughout the Group	Self-directed learning through voluntary gatherings, improving language capabilities	<ul style="list-style-type: none"> Learning Lab Language course
Field	Reinforcement of job expertise required in the field	<ul style="list-style-type: none"> Production, Sales, Service, Global (Dealer/Service) Introduction course for each field

Employee Talent Development

Strategy

Raising DEI¹ Awareness and Capacity Building for Members

Diversity and Inclusion Policy 

To share different perspectives and create an environment conducive to a diverse workforce based on workforce diversity and equity, Kia is preparing training programs to raise DEI awareness and provide capacity building for employees.

Category	Course name	Target	Purpose
Raise awareness	Leader DEI Management Training	All executives/team leaders	Driving perception change for Leader-oriented DEI dissemination
	DEI Awareness Training	All members (general personnel)	The need for DEI and adherence to related practices
Nurture	Diversity Leadership Program	G4 Team Seniors (Applicants among women employees)	Strengthening leadership from a DEI perspective and providing a foundation for growth as a leader
	Special Lecture for Women in Leadership	G4 Team Leaders/Team Seniors (Applicants among women employees)	Sharing leadership stories reflecting organizational context and environment
	Career Design Program	G3 Team Seniors (Applicants among women employees)	Providing opportunities for leaders and professionals to examine their growth paths within the organization

1. Diversity, Equity, Inclusion

Risk Management

Employee Performance Evaluation

Kia conducts evaluations from a growth and development perspective to maximize sharing and collaboration rather than competition. To this end, we have an evaluation process and coaching scheme to help individuals design their goals and grow with appropriate feedback. We also have an interactive, constant feedback system where performance is shared between leaders and team members, and feedback is incorporated into performance evaluations.

- Fair performance appraisal process through various feedback
 - Leader and peer evaluations, constant feedback
- Evaluation based on individual goal setting and achievement (Management By Objectives)
- Inspiring coaching system for evaluator-evaluatee feedback and team member performance management

Category	Evaluation criteria	Evaluation frequency
Management by Objective (MBO) Assessment	Conducted 100% at team senior level and above	Once a year
Multifaceted performance evaluation	Conducted 100% at team leader level and above	Once a year

Career Development Program

Kia operates a career development platform called Career Move to help those who are prepared to develop their careers and become consilient talent through moving their positions. We also offer a “veteran” system for senior employees with expert skills and experience to continue to apply their specialty, which allows us to maintain organizational competitiveness and contribute to industry development.



Employee Talent Development

Metrics & Targets | Metrics

Kia monitors indicators such as overall satisfaction, recommendation level, understanding improvement level, and field application level according to learning objectives for each course.

Training Status

		Data coverage: Domestic		
	Category	Unit	2021	2022
Employee training	Training target employees	Persons	34,562	34,260
	Total no. of training provided	Numbers	109,382	176,796
	Total training hours	Hours	1,139,177	1,238,622
	Total training investment budget	KRW 100 million	105.4	109.6
	Average training hours per employee	Hours	305	36.2
	Average training cost per employee	KRW thousand	305	320
	Office job	Hours	25	37
Training hours per capita for each job / position	- Top manager level (executive)	Hours	13	20
	- Middle manager level (team leader)	Hours	34	52
	- Non-manager level (team member)	Hours	24	37
	Field workers	Hours	35	36
By training program	Job	Hours	24	37
	Leadership	Hours	27	42

Education Satisfaction

		Data coverage: Domestic		
	Category	Unit	2021	2022
Education satisfaction ¹		Points	4.4	4.6

1. Based on a 5-point scale

Major Training Programs

		Data coverage: Domestic			
	Category	Details	No. of courses	No. of sessions	No. of Participants
Mobility Academy	Trends in the mobility industry and new business planning capabilities, etc.		13	67	1,628
DT/AI Academy	Data analysis / planning, coding basics and analysis techniques, etc		30	35	678
EV Class	Education on electrification technology, changes in the automobile industry, etc.		3	340	7,891

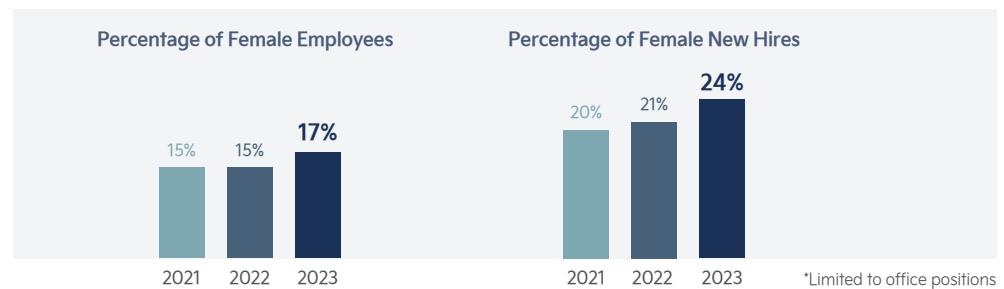
1. Digital Transformation

Metrics & Targets | Targets

Target of Diversity and Inclusion

Plan to Achieve 20% or Higher Female Employment Rate by 2030

To foster employee diversity, we have set a female employment rate goal based on the office worker group at domestic business sites.



*Limited to office positions

Gender Diversity Status and Target

		Data coverage: Domestic		
	Category	Unit	2022	2023 2024(Target, %)
Total female employees		Persons(%)	1,512(4.22)	1684(4.71) 4.8
Female managers		Persons(%)	242(4.78)	301(5.96) 6.0
Female low-level managers		Persons(%)	173(9.07)	211(10.74) 10.8
Executive female employees		Persons(%)	2(1.45)	3(1.96) 2.0
Female managers in sales generating departments		Persons(%)	179(4.08)	229(5.24) 5.3
Female new hires		Persons(%)	172(8.5)	209(10.9) 12.0
Female employees in STEM ¹ departments		Persons(%)	541(2.29)	626(2.6) 2.7

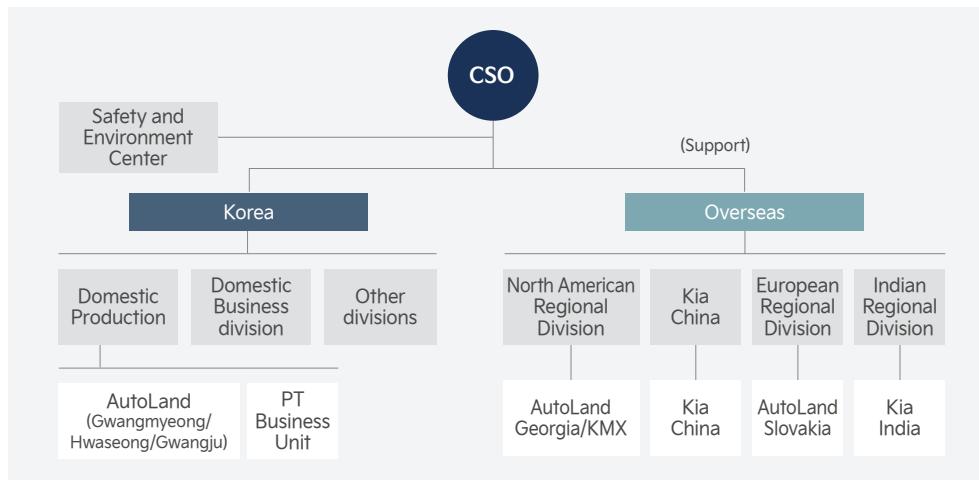
1. STEM: Science, Technology, Engineering, Mathematics

Employee Safety and Health

Governance

Kia has established and adheres to the vision and basic principles of its Safety and Environment Policy, with the mission "By putting people and the environment first, we strive to create a culture of safety and make it a part of our daily lives". We also have installed the Environmental-Safety&Health Center, a dedicated organization that oversees and manages safety and environment-related tasks directly under the Chief Safety Officer (CSO). The Board of Directors reviews and approves the Plan on Safety and Health annually, and the frequency of this process has increased from once a year to twice a year starting in 2024.

Safety and Health Management System



Process for internal reporting of safety and health issues

Any safety and health-related issues are reported to management and promptly responded by decisions made in agreement.



2023 Board of Directors' Top Safety and Health Considerations

Responding to safety and environmental regulations, applying new safety technologies, and identifying and responding to safety and environmental risks

Kia Guiding Principles for Safety and Environment

Safety and Health Policy



Safety and Health Management System Certification

Kia ensures the effectiveness of our integrated safety and environment management system, based on the international occupational safety and health management systems (ISO 45001), by having certification bodies conduct external audits annually and maintaining certification. We also strive to internalize the operation of the management system through training of internal auditors.

Employee Safety and Health

Governance

Occupational Safety and Health Committee

Kia operates the Occupational Safety and Health Committee (hereinafter referred to as the OSHC) in three main forms to listen to and improve the opinions of employees regarding safety and health.

- ① The Integrated OSHC is a council that decides on company-wide safety and health matters and is implemented in accordance with the collective agreement. The council mainly deliberates and resolves matters related to safety and health policies and occupational accident prevention management activities that require labor-management agreements.
- ② The Sector OSHC is a council that deliberates and resolves matters related to the safety and health of the relevant sector (sales, service, and AutoLand Gwangmyeong, Hwaseong, and Gwangju) in accordance with Article 24 of the Occupational Safety and Health Act (Occupational Safety and Health Committee). The main agenda items at these meetings are legal obligations and budget investments.
- ③ The Departmental OSHC is a council that deliberates and resolves matters related to the safety and health of the relevant department and is conducted in accordance with the collective agreement. This council makes decisions to address safety and health issues that arise in each department.

By listening to and improving the safety and health of employees, OSHCs play a positive role in providing a safe and healthy work environment. They also fulfill the implementation item of the Serious Accidents Punishment Act of 2022, "hearing the opinions of workers," to reduce legal risks.

Category	Department OSHC (Monthly)	Division OSHC (Quarterly)	Integrated OSHC (As needed)
Roles	· Deliberation and decision-making on safety and health matters within the department	· Deliberation and decision-making on safety and health matters within the division ¹	· Decision-making on company-wide safety and health matters.
Key agenda	· Safety and health issues arising within each department	· Matters related to legal obligations, budget investments, and other relevant issues	· Matters requiring labor-management agreement (safety and health policies, industrial accident prevention and management activities, etc.)

1. Division: Autoland Gwangmyeong / Hwaseong / Gwangju, Sales, Service

Managing Safety and Health KPIs

Kia establishes and evaluates performance in occupational health and safety management through Key Performance Indicators (KPIs) from top management to executives, department heads, and team leaders. The occupational health and safety KPIs include both outcome indicators and process indicators.

Safety and Health KPI

Category	Item	Targets
Outcome indicator	Industrial accident rate	<ul style="list-style-type: none"> · Reduction in the rate of occupational accidents (year-over-year) · Reduction in the integrated accident rate (year-over-year)
	Integrated absence rate	<ul style="list-style-type: none"> · Reduction in the integrated absence rate (year-over-year)
Process indicator	KIA SEMS ¹ (Safety and Environment Management System)	<ul style="list-style-type: none"> · Objective assessment of the level in the areas of safety / environment / health / fire management · Application of global integrated management indicators and systematic improvement management

1. KIA SEMS: KIA International Assessment for Safety & Environment Management System

Safety Management Council for International Business Sites

Kia shares the company-wide safety and environmental goals and vision with our overseas business sites and convenes international safety councils every quarter to improve their capabilities.

- ▶ Increasing local safety workforce engagement to drive more interaction among working-level staff
- ▶ Adopting successful cases from other operations by sharing safety and environmental policies, performance management systems, best practices and incident cases

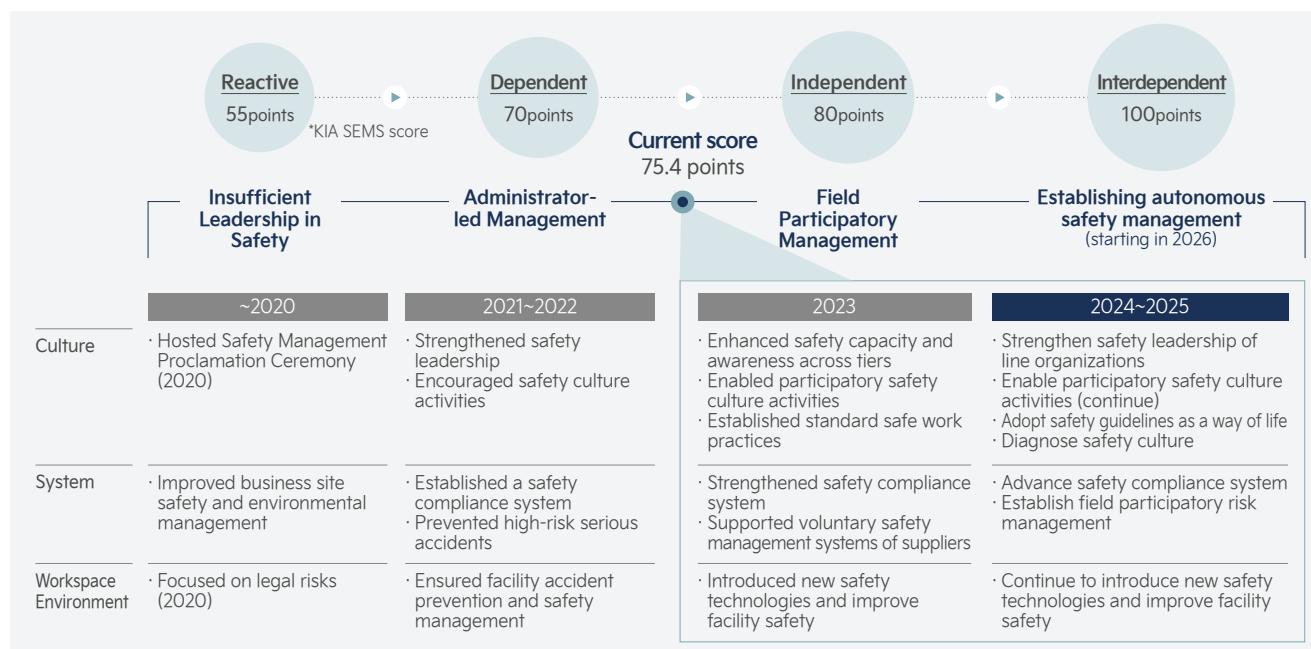
Employee Safety and Health

Strategy

Mid- to Long-Term Directions for Ensuring Security

Under the established integrated safety and environment system, all of Kia's global business sites will strive to comply with safety and environment-related laws and regulations, minimize safety and environment risks, significantly reduce environmental pollutant emissions, and build an organizational culture in which safety is internalized in order to establish autonomous safety management from 2026. In addition, we are building a safety environment system that enables employees to autonomously secure safety through the Mid- to Long-term Directions for Ensuring Safety. The Directions aim to enhance the maturity of our safety culture while reducing disaster and legal risks. By incrementally building on these efforts, our business sites will ultimately have established autonomous safety management by 2026.

Meanwhile, as part of our efforts to upgrade the safety and environmental management system, Kia conducts regular and frequent inspections of safety departments at our production bases, regular meetings of the company-wide safety councils, and proclamation ceremonies to raise safety awareness among employees. In 2020, we held a safety and environmental management proclamation ceremony, and in 2023, a joint labor-management safety and health proclamation ceremony to prevent serious accidents. Kia will continue to hold proclamation ceremonies at various locations, including service centers as well as AutoLand, and will keep striving to ensure that safety and environmental management systems, such as joint labor-management site inspection activities, are firmly established at our business sites.



Safety and Health Training

Kia provides various types of training for employees to internalize safety and health awareness.

- In addition to statutory safety and health training, providing on-the-job training for each safety and health function
- Conducting capacity-building training for safety officers and safety coordinators to enhance autonomous safety and health management in collaborative departments
- CPR training for all employees every year
- Producing safety video content that covers general safety and health standards, including field guidelines

Kia International Assessment for Safety & Environment Management System (KIA SEMS)

Kia uses our own internal audit system, Kia SEMS, to quantitatively assess the level of our safety and health management. We are aiming for a score of 80 in 2025, which represents a shift from a legislation-driven safety management system to participatory management in the field. Kia SEMS will be a key factor in reducing industrial injury rates and total accident rates by aligning with safety and health management KPIs.

In particular, in 2023, we implemented a close-range support project for each organization to improve safety standards. The project was conducted for two unit plants for two weeks each under three themes: ① improvement of KIA SEMS metrics, ② establishment of measures to prevent recurrence at departments with frequent accidental injuries, and ③ identification and improvement of negative factors through safety awareness diagnosis. The respective plants saw improvements in KIA SEMS metrics. Compared to 2023, the 2024 close-range support project will cover a wider range of themes and more departments.

- Kia SEMS consists of 137 items in 5 fields (Management System, Safety, Health, Fire Protection, and Environment)
- Selected internal auditors annually to conduct visits to all 8 domestic and overseas business sites
- Used audit results as key metrics of company-wide safety and health KPIs and goals/outcomes

Employee Safety and Health

Risk Management

Safety and Health Risk Management

Kia conducts regular and constant safety and health risk assessments and operates various programs to strengthen risk management capabilities. We also manage safety and health risks by preparing a system to respond promptly in the event of accidents.

- ▶ Operating a (regular/constant) risk assessment process to identify, eliminate, and reduce risks and implement measures to reduce them
- ▶ Improving risk identification skills with the "Risk Assessment Expert Coaching Course" and "VR Experience Training"
- ▶ Establishing Safe Operation Standards across all processes and monitoring practices to ensure daily safety compliance
- ▶ Real-time sharing of information and prompt, field-oriented response to new risks as they arise
- ▶ Preparing emergency response manuals for disasters and accidents, conducting emergency response drills with field workers twice a year
- ▶ Incorporating accident trends into safety and health strategy to prevent the same and similar accidents

Proactive Response to Serious Accidents

Kia has a system in place to prevent and respond to serious accidents. Specifically, we have established safety leadership around the concept of SIF (Serious Injury & Fatality) and prioritize the identification and remediation of high-risk factors that can cause death or serious injury in all of our safety and health activities.

- ▶ Regular operation of company-wide safety review meetings led by the Chief Safety Officer (CSO)
 - Sharing and supporting SIF discovery and improvements 3 times a month
- ▶ Creation of a Serious Accident Prevention Team
 - Establishing and implementing serious accident prevention strategies, supporting the securing of compliance system
- ▶ Inspection and report on the implementation of the Serious Accident Punishment Act
 - Review of safety and health compliance and reporting to the CSO once semiannually
- ▶ Introduction of the concept of SIF prevention
 - Safety evaluations and awards, safety inspection days, and safety training
- ▶ Implementation of hands-on safety culture activities
 - Introducing a high-risk process VR safety experience
- ▶ Activation of Serious Accident Contingency Plan and conducting regular drills (once semiannually)
- ▶ Initiation of transformational field change with expert diagnostics

Identification of Near-Misses

To raise safety awareness and reduce accidental injuries in business sites, we have strengthened activities to identify near-miss accidents since 2023.

- ▶ To develop an in-house computer system linked to QR codes to be entered at any time in case of an accident
- ▶ To reward employees who excel in risk assessment activities and identifying near-miss accidents

Labor-Management Joint Declaration of Safety and Health Declaration

In October 2023, labor and management held a joint declaration ceremony to create a safe and healthy workplace. Through the proclamation ceremony, attended by labor and management representatives, the company and labor agreed to strengthen activities to ensure the safety and health of employees and business partners, including the establishment of a voluntary safety management system, formation of a proactive safety culture, compliance with Kia's 10 Safety Guidelines, and to focus on identifying and improving risk factors.

Each sector, including AutoLand and maintenance sectors, held their own proclamation ceremonies to ensure that all employees are aware that safety is a core value of Kia and an obligation that must be upheld. We made every effort to create an environment where safety guidelines can be understood and practiced through distributing the Kia 10 Safety Guidelines Manual and the Labor-Management Joint Declaration of Safety Prevention Guidelines, which were posted at the field and announced via internal publicity broadcasts. During the meeting, labor and management pledged to work together to build a safer business site. We came to a consensus that safety is a top priority and will continue to work together to create a safe and healthy workplace.



Kia's Top 10 Safety Rules

- ① Provision and wearing of protective equipment
- ② Prohibition of tampering with or bypassing safety devices
- ③ Wearing seat belts and adhering to speed regulations
- ④ Prohibition of unauthorized access to unmanned areas and compliance with operating procedures when entering
- ⑤ Prohibition of entry beneath loads during lifting operations
- ⑥ Measurement and approval of gas concentration in confined spaces before entry
- ⑦ Power shutdown when dealing with electricity
- ⑧ No smoking outside designated areas
- ⑨ Pre-inspection and adherence to permit requirements before work
- ⑩ Immediate reporting after taking preliminary actions upon identifying hazardous conditions

Employee Safety and Health

Risk Management

Monitoring Equipment Maintenance

Kia utilizes a facility safety management process from the initial design stage to post-management for facilities and equipment at our business sites to ensure the safety of employees as well as to meet relevant laws and safety standards.

Facility Safety Management Process



Employee Wellness Activities

Health Checkups	<ul style="list-style-type: none">· Provision of general, comprehensive, and specialty medical exams
In-house Wellness Facilities	<ul style="list-style-type: none">· Occupational Health Center: Western/Korean medical clinics, exercise therapy room, physical therapy room, psychological counseling room, X-ray room· Sports Center: Pool, gym, GX room
Wellness Programs	<ul style="list-style-type: none">· Specialized medical staff and experts on site· Quality physical and mental health programs to prevent occupational and common diseases

Leveraging Smart Safety Technologies

Kia applies robots equipped with the most advanced smart safety technology to keep employees out of harm's way on the job. Industrial wearable robots (X-ble Shoulder) are safely assisting humans with their work, and patrol robot Spot is taking over dangerous missions in hard-to-reach places.

Industrial Wearable Robot (X-ble Shoulder)

The X-ble Shoulder is used to protect the body of workers directly involved in automobile production. It is an industrial shoulder-assisting wearable robot that provides support for the muscles of the arm, shoulder, and back when performing overhead work above shoulder height. We are expected to protect the physical health of our employees, many of whom suffer from musculoskeletal disorders due to the nature of the automotive industry, helping them perform at their best and improve their quality of life.



Patrol Robot, Spot

'Spot,' developed by Boston Dynamics, is an industrial inspection robot capable of operating in extreme environments such as high temperatures, extreme cold, accident-prone areas, and radioactive contamination zones. It can collect data and perform tasks safely in hazardous work sites instead of humans. Additionally, it is nicknamed 'Data Keeper' and 'Moving IoT,' and various application technologies are being developed to further utilize it in diverse environments.



Employee Safety and Health

Metrics & Targets | Metrics

Industrial Accidents

Data coverage : Domestic+Overseas

	Category	Unit	2021	2022	2023
Employees	No. of regular employees	Persons	49,260	50,213	51,188
	Lost Time Injury (LTI) cases	Cases	158	172	186
	Lost Time Injury Frequency Rate (LTIFR)	1 million working hours	1.10	1.17	1.24
	No. of fatalities	Persons	0	0	1
	No. of industrial accidents	Cases	415	388	457
	Industrial accident rate ¹	%	0.84	0.77	0.89
	No. of occupational disease cases	Cases	257	216	271
Suppliers' employees ²	Occupational Injury Frequency Rate (OIFR) ¹	1 million working hours	1.79	1.47	1.81
	No. of partner companies' employees	Persons	7,185	7,790	9,872
	No. of fatalities	Persons	0	0	0
	Lost Time Injury (LTI) cases	Cases	57	70	67
	Lost Time Injury Frequency Rate (LTIFR)	1 million working hours	2.72	3.08	2.32

1. Due to a change in calculation method, the data for 2020-2021 has been revised

2. In-house suppliers

Safety and Health Education

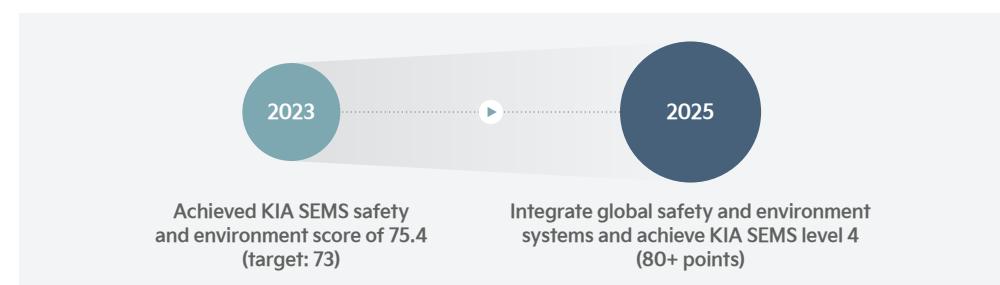
Data coverage : Domestic

	Category	Unit	2021	2022	2023
Employee	Participation	Persons	33,714	33,790	34,842
	Employess	%	100	100	100
	Training hours	Hours	809,136	815,280	836,208
	Training hours per employee	Hours	24	24	24
Employees from suppliers	Health and safety education for employees from in-house suppliers	Hours	65,208	64,824	63,432

Metrics & Targets | Targets

Safety and Health Target

In line with its mid- to long-term safety promotion direction, Kia has set a target of 80 points in the Kia SEMS by 2025 for its participatory management policy. This represents a shift from a safety management system centered on legislation to participatory management. In addition, Kia SEMS will be a key factor in reducing the occupational accident rate and the combined accident rate in conjunction with safety and health management KPIs.



Targets for Occupational Health and Safety Management System Certification

We aim to maintain 100% certification of the safety and health management system for all domestic and foreign production entities.

Category	Unit	Target(2023)	Performance(2023)	Target(2024)
For domestic operations (3 locations) ISO 45001 application rate	%	100	100	100
For overseas operations (5 locations) ISO 45001 application rate	%	100	100	100

Serious Incident Status and Target

Data coverage : Domestic+Overseas

Category	Unit	2021	2022	2023	Target(2024)
No. of serious incidents	Cases	0	0	1	0

Material Topic 4

Supply Chain



Kia manages a complex supply chain of raw materials and components. It requires a lot of effort to source raw materials and components without negatively impacting humans and the environment. Kia has established and operates an ESG assessment and due diligence system for suppliers to ensure shared growth with the supply chains we work with, and we are strengthening cooperation and support systems to create sustainable supply chains.

Material Issue

Work-related Rights(supply chain)
10. Monitoring and managing supply chain
human rights

Supply Chain

Governance

Supply Chain Management Governance

Kia's supply chain management is centered on supply chain operational strategies and issue response, mutual prosperity with suppliers, and supply chain ESG management. This has enabled us to respond in a timely manner to the supply chain management of parts, raw materials, and facilities supplied to domestic and overseas automobile factories.

To respond to the toughening of supply chain due diligence laws worldwide, we have established a supply chain ESG management system centered on the Supplier Sustainable Management and Safety Promotion Team within the Win-Win Cooperation Office. We manage and supervise supply chain sustainability risks by regularly reporting the supply chain ESG status to the Sustainability Management Committee under the Board of Directors and implementing decisions. Kia also organizes the responsible mineral management process for responsible purchasing of minerals. We identify responsible mineral issues of our suppliers and continuously check and manage responsible mineral risks related to environmental pollution, human casualties, labor exploitation, and human rights violations in conflict areas throughout the year.

Supply Chain Management

Organization Chart



Key Board Review Items on Supply Chain Management 2023

Performance and plans of supplier competitiveness programs
(Joint investment for R&D fund creation, business diversification consulting, smart factory advancement, establishment of ESG management system, safety and security system, carbon emission reduction support)



Strategy

Supplier Code of Conduct

Kia requires its suppliers to voluntarily comply with key ESG requirements, including ethics, environment, labor and human rights, and safety and health, and to establish management systems for compliance. In 2023, we strengthened our regulations to ensure that parts and raw materials directly or indirectly associated with forced labor are not used at any stage in our supply chain. We have also added a section requiring our suppliers to establish a code of conduct that prohibits the use of forced labor and to conduct due diligence on the compliance of sub-suppliers with whom they do business.

- ▶ Reviewing procurement practices related to factors such as unfair trade and anti-corruption as outlined in our Supplier Code of Conduct and implementing mitigation measures when ESG risks are identified
- ▶ Highlighting child labor and forced labor as a priority issue in the "Labor and Human Rights" section of the Code of Conduct
- ▶ Strengthening efforts to prevent human rights abuses in the supply chain by establishing zero tolerance for child labor

[Supplier Code of Conduct](#)

Ethics	Safety and health
<ul style="list-style-type: none"> · Transparency and anti-corruption · Avoidance of conflicts of interest · Unfair trade prevention · Counterfeit parts prevention 	<ul style="list-style-type: none"> · Compliance with export restrictions and economic sanctions · Information protection · Protecting intellectual property · Responsible materials sourcing
Environment	Management System
<ul style="list-style-type: none"> · Establishment of an environmental management system · Energy use and greenhouse gas emissions management · Water management · Air pollutant management 	<ul style="list-style-type: none"> · Corporate disclosure · Person in charge appointment · Risk assessment and inspection · Training and communication · Information management
Labor and Human Rights	Supply Chain Due Diligence
<ul style="list-style-type: none"> · Prohibition of child labor · Prohibition of forced labor · Prohibition of discrimination and harassment · Wages and benefits · Work hour management · Humane treatment 	<ul style="list-style-type: none"> · Guarantee of freedom of association · Ethical hiring · Identification and assessment of sustainability risks in supplier supply chains · Obligation to monitor mitigation and handling of risks · Creation of a 6-step due diligence process suggested by OECD Due Diligence Guidance

Supply Chain

Strategy | Supply Chain Mutual Growth Strategy

Enhancing a Healthy Supply Chain Ecosystem through Support for Mutual Growth

Kia is dedicated to fostering mutual growth with its suppliers. In particular, we have implemented a three-pronged mutual growth strategy to establish a stable supply chain ecosystem.



