

# Modern Slavery Statement



Modern Slavery Statement



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## Financial Year January to December 2023

This statement is made and published in accordance with Section 13 of the *Modern Slavery Act 2018* (Cth) ("MSA") on behalf of Kia Australia Pty Ltd ("KAU", "we", "our") ABN: 97 110 483 353. KAU's reporting period is 1 January to 31 December 2023.

## Introduction

KAU takes its obligations under the Modern Slavery Act seriously and 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, servitude, forced labour, the worst forms of child labour and deceptive recruitment.

## Business structure and operations

KAU is jointly owned by Kia Corporation ("Kia") and Hyundai Motor Company based in Seoul, Republic of Korea. KAU 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. KAU also has offices in Victoria, Queensland and Western Australia and there are currently 138 independent franchised Kia Dealerships across Australia.

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

KAU's business comprises of the following main departments:

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

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As at 31 December 2023, KAU had 135 employees. These employees' roles are managerial, finance, administration, sales, technical and aftersales, communications, legal and IT

KAU has over 900 suppliers. KAU's supply chain includes both Australian and overseas suppliers. Our cars are built at factories operated by related Hyundai Motor Group entities located in the Republic of Korea and imported to Australia to then be sold to our customers via our dealer network. Our parts are all supplied by a related supplier, Mobis Australia, who is Australia-based, but sources those parts from many different suppliers. We also have suppliers in the following sectors:

logistics, professional services, marketing, merchandise and uniforms, property management and security, IT and telecommunications, hospitality, and utilities.

## Risks of Modern Slavery in KAU's Operations and Supply Chains

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.

We understand that managing modern slavery is an ongoing process. We have reviewed our modern slavery risk via the UN Guiding Principles concepts of causing, contributing to, or being linked with human rights impacts.

Our most salient risks are in the international production of the motor vehicles and parts we purchase, as well as other manufacturing inputs including raw materials such as metals deeper within our supply chain. KAU recognises that its products and business activities could be associated with modern slavery through relationships with third parties. KAU does not consider that it causes or contributes to these risks.

Like all businesses, we are also conscious of inherent risk of modern slavery in logistics including shipping, IT and telecommunications, merchandise and uniforms, cleaning and maintenance and hospitality.

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## Company Policies

### HMC and Kia

#### *Human Rights Protection*

HMC and Kia protect and promote human rights of all stakeholders, including employees, partners, and customers. They have established a Human Rights Charter, which adheres with several international norms on human rights and labour. The Charter includes ten primary bullet points to convey commitment to human rights in all workplaces. These points specifically prohibit child and forced labour.

They are also addressing human resource risks by urging employees to follow human rights principles and guidelines by educating them on the recently approved Human Rights Charter.

#### *Supplier Code of Conduct*

HMC and Kia have adopted a Supplier Code of Conduct as the standard that suppliers must uphold.

The Supplier Code of Conduct includes the purpose of enacting the code of conduct, those subject to the code, and the responsibilities and roles of suppliers, and sets forth the standards that must be upheld with respect to the main areas subject to supply chain risks such as:

- ethics,
- the environment,
- labour/human rights,
- safety/welfare,
- management systems, etc.

During 2023, the code was amended to include provisions that state that suppliers shall not be supplied with raw materials, parts, and/or components that were directly/indirectly produced using forced labour at any stage of their own supply chains, requires suppliers to conduct their own supply chain due diligence, and also requires suppliers to enact and implement codes of conduct that prohibit the use of forced labour, thereby allowing for stronger management of the supply chain.

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### *KAU - Grievance mechanism*

KAU is committed to meeting its legal reporting and compliance obligations in Australia, ensuring all business practices align with our core corporate values.

Modern slavery is a serious crime and a gross violation of human rights. It encompasses various forms such as slavery, servitude, forced labour, and human trafficking, all of which involve exploiting individuals by restricting their freedom for personal or commercial gain.

We encourage employees to voice their concerns, ensuring an open dialogue with management. Our Whistleblowing policy enables employees to report issues confidentially. We are currently updating this policy to include specific provisions for addressing concerns related to modern slavery.

