

MOVE

Kia Sustainability Magazine 2022



Movement that inspires



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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 • About Kia • 2021 Sustainability Management Highlights



Introduction

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CEO Message



We will accelerate the realization of our vision of becoming a 'sustainable mobility solutions provider'.

Dear Stakeholders,

I would like to express my gratitude for your trust and support over the past year.

2021 Business Performance

2021 was a year of innovation and transformation. We declared our new brand ethos -- "Movement that Inspires" -- and corporate vision of becoming a "Sustainable Mobility Solutions Provider". Starting with changing our corporate name and logo, we have been accelerating the complete transformation of Kia's brand, corporate strategy, products and design.

Despite the difficulties caused by the prolonged COVID-19 pandemic and semiconductor shortage, we have achieved significant performance milestones, including expansion of our global market share and No. 1 ranking among all automotive brands in JD Power's 2022 Vehicle Dependability Study (VDS). In addition, the Kia EV6, our first dedicated electric vehicle launched in 2021, was named the European Car of the Year (COTY) for the first time by a Korean branded car. This prestigious distinction comes on the heels of the EV6 being chosen as the Car of the Year at the What Car? Awards in the UK, thereby further strengthening Kia's status as a global EV brand.

We have also been fully committed to ESG management along our new journey. For the environmental sector, we established and declared a roadmap for carbon neutrality by 2045, and the EV6 obtained carbon footprint certification from the Carbon Trust in the UK for the first time in the automobile industry. For the social sector, we conducted human rights impact assessments for all domestic and overseas business sites in accordance with the Kia Human Rights Charter. Moreover, we evaluated ESG records of primary suppliers to ensure that our parts suppliers lay a strong foundation for ESG management. We also made efforts to strengthen governance by launching the Sustainability Management Committee and diversifying the composition of the Board of Directors. In recognition of such efforts, Kia obtained an overall A+ grade in the ESG evaluation conducted by the Korea Corporate Governance Service (KCGS) and was selected as an excellent ESG company.

2022 : Towards a Sustainable Future

In 2022, Kia intends to take bold and innovative steps toward our transformation. We are committed to realizing the vision of becoming a 'Sustainable Mobility Solutions Provider' by reorganizing our Plan S management strategy around the three pillars of Planet, People, and Profit, which enable us to fulfil our environmental and social responsibilities.

[Planet]] We are contributing to an environment that coexists with nature by reducing GHG emissions and creating a virtuous cycle for resources.

Starting with joining the RE100 initiative in April, we are making real changes to achieve carbon neutrality by 2045. We have refined the carbon reduction targets for each milestone and are laying the groundwork for carbon reduction across the entire value chain, ranging from supply, production, and logistics to use and disposal. We will contribute to the creation of a virtuous resource cycle by establishing a system for reusing and recycling waste batteries and for expanding the application of recycled parts in our vehicles. Furthermore, we will respond proactively to climate change starting with domestic projects such as mud flat restoration and marine plastics collection and recycling.

[People] We are creating an organizational culture that values customers and employees.

Going forward, we will employ customer-oriented key performance indicators (KPIs) so that customers are at the center of all our decision making, which will in turn enhance Kia's brand value. We are also ensuring that all business sites comply with global standards for non-discrimination, human rights protection, and occupational health and safety so that our employees can immerse themselves in their work with confidence. Moreover, we are seeking innovative ways to enhance the employee experience so that we create an environment where outstanding global talents can fully demonstrate and be recognized for their capabilities.

[Profit] We are securing sustainable competitiveness by transitioning to future businesses.

Following the successful launch of the Kia EV6, by 2027 we plan to introduce a full EV lineup of 14 models, including the Kia EV9, to become a leading electrification brand. In doing so, we aim to strengthen product competitiveness, particularly when it comes to connectivity and autonomous driving. In addition, we are achieving advancements in battery technologies and expanding ultra-high-speed E-pit charging stations to enhance customer convenience. Finally, we have ambitious plans for the purpose-built vehicle (PBV) business. PBVs based on existing models such as the Ray van and the Niro Plus are creating a sensation in the domestic market, while dedicated PBV models and specialized services are under development to meet the needs of our future customers. We aim to be the leader in the global PBV market by expanding our production base through building an eco-friendly factory that minimizes carbon emissions, discovering new customers in the B2B market, and establishing an internal and external PBV ecosystem of the future. Furthermore, we will lay a foundation for long-term growth through active investments in future mobility businesses such as autonomous driving, robotics, and urban air mobility (UAM).

Our Pledge to Social Responsibility

As a global corporate citizen, Kia supports the ten principles of the UN Global Compact, including human rights, labor equality, and anti-corruption, while promoting sustainable management to achieve the UN Sustainable Development Goals (SDGs). In particular, under the mission of "contributing to the free and safe movement of mankind through sustainable mobility", we are focusing on social issues related to "environment" and "right to mobility". We will transparently disclose all of our achievements to stakeholders through our website and annual sustainability report.

We will continue to sincerely take on challenges for the sustainability of mankind and nature.

And we look forward to your unwavering interest and warm encouragement along our journey.
Thank you.

June 2022

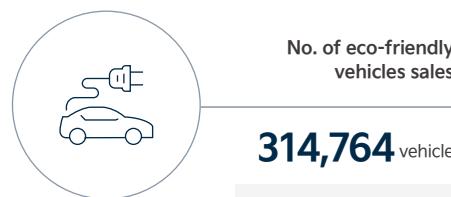
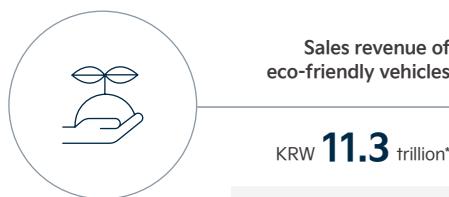
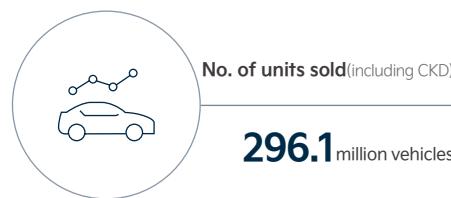
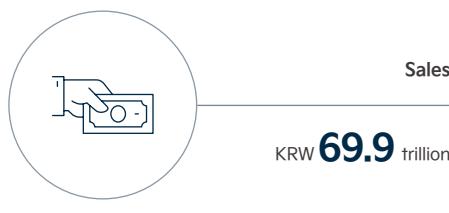
President and CEO Kia Corporation **Ho-Sung Song**

About Kia

Company Overview

Since its establishment in 1944, Kia has been leading the Korean automobile industry for the past 77 years. We will continue our journey to establish ourselves as a "sustainable mobility solution provider" based on our mid-to-long-term strategy 'Plan S' and sustainability management activities.

Major Achievements



Line-Up of Kia

Sedan

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



RV(Recreational Vehicle)



KX1 | Sonet | Stonic | Soul | KX3
Seltos | Sportage | Xceed | KX5
Sorento | Mohave | Carnival | Telluride

Eco-friendly

[HEV] K5 | K8 | Niro | Sorento
[PHV] K3 | Ceed | Niro
Xceed | Sportage | Sorento
[EV] K3 | Soul | Niro | EV6 | Bongo3



Commercial Vehicle



Bongo3(K2500/K2700) | Granbird

CKD(Complete Knock Down)

Automobile parts (engine, etc.)

(As of December 31, 2021)

Global Network



Regional Headquarters

North America (Irvine, USA) ① | **Europe** (Frankfurt, Germany) ②
Russia (Moscow) ③ | **Latin America** (Miami, USA) ④
Middle East & Africa (Dubai, UAE) ⑤ | **Asia Pacific** (Kuala Lumpur, Malaysia) ⑥

Sales and Maintenance

Domestic Sales sector: 15 headquarters, 307 direct sales branches, 370 agencies, 8 delivery centers
Service sector: 18 direct service centers, 236 comprehensive services, 547 specialized services
Overseas Sales sector: 23 sales corporations, 156 agencies, 4,724 dealers
Sales corporation USA ⑦ | Canada ⑧ | Germany ⑨ | UK ⑩ | Spain ⑪
France ⑫ | Italy ⑬ | Austria ⑭ | Hungary ⑮
Czech Republic ⑯ | Slovakia ⑰ | Poland ⑱ | Belgium ⑲
Sweden ⑳ | Netherlands ㉑ | Australia ㉒ | New Zealand ㉓

Production

(Production units refer to annual production scale)

Domestic AutoLand Gwangmyeong (320,000 units), AutoLand Hwaseong (540,000 units), AutoLand Gwangju (490,000 units), Consignment agency (200,000 units) ㉔
Overseas China Yeomseong Plant (Yancheng, 750,000 units) ㉕
Slovakia (Zilina, 330,000 units) ㉖
Georgia, USA (Georgia, 340,000 units) ㉗
Mexico (Pesqueria, 400,000 units) ㉘
Factory in India (Andhra Pradesh, 340,000 units) ㉙

R&D

Domestic Hyundai Motor Group Technology Research Center (Hwaseong, Gyeonggi-do), Environmental 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 ㉟ | Europe Rüsselsheim, Nürburgring ㉑ | Japan Yokohama ㉒
China Yantai ㉓ | India Hyderabad ㉔
Design Center USA Irvine ㉕ | Europe Frankfurt ㉖

Head office

12, Heolleung-ro, Seocho-gu, Seoul ㉗

2021 Sustainability Management Highlights

ESG evaluation result
Integrated A+ Grade by KCGS







Received Prime Minister's Award for Sustainability Management

In recognition of climate change response, job creation, capacity building for suppliers, corporate governance, etc.



E Environmental	2045 Carbon Neutrality Declaration Aim to achieve RE100 by 2040, and 100% electrification globally by 2045	Achieved certification for product carbon footprint certification From the Carbon Trust Achieved 'Carbon Footprint' certification and 'Carbon Measurement' label for the first time in Korea	Application of eco-friendly materials in the product Applied eco-friendly materials to EV6 (floor mats, door map pockets, etc.) Achieving 20% of recycled plastic use by 2030	Hazardous chemical emissions zero Upgraded hazardous chemical handling facilities in AutoLand in Korea and used alternative products	Issuance of green bonds About KRW 300 billion in Korea About \$ 700 million in overseas Issued green bonds to invest in eco-friendly mobility
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S Social	Evaluation of ESG performance of suppliers Supply chain ESG evaluation (380 primary suppliers)	Evaluation of human rights impact on employees For all business sites at domestic and overseas	Strengthening workplace health and safety No. of serious accidents for 4 consecutive years: zero	Social contribution donation of KRW 28 billion Domestic KRW 18.4 billion, Overseas KRW 9.6 billion
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G Governance	Sustainability Management Committee launched Enhanced the company-wide sustainability management function by adding the ESG agenda review function to the existing Transparent Management Committee	Strengthening the diversity of the Board of Directors Additional appointment of female external directors for 2 consecutive years (2022) Additional appointment of female external directors with expertise in future technology	Strengthened shareholder-friendly policy Dividend increase (2022) Paid the dividend at KRW 3,000 per share (300% increase compared to the previous year)
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Magazine | On the MOVE

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Kia Management System

Customers' standards and lifestyles are undergoing major changes in recent years.

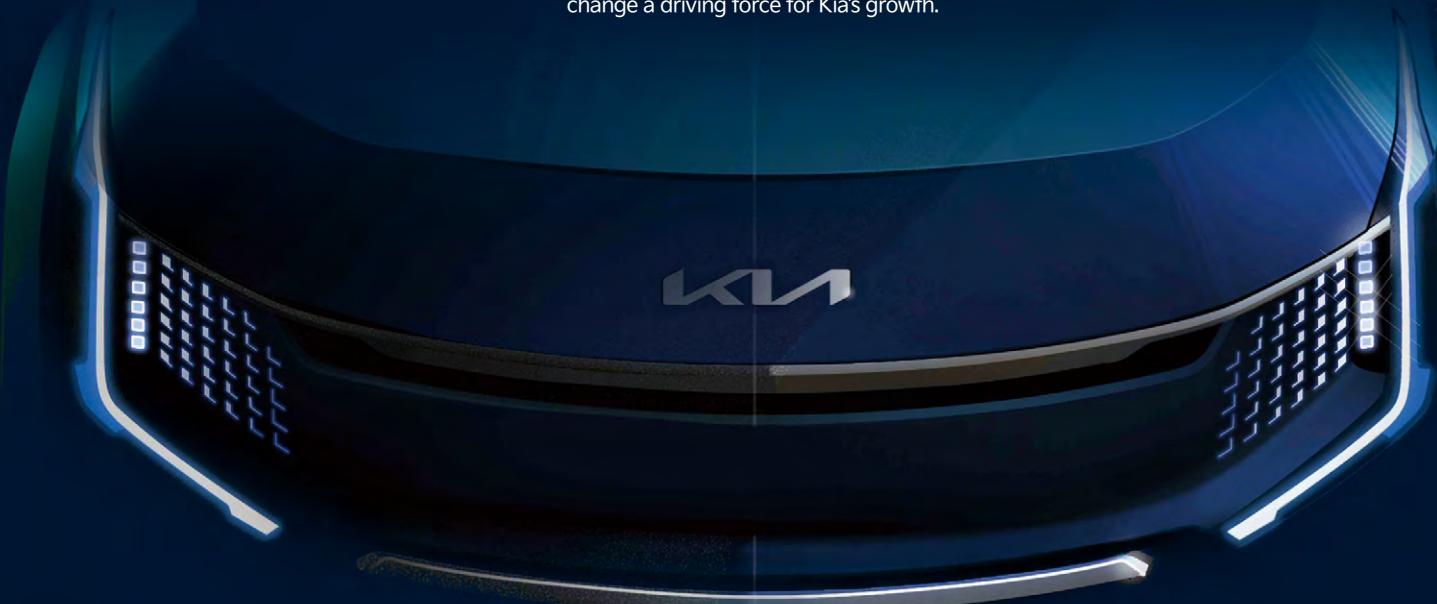
The automotive industry is no exception. Internal combustion engines are giving way to electric motors, and the automobile market is expanding into the areas of electric vehicles, connected cars, autonomous driving, and mobility.

This means that competition in the automobile industry has intensified in an unpredictable manner, and it also means that it is difficult for Kia to sustain its business just by manufacturing and selling automobiles.

Kia is now facing the transformation of customers and automobile business.

No matter how large and rapid change may be, the essence of a company is to give customers what they want.

Therefore, we need to shift our perspective from focusing on supply- and seller-oriented to customer-oriented, and make the wind of change a driving force for Kia's growth.



● Changes in Kia's Management System

Since the past years, Kia has adopted a management system that leads the times, and as a result, Kia has developed into what it is today. Now, Kia wants to take on a new challenge of promoting "brand management" to achieve greater success.

● **2021**
Brand management



Brand purpose-driven,
Customer experience-centric,
Sustainable mobility business

● **2010**
Global management



Expansion of production
bases, Quantitative growth

● **2006**
Design management



Product Design Innovation

● **2002**
Quality management



Product Quality Innovation

Management System at Kia

Brand purpose

We believe movement inspires ideas.
That is why we at Kia create the space for you to get inspired,
and more time to bring your ideas to life.

Corporate Vision

Sustainable Mobility Solutions Provider

Corporate strategy

Plan S

Planet

Shift to
Sustainability

Transition to
an eco-friendly company
that creates sustainable value

People

Shift our
Mindset

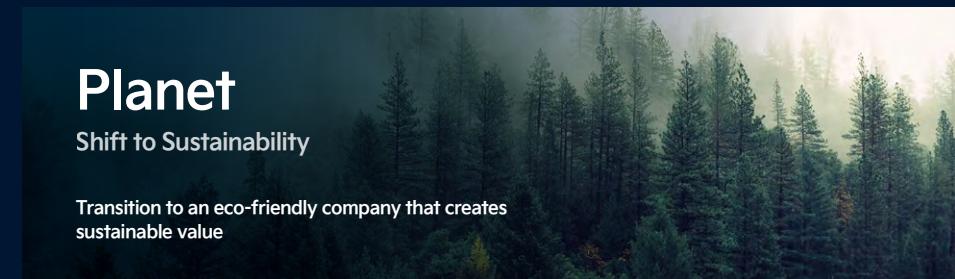
Shifting our mindset from
provider-oriented to
customer-oriented

Profit

Shift our
Business

Transition from existing
business to future new business
and new profit structure

Plan S



Planet

Shift to Sustainability

Transition to an eco-friendly company that creates sustainable value

We will contribute to the sustainability of our planet and society by achieving carbon neutrality by 2045.

Sustainable Energy

Conversion to green energy

By 2040, Kia plans to achieve RE100, which converts the energy used by its business sites around the world into renewable energy. We intend to actively use new renewable energy by installing solar power generation, etc., and switch to next-generation eco-friendly energy such as hydrogen in the mid- to long-term.

What is RE100? | An international campaign that aims to procure 100% of the electricity used by companies from renewable energy such as wind and solar power by 2050

Sustainable Mobility

Transition to electrification and management of supply chain

Kia aims to become a true EV company by achieving 100% electrification in the four major markets by 2040, and 100% electrification in the global market by 2045. We are working closely with our suppliers to build a sustainable supply chain.

Sustainable Planet

Resource Circulation

Kia intends to raise its recycling rate of plastics to 20% by 2030 and achieve 100% recycling of scrap cars by 2045. To this end, we will establish a system to create virtuous cycle of recycling and actively discover partners with eco-friendly recycling technologies.

People

Shift our Mindset

Shifting our mindset from provider-oriented to customer-oriented

Our employees are the key players in shaping Kia's brand and customer experience. All employees of Kia focus on what customers and users really need and what they really want.



Kia creates a brand/customer-oriented new organizational culture so that the changed employee experience can be transferred to the customer experience.

What is organizational culture? | a means to internalize the principles and direction of change as common norms and values agreed upon among members

Profit

Shift our Business

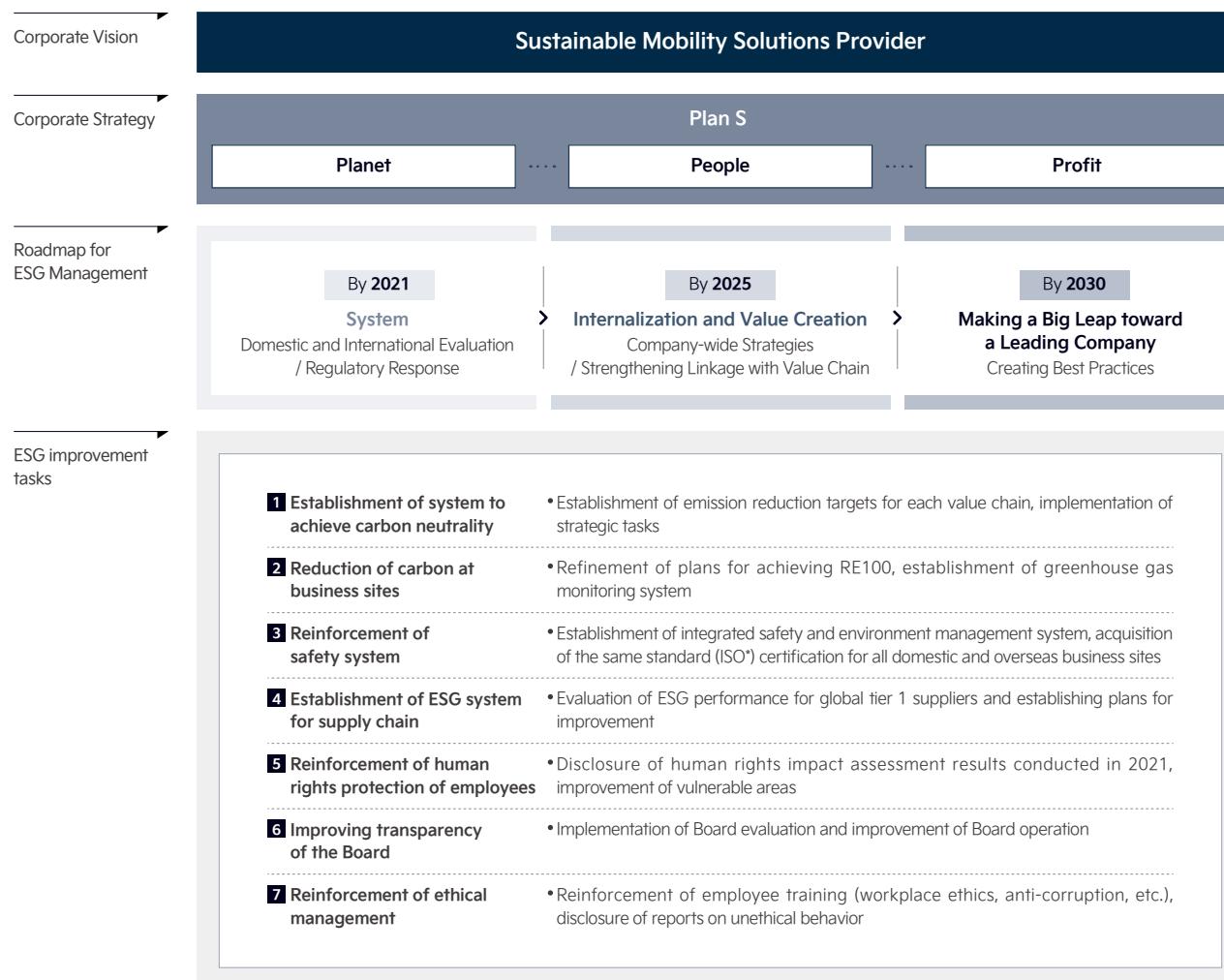
transition from existing business to future new business and new profit structure

We aim to innovate our business and generate new profits with a focus on EVs, PBVs and Mobility.



Sustainability Management System

Under the reorganized management system, Kia has established a mid-to-long-term sustainability management system to leap forward as an ESG leader. We set 2022 as the first year for "internalization and value creation", we have strengthened risk management and conducted company-wide improvement tasks to improve our ESG structure. Going forward, Kia will minimize risks for each major issue and secure a competitive advantage in the future business environment.



* ISO (International Standard Organization)

Organizations for Sustainability Management

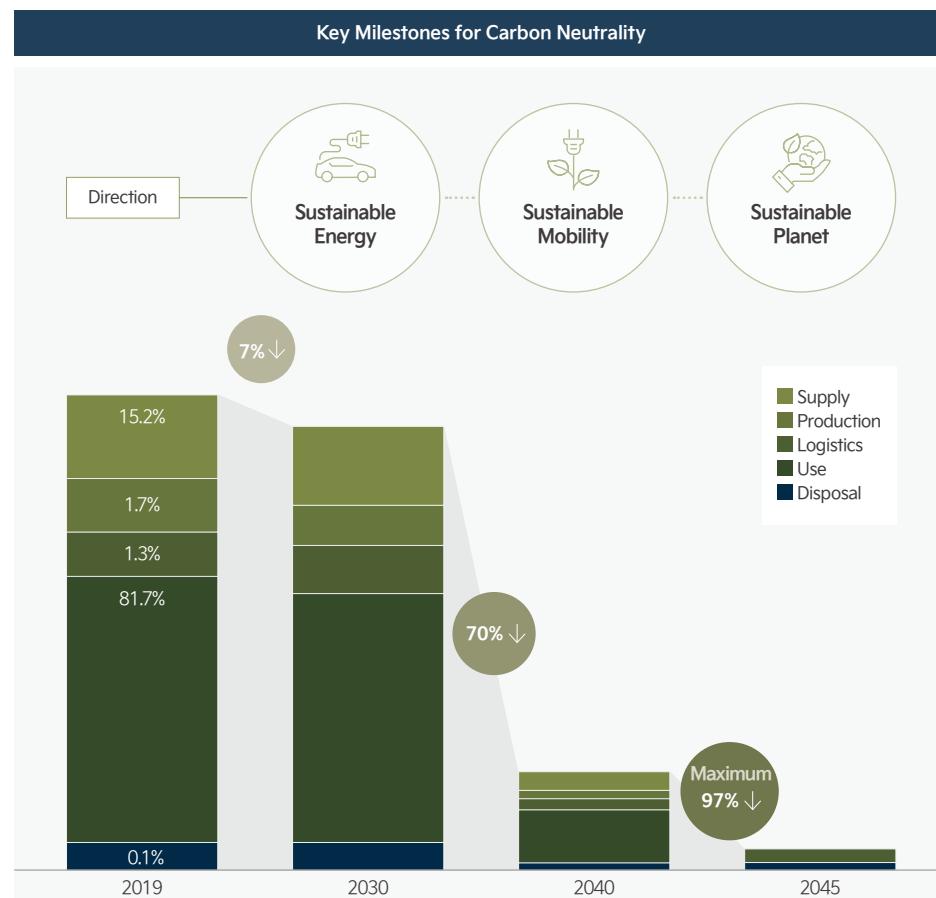


Foundation of Sustainability Management

	<ul style="list-style-type: none"> Sustainability Management Committee within the BOD Reinforcement of the operation of the ESG-dedicated organization Management of key performance indicators (KPIs) by division
	<ul style="list-style-type: none"> Identification of improvement tasks through evaluation and environmental analysis Establishment of detailed roadmap for company-wide ESG improvement tasks Examination of the implementation status of improvement tasks through the ESG consultative body
	<ul style="list-style-type: none"> Reinforcement of channels for sharing ESG performance (Sustainability Report, website, etc.) Expansion of communication with appraisers and investment institutions
	<ul style="list-style-type: none"> Recruitment of ESG experts Provision of training programs designed to raise awareness for ESG among employees (quality, human rights, partners, etc.)

2045 Carbon Neutrality Declaration

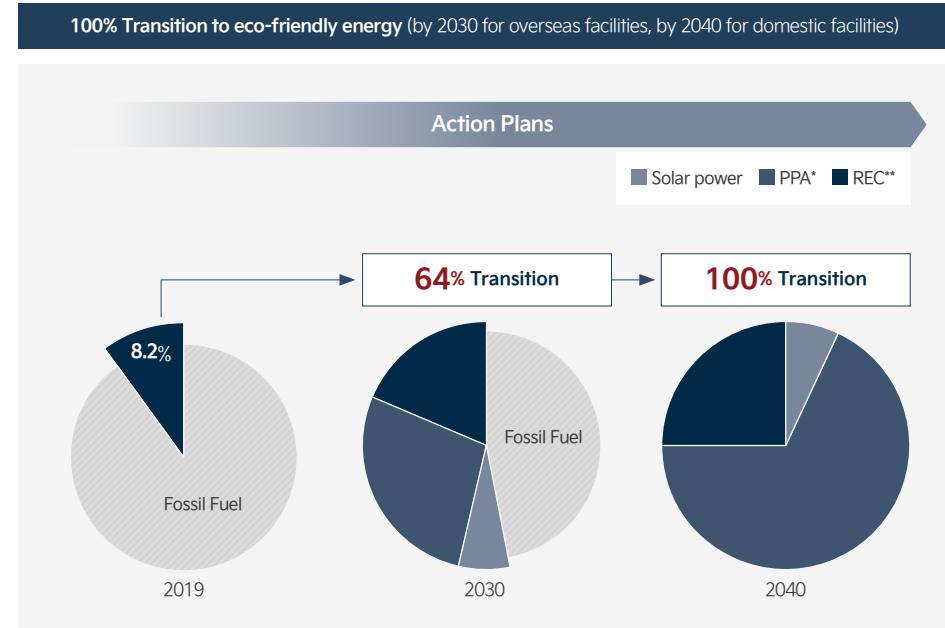
Kia aims to provide inspiring movement while reducing negative impacts on nature caused by movement. In November 2021, Kia officially declared to achieve carbon neutrality by 2045. To this end, Kia plans to reduce its carbon emissions by 97% compared to 2019 by 2045 and seek ways to offset the remaining amount, making net emissions "zero" at all stages. This will be promoted with the goal of achieving the 3Ss: Sustainable Energy, Sustainable Mobility, and Sustainable Planet.



Sustainable Energy

Transition to Green Energy

We aim to achieve RE100 by 2040 to transit to sustainable energy. All electricity in Kia's production facilities will be replaced by 100% renewable energy by 2040.

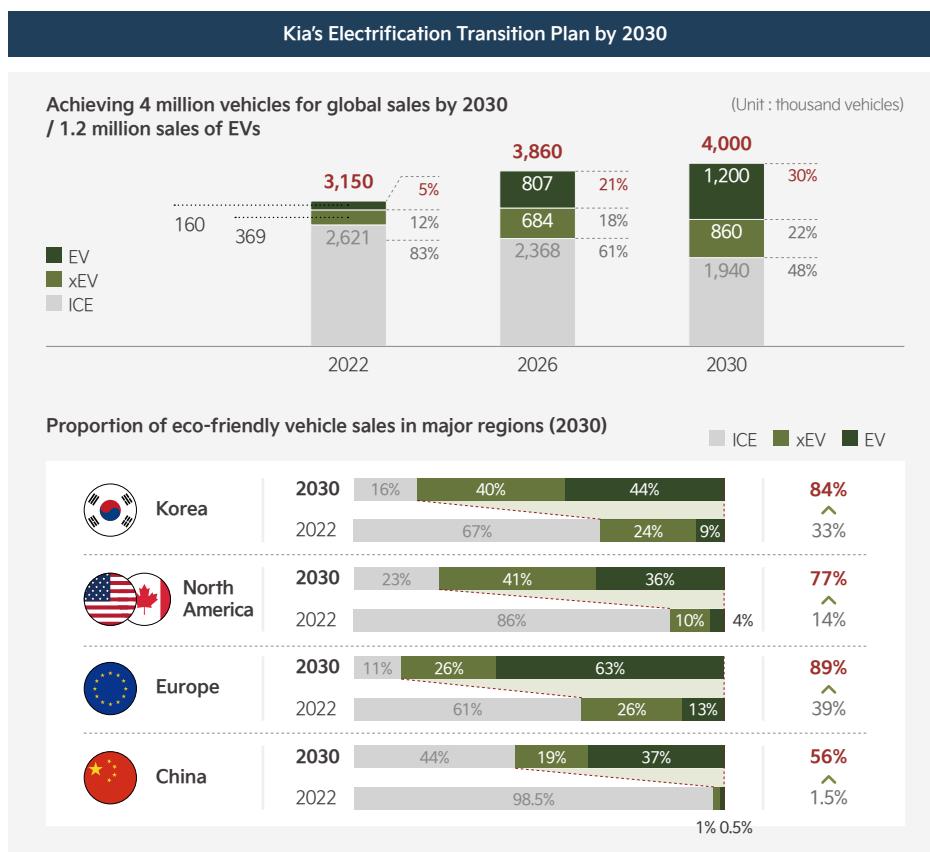


* PPA (Power Purchase Agreement)

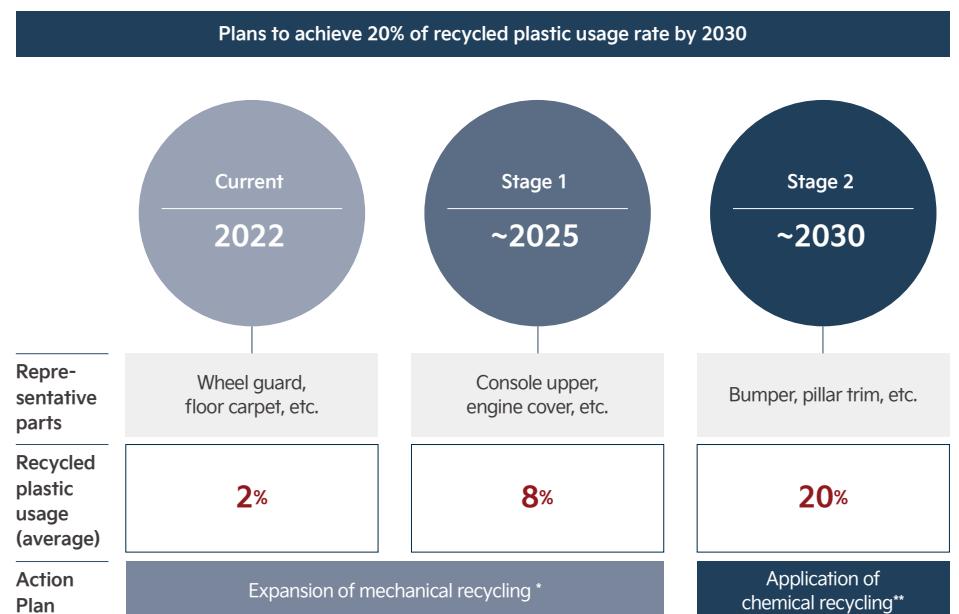
** REC (Renewable Energy Certificate)



Kia will electrify 100% of the four major markets by 2040 and 100% electrify of the global market by 2045 to become a global EV Tier 1 brand while minimizing our products' environmental impacts.



In order to establish a virtuous cycle of recycling, Kia will replace 20% of all plastic parts in its vehicles with recycled plastic by 2030.



* A method of processing plastic wastes into pellets after washing, pulverizing and sorting them

** A method of regenerating various chemicals by decomposing plastic wastes through a pyrolysis process, etc.

Sustainable Design Strategy

Kia believes that sustainability should be at the core of everything we make. Kia's strategy focuses on sustainability at scale to create real impact. Through R&D, Kia has successfully implemented sustainable solutions in various product areas, including textiles and carpets using recycled PET, bio-based alternative leather, and BTX*-free paint.

* BTX (Benzene, Toluene, Xylene)

In order to fulfil our corporate responsibility and have immediate real impact, Kia has established a 3 step action plan for the Design of Colors, Materials and Finishes.



Starting with the new EV9, Kia plans to completely phase out the use of leather for all future projects. BIO** PU with added BIO components such as corn, eucalyptus and more is durable and can achieve the same feel as leather. By replacing leather and PVC*** with BIO PU, we can reduce CO₂ emissions and toxic chemicals as well as provide high quality products.

** BIO PU (Bio-Polyurethane)

*** PVC (Poly Vinyl Chloride)

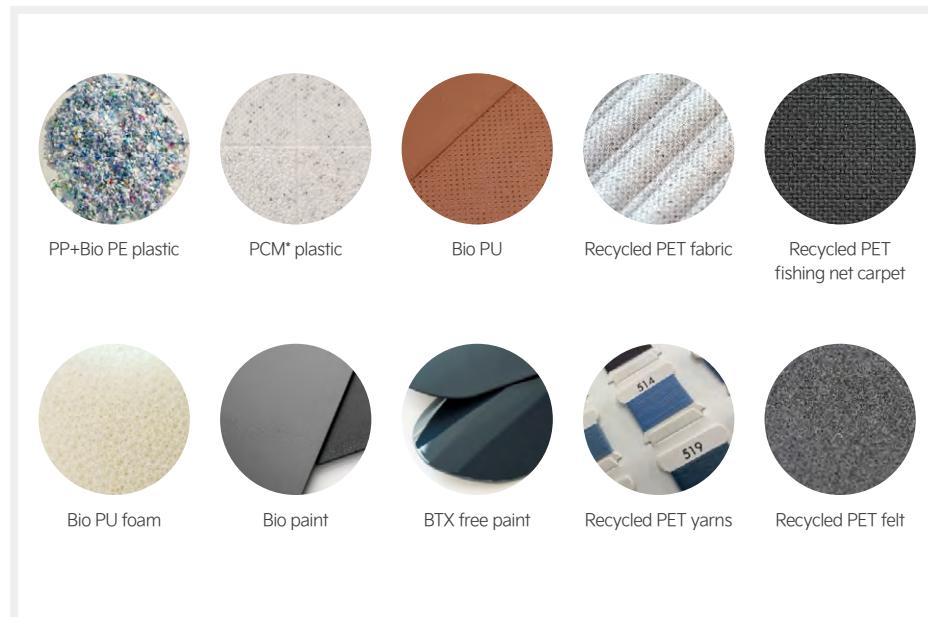


Action 2

10 Must Have Items

Over the past decades, Kia has been implementing various sustainable solutions, but those were applied to products without a comprehensive approach.

Therefore, to create massive impact, Kia defined "10 Must Have Items" which will be applied into all Kia models. With this Action, Kia could guarantee the implementation of sustainability at scale.



* Post Consumer Material

Action 3

BIO Fabrication

For its ambitious goal of advanced research, Kia defined "BIO Fabrication" as the third Action. With R&D, Kia aims to develop materials by cooperating with new startups and innovators. One example is the development of new materials based on mycelium, which comes from the mushrooms roots. In a partnership with Mycell, a spin-off startup of Hyundai Motor Company, Kia is accelerating the plans for Bio fabrication, which will allow us to keep creating while learning from Nature.



Our Partnership with The Ocean Cleanup

Plastic has brought humanity many benefits, making it essential to use it sustainably and manage our resources responsibly.



The Ocean Cleanup plastic collection solution 'SYSTEM002'

The ocean has been a source of inspiration and has stood for human progress throughout history. The ocean is the source of all life on Earth and accounts for more than 70% of the Earth's surface, controls the Earth's climate and is a habitat for marine life vital for human needs. However, according to the World Wildlife Fund (WWF), 88% of marine species studied face plastic threats (hindered migration and growth, reduced feeding, weaker immune responses or infertility). Plastics do not decay for decades and constantly degrade into microplastics and nanoplastics with devastating effects on food chains in the marine ecosystem. We need to use technology and innovative ideas to positively impact our planet by working together with actors in the private sector to reverse the damage to nature which is so costly to humanity.



Marine plastic waste



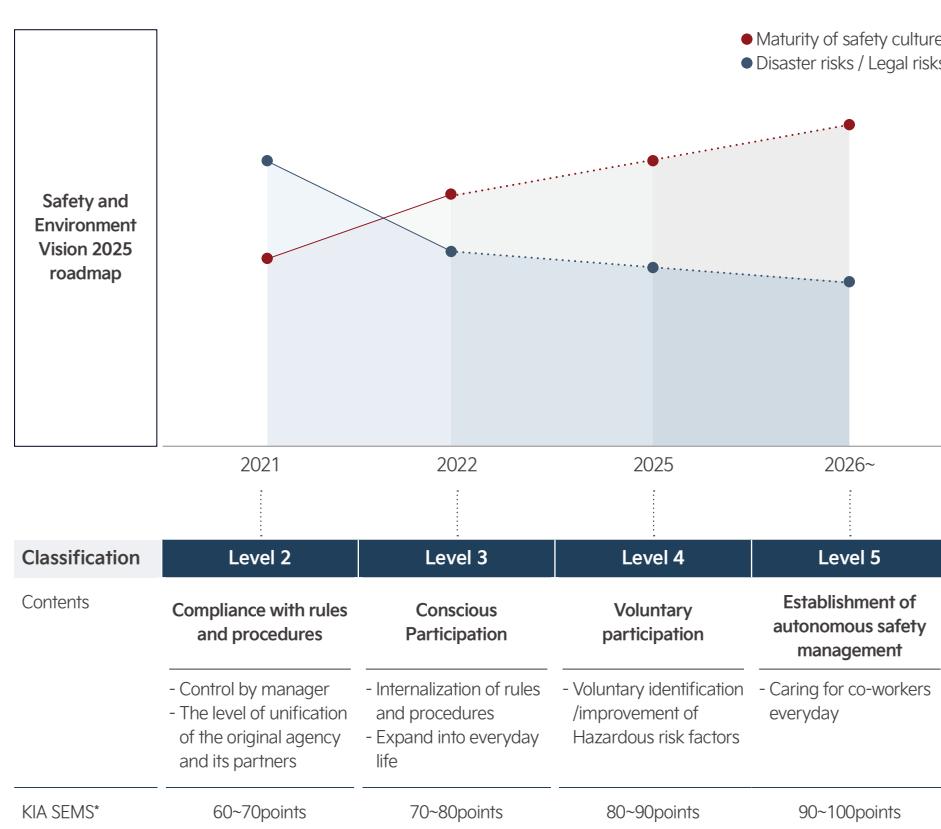
Global Partnership between Kia and The Ocean Cleanup

Aiming at this goal, we are working with The Ocean Cleanup, a non-profit organization that develops and scales technologies to rid the world's oceans of plastic. To succeed in this mission, they use a dual strategy of stopping the source by intercepting plastics in rivers and by cleaning up what has already accumulated in the ocean and won't go away by itself. The Ocean Cleanup's ocean cleaning system is already collecting floating plastic from the ocean and Interceptor Solutions prevent more plastic from entering the ocean via rivers. Kia's partnership with The Ocean Cleanup supports these technology-based marine plastic waste collection activities. We also plan to take further steps towards cleaner oceans by establishing resource-friendly systems to use the plastic collected and recycled by The Ocean Cleanup in the production of Kia vehicles. In the future, Kia will continue to form partnerships with various partners with innovative technologies and ideas to protect our planet and inspire our many stakeholders.

