

Modern Slavery Statement





Modern Slavery Statement

Financial Year January to December 2020

This statement is made and published in accordance with Section 13 of the *Modern Slavery Act 2018* (Cth) (“MSA”). It is the first modern slavery statement released by Kia Australia Pty Ltd (“KAU”) ABN: 97 110 483 353. KAU’s reporting period is 1 January to 31 December 2020.

This statement is released in line with the MSA requirements and outlines the steps KAU has taken and will continue to take to prevent modern slavery occurring in our operations and supply chain.

Introduction

KAU is committed to the prevention of modern slavery in all forms. Modern slavery is a violation of human rights. It is able to take many forms including human trafficking, compulsory labour and the deprivation of liberty. KAU has a zero-tolerance approach to modern slavery.

To prepare this statement, KAU has undertaken a review of its operations and first tier suppliers to identify any modern slavery risks. This has included consulting with first tier suppliers about their operations and the goods or services they supply to KAU.

Business structure and operations

KAU is a subsidiary of Kia Corporation based in Seoul, Republic of Korea and a manufacturer and distributor (via a dealership network) of motor vehicles in Australia. KAU does not own or control any other entities. We are based in Macquarie Park in Sydney, Australia. There are 137 franchised Kia dealerships across Australia.

KAU’s business comprises of the following components:

- i. Corporate
- ii. Sales
- iii. After Sales



- iv. Marketing
- v. Network Development
- vi. Human Resources
- vii. Finance
- viii. Legal

At the time of publishing, KAU has 125 employees and works with approximately 200 suppliers. KAU's supply chain includes both Australian and overseas suppliers. The majority of our suppliers are located in Australia. Our cars are built at factories in the Republic of Korea.

Risks of Modern Slavery in KAU's supply chain

KAU is focused on ensuring that modern slavery practices are not taking place in our supply chain. At the same time, we recognise that this is an ongoing journey and that mapping an entire supply chain to identify risks of modern slavery requires a systematic approach.

For this reporting period, KAU has reviewed its first-tier suppliers to identify potential modern slavery risks. As part of this, KAU surveyed approximately 200 first tier suppliers to assess the risk of modern slavery. The results of that survey are discussed in the section on Due Diligence below.

Company Policies

As part of conducting business in Australia, KAU takes its legal reporting and compliance obligations seriously. We strive to live up to our [Corporate Philosophy](#) values in everything we do.

KAU has a zero-tolerance approach to modern slavery - We will only work those who share our values.

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit for personal or commercial gain.



KAU expects our suppliers and stakeholders to conduct their business with integrity, honesty and openness. With this we want all KAU employees to feel they have a voice to communicate any concerns to management.

KAU's Whistleblowing policy allows all employees to confidentially report any concerns they have. KAU is in the process of updating this policy to include the ability to raise any concerns regarding modern slavery.

Additionally, in issuing our supplier questionnaires (discussed further in Due Diligence below) we used the opportunity to communicate and affirm our zero-tolerance approach to modern slavery.

Modern Slavery Compliance Officer

KAU's Legal Counsel, Mr. Ronald De La Cuadra, monitors our compliance with Australian laws and regulations concerning modern slavery across our business.

Training and Education

KAU is raising awareness throughout our organisation regarding the issues around modern slavery. We are working with our employees and suppliers on how to recognise modern slavery and what steps to take to reduce the risk of modern slavery. In our next reporting period, our Legal Counsel will be providing training to all staff on how to manage and reduce the risk of modern slavery, highlighting the negative effect it could have on people and our business.

We have completed this modern slavery statement for the reporting period 1 January 2020 to 31 December 2020 and we have not included the effect of COVID-19 on modern slavery risks in our supply chain in this statement. We will consider the effects of COVID-19 including increased changes to supply chains and potentially vulnerable population in our next statement.

Due Diligence

As part of our process to identify and mitigate the risk of modern slavery, as mentioned above, we first mapped our suppliers by surveying each business unit. Each unit provided their list of



first-tier suppliers based on previous contract spend. We then surveyed these first-tier suppliers to request information regarding their business operations and the source of their goods or services by way of a supplier questionnaire.

From these enquiries, we have been able to learn more about where our suppliers source products from and to identify and mitigate the risk of modern slavery occurring in our supply chains.

We surveyed approximately 200 first tier suppliers irrespective of the contract or supply value. Our surveys sought information from our suppliers regarding:

- Operations in, or goods sought from the top high-risk locations identified by the Global Slavery Index 2018;
- Use of goods from countries listed in the List of Goods Produced by Child Labor or Forced Labor 2018 published by the US Department of Labor;
- Existing or planned reporting under the MSA or other laws;
- Anti-slavery policies.

The majority of our suppliers completed the survey and confirmed that they do not have operations in, or source goods from, the high-risk locations. They also confirmed that they do not source goods from the lists published by the US Department of Labor. However, we are aware that this does not mean there is no risk of modern slavery. We will continue to work with our suppliers as part of our zero-tolerance approach to modern slavery.

Assessing the effectiveness of our actions

While KAU is at the beginning of our journey to identify and eliminate modern slavery in our operations and supply chains, we are developing a framework to assess the effectiveness of our actions. We are also considering the implementation of the following steps to assess effectiveness of our actions:

- a. tracking the number of staff who complete the modern slavery training;
- b. monitoring our first-tier suppliers and ensuring ongoing communication with our suppliers and stakeholders on the risks of modern slavery;
- c. conducting internal audits and recording our actions to identify modern slavery risks and track their effectiveness using risk-based tools; and



- d. keeping up to date with developments and trends in modern slavery laws and regulations.

Ongoing Commitment to Combating Modern Slavery

KAU will continue to measure the effectiveness of our procedures to prevent modern slavery occurring throughout any part of our business or supply chains.

We will also build on the training and education procedures provided to employees to enable them to better identify, understand and report on modern slavery, if detected within our supply chain.

This statement is made pursuant to Section 13 of the MSA and constitutes our modern slavery statement for the financial year ending 31 December 2020. This Modern Slavery Statement was approved by the Governing Authority of KAU.

Joonsu Cho
President & CEO
29 June 2021