Kia Motors Sustainability Magazine 2015

MOVE

Preparing for a New Era
Our Response to the New Normal

Pointing the Way Ahead
The Present and Future of Mobility

Understanding Our Customers
The Indispensable Value of Quality Control

It's All about Balance
Our perspective = Our approach to the world

Kia Motors
Sustainability Magazine 2015

MOVE

Cover Story

MOVE is the name of the Kia Motors Sustainability Report, referring to its continuous and positive movement to embrace change through automobile innovation.

to the world

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ut Balance

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Pointing the Way Ahead

An insight to the present and future of mobility

Economically viable, eco-friendly, and intelligent vehicles are brought about through Kia Motors' consistent R&D efforts. Meet the new experience of driving right now.

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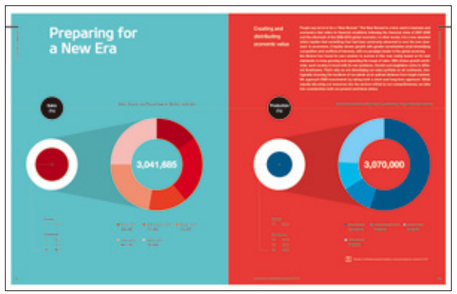

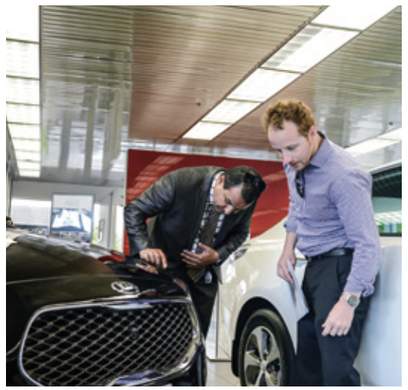

Understanding Our Customers

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Our ideas about the indispensable value of quality control

With a leisure space for a one-of-a-kind service and a cultural experience related to automobiles, a service center going mobile, warranty facilities and complicated systems, we ultimately aim to provide our customers what they want.

Contents

Reader's Guide

The following icons indicate links to additional information. The PDF version, with the links to websites for more details, is available on Kia Motors' official website.

This report (2015 MOVE)

Website

Terminology or additional information

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Our approach to the world

We're living in a world of values. Different people pursue different values, making any policy unable to make everyone happy at the same time. That's why we talk about "balance." At Kia Motors, we always considerately seek better answers that reflect on the question of whether our decisions will positively impact others as they do on us.

It's All about Balance





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Pointing the Way Ahead

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Preparing for a New Era

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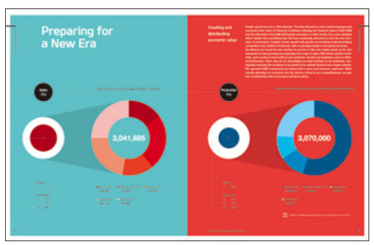
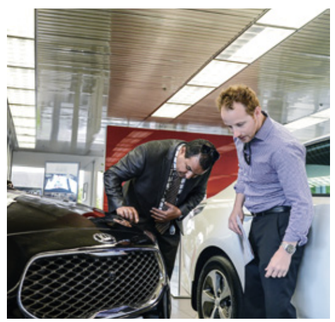
Creating and distributing economic value

The world is not now what you used to know. Sustaining growth by following different rules—that's what allows us to put our solutions so effectively into action.





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Kia around the World

Our global footprint

Kia Motors is one of Korea's leading automakers. Since its foundation in 1944, the company has grown into a global brand (74th leading brand worldwide), selling more than three million vehicles per year through its 19 sales offices and 4,821 dealerships in overseas markets. Driving this success is continual R&D activities and investments that have given birth to a comprehensive lineup of vehicles spanning all segments and types, with production facilities and R&D and design centers in the United States, China, Europe and other major markets around the world. Kia Motors will maintain a balanced approach to addressing the diverse interests of stakeholders as a responsible global corporate citizen with the highest priority placed on the sustainability of the planet.

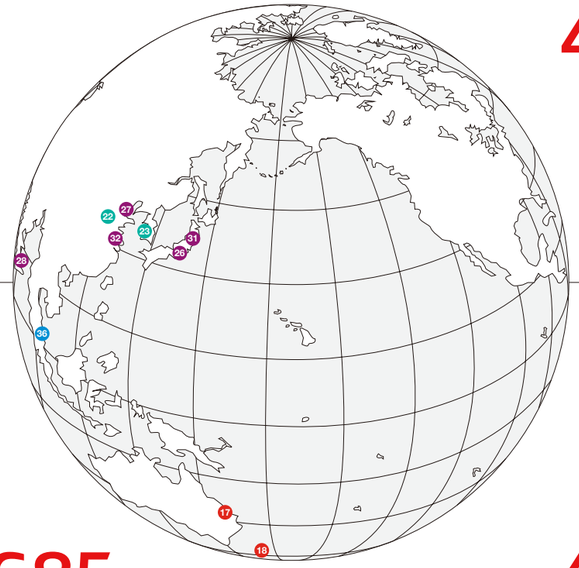
PROFILE

Global manufacturer ranking
(sales volume)

9th

Sales revenue (KRW)
(K-IFRS)

47.1 Trillion



No. of vehicles sold
(more than 30 million sold to date)

3,041,685

No. of employees
(worldwide)

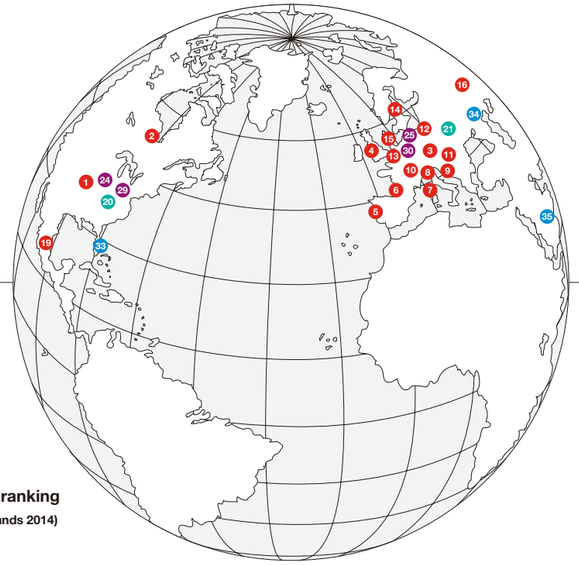
48,942

100 Best Global Brands ranking
(Interbrand's Best Global Brands 2014)

74th

Production
(including the 7th plant slated for Mexico by 2016)

7 Plants



Best Global Green Brands ranking
(Interbrand's Best Global Green Brands 2014)

35th

R&D Centers
(Hyundai Motor Group)

12

Business Domain

Passenger Cars Picanto (Morning), cee'd, Rio (Pride), K2, Forte/Cerato (K3), Forte/Cerato (K3) Koup, K4, Optima (K5), Cadenza (K7), Quoris/K900 (K9)
RVs Ray, Venga, Soul, Rondo (Carens), Sportage (Sportage R), Sorento, Mohave, Grand Carnival/Sedona (Carnival)
Commercial Vehicles K-Series Trucks (Bongo III), Grandbird Commercial Bus
Hybrid Vehicles Optima (K5) Hybrid, K7 Hybrid
Electric Vehicles Ray EV, Soul EV
CKD(Complete Knock Down) Automobile components (engines, transmissions, etc.)

Global Network

Sales & Service
Korea Sales: 20 regional headquarters, 338 regional sales offices, 391 dealerships, 11 shipping offices
Service: 19 regional service centers, 243 comprehensive service providers, 562 partial service providers
Overseas Sales: 19 sales offices, 121 distributors, 4,281 dealers (services & sales)
Sales offices: Kia Motors America 1 | Kia Canada Inc. 2 | Kia Motors Deutschland 3 | Kia Motors U.K. 4 | Kia Motors Iberia 5 | Kia Motors France 6 | Kia Motors Italy 7 | Kia Motors Austria 8 | Kia Motors Hungary 9 | Kia Motors Czech 10 | Kia Motors Slovakia 11 | Kia Motors Polska 12 | Kia Motors Belgium 13 | Kia Motors Sweden 14 | Kia Motors Netherlands 15 | Kia Motors Russia 16 | Kia Motors Australia 17 | Kia Motors New Zealand 18 | Kia Motors Mexico 19

Production
Korea Sohari plant (340,000 units), Hwaseong plant (600,000 units), Gwangju plant (500,000 units), Seosan plant (OEM; 250,000 units)
Overseas China plant (740,000 units), Slovakia plant (300,000 units), USA (Georgia) plant (340,000 units)
Kia Motors Manufacturing Georgia (2,597 employees) 20 | Kia Motors Slovakia, Zilina (3,465 employees) 21 | China Plant 1, 2, 3 in Yancheng (6,677 employees) 22 | Corporate headquarters in Korea (33,966 employees working at 3 plants, 3 R&D centers, 19 regional service centers and 338 dealerships in Korea) 23

No. of vehicles produced (annual production volume) as of December 31, 2014.

R&D
Korea Hyundai Motor Group Technology Research Institute (Hwaseong, Gyeonggi-do), Eco-Technology Research Institute (Yongin, Gyeonggi-do), Uiwang Technology Research Institute (Uiwang, Gyeonggi-do)
Overseas Technology and Design Centers (USA, Europe, Japan, China, India)
Technology Research Centers: USA (Ann Arbor, Irvine, Chino, Mojave Proving Ground) 24 | Europe (Russelsheim, Nürburgring Proving Ground) 25 | Japan (Yokohama) 26 | China (Yantai) 27 | India (Hyderabad) 28
Design Centers: USA (Irvine) 29 | Europe (Frankfurt) 30 | Japan (Yokohama) 31 | China (Shanghai) 32

Others
Regional Headquarters Central & South America (Miami, USA) 33 | Eastern Europe & CIS (Kiev, Ukraine) 34 | Middle East & Africa (Dubai, U.A.E.) 35 | Asia (Kuala Lumpur, Malaysia) 36 M

CEO's Message

Looking back on 2014 and looking ahead

2014 Achievements

Kia Motors had a memorable year in 2014, our 70th anniversary since foundation, with sales growing by 7.6 percent from the previous year to reach 3.04 million vehicles. This was a monumental accomplishment, as Kia sales exceeded the three million mark for the first time in the half century since our first truck (the K-360) appeared on roads back in 1962. Another significant milestone in 2014 was the achievement of 30 million units in cumulative vehicle sales. Our brand value also surged 15 percent from a year before to reach USD 5.4 billion, propelling Kia to 74th place among all global brands. Also, our ranking on Interbrand's list of the 50 Best Global Green Brands rose to 35th place in 2014.

In the meantime, our efforts to lay a firm foundation for sustainable growth continued in 2014 with the groundbreaking of a new Kia plant in Mexico that will produce 300,000 vehicles a year and the finalization of plans to expand the production capacity of our third plant in China.

All of these notable accomplishments could not have been possible without the cooperation and support of our stakeholders for our ceaseless pursuit of creating a better future through customer value innovation.

The Post-3 Million Era

Having now opened the door to the three million unit era, Kia Motors is now standing at a critical crossroads for its future sustainability.

Today's global economy is mired in slow growth, while political uncertainties that began in emerging markets are now affecting neighboring regions amidst intensifying competition in the global automobile market.

Against this backdrop, Kia Motors is moving swiftly to carry on with its quantitative and qualitative growth. This includes consistent work to guarantee the world's highest quality in order to respond proactively to customer demands while further raising Kia's brand value.

Our top priority will be green vehicles.

In response to environmental concerns and strengthening government regulations, we have completed a mid- to long-term roadmap for becoming a leader in the green car market by 2020. To that effect, we are replacing 70 percent of our engine lineup with the aim of enhancing the fuel efficiency of our vehicles by 25 percent by 2020, and plan to commercialize all of our eco-friendly technologies, including hybrid electric vehicles (HEVs), electric vehicles (EVs) and fuel cell electric vehicles (FCEVs) by the same year. Moreover, we are making significant investments in future vehicle technologies, such as smart cars, to provide innovative mobility solutions for a higher quality of life and a sustainable future.

Corporate Social Responsibility

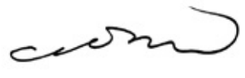
At Kia Motors, we believe that corporate social responsibility is about mutual respect, trust and growth through sharing value with our stakeholders. Therefore, the balanced growth of both Kia Motors and our stakeholders is just as important as the balanced growth of our triple bottom line to ensure a sustainable future.

As partners, we share the goal of becoming a global leader in the auto industry with our suppliers, just one of the stakeholders to whom we are responsible. We now have in place a system for mutual growth, assisting partners with their global competency-building and various sustainability activities because we know that their sustainable growth will eventually result in sustainable growth for Kia Motors and our other stakeholders. In this same context, our employees are important partners who are both the beneficiaries and providers of our CSR services. In order to help them maintain a healthy work-life balance, Kia Motors launched a company-wide Smart Work Campaign in 2014. We also created a dedicated team for the safety and health of all employees.

In 2014, as part of our commitment to create a better society for all, we expanded the scope of our signature global CSR activity, the Green Light Project, in which Kia Motors employees from around the world come together to serve local residents in four African countries. At Kia Motors, CSR doesn't stop with a one-time event or simple donations. Instead, we believe that volunteering represents CSR in its truest sense. The Green Light Project symbolizes our commitment to genuine sharing and aims to ensure the right to mobility for all people while promoting self-support of disadvantaged local communities.

Building on our achievements to date, we will strive to further our customer-oriented management practices as well as secure mid- to long-term growth engines as a way of solidifying the foundation for sustainable growth. Going beyond the simple purpose of a business—profit generation—we will expand the scope of our sustainable management activities by always taking into account society and the environment. M

Hyoung-Keun (Hank) Lee
Vice Chairman & CEO
March 2015



CEO'S MESSAGE

Corporate Governance

Ensuring a system for sensible decision-making

People show trust in a company when they have faith in the fairness of the company's decision-making process and fulfillment of its responsibilities. In that regard, we have established a framework for reflecting the interests of its stakeholders, which management then takes into account when making decisions. To that end, we guarantee independence in the operation of the Board of Directors (BOD) and have in place three committees under the BOD's control. As such, we strive to strike the right balance in our perspectives on our business activities, benchmarking international standards and best practices to further enhance our corporate governance.

Board of Directors

Appointed at the General Shareholders' Meeting (GSM), the members of the Board of Directors serve as the top decision-making body at Kia Motors for the sake of our shareholders and their interests, while overseeing and voting on key business issues in consideration of the company's long-term growth roadmap. As of the end of 2014, the BOD was comprised of two standing, one special non-standing and five non-standing directors.

The BOD holds regular meetings to vote on key issues in consideration of shareholder and employee feedback gathered at the GSM and through investor relations activities. The feedback is then sent to management for policymaking considerations. Furthermore, the Q&A section on the IR website is instrumental in communicating with shareholders and employees.

Ad hoc meetings are convened when issues for deliberation arise. The Audit Committee, Board Nominating Committee and Ethics Committee support the operation of the BOD with their expertise in relevant agenda items. In 2014, the BOD met 12 times to be briefed on the status of the internal accounting control system and voluntary compliance with fair trade regulations, and voted on the 2014 business and investment plans as well as the convening of the 70th GSM (2013) and its agenda. The BOD also reviewed and voted on 31 items, with the non-standing directors' attendance rate at 97 percent.

At Kia Motors, the CEO chairs the BOD in order to ensure timely and swift decision-making. This is crucial for an automaker because of the short product cycle and need for large-size investments in a rapidly changing business environment. In order to ensure the BOD's independence, the company has established protocol measures to provide agenda items and related information to directors in advance so that non-standing directors can voice their opinion based on a full understanding of the issues at hand after a thorough review.

Remunerations are made to standing and non-standing board directors, mainly in the form of annual base salaries within the set wage ceilings by position level as authorized by the GSM. Additionally, performance-based bonuses are paid based on the comprehensive evaluation on BOD members' financial, social and environmental performance. The remuneration cap for 2014 was set at KRW 10 billion, and only KRW 3.8 billion was actually paid out.

Visit our IR website for more details on our BOD and investor relations. The information is also available in our annual report, which can be downloaded from the same website.