1. A public foundation established in 2002 by Hyundai Motor Group to foster the quality, technology, and management development of the automotive parts industry

2. A system that applies changes in raw material costs to the unit cost of parts

3. A system that incorporates the evaluation of Tier 1 suppliers' win-win cooperation level with Tier 2 suppliers into the bidding process

Mutual Growth Performance

Kia has earned the highest rating on the Shared Growth Index for 10 consecutive years and publicly discloses the results of programs that support suppliers' financial and non-financial growth.

Increased corporate size

Average supplier revenue size 5x increase
(As of 2023 v. 2001)



Joint expansion abroad

690 suppliers
Joint expansion abroad



Average length of business

Average length of business with suppliers:
35 years
(Manufacturing average 13.5 years)



Supplier Tech Day

Kia held the 2023 R&D Supplier Tech Day, attended by the CTO and other stakeholders, to recognize the outstanding technologies of our suppliers and strengthen our R&D capabilities through technology exchange. In particular, Hyundai and Kia are rewarding suppliers with excellent technologies in four categories: electronics, chassis, body, and electrification. While acknowledging that these efforts are the result of the passion and hard work of our suppliers, who have contributed to Hyundai Motor Group's global sales ranking of third, we vow to strive further in technology development by applying the value of shared growth to the rapidly changing market environment.

Joint Declaration to Promote Win-Win Cooperation in the Automotive Industry

To improve the expertise and productivity of its suppliers, Kia held a joint declaration ceremony at the Hyundai Motor Group Global Win-Win Cooperation Center (GPC) and agreed to form a Win-Win Council to help suppliers with recruitment, welfare, and occupational safety. Through council activities, we plan to work to establish a sustainable cooperation plan, and the Korean government will support these efforts to create a virtuous cycle for the automotive industry.



Establishing a Culture of Mutual Growth

Fair Trade Agreement (Term 15)

Adjustments related to raw material price increases, financial support programs, implementation of the Four Subcontracting Practices, and strengthening win-win cooperation with Tier 2 and 3 suppliers

Review and Rewarding Shared Growth Performance among Tier 1-2 suppliers

Review and reward for shared growth performance, including improved payment terms between Tier 1 and 2 suppliers, since 2009
Recognition of 42 companies as Excellent Win-Win Suppliers by 2023

Supplier Process Evaluation and Partner System

Fair evaluation of suppliers and transparent transactions through the Hyundai Motor Group Partner System for all transactions

Transparent Procurement Reporting Center

Publication of the Supplier Code of Conduct, the Four Subcontracting Practices, anti-retaliation guidelines
Establishment of a transparency and ethics practice suggestion box to collect feedback on supplier pain points and system improvements
- Receiving feedback on improving the procurement system, violations of the Code of Conduct for procurement employees and suppliers
- Grievance system operated for Tier 2-3 suppliers to identify complaints and unfair trade practices

Supply Chain

Strategy | Supply Chain Strategy for Mutual Growth

Green Purchasing

Kia strives to build an eco-friendly manufacturing environment by practicing green purchasing for all suppliers and signing eco-friendly parts supply agreements with all parts suppliers.

► **Participated as one of the first companies in the voluntary green purchasing agreement launched by the Ministry of Environment in September 2005**

- Following green purchasing guidelines to prioritize eco-friendly products, such as products certified with eco labels, products with Good Recycled labels, and products that reduce hazardous substances

► **Signed the Green Parts Supply Agreement with all parts suppliers in our supply chain since 2007**

- Ensuring the development and production of parts do not use or contain materials that are hazardous to human health and the environment

ESG Capacity Building and Financing for Suppliers

Kia provides information on Kia's ESG program (procedures, requirements) to suppliers and supports consulting on building supplier ESG management systems to help small and medium-sized suppliers acquire responsiveness to the global ESG environment and regulations. We also provide training to relevant Kia personnel on the meaning of ESG programs of suppliers, such as CDP supply chain, and how to support them. Moreover, Kia operates capacity building and financial support programs to enhance global competitiveness, improve the quality, technology and productivity of finished vehicles, and strengthen the sustainability of the supply chain.

► **In 2023, 166 suppliers total (Tier 1 suppliers: 159, Tier 2 suppliers: 7)**

► **Cash payments to small and medium-sized and middle-standing suppliers**

- To support the growth of mid-sized companies, we expanded the scope of cash payments for deliveries to "mid-sized companies with sales of less than KRW 500 billion" from 2016, which is broader than the "mid-sized companies with sales of less than KRW 300 billion" stipulated in the Fair Transactions in Subcontracting Act.

► **Paying suppliers early for holiday deliveries**

- Includes delivery payment support in the Tier 1 supplier evaluation to ensure early payment to Tier 2-3 suppliers

► **Various financial support programs for tier 1 and tier 2-3 companies, including support funds for raw material price interlocking system, business diversification support funds, and funds for Tier 2 and 3 suppliers**

Supplier Capacity Building Training

427 companies participated

Training hours 2,582

Number of participants 1,830

Supplier Support Program

Supplier Capacity Building Programs	Smart Factory Construction Support	<ul style="list-style-type: none"> · Consulting and facility investment to help suppliers digitalize process data, reduce lead times, reduce defect rates, reduce scrap costs, improve on-time delivery, and increase sales
	Export Marketing Support for Suppliers	<ul style="list-style-type: none"> · Supporting their participation in domestic and international auto parts industry trade shows · International buyer matching
	Talent Acquisition Support	<ul style="list-style-type: none"> · Online Job Fair for suppliers (402 suppliers participating in 2023, including Tier 2-3 suppliers) · Operating a 24/7 online job application system exclusively for suppliers
	Capacity Building Training Support	<ul style="list-style-type: none"> · Providing training programs for Tier 1 and 2 suppliers to drive competency and improve competitiveness across the automotive industry · Supporting training facilities and instructors when suppliers need own training
	Quality Assurance Technical Support	<ul style="list-style-type: none"> · Operating the Quality Technology Support Group and Management Innovation Support Group to improve the global capacities of small and medium-sized suppliers by transferring automotive-related expertise and know-how free of charge (supporting field visits for suppliers)
Supplier Financial Assistance Programs	P&L Support	<ul style="list-style-type: none"> · Operating a raw material price interlocking system
	Liquidity Support	<ul style="list-style-type: none"> · Prepayment of deliveries · Loan interest support funds · Early payment of investment costs (e.g., larger lump sum payments for mold fees) · Loan guarantee assistance programs

Delivery Payment Terms

	Category	Payment Terms	2023
Parts for domestic consumption	Small and medium-sized businesses	Cash	Once a week
	Middle-standing companies (less than KRW 500 billion in revenue)	Cash	Once a week
	Middle-standing companies (KRW 500 billion or more in revenue)	Notes (60 days)	Once a week
	Large companies	Notes (60 days)	Once a week
Parts for exporting		Cash	2 times per month ¹

¹. Eligible companies for shortened payment cycle for export parts: Small and medium-sized or middle-standing suppliers (less than KRW 500 billion in revenue) that have paid non-Kia or Kia-provided accounts receivables twice a month

Supply Chain

Strategy | Supply Chain ESG Management Strategy

Supplier Status

Kia selects and manages suppliers that supply core parts (hydrogen fuel cell parts, battery parts, control parts, electrification parts), suppliers with low substitutability to other suppliers, and suppliers with large transaction volumes as priority management (core) suppliers. In 2023, we registered and managed 1,454 Tier 1 suppliers (100% of purchases), 372 domestic and 1,082 overseas.

Of the Tier 1 suppliers, there are 55 priority management suppliers (69% of purchases). In addition to Tier 1 suppliers, Kia also identifies Tier 2 suppliers that have a significant impact on our operations, with 24 suppliers in Tier 2 or higher under priority management.

Selecting Suppliers - Embedding Sustainability in Contract Terms

When assessing risks for selecting new suppliers, Kia not only evaluates quality, financial structure, and management, but also assesses sustainability, safety and security, and reflects them in the trade terms. For companies starting a new transaction with us, if a company scores below the threshold after ESG assessment, it is required to submit an improvement plan and will be re-evaluated within six months. If the re-evaluation results in a below threshold score, the trade cannot be initiated. We also check the incidence of safety and environmental accidents and impose penalties on suppliers with a history of accidents.

If the audit determines that the supplier is eligible for trade, we include and manage documents related to sustainability management and improvement plans, such as the ethics pledge, green parts supply agreement, quality pledge, and information protection pledge, in the supplier's required documentation. In addition, Kia has included requirements in our standard parts trade contract to ensure that suppliers comply with supply chain legislation on environmental issues and human rights, and our requests for price quotation reflect requirements to ensure zero tolerance for forced labor.

Configuration of Risk Diagnostic Metrics

Kia has established supply chain sustainability risk diagnostic metrics using laws and regulations related to fair trade, environment, labor, health and safety, and supply chain due diligence, as well as indicators and standards such as the OECD Guidelines for Multinational Enterprises, EcoVadis, the Responsible Business Alliance (RBA), and initiatives related to the automotive parts supply chain including Drive Sustainability. The supply chain sustainability risk diagnostic metrics are composed of ethics, environment, labor and human rights, and safety and health, and we reflect the assessment results in our supply chain operation strategy, taking into account the size of our suppliers and whether they meet the core metrics. Specifically, we assess the risk of forced labor based on the types and indicators of risks such as forced labor in prisons, vocational training centers, and similar institutions.

Rating Agency	<ul style="list-style-type: none">Third-party external rating agencies conduct the assessments to ensure impartiality and expertise.
Initiatives for Assessment	<ul style="list-style-type: none">Drive SustainabilityResponsible Business AllianceUN Sustainable Development GoalsUN Global CompactCarbon Disclosure Project
Assessment Metrics	<ul style="list-style-type: none">Increased the number of questions compared to 2022 (from 141 to 161) and enhanced demand for supporting documentation43 general/ethics, 42 environmental, 47 labor/human rights, and 29 safety/health questions

Risk Diagnosis-Due Diligence Process

Kia's supply chain sustainability risk assessment management consists of written diagnosis, on-site due diligence, and remedial measures, and we are continuously improving our diagnostic indicators in accordance with global trends to effectively identify possible sustainability risks in the supply chain. In addition, in response to global supply chain due diligence legislations, we established a supply chain compliance program related to forced labor risk to strengthen our integrated supply chain sustainability risk management system.

- Written diagnosis
 - Suppliers access the online system (IT) to self-assess their level of sustainability risks through a checklist and provide supporting documentation.
- On-site Due Diligence
 - External experts and Kia employees visit the supplier to verify the on-site situation or confirm the authenticity of the supporting documentation.
- Remedial Measures
 - High-risk elements identified during the written diagnosis or on-site due diligence are recommended for immediate remediation or development of a remediation plan.

Supplier Grievances

We receive supplier grievances through the Transparent and Ethical Practice Suggestion Box. To actively promote the grievance channel, we have included a link to the reporting site in the email signature of all Procurement employees. In 2023, we received 10 submissions and provided feedback on all of them.

Four Subcontracting Practices

- Desirable contracting practices
- Best practices for registering and operating new suppliers
- Best practices for operating the Internal Subcontracting Review Committee
- Best practices for document issuance and retention

Transparent and Ethical Practice Suggestion Box

- Purpose of the suggestion box/report box
- How to submit suggestions and reports
- Operation method (anonymity and non-disclosure principle)
- View action results

Supply Chain

Risk Management | Supply Chain ESG Assessment Results

1. Initial risk assessment (risk screening)

Proactively Identifying Supplier Risks

Kia assesses ESG risks across the board and by business relevance, the country where suppliers are located, industry, and product delivered, utilizing government and research organization publications and media research. Based on the results of these screenings, we have designated a group of suppliers that require intensive management, including priority management suppliers and high-risk suppliers, and are managing them separately.

In 2023, we conducted a risk screening of our Tier 1 suppliers using an external supplier database, with a focus on forced labor risk. We also operated a supply chain mapping pilot program for some of our suppliers to identify their locations and links to alleged violators of forced labor prevention laws. We plan to expand the program in the future, focusing on major parts involving aluminum, batteries, steel, tires, and polysilicon.

2. Supply chain risk assessment (written inspection and on-site due diligence)

Overview of Supply Chain Risk Assessment

With the supply chain ESG management becoming increasingly important due to the strengthening of global laws and regulations, we began to conduct an annual supply chain ESG assessment of our domestic and overseas suppliers to identify the ESG level of each supplier and implement countermeasures. On-site due diligence and assessments are conducted by ESG consulting, diagnostics, and due diligence experts in close collaboration with our procurement sector. The results of the assessment are applied to help strengthen supply chain risk management and ESG practices. The 2023 assessment showed that both domestic and international companies are vulnerable in the following areas: Environment > General/Ethics > Labor/Human Rights > Safety/Health.

- ▶ Managing companies with sub-standard supply chain ESG scores or concerns about safety, privacy, labor, or human rights risks as high-risk suppliers
- ▶ Conducting on-site due diligence and demanding improvement to companies that are unsatisfactory following assessment/diagnosis, giving penalties for those that do not meet the minimum ESG standards

2023 Supply Chain Risk Assessment - Vulnerability by Area



Field	Required improvements
Ethics	ESG management system, responsible material sourcing
Environment	Energy/greenhouse gas management and climate change response
Labor/Human rights	Human rights management system
Health and safety	Accident management

3. Monitoring and Corrective Action for Risk-Identified Suppliers

For other identified risks, Kia immediately corrects those that can be improved through on-site inspections and distributes an assessment report that includes anticipated problems and improvement needs. We encourage suppliers to improve vulnerable areas by discussing improvement plans, timing, and implementation methods with them. We also actively support our suppliers when they do not have the capacity to improve on their own. Particularly, we motivate our suppliers to raise awareness and interest in the environmental area and will expand support such as online and offline ESG training and briefings, as well as ESG consulting programs.

In 2023, we provided ESG consulting to 192 small and medium-sized Tier 1 and 2 suppliers to help them improve their vulnerabilities and align ESG with their business strategies. Following two rounds of consulting in 2023 that helped suppliers improve their overall ESG awareness, we discovered that suppliers that did not receive consulting saw a smaller increase in ESG assessment scores in 2023 compared to 2022, while suppliers that received consulting saw a 17% increase in ESG assessment scores in 2023 compared to 2022.

Supply Chain

Risk Management | Supply Chain Risk Mitigation

Supply Chain Risk Improvement Cases

Strengthening Supply Chain Labor and Human Rights Management

- Established the Supply Chain Compliance Program in 2023 to manage human rights risks in the supply chain, including child labor issues in North America, by screening human rights risks across the entire supply chain and identifying and monitoring risky suppliers
- Added a fake ID check when issuing factory access passes
- Improved the management system by specifying KPIs related to supply chain sustainability.
- Developed Guidelines for Compliance with Forced Labor Laws to clarify Kia's implementation measures and new requirements for suppliers, and provided related training to relevant departments

Strengthening International Supply Chain Sustainability Management

- Initiated full-scale written diagnosis in 2023 for overseas supply chains that had conducted simplified self-assessments in 2022 (1,082 companies assessed)
- Analyzed the assessment results to identify areas of vulnerability and score differences by country of origin to derive areas for improvement
- Starting in 2024, on-site due diligence on overseas supply chains to be strengthened based on written diagnosis results

Operating parts LCA support programs for suppliers

- Supported suppliers in performing LCAs on parts to estimate emissions from raw material harvesting, processing, and production of components
- Collected and verified data from 86 large carbon emitters in September–December 2023, and calculated carbon emissions by part
- Starting in 2024, support will be extended to all suppliers, including major and Tier 2 suppliers.

Responsible Minerals Management

Responsible Minerals Management System Kia has established a Responsible Minerals Policy to prohibit the use of unethically mined minerals from conflict zones and continues to ensure ethical and responsible management.

Responsible Minerals Policy

- Conducting annual surveys of products with responsible minerals to determine status and need and report as controlled minerals
- Applying the Responsible Mineral Sourcing Policy for raw materials containing conflict minerals (tin, tungsten, tantalum, gold) in supplied components
 - Cobalt, a key responsible mineral, is also included in the minerals under management
- Identifying risks and implementing remediation measures in accordance with the Responsible Minerals Management Process
 - Requiring compliance with responsible minerals policies and doing business with Responsible Minerals Assurance Process (RMAP) certified smelters
- Transparently disclosing responsible minerals management by publishing an annual Responsible Minerals Management Report

Responsible Minerals Management Process



Selection of High-Risk (Risk Management) Regions Kia has identified 10 African countries (Democratic Republic of Congo, Rwanda, Burundi, Sudan, Angola, Uganda, Zambia, Central African Republic, Republic of the Congo, and Tanzania) as Conflict Affected and High-Risk Areas (CAHRAs). We continuously monitor the use of conflict minerals and cobalt that are illegally or unethically mined and distributed in these areas.

Visit to Mines and Smelters in the Democratic Republic of Congo

In April 2024, Kia visited cobalt and copper mines and smelters in the Democratic Republic of the Congo to verify the environmental, safety and other sustainability practices of the minerals supply chain. The visit was organized by Glencore, a global mineral production and trading company, and included visits to two large mines, an internal smelter, and a drying facility.

The site visits helped us understand our suppliers' efforts to prevent child labor and unauthorized mining, their workplace safety policies, and the provision of support programs for children and women. We also visited a Glencore-operated hospital to see first-hand the efforts we are making to help address community issues, including providing free medical care to mine employees and their families and distributing HIV-AIDS vaccines.

Going forward, Kia will continue to refine our responses based on the understanding of various risks in the mineral supply chain to create a sustainable supply chain.

1. RMI (Responsible Mineral Initiative): An initiative for responsible sourcing of minerals and supply chain management

2. Confirming the origin of conflict minerals by receiving submissions of RMI standard forms (CMRT/EMRT)*

*CMRT/EMRT: Conflict Minerals Reporting Template/Extended Minerals Reporting Template

3. RMAP: Responsible Minerals Assurance Process

Supply Chain

Metrics & Targets | Metrics

Suppliers Status(2023)

Data coverage : Domestic+Overseas

Category	Unit	2023
Total number of suppliers	Numbers	1,478
Total number of 1st-tier suppliers	Numbers	1,454
No. of 1st-tier suppliers	Numbers	372
- Domestic	Numbers	372
- Overseas	Numbers	1,082
No. of key suppliers	Numbers	55
No. of 2nd-tier suppliers	No. of key suppliers	Numbers
		24

Proportion of Purchasing Amounts from Suppliers

Data coverage : Domestic+Overseas

Category	Unit	2021	2022	2023
Proportion of 1st-tier suppliers	Total number of 1st-tier suppliers	%	100	100
	- Key suppliers	%	-	65
				69

Green Procurement Performance and Ratio

Data coverage : Domestic

Category	Unit	2021	2022	2023
Green Procurement Performance	Total procurement amount	KRW million	32,932,500	39,830,700
	Green procurement amount	KRW million	991	2,233
	Green procurement ratio	%	0.003	0.006
				0.798

Handling Complaints from Partner Companies

Data coverage : Domestic

Category	Unit	2021	2022	2023
Complaint resolution rate	%	100	100	100

Supplier Support Program Performance

Data coverage : Domestic

Category	Unit	2021	2022	2023
Technical guidance	No. of 1st -tier suppliers	Numbers	26	16
	No. of 2nd-tier suppliers	Numbers	83	86
Management consulting	No. of 1st -tier suppliers	Numbers	37	26
	No. of 2nd-tier suppliers	Numbers	18	14
Achievement in training by Global Win-Win Cooperation Center	No. of training programs	Numbers	454	510
	No. of participants	Numbers	59,837	63,082
Smart factory establishment support program	No. of 1st and 2nd-tier suppliers	KRW 100 million	12.5	19
Export marketing support program	No. of 1st and 2nd-tier suppliers	KRW 100 million	0.4	4
				4

Supply Chain

Metrics & Targets | Metrics

Suppliers ESG Assessments and Due Diligence Results (2023)

Data coverage : Domestic+Overseas

	Category	Unit	2023
ESG risk document review	No. of 1st-tier suppliers	Numbers	1,454
	- No. of key 1st-tier suppliers	Numbers	55
	No. of key 2nd-tier suppliers	Numbers	24
Identification of high-risk suppliers based on document review	No. of 1st-tier suppliers	Numbers	17
	- No. of key 1st-tier suppliers	Numbers	0
	No. of key 2nd-tier suppliers	Numbers	0
ESG risk on-site inspection	No. of 1st-tier suppliers ¹	Numbers	282
	- No. of key 1st-tier suppliers	Numbers	11
	No. of key 2nd-tier suppliers	Numbers	8
High-risk suppliers remediation ²	No. of suppliers with negative impact	Numbers	17
	No. of suppliers with an agreed upon remediation plan	Numbers	17
	No. of suppliers with completion remediation plan	Numbers	17

1. Including 17 high-risk suppliers identified by document review

2. No high-risk suppliers among core 1st/2nd tier suppliers

Metrics & Targets | Targets

Metrics and Targets for Supply Chain ESG Management

Data coverage : Domestic

	Category	Unit	2023(Target)	2023(Performance)	2024(Target)
	Key suppliers ESG evaluation rate	%	100	100	100
	On-site ESG assessment rate for High-risk Suppliers	%	100	100	100

Metrics and Targets for Strengthening Supplier Capabilities

Data coverage : Domestic

	Category	Unit	2022	2023	2024(Target)
Technical guidance	No. of 1st -tier suppliers	Numbers	16	22	25
	No. of 2nd-tier suppliers	Numbers	86	86	100
Management consulting	No. of 1st -tier suppliers	Numbers	26	14	14
	No. of 2nd-tier suppliers	Numbers	24	16	16
Achievement in training by Global Win-Win Cooperation Center	No. of training programs	Numbers	510	593	578
	No. of participants	Numbers	63,082	75,184	95,246
Smart factory establishment support program	No. of 1st and 2nd-tier suppliers	KRW 100 million	19	17	17
Export marketing support program	No. of 1st and 2nd-tier suppliers	KRW 100 million	4	4	4

Material Topic 5

Customer Safety & Quality



At Kia, the safety and satisfaction of our customers is our top priority. We minimize product safety risks through an internationally certified systematic quality management system and plan to expand the application of new technologies that assist drivers by 2026. In addition, we are committed to ensuring customer satisfaction with the Kia brand and promptly resolving grievances through various service offerings that demonstrate Kia's customer-centric strategy.

Material Issue**Customer Health and Safety**

11. Managing product safety risks and improving customer experience

Customer Safety and Quality

Governance

Kia places top priority on customer safety, and in order to enhance organizational systems centering customer safety established KASO(Korea Automotive Safety Office). KASO was established to handle and manage safety issues including advanced analyzing data of new issues, starting investigation, deciding/implementing field actions, etc. and launched under the one integrated system(GSQO, Global Safety & Quality Office) with Quality Division to embrace both safety and quality. Kia also runs safety · quality management activities such as Quality Regular Reporting Meeting, Recall Recurrence Prevention Committee.

Quality Regular Reporting

Quality Regular Reporting Meeting is where more than 12 divisions(Quality, R&D, Design, etc.) participate and discuss quality assurance for new vehicles, claim improvement, etc. as hard efforts to improve product quality.

- ▶ Major agenda : New vehicle safety assurance progress status, Korean/global plants monthly quality status, vehicle quality TFT plan, EV claim analysis and discussion on improvement plans, etc.

Quality Regular Reporting Meeting Participants



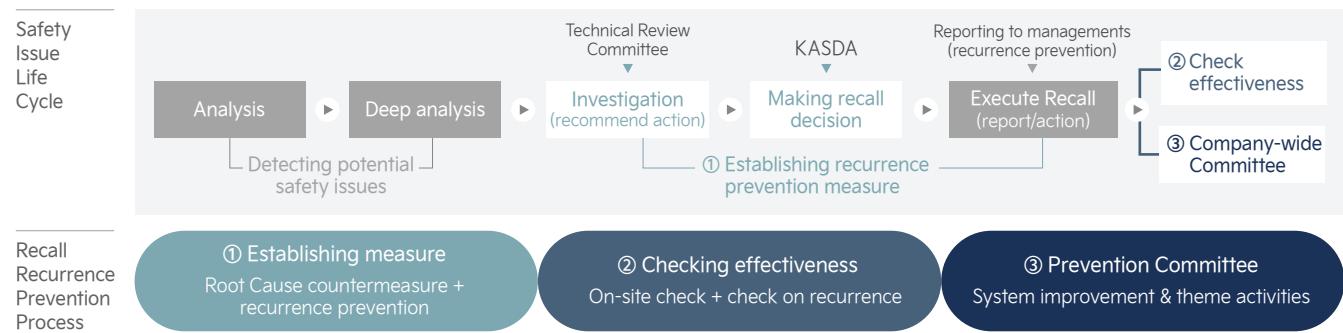
Recall Recurrence Prevention Committee

Recall Recurrence Committee is a company-wide meeting hosted by KASO, which R&D, Procurement, Quality, Manufacturing Area, etc. participate. The meeting consists of monthly meeting which team leaders participate and quarterly meeting which group leader level(vice president) participate. At the meetings, recall root finding/improvement implementation status are overall checked, activities are shared and improvement plans on process, system, procedure are discussed.

Strategy

Customer Safety Management Life Cycle

KASO manage Kia's all safety issues systematically according to life cycle of detecting potential safety issues → making recall decision → field action → recurrence prevention. KASO manage safety issues thoroughly in order to prevent fundamentally recall recurrence by activities including ① establishing recurrence prevention measure at making recall decision by finding root cause ② checking effectiveness (monthly) ③ work system improvement through company-wide Recall Recurrence Prevention Committee, etc.



Uncompromising Safety & Quality

Kia has been implementing 3 safety strategies centering customer. To secure product superiority, manufacturing excellence, and ownership satisfaction.

Product Superiority
<ul style="list-style-type: none"> Strengthening the role of field support (beyond establishing a global customer VoC sensing system) Strengthen safety issue management by region Promote comprehensive recurrence prevention activities
Manufacturing Excellence
<ul style="list-style-type: none"> Ensure Customer Touchpoint Safety UI/UX Drive customer ownership upgrades Establish customer/field-centric customer care processes
Ownership Satisfaction
<ul style="list-style-type: none"> Embedding a company-wide customer safety-focused culture Strengthening safety response capabilities for core group companies and suppliers

ISO 9001(Quality Management System) Certification

Kia has been abiding by and implementing ISO 9001 (quality management system) requirements in all areas at all stages of product development - mass production - after sales in order to do activities which are proper for quality management. Based on these company-wide efforts, Kia has maintained its certified status for the 1st half year of '24, and will receive assessment to renew the ISO 9001 certification.

Quality-related Education

In relation with product quality, Kia has been implementing education programs for all quality related employees (31,000 employees as of '23) customized for the characteristics for each organization. For Quality Division regular staffs, education solution programs to improve quality capabilities are provided and recommended, and for production engineers, regular education to improve quality mindset and concentrated education on working groups by relevant quality issues are provided.

Customer Safety and Quality

Strategy | Customer Satisfaction Services

Wible Biz, an Electric Car Sharing Service for Business Use

Wible Biz is Kia's eco-friendly vehicle subscription service for public institutions, businesses, and individuals. During weekday business hours, organizations and businesses can subscribe to electric vehicles to share for business use, and at other times, employees or members of the general public can rent them for commuting or weekend leisure. By flexibly sharing vehicles across time slots through a dedicated app, organizations and enterprises can save on rental costs, and the accompanying web for administrators can streamline fleet management. We also offer all the solutions needed to maintain vehicles, including insurance, car washes, charging, and accident handling, which help reduce the burden of operating a fleet.

Following the first service in Hwaseong City Hall and Dongtan High-tech Industrial Complex in 2021, Wible Biz is actively expanding the service areas to Pangyo, Gwangmyeong, and Gyeongnam. In September 2023, it was selected as an eco-friendly mobility solution for the Hongcheon Smart City Project and is recognized as a best practice in the use of shared green mobility. The coverage area continues to expand, and the number of users is growing at a rapid pace, which has grown by about 170% since 2022. Customer satisfaction is also very high, with an average retention rate of over 70%. Kia aims to lead the shared green mobility market by continuously upgrading service operations as well as IT systems based on vehicle and user data.



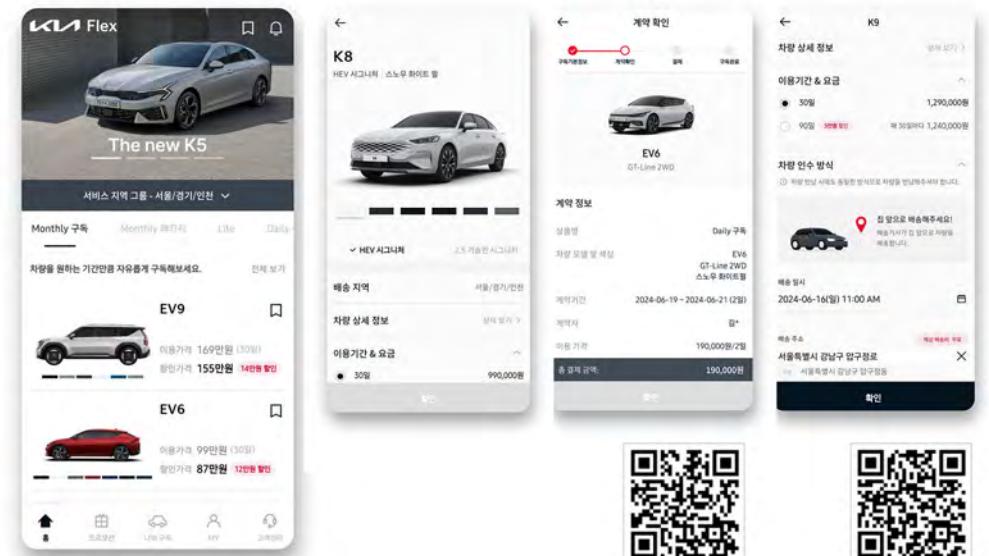
QR Code for more information on Wible Biz

Kia Flex, a Subscription Service that Lets Experience a Wide Range of Kia Vehicles

Kia Flex is a service that allows users to freely subscribe to and experience vehicles through a mobile app. Currently available in Seoul, Incheon, Gyeonggi, Busan, Daejeon, and Sejong, it also offers a delivery service that transports and returns the car to where and when users want to use it.