Safety and Environment Management System

In accordance with the Safety and Environment Vision 2025 roadmap, Kia will establish a safety environment system at the level of 'voluntary participation' by 2025.

By establishing a safety environment management system (KIA SEMS) and carrying out improvement activities every year, all employees and partners are complying with safety and health rules and procedures by 2025.



* Kia International Assessment for Safety & Environment Management System

One of the basic principles of Kia's safety and environment management system is 'to have a safe and environmental system that meets global requirements, and to comply with laws and satisfy the needs of stakeholders with the highest priority', which complies with OHS international standards and regulations, collective agreements, etc.

Basic Principles of Kia's Safety and Environment

- 1 We strictly comply with the principles of the safety and environment and consider the safety and environment in all decision making.
- 2 We consider the health and safety of everyone we work with as our top priority.
- 3 We fulfill our social responsibility for safety and the environment, and promote shared growth with our suppliers.

Safety and Environment Policy

1. Compliance with laws and regulations related to the safe environment

We have a safe environment system that meets global requirements, comply laws and regulations, and prioritize the requirements of stakeholders.

2. Minimization of the risks of the safety environment

We build a safe and pleasant work environment where our employees can create the value of their work and provide a happy experience to customers.

3. Minimization of environmental pollutant emissions

We optimize energy and resource input in all production areas, and actively introduce eco-friendly technologies to minimize emission of environmental pollutants.

4. Organizational culture in which safety is internalized

We strive to create a safety culture in which employees discover threats and proactively address those threats in order to create a safer workplace.

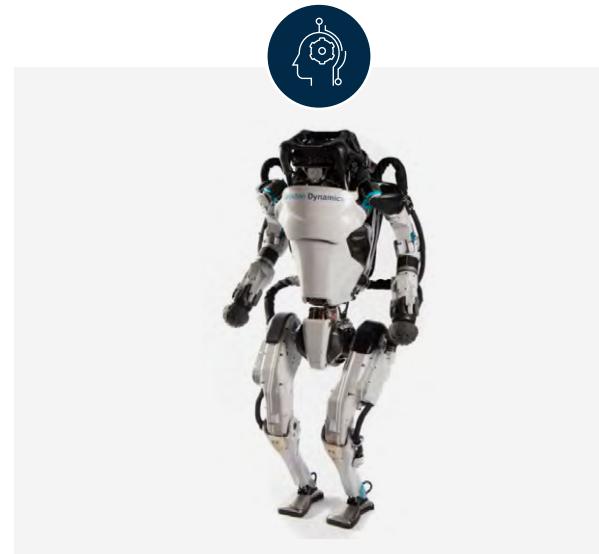
Application of Smart Safety Technology

Robot Spot and wearable robots that help overcome human limitations will make a great contribution to making our lives safer by performing missions in various fields and areas.



Patrol Robot Spot

Boston Dynamics' Spot can perform missions on behalf of humans in hazardous locations which are inaccessible to humans, such as extreme environments such as high temperatures and extreme cold, areas prone to natural disasters, and areas contaminated with radiation.



Humanoid Robot Atlas

Atlas is a humanoid robot rated as having the most similarity to a human body in the world. It implements human-like movements through a total of 28 hydraulic power joints and characterized by being able to maintain posture even in complex terrain through movement, stereo, and detection sensors. Atlas is 1.5 meters high, weighs 80kg, can move at 1.5 meters per second, and can lift a load of about 11kg, so it can perform various roles on behalf of humans.



Wearable Robot VEX

VEX (Vest Exoskeleton), an industrial wearable robot, was developed to reduce musculoskeletal disorders and increase work efficiency of workers who work with their heads tilted upward for long periods of time. The VEX can be worn like a vest and for a long time as it weighs only 2.5 kg. Wearable robots are expected to improve human capabilities by reducing the risk of injury and assisting people with physical disabilities.

Sustainable Business



Purchasing
Raw Materials



Production



Product
Service



Customer
Experience



Disposal
Recycling



R&D



Purchasing Raw Materials

Production

Product·Service

Customer Experience

Disposal·Recycling

R&D

Strategic Supply Chain Operations

Kia established the supply chain management system based on the five priorities of the supply chain management strategy. The system includes quality competitiveness, technological competitiveness, supply stability, fair trade, and eco-friendly production systems. We are establishing and operating a sustainable supply chain by linking these standards to partner companies' ESG capacity enhancement. To this end, we are implementing a win-win growth strategy to not only demand that our partners practice social responsibility but also to secure their sustainable capabilities by proposing a code of conduct that business partners must abide by in the major areas of ESG: ethics, environment, labor/human rights, safety/health, and management system.

**Priorities of Supply Chain Management Strategy**

Quality Competitiveness	Technological competitiveness	Supply stability	Fair Trade	Eco-friendly production system
• Receipt defect rate	• Basic competencies	• Smooth supply of parts(prevention of production line stoppage)	• Payment terms	• Environmental management system
• Complaint reimbursement rate	• Performance	• Future competencies	• Fairness of the contract	• Energy use management
• Quality management	• Reliability testing capability	• A/S parts payment rate	• Compliance efforts	• Air pollutant management
• Evaluation of manufacturing process site / Outsourcing management	• S/W verification capability	• KD parts payment rate	• Win-win cooperation activities (support for mutual growth)	• Waste management
				• Hazardous chemicals management

Management of Risks in the Supply Chain

In order to mitigate the recent the ESG-related supply chain risks, Kia evaluates ESG performance and improves management of its suppliers. Since 2022, we have evaluated the ESG performance of overseas parts makers. In doing so, we manage ESG performance for all parts makers we do business with. Companies that require intensive management, such as Critical suppliers and high-risk suppliers are separately designated and managed. For Critical suppliers, 82 suppliers (1st-tier suppliers and 2nd-tier suppliers) were selected in consideration of the characteristics of parts, purchase size, and substitutability among suppliers that supply parts used for hydrogen fuel cells, battery systems, control devices, autonomous driving systems, and infotainment systems. For High risk suppliers, there are 19 suppliers who are concerned about major safety accidents or risks related to fair trade. We are monitoring and preventing fair trade risks through the "5-Star Evaluation System for Win-win Cooperation", which has been in effect since 2019. This system strengthens win-win cooperation between the 1st-tier suppliers and 2nd-tier suppliers.

Supply Chain Assessment & Correction Status

Category	Indicators	No. of suppliers	Percentage
Supply Chain ESG Assessment	1 st -tier suppliers subject to sustainability risk assessment* (domestic suppliers)	380	100%
	High risk 1 st -tier suppliers subject to sustainability risk assessment	19	100%
Critical Supplier Monitoring	Critical 1 st -tier suppliers subject to supply chain monitoring	62	100%
	Critical 2 nd -tier suppliers subject to supply chain monitoring	20	100%
Correction Measures	Sustainability high risk suppliers that completed corrective measures	19	100%

Supply Chain Status (2021)

Category	No. of Suppliers	Purchase ratio
1 st -tier	Total No. of 1st-tier suppliers	1,860
	Domestic	380
	Overseas	1,480*
2 nd -tier	Critical Suppliers	62
	Critical Suppliers	20

* Overseas suppliers : imported parts company + companies that do business with overseas factories

** Proportion of purchases from 1st-tier critical suppliers in total purchases from total 1st-tier suppliers

Purchasing Raw Materials

Production

Product·Service

Customer Experience

Disposal·Recycling

R&D

Supply Chain Assessment Process



Supply Chain Sustainability Goals

Classification	Performance			Goals
	2019	2020	2021	
Acquired ISO 45001 Occupational Health and Safety Management System Certificates for Tier 1 suppliers	98%	99%	100%	100%
Acquired ISO 14001 Environmental Management System Certificates for Tier 1 suppliers	91%	92%	100%	100%
Assessing Supply Chain ESG risk	-	20%	20%	100%

Responsible Mineral Management

Kia establishes a system to manage conflict minerals in order to ban the use of conflict minerals that are unethically mined in conflict areas. In accordance with the "Responsible Mineral Purchasing" policy stipulated in the Conflict Minerals (Responsible Minerals) Policy, we inspect social and environmental issues such as human rights violations, ethical violations, and negative environmental impacts when raw materials (minerals) including conflict minerals (tin, tungsten, tantalum, gold) are applied to parts supplied to us. We strive to build a sustainable future and fulfill our responsibilities as a global company by actively participating in responsible mineral management.

Mineral Purchasing Policy

Kia complies with relevant laws and regulations as well as other requirements and continuously improve its management system. We established a policy for conflict minerals (responsible minerals) based on the OECD Guidance on Conflict Minerals, the U.S. Securities and Exchange Commission's (SEC) requirements for companies in accordance with the Dodd-Frank Regulatory Reform Act in the US, and the EU's Conflict Minerals regulation. We are committed to continuing ethical and responsible management of conflict minerals and cobalt.

Management Process for Minerals

Kia supports the OECD Guidance on Conflict Minerals, applies the CMRT/CRT** form provided by the RMI*, and establishes a management process based on this. We operate management processes based on responsible and clear policies. We will maintain a transparent and stable supply chain management system by ensuring that our suppliers do business with RMAP*** certified smelters.

* RMI (Responsible Mineral Initiative)

** CMRT/CRT (Conflict Minerals Reporting/Cobalt Reporting Template)

*** RMAP (Responsible Minerals Assurance Process)

Guidelines for Green Purchasing

In September 2005, Kia participated in the Voluntary Agreement for Green Purchase promoted by the Ministry of Environment, and has been promoting green purchasing by purchasing eco-friendly products such as products with eco-label certification, products with excellent recycling marks, products with reduced harmful substances in accordance with the Guidelines for Green Purchasing every year.

In 2007, we signed an agreement to provide eco-friendly parts with all parts suppliers in the supply chain to prevent the use or inclusion of substances that are harmful to the human body and the environment in the development and production of parts. We are working to establish an internal green system to ensure that supplied parts are designed, produced, packaged and transported in an environmentally sound manner.



Purchasing Raw Materials

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Strengthening Capabilities of Supply Chain

Kia conducts a project to support the construction of a smart factory to strengthen the competitiveness of its suppliers. We provide consulting and invest in facilities to computerize the process data of suppliers, reduce lead time, defect rate, and disposal cost, and increase sales and on time delivery rate. For the project to support the construction of a smart factory, we have been financing a total of KRW 24 billion at the group-level from August 2015 to 2021 to support 1,100 small and medium-sized suppliers. We also help suppliers participate domestic/overseas auto parts exhibitions and provide them with programs to develop partnership with overseas buyers. In Korea, we offer financial support for renting booths at the automobile industry exhibitions, one-to-one matching with overseas buyers and provide consulting services. For overseas exhibitions, we support all expenses such as airfare and accommodation, including participation fees.

The Supplier Recruitment Fair, which started in 2012, was organized to help suppliers having difficulties in finding talented manpower and contribute to creating jobs for the youth, and in 2021, 287 companies including 2nd- and 3rd-tier suppliers participated in this fair. In addition, we are providing assistance to minimize the manpower vacancy by operating an online full-time job support system dedicated to suppliers throughout the year. In addition, the Global Win-Win Cooperation Center provides training programs to the 1st and 2nd-tier suppliers with a purpose to help them improve their competitiveness in the automobile industry. We also render training facilities and instructors when they require their own training.

Foundation of Korea Automotive Parts Industry Promotion, an external organization established with the goal of strengthening global competitiveness of suppliers, operates various training programs for the 1st and 2nd-tier suppliers. In 2021, a total of 3,000 people joined the programs which include technical institutes, quality institutes and production manager training.

In order to improve the quality, technology and productivity of finished cars by improving the competency of our suppliers, and to enhance global competitiveness, we dispatch a technical support group and a supplier support group to small and medium-sized enterprises to transfer our expertise and know-how free of charge.

Supplier Support Program (2021)

Category	Technical Instructions (Quality Technology Support Group)	Management Consulting (Supplier Support Group)
1 st -tier Suppliers	26	37
2 nd -tier Suppliers	83	18
Contents	Technical guidance by industry	Management consulting by division
Support Areas	14 industries including injection and rubber	8 divisions including R&D and production

**Training Performance of
Global Win-Win Cooperation
Center (Job training, etc.)**

454 courses

59,837 people**Assistance to Promote Financial Growth of Suppliers**

For the stable fund management of suppliers, we make cash payments to small and SME suppliers. Also, to share the growth of SME suppliers, we widened the applicable scope of cash payment by changing the previous conditions stated as "mid-sized companies with sales less than KRW 300 billion" under the Subcontracting Act, to "mid-sized companies with sales less than KRW 500 billion" since 2016.

We make early payments to relieve their financial burden during the holidays, and urge the 1st-tier suppliers to make earlier payments to 2nd-tier and 3rd-tier suppliers. We state the fact whether the 1st tier supplier has benefited from financial assistance on the evaluation record of the supplier assessment. Additionally, various financial support programs including the Mutual Growth Cooperation Loan, Win-Win Fund, Mutual Growth Fund, and the other fund dedicated to 2nd and 3rd-tier their foundations for business stability.

Especially we have been financing at the group level for small and SME suppliers with low credit ratings who are suffering from the COVID-19. We have run financial support program for suppliers since 2020. Furthermore, by adjusting and reflecting changes in the price of raw materials including steel, aluminum, and precious metals, we pay careful attention to relieve their burden from rising costs so that they can supply high quality parts.

Payment Terms and Conditions

Category	Payment type	Payment period
Parts for Domestic Markets	SMEs	Cash
	Mid-sized companies (less than KRW 500 billion in sales)	Cash
	Mid-sized companies (KRW 500 billion or more in sales)	Promissory note (60 days)
	Large corporations	Promissory note (60 days)
Parts for Overseas Markets	Cash	Once a month

Supply Chain Financial Support Programs

Support Program	>	Mutual Growth Cooperative Loan	Future Growth Win-Win Fund	Future Growth Mutual Fund	Win-Win Mold Equipment Fund	Loan fund exclusively for secondary and tertiary partners
Operating scale (KRW 100 million)	>	2,380	935	1,500	750	723

Purchasing Raw Materials

Production

Product·Service

Customer Experience

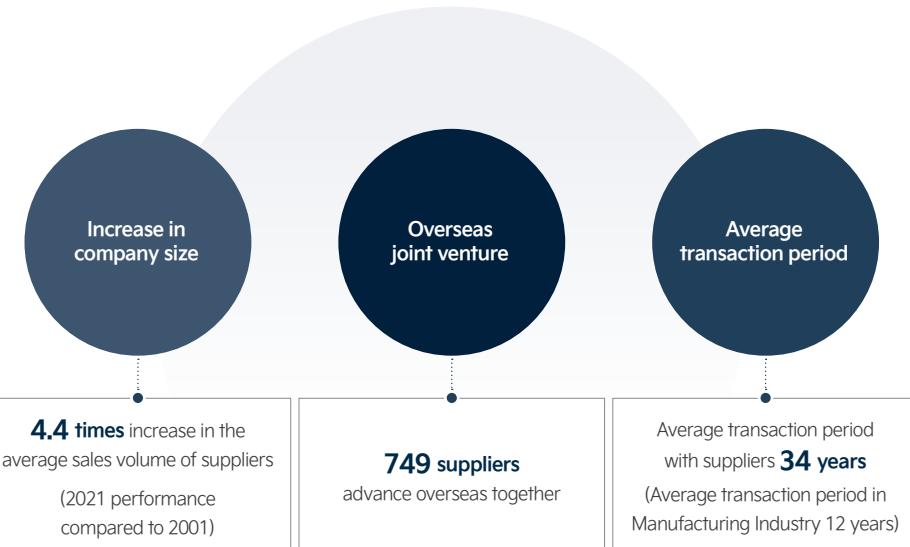
Disposal·Recycling

R&D

Establishment of a culture of shared growth with partners

As part of creating a culture of shared growth, Kia enters into a 'fair trade agreement' with its partners every year. Since the signing of the first agreement in 2008, Kia signed the 13th agreement in 2021 and is implementing adjustments related to raw material price increases, financial support programs, operation of four subcontracting practices, and strengthening of win-win cooperation with secondary and tertiary partners.

In addition, Kia has been working hard to spread a culture of shared growth by reviewing and rewarding win-win growth performance, such as improving payment conditions between primary and secondary suppliers, since 2009. A total of 38 companies have received the award for excellent win-win cooperation till 2021 since the reward system was implemented. Kia conducts transparent transactions through the Partner System, which evaluates partners fairly in all transactions. Kia supports the sustainable growth of its suppliers and provides a transparent and ethical practice suggestion box for suppliers to collect their complaints and opinions on various system improvements by operating the website of the Transparent Purchasing Practice Center and posting the code of conduct for business partners, the 4 major subcontracting practices, and the guidelines for the prohibition of retaliation. Kia also operates the opinion box for secondary and tertiary partners to establish fair trade practices throughout the supply chain and enhance transparency.

**Establishment of a culture of shared growth****Mutual Growth Performance****Four Subcontracting Practices**

- Desirable contract signing practices
- New registration and operation of suppliers practices
- Implementation of subcontract internal deliberation committee practices
- Desirable written issuance and preservation practices

Transparency/Ethics Suggestion Box

- Purpose of suggestion box/report box
- How to make suggestions and report
- How to operate operation method (Anonymous and non-disclosure principles)
- Measure result inquiry

* Analysis target : 1st tier supplier (excluding affiliates, non-specialized parts companies with less than 10% dependence)

Purchasing·Raw Materials

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R&D

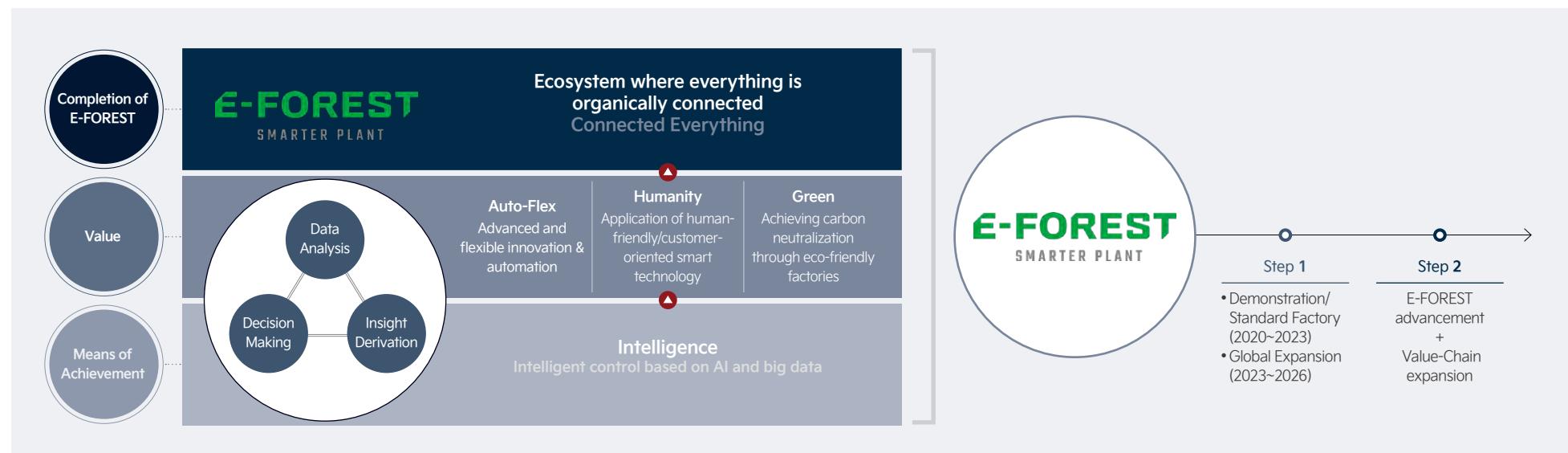
E-FOREST

『E-FOREST』, a smart factory brand of Kia Motors, is a "Smart Factory Ecosystem" that pursues innovation of manufacturing systems by organically connecting everything to realize customer value based on a human-centered manufacturing philosophy.

E-FOREST pursues advanced and flexible innovation automation "Auto-Flex", AI, big data-based intelligent control "Intelligence", human-friendly and customer-oriented smart technology "Humanity", and "Green" that achieves carbon neutrality through eco-friendly factories.

Auto-Flex responds to the diverse needs of customers with a new type of mobility manufacturing environment, and is building a fast and efficient system that overcomes limitations through innovative and highly automated production methods. Intelligence collects and analyzes products and all system data as well as external information in real time by using future ICT technology and by digitalizing quality/facility/logistics information. Intelligence uses an intelligent factory management system based on artificial intelligence to run factories more efficiently, providing the best quality for customers.

Humanity creates a safe and comfortable work environment by automating work environments, promoting harmony between humans and robots, and utilizing human-friendly technology. Green reduces carbon emissions by improving the efficiency of future eco-friendly factories and facilities, and contributes to achieving carbon neutrality by recycling resources and developing technologies that reduce energy costs. To expand E-FOREST, we selected AutoLand Gwangmyeong Plant 2 as a pilot plant in 2020 and implemented an intelligent factory management system that can monitor and connect data generated at the manufacturing site. We have selected AutoLand Gwangju Plant 2 as a standard plant in 2022 and are building a system that can recognize and analyze changes by strengthening system performance. Based on the standard factory, we intend to expand the E-FOREST system globally by 2026. Through the new factory construction project, we will implement an advanced E-FOREST and establish a digital twin smart factory in which the virtual and physical environments are organically linked. In addition, we will expand E-FOREST to the entire value chain to secure sustainable competitiveness as a top-tier mobility company and provide differentiated customer value.



Purchasing·Raw Materials

Production

Product·Service

Customer Experience

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R&D

World-Class Quality Brand

Kia received the highest rating among 32 brands in the "2022 Vehicle Dependability Study (VDS)" announced by U.S. market research firm J.D. Power* and ranked No. 1 among all brands. Kia will make ceaseless efforts to maintain excellence quality performance.

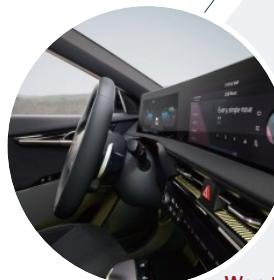
*J.D.Power : U.S market research firm

**Awards by country****The United States****The U.K.****Canada****Germany****Russia****Latin America****Australia**

Kia's first dedicated electric vehicle EV6 overcomes the limitations of existing electric vehicles and presents a vision for future electric vehicles with new technologies and optimized specifications.

Panoramic Curved Display

We implemented a wide and luxurious interior by applying a 12.3-inch cluster and a curved display with integrated navigation. In addition, we enhanced user convenience with the "Kia Connect" widget and split screen, a state-of-the-art connected car service that provides remote control and safety and security services.



Won the award for '2022 European Car of the Year'

First in Hyundai Motor Group, first in non-European countries



Remote Smart Parking Assistant (including perpendicular parking, parallel parking, and exit function)

It helps the driver to park and pull out the vehicle remotely. When the driver gets in and operates the vehicle, it automatically controls steering and vehicle speed to assist in parking and pulling out the vehicle.



18-minute Super-fast Charge

It charges from 10% to 80% in 18 minutes, enabling super-fast charging.



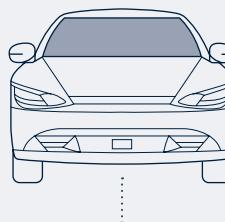
2022 Received Red Dot Award

Best of the best (Automobile & Motorcycle), Best Innovative Product



i-PEDAL Mode

It uses the next-generation integrated PE (Power Electric) system to realize a long mileage and provides excellent driving performance based on a low center of gravity design and rear-wheel drive. A one-pedal mode (i-PEDAL mode) has been applied that can accelerate, decelerate, and stop using only the accelerator pedal.



2022 Selected as Car of the Year in Korea

Car of the Year, Design of the Year, Electric Crossover of the Year



475km on a Single Charge

Charging stress is minimized using the EV6's 77.4kWh high-capacity battery



EV6 Researcher Interview



Sang Jo Kim | Senior Researcher
Sub-Mid PM 6



Jung Jae Kim | Researcher
Sub-Mid PM 2



Seung Pyo Lee | Senior Researcher
Sub-Mid PM 2



Su Hyeok Ha | Researcher
Sub-Mid PM 2

Q — . What was your focus when developing the EV6?

A — EV6 is Kia's first dedicated electric vehicle mass-produced based on Electric-Global Modular Platform (E-GMP), focusing on mileage, driving performance and convenience. The battery capacity is divided into 77.4kWh and 58.0kWh to operate as a long-range model and a standard model. The EV6 can travel up to 510km or more by combining the long-range model with a 160kW rear-wheel motor. It is based on rear-wheel drive, and implement four-wheel drive by adding an electric motor to the front wheel. The transmission, which is essential for conventional internal combustion engine vehicles, is not included. Instead, EV6 is equipped with the Disconnector Actuator System (DAS) that separates or connects the motor and the drive shaft according to the driving situation, and a heat pump system that minimizes battery consumption by using waste heat generated from electronic components for indoor heating. Furthermore, it applied the Smart Regeneration System 2.0, which automatically adjusts the amount of regenerative braking based on traffic flow and navigation map, and the i-pedal (Intelligent Pedal) mode that can accelerate, decelerate and stop using only the accelerator pedal. The 800V multi-quick charging system enhances charging convenience. The convenience of charging has been improved through the 400V/800V multi-quick charging system.

Q — Harmony of functionality and design

A — EV6 offers a differentiated design and dynamic driving experience. We paid careful attention to the interior space and sound to provide a driver with a comfortable driving experience. The front row is designed mainly for the driver. We applied the relaxation comfort seat, 12.3-inch cluster, and panoramic curved display with integrated navigation, completing a wide and luxurious interior. We also made it convenient for the driver to operate the main infotainment functions and the HVAC System with the push of a button in the center of the control panel. The back row is equipped with a reclining function. The back row folds when the lever is pulled with the trunk open, allowing users use the space when necessary. EV6 is the first Kia vehicle for which Active Sound Design technology is applied. Various engine sounds such as Stylish, Dynamic, and Cyber are provided so the driver can choose the sound according to his or her taste. On the exterior of the vehicle, sequential lighting front and rear turn indicators, dynamic welcome light, body silhouette lamp, auto flush door handle, rear deck spoiler, electric charging port, external V2L, etc. are applied.

Q — A high-performance Electric Vehicle with Powerful Performance

A — The EV6 GT is Kia's first high-performance electric vehicle. A separate GT drive mode was applied to enable 0 to 100 km/h arrival (0-100 km/h). Batteries must be set to a certain temperature for maximum output. When GT mode is selected, a function is activated to raise or cool down to a certain temperature. Compared to general models, the EV6 GT has a motor specialized for high performance, providing a maximum output of 584 hp and a maximum torque of 75.5 kgf·m. A 430kW dual motor, which is larger than a normal motor, was installed in order to achieve the power performance of the EV6 GT.

Purchasing·Raw Materials

Production

Product·Service

Customer Experience

Disposal·Recycling

R&D

EV9**AutoMode of the Perfect Electric Vehicle, Enables Free Driving Moment.**

The flagship model EV9, which is at the top of the electric vehicle lineup, is an innovative product that leads and inspires future designs based on Kia's new design philosophy "Opposites United (creative fusion of opposing concepts)". With an unprecedented future-oriented design, the EV9 provides a new experience to customers' lifestyles with five attributes: boldness in harmony with nature, pleasure for a reason, innovative attempts for the future, technology for human life, and tension in tranquility. Through mechanical and natural elements, the EV9 offers mobility versatility, endless creativity, advanced technology, and aesthetics of balance and harmony. Following the EV6's Highway Driving Assist technology, the EV9 comes with an enhanced autonomous driving technology, providing customers with a safe and free new driving paradigm.

**E-pit****Electric vehicle charging service brand E-pit, Establishes the Domestic Charging Network.**

Kia takes the lead for the qualitative and quantitative growth of the EV charging ecosystem, launching "Electric Vehicle Charging Service Platform (E-CSP)" as a control system for charging stations and applying this to E-pit. Through this brand, charging operators reduce burden on service development, member management and operation, and customers can experience convenient services such as stable charging, flexible rate plans, and expanded point usage. As of June 2022, a total of 120 E-pits have been installed in 21 locations across the country, and we plan to expand the number of E-pits in the future to enhance the convenience of electric vehicle customers.



Purchasing·Raw Materials

Production

Product·Service

Customer Experience

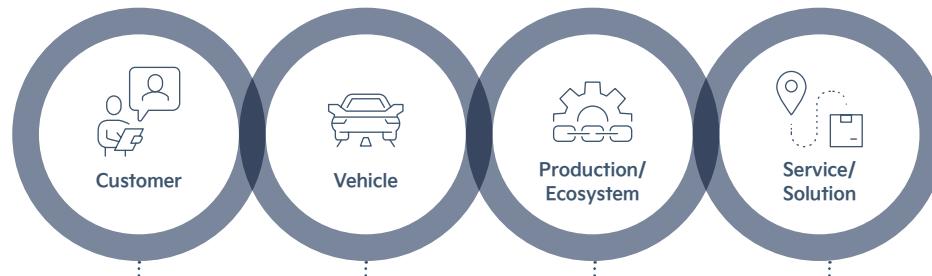
Disposal·Recycling

R&D

PBV (Purpose-built Vehicle)**PBV to the Global Market, Incorporates a Customer-oriented Philosophy.**

Purpose-built Vehicle (PBV), an axis of Kia's future business, are developed based on our customer-oriented philosophy. Based on the skateboard platform, we will provide PBVs suitable for various customer needs, such as mobility and delivery, and offer optimal solutions and services related to this. We aim to achieve our goal of becoming PBV Global No. 1 by strengthen its lineup, launching new models, and continuously expanding solutions.

PBV Strategy | We intend to conduct PBV business based on our accumulated development capabilities in response to the growth of the future mobility market. The B2B market is expected to grow at a significant rate and the business types of mobility and delivery will be further segmented and diversified. Therefore, we intend to establish a customer-participatory PBV development process, and provide solutions and services linked to products which are optimized for customers' business and needs by utilizing Kia's development capabilities and external ecosystem capabilities to respond to the increased demands for B2B and diversification of services.

Management Strategy**Establishment of Customer Communication Channel**

Global Suppliers, Businesses and Individuals/ Small Businesses

Operation of the KAM* Organization

Supplier Support/ Management
Establishment of a Dedicated System

Development of derivative/exclusive PBV lineup

Step-by-step market response based on existing vehicles/new platforms

Establishment of customer participatory development process

Customers directly evaluate vehicles in the development stage/reflect customer opinions

Establishment of PBV flexible production system

Construction of an Autoland Hwaseong-exclusive factory

Establishment of an integrated data platform

Strengthening data-driven vehicle/solution/business connectivity

Provision of customized packages

Solution bundling specialized for business type (finance, vehicle management, charging, AVS, customer-specific solutions, batter solutions, etc.)

PBV Lineup | Kia will make an early entry into the PBV market by utilizing the existing platform. Starting with launch of Kia Ray single-seater van, a multi-purpose model that suggests the direction of the PBV in February 2022, we will sequentially launch products such as EV taxi, Kia's first PBV model, and Niro Plus for car camping that meet the needs of various customer groups in May 2022. After 2025, we intend to significantly expand our dedicated PBV lineup based on a new platform. The lineup of dedicated PBVs will be composed of Micro, Mid, and Large PBVs.



Micro PBV

Mid PBV

Mid PBV AV

Large PBV

The Mid PBV, scheduled to be released in 2025, will be developed as a mid-size class based on its own skating platform, considering various business responses and scalability such as hailing and delivery. In the future, we plan to develop and commercialize a robot-taxi model capable of autonomous driving.

After Mid PBV, Kia plans to expand to Micro PBV and Large PBV. Micro PBV will lead the unmanned autonomous delivery market by targeting services optimized for small packages delivery such as food and household goods. Large PBV will further expand business use-cases such as urban logistics and shuttle based on the expanded space compared to Mid PBV. In addition to the basic vehicle of the dedicated PBV, we will expand our lineup with derivative models that diversify the interior and exterior, aiming to become a strong player in the future PBV market.

Product Upgrade and Enhancement of Competitiveness in Solutions and Services | In addition to PBV vehicle development, Kia plans to offer various solutions and services such as PBV-related financial PKG, Fleet Management System (FMS), charging, after sales service, mobility/logistics solutions, vehicle-related solutions such as battery refurbishment from PBV purchase to operation to disposal in order to secure differentiated competitiveness. In particular, the all-in-one display, a special specification of the Kia Niro Plus taxi, is a terminal with integrated functions such as navigation, app meter, and digital tacho graph (DTG), which are essential for taxi sales. Besides applying these services, we intend to partner with taxi sales-related service providers in relation to call / dispatch and conduct over-the-air software update (OTA) to provide solutions and services that are optimized for the purpose and requirements of customers. Starting with this, we intend to increase the efficiency and productivity of business operations by providing and expanding services and solutions suitable for various customer needs, such as mobility and delivery.

MaaS (Mobility as a Service)

New Business Expansion, Builds a Connected Car Service Ecosystem.

In response to the rapidly growing demand for switch to EV in Business to Government (B2G) and Business to Business (B2B) under the environmental policies, Kia launched a customized total EV solution called "wible BIZ" last year. A service that combines EV subscription and sharing, wible BIZ allows organizations to subscribe and use electric vehicles during business hours, and individuals use them for commuting or leisure activities during the remaining hours.

Last year, we launched wible BIZ in Hwaseong City and Dongtan High-tech Industrial Complex, taking the lead in creating an eco-friendly mobility ecosystem by reducing 70 tons of carbon dioxide emissions, which is equivalent to the effect of about 10,000 trees. Based on these success stories, we plan to work with Hwaseong City and open the service to the general public together with this year. We are expanding the business by launching the service in new areas such as Gwangmyeong City Hall and Gyeongnam Provincial Office. Furthermore, we have developed a dedicated IT platform used for vehicle reservations and reservation management to efficiently manage the services. We plan to provide more advanced mobility solutions by establishing partnerships with various mobility operators based on the platform built by Hyundai Motor Group.



Signed MOU with Hwaseong City for cooperation on eco-friendly future vehicles

Connected Car

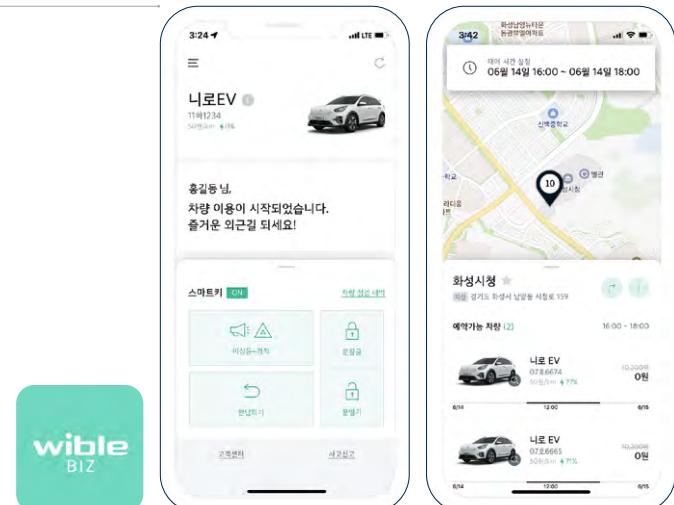


- • Integration / centralization / high efficiency of the controller
- • 10 million global connected car subscribers by 2022 / Aiming for All Connected by 2025 for the new car

- • Maintaining up-to-dateness based on infotainment OTA such as navigation, cluster, head up display and sound
- • Reducing S/W recall/campaign response cost and increasing future utility value (VCU, ACU, MDPS, etc. can be updated) through controller OTA update
 - * VCU : Vehicle Control Unit, ACU : Airbag Control Unit, MDPS : Motor Driven Power Steering

- • Establishment of a Connected Car Service Ecosystem for Domestic and Global
- • New business expansion based on Big data

Application screen of Wible Biz



Purchasing·Raw Materials

Production

Product·Service

Customer Experience

Disposal·Recycling

R&D

Global new space design 'Kia Store'

Kia's new design standard 'Store Identity (SI) 2.0' for customer contact points has begun full-scale global deployment. 'Kia Store' applied with Kia's second-generation SI is based on a new CI(Corporate Identity) and brand strategy, reflects a design philosophy 'Opposite United' which refers to creative combination of contrasting elements. The SI 2.0 will be available to overseas markets starting from the Dongtan and Gayang branches in Korea. We are targeting 44% and 90% of global Kia dealers to have this new multi-purpose space set by 2023 and 2026 respectively, with the aim of enhancing communication with the customers in the global market.

Through "Kia Store", a new brand experience space, we are striving to provide customers with a meaningful experience that goes beyond the traditional car purchase experience. By arranging the customer zone and the exhibition zone in contrasting directions, we create a dramatic experience for customers who visit the store.

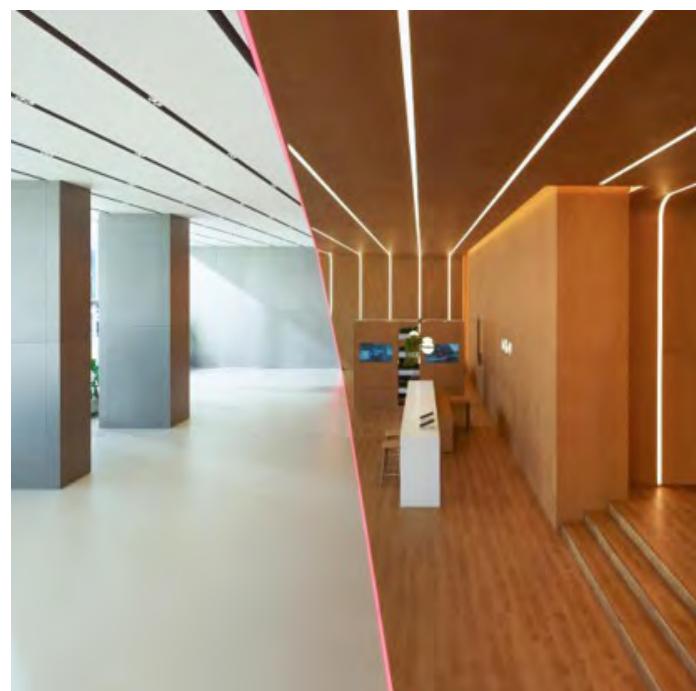
The refined corners and achromatic colors of the exhibition zone give a minimalistic feel, and the reflection of metal materials and the creation of an open space make the exhibited vehicle stand out more. The contrasting customer zone is designed so that customers can feel the comfort and warmth of home.