BOD & Subcommittees

Committees

Audit Committee Kia Motors' Audit Committee is comprised of three non-standing directors and chaired by a non-standing director in order to ensure transparent and independent operation of the committee. Its main function is to ensure that the company's accounting and business practices are conducted in a fair manner in compliance with relevant laws and regulations. To that end, the committee is entitled to demand sales-related reports from the Board of Directors and to examine the company's financial standing. In addition, Kia Motors has in place an internal system for committee members to have easy access to pertinent information on the company's business operations. The committee convened five times in 2014 to deliberate on seven items, including the 2013 settlement of accounts and the status of the internal accounting control system.

Board Nominating Committee The Board Nominating Committee consists of five members, including two standing and three non-standing directors as per the stipulation that "the majority of this committee be comprised of non-standing directors." The committee has the authority to recommend candidates for non-standing directors to the General Shareholders' Meeting (GSM), which it did for the 70th GSM in 2014 through a fair and thorough examination of the competency and expertise of candidates.

Ethics Committee Due to the nature of its function, the Ethics Committee is stipulated to be composed solely of non-standing directors. Today, it consists of five directors serving to monitor transactions between affiliated parties as per the Monopoly Regulations and Fair Trade law and the Capital Market and Financial Investment Business Act. They also review the company's program for voluntary compliance with fair trade regulations; execute major ethical management and CSR policies; and enact, revise, and monitor the implementation of ethics codes and regulations. Kia Motors' management board always incorporates the committee's advice in the company's CSR and ethical management policies and activities. The Ethics Committee convened six times in 2014 to be briefed and to deliberate on 20 items, including CSR performance, donations & contributions and employee compliance with the Regulation of Workplace Ethics. M

Major Shareholders as of Dec. 31, 2014

Shareholders	No. of Shares	Holdings (%)
Hyundai Motor	137,318,251	33.88
Employee Stock Ownership Association (ESOA)	5,537,641	1.37
Individual Investors (excluding ESOA)	57,460,292	14.18
International Investors	143,615,724	35.42
Others (Financial Institutions, etc.)	61,431,439	15.15
Total	405,363,347	100.00

Board of Directors as of Dec. 31, 2014

	Name	Position	Background
Standing Directors (two)	Hyoung-Keun Lee	CEO, Chairman of the Board of Directors, Chairman of the Board Nominating Committee	-
	Han-Woo Park	CEO	-
Special Non-standing Director	Euisun Chung	Member of the Board Nominating Committee	-
Non-standing Directors (five)	Sang-Gu Nam	Member of the Audit Committee, member of the Board Nominating Committee, and member of the Ethics Committee	(current) Professor Emeritus of Business, Gachon University (former) Private Sector Chairperson, Public Fund Oversight Committee
	Hyeon-Guk Hong	Chair of the Audit Committee and member of the Ethics Committee	(current) Vice Chairman, Gaduk Tax Consulting Associates, (former) Auditor, National Tax Services
	Keon-Su Shin	Member of the Board Nominating Committee and chair of the Ethics Committee	(current) Counsel, KCL (Kim, Choi & Lim) (former) Chief Prosecutor, Supreme Prosecutors' Office
	Doo-Hee Lee	Member of the Audit Committee and member of the Ethics Committee	(current) Professor of Business, Korea University (former) President, Korea Advertising Society
	Won-Joon Kim	Member of the Board Nominating Committee and member of the Ethics Committee	(current) Counsel, Kim & Chang (former) Director of Competition Policy Bureau, Fair Trade Commission

Corporate Social Responsibility

A pillar of our sustainable management

At Kia Motors, we firmly believe that responsible corporate citizens must share the results of sustainable growth with all stakeholders through corporate social responsibility (CSR) activities. In this context, Kia Motors has been practicing CSR as an overarching principle guiding all its business activities and strategic decisions. In doing so, our employees are the most important partners for balancing and achieving results in the three domains of our CSR efforts: contributing to the development of society, seeking solutions for environmental issues facing the global community, and incorporating an ethical mindset in all our practices when formulating and then implementing corporate decisions.

General and detailed information on CSR practices at Kia Motors can be found on our PR website.

CSR Management Framework

After declaring its commitment to CSR management in 2008, Kia Motors organized a company-wide CSR Committee. Chaired by the CEO, the committee comprises the CSR Management Team and chief executives of each business group. It orchestrates company-wide CSR activities, makes decisions on CSR issues, such as corporate CSR policies and global social outreach value schemes, and consults on the details of the action plans with a working-level council.

Each business operation is aligned with one of the three CSR domains—social outreach, environmental management and business ethics—all of which are congruous to the nature of their operational functions: the human resources, procurement, accounting and auditing departments are in charge of business ethics; R&D, production and service are in charge of environmental management; and administrative affairs and sales are in charge of social outreach activities.

After the CSR framework was established in 2012 by aligning corporate headquarters and local entities around the world under the shared CSR objectives, the next step was full-scale promotion of global CSR activities until 2014. The third step, from 2015 to 2016, includes weaving CSR into our corporate culture so that we can ensure social responsibility is a top priority for all of our business activities.

CSR Roadmap

2008	2009	2011	2012	2013-14	2015-16
Declaration of CSR commitment and organization of the CSR Committee	Enactment of Social Responsibility Charter	Strengthening of CSR implementation scheme: Establishment of CSR assessment system and global social outreach values scheme	Launch of our signature CSR projects: Global (Green Light Project) & Domestic (Green Trip)	Promotion of global CSR: Full implementation of global projects (overseas subsidiaries involvement)	Internalization of CSR corporate culture and stabilization of global social outreach programs

Domain-specific progress is also provided on pp. 68-73 (social outreach), pp. 82-83 (business ethics) and pp. 48-57, 84-90 (environmental management).

CSR Progress & Plans by Domain

Social Outreach Kia Motors' commitment to social outreach took shape in 2011 and 2012, when the company completed its global social outreach value scheme and initiated its signature CSR projects, Green Trip and Green Light Project, on the domestic and global fronts, respectively. With the CSR projects taking root within the company, employees from overseas entities and customers have been invited to take part in our CSR projects through diverse channels since 2013. Under the shared CSR value—mobility and challenge—our two signature CSR projects have gained momentum among internal and external stakeholders in tandem with their growing size and scope. In 2015, we will stabilize the project frameworks and enhance communication channels to lay the groundwork for future CSR activities.

Business Ethics Kia Motors enacted a Charter of Ethics and Code of Practices for employees to comply with in their day-to-day duty fulfillment. The company is also establishing fair transaction practices to secure ethical business activities and educating employees on the Fair Trade Act. In addition to the internal control system, the company has in place an Ethics Committee under the Board of Directors which serves as the supervisory body of company-wide business ethics practices. In 2014, the company arranged eight company-wide sessions to reiterate the CEO's strong commitment to voluntary compliance with fair transactions and increased the number of training sessions for employees.

Environmental Management In 2014, Kia Motors proclaimed its commitment to safety & environmental management and set up a dedicated team under the direct control of the CEO called the Safety & Environment Planning Group. The company also announced a mid- to long-term eco-friendly strategy that aims to increase the number of green vehicles to 22 types by 2020, thus becoming a global leader in this field. It also disclosed a fuel efficiency roadmap to improve the fuel efficiency of all its vehicles by 25 percent of 2014 levels by 2020. To that effect, an investment of KRW 31.6 trillion was earmarked for related R&D activities by 2018. Keenly aware that green management is imperative to our sustainability, we will continue efforts to minimize our impact on the environment and on employee health through safety-first, green management practices. M

Goals, Strategies and Action Plans

Goal

Become a Leading Global CSR Performer

Strategy

Social Outreach	Environmental Management	Business Ethics
Contribute to social development as a corporate citizen	Spearhead global efforts to address environmental challenges	Practice transparent and ethical business management

Action Plan

Upgrade Domestic CSR Practices
- Reorganize domestic social outreach schemes
- Develop and propagate new CSR programs

Expand Global Social Outreach Programs
- Strengthen the global social outreach framework
- Increase the number of global social outreach programs

Encourage Employee Involvement
- Establish global volunteer groups
- Participate in global CSR campaigns

Build a Global Environmental Management Response Protocol
- Reinforce the environmental management system
- Build a green production system

Strengthen Responsiveness to Green Growth Initiatives
- Reinforce energy use/GHG emissions reduction capabilities
- Secure energy and green technologies

Build a Resource Circulation Framework
- Recycle/reduce waste
- Adopt new resource circulation technologies/new business opportunities

Intensify Business Ethics Response Scheme
- Establish and promote an ethical management framework
- Increase the number of business ethics programs

Build Collaboration Ties with Worksite Stakeholders
- Introduce a preemptive system to address complaints
- Intensify the control of designated hazardous substances

Enhance Stakeholder Communication
- Strengthen responsiveness to external CSR evaluation
- Enhance public relations on the company's CSR practices

Communication Channels & Issues

Engaging with stakeholders

The scope of a stakeholder group expands and diversifies in proportion to the growing size of a company and its market. Technological advancements close the gap among market competitors in terms of product functions, and the advent of the Internet has given stakeholders easier access to information on the companies of their interest. Accordingly, stakeholder trust and respect have become indispensable to corporate sustainability. Kia Motors operates a number of channels to closely communicate with stakeholders and to encourage their engagement. Listening to their voices and balancing the conflicts of interests of different stakeholder groups have become an integral part of building a sustainable future for any company.

Click on the icons to go to the websites mentioned in the text or table below.

Channels for Stakeholder Feedback

Kia Motors makes use of diverse communication channels to connect with an increasing number of stakeholders both online and off-line. We take advantage of widely popular channels such as social networking services (SNS), as well as our official website, which provides a great deal of information about the company in order to reflect stakeholder opinions.

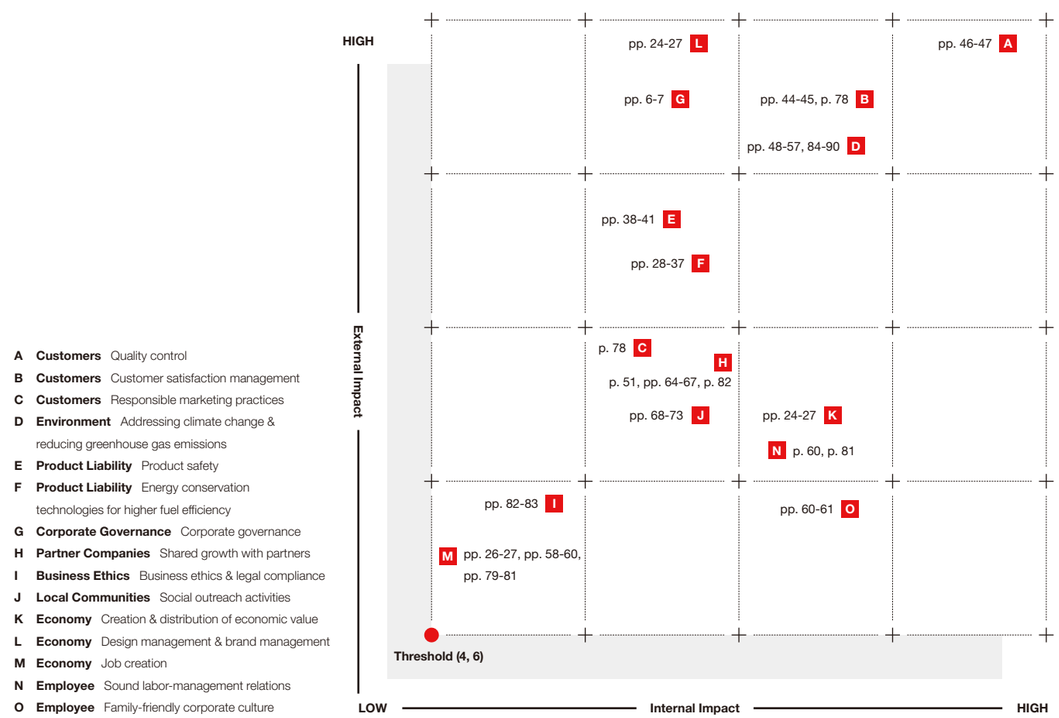
In 2014, we launched a corporate culture website featuring contents and design layouts that enhance user convenience and accessibility. The CSR website, which we established in 2013 to convey updated CSR information such as current activities and future plans, now serves as a window for interested stakeholders to sign up for CSR activities or to make suggestions. In collaboration with Naver's Happy Bean, we also initiated the K-bean campaign in 2014 via a website where people can make donations or auction their cyber beans (which can be converted to money) for social causes.

This "MOVE" report constitutes an important channel for stakeholder communication. When compiling the report, we worked hard to strike a balance between the information we wanted to cover and that which our stakeholders wanted to know. Going forward, Kia Motors will continue to expand channels for interactive communication with stakeholders.

Stakeholder Communication Channels

Stakeholders	Communication Channels
Customers	Motor shows and new model launch events, test drives, sports sponsorships, customer service, customer satisfaction surveys, clubs, corporate websites, online communication channels (Kia BUZZ/Funkia/social media/mobile apps), viral films, K-Lounge, reports (annual reports/sustainability reports/community relations white papers)
Shareholders & Investors	General Shareholders' Meeting, investment road shows, corporate websites, social media, reports
Employees	Labor-Management Council, Employment Stability Committee, Next-Generation Committee, company magazines, newsletters, online communication channels (intranet/knowledge community/Kia In), Employee Counseling Center, reports
Partner Companies	Dealer programs (seminars/dealer contests/dealer invitational events), dealership contests, seminars and training programs, win-win web portal, Value Advanced Automotive Trade Zone (VAATZ), procurement headquarters' suggestion box, reports
Local Communities	Social outreach activities and campaigns, corporate websites, exchanges with local communities (regular meetings/public access to Kia plants), corporate information channels (website/social media/reports)

Materiality Test Results



A **Customers** Quality control
B **Customers** Customer satisfaction management
C **Customers** Responsible marketing practices
D **Environment** Addressing climate change & reducing greenhouse gas emissions
E **Product Liability** Product safety
F **Product Liability** Energy conservation technologies for higher fuel efficiency
G **Corporate Governance** Corporate governance
H **Partner Companies** Shared growth with partners
I **Business Ethics** Business ethics & legal compliance
J **Local Communities** Social outreach activities
K **Economy** Creation & distribution of economic value
L **Economy** Design management & brand management
M **Economy** Job creation
N **Employee** Sound labor-management relations
O **Employee** Family-friendly corporate culture

Materiality Test & Key Issues

This report was compiled around key issues identified through the 2014 materiality test in consideration of their internal and external influence. The 2014 materiality test reflected company policies, the direct and indirect economic impact of Kia Motors, regulations and laws, stakeholder surveys, performance and issues of the auto industry, and media coverage. The GRI G4 Guidelines propose to separately report on key issues that scored higher than the threshold set based on corporate social responsibility and its impact on stakeholders. From the 2014 test, a total of 15 issues earned scores higher than the threshold, and we strived to provide more in-depth coverage of these key issues. The pages covering each issue are stated along with the test results as above. M

The world is growing more complicated every day. For instance, an economic stimulus package may have a negative impact on the environment, or a social welfare measure may deprive an economy of its growth. At other times, a government policy welcomed by some people may give rise to grievances from others. That's why Kia Motors works hard to strike the right balance between different stakeholder groups.

Before making any decision, we take the time to consider the immediate and future consequences. The scope of consideration should include all stakeholder groups in an impartial way as well as the impact on each group. Conclusions are carefully made after serious consideration of the scope and level of expected impact. While making the best choice for the present, we're always preparing backup plans for the future. This is how we maintain a balance with all of our decisions in accordance with our vision of growing alongside our stakeholders.

Our approach to the world

It's All about Balance

Market 1

Mobility 2

Environment 3

Workforce 4

Society 5

OUR PERSPECTIVE

Economic value created and distributed in 2014: pp. 24-27

In 2014, Kia Motors sold 3.04 million vehicles around the world, 85 percent of which were delivered outside of Korea. With the global economy rebounding from the longest recession since World War II, countermeasures to cope with market difficulties result in different consequences. At Kia Motors, we've chosen balance as our core policy. While diversifying our product portfolio to protect ourselves against uncertainties in the global market, we're strategically locating our plants near target markets. We're also continuing to develop our brand identity and investing in efforts to increase product quality. In addition, we're bracing ourselves for potential risks that may arise from any uncertainties, and will remain vigilant in seizing any opportunities that may arise from these risks.