Kia Flex can be used immediately by simply signing up through the app and registering a payment credit card, and unlike traditional long-term rental cars, it can be extended at ease and canceled in 30-day increments without worrying about a long contract period.

As of December 2023, we have over 23,000 members, of which over 4,000 have experienced vehicle subscription. We operate popular models, such as the EV9 and the new Sorento, and we plan to operate all of our vehicles as EV/HEVs in the future. We are also expanding customer choice by adding a used car subscription product (Lite) that utilizes vehicles from the Kia Flex fleet that are now designated as older models.



Kia Flex QR code (iOS)

Kia Flex QR code (AOS)

Customer Safety and Quality

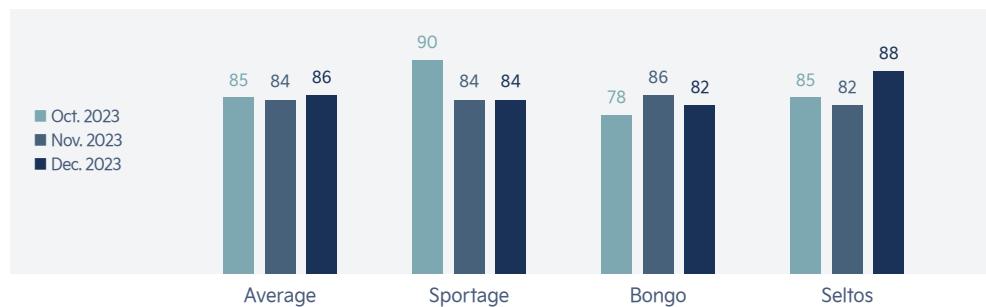
Risk Management | Monitoring Consumer Recognition and Satisfaction

Monitor Quality Satisfaction by Vehicle Model

The results of the quality satisfaction survey of customers three months after the vehicle's delivery were collected and reported monthly at the Autoland Production Council (monthly management meeting).

Quality Satisfaction Monitoring Cases (AutoLand Gwangju)

(unit: score)



Global Brand Tracker Research

Each year, Kia conducts the Global Brand Tracker Survey among our international consumers. By examining the perception of the Kia brand, we can monitor brand positioning and derive insights to meet customer needs. Our metrics consider brand awareness, familiarity, positive opinion, consideration to purchase, satisfaction, brand influence, and value. Based on a survey of nearly 27,000 consumers in 17 countries in 2023, we ranked 6th in overall brand awareness (unaided) among the top 8 global sales brands at 23.3%, an improvement from the previous year, and 3rd in EV brand awareness (9.6%), above the average of our competitors (8.2%). We were able to achieve a competitive EV brand position thanks to the launch of key EV models such as the EV6.

2023 Comprehensive Global Brand Awareness

6th

2023 Global EV Brand Awareness

3rd

2023 External Customer Satisfaction Survey Results

Kia considers customer complaints and inquiries as valuable opinions and practices customer-oriented management. Customer feedback received through the Kia Customer Center and Kia Connect Center is forwarded to the relevant departments, and we systematically respond to customer complaints by selecting nine areas of priority management and promptly handling them to control the spread of complaints and prevent recurrence. This company-wide focus on putting customers first is evident in the results of various customer satisfaction surveys.

Key Customer Satisfaction Survey Results from 2023



National Customer Satisfaction Index (NCSI)

Measures, researches, indexes, and publishes customer satisfaction with a company's products and services



Korean Service Quality Index (KSQI)

Indexes customer perception of service quality based on Korean industry and customer characteristics and publishes results



Korean Standard Service Quality Index (KS-SQI)

Indexes and publishes results to help corporations assess their service quality levels and identifies areas for improvement for continuous service quality management

- No. 1 in compact passenger vehicles (9 consecutive years)
- No. 1 in midsize passenger vehicles (4 consecutive years)
- No. 1 in compact RVs
- No. 1 in large RVs

- Contactless channels Excellent Call Center (20 consecutive years)
- In-person channels No. 1 in automotive after-sales services (10 consecutive years)

- No. 1 in automotive sales services (4 consecutive years)
- ※ No. 2 in automotive repair services

Customer Safety and Quality

Risk Management | Customer Safety and Satisfaction Activities

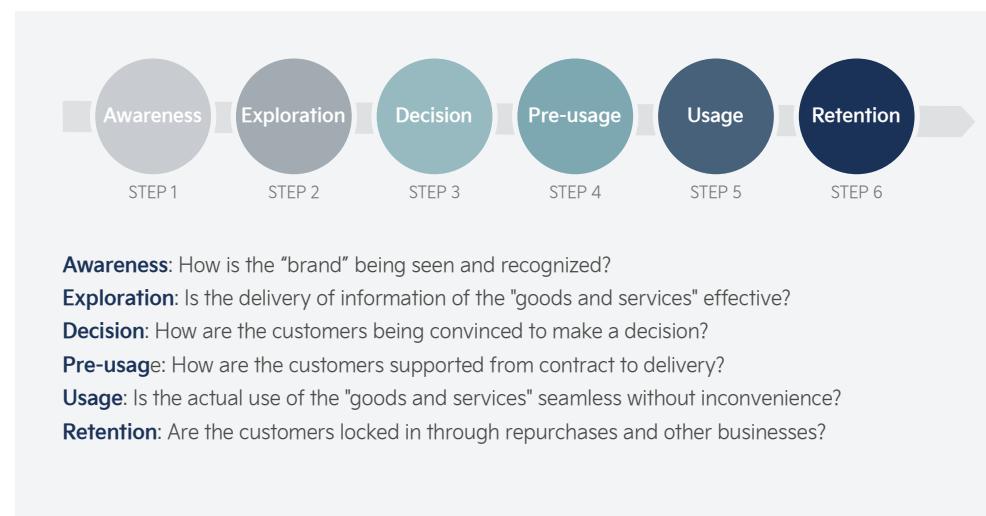
Kia "Customer Journey Map"

Customers are one of our most important stakeholders, and Kia constantly thinks about how to deliver an exceptional customer experience. As part of this effort, we share the Customer Journey Map, an integrated visualization of the processes customers go through while experiencing the Kia brand, across all customer touchpoints to identify areas for improvement in each process. We conduct regular customer experience (CX) diagnostics to identify negative experiences and improve them.

To enhance the diagnosis and improvement of customer experience, a dedicated customer experience organization was established in 2024, and a new customer satisfaction survey system that considers the customer journey will be completely revised and implemented. We also provide customer service training to our customer-facing employees to improve their CX skills.

- ▶ Implemented "Empathy CS," on-site training that incorporates customer-centric practices and engaging programs
- ▶ Annual training for international dealer sales and service personnel to improve customer service skills and job expertise
- ▶ Acquired expertise in customer-oriented sales with specialized training programs for product experts

6-Step Standard Customer Journey



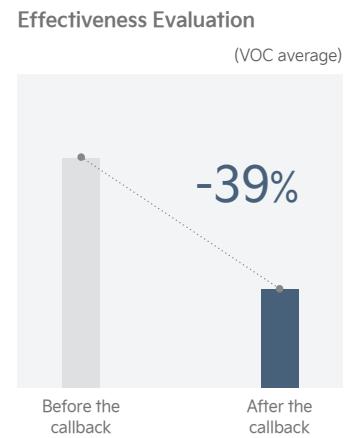
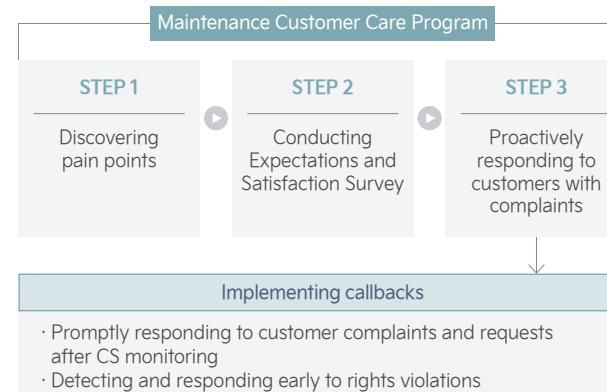
Maintenance from the Customer's Perspective

To improve the trust and satisfaction of customers using our products, we have been providing more systematic and advanced customer-centered maintenance services since October 2022. In addition to traditional maintenance services, we strive to improve customer satisfaction through customized maintenance services, such as the Mobility Assistance Service, which covers the cost of transportation home for customers who are stranded in the event of a roadside tow, the Weekday Night Advance Reception Service, which allows customers to drop off their vehicle the night before their maintenance appointment, and the K-Delivery Service, which picks up the vehicle at the customer's preferred location and delivers the vehicle back to them after it has been serviced.

Post-Maintenance Customer Care Program

Kia has added a complaint consultation request box to our post-service satisfaction surveys, and promptly provides callbacks to prevent complaints from escalating. After implementing callbacks, we saw a 39% reduction in the number of incoming complaints to the CS center.

Evaluating the efficacy of Customer Care Program



Customer Safety and Quality

Risk Management | Customer Safety and Satisfaction Activities

Basic Checkup for Kia Members

To help Kia members maintain the optimal vehicle quality, we offer a free 15-point basic inspection including oil, coolant, engine, transmission mounts, brake, tire pressure, and more. (offered 8 times in 8 years to passenger, RV, and commercial (trucks 1.4 tons or under, buses 15 passengers or less) vehicles)

Emergency Roadside Assistance

If a vehicle breaks down on the road and is unable to drive, Kia provides roadside assistance on site, including first aid, minor repairs and vehicle care, and transportation to a designated repair shop. (provides roadside assistance within the warranty period for Kia Members up to 6 years after the vehicle is delivered)

Free Towing Service

If a vehicle cannot be operated due to an accident while driving or damage while parked, Kia provides free towing service for customers who send a request to the situation room. (10 km of free towing service is offered to Kia Members, RV, and commercial (trucks 1.4 tons or under, buses 15 passengers or less) vehicles)

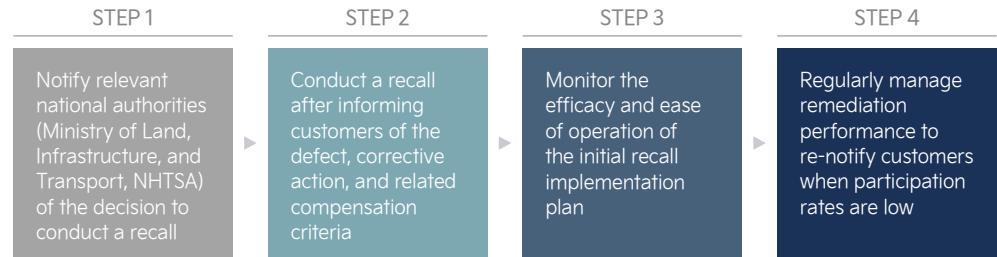
Compensation for Excessive Maintenance

To protect our customers and ensure maintenance transparency and reliability of Kia's service supplier Auto Q, Kia compensates up to 300% of the excess amount of normal maintenance fees if the service is confirmed to be an overcharging case.

Voluntary Recall Policy

Kia constantly monitors customer complaints and quality issues, and if the risk is deemed to be a safety issue, we conduct voluntary recalls to protect our customers.

Voluntary Recall Process



Consumer Safety and Quality Reporting System

Kia operates the Consumer Safety and Quality Reporting System, which allows all employees to report potential safety issues at ease, to quickly identify and improve those that may affect customer safety. Potential safety issues refer to matters that may impair customer safety by causing various hazards such as injury, accident, fire, or loss of control of the vehicle while driving. Any Kia employee can report anything deemed to be a potential safety issue through the reporting channel in the internal computing system.

Customer Safety and Quality

Metrics & Targets | Customer Satisfaction Management Metrics and Goals

Long-term Goals for Consumer Rights

Category	Unit	2024	2025	2026	2027	2028
Number of Incidents Before Customer Satisfaction Resolution	Cases	11,016	10,970	10,920	10,860	10,790

Status and Goals for Consumer Feedback and Complaints Handling

Category	Unit	2021	2022	2023	Target(2024)
Number of Responses to Consumer Feedback and Complaints	Cases	11,562	8,188	11,522	11,016

2023 VOC reception status

711,762 cases

Category	Cases	Ratio(%)
Inquiry	622,703	87.49
Complaint	83,256	11.70
Compliment	5,480	0.77
Suggestion	323	0.05

2023 VOC classification by type

Category	Cases	Ratio(%)
Service	365,272	51.32
Membership	141,929	19.94
Sales	86,443	12.14
Quality	65,906	9.26
Business Support	42,437	5.96
Other	9,775	1.37

Customer Satisfaction Survey

Kia conduct surveys among customers who have purchased vehicles to assess the level of service provided and their satisfaction.

Data coverage : Domestic

Category	Unit	2023(Target)	2023(Performance)	2024(Target)
Target Customer Satisfaction Score (NPS ¹)	Points	70	72.2	73

1. NPS (Net Promoter Score): It refers to an indicator that measures customer satisfaction and loyalty
 [Formula] NPS = Rate of customers who recommend (%) - rate of customers who do not recommend (%)

Metrics & Targets | Customer Safety Management Indicators and Goals

Product Recalls

Category	Unit	2021	2022	2023
Total no. of vehicles recalled	10 thousand vehicles	329	422	751
- Mandatory (non-voluntary) recalls	10 thousand vehicles	0	0	0
- Voluntary recalls	10 thousand vehicles	329	422	751
Cost incurred due to total recalls	KRW 100 million	2,018	2,842	5,748

Quality Education¹ Goals

Category	2024(Target)
Quality Academy completion rate(new metric introduced in 2024)	90%

1. For general employees (excluding team leaders) of Domestic Quality Headquarters

Expansion of ADAS¹ Application for Customer Safety

Kia prioritizes customer safety and aims to advance ADAS technology. ADAS systems detect surrounding obstacles or driver errors and respond accordingly. Kia's ADAS system includes functionalities such as front cameras, front/forward-side/rear radar, highway driving assistance, semi-automatic lane changing, and recognition of nearby lanes and large vehicles, assisting drivers in safe driving. Kia plans to continually expand ADAS installation to enhance the safety of its products.

1. ADAS (Advanced Driver Assistance System): A system that assists and supports drivers in operating vehicles safely and conveniently, enhancing driving experience.

Material Topic 6

Business Ethics



To establish transparent and trustworthy governance, Kia has established an Ethics Charter and Practice Guidelines to ensure that employees practice ethical management. A dedicated compliance organization also supports the implementation of ethical business through company-wide training, internal inspections, and compliance risk management processes.

Material Issue

Business Ethics
12. Corruption and bribery

Business Ethics

Governance

Kia introduced a compliance support system under the Commercial Act in 2012, installed a compliance officer and compliance support organization, and established and revised compliance control standards through board resolutions. Our compliance control standards stipulate the standards and procedures for compliance control that employees must follow in their work in order to comply with laws and regulations and ensure proper management of the company. Kia conducts compliance support activities such as monitoring, providing information for compliance management, spreading a culture of compliance, and evaluating the effectiveness of the compliance control system based on the above standards.

Fair Trade Compliance Organization



Strategy

Kia has established an Ethics Charter and Practice Guidelines based on the Universal Declaration of Human Rights, the Paris Agreement, and the OECD Guidelines for Multinational Enterprises to promote the practice of ethical management.

Ethics Charter and Practice Guidelines



- 1 We conduct our business with clear and transparent standards and fulfill our responsibilities with integrity and the best of our abilities.
- 2 We compete fairly in the market and deal fairly with those with whom we have contractual relationships.
- 3 We provide safe products, the best service, accurate information, and strict protection of personal information to realize customer value.
- 4 We respect each employee as an independent person and to uphold this, provide fair working conditions and a safe work environment.
- 5 As a global corporate citizen, we contribute to the realization of sustainable development that enables diverse stakeholders to prosper together through the fulfillment of our social responsibilities.

* Scope of application: Domestic and overseas production and sales operations, subsidiaries, grandchildren, joint ventures

Provide Information for Compliance Management

We have published about 40 compliance guidelines for each business area, providing information on the main contents of relevant laws and regulations that employees should be aware of in their work and how to respond to them. In 2023, we published a new Fair Trade Compliance Guideline to help employees keep up to date with changes to the Fair Trade Act and recent rulings. We also regularly publish a compliance newsletter to introduce employees to legal issues and regulatory trends related to the automotive industry. In addition, we provide regular and ongoing compliance training to employees, including new recruits, transfers, promotees, and expatriates. In particular, in 2023, we conducted compliance training for expatriates on overseas assignments and online compliance training on cartels related to unfair legal practice for general, research, and legal employees.

Fair Trade Compliance Programs and Training



To enhance employee compliance in fair trade practices, we annually run the Fair Trade Compliance Program (CP) and conduct regular training sessions. On Fair Trade Day 2023, we provided training to 56 teams from departments associated with the Compliance Council. Additionally, tailored fair trade training was given to 49 employees across five teams in the Procurement Division, 99 employees in nine teams within the Finance & Accounting Division, and 40 employees across 16 teams in the Korea Business Division, considering the specific needs of each department's responsibilities.

- ▶ CEO's declaration of commitment to fair trade compliance
- ▶ Reorganization of the Fair Trade Compliance Council with head of division-level members
- ▶ Conducting separate self-inspections for sales, purchasing, and other departments and rewarding outstanding employees for fair trade CP
- ▶ Evaluating the effectiveness of the Fair Trade CP, including interviews with Compliance Council members and employee surveys

Spread a compliance culture

Spread a Compliance Culture legal advice, contract reviews, and compliance counseling. We standardized contracts for each business area, with 30 in Korean and 20 in English. We revised the basic parts trading contract to align with the European Supply Chain Due Diligence Directive and distributed it across the company. Kia promoted compliance and ethics by encouraging employees to take a pledge and rewarding their adherence. We also hosted "Compliance Week" featuring quiz events to enhance awareness and understanding of compliance management among our staff.

Processing Donations

Kia is dedicated to handling charitable contributions and sponsorships, including political ones, fairly and in line with our internal standards. Our Korean business sites, based at our headquarters, strictly adhere to Chapter 6, Article 31 of the Political Funds Act, prohibiting donations for political purposes. In 2023, Kia made no political contributions directly or indirectly, and we disclose all association contributions transparently in our annual Sustainability Report.

Business Ethics

Risk Management

Assess the Effectiveness of the Compliance Control Framework

In 2023, we had a third-party assurance firm verify that our compliance control standards and related framework were designed and operating effectively to prevent or detect legal risks in a timely manner. Based on these proven systems, we implement compliance support and improvement activities through continuous monitoring.

Manage Compliance Violations

Kia takes disciplinary action for violations of our compliance obligations without exception. Violation of compliance obligations is reflected as a negative factor in appointment, and in principle, serious violators of compliance obligations such as assault, misappropriation of funds, embezzlement, bribery, and sexual harassment are excluded from appointment.

Compliance Self-Check

To prevent employees from violating their compliance obligations, Kia conducts annual compliance self-checks for each department in four major legal areas: trade secrets, intellectual property, personal information, and fair trade. In 2023, in response to feedback that a department-specific compliance self-check guideline was needed, we implemented individualized self-checks for team senior levels or higher in purchasing and sales,¹ team senior levels or higher in other sectors,² executives,³ and those in charge of work related to the Serious Accident Punishment Act.⁴ We organized questions considering the work characteristics of each group and divided them into compliance knowledge level questions and compliance behavior evaluation questions to conduct self-checks.

1. Sales, purchasing/ Questions including fair trade, labeling and advertising, contract regulations, and Subcontracting Act

2. Team senior manager level or higher/ Questions including fair business conduct and unfair trade practices

3. Executives/ Questions including prevention of unfair business handling such as bribery and unfair support

4. Sectors related to serious accidents/ Questions including laws, regulations, and precedents of serious accidents

Manage Unfair Trade and Unfair Competitive Risks

Kia implements activities to identify and manage unfair trade-related risks to prevent compliance violations by employees. In 2023, we conducted online training for all employees on the topic of fair trade (cartels). We also published the Fair Trade Compliance Guide to introduce fair trade laws, code of conduct, and self-check lists. As a result of implementing these activities, there were no fair trade or unfair competition-related cases filed against Kia in 2023.

Fair Trade Compliance Council	<ul style="list-style-type: none"> Inspection of key issues related to the risk of unfair trade/unfair competition, mutual sharing of internal status, and feedback
Fair Trade-Related Compliance Self-Check	<ul style="list-style-type: none"> Conduct annual departmental and individual compliance checks Performed specialized compliance inspections in purchasing and sales departments related to fair trade in 2023
Compliance Officer Inspection	<ul style="list-style-type: none"> Determine risk of non-compliance through written surveys, on-site inspections, meetings, and interviews Conducted semi-annual evaluation of the implementation of the 2023 occupational safety and health obligations, on-site inspection of personal information handling contractors, and inspection of the laboratory contract signing process Contract review and legal advice provided by the compliance officer at all times
Relocated personnel, new organizations, changed departments, and others in need of risk management	<ul style="list-style-type: none"> Provided compliance training for new recruits, new team leaders, and executives in 2023 Conduct specialized fair trade training to purchasing, Sales, and business sector employees who perform fair trade-related tasks

Operate an Ethics and Compliance Reporting System

Through Kia's Cyber Audit Office, One Click HR, and Compliance Support Consulting Center, employees can freely report workplace concerns such as unethical behavior, sexual harassment, and power harassment. The whistleblower protection principle allows for anonymous reporting, and to date, there have been no cases where the anonymity and confidentiality of whistleblowers have been compromised, resulting in secondary harm.

Whistleblower Protections

Confidentiality	It is prohibited to disclose or imply the identity of a whistleblower without the whistleblower's consent.
Identity assurance	Whistleblowers are protected against adverse actions or discrimination by business partners or affiliated departments for reporting, testifying, and submitting proof.
Exemption of responsibility	The severity of discipline is reduced for the whistleblower if negligence or error is found.

Key Reporting Channels

Cyber Audit Office	audit_hyundai.com
Report by phone	+82-2-3464-3500
Fax number	+82-3464-8813
Report by letter	Hyundai Motor Group, Corporate Audit Division

Business Ethics

Metrics & Targets | Metrics

Individual Compliance Self-assessment Related to Anti-corruption

Data coverage : Domestic

Fair business conduct (prevention of receiving or offering money and goods)	Category	2023
	Employees in purchasing and sales departments with high risk of legal violations such as fair trade (manager level and above)	1,252 persons
	Employees in other departments (senior manager level and above)	17,151 persons
	Senior leaders (department head level and above)	525 persons

Fair Trade Training

Data coverage : Domestic

Education Content	Target Audience	Unit	2022	2023
Fair trade practices	Related departments for fair trade	Persons	378	112
Prevention of collusion	Domestic Business departments	Persons	43	87
Internal transactions	Finance departments	Persons	32	99
Subcontracting / technology transfer	Purchasing Departments	Persons	9	184

Violation Cases

Data coverage : Domestic

	Category	Unit	2021	2022	2023
Code of Conduct	Breaches of the Code of Ethics	No. of cases	Cases	81	52
	No. of violators	Persons		153	105
	Corruption and bribery	Cases		0	2
	Discrimination and harassment	Cases		0	6
	Conflict of interest	Cases		1	0
	Money laundering or insider trading	Cases		2	2
	Customer private information	Cases		0	0
	Other violations	Cases		78	42
Actions taken for violations of the Code of Ethics	Fire	Cases		8	1
	Suspension	Cases		62	42
	Wage cut	Cases		32	31
	Reprimand	Cases		27	7
	Warning	Cases		19	14
	Others (recommended resignation, etc.)	Cases		5	10

Metrics & Targets | Targets

Execution of 2023 Goals and Establishment of 2024 Goals

[Execution of 2023 Goals]

Strengthening Compliance Support Officer Capabilities

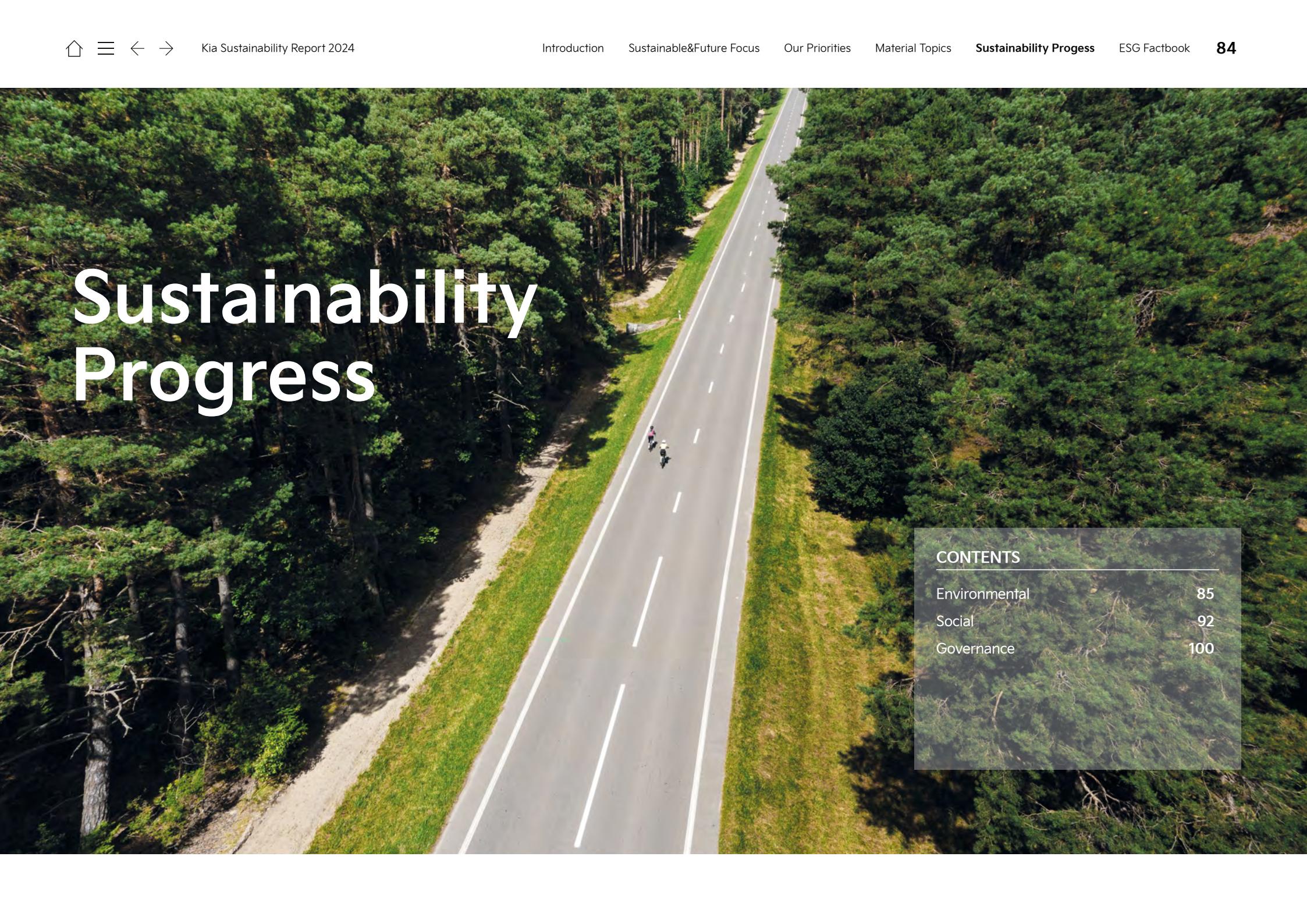
Kia has endeavored to enhance awareness and capabilities of compliance support officers through various compliance programs, resulting in no reported cases to the Fair Trade Commission concerning Kia in 2023.

- ▶ Compliance Newsletter: Introduction of the 'Compliance Support Officer System' through a newsletter (Feb. 2023)
- ▶ Education Program: Organized by the Fair Trade Voluntary Compliance Council for compliance support officers
- ▶ Specialized Training: Conducted for compliance support officers and department members in purchasing, sales, and other fair trade-related departments on subcontracting and internal transactions
- ▶ Departmental Self-Assessment: Added fair trade (cartel-related) items for compliance support officers to conduct internal risk assessments

[2024 Goals]

Enhancing Understanding of Compliance among Employees

Kia aims to improve the understanding of compliance among employees as a key improvement area for 2024. This includes creating more comprehensible newsletters, providing department-specific checklists, conducting education for fair trade-related departments, and distributing detailed guidelines to ensure that employees understand how to identify and manage risks within their respective departments. Additionally, efforts will be made to review compliance support systems for overseas subsidiaries and distribute compliance guidelines to promote a culture of compliance both domestically and internationally.



Sustainability Progress

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Environmental

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Environmental Management

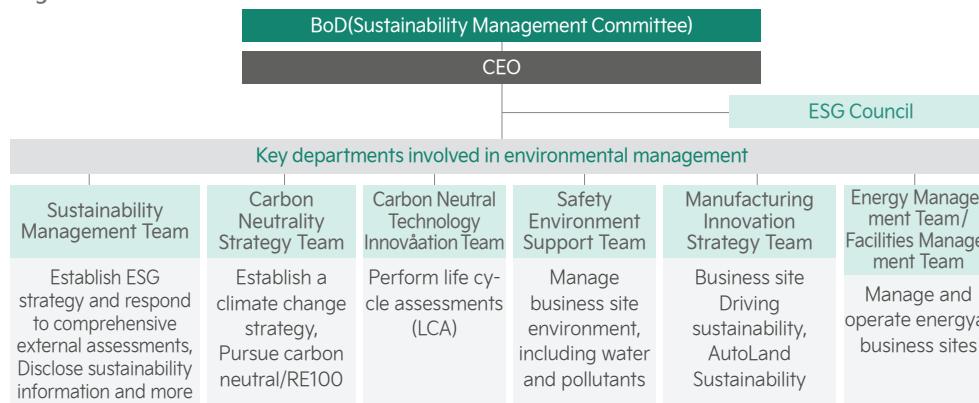
Environmental Governance

As a "sustainable mobility solutions provider," Kia is committed to transforming all of our business activities to become environmentally friendly to help protect the environment.