The wood-tone interior gives a warm and comfortable feeling that is distinctly differentiated from existing stores, creating an atmosphere like a saloon or living room in a residential space.

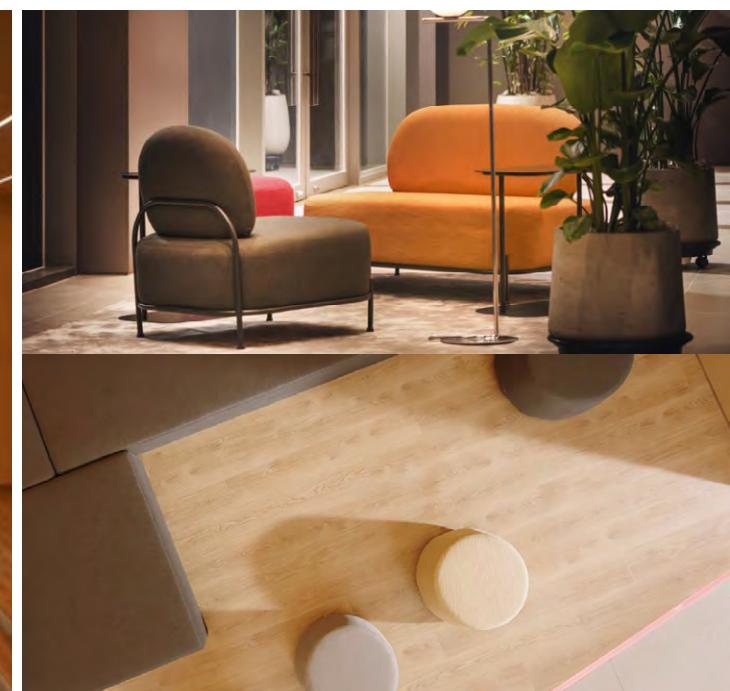
Customers who visit the Kia store can experience the vehicle slowly without any disruption. They can experience the vehicle themselves in the exhibition zone, or take a few steps from the exhibited area and sit in a comfortable rest area to observe the vehicle from a distance. Customers who visit the Kia store will go beyond the ordinary vehicle purchase experience and experience a brand where inspiration begins.



Kia Store's front view



An interior expressing 'Opposites United'



Customer zone

Purchasing·Raw Materials

Production

Product·Service

Customer Experience

Disposal·Recycling

R&D

Various services for customer satisfaction

We have more than 30,000 service professionals under our global network of 5,700 dealers and provide a variety of convenient services. With the goal of delivering zero-defect vehicles to customers, we are operating a mobile-based monitoring system called Global port/dealer PDI Management System (GPMS). We are also committed to improving the customer experience through MyService, which digitizes the entire service process from entry reservations to vehicle inspection, quotation and delivery. We plan to build a smart service center, so that repairs can be carried out in real time when requested by customers facing problems in driving, through the connectivity function. To help customers intuitively understand their vehicles, we developed and distributed the AR Owners Manual, and distributed Kia Customer Visual Guide (KCVG), a PC-based technical information explanation guide, in order to provide information on EVs that meets the customers' needs for technical information in the electric vehicle era. We also plan to establish a next-generation Customer Relationship Management (CRM) by managing the entire customer experience throughout exploration-purchase-ownership-repurchase process.

We built an EV maintenance workshop and introduced "KEVT (Kia Electric Vehicle Technician level up program)," the first EV maintenance technology certification system in Korea in order to provide a specialized EV maintenance service. In addition, we provide technical information on EVs to mechanics and customers through Kia EV Simulator (KES), a mobile technical information application, so that maintenance details are transparently disclosed to customers.

Key content for Kia EV Simulator customers

 Vehicle assembly simulation	 Safety and charging simulation	 Provision of information on E-GMP structure and mileage	 Electric vehicle FAQ
Provision of public information related to electric vehicles	Provision of information on customer usability and safety	Provision of information on vehicle usage	Provision of information on customer needs

Scenarios for using Kia EV Simulator**Usage scenarios by application user & point in time****Usual**

- Pre-learning for electric vehicle maintenance
- Reinforcement of capabilities for electric vehicle maintenance



- Learning how to use an electric vehicle
- Strengthening your understanding of electric vehicles



- Pre-learning for electric vehicle maintenance
- Pre-learning of electric vehicle systems

Defective EV warehousing & maintenance

- Maintenance learning specialized for electric vehicles
- Maintenance with reference to simulation if necessary

- Information on failure
- Improving the transparency of maintenance
- Improving customer reliability for service

Establishment of Eco-friendly Service Center

Kia is establishing the standard for 'Eco-friendly Service Center'. We plan to conduct a trial run at the domestic Gangseo service center, and establish a final guideline for global establishment. In addition, we plan to provide instructional guidebooks and educational video content for service centers and dealers to disseminate throughout the company.

Purchasing·Raw Materials

Production

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R&D

To realize a sustainable world, we are operating social contribution projects centered on the values of "eco-friendly" and "free and safe movement".

Green Travel

Green Travel is a representative CSR project in Korea that provides travel opportunities to people with disabilities so they can enjoy traveling through a safe transportation environment. We have electric and manual wheelchairs, and 15 Carnivals with Easy Move System and one Ray which the people with disabilities can drive themselves depending on the degree of disability. Considering that people with disabilities may not be able to easily find travel information, we provide various travel information (cumulative 3,079 in 2021) such as convenience facilities and travel plans for domestic tour sites on the Green Travel website.

Due to the prolonged COVID-19 in 2021, we provided vehicle/home quarantine services by visiting welfare institutions that are vulnerable to infection as the importance of personal hygiene and health management has been strengthened. In addition, we conducted a non-face-to-face vehicle maintenance support for customers with disabilities who could not visit an auto repair shop. We provided continuous support for the mobility-impaired, signed an agreement with the Korea Airports Corporation, and started the service in the Jeju airport so that more customers can enjoy the benefits through barrier-free tourism. In 2022, we plan to replace old vehicles so that customers with disabilities can use the service more conveniently, and provide "integrated travel solutions" in cooperation with various partners such as railroads, airlines, and lodgings.

Green Travel plans to expand the mobility support for people with disabilities through "dedicated vehicle development" and "smart electric wheelchair service" based on our performance in the mobility support activities for people with disabilities. Kia will be committed to paying attention to CSR projects and fulfilling its social responsibilities in order to create a new and great future for the company.

Accumulated number of users from 2012 to 2021

66,813

Covered 104 times around the earth
Approx.

4.13 million km traveled



Panteakwa regional GLP health center, Ghana

Self-reliance support project for underdeveloped countries

Including **8** African countries and **1** Asian country

Total 12 bases

Green Light Project, GLP

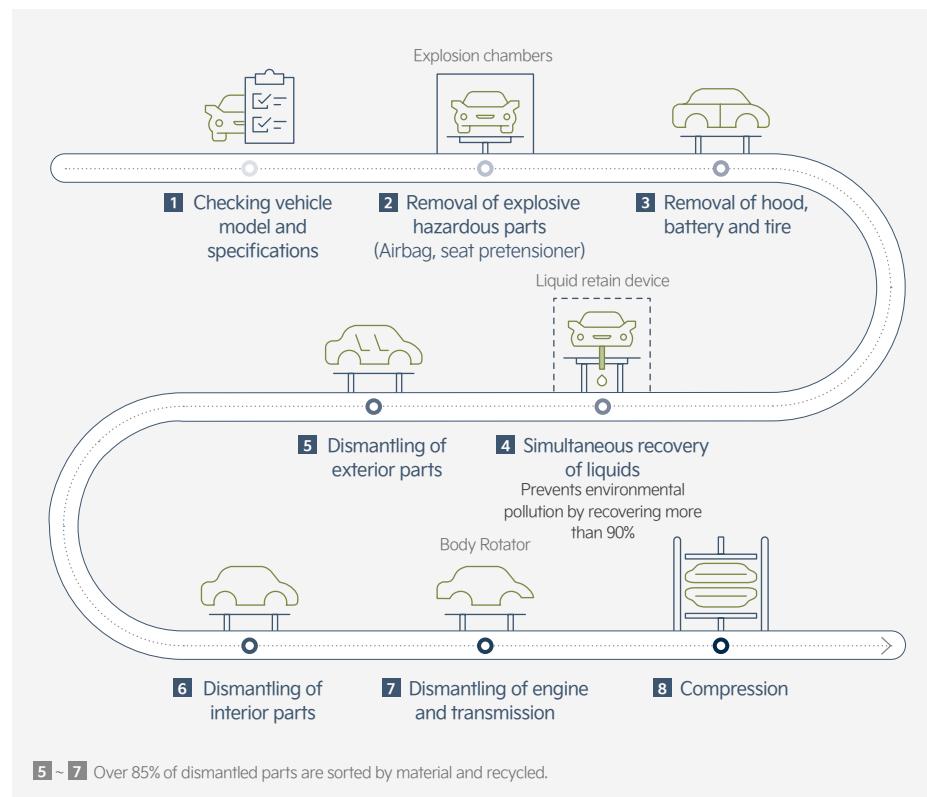
The Green Light Project (GLP) is one of our global CSR projects through which we promote the self-reliance of local communities in underdeveloped countries. For sustainable growth and self-reliance of individuals and society, Kia supports three areas: establishment of a base-type infrastructure, support for mobile infrastructure, and operation of self-reliance support programs. The 2021 Green Light Project focused on the normalization of communities hit by COVID-19. The GLP health center in Panteakwa in Ghana, is a regional base medical center that has built a 24-hour medical environment by reinforcing infrastructure such as the a surgical ward, and improved the quality and accessibility of health services in the community by providing 990 mobile

medical treatments a year. The GLP vocational training center in Gahengeri in Rwanda contributed to improving the self-reliance capabilities of the poor with limited mobility through on-site agriculture training and rental of agricultural machinery. Since its first launch in 2012, the Green Light Project, which has carried out projects in a total of 12 bases including 8 African countries and 1 Asian country, will seek ways to contribute to the creation of new social values in areas related to eco-friendliness/mobility in the future.

Waste Vehicle Recovery and Recycling

After signing the 'Voluntary Agreement for Resource Circulation System Advancement of Waste Vehicles' with the Korean Ministry of Environment in 2021, Kia has established and is operating a recycling system for resource circulation that recycles waste resources for new vehicle manufacturing. We are continuously improving the recycling rate in the process of scrapping vehicles by providing vehicle dismantling manuals to scrap vehicle companies and supporting recycling treatment costs, and we plan to achieve the legal recycling rate of 95% by 2024.

Dismantling Process of Scrapped Vehicles



Establishment of Waste Battery Circulation System

Kia is establishing an eco-friendly battery cycle system that pursues sustainability through recycling and reuse of waste batteries based on the battery lifecycle. The battery lifecycle consists of an eco-friendly roof, from manufacturing to use, reuse of batteries after use, extraction of materials from finally discarded batteries, and applying the extracted materials to battery manufacturing. Kia launched a formal TFT in 2022 to establish a cooperative system with group companies throughout the battery lifecycle, inspecting front-to-back business and developing advanced technologies.

1 Establishment of collection system

Kia is building a global network and transportation control system to systematically collect and transport used batteries discharged from various places such as junkyards and dealers around the world through Hyundai GLOVIS. Kia plans to work with Hyundai GLOVIS, which is building a dedicated platform and logistics know-how and network that can safely and effectively transport batteries, to complete the link between recovery and front-to-back business throughout the battery lifecycle.



Reuse **2**

Kia plans to develop a technology to increase the reuse rate by diagnosing and evaluating the performance and lifespan of the recovered batteries. Batteries with excellent residual performance among used batteries in electric vehicles can be reused as UBESS (Used Battery Energy Storage System).



In Kia's battery cycle system, waste batteries that cannot be remanufactured or reused are disassembled and linked to a recycling business that extracts valuable metals such as lithium, cobalt, and nickel. Kia is committed to securing technology that can recycle a large amount of waste batteries to prepare for the mass generation of waste batteries in the future. In addition, Kia intends to create a virtuous cycle for the battery by securing the initiative in linking the secured raw materials with the battery manufacturing process.

4 Recycling

The highest quality waste batteries generated from Kia's battery lifecycle are linked to Hyundai MOBIS' remanufacturing business according to its own classification criteria. Hyundai MOBIS has established a collection system and remanufacturing base utilizing its domestic and global after-sales service parts supply chains to remanufacture the purchased or collected waste batteries into old vehicles and after-sales service batteries, prolonging the lifespan of the batteries.

Remanufacturing **3**



Purchasing·Raw Materials

Production

Product·Service

Customer Experience

Disposal·Recycling

R&D

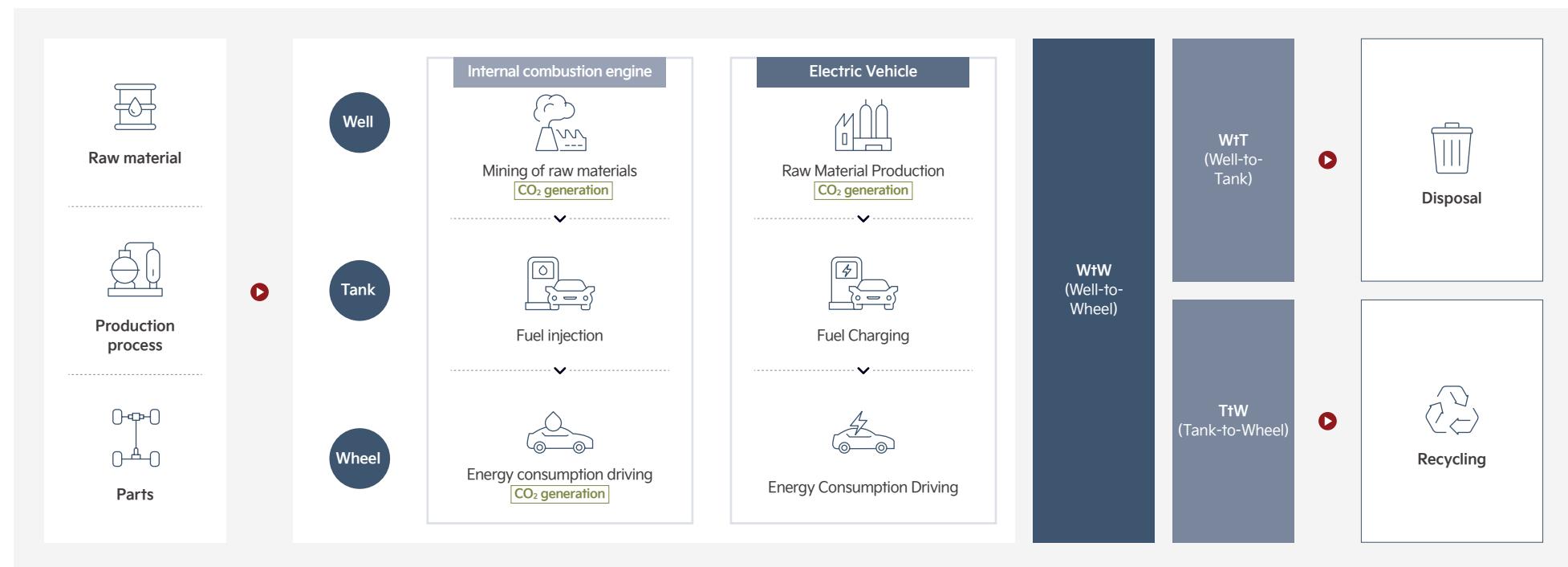
LCA (Life Cycle Assessment)

The business portfolio is diversifying with a focus on eco-friendly businesses due to the industrial transition caused by the COVID-19 and environmental issues such as climate crisis. To this end, Kia conducts the Life Cycle Assessment (LCA), which evaluates environmental impacts throughout the life cycle of an automobile. Kia continues to faithfully conduct ESG activities by value chain for sustainable management, evaluates substances generated during driving, and inspects raw material acquisition and production processes. We conduct the assessment by applying and analyzing vehicle models based on the ISO 14040 (Life cycle assessment - Principles and framework)

and ISO 14044 (Life cycle assessment - Requirements and guidelines), and the LCA results are applied to the environmental impact assessment. Furthermore, the degree of environmental impacts in six impact categories including global warming potential, abiotic depletion potential and ozone depletion potential are assessed based on the CML* method. By undergoing so, we can identify environmental impact in the value chain and establish tailored improvement plans for each sector, and these results are analyzed to enhance the eco-friendly production process.

* CML (Centre for Milieukunde, Leiden) : The most widely used methodology for LCA. Developed by the Institute of Environmental Sciences, University of Leiden, Netherlands.

Scope of life cycle evaluation



* WtW (Well to Wheel) : A method that covers not only the energy consumption but also the energy production process

** WIT (Well to Tank) : A method of observing the emission from mining resources for energy production to delivery of fuel into automobiles

*** TtW (Tank to Wheel) : A method that only covers the materials produced during the process of driving, including fuel tank and wheels

Purchasing·Raw Materials

Production

Product·Service

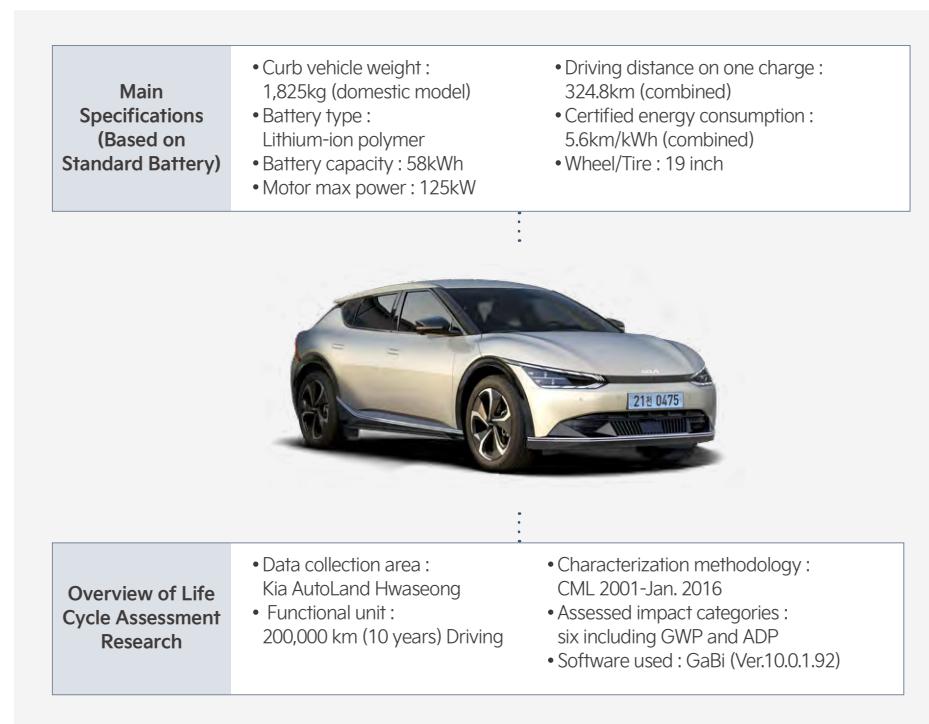
Customer Experience

Disposal·Recycling

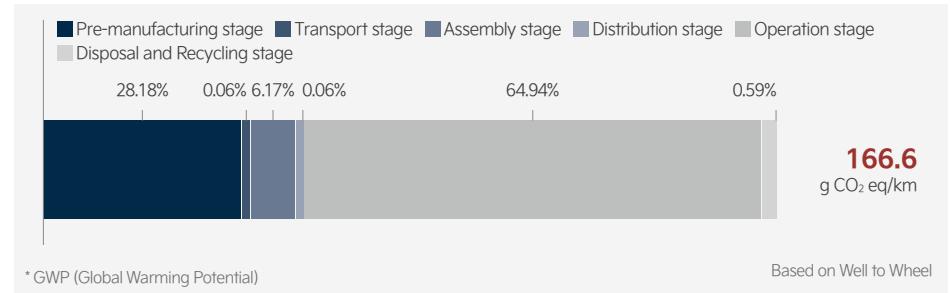
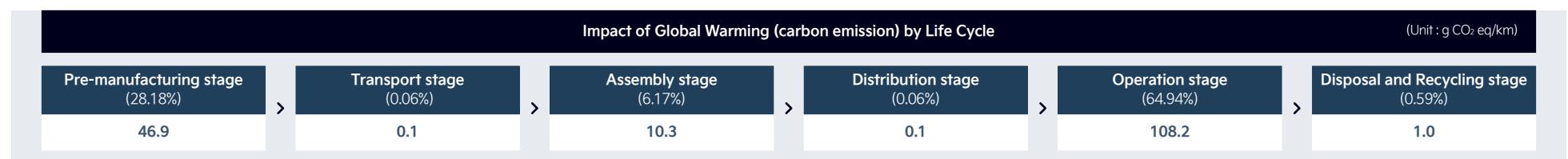
R&D

Comprehensive LCA Results

In accordance with the international standard for life cycle assessment, Kia has completed the LCA for the EV6 in 2021, and plans to conduct the assessment to other models. Kia will conduct LCA on Niro hybrid and EV vehicles in 2022 and will continue to expand LCA to other models to improve environmental impact throughout the vehicle's life cycle.

**Impact of Global Warming (Carbon emission) by Each Stage of the EV6 Life Cycle**

The EV6 LCA found that the operation stage (63.9%) - pre-manufacturing stage (28.2%) - assembly stage (6.2%) affects global warming in the entire process. The impact of global warming can be reduced in the operation stage by increasing the use of renewable energy in the power generation process where electricity is produced.

GWP* Impact by Life Cycle**LCA results in the pre-manufacturing stage - GWP impact by major parts**

Purchasing·Raw Materials

Production

Product·Service

Customer Experience

Disposal·Recycling

R&D

Autonomous Driving, a Collection of Advanced Technologies

Kia aims to lead the way in future mobility, developing Level 0~3 autonomous driving technologies, applying mass-production to various vehicle types, and driving sales around the world. The Level 4~5 technologies are under development through cooperation with global companies. Kia will make every effort to provide customers with safe and convenient autonomous driving solutions.

Autonomous Driving Technology Development Roadmap

Autonomous driving vehicles can drive themselves to their destination without the driver's intervention. They require a wide range of sophisticated and complex advanced technologies. Each technology is called Advanced Driver Assistance System (ADAS), and Kia has developed integrated autonomous driving technology by continuously improving the Level of its application. In 2017, we mass-produced Level 2 ADAS for driving on expressways, and plan to mass-produce Level 3 ADAS around 2023 that can automatically drive up to 80 km/h without the driver's steering input. After step-by-step application and testing, we are ready to commercialize self-driving cars at the level of autonomous driving in 2021. We plan to launch a pilot service for RoboRide in 2022 and full commercial operation in 2023 or later. In 2030, fully autonomous vehicles will be available to consumers.

Development Direction and Roadmap for the Autonomous Driving Technology

2021

- Highway Driving Assist 2
- Navigation-based Smart Cruise Control



2023

- OTA(Over the Air) upgrade
- Highway autonomous driving
- Fully autonomous driving pilot service



2025

- Expansion of fully autonomous driving pilot service and preparation for commercialization

Development Target for Autonomous Driving Technology

The development of autonomous driving technology is largely divided into four areas: driving safety, driving convenience, parking safety, and parking convenience. In terms of driving safety, we aim to expand the recognition target to include vehicles, motorcycles, bicycles, and pedestrians, as well as develop the 'Forward Collision Prevention Assist' function, which broadens the direction of detection to the front, side, and rear. Mass production is expected to start around 2023.

For driving convenience, we have mass-produced Level 2 ADAS that automatically maintains the distance between cars and allows smooth driving in the right lane on curves. This function is expected to be further developed and enhanced. The ADAS where the vehicle can drive on expressways up to 80 km/h without drivers' steering input will be mass-produced in 2023, and the maximum speed will be increased to 120 km/h according to the regulatory changes. It will also be upgraded to enable the vehicle to change lanes automatically.

When it comes to parking safety, the technology has provided not only 360-degree angle view, but also the "Surround View Monitor Function" that applies various view modes such as 3D view. The "Rear Parking Collision-Avoidance Assist," the function that automatically engages the brake if an obstacle is detected by cameras and ultrasonic, is expected to be mass-produced in the second half of 2023 by expanding the sensing range to the front and side, detecting pedestrians as well as obstacles. In terms of parking convenience, we developed a system called "Remote Smart Parking Assist 2," which recognizes parking lines using camera images and detects driving spaces, allowing the vehicle to park accurately and quickly in any environment. Mass-production is expected to begin in 2023.

Autonomous Driving Technology Development

Purchasing·Raw Materials

Production

Product·Service

Customer Experience

Disposal·Recycling

R&D

Equity Investment for Future Technology

Areas of Investment	UAM	Mobility	Electrification	Hydrogen	FINTECH
Country and Company Name	U.S. • Supernal	Korea • Smart Score	Europe • IONITY U.S. • Factorial • SES(Solid Energy Systems) Korea • Kumho Express	UK • HiiROC	Korea • FINDA • Bank Salad

Development of Innovative Technology

UAM

As major cities around the world grow into megacities, social costs, such as increased logistics and transportation costs, and reduced efficiency of residents' movement are rising as pressing issues. To solve these problems, Kia is promoting the development of an innovative mobility solution called Urban Air Mobility (UAM) through the group-level research and development. UAM is a solution that enables movement in the city through the sky by utilizing a personal air vehicle (PAV) and a Cargo Unmanned Aerial System (UAS). PAV capable of vertical take-off and landing can relieve traffic congestion in the city center, and Cargo UAS can contribute to innovation in urban logistics services as it is used for short-to-medium-distance transportation of medium-sized cargoes that was difficult to carry out with the existing infrastructure. In addition, Kia will create future value by constructing an innovative mobility ecosystem that connects air and ground through the establishment of UAM infrastructure.

Robotics

Robotics technology is applied in various fields. Wearable robots are in the commercialization stage for industrial and medical applications. Industrial robots that ensure safety and increase the work efficiency of workers at production sites, and medical robots used to save lives are representative examples of "Advancement towards Humanity", one of the group's visions. The mobility robot is expected to create the greatest synergy with the existing automobile business. It is expected to have great growth opportunities as it can be applied to differentiated service areas through combination with various upper modules as well as last-mile transportation. Artificial intelligence robots have the ability to determine and control themselves, and are expected to be applied to various service fields. Electric vehicle charging robots are expected to be commercialized soon.

Various detections

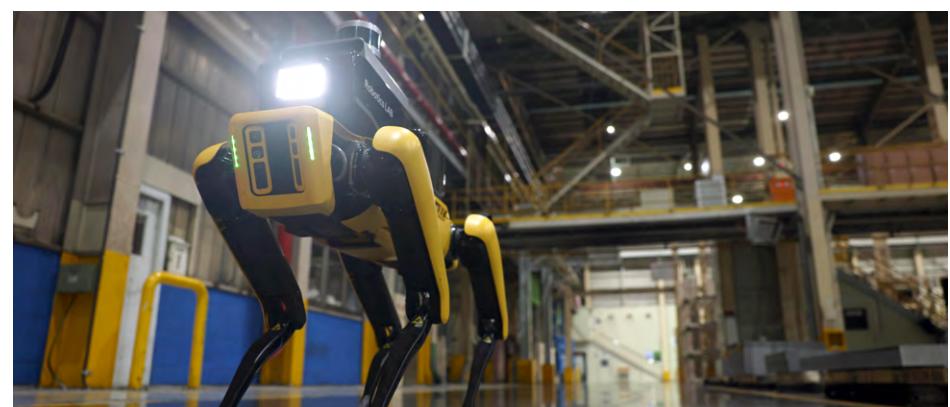
- When the sensor detects a person's high temperature
→ notifies to the control system
- When the door inside the factory is opened : check if the door of the hazardous material storage is open
→ notified to the control system

Navigation

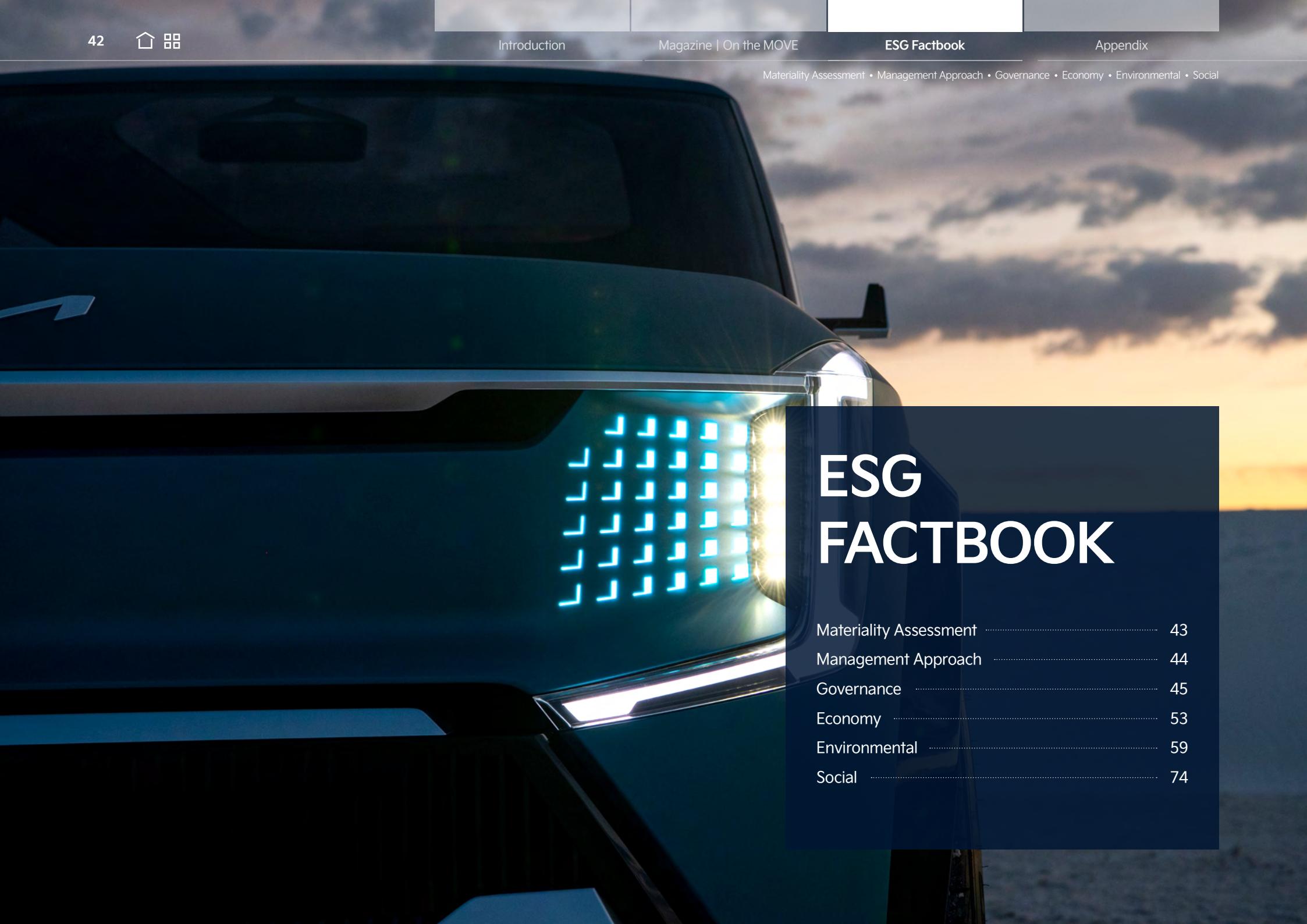
- Autonomous driving of the robot on a specified path

Live video

- Captured by the camera mounted on the robot
→ transmitted to the control system in real time
- Remote robot control in the control system



Factory Safety Service Robot (Autoland Gwangmyeong)



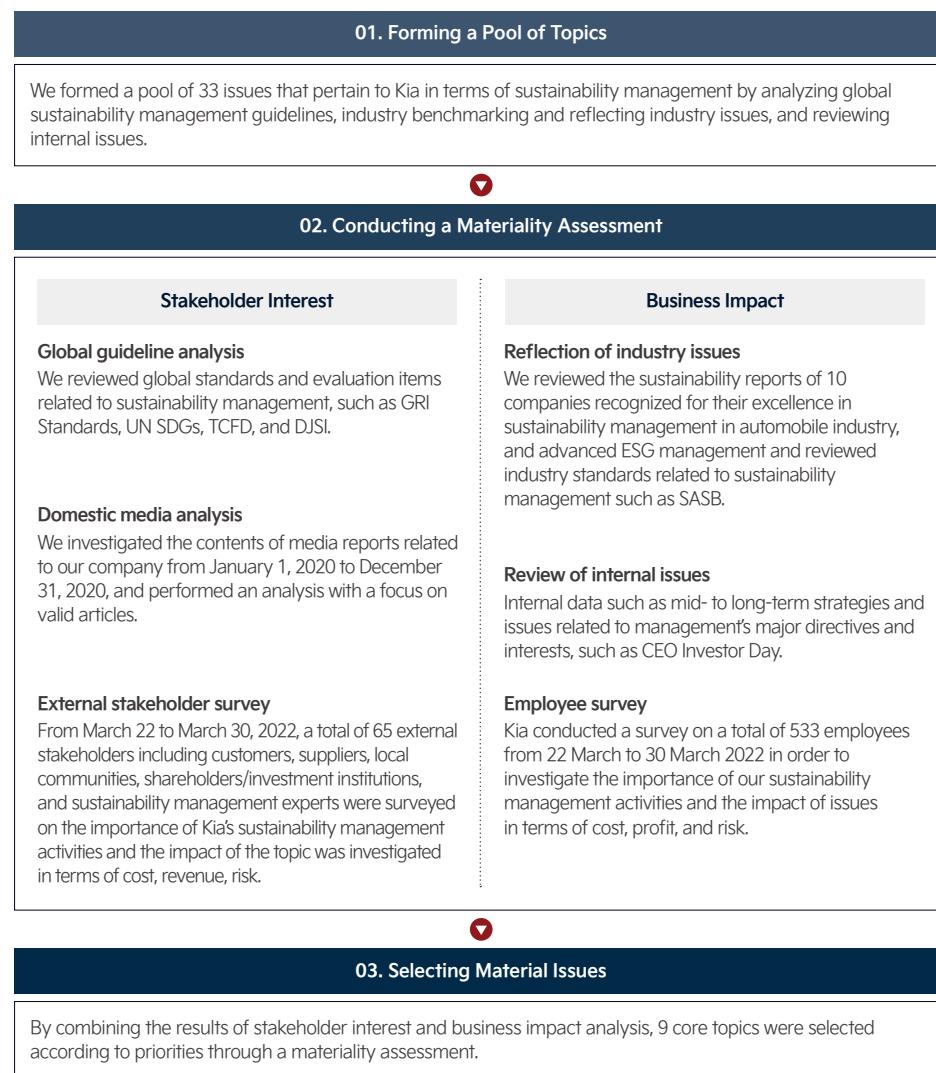
ESG FACTBOOK

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Materiality Assessment

Materiality Assessment of Sustainability Management Topics

Kia conducts materiality assessment annually to identify sustainability issues that are most important to Kia's business and stakeholders. Kia's activities and performances are to be reported transparently, focusing on 9 core topics out of 33 major topics derived through media analysis, industry benchmarking and stakeholder survey.



Management Approach

Issue Group	Core Issue	Why It is Important to Kia from a Sustainability Point of View	Related Activities and Performances	Contribution to Achieve UN SDGs	Page
 Economy	<p>⑥ Strengthening future technology capabilities ⑦ Creation and distribution of economic value ⑨ New business development and diversification</p>	<p>Delivering safe and unbounded mobility is our top priority. We will focus our resources on the 3 major business areas of Plan S and core technologies including autonomous driving, AI to strengthen our competitiveness and supply the best product quality. In addition, we will create new growth engines by linking our business capabilities to future businesses such as UAM and robotics.</p>	<ul style="list-style-type: none"> Sales KRW 69.8 trillion Sales volume 2,961 thousand vehicles (retail standard) PBV / MaaS 		40~41 54~58 32~33
 Environmental	<p>① Climate change risk management and response ③ Improving resource circulation and resource efficiency</p>	<p>In response to global environmental issues, the ability to respond to climate change has become an essential element for sustainable growth. In addition, risks in terms of supply and demand for raw and subsidiary materials such as instability of supply and demand and price volatility due to the depletion of natural resources are also increasing. Accordingly, Kia is responding to environmental issues by establishing a circular business system.</p>	<ul style="list-style-type: none"> 2045 Carbon Neutrality declaration RE100 signup approval (2022) EV6 carbon footprint certification (from Carbon Trust) Signed a partnership with The Ocean Cleanup (2022) 		15~19 / 62~66 37~39
 Social Customer	② Product/service quality and safety management	<p>Creating the best customer value is the most important goal that Kia pursues. We seek to maximize customer value by preemptively identifying customers' mobility needs through active communication with customers and providing safe products with the highest quality.</p>	<ul style="list-style-type: none"> EV6 won the 2022 European Car of the Year (awarded for the first time as a Korean brand) Ranked 1st in all brands in Vehicle Dependability Survey from J.D.Power (2022) 		28~33 / 86
 Social Employee	<p>④ Workplace safety and health ⑧ Employee competency development</p>	<p>Employees are at the heart of corporate activities. Kia is creating a safe and healthy working environment under the mission of 'creating safety culture value'. In addition, we are striving to strengthen future business capabilities and foster leaders.</p>	<ul style="list-style-type: none"> Received the Minister of Employment and Labor Award from Kia Autoland Hwaseong for 'Safety and Health Cooperation Program' in 2021 		20~21 / 78~82 75~77
 Social Supplier	⑤ Supplier ESG risk inspection and assessment	<p>Suppliers are partners that grow together with Kia. Kia is building a culture of mutual growth in the supply chain and realizing sustainable win-win by complying with relevant laws, such as compliance with purchasing ethics and fair selection of suppliers.</p>	<ul style="list-style-type: none"> Conducted supply chain ESG evaluation for tier 1 suppliers (a total of 380 companies) Supply chain monitoring of key suppliers (1st, 2nd) (62, 20, respectively) 		23~26

Governance

Kia adheres to transparency, reliability and ethical values, and strives to realize sound corporate governance.

Sustainability Management Committee launched (2021)

6 sessions held

Board of Committee composition

Diversity Enhancement

(Appointment of a female independent director for 2 consecutive years)

Board of Director Meeting Attendance Rate (Unit : %)

2019	95.0
2020	97.2
2021	92.0

* Average Board of Director Meeting Attendance Rate

Corporate Governance

Corporate Governance Charter

Kia recognizes that the value of sound corporate governance is the essential condition for building trusting relationships with shareholders and key stakeholders. Kia established the Corporate Governance Charter in 2019 to more clearly disclose to stakeholders the KIA management principles and the basis of corporate governance, such as transparency, reliability, and compliance with ethical values. In July 2021, we revised the Corporate Governance Charter to consider diversity without discrimination, such as nationality, gender, race, religion, ethnicity, etc., when appointing directors, and added criteria for determining independence and limiting concurrent positions when selecting independent directors.