Enhancing the Benefits of Value

OUR PERSPECTIVE

Cars have become a necessity for many people. At Kia Motors, we believe cars should be safe, efficient and affordable. Ironically enough, making cars has become more complicated over the years, even with tremendous advancements in technology. Higher fuel efficiency has become the norm, and safety is of paramount concern. However, safety and fuel efficiency are in some ways incompatible. For example, higher fuel efficiency requires a lightweight car body, yet safety devices make a vehicle heavier. Still, safety is something that can't be compromised in any way despite our efforts to improve fuel efficiency. Our innovative efforts to develop alternative fuel powertrains and make our vehicles more intelligent will bring about a more advanced sense of safety and efficiency. To that end, our R&D resources are being mobilized to take our innovation initiatives to a new level.

A Leader in Changes to Mobility

Product liability:
pp. 28-41

OUR PERSPECTIVE

The environment: pp. 48-57

Looking up the term “climate change” on a search engine will instantly bring up millions of news articles warning of the Earth’s future climate. They all point to a simple conclusion: Act now and make the planet sustainable. And that’s exactly what we’re doing at Kia Motors, which is why we refrain from using any substances harmful to the environment. We are also reducing resource use and emissions while recycling as much as we can. These are the underlying guidelines for all stages of our business activities, from procurement of car parts and production to logistics and disposal of waste. In short, we are looking for ways to simultaneously grow as a company and protect the environment.

The environment represents our quality of life

OUR PERSPECTIVE

In an era when people are living longer and the birth rate remains low, the global population is quickly aging. Commonly seen in almost all countries around the world, this trend signals the emergence of a changing social structure. Of immediate concern, high unemployment rates hurt nations that are mired in a prolonged economic recession, thereby requiring urgent measures to address both the imminent labor oversupply and future labor shortage. For its part, Kia Motors is gradually increasing its recruitment every year, displaying full respect for its employees and their lives, while building a more flexible corporate culture that doesn't discriminate based on gender, nationality or race. We're also strengthening our intangible assets through continued investments to assist our employees in building their competencies and expertise, while sharing policies with partner companies to support their development.

People are the present and future of a company

Employees: pp. 58-63
partner companies:
pp. 64-67

OUR PERSPECTIVE

OUR PERSPECTIVE

Why does a company have to take responsibility within society? The answer is because a company is also a corporate citizen, and its employees and customers are also members of society. Technological advancements have brought the world closer together, with people having more influence on each other than in the past. Today, the inequality among different economic classes has only widened in many developed societies. Thus, social responsibility has become more important than ever, and we at Kia old the highest respect for CSR practices. That's why we apply different policies and programs to different communities, each catering to their specific needs. Ultimately, we dream of a world where free and equal rights to mobility and a higher quality of life are universal. M

A Better Life, a Better Society

Local communities: pp. 68-73

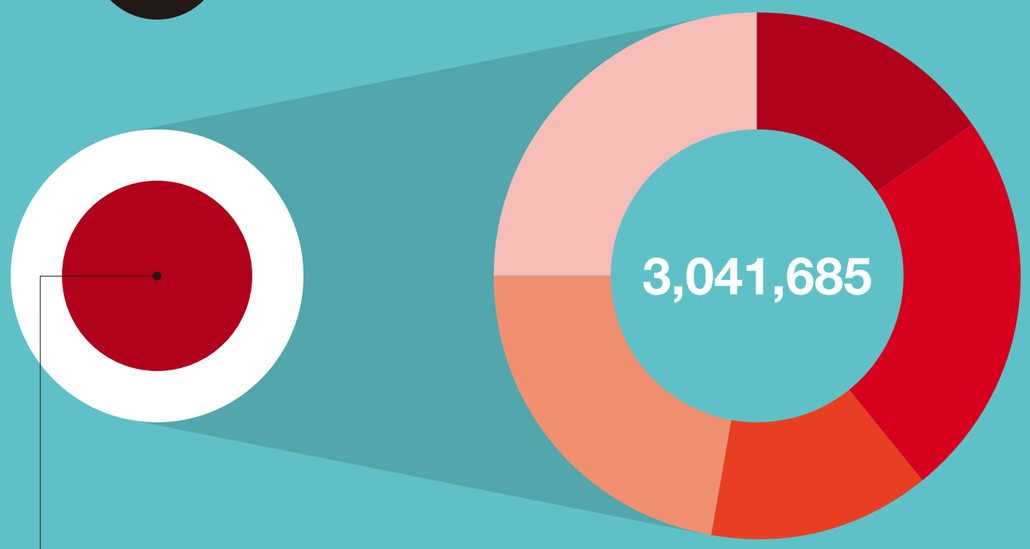
Preparing for a New Era

Creating and distributing economic value

People say we're in for a "New Normal." The New Normal is a term used in business and economics that refers to financial conditions following the financial crisis of 2007-2008 and the aftermath of the 2008-2012 global recession. In other words, it is a new standard which implies that something that had been previously abnormal is now the new standard. In economics, it implies slower growth with greater uncertainties amid intensifying competition and conflicts of interests, with no paradigm leader in the global economy.
Kia Motors has found its own solution to survive in this new reality based on its own standards: to keep growing and expanding the scope of value. With slower growth worldwide, each country is faced with its own problems. Growth and stagflation arrive in different timeframes. That's why we are diversifying our sales portfolio on all continents, strategically choosing the locations of our plants at an optimal distance from target markets. We approach R&D investments by taking both a short and long-term approach. While equally allocating our resources into the sectors critical to our competitiveness, we take into consideration both our present and future status.

Sales (%)

Sales Volume and Percentage by Market (vehicles)



Korea

11	20.0

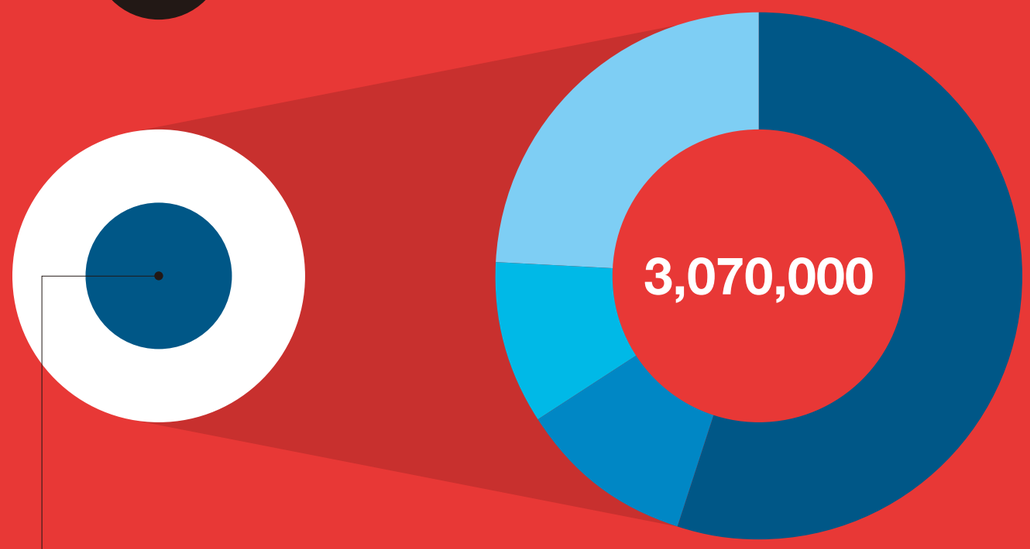
Overseas

12	82.3
13	83.8
14	**84.7**

- **Korea: 15.3%** — **465,200**
- **North America: 24.0%** — **731,222**
- **Europe: 13.5%** — **410,870**
- **China: 22.4%** — **681,735**
- **Others: 24.8%** — **752,658**

Production (%)

Annual Production Capacity & Percentage by Market (vehicles)



Korea

11	62.3

Overseas

12	41.8
13	43.5
14	**43.8**

- **Korea: 55.0%** — **1,690,000**
- **North America: 11.1%** — **340,000**
- **Europe: 9.8%** — **300,000**
- **China: 24.1%** — **740,000**

ⓘ Number of vehicles produced based on annual production volume in 2014

Our Response to the New Normal

In 2014, Kia Motors saw its global sales volume surpass the three million mark for the first time in its history (3.04 million units sold), which is a 7.6 percent rise from 2013. Cumulative sales volume reached 30 million units as of 2014. However, sales revenue dropped slightly and operating profit fell significantly due to the fluctuating foreign exchange rate and the overall competitive market. With respect to the New Normal, the auto industry will most likely have to prepare for this new standard. Thus, our aim for 2015 is all about straightforward tactics. After setting a challenging sales goal, we earmarked a tremendous amount of investment by 2018. Consistent investments will continue up until 2020, proving our technological advantages to the market.

Refer to pp. 44-47 for details on our quality and service.

Results & Performance

The global auto market saw competition intensify, with the future technology of automobiles taking shape at breakneck speed. Against this backdrop, Kia Motors spent the year preparing to grow faster than ever before. To begin with, its sales volume surpassed the three million mark for the first time ever. Meanwhile, the company is poised for additional economies of scale by breaking ground on a new plant in Mexico, which is scheduled to begin production in mid-2016. In addition, the Global Warranty Center has gone into full operation, enhancing the quality of service and revamping our service protocols. As part of our five-sense branding project, we introduced a signature scent, sound and taste, all of which will help boost brand recognition for Kia Motors as well as provide customers with a novel experience in our vehicles. Furthermore, the global brand campaign, under the theme of a father-son road trip, further raised consumer recognition of the Kia Motors brand. As a result, Kia Motors' brand value improved while its ranking in quality satisfaction surveys in the U.S. and China rose significantly. Also, Kia Motors' growth in brand value has outpaced all other automotive brand average rankings according to Interbrand's 100 Best Global Brands study.

Business Results KRW in billions

	2012	2013	2014
No. of vehicles sold (10,000 units)	272	283	304
Sales revenue	47,243	47,598	47,097
Operating profit	3,522	3,177	2,573
Net income	3,865	3,817	2,994

Sales revenue, operating profit and net income are based on the K-IFRS. More details related to business and financial performance are available on pages 76 and 77.

Goals & Strategies

Roughly 85 percent of Kia Motors vehicles are sold outside Korea. In 2014, 465,000 vehicles were sold in Korea, with 2,576,000 vehicles sold overseas. Of this total, 1.33 million vehicles, or 44 percent of total production, were manufactured in overseas markets, while the rest were exported from production lines in Korea. In fact, the world's automobile manufacturers produce 75 percent of their total production at overseas plants due to the numerous advantages of "glocalized" production. This is also the case in Mexico, where Kia Motors is currently constructing a plant. To date, the country's high import tariff of 20 percent has been hindering us from entering the market. When completed, the new plant will not only qualify the company for a duty-free import quota, making our vehicles more cost competitive, but will also save the company a significant amount of money with the otherwise lengthy transportation between production sites and markets. Additionally, it will create a large number of jobs in local communities, and that number will further increase when many of our partner companies enter the market in our wake. A related service industry will also emerge, further contributing to the local economy. This, in turn, will earn us a favorable impression with local consumers. Furthermore, our local presence will make us more sensitive to changes in market demands, thereby ensuring a stable sales portfolio.

Upon start of production in 2016, the new assembly line in Mexico will boast an annual production capacity of 300,000 units. Also in the pipeline for the same year is a 150,000-unit expansion of the annual capacity of Kia's third plant in China, which has been in operation since 2014. As a result, Kia Motors' gross production capacity will amount to 3.5 million per year by 2016, with 52 percent of all Kia vehicles manufactured overseas. Going forward, we will further expand our production network, especially in emerging markets. In line with these expansion plans, we will also continue introducing new car models based on our ceaseless quest for higher productivity and quality at lower costs to bolster our competitiveness on all fronts. To that effect, the launch of the next-generation Optima (K5) and Sportage, our flagship models, are scheduled for 2015, while the KX3, a subcompact SUV made exclusively for the Chinese market, will also go on sale in the current year. In 2016, a new dedicated hybrid and a plug-in hybrid model will also be added to our green vehicle lineup.

The True Meaning of Balance

The bottom line is that excellent products sell well. Keeping in mind this simple truth, we plan further R&D investments by 2018. For four years, from 2015, Hyundai Motor Group, the parent group of Kia Motors, is assigning a total of KRW 80.7 trillion to infrastructure and R&D investments. A total of KRW 49.1 trillion will be spent on the expansion of core component factories and IT systems, with the remaining KRW 31.6 trillion going to product and technology R&D. Of this, KRW 61.2 trillion, or 76 percent of total investments, will be made domestically. In particular, 85 percent of all R&D investments are being made domestically for patent technologies of core components, such as powertrains and future-oriented green/intelligent vehicle technologies. This series of investments will serve as the springboard for the company's roadmap to enhance the average fuel efficiency of its vehicles by 25 percent of 2014 levels by 2020, further improving our brand value as well as our sales volume.

While achieving economies of scale through the construction of new overseas production lines, corporate headquarters in Korea controls all R&D efforts for higher competitiveness. The investment plan entails recruitment of 7,345 new R&D staff over the next four years as well as other new jobs created through facility investments. On the overseas front, our new production sites will generate new jobs, directly and indirectly, and contribute to local economies. Kia Motors believes these contributions will eventually benefit the company, which will also benefit our stakeholders. That's the way we at Kia Motors are striking a balance between our social impact and future growth. M

Korea figures represent the total number of domestic employees, while overseas plant figures represent locally hired employees at each plant.

Employment persons

Korea	33,966
U.S. Plant in Georgia	2,597
Slovakia Plant	3,465
China Plant	6,677

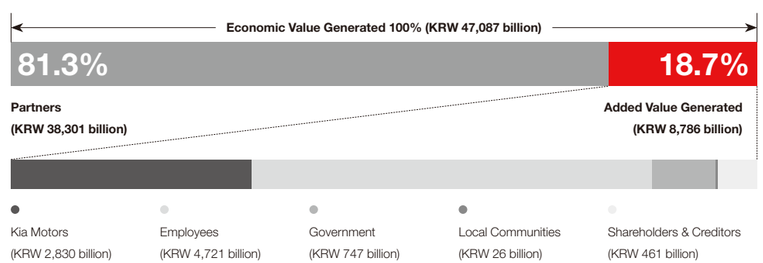
R&D and Facility Investments KRW in billion

2012	2,649
2013	2,973
2014	2,615

Economic value generated is sales revenue and other profits minus depreciation and other costs. Refer to p. 76 for a detailed breakdown of other profits and depreciation costs.

Economic value distributed to local communities includes only charitable contributions as per tax regulations.

Economic Value Generated and Distributed in 2014



POINTING THE WAY AHEAD

The present and future of mobility

Today, the latest trends in the global automotive industry are efficiency, green technology and advanced telematics. The challenging economic climate is fueling consumer preferences for more affordable vehicles; green technologies are being commercialized to meet tighter environmental regulations and increasing market demand in the wake of a growing awareness of the world's environmental crisis; and aging societies are calling for safer and more convenient modes of transportation. All three issues have one thing in common: people. Cars with higher fuel efficiency will emit fewer pollutants. Telematics facilitate optimal driving, such as vehicles that steer clear of traffic accidents while consuming less fuel. In short, the economy, the environment and safety technology can all co-exist in today's world of modern mobility. However, there is one prerequisite to make all of this a reality. Higher fuel efficiency is incompatible with safety mechanisms which only add to the body weight of a car; and heavier cars consume more fuel, which brings us back to the issue of fuel efficiency. Also, when innovative materials are applied to lighten the weight of a car, the price of the end product goes up.

As a result, Kia Motors has been searching for the right balance between these conflicts of interests. In its investments for the present and future of mobility—and to achieve optimal fuel efficiency—safety is the overriding value of all. The targets and amount of our investments are specified in our 2020 Fuel Efficiency Improvement Roadmap and our 2018 R&D Investment Plans, both of which were released in 2014.

Efficiency

[Engines] 70 percent of the current lineup of 10 engines to be replaced with new turbo engines
[Transmissions] New models under development for higher efficiency and multi-speed ability
[Materials] Increased use of AHSS to make vehicles lighter with the application of lightweight materials

Intelligent

[Safety · Convenience] Higher safety of mass-produced models and expanded application of ADAS (Advanced Driver Assistance System) technology
[Connected Car] Advanced Information Communication Technologies (ICT) and automotive semiconductors to be developed
[Intelligent Driving] Commercialization of a highway drive assistance system, for which development of a road-based system has been completed

2020 Fuel Efficiency Improvement Roadmap

HEVs: hybrid electric vehicles, PHEVs: plug-in hybrid electric vehicles, EVs: electric vehicles, FCEVs: fuel cell electric vehicles

The 2020 Fuel Efficiency Improvement Roadmap and 2018 R&D Investment Plans combine investments from both the Hyundai Motor Company and Kia Motors Corporation.

