

Modern Slavery Statement



Modern Slavery Statement



Financial Year January to December 2022

This statement is made and published in accordance with Section 13 of the *Modern Slavery Act 2018* (Cth) ("MSA"). It is the third 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 2022.

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 subsidiary of Kia Corporation based in Seoul, Republic of Korea and 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 eight main departments which are managed by General Managers, who report to KAU's Chief Operating Officer (COO). Our COO reports directly to our Chief Executive Officer (CEO).

KAU's business comprises of the following main departments:

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

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8. Human Resources

KAU's main departments consist of sub-departments which are led by KAU's General Managers and National Managers. As at 31 December 2022, KAU has 135 employees and works with over 850 suppliers. Our cars are built at our factories 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 statement, 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.

KAU's Whistleblowing policy allows all employees to confidentially report any concerns they have

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 Compliance Officer

KAU's Legal and Compliance Officer monitors 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.

Assessing the effectiveness of our actions

KAU is considering how to assess the effectiveness of our actions. The Legal function is responsible for monitoring our compliance with the MSA. We are considering options, including the following:

- a. tracking the number of staff who complete the modern slavery training;
- b. monitoring supply contracts to ensure there is a provision relating to Modern Slavery and that a Supplier Code of Conduct is implemented;
- c. continuing to issue supplier questionnaires to our first tier suppliers and ensuring ongoing communication with our suppliers and stakeholders on the risks of modern slavery;
- d. conducting internal audits and recording our actions to identify modern slavery risks and track their effectiveness using risk-based tools; and
- e. keep up to date with developments and trends in modern slavery laws and regulations.

Approval

This statement is made pursuant to Section 13 of the MSA and constitutes our modern slavery statement for the financial year ending December 2022. This Modern Slavery Statement was approved by the Board of KAU, which does not have any owned or controlled entities and has been signed by a director.

Kenneth Choi
Chief Financial Officer (Director)
Kia Australia Pty Ltd

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