BOD Composition

According to an objective director candidate selection process, Kia's board of directors (BOD) maintains independence from major shareholders and management. The BOD helps management make good decisions while overseeing the execution of their work by making decisions on matters stipulated by laws such as the Commercial Act or the articles of incorporation and essential matters related to business execution and receiving reports on information that a director needs to know. The board of directors of Kia consists of 4 executive directors, including the CEO, and 5 independent directors.

BOD Composition

(As of March, 2022)

Classification	Name	Gender	Role within BOD	Major career	Office term	Reappointment
Executive Director	Eui-Sun Chung	Male	Board of Directors, Independent Director Candidate Recommendation Committee,	Chairman of Hyundai Motor Company	By March,2025	4 times
	Ho-Sung Song		Board of Directors Independent Director Candidate Recommendation Committee, Sustainability Management Committee	Kia CEO		1 time
	Joon-Young Choi		Board of Directors Remuneration Committee	Kia CEO/Responsible for domestic production		1 time
	Woo-Jeong Joo		Board of Directors	Head of Finance Division, Kia		1 time
Independent Director	Chol-Soo Han	Male	Board of Directors, Sustainability Management Committee, Independent Director Candidate Recommendation Committee, Remuneration Committee	Current) Advisor to Yoon&Yang Law Firm Former) Secretary General of the Fair-Trade Commission	By March,2024	1 time
	Duk-Joong Kim		Board of Directors, Audit Committee, Sustainability Management Committee, Remuneration Committee	Current) Advisor to Yoon&Yang Law Firm Former) 20th Commissioner of the National Tax Service		1 time
	Dong-One Kim		Board of Directors, Audit Committee, Sustainability Management Committee, Outside Director Candidate Recommendation Committee,	Current) Professor, Department of Business Administration, Korea University Former) President of International Association of Labor and Employment Relations		1 time
	Wha-Sun Jho		Board of Directors, Audit Committee, Sustainability Management Committee, Outside Director Candidate Recommendation Committee,	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,2024
JENNIFER HYUNJONG SHIN (US national)	JENNIFER HYUNJONG SHIN (US national)	Female	Board of Directors, Sustainability Management Committee,	Current) Professor, Department of Mechanical Engineering, KAIST, Advisory Committee Member of National Science and Technology Advisory Council	By March,2025	

BOD Independence

Kia reinforced the independence of Board of Directors by appointing a majority (55.5%) of the BOD as independent directors and appointing chairpersons of all committees within the BOD with independent directors. Independent directors are appointed among candidates recommended by the independent Director Candidate Recommendation Committee under Article 542-8 of the Commercial Act. Independent Director candidates are recommended according to the regulations and fair procedures of the independent Director Candidate Recommendation Committee. In addition, independent directors are prohibited from conducting the same type of business as the company without the approval of the Board of Directors. When voting on an agenda with a particular interest, the relevant director is restricted from exercising their voting rights. Persons who have been employed as the company's managing director or who have a major shareholder or significant stake in the company, and executives and employees hired within the past two years are excluded from the selection of candidates for independent directors.

Outside Director Independence Guidelines*

- The independent director should not have served as a full-time executive or non-executive director of the company or affiliated company within the last 5 years.
- The immediate family of an independent director should not have been executives of the company or affiliated company for the past 3 years.
- The independent director should not be an executive of the company's major customer or supplier.
- The independent director should not have had an employment relationship with an external auditor of the company for the past 3 years.
- The independent director should not have any interest in other matters decided by the Board of Directors.

* Kia has established the guidelines to enhance the independence of independent directors and considers independent directors independent when all the guidelines are well observed.

BOD Expertise and Diversity

Strategic decisions from the mid-to-long-term perspective of the Board of Directors are continuously required in a rapidly changing business environment. To this end, Kia evaluates the expertise of directors by considering their academic background, industrial experience, and tenure in the industry, prioritizing their understanding of the business and expertise in each career field. The board of directors currently consists of directors with expertise in different areas such as legal affairs, finance/accounting, management, future governance, and future technology. In addition, we balance standards such as gender, race, ethnicity, nationality, political/cultural background, and experience to promote diversity in the Board of Directors. Kia created an opportunity to enhance diversity further and discuss the Board of Directors agenda from a new perspective with the regular general meeting of shareholders having appointed one female global (US national) female independent director with expertise in future technology on March 29, 2022, and 2 out of 5 independent directors being women, etc. Directors with rich experience and competency in the automobile industry, working in various fields such as academia, government agencies, international organizations, and industry, deliberate on essential matters of the company from various perspectives and objectively and professionally supervise and advise the management.

Kia conducts regular training to strengthen the expertise and risk-related capabilities of independent directors. In 2021, we held two training sessions and all independent directors attended.

Independent Director Training

Training date	Independent directors' attendance	Main contents of training
May 27th, 2021	all 5	Battery JV Plan
October 27th, 2021	all 5	Internal Accounting Management System

BOD Operation

Kia holds regular BOD meetings to approve quarterly financial statements, etc., and temporary board meetings are held frequently. Under Article 32 of the Articles of Incorporation, the chairman convenes a board of directors meeting. The meeting's date, time, place, and agenda are notified to each director 7 days prior to the meeting. In addition, by Article 35 of the Articles of Incorporation, the board of directors' resolution is implemented with the attendance of a majority of directors and the approval of a majority of directors present unless otherwise stipulated by relevant laws and regulations. Under Article 391 of the Commercial Act, if all directors use telecommunication means that transmit and receive voices simultaneously, some of the directors may decide on an agenda without directly attending the meeting.

In addition, independent directors are prohibited from concurrently serving as a director, executive officer, or auditor of two or more other companies besides the company to perform their duties as an independent director faithfully. As of 2021, the average tenure of 9 registered executives of the Board of Directors is 4.8 years. According to Korean commercial law, independent directors cannot hold office for more than six years.

BOD Activities

In 2021, a total of 7 board meetings were held to receive reports on the operation status of the internal accounting management system, the details and plans of compliance support activities, and the operation status of fair-trade voluntary compliance. The BOD deliberated and decided on agendas such as the approval of business plans and investment plans for 2021, the convening of the 77th (2020) regular general meeting of shareholders, and the approval of additional agendas.

A total of 31 agendas and reports were submitted to the annual BOD, and the attendance rate of independent directors was 100%.

Committees under the BOD

Kia operates subcommittees with expertise to help the Board of Directors faithfully carry out its management and supervision functions as the highest decision-making body. Kia's subcommittees of the BOD are composed of four committees: Audit Committee, Independent Director Candidate Recommendation Committee, Remuneration Committee, and Sustainability Management Committee.

Audit Committee

Kia's Audit Committee consists of three independent directors. The committee supervises the legality and adequacy of management's business processes to support the management in making rational business decisions. In 2021, the Audit Committee held a total of 6 meetings to review and decide on the operation status evaluation of the internal accounting management system and the contract with a designated external auditor. The committee also received reports on the financial statements for 2020 and the 1st to 3rd quarters of 2021 and the operation of the internal accounting management system. A total of 11 items and reports were submitted to the Audit Committee, and the attendance rate of the Audit Committee was 100%.

Independent Director Candidate Recommendation Committee

The Independent Director Candidate Recommendation Committee consists of two executive directors and three independent directors following relevant laws that require that the majority of the committee be composed of independent directors. An independent director serves as the committee's chairperson and has the right to recommend independent director candidates to be appointed at the general shareholders' meeting. When selecting independent directors, the committee submits the 'Certificate of Qualifications for Independent Director Qualifications' to the Korea Exchange, including independence status and legal qualifications. In 2021, the Independent Director Candidate Recommendation Committee recommended candidates with competence and expertise to the 77th (2020) general meeting of shareholders through a fair qualification review.

Remuneration Committee

The Remuneration Committee was established in October 2019 to ensure objectivity and transparency in remuneration for registered directors through deliberation and resolution on the remuneration limit for registered directors and the remuneration system for executive directors.

The main resolutions of the Committee include matters concerning the limit of remuneration for registered directors to be submitted to the general shareholders' meeting and the remuneration system for executive directors. In 2021, two meetings were held to elect the chairman of the Committee and decide on the agenda for the limit of remuneration for directors. A total of two items were submitted to the Remuneration Committee, and the Committee's attendance rate was 100%.

Sustainability Management Committee

Kia's Sustainability Management Committee comprises 5 independent directors and 1 executive director. The Committee reviews and decides on transparency in internal transactions and the protection of shareholder rights and deliberates on matters to implement sustainable management.

The Sustainability Management Committee has appointed one member in charge of the protection of shareholder rights through a shareholder recommendation method. The Committee member participates in the Non-Deal Roadshow (NDR) for overseas investors and plays a role in communication with the Board of Directors and shareholders. In 2021, 6 meetings were held to resolve issues such as insider transactions and to receive reports on social contribution activities and donations. A total of 35 items and reports were submitted to the Sustainability Management Committee, and the participation rate of the Sustainability Management Committee was 100%.

BOD evaluation and remuneration

Kia introduced and implemented a regular evaluation system for the Board of Directors and committees in 2021. To maintain the objectivity of the Board of Directors evaluation, Kia limits the evaluation to independent directors and receives their assessments and opinions. In addition, evaluations are conducted anonymously to obtain unbiased and honest opinions from independent directors. We plan to establish improvement plans for the views of independent directors, report the results to the next Board of Directors, and further improve the operation of the Board of Directors.

When evaluating and rewarding the CEO's performance, we reflect the results of comparative evaluations against other companies of the same industry in terms of the share price, market share, and EV market share, as well as financial evaluation results such as sales profit and loss, profit margin, net cash liquidity, and debt ratio.

Remuneration for executive directors is divided into salaries and bonuses according to the internal director remuneration system approved by the Remuneration Committee. The wages of executive directors are paid in installments by comprehensively reflecting job/position, tenure, leadership, expertise, company contribution, and human resource development, based on internal standards within the limit of remuneration for directors determined by the resolution of the general meeting of shareholders. Bonuses for executive directors are paid in consideration of business performance such as sales and operating profit, management performance and contribution, and internal and external business environment, based on the executive remuneration payment standards (performance incentives). Remuneration for independent directors is paid as a fixed remuneration to ensure independence and transparency within the compensation limit for directors determined by the resolution of the general meeting of shareholders, and no separate management performance bonus is paid. The limit of remuneration for directors in 2021 approved at the general shareholders' meeting was KRW 8 billion, and the actual amount paid was KRW 3.3 billion.

For continuous and responsible ESG improvement efforts, Kia operates key management indicators for executives by linking ESG performance. ESG performance consists of ESG evaluation grades and detailed tasks including sales volume of eco-friendly vehicles, quality, environment, and the proportion reflected in the evaluation varies by organization.

(Unit : million won)

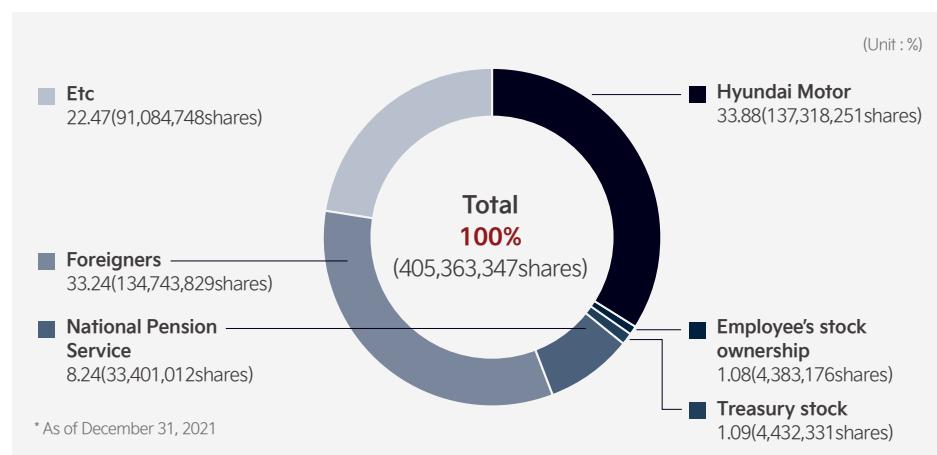
Classification	CEO	Registered director	Outside director	Audit Committee member	Employees	CEO to employee remuneration rate
Average remuneration per person	1,294	729	84	84	101	12.8

Shareholder value enhancement

Kia submitted the audit report two weeks before the regular general meeting of shareholders, to promptly provide information on financial matters to stakeholders such as shareholders and investors. For reference, Article 27 of the Enforcement Decree of the Act on External Audit of Corporations, etc., stipulates that audit reports must be submitted one week before the regular general meeting of shareholders.

In addition, Kia made efforts to provide data for shareholders' decision-making by disclosing its business report to the Financial Supervisory Service one week before the regular general meeting of shareholders and posting it on the IR website to inform shareholders of financial and non-financial matters in detail and promptly under the revision of the Enforcement Decree of the Commercial Act.

Shareholder Composition*



Stock Ownership of the Largest Shareholder and Affiliated Parties

(Unit : number of shares, %)

Item	2019	2020	2021
Hyundai Motor	137,318,251 (33.88*)	137,318,251 (33.88)	137,318,251 (33.88)
Chairman Eui-Sun Chung	7,061,331 (1.74)	7,061,331 (1.74)	7,061,331 (1.74)
Share ownership by the CEO and management	28,843 (0.01)	27,758 (0.01)	27,758 (0.01)

* Equity ratio to total number of issued shares

Compliance Management

Establishment of compliance support system

In 2012, Kia formed an organization dedicated to supporting compliance by appointing a Compliance officer and established compliance control standards and implementation guidelines, the basis for compliance support activities. The Compliance officer operates compliance support activities to prevent corporate legal risks and regularly report the details to the Board of directors. The Compliance officer evaluates the effectiveness of the compliance control system through an external expert and reports the results to the Board of Directors once a year. Kia has ensured that the company's compliance management message is spread smoothly to all executives and employees and that employees have a sense of responsibility for compliance management by implementing the Chief Compliance Manager System that conducts compliance control activities of the affiliated department through the appointment of the company-wide team leader designated as the Compliance support officer since 2017.

Kia also helps employees operate various functions such as self-inspection and compliance library in addition to existing functions such as legal advice and contract review by continuously expanding and reorganizing the online compliance support system to support active compliance support activities.

Internalization of Compliance Culture

Kia conducts Compliance self-assessments in various areas of law, such as Trade Secrets, Anti-Corruption, Personal Information, and Fair Trade to enable employees to self-diagnose and prevent legal risks in their work (twice a year by legal area). After the Compliance self-assessments is conducted, we provide support to help the business team voluntarily improve the risks found during the assessment. Also, Kia has produced and distributed Compliance guidelines that contain the main contents of relevant laws and regulations and countermeasures to be aware of when conducting business. As of now, Kia has published about 40 Compliance guidelines at domestic and overseas, including the Fair-Trade Act, the Criminal Act, the Trade Secret Protection Act, the Labor Act, and the Intellectual Property Act. Since then, Kia has continued to publish summary guidelines to increase employee utilization and reflect the latest revisions to the law.

We re-emphasized the importance of compliance management for foreign employees and how to practice compliance management by executives and employees and promote employees' enhancement of compliance capabilities by producing and distributing the English version of the 2020 Compliance Management Handbook, revised and published in 2021.

Kia raises awareness of compliance management by providing Compliance training for new hires, promotions, and overseas employees. In particular, we strive to prevent various legal risks that may arise in business performance by providing online Compliance training such as anti-corruption and collusion prevention for all employees once a year. Besides, we introduce the latest compliance issues to our employees by regularly publishing a Compliance newsletter presenting legal issues related to the automobile industry and in-house ethical regulations and a monthly legal report introducing the latest legal revisions and precedents. In 2021, we put more effort into activities to raise awareness of compliance among our leaders through the distribution of a leader Compliance newsletter that provides customized compliance management information for leaders and self-assessment by individual leaders. Further, we are trying to remind our employees of the principles of law-abiding and ethical management through a pledge to practice compliance and ethical management for executives and employees and foster the awareness of compliance of each employee.

Status of compliance self - assessment teams in the areas of anti-corruption

(team)

Type	Period	2019	2020	2021
Breach of Trust	1st/2nd half year	68	68	67
Anti-bribery	1st/2nd half year	46	51	49

Fair Trade Compliance

Fair Trade Compliance Program (CP)

Kia strives to establish and implement a fair-trade culture with the active support of top management. The Voluntary Compliance Program (CP) is an internal compliance system that companies independently operate to comply with fair trade-related laws.

Kia is striving to prevent law violations by organizing and operating an in-house compliance council chaired by a compliance manager. We also report the status check and operational performance through internal supervision to the Board of directors regularly. In addition, Kia provides online and offline training to employees to enhance company-wide consensus on transparent management and encourages the sharing of internal and external fair-trade issues and continuous improvement activities along with the CEO's declaration of willingness to comply with fair trade voluntarily.

Kia strengthens the internal supervision system by sending Fair Exchange information, distributing guidelines and checklists, and conducting regular inspections to all departments belonging to the Voluntary Compliance Council. At the same time, we encourage our employees to voluntarily practice fair trade by signing the pledge to comply with fair trade. Kia provides fair opportunities to its suppliers by introducing the principle of competitive bidding in all transactions. Kia stipulates fair trade principles for competitors, such as the prohibition of unfair trade, collusion, and unfair competition, and discloses them on the PR website. Going forward, Kia will do its best to fulfill its corporate social responsibility in the fair-trade sector by establishing a fair competition order and continuing a culture of transparent business handling.

Fair-Trade Training

Kia conducts fair trade education regularly every year. We provide training to members of the Compliance Council on topics such as Fair-Trade Commission policy trends, the Fair-Trade Act, and significant cases. In addition, we distribute a Monthly Fair-Trade Information to spread awareness of fair trade throughout the company so that our employees can understand and practice the precautions related to fair trade.

Classification	Unit	2019	2020	2021
Fair trade training	Time	3	3	2
	People	492	674	449

Ethical Management

Kia has revised its ethics charter and code of practice to encourage all employees to cultivate ethical awareness and practice ethical management. We are also practicing ethical management at the group level by disclosing it on the company's ethical management website and the e-book guide. In addition, we have established a system that allows employees to report irregularities and opaque work of stakeholders on the website to establish and realize transparent management. Based on the reporting system, we are taking measures to ensure that unethical acts such as bribery and embezzlement, violation of sexual ethics, and workplace harassment are appropriately punished. Following the whistleblower protection principle, we prevent disadvantages due to statements by guaranteeing the identity and confidentiality of the informant as well. We have also made quick and convenient whistleblowing possible through smartphones and mobile devices while trying to listen to the voices of whistleblowers with disabilities by improving web accessibility.

Kia also conducts regular inspections to comply with ethical policies and runs internal audits to review ethical standards and policies. Furthermore, we are strengthening prevention activities by implementing ethical education for all employees and striving to establish a proper corporate culture through transparent and fair ethical management.

Ethics and Compliance Training Status

Classification	Training type	Unit	2019	2020	2021
Ethics and Compliance Training	Number of sessions	Offline	Time	26	1
		Online	Time	2	4
		Sum	Time	28	5
	Number of participants	Offline	People	744	28
		Online	People	7,783	7,096
		Sum	People	8,527	7,118

Reports on Ethical Management Violations and Actions Taken

Classification	2019	2020	2021
Number of violations of the Code of Ethics	64	60	81
Number of violators of the Code of Ethics	106	235	153
Actions taken for violations of the Code of Ethics			
Fire	6	3	8
Suspension	43	43	62
Payout	18	141	32
Reprimand	16	7	27
Warning	12	32	19
Others (recommended resignation, etc.)	11	9	5

In 2021, a total of 81 cases, including embezzlement of company funds, violation of security work regulations, vandalism, and acts of violence, were investigated and disciplinary actions were taken (dismissal/reduction of wages/suspension/written warning).

Risk Management

Enhancement of ESG risk management function

Kia manages company-wide ESG risks by operating the Sustainability Management Committee. Kia holds regular committee meetings to report the implementation status of issues-related tasks and plans. We also enhance our risk management function by reviewing and deciding on major policies concerning ethical management and social contribution. Along with the same, we have prepared a mechanism for practical risk management and performance derivation by reflecting ESG factors (human rights impact assessment, greenhouse gas and waste management, shareholder-friendly policy, etc.) in KPIs by division.

Pay linked to sustainability

For sustainable and responsible management, Kia set ESG performance as a main factor of the executive's KPIs(Key Performance Indicators) which affect their compensation. By connecting ESG performance with the evaluation and compensation, Kia motivate itself to make progress with ESG goals. The ESG performance for the KPIs consists of ESG ratings results and detailed issues(eco-friendly vehicles sales, quality and environment management, and so on). The proportion reflected in the evaluation varies by different organization. Based on Korea HQ operating division, and average of 10% is reflected in 2021 KPIs.

Tax Strategy

Kia faithfully fulfills its tax obligations and compliance with tax laws at domestic and overseas. Kia implements tax returns that guarantee consistency through decision-making following stipulated internal procedures and collaboration with external tax experts. We conduct tax policy monitoring to check and respond to risks in advance and review and implement tax aspects in all areas, such as trade in goods and services and entry into new businesses. In addition, we manage transfer prices and normal prices by overseas subsidiaries at all times, and prepare and submit BEPS* reports based on OECD guidelines.

* BEPS : Base Erosion and Profit Shifting (tax erosion and income transfer)

Tax Risk Management

Kia Operates a specialized organization to thoroughly comply with tax laws and clearly defines responsibilities and tasks related to tax filing and payment. Our tax executives and employees make decisions in accordance with the prescribed internal procedures and implement tax returns that ensure consistency through collaboration with external tax experts.

Kia evaluates and manages tax risks in all business-related areas, such as trade in goods and services and entry into new businesses. For important tax issues, final decisions are made based on advice from external experts, inquiries from tax authorities, or interpretation of authority. Furthermore, for preemptive risk management, we monitor the impact of tax policies on the company, such as the announcement of revised tax laws, new regulations, and precedents, and review and respond to possible risks in advance.

Managing emerging risks

Kia recognizes and identifies various potential risks that may arise in conducting business activities in the automobile industry, and strives to preemptively respond to these risks.

Classification	Risk definition/description	Potential business impact	Risk response activities
Risk of accidents related to vehicle system hacking	With the diversification and advancement of technologies applied in vehicles, such as the introduction of autonomous driving technology, the risk of new accidents due to increased cyber security threats such as system hacking is increasing.	In case of casualties caused by vehicle system hacking, it may lead to a decrease in sales, such as large-scale recalls, compensation for human casualties, loss of brand image and formation of malicious public opinion.	Kia is swiftly responding to the legalization of cybersecurity in the world, starting with Europe, and is operating an incident response process that includes continuous intelligence collection on vehicle system hacking, assessment of the impact on our products, and product improvement. In addition, we systematically identify security threats from the initial stage of development and we are conducting simulated penetration testing on a vehicle level.
Risk of automobile tax reform	In accordance with the Paris Climate Agreement at the end of 2020, Korea's government presented its target for reducing total greenhouse gas emissions by 24.4% from its 2017 level to raise its NDC (Nationally Determined Contribution) by 2030. Accordingly, it is expected that the introduction of an eco-friendly tax system that imposes the current vehicle price and engine displacement based on carbon emissions will be promoted.	In the case of brand models and mid-to-large SUVs which contribute to Kia's profitability, the amount of carbon emissions is relatively high, so it is expected that the sales impact will be huge when an emission-based tax is imposed.	In order to respond to the risk of changes in market demand due to changes in market demand due to changes in tax policy, Kia plans to focus on improving the fuel efficiency of vehicle models with high carbon emissions and mid-to-large SUV internal combustion engine vehicle modes.

Information Security Risk Management

Information Security Organization

In line with the recently amended Information and Communications Network Act, Kia appointed executives (executive directors) who concurrently serve as the Chief Information Security Officer (CISO) and the Chief Personal Information Protection Officer (CPO) as the head of the Information Security Center to manage security risks. Also, Kia has established a company-wide information security organization to carry out company-wide tasks such as sharing the direction of the company's security policies and raising security awareness. The information security organization consists of security officers for each organization and department and shares the latest security-related laws and technology trends through a security officer seminar once a year.

CISO Organization Chart



Operation of information security management system

Kia operates an information security management system (regulations, procedures, guidelines) based on the 114 control items of the information security management system established by the International Organization for Standardization (ISO). Kia has maintained the certification for 16 years since it first acquired ISO 27001 (Information Security Management System) in 2006. We are continuously improving company-wide information protection activities and the level of security awareness among employees.

To respond to the unanticipated work environment and security threats that started due to the prolonged COVID-19, Kia strives to raise awareness of information security among our employees, operating various programs such as online security education content development, monthly information management events, security newsletter sending, and malware simulation phishing training. In addition, Kia is constantly preparing for security threats by sharing malicious code e-mails, measures to be taken in case of infection, and security precautions when working from home through Kia's official PR channels.

Information Security Education Status

Classification	Unit	2019	2020	2021
Education session	Time	39	37	46
Participants	People	140,740	146,648	172,225

Security Check

Kia conducts monthly self-security inspections by department to internalize the information security awareness of our employees and improve the standard of living security. The company grants awards to excellent departments and security contributors based on the results of these information protection activities once a year.

Personal Information Protection

Kia values its customers' personal information and is doing its best to protect it. Kia is enhancing the customer information protection management system by expanding the information protection center organization to effectively respond to technological security threats that are becoming increasingly sophisticated. Kia emphasizes the importance of protecting customer information by regularly inspecting the systems handling customer information and sending out monthly newsletters in addition to regular security training for employees. We also have our information protection system (ISO 27001) annually verified by a trusted organization while doing our best to prevent personal information accidents and use the data safely.

In addition, Kia sets and operates standards for disciplinary reasons and actions, such as personal information accidents caused by intentional gross negligence and slight negligence, and violations of safety measures.

Economy

Kia strives to secure market competitiveness and provide sustainable mobility solutions based on the best marketability and quality.

Sales (Unit: KRW 1 trillion)

2019	58.1
2020	59.2
2021	69.9

No. of Eco-Friendly Vehicles Sold (Unit: KRW 1 trillion)

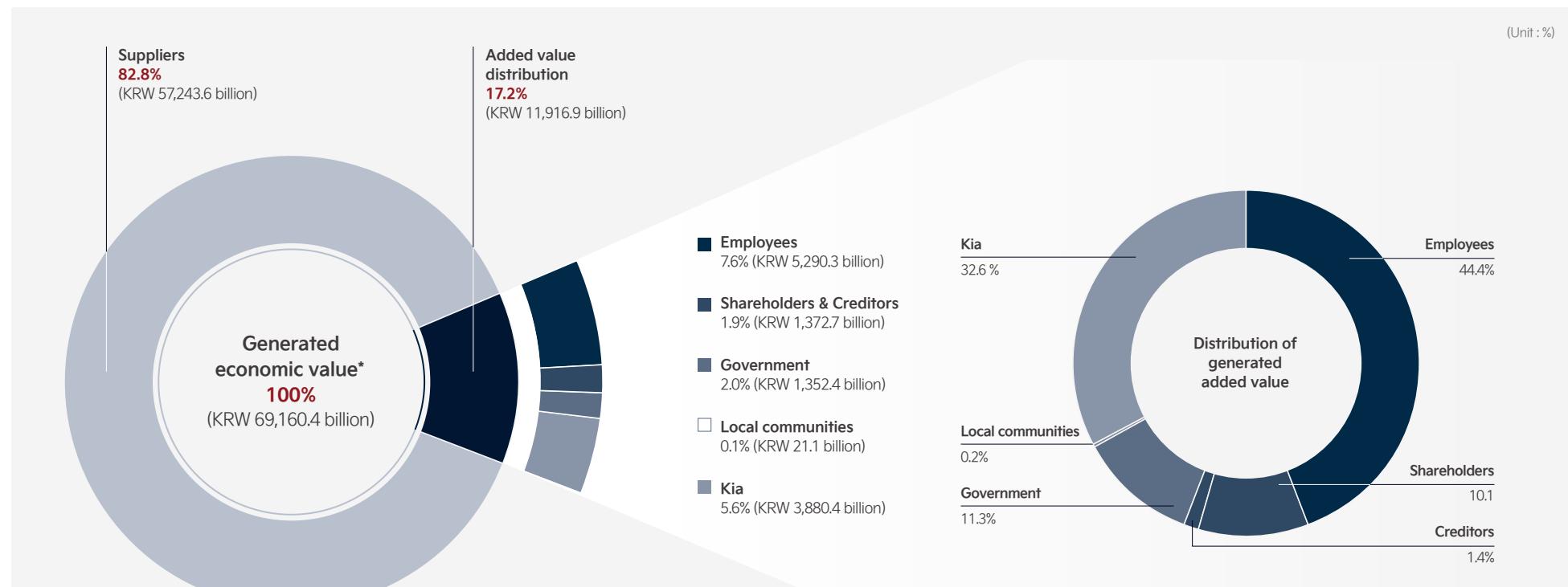
2019	156,483
2020	210,463
2021	314,764

Economic Value Creation & Distribution

Despite the global economic downturn due to the prolonged COVID-19, Kia generated economic value totaling KRW 69,160.4 billion.

While maintaining its ratio of distribution to stakeholders in relation to its economic value generated, Kia is also investing to establish a leadership position as a future mobility company.

Economic Value Generated and Distributed



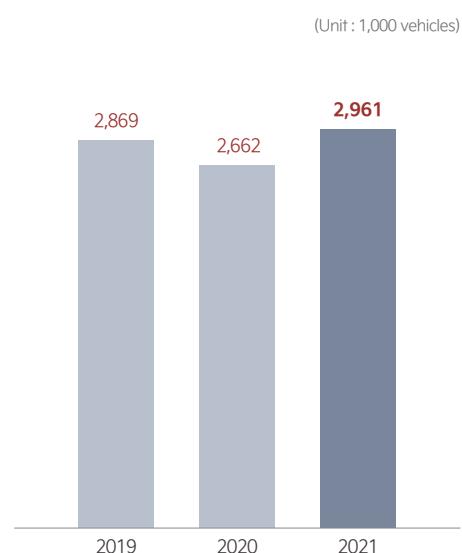
* Generated economic value: sales + other income - (other expenses + depreciation expense)

** Local communities: Donation fees

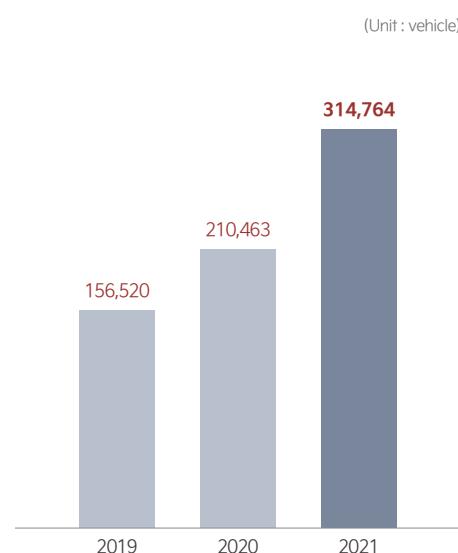
2021 Market Review and Analysis

In 2021, global automobile demand recorded 78.7 million units, an increase of 8% compared to the previous year thanks to the base effect despite the instability of the semiconductor supply throughout the year. Kia achieved a global market share of 3.8% by selling 2.78 million units in wholesale and 2.96 million units in retail. In particular, Kia expanded its market share in major markets including Korea, the United States, and Europe thanks to the successful launch of new models such as K8, Sportage, and EV6, and strong sales of major models such as Telluride, Sorento, and Carnival. Major achievements in 2021 include: we actively responded to customers' demand by manufacturing 26.64 million units of vehicles, which is up by 6.4% compared to the previous year through flexible production management despite the semiconductor supply shortage, and sold a total of 314,764 units of EVs, a 50% increase over the previous year, securing the foundation for a leading electrification brand. In 2021, Kia increased its status by being recognized for its excellent product quality for various models. The EV6 was listed as the "2022 European Car of the Year" for the first time as a Korean car brand, and the EV6 and Carnival awarded awards in the Transport Design category in at the "2021 Good Design Awards".

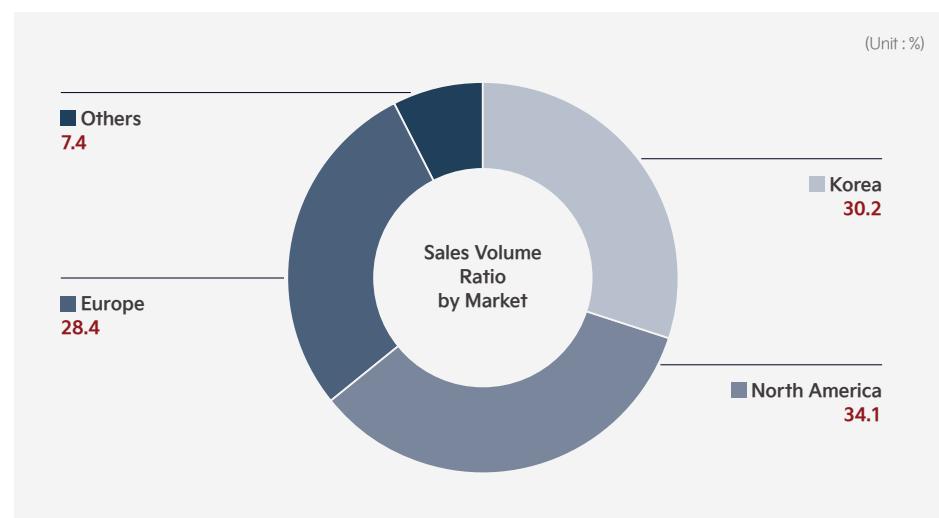
Sales Volume (In retail)



Sales of Eco-friendly Vehicle (In retail)



Sales Volume Ratio by Market (2021)



2020 Plans & Goals

Global automobile demand in 2022 is expected to increase by 5.5% year-on-year to 83 million units, but the figure is likely to remain the pre-COVID-19 levels. The Korean market is expected to see a demand growth of 2.2% as supply issues have been somewhat addressed. In the US, demand is expected to grow by 1.3% as demand recovery has slowed down due to monetary tightening policies such as tapering. Meanwhile, in Europe, demand for eco-friendly vehicles is expected to grow by 5.1% thanks to the accelerated expansion of the eco-friendly car market, and in India, demand is expected to grow by 7.3% thanks to the continuous economic boom. Lastly, in China, demand is expected to grow by 7.6% thanks to advance demands as tax benefits for eco-friendly cars come to an end at the end of the year.

Based on this gradual demand growth, Kia has established its 2021 global business plan of selling 3.15 million units in wholesale, 3.12 million units in retail, and achieving a market share of 3.8%. Strategies to achieve these targets include optimizing production operation of each plant, successfully launching new cars, enhancing competitiveness for electrification, and strengthening global brand image. In 2022, we plan to launch a total of two new models, two derivative models, and five new models with improved marketability. Starting with the new Niro launched in Korea in January, Kia India launched a new model, Carens, in February. In May, Niro Plus, a derivative PBV, was launched, and a high-performance EV6 GT model will be launched in the second half of the year.

R&D and Facility Investment

(Unit : KRW 100 million)

- Facility & equipment investment
- R&D expenses
- Total



Performance and Plans by Region

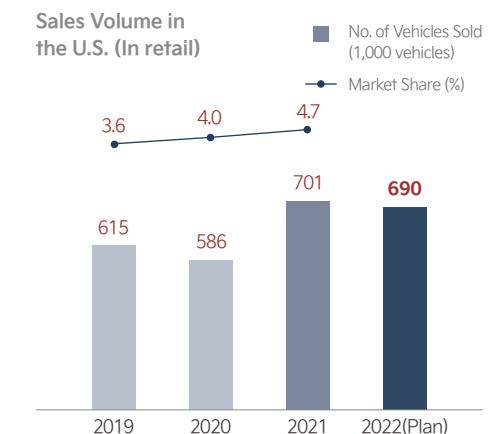
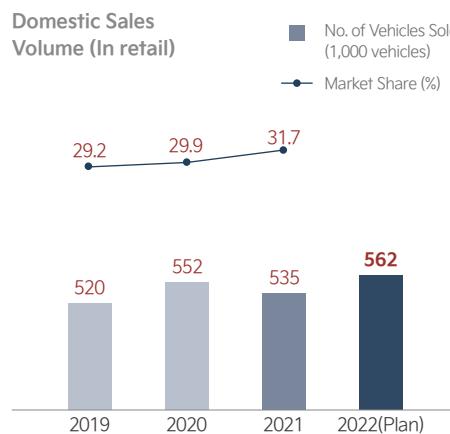
Korea

Kia successfully launched its flagship models, Sorento and Carnival, in 2021, and recorded the highest sales in Korea since its foundation last year. In addition, we secured competitiveness by proactively responding to the increase in customer demand caused by the launch of new cars and the reduction of individual consumption tax. The Korean market is expected to see demand of 1.76 million units, an increase of 2.2% compared to the previous year. Kia will achieve its sales target of 562,000 units by maintaining the momentum from the successful launch of Niro and sales of its flagship SUVs. We will establish ourselves as an EV brand through the launch of the high-performance EV6 GT, and continue to focus on future businesses by launching an EV exclusive taxi model with Niro Plus.

U.S.

In 2021, despite supply shortages in the U.S. market, we hit an all-time high of 701,000 units in retail sales and 4.7% in market share. As a result, local inventories have fallen to their lowest levels.

In 2022, we plan to achieve 15% of sales of eco-friendly vehicles by early normalizing dealer inventory by maximizing wholesale, strengthening sales momentum of SUVs such as Tellurite, Sorento, and Sportage, and successfully launching EV6.

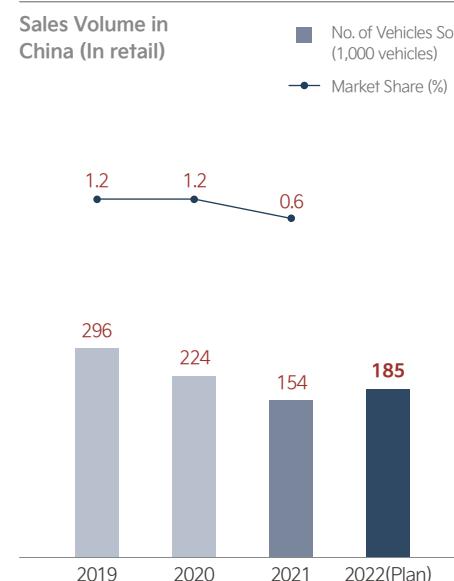
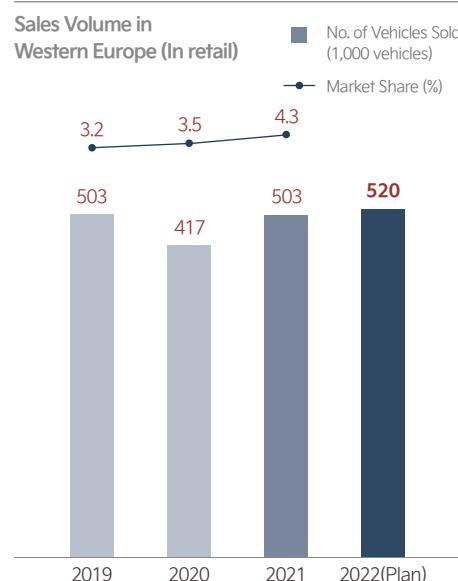


Europe

As a result of leading the sales of electrified vehicles in line with Europe's strong environmental regulations, we are expected to meet fuel efficiency regulations in 2022 as well as in 2021. In 2022, the proportion of eco-friendly car sales is expected to account for 36%, and as the EV6 is sold in earnest and the new Niro is launched, it is expected that our image as an innovative electric vehicle brand will be further strengthened.