Green

[Scope] Applicable to the entire lineup; launch of dedicated hybrid/plug-in hybrid model
[Types] HEVs (12 models), PHEVs (6 models), EVs (2 models), FCEVs (2 models)
[Timeline] 10 models to be released by 2016

According to the plans, our goal is to raise average corporate fuel efficiency by 25 percent more than 2014 levels by 2020. To that end, we plan on investing KRW 27 trillion in R&D in such sectors as engines, powertrains, materials, green vehicles, and telematics. Our consistent R&D efforts will begin to bear tangible results in 2015, and there are three ways in which Kia will achieve this. First, internal-combustion engine vehicles (ICEV) will be upgraded. We aim to replace seven out of our 10 current engines with next-generation gasoline and diesel engines, while increasing the number of turbo engine models. New models equipped with higher efficiency, multi-speed transmissions will also be added. And the use of advanced high-strength steel (AHSS) will be increased for car bodies, while we will cut the gross weight of our vehicles by more than 5 percent of current levels by applying cost-effective lightweight materials.

Second, Kia's green vehicle lineup will be expanded to 22 models from the current seven, encompassing all types of eco-friendly vehicles, from hybrids and plug-in hybrids to electric and fuel cell electric vehicles. In addition, prototypes will be introduced by 2020 that feature a telematics system that includes connected driving and semiautonomous driving aids.

Although these efforts may not look to complement each other, they will generate significant synergies in terms of the development of new automotive technologies. At Kia Motors, we are striking the right balance between different values in achieving positive synergies for advanced automotive technologies and, ultimately, for people.

Efficiency

Although several years have passed since the latest global economic recession, certain regions of the world are still in the process of recovery. Talks of the "New Normal" abound in the market, with protracted low-growth and long-term uncertainty expected. Today, our environmental stewardship has set a clear direction for our ICEVs—efficiency—which will effectively harmonize seemingly the most incompatible two values, economy and eco-friendliness. In fact, fuel economy and CO_2 emissions are 99.9 percent correlated with each other. Put another way, the higher the fuel efficiency, the lower the CO_2 emissions, with the three determinants of fuel economy being engines, transmissions and vehicle weight.

Kia Motors strategically takes a different approach to these three factors by downsizing gasoline engines without compromising their functionality to enhance fuel efficiency; adding filters to diesel engines to slash their emissions; and developing multi-step transmissions and lightweight materials for car bodies. Meanwhile, aerodynamic designs help us minimize the force of air resistance in our cars, and Idle Stop & Go (ISG) technology is also useful for curtailing fuel consumption. Finally, our Tire Pressure Monitoring System (TPMS) is another critical feature that ensures safety and excellent fuel economy. All these improvements and advancements point to a single conclusion: higher fuel efficiency.

PRODUCT LIABILITY

Engines: Downsizing & Diesel

We are applying a unique approach to improving our two main types of engines by downsizing gasoline engines with diesel-oriented technologies to offset the compromised power and developing clean diesel engines by reducing air pollutant emissions.

Engine downsizing involves decreasing engine displacement or the number of cylinders to raise fuel economy while also maintaining or enhancing performance. Engines make up the bulk of a car's overall body weight. Consequently, smaller engines lighten a car's body weight, and fewer cylinders can reduce resistance or loss in air infusion from friction, which results in lower emissions and enhanced fuel efficiency. However, reduced engine displacement leads to lower engine power. Turbo chargers are applied to make up for this loss, powering the turbine with engine exhaust to suck in, compress and inject air into the engine. Another diesel technology that gasoline engines borrow from is gasoline direct injection (GDI), which directly injects fuel into cylinders, enhancing an engine's air absorption efficiency. At the moment, we have a complete lineup of GDI models in all our vehicle classes, and have successfully developed turbo GDI (T-GDI) engines that incorporate GDI and turbo technologies for our city cars (Kappa), compact cars (Gamma) and sedans (Theta). Going forward, Kia Motors will phase in T-GDI engine technology to our entire vehicle lineup and replace conventional engines with next-generation ones that ensure improved performance.

Today, newer forms of diesel are cleaner and have effectively addressed the critical drawback of their past—air pollutant emissions—and earned favorable market responses for their efficient combustion, which is enabled by direct injection and turbochargers that ensure greater power and fuel economy. The advanced technologies of diesel oxidation catalysts and diesel particulate filters (DPF) can eliminate carbon monoxide (CO), hydrocarbon (HC), and particulate matter (PM) by 90 percent. In 2014, Kia Motors successfully developed Lean NOx Trap (LNT) that eliminates nitrogen oxide (NOx) emissions, which cannot be filtered by DPF, by 56 percent. We at Kia Motors are applying engineering designs to insulate exhaust gases from the source, meeting the requirements as set forth by the latest European diesel engine emission legislation, EURO-6, which took effect as of September 2014. Kia Motors is continuously improving its diesel technologies and expanding its diesel-powered product portfolio to include passenger cars. Kia's Rio (Pride) and Forte/Cerato (K3) diesel models are now on the road, and application to our full lineup will be completed by 2016 with the scheduled launch of the Optima (K5) diesel in 2015 and the Cadenza (K7) diesel in 2016.

Transmissions: Multi-Step and Gear-Free

The transmission, which transmits the mechanical power generated by the engine to the wheels, is a significant determinant of fuel economy. The multi-speed gears fractionate gear appliance, better optimizing a vehicle for more specific driving conditions, thus enhancing fuel economy, acceleration performance and driving experience. More gears, however, mean greater weight, so efforts to increase the number of gears must be accompanied by downsizing. While a gear-free continuously variable transmission (CVT) results in a decline in transmission performance and driving experience, CVT boasts higher fuel economy and allows for smoother gear shifts. Kia Motors developed its own CVT technology in 2012 and a seven-speed, double-clutch transmission (DCT) in 2014. Currently under development are six-speed (front-wheel drive) and eight-speed (rear-wheel drive) transmissions with higher efficiency as well as a next-generation transmission with additional gear steps. DCT, which has both the economy of a manual transmission and the convenience of an automatic transmission, boasts 5-7 percent higher fuel economy than that of an automatic transmission with the same number of gears. The seven-speed DCT, which offers higher fuel economy and a better driving experience than its predecessor—the six-speed DCT—is slated for the next-generation cee'd GT model. Kia Motors is selectively applying multi-step transmissions and CVTs after considering their respective advantages and drawbacks. Useful mainly for city cars and subcompacts whose foremost consideration is fuel economy, CVT is currently applied to the Picanto (Morning) and Ray.

Lightweight Car Bodies

A lighter car can go farther with the same amount of power than a heavier one. Therefore, the lighter the car body is, the greater the fuel economy becomes. Sheet metal accounts for the largest share of a car's weight. That's why Kia Motors continues to increase the use of advanced high-strength steels (AHSS), which is lighter than regular automotive steel sheets but still ensures higher strength. In fact, the proportion of AHSS use on our mid-sized models surged from 20 percent in 2012 to 52 percent in 2014, and the ratio is especially high for the all-new Sorento and Carnival/Sedona (all-new Grand Carnival). The all-new Sorento saw its weight inevitably grow due to additional safety devices and more available space to meet the stricter regulations of its target markets; but the weight increase was offset by the lightweight engine and components and optimized body structure. Above all, the increased use of AHSS helped make the car body more lightweight and stronger without compromising the most important factor: safety.

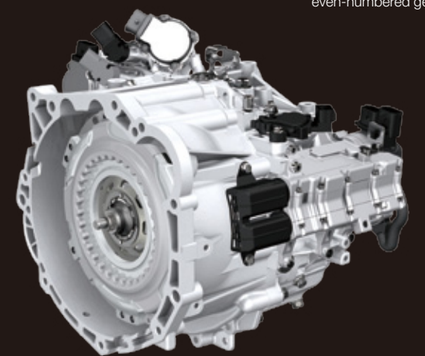
The 2020 Fuel Efficiency Improvement Roadmap that we released in 2014 calls for reducing the weight of a car's body by more than five percent of current levels by 2020. As such, Kia Motors plans on expanding the use of AHSS by up to 62 percent by 2018 and applying lightweight materials such as aluminum, expanded plastics, and carbon fiber reinforced plastics (CFRP) to achieve this goal.

T-GDI Engine

A downsized engine with higher fuel economy, yet without compromising performance, which effectively combines a turbo charger with GDI technology to achieve higher efficiency through the direct injection of fuel into the cylinder

DCT

Multi-step transmission with enhanced fuel economy through the use of two clutches, each responsible for odd-numbered and even-numbered gears



-5%

The percentage reduction in car body weight by 2020 by applying up to 62 percent of AHSS as well as lightweight materials like aluminum, expanded plastics and CFRP

Green

Regulatory pressures escalated across advanced economies in 2015. The regulations, which will become stricter through 2025, are putting pressure on most automakers who are intent on improving fuel efficiency with ICEVs. Market demand is shifting to electric vehicles even amid the precipitous fall in oil prices, and the International Energy Agency has predicted that by 2020 the market for electric vehicles (EV) and plug-in hybrid electric vehicles (PHEV) will expand an annual average of 47 percent (compared to 2015 levels). Meanwhile, the hybrid electric vehicle (HEV) market, which now stands at 2 million units annually, is forecasted to double by 2020, and commercialization of fuel cell electric vehicles (FCEV) is also ramping up speed. Given that record-high CO_2 emissions are being released into the atmosphere worldwide, green vehicles seem to be the only viable solution left.

At Kia Motors, we are marketing our EVs and HEVs, along with vehicles featuring other CO_2-reducing and fuel-saving technologies, under the sub-brand, EcoDynamics. Our HEV lineup will increase to four models by 2016, and the scope and number will be continuously expanded until 2020. EVs and FCEVs have diversified the options for customers to choose from thanks to technological breakthroughs and innovation that continue to challenge the limits of technology while bringing about sustainable mobility for generations to come. Every day, we are creating new possibilities with investments and test trials for all possible alternatives to traditional fossil fuels in order to protect the environment.

PRODUCT LIABILITY

Hybrid Electric Vehicles (HEVs)

As their name implies, hybrid electric vehicles (HEVs), or hybrids, have two power sources: an internal combustion engine and an assisting electric motor. Powered by an electric motor with high energy conversion efficiency, hybrids are more powerful and have higher fuel economy than combustion engine cars. Their alternative dual power source allows HEVs to tap into the traditional gas station infrastructure.

Kia Motors released the Optima (K5) HEV in 2011 and the K7 HEV in 2013, each of which is outfitted with a parallel hard-type hybrid system. A hard-type HEV is only powered by the motor when travelling at low speeds, while a parallel hybrid system features a single motor that recharges the battery and powers the vehicle. The K-series HEVs employ a single-motor hybrid system that is smaller and lighter, yet more efficient, than a power-split-driven train. With the battery, which determines an HEV's performance (the stored energy powers the motor), the K-series opted for a lithium-ion polymer (Li-poly) battery pack, making it 30 percent lighter than its nickel-metal hydride (Ni-MH) counterparts. Safety is also ensured thanks to the quadripartite safety design. Equipped with an HEV-specific six-speed transmission that enhances fuel economy and the overall driving experience, the K7 HEV achieves fuel economy of 16 km/l, which is comparable to that of its compact sibling, the Forte/Cerato (K3). Kia Motors has shared these development efforts with its partners to localize all electric power component technologies, laying the foundation for sustained advancement of its technological competitiveness and simultaneous support of its partners' competency-building.

Kia Motors will continue to expand its hybrid line-up in 2015 with the Optima (all-new K5) HEV model, featuring a complete change in design and improvement in performance, and the all-new K7HEV and dedicated hybrid model in 2016. Also in the pipeline is a new Optima (K5) PHEV model. Dedicated hybrid models achieve higher fuel economy and performance as they are developed with the hybrid system in mind from the initial design stage, while PHEVs' chargeable mechanism allows for a battery recharge from an external source, expanding the driving range with enhanced fuel economy. Kia Motors plans to add PHEV models to all its vehicle classes and HEV models to its subcompact and SUV lineup by 2020.

Electric Vehicles (EVs)

EVs run solely on electric energy supplied to the motor by a high-voltage battery, so they are not only emission-free but also twice as energy efficient as engine-powered vehicles. However, EVs can only be driven between 100 and 199 km per charge due to the limited size of the batteries.

Kia Motors released its second electric vehicle, the Soul EV, in 2014. Powered by an 81.4 kW motor, the Soul EV features maximum output and torque of 111 ps and roughly 285 Nm, respectively. Its 27-kWh lithium-ion battery boasts the highest level of energy density (200 Wh/kg) in its class. The Soul EV also features an EV heat-pump system, which saves energy by using high-efficiency energy generated by the refrigerant circulation process, or the waste heat from the motor or inverter when the air conditioner or heater is in use. In fact, it has earned the Environmental Claim Validation badge from Underwriters Laboratories (UL) for the use of bio plastics and harmless eco-friendly paint. Travelling up to 148 km per charge, a full charge takes about 24 minutes with a 100 kW charger on high-speed mode, and four hours and 20 minutes with a regular 240 V charger.

The Soul EV travels 62.6 percent further and with a 68.8 percent larger battery capacity than its predecessor, the Ray EV. Maximum torque is 70.7 percent higher than the Ray EV. Going forward, Kia Motors plans on developing next-generation batteries with a longer driving range, while adding new models to its EV lineup. As proven by the Soul EV, we have learned lessons from our first EV model, the Ray EV, and made use of this knowledge in the development of the Soul EV. The accumulated knowledge and experience we have gained from these two vehicles will strengthen the competitiveness of our EV technologies for yet another model in the future.

Fuel Cell Electric Vehicles (FCEVs)

FCEVs run on the electricity generated by the chemical reaction between hydrogen and oxygen. With water as the only by-product, FCEVs are completely emission-free and are three times more energy efficient than vehicles powered by internal combustion engines. They also outperform EVs in terms of charging speed (as fast as pumping gas) and per-charge driving range (roughly 600 km). Nevertheless, high car prices and a lack of hydrogen fueling station infrastructure are the most important challenges to tackle before commercializing these models.

At Kia Motors, R&D efforts into fuel cell technology date back to 1998. It took 10 years until the company introduced the second-generation FCEV system in the Mohave FCEV, whose durability and technological superiority were proven with the successful completion of the 2,655 km U.S. Hydrogen Road Tour 2009. Equipped with a 115 kW fuel cell stack (a generator that converts energy created by the reaction between hydrogen and oxygen into electric power) and a 700-bar hydrogen storage unit, it can travel up to 690 km on a single charge and has a maximum speed of 160 km/h. The vehicle is designed to minimize damage to the hydrogen tank and pipes in rear-end collisions, and is equipped with a sensor to detect hydrogen leaks caused by impact, thus fulfilling U.S. collision safety requirements.

Having successfully localized more than 95 percent of FCEV system technologies, we are currently working alongside 200 partner companies to develop new technologies that will reduce the size and cost of fuel stacks in preparation for the upcoming hydrogen vehicle era.