The Sustainability Management Committee of the Board of Directors reviews and deliberates on revisions to environmental management systems, responses to laws and regulations in the environmental field, and achievements in environmental management. In addition, the ESG Council, which includes the Sustainability Management Committee and top executives, discusses environmental management risks and countermeasures and oversees the activities to improve environmental performance.

Kia's environmental management is anchored by the Safety Environment Support Team, which is dedicated to environmental management; the Manufacturing Innovation Strategy Team, which spearheads sustainability at business sites; and the Carbon Neutral Strategy Team, which leads climate change responses and carbon neutrality strategies. These teams, along with other relevant departments, are responsible for establishing and operating the environmental management system, protecting and restoring environmental capital, preparing and implementing policies to manage pollutant emissions, identifying and improving environmental risks, disseminating environmental management, handling environmental-related grievances, and engaging in external cooperation activities. We are also broadening our portfolio of green products and services through collaboration with our design, R&D, purchasing, production, and sales organizations.

Organizational Chart



History of environmental reports to the Board of Directors

Build an eco-friendly manufacturing environment, including a resource circulation system Mid- to Long-Term ESG Strategy System

Initiative to reinvest in infrastructure based on the partnership with Ocean Cleanup

Restore biodiversity in tidal flats Plan to undertake collaborative projects

Environmental Management Policy

To promote environmentally friendly management that meets global standards, Kia has established an environmental management policy based on ISO 14001 (Environmental Management Systems), regularly revised in light of international initiatives and regulations.

Environmental Management Policy

Kia Environmental Management Policy				
Environmental management guidelines	<ul style="list-style-type: none"> ① It shall recognize the environment as key to corporate success, creates corporate values through proactive eco-friendly management, and fulfills its corporate social responsibility. ② It shall set out implementable targets to respond to climate change and evaluate their implementation performance. ③ It shall make efforts to use resources and energy sustainably and reduce pollutants throughout the lifecycle of the development, production, sale, and discarding. ④ It shall actively support suppliers' environmental management activities and establish and implement criteria necessary for an eco-friendly supply chain policy. ⑤ It shall comply with domestic and international environmental laws and conventions and establish and implement necessary policies to promote environmental management. ⑥ It shall protect bio-diversity and draft a policy to preserve the natural environment. ⑦ It shall disclose its environmental management performance to corporate members and stakeholders per reasonable and objective criteria. 			
Key principles By Environmental Element	Raw and subsidiary materials	<ul style="list-style-type: none"> · Efficient use of raw and subsidiary materials · Reuse of production waste · Inspection of raw and subsidiary material production locations 	Waste	<ul style="list-style-type: none"> · Waste disposal and tracking · Improve waste recycling · Reuse of waste
Key principles By Environmental Element	Energy	<ul style="list-style-type: none"> · Carry forward plans to reduce energy · Adopt renewable energy · Operating an energy management system 	Waste products	<ul style="list-style-type: none"> · Provide end-of-life product recovery information · Recover end-of-life product · Recycle waste products
Key principles By Environmental Element	Water	<ul style="list-style-type: none"> · Recycle water · Store water · Inspect potable water zones 	Environmental pollutants	<ul style="list-style-type: none"> · Air pollutants · Water pollutants · Soil pollutants
Key principles By Environmental Element	Greenhouse gases	<ul style="list-style-type: none"> · Reduce business sites · Reduce supply chain · Reduce products and services 	Hazardous materials	<ul style="list-style-type: none"> · Hazardous materials
Key principles By Environmental Element	Local community		Local community	<ul style="list-style-type: none"> · Local community
Scope	<p>Kia's Environmental Management System applies to all companies and business units of Kia and its affiliates that operate globally.</p>			
Scope	Supply chain	Business site	Distribution network	Products and services
	Recovery and recycling	Mergers and acquisitions	Other(New business and project investments)	Sales and marketing

Environmental Management

Environmental Management Policy

Water and Environmental Pollutant Management Policy

Kia is promoting sustainable water usage by operating water storage facilities and implementing water reduction and recycling initiatives, particularly in areas facing severe water shortages. In 2022, AutoLand Hwaseong significantly reduced its industrial water consumption by installing facilities to recycle wastewater generated from RO (Reverse Osmosis) systems. The India plant, from its design stage, adopted a zero-liquid discharge system, enabling the complete reuse of factory wastewater since 2020. Additionally, we are identifying water depletion risks by region and conducting both internal and external activities to address and improve these issues.

In the case of pollutants, we monitor the discharge of water pollutants, such as biochemical oxygen demand (BOD), total organic carbon (TOC), and suspended solids (SS), and install and operate the necessary facilities to manage them below legal limits. We are committed to minimizing negative impacts on the natural environment by reducing emissions of air and water pollutants while protecting the safety and health of our customers and employees.

Water Resource Basic Principles

- ① Water recycling It shall minimize wastewater generation through recycling and water purification facilities for wastewater and continue the 3Rs (Reduce, Reuse, Recycle) for the sustainability of water resources.
- ② Water storage It shall install and operate rainwater catchment and drainage to store and manage rainwater and to store water in a reservoir on a business site.
- ③ Inspection of potable water It shall regularly monitor to see if there is a business site in areas of water shortage and depletion and implement measures to protect areas with water shortage and depletion, which may significantly impact the operation of a business site.

Environmental Pollutants Basic Principles

- ① **Air pollutants** It shall monitor the emission level of air pollutants such as NOx, SOx, and TSP, invest in pollution mitigation facilities, and introduce new technologies to control air pollutants below the legal limit.
- ② **Water pollutants** It shall monitor the emission level of water pollutants produced from each process, including SS, TOC, and BOD, and install and operate necessary facilities to control the level below the legal limit.
- ③ **Soil pollutants** It shall monitor soil contamination caused by soil pollutants, such as cadmium, fluorine, and TPH, and implement necessary measures such as periodic inspection and facility and process improvement to prevent soil contamination.
- ④ **Hazardous Materials** Kia shall identify the status of (harmful) chemicals used during the business process or contained in the product and provide the necessary information to stakeholders. Also, it shall establish and implement policies for hazardous materials management, including reducing the use of hazardous materials and managing the risk.

Hazardous Chemical Management Policy

In 2020, Kia set a goal of zero hazardous chemical usage at each of its domestic factories where major AutoLand operations are located, and has since maintained a policy of not using hazardous chemicals. For newly designated hazardous chemicals, measures such as replacing them with non-hazardous chemicals within the grace period, process improvements, product discontinuation, and expanding investments in eco-friendly facility conversions are being pursued to reduce hazardous substances. Thanks to these efforts, Kia has achieved zero hazardous chemical usage over the past three years.

Domestic Factory Hazardous Chemical Regulation Improvement



Managing Environmental Goals

Kia is committed to minimizing negative impacts on the natural environment and protecting the safety and health of our customers and employees by setting annual targets to reduce emissions of air pollutants, water pollutants, and more. For water pollutants and air quality, we operate a reduction target of at least 1.5% below the three-year average of the intensity, and for pollutants, we operate at 20% below the reinforced legal limit. We are also improving older facilities to stabilize water quality and regularly monitoring effluent discharge concentrations to prevent unexpected spills.

Environmental Management Goals and Performance

Data coverage: Domestic

	Category	Unit	2023 (Target)	2023 (Performance)	2024 (Target)
Water pollutants	Water consumption	Water consumption intensity	ton/trillion won	46,567.6	29,016.8
		BOD withdrawal intensity	ton/trillion won	0.5	0.3
		COD withdrawal intensity	ton/trillion won	1.9	1.2
		TOC withdrawal intensity	ton/trillion won	1.2	0.7
		SS withdrawal intensity	ton/trillion won	0.2	0.2
Air pollutants		Dust emission intensity	ton/trillion won	2.0	1.1
		Sulfur oxide emission intensity	ton/trillion won	0.1	0.3
		Nitrogen oxide emission intensity	ton/trillion won	3.6	2.7
Chemical substance		Chemical substance disposal intensity	ton/trillion won	39.9	36.2
		Hazardous chemical substance disposal intensity	ton/trillion won	0	0

Environmental Management

Environmental Management Policy

Environmental Training

Kia provides various job-specific environmental trainings for all employees.

	Training target	Number of trainees (people)	Training date and time	Training purpose
Safe environment job (entry-level) training	New recruits in the safe and environment sector	172	January–February 2023/ June 2023	Smooth work process of safety and environment personnel
Regular occupational safety and health training	All employees	26,745	April 2023/ September 2023	Raise employee awareness of chemical safety management (hazardous chemicals, MSDSs)
Smart factory-Safety and Environment Management	Employees in production roles	47	August 2023	Key technology trends in safety and environmental affairs, risk management, and safety and environmental issues
Smart factory-Energy management	Employees in production roles	40	August 2023	Carbon neutrality, RE100, ESG concepts, Kia's implementation direction, energy data utilization/analysis, process energy efficiency measures

Community Risk Management

Kia has identified odor from the AutoLand Gwangju plant as a major risk factor impacting the surrounding community and is actively addressing it.

- ▶ Annually operating a Kia-Gwangju cooperative odor prevention council.
- ▶ Continuously monitoring and managing the identified negative impacts on the community.
- ▶ Investing 22 billion KRW in improvements such as enhancing community facilities and installing eco-friendly RTO (Regenerative Thermal Oxidizer) systems based on plant odor analysis.

Biodiversity and Deforestation Prevention Policy

Kia recognizes that our business depends on natural ecosystems and implements biodiversity risk analysis and ecosystem conservation activities to plan effective environmental protection activities. We have established a 2023 Biodiversity Protection Policy to identify risks of biodiversity degradation and loss across our operations and to conserve, restore, and enhance biodiversity in our communities.

Principles for Biodiversity Protection

Biodiversity Protection Policy

Kia implements feasible measures to protect biodiversity across the entire value chain, including raw material procurement, production operations, product distribution/sales, and collection/recycling of end-of-life products. Kia considers a variety of actions to protect biodiversity, including the following activities, and sets achievable goals to establish specific implementation procedures.

- a Establish a value chain structure that operates without harming or losing biodiversity.
- b Do not install or operate business facilities and equipment in biodiversity protection areas.
- c Expand and promote investments and activities for the conservation, restoration, and expansion of biodiversity.

Principles for Preventing Deforestation

No Deforestation Policy

Kia makes every effort to prevent deforestation across its entire business operations, including raw material procurement, production operations, product distribution/sales, and collection/recycling of end-of-life products. To this end, Kia maintains and protects green spaces within and around its facilities and contributes to preventing local deforestation and degradation, conserving forests, and enhancing forest carbon storage.

- a Actively promote afforestation and reforestation activities to allow natural ecosystems to thrive.
- b Establish a value chain structure that operates without causing deforestation.
- c Completely eliminate residual greenhouse gas emissions through forest carbon offset activities.

Overview of the Biodiversity and Deforestation Prevention Policy

Category	Biodiversity	Deforestation prevention
Overview	<ul style="list-style-type: none"> · Identify risks of biodiversity degradation and loss from business operations · Conserve, restore, and enhance biodiversity in local communities 	<ul style="list-style-type: none"> · Prevent deforestation and protect forests in local communities
Goals	<ul style="list-style-type: none"> · Protect biodiversity across the value chain, including purchasing and procurement, operations, product distribution and sales, and waste collection and recycling 	<ul style="list-style-type: none"> · Maintain and protect green space at business sites and in the surrounding area · Prevent deforestation and degradation, conserve forests, and enhance forest carbon absorption in local communities
Management Plan	<ul style="list-style-type: none"> · Revise through Sustainability Management Committee approval · Manage and oversee biodiversity/deforestation risks through a management council involving top/key decision makers 	

History of Natural Capital Protection Program Implementation

Business name	Details	Implementing business sites
Cleanup activities near business sites	<p>Environmental cleanup activities near domestic business sites</p> <ul style="list-style-type: none"> - Trash collection in Gyeonggi-do's designated rivers, cleanup activities on Mudeungsan Mountain (117 domestic employees participated) <p>Environmental cleanup activities near international business sites</p> <ul style="list-style-type: none"> - Environmental cleanup and biodiversity protection activities, such as planting saplings near workplaces and revitalizing parks through employee donations. - Sponsoring Keep Sweden Clean, a nonprofit organization founded to prevent and treat littering 	Hwaseong, Gwangju KaSK (Slovakia) KSE (Sweden)
Project Uphaar	A project to restore wasteland by planting 150,000 trees	
Revegetation Cooperative Project for Tidal flats in Korea	Planting halophytes (salt-tolerant plants) in tidal flats to increase marine biodiversity and carbon absorption	-
Ocean Cleanup	Sponsoring Ocean Cleanup, a nonprofit founded to clean up marine waste plastic	-

Natural Capital Management

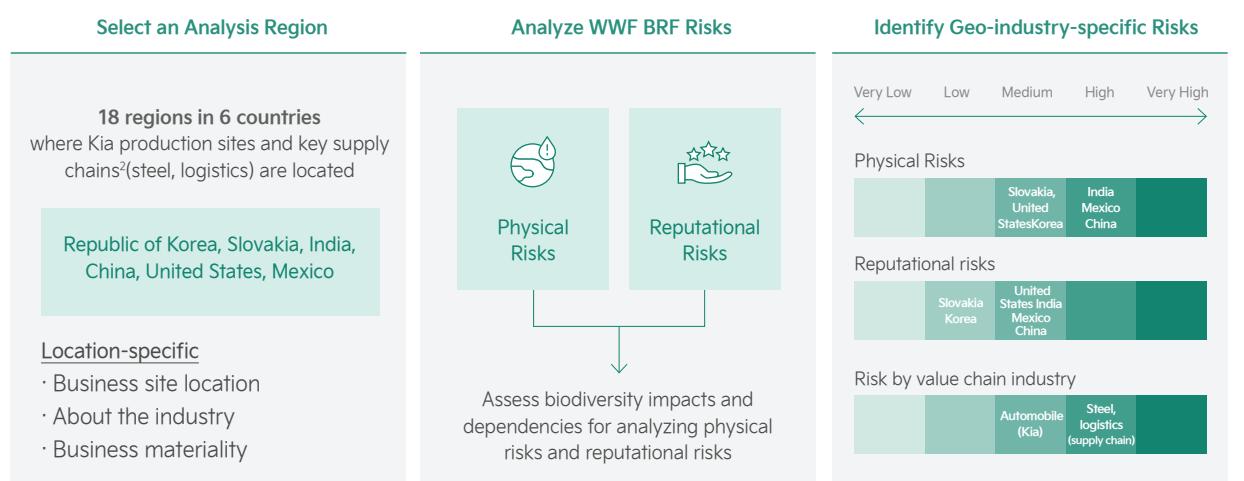
Risk Assessment of Value Chain Biodiversity

Kia is conducting a biodiversity risk analysis to prevent and respond to risks arising from our business's impact on natural ecosystems and our dependence on them.

Through region-based assessment, based on TNFD's LEAP methodology, we analyzed biodiversity dependence and impacts in the regions where Kia's global production sites and key supplier operations are located. The analysis of 34 companies in domestic and international value chains showed that upstream business sites in industries with higher biodiversity impacts, such as steel and logistics, are at greater risk than Kia's own business sites. In particular, it has been identified that there is a significant variation in the level of physical risks across different locations of the facility, including risks such as the decline in wild animal and plant populations due to negative impacts on biodiversity. Kia will continue to monitor biodiversity risks in and around our value chain, explore opportunities to collaborate with our suppliers on biodiversity conservation, and implement various eco-friendly activities.

As part of our commitment to biodiversity conservation, we are actively involved in the "Tidal Flats Revegetation Cooperation Project" with the Ministry of Oceans and Fisheries. We also contribute to ecological conservation activities of the NGO Ocean Cleanup, mitigating the impact on marine ecosystems by recycling plastics collected from the ocean into vehicle supplies. Furthermore, key biodiversity-related risks are regularly reported to the Sustainability Management Committee and integrated into our company-wide risk management strategy.

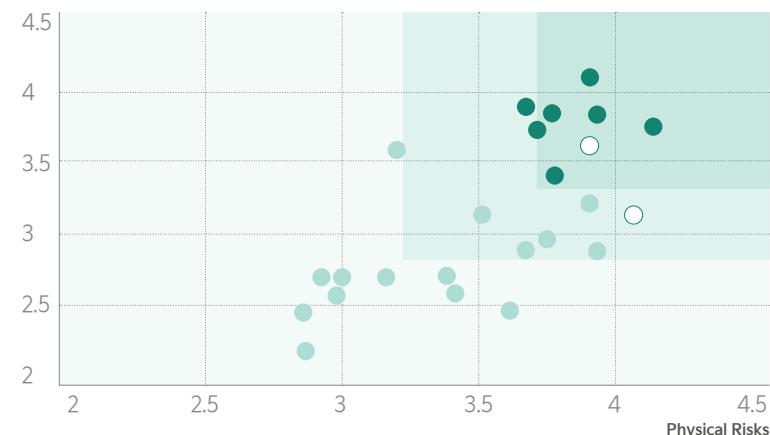
1. TNFD(Task-force on Nature-related Financial Disclosure)



2. Locations for supply chain analysis are selected based on the assumption that local production subsidiaries are sourced from nearby supply chains.

Very Low 1.0-1.8	Low 1.8-2.6	Medium 2.6-3.4	High 3.4-4.2	Very High 4.2-5.0
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Reputational Risks



Classification	Assessment classification	Key metrics	
		Dependencies	
Physical Risks	Supply services	Dependencies	Water shortages, limited wildlife availability
	Moderation and support services (enabled)	Dependencies	Soil, water, air, ecosystem conditions
	Moderation service (mitigated)	Dependencies	Landslides, wildfires, heat waves
	Cultural Services	Dependencies	Appeal to tourists
Reputational Risks	Pressures on biodiversity	Impact	Land, freshwater and ocean use change, pollution
	Environmental factors	Impact	Proximity to protected/conservation areas, proximity to key biodiversity areas, proximity to other important areas, ecosystem conditions, rarity of the scope (based on a measure of species endemism)
	Socioeconomic factors	Impact	Food and water scarcity and air quality, labor/human rights, financial inequality
Additional reputational factors	Dependencies		Prepare for risks at the government-level related to media research, political situation (Freedom Index), Ramsar and World Natural and Cultural Heritage sites, and biodiversity

Natural Capital Management

Protect Natural Capital through Tidal Flat Restoration

The Importance of Tidal Flats in Absorbing Carbon

Korea's tidal flats are among the five largest in the world. Studies have shown that they are home to over 1,000 species of marine life, making them areas of rich marine biodiversity. The country's tidal flats, which cover an area of about 2,480 km², absorb up to 490,000 tons of carbon dioxide annually, equivalent to the amount of carbon dioxide produced by about 200,000 internal combustion engine vehicles on the road.

Blue carbon refers to the carbon taken up by marine organisms or marine ecosystems. In 2013, the Intergovernmental Panel on Climate Change (IPCC) officially recognized blue carbon as a means of reducing greenhouse gas emissions, and many countries are increasing their research and investment to have their blue carbon credits recognized.



Sole Private Sector Partner in the Tidal Flat Restoration Project

To protect marine ecological resources and enhance the carbon absorption capacity of tidal flats, the Ministry of Oceans and Fisheries is promoting a tidal flats vegetation restoration pilot project, and Kia will work with the ministry as its sole private sector partner. To this end, a Memorandum of Understanding was signed in November 2022 between Kia and the Ministry of Oceans and Fisheries to promote blue carbon cooperation. The tidal flats in Maehyang-ri, Hwaseong, which have since been designated as a wetland reserve, were selected together as a target for vegetation restoration, and the basic direction of restoration is currently being established. After careful scientific analysis and research, the two parties designed a restoration plan to help the actual tidal flats ecosystem and carbon absorption, and will begin full-scale planting halophytes in 2025. Furthermore, Kia aims to share with the international community the results of scientific measurements and monitoring of changes in marine ecosystems and carbon absorption effects after restoration of vegetation, and showcase our unlimited ecological potential and capacity to respond to climate change. We will also demonstrate our commitment to creating a sustainable planet by having employees visit the site and participate in tidal flats cleanup and planting activities with the local community.



Roadmap for Tidal Flat Restoration



Natural Capital Management

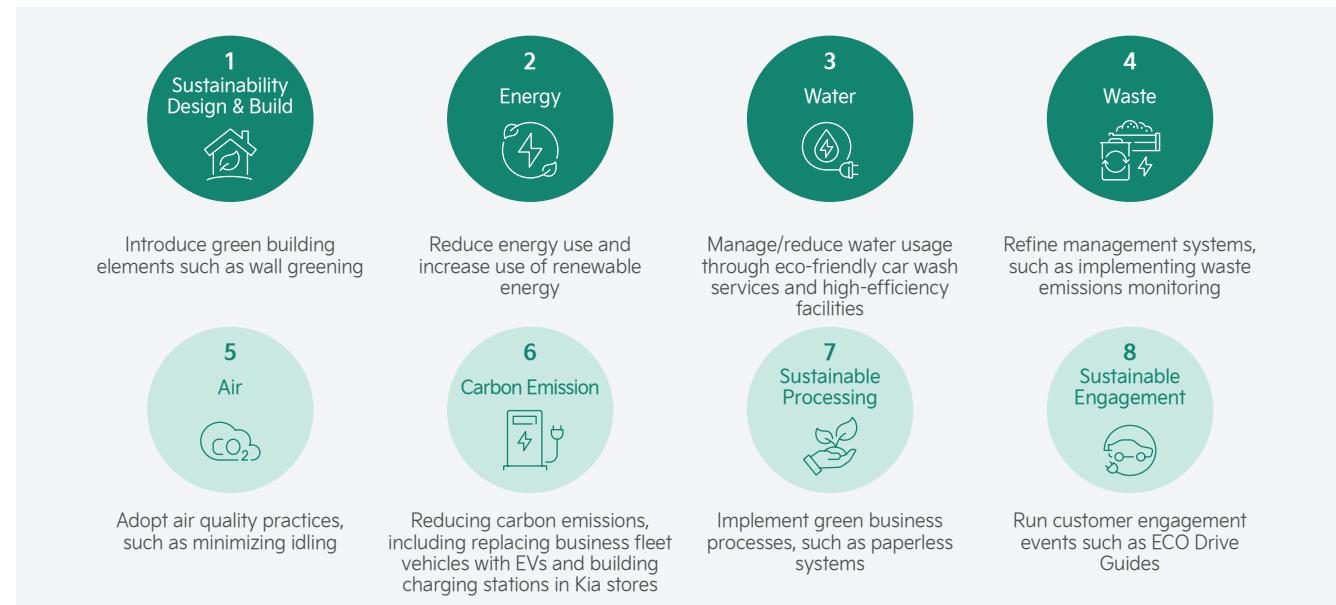
Kia Stores with Embedded Sustainability and Eco-friendliness

Kia established and implemented the "Kia Store - Sustainability Guidelines" in March 2023 to ensure customers experience sustainability and eco-friendliness from the point of sale. The guidelines comprise 8 key areas and 42 sub-items aimed at creating eco-friendly business locations, covering a wide range of aspects from construction elements to waste management and customer engagement events.

In the case of Kia's sales outlets in India, solar power panels installed on rooftops have reduced electricity consumption by up to 80%, and an 11kW EV charging facility powered by solar energy maximizes the use of green energy. Additionally, rainwater harvesting systems are employed to prevent groundwater depletion, and wastewater treatment facilities purify and reuse water from car washes. New steam car wash facilities reduce water usage by up to 95%, while automatic light sensors and natural lighting systems improve energy efficiency at the sales outlets. Furthermore, features such as green walls with trees and plants, waterless urinals, and waste separation facilities enhance the ESG brand image for visiting customers.

In October 2023, Kia launched the localized "Green Workshop" program for the first time at the Ransh Kia dealership in Rohtak, Haryana, India, receiving positive feedback from local customers. The program will be gradually expanded to over 150 sales outlets in India by 2026. In May 2024, Kia piloted the European localized version at one dealer each in Germany and the Netherlands, regions leading in ESG global trends. The European version, tailored to local needs, includes six items such as solar power panels, energy storage systems (ESS) utilizing EV used batteries, and locally sourced green walls. This initiative will be expanded throughout Europe step by step. Through the "Kia Store - Sustainability Guidelines," Kia aims to enhance resource conservation and energy efficiency across its global dealer network, contributing to the improvement of local community environments.

Kia Store - 8 Key Areas of Sustainability Guidelines



1. Kia Store Locations with Sustainability Guidelines Applied

2. solar power EV chargers

Social

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Human Rights Management

Human Rights Management Principles

Kia has developed the Kia Human Rights Charter based on international standards and guidelines on human rights and labor, including the Universal Declaration of Human Rights, the UN's Guiding Principles on Business and Human Rights (UNGPs), and the OECD Due Diligence Guidance. Based on this Human Rights Charter, Kia has established an organizational structure and operating system to promote human rights management. In particular, we strive to prevent human rights violations and mitigate related risks in our business operations. The Kia Human Rights Charter is monitored once a year to reflect and revise as necessary in light of changes in the internal and external environment.

[Discrimination and Harassment Prevention Policy](#)

Discrimination and Harassment Prevention Policy

To prevent workplace discrimination, harassment, and sexual harassment and eliminate related issues and behaviors, we have a clear definition and transparent reporting process based on our discrimination and harassment prevention policy.

- ▶ Raise employee awareness and promote a culture of mutual respect through training on prevention of discrimination and harassment
- ▶ Apply zero tolerance for discriminatory and harassing behavior
- ▶ Operate reporting channels (online/offline) and provide handling procedures

Company-wide Human Rights Training

Kia provides compulsory sexual harassment prevention and disability awareness training to all employees.

- ▶ Induce employees to apply human rights principles and guidelines in their work through online human rights training
- ▶ Online human rights training topics: Workplace harassment prevention training, sexual harassment prevention training, disability awareness training
- ▶ Include human rights in ESG mindset online training curriculum for all employees

Basic Principles of Kia's Human Rights Charter

Article 1	Article 2	Article 3	Article 4	Article 5	Article 6
Prohibition of forced and child labor 	Non-discrimination 	Compliance with labor conditions 	Humane treatment 	Guarantee of freedom of association and collective bargaining 	Guarantee of industrial safety
Article 7 Protection of human rights of local residents 	Article 8 Protection of human rights of customers 	Article 9 Responsible supply chain management 	Article 10 Guarantee of environmental rights 		

Human Rights Charter

Mid- to long-term Roadmap for Human Rights Management

Kia is strengthening our human rights management by building a roadmap with the goal of establishing an autonomous human rights management system.

Classification	Goals	Targets
By 2023	Risk checks Strengthen human rights impact assessments and raise employee awareness of human rights respect	<ul style="list-style-type: none"> · Inspect all domestic and overseas business sites and identify risks by level (Low risk, potential risk, high risk) · Enhance employee training and programs on human rights
By 2025	Risk mitigation Focus on human rights risk areas and promotion of employee diversity	<ul style="list-style-type: none"> · Conduct on-site due diligence and follow-up procedures when potential/high risks are identified · Continuous exploration and strengthening of DEI programs
End goal	Establish an autonomous human rights management system Establish a culture of respect for human rights across business sites	<ul style="list-style-type: none"> · Achieve and maintain a low risk (excellent) level in all areas of human rights impact assessment · Advance and disseminate a culture of human rights protection internally and externally

Human Rights Management

Human Rights Risk Management Policy

The Sustainability Management Committee of the Board of Directors regularly manages human rights risks. Kia constantly conducts audits to check the implementation of employee human rights by investigating complaints, accusations, and recommendations on employee injustices and system improvements. The implementation of human rights is managed and supervised through working meetings organized by the dedicated human rights management department and decision-makers.

- ▶ Conduct a human rights impact assessment once a year: Regularly review human rights risks and verify implementation of the Human Rights Charter at each business site
- ▶ Enhance human rights risk monitoring at international business sites to address potential risks (2023)

Grievance Reporting System

Kia operates an online and offline grievance reporting system to prevent human rights risks for employees and stakeholders at all times.

- ▶ Online: Display the "One-Click HR" banner on the intranet main page
- ▶ Offline: Operate sector-specific grievance centers to receive reports of sexual harassment and workplace harassment
- ▶ Provide free support, including 1:1 counseling, psychological testing, and more, to reduce work and interpersonal stress

Human Rights Impact Assessment

Kia conducts human rights impact assessments once a year to check human rights risks and verify the implementation of the Human Rights Charter at each business site. In 2023, we emphasized the importance of human rights management to all sites by sending a reminder letter before the assessment was conducted, and two additional areas were checked to reflect the amendments to the Human Rights Charter. We will continue to evolve our human rights impact assessment system to improve the effectiveness of future reviews and the reliability of our results.

