

MOVE

Kia Sustainability Magazine 2021



Movement that inspires



MOVE

Kia Sustainability Magazine 2021

CONTENTS



READER'S GUIDE



"MOVE" is the title of Kia's annual sustainability report, and the title elaborates the company's ongoing movement to make meaningful and positive changes in the world through mobility. PDF files can be downloaded through the Kia website, and the website links on pages are supported.

Introduction

CEO Message	03
Special Features	04
Kia Around the World	10

Magazine: First MOVER

Fundamental	14
Innovation	18
Recognition	22
Symmetry	24
Trust	28
MOVER	32

Fact Book: Responsibility

Materiality Assessment	40
Management Approach	41
Stakeholder Engagement	42
Governance	43
Economy	49
Environment	54
Society	68

Appendix

Summary of Business Performance	87
GRI Index	88
TCFD	92
Stakeholder Capitalism Metrics	94
SASB	97
Independent Assurance Statement	98
About MOVE	100



CEO Message

“Kia will be the First MOVER, paving the way to a sustainable society!”

Dear stakeholders,

2021 is a meaningful year in which Kia held a new brand launch and declared our goal to leap forward as a sustainable mobility brand, going beyond the role of just an automobile manufacturer. With fundamental changes in all areas of our business, from our company name, logo, model names, designs to business models, Kia intends to take the lead in creating a sustainable society by driving innovation in our products and services.

The year 2020, we managed to deliver remarkable performances by continuously innovating our products and quality despite such a difficult business environment. We successfully launched new models including the K5, Sorento, and Carnival in the major markets and were recognized globally for our products' competitiveness. As a clear example, Telluride was nominated as the 2020 World Car of the Year for the first time for a Korean brand. Additionally, we were able to solidify our status as a world-class quality brand by ranking 1st in IQS among all brands, including premium brands.

Along with the financial results, Kia also focused on building non-financial performance based on overhauling Kia's sustainability management system, such as expanding the “Sustainability Management Committee” and implementation of ESG council with the purpose of substantial

improvement in company level. As a result, we attained an overall grade of A in ESG evaluation assessed by the Korean Corporate Governance Service, and were also rated A in the climate change/water security criteria in an overseas evaluation of CDP for the first time in the automobile industry.

Beginning of New Changes

As the post-pandemic era begins in 2021, we see fundamental changes taking place throughout the automobile industry with stricter environmental policies and changes in mobility services, while consumers' needs are rapidly diversifying. Given the circumstances, we aim to step up as a First MOVER capable of swiftly responding to the market changes and generating sustainable social values based on fundamental business innovation.

▮ Sustainable Growth Engine for the Future

We will lead changes in the global automobile industry by initiating preemptive EV transition and innovative mobility solutions. We will make every effort to secure our position as Tier 1 EV brand by ensuring leadership in the EV market through the successful launch of our first dedicated electric car, the EV6, which is set to be released this year. Additionally, we will provide customized solutions targeting the PBV

market to become the leader of this market. In the mobility sector, we are committed to differentiating our services that can coexist with the local communities, such as EV-based subscription and sharing services in connection with the public sector. Furthermore, we plan to focus on strengthening our competitiveness in the mobility service sector and build a foundation for long-term growth by investing in future core business sectors, such as autonomous driving, hydrogen, UAM etc.

▮ Stakeholder Engagement

With the goal of creating the best values for customers, we will further enhance the trust and loyalties of our customers. To this end, we will focus on innovating our internal process from the customers' perspective. First, we will make our workplace safer and healthier by prioritizing the values of safety and environment. We will also work in a more creative and agile way by building up a flexible, customer-oriented organizational culture. We will even more enhance on the proper disclosure of ESG information on sustainability reports, ESG special reports, and websites in order to transparently communicate our sustainability efforts and accomplishments to our stakeholders.

▮ Fulfilling Social Responsibility as a Global Corporate Citizen

We support the 10 principles of UNGC and make contributions in achieving UN SDGs. This year, we realigned our directions for social contribution with the business goals, focusing on social issues such as environment and mobility. In particular, we are developing various social contribution projects such as “Green Light Project” and “Green Travel” as part of our social responsibility to create differentiated social values. We are planning to specify carbon neutrality strategies and implementation plans in response to global climate change.

We would greatly appreciate your continued interest and support for Kia as we strive to lead the movement in shaping a sustainable society that enables the coexistence of mankind and nature.

Thank you.

July 2021

President & CEO of Kia **Ho-Sung Song**

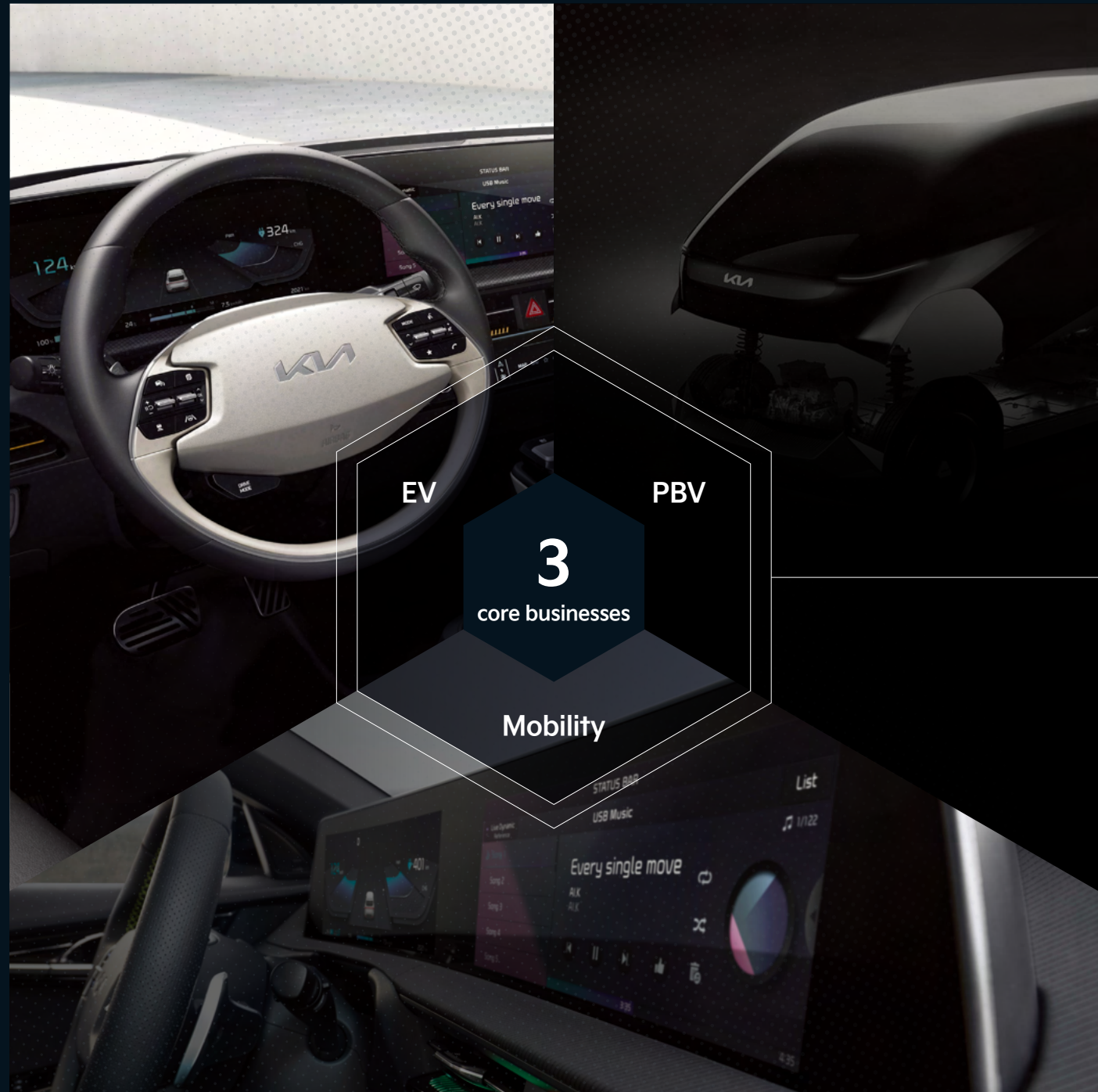
Ho-Sung Song

Plan S

Special Features

Build a Sustainable Mobility Ecosystem

The global automobile demand suffered a heavy blow due to COVID-19, whereas the electric vehicle (EV) market is growing rapidly as governments around the world have accelerated shift to eco-friendly and low carbon economy based on stimulus package. The mobility market is also expanding with transition from internal combustion engines to EV, from short-term to medium-term sharing and from B2C (customers) to B2B (businesses) and B2G (government sector). In response to these changes, we have re-established our previous “Plan S” strategy announced in 2020 and developed more detailed action plans for the three core businesses.



Starting with the first dedicated electric vehicle EV6 in 2021, we plan to build a full line-up of 11 EVs by 2026. By 2030, we aim to become a Tier 1 global EV brand with 920,000 EV sales.

Tier-1 EV Brand

EV
EV Popularization

We will launch our first PBV model for mobility providers in 2022 and achieve global sales of one million PBVs by 2030, stepping up as a global PBV market leader.

Global PBV Market **Leader**

PBV
Diverse Purpose Built Vehicle

We will expand our mobility customer base to not only general customers, but also the public/business clients and provide differentiated experiences and optimal mobility services in response to different service period demands.

Expanding Mobility Business

Mobility
Eco-friendly Mobility Service

* EV: Electric Vehicle
PBV: Purpose Built Vehicle



Brand Strategy

Special Features

Create space and time for new ideas to begin

In January 2021, Kia unveiled its new brand and logo, demonstrating its commitment for future business and customer value. Additionally, we introduced various tailored business strategies focused on EV transition, PBV capabilities enhancement, and the mobility business expansion, and are now in the process of transforming our business models. Kia embarked on a journey in pursuit of courageous innovation as we call all of the changes as “Kia transformation,” including the logo, brands and designs.



Movement that inspires



The change of corporate name into “Kia” represents our commitment to move away from the traditional manufacturing-focused business model and inspires the lives of our customers based on innovative mobility-based products and services.

The logo, which can be said to be the face of the company, expresses our brand purpose and mission, as well as our vision and confidence to lead the era of electric vehicles. This new brand purpose and mission embody the reason for Kia’s existence, and we will uphold them, even in this changing environment, because of the value they provide to customers.

Kia transformation starts with the reason for Kia’s existence, creating a space and time for customers to come up with new ideas and get inspired. All of these changes start from our “customer.” Rather than focusing on the act of simply selling products and services to customers, we re-defined fundamental value that will endure from the customers’ perspectives. Our new brand slogan “Movement that inspires” expresses the value that we ultimately aim to deliver our customers.

In order to create new space and time that inspires our customers, we are now changing all aspects of customer touchpoints including products, services, and space. Customers will be able to experience our new brand through our new models, the K8 and EVT. Particularly, our first dedicated electric vehicle EV6 pursued eco-friendliness down to the smallest details as manufacturing processes and materials.

Our showroom is also transformed from simply displaying and selling automobiles to a space where customers can experience and get inspired by brands based on purchasing patterns of future retail and customers. Starting with the Dongtan Station branch, we will continue to expand this type of space where customers can get hands-on experience of our brand value.

Based on our future strategy, Kia will be able to establish itself as a brand that provides innovative and sustainable mobility experiences. To meet the needs of our customers, our EV models will reflect the HMG’s platform technologies and autonomous driving capabilities and provide customers with a wide selection of services that will be available after purchases based on advanced connectivity and Over The Air (OTA). To transform our business processes innovative and to provide our customers with sustainable products and services, we will ensure that both of our manufacturing processes and materials to become eco-friendly.

We will set the brand at the very center of all business direction, strategy, and organizational culture so that our brand purpose to be implemented consistently. Also, we will develop agile, flexible, and horizontal corporate system to actively respond to our customers’ needs. In addition, we will carry out various brand internalization programs so that every Kia employee live the brand in their daily lives.

Climate Change

Special Features

Establish the Best Practice, in Response to Climate Change

In response to climate change, the international community is making unified efforts towards carbon neutrality as agreed at the Paris Agreement in 2015. As a member of the international community, Kia is participating in these efforts by declaring support for TCFD, disclosing climate-related financial information, and establishing mid/long-term carbon neutrality strategies.



(Climate change/water security criteria)

Response to CDP rating

In the CDP climate change criteria, Kia was rated Leadership A in 2020 and was listed in the Carbon Management Honors Club for two consecutive years.

In the water security criteria, in particular, which Kia joined for the first time in 2020, we were awarded the first place for the first time in the automobile industry along with the rate of Leadership A, thereby being recognized for our high quality environmental management and preemptive efforts in response to climate change.

* CDP, a non-profit organization based in the UK, is carrying out various projects in response to climate change and provides ratings on major listed companies in the sectors of demand for disclosure of carbon emission and analysis on response.

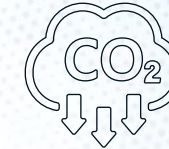


Declaration of Support for TCFD

Declaration of support TCFD and disclosure of information

Kia declared to support TCFD in December 2020. Then, in March 2021, the first climate information based on the TCFD recommendations was disclosed through the ESG Special Report. We will collect and manage climate change information in four areas, including governance, strategy, risk management, indicators and goals, every year and disclose them transparently.

* The Task Force on Climate-related Financial Disclosures (TCFD), organized by Financial Stability Board (FSB), has set recommendations requesting the companies to conduct systematic disclosure on climate change information



NET-ZERO

Strategy Establishment

Establishment of carbon neutrality strategy

For sustainable development, we are establishing a carbon neutrality strategy with the goal of reducing carbon emissions throughout the entire value chain as part of our plan for 2021. As one of Kia's core tasks for 2021, Kia is in the process of establishing an evaluation management and operating system for carbon neutrality, and is also pushing the transition into RE100. We will continue to provide eco-friendly products and services, and pave the way on which the company and society can grow together towards a sustainable future.

* RE100 is a global campaign with the goal of procuring 100% of electricity from renewable energy sources such as wind and solar power by 2050

Kia Around the World

Since its foundation in 1944, Kia has been going the extra mile to become a global company.

We have sold more than 2.7 million units on average in the global market every year since 2010, and in May 2021, our global sales exceeded 50 million units cumulatively. Based on our globally recognized excellence in quality, being ranked in the first place in all brands and also the first among general brands for six consecutive years by J.D. Power's new car quality ratings, we are building the groundwork with the aim of leading the changes in the future automobile industry by upgrading our mobility capabilities and increasing investments in the next-generation business models.

Global Network

● Regional Headquarters	1	North America	Irvine, U.S.			
	2	Europe	Frankfurt, Germany			
	3	Russia	Moscow, Russia			
	4	Central & South America	Miami, U.S.			
	5	Africa & Middle East	Dubai, UAE			
	6	Asia & Pacific	Kuala Lumpur, Malaysia			
● Sales & Maintenance	Domestic	Sales	• 18 headquarters • 331 directly-operated sales offices • 377 distributors • 9 release centers			
		Service	• 18 directly-operated sales offices • 238 total service providers • 554 specialized service providers			
	Overseas	Sales	• 17 sales companies • 164 distributors • 4,694 dealers			
Sales Offices	7	U.S.	13	Italy	19	Belgium
	8	Canada	14	Austria	20	Sweden
	9	Germany	15	Hungary	21	Netherlands
	10	England	16	Czech	22	Australia
	11	Spain	17	Slovakia	23	New Zealand
	12	France	18	Poland		

* The data in this page is as of December 31, 2020

(Production Volume by Site: Annual Production)

● Production	Domestic	24	<ul style="list-style-type: none"> • AutoLand Gwangmyeong* (320,000 vehicles) • AutoLand Hwasung (550,000 vehicles) • AutoLand Gwangju (490,000 vehicles) • Consignment (200,000 vehicles)
	Overseas	25	China Yancheng Plant (Yancheng, 750,000 vehicles)
		26	Slovakia Plant (Žilina, 330,000 vehicles)
		27	U.S. Georgia Plant (Georgia, 340,000 vehicles)
		28	Mexico Plant (Pesqueria, 400,000 vehicles)
		29	India Plant (Andhra Pradesh, 300,000 vehicles)
● R&D	Domestic		<ul style="list-style-type: none"> • Hyundai Motor Group R&D Center (Hwasung, Gyeonggi-do) • Environmental Technology R&D Center (Yongin, Gyeonggi-do) • Uilwang R&D Center (Uiwang, Gyeonggi-do)
	Overseas		R&D Center & Design Center
		30	U.S. Detroit, Chino, Irvine, CPG
		31	Europe Ruesselsheim, Nurburgring
	R&D Center	32	Japan Yokohama
		33	China Yantai
		34	India Hyderabad
	Design Center	35	U.S. Irvine
		36	Europe Frankfurt
● HQ		37	12, Heolleung-ro, Seocho-gu, Seoul

* AutoLand : Plants in Korea



Business Performance

Sales revenue

KRW **59.2** trillion

Sales Volume

2.662 million vehicles
including Complete Knock Down (CKD)

No. of Eco-friendly Vehicles sold

210,463 vehicles

HEV	117,162
PHEV	39,208
EV	54,093

No. of Employees (Sum of domestic and overseas)

51,899

New Model Quality

No. 1
J.D.Power "2020 US Initial Quality Study(IQS) All Brands"



Line-Up of Kia

Sedan

Picanto, Ray, Rio, Pegas, K3 (Forte/Cerato), Ceed, K4, K5, Stinger, K8 (K7 follow-up model), K9

RV (Recreational Vehicle)

KX1, Sonet, Stonic, Soul, KX3, Seltos, Sportage, XCeed, KX5, KX7, Sorento, Mohave, Carnival, Telluride

Eco-friendly vehicles

• Hybrid

K5, K8, Niro, Sorento

• Plug-in Hybrid

K3, K5, Ceed, Niro, XCeed

• EV

K3, Soul, Niro, EV6, KX3, Bongo3

Commercial vehicles

Bongo 3 (K2500/K2700), Grand Bird

CKD (Complete Knock Down)

Auto Parts (engine, etc.)

* The data in this page is as of December 31, 2020

Throughout the history, mankind has made progress by moving from a place to another. Curiosity about the unknown world has fueled our desires to move and inspired the mankind to constantly relocate themselves with the hope of encountering a better place. For over 75 years, Kia has been dedicated to providing mobility solutions that enable people moving from a place to another, connecting and bridging the physical and emotional distances. We will continue to provide innovative products and services and inspire our customers' lives.

Magazine

FIRST MOVER





Fundamental

Drive Fundamental
Changes



Innovation

Take the
lead through
Innovation



Recognition

Recognized
Globally



Symmetry

Harmonize
with the
Environment



Trust

Build Trust
throughout the
Society



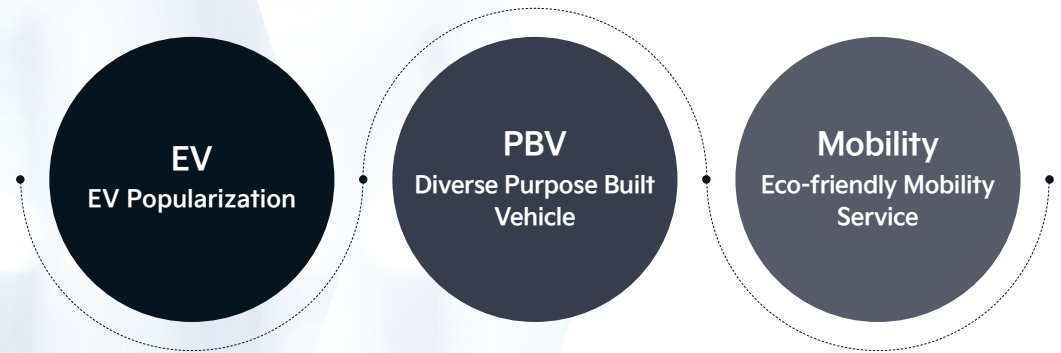
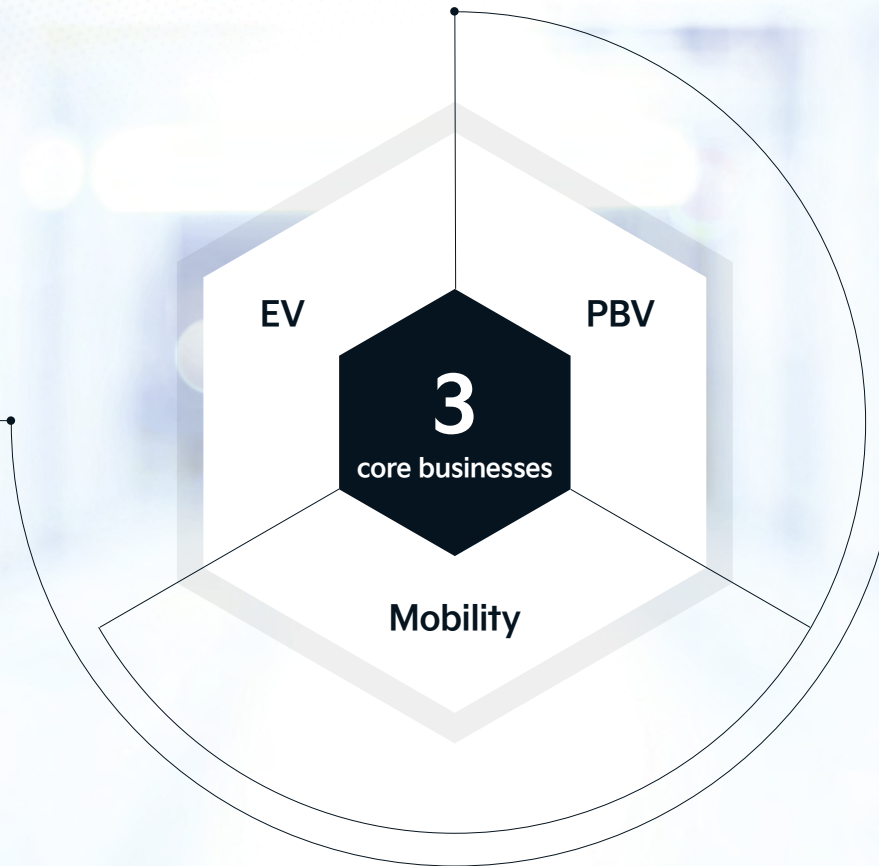
MOVER

Pave the Way
to a Better
Future

Fundamental

Drive Fundamental Changes

Build Sustainable Mobility Eco-system



Leading the Future with EV

In line with the demand for transition into a clean and safe energy, the demand for EVs in 2026 is expected to grow explosively, reaching 10.6 million vehicles, a 7.4% increase from 2020. Sales will reach 580,000 vehicles in 2026 and 920,000 vehicles in 2030 by taking a proactive response to market changes, allowing Kia to step up as a Tier 1 brand. To this end, we plan to build a full EV line-up, introducing an EV exclusive E-GMP platform and new technology, and expanding the infrastructure for EV battery charges.

I Building Full EV Line-up

Kia plans to build a full EV line-up with 11 models by 2026. Until 2020, we have focused on EV derived from the existing internal combustion engine (ICE) model, but a dedicated EV line-up will be created based on the E-GMP platform, starting with the launch of the first dedicated electric vehicle, EV6, in 2021. By 2026, we will operate seven exclusive and four derivative EV models, and expand the segment to include SUVs and MPVs to build a full EV line-up that includes major segments.

I EV Dedicated E-GMP Platform and Application of New Technology

By applying E-GMP technology to the dedicated EV platform, we will be able to maximize space comfort by increasing cruising distance and innovating driving performance. In particular, EV6, which is scheduled to be released in 2021, will be the first electric vehicle to be equipped with “Highway Driving Assist 2,” which belongs to Level 2 autonomous driving technology, and in 2023, a dedicated electric vehicle with the “Highway Autonomous Driving” function at the Level 3 technology will be launched. We also plan to expand Audio, Video, Navigation, Telecommunication (AVNT) and OTA for infotainment systems in the future. From 2023 and onward, the OTA controller update will be fully implemented and Kia’s dedicated EV will constantly evolve as a smart device.

Interior Space of EV based on E-GMP Platform



I Expanding EV Battery Charging Infrastructure

In order to drive sales and popularize EV, we are investing in EV battery charging infrastructure at a group-level. Starting with the release of E-pit, charging brand in 2021, we plan to expand our super-fast charging infrastructure and services to build 120 super-fast chargers. In line with the government’s plan to distribute more than 1.1 million electric vehicles by 2025, we plan to actively expand the super-fast charging infrastructure in the city through cooperation between domestic companies. We also plan to expand our charging infrastructure through strategic alliances and joint investments in global markets including the US and Europe. Furthermore, we will support the development of the charging infrastructure industry with a focus on EV maintenance infrastructure and charging ecosystem platforms.

PBV Targeting Global Market

Our PBVs are developed based on our customer-oriented philosophy. Through the PBV business that diversifies the upper body based on the skateboard platform, we will be able to provide optimal solutions and services that meet the needs of the entire customer base.

I Early Response to PBV Markets

We are expediting our early entry into the PBV market by utilizing the existing models. Starting with the dedicated mobility models, our first PBV model is scheduled to be released in 2022, and the logistics-oriented PBV specialized in cargo loading and retail PBV for camping and leisure will be released sequentially to meet the needs of various customer pools.

I PBV Development Capabilities

As for the mid to long-term strategy, we are promoting cooperation in PBV demo projects with various domestic and overseas B2B

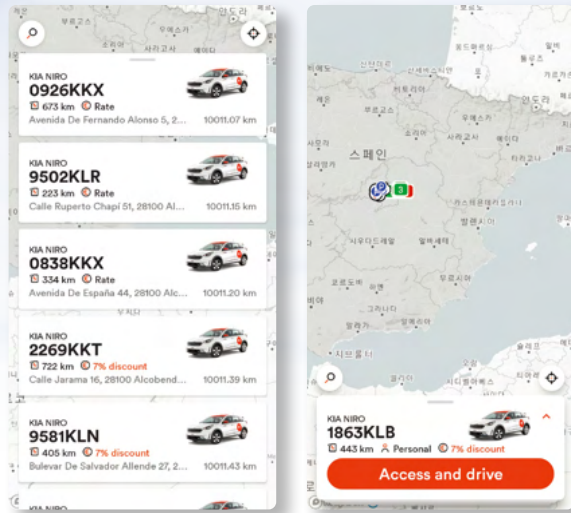


PBV, Urban Eco-friendly Mobility personalized for customer

customers to ensure timely responses to the rapidly growing e-commerce market and autonomous delivery market due to the COVID-19 pandemic. Meanwhile, from 2024 in which the demand for PBV demand is expected to grow rapidly, we plan to expand business on basis of open innovation and independent platform development. As part of this strategy, we will secure PBV development capabilities in partnership with various companies and launch a PBV based on an independent skateboard platform. Furthermore, the skateboard platform, which is highly scalable to various business models including ride-hailing, robo-taxi, and small logistics for less than six people, will be developed internally so that the relevant technical capabilities can be internalized into Kia.

I Product Enhancement and Competitive Solutions

We are working on securing competitive advantages with diversified PBV solutions and services, such as battery rental/exchange service, to relieve the customers’ initial financial pressure, FMS (operation/control/preventive maintenance) based on vehicle data, and charging service. To this end, we are not only utilizing the group-level resources but also focus on building independent PBV ecosystem by forming partnerships in each area and actively utilizing the internalized technological expertise.



WIBLE Service

EV-centric Mobility Eco-system

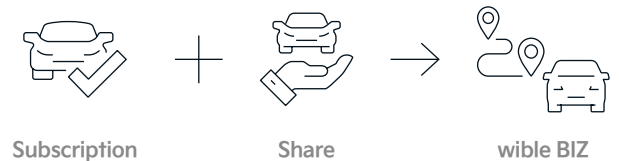
Kia is committed to developing core competencies by diversifying its mobility service portfolio and taking a proactive approach to the transition to EV. The commercialization of hydrogen within Kia's business is expected to expand from special vehicles including military vehicles to MPV/SUV. Furthermore, Kia has made an effort to secure its competitive advantages in the global market by creating the Global One Platform. Kia will step up as a global leader in the eco-friendly vehicle market in the future by developing a clean mobility ecosystem.

I Diversification of Service Portfolio

In the overseas B2C sector, Kia meets local environmental regulatory requirements and has expanded its service portfolios in the mobility market. As for "WIBLE," an overseas car-sharing service, we launched "WiBLE Más," a short- and mid-term rental service brand in February 2020 by forming a strategic partnership with "Cabify," the largest car-hailing company in Spain. In September 2020, "KiaMobility," a dealer network-based car rental service, was launched in Italy and Russia, and is expected to be available in three more European countries in 2021.

I EV Total Solution Service in Response to Growing Demand for EV Conversion

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 has launched a customized total EV solution called "wible BIZ" based on "cooperation for eco-friendly vehicles" with local governments. A service that combines EV subscription and sharing, wible BIZ allows public and private organizations to subscribe and use electric vehicles during business hours, and individuals use them for commuting or leisure activities during the remaining hours. In this way, public and private organizations can use electric vehicles at reasonable costs, and maximize their efficiency through customized vehicle management, applications, and IT solutions. Kia will continue to expand its business solutions for various sectors.



wible BIZ Service



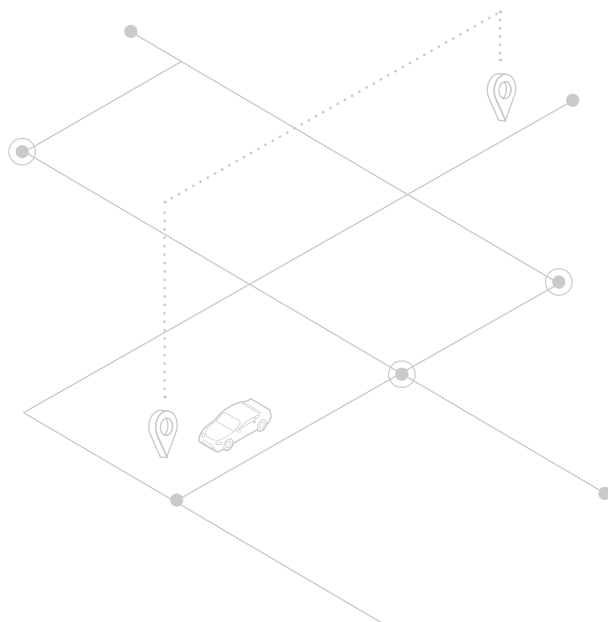
Launching Subscription Service in Response to Higher Demand for Mobility Service

In response to the growing domestic demand for mobility services in Korea, Kia is expanding its car rental and subscription service, Kia Flex. This car subscription service allows subscribers to use vehicles as long as they want, using a dedicated non-face-to-face app. Since its launch, we have continuously expanded the vehicle line-up to meet the needs of customers. For the second half of the year, EV6 subscription service is under development so that more customers can experience the EV6.



Global One Platform

Kia is expediting the deployment of its mobility business through the group-level support. Kia pursues the group-level Global One Platform to internalize “digital assets,” which are critical capabilities in the mobility business. The platform will support the development of a combination of various individual services and boost the synergy between businesses from the perspective of integration. We also introduced it to various mobility solutions, including dealer-linked mobility services, to enhance our competitive advantages in the mobility industry. Additionally, a group subsidiary acquired Sixt Leasing to flesh out our “Smart Mobility Strategy” with the aim of securing service business capabilities and platforms. In response to the needs of our customers, we will expand our vehicle sales channels by launching subscription services provided by Sixt Leasing in Germany and Austria.



Innovation

Taking the Lead Through Technology Innovation

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.

Prevent traffic accidents caused by driver negligence

90% through the driver's fault,
10% due to other causes

Improve energy saving and air quality

Fuel efficiency improved
by 20~40%

Reduce costs of traffic congestion (2.13% of GDP)

Every single
KRW 33,400 billion per year
(as of 2019)

Increase leisure time and support mobility handicapped

Save time and improve mobility



I 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 55 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 robotaxi in 2022 and full commercial operation in 2024 or later. In 2030, fully autonomous vehicles will be available to consumers.

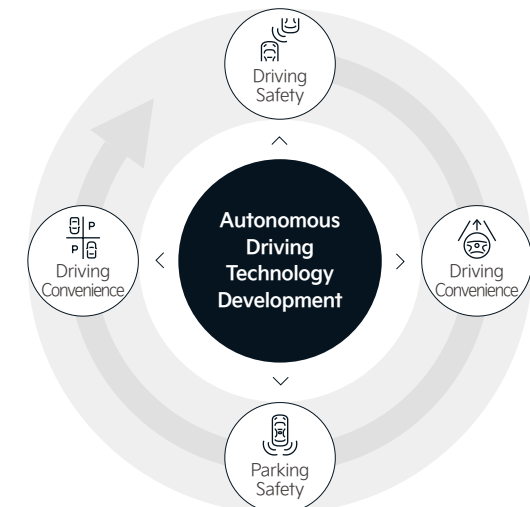
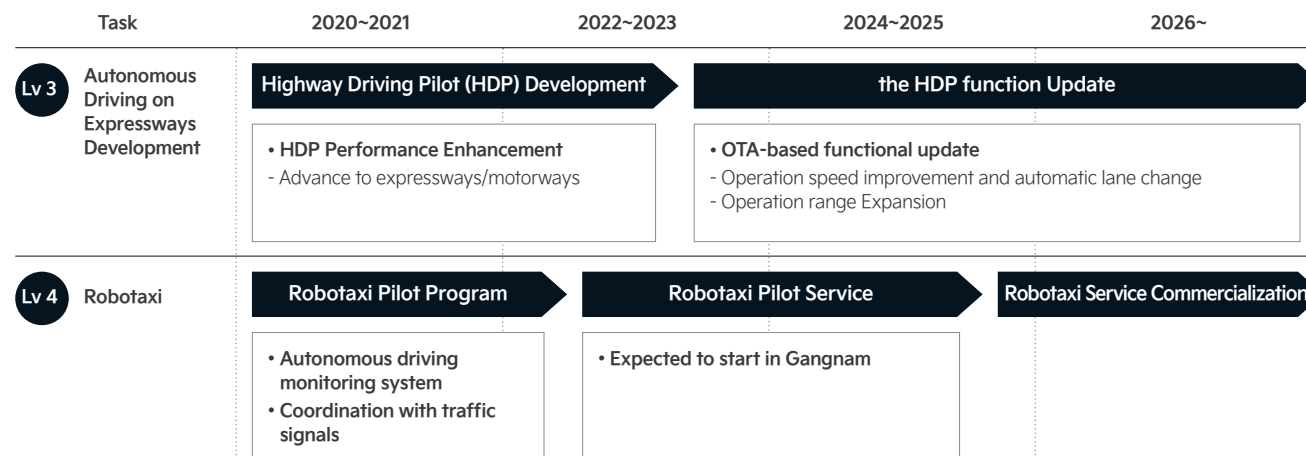
I Development Target for Autonomous Driving Technology

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 2" 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 55 km/h without drivers' steering input will be mass-produced in 2023, and the maximum speed will be increased to 130 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. Further enhancement will be implemented on this function. 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 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.



