



Last Edited	2023.01.
Managed by	Sustainability Management Team

Kia No Deforestation Policy

1. Preamble

A. Purpose of enactment

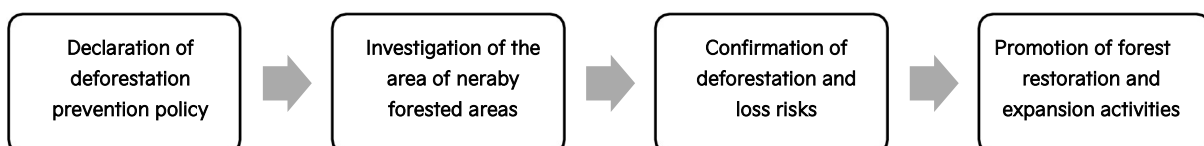
Kia declares this deforestation prevention policy to prevent deforestation that may occur in the overall business operation, such as the purchase/procurement of raw materials, the operation of business sites, the distribution/sale of products, the collection/recycling of waste products, etc., and at the same time to protect forests of local communities. This deforestation prevention policy has been established by referring to the UN Strategic Plan for Forests and GFGs, UN Reducing Emission from Deforestation and Forest Degradation Plus Conservation, and IUCN Guidelines for Applying Protected Area Management Categories.

B. Coverage

Kia's domestic headquarters and business sites, overseas subsidiaries, suppliers, partners, and other stakeholders in trading relations are subject to this No Deforestation Policy. Kia shall manage deforestation risks throughout its business operation based on this deforestation prevention policy. If there are local laws/regulations related to the prohibition of deforestation, the protection of forested areas, the logging and use of wood products, Kia shall comply with them as priorities.

C. Implementation procedure

Following this deforestation prevention policy, Kia shall operate a management system to protect the business site and its surrounding areas or nearby forest areas. Each business site shall investigate the forest area adjacent to the business site and identify risk factors for forest destruction or loss in the area, in consideration of the natural environment characteristics of each country/region where business sites are located, when required by laws and regulations, or when a stakeholder such as a local community raises a reasonable concern about forest degradation or loss. Kia shall maintain/protect the green area inside and around its business sites and promote activities to restore and expand forested areas through cooperation with local communities.



2. Declaration

A. Goal

Kia shall do its best to prevent deforestation throughout its business operations, such as the purchase/procurement of raw materials, its business sites, the distribution/sale of products, and the collection/recycling of waste products, etc. To this end, Kia shall contribute to preventing deforestation in the community, forest conservation, and improvement of forest carbon absorption as well as maintaining/protecting the green area inside the business site and surrounding areas.

① [Future Reforestation]

Kia shall actively promote afforestation and reforestation activities to compensate the natural ecosystem flourish.

② [End All Deforestation]

Kia shall strive to complete a value chain structure that operates a business without deforestation in the mid-to-long term by 2050.

③ [Carbon Offset]

Kia shall offset the remaining greenhouse gas emissions through carbon offsetting activities by 2045.

B. Protected Area

Kia defines a forest protected area, considering the landscape and topography/geological characteristics provided by forests, composition/role/potential of biodiversity inhabiting forests, and other forests' historical/cultural/scientific/educational significance. Kia intends to plan and implement forest protection-restoration-expansion activities by prioritizing the following protected areas.

① International Conservation Area (IUCN Category Ia etc.)

An area where a natural ecosystem recognized by the international community is established, and various species prosper. An area that has not been affected by anthropogenic factors and that can be destroyed even by the slightest human influence.

② Primordial Integrity Area (IUCN Category Ib etc.)

An area that maintains the natural ecosystem of the pristine wilderness and is inhabited by an indigenous community with a pristine and wild lifestyle and allows only minimal impact for educational/scientific purposes.

③ National Protected Area (IUCN Category II etc.)

An area designated at the national level to permanently preserve the natural

ecosystem formation process. An area of high importance for protecting native flora and fauna, religious, scientific, educational, recreation/tourism, etc.

④ **National and Cultural Relics Area (IUCN Category III etc.)**

An area with high historical value from the viewpoint of archaeology /anthropology/ history/ geography as a natural ecosystem formed naturally or through faith and culture.