- ▶ Includes 16 total business sites and major Overseas Subsidiary (5 domestic and 11 international)
- ▶ Conducted assessments of all business sites (Nov. 2023) → analyzed the results (Dec. 2023)

Human Rights Risk Management Process



Human Rights Risk Inspection Areas in 2023

Non-discrimination 	Nondiscrimination in employment Nondiscrimination of irregular workers	Nondiscrimination based on gender Nondiscrimination of foreign nationals
Humane treatment 	Violence/harassment prevention Work-life balance No coercion	No privacy intrusions Protection of personal information
Prohibition of forced labor and child labor 	No forced labor Prohibition of hiring children	Prevention of forced labor at suppliers Action against hiring minors
Protection of local residents' human rights 	Respect for local residents' human rights	Protection of resident intellectual property
Responsible supply chain management 	Demand for fulfillment of obligations to protect human rights	Monitoring compliance with human rights protections
Compliance with labor conditions 	Compliance with legal working hours Guarantee of the right to rest	Compliance with wage laws Guarantee of working environment
Freedom of association/collective bargaining 	Freedom of association/collective bargaining Guarantee and protection of bargaining rights	No penalties for union activities Alternative measures in the absence of a union
Guarantee of industrial safety 	Workplace safety Provision of essential equipment and training	Protection of pregnant and people with disabilities Support for victims of industrial accidents
Protection of customers' human rights 	Compliance with consumer protection laws Actions in case of product defects	Protection of consumer privacy
Guarantee of environmental rights 	Establishment and maintenance of environmental management systems	Disclosure of environmental information

Human Rights Management

Human Rights Risk Management Policy

Mitigate Potential Human Rights Risks

The Human Rights Impact Assessment conducted in 2023 did not identify material risks. For workplaces where potential risks were identified, we conducted on-site due diligence based on the results of written inspections to confirm substantial deficiencies and required improvement plans for those that required action. Kia is continuously tracking the progress of the improvements. As a result of the inspection, overseas divisions implemented their own initiatives to improve the working environment, provided training, installed facilities for pregnant women and employee counseling centers, conducted sexual harassment prevention training, regular training on hygiene and safety, and initiated health checkup programs. As a result, the number of potential risk indicators and the overall average score improved year-on-year.

- Work-life balance score of 2.17 in 2022
→ 2.20 in 2023
- Violence/harassment prevention score of 2.43 in 2022
→ 2.45 in 2023
- Average human rights impact score of 2.69 (out of 3) in 2022
→ Increased by 0.04 points to an average score of 2.73 in 2023

As a result of the human rights impact assessment, we conducted an inspection of the risks identified at the regional headquarters through due diligence at the business site. We plan to establish a step-by-step human rights management system in consideration of local laws and sentiments and continue to increase employee interest.

Case of Core Risk¹ Identified in the 2023 Human Rights Impact Assessment

Areas	Deficiencies	Inspection Results
Industrial safety and security	Failure to conduct regular hygiene/safety training	Planned actions
	Inadequate qualifications of instructors for safety/health training	Planned actions
	Absence of worker health assessment programs	Planned actions (Establishment of health check-up support)
Humane treatment	Possession of guidelines for protecting victims of violence, harassment, and sexual harassment	Planned actions

1. Core Risk: A risk scoring 1 point or less, which poses a high risk of human rights violations if not addressed, and thus requires priority improvement efforts.

	Top 2 risk issues by inspection area	Result		Improvements
		2022	2023	
Nondiscrimination	Nondiscrimination of foreign nationals	2.75(Low risk)	2.67(Low risk)	
	Nondiscrimination in employment	2.68(Low risk)	2.76(Low risk)	
Compliance with labor conditions	Guarantee of working environment	2.53(Low risk)	2.53(Low risk)	· Provision of purpose-driven workplace and training opportunities
	Guarantee of the right to rest	2.67(Low risk)	2.73(Low risk)	
Humane treatment	Work-life balance	2.17 (Potential risk)	2.20 (Potential risk)	· Installation of amenities for pregnant women
	Violence/harassment prevention	2.43 (Potential risk)	2.45 (Potential risk)	· Installation of employee counseling centers · Offering sexual harassment prevention training regularly
Guarantee of the freedom of association and collective bargaining	Guarantee and deliver protection of bargaining rights	2.88(Low risk)	2.69(Low risk)	
	Freedom of association/collective bargaining	2.70(Low risk)	2.77(Low risk)	
Prohibition of forced labor and child labor	Action against hiring minors	2.63(Low risk)	2.64(Low risk)	
	Prevention of forced labor at suppliers	2.70(Low risk)	2.85(Low risk)	
Guarantee of occupational safety	Provision of essential equipment and training	2.60(Low risk)	2.64(Low risk)	· Provision of regular hygiene and safety training and medical exams
	Support for victims of industrial accidents	2.64(Low risk)	2.71(Low risk)	
Protection of local residents' human rights	Respect for local residents' human rights	2.69(Low risk)	2.71(Low risk)	
	Protection of local residents' intellectual property	2.65(Low risk)	2.75(Low risk)	
Protection of customers' human rights	Compliance with consumer protection laws	2.57(Low risk)	2.64(Low risk)	
	Protection of consumer privacy	2.51(Low risk)	2.71(Low risk)	

* Risk level categorization: Low risk (>2.5), potential risk (<2.5), and high risk (<2.0)

* "Responsible Supply Chain Management" and "Guarantee of Environmental Rights" are demonstrated at the headquarters only.

Work Environment & Labor Management

Organizational Culture

Kia is a company that respects individual values regardless of diverse cultural backgrounds, age groups, or genders. Kia encourages a corporate culture where employees confidently express their ideas and boldly attempt new approaches.

To achieve this, Kia gathered opinions from 5,715 global employees and defined its organizational culture focus as "customer-centric, people-centric." Together, we have established Kia's values and behaviors that we will practice.

"Customer-centric" places customers at the heart of everything, considering their needs and expectations. "People-centric" places people at the core of all activities, inspiring colleagues and customers alike while supporting each other. Kia's values consist of five principles that guide our thoughts and actions, with specific behaviors under each value guiding our work styles and attitudes.

This year marks the inaugural phase of internalizing Kia's values and behaviors throughout the organization, advancing diverse activities and systemic/environmental changes to further develop a "customer-centric, people-centric" culture.



Organizational Culture Focus

Customer-Centric and People-Focused Culture

Kia Values & Behaviors

Care for People 	We respect each other's backgrounds, cultures, and identities and allow people to come to work as they are. We make better decisions for our coworkers, customers, and the world, not for personal success or temporary achievement. We set clear, actionable goals that positively impact our coworkers, customers, and the world.
Move Further, Together 	We work together across teams and regional boundaries to achieve common goals. We actively seek advice, listen to other opinions, and constructively challenge each other's thinking. We recognize and celebrate the process, not just the end result.
Empower People to Act 	We agree on goals before we start working and believe in and support each other to achieve them. We are open, honest, and transparent with each other. We hold ourselves accountable to our promises.
Dare to Push Boundaries 	We're constantly asking questions, learning and growing every day. We analyze and anticipate risks, are willing to take them, and use failure as a learning opportunity. We boldly challenge the status quo with a clear purpose to find new solutions.
Chase Excellence, Every Day 	We always think from our customers' perspectives and work tirelessly to fulfill their needs and ease their pain points. We set priorities in our work and simplify how we work to increase quality and productivity. We balance our thinking with data to make the best decisions and execute quickly.

Work Environment & Labor Management

Employee Benefits



Flexible Work System

We implement work systems aimed at boosting productivity through innovative work methods.

Flexible Work System	Employees can work autonomously within an average 52-hour work week per month(However, they must adhere to core hours of 5 hours Monday through Tuesday and 4 hours Wednesday through Friday).
Part-time Working	Part-time arrangements are offered for limited jobs, such as 7 hours/day for driving managers, 4 hours/day for multilingual translators of the service manual.



Work-Family Balance System

Various maternity and childcare support programs are provided to our employees and their families to create a work environment that allows them to balance work and family.

Childbirth and Childcare Support	Parental leaves	Up to two years of parental leave is provided per child, age 8 and younger or in Grade 2 in elementary school and younger
	Leave before and after childbirth	90 days of childbirth leave is available for pregnant women before and after delivery (120 days for multiple births). 10 days of paid childbirth leave is given to male workers.
	Reduced hours during childrearing years	For each child, age 8 and younger or in Grade 2 of elementary school and younger, reduced work hours and parental leaves (combined) can be used up to two years (between 5 and 25 hours per week).
	Provision of lactation time	Lactation facilities and lactation time are provided during work hours.
	Workplace daycare centers	Four workplace daycare centers are available at AutoLand Gwangmyeong, Hwaseong, Gwangju, and Yangjae headquarters
Family Caregiving	Family caregiving leaves	Up to 90 days/year are allowed to care for a family member due to illness, accident, or old age (grandparents, parents, spouses, spouse's parents, children, or grandchildren).



Healthcare Support Program

To promote the well-being of our employees, we have a variety of support programs to help them take care of their physical and mental health.

Healthy Foods	Meal options such as healthy salads, vegetarian meals, and grab-and-go menus are offered.
General Check-up	Mandatory annual statutory general medical examinations are provided for all employees, with additional examinations and attendance credits, and additional screenings for employees over the age of 35 (electrocardiogram, thyroid ultrasound, and hematologic malignancy screening).
Comprehensive Check-up	For every 10 years of service (every 3 years for those 40 and older), 50% of the cost of checkup is subsidized for one member of the employee's family each year.
Fitness Facilities	Fitness centers are operated at AutoLand Gwangju, Gwangmyeong, Hwaseong, and Yangjae headquarters.
Online and Offline Counseling Center	Free one-on-one counseling and psychological testing are available to reduce work and interpersonal stress.



Leave Support System

We have a variety of vacation programs for each position to ensure that employees have a sustainable quality of life through proper rest. Kia also offers year-round access to resorts to help employees find the right balance of work and rest to keep them engaged.

Summer Vacation	Employees receive 5 days of paid vacation per year.
Pro Dream Vacation	Senior managers receive an additional 10 days of paid vacation in addition to 5 days of individual leaves upon promotion.
Reward for Long Service	Employees with 20 years of service receive 5 days of paid vacation in the 21st year.
Retirement Vacation	At the full retirement age after 20 years of service, 30 days of paid vacation is provided.
Year-round Resorts	Membership-price stays are offered at 36 resorts.

Work Environment & Labor Management

Labor Relations and Employee Engagement

Guarantee of Collective Bargaining

To strengthen workers' rights and labor-management communication, Kia guarantees the freedom of association based on the collective agreement in accordance with the Constitution, the three primary rights of workers, and the ILO Fundamental Conventions.

- ▶ Consult with the labor union on key issues through collective bargaining, regular labor-management consultations, and meetings such as the Employment Stability Committee
- ▶ Disclose business performance to the labor union on a regular basis, based on the principle of transparent disclosure of management information
- ▶ Deliver and communicate operational changes, such as revisions and repeals of regulations affecting members, board resolutions

Key Labor-Management Agreements in 2023

- Special agreement to future-proof our business
- Special agreement to resolve declining birthrate and provide childcare support
(Establish and expand subsidies for childbirth, early childhood education, and fertility treatment to support childcare and overcome the declining birthrate)

Equal and Fair Compensation

We operate an equal and fair compensation system regardless of nationality or gender to motivate employees to work.

- ▶ Operate HR systems that reflect individual performance improvements in compensation through compensation systems linked to absolute assessment
- ▶ Allocate excess profits from business activities to employees through labor-management agreements as reasonable performance bonuses
- ▶ Offer non-salary compensation, including severance, to all employees

Manage Labor-Management Risks

Kia considers labor-related legislation and trends to address key labor-related risks and opportunities that may impact our business activities.

- ▶ Hold monthly Future Car Committee meetings to share management status and labor-management issues
- ▶ Set priorities on identified risks, establish and act on risk mitigation measures
- ▶ Build consensus through proactively sharing and free discussion of production, employment, and sales-related contents that require prior coordination with labor unions related to future changes



Operate an Employee Stock Ownership Association

We operate an employee stock ownership association to support workers' property formation, enhance labor-management cooperation, and improve corporate productivity.

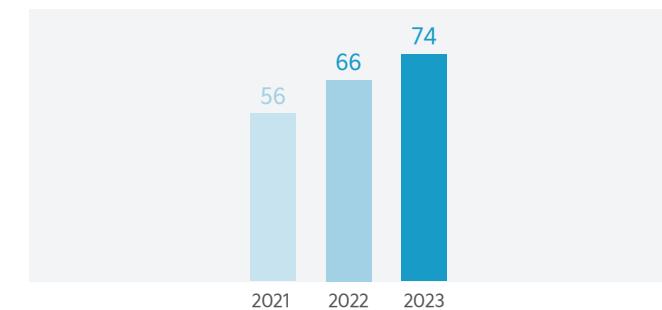
- ▶ Member eligibility requirements: All workers directly employed by Kia, except registered executives under Article 34 of the Framework Act on Labor Welfare.

Culture Survey and Organizational Culture Diagnostics

Kia conducts regular culture surveys to examine employee engagement, identify company-wide action items, and implement improvement tasks. The diagnostic questions address the feelings of happiness and stress within the organization, as well as satisfaction with the company and the job. We also provide various customized consulting services to identify organizational issues and address root causes through team-specific culture diagnostics. The questions cover the happiness and stress that our members experience within the organization, satisfaction with the company and job, and more.

Employee Engagement Trends

(Unit: %)



Information Security

Information Security Management System and Activities

Operate an information security management system based on International Organization for Standardization (ISO) guidelines	Keep track of the latest legislation and information protection technologies and update the Security Practice Standards and Privacy Policy at least once a year	Apply the Privacy Policy to Kia employees, temporary workers, and employees of external companies that process customer information	Create an easy-to-understand Privacy Policy from the customer's perspective and make it available on the website	Establish and operate an information security incident response policy
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Information Security Governance

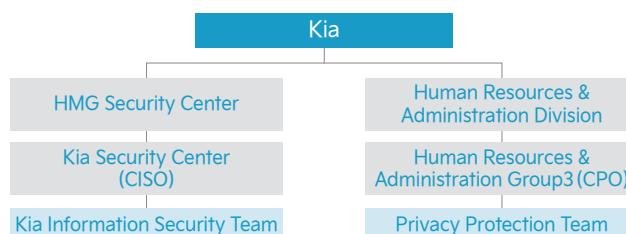
Kia renews its information security management system certification every year to ensure that we maintain a stable information security system. In addition, we have established a dedicated organization for information security and privacy and operate the Kia Information Protection Center that oversees them.

- Maintained 100% certification coverage for 18 years from initial ISO 27001 (Information Security Management Systems) certification in 2006 to the present day
- Obtained the information security management system (ISMS) certification in Korea to comply with the Act on Promotion Of Information And Communications Network and create a safe work environment(May 2024)

Information Security Organization

- Require the Chief Information Security Officer(CISO)/Chief Privacy Officer(CPO) to have experience in information security and personal information protection for appointment
- Establish a company-wide information security and personal information protection organization by forming an information security committee for security personnel in each sector and train them on security-related issues and trends on a regular basis

Information Security Organization Chart



Strengthen Information Security and Personal Information Protection System

Kia is striving to raise employee information security awareness to respond to the diverse internal and external work environment and the latest security threats.

[Privacy Policy](#)

Verify Compliance with Information Protection Policies

- Inspect information systems (including personal information processing systems), team departments, and suppliers at least once a year.
- Implement disciplinary procedures in the event of a violation, taking into account the type of conduct, degree of culpability

Education and Training Programs

- Develop online security education content, conduct monthly information management events, send out security newsletters, and run various programs such as phishing email mock drills

Raise Information Security Awareness

- Share security precautions via Kia's official communication channels and newsletters such as what to do when receiving a malware email, what to do when infected, and prohibiting the transfer of data through unauthorized channels
- Constant and regular training for employees on the importance of protecting customer information

Conduct Personal Information Protection Checks

- Implement regular training and inspection for all departments and suppliers handling customer information
- Conduct regular self-checks of personal information processing systems and examine technical safeguards at least once a year
- Kia does not use personal data for any purpose other than the "purposes for which we collect and use personal information" as defined in the Privacy Policy.

Leakage Prevention and Response

- Operate 24/7 security controls to prevent suspected breaches
- Establish security and privacy incident response procedures to respond quickly when incidents occur

Information System Risk Assessment

- Conduct an annual information system risk assessment that reflects emerging threats and the latest legal developments
- Define risk levels by considering asset materiality and the level of threats/vulnerabilities discovered
- Create and implement risk management plans based on risk level

Manage New System Risks

- Implement security review procedures and personal information impact assessments when building new systems to ensure that security requirements are applied and privacy laws are followed
- Prevent breaches and leaks by taking immediate action when inadequacies are discovered

Governance

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Board of Directors

Building a Transparent and Sound Governance System through the Board of Directors

As the Kia's highest decision-making body, the Board of Directors represents a wide range of stakeholders, including shareholders, customers, employees, and suppliers, and oversees and approves important business decisions. As the highest governing body of the company, Kia strives to ensure that the Board of Directors is independent, professional, and diverse in its composition. To ensure the independence of the BOD, more than a majority (55.6%) of the BOD is composed of independent directors, and dual positions are prohibited without prior approval. In addition, the exercise of voting rights is restricted in the event of a conflict of interest. Board members are experts in various fields, including future governance, business strategy and accounting, and the board is evaluated once a year. Moreover, Kia strives to ensure diversity on the BOD, including enhancing gender diversity and appointing independent directors with foreign nationalities.

[Corporate Governance Charter](#)

Board Composition

Category	Name	Gender	Appointment background	Major career	(As of June, 2024)	Tenure
Executive Director	Eui-Sun Chung	Male	As the Chief Executive Officer (CEO) of the group, possessing the capabilities to effectively coordinate internal and external factors	Chairman of Hyundai Motor Company	By March 2025	
	Ho-Sung Song (Chairperson)	Male	Capable of overseeing overall business operations and performing public relations stably	Kia CEO	By March 2025	
	Joon-Young Choi	Male	Having the capacity to operate and manage the entire business stably as the Chief Safety Officer (CSO) and the person in charge of domestic production	Kia CEO / Chief Safety Officer (CSO) and responsible for domestic production	By March 2027	
	Woo-Jeong Joo	Male	As the Head of Finance Division, possessing the capabilities to stably operate and manage the overall business	Head of Finance Division, Kia	By March 2026	
Independent Director	Wha-Sun Jho	Female	As a future governance expert, being expected to make a valuable contribution to the operation and development of the BOD based on her extensive experience and knowledge in related fields	Current) Professor of Political Science and International Relations at Yonsei University; Full member, Faculty of Policy Studies, Korea Academy of Science and Technology	By March 2027	
	Chan-Hyuk Jeon	Male	As a management strategy expert, being expected to make a valuable contribution to the operation and development of the BOD based on his extensive experience and knowledge in related fields	Current) CESCO CEO	By March 2026	
	Jae-Yong Shin	Male	As an accounting expert, being expected to make a valuable contribution to the operation and development of the BOD based on his extensive experience and knowledge in related fields.	Current) Professor, College of Business School, Seoul National University	By March 2026	
	Jennifer Hyunjong Shin	Female	As a mechanical engineering expert, being expected to make a valuable contribution to the operation and development of the BOD based on her extensive experience and knowledge in related fields.	Current) Professor, Department of Mechanical Engineering, KAIST	By March 2025	
In-Kyung Lee	Female	Female	As a capital market and strategic investment expert, it is expected to contribute to enhancing the expertise and transparency of the board of directors	Current) MBK PARTNERS CFO-Vice President	By March 2027	

Independent Director Appointment Process

The Independent Director Candidate Recommendation Committee, which is responsible for appointing independent directors with expertise and independence, conducts a pre-deliberation on their expertise, job fairness, ethics, and diversity before making the appointments. When appointing directors, we propose each candidate individually as an agenda item at the shareholders' meeting and decide on their appointment through a resolution.



Board of Directors

Board Independence·Diversity·Expertise

Board Independence

Our board consists of a majority of independent directors (55.6%). Their appointment follows the independence guidelines, involving a review of any potential conflicts of interest with our company and a meticulous assessment of their expertise in respective fields and individual qualifications.

- ▶ Submitting the 'Certificate of Qualifications for Independent Director Qualifications' to the Korea Exchange
- ▶ Prohibition of holding concurrent positions other than our company without the prior approval of the BOD, and ban on the sales activities for the same kind of business without the approval of the BOD
- ▶ Restriction on directors from exercising their voting rights when deciding on agenda items in which they have a special interest
- ▶ Review of diversity and expertise of Independent Director Candidate Recommendation Committee

Category	2021	2022	2023
Whether an independent director serves as the chairman	-	-	-
Implementation of the shareholder recommendation system for independent directors	V	V	V
Operation of Independent Director Candidate Recommendation Committee	V	V	V

BoD Educational Programs

Kia provides educational programs and exclusive meetings for independent directors to enhance their industry knowledge and expertise, ensuring they have the necessary information and resources for their roles.

Key topics covered in the independent director training in 2023

Date	Topic	Attendance
2023. 1. 9.	Improve understanding of global business conditions - Visit factory in Georgia USA, robot and mobility business sites, etc.	All 5 independent directors
2023. 4. 11.	CID(CEO Investor Day) briefings	All 5 independent directors
2023. 7. 11.	Compliance management	4 independent directors
2023. 7. 27.	Internal accounting management system	All 3 audit committee members
2023. 10. 27.	Status of Busan Expo bid activities	All 5 independent directors

Board Diversity and Expertise

BOD Diversity Policy [🔗](#)

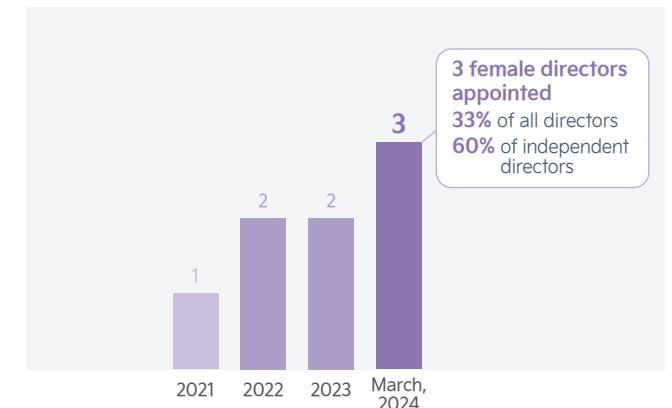
Kia prohibits discrimination on the grounds of gender, age, race, ethnicity, nationality, political and cultural background, and experience when appointing directors for the board. Furthermore, we aim to appoint independent directors with expertise in various fields, including future governance, business strategy and accounting to enhance their expertise and reinforce the function of checking management.

- Appointment of foreign national independent directors
- Strengthening BoD Gender Diversity

- Appointment of additional independent directors with expertise in capital markets and strategic investment

BoD Gender Diversity

(Unit: persons)



Board Skill Matrix

(As of June, 2024)

Competency Index	Category	Executive Director				Independent Director				
		Eui-Sun Chung	Ho-Sung Song	Joon-Young Choi	Woo-Jeong Joo	Wha-Sun Jho	In-Kyung Lee	Chan-Hyuk Jeon	Jae-Yong Shin	Jennifer Hyunjong Shin
	Leadership	●	●	●	●	●	●	●	●	
	Accounting/Finance /Management	●	●	●	●		●	●	●	●
	Industry/Technology	●	●	●	●					●
	Legal/Policy			●	●	●				
	Global capability	●	●		●	●	●	●	●	●
	ESG	●	●	●	●	●	●	●	●	●
Diversity Index	Year of appointment	2022	2022	2024	2023	2024	2024	2023	2023	2022
	Age	53	61	61	59	58	55	55	52	49
	Gender	Male	Male	Male	Male	Female	Female	Male	Male	Female

Board of Directors

Committees under the Board

Kia has established committees within its BOD, the highest decision-making body, to effectively carry out management and supervisory functions over the management. These committees include the Audit Committee, the Independent Director Candidate Recommendation Committee, the Remuneration Committee, and the Sustainability Management Committee. The main provisions of each committee's regulations are disclosed in our annual corporate governance report every May, and all regulations are disclosed on our investor relations website. The chairman of the Audit Committee is appointed as a director with financial expertise, and the CEO is participating in the Independent Director Candidate Recommendation Committee.

Organizational Chart of Committees under the Board

(As of June, 2024)



Board Operation and Evaluation

Pursuant to Article 32 of the Articles of Incorporation, the chairman calls for a board meeting, provides advance notice of the meeting date, location, and agenda to each director seven days before the meeting, and arranges a separate pre-meeting briefing session for independent directors. The BOD is briefed on ESG strategies and plans, evaluates the importance of ESG factors, and manages and supervises non-financial risks and management performance. The minimum attendance rate of the board of directors is managed at 80%, allowing them to participate in major decisions. To enhance the board of directors' performance and efficiency, Kia reviews the reappointment of current directors or the appointment of new directors before their terms expire, and separately presents each director's appointment as an individual agenda item, ensuring the protection of shareholders' rights.

BOD Decision-Making Process



Board Evaluation

Since 2021, we have implemented a periodic evaluation system for the BOD and committees. To maintain objectivity in the evaluation process and obtain fair and honest feedback, only independent directors are involved as evaluators, and their assessments and suggestions are collected anonymously. We are continuously enhancing the functioning of the BOD by reflecting the opinions of independent directors.

Board Evaluation Results in 2023

BOD roles	4.93	Audit Committee	5.00
Responsibilities and obligations	4.96	Sustainability Management Committee	4.95
BOD independence	4.92	BOD composition	4.80
BOD operation	4.96	Independent Director Candidate Recommendation Committee	4.73
Collection of information	5.00	Overall average (out of 5)	4.60
		Overall average (out of 5)	4.89

Board of Directors

BOD Activities

BOD Activities in 2023

Date	Agenda and Report
2023.1.27	<p>Agenda</p> <ul style="list-style-type: none"> ① Approve the 79th financial statement and operating report ② Approve the 2023 business plan and investment plan ③ Approve the transactions between directors and the company in 2023 ④ Approve the plan on health and safety for 2023 ⑤ Approve the investment plan in Kazakhstan ⑥ Approve the acquisition of treasury shares <p>Report</p> <ul style="list-style-type: none"> ① Actual status of internal accounting management system operation ② Compliance support activities and plans
2023.2.15	<p>Agenda</p> <ul style="list-style-type: none"> ① Convene the 79th Ordinary General Meeting of Shareholders and approve the agenda for the meeting ② Approve the new PBV plant in AutoLand Hwaseong <p>Report</p> <ul style="list-style-type: none"> ① Evaluate the internal accounting management system operation status ② Report on the evaluation results of the BOD for 2022
2023.3.17	<p>Agenda</p> <ul style="list-style-type: none"> ① Approve the director career change ② Appoint members of the Independent Director Candidate Recommendation Committee ③ Appoint members of the Remuneration Committee ④ Appoint members of the Sustainability Management Committee ⑤ Appoint the fair trade compliance manager ⑥ Approval of disposal of treasury shares ⑦ Approval of additional transactions between directors and the company in 2023
2023.4.25	<p>Agenda</p> <ul style="list-style-type: none"> ① Approve the participation in capital increase of another corporation ② Approve the establishment of overseas joint ventures, etc. ③ Approve the participation in capital increase of overseas affiliates ④ Approve the cancellation of treasury stock <p>Report</p> <ul style="list-style-type: none"> ① 23.Q1 financial results and management status

Date	Agenda and Report
2023.5.26	<p>Agenda</p> <ul style="list-style-type: none"> ① Approve the establishment of oversea joint venture
2023.7.27	<p>Agenda</p> <ul style="list-style-type: none"> ① Appointment of a new compliance manger <p>Report</p> <ul style="list-style-type: none"> ① 23.1H financial results and management status
2023.8.30	<p>Agenda</p> <ul style="list-style-type: none"> ① Approve strategic collaborations with other entities ② Approve major management decisions of overseas affiliates
2023.10.27	<p>Agenda</p> <ul style="list-style-type: none"> ① Approval of loan for construction cost of new battery factory ② Establish the financial consumer protection standards and internal control standards ③ Approve disposal of treasury stock ④ Approval of change of transaction limit between directors and the company in 2023 <p>Report</p> <ul style="list-style-type: none"> ① 23.3Q financial results and management status
2023.12.20	<p>Agenda</p> <ul style="list-style-type: none"> ① Approve sale of stake in Russian plant(HMMR)

Board Remuneration and Regulatory Violation

Board Remuneration

Within the authorized limits established by the general shareholders' meeting, Kia pays executive and independent directors' remuneration by comprehensively reflecting internal standards for executive salaries and their contributions in our company. In 2022, the maximum director remuneration allowed is KRW 8 billion, and the actual payout amounts to KRW 5.98 billion.

	Category	2023
Remuneration system	Including ESG Performance in CEO Performance Indicators	V
	Disclosure of individual remuneration amount	V

BOD Remuneration in 2023

	Category	Unit	2023
Remuner-	Total CEO annual remuneration	KRW million	3,268
	Average remuneration per registered director	KRW million	1,381
	Average remuneration per independent director	KRW million	90
	Average remuneration per Audit Committee member	KRW million	90
	Average remuneration of all employees	KRW million	127
	CEO-employee remuneration ratio	Times	25.7

Regulatory Violation

There were no instances of legal or regulatory violations related to corporate governance at Kia in 2023. Moreover, no executives have received conclusive judgments for embezzlement, breach of trust, or unfair trading under the Capital Markets Act, and we have established control mechanisms to safeguard against transactions pursued for the personal interests of the management or controlling shareholders.

Shareholder-Friendly Policies

Support Shareholders' Rights

Kia recognizes shareholders as key stakeholders and partners in the company's operations, and implements various policies for them. Ensuring shareholders have opportunities to participate in corporate management and exercise their voting rights is fundamental to our shareholder policies. In 2020, we introduced electronic voting to increase direct shareholder participation and implemented a recommendation system for independent directors, reflecting the opinions of minority shareholders during director appointments.

Additionally, while the Korea Exchange made it mandatory to submit reports on corporate governance in 2019, we have voluntarily disclosed our governance reports even before 2019. In the 'Shareholders' section, which demonstrates how well a company ensures shareholders' participation in management and how promptly and transparently information is disclosed, we have consistently achieved a high compliance rate. We continue to make ongoing efforts to collaborate with shareholders in shaping the future of the company.

Compliance Status of Key Indicator 'Shareholders' in Corporate Governance

Key Indicators	2020	2021	2022	2023
Four weeks' notice of shareholders' meeting ¹	•	•	•	-
Adoption of electronic voting	•	•	•	•
Holding shareholders' meeting on a date that avoids concentration with other companies' shareholders' meetings	•	•	•	•
Notifying shareholders of dividend policy and dividend implementation plan at least once a year	•	•	•	•

1. Due to unavoidable circumstances, the board of directors and the notice of the shareholders' meeting were convened on the fourth week of the accounting year 2023 for maximum attendance by directors.