Connected Cars, Shifting the Paradigm

In the era of hyper-connectivity and super-intelligence, vehicles are no longer simple means of transportation, but transform to moving smart living spaces. Based on cooperation and continuous research and development with global IT corporations, Kia will take a leap toward and become a leading mobility service provider that provides a unique lifestyle to its customers.

■ Connected Car Technology, Breaking Boundaries in Mobility

While autonomous driving is a technology that ensures freedom of mobility, “connected” is a technology that adds leisure and richness to our lives. The connected car technology that Kia is developing can control vehicles, provide information, and connect with external objects like smartphones, homes, and hospitals based on AI and infotainment. By increasing professionals who handle software, sound, voice recognition, and UX in the Namyang R&D Center, we are developing the connected car technology based on usability as part of customer experience. We are developing ccOS and ccSP, an operating system that rapidly processes vast data and a service platform that efficiently provides various services, through partnership with global IT companies such as Nvidia and Baidu. The connected car service will be available for all our models.



K5 Cluster's Dynamic UX

■ Infotainment, Offering Information and Entertainment

Infotainment is a word formed by combining information and entertainment, and it refers to an in-car environment that provides passengers with key driving information and entertainment at the same time. Kia is developing user-friendly interfaces in the vehicle with the goal of providing users with entertainment and enhancing comfort while driving from origin to destination. K5 Cluster's Dynamic UX is the world's first real-time weather/time/speed cluster theme displaying the outside environment using graphics, such as a clear sky and sunset. It has proven its world-class technical expertise by winning a special award in the “Interactive User Experience” category of the 2021 German Design Awards.

■ AI Voice Recognition, Understanding Human Speech

With recent advanced research in AI, voice recognition is recognized as a powerful interface in the automotive industry. It enhances the personalization of mobility by providing safe and customized service and allows drivers to control multiple functions while still in driving. Through the group-level research

and development, Kia has developed a next-generation “AI voice recognition technology for connected cars” that can conveniently control various functions and systems by natural language. Drivers have access to vehicle management, and manual information and control systems using natural language commands. We will continue to make it easier for drivers to communicate with and drive their cars.

Investment and Research for Innovative Technology

To leap forward as the First Mover of the future mobility industry, Kia is upgrading future technologies and accumulating related capabilities by investing more than KRW 10 trillion by 2025. Based on continuous investment and research, we will fulfill our goal of great conversion to a new growth engine by strengthening our competitiveness in core future technologies such as UAM, robotics, mobility, electrification, autonomous driving and FINTECH.

■ UAM, an Innovative Mobility Solution

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.

I Emotional Robotics Technology

Industrial exoskeleton robots that enhance the muscle strength required for human upper and lower body movements can also be used in automobile production. The VEX, a vest-type exoskeleton robot, was developed by the group so that engineers working on the undersides of automobiles can work safely and easily. Its built-in joint structure and multiple springs combine with body movements and forces to reduce the fatigue of workers in various industrial sites and ensures their safety and freedom of movement.

Furthermore, Kia developed a robot called DAL-e that can communicate with customers non-face-to-face in this pandemic. When a customer says “Hello DAL-e” and asks information about a specific model, it goes directly to the vehicle and explains the specifications, design, features and price. This friendly, non-face-to-face service robot is equipped with facial recognition technology and can also advise customers to wear a mask to prevent COVID-19, and it is able to respond to customers by using natural language and showing flexible robot arm operation.

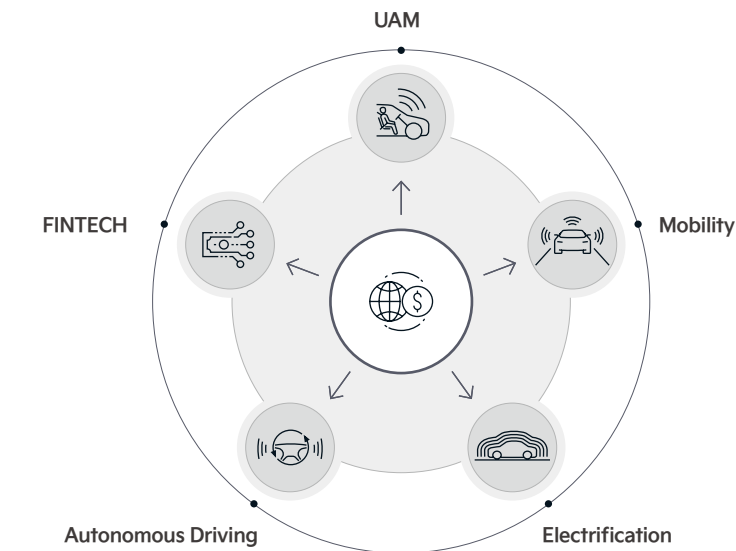


Non-Face-to-Face Robot
DAL-e

Equity Investment for Future Technology*

Areas of Investment	Company Name	Country
UAM	GAM (tentative)	U.S.
	42 Dot (formerly known as Code 42)	
	Motion	Korea
	KST Mobility	
Mobility	P3	Croatia
	Ola	India
	REVV	
	Grab	Singapore
	IONITY	Europe
Electrification	Rimac	Croatia
	Arrival	UK
	Aurora	
Autonomous Driving	Motional (formerly known as Active JV)	U.S.
FINTECH	FINDA	Korea

* 42 Dot, P3 and FINDA were independently invested by Kia, while others were invested at group-level



Recognition

Kia's Global Recognition



Excellence in Value

I First Korean Brand to Win WCOTY

Kia Telluride and Soul EV won 2020 World Car of the Year (WCOTY) and 2020 World Urban Car, respectively, in the 2020 World Car Awards (WCA). In particular, Telluride became the first Korean automobile brand to win WCOTY, further enhancing Kia's brand value.

Among the five award categories of WCA, one of the world's top three automotive awards, WCOTY is considered the highest honor, which Telluride won. Kia's North America exclusive model, Telluride, is receiving favorable reviews and response from consumers thanks to its attractive design, spacious interior, and superb on/off-road performance and outstanding localization.

Meanwhile, Soul EV was nominated as "World Urban Car" for its emission-free and eco-friendly performance and versatility. The car can drive as far as 452 km (64kWh battery model, 386 km in Korea) in Europe (WLTP) on a single charge, and it has a powerful electrified powertrain that can be powered by 39.2kWh or 64kWh battery packs.



World-Class Quality Brand

Kia received the highest rating among eighteen brands in the “2021 Vehicle Dependability Study (VDS)” announced by U.S. market research firm J.D. Power* and became the first Korean brand to be ranked No. 1 among general brands in terms of durability and quality. In the “Initial Quality Survey (IQS)” conducted in 2020, Kia ranked No. 1 among all brands including premium brands and No. 1 among general brands for six straight years. Thus, it was recognized as the best brand not only in initial quality but also in durability.

* J.D. Power is one of the most prestigious market research firms in the United States, and the IQS and VDS results are used as key indicators to measure the competitiveness of automakers

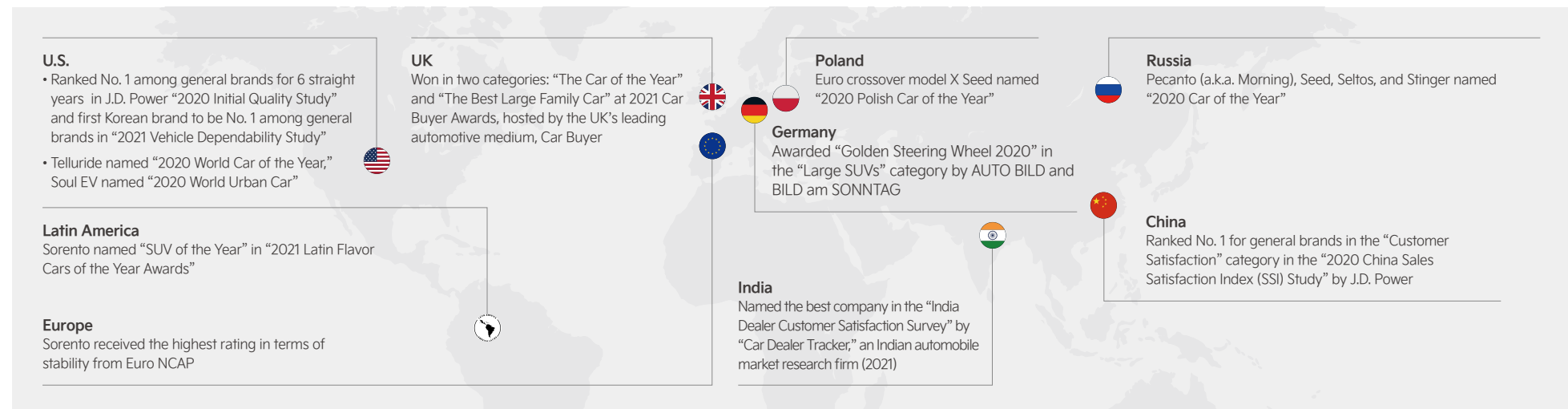
The IQS is rated based on the number of complaints collected in terms of quality, which means the lower the score, the higher the satisfaction. Kia received 136 points, compared to the average score of 166 points of 31 brands, and reaffirmed that it provides the highest level of customer satisfaction in terms of quality.

The VDS is also calculated based on the number of complaints, which means the lower the score, the higher the customer satisfaction. Kia received 97 points, which is significantly lower than the average score of 121 points for all 32 brands, to be the first Korean brand ranked No. 1 among general brands (up by 6 compared to 2020). We will not satisfy our current status and constantly strive to achieve the highest level of customer satisfaction.

2020 IQS			
No. 1 among all brands and No. 1 among general brands for 6 straight years			
Highest Initial Quality Model			
Compact Car	Minivan	Upper Midsize SUV	Small Car
Forte (No. 1 in 2 straight years)	Sedona (No. 1 in 2 straight years)	Sorento	Soul

2021 VDS		
first Korean brand to be ranked No. 1 among general brands		
Most Dependable Model		
Compact Car	Small SUV	Midsize SUV
Optima	Sportage	Sorento

International Awards



Symmetry

Harmonize with the Environment



Leading Development of Eco-friendly Cars

The eco-friendly car is an integral part of the future automobile industry. While the overall automobile market is growing at 2% annually, the eco-friendly car market records a double-digit growth along with transition of power sources from petroleum to electricity with environmental restrictions constantly growing stricter. We have revised our previous roadmap set for 2020 and are now targeting to sell 1.6 million eco-friendly vehicles globally by 2030. This accounts for 40% of the total sales target of 4.05 million vehicles, where eco-friendly cars are clearly being positioned at the center of our future.

Early Development of Next-Generation Battery

The battery determines the weight and mileage of electric vehicles, and is it the most important factor in pricing an EV. In this respect, Kia is expediting the development of next-generation battery technologies such as all-solid-state batteries (ASSBs). ASSBs are in a solid state, unlike lithium-ion batteries, in which the electrolyte that streams the electricity is in a liquid state. Based on such inherent differences, ASSBs are more structurally stable and rigid than conventional batteries. Even if the electrolyte is damaged, it can maintain its shape and has a higher energy density per volume, and it is therefore attracting attention as a next-generation electric vehicle battery. We will continue to develop battery technologies so that our customers can experience significantly improved driving distances and conveniences in battery charging.

I Hybrid Electric Vehicle (HEV)

We introduced the mid-size hybrid SUV, “4th Generation Sorento Hybrid (HEV),” the first among domestic manufacturers. This model with “Smartstream G1.6 Turbo Hybrid” engine has a turbo hybrid gasoline engine with a maximum output of 180PS and torque of 27.0kgf·m powered by a driving motor with a maximum output of 44.2kW and maximum torque of 264Nm, resulting in a maximum system output of 230PS and system torque of 35.7kgf·m for powerful performance. The combination of powertrain optimized for SUV accomplished fuel efficiency of 15.3 km/ℓ (2WD, 17-inch wheel), 16.3 km/ℓ in city and 14.2 km/ℓ on highways, which is the advantage of hybrid models, with CO₂ emissions of 106 g/km (domestic).

I Plug-in Hybrid Electric Vehicle (PHEV)

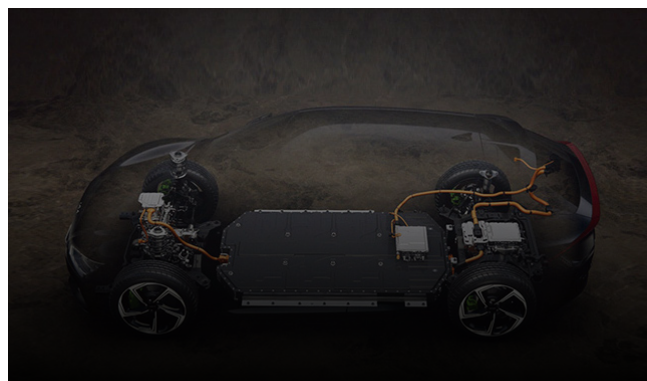
We released the Sorento Plug-in Hybrid (PHEV) model equipped with “Smartstream G1.6 Turbo Hybrid” engine in the European market. Designed exclusively for All Wheel Drive(AWD), this model combines a gasoline turbo hybrid engine with a maximum output of 180PS and maximum torque of 27.0kgf·m, using a driving motor with a maximum output of 66.9kW and maximum torque of 304Nm. Ultimately, it boasts a powerful driving performance with a maximum system output of 265PS and maximum torque of 35.7kgf·m. The combination of a powertrain optimized for SUV accomplished outstanding fuel efficiency of 1.6ℓ/100km and energy efficiency of 16.1kWh/100km with CO₂ emissions of 36g/km (based on NEDC*).

* New European Driving Cycle: European standard for measuring fuel efficiency



EV6, Kia's First Dedicated Electric Vehicle

Striving for zero emission, Kia aims to usher in the era of high-performance electric vehicles in Korea with the launch of the EV6, the first dedicated electric vehicle to be applied with E-GMP, an electric vehicle exclusive platform. The EV6 comes in the “Standard” model, “Long-range” model with an extended mileage, and high performing “GT” model. This model boasts fast battery charging, long driving distance combined with unique design, and outstanding agility and acceleration.



Standardized Battery Cell/Module

Driving distance of 500km

E-GMP facilitates driving distance of 310 miles (approx. 500 km) on one-time battery charge, and offers easy maintenance by simplifying the battery system configuration of general electric vehicle platforms. It is a standardized battery module that composes a battery system according to the mileage required for each vehicle. The number of battery modules can control the mileage of an electric vehicle, which significantly reduce time and resources during development phase. Since the battery can be configured in module units with higher efficiency, the mileage allowed by one-time charge has greatly increased. In the event of after-sales service on any defected batteries, replacement can be made only for the specific battery that caused the problem, thereby reducing maintenance costs.



Stable, Fast Multi-High Speed Charging System

Charging in 4 minutes 30 seconds

EV6 boasts a charging system enabling the driving distance of 100km (based on WLTP*) with just 4 minutes and 30 seconds of charging. The EV6 is equipped with the world's first 400V/800V multi-high speed charging system that supports various types of charging infrastructure. In order to save charging time, which is considered one of the most important factors in EV purchase, 400V was doubled to 800V, providing optimized charging for the vehicle system. The 800V system of enables high-speed charging from 10% to 80% in 18 minutes.

* Worldwide harmonized Light vehicles Test Procedure: A fuel efficiency measurement method stipulated by the UN Standardization of Vehicle Regulations



Driving Pleasure

0-100km/h in 3 seconds

It provides powerful and dynamic performance enabling 0 to 100 km/h arrival in 3 seconds. EV6 is equipped with a high-output motor on the rear wheels and an electric motor on the front wheels which enables e-4WD driving. Drivers of EV6 will enjoy the pleasure of driving with the High Response motor system. Applying the world's first EV disconnecter structure, we strived to minimize any mileage reduction that may result from the application of e-4WD.



Compact and light weighted Platform

Designed exclusively for electric vehicles, EV6's E-GMP has a compact and light PE system by integrating the motor, inverter and reducer. In addition, by applying the next-generation power semiconductor "SiC" to the power module, which is a key component that converts electric energy generated from the drive motor, driving distance has increased by around 5%, which is equivalent to saving approximately 1.5 batteries when converted to battery energy.



Dynamic Exterior Design

Unlike the general internal combustion engines, E-GMP makes vehicles' exterior design sportier with the more spacious and comfortable interior because it does not need an engine and other components. In addition, it has been designed to enable comfortable and sophisticated handling by applying an EV dedicated electric suspension. Its front part emphasized the Kia brand with "Digital Tiger Face," reinterpreted from the existing tiger nose to align with the image of an electric vehicle. The side has a black "character line" that extends to the rear tail light of the vehicle, emphasizing on dynamism. The ceiling is designed to cover the rear window at the end of the trunk, which improves the airflow to reduce the resistance and noise, as well as aerodynamically repels water droplets from the rear window which leads to a clean rear design without a wiper.

EV6



Sustainable Interior Materials

Recyclable and eco-friendly materials have been used for storage spaces and leather seats so that our customers can participate in Kia's effort of creating a sustainable future.



Safety First Design

E-GMP is designed to mitigate and absorb shocks caused by forward and rear collisions to protect passengers. It also has a structure that can increase the rigidity of battery-body connection and protect the battery in the event of a side collision.



Vehicle to Load (V2L)

The EV6 is equipped with a V2L that can supply 220V power externally, making it capable of functioning as an Energy Storage System (ESS) that can supply power to operate a 55-inch TV 24 hours a day.

Trust

Building Trust

Inspiring Culture

Kia pursue flexible and horizontal organizational culture that expedites the agile movement. Based on our new brand goal set for 2021, we strive to fundamentally change the way the organization think and behave to actualize our belief, “Inspiration begins with movement.” This is Kia’s inspiring culture, pursuing to exchange inspirations with colleagues, customers, and even the world. Moreover, it is our goal to create a horizontal organizational culture that promotes a bold attempts and fast execution, encourages creative approach and challenging spirit, while supporting the culture where inclusive communication and boundaryless collaboration takes place.



Inspiring Culture



Agile

■ Agile: Bold Attempts and Fast Execution

We focus on the essence of matters, in other words the question of “Why,” to stay agile in response to the changes. This essence always starts with the customer, to act courageously and swiftly from the customer’s perspective. Based on changes in our business strategies such as “Plan S,” Kia is promoting the “Business transformation” to preemptively respond to future opportunities. We introduced the MS365 to create a mobile remote work environment so that employees can work freely and swiftly anytime and anywhere. We also operate infrastructures including base offices to support and facilitate employees to work under the non-face-to-face work environment.



Flexible

■ Flexible: Creative Approach and Challenging Spirit

Inspiration from new ideas that break away from conventional practices leads to courageous attempts, changing the world. We will promote inventive and creative thinking and offer new experiences. We support creative ideas through the “Way to Inspiration” platform and encourages our employees to explore new ideas. Our home-based training program “Home Learn” was designed to provide opportunities for them to experience online/non-face-to-face training.



Horizontal

■ Horizontal: Inclusive Communication and Boundaryless Collaboration

Only horizontal organizations can lead to agile responses and flexible thinking. We will break away from the hierarchical culture that prioritized the values of management and control, and will remove barriers between individuals and organizations to communicate and collaborate more horizontally. We will measure the psychological stability and team work of our members and initiate changes on basis of “Team-based Organizational Culture Analysis.” In addition, with the “growth system,” we promote continuous learning in relation to jobs. Employees are creating a horizontal organizational culture to secure opportunities for growth and career development.

I CEO Live

CEO Live is a program where members of all domestic and overseas general/production divisions, the CEO and the management can share ideas about the company's future. Our key strategies and current issues are discussed freely, and the CEO answers questions and shares the direction of the company through live Q&A. After the initial outbreak of COVID-19, communication in real time through the CEO Live to relieve the anxieties of overseas employees.

Since the first CEO Live in May 2020, it has been held twice every quarter, and about 1,000 people join each session to keep themselves informed of important issues. CEO Live will be held on a quarterly basis continuously, and we will continue to reflect the needs of overseas employees to move towards as "Global One Kia."

I Idea Platform, Way to Inspiration

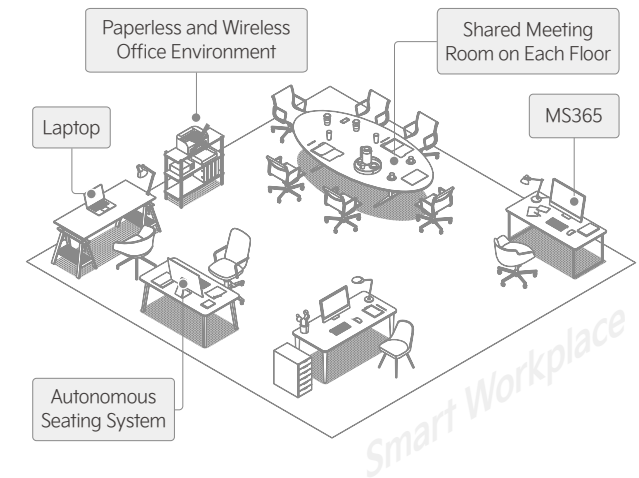
"Way to Inspiration" is an idea platform where members of our organization can share ideas and inspire each other. They can propose and adopt creative ideas through this platform, regardless of their job group or position. Creative ideas are shared through the forum "Seeking inspiration (by topic)" and "Inspiration for you (free format)." We also organize an idea contest twice a year on various topics including new business item, products, and social contribution to encourage our employees share their ideas.

I Innovation in Work Environment, Smart Workplace

At Kia, we aim to internalize an efficient and creative working culture by innovating our office environments. In 2019, we built a smart office targeting the entire divisions located in Yangjae office building, and in 2020, we established innovation of workplace by providing high-performing laptops and extra shared meeting rooms. In 2021, with the goal of further improving the work productivity, we will be implementing a seat reservation system to operate a stable autonomous seating system.

We also built base offices in Ilsan, Gangdong, and Namsuwon so that employees can work anywhere. In particular, we realized the starting point of the "smart workplace" which Kia aims to pursue, by establishing a "paperless" office where no printers or multi-function devices are installed and a "wireless" office environment by adopting in-house wireless networks and team phones.

Through continuous improvement of infrastructure and efficient space utilization, we will create an efficient work environment based on autonomy, responsibility, creativity, and communication.



Culture Survey

(Unit: Score)

Item	2018	2019	2020	YOY*
Active exploration of new ideas	64.5	63.3	67.8	+4.5%p
Mobile remote work environment	60.0	58.7	76.5	+17.8%p
Diverse training programs	48.3	42.6	54.9	+12.3%p

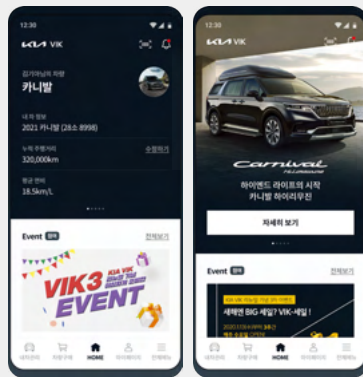
* Satisfaction level compared to 2019 (positive feedback)



Differentiation of Customer Experience

Renewed Kia VIK application

- Renewed “Kia VIK,” an integrated mobile customer application, in 2020
- Updated the UI based on customer usage patterns and focused on personalized services



Expanded the non-face-to-face maintenance service “K Delivery”

- Provides non-face-to-face vehicle maintenance service nationwide, including remote areas such as Jeju island and mountains, in partnerships with specialized service providers
- Delivers the vehicle to a professional driver within 30 minutes (1 hour in remote areas)
- Provides real-time driver assignment and route of the vehicle delivery status through KakaoTalk

Launched Auto-Q The Driving APP KEY

- Provides the same function as a smart key using a smartphone application
- Lock and unlock doors and share access to vehicles using APP

Launched K-Style Care+ Program

- Repair of exterior damages using Kia Members Points available
- Compensation repair is available once for each part for 1 year of coverage, up to 6 parts for which damage frequently occurs



I Offering Diverse Customer Service

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 tablet-based technical information explanation guide, to the service workshops to visualize complex and professional vehicle repairs. 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 called “EV Walkbay” and introduced “KEVT,” the first EV maintenance technology certification system in Korea in order to provide a specialized EV maintenance service. Furthermore, we are working to enhance the competencies of mechanics through Kia EV Service Simulation (KESS), a mobile maintenance simulation app.

I Digital Retailing

Digital retailing has been implemented to simplify distribution channels through digitization of the consultation and sales process. Since the launch of the first end-to-end online sales platform in India in 2019, we have continuously expanded our global online sales and promoted communication with customers based on the platform optimized for market conditions through our own development and third party solutions.

When it comes to the live stream showrooms that deliver product information and consultations on a one-to-one basis between customers and dealers, it has created new customer-contact points and constantly provided sales opportunities to

dealers under the COVID-19 pandemic environment where non-face-to-face contact became prevalent. In Oman and Chile, there have been cases where customers who were attracted through video consultations actually purchased the vehicles in the end. The live stream showroom is recognized as a service that ensures convenience for customers in the process of comparing and exploring various models. In fact, the showrooms are currently available in more than 30 countries in Europe, Africa, Middle East, Latin America, Asia, and the Pacific, which is expected to further expand in the future.

I Channel Strategy to Realize Customer Satisfaction

Based on the global customer-oriented omni-channel strategy, we are dedicated to offering an exemplary customer experience regardless of time and place by combining online and offline stores. Our goal is to differentiate and personalize our premium services by organically connecting digital-based online channels and In-store CX customer experience (Touch, Feel, Experience).

I Implementation of Global SI 2.0

We are expecting full implementation of the Store Identity (SI) 2.0 for dealers which are the forefront of customer contact points. Based on the core concept of BI/DI/CI, “Opposite United - a design philosophy for combining contrasting elements,” the SI 2.0 is designed based on a gallery concept that reflects the core attributes of In-Store CX. In the designs of Inspiring Space, we focused to implement the concept of contrast and harmony, by setting a vehicle viewing space in the new showroom, and enabling the customers to relax and experience various digital content in the customer space, thereby creating an ultimate space where customers can make their final purchase decision. 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.

Enhancing Capabilities of Supply Chain

Kia promotes win-win growth with our suppliers through the competency-building programs. The Korea Auto Parts Promotion Foundation, 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 2020, more than 5,000 people joined the programs which include technical institutes, quality institutes and production manager training.

Kia also is making progress with a smart factory support project which is designed to strengthen the competitiveness of 2nd and 3rd-tier suppliers. Through consulting and facility investment, we are supporting in areas of IT system establishment of suppliers’ operation data process, reduction of lead time, reduction of defect rate and disposal cost, improvement of safe delivery within due date, and increase of sales revenue. For three years from 2019, we have been financing KRW 5 billion at the group-level and increasing the amount of support from KRW 20 million to KRW 100 million to advance the program. As a result, 209 companies benefited from the program in 2020, and 180 companies will be supported in 2021.

Supplier Support Program (2020)

Programs	Technical Instructions (Quality Technology Volunteer Group)	Management Consulting (Supplier Support Group)
Type	14 _{industries}	8 _{sectors}
1 st -tier Suppliers	14 _{companies}	21 _{companies}
2 nd -tier Suppliers	79 _{companies}	25 _{companies}

* Supplier support activities organized through Korea Auto Parts Promotion Foundation

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 2020, 284 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 June 2020, “Global Win-Win Cooperation Center” was set up at the group-level to build a mutual growth system along with our suppliers through a virtuous cycle. The 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.

Training Performance of Global Win-Win Cooperation Center (training by industry, etc.)

286courses

16,338_{people}



Average Partnership Period

Average of Manufacturing Industry (12 years)

33_{years}



MOVER

Pave the Way to a Better Future

Sustainability Management Strategy

To achieve the goal of “2030, Global Sustainability Leading Company,” Kia has defined three directions for sustainability management practice (environmental management, trust management, and social contribution). Based on these directions, we are now strengthening our risk management functions and implementing company level action plans in pursuit of enhancing the ESG structure. In 2020, 16 action plans were defined and completed, and in 2021, seven new tasks have been introduced and are now being implemented. We will continue to minimize the risks associated with major issues on top of our sustainability management system and strive to gain a new competitive advantage in the future business environment.

I Sustainability Management Strategy

Goal

2030 Global Sustainability Leading Company

Strategic
Directions



Leading and being
reactive to global
environmental issues



Realizing shareholder
values and transparency
in governance



Making contribution
to society as a
corporate citizen

Action Plan

- ① Establish and implement mid/long-term eco-friendly strategies (carbon neutrality, RE100, etc.)
- ② Reduce greenhouse gas emissions and waste at domestic and overseas business sites over mid/long-term
- ③ Identify and take action to mitigate risks through supply chain ESG analysis (including conflict minerals policy)
- ④ Reinforce human rights respect system (human rights impact analysis, ESG workplace assessment, etc.)
- ⑤ Enhance BoD operation and transparency thereof
- ⑥ Respond to global ESG rating and enhance on close communication with investors
- ⑦ Conduct environmental impact analysis throughout the entire product chain and disclose publicly

Foundation for Sustainability Management

Organization



- Reorganize and expand the Sustainability Management Committee inside the BoD (Report on ESG agenda)
- Strengthen the operation of an ESG-dedicated organization
- Manage KPI (key performance indicators) by department

Process



- Define action plans for improvement through Kia's level/ environmental analysis
- Develop a detail road-map for implementing company-wide ESG tasks
- Check the implementation progress of action plans through the ESG council

Communication



- Strengthen management of ESG disclosure channels (e.g., Sustainability Report, ESG Special Report, website)
- Promote communication with rating agencies and investment institutions (conference calls, etc.)

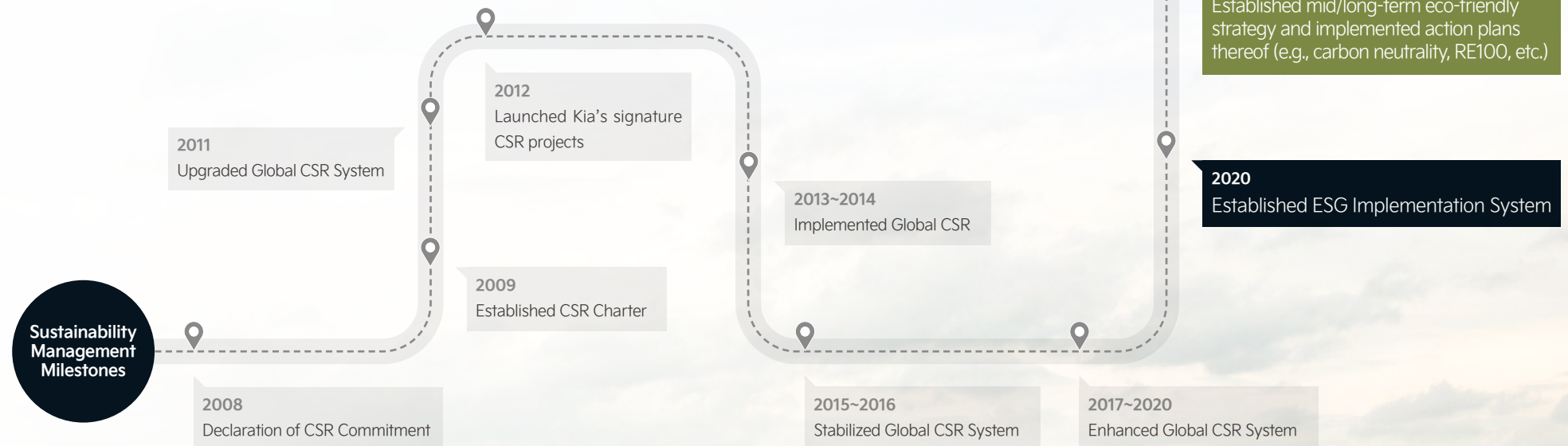
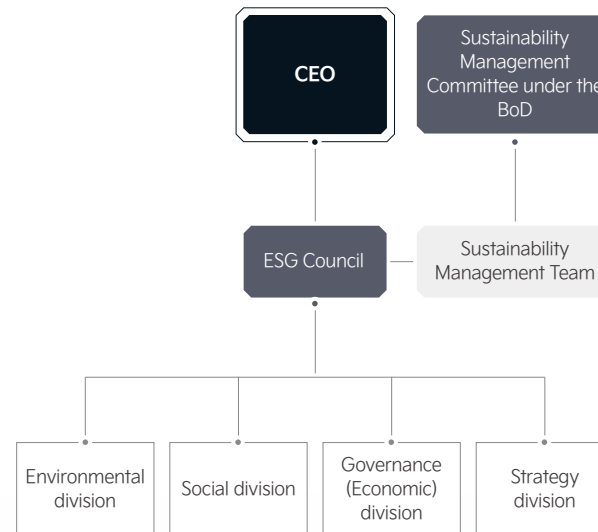
Resource



- Increase the number of ESG experts
- Organize programs to raise employees' ESG awareness (e.g. quality, human rights, supply chain)

To internalize sustainability management, we have expanded the functions in charge of this topic. The Sustainability Management Committee operating under the BoD oversees the non-financial risks by making reports and deliberating on ESG plans and implementation progress at least twice a year. We also have built a company-wide ESG management system based on ESG factors (e.g., human rights impact analysis, greenhouse gas emissions and waste management, shareholder-friendly policies etc.) of KPIs for each department. Additionally, we have strengthened the operation of the company-wide councils, which are operated under the Environmental division, Social division, Governance (Economic) division, and Strategy division. Moreover, ESG issues are addressed and handled in a timely manner through the ESG meeting in the first and second half of the year, and their outcome is reported to the BoD and management. We are committed to ensuring transparency in our communication with stakeholders through the disclosure of sustainability data via Sustainability Report, ESG Special Report and the website.