⑤ **Species/Habitat Management Area (IUCN Category IV etc.)**

An area designated by an international, national, or local organization to protect species and habitats and requires active management/intervention to promote biodiversity.

C. Inspection procedure

Kia shall establish a procedure to monitor 1) the current status of deforestation and 2) the possibility of potential deforestation risk to achieve the 'goal' of this deforestation prevention policy, focusing on areas near business sites and protected areas. Kia shall prepare a response system that can take appropriate measures to protect or restore forest areas when deforestation is confirmed, or the risk of deforestation is recognized. In addition, Kia shall monitor whether forest area protection or restoration measures are being implemented as planned.

① Kia regularly surveys the green area within its business sites and strives to maintain/expand the green area.

② Kia shall recommend that suppliers monitor and mitigate deforestation risks during business operation as part of the 'Supplier Code of Conduct.'

③ Kia shall monitor the risk of deforestation occurring at the sourcing process of raw materials to procure materials sustainable in the mid-to-long term and review a restoration plan for the place of origin where deforestation has occurred.

④ Kia shall manage issues raised by stakeholders (local residents, etc.) who engage in economic activities or live in forested areas affected by business operations.

3. Management

A. Governance

① Responsibility

Major deforestation risks shall be managed and overseen by the chief decision maker or a management council involving key decision makers. The primary role of the management council shall include deforestation risk review, deliberation on deforestation risk response plan, and other matters deemed necessary for forest protection-restoration-expansion, etc.

Kia's Board of Directors or sub-committees (Sustainability Management Committee, etc.) shall review/deliberate on the response to laws and regulations on deforestation that have a significant impact on business operation, deforestation monitoring and prevention planning, and related investment decision-making, etc.

B. Grievance and Handling

① Filing a grievance

Kia shall operate a channel through which employees and other organizations (individuals) can report grievances related to deforestation that arise in the course of business operation.

Reporting channels

- **Name of department:** Kia Sustainability Management Team
- **E-mail:** sustainability@kia.com
- **Mail:** Sustainability Management Team, Kia Headquarter / 12, Heolleung-ro, Seocho-gu, Seoul, Republic of Korea

② Grievance handling

Kia shall prepare countermeasures for reported cases of deforestation in consideration of court precedents, regulations of the competent authority, and past internal handling practices. If the reported case is highly likely to violate laws/regulations, exert influence on local residents' property rights, etc., or spread to corporate reputation/reputation risks, the highest decision-making body, such as the management council, discusses countermeasures.

C. Education and diffusion

① Education

Kia shall improve the awareness of the need for forest protection-restoration-expansion through environmental management education for its employees. Kia shall enhance the understanding of the importance and necessity of forest and encourage its employees to consider forest protection in its business processes. The Company shall also encourage its employees to report any deforestation-related issues when found.

② Information disclosure

Kia shall disclose forest protection-restoration-expansion activity and performance information through its website, sustainability report, or a separate channel. The Company shall disclose relevant information through channels easy to access and clearly understandable by stakeholders, including executives and employees.

③ External cooperation

Kia shall establish a cooperative system with external expert agencies and non-profit organizations to promote forest protection-restoration-expansion activities. Kia promotes

the effectiveness of forest protection-restoration-expansion activities based on the expertise in the forestry field possessed by external organizations and an understanding of the specificity of the local forest area.

D. Performance management

① Performance goal setting

Kia shall set and manage mid-to-long-term performance improvement goals regarding afforestation and reforestation for the prosperity of natural ecosystems, the completion of business operation structure without deforestation, and the offsetting of residual greenhouse gas emissions. Kia shall set performance improvement goals by comprehensively considering domestic and foreign laws and regulations, industrial forest protection-restoration-expansion trends, and deforestation risks identified in the value chain.

② Implementation status check

Kia shall check the implementation status of the mid-to-long-term forest protection-restoration-expansion goal. The Company shall comprehensively consider the effectiveness of the activities pursued to achieve the goal and difficulties in implementing the goal and the implementation rate against the target. If necessary, Kia shall adjust its mid-to-long-term performance improvement goals based on the inspection results.