## Anti-Slavery Governance

KAU's Legal function is responsible for monitoring our compliance with Australian laws and regulations, including modern slavery.

## Due Diligence

### HMC and Kia

A global supply chain compliance program has been introduced that focuses on the U.S. Uyghur Forced Labor Prevention Act, a supply chain due diligence law currently in force that relates to the automotive industry and imposes a serious supply chain risk management obligation. A risk diagnosis/management system has been established, and based on this system, risk screening has been conducted on the 477 high-risk part category tier 1 suppliers<sup>1</sup>) and the 1,488 tier 1 suppliers of overseas production companies<sup>2</sup>) (by doing so, during 2023, risk screening was conducted on all 1,866 tier 1 suppliers<sup>3</sup> which are managed by Hyundai Motor Company ("HMC")/Kia Corporation and the overseas production companies).

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<sup>1</sup> (i) all HMC/KIA's tier 1 suppliers (Korean tier 1 suppliers that supply overseas/domestic factories): 378 companies, (ii) some foreign tier 1 and tier 2 suppliers that supply parts included in finished vehicles exported to the U.S. and parts exported to the U.S. from among the parts sourced from China: 95 companies, and (iii) some foreign tier 1 and tier 2 suppliers that were additionally selected based on the U.K. Sheffield Hallam University Report: 4 companies

<sup>2</sup> All overseas production companies' tier 1 suppliers: 1,488 companies

<sup>3</sup> (i) all HMC/KIA's tier 1 suppliers: 378 companies, (ii) all production companies' tier 1 suppliers: 1,488 companies

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In accordance with U.S. government guidelines, HMC and KIA have established compliance system, focusing on three main areas. HMC and KIA (i) established a supply chain risk diagnosis/management system, (ii) proceeding with a supply chain mapping program, and (iii) establishing and strengthening its due diligence system.

A supply chain mapping pilot project for effective supply chain mapping has also been conducted, and the Human Rights Charter, Supplier Code of Conduct, our standard procurement contract, etc., have been amended to mandate the inclusion of policies on abiding by laws and regulations relating to forced labour.

## KAU

To help identify and reduce the risk of modern slavery, we began by mapping our suppliers through a survey distributed to each business unit. Each unit provided a list of their primary suppliers based on past spending. We then sent a detailed questionnaire to these first-tier suppliers, gathering information about their business operations and the sources of their products and services.

Through this process, we gained a clearer understanding of where our suppliers obtain their products and identified areas where modern slavery risks might exist within our supply chains. In 2018, KAU surveyed around 200 first-tier suppliers, regardless of contract size or supply value.

Our surveys requested information on:

- Operations or sourcing from high-risk regions identified by the Global Slavery Index 2018;
- Goods obtained from countries listed in the US Department of Labor's 2018 report on Child Labor or Forced Labor;
- Compliance with the Modern Slavery Act (MSA) or other relevant legislation;
- Existing or planned anti-slavery measures.

Most suppliers responded to the survey, advising that they do not operate in or source from high-risk regions, nor do they procure goods from the US Department of Labor's lists. However, we recognize that this does not entirely eliminate the risk of modern slavery and many of our suppliers have complex supply chains that may be exposed to modern slavery risk.

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## Assessing the effectiveness of our actions

We are committed to ensuring that our response to modern slavery risk matures.

During 2024, the KAU Legal function will review the policies applicable to KAU that are relevant to managing modern slavery risk and consider whether they are adequate to manage the risk of modern slavery in our operations and supply chains. This assessment will include a review of implementation of relevant policies in Australia. Following this process, the Legal function will develop a gap analysis and recommend amendments or adoption of policies responsive to risks identified. This process will enable us to assess the effectiveness of our anti-slavery framework.

## Approval

This statement is made pursuant to Section 13 of the MSA and constitutes our modern slavery statement for the financial year ending December 2023. This Modern Slavery Statement was approved by the Board of KAU, which does not have any owned or controlled entities.

Damien Meredith  
President & CEO