Sustainability Management Organization



2020 Sustainability Management Performance

First green bond issuance (2021) Domestic: KRW 300 billion Overseas: USD 700 million Issued green bonds as part of eco-friendly mobility investment	Environmental investment plan (2021) KRW 12.1 billion Three times of investment made in 2020 for new air pollution prevention facilities	Total domestic GHG emissions Reduced by 5% from 2019 Implemented company-wide (incl. global) energy & greenhouse gas emission management system (GEMS) in the automotive industry	Renewable energy usage at the Slovakia Zilina plant 100% Replaced all power consumption with renewable energy (Renewable energy is generated by hydroelectric)	Accomplished zero hazardous chemicals emissions 0* Improved hazardous chemical handling facilities in AutoLand and used alternative products	Zero wastewater system at the India plant 100% reused Introduced a zero-wastewater system from the design stage, and reused 100% of wastewater
Restructured Long-term CSR strategy Contributed to limitless and safe transportation through sustainable mobility	Supplier ESG assessment 20 companies Recommended to improve the groundwork based on the results of analysis in all areas of ESG and monitored progress thereof	Donated masks to local community in response to COVID-19 100,000 masks Donated KF-94 masks to fire stations in 16 cities and provinces nationwide	Human rights employee training completion 60% Established human rights charter and carried out training for employees (4,087 out of 6,823 employees completed)	ESG awareness content within the firm Move Plus Distributed sustainability management terms and awareness video content	ESG analysis results (2020) <div> Domestic Korea Corporate Governance Service Environment A Society A+ Governance B+ </div> <div> KCGS 한국기업지배구조원 </div> <div> Global CDP Leadership Climate Change A Water A </div> <div> CDP DISCLOSURE INSIGHT ACTION </div>
Reorganized the Sustainability Management Committee within the BoD (2021) Strengthened the company-wide sustainability management practice by adding the ESG agenda review to the Transparency Management Committee	Promoted diversity in BoD composition (2021) Appointed directors based on expertise and diversity, e.g., appointment of a female outside director as an Audit Committee member	Enhanced ESG Council operation Operated the ESG council in the first and second half of the year and reported on major ESG issues to the BoD and the management	Introduced e-voting to strengthen shareholder-friendly policies Provided shareholders with options to exercise their voting rights		

* Kia achieved Zero emissions by use of products whose density of hazardous chemical is below the legal standard

CSR Strategy

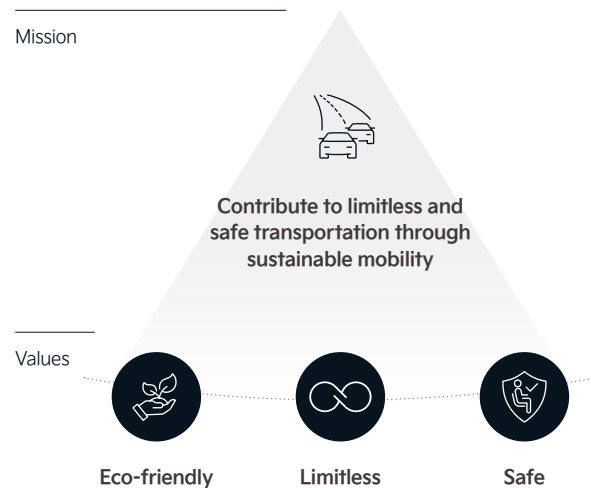
Our business innovation for a sustainable future starts with humanity. The global risks posed by COVID-19 and climate changes are raising awareness of our roles as a corporate citizen and we are committed to taking initiatives for CSR. We will continue to create differentiated social values to pave the way towards a better future.

I CSR Mission & Value

Our CSR mission and values are dedicated to “people.” We create sustainable mobility that encompasses the present and future generations, and people-oriented mobility where all members of our society are not restricted by bodies or environment.

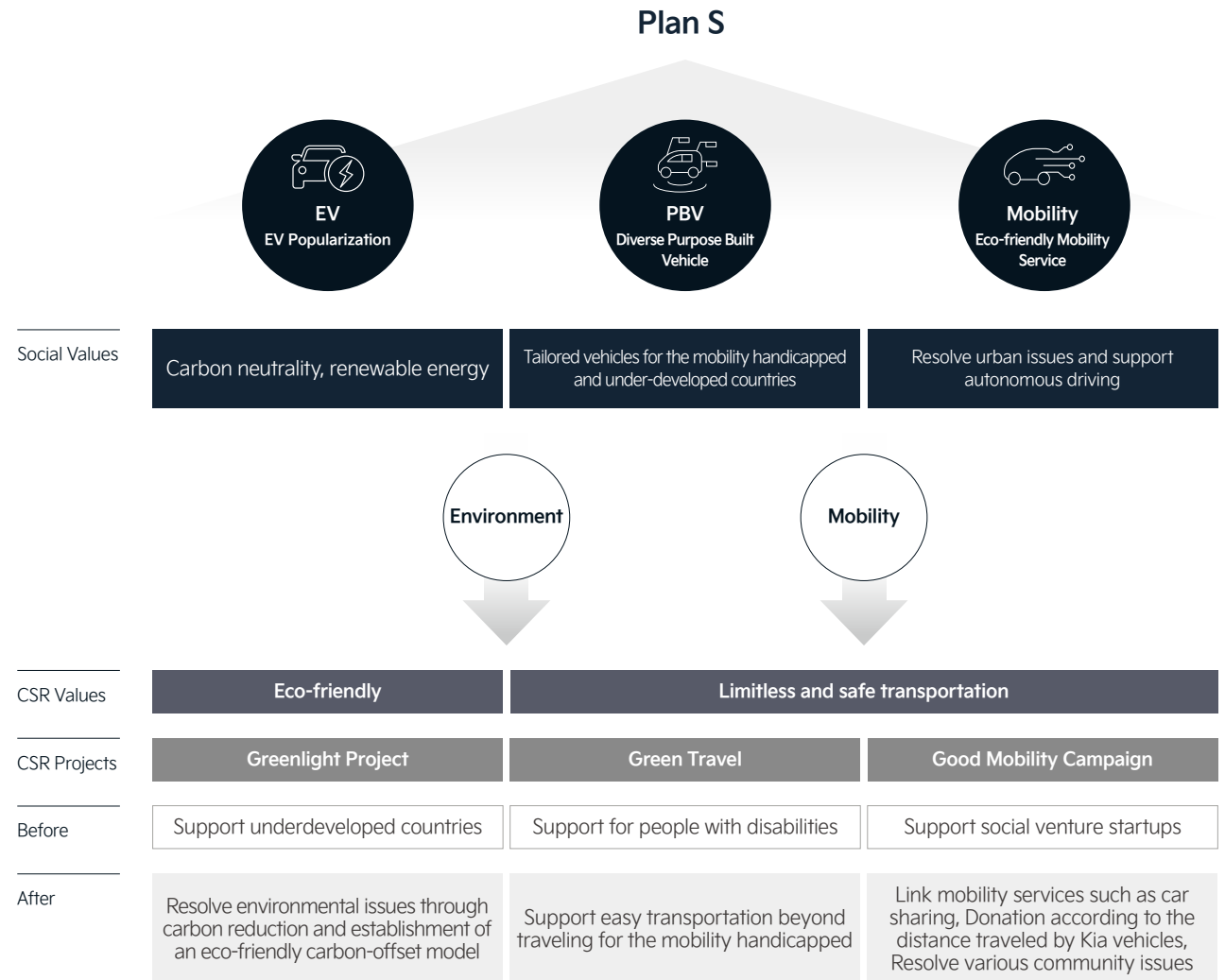
In line with the CSR values of “Eco-friendly, Limitless, and Safe,” we will enact our utmost efforts to create a society where mankind can move safely and limitlessly through sustainable mobility.

Mission



I Plan S-based CSR Activities

Social values focused on “environment” and “mobility” are embedded with three core strategies of Kia’s Plan S that promotes fundamental changes. To respond to the common social issues on “environment” and “mobility,” we have reorganized our CSR system and accelerated our business models.





I Green Light Project, GLP

The Green Light Project is one of our global CSR projects through which we promote the self-reliance of local communities in underdeveloped countries. Since its inception in 2012, we have expanded our bases every year, carrying out projects in 12 local communities, eight countries in Africa, and one in Asia. The project consists of a base center, mobility programs and self-reliance projects. Firstly, the base center is established to support local community infrastructure in line with the UN Sustainable Development Goals (UN SDGs). Based on the needs of the local community, we built middle/high schools, vocational training institutes, health centers and environmental centers.

Secondly, the mobility program is designed to create unique values for the base centers through our mobility capabilities. School buses have been provided to help students study at school without

geographical restrictions while the health center operates mobile clinics to provide access to vaccination and treatment services for people who are experiencing difficulties in getting medical care.

Lastly, the purpose of the self-reliance projects is to ensure that the base center and mobility programs continue to support the local communities even after the expiration of sponsorship. In this stage, they can develop their own capabilities based on their needs, such as covering up the operating expenses utilizing their own profit model and transferring the business to the local government or institution.

The efforts and benefits of the Green Light Project shone even brighter amid the COVID-19 pandemic in 2020. The GLP Health Center, built in the Mayuge Lagana Fanteakwa in Uganda, carried out quarantine procedures and provided medical information as a regional medical base. To minimize the pause of medical service



I want to run an **auto repair shop** based on my experiences at the job training center and internship program.

Winfred Winghella
Automobile Maintenance Department

caused by infection of medical staff, patients were isolated using isolation tents and patients with respiratory diseases were treated separately. The GLP Environmental Center in Mai Chau, Vietnam contributed to improving public health by increasing the activity range and frequency of vehicles that collect garbage so that the increased amount of disposable wastes caused by COVID-19 is not to make environmental pollution worse.

The Green Light Project will continue to develop into a carbon-offsetting program in response to climate change, going one step further to support the self-reliance of local communities in the underdeveloped countries.

I Eco-Environmental Activities

As part of the employee volunteer activities, we organized river cleanup campaign in local communities as well as waste cleanup campaign together with the employees of AutoLand Gwangmyeong and AutoLand Gwangju. We also raised a fund through our donation platform called “K-Nanum Together” to finance the planting of mangrove trees, which are known to be effective in absorbing carbon. In 2021 when COVID-19 is relieved, we plan to organize even more diverse campaigns in pursuit of protecting the environment and the ecosystem.



Green Travel with the Mobility Handicapped

I Green Travel

Green Travel is one of our domestic CSR projects that provide travel opportunities to people with disabilities so they can enjoy traveling without being limited by their disabilities. We have electric and manual wheelchairs, and 16 Carnivals with Easy Move System and one Ray which the people with disabilities can drive themselves. Through the Green Travel website, we provide various travel information (cumulative 2,814 in 2020) such as convenience facilities and travel plans for domestic tour sites.

In 2020, due to COVID-19 we provided vehicle/home quarantine services by visiting people with disabilities instead of driving. In order to support the travel service after COVID-19 is relieved, we have signed an agreement with Korea Railroad Corporation to provide travel programs with KTX.

In 2021, we plan to build camp sites at the National Center for Forest Activities, partnering with the Korea Forest Service Promotion Agency for a safe travel, and will operate a non-face-to-face vehicle maintenance support campaign for the disabled who were unable to receive vehicle maintenance due to COVID-19.

Green Travel plans to develop a variety of mobility support projects

Cumulative No. of users from
2012 to 2020

61,451



Covered 94 times
around the earth
Approx.

3.75

million km traveled



to improve the transportation of the mobility handicapped, such as developing vehicles for the disabled and smart electric wheelchair services, so that anyone can freely and safely move beyond the existing travel support area.

I Good Mobility Campaign

The Good Mobility Campaign is a part of our CSR programs where customers can accumulate charitable points by using the mobility platforms, where those points will be used for solving various social issues for the local community. In 2020, we chose “COVID-19” and “environment” as the target issues, and delivered our assistance to several venture entrepreneurs in accordance with these topics. We selected 10 venture startups that contributed to overcoming COVID-19, and provided them financial supports on their business. Also, we selected and supported 5 “Eco-friendly Social Venture” teams in parallel to our response to the climate change and environmental pollution to fund their project expenditures and render management consulting services.

In 2021, we plan to expand our program focusing on “traffic safety” and “environmental” issues, which are the key responsibilities of a mobility service provider. Additionally, we are cooperating with the external mobility services to attract more participation from mobility users toward this campaign.



Good Mobility Campaign COVID-19 Social Venture Fund Delivery Ceremony

Fact Book: Responsibility

Materiality Assessment	40
Management Approach	41
Stakeholder Engagement	42
Governance	43
Economy	49
Environment	54
Society	68





Materiality Assessment

Through annual materiality assessments, Kia identifies its critical issues of significant sustainability impact and interest on its business and stakeholders. The process involves pooling together sustainability issues, while also conducting stakeholder surveys and media analysis, and determining benchmarks. As a result, we have identified 12 core issues out of 26 issues.

Process



Analytical Methods

Media Analysis



Analyzed 6,804 news articles from Jan. 1 through Dec. 31, 2020

Stakeholder Surveys

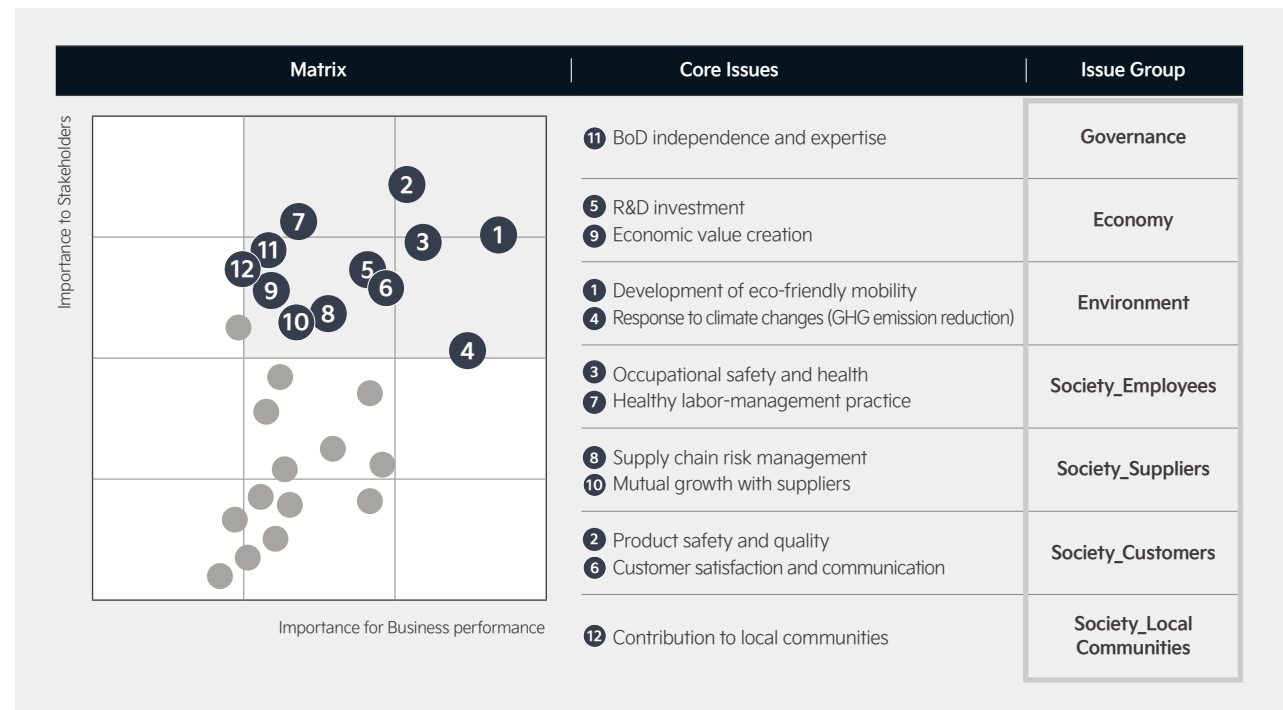


Period: March 16~30, 2021
Survey respondents: Employees, customers, suppliers, central/local governments, shareholders/investors, associations/NGOs


















Collecting Opinions from Sustainability Experts



Interview topics: Approach to material issues, communication and feedback on key activities and achievements
Interviewees: Secretary General Lee Jong-oh (Korea Sustainability Investing Forum), CEO Ryu Young-jae (Sustain Best Co., Ltd.), Managing Director Yun Jin-soo, (Korea Corporate Governance Service)



Management Approach

Issue Group		Key Issues	Kia's Sustainability Issues	Accomplishments in 2020	Contribution to UN SDGs	Pages
Governance						
	➤	11 BoD independence and expertise	Sound governance is the foundation for sustainable business practice. We implement a transparent governance structure by promoting transparency, expertise, and diversity, focusing on enhancing shareholder values and complying with the relevant ethical values.	<ul style="list-style-type: none"> Expansion of the Sustainability Management Committee in the BoD Diversification of the BoD composition (appointment of a female non-executive directors) 	 	43~48
Economy						
	➤	5 R&D investment 9 Economic value creation	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, hydrogen and UAM to strengthen our competitiveness and supply the best product quality.	<ul style="list-style-type: none"> Sales: KRW 59.2 trillion Sales volume: 2.662 million units (in retail) 	 	49~53
Environment						
	➤	1 Development of eco-friendly mobility 4 Response to climate changes (GHG emission reduction)	With the growing demand in environmental sustainability, a company's capability of responding to the climate changes has become an essential prerequisite of sustainable growth. Kia is the industry leader in improving energy efficiency and reducing carbon emissions to minimize environmental impacts throughout our entire value chain from production to disposal.	<ul style="list-style-type: none"> Sales of eco-friendly vehicle in 2020: 210,000 units (in retail) RE100 at Kia Slovakia 	   	54~67
Society_Employees						
	➤	3 Occupational safety and health 7 Healthy labor-management practice	Employees exist as the core assets of a company's business. We are committed to creating a safe and healthy working environment with the goal of "creating safety culture value." We also guarantee employees' labor association activities, operate various labor-management-related systems and make every effort to establish a sound labor-management culture.	<ul style="list-style-type: none"> Established Human Rights Charter, Ethics Charter, and Supplier Code of Conduct Produced 5.2 million KF-94 masks for the safety and health of employees 	 	68~73
Society_Suppliers						
	➤	8 Supply chain risk management 10 Mutual growth with suppliers	Suppliers are our key business partners who grow together with Kia. We comply with laws and regulations when it comes to procuring and selecting the suppliers, with an effort of establishing a culture of mutual growth along the supply chain to realize a sustainable win-win strategy.	<ul style="list-style-type: none"> Established fair trade principles for competitors Conducted ESG analysis for suppliers and took action based on the results 	 	68, 74~77
Society_Customers						
	➤	2 Product safety and quality 6 Customer satisfaction and communication	Creating the best customer value is the most important goal of our business. We are committed to maximizing the customer value by identifying their mobility needs through communication and providing safe and high-quality products.	<ul style="list-style-type: none"> First Korean brand to win the World Car of the Year in 2020 First Korean brand to rank in the first place in Vehicle Dependability Study (VDS) in 2020 	 	78~79
Society_Local Communities						
	➤	12 Contribution to local communities	Our business innovation for a sustainable future starts with humanity. Under the CSR values of "Eco-friendly, Limitless, and Safe," we promote people-centered mobility in which all members of society are not constrained by physical or environmental restrictions.	<ul style="list-style-type: none"> CSR expenses: KRW 79.8 billion Donated 100,000 masks to fire stations in 16 cities and provinces in Korea 	  	68, 80~81

Stakeholders Engagement

Stakeholders



Employees



Shareholders/
Investors



Customers



Suppliers



Local
Communities



Central/Local
Government



Associations/
NGOs

Issues of Interest

- Human capital development
- Human rights protection
- Justified performance bonus
- Labor-management relations
- Occupational safety and health

- Financial performance creation
- Global sales performance and plans
- ESG issues related to governance
- Technological innovation and mid- to long-term business strategy
- Investment plan
- Shareholder value enhancement

- Eco-friendly vehicles Production
- Fuel efficiency improvement
- Product Safety Enhancement
- Customer communication
- Brand reputation

- Mutual growth
- Supply chain sustainability
- Supply chain risk management
- Production quality management
- Harmful products minimization

- Job Creation
- Social contribution
- Minimizing environmental impact
- COVID-19 Resurgence Support

- Anti-corruption/ethical management
- Building infrastructure
- Air pollution reduction
- Greenhouse gas/energy management

- Community/environmental responsibility
- Contribution to the achievement of the UN SDGs
- Disclosure

Communication Channels

CEO Live, Labor-Management Council and collective bargaining, Employment Stability Committee, internal newsletter, CSR newsletter, online communication channels (intranet, knowledge community, Kia-in, Tong), Grievance Counseling Center, group subsidiaries' ethical management websites, Future Development Strategy Committee, Integrated Occupational Safety and Health Committee

General Meeting of Shareholders, CEO Investor Day, quarterly earnings release, monthly sales conference calls, Investor Briefing (NDR), IR website

Motor show, new car presentation, test drive, customer satisfaction survey, online clubs, sports sponsorship, etc.

Dealer-related programs (seminars, dealer conferences, events with invited dealers), dealership conference, seminar training, mutual growth portal site, HMG partner system, transparent purchasing practice center site, global win-win cooperation center (GPC portal)

Social contribution projects, exchanges with local communities near business sites (regular meetings, factory opening)

Policy-making public hearings, policy meetings and briefings, parliaments

NGO meeting, business meeting

List of affiliated associations

- Korea Automobile Manufacturers Association
- Chamber of Commerce and Industry (Seoul, Gwangmyeong, Hwasung, Gwangju)
- Korea Auto Industries Coop. Association (KAICA)
- Korea Standards Association
- Korea Fair Competition Federation
- Korea AEO Association
- BEST Forum: Business Ethics and Sustainability Management for Top Performance
- The Korean Association for Industrial Technology Security

Common communication channels: Annual report, sustainability report, official website, social media (Facebook, Instagram, YouTube), blog (PLAY Kia)

Governance

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

Board Meetings held

(2020)

8 sessions



Sustainability Management Committee held

(2020)

5 sessions



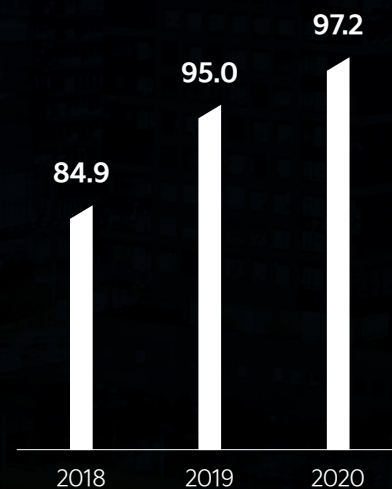
Board of Directors Composition

Diversity on BoD Enhancement

(Appointment of a female non-executive directors)

Board Meeting Attendance Rate

(Unit: %)



* Average Board Meeting Attendance Rate

Corporate Governance

Composition and Roles of BoD

Kia amended its articles of incorporation at the general meeting of shareholders in 2021, added a provision on gender diversity for the Board of Directors, and appointed a female non-executive directors as Audit Committee members. We also improved our corporate governance by appointing non-executive directors as committee chairs, and they are free to present their opinions on overall management, including shareholder values. The Board of Directors resolves important matters related to business operation, laws, and the articles of incorporation through regular board meetings, and makes decisions based on the opinions of shareholders and investors raised at shareholders' meetings and IR. Therefore, independence must be secured for the BoD

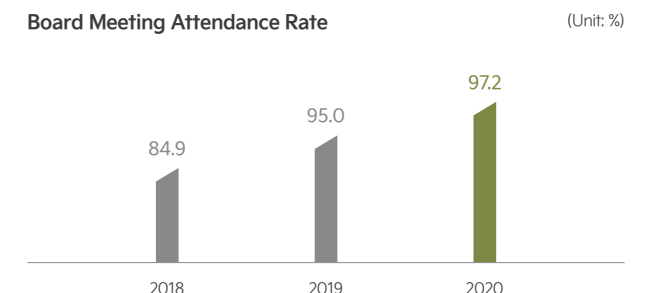
to effectively perform its management supervisory function and perform objective and independent decision-making. The board maintains independence from the majority shareholders and management through an objective candidate selection process. In addition, directors are not allowed to engage in the same kind of business as that of company without the approval of the board, and the exercise of the voting rights in the case of deciding on an agenda that has special interests. And a person who is engaged in the company's business affairs or has a significant interest in the company, the largest shareholder, employees who have served within the last two years are excluded from the selection of candidates for non-executive directors to guarantee the independence of the BoD.

BoD Activities and Compensation

In 2020, the committee held a total of eight meetings to vote on revisions on 2020 Business Plans and Investment Plans, and review the operation of the Internal Accounting Control System (IACS), compliance supports and plans, and fair practice. A total of 25 agenda items were submitted before the committee, which had a 100 percent non-executive director's board meeting attendance rate.

Compensation for executive directors is divided into salaries and bonuses based on the compensation system approved by the Compensation Committee. Their salaries are paid in installments based on internal standards, including Kia's executive salary table, within the limits set by the resolution of the general meeting of shareholders. Eui-Sun Chung, Chairman of Hyundai Motor Group, is not being paid. Bonuses are paid based on the executive compensation standard (performance incentive), taking into account business performance including sales and operating profit, contribution to business management, and internal and external business environment. Compensation for non-executive directors is paid as a fixed amount to ensure their independence and transparency within the limits set by the resolution of the general meeting of shareholders. No separate performance-based incentives are paid.

BoD Composition				(As of March 22, 2021)
Executive Directors				
Eui-Sun Chung (Male)	Ho-Sung Song (Male)	Jun-Young Choi (Male)	Woo-Jeong Joo (Male)	
<ul style="list-style-type: none">• Member of Outside Director Recommendation Committee• Chairman of Hyundai Motor Company• Term of office: Mar. 2022	<ul style="list-style-type: none">• Member of Outside Director Recommendation Committee and Sustainability Management Committee• CEO/President of Kia• Term of office: Mar. 2022	<ul style="list-style-type: none">• Member of Compensation Committee• Executive Vice President/ Head of Human Resources and Administration Division• Term of office: Mar. 2024	<ul style="list-style-type: none">• CFO & Executive Vice President/Head of Finance Division• Term of office: Mar. 2023	
Non-executive Directors				
Sang-Koo Nam (Male)	Chol-Soo Han (Male)	Duk-Joong Kim (Male)	Dong-One Kim (Male)	Wha-Sun Jho (Female)
<ul style="list-style-type: none">• Chair of the Audit Committee, Member of Outside Director Recommendation Committee and Sustainability• Management (in charge of shareholder value protection)• Emeritus professor of Business Administration, Korea University• Director of Korea Corporate Governance Service (KCGS)• Term of office: Mar. 2022	<ul style="list-style-type: none">• Member of Outside Director Recommendation Committee and Sustainability Management Committee, Chair of Compensation Committee• Counsel, Law Firm Yoon & Yang• Formerly) Secretary-General of Fair Trade Commission• Term of office: Mar. 2024	<ul style="list-style-type: none">• Member of Audit Committee and Compensation Committee Chair of Sustainability Management Committee• Counsel, Law Firm Yoon & Yang• Formerly) 20th Commissioner of the National Tax Service• Term of office: Mar. 2023	<ul style="list-style-type: none">• Chair of Outside Director Recommendation Committee, member of Sustainability Management Committee• Professor of Business Administration, Korea University• Formerly) President, The International Industrial Relations Association• Term of office: Mar. 2023	<ul style="list-style-type: none">• Board member, member of Audit Committee and Sustainability Management Committee• Professor of Political Science and International Relations, Yonsei University• Member of Korean Academy of Science and Technology• Term of office: Mar. 2024



BoD Compensation (Unit: KRW Million)

Item	Description	2018	2019	2020
BoD Compensation	Annual Compensation to BoD*	7,615	2,969	6,731
CEO Remuneration	Average annual compensation for CEO/Average annual compensation for employees	1,027/93	1,182/86	1,093**/91
Compensation Limit	Limit on BoD compensation approved by General Meeting of Shareholders	10,000	8,000	8,000

* The annual compensation for the board includes the severance payment for the current year, and no severance payment was incurred in 2019

** The amount includes the compensation for former CEO, Han-Woo Park, who retired in March 2020 (January - March), and the new CEO, Ho-Sung Song, who took office (June - December)

BoD Committees Composition

I Sustainability Management Committee

Kia changed the name of the Corporate Governance and Communication Committee to the Sustainability Management Committee and expanded and reorganized it by establishing the role of oversight for ESG plan including Safety, Health and Environment (SHE) plans, and the committee also make decisions related to environmental policy. Its independence is ensured by appointing a non-executive director as the chairman, and the CEO acts as a member to reinforce company-wide sustainability practices. The Sustainability Management Committee appoints one non-executive director who is nominated by a shareholders' recommendation as a member who is in charge of protection of shareholders' rights and interests and plays a pivotal role in establishing a healthy corporate governance via being responsible for communication between the board of directors and shareholders.

Furthermore, we are committed to reflecting the opinions of non-

executive directors to improve our social contribution and ethical practice in business plans. In 2020, a total of 5 board meetings were held to make decisions on agendas including internal trade, as well as reports on social contribution activities and donations.

I Audit Committee

The key role of the Audit Committee is to oversee the company's accounting practice to ensure it is conducted lawfully and fairly. It is only composed of non-executive directors who are independent and includes two accounting and financial experts(Sang-Koo Nam and Duk-Joong Kim) to review legality and conformity so that management can make rational and informed decisions. The committee reserves the right to request the board to report on business and to investigate the company's financial practices. In accordance with the Act on External Audit of Stock Companies, Kia Audit Committee appoints an independent external auditor every 3 years after reviewing their capability and adequacy. Kia cooperates with the committee to ensure full access to information for audit process, and, if necessary, conducts business briefing. In 2020, the Audit Committee held six meetings to evaluate the operation of the IACS, deliberating and resolving agendas for the appointment of new outside auditors, and receiving reports on the accounting settlement and management. 2020 saw no payment of external auditors for non-audit services.

Audit Committee Training

Training Date	Training Implementer	Present Audit Committee Members	Key Training Details
Jul. 24, 2020	KPMG Korea	Duk-Joong Kim, non-executive director	<ul style="list-style-type: none"> Select external auditors Establish an audit plan Discuss key audit matters Form external audit opinions
Dec. 24, 2020	Korea Listed Companies Association	All members of Audit Committee	<ul style="list-style-type: none"> Internal accounting management system

I Outside Director Recommendation Committee

The Outside Director Recommendation Committee nominates candidates for non-executive directors at the general meeting of shareholders to apply fairness in the process. When appointing a new non-executive director, the company submits a "Qualification Guarantee Letter" about the independence and legal qualification of the candidate to the Korea Exchange. In 2020, the committee reviewed and recommended candidates with competence and expertise for non-executive directors to the 77th (in 2020) general meeting of shareholders.

I Compensation Committee

The Compensation Committee was organized in October 2019 to enhance our corporate governance by ensuring objectivity and transparency in the compensation process for registered directors. The resolutions focus on the limit on compensation for registered directors to be submitted to the general meeting of shareholders and matters regarding the compensation system for executive directors. In 2020, two meetings were held to resolve the appointment of the chair of the committee, the compensation system for executive directors, and the agenda for the limit on compensation.

Status of BoD Committee Operation (2020)

BoD Committee	Composition* (persons)		No. of Meetings Held	No. of Agenda/ Reported Matters	Attendance (%)
	Executive	Non-executive			
Audit Committee	-	3	6	11	100
Board Nominating Committee	2	3	2	2	100
Sustainability Management Committee**	1	5	5	27	100
Compensation Committee	1	2	2	3	100

* The BoD composition as of March 2021

** Transparency Management Committee expanded and reorganized into Sustainability Management Committee in March 2021

Corporate Governance Charter

In July 2019, Kia established the Corporate Governance Charter to reaffirm its commitment to ensure transparency in governance structure and announced publicly on its official website.

In addition to the charter, we set standards to promote independence, transparency, professionalism, and diversity of the board of directors through the company's articles of incorporation, as well as the board and committee guidelines.

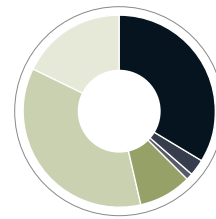
Enhancement of Shareholder Value

In order to keep our stakeholders including shareholders and investors informed of our financial position, we submitted our audit report two weeks prior to the general meeting of shareholders, earlier than the deadline stipulated by the Act on External Audit of Stock Companies. We also ensure that shareholders have full access to both financial and non-financial data for their decision-making process. This is done by disclosing the business report to the Financial Supervisory Service a week before the general meeting of shareholders and announcing it on our website. Furthermore, since 2020, we have held the "CEO Investor Day" once a year to strengthen communication with shareholders and stakeholders.



Shareholder Composition*

(Unit: Share, %)



* As of December 31, 2020

Shareholders	No. of Shares	Ownership
Hyundai Motor Company	137,318,251	33.88
Employee Stock Ownership Association (ESOA)	11,080,523	2.73
Treasury Stock	4,432,084	1.09
National Pension Service	36,038,665	8.89
Foreign Investors	144,688,954	35.69
Others	71,804,870	17.72
Total	405,363,347	100

Stock ownership of the largest shareholder and affiliates (Unit: Share, %)

Category	2018	2019	2020
Hyundai Motor Company	137,318,251 33.88*	137,318,251 33.88	137,318,251 33.88
Eui-Sun Chung, Chairman	7,061,331 1.74*	7,061,331 1.74	7,061,331 1.74
Shares owned by the CEO and other senior management members	2,218 0.00*	28,843 0.01	27,758 0.01

* Ratio of shares to total number of issued shares

Compliance

Compliance Management

Kia introduced a compliance support system in 2012, appointing compliance officers under the board of directors, establishing a dedicated organization and compliance control standards, as well as implementation guidelines. We also identify legal risks to set an operation plan for the compliance support system and distribute 38 domestic and six international compliance guidelines to prevent risks that may arise during work. In addition, we conduct a self-compliance review twice a year in 8 areas including trade secrets, solicitation, personal information, General Data Protection Regulation (GDPR), corruption, intellectual property, fair practice (misuse of technology), and branch offices so that employees can assess and prevent risks themselves. Upon review, we provide comments to confirm risks in business and make necessary improvement. In 2020, in order to stress the importance of compliance management and enhance performance, the Compliance Management Handbook (first published in 2015) was updated to support compliance management and implementation plans. We also established a compliance management support system so that employees can promote fair and transparent practice through various activities including compliance pledges, individual compliance self-checks, and getting help from the compliance support consultation center.