China

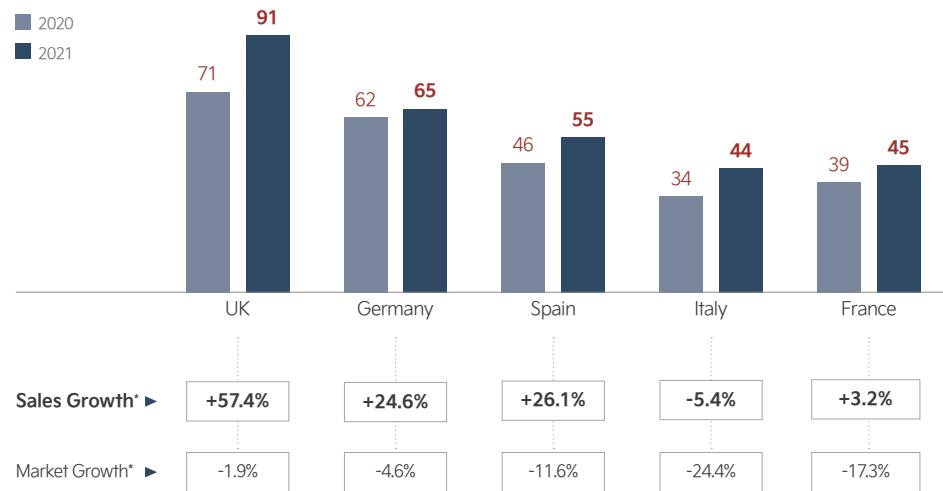
We will increase organizational efficiency by reorganizing the joint venture structure into two companies, and improve our brand image by utilizing brand relaunch. We plan to strengthen product competitiveness by promptly launching successful global new cars such as Sportage, and change the perception of local customers by providing products with connectivity and safety specifications.



* Market share in wholesale

Kia's Sales Growth in Major European Countries (In retail)

(Unit : 1,000 vehicles)



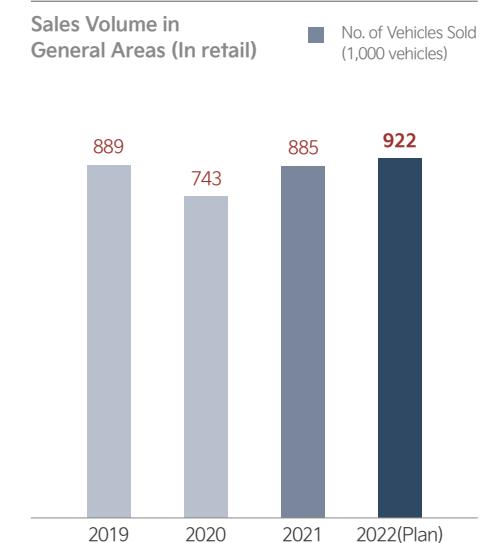
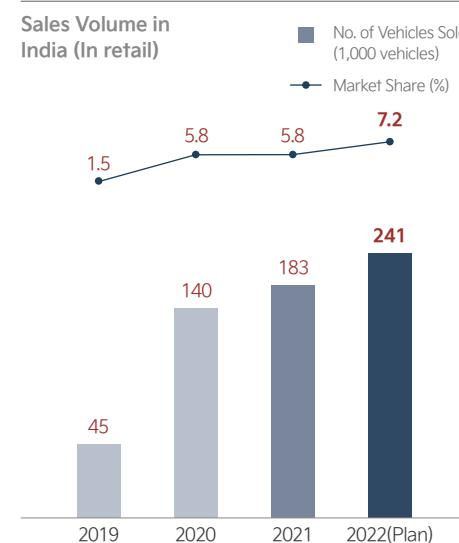
* The market growth rate and sales growth rate data refer to the rate of change in the first quarter of 2022 compared to the first quarter of 2021

India

In 2022, automobile demand in the Indian market is expected to increase by 7.3% to 3.4 million units. Kia is targeting retail sales of 241,000 units, an increase of 32%, and market share of 7.2%, an increase of 1.4%. Carens, which was newly launched in February, is receiving great attention from Indian customers thanks to its excellent marketability, so it is expected that we will be able to achieve that goal.

General

We combined the sales in Asia/Pacific, Middle East, Africa, Latin America, Russia, and Eastern Europe, excluding China and India. In 2021, sales increased by 19.1% compared to the previous year due to the low base effect from COVID-19 in 2020.



* Market share in wholesale

Environmental

Recognizing the importance of environmental issues facing humankind, Kia strives to minimize environmental impacts throughout the value chain, from production to disposal.

**2045
Carbon Neutrality
declaration**

Signed up for RE100

CDP Korea Award

Water

A

Climate Change

A-

Average CO₂ emissions from products sold in Europe

(Unit : g/km)



* Vehicles used for the carriage of goods and having a maximum mass not exceeding 3.5 tonnes

** Vehicles used for carriage of passengers, comprising not more than eight seats in addition to the driver's(= 9)

Environmental Management

Environmental Management System

Kia has set and managed the four safety and environment management policies, such as compliance with safety and environment-related laws, minimization of safety environment risks and environmental pollution emissions, formation of organizational culture with internalized safety, etc., to create a corporate culture centered on people and the environment. We are making every effort to establish an advanced safety and environmental culture to achieve the mid-to-long-term goal of installing an autonomous safe environment management system by 2025. Kia has set a new goal of establishing a global top-level safe environment culture and is working hard to establish safety and environment-oriented workplace.

As of now, our domestic business sites maintain integrated certifications of the ISO 45001 (Safety and Health Management System) and ISO 14001 (Environmental Management System), and we plan to expand the scope of certification to all overseas business sites in 2022.

Kia has completed the acquisition of integrated safety, health and environmental system certification for 3 domestic and 4 overseas Autolands out of 8 Autolands. By 2022, Kia plans to unify the safety , health and environment management system standards by acquiring the ISO certification in Kia Autoland Georgia.

Environmental Investment and Certification

Kia establishes and implements investment plans to prevent environmental issues and mitigate climate change risks on an annual basis. Based on the environmental investment system, we classify investment costs by type and organize budgets accordingly. We invested about KRW 12 billion in environmental investment in 2021 and plan to invest KRW 12.4 billion in 2022. In addition, Kia diagnoses the level of environmental management implementation through internal and external certification body audits every year and takes measures to improve vulnerabilities. Since 2016, we have been trying to develop the competency of people in charge of environmental work through expert educational institutions and in-house training courses.

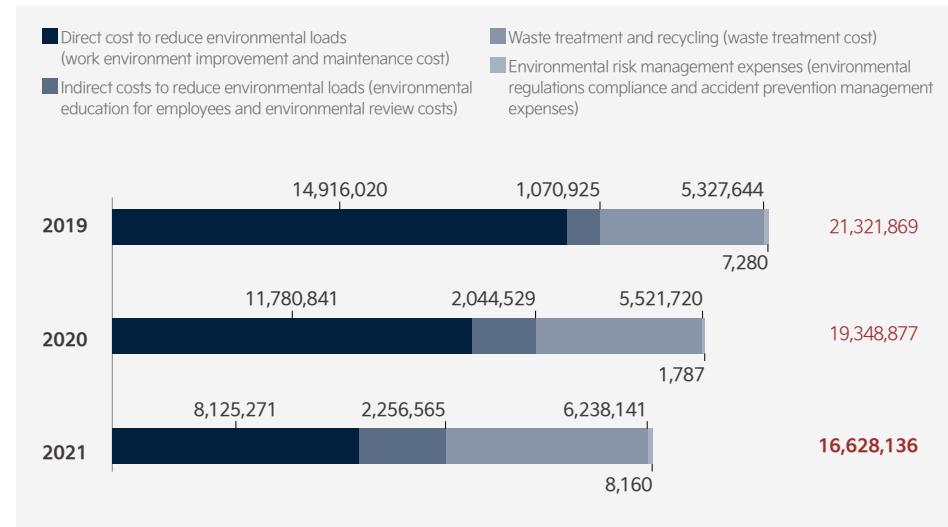
Environmental Investment Status

Environmental investment cost	Unit	2019	2020	2021
performance	thousand won	6,257,187	4,109,156	12,081,759
plan	thousand won	4,205,000	4,002,900	12,135,500
investment execution rate	%	148.8	102.7	99.6

Environmental Management Cost

Kia spent about 19.5 billion won on environmental management in 2021. We used the amount in various fields, such as improving and maintaining the working environment, environmental education and assessment, waste treatment, compliance with environmental laws and accident prevention.

(Unit : thousand won)



Kia Strives to comply with environmental laws and regulations, and there has been no significant violation of environmental laws and regulations over the past four years and the amount of violations of environmental laws and regulations.

Issuance of Green Bonds

Kia strives to realize its social responsibility through eco-friendly business by issuing its first green bonds in 2021. Kia issued KRW 300 billion worth of KRW debentures in March and issued foreign currency debentures (global bonds) worth a total of \$14 USD(\$700 million each) twice in April 2021 and February 2022. The bond financing was fully invested in R&D and facility investment for eco-friendly vehicles in connection with Kia's Plan S strategy. In particular, we have attracted high investment participation from green bond funds, satisfying all of the 'Zero Emission' emission standards recognized by global environmental organizations* by limiting the use of funds for EV vehicles.

* EU Taxonomy, Climate Bond Initiative (CBI), International Energy Agency's 2 Degree Scenario (IEA2DS)

Overview of issuance of green bonds (domestic/global)

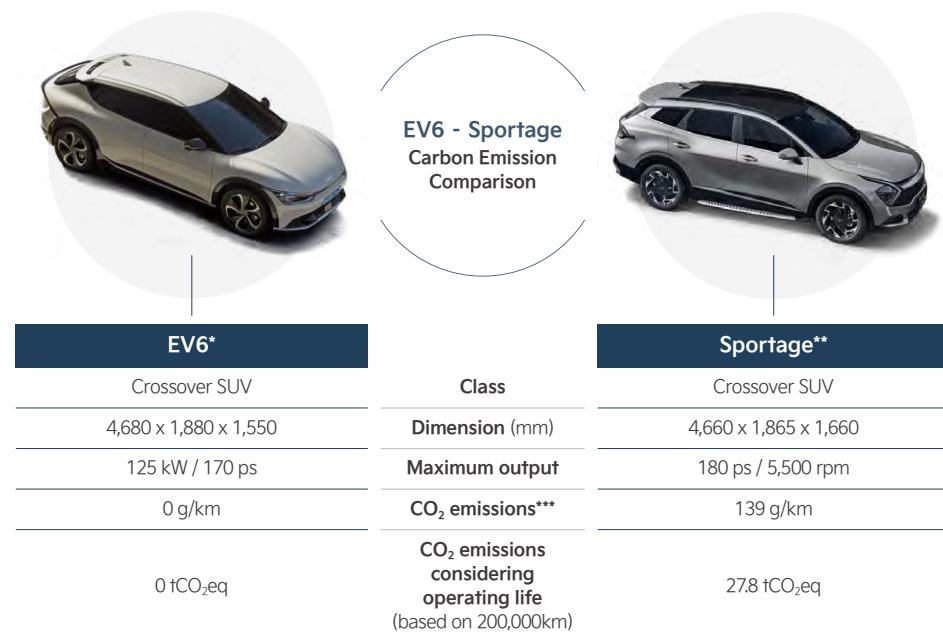
	Domestic	Global	
Issuance scale	KRW 300 billion	USD 700,000,000	USD 700,000,000
Credit rating	AA (Korea Investors Service), AA (Korea Ratings Corporation)	Baa1(Moody's), BBB+ (S&P)	Baa1 (Moody's), BBB+ (S&P)
Issuance date	March 3, 2021	April 16, 2021	February 14, 2022
Due date (Maturity)	March 3, 2024 (3 years), March 3, 2026 (5 years), March 3, 2028 (7 years)	April 16, 2024 (3 years), October 16, 2026 (5.5 years)	February 14, 2025 (3 years), February 14, 2027 (5 years)
Issuance rate	1.303% (3 years), 1.714% (5 years), 1.955% (7 years)	1.000% (3 years), 1.750% (5.5 years)	2.375% (3 years), 2.750% (5 years)

Overview of Green Bond Issuance Fund Project

The EV6, Kia's first electric vehicle model, was launched in July 2021 and is a next-generation electric vehicle produced with an electric vehicle platform. Starting with the launch of the EV6, Kia plans to build a full line-up of 14 EV models by 2027. By raising funds for the issuance of green bonds, Kia has invested in the production of electric vehicle models and related R&D, and sold a total of 11,023 EV6 units in Korea in 2021. Compared to the Sportage, an internal combustion engine vehicle of the same class, EV6 has the effect of reducing carbon emissions by about 27.8 tCO₂eq per unit.

Impact of Green Bond Issuance Fund Input Project

* Reference : Kia Green Bond Annual Report



* Based on 2WD 19" Wheel model

** Based on 1.6L Turbo Petrol 2WD 19" Wheel model

*** Based on Tank to Wheel

TCFD Report

Climate-related Financial Disclosures

With extreme weather events occurring more frequently due to global warming in recent years, there has been increased awareness of the seriousness of climate change. The international community adopted the Paris Agreement in 2015 to tackle climate change and promised to hold the increase in the global average temperature to below 2°C above pre-industrial levels. Under these circumstances, in 2015, the Financial Stability Board (FSB), an international financial organization, launched the Task Force on Climate-Related Financial Disclosures (TCFD) to demand that companies disclose climate-related information. Then, in 2017, the TCFD presented recommendations on the key elements of disclosures so that the information could be communicated by companies worldwide according to a consistent standard. The TCFD recommendations require transparent disclosure of information in four areas: governance, strategy, risk management, and metrics and targets related to climate change. Kia declared 2045 carbon neutrality in November 2021 and signed up for RE100 in April 2022 to respond to climate change.

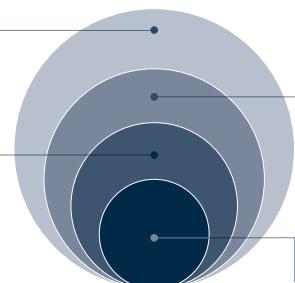
TCFD recommendations

Governance

Disclose the organization's governance around climate-related risks and opportunities.

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks



Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

TCFD timeline



➤ Governance

Board-level supervision of climate change risks and opportunities

Kia launched the Sustainability Committee under the Board of Directors through the amendment of the articles of incorporation in March 2021. Kia has enhanced its deliberative function on major environmental issues such as climate change response strategies. Kia reports its performance of company-wide carbon neutrality promotion once a year through the Sustainability Management Committee under the BOD. The Board of Directors decides a final approval related to climate change, and the CEO takes the final responsibility.

The role of management in assessing and managing climate change-related risks and opportunities

Kia grants responsibility and authority for managing and supervising climate change issues and implementing relevant tasks to the head of the Chief Strategy Officer (CSO). The Corporate Strategy Office runs the Carbon Neutral Council. We are setting responsible organizations by operating divisions such as supply, production, logistics, use, disposal, offset, etc., and a consultative body for each task to establish our climate change response while reviewing quarterly issues and drawing up improvement needs.

➤ Strategy

Short-, medium- and long-term risks and opportunities related to climate change

Kia has established countermeasures to mitigate each risk by identifying risks and opportunities caused by climate change and comprehensively analyzing risk factors and their impact on business.

Risks and Opportunities Related to Climate Change

Transition Risk Factor

Category	Main content	Kia's response
Policy	The increased cost of purchasing emission permits due to the increase in carbon emissions and the price of emission permits	Kia plans to predict carbon emissions by significant energy sources and set target emissions through the Global Energy-Greenhouse gas Management System (GEMS) already installed in its domestic factories to preemptively respond to increasing financial burdens such as strengthening regulations on carbon credits and purchasing carbon credits. Kia will also strive to minimize its financial burden and create the benefits of emission rights through reduction by proactively taking various reduction measures, development/application of new energy-saving technology, renewable energy conversion, and self-generation, such as solar power.
Technology	R&D cost increase due to technology development to respond to climate change, such as reducing greenhouse gas emissions, expanding new and renewable energy, etc.	In order to present the optimal reduction solution considering the characteristics of each area such as painting, PT factory, press/body/design, etc., Kia has been establishing a roadmap for core reduction technology development and specific action plans since 2022. Representative, we are reviewing various technologies such as solar power installation of AutoLand Hwaseong, hydrogen fuel technology development, and smart grid construction, to name a few. We also plan to secure a strategic investment budget based on the completed plan and expand R&D investment.
Market	The weakening competitiveness of internal combustion vehicles due to the spread of eco-friendly consumption trends	Recognizing the spread of eco-friendly consumption trends as a key future strategy for the company, Kia has established mid-to-long-term goals until 2030. 1) To achieve global sales of 4 million units based on increased sales of eco-friendly vehicles - To increase the proportion of eco-friendly cars from 17% in 2022 to 52% in 2030 to change to a sales structure centered on eco-friendly cars - To increase the proportion of eco-friendly vehicle sales to 78% by 2030 in major markets with strong environmental regulations and preference for electric vehicles, such as Korea, North America, Europe, and China. 2) EV acceleration strategy: expand EVs to 14 types by 2027 and sell 1.2 million EVs by 2030 - Electric vehicle sales target: 807,000 units by 2026, 1.2 million units by 2030 - Reorganization of electric vehicle production bases: To establish local electric vehicle production systems in the United States, Europe, China, and India other than in Korea
Reputation	Corporate value decline and response costs increase when failing to meet the expectations of stakeholders who recognize the importance of responding to climate change and disclosure of related information	Kia is being asked to transparently disclose its policies and response capabilities related to climate change from various stakeholders, which is directly related to the company's reputation (brand image). Non-financial information such as CDP and DJSI is used as a significant measure of the company's investment value, like financial information. With the recent growth of Social Responsible Investment (SRI), Kia recognizes the need to implement business management activities from a more long-term and proactive perspective by considering not only financial factors but also non-financial factors that affect the company's sustainability, such as ESG factors. Accordingly, Kia joined the CDP in 2018 and continuously disclosed its climate change information. In the future, Kia will transparently disclose its climate change information, one of the non-financial factors to endeavor to respond appropriately to the level of demands of our stakeholders.

Physical Risk Factor and Opportunity

Category		Main Content	Kia's response
Risk	Acute hazard	Damage to production facilities and restoration cost due to large-scale disasters	Kia has established a pre-preparation system in case physical hazards such as floods and typhoons occur. In fact, flooding occurred in AutoLand Gwangju due to torrential rains in 2020, halting the Kia line operation, and 1,189 vehicles suffered flood damage. As such, physical damage is likely to occur in the future and, thus, considered a core risk. Kia has been identifying and managing possible risks in a disaster through its regular facility inspection/repair and comprehensive safety management while making an emergency response manual.
	Chronic hazard	Decline in market share due to delayed development of low-carbon technology and eco-friendly vehicles	On July 14, 2021, the European Commission (EU) announced 'Fit for 55' to reduce the EU's net greenhouse gas emissions by at least 55% compared to 1990 by 2030 and set a goal to end the era of internal combustion engines by 2035. In detail, the newly adopted automobile emission standards require new vehicles to reduce CO ₂ emissions by 55% by 2030 and 100% by 2035. Also, in the United States, the stricter standard has been confirmed to increase the fuel efficiency standard for automobiles by 5 to 10% annually from 2023 to reach an average of 55 miles per gallon by 2025. Kia faces a risk of losing the entire market if it fails fully convert to low-carbon technology for hydrogen/electric vehicles because the company has a lineup of vehicles centered on internal combustion engines. Accordingly, Kia is actively developing eco-friendly vehicle technology in preparation for the tightened fuel economy regulations by continuously improving the mix of eco-friendly vehicles.
Opportunity	Eco-friendly business creation	Flagshiping the field of eco-friendly mobility solutions through eco-friendly technology development and innovation	Kia has established a Plan S strategy for low-carbon technology transition and is operating its business. Kia's electric vehicle is expected to have the best-in-class mileage, driving performance, and space convenience on a single charge, with Hyundai Motor Group's EV-only platform E-GMP technology applied, and likely to have strong commercial values as advanced technologies, including autonomous driving technology, are applied preemptively. In addition, Kia will develop differentiated products by mobilizing company-wide capabilities, focusing on connectivity service, autonomous driving technology, performance (performance), and design as core product qualities to lead the future mobility market. To this end, Kia plans to build a car cloud to secure 10 million user data by 2022 and is developing an integrated controller that centrally controls all vehicle functions. Furthermore, Kia will also spur the development of new business opportunities in various mobility service areas, such as car-sharing, car-hailing, and delivery services, based on software and connectivity services. Regarding autonomous driving, Kia branded its own specialized autonomous driving technology to name it 'AutoMode.' Kia plans to apply more advanced 'auto mode' such as HDP to the EV9 in 2023, which does not require driver intervention on highway sections. Kia's Auto Mode will support performance optimization through an over-the-air update, HDP that does not require driver intervention on highway sections, Autonomous lane change, and Navigation-linked smart cruise control based on high-precision maps beyond Highway Assistant Driving (HAD) to implement autonomous driving in the future as well fully. By 2026, Kia intends to increase the application rate of 'auto mode' autonomous driving technology to 100% of new cars sold in major markets such as Korea, North America, and Europe, and more than 80% of all vehicles. Besides this, Kia plans to focus on securing high performance and differentiated design. After the launch of the EV6 GT, a high-performance electric vehicle this year, Kia will develop a high-performance GT model optimized for all-electric cars by vehicle type in the future.

Impact of climate change risks and opportunities on business, strategic and financial planning

As its eco-friendly policy, Kia considers establishing and operating an eco-friendly production process that reduces the emission of greenhouse gases and environmental pollutants through its eco-friendly lifecycle management system for the entire process from product design to disposal. Kia intends to increase the use of eco-friendly energy to reduce greenhouse gas emissions but faces many restrictions on purchasing eco-friendly energy due to domestic circumstances. Therefore, we first analyze the constraints and seek ways to switch to eco-friendly energy to implement RE100 through eco-friendly energy. First, we reviewed installing solar power in domestic factories for direct investment and are trying to find ways to expand it to the entire company in the future through a pilot project targeting the shipping center. We are also looking for ways to convert to low-carbon energy by purchasing eco-friendly energy and purchasing 100% of the electricity used in Slovakia as eco-friendly energy from renewable energy. Also, in the case of Korea, we plan to buy electricity from fossil fuels other than low-carbon electricity converted through direct investment as the Ministry of Industry is currently promoting K-RE100.

Kia joined the RE100 membership in April 2022. Kia plans to review its direct and indirect investment in renewable energy to convert all its electricity to renewable energy to implement RE100 in the future.

It can be advantageous for attracting investment from investment institutions friendly to ESG companies, and it is highly likely that Kia will occupy an advantageous position to attract investment. Also, the positive effect of eco-friendly car brands among consumers is expected to impact our eco-friendly car sales growth positively. The impact on investment and sales will increase the value of the company's fixed assets, which will, in turn, increase the stock price as well.

Necessity of management strategy considering various climate change-related scenarios, such as scenarios below 2°C

In order to predict and manage plant GHG emissions and future emissions, Kia introduced GEMS (Global Energy - Greenhouse gas Management System). Based on the forecasts derived from this system, improvements and investments are made to reduce greenhouse gas and are considered when establishing business strategy goals. In order to achieve carbon neutrality in 2045, Kia has implemented a sustainable energy strategy. We aim to achieve 100% conversion to eco-friendly energy overseas by 2030 and domestic by 2040. In addition, we plan to expand PPA (Power Purchase Agreement), REC (Renewable Energy Supply Certificate) and solar energy.

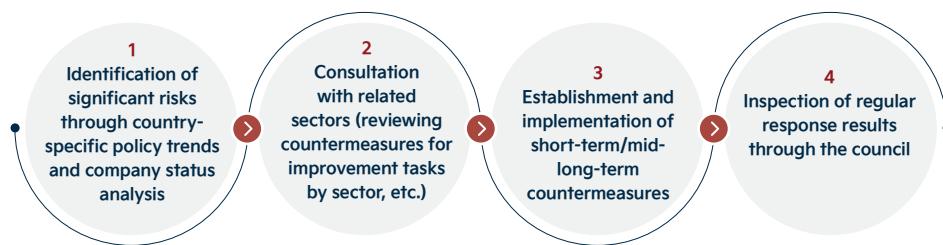
Key Milestones for Carbon Neutrality

	2019	2030	2040	2045
Supply	10% reduction in carbon emissions in the supply chain and establishment of a management system	Re-examination of carbon neutrality achievement status and establishment of reinforcement goals	Achieving 90% carbon neutrality in the supply chain	
Production	Solar installation, RE100 achievement in overseas, 100% electrification of business vehicles	Achieving RE100 in domestic business sites	Use of eco-friendly energy (including hydrogen)	
Logistics		Achieving 100% of eco-friendly transportation through step-by-step transition to eco-friendly ships (ocean, land)		
Use	Achieving 30% of global electrification	Achieving 100% of electrification in four major markets	Achieving 100% of global electrification	
Disposal	20% of recycled plastic usage rate, establishment of resource circulation system	Achieving 100% recycling rate of scrapped vehicle based on next-generation resource circulation system		
Offset		Achieving a 3% reduction in residual stock through a separate offset program		

➤ Risk Management

Climate change-related risk identification and assessment process

Kia plans to identify and manage climate change risks and opportunity issues that may arise in the entire value chain through the Carbon Neutrality Council, a company-wide panel of pending cases. Kia managed its climate change risks through the ESG council until 2021. However, we plan to separate climate crisis risk into a separate agenda and manage it through a carbon neutrality council as a carbon neutrality team has been established in 2022. We will make decisions on matters judged to be core issues through reports to the CEO and the Board of Directors. The risk identification and management process proceed as follows.



Procedures for managing climate change-related risks

The process of managing risk and making decisions proceeds as follows.



How the processes of identifying, assessing, and managing climate change-related risks are integrated into the organization's overall risk management framework.

Kia includes ESG factors in KPIs or strategic tasks of relevant departments to ensure that risks related to climate change, such as greenhouse gas emission management and environmental impact assessment, are integrated into the organization's risk management system.

➤ Indicators and Reduction Targets

Indicators used by the organization to assess climate change-related risks and opportunities following its business strategy and risk management procedures

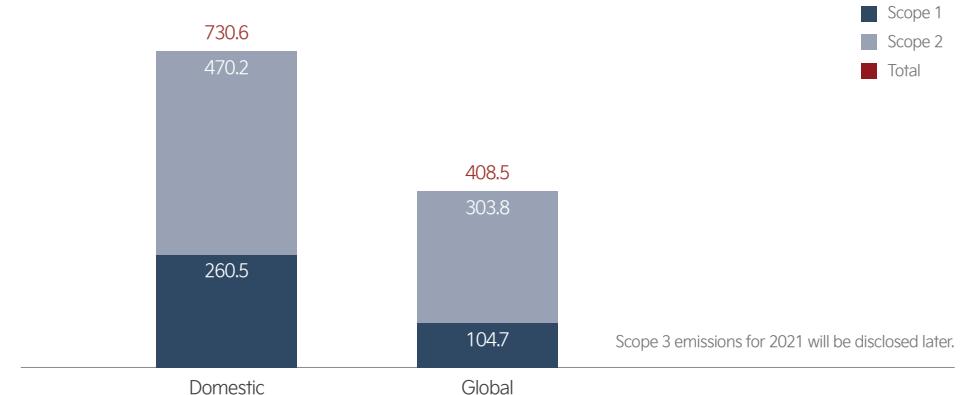
Kia uses indicators such as the number of global automobile production/sales and the number of parts supply disruptions due to natural disasters to measure its climate change-related risks and opportunities. Kia evaluates risks and opportunities through these indicators and considers its business strategies and investment directions.

Goals used by organizations to manage climate change-related risks and opportunities and performance against them

Kia set a target of a 17.4% reduction to 2016 by 2025 and a 39.9% reduction to 2016 by 2040 on an absolute basis regarding Scope 1 and 2 to actively reduce greenhouse gas emissions. Kia is well on its reduction targets, with its 2021 global total greenhouse gas emissions (Scope 1,2) being 1,139 thousand tons of CO₂eq, 140,000 tons of CO₂eq less than 2016's.

Scope 1,2 and Scope 3 GHG emissions and related risks

(Unit : Thousand tCO₂eq)



* Domestic : Autoland and other sectors including headquarters, Overseas : Autoland

** Scope 1 : Direct greenhouse gas emissions from energy combustion, industrial processes, etc

*** Scope 2 : Indirect greenhouse gas emissions from energy use, e.g., electricity and steam

**** Scope 3 : Indirect greenhouse gas emissions excluding energy

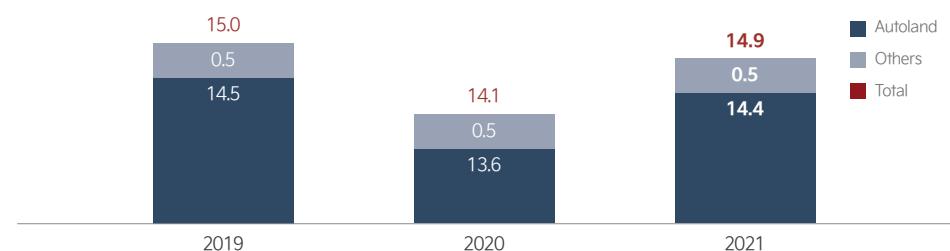
Minimizing Environmental Impact

Domestic and Foreign Energy Consumption and Greenhouse Gas Emissions

For the first time in the automobile industry, Kia operates a company-wide Energy & Greenhouse Gas Management System (GEMS) that monitors the energy of all AutoLand and other sectors, including the headquarters, in real-time at domestic and overseas. Also, Kia registers and manages energy-saving items discovered by all departments, such as introducing high-efficiency facilities and production optimization measures by building the K-CUBE system. We share goal implementation and performance through the Greenhouse Gas Consultative Body at the workplace and respond to related issues (risks) company-wide through an internal review. In addition, Kia is setting and implementing a mid-to-long-term carbon-neutral strategy to respond to risks related to global decarbonization and climate change. Furthermore, Kia is making improvements and investments to reduce greenhouse gas emissions based on forecasts for future emissions, which is considered when establishing business strategy goals.

Total domestic energy consumption

(Unit: Thousand TJ)



* Energy consumption in all Autoland and other sectors including the head office at domestic and overseas

** Autoland sector: Autoland Gwangmyeong, Hwaseong, Gwangju / Other sectors: Head office, service center, sales designation, shipping office, Osan Training Center, Pyeongtaek Port, Vision Square

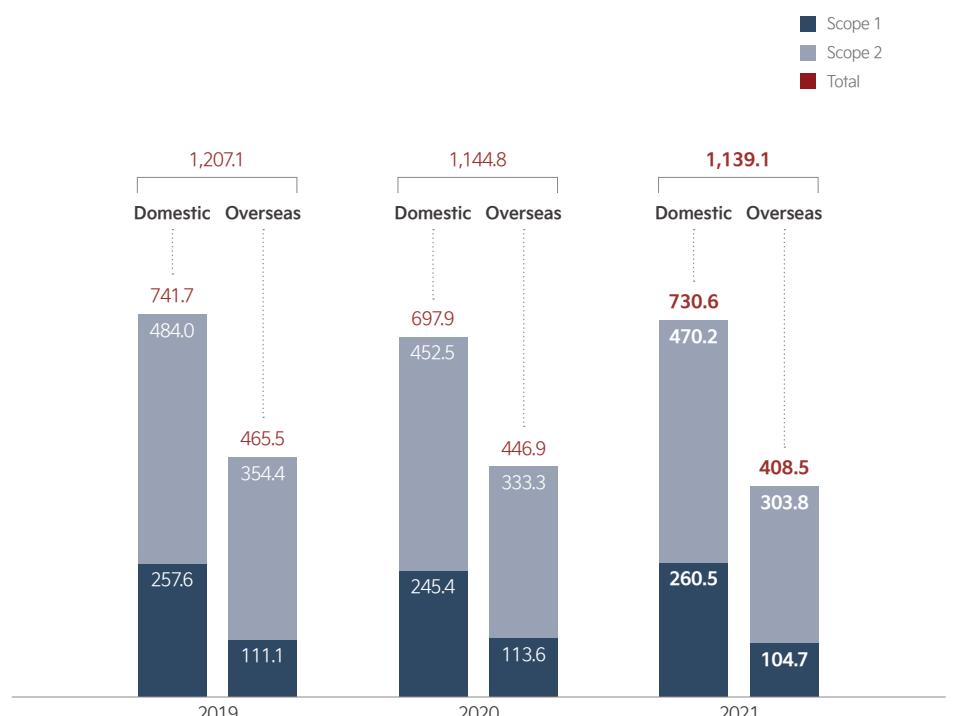
Energy Consumption

Indicator			Unit	2019	2020	2021	
Non-renewable energy	Domestic	Fuel	TJ	5,028	4,777	5,112	
		Electricity	TJ	9,966	9,316	9,824	
		Total	TJ	14,994	14,093	14,936	
	Overseas	Fuel	TJ	2,250	2,106	2,120	
		Electricity	TJ	2,104	1,931	1,993	
		Total	TJ	4,354	4,037	4,113	
	Total		TJ	19,348	18,130	19,049	
	Renewable energy	MWh	3,644,330	3,418,669	3,585,908		
		TJ	510	420	503		
		MWh	141,662	116,529	139,654		
Sum			TJ	19,858	18,549	19,551	
			MWh	3,785,992	3,535,198	3,725,562	

Greenhouse Gas Emissions

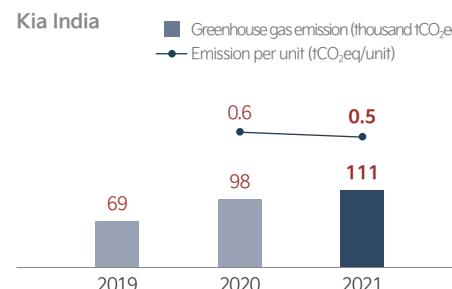
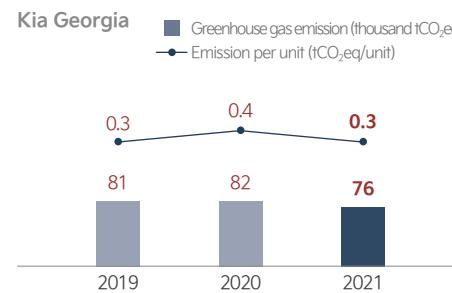
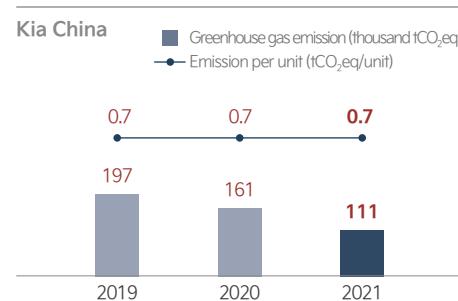
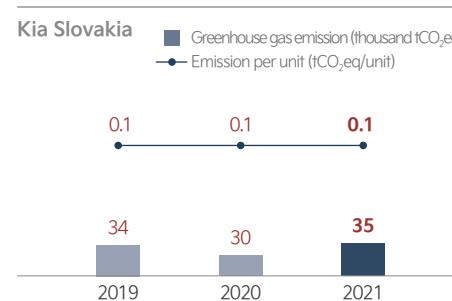
In 2021, the total greenhouse gas emissions of all AutoLand services, sales branches, shipping offices, and training centers in Korea were 730,000 tons. Of these, direct greenhouse gas emissions from fuel use (Scope 1) were 260,000 tons, and indirect greenhouse gas emissions from electricity use (Scope 2) were 470,000 tons. Among domestic business sites, AutoLand Gwangmyeong, Hwaseong, and Gwangju emitted 710,000 tons of greenhouse gas, an increase of 30,000 tons from the previous year.

Total greenhouse gas emissions (domestic & overseas)

(Unit: Thousand tCO₂eq)

* Greenhouse gas emissions from all Autoland and other sectors including the head office

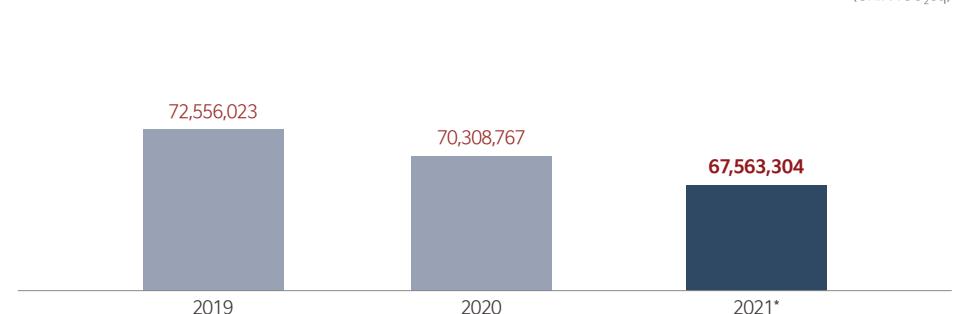
In 2021, total greenhouse gas emissions from overseas business sites were 410,000 tons, of which direct (Scope 1) emissions were 100,000 tons and indirect greenhouse gas emissions (Scope 2) 300,000 tons. We conducted third-party verification of greenhouse gas emissions at our overseas plants, including our new plant in India, Slovakia, Yancheng, Georgia, and Mexico. The Slovakia plant is using all (100%) renewable energy.



Efforts to Reduce Other Indirect Greenhouse Gas Emissions

Kia is reducing the direct source of greenhouse gas emissions by introducing energy-efficient facilities and optimizing production. Since 2019, we have been striving to manage indirect emissions from corporate activities through third-party verification in the Scope 3* field. Kia implemented the employee electric vehicle test drive program¹ to use electric vehicles for various purposes such as commuting to work and vacations. We also improved our employees' understanding of electric vehicles and encouraged them to participate in reducing greenhouse gas emissions. Also, we recently replaced the Yangjae head office's business vehicles completely with electric vehicles and plan to actively utilize electric vehicles in supply and demand for business vehicles in the future. We are continuously operating the 5-day vehicle rotation system to reduce the use of private cars for employees commuting to and from work. In 2021, we reduced the number of parking permits by more than 30% compared to the previous year and actively recommend using commuter buses. Currently, 425 commuter buses are being used on 345 routes, and we are organizing and operating routes by region according to the needs of our employees. Furthermore, we have established a large-scale video conferencing system to reduce travel for business trips, and we recommend using public transportation and carpooling for domestic business trips. Kia measures and discloses the greenhouse gas emissions generated by its business activities and continues its efforts to reduce them.