Enhancement of Shareholder-Friendly Policies

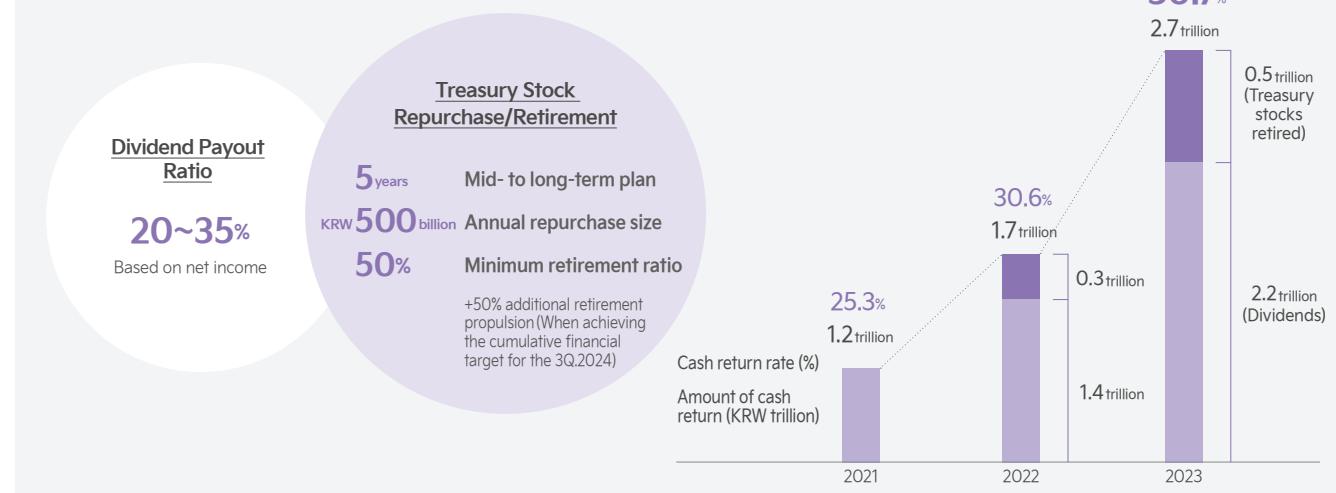
In 2023, Kia has set the dividend per share at KRW 5,600, representing a 60% increase compared to the previous year. We acknowledge the role of shareholders in achieving the company's record-high performance in 2023 and distribute profits to shareholders. Our dividend policy reaches 25% based on net income.

In addition, we have implemented a mid- to long-term share repurchase and cancellation program starting in 2023 to enhance shareholder value and capital efficiency. Accordingly, Kia plans to repurchase shares in the range of KRW 500 billion per year for the next five years, and then burn 50% of the repurchased shares. For 2024, we have decided to conditionally increase the burn rate from 50% to 100%, and the additional 50% will be executed upon the achievement of financial targets as of the third quarter of 2024. We aim to continuously contribute to enhancing shareholder value through the expansion of dividends based on improved profitability and the introduction of a medium- to long-term treasury stock repurchase and retirement program.

Transparent Information Disclosure

In addition to strengthening shareholder-friendly policies, Kia is committed to transparently disclosing company information to ensure the rights of shareholders and other stakeholders. We publish an annual sustainability report that provides a concise overview of our ESG management and business performance. To improve accessibility, our website also presents various information in an easy-to-understand manner. In the latter half of 2023, Kia is disclosing ESG data that has been systematically managed in a more detailed manner. We will continue to take the lead in transparent information disclosure, promoting transparent management and sound governance practices.

Key Policies for Shareholder Returns and Trends in Cash Returns



Tax and Accounting

Tax and Accounting Management

Tax Governance

Kia has clearly defined responsibilities and tasks related to tax reporting and payment, and strictly complies with tax laws through the operation of a dedicated organization. We manage tax risks in all business-related sectors and make final decisions on important tax issues by seeking advice from external experts and referencing tax authority inquiries or authoritative interpretations.

- ▶ Regular approval / review of financial status, financial performance, and operation status of internal accounting management system by the BOD and Audit Committee
- ▶ Monitoring the impact of tax-related policies on our company, such as the revision of tax laws, new rules, and creation of precedents

Tax Policy



Kia does not engage in transactions or contracts that exploit differences in tax laws between countries or loopholes in the international tax system, and faithfully complies with national tax laws and tax treaties by ensuring accurate tax reporting and fulfilling tax payment obligations, thereby maintaining a cooperative and trustworthy relationship with tax authorities. We provide transparent disclosure of our financial status and the feasibility of transactions to investors and stakeholders, making efforts to enhance accounting transparency and reliability.

- ▶ Develop tax policies to comply with tax regulations and mitigate tax-related risks
- ▶ Comply with OECD transfer pricing guidelines and arm's length transaction principles in accordance with local laws and regulations when dealing with foreign related parties

Audit Report



In accordance with the Act on External Audit of Stock Companies, Kia conducts a review of capabilities and suitability every three years to select independent external auditors. The company also discloses consolidated audit reports and individual audit reports, which contain evaluations and opinions on financial status and financial performance.

South Korea	Corporate name	Kia Corporation
	Major roles	Production and sales of finished vehicles
	Total No. of employees	35,737 employees
	Sales	KRW 58,519,958 million
	Profit before tax	KRW 9,903,853 million
	Income taxes payables	KRW 1,183,515 million
	Income Taxes Expenses	KRW 1,879,862 million

India	Corporate name	Kia India Private Limited
	Major roles	Production and sales of finished vehicles
	Total No. of employees	3,420 employees
	Sales	KRW 5,874,857 million
	Profit before tax	KRW 489,605 million
	Income taxes payables	KRW 0
	Income Taxes Expenses	KRW 172,219 million

United States	Corporate name	Kia Georgia, Inc.
	Major roles	Production and sales of finished vehicles
	Total No. of employees	2,967 employees
	Sales	KRW 15,714,725 million
	Profit before tax	KRW 2,938,630 million
	Income taxes payables	KRW 428,391 million
	Income Taxes Expenses	KRW 615,079 million

Slovakia	Corporate name	Kia Slovakia s.r.o
	Major roles	Production and sales of finished vehicles
	Total No. of employees	3,603 employees
	Sales	KRW 11,318,390 million
	Profit before tax	KRW 698,289 million
	Income taxes payables	KRW 99,557 million
	Income Taxes Expenses	KRW 147,284 million

Mexico	Corporate name	Kia Mexico, S.A. de C.V.
	Major roles	Production and sales of finished vehicles
	Total No. of employees	2,269 employees
	Sales	KRW 6,345,201 million
	Profit before tax	KRW 578,879 million
	Income taxes payables	KRW 118,300 million
	Income Taxes Expenses	KRW 135,164 million

Enterprise Risk Management

Risk Management Policy

Enterprise Risk Management

Review of significant ESG risks identified through the company-wide risk management process, based on the results of materiality assessment. The Audit Committee, composed of three independent directors, performs the final oversight of Kia's enterprise-wide risk and operational risk management functions. For more effective risk management, we assign risk management responsibilities at three levels.

First, business division managers identify and manage risks that may arise during business operations. Second, we operate a dedicated organization within the Corporate Strategy Office that implements the company-wide risk sensing and response process and manages the status of risk responses. Third, we have an independent risk organization, the Audit Team, which separately reports the results of internal and external risk monitoring to the Audit Committee for approval.

In addition, the heads of business divisions report on the risk agenda at the monthly management strategy meeting attended by the BOD, and discuss strategies for major financial and non-financial risks.

- ▶ Segmented management of financial risks, including market risk, currency risk, credit risk, and liquidity risk, as well as management / supervision by the Audit Committee
- ▶ (Financial risk) Market risk, currency risk, credit risk, liquidity risk segmentation management and audit committee management/supervision
- ▶ Operating an internal accounting management system to mitigate risks of financial reporting irregularities and ensure robust internal accounting practices
- ▶ Establishing an enterprise-wide ESG risk management system centered around the Sustainability Management Committee - Discussion of key sustainability management issues and reporting on the current status/progress of ESG task implementation and plans
 - Deliberation and resolution of major policies related to ethical management and social contribution
- ▶ Reflection of ESG factors in KPI for each division
- ▶ Independent directors responsible for risk management: 3 members on the Audit Committee

Risk Management Policy

Risk Management Policy

Kia aims to proactively prevent significant management risks that may arise directly or indirectly from our business activities in accordance with our risk management policy and promote sustainable growth.

Goal	Risk identification and response in the course of business activities		
Policy	1. Implementing integrated management of financial and nonfinancial risks	2. Operation of Systematic risk management governance	3. Transparently disclosing risk management activities and response status through public disclosure
	① Financial risk pertains to risks that may arise from financial issues, while non-financial risk refers to risks that may arise from factors such as the environment, society, and governance ② Conducting various activities to comprehensively identify and efficiently manage risks across the organization by consistently measuring and managing both financial and nonfinancial risks	① The BOD is responsible for managing and overseeing corporate risks. ② Through regular management consultative bodies, major issues related to financial and non-financial risks, permissible scope, and response strategies are discussed. ③ Through regular working-group council, practically reviewing deliberation items from the BOD and management strategy meetings and efficiently handling tasks for smooth implementation of overall tasks.	① Business Report ② Corporate Governance Report ③ Sustainability Report

Risk Management System



Risk Management Areas

Kia identifies risks affecting business performance and manages them by categorizing them into different segments to establish a mid- to long-term response system. Response strategies are established for identified risks in accordance with the risk management process, and they are managed and integrated across the entire organization. Furthermore, we execute stress testing to enhance risk management and operate a risk assessment model which identifies risks early in collaboration with related business departments.

Environmental risk	Financial risk	Business risk	Operational risk
· Climate change · Domestic and international regulations · Disasters	· Market economy · Exchange rate changes · Credit rating volatility · Liquidity fluctuations	· Strategy establishment · Investors · Competitors · Technological change	· Process · Workforce · Partner companies · Infrastructure

Enterprise Risk Management

Risk Management Process and Action

Key Risk Response

We define key risks to be managed by considering business impact and predictability, and focus on strategic risks that are difficult to predict in advance and have high business impact. For identified risks, we apply a risk management framework that analyzes internal/external, predictability, management approach (proactive or reactive), duration (short, medium, or long term), and business impact (low, medium, or high).

In addition, a comprehensive report on enterprise-wide risk management to the CEO, which reports the results of risk exposure analysis, is conducted monthly, and decisions on major issues are discussed and made at the Risk Management Committee, which meets quarterly. Kia will continue to enhance its integrated management system for financial and non-financial risks to ensure sustainable growth and business operations.

Emerging Risk Management

Category	Definition / explanation of risks	Potential business impact	Risk response activities
Regulatory risks arising from mandatory ESG disclosure and due diligence	With the growing impact of ESG on businesses and society, there is an increasing need for transparent disclosure of ESG performance and strategies. In particular, there has been a vigorous effort to establish and mandate globally standardized disclosure guidelines for comparing ESG performance among companies.	The ISSB under the IFRS and the CSRD of the EU demand companies to enhance their scope and level of ESG information management, with a possible effective date of 2026. Expanding the information management scope to encompass consolidated standards, failure to conduct information management at the business report level may lead to legal violations and lower ESG levels.	Kia has established a data platform and launched a dedicated website to improve its ESG data management system. We also plan to strengthen ESG-related issues by establishing a top decision-making system based on ESG to discuss issues and improve responses through ESG councils at home and abroad.
Regulatory risks related to the implementation of a circular economy for plastics	According to the strategy for building a circular economy for plastics announced in 2018 by the European Commission, the EU prohibited the use of significant single-use plastics in 2021. Recently, this has been followed by an increase in regulations on the use of vehicle plastics, in addition to household/disposable plastics. In particular, we are promoting the implementation of regulations that require the use of waste plastics in new vehicles. In addition, in Korea, the government has identified the establishment of a circular economy for plastics as a major national priority, and similar to Europe, the introduction of regulations mandating the use of waste plastic in new vehicles is expected.	It is anticipated that there will be a shortage of high-quality waste plastics that meet the current safety and quality requirements for new vehicles when regulations mandating the use of recycled plastic materials in new vehicles are enforced. This can lead to higher prices of recycled plastic materials, risk of production disruption due to supply shortages, and regulatory risks. Moreover, if the European End-of-Life-Vehicles (ELV) regulations are introduced in Korea, it may affect Kia's business.	In 2024, Kia set a goal of utilizing more than 20% recycled plastic by 2030. In the short term, we will focus on developing and ensuring the quality of recycled parts that can be applied proactively, such as wheel guards and floor carpets, and by the target date, we plan to develop technologies for high recycled plastic content and cost reduction and apply them to 128 recycled plastic parts such as crash pads, seat foam, bumpers, and exterior lamps. In addition, we are focusing on research and development and implementation of related technologies such as plastic recovery from waste vehicle parts.
Technology risks of expanded use of IT	Information technology (IT) risks are becoming increasingly important as Kia's business strategy moves toward sustainable mobility. The South Korean government has announced a goal of achieving more than 50% penetration of autonomous vehicles by 2035. Traditionally, IT risks have been limited to privacy issues for electronic corporate or customer data, but as automotive and IT convergence technologies, such as autonomous driving, evolve, they are also gaining prominence in the automotive industry.	Due to the EV transition and the increasing integration of vehicle informatization services, SW is becoming an increasingly important part of a vehicle's development cost, which may impact Kia's future mobility strategy. In addition, while automation technology currently assists driving, such as Kia's ADAS system, imperfections in future AI and autonomous driving technologies may result in legal liability in the event of an accident.	Kia continues to work with partners to ensure that future technologies are utilized safely in the real world. We continue to invest in promising technologies that can be integrated into future mobility technologies such as robotics and artificial intelligence (AI). As of 2024, KRW 15 trillion is earmarked for investment in future businesses, with 24% of the total planned to be invested in PBV and Robotics/AAM.

Stakeholder Engagement

Considering various issues and industry characteristics, Kia categorizes its stakeholders into six major groups: shareholders/investors, customers/dealers, employees, suppliers, local communities, and governments/NGOs, and operates communication channels that take into account the issues of interest to each group. Stakeholders' opinions are utilized to enhance management strategies and business models and to establish sustainable strategies, and the results are transparently disclosed through the Sustainability Report.

Stakeholder Communication Channel

Kia operates various communication channels to identify the needs of key stakeholders. We share key stakeholder opinions and perspectives with the entire organization, and report issues with high business/external impact to internal ESG governance, such as the Sustainability Management Committee under the BOD, for active resolution.

Stakeholder	Shareholders and investors	Customers and dealership	Employees	Suppliers	Local communities	Government /NGO
Major interest	<ul style="list-style-type: none"> · Economic performance · ESG risk management · BOD transparency · Protection of shareholder's rights 	<ul style="list-style-type: none"> · Expansion of EV lineups · Investment and development technologies for improving fuel efficiency of internal combustion engine (ICE) vehicles · Product safety / quality control · Client satisfaction · Brand image 	<ul style="list-style-type: none"> · Organizational culture and evaluation / compensation · Respect for human rights and diversity of employees · Employee competency enhancement · Labor-management relations · Sharing of corporate management situation · Workplace safety and health 	<ul style="list-style-type: none"> · ESG risk management within suppliers (evaluation and improvement) · Supporting suppliers carbon neutrality promotion and shared growth · Supporting suppliers safety and security management 	<ul style="list-style-type: none"> · Strategic social contribution · Job creation and retention · Improving the environmental efficiency of business sites · Biodiversity assessment and protection related to business activities 	<ul style="list-style-type: none"> · Business ethics · Building infrastructure · Response to fuel economy regulations · Environmental investment
Communication channel	<ul style="list-style-type: none"> · General shareholders' meeting · Company briefing · IR meeting · Disclosure and homepage · Sustainability Management Committee 	<ul style="list-style-type: none"> · Motor show and new car launch events · Test drive service · Customer satisfaction survey · Homepage and social media · Sports sponsorship · Dealership-related events 	<ul style="list-style-type: none"> · Grievance handling system · Future Vehicle Committee · Labor union · Occupational Safety and Health Committee 	<ul style="list-style-type: none"> · Mutual growth portal site · HMG partner system · Transparent purchasing report center · Global win-win cooperation center (GPC portal) · Seminars and training 	<ul style="list-style-type: none"> · Community contribution program · Communication with local communities nearby business sites · Recruiting program · Sustainability Report 	<ul style="list-style-type: none"> · Public hearing on policy establishment · Policy meetings and briefings · Press release

ESG Factbook



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Financial Data

Summary of Consolidated Statement of Financial Position and Key Ratios

(Unit: KRW million)

Category	2021	2022	2023
Assets			
I. Current assets	29,205,483	34,147,147	37,466,302
II. Non-current assets	37,644,514	39,563,818	43,161,524
Total assets	66,849,997	73,710,965	80,627,826
Liabilities			
I. Current liabilities	21,562,636	25,377,803	25,674,105
II. Non-current liabilities	10,374,805	8,990,081	8,395,486
Total liabilities	31,937,441	34,367,884	34,069,591
Capital			
I. Common stock	2,139,317	2,139,317	2,139,317
II. Additional paid-in capital	1,560,650	1,560,650	1,560,650
III. Retained earnings	31,682,932	36,320,754	43,270,759
IV. Accumulated other comprehensive income	-406,392	-610,514	-220,991
V. Other capital items	-66,078	-72,269	-197,351
VI. Non-controlling interests	2,127	5,143	5,851
Total capital	34,912,556	39,343,081	46,558,235
Total liabilities and equity	66,849,997	73,710,965	80,627,826
Shareholders' equity ratio (equity/assets)	52.23%	53.37%	57.74%
Debt to equity ratio (debt/equity)	91.48%	87.35%	73.18%

Summary of Consolidated Income Statement

(Unit: KRW million)

Category	2021	2022	2023
Sales	69,862,366	86,559,029	99,808,420
Cost of sales	56,937,165	68,536,010	77,179,573
Gross profit	12,925,201	18,023,019	22,628,847
Operating profit	5,065,685	7,233,120	11,807,873
Earnings before income taxes	6,393,781	7,501,993	12,677,344
Income tax expenses	1,633,470	2,093,017	3,899,527
Net income	4,760,311	5,408,976	8,777,817

Consolidated Cash Flow Statement

(Unit: KRW million)

Category	2021	2022	2023
I. Cash flows from operating activities	7,359,670	9,333,186	11,296,526
II. Cash flows from investing activities	-4,423,910	-5,671,268	-3,106,766
III. Cash flows from financial activities	-1,620,519	-3,454,447	-5,596,331
IV. Effect of exchange rate changes in foreign currency denominated cash	57,772	-187,209	205,741
V. Net increase or decrease in cash and cash equivalents	1,373,013	20,262	2,799,170
VI. Net increase or decrease in cash and cash equivalents at the beginning of the term	10,160,697	11,533,710	11,553,972
VII. Net increase or decrease in cash and cash equivalents at the end of the term	11,533,710	11,553,972	14,353,142

Sales Performance Results

Category	Unit	2021	2022	2023	Rate of Change
Sales volume ¹	1,000 vehicles	2,961	2,897	3,016	4.11%
Sales	KRW trillion	69.9	86.6	99.8	15.24%
Operating profit	KRW trillion	5.1	7.2	11.6	61.11%

1. The number of vehicles sold is based on local retail sales (CKD sales are included)

No. of Eco-Friendly Vehicles Sold (In retail)¹

(Unit: Vehicles)

Category	2021	2022	2023
HEV	142,089	252,868	305,585
PHEV	66,457	76,445	88,254
EV	106,218	157,846	181,934
Total	314,764	487,159	575,773

1. The number of vehicles sold is based on local retail sales (CKD sales are included)

Environmental | Climate change

GHG Emissions (Scope 1 & 2)

Data coverage: Domestic+Overseas Production Sites

	Category	Unit	2021	2022	2023
GHG Emissions (Scope 1 & 2)	Total emissions (Scope 1 & 2)	Thousand tCO ₂ eq	1,139.1	1,166.9	1,130.9
	Direct emissions (Scope 1)	Thousand tCO ₂ eq	365.1	379.9	354.0
	- Domestic	Thousand tCO ₂ eq	260.5	266.0	244.6
	- Overseas	Thousand tCO ₂ eq	104.7	113.9	109.3
	Indirect emissions (Scope 2)	Thousand tCO ₂ eq	774.0	787.0	776.9
	- Domestic	Thousand tCO ₂ eq	470.2	467.3	454.4
	- Overseas	Thousand tCO ₂ eq	303.8	319.6	322.6
	GHG emissions intensity (Scope 1+2)	tCO ₂ eq/Units	0.48	0.44	0.41
	- Domestic	tCO ₂ eq/Units	0.60	0.58	0.52
	- Overseas	tCO ₂ eq/Units	0.36	0.31	0.30

1. slight change due to decimalization changes from prior year's published data

Ratio of eco-friendly vehicles in sales

Data coverage: Domestic

	Category	Unit	2021	2022	2023
Eco-friendly vehicles (HEV, PHEV, EV)	Ratio of eco-friendly vehicles in sales ¹	%	15.7	23.5	26.3

1. Based on the management accounting standards

GHG Emissions (Scope 3)

Data coverage: Domestic+Overseas Business Sites

	Category	Unit	2023
GHG Emissions (Scope 3)	Total emissions (Scope 3)	tCO ₂ eq	99,498,189
	- Purchased Goods and Services ¹	tCO ₂ eq	17,176,301
	- Capital goods ²	tCO ₂ eq	1,876
	- Fuel- and energy-related activities not included in Scope 1 & 2 ³	tCO ₂ eq	185,811
	- Upstream transportation and distribution ⁴	tCO ₂ eq	34,952
	- Waste generated in operations ⁵	tCO ₂ eq	60,863
	- Business travel ²	tCO ₂ eq	11,066
	- Employee commuting ²	tCO ₂ eq	47,932
	- Upstream leased assets ⁵	tCO ₂ eq	4,539
GHG Emissions (Scope 3)	- Downstream transportation and distribution ⁶	tCO ₂ eq	1,311,642
	- Use of sold products ⁷	tCO ₂ eq	79,327,632
	- End of life treatment of sold products ⁸	tCO ₂ eq	1,199,140
	- Investments ⁹	tCO ₂ eq	136,435

1. Emission factors for raw materials (steel, aluminum, plastics, etc.) using global universal LCI DB and including Scope 1 and 2 emissions of some domestic component suppliers (scope of suppliers will be expanded in the future)

2. Emissions from overseas site (KaGA, KaSK, KCN, KIN, KMX)

3. Upstream emissions of used energy (electricity, LNG, gasoline, diesel, etc.)

4. Emissions from transportation and logistics of parts supplied to domestic production sites

5. Emissions from energy usage of leased assets among overseas entities

6. Transportation and logistics emissions of products (completed vehicles)

7. Emissions based on 200,000 km of driving distance (previously 150,000 km) * Excludes Well to Tank emissions of energy (oil/electricity) required to operate vehicles

8. Total recycling/incineration/landfill emissions

9. Scope 1&2 emissions of companies in which own 20-50% of the shares

ESG Data

Environmental | Climate change

Energy consumption¹

Data coverage: Domestic+Overseas Production Sites

	Category	Unit	2021	2022	2023
Total energy consumption	Total Consumption (MWh)	MWh	3,684,535	3,794,359	3,637,639
	- Domestic	MWh	2,443,496	2,467,659	2,322,506
	- Overseas	MWh	1,241,039	1,326,700	1,315,133
	Total Consumption (TJ)	TJ	19,405	19,763	19,036
	- Domestic	TJ	14,937	14,987	14,301
	- Overseas	TJ	4,468	4,776	4,734
Non-renewable energy consumption	Total Consumption (MWh)	MWh	3,544,881	3,653,010	3,486,109
	Total Consumption (TJ)	TJ	18,902	19,255	18,484
	-Domestic	TJ	14,937	14,987	14,292
	Fuel	TJ	5,112	5,221	4,797
	Electricity	TJ	9,824	9,766	9,495
	-Overseas	TJ	3,965	4,267	4,192
Renewable energy consumption	Fuel	TJ	1,867	2,130	2,009
	Electricity	TJ	2,098	2,137	2,184
	Total Consumption (MWh)	MWh	139,654	141,349	151,575
	- Domestic	MWh	-	38	1,024
	- Overseas	MWh	139,654	141,310	150,551
	Total Consumption (TJ)	TJ	503	509	551
- Domestic	- Domestic	TJ	-	0.3	9
	- Overseas	TJ	503	509	542

1. Changes to prior year data (2021 to 2022) due to data range redefinition

Energy intensity of use

Data coverage: Domestic+Overseas Production Sites

	Category	Unit	2021	2022	2023
	Total energy intensity of use	MWh/100 million KRW	5.28	4.38	3.64
	- Non-renewable energy intensity of use	MWh/100 million KRW	5.08	4.22	3.49
	- Renewable energy intensity of use	MWh/100 million KRW	2.58	2.61	1.52

Environmental | Pollutants & Chemicals

Pollutants & Chemicals

Data coverage: Domestic

	Category	Unit	2021	2022	2023
Water Pollutants	BOD emissions	ton	19.5	22.8	14.8
	BOD emissions intensity	ton/KRW trillion	0.5	0.5	0.3
	COD emissions	ton	71.6	82.2	67.4
	COD emissions intensity	ton/KRW trillion	1.8	1.8	1.2
	TOC emissions	ton	44.7	51.4	42.1
	TOC emissions intensity	ton/KRW trillion	1.1	1.1	0.7
Air Pollutants	SS emissions	ton	8.7	7.7	10.4
	SS emissions intensity	ton/KRW trillion	0.2	0.2	0.2
	Dust emissions ¹	ton	68.1	71.6	65.6
	Dust emission intensity	ton/KRW trillion	1.7	1.5	1.1
	SOx emissions ¹	ton	1.5	6.1	19.9
	SOx emission intensity	ton/KRW trillion	0	0.1	0.3
Chemical substance	NOx emissions ¹	ton	145.9	155.2	127.5
	NOx emission intensity	ton/KRW trillion	3.6	3.3	2.7
	Chemical substance disposal intensity ²	ton/KRW trillion	63.8	57.6	36.2
	Hazardous chemical substance disposal intensity	kg/Unit	0	0	0

1. Modifying air pollutant data from the previous year by changing from self-management standards to government-based reporting values

2. Change in Data Calculation Method (Handling Volume → Emission Volume) and Update of 2021-2022 Data

ESG Data

Environmental | Resource Circulation

Waste

		Data coverage: Domestic			
Category		Unit	2021	2022	2023
Generation	Total waste generated	ton	210,532	199,934	231,938
	- General waste generated	ton	202,107	191,796	222,292
	- Designated waste generated	ton	8,425	8,138	9,646
	- Waste generation intensity	ton/KRW trillion	5,138	4,308	3,963
Recycling	Total waste recycled	ton	197,548	187,594	216,537
	- General waste recycled	ton	193,775	183,853	212,111
	- Designated waste recycled	ton	3,773	3,741	4,427
	Total recycling ratio	%	93.8	93.8	93.4
Treatment	Total waste treated	ton	12,985	12,340	15,401
	General waste	ton	8,333	7,943	10,181
	- Incineration (energy recovery excluded)	ton	7,097	7,308	9,736
	- Landfill	ton	1,236	635	445
Recycling of end-of-life vehicles	Designated waste	ton	4,652	4,397	5,219
	- Incineration (energy recovery excluded)	ton	4,556	4,376	5,110
	- Landfill	ton	96	21	109
	Data coverage: Domestic				

Recycling of end-of-life vehicles

		Data coverage: Domestic			
Category		Unit	2021	2022	2023
Recycling of End-of-Life Vehicles	Recycling rate of end-of-life vehicles	%	82.6	82.4	82.5
	Including heat recovery	%	92.0	91.0	91.0
Amount of Resources Recovered When Dismantling Cars	Recovery weight	ton	195,370	199,606	199,871

Raw Materials

		Data coverage: Domestic			
Category		Unit	2021	2022	2023
Main raw materials ¹	Total usage	ton	267,208.3	267,267.7	281,528.8
	Intensity of use	kg/unit	218.5	211.0	208.1
- Iron	Total usage	ton	193,865.8	195,570.7	207,142.7
	Intensity of use	kg/대	158.5	154.4	153.1
- Thinner	Total usage	ton	4,999.6	4,968.8	4,107.2
	Intensity of use	kg/unit	4.1	3.9	3.0
- Paint	Total usage	ton	16,036.5	17,806.4	18,955.5
	Intensity of use	kg/unit	13.1	14.1	14.0
- Aluminum	Total usage	ton	52,306.5	48,921.8	51,323.5
	Intensity of use	kg/unit	42.8	38.6	37.9

1. Recalibrate key raw materials to include aluminum

Water Consumption

		Data coverage: Domestic			
Category		Unit	2021	2022	2023
Water intake	Total water intake	m ³ (ton)	6,755,826	7,006,517	6,343,388
	- Waterworks	m ³ (ton)	5,261,166	5,627,986	5,040,540
	- Underground water	m ³ (ton)	1,494,660	1,378,531	1,302,848
	Water intake from high water stress areas	m ³ (ton)	1,498,253	1,633,092	1,421,762
Water withdrawal	- Waterworks	m ³ (ton)	885,268	1,000,485	897,377
	- Underground water	m ³ (ton)	612,985	632,607	524,385
	Total water withdrawal	m ³ (ton)	4,894,039	4,737,786	4,645,326
	Water withdrawal to high water stress areas	m ³ (ton)	1,384,872	1,409,389	1,279,843
Water consumption	Total consumption	m ³ (ton)	1,861,787	2,268,731	1,698,062
	Water consumption in high water stress areas	m ³ (ton)	113,381	223,703	141,919
Water reuse ¹	Amount of reuse	m ³ (ton)	292,536	324,827	269,342