Notice of Anti-Corruption Policies and Procedures

The number and percentage of the board members who were notified of the organization's anti-corruption policies and procedures



Compliance Program (CP)

Kia is committed to establishing and implementing a culture of fair practice under the active support from top management. We prevent violations of the law by operating an in-house compliance council, chaired by the COO, and report the status of review and operation results to the BoD on a regular basis through internal oversight.

Through on/offline training, we share internal and external issues on compliance management with our employees, building a company-wide consensus. We send out fair practice newsletters, distribute guidelines and checklists, and conduct regular inspections to all departments in the Compliance Council to ensure that our internal supervisory system is reinforced and employees are encouraged to promote fair practice.

The principles of competitive bidding have been introduced to all business dealing with suppliers to provide fair opportunities. Fair practice statements including prohibition of unfair practice,

collusion, and unfair competition are posted on our website for competitors. We will continue to fulfill our corporate social responsibility with a focus on fair practice by establishing standards and ensuring transparency in work processes.

Ethical Management

Kia has updated the Ethics Charter and Code of Practice based on the ILO conventions so that all employees can maintain the highest level of ethical conduct and has conducted the ethical management as a group-level by posting Ethics Charter and Code of Practice on the group's official website with the e-book guides. Through the website, corruption and opaque work of employees or stakeholders may be reported at any time, and the whistleblower protection principle is in place to guarantee the job security of the informant and prevent disadvantages due to statements.

The Ethical Management Website has been improved in terms of convenience and design, so that people can report corrupt practices and engage with stakeholders using

smartphones and tablet devices. In addition, we are constantly monitoring the ethics policy to ensure that it is complied with. In particular, ethical standards and policies are reviewed together during internal audits. Furthermore, we are enhancing unethical behavior prevention activities via implementing an ethical education for all employees. Kia will build a good corporate culture via realization of fair and transparent ethical management.

Ethical Compliance Training (Unit: Session, Persons)

Classification	2018	2019	2020
Offline	18 / 510	26 / 744	1 / 22*
Online	2 / 7,000	2 / 7,783	4 / 7,096
Total	20 / 7,510	28 / 8,527	5 / 7,118

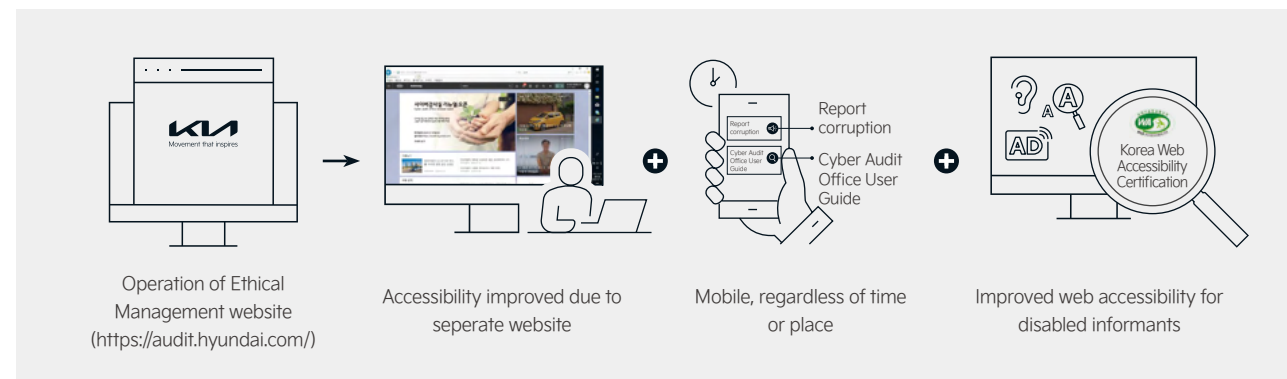
* Offline training diminished due to COVID-19 in 2020

INTERVIEW

Jin-Soo Yoon, Director
Korea Corporate
Governance Service



Kia is committed to promoting ethical practice led by the board by implementing various support programs such as employee training and reporting the results to the board.



Risk Management

Enhancement of ESG Risk Management

Kia manages ESG risks at the company-wide level through the Sustainability Management Committee. The committee is held regularly to report the status of implementation of related tasks and plans. The risk management function has been strengthened by reviewing and deciding on major policies related to ethical management and social contribution. In addition, ESG factors (human rights impact assessment, greenhouse gas and waste management, shareholder-friendly policies, etc.) were reflected in the KPIs for each division to prepare an instrument for practical risk management and performance creation. We will systematically respond to risks by diagnosing ESG status in an integrated manner and establishing improvement tasks based on the results.

Tax Strategy

Kia is faithfully fulfilling its tax obligations and compliance with tax laws in Korea and abroad. We implement tax returns that guarantee consistency through decision-making in accordance with stipulated internal procedures and collaboration with external tax experts. We check and respond to risks in advance through tax policy monitoring, and review and implement tax aspects in all areas, such as trading goods and services, entering new businesses and etc. In addition, we manage transfer pricing and arm's length pricing by overseas subsidiaries at all times, and prepare and submit a BEPS* report based on the OECD guidelines.

* Base Erosion and Profit Shifting

Information Security Risk Management

Information Security Organization

As part of the company-wide security process, we share the directions of our security policy through the information security organization and raise the security awareness of our employees. The information security organization is made up of security managers, and it shares the latest security related laws and technology trends through seminars twice a year.

Security Training

As more companies adopt non-face-to-face working environment due to COVID-19, new security threats are emerging. Kia is committed to raising employees' awareness of information security through various programs such as developing online security training content, holding monthly information security day events, and distributing security newsletters. In addition, we ensure that we are fully prepared against security threats by sharing security precautions when working from home, such as malicious cyber-attacks and security breaches, through Kia's official PR channel.

Information Security Training Status (Unit: Sessions, Persons)

Classification	2018	2019	2020
No. of Training Sessions	43	39	37
No. of Participants	141,492	140,740	146,648

Security Check

Each department at Kia carries out monthly security checks, and the results are managed through the internal security portal system. The results are notified to each department, and measures are taken to reduce vulnerabilities and make the necessary improvements. Based on the results of improvement, a security assessment is conducted at the end of every year to provide rewards or security warnings.

Information Security Management System

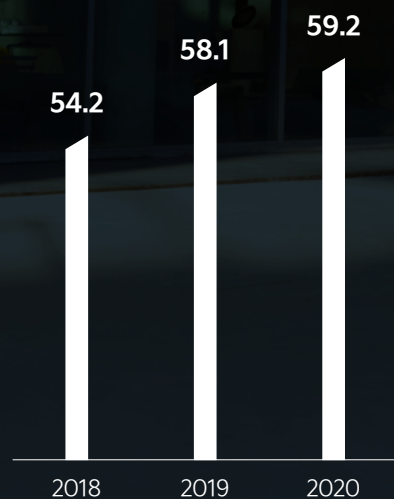
Kia operates an information security management system (regulations/procedures/guidelines) based on the 114 control items of the information security management system as established by the International Organization for Standardization (ISO). Since the first acquisition of ISO 27001 (Information Security Management System) in 2006, we have maintained the certification for fifteen years, and we are striving to continuously improve the company's information protection activities and the level of security awareness of its employees.

Economy

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

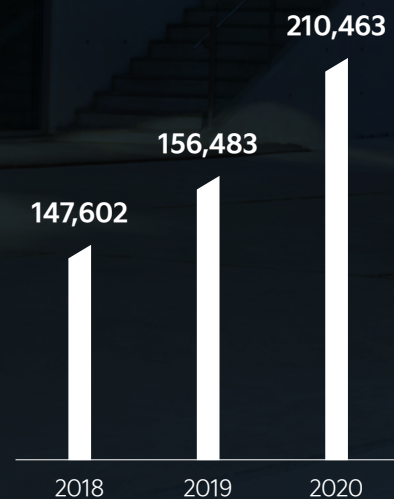
Sales

(Unit: KRW 1 trillion)



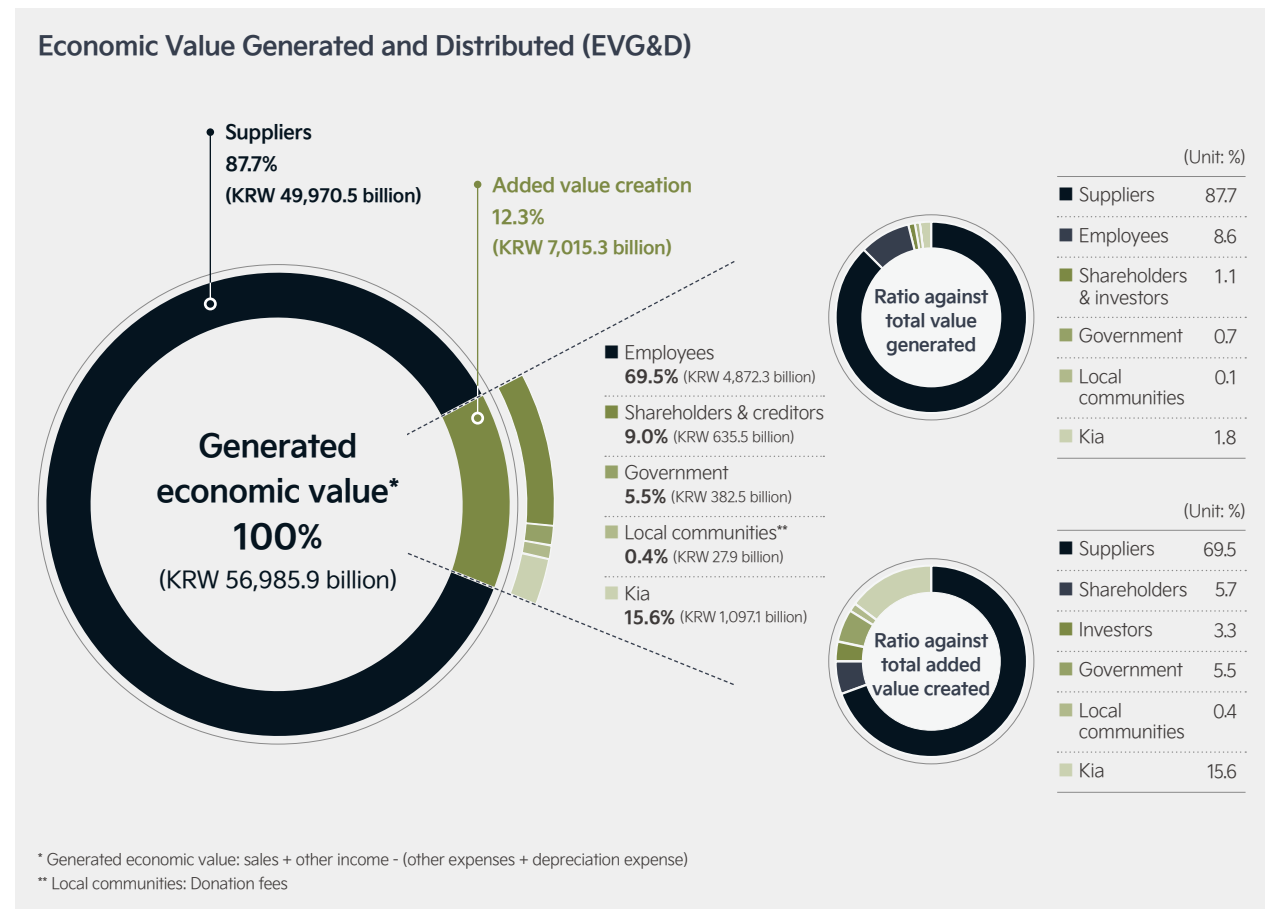
No. of Eco-Friendly Vehicles Sold (In retail)

(Unit: Vehicles)



Economic Value Creation & Distribution

Despite the challenging market environment due to COVID-19, Kia generated economic value totaling KRW 56,985.9 billion. From this figure, added value of KRW 7,015.3 billion was distributed to stakeholders excluding suppliers. 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.

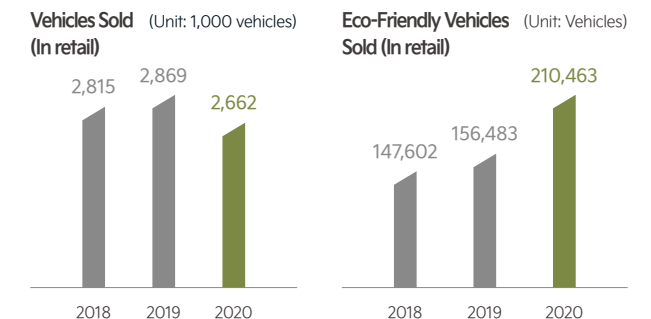


2020 Market Review and Analysis

Kia achieved a global market share of 3.7% by selling 2,662,000 vehicles despite the decline in demand due to COVID-19 in 2020, which represents a 0.5% increase year-on-year. Despite uncertain business conditions, we managed to achieve these results through strategic business operations by considering the market conditions of each region.

In the domestic market, we have sold more than 550,000 vehicles, breaking the previous record in sales. In the North American market, we focused on the sales of the SUV line-up with superior marketability, and in Europe, where COVID-19 has significant impact, we stayed responsive to the market conditions by utilizing government support from each country. As a result, our global position was strengthened as we increased our market share by 0.4% and 0.3% in North America and Europe, respectively.

In 2020, Kia's brand reputation has risen from being recognized for the excellent commercial value of our models. Telluride and Soul were selected as World Car of the Year (WCOTY) and World Urban Car respectively, at the 2020 World Car Awards. K5 and Sorento, with full model change in 2020, were selected as winners at the 2020 American Good Design Awards.



2021 Plans & Goals

In 2021, the global economy is expected to shift to growth, thanks to the base effect of COVID-19 and economic stimulus policies in developed markets, but it will take a considerable amount of time to return to the pre-COVID-19 pandemic level. In consideration of current global market conditions, we set our sales target to 2,937,000 units in 2021, a 10% increase from the previous year. Based on the sales of the K5, Sorento, Carnival, and Sonet, which have successfully launched, we plan to boost sales momentum by launching new models. In addition to continuous investment in R&D and expanding sales volume, we expect to see an increase in profitability by targeting the SUV segments and CKD* markets. Furthermore, building on our competitive eco-friendly car line-up as a foundation, we will respond to environmental regulations in Europe and other countries in a timely manner.

In addition, we will take a leap forward as a new Kia by relaunching the brand, which is successfully under way with favorable customer reviews. Starting with K8, an upper midsize luxury car with Kia's new logo on it, EV6 as Kia's first dedicated electric vehicle and Sportage as the global largest volume model will be launched to meet customer expectations.

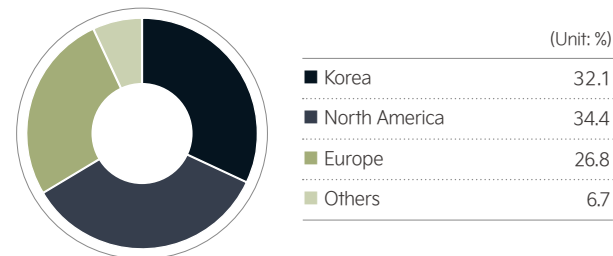
* CKD: Complete Knock Down (consigning production through reassembly of parts)

R&D Investment (Unit: KRW 100 million)

Category	2017	2018	2019	2020	Mid-/Long-term Target (2025*)
Facility Investment	15,258	23,314	21,067	16,698	80,494
R&D Expense	16,419	16,649	17,682	16,730	108,495
Total	31,677	39,963	38,749	33,428	188,989

* Accumulative by 2025

Sales Volume Ratio by Market (2020)



INTERVIEW

Young-Jae Ryu, CEO
Sustinvest Co., Ltd.



We take a positive view of the fact that the R&D goal of establishing an eco-friendly vehicle line-up through continuous research on eco-friendly vehicles has been disclosed.

Performance and Plans by Region

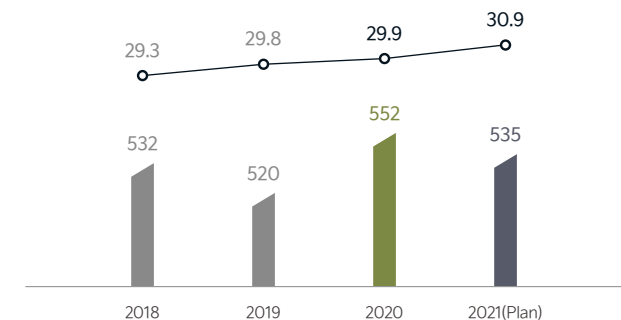
Domestic

As a result of the successful launch of Sorento and Carnival as 2020 flagship models, Kia recorded the highest sales in Korea since its foundation last year. In addition, we secured competitiveness by preemptively responding to the increase in customer demand due to the impact of new car launches and lower individual consumption tax.

Due to the increase in demand in 2020, the domestic market is expected to shrink slightly compared to the previous year in 2021, and the sales target for 2021 was set at 535,000 units, a 3% decline from the previous year. We will maintain our strong sales in 2021 by gaining competitive edges with our flagship models and making the most of the new car launches.

Domestic Sales Volume (In retail)

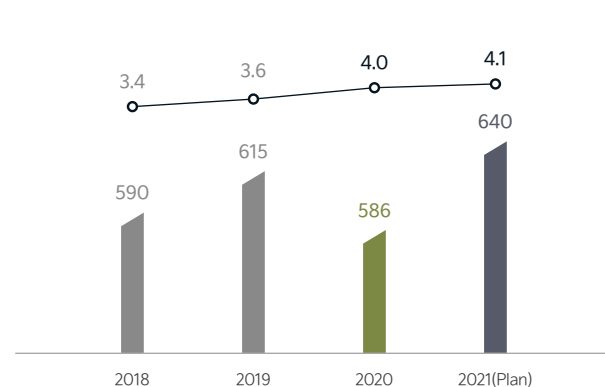
■ No. of Vehicles Sold (1,000 vehicles)
○ Market Share (%)



U.S.

In 2020, Kia increased its U.S. market share to 4% as Kia completed the production system of 100,000 units of Telluride, North America's flagship model, and launched the New K5 and Seltos. We also built a sales portfolio with a focus on SUV segment that fits the U.S. market structure, and recorded higher average sales per unit, resulting in improved profitability. The 2021 U.S. market sales target is 640,000 units, up 9.2% year-on-year. We plan to strengthen our position in the SUV market by launching the Carnival with a new brand logo while maintaining its superior quality and enhancing our position in the North American market. Furthermore, by increasing the eco-friendly car line-up, we will take a proactive approach to drive growth in the U.S. market and lay the foundation for the U.S. launch of the EV6 in 2022.

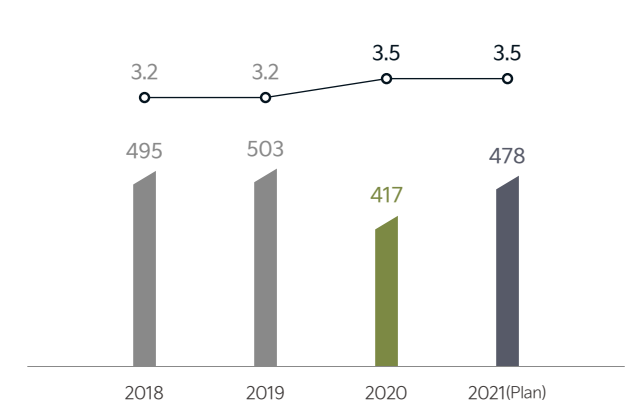
Sales Volume in the U.S. (In retail) ■ No. of Vehicles Sold (1,000 vehicles) ○ Market Share (%)



Europe

The demand in Europe fell sharply due to COVID-19, causing sales to decline across the brand. Kia has implemented a pan-European response program, closely monitoring the situation in each European country, focusing our resources on markets with relatively good sales conditions and increasing our market share despite the challenging environment. In 2021, the European market is expected to see a steady recovery, and we are targeting a 14.6% sales growth that exceeds the market demand growth. Based on our experience in successfully responding to the CO₂ emissions regulations by increasing the sales ratio of eco-friendly cars to 26% in 2020, Kia will continue to improve the mix of eco-friendly cars in 2021 to respond to the tightened CO₂ emissions regulations without a hitch.

Sales Volume in Western Europe (In retail) ■ No. of Vehicles Sold (1,000 vehicles) ○ Market Share (%)



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

(Unit: 1,000 vehicles)

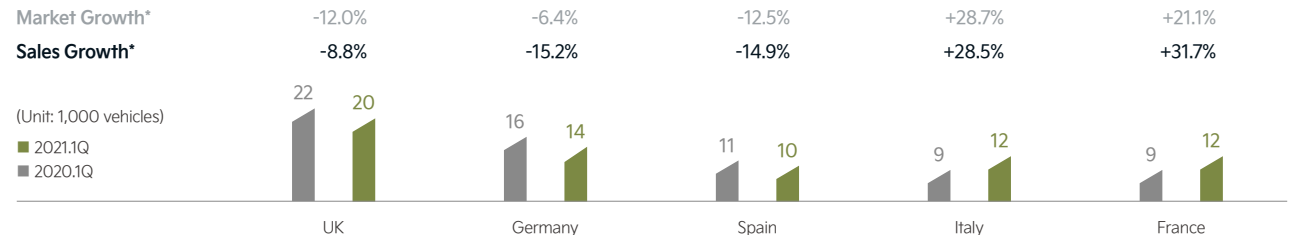
Sales	UK	Germany	Spain	Italy	France
2019	97	66	61	48	44
2020	71	62	45	34	39

Market Growth*

Sales Growth*

(Unit: 1,000 vehicles)

■ 2021.1Q
■ 2020.1Q



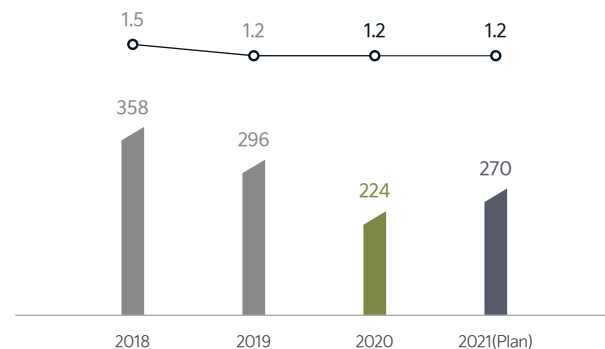
* The market growth rate and sales growth rate data refer to the rate of change in the first quarter of 2021 compared to the first quarter of 2020

China

China, which was the first to be impacted by COVID-19, saw a rapid recovery in the second half of 2020. Kia is working on strengthening our structure for shifting sales momentum, which has declined since 2017. With the focus on strategic models including K3, K5, and KX3, we improved our sales portfolio and laid the foundation for a turnaround by enhancing dealers' sales management.

As demand in the Chinese market is expected to recover to pre-COVID-19 levels in 2021, we came up with a rebuilding plan for all areas of our business, including products, brands, sales network, and customer experience, in order to drive sustainable growth in the Chinese market. With these fundamental innovations in place, 2021 will be the beginning year for a new start in the Chinese market.

Sales Volume in China (In retail) ■ No. of Vehicles Sold (1,000 vehicles) ○ Market Share (%)



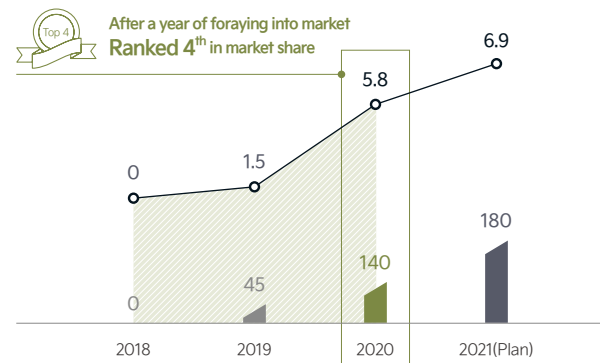
* Market share in wholesale

India

Kia's first entry into the Indian market in 2019 resulted in a 5.8% market share and position among the Top 4 brands within just one year. The Seltos and Sonet, with local specifications and designs, achieved First and Second Place in sales, respectively. Furthermore, we achieved visible results in terms of a qualitative perspective as we were ranked first in dealer satisfaction and achieved recognition as a Top 7 brand.

To continue this growth, we set a sales target of 180,000 units in 2021, up 28.8% from the previous year. We will continue to maintain strong sales momentum based on the Sonet and further solidify our premium brand image in the Indian market by improving the product quality.

No. of Vehicles Sold in India (In retail) ■ No. of Vehicles Sold (1,000 vehicles) ○ Market Share (%)

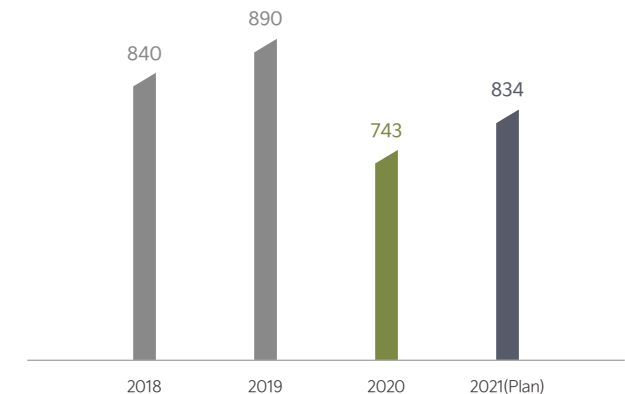


* Market share in wholesale

General

We combined the sales in Asia/Pacific, Middle East, Africa, Latin America, Russia, and Eastern Europe, excluding China and India. Due to the sharp decline in demand in emerging markets such as central and South America, Asia, and the Middle East as a result of the Covid-19 pandemic, sales volume declined by 16.5 percent in 2020 compared to the previous year. In 2021, We are aiming sales of 834,000 units, up 12.2% year-on-year by actively targeting waiting demand.

Sales Volume in Japan (In retail) ■ No. of Vehicles Sold (1,000 vehicles)



Environment

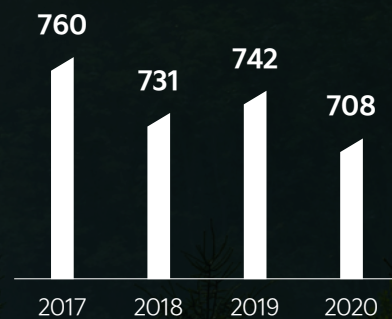
Recognizing the importance of environmental issues facing humankind, Kia strives to minimize environmental impacts throughout the value chain, from production to disposal.

Kia Slovakia

RE100 established
100% use of renewable energy

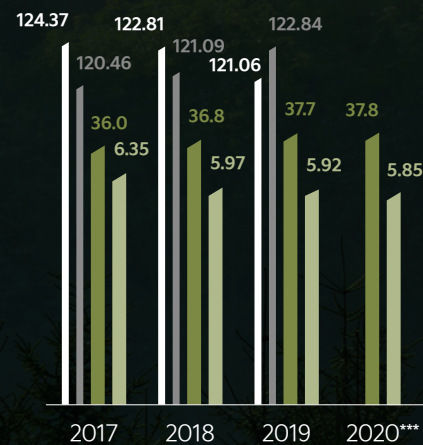


Total domestic greenhouse gas emissions (Unit: thousand tCO₂-eq)



Average CO₂ emissions from products sold in by region

■ EU N1* (g/km) ■ EU M1** (g/km)
■ U.S. (MPG) ■ China (l/100km)



* 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)

*** Average CO₂ emissions from products sold in EU is scheduled to be counted in July 2021

Eco-friendly Management

Environmental Management System

Pursuing our vision of building a corporate culture around people and the environment, we declared four safety and environment management policies, including compliance with safety and environmental regulations, reducing safety and environmental risks, minimization of emissions, and raising safety awareness. We announced our environmental policy publicly on official website annually and we also have set a goal of creating a culture of environmental protection by 2025, and making our workplace safe and environmentally friendly. Since 2014, we have strengthened our manpower and expertise by establishing relevant organizations while developing and operating programs to prevent industrial accidents and disasters. To this end, we acquired ISO 45001 (occupational safety and health) and ISO 14001 (environmental management) certifications from DNV-GL (Korea) among the world's three major certification bodies, a first in the automotive industry. This achievement is recognized for our strong commitment towards establishing SHE systems at our domestic work sites (head office and manufacturing facilities), and this allowed us to strengthen our position as a safe and eco-friendly global company. We plan to expand the integrated SHE management system to overseas

business sites to achieve ISO certification for the head office and both domestic and overseas manufacturing facilities by 2022.

Environmental Management System

In 2003, Kia declared global environmental management as a top priority and established a system ranging from key ideologies to implementation systems. Based on the philosophy of environmental management, we develop and implement strategies that prioritize the environment in all processes in business operation including research, purchase logistics, production, marketing, and customer service.

Environmental Management of Supply Chain

We promote sustainable growth of the supply chain through environmental management policies and ongoing assessment. We identify their core technologies from the perspective of eco-friendly operation, environmental management and internal systems, use of hazardous materials, and International Material Data System (IMDS), and require them to make the necessary improvements. Kia will take the lead in fulfilling social responsibility with its suppliers through continuous environmental management of the supply chain.

INTERVIEW

Jong-Oh Lee,
Secretary General
Korea Sustainability
Investing Forum

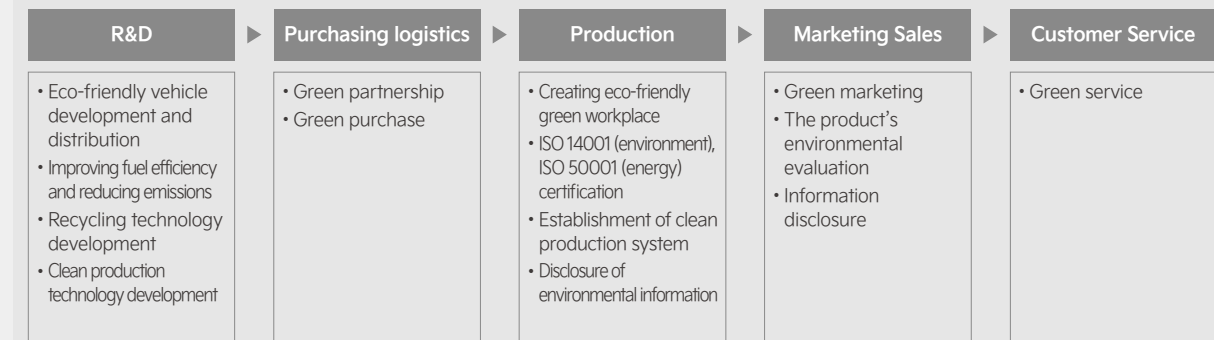


Kia has built a solid foundation for performance management, based on which it invests in environmental protection and reduces pollutants. It is commendable that they are committed to minimizing environmental impact in the production process and generating great results.

Environmental Management System



④ Environmental management in the value chain



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 cost system implemented in 2004, we identify the costs by type and plan our budget accordingly. In 2020, we spent about KRW 4.1 billion on environmental programs, and in 2021, we plan to invest KRW 12.1 billion, three times the amount from the previous year. We identify and improve the level of environmental practice through internal reviews and certification agencies every year. In 2016, we established a specialized training center and in-house training programs to help employees in charge of environmental protection improve their expertise.

Environmental Investment Cost (Unit: KRW 1,000)

Classification	2018	2019	2020
Performance	6,245,000	6,257,187	4,109,156
Plan	4,028,900	4,205,000	4,002,900
Budget Execution	155%	148.8%	102.7%

Environmental Management Cost

The cost of environmental management in 2020 was KRW 19.3 billion, which was used in various fields such as improvement and maintenance of the working environment, environmental education and environmental examination, waste treatment, compliance with environmental laws, and accident prevention.

Green Bond

In 2021, Kia issued green bonds for the first time to support environmental projects and fulfill its corporate social responsibility. In March, we issued KRW 300 billion in debentures, and in April, we issued KRW 700 million in foreign currency debentures (global bonds). The amount raised will be invested in eco-friendly car R&D and facility development in line with the Kia Plan S strategy.

The currency debentures in KRW were rated as the highest class, GB1, by a credit rating agency while the foreign-currency debentures were recognized as adequate by the DNV, a certification agency recognized by the International Capital Association (ICMA) after drafting the Green Finance Framework

in accordance with the Green Bond principle. In particular, by limiting the source of funds to EV vehicles, we managed to meet the “Zero Emission” standards recognized by the global environmental organizations, attracting investment from Green Bond funds.

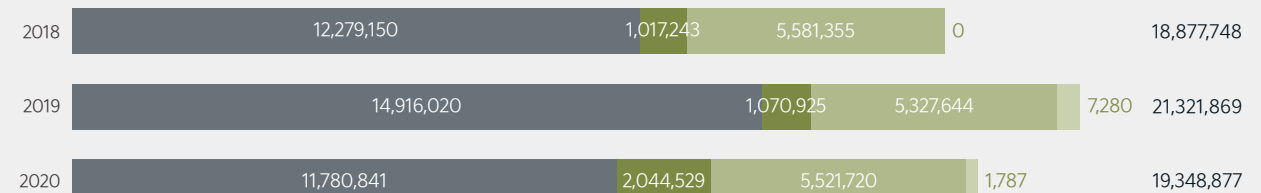
* EU Taxonomy, Climate Bond Initiative(CBI), International Energy Agency's 2 Degree Scenario(IEA2DS)

According to the green bond guidelines of the Ministry of Environment and International Capital Market Association, Kia will lead in protecting investors' rights and interests by post-issuance reporting once a year until the allocation of funds is completed. We will take a leap further as an eco-friendly company through continuous investment in the electric vehicle business.

Environmental Management Cost

(Unit: KRW 1,000)

- Direct cost to reduce environmental loads (work environment improvement and maintenance cost)
- Indirect cost to reduce environmental loads (employee environmental education and environmental examination fees)
- Waste treatment and recycling (waste treatment cost, etc.)
- Environmental risk management cost (expenses related to compliance with environmental laws and accident prevention)



Response to Climate Change

Commitment to Achieve Carbon Neutrality

In response to the global declaration of Carbon Neutrality Coalition in 2020, we are striving to accomplish carbon neutrality as a key task in our climate change response strategy. In this respect, we are planning to establish a carbon neutrality management system through analyzing the greenhouse gas emissions in our value chain, from parts procurement to production, logistics, usage and disposal with the ultimate aim of accomplishing a zero environmental impact (Net-Zero).