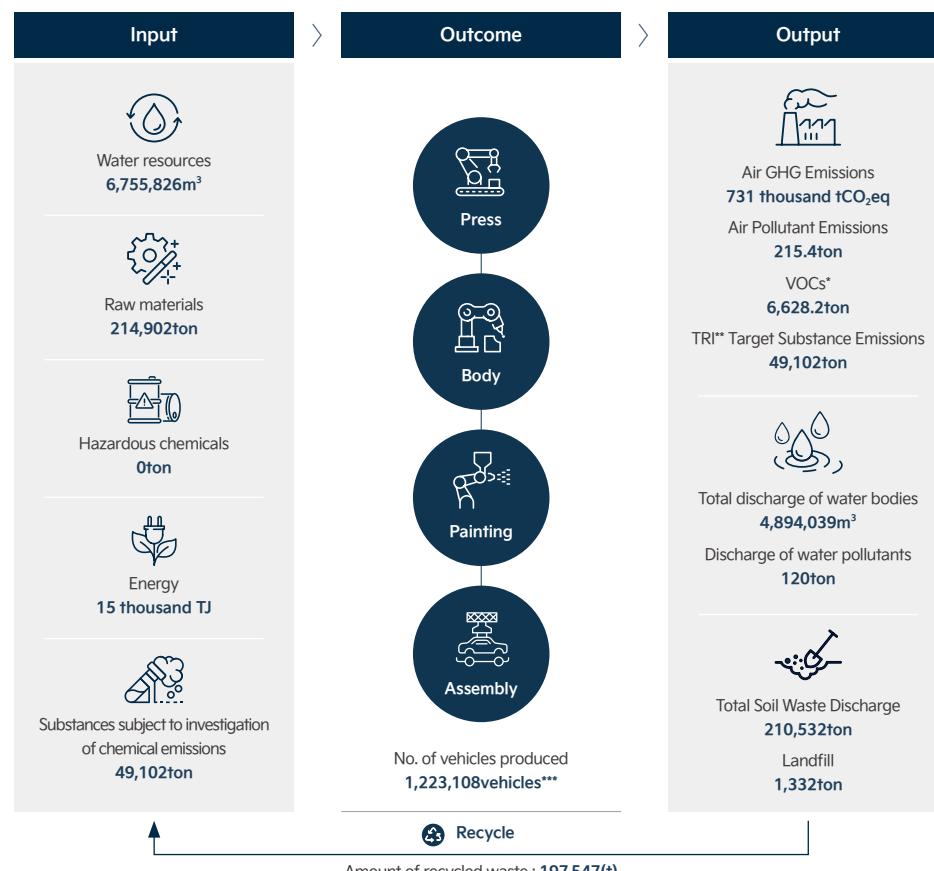
Other Indirect Emissions (Scope 3)

(Unit : tCO₂eq)

* Scope3: Indirect greenhouse gas emissions other than energy

Material Balance in the Automobile Production Process

Kia strives to reduce resource usage and material emissions through efficient processes, equipment replacement, and expansion of recycling. We collect resources (input), emitted substances (output), and created value (output) over the year to understand the current situation, set goals, and derive improvement plans based on this. In 2021, our production increased compared to the previous year, and the number of raw materials used per unit (2.7%), VOCs emission per unit (3.8%), and the number of materials handled by TRI (0.3%) all increased. The total amount of waste generated increased (8.4%) due to the sale of the Gwangju material plant, but the recycling rate was maintained high at 93.8%.



* VOC (Volatile Organic Compounds) ** TRI (Toxic Release Inventory)

*** Coverage : Autoland Gwangmyeong, Hwaseong, Gwangju

Environmental Management Performance and Goals*

Classification	Details	2019	2020	2021	2022	Target
Green growth	Greenhouse gas	Discharge (tCO ₂ eq/unit**)	0.585	0.590	0.580	0.579
	Energy	Consumption (kgOE/unit)	278.4	280.1	275.8	275.3
Eco-friendly production	Water quality	Water (ton/unit)	5.4	5.4	5.2	5.4
	Cod*** (mg/l)	14.3	18.0	27.0	25.0	
Resource circulation	Hazardous chemicals	Consumption (kg/unit)	0.1	0.0	0.0	0.0
	Waste	Generation (kg/unit)	149.0	170.0	172.1	163.0
		Recycling rate (%)	93.6	94.8	93.8	90.0

* Range: Autoland Gwangmyeong, Hwaseong, Gwangju

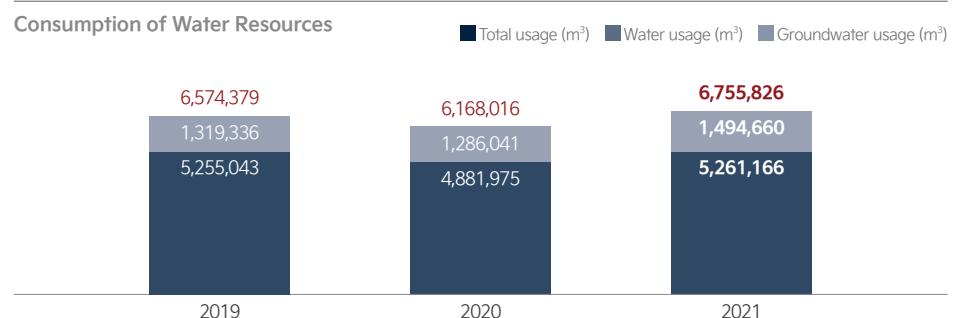
** Amount used (emissions) per unit: based on the number of units produced; the Amount used or emitted when one vehicle is produced

*** The amount of oxygen required when the microbial oxidizer decomposes organic matter in water, and it is an indicator of the degree of contamination of water.

Use of Water Resources

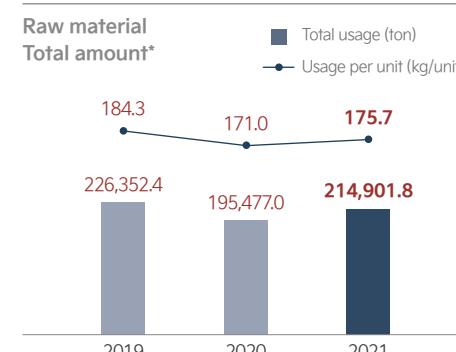
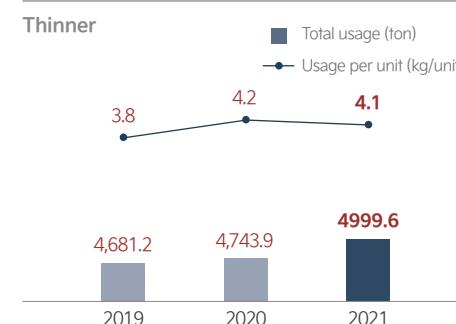
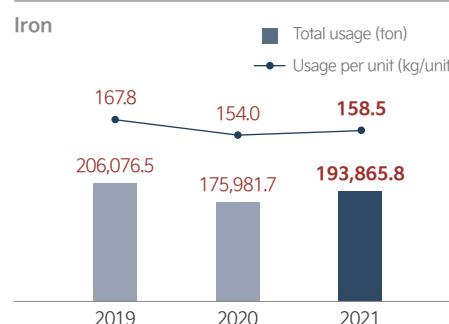
Kia recognizes the importance of water resources and the seriousness of the global water shortage problem. Kia implements various measures, such as investment in wastewater recycling process facilities and replacement of auxiliary facilities to respond to water resource risks by identifying policy/regulatory trends and analyzing our current status. In Korea, Kia uses water resources supplied from Paldang Dam (AutoLand Gwangmyeong/Hwaseong) and Juam Dam (AutoLand Gwangju), with a storage capacity of 200 million tons or more. We also manage quality by installing pure manufacturing equipment (RO) used in painting factories. In addition, we recycle RO concentrated water to reduce water use. Overseas, we are working to minimize water resource usage by reusing all of our factory wastewater from 2020 by introducing a zero-wastewater discharge system from the design stage of our Indian plant. Kia's water use in 2021 was 6,755,826m³, an increase of 9.5% from the previous year.

Consumption of Water Resources



Use of Raw Materials

Kia's primary raw materials for automobiles are steel sheets (iron), paints and thinners, and plastics. Kia is reducing the amount of raw material used per product by improving the production process and counting and managing the use of major raw materials to reduce waste. In 2021, Kia's total raw material consumption increased by 9.9% and per-unit- consumption by 2.7% compared to the previous year. In particular, the total amount of iron used among raw materials (excluding the contracted amount from subcontractors) increased by 10.2% compared to 2020, and the amount used per unit by 2.9%. Since participating as the primary company in the voluntary agreement for green purchase in September 2005, Kia has been practicing eco-friendly purchasing by buying eco-friendly products such as eco-label certified products and excellent recycling mark products as a priority, following its Green Purchasing Guidelines every year. Kia also operates environmental standards to prevent the use or inclusion of substances harmful or dangerous to the environment in the development and production of vehicle parts.

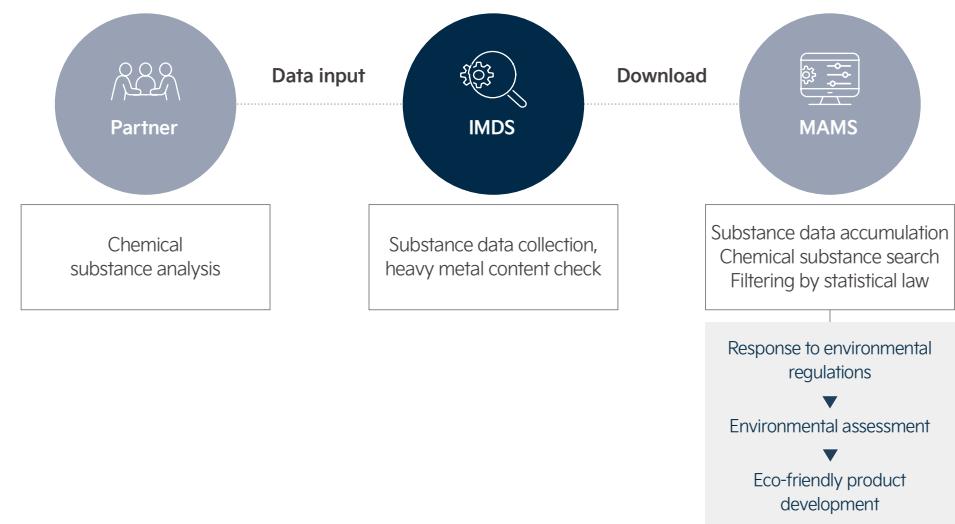


* Total usage of iron, paint, and thinner

Chemical Management System

Regulations on hazardous substances are being strengthened around the world. Restrictions on using four heavy metals (lead, mercury, cadmium, hexavalent chromium), ozone-depleting substances, and hazardous chemicals are internationally accepted laws. For all products, Kia prohibits using substances regulated by domestic and foreign laws and develops and applies alternative materials. First, Kia stores the material and weight information of parts collected from the International Material Data System (IMDS) in a database in the e-Chemical Management System (e-CMS) that it operates by itself. Based on the e-CMS, we manage information on chemical substances in parts of all models produced after 2005 and conducts a preliminary review of chemical substances to be regulated. In 2019, Kia established a pre-review process and computerized system to check in advance whether or not environmental regulations were applied prior to introducing chemical substances and monitors information on chemical substances used in each process more easily and quickly by establishing the Safety and Health Environment Management System (SHE). Kia uses its own system (ProdTect) that can appropriately calculate the recyclability rate to respond to relevant laws and regulations and uses it as the basis for environmental evaluation. Currently, all of Kia's vehicles meet the requirements of European, American, Chinese, and domestic recyclability certifications and regulations.

Hazardous Substance Management System



Waste Discharge Management

Kia is committed to reducing total waste emissions and increasing recycling rates. Domestic business sites have implemented the resource circulation performance management system since 2019 and preemptively responded to resource circulation policies by maintaining the recycling rate at over 90% since 2007. We strictly separate and dispose of landfill and incineration wastes that are inevitably generated due to technological and economic constraints. We are also constantly improving, developing recyclers, etc., to transform our treatment methods. In 2021, the total amount of waste generated by the three domestic factories was 211,000 tons, an increase of 8.4% from the previous year. Of this, 93.8% (197 thousand tons) is recycled as raw materials for cement and raw materials. The ratio of recycling to total waste decreased by 1.0%p compared to the previous year.

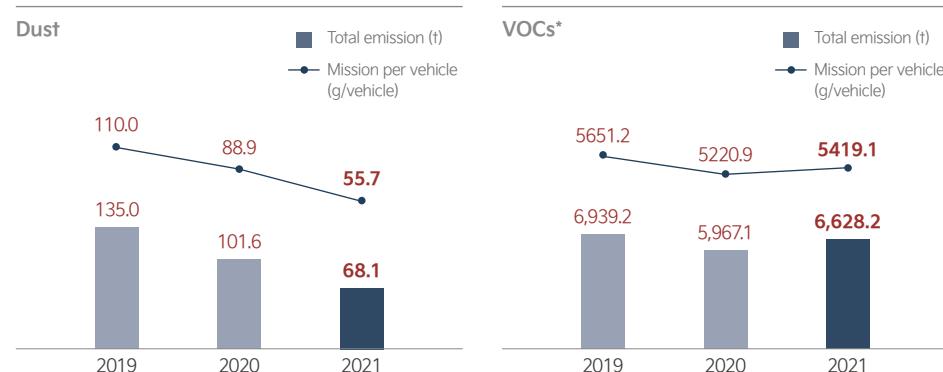
Discharge by waste treatment method

Classification	2019	2020	2021
Total (ton)	Recycling 171,220	184,189	197,547
	Landfill 829	10	1,332
	Incineration 10,865	10,047	11,653
	Total 182,914	194,247	210,532
Per unit (kg/unit)	Recycling 139.4	161.2	161.5
	Landfill 0.7	0.01	1.1
	Incineration 8.8	8.8	9.5
	Total 149	170	172

Air Pollution Management

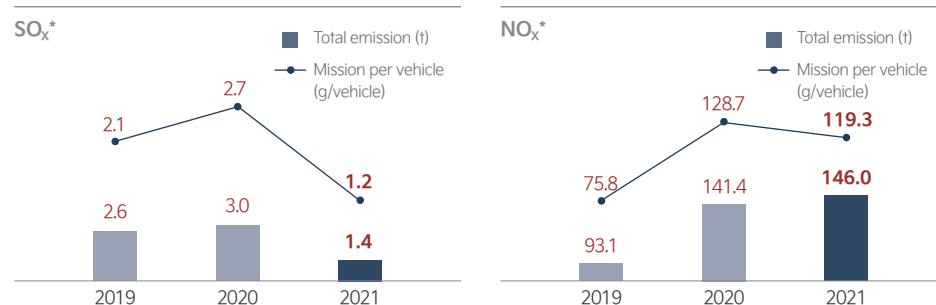
The main air pollutants in automobile production are paint particles and VOCs (Volatile Organic Compounds) generated during painting. In particular, VOCs are toxic as one of the causative agents of global warming and stratospheric ozone depletion and are pollutants that cause odors, float in the air, and cause chemical reactions to affect the air environment significantly. Kia has set its own emission standards stronger than the legal emission standards to manage air pollutant emissions and operates its facilities that collect and remove air pollutants generated in the production process. Also, Kia has installed TMS (Tele-Monitoring System, automatic chimney measuring device) and IoT devices in the boiler to monitor its pollutant emission status. We plan to enhance its management by expanding the scope of management targets by 2022. Dust, a significant air pollutant, decreased by 33% in total and 37.3% per unit compared to the previous year. As for nitrogen oxide (NOx), the legal total management target area has been expanded from 2020. We are implementing the government's total amount quota regulation at all domestic business sites. In particular, we track and manage the emission status of VOCs that significantly impact the atmospheric environment separately.

Air pollutant emissions



* Volatile Organic Compounds

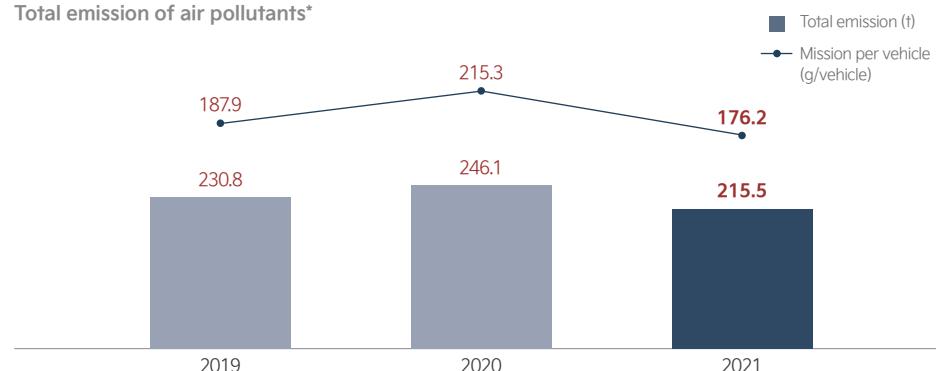
Air pollutant emissions



* Sulfur Oxides

* Nitrogen Oxide

Total emission of air pollutants*

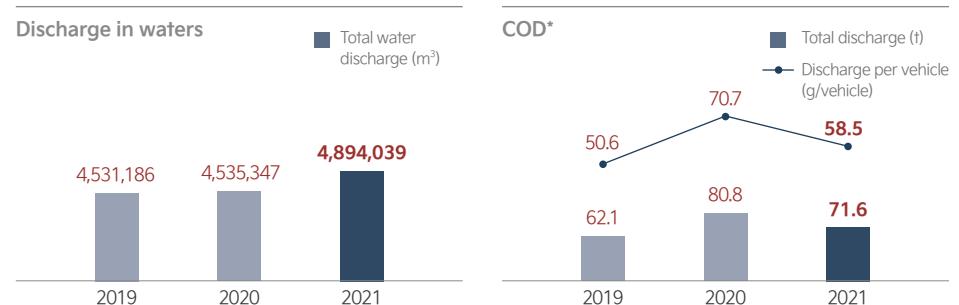


* Total emission of dust, SO_x, NO_x

Water Pollution Management

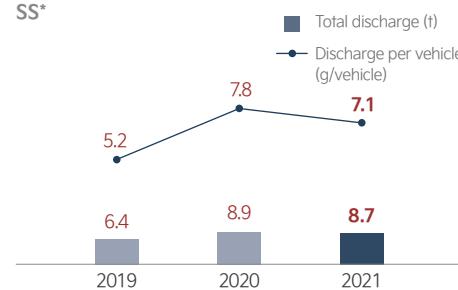
Kia thoroughly manages the quality of the effluent by applying stricter in-house water pollutant emission standards than legal standards. Kia contributes to water quality stabilization by managing treatment facilities, such as improving old facilities, and regularly monitors the concentration of effluent discharge to prevent unexpected spills.

Water pollutant emissions



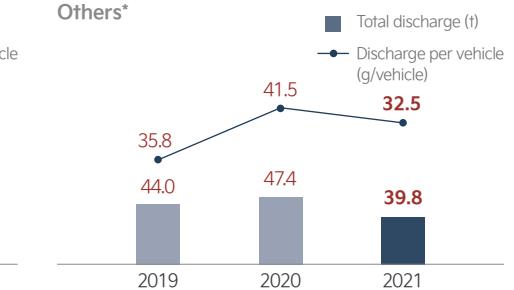
* COD (Chemical Oxygen Demand): The amount of oxygen required when microorganisms and oxidizers decompose organic matter in water. An indicator of the degree of pollution of water meaning that the lower the number, the lower the degree of pollution.

SS*



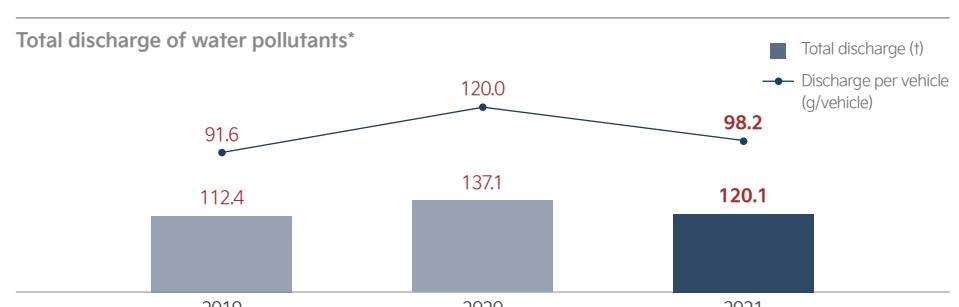
* SS (Suspended Solids) : Floating solids in water

Others*



* Others generated: n-H, T-P, T-N

Total discharge of water pollutants*



* Total discharge of COD, SS, and other water pollutants

Soil Pollution Management

Kia is actively conducting soil pollution management activities inside and outside AutoLand to protect the ecological environment and preserve biodiversity. We have created an eco-friendly and pleasant production environment by creating a green area inside the business site by installing ponds and transplanting trees. As a result of comprehensive management of our soil polluting facilities and continuous enhancement of inspections since 2000, we have not had a single case of pollutant leakage. Externally, we have been carrying out external eco-friendly conservation activities every year. In April 2021, we tried to protect marine life and preserve marine ecosystems by carrying out a campaign to inform the damage to marine life and birds caused by mask waste and to guide the correct method of disposing of masks to prevent the same.

Recycling of End-of-Life Vehicles

Kia has been collaborating with the Korean Ministry of Environment in carrying out a pilot project to improve the country's ELV resource circulation system. The goal is to introduce the government's Extended Producer Responsibility policy in the automobile sector. The EPR approach has been used in the fields of packaging materials and electronic products since 2011. As part of the project, the company is continuously working with auto dismantling companies in Korea to raise the reuse and recycling rate of ELV and recover resources that would otherwise go to waste. Its efforts include providing the dismantling companies with instructions on how to dismantle vehicles most efficiently, and supporting the cost of recycling materials that are hard to recycle. 195,370 tons of resources were recovered from ELVs in collaboration with auto dismantling companies in 2021 alone, with 92.0% of the cars they owned being recycled and reused (82.6% when excluding heat recovery)

Recycling of End-of-Life Vehicles

(Unit : %)

Classification	2018	2019	2020	2021
Recycling rate of end-of-life vehicles	82.6	82.8	82.9	82.6
Including heat recovery	87.2	89.3	91.9	92.0

Amount of Resources Recovered When Dismantling Cars

(Unit : ton)

Classification	2018	2019	2020	2021
Recovery weight	262,775	261,971	209,754	195,370

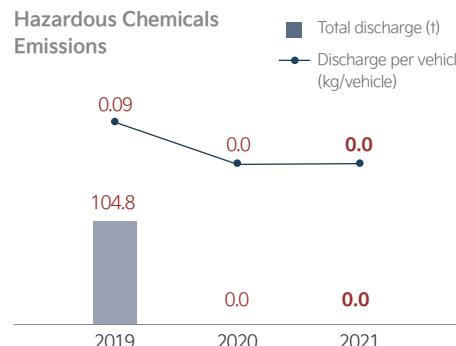
Hazardous Chemicals Management

Hazardous chemicals collectively refer to chemicals harmful to people or the environment and require strict management in using and handling them. Regulations on chemical substances are being enhanced worldwide. In Korea, the Chemical Substance Control Act and the Chemical Substance Evaluation and Registration Act have been in force since 2015. When a new hazardous chemical is designated, we try to replace it with a non-hazardous chemical within the grace period for licensing or not to use hazardous chemicals subject to legal permission through process improvement and product cessation. Kia operates a company-wide organization dedicated to quickly managing hazardous chemicals to respond to regulations on hazardous chemicals. Kia has installed a system to check the usage of hazardous chemicals at each plant and manage them regularly.

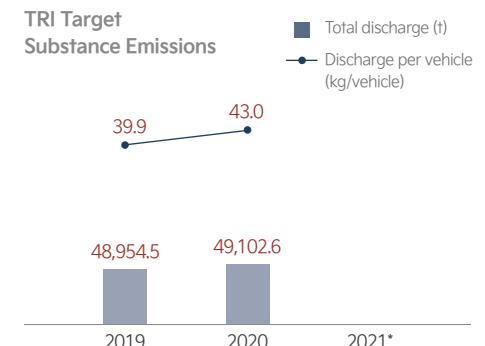
In addition, we run various systems such as hazardous chemical treatment, facility standards, and TRI (Hazardous Chemical Emission Investigation). After changing the ion exchange manufacturing method of the painting process to an eco-friendly reverse osmosis method in 2015, we improved the hazardous chemical handling facilities of all factories and applied alternative products to reduce the use of toxic substances in 2019 dramatically.

Furthermore, we continuously invest in improving handling facilities to replace hazardous chemicals with safe chemicals and converting eco-friendly facilities.

Hazardous Chemicals Emissions

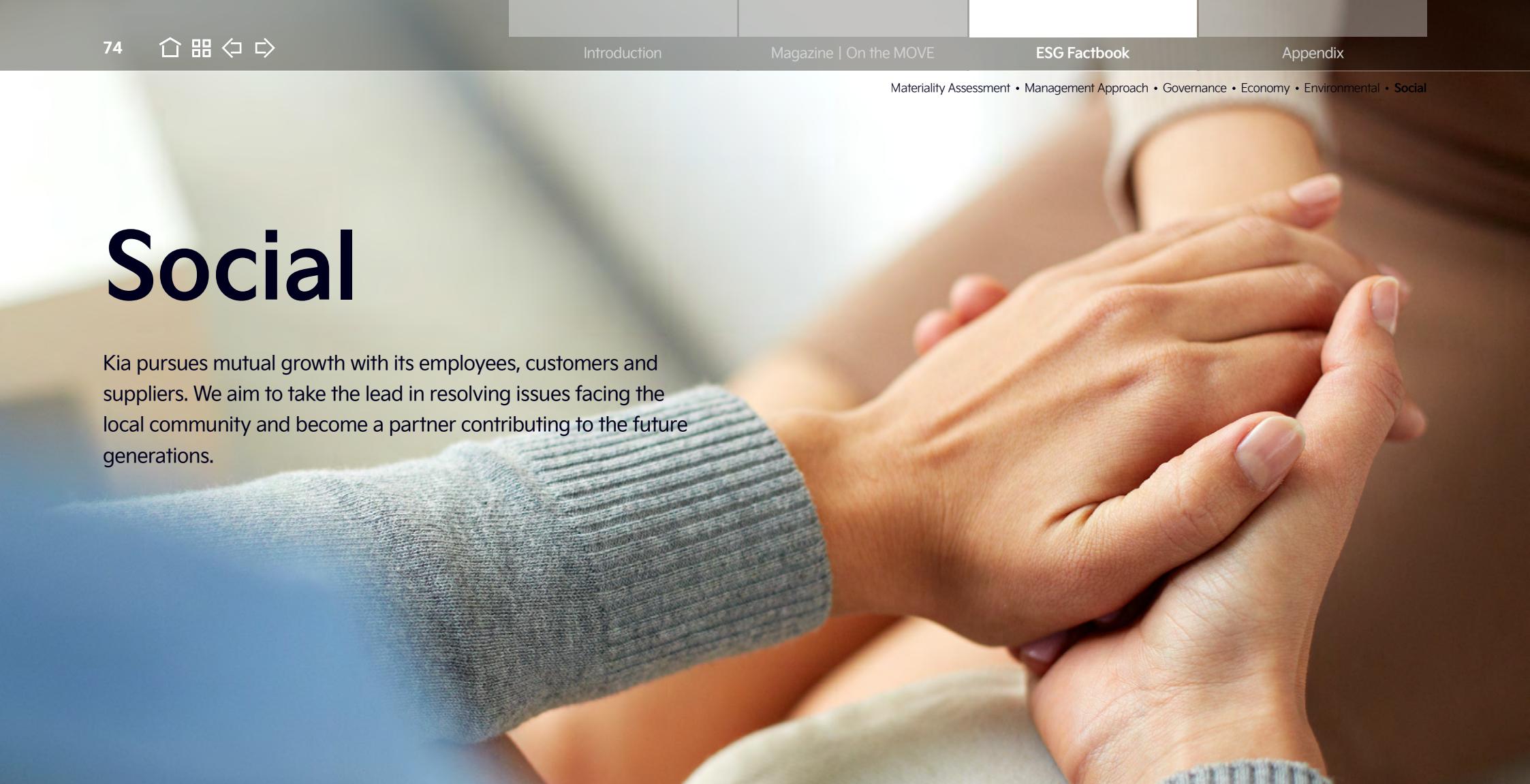


TRI Target Substance Emissions



* TRI target substance emissions are to be counted in July 2022 (once a year)

Social



Kia pursues mutual growth with its employees, customers and suppliers. We aim to take the lead in resolving issues facing the local community and become a partner contributing to the future generations.

2021 Ministry of Health and Welfare

**Commendation
from the Minister of
Health and Welfare as a
health-friendly company**

No. of Female Managers

from 2020

29% increase

* Domestic, G3 level or higher

Kia's average years of partnership with suppliers

34 years

* Average length in the manufacturing industry : 12 years

Employees

Talent Recruitment

Kia actively hires talented people to create a new future through creative thinking and challenges. To overcome difficulties in the job market caused by COVID-19 with the future generation, Kia hired 477 new employees across all business sites. The recruits in 2021 were 65% in their 20s and 31% in their 30s, and the majority were young. In addition, Kia is continuously hiring talented people in new technologies and new businesses to lead the future mobility industry. Kia operates a 'veteran' system for seniors with advanced skills and experience to support them to continue contributing to the industry. Kia manages the entire recruitment process with a system to enhance fairness and transparency in the hiring process. The field departments are leading the screening by selection for job-oriented hiring. All executives and employees participating in the recruitment process are committed to fair hiring by writing the oath of recruitment. We improved the transparency of the hiring process by receiving a fact-finding certificate from all interviewees. We also made it compulsory to complete online interviewer literacy training to strengthen interviewer competency.

Status of Employees

(Unit : Persons)

Domestic and foreign employees		2019*	2020	2021	Ratio (%)
Domestic		35,469	35,115	35,453	68.2
Gender	Male	34,210	33,799	34,033	96.0
	Female	1,259	1,316	1,420	4.0
By age	20~29 years old	1,501	382	1,554	4.4
	30~39 years old	4,895	3,320	3,573	10.1
	40~49 years old	14,868	10,310	11,452	32.3
	over 50 years old	14,205	21,103	18,874	53.2
USA		3,075	3,169	3,288	6.3
Mexico		2,339	2,362	2,243	4.3
Europe		5,059	4,861	4,881	9.4
China		4,824	4,613	4,317	8.3
Others		1,682	1,779	1,793	3.4
Total		52,448	51,899	51,975	100

* Industrial-educational personnel, part-time jobs are not included

Recruitment Status (Domestic)

(Unit : Persons)

Classification	2019	2020	2021
By age			
20~29 years old	237	167	309
30~39 years old	69	70	147
40~49 years old	36	15	20
over 50 years old	53	157	0
Gender			
Male	307	357	396
Female	88	52	81
By region			
Headquarters	94	87	168
Gwangmyeong	67	75	69
Hwaseong	89	77	107
Gwangju	19	82	53
Namyang Research Lab	12	3	7
Etc.	114	85	73
Total	395	409	477
By nationality*			
Korea			474
USA			1
China			1
India			1
Percentage of open positions filled by internal candidates (Internal hires)	31%	21%	28%

* Recruitment status by nationality is counted from 2021

Retirement/turnover status (Domestic)

(Unit : Persons)

Classification	2019	2020	2021
Retirement			
By age			
20s	48	49	38
30s	41	49	64
40s	50	54	41
50s	542	832	66
60s or more	28	28	838
Gender			
Male	682	974	1,005
Female	27	38	42
Total	709	1,012	1,047
Total Turnover (%)	2.0	2.9	3.0
Voluntary Turnover (%)	0.4	0.4	0.3

* Total turnover rate (%) = Number of employees who retired during the reporting period / (Number of employees at the beginning of the reporting period + Number of employees at the end of the reporting period / 2)

** Voluntary turnover rate is limited to voluntary retirees, excluding full-age retirement

The Status of Manager*

(Unit : Persons)

Classification	Total Number	G3 and above
Republic of Korea	35,435	4,926
United States of America (USA)	5	5
Canada	4	3
New Zealand	2	2
France	1	0
Switzerland	1	1
Belgium	1	1
Spain	1	1
Portugal	1	1
Japan	1	1
Taiwan	1	1
Total	35,453	4,942

* As of 2021/ excluding independent directors, advisors, etc.

The Status of Female Workforce* (Domestic)

Classification	2021 (Persons)	Ratio of people in the same class(%)	2022 Target Ratio(%)	Note
Number Managers	4,942	-	-	G3 or above
Number of female managers	188	3.8	3.9	G3 or above
Executives	3	2.0	2.1	
G4	41	1.4	1.5	
G3	144	7.7	7.8	
Number of female employees in revenue-generating departments/positions	1,261	3.6	3.7	Autoland Gwangmyeong/Hwaseong/Gwangju, Global Business Management Division, Domestic Business/Customer Experience/North America Headquarters, European Headquarters, Central and South America Headquarters, Asia-Pacific Headquarters, Asia-Middle East Headquarters, Product/R&D/Purchasing/Quality Division, Manufacturing Solutions Division, ICT Division, CDO, Special Division, Innovation Division, UAM Division, EV Division
Number of female employees in STEM** positions	533	1.9	2.0	Autoland Gwangmyeong/Hwaseong/Gwangju, Purchasing Division, Quality Division, Manufacturing Solutions Division, TaaS Division, R&D Division, UAM Division, ICT Division, CDO, Special Division, Special Vehicle Research Lab, Innovation Division

* Excluding independent directors, advisors, etc.

** STEM : Science, Technology, Engineering, Mathematics

Status of employment with disability (Domestic)

(Unit : Persons)

Classification	2019	2020	2021
Total number	1,253	1,199	2,423
Disabled Employment Rate	3.5%	3.4%	6.8%

Employee Engagement (Domestic/Overseas)

Classification	Unit	2018	2019	2020	2021
Double Engagement*	Total (Domestic/ Overseas)	%	52.7	54.1	57.1
	Head of Department or Above	%	88.7	74.6	74.8
	Head of Department	%	72.1	75.0	76.4
	Head of Division	%	55.2	57.1	56.8
	Team Member	%	47.0	48.0	51.4
	Total Survey Target	Persons	9,684	10,377	10,535
Participation Rate	Number of Participants in the Survey	Persons	7,493	7,540	7,576
	Participant Rate	%	77.4	72.7	71.9
					73.5

* Measured on a 5-point Likert scale for the following two items (1 point: strongly disagree, 5 point: strongly agree)

: Method of measuring employee double commitment (organizational commitment measurement question (I will not leave even if other companies offer more favorable conditions than now), 2) job satisfaction measurement question (I am satisfied with my current job)

Status of Labor Union Membership (Domestic)

(Unit : Persons, %)

Classification	2019	2020	2021
Total member	29,626	29,229	28,086
Rate of membership	84.9	83.9	81.3

Support for growth and career transition

For sustainable growth, Kia operated various internalization programs such as Forum Kia (executives), Inspiring Leadership (team leader), and Inspiring INSIGHT LIVE (employees) based on a brand-oriented management system. We established the Mobility Academy system in 2021. We operated a total of 10 courses with 23 sessions, including Data Translator and Mobility Pioneer, to preemptively respond to the rapidly changing mobility industry and strengthen the company-wide future business capabilities. Intending to operate 21 courses in 2022, we plan to support our employees to internalize their future core competencies continuously. In addition, we shared with our members the direction of change in production sites following the transition to electrification and improved our understanding of business changes through the EV Tech day, a physical education program conducted, touring AutoLand.

Educational Operational Performance (Unit : Hours)

Classification	Job-related	Leadership	Sustainability				Total	
			Human Right	Safety	Environment	Quality		
Training hours per person by type	27.2	1.4	0.5	0.4	2.4	1.1	4.4	33

Classification	Office Worker				Field Worker
	Top Management Officer	Middle Manager (Team Leader)	Non-manager (Team Member)	Subtotal	
Training hours per person by job/position	0.3	2.4	17.5	20.2	12.8

Further, Kia is running a program to foster outstanding talents and develop new employees to secure new growth engines, promoting innovative strategies to support newly established organizations (new business headquarters). In the future, we plan to support active growth by continuously supplementing/improving growth guides and learning solutions for each sector in response to the COVID-19 environment. Kia conducted training to raise ESG awareness for all employees, including executives at domestic and overseas. Online video training was conducted in a total of five areas including ESG general, ethics, human rights, safety, and environment, and the completion rate of the training was 92%.

Detailed Educational Indicators

Indicator name	2019	2020	2021
Total education investment budget	10.75billion	7.84billion	10.54billion
Education expenses per person	303thousand	223thousand	297thousand
Training hours per person	32hours	27hours	33hours
Total number of trainees	114,130persons	102,327persons	109,382persons
Employee growth system implementation rate	-	83.5%	90.0%

• Education cost per person = total education budget/number of Kia employees (34,565 as of December 2021)

• Total training hours (MH) = Σ (number of people per course X hours per course)

• Training hours per person = Total training hours (MH) / Number of Kia employees

* 2020 key management indicator (KPI) change: 'employee growth system implementation rate' (number of employees who set competency improvement plan / total growth system target) following the introduction of the new growth system

Leadership Training Programs

Kia is operating about 7 leadership training curriculums from the perspective of business, organizational development, and member growth.

Contents of Training Program in 2021

Classification	Contents	Target	Hours	Persons
Kia-Hyundai Top Leader	Exploring the impact and connection points of external environmental changes such as technological innovation on companies	Head of Division or higher	20	8
Insight Forum	Sharing insights from timely subject matter experts (Management/Economy, International situations, technological change, etc.)	Senior Vice President or higher	2	80
Leaders Learning Lab	Small voluntary learning group related to management and technology (mobility, digital economy, metaverse, Generation MZ)	Head of Department or higher	20	20
Executive Competency Improvement	Data-driven decision-making process in-depth workshop (data leadership, case study, etc.)	Head of Department or higher	11	7
Head of department Basic	Self-awareness, executive role performance (Envisioning/Engagement/ Empowerment)	New Head of Department	22	23
Coaching Leadership	Acquire coaching skills to develop coaching leadership, self-awareness through strength diagnosis	Team Leader or higher	45	12
LSV(Leadership Surround View) Debriefing	LSV understanding/utilization, leadership development planning	Team Leader or higher	3	62

Welfare System and Remuneration System

Kia recognizes that work-life balance is a significant value that enhances employee growth and company performance and strives to realize it. Kia actively recommends various leave systems for each position and provides additional holidays under the collective agreement. In addition, Kia has been pondering how our generation, who lives in a moment-to-moment connection, can work more efficiently amid the proliferation of non-face-to-face culture. In the rapidly changing business environment, we are making efforts from various angles to introduce a work system that considers the needs of our employees. We also installed systems related to family life balance for work-family balance, such as the selective working hour system, and provided a fair working environment that guarantees equal opportunities and treatment for men and women. We have continuously acquired re-certification since being certified as a family-friendly company by the Ministry of Gender Equality and Family in 2014. Recognized of these efforts, we were selected as an excellent company for work-life balance by the Ministry of Employment and Labor in 2020. In addition, Kia operates an equal and fair compensation system irrespective of nationality/gender to inspire employees to work. We improved the personnel system to make individual performance improvements reflected in the compensation by establishing a compensation system linked to absolute evaluation. Every year, Kia distributes excess profits from management activities to employees through a labor-management agreement as a reasonable level of incentives. We also provide non-pay compensation, including severance pay to all employees. Furthermore, we are operating the employee stock ownership association to support workers' property formation, enhance labor-management cooperation, and improve corporate productivity. Under Article 34 of the Framework Act on Labor Welfare, all workers in the direct employment relationship with Kia are eligible to join the association, except registered executives. Kia guarantees salaries even during sick leave and industrial accidents, and bonuses (at manager level), overtime salaries, and performance salaries (at senior manager level) are paid in full regardless of leave of absence. In addition, Kia operates a physical fitness facility to promote the health of its employees. Yangjae Headquarters has been operating the fitness center (Haevichi) since 2013, and has a swimming pool of 1.144m², gym 536m², sauna and locker room 612m², which can accommodate about 1200 people. As of June 2022, a total of 125 people are using the facility.

