

Modern Slavery Statement



Modern Slavery Statement



Financial Year January to December 2021

This statement is made and published in accordance with Section 13 of the *Modern Slavery Act 2018* (Cth) ("MSA"). It is the second modern slavery statement released by Kia Australia Pty Ltd ABN: 97 110 483 353 ("KAU", "we", "our"). KAU's reporting period is 1 January to 31 December 2021.

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 contributing to the prevention of modern slavery. Modern slavery is a violation of human rights. Modern slavery takes many forms, including human trafficking, compulsory labour and the deprivation of liberty.

Business structure and operations

KAU is a jointly owned subsidiary of Kia Corporation and Hyundai Motor Company based in Seoul, Republic of Korea. It is a distributor (via a dealership network) of motor vehicles in Australia. KAU does not own or control any other entities.. Our Head office is based in Macquarie Park in Sydney, Australia. There are 137 franchised Kia dealerships across Australia.

The business structure of KAU comprises of six main departments which are managed by General Managers, who report directly KAU's Chief Operating Officer (COO), Damien Meredith. Our COO reports directly to our Chief Executive Officer (CEO), Joonsu Cho.

KAU's business comprises of the following main departments: :

1. Sales
2. After Sales
3. Marketing
4. Product Planning
5. Legal
6. Finance

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As at 31 December 2021, KAU has 120 employees and works with over 800 suppliers. KAU's supply chain includes both Australian and overseas suppliers. Our cars are built at factories of related entities located in the Republic of Korea and imported to Australia to then be sold to our customers via our dealer network.

Risks of Modern Slavery in KAU's operations and supply chain

KAU considers that the risk of modern slavery in its employees is low. Our staff are located in Australia, which is a low risk jurisdiction for modern slavery, and they are all paid in excess of minimum wage. Each of our employees receives a written contract of employment.

KAU understands that managing modern slavery is an ongoing journey and that mapping an entire supply chain to identify risks of modern slavery requires a systematic approach.

KAU has reviewed its first-tier supply chain, to identify potential modern slavery risks. As described in our previous statements, in 2018 KAU issued questionnaires to our first tier suppliers to assess the risk of modern slavery. The results of that survey are discussed in the section on Due Diligence below. KAU considers that the risk of modern slavery in KAU's supply chain primarily relates to the manufacture of motor vehicles and parts overseas, as well as inputs into manufacturing. Kia Corporation considers the risk posed by these suppliers as part of its due diligence process described 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.

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 for personal or commercial gain.

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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.

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

Modern Slavery Governance

KAU's Legal Counsel is responsible for monitoring our compliance with Australian laws and regulations concerning modern slavery across our business.

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.

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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.

Approval

This statement is made pursuant to Section 13 of the MSA and constitutes our modern slavery statement for the financial year ending December 2021. This Modern Slavery Statement was approved by the Board of KAU, which does not have any owned or controlled entities.

A handwritten signature in black ink, appearing to be 'K Choi', written over a dark horizontal line.

Kenneth Choi
Chief Financial Officer

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