Firstly, we will join the Global RE100 (Renewable Energy 100) that converts 100% of electric energy consumed at all domestic and overseas business sites to renewable energy. For Kia Slovakia, 100% of its electricity is sourced from this converted renewable energy. We plan to adopt this system into other business sites.

Furthermore, through product electrification based on Plan S, we plan to achieve zero carbon emissions from our vehicles. Also, greenhouse gas emission management program for our suppliers will be implemented and eco-friendlier solutions will be applied to the logistics and disposal process. Any inevitable residual carbon, despite the implementation of these reduction programs, will be subject to offset programs such as carbon capture and ecosystem conservation which we will be carrying out shortly. Up to 2025, we plan to reduce Scope 1 and 2 greenhouse gas emissions by 17.4% of the 2016 amount.

Additionally, we are considering revising the reduction target by 2040 and announcing Carbon Neutrality and RE100 Implementation Plans in 2021. Furthermore, it is our goal to establish a carbon neutrality and energy-saving program applicable to the sales stages involving branch agencies and

dealers. All in all, Kia will continue to make utmost efforts in transforming all of our corporate activities to align with the proposed goal, so that our products can contribute to protecting the global environment and ultimately realize a genuine “Clean Mobility.”

* 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

Progress in Response to Climate Change

In 2020, Kia was ranked Leadership A in evaluation criteria of climate change and water security by CDP, received “Water Management Award” and “Carbon Management Honors Club” for two consecutive years, demonstrating that Kia has earned recognition for its efforts and achievements in resolving the climate change issues

Global CDP

Leadership

A Climate Change A
Water A



Kia Slovakia Powered by Renewable Energy

100%



Climate-related Financial Disclosure

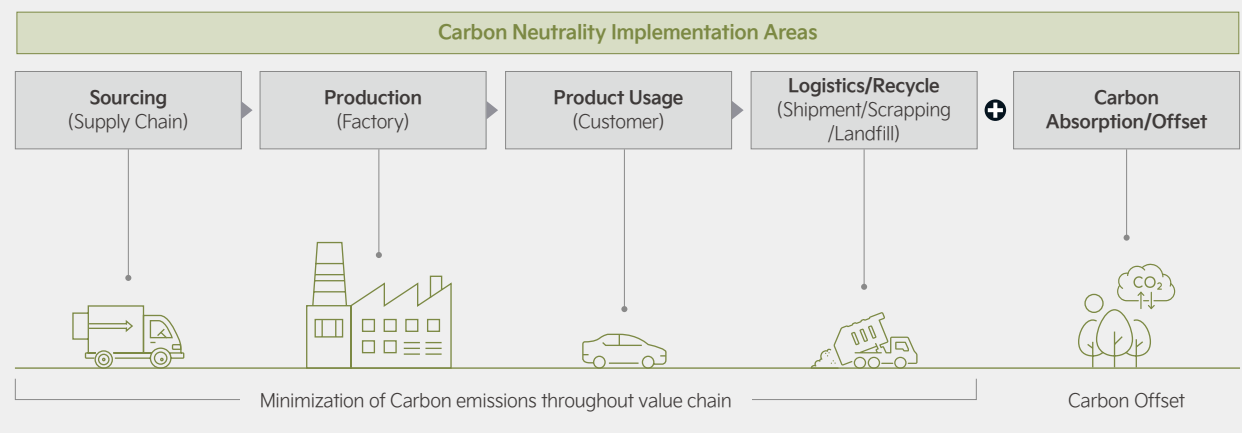
Declaration of support

TCFD

and disclosure of information



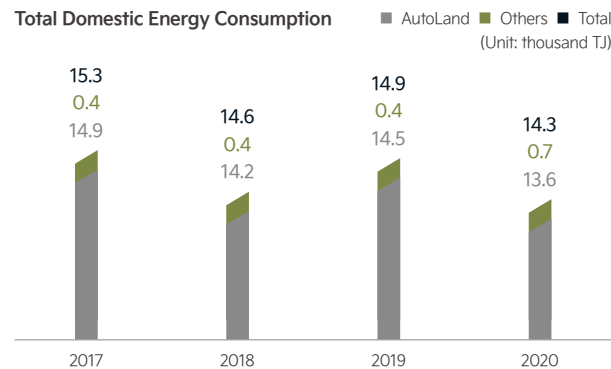
Kia's Carbon Neutrality Strategy



Domestic & Overseas Energy Consumption and Greenhouse Gas Emissions

For the first time in the automobile industry, Kia has implemented a global corporate-wide GEMS (Greenhouse Gas & Energy Management System), which allows the company to track the energy use of all AutoLands across the world and its headquarters in real time. Furthermore, the K-CUBE system has allowed all departments to find and build energy-saving products such as energy-efficient buildings, as well as register and control production optimization initiatives.

The greenhouse gas council at global business sites shares the status of our goal's implementation and performance, while we tackle the relevant risks based on an in-depth examination of them. In addition, we are implementing carbon neutral mid-to-long-term policies in order to effectively manage the risks connected with global de-carbonization and climate change. Furthermore, changes and investments are made to reduce greenhouse gas emissions based on emission estimations, which are reflected in business strategy targets when they are set.

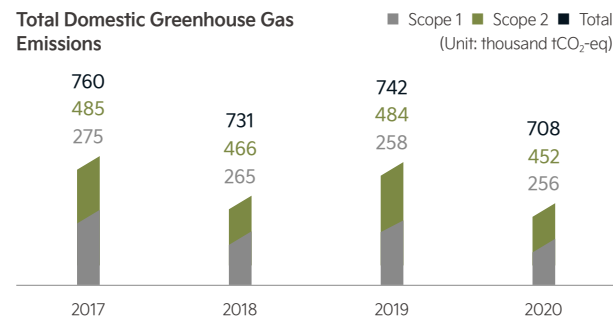


* Total energy consumption of domestic and overseas AutoLands and the headquarters (subject to change per the government's adequacy assessment)

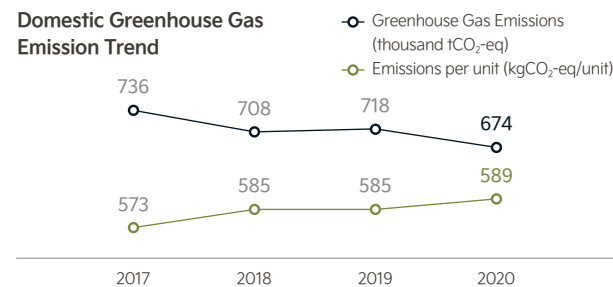
** AutoLand: AutoLand Gwangmyeong, Hwasung, Gwangju / Other divisions: headquarters, service center, sales branch, shipping office, Osan Training Center, Pyeongtaek Port, Vision Square

Domestic Greenhouse Gas Emissions

In 2020, total greenhouse gas emission from all AutoLand and services, sales branches, shipping offices, and training centers in Korea amounted to 710,000 t, of which Scope 1* is 260,000 t and Scope 2** is 450,000 t. Among domestic business sites, AutoLand Gwangmyeong, Hwasung, and Gwangju emitted 670,000 t of greenhouse gas, down 50,000 t from the previous year.



* Including all AutoLands and other divisions (subject to change per the government's adequacy assessment)



* Scope: all AutoLands in Korea

** Criteria: Calculation of LHV (lower heating value) in area 1 and 2 (2000-2006) / Korea Ministry of Environment Notice No. 2011-29 Guidelines for Greenhouse Gas and Energy Target Management and Operation (after 2007)

Efforts of Reducing Other Indirect Greenhouse Gas Emissions

We are committed to downsizing the direct sources of greenhouse gas emissions by applying energy-efficient facilities and production optimization, and also have been striving to control indirect emissions by gaining third-party assurance in respect to Scope 3*emissions since 2019.

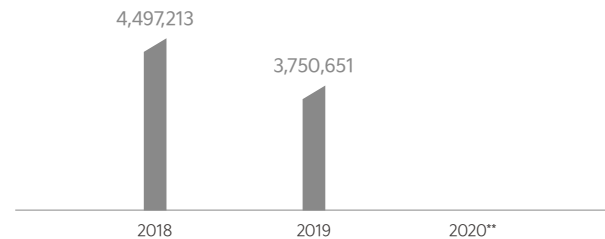
As part of this effort, we introduced an employee EV test drive program that allows employees to experience the electric vehicles for commuting to work and going on vacations, enhancing their understanding of EVs and encouraging them to participate in reducing the greenhouse gas emissions. Lately, the company cars used at Yangjae headquarters have been fully replaced with EVs. We aim to constantly utilize EVs for company car use onward.

To limit employee use of personal cars for commuting, a 5-day rotation system was implemented, and in 2021, we cut the number of parking permits issued by 30% and encouraged our employees to use commuter buses. Currently, 425 commuter buses are used for a total of 345 routes that operates based on employee demands. In addition, to reduce business travels, we established a large-scale video conferencing system and advised using public transit and carpooling for domestic business travels. Kia also has been measuring and fully disclosing the volume of greenhouse gases emitted in the course of our business activities, and is in turn making continuous efforts to reduce them.

* Scope 3: Indirect greenhouse gas emissions excluding energy

Other Indirect Greenhouse Gas Emissions (Scope 3)

(Unit: tCO₂-eq)



* Domestic

** To be collected in July 2021

Trend by Type of Business Trip

(Unit: Cases)

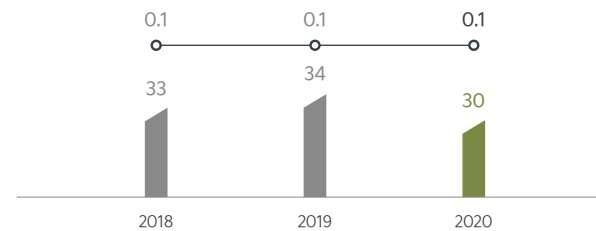
Type	2018	2019	2020	YOY
Personal Car	13,825	14,509	7,220	-50.2%
Carpool	4,944	4,925	2,859	-41.9%
Express, Direct, Airport Bus	9,842	9,907	6,548	-33.9%
Express Rail	10,544	10,648	4,329	-59.5%
Rail Saemaeul, Mugunghwa	1,226	1,170	144	-87.7%
Air	261	300	53	-82.3%
Total	40,642	41,459	21,140	-49.0%

Overseas Greenhouse Gas Emissions

In 2020, total overseas greenhouse gas emissions reached 502,000 t, of which Scope 1 emissions were 116,000 t and Scope 2 was 386,000 t. As the emission measuring factors and standards of each country where Kia's business sites are located were revised in 2020, the previous greenhouse gas emissions data have been adjusted accordingly. Furthermore, our overseas business sites carried out a third-party verification on greenhouse gas emissions, including the new plant in India and plants in Slovakia, Yancheng, Georgia, and Mexico.

Kia Slovakia*

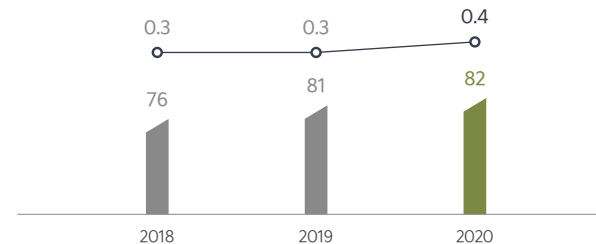
■ Greenhouse Gas Emissions (thousand tCO₂-eq)
○ Emissions per unit (kg tCO₂-eq/unit)



* Kia Slovakia: powered solely (100%) by renewable energy

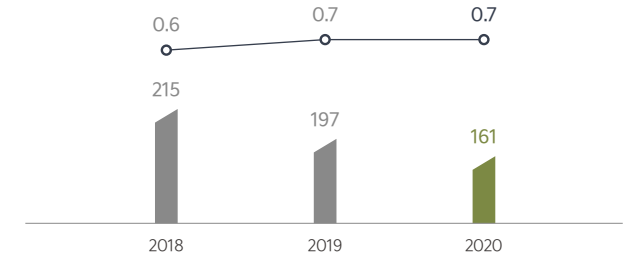
Kia Georgia

■ Greenhouse Gas Emissions (thousand tCO₂-eq)
○ Emissions per unit (kg tCO₂-eq/unit)



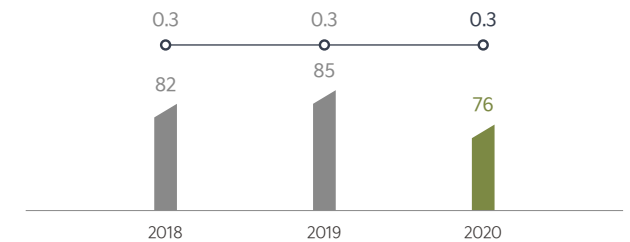
DYK

■ Greenhouse Gas Emissions (thousand tCO₂-eq)
○ Emissions per unit (kg tCO₂-eq/unit)



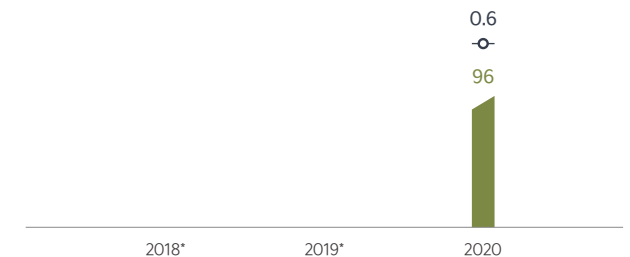
Kia Mexico

■ Greenhouse Gas Emissions (thousand tCO₂-eq)
○ Emissions per unit (kg tCO₂-eq/unit)



Kia India*

■ Greenhouse Gas Emissions (thousand tCO₂-eq)
○ Emissions per unit (kg tCO₂-eq/unit)

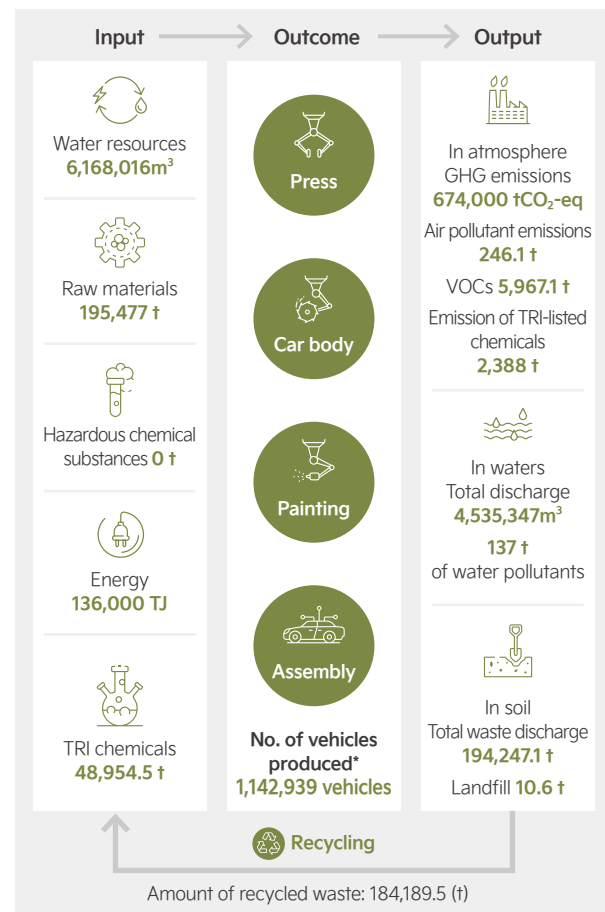


* Kia India was established in December 2019, thus its emissions have been tracked since 2020

Reducing Environmental Impact

Material Balance in the Auto Manufacturing Process

Kia strives to reduce per-unit production input and output through process innovation, and to minimize total input through system updates and recycling.



* Domestic automobile manufacturing: Limited to AutoLand Gwangmyeong, Hwasung, Gwangju, and Original Equipment Manufacturing (OEM) is excluded

We collected resources (Input), discharged materials (Output), and created values (Outcome) over the year to understand the current situation, and set goals and seek improvement measures based on this.

In 2020, the annual production decreased compared to the previous year, along with raw material consumptions (-7.2%), VOCs* emissions (-8.8%), hazardous chemical substances consumptions (-100%), and TRI-listed** chemicals used (-8.3%) per vehicle. When it comes to total waste, the total emissions (6.2%) and the recycled waste (7.6%) increased while the incinerated (-7.5%) and landfilled waste (-98.7%) fell significantly, resulting in an increase in recycling rate from 93.6% to 94.8%.

* VOCs: Volatile Organic Compounds

** TRI-listed chemicals: Substances subject to the previous year's chemical emission survey

Performance Against Environmental Management Target*

Category	Subcategory	2018	2019	2020	2021 Target
Green Growth	Greenhouse Emissions (tCO ₂ -eq/vehicle**)	584.2	585.1	589.6	580.4
	Energy Consumption (kgOE/vehicle)	277.2	278.4	280.1	275.8
Eco-Friendly Production	Water quality (t/vehicle)	5.4	5.4	5.4	5.2
	COD (mg/l)	16.1	14.3	18.0	27.0
Recycling	Hazardous chemicals Consumption (kg/vehicle)	0.4	0.1	0	0
	Generated amount (kg/vehicle)	160.1	149.0	170.0	154.7
	Recycled rate (%)	91.6	93.6	94.8	85.0

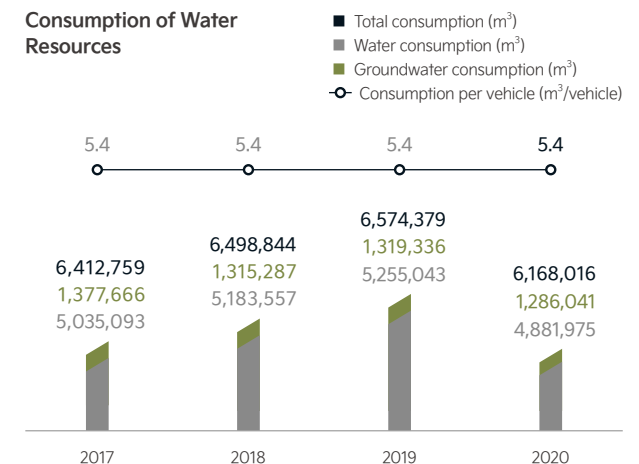
* Scope: AutoLand Gwangmyeong, Hwasung, Gwangju

** Amount used (emitted) per vehicle: Based on the number of vehicles produced, the amount used or emitted when producing one vehicle

Water Resources

Recognizing the severity of the global water shortage, we are implementing various measures including investment in wastewater recycling facilities and replacement of auxiliary facilities in response to water resource risks identified through policy/regulatory trends and analysis of our current status. In Korea, water resources are supplied from Paldang Dam (AutoLand Gwangmyeong & Hwasung) and Juam Dam (AutoLand Gwangju), which have a water storage volume of more than 200 million t. We are managing water quality by building Reverse Osmosis (RO) facilities in painting plants. Furthermore, we are increasing our investments in reusing RO concentrated water to reduce water consumption. In other countries, we introduced a wastewater-free system from the design stage when building manufacturing facilities in India in 2019, and we are working to ensure that all wastewater is reused, starting in 2020. The consumption of water resources in 2020 was 6,168,016m³, reduced by 6.2% from the previous year.

Consumption of Water Resources



* Data for 2018 and 2019 have been partially revised due to the change in the calculation standard

Raw Materials

The automobiles produced by Kia are mainly made of steel plate, paint, thinner, and plastics. In order to reduce the use of raw materials per product, we are committed to improving the production process and managing the use of key raw materials. In 2020, the total consumption of raw materials decreased by 13.6% compared to the previous year, and the consumption per unit also decreased by 7.2%. In particular, the total amount of steel used (excluding the amount from subcontractors) was reduced by 14.6% and 83% per unit year-over-year.

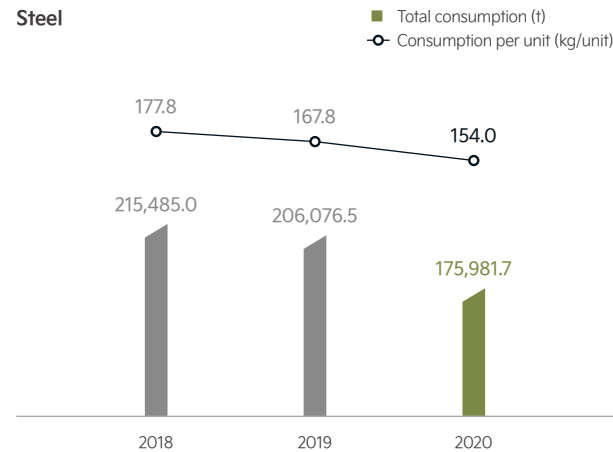
Since our participation in the voluntary agreement on green purchase in September 2005 as a primary company, we have purchased eco-friendly products including those with the eco-label and recycling mark in accordance with the Green Purchase Guidelines every year. In addition, we apply environmental standards to prevent the use or inclusion of hazardous substances in the development and production processes for components and parts.

Recycled Iron (Iron Plate)

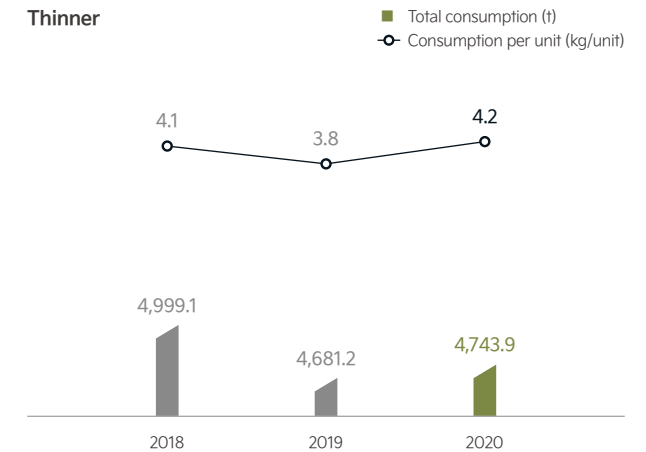
Classification	2018	2019	2020
Total consumption (t)	6,828.6	4,439.3	*
Consumption per vehicle (kg/vehicle)	5.6	3.6	

* No results in 2020 due to the shutdown of AutoLand Gwangju

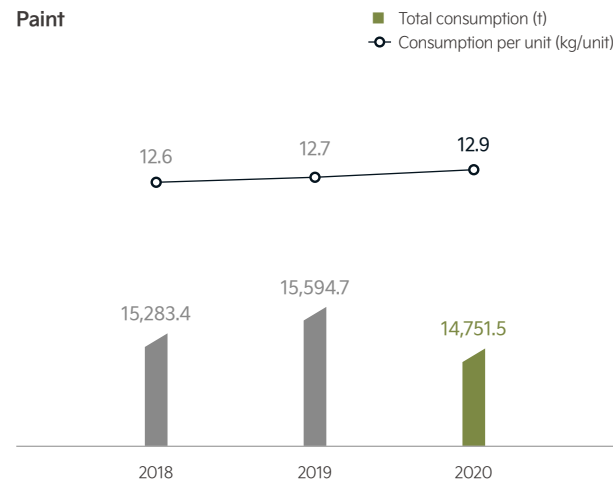
Steel



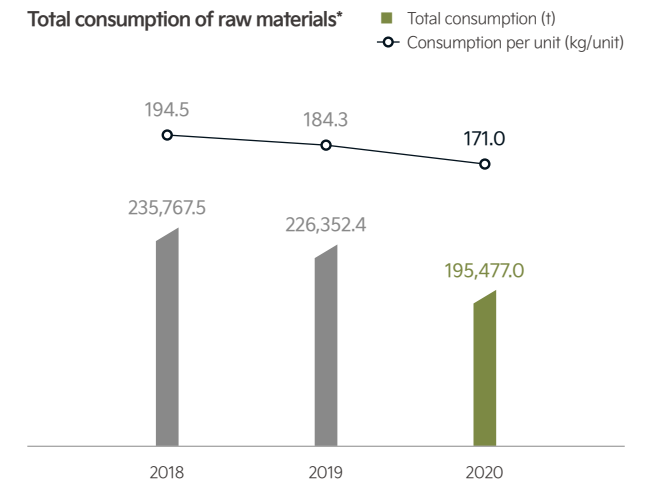
Thinner



Paint



Total consumption of raw materials*



* Total amount of iron, paint, and thinner used

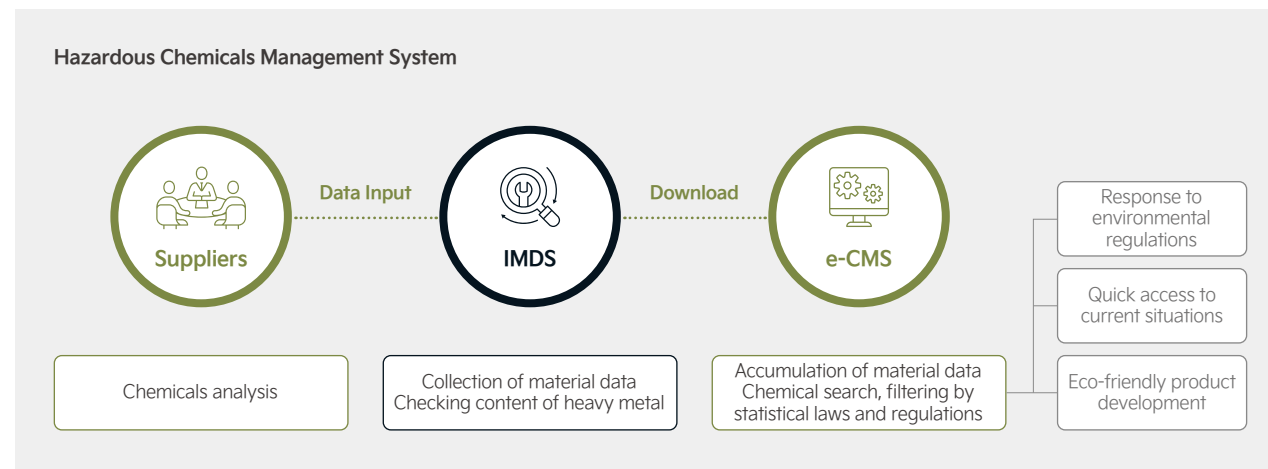
Chemical Management System

In line with the global trend of strengthening regulations on hazardous chemicals, restrictions on the use of four heavy metals (lead, mercury, cadmium, and hexavalent chromium), ozone-depleting chemicals, and hazardous chemicals are becoming internationally accepted. We prohibit the use of chemicals regulated by domestic and international laws and regulations in all our products, and develop and apply alternative materials. The information about the material and weight of parts collected from the International Material Information System (IMDS) is built into our own chemical management system database, e-Chemical Management System (e-CMS). Based on this system, we manage the information on chemicals for all the parts produced since 2005, and use them to identify the types of chemicals to be regulated and to conduct preliminary review for replacement. Furthermore, a company-wide organization dedicated to managing

hazardous chemicals was formed in 2016 to respond to the regulatory requirements in a timely manner. In 2017, the Hazardous Chemical Management System (HCMS) was independently developed to monitor the entire process from obtaining regulatory information to completing legal response in real time. In 2019, we established a preliminary review process and a computer system to check for applicable environmental regulations before introducing new chemicals to our process, and implemented an integrated safety, health, and environment system (i-SHE) to monitor the information on chemicals used by each process more efficiently. Kia uses its own system, ProdTest to calculate the recyclability rate to appropriately 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, United States, Chinese and Korean recyclability certifications and regulations.

Management of Waste Discharge

We are committed to reducing waste and increasing recycling. At domestic places of business, we have implemented a resource recycling performance management system since 2019 to minimize landfill that can cause soil pollution, taking a proactive approach to resource recycling policies and maintaining a recycling rate of over 90% since 2007. The ratio of landfill waste to total waste at the three domestic plants has declined since 2017, and the landfill rate reached 0.01% in 2020. For landfilled and incinerated waste that is inevitable due to technological and economic restrictions, we thoroughly separate and discharge them to minimize environmental impact while making improvements, such as developing recycling companies to change the process. In 2020, the total waste generated at the three domestic plants was 194,000 t, up 6.2% from the previous year, but 94.8% of them (184,000 t) was recycled as raw materials for cement, resulting in a recycling ratio of 1.2% up to the previous year.



Waste Disposal by Method

Classification		2017	2018	2019	2020
Total (t)	Recycled	195,844	177,725	171,220	184,189
	Landfilled	4,513	1,493	829	10
	Incinerated	11,975	14,860	10,865	10,047
	Total*	212,333	194,079	182,914	194,247
Per unit (kg/unit)	Recycled	152.1	146.6	139.4	161.2
	Landfilled	3.5	1.2	0.7	0.01
	Incinerated	9.3	12.3	8.8	8.8
	Total*	165	160	149	170

* Rounding off the sum of waste disposal by method

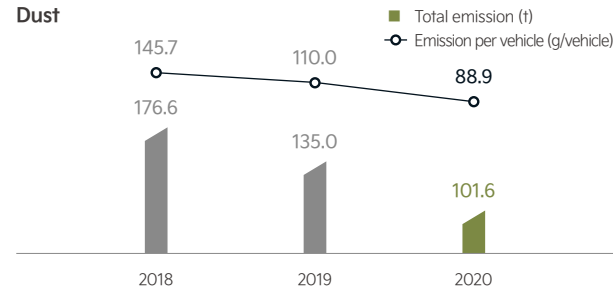
Management of Air Pollution

Paint particles and volatile organic compounds (VOCs) are the main air pollutants generated from the painting and coating processes of automobile manufacturing. Specifically, VOCs are one of the main culprits responsible for global warming and ozone depletion. They are not only toxic, but also have an unpleasant odor and catalyze a secondary chemical reaction in the air, resulting in a significant impact on air quality. Kia operates preventive systems that collect and remove such air pollutants from its production lines by applying stricter limits than the legally required. In addition, Tele-Monitoring System (TMS) and IoT systems are installed in the boilers to monitor the pollutant emission, and the target will be expanded to increase the effectiveness of management by 2022.

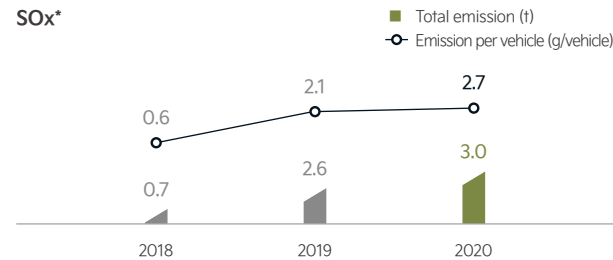
Dust, a major air pollutant, decreased by 24.7% in total and 19.2% per vehicle compared to the previous year. As for nitrogen oxides (NOx), the legal total management target area has been expanded from 2020, and all domestic places of business are currently complying with the government's total amount quota regulation. In particular, VOCs, which have a significant impact on the atmospheric environment, are separately tracked and managed, and total emissions decreased by 14.0% and emissions per vehicle decreased by 8.8% compared to the previous year.

Air Pollutant Emissions

Dust

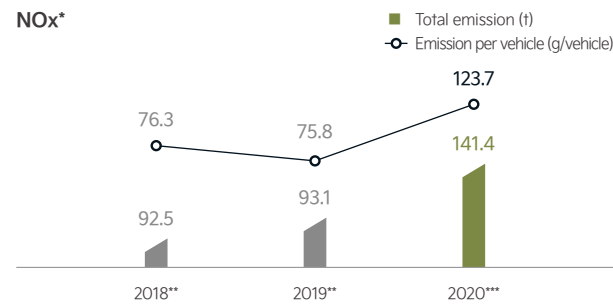


SOx*



* Sox: sulfur oxides

NOx*

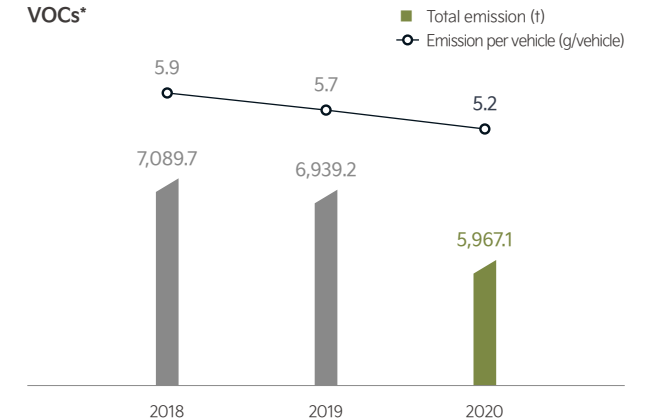


* NOx: nitrogen oxides

** Changes in NOx calculation method: Some changes in 2018 and 2019 results due to change in AutoLand Gwangju's total nitrogen oxide regulations

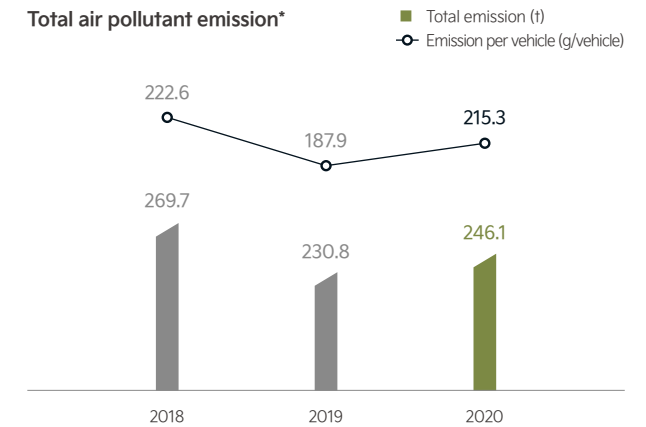
*** Emissions increase due to expansion of legal total management area from 2020 (AutoLand Gwangju added)

VOCs*



* VOCs: volatile organic compounds

Total air pollutant emission*



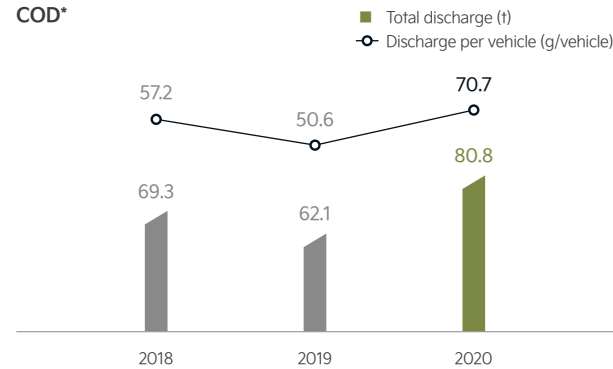
* Total of dust, Sox, and NOx emissions

Management of Water Pollution

Kia applies stricter in-house quality pollutant emission standards than the legal limits to enhance its water quality management. In order to stabilize water quality, treatment facilities are managed, including improvement of outdated facilities, and the concentration level of discharged water is regularly monitored to prevent unexpected accidents.