EcoDynamics Milestones and Future Plans

2016
Dedicated HEV model, all-new K7 HEV and Optima (K5) PHEV to be released

2015
All-new Optima (K5) HEV to be released

2014
Released Soul EV

2013
Released K7 HEV, Remodeled Optima (K5) HEV

2011
Released Optima (K5) HEV and Ray EV

2009
Released Forte LPi HEV

2008
Trial testing of Mohave FCEV

2005~7
Trial testing of Rio (Pride) HEV

2003
Developed first Kia fuel cell electric vehicle (FCEV) and hybrid electric vehicle (HEV)

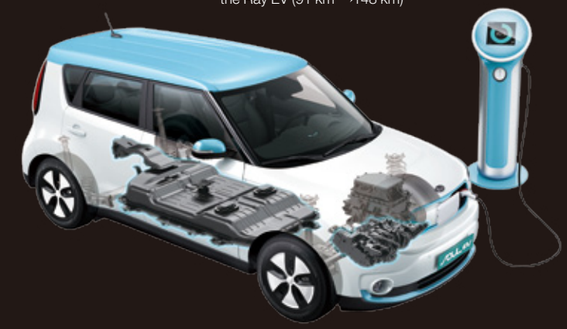
1986
First concept car

+41.5%

K7 HEV's fuel economy enhancement compared to the gasoline model

+62.6%

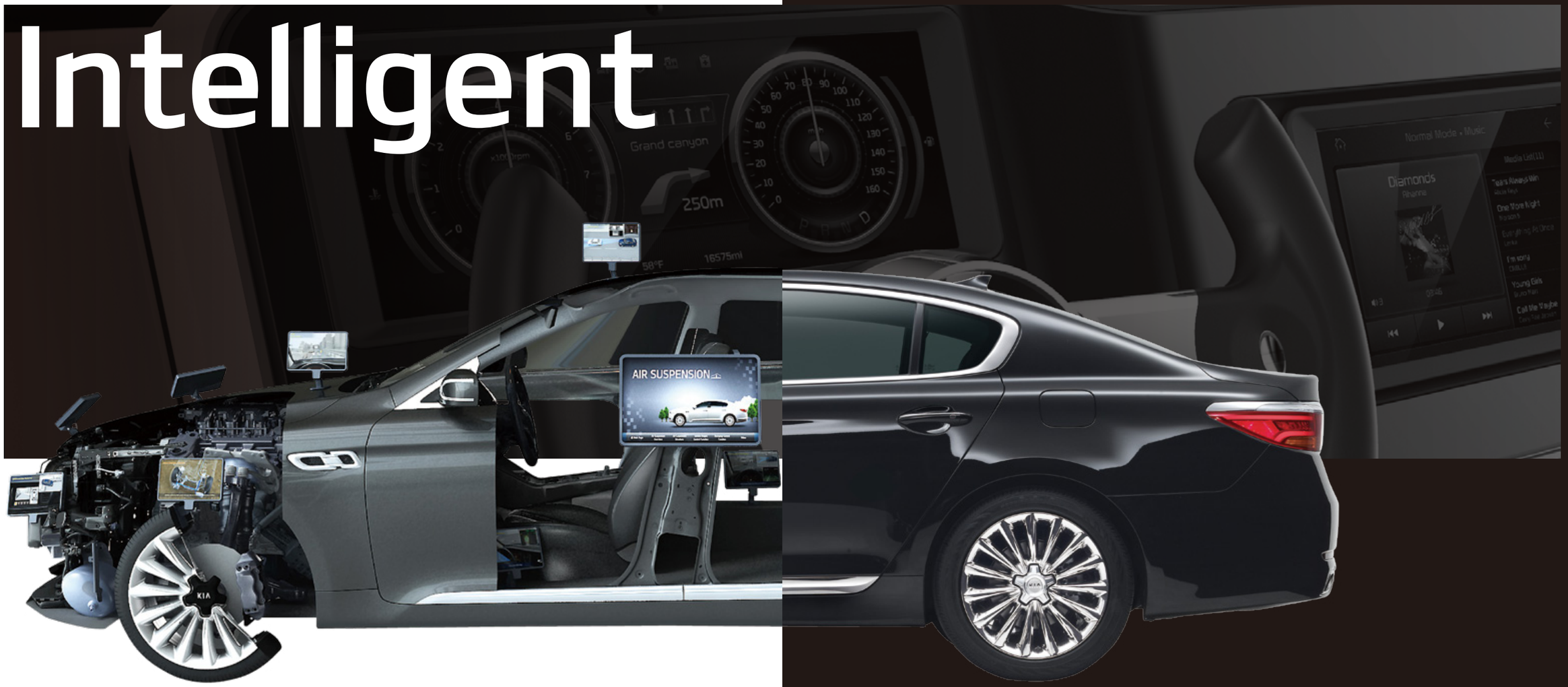
Increase in per-charge driving range of the Soul EV compared to the Ray EV (91 km →148 km)



690 km

Mohave FCEV's per-charge driving range

Intelligent



The growing global population is leading to faster expansion of the middle class and accelerated urbanization, while the current low birthrate and aging society in Korea points to an upside-down shuffle in the social structure of the future. This trend will associate cars with the image of terrible traffic jams and serious car parking space issues. Car accidents will become even more commonplace. In fact, statistics hold drivers accountable for 95 percent of traffic accidents on the roads in Korea. Around the world, hardly 30 seconds pass without a car accident. Thus, automotive technologies are evolving from the mere protection of passengers in the event of a collision to interacting with people and taking over the wheel from drivers in an emergency.

Self-driving cars will make roads safer while ensuring fewer traffic jams and optimal fuel economy. They can even drop off their drivers in front of their homes and drive to car parks far away, thereby helping to solve parking issues. While a strong car body is the basic safety principle at Kia Motors, our automotive technologies are advancing to provide maximum protection for pedestrians as well as proactively assist drivers. Cars are becoming more and more interactive with smart gadgets, making them remote controllable and able to receive assistance from outside infrastructure. Our ultimate goal is to commercialize autonomous mobility technology for the benefit of everyone.

PRODUCT LIABILITY

Crashworthiness

Automotive safety is not a useful secondary feature but a necessity that has a bearing on life, and the safety of a vehicle originates from a strong car body that can endure collisions. Kia Motors has its own crash test laboratories at its Hwaseong plant and Namyang R&D Center, running tests for a wide range of car accident scenarios. From the initial stage of product development, over 100 actual crash tests as well as computer simulations are conducted before releasing a new model. The tests take into consideration variables such as passengers' possible responses upon impact as well as their weight, height, and other physical traits, with a focus on women and children, as they may be more susceptible to injuries than adult men. The results of these detailed and specialized crash tests are then applied to our vehicles.

Kia Motors continues to strengthen the safety features of every new or updated model . Released in 2014, the all-new Sorento's use of AHSS has increased by more than twice compared to the predecessor model, from 24 percent to 53 percent, resulting in reinforced body structure and component strength. In addition, its emergency fastening device (EFD) technology makes sure the pelvis part of a seatbelt fits snugly against the passenger's lower body in certain frontal collisions, while an active hood system protects the heads of pedestrians from injury in the event of a collision. The active hood system is also applied to the Grand Carnival/Sedona (all-new Carnival) model. Furthermore, all newly released Kia models are equipped with at least six airbags, including side and curtain airbags, and seat belt pretensioners that retract upon impact to minimize injuries.

These safety features have resulted in a number of accolades at home and abroad. The all-new Sorento topped the domestic new car assessment program (NCAP), along with the all-new Carnival, and earned the highest safety rating from Euro NCAP. Additionally, our exclusive model for Chinese consumers, the K4, earned the highest marks from the Chinese NCAP. Much to our delight, the all-new Sorento, all-new Carnival, Soul and K5 (Optima) were named as Top Safety Picks after crash tests conducted by the Insurance Institute for Highway Safety (IIHS) in the U.S.

Driver Assistance System

By recognizing surrounding conditions and making appropriate judgments to control vehicles, the three-step advanced driver assistance system (ADAS) provides the base technology for intelligent driving. Yet ADAS is not confined to any one particular feature. Rather, it collectively refers to every automotive feature based on proactive recognition, judgment and controlling of the vehicle. In other words, ADAS is the prerequisite to intelligent driving in its truest sense. Today, Kia Motors is preparing for the advent of the intelligent driving era by applying diverse ADAS technologies to its mass production vehicles, ensuring greater safety and driver convenience. Vehicle stability management (VSM) senses driving conditions and stabilizes the car body. This feature can be found in the Picanto (Morning), Rio (Pride), Forte/Cerato (K3), Optima (K5), Optima (K5) Hybrid, Cadenza (K7), Kia Quoris/K900 (K9), Ray, Soul, Rondo (Carens), Sportage (Sportage R), all-new Sorento, and Grand Carnival/Sedona (all-new Carnival). Autonomous emergency braking (AEB) applies the brakes in the case of an emergency. At present, the K9 employs this feature.

When the camera on the windshield detects an unintended lane departure in the absence of turn signal indication, the lane keeping assist system (LKAS) takes over the wheel and guides the vehicle back to its proper lane. Connected with advanced smart cruise control (ASCC) that helps keep a safe distance between cars, LKAS brings about truly intelligent driving. Kia's Cadenza (K7) and Kia Quoris/K900 (K9) both employ ASCC, while LKAS will be gradually phased into our vehicle lineup. The all-new Sorento's intelligent features include a forward collision warning system (FCWS) that warns drivers of a possible collision and a blind spot detection (BSD) feature that senses cars or people approaching your blind spot behind or alongside you.

For drivers who find parking difficult, Kia's Forte/Cerato (K3), Optima (K5), Cadenza (K7), Soul, Rondo (Carens), Sportage (Sportage R), and the all-new Sorento offer a smart parking assist system (SPAS), enabling safe and easy parking with a visual representation of the vehicle's movement in addition to voice instructions. The driver is instructed to slowly step on the gas pedal, and the steering wheel is automatically maneuvered.

Interactive Technologies

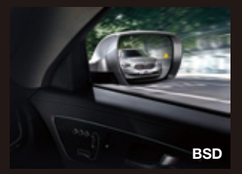
Progress has been made in connected driving technologies that allow for communication between vehicles and their drivers thanks to the technological convergences between different industries; and ADAS technology is helping make intelligent driving a reality.

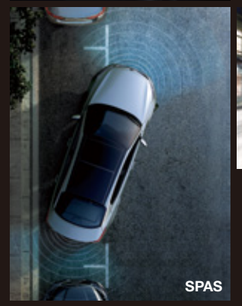
In 2012, Kia Motors successfully developed a highway automated driving system that keeps vehicles in their lanes with a preset speed and adjusts the speed depending on road conditions. It has also completed 500,000 km of test drives on all highways in Korea. Under the goal of realizing completely autonomous self-driving vehicles by 2020, Kia Motors is currently developing the next phase of technology that adjusts the speed and direction of vehicles to surrounding traffic conditions until the vehicle reaches a preset destination.

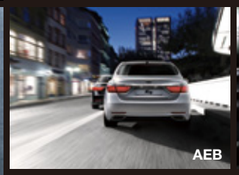
Kia Motors has developed three-dimensional motion technology that senses a driver's eye and hand movements to activate interior devices and an audio-display function that interacts with smartphones. We are also developing technologies that can control vehicles remotely with smart devices. In addition to a feature that starts a vehicle's engine and air conditioner, other functions include locating parked vehicles, vehicle diagnostics that can track a vehicle when stolen, and self-reporting/calling for emergency roadside assistance. Today, interactive technology is evolving beyond communication between vehicles and devices to include car-to-car and car-to-infrastructure communication. When fully developed, this key technology for autonomous, self-driving vehicles will provide drivers with accurate road and driving conditions, enabling safer and more efficient driving. M

Connected Driving

An advanced technology connecting smart gadgets with vehicles, or interacting with people and realizing car-to-car and car-to-infrastructure communication







ADAS

A base technology for intelligent driving that assists drivers by either warning them or taking over the wheel based on recognition, judgment and controlling

5 models

Number of vehicles that earned top grades from NCAP in Korea, Europe and China, as well as IIHS in the U.S.

Green-certified models are based on cumulative performance/findings and safety-certified models are based on 2014 performance results/findings.

Our Green Fleet

Safety & Eco-friendly certifications

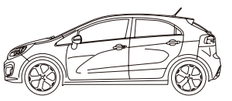
Kia Motors boasts a complete lineup of passenger cars, recreational vehicles (RVs) and commercial vehicles whose eco-friendliness and safety are verified through domestic and international assessments and certifications.

LCA (Life Cycle Assessment)	LCA (Life Cycle Assessment) is an international standard (ISO 14040s) on a product's potential environmental impact throughout its life cycle, from production and use to disposal (related information: p. 50)	CO_2 Carbon Labeling	Carbon Footprint Labeling is a Korean standard on greenhouse gas emissions of a product across its entire life cycle (related information: p. 50)
IIHS (Insurance Institute for Highway Safety)	The Insurance Institute for Highway Safety (IIHS) conducts regular crash tests of all vehicles released in the U.S. and then publishes the results. A vehicle that passes five crash test assessments is named a "Top Safety Pick" of the year. (Related information: p. 40)	NCAP (New Car Assessment Program)	The New Car Assessment Program (NCAP) evaluates the collision safety performance of new vehicles. The Korean version is KNCAP, while in Europe it is the Euro NCAP. A five-star rating is the highest grade. (Related information: p. 40)

Sedans

Picanto (Morning)
LCA CO_2

Combined fuel economy: 16.2 km/ *l*
(City: 15.0 km/ *l* , Highway: 17.9 km/ *l*)
Combined CO_2 emissions: 104 g/km
(1.0 Gasoline 5DR M/T)

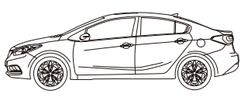


Rio (Pride) Hatchback
LCA CO_2

Combined fuel economy: 19.0 km/ *l*
(City: 17.4 km/ *l* , Highway: 21.4 km/ *l*)
Combined CO_2 emissions: 100 g/km
(1.4 Diesel M/T)

cee'd
LCA

CO_2 emissions: 97 g/km
Energy efficiency grade: A+
(1.6 Diesel M/T)



Forte/Cerato (K3)
CO_2 NCAP

Combined fuel economy: 16.2 km/ *l*
(City: 14.6 km/ *l* , Highway: 18.5 km/ *l*)
Combined CO_2 emissions: 120 g/km
(1.6 Diesel ISG A/T)

Optima (K5)
LCA CO_2 IIHS

Combined fuel economy: 11.9 km/ *l*
(City: 10.2 km/ *l* , Highway: 15.1 km/ *l*)
Combined CO_2 emissions: 147 g/km
(2.0 Gasoline A/T)

Cadenza (K7)
CO_2

Combined fuel economy: 11.3 km/ *l*
(City: 9.6 km/ *l* , Highway: 14.4 km/ *l*)
Combined CO_2 emissions: 155 g/km
(2.4 GDI A/T)

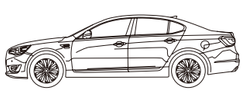
Quoris/K900 (K9)
LCA CO_2

Combined fuel economy: 9.6 km/ *l*
(City: 8.1 km/ *l* , Highway: 12.3 km/ *l*)
Combined CO_2 emissions: 186 g/km
(3.3 GDI A/T)

EcoDynamics

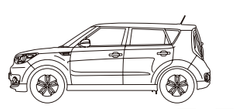
Optima (K5) Hybrid
LCA CO_2

Combined fuel economy: 16.8 km/ *l*
(City: 16.2 km/ *l* , Highway: 17.5 km/ *l*)
Combined CO_2 emissions: 100 g/km
(2.0 HEV A/T)



K7 Hybrid
CO_2

Combined fuel economy: 16.0 km/ *l*
(City: 15.4 km/ *l* , Highway: 16.7 km/ *l*)
Combined CO_2 emissions: 106 g/km
(2.4 HEV A/T)



Soul EV
LCA CO_2

Combined energy efficiency: 5.0 km/kWh
(City: 5.6 km/kWh, Highway: 4.4 km/kWh)
Per-charge driving range: 148 km

Recreational Vehicles

Ray
CO_2

Combined fuel economy: 13.5 km/ *l*
(City: 12.3 km/ *l* , Highway: 15.2 km/ *l*)
Combined CO_2 emissions: 128 g/km
(1.0 Gasoline 5DR A/T)

Venga
LCA

CO_2 emissions: 125 g/km
(1.6 Diesel M/T)

Soul
LCA CO_2 IIHS

Combined fuel economy: 14.1 km/ *l*
(City: 12.9 km/ *l* , Highway: 15.8 km/ *l*)
Combined CO_2 emissions: 140 g/km
(1.6 Diesel VGT ISG A/T)

Rondo (Carens)
LCA CO_2 NCAP

Combined fuel economy: 14.0 km/ *l*
(City: 12.9 km/ *l* , Highway: 15.7 km/ *l*)
Combined CO_2 emissions: 141 g/km
(1.7 Diesel VGT ISG A/T)

Sportage (Sportage R)
LCA CO_2

Combined fuel economy: 14.4 km/ *l*
(City: 13.7 km/ *l* , Highway: 15.3 km/ *l*)
Combined CO_2 emissions: 136 g/km
(2.0 Diesel E-VGT 2WD M/T)

All New Sorento
LCA CO_2 NCAP IIHS

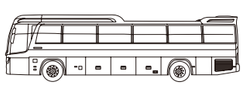
Combined fuel economy: 13.5 km/ *l*
(City: 12.4 km/ *l* , Highway: 15.3 km/ *l*)
Combined CO_2 emissions: 146 g/km
(2.0 Diesel E-VGT 2WD A/T)

Mohave
Combined fuel economy: 10.7 km/ *l*
(City: 9.5 km/ *l* , Highway: 12.7 km/ *l*)
Combined CO_2 emissions: 189 g/km
(3.0 Diesel VGT 2WD A/T)

(All-New Carnival) Grand Carnival/Sedona
CO_2 NCAP IIHS

Combined fuel economy: 11.5 km/ *l*
(City: 10.4 km/ *l* , Highway: 13.3 km/ *l*)
Combined CO_2 emissions: 174 g/km
(2.2 Diesel E-VGT A/T)

Commercial Vehicles



New Granbird

K-series Truck (Bongo)
Combined fuel economy: 10.0 km/ *l*
(City: 9.9 km/ *l* , Highway: 10.2 km/ *l*)
Combined CO_2 emissions: 201 g/km
(Standard Cab (1.0 ton) Diesel M/T) M

Combined fuel economy is a new energy efficiency standard that is calculated by combining city- and highway-driving energy efficiency, while also taking into consideration actual driving conditions. Measured in a standard mode, fuel economy can vary with road conditions, driving habits, loads, vehicle maintenance, and outdoor temperature. Some strategic models targeting the European market have only CO_2 emission figures as per local market regulations. Visit your country's official Kia website for more details on the fuel economy and CO_2 emissions of each Kia vehicle.