Welfare System Operation

Leave	Working environment	Family life balance
<ul style="list-style-type: none"> Leave provided according to position (ex. 'Pro Dream' leave for employees promoted to manager level, etc.) Paid health leave to female employees Additional summer vacation leave to all employees, etc. 	<ul style="list-style-type: none"> Introduction of work-from-home Establishment of base office infrastructure for remote work Operation of flexible working hour system Operation of a work-from-home training, Home Learn, etc. 	<ul style="list-style-type: none"> Parental leave Reduction of working hours Support for fertility leave Breastfeeding break

Welfare System/Program Operation Status at Kia

Classification		Details
Working System	Flexible work hours	Able to work voluntarily within 52 hours per week (average) of working hours per month, Core working hours are 5 hours from Monday to Thursday and 4 hours on Friday
	Remote working	Implementation of remote work system based on autonomy and responsibility (Varies by place of work and job group)
	Part-time working	Operate only for some jobs (driving manager 7 hours/day, service manual multilingual translation 4 hours/day)
	Base office	Trial operation of 5 major locations in the metropolitan area and 6 shared office locations in the Seoul area
Child birth/ Child care support	Parental leave (women/men)	Up to 2 years of parental leave per child (under 8 years old, under second grade of elementary schools)
	Maternity leave	90 days of maternity leave for pregnant women before and after childbirth (120 days for multiple fetuses) / Maternity leave for male workers is 10 days of paid leave
	Shortened work hours during childcare periods	Up to 2 years of reduced working hours during childcare period (5 to 25 hours per week) for each child (under 8 years old, under second grade of elementary schools)
	Work daycare center / Consigned childcare facility	Autoland Gwangmyeong/Hwaseong/Gwangju and Yangjae Headquarters operate a total of 4 workplace daycare centers
	Family leave	Up to 90 days of a year can be used to care for the family member due to illness, accident or old age
Vacation support	Summer vacation	5 days of paid leave per year
	Pro dream vacation	5 days of personal annual leave can be used with additional 10 days of paid leave for senior managers on the promotion
	Long-term employment award	5 days of paid leave available for the 21st year only for employees who have served 20 years of service
	Vacation over retirement	30 days of paid leave that can be used for the annual leave of absence is provided in the case of retirement after 20 years of service
	Four seasons resort operation	Offers member-price accommodation benefits for a total of 33 resorts
Healthcare	Healthy snacks	Providing meal options such as healthy salads, vegetarian meals, and take-out menus
	Regular medical examinations	Provision of mandatory legal general examination once a year for all employees and additional examination and recognition of attendance, additional check-ups for employees over 40 years of age (electrocardiogram, thyroid ultrasound, blood cancer test, etc.)
	General examination	Every 10 years of tenure (every 3 years for those over 40), 50% of the support is provided by the company to one member of the employee's family every year
	Fitness facility	Operating Autoland Gwangju/Gwangmyeong/Hwaseong and Yangjae Headquarters fitness center
Life/Convenience support	Congratulatory and condolatory benefits	Congratulatory and condolences leave and congratulations and condolences support, Support for mourners and condolences items (garlands, etc.)
	Child scholarships	Secondary/High School/University tuition, early childhood education expenses, and special education expenses
	Housing support fund	Support for up to KRW 60 million in housing funds (purchase/jeonse*) by length of service <small>* lump-sum housing lease</small>
	Staff apartment	Operates 482 households near Autoland Gwangmyeong and 536 households near Autoland Hwaseong
	Appointment and moving	Support for household items and family relocation expenses for employees who move out over a certain distance
	Vehicle discount	Vehicle discount support according to years of service
	Points	Payment of welfare points and self-development points and operation of employee shopping malls
	Partnership discounts	Affiliate discounts for hotel/resort accommodation and shopping through a year-round
Culture support	Clubs	Support for monthly club activity expenses
Others	Guaranteed salary in case of sick leave	Partial compensation for sick leave or sick leave due to physical or mental disability or disease (varies by period) In case of industrial accidental leave due to work-related injuries or diseases, compensation is paid in addition to the amount paid by the Korea Labor Welfare Corporation (30% of normal wages)

Parental Leave*

(Unit : persons)

Classification	2019	2020	2021
Male	67	94	93
Female	55	54	61
Return rate (%)	98	97	99

* Based on domestic employees

Status of Employee Salary Payment (Unit : KRW million)

Classification	Average Salary per Employee*
Male	102
Female	79
All employees	101

* Based on domestic employees

Disability Income Protection

Classification	1 month	2 months	3 months	4 months	5 months	6 to 12 months	Over year	Note
Industrial accidents							Company support (30%)	National support (70%)
Sick leave	90%	80%	70%	60%	50%	50%	0%	

Safety and Environment

Kia prevents industrial accidents by providing a safe and pleasant work environment and spreading a safety culture, and improves the health of its and its partners' employees to fulfill its corporate social responsibility. We realize safety and health sustainable management by establishing an autonomous safety management system based on the safety and health management system (ISO) with the support of the safety and health leadership of the top management.

Safety Environment Management System (ISO) Certification and Operation

Kia maintains the safety and environment management system (ISO) certification through external audits every year. Since 2020, we have switched to an integrated management system for a safe environment at all domestic worksites. This year, we have enhanced the integrated management system operating system as the Safety and Environment Center provided practical training for company-wide safety and environment management system personnel and developed and operated computerized systems. In the future, we plan to continuously manage our business units through active monitoring and feedback in the safety and environment sector.

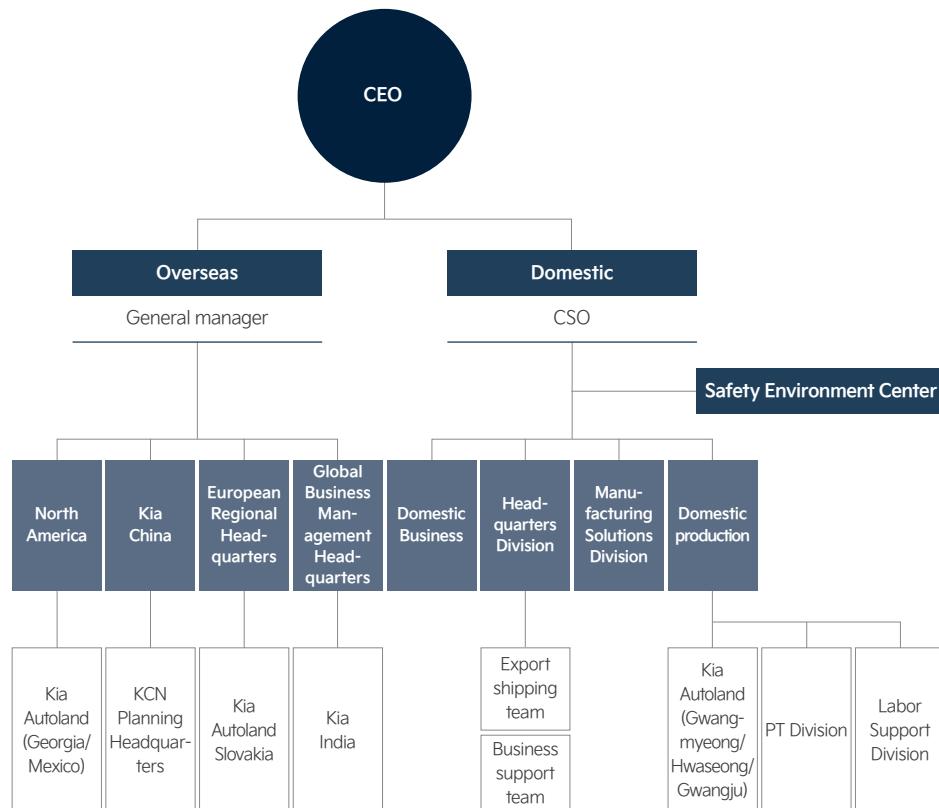
2021 Certification Audit Results

Lead	Period	Target departments	Evaluation method
DNV Business Assurance	2 weeks(9.27~10.8) • Safety Environment Center: 9/27 • AutoLand Gwangmyeong / Hwaseong / Gwangju: 9/28 ~ 10/8	Total 60 departments • 54 departments/teams in production/support • 6 departments/teams in safety environment	Visit inspection (safe environment management system documents and on-site inspection)

Organization and Personnel Composition and Roles

The top management (domestic production manager) of Kia is concurrently serving as the CSO (General Safety Officer) to strengthen the safety and health management system centered on the production organization. Safety and health are managed by 'Safety Environment Team' for regional AutoLand, 'Safe Environment Section' for the unit plants, and dedicated safety environment organizations in charge of each organization for the headquarters division, domestic business division, and manufacturing solution division, centered on the 'Safe Environment Center,' a dedicated organization that oversees and manages company-wide safety and environment tasks.

Company-wide Safety Management Organization Chart



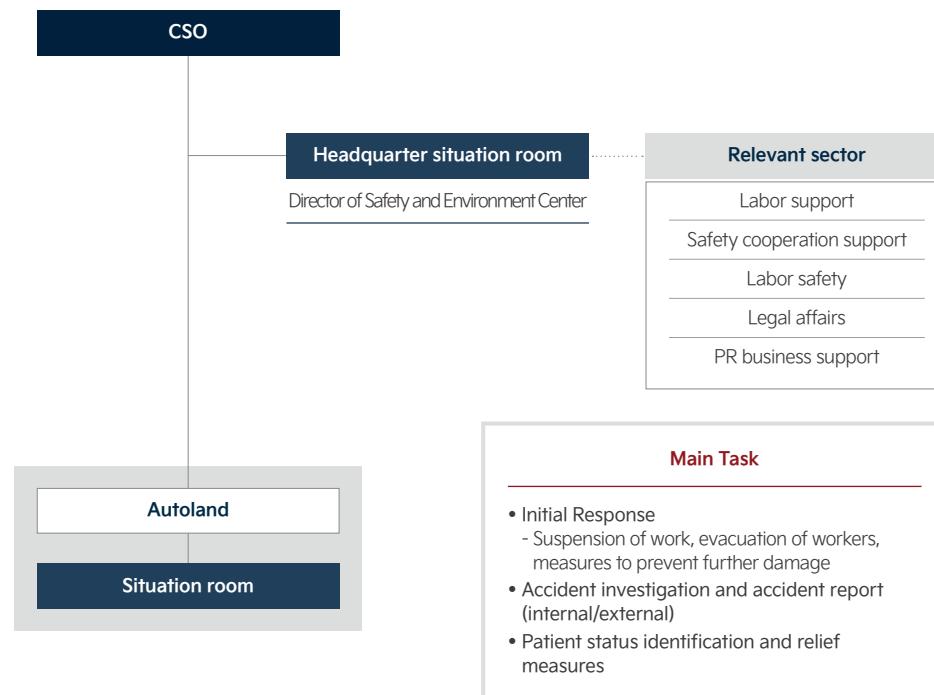
Preemptive Response to Critical Accident

In order to prevent critical and industrial accidents, Kia identifies accident locations for each Autoland and high-risk locations where similar accidents may occur, and creates a safety map. Inspection and regular inspection (once a month) organized by the Safety and Environment Center are being conducted. In addition, through the operation of a company-wide safety organization regular meeting (once a month) in which the heads of departments, department heads, and safety officers of each safety and environment sector participate, the inspection results and improvement status are checked, and safety issues for each Autoland are shared in advance in other sectors as well and we are discussing the cause/solution so that we can respond.

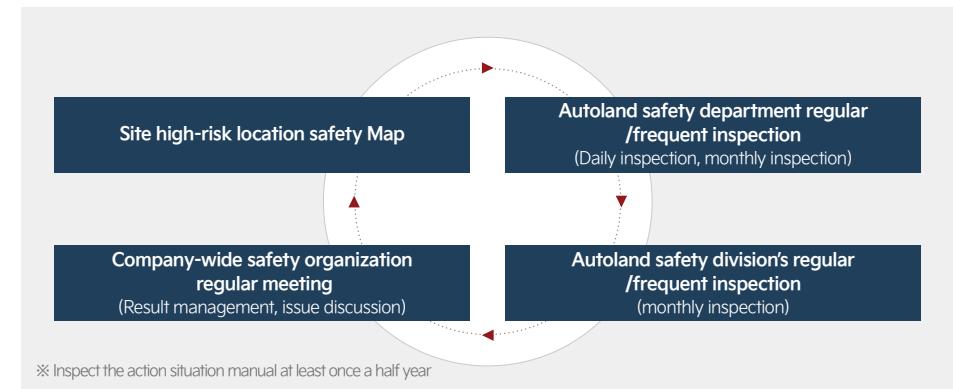
Critical Accident Reporting System*

* Autoland

Critical and Industrial Accident Reporting System



Establishment of a Critical Accident Prevention System



Critical and Industrial Accident Handling Process

On-site response-Accident investigation	Temporary Occupational Safety and Health Committee ·Accident Compensation	Suspension-Cancellation Work	Follow up (Safety Inspection ·Special supervision)
Step 1	Step 2	Step 3	Step 4
1 Accident reception /Emergency relief Emergency personnel dispatch, wire notification	5 Temporary Occupational Safety and Health Committee Preparation of results of past major critical accident consultations, labor-management consultations	8 (Ministry of Labor) Order to stop/cancel work External expert support related to the deliberation committee (ministry of Labor/professor/expert)	9 (Ministry of Labor) Safety and Health Group Order Act as an external window for the Ministry of Labor, collect/report improvement plans according to diagnosis, and submit to the Ministry of Labor
2 Oral reporting/Field control Traffic personnel/Safe environment section, On-site control, personal information of the victim and eyewitness acquisition, reporting	6 Critical accident compensation/consultation with the bereaved family Calculation of compensation details and consultation with the bereaved family		10 (Ministry of Labor) Prosecutor's Office Investigation Response Ministry of Labor / Prosecutor's Office Response (Legal Team, etc.)
3 Accident investigation/ breaking report Conduct on-site accident investigations, prepare accident breaking news, respond to on-site investigations by the Ministry of Labor	7 Management Report Conduct on-site accident investigations, prepare accident breaking news, respond to on-site investigations by the Ministry of Labor		11 Report and pay fines / fines for negligence Handling of fines and fines
4 Identify the status of the injured Dispatch of safety personnel to evacuation hospital			

Health and Safety Issue Reporting Process and Decision-making System

At Kia, management reports are made according to internal policies, and follow-up actions are swiftly taken according to the agreed decisions in case of safety and health-related issues such as safety accidents, infectious diseases, and fire accidents.



KPI and Goal/Performance Management

Kia recognizes safety and health management as a core value of the company and organization. We have established and managed unified safety and health KPIs, goals, and performance evaluation standards from top management to executives and department/team leaders. The evaluation criteria mainly consist of the 'result index' and 'process index.' We evaluate the 'result index' by the industrial accident incidence and absence rate and the 'process index' by the KIA SEMS, an internal audit program for the safety and environment management system. Particularly this year, we plan to minimize legal risks by including the statutory implementation items of the 'Severe Accident Punishment Act,' which came into effect on January 27, in the 'KIA SEMS,' and managing and evaluating them.

2022 Safety and Health KPIs and Target/Performance Evaluation Criteria

Classification	Item	Points	Remarks
Result Index	Industrial Accident Rate	20	Additional points for reducing the accident-related incidence rate compared to the 3-year average
	Integrated Absence Rate	20	Additional points for reducing the integrated absence rate compared to the 3-year average
Process Index	KIA SEMS*	60	Points deduction for non-compliance with the Severe Accident Punishment Act

* Kia International Assessment for Safety & Environment Management System

Operation of Occupational Safety and Health Committee

Kia operates three types of 'The Occupational Safety and Health Committee' (hereafter referred to as the "OSHC") to collect opinions on the safety and health of workers.

Department OSHC | As a consultative body that deliberates and decides on safety and health matters of the relevant department, the committee is implemented in accordance with the collective agreement. In this consultative body, decisions are made to resolve safety and health issues that arise in each department.

Division OSHC | As a consultative body that deliberates and decides on safety and health matters in the relevant sector (Gwangmyeong/Hwaseong/Gwangju AutoLand, sales, service), the committee is implemented in accordance with Article 24 (Occupational Safety and Health Committee) of the Occupational Safety and Health Act. This consultative body proposes legal obligations and budget investment as major agenda items.

Integrated OSHC | The committee is implemented according to the collective agreement as a consultative body that decides on company-wide safety and health matters. This council deliberates and decides on safety and health policies, industrial accident prevention, and activities requiring labor-management agreement.

Type of Occupational Safety and Health Committee	Department	Division	Integrated
Relevant regulation	Collective agreement, labor management regulations	Occupational Safety and Health Act, collective agreement, labor management regulations	Collective agreement, labor management regulations
Participants	Employer side	Department head, Department safety manager	Safety facility managers of labor support division and 5 other divisions
		Occupational safety committee member	Branch president and labor management committee manager, etc.
Cycle	Once a month	Once per quarter	When necessary

Accident Prevention Activities

Safety Idea Contest | In January 2022, Kia held the '1st Hyundai Motor Group Safety Idea Contest' with all group companies. A total of 124 ideas (87 proposals/37 implementations) were submitted due to the great interest and participation of employees in Kia, and as a result, 1 grand case, 1 excellent case, and 2 encouragement cases were awarded.

Strengthening Emergency Response Capabilities

Establishment of Emergency Response System | Kia has strengthened its response system to minimize human and material damage in the event of an emergency. We identified various types of disasters that may occur, established a response manual for each type, and are conducting emergency drills twice a year in which field workers participate.

Internalization of Safety and Health

Safety Culture Internalization Activities Through Labor-management Joint Declaration Ceremony

On October 6, 2021, labor and management held a declaration ceremony to create a safe, eco-friendly and healthy workplace. Through this declaration, labor and management agreed to establish and make active efforts to comply with the 'labor-management joint safety prevention rules' to prevent serious accidents and secure the safety and health of field workers, including executives and employees. The rule consist of a total of 10 items (providing and wearing protective gear, protective gear, prohibition of arbitrarily disengaging or bypassing safety protection devices, wearing seat belts and observing the speed limit, arbitrarily prohibiting unmanned processes, observing work rules when entering and exiting, and lifting heavy objects, prohibiting entry to the lower part, entering after approval for gas concentration measurement in confined space, power off when handling electricity, non-smoking outside designated areas, pre-check before work, compliance with permit system, reporting immediately after taking precautionary measures for dangerous acts and elements), and these are reflected as efforts to block the element. These labor-management safety prevention rules were posted on site and advertised on in-house broadcasting so that all employees could be aware of them.

Reinforcement of Safety Management Compliance System for Contract Business

Kia has enhanced the compliance system for safety management of subcontracting businesses by preventing industrial accidents for its business partners, executives and employees, and responding to the 'Act on Punishment of Serious Accidents, etc. (hereinafter referred to as 'the Act'), which came into effect in January 2022. With the enactment of the 'Act,' the scope of legal protection subject has been expanded from related contractors to workers. Accordingly, Kia has ① expanded the range of suppliers subject to safety management, ② prepared and educated guidelines in which roles and responsibilities (R&R) were clearly described to enhance the contractor's ability to comply with the 9 items of statutory implementation stipulated in the Occupational Safety and Health Act, and ③ improved the efficiency of operation and management of the council's meeting and joint inspection items through the development of a computerized system. In the future, Kia will continue to make various efforts to provide a safe working environment for its employees by continuously strengthening the safety management system for the contracting business.

Details (draft) of the safety management compliance system enhancement for the contract business

- Reinforcement of serious accident risk management by enhancing the management of contract projects (partners)
- Establishment of a management system for all suppliers and employees /fulfillment of obligations under Occupational safety and health law, the Serious Accidents Act/Operational support and regular inspection
- Standard revision and operation management guide preparation and training
- Obligation specification for each subject through the establishment of R&R
- System documentation of activities and linkage with compliance evaluation activities

Operation of the Overseas Business Site Safety Management Council

Kia operates a safety and health council where safety sector expatriates and staff members of 5 global business sites participate for the continuous and effective operation of the safety and health management system at overseas business sites every year. This consultative body shares significant issues related to the safety and health management system, such as ISO certification and KIA SEMS operation at worksites, and discusses countermeasures.

Operation Status of the Overseas Business Site Safety Management Council

Target	Cycle	Contents
Safety expatriate	1 time/year or more	<ul style="list-style-type: none"> • Discussion on major safety issues and policy issues • KIA SEMS operation plan guide
Safety manager	1 time/year or more	<ul style="list-style-type: none"> • Guide to KIA SEMS operation plan and evaluation method

Human Rights

Employee Health Management Activities

Kia operates an industrial health center for each AutoLand where medical professionals such as doctors, psychotherapists, and exercise prescribers reside. Through this, Kia supports various health management programs for its employees. Kia also analyzes the results of employees' health check-ups through collaboration with health check-up organizations. Through this, Kia also conducts data-based occupational and general disease prevention activities. As a result of these efforts, Kia was awarded the Minister of Health-Friendly Company Award in 2021.

Industrial Accidents at Domestic and Overseas (2021)		(Unit : Case, %)
Classification	Number of accidents	Accident Rate
Autoland Gwangmyeong	107	1.74
Autoland Hwaseong	154	1.17
Autoland Gwangju	128	0.72
Outside the factory (head office, sales, service)	19	0.31
Overseas	9	0.06
Total	408	0.86

Trends in Industrial Accidents			(Unit : Case, %)
Classification	2019	2020	2021
Number of accidents	296	301	408
Accident Rate	0.64	0.66	0.86

* Data calculation criteria is changed compared to 2021

Lost-Time Injuries Frequency Rate (LTIFR) / Occupational Illness Frequency Rate (OIFR)

Classification	2019	2020	2021
Lost-Time Employees	1.42	1.59	1.70
Injuries Suppliers	4.66	3.78	3.78
Frequency Rate (LTIFR*)			
Occupational Employees	1.75	1.75	2.62
Illness			
Frequency Rate (OIFR*)			

* LTIFR : Loss of work accident rate, and the formula is as follows:
Number of injuries (accidents) in a 12-month period / Total hours worked by all employees in the same 12-month period x 1,000,000

** OIFR : Loss of disease-related accident rate, and the formula is as follows: Number of injuries (accidents) in a 12-month period / Total hours worked by all employees in the same 12-month period x 1,000,000

Kia respects and supports international human rights standards. Kia complies with international standards and guidelines on human rights and labor, such as the Universal Declaration of Human Rights, UN Principles on Business and Human Rights, OECD Due Diligence Guidance for Responsible Business Conduct, and Corporate Human Rights Management Standard Guidelines (draft) by the Ministry of Justice, etc. All Kia employees and stakeholders are working with 'human rights' as the top priority in their business operation.

Human Rights Management Enhancement

Kia is practicing human rights management in all its business activities to protect and promote the human rights of all stakeholders, including business partners and customers, as well as Kia's employees. We enacted the 'Kia Human Rights Charter' in July 2020 based on various human rights and labor-related international standards and guidelines. Through the Human Rights Charter, Kia has established eight major basic principles to share and specifically realize the goal of respecting human rights in all workplaces.

Basic Principles of the Kia Human Rights Charter

1 Non-discrimination	5 Prohibition of forced and child labor
2 Compliance with working conditions	6 Guarantee of industrial safety
3 Humane treatment	7 Protection of human rights of local residents
4 Guarantee of freedom of association and collective bargaining	8 Protection of human rights of customers

We observe local laws first when matters covered by the Charter of Human Rights conflict with laws and regulations by country. Still, we recommend establishing/implementing separate detailed policies that reflect local laws and business characteristics in the Charter of Human Rights. In addition to complying with human rights laws and regulations in all countries, we are regularly conducting periodic monitoring to check human rights risks and confirm the implementation status of the Human Rights Charter at each business site. Through this, we realize human rights management by guaranteeing a humane life to all stakeholders and providing stable working conditions.

Human Rights Education for Employees

Kia is responding to human resources-related risks concerning corporate activities by inducing employees to apply the principles and guidelines of human rights management to their business practices through education on the Charter of Human Rights. Kia provides training on workplace discrimination and harassment prevention for all employees. From early August to early September 2021, Kia provided online human rights education for all employees of domestic/overseas workplaces. By distributing educational materials in e-books, Kia is creating an environment where employees can understand and empathize with human rights management anytime, even after completing the training. In 2022, Kia conducted human rights education and team workshops for team leaders to help them think and act aware of the importance of human rights.

Human Rights Impact Assessment

Kia diagnoses the level of awareness of human rights risks and phenomena in detail by conducting a human rights impact assessment based on the Human Rights Charter. Kia analyzes each business site's level and identifies areas for improvement through 104 detailed inspection items in 9 significant areas such as the prohibition of discrimination, prohibition of forced and child labor, and guarantee of industrial safety. We are reinforcing the identification of areas for improvement by upgrading evaluation items every year (improved and integrated with from 105 items in 2020 to 104 items in 2021). We have expanded the inspection scope not only to the headquarters and domestic business sites but also to all overseas regional headquarters and production subsidiaries so that all Kia employees can recognize the importance of human rights and internalize the Charter of Human Rights. In addition, Kia conducted a human rights impact assessment, and no significant human rights risks were identified in the human rights impact assessment in 2021. Kia is preventing human rights risks by continuously listening to the opinions of key stakeholders such as employees and customers. We will recommend gradual improvement according to the situation in the region and continue monitoring matters identified as normal and potential risks in 2022.

Human Rights Impact Assessment Inspection Area

Inspection area	Number of inspection items
Human Rights Management System	5
No discrimination	15
Compliance with working conditions	5
Humane treatment	10
Freedom of association and collective bargaining	13
Prohibition of forced and child labor	18
Occupational Safety Guarantee	17
Protection of human rights of local residents	8
Protection of customer human rights	13
Sum	104

Human Rights Risk Assessment Process



Results of Human Rights Impact Assessment in 2021

*Divided into low risk (excellent level), potential risk (moderate level), and high risk (improvement needed)

Check Area	Detailed Area (Number of Questions)	Risk Level
No discrimination	Nondiscrimination in Employment (6)	Low risk
	Non-discrimination against men and women (5)	Potential risk
	Non-discrimination against non-regular workers (2)	Low risk
	Non-discrimination against foreigners (2)	Low risk
Compliance with working conditions	Compliance with statutory working hours (1)	Low risk
	Compliance with wage laws (2)	Low risk
	Guarantee of right to rest (1)	Low risk
	Guarantee of work environment (1)	Low risk
Humane treatment	Violence/Harassment Prevention (5)	Potential risk
	No Privacy Intervention (1)	Low risk
	Work-life balance (2)	Potential risk
	Privacy (1)	Low risk
Freedom of association and collective bargaining	No coercion (1)	Low risk
	Freedom of Association/Collective Bargaining (3)	Low risk
	Prohibition of disadvantages in union activities (4)	Low risk
	Negotiation Guarantee and Implementation (4)	Low risk
Prohibition of forced and child labor	Alternative actions in absence of union (2)	
	Prohibition of forced labor (7)	Low risk
	Prevention of forced labor by suppliers (2)	Low risk
	Prohibition of Hiring Children (4)	Low risk
Occupational Safety Guarantee	Prohibition of Hiring Minors (5)	Low risk
	Workplace Safety (7)	Low risk
	Protection of pregnant women/the disabled (2)	Potential risk
	Equipment/Educational Facilities (5)	Low risk
Protection of human rights of local residents	Support for Industrial Accident Victims (3)	Low risk
	Respect for human rights of local residents (6)	Low risk
	Protection of residents' intellectual property rights (2)	Low risk
	Compliance with consumer protection(5)	Low risk
Protection of customer human rights	Measures in case of product defect (2)	Low risk
	Consumer Privacy (6)	Low risk

As a result of the risk check, we established risk mitigation plans for two business sites with potential risk levels, and we will continue to pay attention to areas identified as potential risk groups and take improvement measures. Regarding the protection of pregnant women with occupational safety guarantee classified as a potential risk group, we introduced exclusive seat belts on commuter buses for pregnant employees and improved cafeteria menus.

In addition, we conducted online human rights training for expatriates to improve human rights risks at overseas business sites. In 2022, we plan to strengthen global human right risk monitoring to reduce potential risks at all Kia business sites.

Grievance Reporting System

Kia operates an online/offline grievance reporting system to create a healthy working environment. For online, we provide support for easy access for all employees by constantly exposing the "One-Click HR" banner, a grievance handling system, on the main screen of Autoway, Kia's intranet. When a grievance is received on various topics, such as workplace change, improving the workplace atmosphere, and violating company rules, the person in charge of each division provides prompt feedback. In 2021, 13 complaints were received, and the grievance officers offered immediate feedback on 7 cases of workplace change, 3 cases of workplace atmosphere improvement, 1 case of company rule violation, and 2 HR system recommendations.

The One-Click HR system guarantees the anonymity of the reporter and protects them legally and institutionally from any disadvantages such as human rights violations.

Report Processing Procedure



In addition, we are operating the 'Cyber Audit Office,' an intranet reporting system at the Hyundai Motor Group level. The 'Cyber Audit Office' is available when any customer or stakeholder, including Kia members, witnesses a violation of the Code of Ethics or wants to receive advice. (audit.hyundai.com) The 'Cyber Audit Office' also supports both Korean and English, enabling us to conduct various opinions and monitoring activities. As for offline, we run a grievance counseling center by sector to receive reports of sexual harassment and workplace harassment. Managers in charge of each area at the Grievance Handling Counseling Center make efforts to prevent and resolve issues related to workplace sexual harassment and workplace harassment by department managers. In case of sexual harassment in the workplace, we apply the principle of zero tolerance to the perpetrator and implement segregation measures to prevent further harm. Regarding the five cases of sexual harassment and harassment in the workplace that occurred in 2021, we applied the principle of zero tolerance to the perpetrators and imposed punishments such as termination of the employment relationship and severe punishment. To prevent further damage to victims, we implemented measures such as their separation and transfer to the desired department. Furthermore, we designate female managers in charge of the counseling center to protect female workers. In 2021, we sent a cooperation letter related to the 'Pregnant Female Employee Support System and the Labor Standards Act' to all grievance counseling centers. We improved employees' awareness of the Labor Standards Act and the support system applicable to pregnant female employees, such as maternity leave and reduced work hours. In addition, by operating an online/offline counseling center as a support program for Kia members, we provide free 1:1 counseling and psychological testing to relieve employees' work stress and interpersonal relationships.

Customers

Establishment of a Customer-oriented Management Organization

For customer-oriented management, Kia installed an organization that analyzes various incoming VOCs and establishes follow-up measures. The organization identifies new vehicle/AS/quality VOCs coming in through various channels and analyzes major issues and trends based on this to identify current problems and improve current issues so that they do not repeat themselves. To this end, after defining 91 dissatisfaction scenarios, the policy direction was changed or newly established to change to a customer-oriented CX (Customer Experience). In addition, we plan to operate separate management indicators and programs by analyzing customer groups who frequently complain. Through this, we aim to secure early response capabilities before complaints spread. Kia plans to continue operating internal campaigns and training on a quarterly basis this year to internalize new policies.

Customer Satisfaction Improvement

Kia strives to provide a differentiated experience to customers around the world. Every year, Kia requests a customer satisfaction (CSI) survey to an external professional agency to diagnose and improve problems in sales and service sites from the customer's point of view. We also conduct monthly e-mail surveys of new car delivery and maintenance on target customers, and the results are transparently communicated to the responsible department. The Kia Customer Center has improved customer convenience by expanding consulting services in new areas such as car rental and test drive reservations. In the early stages of the spread of COVID-19, we preemptively promoted the dual counselor worksites and introduced a work-from-home system to create an environment where customers can receive counseling regardless of time and place. Furthermore, based on systematic customer response guidelines, we are conducting attitude surveys on customer response (8 times a year) and phone response (4 times a year) for all our bases. The results of the surveys are disclosed to all employees of relevant departments, and customer service training is conducted based on the results and self-improvement activities. We are forming a consensus with customers through 'Empathy CS,' an on-site training that combines customer-centered cases and participatory programs. In 2021, due to the prolonged COVID-19 outbreak, we provided non-face-to-face training for 9,133 field managers 789 times to enhance service capabilities. Kia conducts service training not only in Korea but also overseas. Kia conducts annual customer service skills and job expertise improvement training for overseas dealer sales/service personnel. In 2021, we introduced a specialized training program for product experts to secure customer-oriented sales expertise. Also, Kia responds immediately and specifically to customer inquiries by activating an advance information search before visiting dealers. We help customers select a vehicle by providing a customized Lifetime Service and strive to provide customers with a positive brand experience during vehicle operation (ownership).

To manage the performance of these activities, we plan to focus on providing customer experience by introducing the customer retention ratio of major countries (USA / Canada / Mexico / Australia) as a critical management indicator. In particular, in line with the launch of EV6, we are sequentially conducting various types of EV-specialized training for overseas dealer sales/service personnel. Kia is preparing for the Online EV Skill World Cup in June 2021, where 16 mechanics from 16 European countries will remotely diagnose domestic EV vehicles in Europe through a platform called 'MRS.' Furthermore, we plan to launch educational content and applications using VR globally to enhance a differentiated educational environment and improve service quality based on customer priority.

External Awards and Survey Results Related to Customer Satisfaction



1st place in the 2021
National Customer
Satisfaction Index (NCSI)

RV (5 consecutive years)
Light (6 consecutive years)
Mid-size category



An excellent call center in the
service quality index (NCSI)
of the Korean industry in
2021 (18 consecutive years)

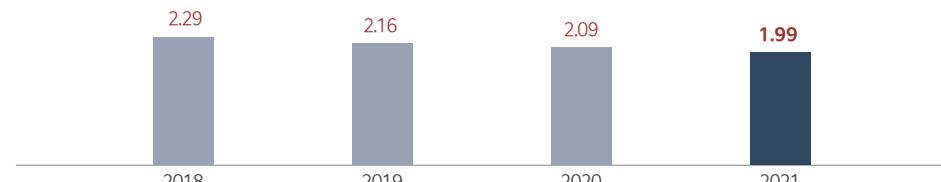
1st place in automotive
after-sales service quality
(8 consecutive years)



1st place in the automobile
sales service sector
in the 2021 Korea Service
Quality Index (KS-SQI)

Customer Satisfaction Survey*

(Unit : Points)



* Customer Recommendation Intention Rate: The survey evaluates to what extent customers intend to recommend a salesperson in charge to their acquaintances within one month of shipment. On a scale of 1 to 10, the closer to 1, the higher the recommendation intention rate. (domestic)

Commitment to Customer Safety and Product Quality

Kia carried out a voluntary recall of 3.28 million units and obtained ISO 9001 (quality management system) certification for 100% of its facilities, fulfilling its promise to customers that it will not compromise on customer safety and quality.

Efforts for Product Safety and Quality

Classification	Unit	2018	2019	2020	2021
Total number of recalled vehicles	10 thousand	191	102	200	328
Number of compulsory (involuntary) recalled vehicles	thousand vehicles	0	0	0	0
Number of voluntary recalled vehicles		191	102	200	328
Costs incurred due to total recall	KRW 100 million	1,402	384	831	2,018
Training hours per employee related to product quality*	Hour	25.7	23.8	23.9	6.8 credits

* The counting method of training hours was changed from 2021 by conducting non-face-to-face e-learning courses : training hours per person → credit completion system (1 credit is awarded for completing 1 course)

Customer Information Protection

Kia has established a dedicated organizational system to effectively protect customer information such as name and contact information and the vast amount of data generated by the connectivity service by launching a new personal information protection center apart from the operation of the existing Personal Information Protection Committee.

In addition, Kia conducts regular information security education for its employees and conducts frequent self-inspection of the operating system. Kia is undergoing annual verification of ISO 27001 (Information Security Management System), striving to prevent personal information accidents and use data safely.

Number of Customer Privacy Violations

2019	2020	2021	2025 mid-to-long-term goals
1	0	0	0

Number of complaints with evidence of loss of customer information

2019	2020	2021	2025 mid-to-long-term goals
0	0	0	0

Marketing Communications and Product Labeling



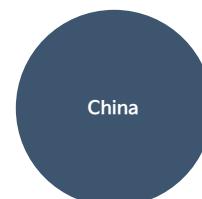
- Product information : ID label (WVTA certification number, weight, etc.)
- Fuel, electric charging information : fuel type label, electric charging method label (PHEV, electric vehicle only), hydrogen fuel label for hydrogen fuel cell vehicle
- Product safety : airbag warning label, spare tire (when provided) speed label, ISOFIX anchor label, high voltage component label, etc.



- Product information : Monroney label (Vehicle Price List (MSRP) label, indicating fuel efficiency (electricity consumption), NCAP rating, and percentage of parts made in North America, etc.)
- Fuel economy (environmental) information : VECI label (indicating emission gas certification information), refrigerant label, mercury-content label, etc.
- Product safety : Certification label (self-certification label), Tire Placard (tire pressure label), VIN label (Vehicle Information Number), anti-theft label, airbag warning label, etc.



- Product information : European specification ID label + Russian certification label (EAC)
- Product safety : Consumer safety warning/information phrases provided in native language (Russian/Turkish, etc.)



- Product information : ID label, VIN (W/screen), anti-theft label
- Fuel economy (environmental) information : fuel economy label
- Product safety : CCC label, CRS warning airbag label, temporary spare tire (when provided), speed label



- Product information : self-certification label (year of manufacture, total vehicle weight, vehicle identification number, vehicle model, vehicle name, tire, etc.), recommended air pressure label
- Fuel economy (environmental) information : fuel economy labels, emission-related signs
- Product safety : airbag warning label, ISOFIX anchor label, high voltage parts label, hydrogen fuel label for hydrogen fuel cell vehicle

Local Community

Social Contribution Strategy

Today, the world faces an uncertain future for humans, the environment, and the planet due to various social issues. As a mobility company that is creating a new definition of mobility, Kia will lead the creation of new social values for future generations through people-centered mobility that transcends physical and environmental constraints.