1.Changes to prior year data (2021 to 2022) due to data range redefinition, Only AutoLand Hwaseong figures are counted

ESG Data

Environmental | Resource Circulation

Water Consumption by Business Site

Data coverage: Domestic

	Category	Unit	2021	2022	2023
AutoLand Gwangmyeong	Total water intake	m³(ton)	1,498,253	1,633,092	1,421,762
	- Waterworks	m³(ton)	885,268	1,000,485	897,377
	- Underground water	m³(ton)	612,985	632,607	524,385
	Water withdrawal	m³(ton)	1,384,872	1,409,389	1,279,843
	Water consumption	m³(ton)	113,381	223,703	141,919
	Total water intake	m³(ton)	3,450,012	3,525,286	3,062,939
AutoLand Hwaseong	- Waterworks	m³(ton)	3,450,012	3,525,286	3,062,939
	- Underground water	m³(ton)	0	0	0
	Water withdrawal	m³(ton)	2,508,317	2,284,497	2,159,070
	Water consumption	m³(ton)	941,695	1,240,789	903,869
	Total water intake	m³(ton)	1,807,561	1,848,139	1,858,687
	- Waterworks	m³(ton)	925,886	1,102,215	1,080,224
AutoLand Gwangju	- Underground water	m³(ton)	881,675	745,924	778,463
	Water withdrawal	m³(ton)	1,000,850	1,043,900	1,206,413
	Water consumption	m³(ton)	806,711	804,239	652,274

Environmental | Environmental Investment and Legal Compliance

Environmental Investment at Business Sites

Data coverage: Domestic

	Category	Unit	2021	2022	2023
Plan		KRW thousand	12,135,500	5,663,000	7,784,000
Performance		KRW thousand	12,081,759	7,886,400	13,781,463
Execution rate	%		99.6	139.3	177.0

Environmental Management Cost

Data coverage: Domestic

	Category	Unit	2021	2022	2023
Total cost		KRW thousand	16,628,136	19,209,250	27,878,383
- Direct cost to reduce environmental loads		KRW thousand	8,125,271	10,778,863	18,664,218
- Indirect costs to reduce environmental loads		KRW thousand	2,256,565	2,158,881	2,092,114
- Waste treatment and recycling		KRW thousand	6,238,141	6,219,872	7,106,722
- Environmental risk management		KRW thousand	8,160	51,634	15,329

Violation of Environmental Laws¹

Data coverage: Domestic

	Category	Unit	2021	2022	2023
Violation of laws		Case	0	0	0
Penalty and fines		KRW thousand	0	0	0

1. Number of serious violations of environmental laws over \$10,000

Environmental Management System Certification

Data coverage: Domestic+Overseas Production Sites

	Category	Unit	2021	2022	2023
ISO 14001 ratio		%	100	100	100
ISO 50001 ratio		%	100	100	100
Internal safety environment audit ratio (KIA SEMS)		%	100	100	100

ESG Data

Social | Employees Status

No. of Employees (Korea)

	Category	Unit	2021	2022	2023
Total no. of employees	Persons	35,501	35,847	35,741	
By employment type	Regular worker	Persons(%)	34,562(97.4)	34,260(95.6)	33,641(94.1)
	Non-regular worker	Persons(%)	939(2.6)	1,587(4.4)	2,100(5.9)
By gender	Male	Persons(%)	34,082(96.0)	34,335(95.8)	34,057(95.3)
	Female	Persons(%)	1,419(4.0)	1,512(4.2)	1,684(4.7)
By age	Under 30	Persons(%)	1,017(2.9)	2,160(6.0)	2,539(7.1)
	31-49	Persons(%)	12,976(36.6)	14,077(39.3)	13,391(37.5)
By nationality	50 and above	Persons(%)	21,508(60.6)	19,610(54.7)	19,811(55.4)
	Korean	Persons(%)	35,483(99.949)	35,830(99.953)	35,723(99.950)
	American	Persons(%)	5(0.014)	5(0.014)	6(0.017)
	Canadian	Persons(%)	4(0.011)	3(0.008)	3(0.008)
	New Zealander	Persons(%)	2(0.006)	1(0.003)	2(0.006)
	Australian	Persons(%)	0(0.000)	1(0.003)	1(0.003)
	French	Persons(%)	1(0.003)	1(0.003)	1(0.003)
	Swiss	Persons(%)	1(0.003)	1(0.003)	1(0.003)
	Belgian	Persons(%)	1(0.003)	1(0.003)	1(0.003)
	Spanish	Persons(%)	1(0.003)	1(0.003)	1(0.003)
	Portuguese	Persons(%)	1(0.003)	1(0.003)	0(0.000)
	Japanese	Persons(%)	1(0.003)	1(0.003)	1(0.003)
	Taiwanese	Persons(%)	1(0.003)	1(0.003)	1(0.003)

No. of Employees (Overseas)

	Category	Unit	2021	2022	2023
Regional headquarters	Kia NA	Persons	784	842	933
	Kia EU	Persons	191	200	1,405
	Kia RUS & CIS	Persons	204	176	114
	Kia CSA	Persons	13	19	24
	Kia MEA	Persons	13	18	26
	Kia APAC	Persons	17	18	19
Production entity	Kia India ¹	Persons	3,196	4,073	3,831
	KaGA	Persons	2,973	3,135	3,351
	KMX	Persons	2,242	2,196	2,196
	KaSK	Persons	3,872	3,912	3,909
	KCN	Persons	4,325	4,202	3,908

1. Including India production entity

Position by Age

Data coverage: Domestic

	Category	Unit	2021	2022	2023
Age under 30	Persons	1,017	2,160	2,539	
- Non manager level (G1, G2) ¹	Persons	1,017	2,160	2,539	
- Manager level (G3 or higher)	Persons	0	0	0	
- Executive level	Persons	0	0	0	
Age 30-49	Persons	12,976	14,077	13,391	
- Non manager level (G1, G2) ¹	Persons	10,871	11,600	10,788	
- Manager level (G3 or higher)	Persons	2,105	2,477	2,589	
- Executive level	Persons	6	10	14	
Age 50 or above	Persons	21,508	19,610	19,811	
- Non manager level (G1, G2) ¹	Persons	18,657	17,029	17,362	
- Manager level (G3 or higher)	Persons	2,851	2,581	2,310	
- Executive level	Persons	139	128	139	

1. Non manager level (including G1, G2, engineer, auto-consultant, etc.)

ESG Data

Social | Employees Diversity

Gender Diversity

			Data coverage: Domestic		
			2021	2022	2023
Gender balance	Total female employees	Persons(%)	1,419(4.0)	1,512(4.22)	1684(4.71)
	Female managers	Persons(%)	198(4.0)	242(4.78)	301(5.96)
	Female low-level managers	Persons(%)	144(7.69)	173(9.07)	211(10.74)
	Executive female employees	Persons(%)	3(2.07)	2(1.45)	3(1.96)
	Female managers in sales generating departments	Persons(%)	139(3.24)	179(4.08)	229(5.24)
	Female new hires	Persons(%)	109(1.9)	158(9.52)	209(10.9)
	Female employees in STEM ¹ departments	Persons(%)	533(2.02)	541(2.29)	626(2.6)

1. STEM: Science, Technology, Engineering, Mathematics

Workforce Diversity

			Data coverage: Domestic		
			2021	2022	2023
Employment of the disabled ¹	Total no. of the disabled	Persons(%)	1,163(3.53)	1,200(3.51)	1,066(3.25)
Employment of veterans	Total no. of veterans	Persons(%)	889(2.50)	827(2.31)	869(2.43)
Employment by nationality (manager level)	Total no. of managers	Persons(%)	4,956(100)	5,058(100)	5,052(100)
	- Korean	Persons(%)	4,941(99.70)	5,044(99.72)	5,036(99.68)
	- American	Persons(%)	4(0.08)	5(0.10)	5(0.10)
	- Canadian	Persons(%)	3(0.06)	2(0.04)	3(0.06)
	- New Zealander	Persons(%)	2(0.04)	1(0.02)	2(0.04)
	- Australian	Persons(%)	0(0.00)	1(0.02)	0(0.00)
	- French	Persons(%)	0(0.00)	0(0.00)	1(0.02)
	- Swiss	Persons(%)	1(0.02)	1(0.02)	1(0.02)
	- Belgian	Persons(%)	1(0.02)	1(0.02)	1(0.02)
	- Spanish	Persons(%)	1(0.02)	1(0.02)	1(0.02)
	- Portuguese	Persons(%)	1(0.02)	1(0.02)	0(0.00)
	- Japanese	Persons(%)	1(0.02)	1(0.02)	1(0.02)
	- Taiwanese	Persons(%)	1(0.02)	1(0.02)	1(0.02)

1. Reporting standards of the Ministry of Employment and Labor

Social | Employee Education

Training Status

			Data coverage: Domestic		
			2021	2022	2023
Employee training	Training target employees	Persons	34,562	34,260	33,225
	Total no. of training provided	Numbers	109,382	176,796	308,794
	Total training hours	Hours	1,139,177	1,238,622	1,575,895
	Total training investment budget	KRW 100 million	105.4	109.6	176.6
	Average training hours per employee	Hours	33.0	36.2	47.4
Training hours per capita for each job / position ¹	Average training cost per employee	KRW thousand	305	320	531
	Office job	Hours	25	37	79
	- Top manager level (executive)	Hours	13	20	69
	- Middle manager level (team leader)	Hours	34	52	67
By training program	- Non-manager level (team member)	Hours	24	37	81
	Field workers	Hours	35	36	38
	Job	Hours	24	37	46
	Leadership	Hours	27	42	58

1. Calculation method: training hours / training participants

Human Capital Return on Investment (ROI)

			Data coverage: Domestic		
			2021	2022	2023
Total return from human capital investment	KRW million	69,862,366	86,559,029	99,808,420	
Human capital investment operating expenses	KRW million	7,859,516	10,789,899	11,020,974	
Total employee-related expenditure (salary + welfare cost) ¹	KRW million	1,462,906	1,695,067	1,906,209	
Human capital ROI ²	-	43.4	45.7	47.6	

1. Restated 2021-2023 data to reflect additional bonus costs in employee-related expenses

2. Total revenue - (total operating expenses - total employee-related expenses) / total employee-related expenses

Education Satisfaction

			Data coverage: Domestic		
			2021	2022	2023
Education satisfaction ¹	Points	4.4	4.6	4.7	

1. Based on a 5-point scale

ESG Data

Social | Employee Hires and Turnover

New Hires

		Data coverage: Domestic			
Category		Unit	2021	2022	2023
Total newly hired employees	Persons	Persons	600	901	836
By gender	Male employees	Persons	491	743	627
	Female employees	Persons	109	158	209
By age	Under 30	Persons	374	545	527
	31-49	Persons	210	305	276
	50 and above	Persons	16	51	33
	Headquarters	Persons	240	270	355
By region	Gwangmyeong	Persons	71	160	75
	Hwaseong	Persons	118	228	163
	Gwangju	Persons	53	127	69
	Namyang Research Lab	Persons	5	10	23
	Others	Persons	113	106	151
	Korea	Persons	595	900	835
	USA	Persons	2	0	1
	China	Persons	0	0	0
By nationality	India	Persons	0	0	0
	Others	Persons	3	1	0

Internal Recruitment

		Data coverage: Domestic			
Category		Unit	2021	2022	2023
Total employees internally hired	Internal recruitment ¹	Persons	341	554	767
Internal recruitment rate ²	%		36.2	38.1	47.8

1. No. of recruits through veterans, in-house open recruitment, in-house FA, etc

2. Internal recruitment/Total vacancies(new hires+internal hires)

* 2021-2023 data changes due to changes in 2023 and calculation standards

Recruitment Cost

		Data coverage: Domestic			
Category		Unit	2021	2022	2023
Average recruitment cost per employee	KRW	KRW	1,051,625	1,439,457	2,437,779

Turnover

		Data coverage: Domestic			
Category		Unit	2021	2022	2023
Total voluntary turnover	Turnover	Persons	1,047	1,517	1,441
	Turnover rate	%	3.0	4.2	4.03
By gender	Male employees	Persons	1,005	1,461	1,385
	Female employees	Persons	42	56	56
By age	20s	Persons	38	84	58
	30s	Persons	64	84	53
	40s	Persons	41	35	35
	50s	Persons	66	172	86
By region	60s or above	Persons	838	1,142	1,209

Voluntary Turnover¹

		Data coverage: Domestic			
Category		Unit	2021	2022	2023
Total voluntary turnover	Voluntary turnover	Persons	107	270	150
	Voluntary turnover rate	%	0.3	0.8	0.42
By gender	Male employees	Persons	98	240	127
	Female employees	Persons	9	30	23
By age	20s	Persons	13	63	37
	30s	Persons	36	63	28
	40s	Persons	17	23	17
	50s	Persons	27	117	59
By region	60s or above	Persons	14	4	9

1. All turnover except regular retirement or layoffs

Retention

		Data coverage: Domestic			
Category		Unit	2021	2022	2023
Retention	Average retention period	Years	22.4	22.4	21.9
	- Male employees	Years	22.7	22.7	22.3
	- Female employees	Years	15.2	15.2	14.4

ESG Data

Social | Labor and Human Rights

Survey on Employee Work Engagement

Data coverage: Domestic+Overseas

	Category	Unit	2021	2022	2023
Double engagement ¹	Total (domestic / overseas)	%	56	66	74
	- Head of Division or Above	%	77	85	89
	- Head of Department	%	77	83	88
	- Section Chief / Department Manager / Operations Manager	%	60	68	78
	- Team Member	%	50	62	70
Data range	Total survey targets	Persons	10,526	10,748	10,725
	No. of survey respondents	Persons	7,732	7,553	8,955
	Participant rate	%	74	70	83

1. Methods for measuring employee double engagement: The percentage of employees who scored 4 or higher on the following two questions: 1) Organizational Engagement (2022 question on eagerness for continuous service: I hope to continue working at our company) and 2) Job Satisfaction (I am satisfied with my current job) (1 point: Strongly Disagree, 5 points: Strongly Agree)

Remuneration¹

Data coverage: Domestic

	Category	Unit	2021	2022	2023
Pay	Average salary for female	Basic salary ²	KRW thousand	59,858	61,306
	Average salary for female executives	Basic salary ³	KRW thousand	186,101	390,500
	Average salary for female executives	Basic salary+ performance -based incentives ⁴	KRW thousand	201,351	458,500
	Average salary for female managers	Basic salary ²	KRW thousand	77,291	81,887
	Average salary for female managers	Basic salary+ performance -based incentives ⁴	KRW thousand	94,981	111,184
Equal pay ⁵	Average salary for female employees in non-managerial positions	Basic salary ²	KRW thousand	56,632	57,255
	Average salary for male	Basic salary ²	KRW thousand	77,628	79,462
	Average salary for male executives	Basic salary ³	KRW thousand	263,855	382,086
	Average salary for male executives	Basic salary+ performance -based incentives ⁴	KRW thousand	308,456	514,658
	Average salary for male managers	Basic salary ²	KRW thousand	85,229	96,089
Equal pay ⁵	Average salary for male managers	Basic salary+ performance -based incentives ⁴	KRW thousand	109,655	129,344
	Average salary for male employees in non-managerial positions	Basic salary ²	KRW thousand	75,185	76,004
	All employees	%	77.1	77.2	76.8
	Executives	%	90.7	102.2	86.8
	Managerial positions	%	75.3	85.2	84.8
	Non-managerial positions	%	70.5	75.3	74.4

1. Based on domestic payment standards (excluding overseas payment personnel and salaries such as expatriates)

2. Includes salary and bonus

3. The executive base salary refers to the contracted annual salary

4. Total annual wages including other compensation

5. Average salary for women / Average salary for men x 100, based on base salary

Childbirth and Childcare¹

Data coverage: Domestic

	Category	Unit	2021	2022	2023
Employees who used parental leave ²	Total	Persons	112	141 ⁵	136
	Male	Persons	71	93	90
	Female	Persons	41	47	46
Employees returning to work after parental leave ³	Total	Persons	93	132	134 ⁶
	Male	Persons	64	87	89
	Female	Persons	29	45	44
Employees working for at least 12 months after returning to work ⁴	Total	Persons	95	93	132
	Male	Persons	64	64	87
	Female	Persons	31	29	45

1. Recalculated prior year (2021-2022) data to apply GRI Standard criteria

2. Originator for the relevant year

3. Returnees from parental leave during the relevant year

4. Employment retention in the current year compared to those who returned in the previous year

5. 6. 1 foreigner included

Grievance Management

Data coverage: Domestic

	Category	Unit	2021	2022	2023
	Grievances handled	Cases	13	17	8
	Grievances handling rate	Cases(%)	13(100)	17(100)	8(100)

Labor Union Membership Rate

Data coverage: Domestic

	Category	Unit	2021	2022	2023
	Union membership rate	%	81.3	82.6	82.1

ESG Data

Social | Product Safety and Customer Satisfaction

Product Recalls

Data coverage : Domestic+Overseas

	Category	Unit	2021	2022	2023
Recalls	Total no. of vehicles recalled	10 thousand vehicles	329	422	751
	- Mandatory (non-voluntary) recalls	10 thousand vehicles	0	0	0
	- Voluntary recalls	10 thousand vehicles	329	422	751
	Cost incurred due to total recalls	KRW 100 million	2,018	2,842	5,748

Consumer Feedback

Data coverage : Domestic

	Category	Unit	2021	2022	2023
No. of consumer feedback and complaint cases addressed	Cases	Cases	11,562	8,818	11,522

Customer Satisfaction Survey

Data coverage : Domestic

	Category	Unit	2021	2022	2023
Customer satisfaction evaluation(NPS) ¹	Points	Points	68.7	69.7	72.2

1. NPS (Net Promoter Score): It refers to an indicator that measures customer satisfaction and loyalty
 [Formula] NPS = Rate of customers who recommend (%) - rate of customers who do not recommend (%)

Social | Safety and Health

Industrial Accidents¹

Data coverage : Domestic+Overseas

	Category	Unit	2021	2022	2023
Employees	No. of regular employees	Persons	49,260	50,213	51,188
	Lost Time Injury (LTI) cases	Cases	158	172	186
	Lost Time Injury Frequency Rate (LTIFR)	1 million working hours	1.10	1.17	1.24
	No. of fatalities	Persons	0	0	1
	No. of industrial accidents	Cases	415	388	457
	Industrial accident rate ¹	%	0.84	0.77	0.89
	No. of occupational disease cases	Cases	257	216	271
Suppliers' employees ²	Occupational Injury Frequency Rate (OIFR) ¹	1 million working hours	1.79	1.47	1.81
	No. of partner companies' employees	Persons	7,185	7,790	9,872
	No. of fatalities	Persons	0	0	0
	Lost Time Injury (LTI) cases	Cases	57	70	67
	Lost Time Injury Frequency Rate (LTIFR)	1 million working hours	2.72	3.08	2.32

1. Due to a change in calculation method, the data for 2020-2021 has been revised

2. In-house suppliers

Serious Incident

Data coverage: Domestic+Overseas

	Category	Unit	2021	2022	2023
No. of serious incidents	Cases	Cases	0	0	1

Safety and Health Education

Data coverage: Domestic

	Category	Unit	2021	2022	2023
Employee	Participation	Persons	33,714	33,790	34,842
	Employees	%	100	100	100
	Training hours	Hours	809,136	815,280	836,208
	Training hours per employee	Hours	24	24	24
Employees	Health and safety education for from suppliers	Hours	65,208	64,824	63,432

ESG Data

Social | Supply Chain

Suppliers Status

Data coverage : Domestic+Overseas

Category	Unit	2023
Total number of suppliers	Numbers	1,478
No. of 1st-tier suppliers	Total number of 1st-tier suppliers	1,454
	- Domestic	372
	- Overseas	1,082
No. of 2nd-tier suppliers	Numbers	55
No. of key suppliers	Numbers	24

Proportion of Purchasing Amounts from Suppliers

Data coverage : Domestic+Overseas

Category	Unit	2021	2022	2023
Proportion of 1st-tier suppliers	%	100	100	100
- Key suppliers	%	-	65	69

Green Procurement Performance and Ratio

Data coverage : Domestic

Category	Unit	2021	2022	2023
Green Procurement Performance	Total procurement amount	KRW million	32,932,500	39,830,700
	Green procurement amount	KRW million	991	2,233
	Green procurement ratio	%	0.003	0.006
				0.798

Handling Complaints from Partner Companies

Data coverage : Domestic

Category	Unit	2021	2022	2023
Complaint resolution rate	%	100	100	100

Suppliers ESG Assessments and Due Diligence Results (2023)

Data coverage : Domestic+Overseas

Category	Unit	2023
ESG risk document review	No. of 1st-tier suppliers	Numbers
	- No. of key 1st-tier suppliers	Numbers
Identification of high-risk suppliers based on document review	No. of key 2nd-tier suppliers	Numbers
	No. of 1st-tier suppliers	Numbers
ESG risk on-site inspection	- No. of key 1st-tier suppliers	Numbers
	No. of 2nd-tier suppliers	Numbers
High-risk suppliers remediation ²	No. of 1st-tier suppliers ¹	Numbers
	- No. of key 1st-tier suppliers	Numbers
	No. of key 2nd-tier suppliers	Numbers
High-risk suppliers remediation ²	No. of suppliers with negative impact	Numbers
	No. of suppliers with an agreed upon remediation plan	Numbers
	No. of suppliers with completion remediation plan	Numbers

1. Including 17 high-risk suppliers identified by document review

2. No high-risk suppliers among core 1st/2nd tier suppliers

Supplier Support Program Performance

Data coverage : Domestic

Category	Unit	2021	2022	2023
Technical guidance	No. of 1st -tier suppliers	Numbers	26	16
	No. of 2nd-tier suppliers	Numbers	83	86
Management consulting	No. of 1st -tier suppliers	Numbers	37	26
	No. of 2nd-tier suppliers	Numbers	18	24
Achievement in training by Global Win-Win Cooperation Center	No. of training programs	Numbers	454	510
	No. of participants	Numbers	59,837	63,082
Smart factory establishment support program	No. of 1st and 2nd-tier suppliers	KRW 100 million	12.5	19
Export marketing support program	No. of 1st and 2nd-tier suppliers	KRW 100 million	0.4	4

ESG Data

Social | Information Security

Information Security Training

Data coverage : Domestic+Overseas

Category	Unit	2021	2022	2023
No. of training sessions	Times	46	55	56
No. of participants	Persons	172,225	246,431	234,965

Information Violation

Data coverage : Domestic+Overseas

Category	Unit	2021	2022	2023
Total information leakages	Cases	0	0	0
Customer information leakages	Cases	0	0	0
Complaints proven to loss of customer information	Cases	0	0	0
Fines for information leakage violation	KRW	0	0	0

Social | Social Contribution

Donations

Data coverage : Domestic

Category	Unit	2021	2022	2023
Cash donation	KRW million	18,442	24,365	90,516
- Social welfare	KRW million	9,586	10,707	13,167
- Education, school and academic research	KRW million	2,095	4,452	4,642
- Culture arts and physical education	KRW million	2,305	1,138	2,323
- Environment	KRW million	2,006	1,045	1,906
- Emergency aid and disaster relief	KRW million	211	2,099	3,530
- International activities	KRW million	400	400	1,717
- Others	KRW million	1,839	4,524	63,231
In-kind donation	KRW million	-	-	-

* 2023 Social Contribution Expenses (Domestic + Overseas)

- Donations: Headquarters 4.69 billion KRW, Domestic Sites 8.81 billion KRW, Group Contribution 77.01 billion KRW

- Social Contribution Expenses: Ocean Cleanup 5.35 billion KRW, Overseas Sites 25.37 billion KRW

Volunteer

Data coverage : Domestic

Category	Unit	2021	2022	2023
Annual no. of participants	Persons	3,946	2,428	2,205
Total hours of volunteer works	Hours	17,608	10,561	7,635
Hours of volunteer works per employee	Hours	0.50	0.30	0.23

Social Investment

Data coverage : Domestic

Category	Unit	2021	2022	2023
Policy contributions	Political contributions	KRW million	0	0
	Lobby and other contributions	KRW million	0	0
Association fees and contributions	Total	KRW million	3,645	6,313
Major association fees and contributions	Foundation of Korea Automotive Parts Industry Promotion	KRW million	1,500	1,500
	Korea Automobile Research Institute	KRW million	243	259
	Korea Traffic Disabled Association	KRW million	70	70

ESG Data

Governance | Board

Board Status

	Category	Unit	2021	2022	2023
BOD Independence	Percentage of independent directors in BOD	%	55.6	55.6	55.6
	Female directors	Persons	1	2	2
BOD Diversity	Female directors ratio	%	11	22	22
	Female registered executives who are not controlling shareholder or a family member	Persons	1	2	2
BOD Expertise ¹	Director with industry experience	%	44	44	44

1. Experience in the automotive industry (Global Industry Classification Standard)

Committees under the Board

	Category	Unit	2021	2022	2023
Audit Committee	Percentage of independent directors	%	100	100	100
	No. of financial experts	Persons	2	1	1
	No. of committee meetings convened	Times	6	5	7
	Independence director attendance rate	%	100	100	100
	No. of agenda resolutions and reports	Cases	11	13	16
Independent Director Candidate Recommendation Committee	Percentage of independent directors	%	60	60	60
	No. of committee meetings convened	Times	1	1	2
	Independence director attendance rate	%	100	100	100
	No. of agenda resolutions and reports	Cases	1	1	2
	Percentage of independent directors	%	66.7	66.7	66.7
Remuneration Committee	No. of committee meetings convened	Times	2	1	1
	Independence director attendance rate	%	100	100	100
	No. of agenda resolutions and reports	Cases	2	2	2
	Percentage of independent directors	%	83.3	83.3	83.3
Sustainability Management Committee	No. of committee meetings convened	Times	6	9	7
	Independence director attendance rate	%	100	100	100
	No. of agenda resolutions and reports	Cases	35	28	29

Board Operation

	Category	Unit	2021	2022	2023
No. of meetings convened	Times		7	8	9
Attendance rate ¹	%		90.5	97.2	97.6
Attendance rate of independent directors	%		100	100	97.8
No. of resolutions and reports	Cases		31	28	35
No. of ESG agenda items reported	Cases		2	1	1
Average term	Years		4.9	4.5	4.8
Limited no. of concurrent positions	Positions		2	2	2

1. Minimum attendance rate for the board of directors: 80%

Shareholding Status of the Largest Shareholder and Management

	Category	Unit	2021	2022	2023
Hyundai Motor Company	Shares, %		137,318,251 (33.88)	137,318,251 (33.88)	137,318,251 (34.16)
Eui-Sun Chung Chairman of Hyundai Motor Company	Shares, %		7,061,331 (1.74)	7,061,331 (1.74)	7,061,331 (1.76)
Shareholding by the CEO and management	Shares, %		27,758 (0.01)	29,758 (0.01)	28,958 (0.02)

ESG Data

Governance | Ethics · Compliance

Violation Cases

Data coverage : Domestic

	Unit	2021	2022	2023
Breaches of the Code of Ethics	No. of cases	Cases	81	52
	No. of violators	Persons	153	105
Code of Conduct	Corruption and bribery	Cases	0	2
	Discrimination and harassment	Cases	0	6
Actions taken for violations of the Code of Ethics	Conflict of interest	Cases	1	0
	Money laundering or insider trading	Cases	2	2
	Other violations	Cases	78	42
	Fire	Cases	8	1
	Suspension	Cases	62	42
	Wage cut	Cases	32	31
	Reprimand	Cases	27	7
	Warning	Cases	19	14
	Others (recommended resignation, etc.)	Cases	5	10
				5

GRI Standards 2021 Index

Name of use	Kia reported sustainability information for the period January 1, 2023 to December 31, 2023 in accordance with the GRI Standards.
Applied GRI 1	GRI 1: Standard 2021

Universal Standards

GRI Standard	Indicators	Page	Remark
2-1	Organizational details	5-7	
2-2	Entities included in the organization's sustainability reporting	140	
2-3	Reporting period, frequency and contact point	140	
2-4	Restatements of information	111-124	Footnotes for information that has changed since last year
2-5	External assurance	138-139	
2-6	Activities, value chain and other business relationships	5-7, Business Report	
2-7	Employees	115-116	
2-8	Workers who are not employees	115	
2-9	Governance structure and composition	101	
2-10	Nomination and selection of the highest governance body	101-102	
2-11	Chair of the highest governance body	101	
2-12	Role of the highest governance body in overseeing the management of impacts	102-104	
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability reporting	21	
2-15	Conflicts of interest	102	
2-16	Communication of critical concerns	104	
2-17	Collective knowledge of the highest governance body	102	
2-18	Evaluation of the performance of the highest governance body	103	
2-19	Remuneration policies	104	
2-20	Process to determine remuneration	104	
2-21	Annual total compensation ratio	104	
2-22	Statement on sustainable development strategy	3-4	
2-23	Policy commitments	19-20	ESG promotion strategy

GRI Standard	Indicators	Page	Remark
2-24	Embedding policy commitments	30, 43, 55, 58-59, 65, 74, 81	Implementing ESG policies governance
2-25	Processes to remediate negative impacts	94-95	
2-26	Mechanisms for seeking advice and raising concerns	94	
2-27	Compliance with laws and regulations	81-83	
2-28	Membership associations	122	
2-29	Approach to stakeholder engagement	109	
2-30	Collective bargaining agreements	119	
3-1	Process to determine material topics	22	
3-2	List of material topics	23	
3-3	Management of material topics	24-27	