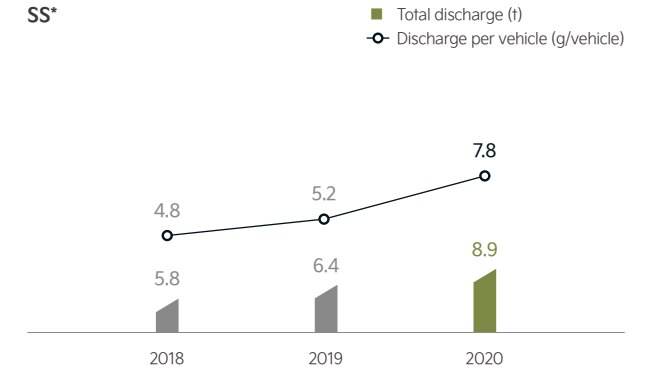
Water pollutant discharge

COD*



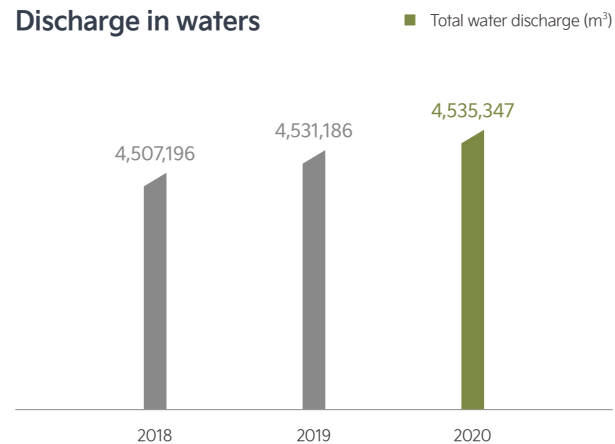
* COD (Chemical Oxygen Demand): The amount of oxygen required for microorganisms and oxidizers to decompose organic matter in water. It indicates the degree of pollution of water, and the lower the number, the lower the pollution level

SS*

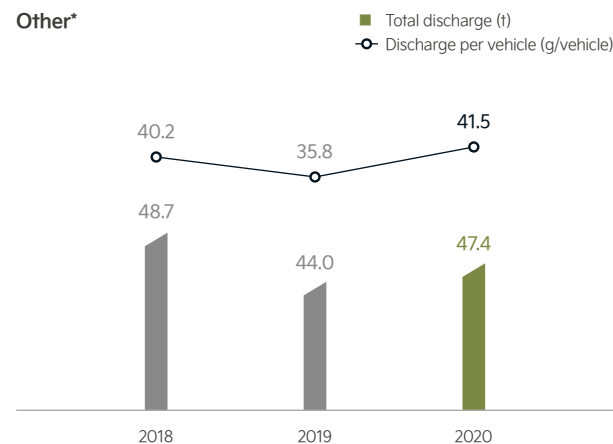


* SS: suspended solids inside the water

Discharge in waters

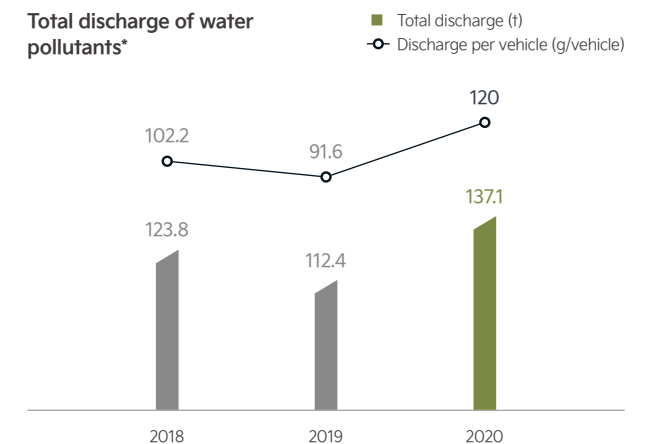


Other*



* Other generated amounts: n-H, T-P, T-N

Total discharge of water pollutants*



* Total discharge of COD, SS and other water pollutants

Management of Soil Pollution

In order to protect the ecological environment and preserve biodiversity, we are actively engaged in soil pollution control activities in and outside AutoLand. An eco-friendly and clean production environment was created by securing green spaces inside the workplace through pond installation and tree transplantation. Since 2000, as a result of thorough management of soil pollutants and the facilities that cause them and continuous inspections, no leakage of contaminants has occurred at our work sites. We also carry out external eco-friendly conservation programs every year. In April 2021, we organized a campaign to inform people of the damage to marine life and algae caused by masks and guide them on how to correctly dispose masks as part of our efforts to protect the marine ecosystem.

Afforestation Status

Classification	Plottage	Floor Area	Green Area	Green Area Ratio*
	(m ²)	(m ²)	(m ²)	(%)
AutoLand Gwangmyeong	498,908	226,539	74,850	27.5
AutoLand Hwasung	3,199,636	1,162,072	663,848	32.6
AutoLand Gwangju	1,014,941	597,446	80,007	19.2
Slovakia Plant	1,898,288	288,281	1,218,314	75.7
Dongfeng Yueda Kia (DYK) Plant 1	405,258	90,415	36,752	11.7
DYK Plant 2	1,449,172	275,536	310,437	25.9
DYK Plant 3	1,470,000	223,602	337,581	27.1
U.S. Georgia Plant	2,611,380	225,048	785,487	32.9
Mexico Plant	3,338,843	203,583	1,219,021	38.9

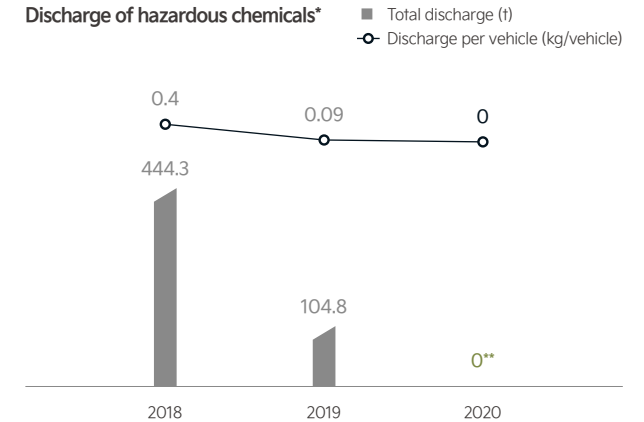
* Green Area Ratio - green area/(plottage-floor area)

Management of Hazardous Chemicals

Since hazardous chemicals have properties that have the potential to do harm to humans and the environment, they require exhaustive controlling in use and handling. Regulations on chemicals are being strengthened around the world. In Korea, the Chemical Substance Management Act and the Chemical Substance Evaluation and Registration Act took effect in 2015. When hazardous chemicals are newly designated, we are promoting non-use of hazardous chemicals subject to legal permission by changing to non-hazardous chemicals, improving processes, and stopping product use within the grace period for licensing. We have a company-wide organization dedicated to managing hazardous chemicals in response to the growing regulatory demand on hazardous chemicals, and established a system to monitor their use in each workplace. In addition, we are implementing various systems such as regulations for handling hazardous chemicals and its facilities, TRI and etc.

In 2015, the ion exchange method of the painting process was changed to an eco-friendly reverse osmosis method, and by 2019, the use of toxic substances was significantly reduced by improving the hazardous chemical handling facilities at all plants and applying alternative products. If hazardous chemicals are newly designated, we promote non-use of legally approved hazardous chemicals by changing them to non-hazardous chemicals within the grace period for licensing, improving processes, and suspending product use. In addition, we are investing in improving the facilities to replace hazardous chemicals with safe materials and converting to eco-friendly systems.

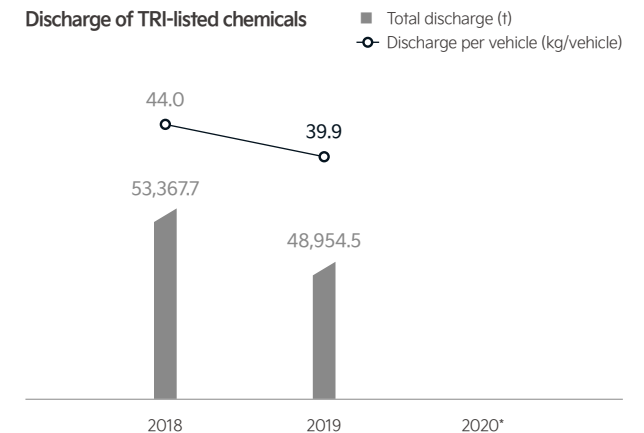
Discharge of hazardous chemicals*



* In Korea

** Kia achieved Zero emissions by use of products whose density of hazardous chemical is below the legal standard and non-use of hazardous chemical through process improvement

Discharge of TRI-listed chemicals



* Scheduled to be counted in June 2021

Product Lifecycle and Resource Circulation

Eco-friendly Design System

Kia is contributing to a virtuous cycle of resources by introducing digital-based eco-friendly design systems. System designers select materials after assessing the environmental impacts using the eco-friendly design guide database. Then, the manufacturing process is shortened by simplifying the structure of parts and improving the materials, and a mounting method for easy dismantling is devised. Once the design is completed, the dismantling process is virtually demonstrated using a 3D model. At this stage, “simplicity” and “recyclability” are evaluated thoroughly, so that the design layout can be modified or parts with low recyclability can be replaced. Once the designs are finalized, a test vehicle is produced to evaluate, and the time required for dismantling and the number of mounting elements are compared with those of the existing vehicles. On the whole, these activities lay the groundwork for creating a virtuous cycle of resources.

Eco-friendly Vehicle Development System



DfE: Design for Environment

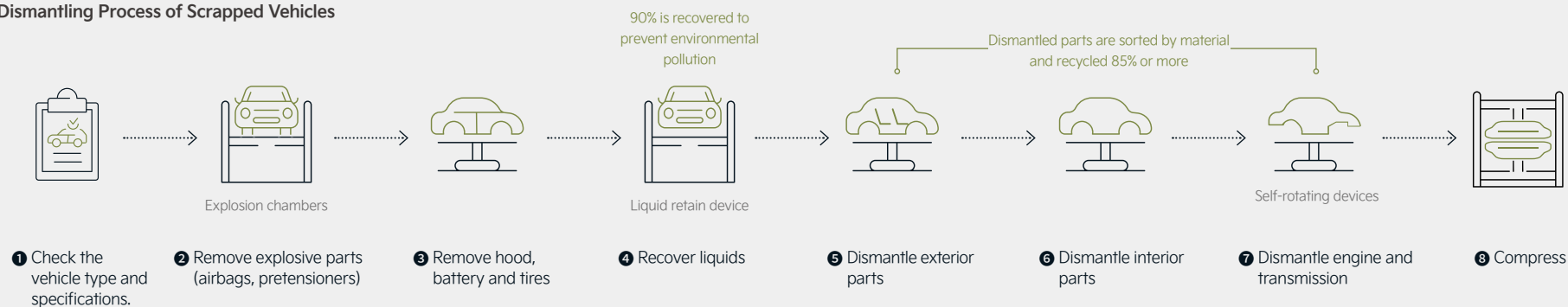


DOROSY: Design for Recycling Optimizing System

Vehicle Recycling

In October 2011, Hyundai Motor and Kia signed a “Voluntary Agreement for Resource Circulation System Advancement of Scrapped Vehicles” with the Korean Ministry of Environment. According to this agreement, we have launched pilot projects in 2012 and conducted R&D so far. As a result, Kia has built and operated a recycling system for resource circulation through agency with the support of the Korea Environment Corporation. About 51% are recycled naturally during the decommissioning phase of the junkyard, and about 30% are recycled during the crushing recycling phase. In addition, waste resources within 10% are recycled to recover heat (energy), and 4% of the four major materials (plastic, glass, rubber, and seat foam) are recovered and recycled to be put into the manufacturing process. We have achieved the recycling rate of 95% and maintained the circular resource management.

Dismantling Process of Scrapped Vehicles

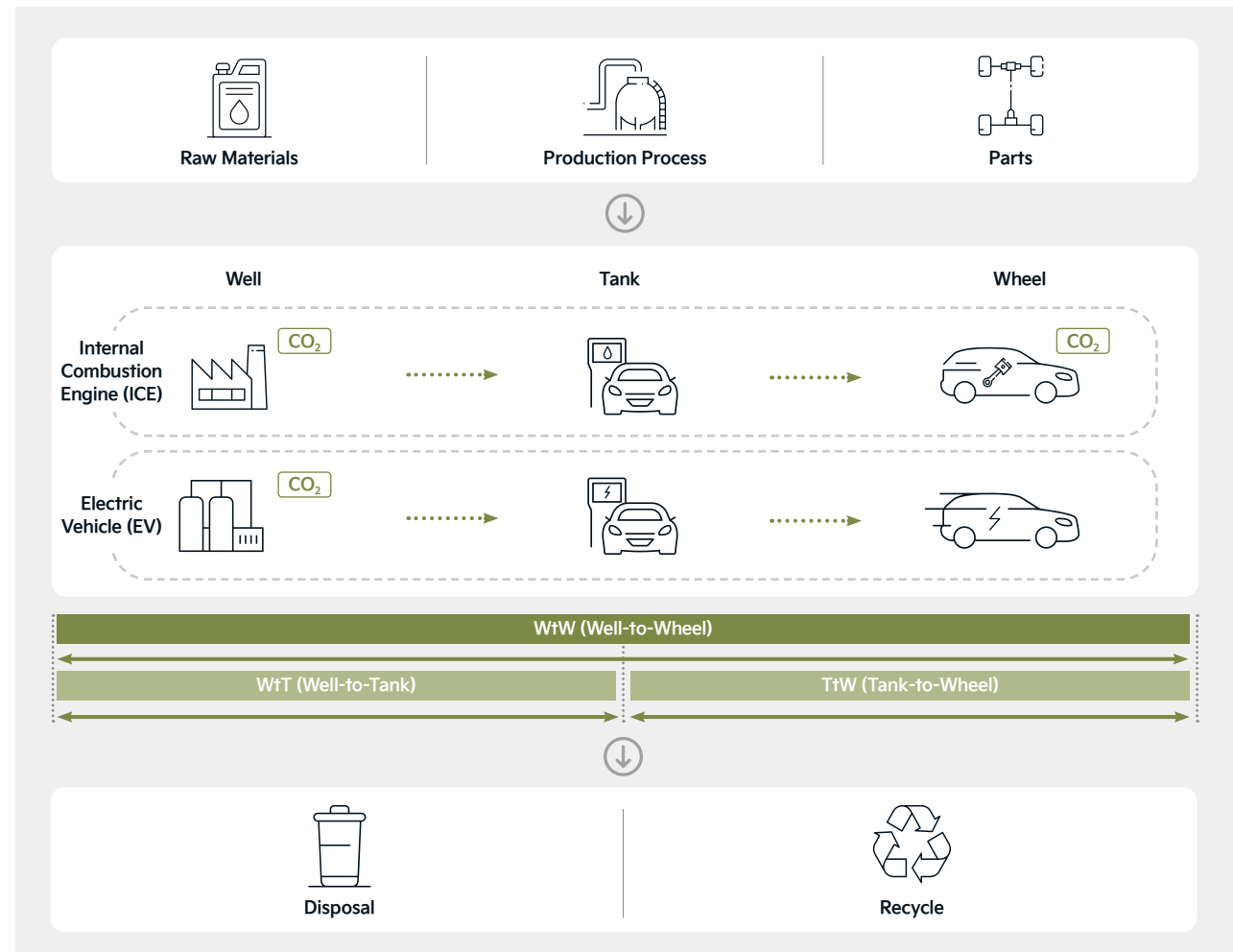


Life Cycle Assessment (LCA)

In line with the ongoing discussions on applying strong environmental policies for automobiles, the need for life cycle evaluation is emerging. Consequentially, assessing the environmental impact throughout the automobile life cycle has been more important than ever. Kia is committed to reducing environmental pollution by carrying out the LCA on new cars throughout the value chain. Taking a step further from the existing environmental regulations under which previous evaluations were only made on materials emitted from driving, now the LCA starts with evaluating from energy production methods such as fossil fuels. We conduct the assessment by applying and analyzing vehicle models based on the ISO 14040 (Environmental management - Life cycle assessment - Principles and framework) and ISO 14044 (Environmental management - 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 categories including greenhouse gas, abiotic resource depletion potential and ozone depletion potential are analyzed and assessed based on the methodology of CML*. 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.

* Centre for Milieukunde, Leiden (CML): A methodology developed by the Environmental Science Research Institute of Leiden University in the Netherlands, which the most used global process for LCA

I Scope of LCA



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

** WtT (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

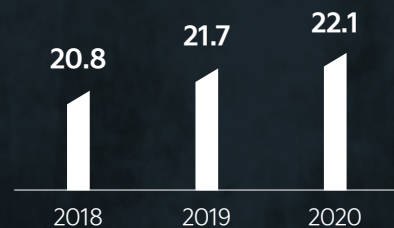
Society

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.

Employees' average working period

(Unit: Year)



* Domestic

Named by Ministry of Employment and Labor in 2020

Work-Life Balance Leading Company

No. of Female Managers

25% increase
from 2019

* Domestic

Kia's average years of partnership with suppliers

33 years

* Average length in the manufacturing industry: 12 yrs

Employees

Recruitment

Kia hires talent to pave the way to a better future through creative thinking and a pioneering spirit. In order to overcome the recently frozen job market together with future generations, 409 new employees were hired across all our places of business. 58% of the new employees hired in 2020 were people under the age of 39. Furthermore, we are hiring talent in new technology and business fields to lead the future mobility industry, and operate a “veteran” system for seniors with a high level of skill and extensive experiences to support contributions to the industry.

We manage our entire hiring process to ensure fairness and transparency, and audits are conducted by the department in charge at each stage. All executive officers and employees who participate in the recruitment process are committed to fairness in the process by signing the pledge, and an interview process is established for transparency as we collect the relationship certification from interviewers. In order to improve the competency of interviewers, they are required to complete the online interviewer training in advance while the company works with external organizations to train interviewers.

Employee Data* (Unit: Persons)

Employees	2017	2018	2019	2020	Percentage(%)
Korea	34,650	35,538	35,469	35,115	67.7
U.S.	3,283	2,996	3,075	3,169	6.1
Mexico	2,354	2,423	2,339	2,362	4.5
Europe	5,109	5,282	5,059	4,861	9.4
China	6,141	5,834	4,824	4,613	8.9
Others	252	505	1,682	1,779	3.4
Total	51,789	52,578	52,448	51,899	100

* It does not include industry-university personnel, part-time workers, etc

Employee Diversity (Unit: Persons)

Classification		2017	2017	2019	2020	Percentage(%)
By Age	<30 years old	1,773	1,800	1,549	1,279	4
	30~40 years old	5,462	4,918	4,217	3,731	11
	40~50 years old	15,453	14,935	13,972	12,802	36
	50~60 years old	11,995	13,932	15,530	16,748	47
	>60 years old	205	338	456	862	2
By Gender	Male	33,872	34,658	34,393	34,067	96
	Female	1,016	1,265	1,331	1,355	4
Total		34,888	35,923	35,724	35,422	100

Employment Data (Unit: Persons)

Classification		2017	2018	2019	2020
By Age	<30 years old	390	353	237	167
	30~40 years old	299	328	69	70
	40~50 years old	303	402	36	15
	>50 years old	99	298	53	157
By Gender	Male	1,050	1,104	307	357
	Female	41	277	88	52
By Region	HQ	87	115	94	87
	Gwangmyeong	66	306	67	75
	Hwasung	504	613	89	77
	Gwangju	329	303	19	82
	Hyundai Kia Namyang R&D Center	11	11	12	3
	Other	94	33	114	85
	Total	1,092	1,381	395	409

Retirement/Turnover (Unit: Persons)

Classification		2017	2018	2019	2020	
Retirement*	By age	<30 years old	38	56	48	49
		30~40 years old	74	76	41	49
		40~50 years old	55	80	50	54
		50~60 years old	95	410	542	832
		>60 years old	199	4	28	28
	By gender	Male	439	599	682	974
		Female	22	27	27	38
	By region	HQ	82	100	84	87
		Gwangmyeong	86	128	165	252
		Hwasung	58	89	99	147
Gwangju		77	115	165	248	
Hyundai Kia Namyang R&D Center		9	7	7	5	
Other		149	187	189	273	
Total		461	626	709	1,012	

Total Turnover Rate (%)** 1.3 1.8 2.0 2.9

Voluntary Turnover Rate (%)*** 0.3 0.6 0.4 0.4

* Due to changes in the counting criteria, the number of retirees in 2018 and 2019 has been partially revised

** Total Turnover Rate (%) = $\frac{\text{Number of employees who retired during the reporting period}}{\left\{ \frac{\text{Number of employees at the beginning of the reporting period (or at the beginning of the year)} + \text{Number of employees at the end of the reporting period (or at the end of the year)} \right\} / 2} \times 100$

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

Female employees and managers data* (Unit: Persons)

Classification	2018	2019	2020
Female employees	1,256	1,331	1,355
Female managers**	92	117	146

* In Korea

** Female managers refer to general senior managers, Research Engineers, and senior lawyers

Career Development Support

Kia offers its employees various opportunities for self-development and career development. Learning Lounge, an open learning platform, provides more than 6,000 topics for learning, and upload various materials to share with coworkers. Employees can take systematic in-house training according to the growth goals they have set for themselves, and can participate in various types of training programs such as in-house learning clubs (Learning Lab) and external training. Introductory education to new employees to legally required education such as human rights charter education and sexual harassment prevention education, and language education and common job education are provided systematically. From 2021, we have been providing education to strengthen future capabilities to proactively respond to changes in the mobility industry. In addition, we are strengthening our stability as a global company by establishing and operating an employee training system to stabilize sales and production systems in India, an emerging overseas market. For those who are about to retire, we provide lectures by experts in each field and one-on-one coaching by experts in retirement planning from five years before their retirement to support them in preparing for their retirement in a step-by-step, systematic way, including career transition. In 2020, a total of 500 employees took the course and received support to prepare for a new life after retirement.

Employee Training

(Unit: KRW)

Classification	2018	2019	2020
Total training cost	10,227,794,438	10,794,597,103	5,064,307,411
Training cost per person*	292,498	304,364	142,963
Training hours per person**	33 hours	33 hours	24 hours

* Training cost per person = (total training cost) / (number of employees in Korea)

** Training hours per person = {Cumulative trainees in 2020 (102,327 people) x Total training hours (9,771 hours)} / Number of employees in Korea (35,424 people)

Employee Welfare & Compensation System

Kia recognizes the importance of healthy work-life balance for supporting employees' growth and business performance. Various leave programs for each position are available and additional leaves are provided under collective agreement. We also fund for programs related to employee networking such as club, and operate "learning lab" to support employees who have interest in same field to voluntarily organize meetings and study together, regardless of their division.

In addition, Kia thought about how our generation, who lives a connected life every moment, can work more efficiently amid the spread of the non-face-to-face mode. To this end, we have introduced and operated a work from home system, and additionally, we have built and operated a base office for employees who are unable to work from home. In addition, we have implemented family-friendly work systems, such as a flexible working hour system, and created a working environment that supports equal opportunities and treatment for male and female employees. In recognition of these efforts, we have been certified as a family-friendly company by the Ministry of Gender Equality and Family, and in 2020, named a leading company for work-life balance by the Ministry of Employment and Labor.

We are committed to motivating our employees through an equal and fair compensation system regardless of nationality/gender. In 2020, the HR system was improved so that individual performance was reflected in individual compensation through the establishment of a compensation system linked to absolute evaluation. To promote an open feedback culture, we have been implementing Multi-source feedback, and our employees evaluate their team leaders. The profits from management activities were distributed to employees at a reasonable level through annual labor-management agreements. In addition, non-pay compensation including retirement allowance is provided to all employees. Furthermore, we are operating the employee stock ownership association for the purpose of supporting workers' wealth creation, enhancing labor-management cooperation, and improving corporate productivity. Under Article 34 of the Framework Act on Labor Welfare, all employees who have been directly employed by Kia, except for registered executive officers, are allowed to join the Employee stock ownership association.

Employee Welfare System

 Leave	<ul style="list-style-type: none"> • Position-based leaves (e.g., "Pro-Dream" leaves for employees promoted to managers) • Woman's leaves • Summer leaves for all employees
 Working environment	<ul style="list-style-type: none"> • Implementation of working from home • Regional base office infrastructure for teleworking • Flexible working hour system • Home Learn Program (Online Learning from Home)
 Working environment	<ul style="list-style-type: none"> • Parental leaves • Reduction of working hours • Fertility leaves • Nursing time during work • Parental test time • Maternity/miscarriage leaves

Parental Leaves

(Unit: Persons)

Classification	2018	2019	2020
Male	41	68	148
Female	50	56	54
Return rate (%)	98	95	98

Salaries Paid to Employees (2020)*

(Unit: KRW million)

Classification	Average salary per person
Male	92
Female	71
Total	91

* For employees in Korea

** Ratio of the salaries paid to female employees to male employees is 130%

Employee Benefits/Retirement Pension (Unit: KRW)

Classification	2018	2019	2020
Total cost	609.1 billion	609.3 billion	619.1 billion
Employee Benefits			
Benefit budget per person	18 million	18 million	18 million
Retirement Pension Fund (DB*)	2.5208 trillion	2.7036 trillion	3.1326 trillion

* DB (Defined Benefit Plan): A defined benefit retirement pension system in which the level of benefits to be paid to workers is determined in advance.

Employee Stock Ownership Association (As of December 31, 2020)

Classification	No. of Shares Owned	Percentage	Depository
Employee Stock Ownership Association	11,080,523	2.73%	Korea Securities Finance Corp

Health of Employees

Kia provides high-quality medical services for the safety of its employees and those of suppliers by operating the Occupational Health Center with professional medical staff. We also offer rehabilitation programs such as swimming and stretching for employees recovering from industrial accidents to support their return and adaptation to their working environment.

We conduct health checkups and follow-up under the Occupational Safety and Health Act for employees working in the field, and prevent accidents through a medical consultation system. Furthermore, we operate a health checkup support system for employees in partnerships with 162 medical facilities nationwide. In addition to the statutory health checkups, we provide additional checkups for adult diseases, and comprehensive checkups according to the employees' tenure and age. Through the optional programs, employees can receive specialized checkups, and 50% of the cost can be provided for MRI if advised by the doctor.

Since 2012, we have contributed to improving the emotional well-being and satisfaction of employees through the "Mind Walk" program

organized by the labor-management and academic society. Counseling programs are offered by professional counselors in a counseling room where employees with psychological difficulties can visit anytime, regardless of working hours. In addition, in the first year of every two years, high-risk groups are selected through the "Metal Health Assessment Program," and in the following year, additional management program is carried out as a form of psychological counseling on and offline. Furthermore, we offer various employee health support programs including smoking cessation, on-site rehabilitation treatments, flu vaccinations, counseling for cerebral cardiovascular patients, and musculoskeletal TFT.

Prevention of and Countermeasures to Occupational Accidents

A healthy and safe workplace is stipulated as an essential condition in Article 80 of the Collective Agreement of Kia. As such, the company makes every effort to prevent accidents at work and to ensure pleasant working conditions for employees. The top management demonstrates safety leadership and promotes the value of Safety First through regular on-site safety inspections. Executives, team leaders and managers in charge of safety and environmental management hold meetings to discuss pending issues and benchmarking, and share know-how to prevent occupational accidents.

We established a specialized management system by hiring experts in safety and health, and operating a professional qualification process. Work processes and sites with high risk of serious accidents are analyzed and improved by external experts, and risks are handled in advance by increasing investments in facilities and their improvements.

Due to the COVID-19 pandemic, safety training is conducted using QR codes and video systems, and an introductory safety and environmental course was carried out for 30 safety managers. We are going to take a proactive approach in dealing with the Severe Accidents Punishment

Act and the revised Occupational Safety and Health Act, which will be implemented in 2022, and strive for the safety of all visitors entering our workplace, as well as our employees and suppliers.

Industrial Accidents (2020) (Unit: Case, %)

Classification	Workforce	No. of accidents	Accident Rate
AutoLand Gwangmyeong	5,862	76	1.30
AutoLand Hwasung	12,929	142	1.10
AutoLand Gwangju	7,217	97	1.34
Outside the factory (head office, sales, service)	9,107	19	0.21
Total	35,115	334	0.95

Trends in Industrial Accidents (Unit: Case, %)

Classification	2018	2019	2020	Mid- to long-term goal (2025)
No. of accidents	285	344	344	258
Accident Rate	0.81	0.98	0.95	0.74

Lost-Time Injuries Frequency Rate (LTIFR)/Total Recordable Injury Frequency Rate (TRIFR)

Classification	2017	2018	2019	2020	Mid- to long-term goal (2025)
Lost-Time Injuries Frequency Rate (LTIFR*)					
Employee	1.17	1.46	1.85	1.96	1.52
Contract Worker	0	0	0	2.92	0
Total Recordable Injury Frequency Rate (TRIFR**)					
Employee	2.93	4.01	4.85	4.76	3.68
Contract Worker	0	0	0	2.92	0
The number of hours worked***	69,300,000	71,146,000	70,938,000	70,230,000	-

* 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

** TRIFR: Occupational accident frequency rate, and the formula is as follows: all recordable injuries (accident + illness) in 12 months / total hours worked by all employees in the same 12 months x 1,000,000

*** Total working hours: 8 hours a day, 5 days a week x 50 weeks

Safe Workplace

In 2020, Kia declared company-wide safety and environmental management on the mission of “creating safety culture value,” and became the first Korean automobile company to acquire the integrated certification of ISO 45001 (Safety and Health Management System) and ISO 14001 (Environmental Management System), the international safety and environment standards. Through this certification that integrates the headquarters and domestic factories, the integrated safety and environment management system is established. The ISO certification of overseas factories will be completed by 2021, and the headquarters, domestic and overseas ISO integrated certifications will be obtained in 2022. We want to realize the highest level of safety culture by 2025.

Improving Labor Relations

Kia supports the freedom of association and grants employees the right to establish and join labor union in accordance with the three labor rights and collective agreements specified in the Republic of Korea Constitution, and discusses labor issues with the union through various consultative bodies such as annual collective bargaining and regular labor-management council meetings. In accordance with the duty of notification as stipulated in Article 17 of the collective agreement, the company regularly discloses its management performance to the labor union in support of transparent and open management, and provides in writing changes in the company operation such as enacting and closing regulations that affect the status of union members, appointing and dismissing employees and changing positions, and decisions made by the board of directors. 29,229 (83.2%) of our total employees are eligible for collective bargaining in 2020.

The labor union and the management hold Future Development Strategy Committee meetings on a monthly basis to share management status and major issues, and are working jointly through free discussions to contribute to establishing reasonable management strategies and resolving labor issues. Since 2017, the 8+8 shift work system has been implemented to reduce late-night overtime, and a work-life balance has been established to prevent long working hours. Meanwhile, we are making continuous efforts to establish a stable production system by conserving production.

In 2019, a special agreement between labor and management on the wage system was signed to solve the social issue related to the employment of employees with temporary status; as a result, a total of 1,869 employees were hired in five batches.

In 2020, we raised a total of KRW 3 billion for the labor-management joint social contribution fund through collective bargaining to carry out various joint labor-management projects, including support for the children of suppliers' employees, and support for the socially underprivileged and neglected population. Furthermore, the labor and the management worked together to fund the Kia Dream Scholarship program for children of families suffering from traffic accidents and provide vehicles to welfare organizations nationwide as part of our social responsibility program.

Human Rights

Strengthening Human Rights Management

In order to protect and promote the human rights of our employees, suppliers, customers, and other stakeholders, we implemented human rights management in our business practice. We comply with various international human rights and labor standards and guidelines based on which we established “Kia Human Rights Charter” in July 2020. Through the charter, we set eight main principles to share the directions and apply them in practice.

Kia Human Rights Charter

- | | |
|---|--|
| 1. Non-discrimination | 5. Prohibition of forced labor and child labor |
| 2. Compliance with working conditions | 6. Occupational safety |
| 3. Humane treatment | 7. Protection of human rights in local community |
| 4. Freedom of association and collective bargaining | 8. Protection of human rights of customers |

If the Human Rights Charter is in conflict with local laws or regulations, then it is recommended to comply with the laws in principles and establish separate policies that reflect local laws and business environment in the charter.

In addition to compliance with human rights laws and regulations of all countries, we monitor to check the human rights risks and implementation on a regular basis at each work site. Through this, we promote human rights management to ensure healthy working conditions and improve the quality of life for all our stakeholders.

Employee Human Rights Training

In response to risks related to human resources from corporate activities, we encourage our employees to apply the human rights management principles and guidelines to their work processes through training on the Kia Human Rights Charter. The human rights training as part of online self-learning was provided to 6,823 regular employees, and 4,087 of them completed the program. In 2021, we plan to provide this training to employees in other job categories and overseas workplaces.

Human Rights Impact Analysis

Kia conducts a human rights impact analysis based on the Kia Human Rights Charter to assess the level of human rights risk awareness. Through 105 detailed items in eight major areas, such as non-discrimination, prohibition of forced labor and child labor, and occupational safety, the level of awareness at each workplace is analyzed and areas of improvement are identified. The results are shared with stakeholders through various channels including our official website. In the analysis conducted in 2020, no significant human rights risks were identified. We also listen to the opinions of key stakeholders, including employees and customers, to prevent any associated risks. In the 2021 human rights impact analysis, specific items will be updated, and on-site due diligence will be carried out by randomly selected workplaces to complement the human rights risk management system and prevent violations.

Composition of Kia Human Rights Impact Analysis (Unit: Items)

Classification	Key Areas of Analysis	No. of Items
1	Non-discrimination	17
2	Compliance with working conditions	3
3	Humane treatment	3
4	Freedom of association and collective bargaining	16
5	Prohibition of forced labor and child labor	25
6	Occupational safety	17
7	Protection of human rights in local community	10
8	Protection of human rights of customers	14
	Total	105

Grievance Handling System

Kia implemented various on/offline grievance reporting systems to create a healthy working environment. For online reporting, we designed the UI so that employees who use Autoway, our groupware system, can have easy access through the One-Click HR banner located on the main screen. When grievances or complaints are filed on various topics such as employee performance evaluations, relocation, and workplace violations, the person in charge of each department provides prompt feedback.