Quality control entails both objective and subjective criteria because it must meet some level of objective requirements while also being agreeable to the customer. This is why Kia Motors has in place multi-step procedures to monitor the quality of our products and listen to the feedback from our customers. Services are introduced based on our understanding of customer needs by crosschecking product quality with customer feedback and external evaluation. We arduously work to establish a customer-oriented feedback flow that gives us the insight needed to address issues and demands from the market.

The indispensable value of quality control

Understanding Our Customers

More details on customer satisfaction and CS training are available on page 78.

Space Innovation for Higher Service Quality

As a piece of machinery, automobiles require regular maintenance to serve their intrinsic value—moving—which makes vehicles inextricably tied to service centers. Convenient and comprehensive maintenance service provided by professional technicians with a kind demeanor will ensure brand loyalty, as customers will be more likely to return to us when they need a new car, or even recommend us to family members and friends. To that end, Kia Motors is improving its service quality management by taking a different approach to the three dimensions of software (service), humanware (professionals) and hardware (facilities).

Defying Conventional Thoughts about Service Centers Kia Motors runs 19 regional service centers and 800 repair shops in Korea to serve customers at their convenience. Since 2010, our regional service centers have been evolving into more of a leisure space—not just a maintenance service center—where customers enjoy spending time. As of 2014, 13 of the 19 centers relocated to more easily accessible locations and remodeled their interiors. The remaining six will follow suit in 2015.

In the remodeled service centers, customer lounges now feature interiors that are as cozy and stylish as a hotel lounge, with special features such as female-exclusive lounges and cafés. Each center also offers differentiated facilities and/or programs based on the local demographic structure and residents' tendencies in each region. For instance, Kia Motors regional service centers hold music concerts and art exhibitions to support the growth of local culture, while the Gangseo Service Center's English Library for Children has earned a highly favorable response from local residents.

Furthermore, we offer a test drive service at 18 driving centers across the nation. After building these centers from June 2013 to October 2014, they served 24,000 customers in 2014 alone, and 14.5 percent of test drive customers went on to purchase one of our vehicles. Kia plans on adding new models to our test drive fleet while also transforming these driving centers into a service complex where customers can experience our full range of products and brand power of Kia Motors.

Professional engineers are on standby at our service centers to provide advisory and repair services to customers (Advisor Program); and all our engineers and technicians are required to specify their names on the car repair specification report. In addition, our Door-to-Door Repair Service has significantly enhanced customer convenience, as customers can have their cars picked up and dropped off by technicians at the time and location of their choice simply by placing a repair request by phone or online.

Dual Service Spaces

Offline: Service Centers	Online: Mobile Devices
• High-end leisure spaces	• Advanced remote repair service
• Differentiated culture programs and facilities by region	• Remote diagnostics for car maintenance
• Test drives at driving centers	• Emergency dispatch
	• Car maintenance information/repair service reservation services
	• Electronic contract system

Service Goes Mobile Kia's Hi-Tech Center opened at the company's headquarters in 2011 to offer complex and remote troubleshooting services, and smart devices have now been introduced to our service operations. Launched in 2012, our smart services now allow for remote diagnostics and emergency roadside assistance dispatch to ensure customer convenience and safety. From 2013, our mobile application for vehicle maintenance (Q-Friends) became available for smartphones, allowing customers to access car maintenance information or make reservations for repair services. By taking advantage of the portability and higher accessibility of tablet PCs, an electronic contract system was introduced in 2014, giving people the ability to purchase a car and sign a contract on their mobile phones. Users can also instantly inquire about inventory availability through mobile devices.

Multi-layered Quality Control System

Kia Motors' head office building has a room dedicated to monthly product quality meetings. Since 1999, top management has been presiding over these monthly meetings attended by the heads of product development and manufacturing to brainstorm and choreograph roles and responsibilities to swiftly resolve any quality issues. The agenda issues or resolutions raised or passed during the meeting are always addressed within one month's time. This meeting system is at the forefront of company-wide collaboration efforts to deal with any pending quality issues spanning two or more company functions or departments.

In the development of new models, Kia Motors carries out concurrent engineering, an approach used in product development by which the functions of design engineering, manufacturing engineering and others are integrated to reduce the time required to bring a new product to market.

Conducted at the Pilot Center of the Group's Technology Research Institute, which went into operation in 2003, the work methodology involves simulating the manufacturing process of newly developed vehicles in the exact same conditions as future mass-produced vehicles to detect any defects in the process and then address issues by revising vehicle blueprints.

After passing test runs in the development stage, the newly developed models are transferred to the Global Quality Center at the Hwaseong plant. Opened in January 2014, the center is the control tower of company-wide quality verification activities. Upon arrival of a new model, all related engineers from the R&D Center, production lines, quality control headquarters, production technology center, and suppliers gather to conduct a comprehensive preliminary verification using high-tech equipment that allows simultaneous checks on the actual production vehicles against their blueprints. After reviewing the production process and verifying the functionality of new models at the in-house test room and test track, the vehicles are disassembled into parts to check the individual components and their assembly conditions. The analysis and review results are broadcast in real-time on monitors installed at the test room and are shared across the company.

The Global Quality Center reviews and improves the quality of products from the customer's point of view. When the R&D Center develops a new model, the Global Quality Center's job is to find any possible room for improvement from the customer's point of view. To that end, newly developed vehicles are scrutinized prior to mass production and competitors' vehicles are even dismantled to analyze and discern exactly what customers want from our products The results and feedback are then relayed to the R&D Center and are ultimately reflected in actual mass-production vehicles.

All feedback delivered to the R&D Center needs to go through the Development Quality Center, which oversees every quality issue related to vehicle functionality. The center develops technical standards based on inspections of vehicles in development and analysis of past problems. They review all Kia vehicles from scratch for any similar issues when competitors announce a recall and examine potential problems in secondhand Kia vehicles for potential improvements.

Despite these meticulous and preemptive quality control efforts, when a problem is reported to the Global Tower Control, which operates around the clock, issues are relayed within 24 hours of receipt to relevant technical teams, who work with the pertinent organizational unit(s) to find solutions. These solutions are then shared through our global network to prevent future recurrence.

2014 Performance & 2015 Goals According to J.D. Power's 2014 Initial Quality Study (IQS), Kia Motors' Sportage and Cadenza (K7) topped the compact SUV and full-size sedan categories, respectively, in the U.S. market, placing the company in third place among mainstream brands. This is a remarkable improvement in the rankings since 2010 when it finished in 15th place among 21 mainstream brands. Kia Motors also earned higher scores compared to the previous year in AutoBild's Quality Report, ranking 4th among 20 brands by the German automobile magazine.

Additionally, the Soul and Optima (K5) were singled out as Top Quality Winners by *Strategic Vision*, a U.S. company comprised of clinical psychologists and business professionals with more than 30 years of experience studying how and why consumers make buying decisions and the factors that drive owner satisfaction and loyalty, depending on their income level. In particular, the Soul topped competitors in the Total Value Index. Meanwhile, in the China Quality Association's Automobile Customer Satisfaction Index, the K2, Forte/Cerato (K3) and Sportage earned top scores for three, two and four consecutive years, respectively. Also, J.D. Power's Vehicle Dependability Study in China named the Sportage as the top compact SUV.

These rankings are based on survey results of actual car users, thereby lending credibility to the rankings. Kia Motors continues to analyze its current quality performance, confirming our current status in the market through these certified survey results. And by taking into account the feedback of customers at various contact points every year, we raise the bar of our quality performance results. Furthermore, our quality-oriented maintenance system makes it possible to further increase customer value, which in turn results in higher rankings in more and more evaluations. M

In December 2015, the United Nations Climate Change Conference will be held in Paris, France, where participants will reach a legally binding and universal agreement on mitigating climate change from all nations of the world. Each country will have to come up with its own plans to address climate issues by then. This is based on the understanding that climate change is a universal issue, something Kia Motors clearly realizes. In 2014, Kia Motors sold 3.04 million vehicles globally, with the cumulative figure reaching 30 million since its establishment. If we take more responsibility for the entire lifecycle of our vehicles, we will be in a better position to address the global climate crisis. This is why we at Kia Motors keep seeking a balance between sustainable growth and our environmental stewardship.

Consuming and disposing responsibly

Honoring our Commitment

Environmental Management Framework & Objectives

In 2003, Kia Motors advocated a global commitment to environmental management. Since then, the company has built a comprehensive framework that includes its vision and implementation initiatives. The objective is to create a compatible balance between corporate growth and environmental stewardship. To that end, environmental management practices are applied to the entire value chain of the company's business operations, from R&D and logistics to production, sales and customer service, under clear directions and standards which are gradually being strengthened. In addition to manufacturing green vehicles, our resource circulation system will ensure enhanced production efficiency and reduced harmful emissions from the manufacturing process. Furthermore, we share our objectives and duties for appropriately reacting to climate change and the government's regulations with all our stakeholders. Domain-specific annual targets are set and progress is monitored against key tasks to make steadfast improvements. A dedicated team controls domain-level tasks and performance results, and reports on key issues and the current status of the company to top management.

GrEEN, a consulting body of Kia environmental experts from worksites around the world, discusses the latest developments in global environmental regulations, the environmental performance of Kia worksites, and possible improvement measures. In 2014, 60 employees from Kia's offices and plants in Korea and overseas operations (50 Koreans and 10 locally hired people from overseas operations) gathered to exchange information and find solutions.

Visit the Kia Motors' website for more on our environmental management philosophy and framework.
Refer to p. 84 for more on annual targets and p. 89 for environmental management systems related to our production lines.

Design Phase

Design is a fundamental factor of any vehicle's success. Likewise, the design phase is the first step to any effort regarding environmental issues. A design that slashes the input of resources and raw materials eliminates the use of hazardous substances, while raising efficiency and recyclability of power sources, especially with air resistance and car body weight, and which ultimately makes the finished vehicle more environmentally friendly throughout its entire life cycle. All of Kia's vehicles continue to be recognized by domestic and international certification agencies for embodying relevant improvements, resulting in a continuous rise in Kia's corporate eco-efficiency performance.

At the carbon capture pilot plant (annual CO_2 processing capacity of 18 tons) we built within the Namyang R&D Center in 2012, R&D efforts are in full swing to develop carbon capture and regeneration technologies and to turn biomass materials into automotive parts.

International Material Data System (IMDS): Parts and materials management system operated jointly by auto manufacturers around the world to meet regulatory standards on hazardous substances. Through IMDS, raw materials suppliers, parts suppliers and auto manufacturers share information on the weight and chemical composition of automotive parts.

Green Design Procedures

Kia Motors has an established digital system for the convenient application of green design policies at its production lines. Materials are selected based on the review results of their environmental impact against green design guidelines. The initial blueprint is then sent to the Design for Recycling Optimizing System (DOROSY) for digital tests. DOROSY digitally analyzes three-dimensional models of the car to assess how easily it can be dismantled and recycled against the Design for Recycling (DfR) standards. Based on the analysis findings, the blueprint is then modified, or components (or parts) are replaced with ones possessing higher recyclability. The test model is later created for dismantlement to assess the duration of the dismantling process as well as the number of assembly factors involved, with the results compared against existing models. The test results form a reference database for future development of sequel models.

Chemical Substance Control

Regulatory restrictions on hazardous chemicals are toughening worldwide. Restrictions on the use of the four key heavy metals—lead, mercury, cadmium and hexavalent chrome—all ozone-depleting substances, and other hazardous chemicals, are universally applied in major countries.

Since 2012, Kia Motors has banned the use of the four key heavy metals and substituted them with alternative materials. Its in-house-developed e-CMS (e-Chemical Management System) database houses information on chemical substances and weights collected through its International Material Data System (IMDS). By using the e-CMS database for chemical and hazardous substance information, Kia Motors adjusts its components and parts use from the early stages of vehicle design. It also shares all the information on its IMDS and e-CMS database with partner companies.

Environmental regulations around the world dictate the standards on automotive recyclability. In a proactive response, Kia Motors has established ProdTect, a self-developed system that allows calculating the recyclability of our vehicles based on the analysis of composition and weight of the raw materials against the IMDS database. It also serves as the base for environmental assessments. Up until now, all Kia vehicles have met the requirements of recyclability certification and related regulations in Korea, Europe and China. In 2014, the Soul EV, all-new Grand Carnival/Sedona (Carnival), all-new Sorento, K4 and KX3 received local certifications.

Making Progress: Corporate Eco-efficiency & Product Eco-labeling

Kia Motors has been tabulating its corporate eco-efficiency by comparing the economic value (sales revenue) generated against resource consumption and CO_2 emissions. The term eco-efficiency is based on the concept of creating more goods and services while using fewer resources and creating less waste and pollution. It is measured as the ratio between the (added) value of what has been produced and the (added) environmental impact of the product or service.

In 2014, Kia Motors' eco-efficiency improved 55.4 percentage points from the base year of 2004, and 2.3 percentage points higher than in 2013.

As for the life cycle assessment (LCA), a globally recognized method of assessing the environmental impact of a product in each stage of its life cycle, Kia Motors conducts the LCA process on every newly developed vehicle, comparing the results to their predecessors' performance to verify the level of improvement. The results are also assured by an independent verification body for ISO 14040 certification. As of the end of 2014, a total of 22 models (13 types) had been certified by TÜV NORD in Europe and the Underwriters Laboratories (UL) in the U.S. Of these, the cee'd was awarded the ISO 14062s Design for Environment (DfE) certification by TÜV NORD. Kia Motors relies on the LCA rating scheme to assess its performance in five categories of global warming, resource depletion, atmospheric acidification, water eutrophication, and smog. The Soul EV model that was certified by the LCA process in 2014 showed a 30 percent improvement compared to conventional gasoline-powered models in terms of its impact on global warming.

In Korea, Kia Motors is an ardent proponent of the Carbon Footprint Labeling Certification program led by the Ministry of Environment. Every new Kia model since the Cadenza (K7) in 2009 has received a carbon footprint label, and the same for LCA certifications since 2014.

After measuring the greenhouse gas (GHG) emissions of products at each stage of their life cycle, they are affixed with certification labeling translated into a CO_2 equivalent figure. In 2014, the Soul EV, Sedona/Carnival and Sorento were given this label, while the K7 Hybrid, which was released in late 2013, earned a low-carbon labeling for its successful 28 percent cut in carbon emissions compared to gasoline-fueled models.

For more environmental information on our products, visit Korea's Environmental Industry & Technology Institute's EDP website.