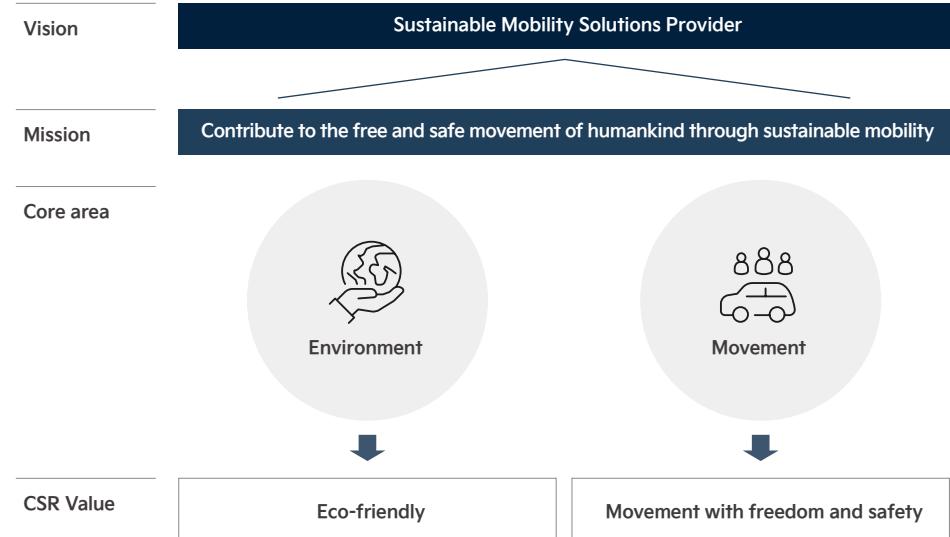
CSR Mission & Value

Kia's social contribution vision, 'Sustainable Mobility Solutions Provider', is embedded in Kia's belief that sustainable mobility can contribute to the free and safe movement of mankind. Kia minimizes the negative impact on humanity and the environment by focusing on resolving social issues of 'environment' and 'mobility' and we are striving to realize the core CSR values of 'Clean', 'Limitless' and 'Safe'. To be reborn as a society where everyone can move freely and safely, including customers, employees, and local communities, we will present clear standards.

Corporate Vision-based CSR Value Creation Activities

Kia has reorganized its social contribution system and advanced its overall business accordingly to actively respond to common social issues of 'environment' and 'mobility,' in line with its vision of providing sustainable mobility solutions based on the basic principle of an eco-friendly strategy

Social Contribution Value Creation System



Eco-environmental activities

The Georgia plant in the United States created a natural resource protection fund to support the company's sustainable eco-environment conservation activities with the Georgia local government and businesses. In addition, Kia raised a small fund to support the planting of mangrove trees effective for carbon absorption and removal of disturbed plants in the Han River to protect the native ecosystem through its in-house donation platform called K-Nanum Together in Korea. Kia plans to promote more diverse ecological environment improvement activities at domestic and overseas in 2022 when COVID-19 is likely to be alleviated.

Social Contribution Activities by Domestic and Overseas Business Sites

Domestic Business Sites		Overseas Business Sites	
Yangjae (Headquarters)	Domestic Business Headquarters	Kia China (KCN)	Kia India (KIN)
<ul style="list-style-type: none"> Kia Frentoring Support for career/employment mentoring for youths outside of education Local community : Crime Victim Support, Collaborative Campaign with Local Cooperative Organizations, etc. 	<ul style="list-style-type: none"> Good Mobility Campaign (Social Venture Startup Support, Future Tech Education for Youth), Kia Inspiring Class (Youth Online Career Mentoring Program) K-Mobility Care (Support for maintenance of old vehicles for social welfare centers and low-income families) 	<ul style="list-style-type: none"> Activity area : Mobility/Ecology/Rural Development Representative activity : car and traffic safety education for elementary school students, forest creation project 	<ul style="list-style-type: none"> Activity area : Mobility/Greenery Creation/ Educational Environment Improvement Representative activity : mobile library/safe driving education/automobile maintenance education/creation of green space near business sites
Autoland Hwaseong	Autoland Gwangmyeong	Kia USA (KUS)	Kia AutoLand Georgia (KaGA)
<ul style="list-style-type: none"> Kia Challenge ECO Project : Environmental education and practice program for elementary and college students in Hwaseong-si by age Local community : Youth support/Culture support/Support for people of national merit 	<ul style="list-style-type: none"> Kia Challenge Key Academy : Learning support for low-income youth Local community : Support for local NGOs/ Kimchi support for low-income families/Support for the socially disadvantaged 	<ul style="list-style-type: none"> Activity area : Mobility/Healthcare/Community Representative activity : B.R.A.K.E.S (juvenile safe driving education) 	<ul style="list-style-type: none"> Activity area : Mobility/ecological environment/ educational environment improvement Representative activity : Support for movement of low-income cancer patients/environmental conservation and Net-Zero research fund support, etc.
Autoland Gwangju		Kia Mexico (KMX)	Kia Autoland Slovakia (KaSK)
<ul style="list-style-type: none"> Kia Challenge Dream Concert/Culture and Art Education : Gwangju City Youth Cultural Education and Experience Program Local community : Support for local NGOs/Support for the socially disadvantaged/ Resolve environmental complaints 		<ul style="list-style-type: none"> Activity area : Mobility/Ecology/Healthcare Representative activity : Mobile library/Public vehicle donation/Pet bottle cap recycling campaign 	<ul style="list-style-type: none"> Activity area : Mobility/Ecology/Rural Development Representative activity : BIKE KIA

Social Contribution Performance

Employee Volunteering

(Unit : Person, Hour)

Classification	2019	2020	2021
Annual number of participants	13,460	9,037	3,946
Total participation time	41,589	27,702	17,608
Participation time per person*	1.17	0.79	0.50

* Participation time per person : Total hours of social contribution divided by the number of domestic employees in the year

Social Contribution Expenses by Theme

(Unit : KRW million)

Classification	2019	2020	2021
Social Welfare	9,759	9,595	9,586
Education, School and Academic Research	2,647	2,562	2,095
Culture Arts and Physical Education	1,412	1,152	2,305
Environment	223	343	2,006
Emergency and Disaster Relief	489	1,707	211
International activities	2,468	1,014	400
Etc	6,807	8,275	1,839
Sum	23,803	24,648	18,442

Social Contributions Expenditure by Type

(Unit : KRW million)

Classification	2019	2020	2021	Note
Cash donation	23,803	24,648	18,442	
In-kind donation*			-	
Employee volunteer hours	1,810	1,255	882	Monetary value conversion of employee volunteer hours
Management overhead**			-	

* Purchasing goods and services on behalf of NGO based on the cash payment of donations

** None

Association Donations

(Unit : KRW million)

Classification	2019	2020	2021
Total amount	7,284	3,325	3,645
Major sponsoring organizations	Foundation of Korea Automotive Parts Industry Promotion	1,500	1,500
	Korea Automotive Technology Institute (Katech)	243	243
	Korea Traffic Disabled Association	60	60
			70

Kia Slovakia

A Responsible Corporate Citizen from Slovakia

Kia Slovakia strives to fulfil the company's vision and create sustainable mobility solutions for customers. In addition to these efforts, Kia will simultaneously promote sustainable production using clean energy and recyclable materials. At the same time, Kia Slovakia is determined to be a responsible corporate citizen. Achieving this goal is beneficial not only for the Zilina region, but for all of Slovakia, whether looked at from an economic or social perspective. Thus, a great deal of attention is paid to human resources, education, health, environment and safety, fair and ethical business practices, and customer and supplier care.

Human Resources

Kia Slovakia has maintained stable employment, as of December 31, 2021 representing 3,466 employees with their average age 39 years; the average length of time worked in Kia Slovakia reached 12 years. The human resources policy at Kia Slovakia stands on the following basic pillars: employee care, transparent communication with employees on horizontal level, a highly competitive remuneration and performance evaluation system, especially for operators, a wide range of benefits used in free time as well as improvement of conditions for employees. The company uses a system of internal rotations, which will continue as one of the ways how employees can develop, acquire new skills and learn about other processes not only in car production. Through joint seminars with employees aimed at involving employees in internal decision-making processes. Since 2005, a unique concept of counselling rooms so-called Harmony rooms located directly in production shops have been utilized. In these rooms, employees can actively participate in improving work environment and workplace relationships. In 2021, Kia Slovakia won the PricewaterhouseCoopers Slovensko[®] award called HR Leading Organization - the organization with the best human resources management in the manufacturing sector in Slovakia.



Education

The year 2021 was marked by many changes, including employee training program. We have continued in a stabilization of employee development in the online environment and new development approaches. In 2021, the Education & Training Department and its internal customers jointly worked on knowledge and skills focused on performance and their values. Working with individuals and concentrating on self-knowledge was linked to teamwork and benefits for the company. Employees had the opportunity to participate in various development programs, such as coaching, mentoring, and focusing on their strengths and working with them, and training led by Kia Slovakia employees in the role of experts. The individual teams addressed their development needs from different angles, focusing on their needs and visions, and they participated in a pilot training focused on concentration to increase efficiency. The management staff also focused on team collaboration, including active discussion with external dignitaries. The program for production employees (Happy chair) has also changed, allowing them to focus more on their work, benefits for their team and private life. Kia Slovakia constantly strives to support creativity, innovation, and other perspectives to a common goal. In this innovative learning organization, applying the 70/20/10 method is critical and supports the preservation of knowledge in society. During the past year, development activities were provided to more than 1,070 employees for 19,300 training hours without mandatory legal courses, the participation of which is evaluated regularly. In addition to the above, orientation programs, work-related training, competency development and language and computer courses were implemented.



Safety at Work

The year 2021 was held in the spirit of prevention and measures against the spread of Covid 19. At the beginning of the year, the company successfully implemented internal testing of all employees and suppliers, testing about 4,000 people every week. Therefore, the production of cars and engines was not endangered throughout 2021 due to the positivity of Kia Slovakia employees. To increase coronavirus resistance, the Safety & Environmental Department of Kia Slovakia, in cooperation with the Žilina self-governing region authorities, organized vaccination for employees and suppliers directly in the plant premises through the Vakci Zuzka mobile vaccination unit. Such mobile vaccination visited Kia Slovakia twice. In the area of accidents, the factory copied the previous year, having one registered occupational injury with incapacity for more than three days and 40 registered occupational accidents without incapacity for work. Kia Slovakia owes these numbers to significant safety investments, such as implementation of innovative safety devices in forklifts and logistics processes as well as installation of several manipulators and robots, replacing the manual performance of heavy work with loads. The launch of a healthy rotation based on HQS (Health and Quality System) calculations was implemented in the Assembly shop, ensuring our employees are less and less exposed to work in a risky position with physical exertion.



Environment

Environmental aspects - environmental protection

Following the Kia Group's long-term vision for sustainability and a climate-neutral economy, as well as the environmental goals set at the European Union level, Kia Slovakia is aware of the related challenges and responsibilities.

Kia Slovakia's environmental policy is based on Kia Corporation's corporate policy principles communicated at the end of 2020, where people and the environment are a priority. The primary vision is to minimize polluting emissions, save energy and actively implement environmentally friendly technologies in all production areas.

The first area is environmental awareness, management and cooperation. The aim is to raise environmental awareness among all employees to understand how they can protect and improve the environment in their day-to-day work. It includes cooperation with all interested parties and transparent presentation of environmental performance indicators. The second area is energy saving and emissions reduction. The policy aims to reduce greenhouse gas and volatile organic compounds emissions, and to use more green technologies and improve the management system. The last area represents the view of waste as a new source. Waste is raw material and energy of the future; therefore, our priority is to not only get rid of it, but also seek ways to reuse it, recycle it, and use it for energy. We support so-called circular economy in order to preserve value of the products and materials as long as possible and thereby minimize the volume of waste.

In 2017, it was certified for a new revision of this standard. In 2021, the Environmental Management System was successfully recertified, which obliges the company to comply with legal requirements and improve environmental protection continuously, regularly assess environmental performance and increase the environmental awareness of all employees.

An important part of the system is also regular monitoring and evaluation of consumption of water, energy and materials as well as the amount of waste, wastewater and emissions produced in terms of conversion to produced vehicle, and adoption of environmental objectives to improve these indicators.

The company is a member of national and international environmental groups, such as membership in the Legislative Commission of the Automobile Industry Association of the Slovak Republic, membership in European Automobile Manufacturers Association working groups (industrial emissions, process chemicals, REACH), and others. Active participation in these clusters gives us the opportunity, for example, to comment on the legislation in preparation while carefully preparing for important legislation changes.

The goal of Kia Slovakia is to continuously improve the environmental management of the plant because environmental protection is one of the keys to successful business. On a quarterly basis, the company publishes on its website environmental reports containing indicators of industrial wastewater pollution as well as the amount and the way it handles the waste.

This is evidenced by the increased efficiency of the office waste separation system, in which the company is expanding the number of separated commodities. In 2019, the separation of biodegradable waste was introduced. Currently, the offices separate plastic, paper, glass, metals, batteries and biodegradable waste. In the future, we are considering separations of some special parts.

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Suppliers

Kia Slovakia takes its supplier chain very seriously, as our success and the quality of our products depend on the quality and excellent performance of our suppliers. When choosing a supplier, the company keeps three key things in mind: quality, delivery time, and price. Kia Slovakia organizes seminars and training sessions for suppliers during which we exchange information and strengthen mutual cooperation. Within Kia Slovakia, a distinction is made between direct (Tier 1) and indirect (Tier 2 and Tier 3) car parts suppliers.

For Tier 1 suppliers and also for Tier 2 and Tier 3 suppliers of the category of local and Korean localized suppliers (LP and KLP) three evaluation methodologies are used (Quality 5-Star, Delivery 5-Star, Technology 5-Star). Suppliers of technology, consumables/equipment and services are also evaluated and provided with feedback so that the quality of goods, services and cooperation can be improved. Also, Kia Slovakia is fiscally responsible in terms of payment discipline. In fact, the company is adamant about paying suppliers on time and within the agreed upon contract period, general terms and conditions.

Customer Care

Customer satisfaction is the main goal for Kia Slovakia and all its employees. A high level of quality is ensured by qualified and experienced employees in the entire production process, from the preparation and planning of production, through the actual production of cars to the final inspection of finished vehicles ready for shipment to customers. All manufactured cars meet the demanding legislative requirements of the European Union (EU) and other countries to which they are exported.

Kia Slovakia offers its products in Europe with a unique seven-year warranty - the longest provided by any car manufacturer in Europe. In addition, our Sales Department communicates regularly with our distributor's network at regular conferences and meetings organized in cooperation with the European, Middle East Headquarters. Customer satisfaction has the highest priority in our company.

Customer experience and Warranty claims are daily monitored and analyzed by Sales Management in order to respond to any special situations. By daily communication and well developed system tools we can ensure that we provide sufficient technical and material support to our dealerships all over the world. Based on current needs of any distributor Kia Slovakia organizes special investigations or support with our supplier in any areas. Because of very good location, we are able to visit most of our dealers if needed. By our daily communication, we can gather feedback on product quality and support overall cooperation in our company.



Making a Difference in the Community

Through the Kia Slovakia Foundation, Kia Slovakia has been developing public benefit activities in the Žilina region for eight years. In 2021, the Kia Slovakia Foundation redistributed more than 955,000 euros to implement green mobility projects, education development, health, social assistance, and community support.

Mobility 424,356 euros

Free system of shared bicycles, co-financing of the construction of the project Cyklomagistrála Terchovská Dolina, construction of a pump track

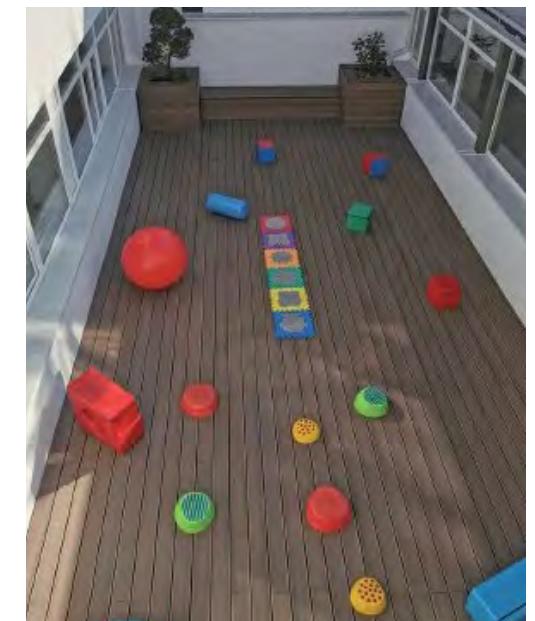
Education 153,029 euros

Technical corners in kindergartens, tools for technical teaching in primary and secondary schools, online educational software

Community 377 689 euros

Grant programs for the development of community organization, sports, and assistance to the disadvantaged, purchase of medical devices and equipment for the needs of regional hospitals

Kia Slovakia is sensitive to the need for sustainability and green innovation, which allows development through partner projects and grant programs schemes. Therefore, more than 40% of the yearly budget was allocated to spread of bicycle transport and infrastructure in the Žilina region. In addition to projects completion, we also supported the European Mobility Week and Our City campaigns. The foundation also carried out a volunteering activity of cleaning the surroundings of the Water dam Žilina and managed to remove waste that polluted its surroundings with the help of volunteers.



Community support

Actively seeking for the needs of people and the environment where they live is a natural part of the foundation's activities. Through grant programs Volunteering, Sports in the Region, or Advent Calendar, foundation supports environmental initiatives, sports development, health protection, and social assistance to the disadvantaged. For a long time now, it has paid attention to helping disabled athletes or children with various types of diseases. To support this group, a virtual run of the Kia Foundation was organized. Thanks to the public's participation in sports activities, it was possible to support civic associations dedicated to families with Down syndrome with 10,000 euros. As a long-term partner of regional hospitals, in 2021, Kia Foundation provided ultra-sonographic devices for differential diagnostics. Foundation finalized 2021 by purchasing coffee machines, massage chairs, and bathrobes for paramedics working in COVID departments. Foundation also arranged the free rental of a Kia Sportage car to the Žilina hospital's medical staff.

2,500 kilometers run for children with Down syndrome	614 granted new sports equipment	249 meters of the new pump track built
72 volunteer hours of Kia Slovakia employees dedicated to the community	68 medical devices and medical equipment	17 community projects aimed at protecting and creating the environment

Cooperation with Schools

Kia Slovakia is aware of the importance of cooperation across educational institutions, including universities, secondary schools, primary schools, and partner organizations. Linking the dynamic requirements of industry with the educational programs of schools and their technical equipment is an integral part of the integration. In addition to developing students as the next generation, Kia Slovakia also focused on teachers and technical support of schools through the Kia Foundation. Together with partner schools across the Žilina Region - Secondary Vocational School of Mechanical Engineering in Kysucké Nové Mesto, Joint School in Martin and three Žilina schools - Secondary Vocational School of Electrical Engineering, Secondary Vocational School of Transport and Business Academy, we form one of the pillars of employment opportunities for future graduates. Kia Slovakia can find a wide range of applications.

Since the beginning of the new school year, a new four-year Autotronic study has been opened in cooperation with the Secondary School of Mechanical Engineering in Kysucké Nové Mesto, reflecting current production trends such as automation and electrification. Internal trainers, who accompany students throughout the practical teaching, both professionally and personally, intensively care for them.

Internal trainers are also responsible for the adaptation of newly hired employees, thanks to which the adaptation process has improved and thus their readiness in the production company has increased.

In 2021, cooperation was also established with talented university students involved in the Kia Slovakia scholarship program. The condition for obtaining the scholarship was excellent study results and internship during the study. Future engineers work in specialist positions in production and the Human Resources Department. The project of qualification advancement continued, where selected employees, with the employer's support, studied engineering specialization at the university. Kia Slovakia participated in solving practical project assignments in the field of production and quality in the form of bachelor and diploma theses



Due Fulfilment of Obligations

Kia Slovakia follows and fulfills all legal obligations, such as filing reports and payment of taxes, insurance and all other obligations under VAT, customs duties and employee-related duties. The company observes the obligations under the statutory audit act, whereby the legally stipulated functions of the audit committee rest with the company's supervisory board. Kia Slovakia has identified the end-user benefits and, under the law, is registered in the public sector partner register. In 2021, the company did not incur an obligation to pay a contractual penalty due to non-compliance with contractual obligations. In addition, the labor inspection authorities did not find any breaches of labor relations.

Appendix

Summary of Business Performance	98
GRI Standards Index	99
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Independent Assurance Statement	106
About MOVE	108
Contact Information	109

Summary of Business Performance (as of Dec. 31, 2021)

Summary of Consolidated Statement of Financial Position and Key Ratios

(Unit : KRW million)

Accounts	2019	2020	2021
Assets			
I. Current assets	21,555,416	26,093,382	29,205,483
II. Non-current assets	33,789,382	34,397,061	37,644,514
Total assets	55,344,798	60,490,443	66,849,997
Liabilities			
I. Current liabilities	17,276,646	21,097,589	21,562,636
II. Non-current liabilities	9,090,014	9,501,182	10,374,805
Total liabilities	26,366,660	30,598,771	31,937,441
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	26,056,216	27,173,417	31,682,932
IV. Accumulated other comprehensive income	-716,971	-920,638	-406,392
V. Other capital items	-61,074	-61,074	-66,078
VI. Non-controlling interests	-	-	2,127
Total capital	28,978,138	29,891,672	34,912,556
Total liabilities and equity	55,344,798	60,490,443	66,849,997
Shareholders' equity ratio (equity/asset)	52.36%	49.42%	52.23%
Debt to equity ratio (debt/equity)	90.99%	102.37%	91.48%

Consolidated Cash Flow Chart (2021)

(Unit : KRW million)

Accounts	2019	2020	2021
Cash flows from operating activities	3,610,658	5,423,896	7,359,670
Cash flows from investing activities	-1,104,190	-2,864,853	-4,423,910
Cash flows from financial activities	-726,303	3,517,283	-1,620,519
Effect of exchange rate changes in foreign currency denominated cash	195,892	-184,345	57,772
Net increase or decrease in cash and cash equivalents	1,976,057	5,891,981	1,373,013
Net increase or decrease in cash and cash equivalents at the beginning of the term	2,292,659	4,268,716	10,160,697
Net increase or decrease in cash and cash equivalents at the end of the term	4,268,716	10,160,697	11,533,710

Sales Performance Results

Classification	Unit	2019	2020	2021	Rate of change
Sales volume	1,000 vehicles	2,821	2,607	2,776	6.50%
Sales	KRW trillion	58.1	59.2	69.9	18.10%
Operating profit		2	2.1	5.1	145.10%

* The number of vehicles sold is based on local wholesale sales (CKD sales are included)

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

(Unit : Vehicles)

Classification	2019	2020	2021
HEV	102,384	117,162	142,089
PHEV	27,225	39,208	66,457
EV	26,668	54,093	106,218
Total	156,277	210,463	314,764

Summary of Consolidated Income Statement

(Unit : KRW million)

Accounts	2019	2020	2021
Sales	58,145,959	59,168,096	69,862,366
Cost of sales	48,766,570	49,222,564	56,937,165
Gross profit	9,379,389	9,945,532	12,925,201
Operating profit	2,009,680	2,066,457	5,065,685
Earnings before income taxes	2,531,104	1,841,358	6,393,781
Income tax expenses	704,445	353,773	1,633,470
Net income	1,826,659	1,487,585	4,760,311

GRI Standards Index

(Global Reporting Initiative)

Universal Standards

● Fully Reported ○ Partially reported ○ Not reported

GRI Standards		Status	Page	Remarks
Disclosure	Indicators			
102-1	Name of the organization	●	6	
102-2	Activities, brands, products, and services	●	6	
102-3	Location of headquarters	●	7	
102-4	Location of operations	●	7	
102-5	Ownership and legal form	●	48	
102-6	Markets served	●	55~58	
102-7	Scale of the organization	●	6	
102-8	Information on employees and other workers	●	75~76	
102-9	Supply chain	●	23~24	
102-10	Significant changes to the organization and its supply chain	●	-	
102-11	Precautionary Principle or approach	●	51	
102-12	External initiatives	●	59	
102-13	Membership of associations	●	89	
102-14	Statement from senior decision-m	●	4~5	
102-15	Key impacts, risks, and opportunities	●	51~52	
102-16	Values, principles, standards, and norms of behavior	●	11, 14	
102-17	Mechanisms for advice and ethics concerns	●	50	
102-18	Governance structure	●	46~47	
102-21	Consulting stakeholders on economic, environmental, and social topics	○	-	Kia official website
102-22	Composition of the highest governance body and its committees	●	46~47	
102-23	Chair of the highest governance body	●	46	
102-24	Nominating and selecting the highest governance body	●	46~47	
102-28	Evaluating the highest governance body's performance	○	48	
102-29	Identifying and managing economic, environmental, and social impacts	●	14, 47	
102-31	Review of economic, environmental, and social topics	●	14, 47	
102-32	Highest governance body's role in sustainability reporting	●	14	
102-33	Communicating critical concerns	●	14, 47, 51	

● Fully Reported ○ Partially reported □ Not reported

GRI Standards		Status	Page	Remarks
Disclosure	Indicators			
102-35	Remuneration policies	●	48	
102-40	List of stakeholder groups	○	-	Kia official website
102-41	Collective bargaining agreements	●	76	
102-42	Identifying and selecting stakeholders	○	-	Kia official website
102-43	Approach to stakeholder engagement	○	-	Kia official website
102-44	Key topics and concerns raised	○	-	Kia official website
102-45	Entities included in the consolidated financial statements	○	-	Business Reports
102-46	Defining report content and topic Boundaries	●	43~44	
102-47	List of material topics	●	43~44	
102-48	Restatements of information	●	-	
102-49	Changes in reporting	●	-	
102-50	Reporting period	●	108	
102-51	Date of most recent report	●	108	
102-52	Reporting cycle	●	108	
102-53	Contact point for questions regarding the report	●	109	
102-54	Claims of reporting in accordance with the GRI Standards	●	108	
102-55	GRI content index	●	99~102	
102-56	External assurance	●	106~107	

Topic Specific Standards _ Material Topics

● Fully Reported ○ Partially reported □ Not reported

GRI Standards			Status	Page	Remarks
Material Topics	Disclosure	Indicators			
Creation and distribution of economic value	103-1,2,3	Management approach	●	44	
	201-1	Direct economic value generated and distributed	●	54~58	
	201-2	Financial implications and other risks and opportunities due to climate change	●	62~66	
Climate change management and response	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	●	44	
	302-1	Energy consumption within the organization	●	67	
	305-1	Direct (Scope 1) GHG emissions	●	66~67	
	305-2	Energy indirect (Scope 2) GHG emissions	●	66, 68	
	305-4	GHG emissions intensity	●	67~68	
	305-5	Reduction of GHG emissions	●	15, 65	
Improving resource circulation and resource efficiency	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	●	44	
	301-1	Materials used by weight or volume	●	70	
Supply chain ESG risk inspection and assessment	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	●	44	
	414-1	New suppliers that were screened using social criteria	○	23	
Workplace safety and health	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	●	44	
	403-1	Occupational health and safety management system	●	80	
	403-2	Hazard identification, risk assessment, and incident investigation	●	81	
	403-3	Occupational health services	●	83	
	403-4	Worker participation, consultation, and communication on occupational health and safety	●	82~83	
	403-5	Worker training on occupational health and safety	●	80, 83	
	403-6	Promotion of worker health	●	84	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	●	83	
Employee competency development	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	●	44	
	404-1	Average hours of training per year per employee (by age, employee category)	○	77	
	404-2	Programs for upgrading employee skills and transition assistance programs	○	77	

Topic Specific Standards _ Non Material Topics

● Fully Reported ○ Partially reported □ Not reported

GRI Standards		Status	Page	Remarks
Disclosure	Indicators			
205-2	Communication and training about anti-corruption policies and procedures	●	49	
205-3	Confirmed incidents of corruption and actions taken	●	-	
207-1	Approach to tax	●	51	
303-2	Management of water discharge-related impacts	○	72	
303-3	Water withdrawal	●	69	
303-5	Water consumption	○	69	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	●	72	
306-1	Water discharge by quality and destination	○	72	
306-3	Significant spills	●	71	
306-4	Transport of hazardous waste	●	73	
307-1	Non-compliance with environmental laws and regulations	●	60	
401-1	New employee hires and employee turnover (by age, gender, region)	●	75	
401-3	Total number of employees that returned to work in the reporting period after parental leave (by gender)	●	80	
405-1	Diversity of governance bodies and employees	●	46, 75	
405-2	Ratio of basic salary and remuneration of women to men	●	80	
406-1	Incidents of discrimination and corrective actions taken	●	86	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	○	-	No business sites and suppliers at significant risk identified
408-1	Operations and suppliers at significant risk for incidents of child labor	○	-	No business sites and suppliers at significant risk identified
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	○	-	No business sites and suppliers at significant risk identified
411-1	Incidents of violations involving rights of indigenous peoples	○	-	No incidents of violations occurred
411-2	Employee training on human rights policies or procedures	●	84	
413-1	Operations with local community engagement, impact assessments, and development programs	○	90~91	
415-1	Political contributions	○	-	No political contributions made
416-1	Assessment of the health and safety impacts of product and service categories	●	88, 103	
417-1	Requirements for product and service information and labeling	●	88	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	●	88	
419-1	Non-compliance with laws and regulations in the social and economic area	●	52, 60	

SASB Index

(Sustainability Accounting Standards Board)

Accounting Metric		Response													
Product Safety		Percentage of vehicle models rated by NCAP* programs with an overall 5-star safety rating, by region <small>* New Car Assessment Program</small>													
		The percentages of vehicle models rated by NCAP programs with an overall 5-star safety rating are as follows Percentage of vehicle models with an overall safety rating of 5 stars : Korea (100%), U.S (50%)													
		<table border="1"> <thead> <tr> <th>Region</th> <th>Rate</th> <th>Model</th> </tr> </thead> <tbody> <tr> <td>Korea</td> <td>1st grade</td> <td>Carnival</td> </tr> <tr> <td rowspan="2">U.S.</td> <td>5★</td> <td>Telluride SUV FWD/AWD, Sedona MV FWD, Sportage SUV FWD/AWD, K5 4DR FWD, Stinger 4DR RWD/AWD</td> </tr> <tr> <td>4★</td> <td>Soul SUV FWD, Seltos SUV FWD/AWD, Forte 4DR FWD, Sorento SUV FWD/AWD, Sorento Hybrid SUV FWD, Niro Hybrid SUV FWD</td> </tr> </tbody> </table>			Region	Rate	Model	Korea	1 st grade	Carnival	U.S.	5★	Telluride SUV FWD/AWD, Sedona MV FWD, Sportage SUV FWD/AWD, K5 4DR FWD, Stinger 4DR RWD/AWD	4★	Soul SUV FWD, Seltos SUV FWD/AWD, Forte 4DR FWD, Sorento SUV FWD/AWD, Sorento Hybrid SUV FWD, Niro Hybrid SUV FWD
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	4★	Soul SUV FWD, Seltos SUV FWD/AWD, Forte 4DR FWD, Sorento SUV FWD/AWD, Sorento Hybrid SUV FWD, Niro Hybrid SUV FWD													
		TR-AU-250a.2 Number of safety-related defect complaints, percentage investigated TR-AU-250a.3 Number of vehicles recalled													
		There were 2,862 submissions about Kia to NHTSA VOQ* in 2021. All submissions related to Safety are investigated. <small>* NHTSA VOQ : National Highway Traffic Safety Administration Vehicle Owners Questionnaire</small>													
Labor Practices		TR-AU-310a.1 Percentage of active workforce covered under collective bargaining agreements TR-AU-310a.2 (1) Number of work stoppages and (2) total days idle													
		2021 : 81.3% (domestic) No strike history of more than 1,000 people taking a break from work (domestic and overseas)													
Fuel Economy & Use-phase Emissions		TR-AU-410a.1 Sales-weighted average passenger fleet fuel economy, by region TR-AU-410a.2 Number of (1) zero emission vehicles (EV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold TR-AU-410a.3 Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities													
		U.S. : 39.1MPG, China : 5.93 l/100km Kia sold 106,218 units of EVs, along with 142,089 units of HEVs and 66,457 units of PHEVs in 2021. Increase sales of electrified vehicles and promote fuel efficiency improvement of internal combustion engines													
Materials Sourcing		TR-AU-440a.1 Description of the management of risks associated with the use of critical materials													
		As international eco-friendly policies are strengthening to respond to environmental issues in joint, purchase and use of sustainable raw material is required. As a sustainable mobility brand, recyclable and eco-friendly materials have been used for storage spaces and leather seats of EV6, which is a Kia's dedicated electric vehicle model. We demand our suppliers to establish processes to verify the source regions and refineries of all minerals contained in their products, including conflict minerals(3TG; tin, tantalum, tungsten, gold). We also check whether raw materials are procured through internationally certified smelters, to enhance transparency in the raw material (mineral) procurement of suppliers.													
Materials Efficiency & Recycling		TR-AU-440b.1 Total amount of waste from manufacturing, percentage recycled TR-AU-440b.2 Weight of end-of-life material recovered, percentage recycled TR-AU-440b.3 Average recyclability of vehicles sold													
		The total amount of waste from manufacturing was 210,532 t, and 93.8% of the waste was recycled. The weight of recovered/recycled material depends on the infrastructure available for recycling in the geographic region of vehicle sold. In our major markets, around 95% of end-of-life materials are recycled or reused at their end of life. 92.0% (including heat recovery)													
Activity Metrics		TR-AU-000.A Number of vehicles manufactured TR-AU-000.B Number of vehicles sold													
		Kia manufactured 2,558,000 units of vehicles in 2021 globally (domestic : 1,399,000, overseas : 1,158,000) Kia sold 2.961 million units of vehicles in retail, and 2.776 million units of vehicles in wholesale in 2021 globally.													

WEF Contents Index

(World Economic Forum)

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.	4~5, 14
Quality of governing body	Governance body composition	Composition of the highest governance body and its committees by	47
		Competencies relating to economic, environmental and social topics	46
		Number of Executive or Independent directors	46
		Independence	46
		Tenure on the governance body	46
		Number of each individual's other significant positions and commitments, and the nature of the commitments	46
		Gender	46
Stakeholder representation (ex. employee, government, community, Industry, etc.)	46		
Stakeholder engagement	Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company,	43
		How the topics were identified and how the stakeholders were engaged	43
Ethical behaviour	Anti-corruption	Disclosure of Anti-corruption and compliance inspection status	49
	Protected ethics advice and reporting mechanisms	A description of internal mechanisms for	86
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)	51~52
		The company appetite in respect of these risks	51~52
Climate change	Greenhouse gas (GHG) emissions	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 e) GHG Protocol Scope 1 and Scope 2 emissions	67~68
		Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate	68
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)	62-66
		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	15~16, 66
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	
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Estimate and report the same information for the full value chain (upstream and downstream) where appropriate	69

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	75 75-76 76
	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	80
	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	48
	Health and safety (%)	An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services The scope of access provided for employees and workers	84 84
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)	77
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 region	75 75 75
		Total number and rate of employee turnover during the reporting period By age group By gender	75 75
		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 Operating Cost Employee wages and benefits Payments to shareholder and investor Payments to government (tax payment) Community investment	54 54 54 48, 54 54 54, 90~91
Innovation of better products and services	Total R&D expenses	Total costs related to research and development	56

Independent Assurance Statement

To Readers of Kia Sustainability Magazine 2022

Introduction

Korea Management Registrar (KMR) was commissioned by Kia to conduct an independent assurance of its Sustainability Magazine 2022 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of Kia. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with Kia and issue an assurance statement.

Scope and Standards

Kia 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 the Core Options of the GRI standards 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. We also confirmed that the report was prepared in accordance with the TCFD recommendations and SASB.

- **GRI Sustainability Reporting Standards**
- **Universal standards**
- **Topic specific standards**
 - Management approach of Topic Specific Standards
 - GRI 205 : Anti-Corruption
 - GRI 401 : Employment
 - GRI 405 : Diversity and Equal Opportunity
 - GRI 412 : Human Rights Assessment

• SASB Sustainability Disclosure Topics & Accounting Metrics

• TCFD recommendations

As for the reporting boundary, the engagement excludes the data and information of Kia'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 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.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Kia 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 Core Option of 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 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 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 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's actions.

• Impact

Kia 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

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 and did not provide any services to Kia that could compromise the independence of our work.

July 2022 Seoul, Korea
CEO **Eun ju Hwang**



 SRV1000
Sustainability Committee Assurance

 AA1000
Licensed Report
000-129/V3-IEP5H

About MOVE

In 2022, Kia published 'MOVE', a sustainability report that contains Kia's own efforts and achievements for sustainable development under the theme of 'On the MOVE', which expresses the active transformation into a sustainable company. This report consists of the editorial section Magazine and the Fact Book section, making the interest issue materials accessible for the readers. This 2022 MOVE is our 20th edition in our annual publication series. We will continue to accurately deliver all sustainability issues of interests to our stakeholders in detail.

Reporting Standards

2022 MOVE was prepared in accordance with Core Option of the GRI* Standards within consideration of the TCFD, SASB, Stakeholder Capitalism Metrics by IBC of WEF, Sustainalytics, MSCI, DJSI report items. The relevant details can be found in the GRI Index, TCFD, SASB, and Stakeholder Capitalism Metrics.

* GRI : Global Reporting Initiative

Reporting Assurance

All of the information disclosed herein is based on materials collected and verified by the relevant departments at Kia. The reliability of the report was assured through third-party verifier, Korea Management Registrar. The details of assurance are stated on pages 98 and 99 of this report.

Reporting Scope & Period

The reporting period is from 2019 to 2021. Quantitative performance data displays the changing trends over the past three years showing detailed shifts in the results. For systems where the year of its adoption is clearly known, we added the base year in which the performance tracking of the system had originated.

In case the period of adoption or implementation is on or between 2021 and 2022, the results beginning from that year were tracked, and for the material changes, we included the performance data from 2018 to first quarter of 2022. The qualitative performance data focuses only on the activities and initiatives made during year of 2021. In regard to activities that have not changed since the adoption or implementation, the corresponding time period is indicated.

The reporting period corresponds to Kia's fiscal year, a calendar from January 1 to December 31. There were no significant changes during the reporting period of Kia's 2022 Sustainability Report.

Accounting Standards

Calculation of environmental and social investment costs meets the financial accounting standards verified by the BoD, Audit Committee, and external auditor, and was prepared based on the investment evaluation system introduced in 2004. Details about the environmental and CSR expenditures are specified in the Environment and Local Communities pages of the Fact Book section. Regarding the number of vehicles sold, figures were calculated on retail* basis.

* Retail : Vehicles sold by dealers to end-customers

Reporting Scope & Boundaries

The applicable Kia entities subject to this report are Kia, subsidiaries for which Kia owns 50 percent or more of their shares and its overseas JVs subsidiaries, which include Kia headquarters, domestic business sites (e.g., AutoLand Gwangmyeong, AutoLand Hwaseong, AutoLand Gwangju, technology research centers and service centers), Dongfeng Yueda Kia (China), Georgia (U.S.), Slovakia, Mexico and India plants, and the overseas business sites of the overseas subsidiaries. Since the system for data aggregation expands from domestic business to overseas business sites, some of the data are limited to domestic business sites only. If the reporting scope is limited to domestic business sites or includes only some of the overseas business sites, then the corresponding description is indicated in the main body of the report or in the footnotes. Notably, the sales basis for counting the number of vehicles sold has changed from wholesale to retail, so part of the data may differ from those of the prior year's report.

Contact Us

Visit our website for more details about Kia's sustainability management practices.

Management and Product Information

Kia official website

Business Reports

Financial Supervisory Service
DART (Data Analysis, Retrieval and Transfer System)

Contact Point

Sustainability Management Team,
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 Compliance Management Team | **Seong Woong Kim** | Team Manager
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Movement that inspires