GRI Standards 2021 Index

Topic Specific Standards

GRI Standard	Indicators	Page	Reamrk
Material Topic 1. Climate change			
GRI 201. Economic performance	201-1 Direct economic value generated and distributed	111	
	201-2 Financial implications and other risks and opportunities due to climate change	35-37	
	201-3 Defined benefit plan obligations and other retirement plans	Business Report	
	201-4 Financial assistance received from government	Business Report	
GRI 305. Emissions	305-1 Direct (Scope 1) GHG emissions	112	
	305-2 Energy indirect (Scope 2) GHG emissions	112	
	305-3 Other indirect (Scope 3) GHG emissions	112	
	305-4 GHG emissions intensity	112	
	305-5 Reduction of GHG emissions	41	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	113	
GRI 302. Energy	302-1 Energy consumption within the organization	113	
	302-2 Energy consumption outside of the organization	113	
	302-3 Energy intensity	113	
	302-4 Reduction of energy consumption	38	
	302-5 Reductions in energy requirements of products and services	34, 39	
Material Topic 2. Circular Economy			
GRI 301. Materials	301-1 Materials used by weight or volume	114	
	301-2 Recycled input materials used	45, 51	
	301-3 Reclaimed products and their packaging materials	47, 48	
GRI306. Waste	306-1 Waste generation and significant waste-related impacts	43	
	306-2 Management of significant waste-related impacts	43-51	
	306-3 Waste generated	114	
	306-4 Waste diverted from disposal	114	
	306-5 Waste directed to disposal	114	
Material Topic 3-1. Employee (Training and education)			
GRI 401. Employment	401-1 New employee hires and employee turnover	118	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	97	
	401-3 Parental leave	119	

GRI Standard	Indicators	Page	Reamrk
Material Topic 3-2. Employee (Occupational Health and Safety)			
GRI 404. Training and education	404-1 Average hours of training per year per employee	117	
	404-2 Programs for upgrading employee skills and transition assistance programs	55-56	
	404-3 Percentage of employees receiving regular performance and career development reviews	56	
Material Topic 4. Supply Chain			
GRI403. Occupational Health and Safety	403-1. Occupational health and safety management system	58	
	403-2. Hazard identification, risk assessment, and incident investigation	61	
	403-3. Occupational health services	62	
	403-4. Worker participation, consultation, and communication on occupational health and safety	59	
	403-5. Worker training on occupational health and safety	60	
	403-6. Promotion of worker health	62	
	403-7. Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	61	
	403-8. Workers covered by an occupational health and safety management system	58, 63	
	403-9. Work-related injuries	120	
	403-10. Work-related ill health	120	
Material Topic 5. Customer safety and quality			
GRI 204. Procurement Practices	204-1 Proportion of spending on local suppliers	121	
GRI 308. Supplier environmental assessment	308-1 New suppliers that were screened using environmental criteria	68	
	308-2 Negative environmental impacts in the supply chain and actions taken	68-70	
GRI 414. Supplier social assessment	414-1 New suppliers that were screened using social criteria	68	
	414-2 Negative social impacts in the supply chain and actions taken	68-70	
Material Topic 6. Product and service			
GRI 416. Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	74	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	79	

GRI Standards 2021 Index

Topic Specific Standards

GRI Standard	Indicators	Page	Reamrk
Material Topic 6. Ethical Management and Fair Trade			
	205-1 Operations assessed for risks related to corruption	82-83	
GRI 205. Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	81	
	205-3 Confirmed incidents of corruption and actions taken	83	
GRI 206. Anti-competit	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	83	
Additional validation indicators other than material topic related indicators			
	207-1 Approach to tax	106	
GRI 207. Tax	207-2 Tax governance, control, and risk management	106	
	207-3 Stakeholder engagement and management of concerns related to tax	106	
	207-4 Country-by-country reporting	106	
	303-2 Management of water discharge-related impacts	87	
GRI 303. Water and effluents	303-3 Water withdrawal	114-115	
	303-4 Water discharge	114-115	
	303-5 Water consumption	114-115	
GRI 304. Biodiversity	304-2 Significant impacts of activities, products and services on biodiversity	89	
GRI 405. Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	117, 123	
	405-2 Ratio of basic salary and remuneration of women to men	119	
GRI 406. Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	124	
GRI 407. Freedom of association and collective bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	95	
GRI 408. Child labor	408-1 Operations and suppliers at significant risk for incidents of child labor	95	
GRI 409. Forced or compulsory labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	95	

GRI Standard	Indicators	Page	Reamrk
GRI 411. Rights of indigenous peoples	411-1 Incidents of violations involving rights of indigenous peoples	95	
GRI 413: Local communities	413-1 Operations with local community engagement, impact assessments, and development programs	13-15	
GRI 415. Public policy	415-1 Political contributions	81	
GRI 418. Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	122	

ESRS(European Sustainability Reporting Standards) Index

European Sustainability Reporting Standards (ESRS) is a management tool for executing the Corporate Sustainability Reporting Directive (CSRD), which is a guideline that was enforced in March 2023 by the EU to make sustainability reports mandatory. Kia has subsidiaries and branches in the EU and achieves considerable sales from them. As such, we are striving to faithfully include non-financial information required by CSRD and ESRS reporting standards.

General Disclosures

ESRS 2. General Disclosures

Indicator No.	Title	Page
ESRS 2 BP-1	General basis for preparation of the sustainability statements	140
ESRS 2 BP-2	Disclosures in relation to specific circumstances	112-124
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	101-104
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	21
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	26
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ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	26, 108
ESRS 2 SBM-1	Strategy, business model and value chain	5-6, Business Report
ESRS 2 SBM-2	Interests and views of stakeholders	22
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	24-25
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	22
ESRS 2 IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	128-130
MDR-P	Policies Adopted to Manage Key Sustainability Issues	31-38, 43, 55-56, 60, 65-68, 74-75
MDR-A	Measures and Resources Related to Key Sustainability Issues	37-39, 44-51, 56, 61-62, 69-70, 76-78
MDR-M	Metrics Related to Key Sustainability Issues	40-41, 52-53, 57, 63, 71-72, 79, 83
MDR-T	Tracking the Effectiveness of Policies and Measures through Goals	41, 53, 57, 63, 72, 79, 83

Material Topics

ESRS E1. Climate Change

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ESRS E1-1	Transition plan for climate change mitigation	31
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	24
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	37
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ESRS E1-5	Energy consumption and mix	40
ESRS E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	40
ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits	27
ESRS E1-8	Internal carbon pricing ¹	Footnote reference
ESRS E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	35-36

1.The internal carbon price is calculated in connection with the Emission Trading Scheme (ETS) price, and is used for improving energy efficiency, implementing low-carbon strategies and investments, and discovering and harnessing low carbon business opportunities

ESRS E5. Resource Use and Circular Economy

Indicator No.	Title	Page
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	24
ESRS E5-1	Policies related to resource use and circular economy	43
ESRS E5-2	Actions and resources in relation to resource use and circular economy	44-51
ESRS E5-3	Targets related to resource use and circular economy	53
ESRS E5-4	Resource inflows	114
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ESRS E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	24

ESRS(European Sustainability Reporting Standards) Index

Material Topics

ESRS S1. Own Workforce

Indicator No.	Title	Page
ESRS 2 SBM-2	Interests and views of stakeholders	109
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	25
ESRS S1-1	Policies related to own workforce	93-95
ESRS S1-2	Processes for engaging with own workers and workers' representatives about impacts	94-95
ESRS S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	94
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	94-95
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	93
ESRS S1-6	Characteristics of the undertaking's employees	116-117
ESRS S1-7	Characteristics of non-employees in the undertaking's own workforce	116-117
ESRS S1-8	Percentage of workers covered by collective bargaining, reasons and actions if not covered by collective agreements	119
	Number of strikes, lost workdays due to strikes, measures and negotiations to resolve strikes	130
ESRS S1-9	Average hourly wage gap between male and female workers, ratio of female hourly wages compared to male	119
	Recipients of family caregiving leave (maternity and childcare leave, etc.), users of leave, retention rate after returning from leave	119
ESRS S1-10	Adequate wages ¹	Footnote reference
ESRS S1-11	Social protection	97
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ESRS S1-13	Percentage of workers who undergo performance evaluations and career development reviews	56
	Average hours of training per worker and training costs per worker	117
ESRS S1-14	Percentage of workers covered by occupational health and safety management systems (internal, third-party review, third-party certification)	63
	Number of incidents and illnesses, injury rate, illness rate, lost workdays due to injury or illness	120
ESRS S1-15	Work-life balance metrics	119
ESRS S1-16	Remuneration metrics (pay gap and total remuneration)	104
ESRS S1-17	Number of risks expected to negatively impact workers' labor and human rights, and measures taken	95
	Number of reports received, investigations conducted, actions taken, and plans for preventing recurrence related to labor and human rights issues	119

1. Pay is set above the minimum wage stipulated by local laws where domestic and international business locations are situated, with wages calculated accurately based on working hours and paid regularly on specified dates.

ESRS S2. Workers in the Value Chain

Indicator No.	Title	Page
ESRS 2 SBM-2	Interests and views of stakeholders	109
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	25
ESRS S2-1	Policies related to value chain workers	68
ESRS S2-2	Processes for engaging with value chain workers about impacts	68
ESRS S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns ¹	66, 68
ESRS S2-4	Taking Action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	69-70
ESRS S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	71

1. Through Hyundai Motor Group's Transparent Purchase Practices Center, we operate a "suggestion box for transparency and ethical practices" and "suggestion box for tier-2 and tier-3 suppliers"

ESRS S4. Consumers and End Users

Indicator No.	Title	Page
ESRS 2 SBM-2	Interests and views of stakeholders	109
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	25
ESRS S4-1	Policies related to consumers and end-users	74-75
ESRS S4-2	Processes for engaging with consumers and end-users about impacts	77-78
ESRS S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	77-78
ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	77-78
ESRS S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	79

ESRS(European Sustainability Reporting Standards) Index

Material Topics

ESRS G1. Business Conduct

Indicator No.	Title	Page
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	101-103
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	82
ESRS G1-1	Ethical Management Declaration and Responsibilities of the Top Decision-Making Body	81
	Requirements such as the Code of Ethics and Practice Guidelines	81
ESRS G1-2	Operation of Fair Trade Voluntary Compliance Programs, Improvement Activities for Prompt Payment Systems, etc.	81, 67
	ESG Risk Assessment and Audit of Supplier Companies, Integration of Assessment Results into Supplier Selection Criteria ¹	68
ESRS G1-3	Activities to Eradicate and Prevent Unethical Practices, Investigation, and Internal Reporting Systems	81-82
	Activities to Eradicate and Prevent Unfair Trade Practices, Investigation, and Internal Reporting Systems	81-82
ESRS G1-4	Number of Confirmed Cases of Unethical Behavior, Cases Investigated by Judicial Authorities, Number of Employees Subject to Personnel Actions	124
	Number of Confirmed Cases of Unfair Trade Practices, Cases Investigated by Judicial Authorities, Number of Employees Subject to Personnel Actions	124
ESRS G1-5	Political influence and lobbying activities ²	81
ESRS G1-6	Payment practices	67

1. Kia operates a '5-Star System' certifying outstanding suppliers based on evaluations of technology, quality, and delivery standards. Assessment results on ESG, safety, environment, and security are factored into transaction conditions.

2. Following Kia's 'Anti-Corruption/Bribery Policy,' charitable donations and sponsorships are conducted fairly according to internal execution standards and procedures. Donations and sponsorships for political purposes are prohibited.

SASB(Sustainability Accounting Standards Board) Index

Topic	Code	Accounting metric	Our response															
Product Safety	TR-AU-250a.1	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	<p>The following vehicle models have an overall safety rating of 5 stars in the NCAP program. Percentage of new vehicle models with an overall safety rating of 5 stars: Korea 100%, Australia 100%, Europe 100%, U.S. 57.89%</p> <table border="1"> <thead> <tr> <th>Region</th><th>Rating</th><th>Vehicle model</th></tr> </thead> <tbody> <tr> <td>Korea</td><td>1st grade</td><td>EV9</td></tr> <tr> <td>Australia</td><td>5★</td><td>EV9</td></tr> <tr> <td>Europe</td><td>5★</td><td>EV9</td></tr> <tr> <td>U.S.</td><td>5★</td><td>Sportage, Stinger, K5, Telluride, Niro, EV6</td></tr> </tbody> </table>	Region	Rating	Vehicle model	Korea	1st grade	EV9	Australia	5★	EV9	Europe	5★	EV9	U.S.	5★	Sportage, Stinger, K5, Telluride, Niro, EV6
Region	Rating	Vehicle model																
Korea	1st grade	EV9																
Australia	5★	EV9																
Europe	5★	EV9																
U.S.	5★	Sportage, Stinger, K5, Telluride, Niro, EV6																
TR-AU-250a.2	Number of safety- related defect complaints, percentage investigated	<p>A total of 3,981 complaints about Kia were filed to NHTSA VOQ1 in 2023. We conduct full investigations on all complaints related to safety. 1. NHTSA VOQ : National Highway Traffic Safety Administration Vehicle Owners Questionnaire</p>																
TR-AU-250a.3	Number of vehicles recalled	<p>The total number of vehicles recalled in 2023 was 7.51 million, all of which were voluntary recalls.</p>																
Labor Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	<p>The proportion of employees who participated in collective bargaining agreements in 2023 was 82.1% according to domestic data.</p>															
	TR-AU-310a.2	(1) Number of work stoppages and (2) total days idle	<p>1 total number of work stoppages, 1,445 total days idle ※ Due to a union strike at a production site (Gwangmyeong/Gwangju/Hwaseong)</p>															
Fuel Economy & Use phase Emissions	TR-AU-410a.1	Sales-weighted average passenger fleet fuel economy, by region	<p>Europe: 101.0 Grams of CO₂ / Kilometer, U.S.: Passenger vehicle 47.9 MPG, Light truck 36.7 MPG</p>															
	TR-AU-410a.2	Number of (1) zero-emission vehicles (ZEV), (2) hybrid vehicles and (3) plug-in hybrid vehicles sold	<p>In 2023, we sold 181,934 EVs, 305,585 HEVs, and 88,254 PHEVs.</p>															
	TR-AU-410a.3	Discussion of strategy for managing fleet fuel economy, and emissions risks and opportunities	<p>We expanded EV sales and promoted the improvement of ICE fuel efficiency</p>															
Materials Sourcing	TR-AU-440a.1	Description of the management of risks associated with the use of critical materials	<p>Kia has established a 'Conflict Minerals (Responsible Minerals) Policy' that follows the OECD Guidelines on Conflict Minerals, the US Securities and Exchange Commission's (SEC) rules for companies under the US Dodd-Frank Regulatory Reform Act, and the EU's Conflict Minerals Regulations, striving to manage conflict minerals and cobalt ethically and responsibly. In line with its 'Conflict Minerals (Responsible Minerals) Policy,' Kia conducts regular assessments on social and environmental issues, such as human rights abuses, ethical breaches, and negative environmental impacts, when raw materials containing conflict minerals (tin, tungsten, tantalum, gold) are used in Kia's parts. On top of that, Kia issues a 'Conflict Minerals (Responsible Minerals) Report' annually to demonstrate its commitment to responsible mineral management. Furthermore, Kia utilized environmentally friendly materials that can be reused for the storage space and leather seats of its first EV-only model, EV6. Kia intends to completely eliminate the use of leather for all future products, beginning with New EV9. By substituting leather and PVC with BIO PU enriched with bio-materials such as corn and eucalyptus, Kia aims to lower CO₂ emissions and harmful chemicals as well as offer high-quality products.</p>															
Materials Efficiency & Recycling	TR-AU-440b.1	Total amount of waste from manufacturing, percentage recycled	<p>The total volume of waste produced from manufacturing in 2023 was 231,938 tons. We recycle 93.4% of the waste, which amounts to 216,537 tons.</p>															
	TR-AU-440b.2	Weight of end- of-life material recovered, percentage recycled	<p>The weight of the recovered / recycled material varies depending on the infrastructure available for recycling in the area. About 95% of end-of-life materials in Kia's key markets have been recycled or reused at end-of-life.</p>															
	TR-AU-440b.3	Average recyclability of vehicles sold	<p>Average recyclability of vehicles sold in 2023 is 91% including heat recovery.</p>															
Activity Metrics	TR-AU-000.A	Number of vehicles manufactured	<p>We produced a total of 3,102,200 units in 2023. (3,042,015 units without CKD)</p>															
	TR-AU-000.B	Number of vehicles sold	<p>A total of 3,015,762 units were sold based on wholesale data in 2023.</p>															

WEF(World Economic Forum) Contents Index

Theme	Metrics	Disclosure	Page	
Corporate Purpose	Definition of purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	3-4, 19	
Quality of Governing Body	Governance body composition	Composition of the highest governance body and its committees by	Competencies relating to economic, environmental and social topics Number of Executive or Independent directors Independence Tenure on the governance body Number of each individual's other significant positions and commitments, and the nature of the commitments Gender Stakeholder representation (ex. employee, government, community, Industry, etc.)	102 101 102 101 101 101
Stakeholder Engagement	Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company How the topics were identified and how the stakeholders were engaged	22-23	
Ethical Behaviors	Anti-corruption Protected ethics advice and reporting mechanisms	Disclosure of Anti-corruption and compliance inspection status A description of internal mechanisms for	Number of anti-corruption and compliance inspection departments Reporting concerns about unethical or unlawful behavior and lack of organizational integrity	81-82 82
Risk and Opportunity Oversight	Integrating risk and opportunity into business process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks)	The company appetite in respect of these risks How these risks and opportunities have moved over time and the response to those changes	108-109
Climate Change	Greenhouse gas (GHG) emissions TCFD implementation	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO ₂ eq) GHG Protocol Scope 1 and Scope 2 emissions Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement - to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C and to achieve net-zero emissions before 2050	112 30-41	
Nature Loss	Land use and ecological sensitivity	Report the number of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas	89	
Freshwater Availability	Water consumption and withdrawal in waterstressed areas	Estimate and report the same information for the full value chain (upstream and down-stream) where appropriate	114-115	

WEF(World Economic Forum) Contents Index

Theme	Metrics	Disclosure	Page		
Dignity and Equality	Diversity and Inclusion	Percentage of employees per employee category	By age group By gender By other indicators of diversity	116 116 116	
	Pay equality	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality	Women to men	119	
	Wage level	Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO		104	
	Health and Well-being	Health and safety	An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services		62
			The scope of access provided for employees and workers		
	Skills for the Future	Training provided	Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees)		117
Employment and Wealth Generation	Absolute number and rate of employment	Total number and rate of new employee hires during the reporting period	By age group By gender By other indicators of diversity	118 118 118	
		Total number and rate of employee turnover during the reporting period	By region By age group By gender	118 118 118	
		Economic contribution	Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by:	Revenues	111
				Operating cost	111
				Employee wages and benefits	119, 97
	Payments to shareholder and investor			105	
	Payments to government (tax payment)			106	
	Innovation of Better Products and Services	Total R&D expenses	Total costs related to research and development		12, 115

Third-party Assurance Statement (Scope 1 & 2)

This Assurance Statement has been prepared for KIA MOTORS CORPORATION.



Terms of Engagement

LRQA was commissioned by KIA MOTORS CORPORATION (KIA Co.) to provide independent assurance on its Greenhouse Gas (GHG) Inventory Report for the calendar year 2023 (the report) against "the guidelines on emission reporting and certification under the GHG emissions trading system" and the monitoring plan for the calendar year 2023 using "the verification guidelines for GHG emissions trading system".

The report relates to direct GHG emissions and energy indirect GHG emissions.

Management Responsibility

LRQA's responsibility is only to KIA Co. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The management of KIA Co. is responsible for preparing the report and for maintaining effective internal controls over all the data and information within the report. Ultimately, the report has been approved by, and remains the responsibility of KIA Co.

LRQA's Approach

LRQA's assurance engagement has been carried out in accordance with our verification procedure using "the verification guidelines for GHG emissions trading system" to reasonable level of assurance. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Visiting sites and auditing management system to control the data and records regarding GHG emissions and energy uses
- Interviewing the relevant persons responsible for managing and maintaining data and associated records
- Reviewing the historical data and information back to source for the calendar year 2023.

Level of Assurance & Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a reasonable level of assurance, and at the materiality of the professional judgement of the verifier and at the materiality level of 2.5%.

LRQA's Opinion

Based on LRQA's approach, we believe that the report is prepared in accordance with "the guidelines on emission reporting and certification under the GHG emissions trading system" and the monitoring plan for the calendar year 2023 using "the verification guidelines for GHG emissions trading system" and the GHG emissions data in the Table 1 is materially correct.

Table1. Summary of GHG emissions

	tCO ₂ eq
Scope of GHG emissions	2023
Direct GHG Emissions	244,645.82
Energy Indirect GHG Emissions	454,366.915
Total GHG Emissions	698,991

Dated: 26 March 2024

II-Hyoung Lee

Third-party Assurance Statement (Scope 1 & 2)

LRQA Verification Opinion

Terms of Engagement

LRQA was commissioned by Kia Corporation to provide independent assurance on its GHG emissions inventory for the calendar year 2023 (here after referred to as "the report") against the assurance criteria below to a limited level of assurance and materiality of professional judgement using LRQA's verification procedure, which is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Kia Corporation's operations and activities of overseas factories located in USA, Slovakia, China, Mexico and India, and specifically the following requirements:

- Evaluating conformance with World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, revised edition¹
- Evaluating the accuracy and reliability of data and information for direct GHG emissions (Scope 1) and energy indirect GHG emissions (Scope 2).

Kia Corporation's main activity is automobile manufacturing and greenhouse gas emissions are integrated using an operational control approach.

LRQA's responsibility is only to Kia Corporation. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Kia Corporation's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Kia Corporation.



LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Kia Corporation has not, in all material respects:

- Met the requirements above; and
 - Disclosed accurate and reliable data and information as summarized in Table 1 below.
- The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- interviewing key people of the organization responsible for managing GHG emissions data and records;
- sampling specific facilities and reviewing processes related to the control of GHG emissions data and records;
- reviewing whether GHG emissions have been calculated with parameters from recognized sources;
- checking whether direct GHG emissions of Slovakia Plant were transposed correctly from the GHG inventory which was verified by the third-party assurance provider other than LRQA; and
- verifying historical GHG emissions data and records at an aggregated level for the calendar year 2023.

Third-party Assurance Statement (Scope 1 & 2)

LRQA Verification Opinion

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment - Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is Kia Corporation's certification body for ISO 14001 and ISO 50001, and verification body for its greenhouse gas emissions. We also provide Kia Corporation with a range of training services related to management systems. The verification and certification assessments, together with the training, are the only work undertaken by LRQA for Kia Corporation and as such does not compromise our independence or impartiality.



Summary of Kia, GHG Emissions Inventory 2023

Scope of GHG emissions	tCO ₂ e				
	USA	Slovakia	China	Mexico	India
Direct GHG emissions (Scope 1)	25,172	28,523	24,278	19,107	12,267
Energy indirect GHG emissions (Scope 2, Location-based)	53,206	39,782	97,764	57,045	110,861
Energy indirect GHG emissions (Scope 2, Market-based)	53,206	3,677	97,764	57,045	110,861

Note 1: Scope 2, Location-based and market-based are defined in the GHG Protocol Scope 2 Guidance, 2015

Dated: 21 April 2024

Tae-Kyoung Kim LRQA Lead Verifier

Third-party Assurance Statement (Scope 3)

Bsi. Verification Opinion

Verification Objective

Kia corporation's 2023 Scope3 GHG emissions
Scope 3 GHG emissions for Purchased goods and services, Capital Goods, Fuel-and Energy-related activities not included in Scope1 or Scope2, Upstream Transportation and Distribution, Waste generated in Operations, Business Travel, Employee Commuting, Upstream Leased Assets, Downstream Transportation and Distribution, Use of sold products, End of Life treatment of sold products, Investments.

Verification Scope

The scope of verification is Scope 3 GHG emissions for 2023 by Kia corporation, and we verified Scope 3 GHG emissions based on activity data on production and sales at domestic and overseas business sites provided by Kia corporation.

Verification level

Limited Level of Assurance

Data Verified

Kia corporation's annual Scope 3 GHG emissions related to domestic and overseas business sites in 2023 are as follows.

Category	Emissions in 2023
1. Purchased Goods and Services	17,176,301
2. Capital Goods	1,876
3. Fuel and Energy related Activities not included in Scope 1&2	185,811
4. Upstream Transportation and Distribution	34,952
5. Waste generated in Operations	60,863
6. Business Travel	11,066
7. Employee Commuting	47,932
8. Upstream Leased Assets	4,539
9. Downstream Transportation and Distribution	1,311,642
11. Use of Sold Products	79,327,632
12. End of Life Treatment of Sold Products	1,199,140
15. Investments	136,435
Total	99,498,189

Verification Criteria and Protocol

The verification was performed at the request of Kia corporation using the following verification standards.

In conducting this verification, no visits to the verification target business site or verification of the authenticity of the data provided by Kia corporation were carried out.

- This verification may be affected by limited factors such as the limitation of provided data, non-execution of on-site verification, and sampling. Due to the limitation of this verification, there is an unavoidable risk that important errors may not be found and exist.
- No material misstatement in the GHG emission calculations was detected, related records were maintained appropriately.
- The data quality was considered corresponding to the international key principles for GHG emissions verification.

Verification Opinion:

As a result of the verification in accordance with the standards listed above, it is the opinion of BSI that:

- In conducting this verification, no visits to the verification target business site or verification of the authenticity of the data provided by Kia corporation were carried out.
- This verification may be affected by limited factors such as the limitation of provided data, non-execution of on-site verification, and sampling. Due to the limitation of this verification, there is an unavoidable risk that important errors may not be found and exist.
- No material misstatement in the GHG emission calculations was detected, related records were maintained appropriately.
- The data quality was considered corresponding to the international key principles for GHG emissions verification.

For and on behalf of BSI: Issue: 19/05/2024

Managing Director Korea,
SeongHwan Lim



SeongHwan Lim

Independent Assurance Statement

To readers of Kia Sustainability Report 2024

Introduction

Korea Management Registrar (KMR) was commissioned by KIA Corporation to conduct an independent assurance of its Sustainability Report 2024 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of KIA Corporation. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with KIA Corporation and issue an assurance statement.

Scope and Standards

KIA Corporation described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards 2021
- Universal standards)
- Topic specific standards
 - GRI 201 : Economic Performance
 - GRI 204 : Procurement Practices
 - GRI 205 : Anti-corruption
 - GRI 206 : Anti-competitive Behavior
 - GRI 301 : Materials
 - GRI 302 : Energy
 - GRI 305 : Emissions
 - GRI 306 : Waste
 - GRI 308 : Supplier Environmental Assessment
 - GRI 401 : Employment
 - GRI 403 : Occupational Health and Safety
 - GRI 404 : Training and Education
 - GRI 414 : Supplier Social Assessment
 - GRI 416 : Customer Health and Safety

As for the reporting boundary, the engagement excludes the data and information of KIA Corporation's partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
 - interviewed people in charge of preparing the Report;
 - reviewed the reliability of the Report's performance data and conducted data sampling;
 - assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by KIA Corporation to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Independent Assurance Statement

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with KIA Corporation on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

KIA Corporation has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

KIA Corporation has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

KIA Corporation prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of KIA Corporation's actions.

Impact

KIA Corporation identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021-2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with KIA Corporation and did not provide any services to KIA Corporation that could compromise the independence of our work.

June 2024 Seoul, Korea

CEO 



About Move

Report Overview

Kia has published the 'Kia Sustainability Report 2024,' which includes the achievements, strategies, and plans for ESG (Environmental, Social, and Governance) initiatives from 2023 to 2024. This report is prepared to transparently disclose our activities aimed at improving ESG-related issues and the impact of our business on society and the environment to our stakeholders. Kia aims to communicate and grow with stakeholders by publishing an ESG report annually.

Reporting Period

This report covers economic, social, and environmental performance and activities from January 1, 2023, to December 31, 2023. For some significant achievements, it includes content up to the first half of 2024. Quantitative performance data for the past three years from 2021 to 2023 are included to show yearly trends.

Reporting Standards

This report is prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021 for sustainability management reporting. It also references ISO 26000, the principles of the UN Global Compact, the <IR> Framework, the SASB (Sustainability Accounting Standards Board) disclosure standards, and the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures).

Reporting Scope

The scope of this report includes the ESG management activities and performance of all domestic and international business sites. Financial information is prepared based on K-IFRS consolidated standards, while non-financial information includes data from domestic business sites and some data from overseas sites. However, due to limitations in data collection, if the reporting boundary is limited to domestic sites or includes only part of the overseas sites, the coverage is separately indicated in the data. The report is prepared based on the fiscal year according to our disclosure system, and energy usage data and greenhouse gas emissions are prepared based on the verification results of the emissions.

Report Verification

All information in this report has been compiled based on data collected from relevant departments and has been fact-checked before inclusion. To ensure the accuracy and objectivity of the report content, both financial and non-financial data have been verified by third-party institutions.

Forward-Looking Statements Notice

This report may contain forward-looking statements that pertain to future events as well as current or past facts. Forward-looking statements often use terms such as "plan," "promote," "expect," "intend," "aim," "strategy," "estimate," and similar expressions. Specifically, this document may include statements related to future business strategies, environmental targets such as greenhouse gas emissions and energy consumption, external ESG commitments, and operational strategies.

While we believe the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee they will prove correct. These statements are intended to help readers understand our approach, strategies, and initiatives in key ESG areas, as well as the expected operating environment, but may not be suitable for other purposes such as investment decisions. These forward-looking statements are subject to assumptions, inherent risks, and uncertainties, many of which are beyond our control or difficult to predict accurately.

Therefore, investors should be aware that actual results may differ significantly from those expressed or implied in the forward-looking statements and should be cautious not to place undue reliance on them. Except as required by law or regulation, we are not obligated to update forward-looking statements in light of new information, future events, or other outcomes.

Additional Information

For more information, please refer to our website and contact the relevant department.

Management and Product Information
Kia official website [🔗](#)

Business Reports
Financial Supervisory Service
DART (Data Analysis, Retrieval and Transfer System) [🔗](#)

Contact Point
Sustainability Management Team, Strategic Business Planning Division



Movement that inspires