Eco-efficiency assessment: economic value (sales revenue)/environmental loads (resource input & CO_2 emissions)

22 models
LCA certifications

18 models
Carbon Footprint Labeling Certifications

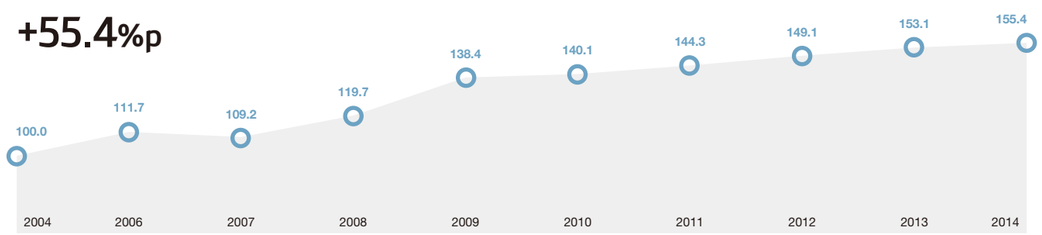
ISO 14040s (LCA) Certification

Year	Market	Model
2008	Europe	cee'd
2010	Europe	Soul, Venga, Sportage (Sportage R)
2011	Europe	Optima (K5), Rio (Pride), Picanto (Morning)
2012	Europe	Sorento (Sorento R), Optima (K5) Hybrid, cee'd
	U.S.	Sorento (Sorento R), Optima (K5)
2013	Europe	Carens/Rondo
	U.S.	Soul
2014	Korea	Soul EV, all-new Grand Carnival/ Sedona (Carnival), all-new Sorento
	Europe	Soul EV, all-new Sorento
	U.S.	Soul EV, all-new Carnival, Kia Quoris/K900 (K9)

The Korean Ministry of Environment's Carbon Footprint Labeling Certifications

Year	Model
2009	Cadenza (K7)
2010	Optima (K5), Sportage (Sportage R)
2011	Picanto (Morning), Optima (K5) Hybrid, Rio (Pride), Ray
2012	Kia Quoris/K900 (K9), Sorento (Sorento R), Cerato/Forte (K3), Ray EV, Optima (K5) Hybrid [low-carbon labeling]
2013	Rondo (Carens), Soul
2014	Soul EV, all-new Carnival, all-new Sorento, K7 Hybrid [low-carbon labeling]

Corporate Eco-efficiency (%)



Parts Procurement Phase

Kia Motors has entered into green partnerships with its partners to collaborate on minimizing the environmental load of the parts and components manufacturing process. Applying its self-developed standards that are more stringent than global requirements, Kia Motors regularly monitors the level of compliance at partner companies' sites and helps them build strong environmental management systems. By sharing information and standards, we work with our partners to help them build their green competencies.

Hyundai Motor and Kia Motors' environmental standards specify requirements and relevant regulations pertaining to parts manufacturing. Visit the VAATZ website for the full text of the Hyundai Motor Group Environmental Standards and its Agreement on the Supply of Eco-Friendly Automotive Parts.

For more information on the GHG·Energy Target Management and Emissions Trading Scheme (ETS), visit the official website of the Greenhouse Gas Inventory & Research Center of Korea.

SCEM: Supply Chain Environmental Management

SCEP: Supply Chain Eco Partnership

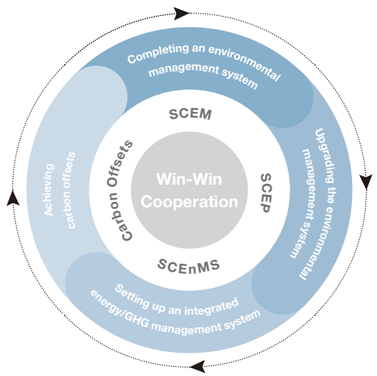
SCEnMS: Supply Chain Energy Management System

GGP: Green Growth Partnership

Partnerships to Address Climate Change

Kia Motors has been assisting partner companies in establishing environmental management systems through the SCEM project since 2003, and completed an integrated GHG management system in 2010. Upon the company's recommendation, all our primary partners acquired the ISO 14001 certification by the end of 2012. The scope was extended to secondary and tertiary partners, who began joining the SCEP program in 2006.

While businesses have been impacted by strengthened emissions regulations around the world, more susceptible to these tighter regulations are SMEs which often lack resources for effective responses or preparation. In a bid to aid them, Kia Motors created a consortium with partner companies and telematics engineering companies to oversee setting up the supply chain energy management system (SCEnMS) for large, medium and small businesses under an agreement with the government.



In 2013, 10 partners were supported for the establishment of pertinent instrumentation and computerized infrastructure. As for the others who followed suit, we organized a council with them to exchange information and discuss issues. Through the Green Growth Partnership (GGP) program that was established in April 2014, Kia Motors has been transferring its energy-saving techniques to partner companies, and has external experts diagnose the practices of partner sites to find room for improvement. The program had helped five partner companies by the end of 2014.

Kia Motors has established an information-sharing infrastructure within its computer system in which it provides data on its energy saving technologies and energy conservation best practices to its partner companies. Additionally, the company hosts annual meetings for case studies and information exchanges on energy-efficient factories and market trends as well as new technologies. Starting in 2015, the company plans on assisting partners to set up the necessary infrastructure for cutting their greenhouse gas (GHG) emissions. Reduced energy use or replacement with renewable energy sources will lead to fewer GHG emissions, helping our partners reduce their energy bills. This will also give our partners a long-term competitive edge in the face of increasingly tougher GHG regulations. Furthermore, Kia Motors will be entitled to carbon credits in proportion to the reduced amount of GHG emissions by its suppliers.

Production Phase

Vehicles are assembled based on blueprints. At Kia Motors, production lines not only materialize environmentally conscious designs, but also make improvements on their own. The underlying principles are conservation and efficiency. All worksites have in place an established system for monitoring and controlling the input and output during the entire work process, while constantly adopting new facilities that can enhance efficiency or curtail emissions, and optimizing the production process along the way. Alongside this, practices are consistently double-checked for any possible way to reduce or eliminate losses. Routines are also reviewed to identify ways to improve efficiency. Moreover, we are always finding better methods to produce and recycle more by using fewer resources and generating fewer emissions.

-6.2%

Year-on-year decrease in per-unit water resource consumption

-3.2%

Year-on-year decrease in per-unit waste output

Material Balance of the Auto Manufacturing Process

Kia Motors is relentless in its pursuit of reducing the input of natural resources and other raw materials, while at the same time cutting down on the output of waste, greenhouse gasses and environmental pollutants. We are also concurrently enhancing manufacturing efficiency to increase production volume and raise the recycling rate. Charting our yearly resource input (resources used), output (waste and emissions), and outcome (value generated), the diagram on the right page describes the overall flow of our resource use in 2014. Kia Motors saw an 8.9 percent growth, or 116,330 units, in 2014 production volume from the previous year, using 64,516 more tons of raw materials. In terms of resource use (emissions) for manufacturing one vehicle, water use declined by 6.2 percent from 2013, and waste discharge was down by 3.2 percent from the previous year. Total and per-unit energy consumption also dropped by 153 TJ and 1,094 MJ, respectively, while greenhouse gas emissions fell by 8,267 tons in total volume and 54.6 kg per unit. Environmental pollutant emissions varied with substance type, but there was an overall trend of reduction in terms of both total and per-unit emissions volume.

Raw Materials

All mineral resources on the planet are presumed to either have passed or are passing their production peak. Although long-term plans are required for replacing finite natural resources with renewable alternatives, the more imperative countermeasure is conservation. The raw materials required for manufacturing vehicles include automotive sheet metal, paint, thinners and plastics, whose volume of use goes hand in hand with the volume of automotive production. In addressing this issue, Kia Motors opted for slashing its unit resource input to raise the rate of products manufactured against the volume of raw materials input. To that end, we are improving the production process to cut the growth rate of total input, while striving to raise the recycling rate and reduce waste output. We also track our resource consumption of highly used materials, such as steel, paint and thinners. Of these, 8,544 tons of steel was recycled in 2014, and we will continue our efforts to further enhance the recycling rate and amount.

Water Resources

The 2030 Water Resources Group projected that population growth and the industrialization and urbanization of emerging economies will increase the world's demand for water to well above 40 percent of the available supply by 2030. According to the United Nations, 900 million people around the world already lack access to clean water, and Korea is classified as a potential water-scarce country, with its annual per-capita precipitation standing at only one-tenth of the global average.

Keenly aware of the value of water as a resource and the seriousness of water scarcity, we are actively investing in facilities to improve its water spending practices, and encouraging its employees' participation in water conservation campaigns.

In 2014, Kia Motors' total consumption of water resources edged up slightly from 2013 to reach 6,303,000 m^3. Converting it into per-unit consumption, the figure stood at 4.4 m^3, which was a reduction of 0.3 m^3, or 6.2 percent, from the previous year, and a 34 percent decrease compared to the base year of 2003.

Waste

Kia Motors has been striving to raise its waste recycling rate for the systematic control of waste output at the source and to lower its per-unit waste output through process innovation. In 2014, the total amount of waste rose by 5.4 percent, or 12,025 tons, from the previous year, to 233,962 tons, 91.6 percent of which was recycled. Waste output from producing one vehicle declined by 3.2 percent (5.3 kg) from 2013 to 164 kg in 2014, representing 29.2 percent less waste output compared to 2003.

Since 2007, the company has maintained its waste recycling rate at higher than 90 percent, keeping the volume of landfilled waste output at below 1 percent of the entire waste output. The Sohari Plant and Hwaseong Plant have maintained their landfill waste output at zero since 2008. The inevitable output of landfill waste and those materials deemed non-recyclable due to geographical challenges are kept at a minimal level and disposed of appropriately, while the company consistently seeks ways in which to improve upon its means of disposal.

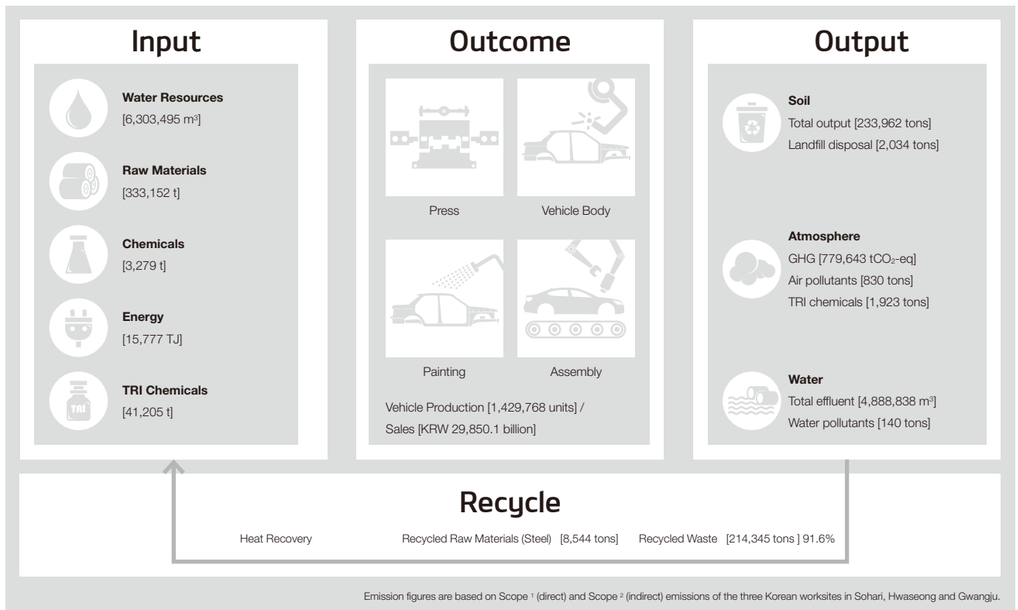
Energy & Greenhouse Gases

Global CO_2 emissions increased yet again in 2014, and the growth rate was greater than the previous year. The accelerating change in the Earth's climate poses a challenge to all of us on the planet, and the main culprit is CO_2 emissions, more than 80 percent of which come from energy consumption.

The above data was collected from Kia's three domestic plants in Sohari, Hwaseong and Gwangju.
The vehicle production volume does not include OEM units.
All materials' base years are set at 2003 levels, excluding energy and GHGs (base year: 2008) and VOC (base year: 2005).
Yearly performance results are compared against base year figures.
The per-unit use (emissions) volumes within the text signify the amount used or emitted when producing one vehicle.

See pp. 84-88 for more information on the trends of input and output as well as our efforts aimed at reducing such input and output.
The air and water pollutant amounts in the flow chart above represent the sum of each substance as reported in the index.

Input & Output Flow



Emission figures are based on Scope [1] (direct) and Scope [2] (indirect) emissions of the three Korean worksites in Sohari, Hwaseong and Gwangju.

CO_2 intake per pine tree: 6.6 kg CO_2/year (Korea Forest Service, 2013)

-9.1%

Year-on-year reduction in per-unit CO_2 emissions

As such, Kia Motors mobilizes all available resources to slash CO_2 emissions, and is an ardent proponent of the government's GHG & Energy Target Management initiative, which was launched in March 2011. In 2014, CO_2 emissions from Kia's domestic plants stood at 780,000 tons, or 9.1 percent (55 kg) less per vehicle in CO_2 emissions than 2013. This can also be seen as a 208 kg reduction from the base year of 2008 (753 kg → 545 kg).
Such a reduction amount is equivalent to the annual carbon intake of 31 30-year-old pine trees. Multiply this by our domestic production volume, and Kia's total CO_2 emissions reduction in 2014 amounts to the annual carbon intake of just over 44 million pine trees.

Environmental Pollutants

Kia Motors controls its emissions through its own emissions monitoring system, looking at air and water pollutants generated from its production process against self-developed standards (30 percent lower than the legal minimum). The company applies a number of measures to curb its per-unit emissions and to minimize its impact on the environment of local communities by constantly monitoring the toxicity of raw materials, streamlining the work process, recycling and reusing byproducts, and appropriately processing environmental pollutants.

BOD (Biochemical Oxygen Demand)/COD (Chemical Oxygen Demand):
The amount of oxygen required for microorganisms to degenerate organic matter in the water. Used as a measure of water pollution, the lower the value is, the lower the level of pollution.

SS (Suspended Solids):
Concentration of solids suspended in water

Air Pollutants

Air pollutants generated from the automotive production process consist of paint particles and volatile organic compounds (VOC) from the painting and coating process, dust particles, and gases from combustion. In order to reduce the emissions of these air pollutants, Kia Motors is actively replacing its raw materials with those containing fewer amounts of hazardous substances while installing pollutant emissions control facilities, improving the work process, and adopting clean production technologies.
In 2014, the gross emissions volume of air pollutants from all our domestic worksites was 830 tons. Per-unit emissions were 4.2 percent less than in 2013, with a 50.5 percent reduction compared to 2003. The expanding production volume inevitably propped up the total emissions volume, but per-unit emissions are continuously declining each year. VOC emissions were up 20.0 percent from the previous year, reaching 8,475 tons in 2014. Per-unit emissions increased by 10.2 percent from 2013, but were down 45.1 percent compared to 2005, or 5.9 kg per vehicle in 2014.

-4.2%

Year-on-year decrease in per-unit air pollutant emissions

-25.9%

Year-on-year decrease in per-unit water pollutant emissions volume

-12.0%

Year-on-year decrease in per-unit use of hazardous chemicals

The rise in VOC emissions can be attributed to the increased use of raw materials in proportion to the growing production volume. Kia Motors makes consistent efforts and investments to curb its VOC emissions. For example, it installed regenerative thermal oxidizers (RTO) on its paint baking ovens at its three domestic plants in 2014.

Water Pollutants

Kia Motors purifies wastewater from its production process before discharging it, and maintains stricter internal standards than the legal requirements to minimize its water pollutant output. Its wastewater treatment systems are repaired, maintained and upgraded to uphold optimal performance levels, while around-the-clock monitoring of effluent concentrations is conducted to prevent environmental risks.
In 2014, the total volume of water pollutant output was 140 tons. Per-unit emissions were 0.1 kg, down 25.9 percent from 2013, and 36.8 percent less emissions compared to 2003. Although the increased production volume and water use within the company's worksites raised wastewater emissions by 4,065 tons compared to 2013, Kia Motors monitored and controlled the effluent concentration at 21.9 percent less BOD emissions and 55.6 percent fewer suspended solids (SS) emissions compared to 2013, resulting in a 12-ton decrease in the total volume of water pollutant emissions.

Hazardous Chemicals

Hazardous chemicals call for extensive control, as they do equal harm to people and the environment. Since the effectuation of REACH (Registration, Evaluation and Authorization of Chemicals) by the EU in 2007, related regulations are growing stronger worldwide. In response, the Korean government is putting into force a tighter chemical substance management act in 2015.
Preparing for these tougher regulations, we have completed preliminary reporting to REACH, and continued monitoring the use of REACH-controlled chemicals. The company is also faithfully abiding by the Ministry of Environment's Toxic Release Inventory (TRI) program, a voluntary reporting scheme for the volume and type of controlled chemicals used and the sources of emissions.
In 2014, the total volume of chemical use stood at 3,279 tons. Per-unit use was 2.3 kg, down 12.0 percent from 2013, and down 18.1 percent from 2003. TRI-controlled substance use amounted to 41,205 tons, down 23.3 percent from 2013.