In 2020, a total of 9 cases of grievance were filed, and the managers provided prompt feedback on two violations of corporate policies, three relocations of workplace, two performance evaluations, and two improvements of workplace culture.

In the case of offline reporting, we have a grievance counseling center for each sector to respond to reports on sexual harassment and workplace harassment. The counseling center is dedicated to preventing and resolving reports of sexual harassment in the workplace or workplace harassment. When it happens, measures are taken to prevent occurrence under the zero-tolerance policy. Furthermore, in order to protect female employees, it is mandatory to assign female managers to the center. With regard to the five cases of sexual harassment and harassment in the workplace in 2020, the principle of zero tolerance was applied to the perpetrators, and punishments such as termination of the employment and severe punishment were imposed. Victims took measures such as separation and transfer to desired departments to prevent further damage. Furthermore, for the protection of female workers, female staff is required in the counseling center. In 2020, we sent a letter seeking cooperation on the “Pregnancy Support System and Labor Standards Act Guide” to all the divisions of the grievance counseling center to keep them informed of Labor Standards Act and the support programs that apply to pregnant employees such as leaves and shortened working hours before and after child birth and raise awareness of our employees.

Supply Chain Management

Systemic Supply Chain Management

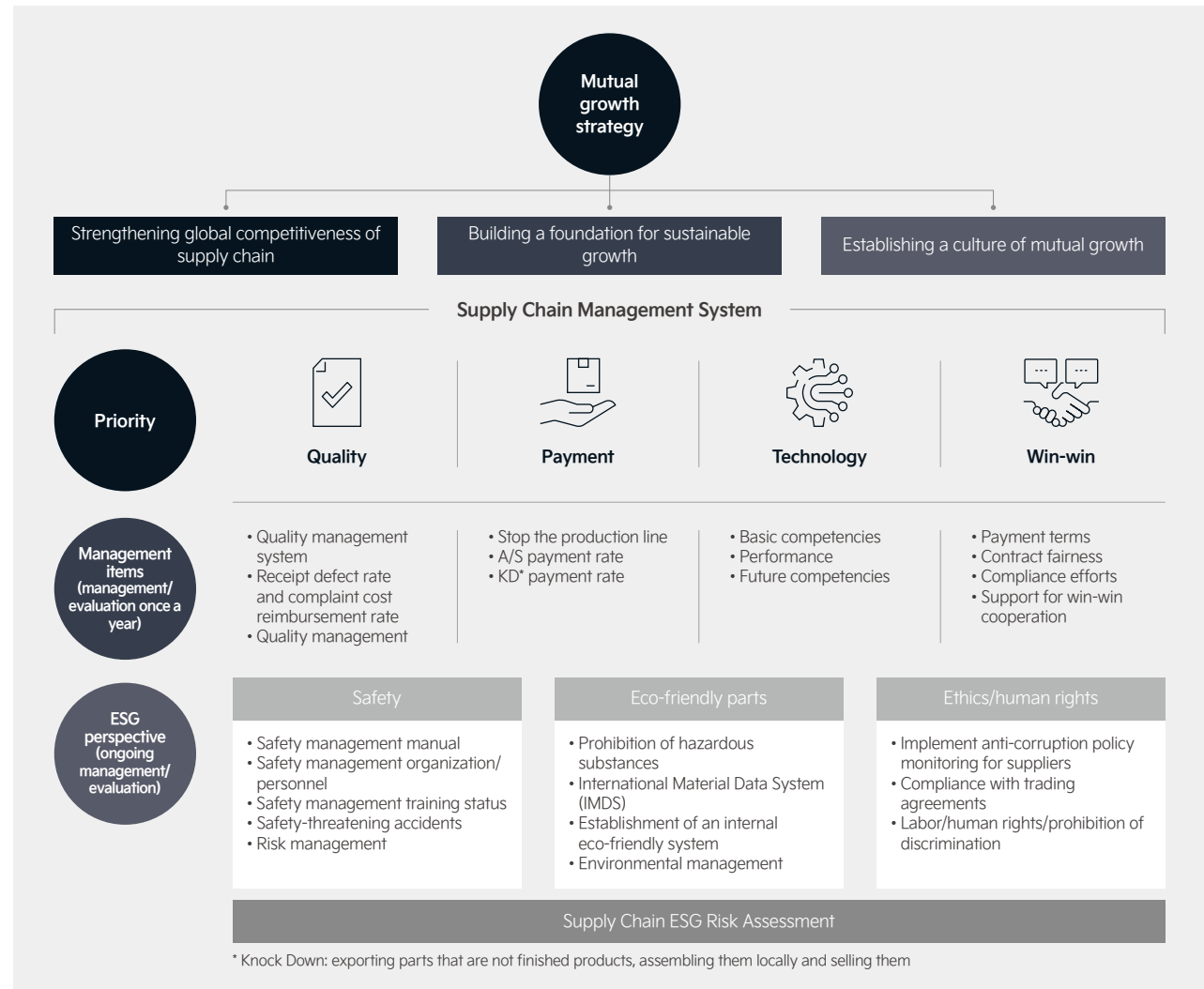
Kia is implementing three strategies for promoting mutual growth: strengthening global competitiveness of supply chain, building a foundation for sustainable growth, and establishing a culture of mutual growth. We are applying supply chain management policies in various areas including quality, technology, safety, and eco-friendliness in order to manage the supply chain in line with ESG while going beyond the support program to secure the competitiveness of our suppliers. Furthermore, through the “Supply Chain Code of Conduct,” we ensure full compliance with the standards in terms of ethics, environment, labor/human rights, safety/health, and management systems, and require them to fulfill social responsibility. Going forward, we will continue to promote sustainable growth with our suppliers and business partners.

INTERVIEW

Young-jae Ryu, CEO
Sustinvest



Kia has an appropriate supply chain management system in place by introducing voluntary compliance programs related to fair trade and mutual growth with business partners, signing fair trade agreements, and establishing and operating a win-win cooperation promotion team.



Supply Chain Risk Assessment

Kia trades with 1,880 1st-tier parts suppliers globally, and also include competitive parts suppliers from other regions in supply chain, ahead from parts suppliers in the same region as our manufacturing corporation. To deal with the supply chain risks triggered by social and environmental issues, we are offering the ESG improvement programs to our suppliers. In June 2020, we revised the Supply Chain Code of Conduct to raise their awareness about the importance of ESG and we are encouraging our suppliers to practice it internally and externally.

In partnership with specialist third-party agencies, Kia executes an evaluation management process every year spanning from the supplier's self-analysis to assessment and comprehensive improvement. Ethics, environment, labor/human rights, safety/health, and management system are among the primary evaluation categories, with the evaluation approach based on supplier-driven self-analysis (driven by suppliers) and pilot assessment.

This ESG supply chain management system operates toward all suppliers, prioritizing critical suppliers and high-risk suppliers are for early improvement based on technology and industry assessments. We identify critical suppliers as a partner that supplies components which are applied to our core strategic vehicle models or responsible for critical control functions in the vehicle. We conduct self-analysis with our first-tier suppliers, and among them, we conduct written/on-site evaluations for high-risk suppliers in order to track and manage the items that need to be changed based on the review. In case of quality problems or violation of critical compliance related to transactions, penalties are given through our internal council to raise awareness. We also encourage the acquisition of ISO 45001 for safety/environment management and require corrective action if our assessment standards are not fulfilled. We will gradually broaden the scope of target subjects susceptible to ESG evaluation in the future, implementing a method to permit long-term review. We also want to improve the efficiency of

supply chain ESG management by incorporating the identified risks into our purchasing policies and procedures, including raw materials. Meanwhile, among the supply chain ESG aspects, the most important issues are divided into distinct themes that deserve extra attention for improvement. We check whether the raw materials are procured through internationally certified smelters in case of conflict minerals (e.g. tin, tantalum, tungsten, gold, 3TG), where the associated risks have recently increased, in order to ensure the transparency of suppliers' raw material (mineral) procurement process. We implemented "5-star evaluation for win-win cooperation" to promote fair trade and win-win cooperation among the 1st and 2nd-tier suppliers. In order to improve 80% or more suppliers into 4-star or higher rating, additional points are given when suppliers with good ratings bid, and for those whose level-up/improvement activities are insufficient, bid is limited.

In addition, we conduct assessments and inspections with in-house safety specialists for suppliers that are vulnerable to safety management, and we continue to offer safety-related training information such as Standard Safety Guide while hosting online

seminars for 1st-tier suppliers. We conduct on-site inspections on the implementation of improvement plan and the status of safety management. If accident related to safety occurs under the responsibility of suppliers, a penalty is given for bidding for new model by deduction from the 5-star evaluation about quality.

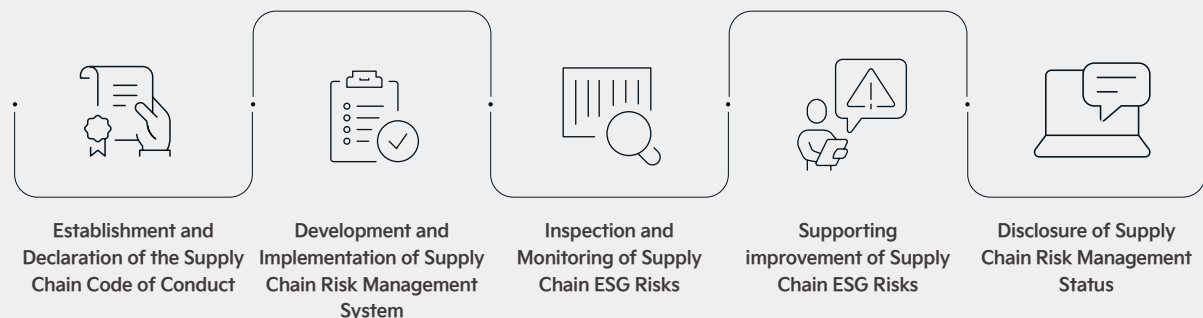
Supply Chain Status (2020)

Classification	Description	No. of Suppliers	Purchase ratio
1 st -tier	Total No. of Parts Suppliers	1,880	100%
	Domestic*	780	
	Overseas	1,100	
2 nd -tier	Critical Suppliers	40	40%**
	Critical Suppliers	10	-

* Including more than 400 importers

** This means that among the purchase amount paid to 1,880 1st-tier suppliers, 40% is the purchase from 40 critical suppliers

Supply Chain Assessment Process



Supply Chain Assessment & Correction Status

Classification	Indicators	No. of Suppliers	Percentage
Supply Chain ESG Assessment*	1 st -tier suppliers subject to sustainability risk assessment	380**	100%
	High risk 1 st -tier suppliers subject to sustainability risk assessment	38	100%
Critical Supplier Monitoring	Critical 1 st -tier suppliers subject to supply chain monitoring	40***	100%
Correction Measures	Sustainability high risk suppliers that completed corrective measures	38	100%

* Assessment on management status, working conditions/human rights, ethical practice, environment, and safety and health

** For domestic 1st-tier suppliers (excluding importers)

*** All of the 1st-tier critical suppliers

Managing Conflict Minerals

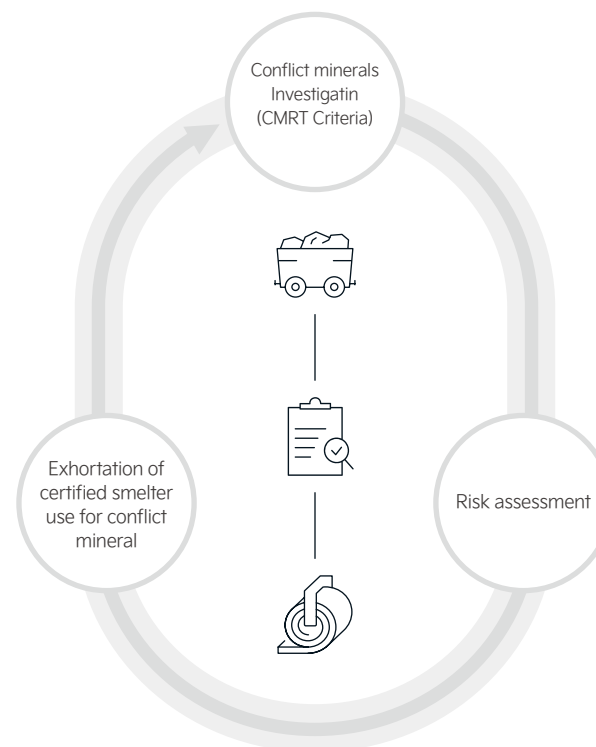
Dealing with to conflict mineral supply, our suppliers are required to use minerals procured through internationally certified smelters.

Parallel to the OECD guidelines, we collect and manage information about the country of origin and smelter of the conflict minerals used in supply chain. From 2021, we investigated the 3TG-related supply chain (from mines to smelters) using a standardized form to ensure transparency of the 3TG minerals' origin. It is our plan to identify the status of conflict minerals used for EV parts (End+Sub) and investigate whether they have been supplied by the certified smelters, so that minerals procured from uncertified smelters can be procured from the certified smelters in the future.

Additionally, a presentation has been organized for the 1st and 2nd-tier suppliers to raise their awareness of conflict minerals. In accordance with the international due diligence guidelines, we

are operating a management process in line with the Conflict Minerals Reporting Template (CMRT) that proceeds from "Investigation → Risk assessment → Recommendation for use of certified smelters." Based on a sustainable conflict minerals management process, we will prevent the procurement of conflict minerals through uncertified smelters and maintain a stable supply chain management system.

Conflict Mineral Management Process



Assistance to Promote Financial Growth

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.

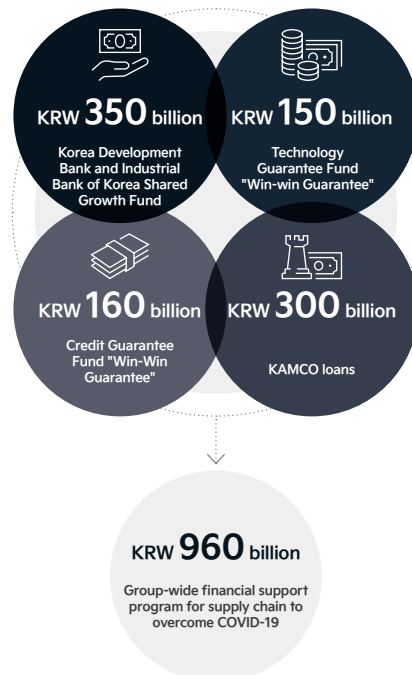
We make early payments to relieve their financial burden during the holidays, and urge the 1st-tier suppliers to make earlier payments to 2nd-tier and 3rd-tier suppliers. We state the fact whether the 1st tier supplier has benefited from financial assistance on the evaluation record of the supplier assessment.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

Especially in 2020, KRW 120 billion was donated to SME suppliers with low credit ratings and the COVID-19 aftermath. A group-led financial support program was introduced, aggregating total funds of KRW 960 billion. The new support program is composed of KRW 350 billion "Mutual Growth Fund" of Korea Development Bank and Industrial Bank of Korea, KRW 150 billion Technology Guarantee Fund "Guarantee," KRW 160 billion Credit Guarantee Fund "Win-Win Guarantee," KRW 300 billion Korea Asset Management Corporation (KAMCO), and loan secured by the delivery payment, contributing to stabilize the suppliers' business operation. 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

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

Supply Chain Financial Support Programs (COVID-19)



Group-wide financial support program for supply chain to overcome COVID-19

In the context of organizing the culture of mutual growth, we have been signing the "Fair Trade Agreement" with our suppliers every year. Since the first signing in 2008, 12th agreement was signed in 2020 contributing towards raw material price adjustment, financial support program, 4 Subcontracting Practices and aid for the 2nd-tier and 3rd-tier. Additionally, from 2009, we have been reviewing win-win growth performances such as transaction conditions between 1st and 2nd-tier suppliers and rewarding suppliers to spread the culture of mutual growth. As of 2020, 36 companies were awarded for their excellent win-win cooperation ever since the first implementation of the reward system. We ensure transparency when dealing with suppliers using the HMG Partner System, which evaluates the suppliers fairly in all transactions. Also, the Transparent Purchase Practice Center website was set up with the purpose to promote suppliers' sustainable growth under the Supplier Code of Ethics, four Subcontracting Practices and the anti-retaliation

guidelines, and we prepared a transparency/ethics suggestion box to collect suppliers' complaints and opinions addressing various system improvements. Furthermore, we are managing a communication channel "Soribox" for 2nd and 3rd-tier suppliers with the aim to establish fair trade practices throughout the supply chain and to ensure transparency.

Supply Chain Mutual Growth Performance

Classification	2001	2020
Average Sales	Approx. KRW 70 billion	Approx. KRW 310 billion
Assets	Approx. KRW 50 billion	Approx. KRW 260 billion
Joint Development in Overseas Market	30 companies	748 companies
Percentage(%) of companies with KRW 100 billion in sales or more	21%	65%
Average year of partnership*	-	33 years

* Average in manufacturing industry (12 years)



Customers

Improving Customer Satisfaction

Kia is committed to providing unique experience to its customers around the world. Every year, we hire external agencies to conduct CSI surveys to gain insight into sales and service from the customer's point of view. On a monthly basis, we carry out e-mail surveys with customers buying new cars or getting maintenance work for them, and the results are clearly shared with the department in charge.

Kia Customer Center has improved the level of convenience for customers by expanding its services in new fields such as car rentals and booking for test drives. In the early days of the COVID-19 outbreak, we introduced separation in workplaces and a telecommuting system to create an environment where customers can receive consultation regardless of time and place.

Based on our customer response guidelines, we conduct surveys for customer response (8 times a year) and telephone response (4 times a year) at our sales sites. The results of the survey are shared with all personnel in the relevant departments, and then used for self-improvement programs and CS training. "Empathy CS," an on-site training program that combines customer-oriented practices and engagement programs, is offered to form a consensus with customers. In addition, we organized over 445 CS training sessions for 3,558 field managers, including job CS consulting and one-on-one coaching.

We go beyond Korea and are offering wide-ranging CS training around the world. Every year, we provide training to improve customer response skills and job expertise for overseas sales/service personnel, and develop customer-oriented sales expertise by establishing a new product expert training program in 2021.

Furthermore, we promptly and specifically respond to customers' demands based on data search prior to visiting dealers. We focus on customer retention by providing a customized Lifetime Service to help with vehicle selection and providing a continuous brand experience throughout vehicle ownership.

Especially in line with the launch of EV6, various types of EV-specialized training are being conducted sequentially for overseas dealer sales/service personnel. In June 2021, 16 technicians from 16 European countries are preparing for the Online EV Skill World Cup to remotely diagnose domestic EV vehicles in Europe through a platform called "MRIS." Furthermore, we plan to globally launch training content and applications using VR to enhance a differentiated educational environment and improve service quality based on customer priority.

Customer Satisfaction Survey



• **2020 National Customer Satisfaction Index (NCSI)**
RV(for five consecutive years),
Compact(for six consecutive years), Midsize **No.1**



• **2021 Korea Service Quality Index (KSQI)**
Best Call Center (for 18 consecutive years)



• **2020 Korea Service Quality Index (KSQI)**
"After-Sales Service" category **No.1**
(for seven consecutive years)



• **2021 Korea-National Brand Awards**
"Membership" category **No.1**
(for 10 consecutive years)



• **2020 Korean Standard-Service Quality Index (KS-SQI)**
"Sales service" category **No.1**



• **2021 India Dealer Satisfaction Score**
No.1 out of 18 brands, including five luxury brands

Commitment to Customer Safety and Product Quality

Kia carried out a voluntary recall of two 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
Training hours per employee participating in product quality related training programs	Hours	25.9	23.8	23.9
Scope of facilities certified to internationally accepted product quality standards (e.g., ISO 9001)	%	100	100	100

Product Safety

Classification	Unit	2017	2018	2019	2020
Provision warranty balance at the beginning of the period	KRW million	3,055,758	3,574,847	3,684,438	3,619,302
Warranty Payments	KRW million	1,456,448	1,522,532	1,809,840	1,864,595
Cost of warranty payments as a percentage of annual revenues	%	2.7	2.8	3.1	3.2
Expenses incurred due to recalls issued	USD	167,067,751*	255,848,485	127,667,020	65,525,010
Number of vehicles recalled	million units	1.63	1.91	1.02	2

* for overseas market only

Customer Privacy

Kia has established a Customer Personal Information Center separate from the Customer Personal Information Protection Commission as a dedicated organization system that can effectively protect simple customer data, such as name and contact information, as well as the vast amount of data generated by connectivity services. Furthermore, we conduct security training for our employees on a regular basis, as well as on-going self-inspection of the operating system. Our Information Security Management System (ISO 27001) is assured every year, and we are committed to protecting personal information at all times.

No. of Privacy Violations (Unit: Cases)

2018	2019	2020	Mid-/long-term Target (2025)
0	1	0	0

No. of Complaints about Loss of Personal Data (Unit: Cases)

2018	2019	2020	Mid-/long-term Target (2025)
0	0	0	0

Marketing Communication and Product Labeling

EU

- Product information: ID label (whole vehicle-type approval (WVTA) certification number, weight, and other certification information)
- Fuel source, electricity charge: Fuel-type label, electrocharged method label (only for PHEVs), hydrogen fuel cell label for FCEVs
- Product safety: Airbag warning label, spare tire sticker (when provided), speed label, ISOFIX anchor label, high voltage label

North America (U.S. and Canada)

- Product information: Monroney sticker (an MSRP label with information such as fuel economy rating, NCAP rating, and standard equipment and warranty details)
- Fuel economy (environment): Vehicle emission control information (VECI) label, refrigerant label, mercury content label
- Product safety: Certification labeling, tire placard, vehicle identification number (VIN) label, Anti-theft label, airbag warning label

Russia/Eastern Europe

- Product information: European Conformity ID label + Eurasian Conformity (EAC) mark
- Product safety: Warning/Information on the safe use of the product in local languages, such as Russian and Turkish

China

- Product information: ID label, VIN (W/screen), electromagnetic stickers
- Fuel economy (environment): Fuel economy label
- Product safety: CCC label, CRS warning airbag label, spare tire sticker (when provided), speed label

Korea

- Product information: Self-certification label (manufacturing date, vehicle net weight, vehicle identification number, vehicle type, model, tires), tire and loading information
- Fuel economy: Fuel economy label, emissions control sticker
- Product safety: Airbag warning label, ISOFIX anchor label, high-voltage label, hydrogen fuel cell label for FCEVs

Local Community

COVID-19 Support

We carried out various social CSR activities around the world to overcome the global pandemic. Recognizing that COVID-19 is a global challenge, we will strive to overcome the aftermath from COVID-19 based on our accumulated expertise. In addition, we will fulfill our social responsibilities as a corporate citizen by continuously resolving social issues elaborating on CSR programs, so that our impacts go beyond just one-off assistances.



Kia U.S.

- Produced face shield and made donations to local medical institutes



Kia Mexico

- Provided telemedicine advisory service to the Nuevo Leon state government by connecting a professor of infectious disease epidemiology at Sungkyunkwan University, contributing to elevating national image



Africa

Uganda, Ghana

Greenlight Project

- Provided medical centers as a local treatment facility and basic treatment to COVID-19 patients
- Provided disinfection supplies to medical staff at centers, e.g., masks

Kia India

Donated AP State Fund to Support COVID-19 activities

- Delivered relief money through the AP Relief Fund (AP CMRF)

Provided protective equipment to medical staff

- Donated masks and other medical supplies

Middle East

Africa



Middle East

Jordan

Organized a donation campaign for Jordan Za'atar Refugee Camp

- Donated soccer shoes together with the UEFA Children's Foundation
- Switched to online school programs due to COVID-19



DYK

- Produced masks and donated to the local government/universities



Korea

Green Travel

- Provided free quarantine services to homes with disabilities and their vehicles, during the service suspension period due to COVID-19

AutoLand Gwangmyeong, AutoLand Gwangju

- Donated quarantine supplies (e.g., masks, hand sanitizers) to vulnerable groups in local communities living nearby factories

Establishment of an Independent Mask Production System

- Contributed in stabilizing mask supply by independently producing Kia's own quarantine masks (KF-94, KF-AD) and through flexibly adjusting the production control
- Designated the masks as not-for-sale product, promoted the safety and health of employees of all affiliates within the group company performed social contribution activities, donated the masks

AutoLand Hwasung

- Donated smart learning devices (tablet PCs) for the underprivileged youth who lack remote learning infrastructure

Osan Training Center

- Provided employee training facilities as COVID-19 treatment center

"Greenlight Kids" Traffic Safety Kits

- Donated 10,000 "Green Light Traffic Safety Kits" to elementary school students nationwide and our customers



COVID-19 Support: Taxi Industry

- Deferred the repayment due date of individual and corporate taxi's installments
- Offered 30% discount on repair costs for AutoQ taxis

Hours of Employee CSR Participation

(Unit: Persons, Hours)

Classification	2018	2019	2020
Annual Participants	14,978	13,460	9,037
Total Hours of Participation	40,485	41,589	27,702
Hours per Person*	1.14	1.17	0.79

* 1Hours per Person: total participation hours divided by number of employees in Korea

CSR Cost

(Unit: KRW million)

Classification	2018	2019	2020
Social Welfare	10,100	9,757	9,595
Education, School and Academic Research	3,104	2,647	2,562
Culture, Arts and Physical Education	1,328	1,412	1,152
Environment	65	223	343
Emergency and Disaster Relief	112	489	1,707
International Activities	2,492	2,468	1,014
Others	14,223	6,807	8,275
Total	31,424	23,803	24,648

INTERVIEW

Jin-Soo Yoon, Director
Korea Corporate
Governance Service



Kia is advancing into the stage of strategic CSR to aim at social value creation in connection with its industrial expertise beyond the social contribution or donations.

Kia Slovakia

A RESPONSIBLE CORPORATE CITIZEN FROM SLOVAKIA

Kia Slovakia strives to fulfil the company's vision and become a "lifetime partner in automobiles and beyond," while also working hard for a better future. 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

As of December 31, 2020, Kia Slovakia employed 3,469 people with average age of 39 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 satisfaction of employees is also evidenced by the fact that in 2020 the average length of employment in Kia Slovakia reached almost 11 and half years. 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 2020, the company won the PricewaterhouseCoopers Slovakia award named "HR Leading Organization" for the seventh time; the award recognizes institutions with the best human resources management in the manufacturing sector in Slovakia.



Education

Despite the challenges that the year 2020 brought to people and businesses, Kia Slovakia considers the professional and personal

growth of employees to be a very important element of the company's progress, as well as its operation in the market. Trainings, workshops as well as online trainings, webinars and conferences were carried out partly on the premises of our own Training Center in the village of Gbelany. This year, Kia Slovakia implemented a large part of its educational activities in an online environment.

A total of 2,444 employees took part in the training. In 2020, a total of 833 development activities were completed by production and administrative employees, including training required by law. In total, we offered our employees 160 different types of training. The aim of the implemented development activities was to deepen qualifications, renew certifications, increase the expertise of employees, but also to strengthen work and management competencies. During educational and development programs, 28,474 training hours were completed in 2020. The programs continued until the COVID measures did not allowed the organization of training program for operators "Personal Development Days," which was attended by 481 colleagues from all production shops.

In 2020, the employees had the opportunity to attend English language courses at various levels according to the European reference framework. In total, the employees completed 409 language person-hours training.

In 2020, Kia Slovakia continued in the regular development cooperation with managers directly in production. A total of 40 supervisors and 143 senior operators completed the increase of competence skills. All activities were subject of strict hygiene standards.

Safety at Work

In 2020, in addition to its main activities aimed at preventing damage to employees' health as well as in the area of accident prevention, the area of occupational safety and health (OHSAS) was extended to include the protection of employees against coronavirus. Numerous



measures have been taken to minimize the risk of virus transmission. Kia Slovakia introduced temperature measuring at all entrances to the plant, distributing more than 170,000 facemasks and respirators to its employees. Internal testing for more than 1,370 employees was performed directly at the plant. The frequency of disinfection of premises and work equipment was also increased. The employees received all up-to-date and necessary information through several information channels several times each month. Measures directly related to technical or organizational nature were also applied. In the area of fire protection, the company focused on the cooperation and timely response of employees and the Fire Department.

Environment

Environmental aspects - environmental protection

Kia Slovakia's environmental policy is established on the principles of corporate social responsibility effective for the entire Hyundai Motor Group, divided into economic, social and environmental responsibilities. Based on this, the 2020 Environmental Strategy for Kia Slovakia was created and adopted in 2017. It consists of three main areas to focus on in the near future.

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.

The underlying environmental policy is the established and certified ISO 14001 Environmental Management System, which the company continually improves and which was certified in 2017 for a new revision of this standard.

In 2018, the Environmental Management System was successfully recertified, which obliges the company not only to comply with legal requirements, but also to continuously improve environmental

protection, regular environmental performance assessment, and 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.

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, Russian and Middle East Headquarters. Customer satisfaction has the highest priority in our company. Customer experience and Warranty claims are daily monitored and analysed 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

In 2020, the company continued its long-term strategy of supporting philanthropic activities focused on education, sports, mobility and at the same time responded flexibly to the new need to mitigate the negative consequences of the pandemic in the Zilina region. Through the Kia Foundation Fund at the Pontis Foundation, it supported up to 107 non-profit, budgetary organizations and civic associations in the amount of EUR 952,656. At the same time, the company donated EUR 285,000 to the Kia Slovakia Foundation for the direct realization of projects.

Corporate philanthropy is also largely made up of employees who, through participation in volunteering activities, supported activities despite the limitations caused by the Covid19 pandemic - 264 volunteer hours were completed in 2020. Employees also took part in the "Face masks for Zilina" initiative in March, when, in cooperation with the City of Zilina and the Slovak Red Cross, they helped with the distribution of protective facemasks for the City of Zilina inhabitants during the pandemic.

The year 2020 was traditionally started by a popular children's ski camp in the resorts in Valca and Vratna, which was attended by 76 children. However, the deterioration of the epidemiological situation, resulted in the acquisition and purchase of 4 anaesthetic devices with ventilators for the University Hospital in Martin worth EUR 140,000. Provision of 10,500 protective facemasks for the clients of facilities for the elderly in the Zilina region and the purchase of a humanitarian tent for the Slovak Red Cross for visitors triage in the University Hospital with Polyclinic in Zilina.

One of the key areas of corporate philanthropy is the support of education, primarily the development of technical knowledge and skills of young people. In 2020, educational aids were purchased in the form of Unimat Technics and Lego Mindstorms kits for 5 primary schools and 3 secondary schools. In addition, the purchase of online education licenses supported 35 primary schools in the Zilina region, resulting in the software availability to up to 11,000 children during on-line learning.

Through the Sport in the Region 2020 grant program, a total of 22 organizations were supported by grants of up to EUR 5,000 in order to increase the quality of sports venues and sports infrastructure. The long-term support of mobility, which was implemented with projects under the BikeKia brand, is also closely related to sport. In 2020, activities in this area were co-financed through the support of the Terchova valley cycling route project, which will be a safe and ecological form of transport in the region with a total length of 23 kilometers from Zilina to Terchova. The company agreed to co-finance the project in the amount of EUR 314,000.

The company spent a significant part of its funds to support the social field. The support of 6 centers for children and families in the Zilina region worth more than EUR 40,000. At the same time, interior equipment was provided for the newly established Community Center for the Disadvantaged in the Hajik housing estate, the Day Center for Mothers with Children and the Day Center for the Elderly in the Solinky housing estate.

The philanthropic goals in 2021 remain the development of technical education, support of sport for children and youth and support of mobility. All philanthropic activities will be implemented from the funds of the Kia Slovakia Foundation.

Cooperation with Schools

Kia Slovakia has been actively cooperating with secondary vocational schools in the Zilina region since 2007. Since then it has enabled more than 750 students to obtain practical studies in the company's production facilities. In the 2020/2021 school year, 10 students finished vocational practical training in Kia Slovakia. The carmaker continues in the dual education system also in the school year 2020/21. A total of 90 students from the Secondary Vocational School of Mechanical Engineering Kysucke Nove



Mesto, the Joint School in Martin and the Secondary Vocational School of Electrical Engineering in Zilina complete their studies in the fields of Mechanic-Specialist of Automotive Production, Programmer of Machining and Welding Machines and Equipment, Mechanic-Mechatronics and Mechanic of Electrical Engineering. Students acquire practical skills with a major employer in the Zilina region and at the same time will have a guaranteed job after graduation. In addition to long-term cooperation, collaboration with other schools in the dual education system has expanded, namely with the Velka okruzna Business Academy and the Secondary Vocational School of Transport in Zilina.

At the same time, due to the increasing focus on e-mobility and the production of hybrid cars, the carmaker wants to open a new field of study from the school year 2021/22 - Autotronik, which will allow students in the dual education system to gain skills and knowledge associated with the production of these technologies of the future. The new field of study will open in cooperation with the Secondary Vocational School of Mechanical Engineering in Kysucke Nove Mesto.

In the 2019/20 school year, three university students participated in the scholarship program of Kia Slovakia. The condition for

obtaining the scholarship was excellent study results and completion of praxis during the study.

To increase the quality of training of students, but also of newly hired employees, the company continues to advance employees in the position of a trainer. As of December 31, 2020, there were 23 dedicated trainers, who were fully separated from the production process. Thanks to their deployment, we managed to improve the adaptation process of new employees and increase their readiness to work in production.

Due Fulfilment of Obligations

Kia Slovakia follows and fulfils 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. Kia settled all due claims and due liabilities towards all state authorities by December 31, 2020.



Appendix

Summary of Business Performance	87
GRI Index	88
TCFD	92
Stakeholder Capitalism Metrics	94
SASB	97
Independent Assurance Statement	98
About MOVE	100

Summary of Business Performance (as of Dec. 31, 2020)

Summary of Consolidated Statement of Financial Position and Key Ratios

(Unit: KRW million)

Accounts	2018	2019	2020
Assets			
I. Current assets	19,711,791	21,555,416	26,093,382
II. Non-current assets	32,074,814	33,789,382	34,397,061
Total assets	51,786,605	55,344,798	60,490,443
Liabilities			
I. Current liabilities	14,834,739	17,276,646	21,097,589
II. Non-current liabilities	9,708,402	9,090,014	9,501,182
Total liabilities	24,543,141	26,366,660	30,598,771
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	24,711,681	26,056,216	27,173,417
IV. Accumulated other comprehensive income	(1,107,110)	(716,971)	(920,638)
V. Other capital items	(61,074)	(61,074)	(61,074)
Total capital	27,243,464	28,978,138	29,891,672
Total liabilities and equity	51,786,605	55,344,798	60,490,443
Shareholders' equity ratio (equity/asset)	52.61%	52.36%	49.42%
Debt to equity ratio (debt/equity)	90.09%	90.99%	102.37%

Summary of Consolidated Income Statement

(Unit: KRW million)

Accounts	2018	2019	2020
Sales	54,169,813	58,145,959	59,168,096
Cost of sales	46,177,283	48,766,570	49,222,564
Gross profit	7,992,530	9,379,389	9,945,532
Operating profit	1,157,475	2,009,680	2,066,457
Earnings before income taxes	1,468,644	2,531,104	1,841,358
Income tax expenses	312,701	704,445	353,773
Net income	1,155,943	1,826,659	1,487,585

Consolidated Cash Flow Chart (2020)

(Unit: KRW billion)

Cash flows from operating activities	5,424
Cash flows from investing activities	(2,865)
Cash inflow from investment activities	269
Cash outflow from investment activities	(3,134)
Cash flows from financial activities	3,517
Cash inflow from financial activities	5,244
Cash outflow from financial activities	(1,727)
Effect of exchange rate changes in foreign currency denominated cash	(184)
Net increase or decrease in cash and cash equivalents	5,892
Net increase or decrease in cash and cash equivalents at the beginning of the term	4,269
Net increase or decrease in cash and cash equivalents at the end of the term	10,161

Sales Performance Results

Classification	2018	2019	2020
Sales volume (1,000 vehicles)*	2,812	2,821	2,607
Sales (KRW trillion)	54.2	58.1	59.2
Operating profit (KRW trillion)	1.2	2.0	2.1

* The number of vehicles sold is based on local wholesale sales, and from 2019, CKD sales are included.

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

(Unit: Vehicles)

Total	147,602	156,483	210,463
HEV	110,911	102,590	117,162
PHEV	20,771	27,225	39,208
EV	15,920	26,668	54,093

■ HEV
■ PHEV
■ EV

2018

2019

2020



GRI Index

Universal Standards

● Fully Reported ● Partially reported ○ Not reported

GRI Standards			Status	Page	Remarks
No.	Core	Description			
102-1	Core	Name of the organization	●	10~11	
102-2	Core	Activities, brands, products, and services	●	10~11	
102-3	Core	Location of headquarters	●	10~11	
102-4	Core	Location of operations	●	10~11	
102-5	Core	Ownership and legal form	●	44~46	
102-6	Core	Markets served	●	10~11	
102-7	Core	Scale of the organization	●	10~11	
102-8	Core	Information on employees and other workers	●	28~29, 68~73	
102-9	Core	Supply chain	●	31, 74~77	
102-10	Core	Significant changes to the organization and its supply chain	●	10~11	
102-11	Core	Precautionary Principle or approach	●	4~5, 8~9, 14~17, 35, 41	
102-12	Core	External initiatives	●	8~9, 36~37, 42, 57	
102-13	Core	Membership of associations	●	42	
102-14	Core	Statement from senior decision-maker	●	3	
102-15		Key impacts, risks, and opportunities	●	4~9, 14~17, 24~27, 49, 57, 92~93	
102-16	Core	Values, principles, standards, and norms of behavior	●	4~9, 46~48, 72~73	
102-17		Mechanisms for advice and ethics concerns	●	46~47, 73	
102-18	Core	Governance structure	●	43~46	
102-19		Delegating authority	●	43~46	
102-20		Executive-level responsibility for economic, environmental, and social topics	●	43~46	
102-21		Consulting stakeholders on economic, environmental, and social topics	●	43~46	
102-22		Composition of the highest governance body and its committees	●	43~46	
102-23		Chair of the highest governance body	●	43~46	
102-24		Nominating and selecting the highest governance body	●	43~46	
102-25		Conflicts of interest	●	43~46	
102-26		Role of highest governance body in setting purpose, values, and strategy	●	43~46	
102-27		Collective knowledge of highest governance body	●	43~46	
102-28		Evaluating the highest governance body's performance	●	43~46	
102-29		Identifying and managing economic, environmental, and social impacts	●	43~46	
102-30		Effectiveness of risk management processes	●	43~46	
102-31		Review of economic, environmental, and social topics	●	43~46	
102-32		Highest governance body's role in sustainability reporting	●	43~46	
102-33		Communicating critical concerns	●	43~46	
102-34		Nature and total number of critical concerns	●	43~46	
102-35		Remuneration policies	●	44~45	
102-36		Process for determining remuneration	●	44~45	
102-37		Stakeholders' involvement in remuneration	●	44~45	
102-38		Annual total compensation ratio	●	44~45	
102-39		Percentage increase in annual total compensation ratio	○		
102-40	Core	List of stakeholder groups	●	40~42	
102-41	Core	Collective bargaining agreements	●	72	
102-42	Core	Identifying and selecting stakeholders	●	40~42	



● Fully Reported ● Partially reported ○ Not reported

GRI Standards			Status	Page	Remarks
No.	Core	Description			
102-43	Core	Approach to stakeholder engagement	●	40~42	
102-44	Core	Key topics and concerns raised	●	40~42	
102-45	Core	Entities included in the consolidated financial statements	●	100	Ref. Annual Report
102-46	Core	Defining report content and topic Boundaries	●	100	
102-47	Core	List of material topics	●	40~41	
102-48	Core	Restatements of information	●	100	
102-49	Core	Changes in reporting	●	100	
102-50	Core	Reporting period	●	100	
102-51	Core	Date of most recent report	●	100	
102-52	Core	Reporting cycle	●	100	
102-53	Core	Contact point for questions regarding the report	●	101	
102-54	Core	Claims of reporting in accordance with the GRI Standards	●	88~91	
102-55	Core	GRI content index	●	88~91	
102-56	Core	External assurance	●	98~99	

Topic Specific Standards_Material Topics

● Fully Reported ● Partially reported ○ Not reported

GRI Standards			Status	Page	Remarks
Material Topics	No.	Description			
1. Eco-friendly mobility development	103	Management approach	●	41	
	201-2	Financial implications and other risks and opportunities due to climate change	●	4~5, 8~9, 14~17, 24~27, 55~59, 92~93	
2. Product safety and quality	103	Management approach	●	41	
	416-1	Assessment of the health and safety impacts of product and service categories	○		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	○		
3. Safety and health in workplace	103	Management approach	●	41	
	403-1	Occupational health and safety management system	●	71	
	403-2	Hazard identification, risk assessment, and incident investigation	●	71	
	403-3	Occupational health services	●	71	
	403-4	Worker participation, consultation, and communication on occupational health and safety	●	71	
	403-5	Worker training on occupational health and safety	●	71	
	403-6	Promotion of worker health	●	71	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	●	71	
	403-8	Workers covered by an occupational health and safety management system	●	71	
	403-9	Work-related injuries	●	71	
	403-10	Work-related ill health	●	71	
4. Response to climate change (GHG emission reduction)	103	Management approach	●	41	
	302-1	Energy consumption within the organization	●	58	
	302-2	Energy consumption outside of the organization	●	58	
	302-3	Energy intensity	●	60	



● Fully Reported ● Partially reported ○ Not reported

GRI Standards			Status	Page	Remarks
Material Topics	No.	Description			
4. Response to climate change (GHG emission reduction)	302-4	Reduction of energy consumption	●	58	
	302-5	Reductions in energy requirements of products and services	●	24~27, 54~59	
	305-1	Direct (Scope 1) GHG emissions	●	57~59, 93, 94	
	305-2	Energy indirect (Scope 2) GHG emissions	●	57~59, 93, 94	
	305-3	Other indirect (Scope 3) GHG emissions	●	58~59	
	305-4	GHG emissions intensity	●	57~60	
5. R&D investment	305-5	Reduction of GHG emissions	●	57~60	
	103	Management approach	●	41	
6. Customer satisfaction and communication	R&D	R&D performance, equity investment, R&D cost	●	21, 51	
	103	Management approach	●	41	
	417-1	Requirements for product and service information and labeling	●	79	
	417-2	Incidents of non-compliance concerning product and service information and labeling (by violation results)	○		
	417-3	Incidents of non-compliance concerning marketing communications	○		
7. Healthy labor-management culture	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	●	79	
	103	Management approach	●	41	
	402-1	Minimum notice periods regarding operational changes	●	72	
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	●	76	
	408-1	Operations and suppliers at significant risk for incidents of child labor	●	76	
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	●	76	
8. Supply chain risk management	103	Management approach	●	41	
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	○		
	308-1	New suppliers that were screened using environmental criteria	●	76	
	308-2	Negative environmental impacts in the supply chain and actions taken	●	76	
	414-1	New suppliers that were screened using social criteria	●	76	
9. Economic performance	414-2	Negative social impacts in the supply chain and actions taken	●	76	
	103	Management approach	●	41	
	201-1	Direct economic value generated and distributed	●	50	
	201-3	Defined benefit plan obligations and other retirement plans	●	71	
10. Mutual growth with suppliers	201-4	Financial assistance received from government	○		
	103	Management approach	●	41	
11. Independence and expertise of BoD	204-1	Proportion of spending on local suppliers	○		
	103	Management approach	●	41	
	405-1	Diversity of governance bodies and employees	●	44, 69	
12. Contribution to local community	103	Management approach	●	41	
	202-2	Proportion of senior management hired from the local community	●	69	The ratio is not disclosed, but the number hired is disclosed
	203-1	Infrastructure investments and services supported	●	35~37, 80~81	
	203-2	Significant indirect economic impacts	●	35~37, 77, 80~81	
	411-1	Incidents of violations involving rights of indigenous peoples	○		
	413-1	Operations with local community engagement, impact assessments, and development programs	○		
	413-2	Operations with significant actual and potential negative impacts on local communities	○		

Topic Specific Standards_Non Material Topics

● Fully Reported ● Partially reported ○ Not reported

GRI Standards		Status	Page	Remarks
No.	Description			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	○		
205-1	Operations assessed for risks related to corruption	○		
205-2	Communication and training about anti-corruption policies and procedures	●	46~47	
205-3	Confirmed incidents of corruption and actions taken	○		
207-1	Approach to tax	●	48	
207-2	Tax governance, control, and risk management	●	48	
207-3	Stakeholder engagement and management of concerns related to tax	●	48	
207-4	Country-by-country reporting	○		
301-1	Materials used by weight or volume	●	61	
301-2	Recycled input materials used	●	61	
301-3	Reclaimed products and their packaging materials	●	61	
303-1	Interactions with water as a shared resource	●	60	
303-2	Management of water discharge-related impacts	●	60	
303-3	Water withdrawal	●	60	
303-4	Water discharge	●	64	
303-5	Water consumption	●	64	
304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	○		
304-2	Significant impacts of activities, products, and services on biodiversity	●	36, 65	
304-3	Habitats protected or restored	●	65	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	○		
305-6	Emissions of ozone-depleting substances (ODS)	●	63	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	●	63	
306-1	Water discharge by quality and destination	●	64	
306-2	Waste by type and disposal method	●	64	
306-3	Significant spills	○		
306-4	Transport of hazardous waste	○		
306-5	Water bodies affected by the organization's water discharges and surface runoffs	○		
307-1	Non-compliance with environmental laws and regulations	○		
401-1	New employee hires and employee turnover (by age, gender, region)	●	69	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	●	70~71	
401-3	Total number of employees that returned to work in the reporting period after parental leave (by gender)	●	70	
404-1	Average hours of training per year per employee (by age, employee category)	●	70	
404-2	Programs for upgrading employee skills and transition assistance programs	●	70	
404-3	Percentage of employees receiving regular performance and career development reviews	○		
405-2	Ratio of basic salary and remuneration of women to men	●	70	The ratio is not disclosed, but the data of salary is disclosed
406-1	Incidents of discrimination and corrective actions taken	○		
410-1	Security personnel trained in human rights policies or procedures	○		
412-1	Operations that have been subject to human rights reviews or impact assessments	●	73, 76	
412-2	Employee training on human rights policies or procedures	●	73	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	●	73, 76	
415-1	Political contributions	○		
419-1	Non-compliance with laws and regulations in the social and economic area	○		

TCFD

TCFD Recommendations	Description	CDP Metrics
Governance	<p>a) Describe the board's oversight of climate-related risks and opportunities.</p> <p>The Board receives reports on ESG management performance and plans, including climate-related matters, on a regular basis and has responsibility as the final decision-making and management authority. In 2020, the Board received two reports on the ESG agendas and monitored the company-wide ESG management status. In March 2021, Corporate Governance and Communication Committee under the board was expanded and reorganized to the Sustainability Management Committee by amending the articles of incorporation. The committee will play a role in deliberating on ESG agendas on major issues, such as strategies to counter climate change.</p>	CC1.1a
	<p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p> <p>Kia presented a preemptive transition to electric vehicles and the optimization of mobility solutions through a business strategy called "Plan S" in response to global environmental regulations and climate change. Furthermore, a climate change consultative body has been organized under the head of the Safety and Environment Center to analyze and manage climate change-related risks and opportunities, and discuss response risks, mid/long-term GHG emission reduction strategies and targets, reduction items, and investment decisions. Depending on the importance of the subject matter, decisions are made by reporting to the head of the division and the CEO.</p>	CC1.2a
Strategy	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>We identified the following as short-term risks: 1) trade barriers of carbon emissions such as imposition of national carbon taxes, 2) increase in product costs due to rising emission credit prices and renewable energy purchase costs, and 3) declining competitiveness of internal combustion locomotives due to the spread of eco-friendly consumption trends. The mid/long-term risks include the declining market share due to the delay in the development of low-carbon technologies and eco-friendly vehicles. On the other hand, Kia's leadership in eco-friendly mobility solutions based on technology development and innovation is recognized as a key opportunity.</p>	CC2.3
	<p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p>Kia believes that climate change is not merely for risk management but is a key issue for business transformation and survival, and is establishing specific strategies and action plans for carbon reduction throughout the entire value chain in line with "Plan S." Failure to deal with the globally tightening regulations on automobile CO2 emissions is expected to result in both tangible and intangible losses, such as a financial burden due to fines, declining sales, and brand value. We are committed to the transition to EV, risk management, and response to carbon reduction. Going forward, we plan to increase the proportion of eco-friendly vehicles to 40% by selling 1.6 million eco-friendly cars out of 4,050,000 global sales by 2030.</p>	CC2.2, CC2.3
	<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p> <p>Kia has introduced the GEMS (Global Energy-Greenhouse Gas Management System) in its domestic plants to predict and manage GHG emissions. Based on the forecasts derived from this system, necessary improvements and investments are made to reduce GHG emissions and are considered when setting management strategy goals. In the second half of this year, we plan to conduct a carbon emission scenarios analysis with focus on Scope 3 emissions, and then reflect the results in establishing and updating management strategies.</p>	CC3.1b, CC3.1d

TCFD Recommendations		Description	CDP Metrics
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	<p>We identify and manage climate-related risks. Opportunities throughout the entire value chain are identified and managed through the ESG Council, a company-wide council body.</p> <p>Risk identification and management process:</p> <ul style="list-style-type: none"> (1) Identifies major risks through analysis of country-specific policy trends and corporate status (2) Discusses with related sectors (e.g., review of improvement tasks by sector) (3) Establishes and implements short/mid/long-term solutions (4) Review response results through the council meeting 	CC2.2
	b) Describe the organization's processes for managing climate-related risks.		
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Kia includes ESG items under KPIs or strategic tasks of relevant teams so that climate-related risks including GHG emission management and environmental impact assessment can be integrated into the organization's risk management system.	CC3.1
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	In order to measure the risks and opportunities related to climate change, Kia uses metrics including the numbers for global automobile production/sales and the number of parts supply interruptions due to natural disasters. Risks and opportunities are assessed through these metrics in consideration of business strategies and investment directions.	CC2.1b, CC7.3
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>Scope 1: 372,000 tCO₂-eq (Domestic: 256,000 tCO₂-eq / Overseas: 116,000 tCO₂-eq)</p> <p>Scope 2: 838,000 tCO₂-eq (Domestic: 452,000 tCO₂-eq / Overseas: 386,000 tCO₂-eq)</p> <p>* Based on emissions in 2020</p> <p>** Scope 3: To be counted in July 2021</p>	CC6
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>With the goal of reducing GHG emissions, Kia has set a target of reducing emissions by 17.4% compared to 2016 levels by 2025 for Scope 1 and 2 and will disclose its plan to implement carbon neutrality and RE100 by revising its reduction goal for 2040 within 2021. The total global GHG emissions (Scope 1 and 2) in 2020* were recorded at 1,210,000 tCO₂eq, which is 99,000 tCO₂eq less than in 2016, thus comfortably meeting the reduction target.</p> <p>* The results from the plant in India in 2020 reflected</p>	CC4.1

Stakeholder Capitalism Metrics (published by the International Business Council of the World Economic Forum)

The data in this page is as of December 31, 2020

Pillar	Theme	Metrics	Response
Principles of Governance	Governing purpose	Setting purpose	To achieve the goal of “2030, Global Sustainability Leading Company,” Kia has defined three directions for sustainability management practice (environmental management, trust management, and social contribution). Based on these directions, we are now strengthening our risk management functions and implementing company level action plans in pursuit of enhancing the ESG structure. In 2020, 16 action plans were defined and completed, and in 2021, seven new tasks have been introduced and are now being implemented. The Board of Directors resolves important matters related to business operation, laws, and the articles of incorporation through regular board meetings, and makes decisions based on the opinions of shareholders and investors raised at shareholders’ meetings and IR. Non-executive directors are free to present their opinions on overall management, including shareholder values. We will continue to minimize the risks associated with major issues on top of our sustainability management system and strive to gain a new competitive advantage in the future business environment.
	Quality of governing body	Governance body composition	Refer to the section entitled “Corporate Governance” in our 2021 Sustainability Report.
	Stakeholder engagement	Material issues impacting stakeholders	Refer to the section entitled “Materiality Assessment” in our 2021 Sustainability Report.
	Ethical behaviour	Anti-corruption	Refer to the section entitled “Compliance Program (CP)” and “Ethical Management” in our 2021 Sustainability Report.
		Protected ethics advice and reporting mechanisms	Refer to the section entitled “Compliance” in our 2021 Sustainability Report.
Planet	Risk and Opportunity Oversight	Integrating risk and opportunity into business process	Kia analyzes diverse internal and external risks and opportunities, including climate change and data stewardship and discloses countermeasures. Refer to the section entitled “Risk Management” and “TCFD” in our 2021 Sustainability Report.
	Climate change	Greenhouse gas (GHG) emissions	Scope 1: 372,000 tCO ₂ -eq (Domestic: 256,000 tCO ₂ -eq / Overseas: 116,000 tCO ₂ -eq) Scope 2: 838,000 tCO ₂ -eq (Domestic: 452,000 tCO ₂ -eq / Overseas: 386,000 tCO ₂ -eq) * Based on emissions in 2020 ** Scope 3: To be counted in July 2021
		TCFD implementation	With the goal of reducing GHG emissions, Kia has set a target of reducing emissions by 17.4% compared to 2016 levels by 2025 for Scope 1 and 2 and will disclose its plan to implement carbon neutrality and RE100 by revising its reduction goal for 2040 within 2021. The total global GHG emissions (Scope 1 and 2) in 2020* were recorded at 1,210,000 tCO ₂ eq, which is 99,000 tCO ₂ eq less than in 2016, thus comfortably meeting the reduction target. Refer to the section entitled “TCFD” in our 2021 Sustainability Report.
	Nature loss	Land use and ecological sensitivity	In 2020, Kia had 1 active Mexico site that intersected with areas protected for biodiversity. The area of these buildings is 3.33 million square meters. Kia Mexico has conducted diverse eco-friendly activities to protect biodiversity. For Green project of CSR 2020, “KIA GREEN WEEK” was newly planned to impact children with environmental education activities. 200 mezquites trees were donated to employees in 2020, following last year’s Employee Tree Donation. Furthermore, “Recycle campaign & bottle cap donation” was carried out to help children and adolescents to receive adequate medical treatment, while promoting social participation of our employees and a culture of recycling in our plant. 20 containers were placed around KIA plant to collect bottle caps and donate to the Children’s Anticancer Alliance at the end of each month, to contribute to the treatment of children with cancer. Around 50 kgs of bottle caps were collected and donated to the NGO.
	Freshwater availability	Water consumption and withdrawal in water-stressed areas	Kia India Plant, located in Andhra Pradesh, withdrew 388,116 and reused 381,565 t of water. Kia Mexico Plant, located in Pesqueria, withdrew 703,095 and consumed 332,322 t of water. In Korea, water resources are supplied from Paldang Dam (AutoLand Gwangmyeong & Hwasung) and Juam Dam (AutoLand Gwangju), which have a water storage volume of more than 200 million t. The consumption of water resources in 2020 was 6,168,016m ³ , reduced by 6.2% from the previous year. Refer to the section entitled “Water Resources” in our 2021 Sustainability Report.

Pillar	Theme	Metrics	Response
People	Dignity and equality	Diversity and Inclusion (%)	Refer to the section entitled “Recruitment” in our 2021 Sustainability Report.
		Pay equality (%)	Refer to the section entitled “Employee Welfare & Compensation System” in our 2021 Sustainability Report.
		Wage level (%)	Refer to the section entitled “BoD Activities and Compensation” in our 2021 Sustainability Report.
		Risk for incidents of child, forced or compulsory labour	<p>Kia comply with various international human rights and labor standards and guidelines based on which we established “Kia Human Rights Charter” in July 2020. Through the charter, we set eight main principles to share the directions and apply them in practice. Kia also prohibits child/forced labor of suppliers through the Supplier Code of Conduct, and manages risks by conducting ESG assessment including child/forced labor for suppliers.</p> <p>Refer to our Human Rights Protection Policy available at: https://pr.kia.com/en/company/sustainability/trust-management.do Refer to our Supply Chain Policy available at: https://pr.kia.com/en/company/sustainability/win-win-management.do</p>
	Health and well-being	Health and safety (%)	Refer to the section entitled “Prevention of and Countermeasures to Occupational Accidents” in our 2021 Sustainability Report.
	Skills for the future	Training Provided (#, \$)	Refer to the section entitled “Career Development Support” in our 2021 Sustainability Report.

Pillar	Theme	Metrics	Response
Prosperity	Employment and wealth generation	Absolute number and rate of employment	Refer to the section entitled “Recruitment” in our 2021 Sustainability Report.
		Economic contribution	Revenues: 59,168,096 Operating Cost: 67,047,171 Employee wages and benefits: 4,872,300 Payments to providers of capital: 635,500 Payments to government: 382,500 Community investment: 27,900 (Unit: KRW million)
	Innovation of better products and services	Financial investment contribution	We made KRW 2,319.8 billion in fixed asset capital investments (KRW 2,219.5 billion net of depreciation). And for stakeholders, we have paid KRW 400.9 billion for dividend payments and there were no share buybacks.
		Total R&D expenses	Kia invested KRW 3,342.8 billion to provide sustainable mobility solutions to our customers based on the best marketability and quality. Refer to the section entitled “2021 Plans & Goals” in our 2021 Sustainability Report.
	Community and social vitality	Total tax paid	Kia paid KRW 353,773 million for corporate income taxes in 2020. Refer to the section entitled “Summary of Business Performance” in our 2021 Sustainability Report.

SASB



The data in this page is as of December 31, 2020

Topic	Code	Accounting Metric	Response																		
Product Safety	TR-AU-250a.1	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	The percentages of vehicle models rated by NCAP programs with an overall 5-star safety rating are as follows; Korea 100%, U.S. 50%, Europe 100%, China 100%. List of 5-star vehicle models																		
			<table><tr><th>Region</th><th>Rate</th><th>Model</th></tr><tr><td>Korea</td><td>1st grade</td><td>Carnival, K5, Sorento</td></tr><tr><td>U.S.</td><td>5★</td><td>Stinger AWD, Stinger RWD, Telluride FWD, Telluride AWD, Sedona FWD, Sportage AWD, Sportage FWD, K5 FWD</td></tr><tr><td></td><td>4★</td><td>Soul FWD, Sorento AWD, Sorento FWD, Seltos AWD, Seltos FWD, Sorento Hybrid FWD, Niro Hybrid FWD, Forte FWD</td></tr><tr><td>Europe</td><td>5★</td><td>Sorento</td></tr><tr><td>China</td><td>5★</td><td>KX3</td></tr></table>	Region	Rate	Model	Korea	1 st grade	Carnival, K5, Sorento	U.S.	5★	Stinger AWD, Stinger RWD, Telluride FWD, Telluride AWD, Sedona FWD, Sportage AWD, Sportage FWD, K5 FWD		4★	Soul FWD, Sorento AWD, Sorento FWD, Seltos AWD, Seltos FWD, Sorento Hybrid FWD, Niro Hybrid FWD, Forte FWD	Europe	5★	Sorento	China	5★	KX3
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Europe	5★	Sorento																			
China	5★	KX3																			
TR-AU-250a.2	Number of safety-related defect complaints, percentage investigated	There were 2,810 submissions about Kia to NHTSA VOQ* in 2020. All submissions related to Safety are investigated. * NHTSA VOQ: National Highway Traffic Safety Administration Vehicle Owners Questionnaire																			
TR-AU-250a.3	Number of vehicles recalled	The number of vehicles recalled was 2 million units.																			
Labor Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	The percentage of active workforce covered under collective bargaining agreements was 83.2%.																		
	TR-AU-310a.2	(1) Number of work stoppages and (2) total days idle	(1) The number of work stoppages involving 1,000 or more workers lasting one full shift or longer was Zero. (2) The total days idle was Zero, as a result of work stoppages.																		
Fuel Economy & Use-phase Emissions	TR-AU-410a.1	Sales-weighted average passenger fleet fuel economy, by region	The Sales-weighted average passenger fleet fuel economy by region are as follows: U.S. 37.8 MPG, China 5.85 l/100km																		
			Further information can be found in the following sections of this report: - Environment, page 54																		
	TR-AU-410a.2	Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold	Kia sold 54,093 units of ZEVs, along with 117,162 units of HEVs and 39,208 units of PHEVs in 2020.																		
	TR-AU-410a.3	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	Kia's strategy for managing fleet fuel economy and emissions risk and opportunities can be found in the following sections of this report: - Symmetry, pages 24~27 - Environment; Environmental Management System, page 55 - Environment; Commitment to Achieve Carbon Neutrality, page 57 - Environment; Product Lifecycle and Resource Circulation, pages 66~67																		
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. Kia also established seven new core tasks in 2021 including the establishment of conflict minerals policy, in order to achieve the sustainability management goal of "2030, Global Sustainability Leading Company." 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	The total amount of waste from manufacturing was 194,247 t, and 94.8% of the waste was recycled.																		
	TR-AU-440b.2	Weight of end-of-life material recovered, percentage 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. See also: Environment; Product Lifecycle and Resource Circulation, pages 66																		
	TR-AU-440b.3	Average recyclability of vehicles sold	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 85% of vehicle sold are recycled or reused at their end of life. See also: Environment; Product Lifecycle and Resource Circulation, pages 66																		
Activity Metrics	TR-AU-000.A	Number of vehicles manufactured	Kia manufactured 2,504,450 units of vehicles in 2020 globally.																		
	TR-AU-000.B	Number of vehicles sold	Kia sold 2.662 million units of vehicles in retail, in 2020 globally.																		

Independent Assurance Statement

To readers of Kia Sustainability Magazine 2021

Introduction

Korea Management Registrar (KMR) was commissioned by Kia to conduct an independent assurance of its Sustainability Magazine 2021 (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, SASB and Stakeholder Capitalism Metrics by IBC of WEF

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards

- Management approach
- Economic Performance : 201
- Market Presence : 202
- Indirect Economic Impacts : 203
- Energy : 302
- Emissions : 305
- Supplier Environmental Assessment : 308
- Labor/Management Relations : 402
- Occupational Health and Safety : 403
- Diversity and Equal Opportunity : 405
- Freedom of Association and Collective Bargaining : 407
- Child Labor : 408
- Forced or Compulsory Labor : 409
- Supplier Social Assessment : 414
- Marketing and Labeling : 417
- Customer Privacy : 418

- TCFD recommendations
- SASB Sustainability Disclosure Topics & Accounting Metrics
- Stakeholder Capitalism Metrics by IBC of WEF

As for the reporting boundary, the engagement excludes the data and information of Kia’ 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. We recommend that it develop models for measuring social values considering its business characteristics to increase the effectiveness of CSR activities and continuously enhance the sustainability management system.

• Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with Kia and did not provide any services to Kia that could compromise the independence of our work.

July 2021 Seoul, Korea
CEO **Eun ju Hwang**

E. J. Hwang



About MOVE

With the aim to step up as a “First MOVER” in the era of mobility, Kia published a 2021 sustainability report “MOVE” to highlight our efforts and progress towards the sustainable future. This report consists of the editorial section Magazine and the Fact Book section, making the interest issue materials accessible for the readers. This 2021 MOVE is our 19th edition in our annual publication series. We will continue to accurately deliver all sustainability issues of interests to our stakeholders in detail.

I Reporting Standards

2021 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

I 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.

I Reporting Scope & Period

The reporting period is from 2018 to 2020. 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 2019 and 2020, the results beginning from that year were tracked, and for the material changes, we included the performance data from 2017 to first quarter of 2021. The qualitative performance data focuses only on the activities and initiatives made during year of 2020. 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 2021 Sustainability Report.

I 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, since the figures were calculated on retail* basis some data may differ from prior year’s report which was prepared based on wholesale** basis.

* Retail: vehicles sold by dealers to end-customers

** Wholesale: vehicles sold to dealers by each sales company operating in domestic and overseas markets

I 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 Hwasung, 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.

I 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, Strategic Business Planning Division (contact information on the back cover)

Contact Information

Please find the relevant contact information for inquiry about contents in our 2021 Sustainability Report.

ESG Management



Strategic Business Planning Division	Sang Dae Kim Senior Vice President
Strategic Business Planning Group	Dong Su Shin Vice President
Sustainability Management Team	Kye Hwan Roh Team Manager
Sustainability Management Team	Hyun Tae Nho Senior Manager
Sustainability Management Team	Sun Kyung Lee Manager
Sustainability Management Team	Yeo Jin Cho Manager

Economy/Governance



IR Group	Seong Kook Jung Vice President
Financial Management Group	Seung Joon Kim Head of Group
Strategic Business Planning Team	Duk Hyun Lee Team Manager
IR Team	Hae In Lee Team Manager
Compliance Management Team	Seok Hee Hyeon Team Manager
IR Team	In Je Cha Senior Manager
IR Team	Min Ho Lee Manager
Strategic Business Planning Team	Seo Hyun Chang Manager
Compliance Management Team	Seong Woong Kim Senior Manager
Compliance Management Team	Gwang Yeong Lee Senior Manager
Global Business Administration Team	Byeong Soo Jeong Senior Manager
Global Business Administration Team	Yeong Hyeon Park Manager
Brand Strategy Team	Yu Jin Lee Senior Manager
Strategic Investment Team	Sung Jin Ko Senior Manager
Domestic Business Strategy Team	Hoon Jun Lee Manager
Tax Team	Sang Cheon Yim Senior Manager

Environment



Environmental, Health & Safety Center	Jeong Hyeon Cho Head of Group
Environmental, Fire facilities Management Team	Ki Dong Lim Team Manager
Green & Eco-Technology Research Team	Jin Woo Chung Team Manager
Sustainability Management Team	Seung Jin Huh Senior Manager
Environmental, Fire facilities Management Team	Yeong Hwan Seong Senior Manager
Environmental, Fire facilities Management Team	So Youn Lee Manager
Environmental, Health Planning Team	Yeong Ho Chang Senior Manager
Mobility Business Planning Team	Jong Heon Jeong Senior Manager
MaaS Business Team 1	You Ra Chae Manager
PBV Business Team	Oh Seung Kwon Senior Manager
New Business Planning Team	Bong Kyu Choi Senior Manager
EV Ecosystem Strategy Team	Kyu Won Jeong Team Manager
R&D Technology Strategy Team	Young Tae Kim Research Engineer
Powertrain Strategy Team	Hwi Kyu Choi Senior Manager
Autonomous Driving Planning Team	Jong Tae Yoon Senior Manager
Quality Planning Team	Ji Hwa Mok Manager
Quality Planning Team	Yoon Seok Gong Senior Manager
Electronic Planning Team	Dong Won Choi Senior Manager
Infotainment Planning Team	You Hwan Kim Senior Research Engineer
Green & Eco-Technology Research Team	Mi Yeon Song Senior Research Engineer
Regulation & Certification Team 1	Hwang Wook Huh Head of Part
Regulation & Certification Team 2	Seong Joong Noh Senior Manager
Regulation & Certification Team 3	Hyo Jun Lee General Manager

Design Review

Brand Strategy Team	Yu Jin Lee Senior Manager	Digital Journal PR Team	Jae Woo Kim Senior Manager
Marketing Communication Team	Ah Reum Chang Senior Manager	Digital Journal PR Team	Ho Jin Nam Senior Manager
Kia Design Management Group	Dae Shik Shin Senior Manager		

Society



HR Strategy Team	Ji Hun Chang Team Manager
Sustainability Management Team	Hyeong Ju Jo Senior Manager
Sustainability Management Team	Won Chan Lee Manager
Sustainability Management Team	Jae Kang Lee Manager
HR Strategy Team	Jun Gil Lee Senior Manager
Talent & Organization Management Team	Yong Won Park Senior Manager
Talent & Organization Management Team	Jong Il Park Manager
HR Services Team	Woo Hyuk Shim Senior Manager
HR Services Team	Sol Gyu Song Manager
Corporate Culture Design Team	Moon Uk Seo Manager
Business Support Team	Ki Beom Lee Manager
Labor Relations Operations Team	Ji Sug Song Senior Manager
Supplier Cooperation Team	Yeong Soo Kim Senior Manager
Supplier Cooperation Team	Min Ok Park Senior Manager
Compliance Support Team	Ji Hye Woo Senior Attorney
Audit Planning Team	Sang Cheol Park Senior Manager
Ownership Enhancement Team	Jae Hoon Yoon Senior Manager
Retail Channel Management Team	Jae Ho Han Senior Manager
Korea Customer Value Team	Semin Jang Manager
Customer Experience Planning Team	Jin Soo Jeong Manager
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