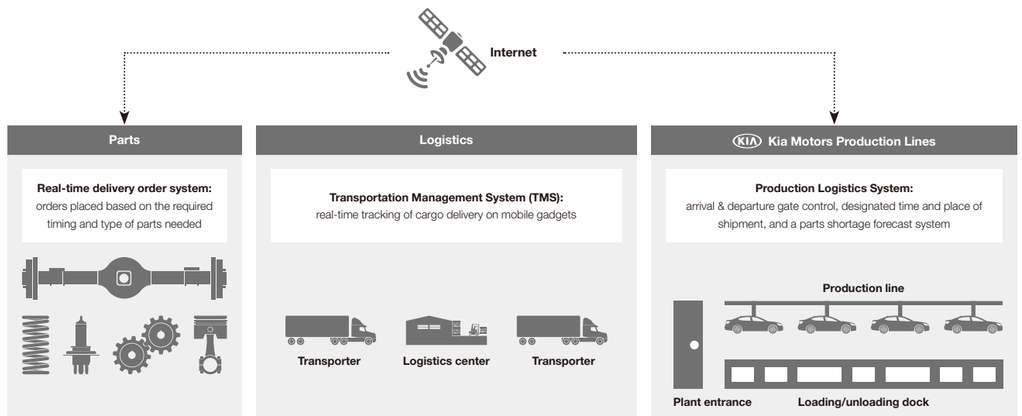
Logistics Phase

To assemble one vehicle, approximately 30,000 parts and components need to be transported. As of 2014, 1.71 million vehicles (including OEM units) were transported to reach their owners. This means that automobile logistics is a complicated process involving bulky items. Accordingly, a slight improvement may have a significant impact, not only on Kia Motors, but also on its supply chain as well. Today, Kia is constantly improving its logistics system and vigorously monitoring its operations. In 2014, the company set its goal at advancing its logistics competitiveness, and came up with several long-term logistics innovation initiatives. Going forward, we will establish a company-wide logistics system for the entire supply chain. This will allow us to better calculate the actual transportation expenses of components and parts to make practical improvements for the benefit of both Kia Motors and the entire supply chain.

Supply Logistics: Improving Procurement

Supply logistics involves the transport of parts and materials to Kia Motors from its partners. We operate integrated logistics centers to alleviate traffic congestion in and around our plants and to enhance loading/unloading convenience for our partners as they individually deliver their supplies to the company. We have also completed a real-time delivery order system at all our domestic plants, which facilitates the efficient supply of parts on a timely and as-needed basis. In order to raise efficiency in transportation, we are also working with logistics companies on the development of a mobile-based transportation management system (TMS) that can track cargo delivery and parts production history on a real-time basis.

Tripartite Information Sharing among Parts Suppliers, Logistics Providers and Kia Motors



Production Logistics: Process Innovation

Production logistics involves the movement of parts within a plant to make them available in accordance with the production schedule. With the rise in production volume every year, plants are growing in complexity. That is why we are constantly working to make improvements by identifying inefficiencies and streamlining logistics management through advanced IT systems.

The Committee for the Verification of Sequencing Compatibility, comprised of logistics personnel from domestic plants, was launched in 2014. The addition of a new model or product specifications to the production line results in an additional parts sequencing process. The Committee complements the work process and sets the guidelines to steer clear of unnecessary logistics logjams along the way. In addition, we have set up a shortage forecast system in the automatic wire harness warehouse within Gwangju Plant Line #1, which stabilizes the production line operation and allows partners to anticipate and control the needs of parts and components in advance. Forklifts have been replaced with electric forklifts, saving on costs and enhancing the quality of working conditions. In 2015, the company will continue its efforts to build a system that can effectively respond to the growing production volume by reducing parts warehouse space, doing away with redundant logistics and standardizing logistics processes.

Building IT-enhanced Smart Systems

At Kia Motors, we make use of our high-tech IT system for production logistics management to further the efficiency of parts inventory management. In 2014, Hwaseong Plant Line #3 adopted an automatic vehicle routing system for engines so as to enhance efficiency in the operation of the warehouse by eliminating any errors arising from manual work. Also under development is a sequential parts input system to reduce sequence errors. The Parts Lot Tracking System will also be expanded to cover all parts used at our worksites, allowing comprehensive management of the entire process, from the production of parts to disposal of vehicles. Facilitating prompt responses to quality issues of sold vehicles, the system is expected to save the company money in dealing with such issues.

In addition, there is an Arrival/Departure Gate Management System in place for real-time tracking and controlling of entrance and exit of transporters to ensure better traffic flow on the premises of our plants. An Arrival Time Designation System will also be phased in, giving transporters carrying sequential parts—whose shipment frequency is relatively high—prior notification of shipment time and location.

Sales Logistics: Streamlining Cargo Transport

Sales logistics involves the transport of finished vehicles to shipping centers and the storage of these vehicles at production facilities or regional shipping centers. Our efforts are now focused on cutting the travel distance. In fact, the heightened export volume at our holding facilities resulted in the need to move some of our standby vehicles to temporary holding facilities. As such, we secured additional holding facilities in 2014, thereby reducing our secondary transport volume. Additional related improvement measures are scheduled for 2015 to further improve the secondary transport process. Furthermore, more measures to enhance the transport efficiency of finished vehicles to regional shipping centers and ports are currently under review.

Disposal Phase

Disposed end-of-life vehicles (ELVs) bring about serious environmental damages. When properly recycled, however, they can yield significant amounts of useful resources. Many countries around the world have already taken note of this and are rushing to adopt related recycling policies. Starting in 2015, more than 95 percent of vehicle weight is mandated to be recycled. As an advocate alongside Hyundai Motor of the ELV Resource Regeneration Advancement Project, initiated by the Ministry of Environment in 2012, Kia Motors has met all legal requirements (a 95 percent recycling rate for 2014). Going forward, Kia will remain committed to protecting the environment through ceaseless R&D on ELV disposal technologies for industry-wide sharing.

Automobile Resource Regeneration Center

Kia Motors' Automobile Resource Regeneration Center develops numerous dismantling and recycling technologies. The center also features an eco-friendly dismantling system comprised of various dismantling equipment and eight continuous-flow processes that range from ELV registration to compression. Approximately 4,000 test vehicles are dismantled annually, strengthening our database of ELV recycling and resource regeneration technologies. We then share these technologies and findings with ELV service providers.

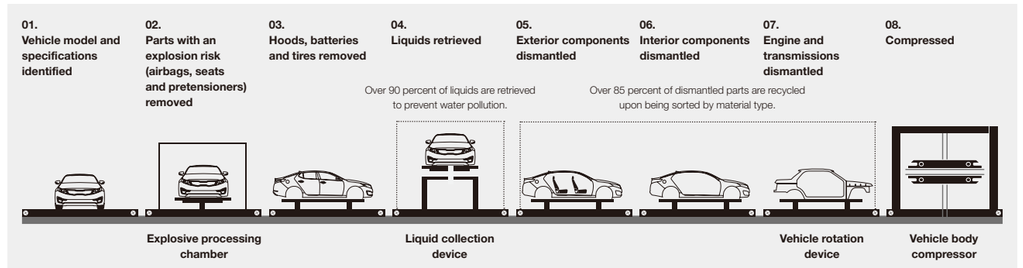
ELV Recycling Technologies

In 2008, the global auto industry instituted ISO 26021, an international standard on the removal of airbags using on-board diagnostics (OBD). In 2012, Kia Motors developed its original OBD-based airbag removal device as well as a technology to retrieve and recycle the nylon bags from air bag modules. By applying the Design for Recycling (DfR) technique, we are making vehicle parts easier to dismantle.

Recycling Green Vehicles

Kia Motors is adamant about the safe disposal and recycling of electric and hybrid vehicles, which have different structures and components from internal-combustion engine vehicles (ICEVs). We have also distributed manuals on the safe disposal of high-voltage lithium-ion batteries to automotive dismantling and recycling businesses, while we have successfully developed a discharge system to retrieve residual electric power from these batteries. Kia will continue to share processing technologies that will ensure the safe and efficient recycling of green vehicles, whose market demand is growing steadily. M

ELV Disposal System Flow Chart



Searching for Solutions

Korea
33,966
2013 | 33,538 ↗

U.S.
3,236
2013 | 3,177 ↗

China
6,780
2013 | 6,372 ↗

Others
134
2013 | 273 ↘

Europe
4,826
2013 | 4,731 ↗

Employment by Region (persons)

Others represent Asia-Pacific countries, excluding China, the Middle East and Africa.

Present

2014 Unemployment
(million persons)

200

Global Workforce (persons)

47,107 2012

48,091 2013

48,942 2014

Sources: Global unemployment (ILO World Employment and Social Outlook-Trends 2015) and 2030 Elderly Population (KPMG's Future State 2030)

Quality of life and competency-building

What kind of world are we living in today? And what kind of world are we building for the future? Right now, the immediate issue for many is unemployment, but in the long run a low birth rate and an aging population forewarn that labor shortages will emerge as a more pertinent issue. A changing world calls for a different approach to pending issues. While gradually increasing its recruitment every year to create more jobs for people, Kia Motors takes a more far-sighted approach to tackle the challenges that the future may pose. Today, we are building an open corporate culture that does not tolerate any form of discrimination regardless of gender or background and providing industry-leading working conditions in which everyone is guaranteed equal opportunity and fair compensation. The company also assists its employees to develop work proficiencies and expertise, while allowing them to work effectively and lead a happy life. A healthy work-life balance for all Kia employees is our ultimate goal.

Maternity leaves and childcare leaves

Flexible work-hour programs

Childcare Benefits

Childcare centers

Future

2030 Population Aged Above 65
(million persons)

1,000

See pp. 79-81 for more details on the data and figures provided in the text.

New Kia, a campaign to encourage collaboration and family involvement

Work-Life Balance

Health management and counseling support

Smart Work System to enhance work efficiency and performance

Opportunities & Compensation

As a global company, Kia Motors strives to ensure equal working conditions and opportunities for all its employees from around the world. Employees are recruited through an open hiring process with no tolerance for discrimination against gender, nationality, race, religion, or social status. A paper review process entails a separate filter for discerning the talent of applicants, with priority placed on their competencies and commitment rather than their quantifiable credentials.

In 2014, 695 new Kia employees were hired in Korea, bringing the total domestic workforce to 33,966 people. Disabled employees now account for 3.7 percent of the total number, with 83.4 percent (28,337 employees) eligible as union members for collective bargaining. Kia Motors upholds the three labor rights stipulated in the Constitution of the Republic of Korea and the right to fair and free union activities as per the Collective Agreement. Furthermore, the Labor-Management Council meets quarterly to resolve pertinent issues.

Kia Motors provides its employees with industry-leading pay and fringe benefits with the uncompromising principle of equity and fairness in compensation and treatment. The company also ensures equal opportunity and fair compensation regardless of nationality or gender in accordance with corporate bylaws (Collective Agreement Article 25 and Employment Regulation Article 4). Moreover, wages are determined by the duration of service as per a standardized basic pay scheme without discrimination against gender. In principle, Kia's overseas worksites hire local residents on their own, as it holds true to its "locally hired employee" policy in order to contribute to local economies and to localize its operation practices. In light of this, our HR policy gives preference to local applicants at all our worksites. In 2014, non-Koreans made up 30.6 percent (14,976 persons) of the total workforce (48,942 employees). Globally, 97.6 percent of employees were locally hired, with 1,109 locally hired managers accounting for 75.3 percent of all managerial-level employees.

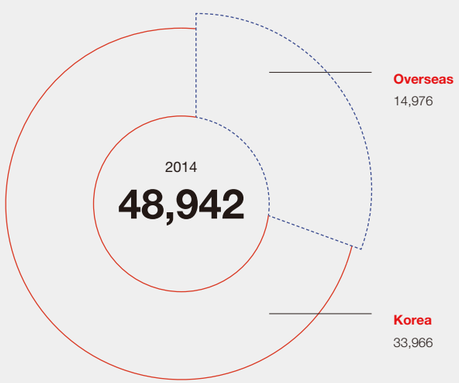
Diversity

As a global company with operations spread around every corner of the world and featuring different cultural and demographic backgrounds, instilling a sense of corporate unity and identity is as important as promoting diversity within the organization. Today, Kia Motors is poised to embrace the opportunities arising from these challenges. For instance, the Work Exchange Program helps our international employees to comprehend our corporate philosophy and culture via the opportunity to work in Korea, while the Regional Specialist Program offers Korean employees the opportunity to learn the languages and cultures of regions deemed to be of strategic importance to Kia's future. In addition, the Short-term Regional Specialist Program offers Korean employees the opportunity to work at overseas offices.

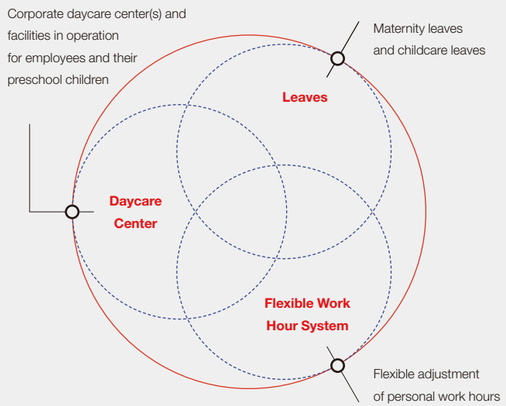
Keenly aware of the unique value female employees bring to a company, Kia Motors keeps increasing the percentage of women in our workforce. In 2014, female employees accounted for only 2.8 percent (939 people) of our total domestic workforce, where the majority of jobs (65 percent) are typically comprised of manual laborers, but the number of female managers continues growing each year, up 17 percent from 29 female managers in 2013 to 34 in 2014.

Kia Motors offers all its employees maternity and childcare leave. The company also offers a flexible work hour system for employees with kids aged under eight years old. After we opened the first corporate daycare center at our headquarters office building in Yangjae-dong, Seoul in 2013, we put in place plans to increase the number of centers so that, eventually, all our employees can make use of these types of centers at all our operations. In 2014, a company-wide organization under the control of the HR Team and comprised of personnel dispatched from each business division and plant, was launched to strengthen family-friendly management practices. As a result, Kia Motors was awarded the Family-friendly Business Certification by the Ministry of Gender Equality and Family in the same year.

Workforce Breakdown by Region (persons)



Childcare Benefits



Work-Life Balance

Kia Motors launched the Smart Work Campaign in 2012 with the aim of establishing a more sensible and productive work process with initiatives to simplify the work process. For instance, documents were computerized on database; infrastructure was built for video conferencing on the internal instant messaging system; reporting and approval lines were computerized; meeting hours were reduced; and paperwork was streamlined. In 2014, these practices were expanded to all domestic plants and overseas operations. A Smart Work Self-check Index was also adopted for surveying employee satisfaction and collecting their feedback. The results will be reflected in our 2015 plans and the Smart Office pilot program that we adopted for one team in 2014 will be expanded to several other teams at headquarters in 2015. The New Kia campaign, which the company first introduced in 2008, is also growing, resulting in greater communication among employees and encouraging family engagement. This campaign is helping to achieve an optimal work-life balance for all employees.

Developing individual competencies and work proficiency is another important part of Kia Motors' personnel policy because competitive individuals lead to a competitive company that can seize opportunities during times of fierce competition.

In addition to our regular human resources development programs, Kia Motors has in place a mentoring program in which senior employees support new employees to quickly adapt to the company.

As for retiring or resigning employees, the company has been offering life planning and career consulting services since 2004. Today, a website is in place for Kia Motors retirees to receive appropriate administrative assistance when needed. The retiree support program is offered for three years, from one year prior to retirement through two years after retirement. As of 2014, 126 retirees-to-be benefitted from the retiree support program, with the company's retirement turnover rate standing at 0.47 percent.

Health & Safety

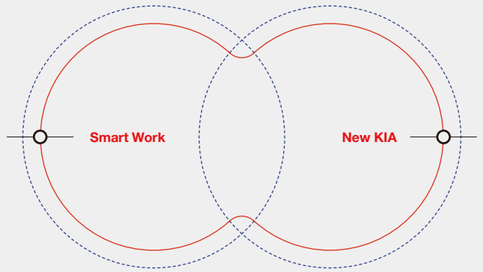
Based on the belief that happy employees make a happy and healthy workplace, one in which everyone can work pleasantly, Kia Motors strives to create a healthy, safe and pleasant work environment. Our worksites are equipped with gyms and industrial clinics that offer not only general treatment and care, but also physiotherapy treatment for musculoskeletal disorders. These facilities are also open to partner-firm employees. Furthermore, we provide health screening allowances to ensure that employees receive regular checkups and stay healthy.

For general physicals, we subsidize screening for adult diseases in addition to basic tests and examinations as mandated by law. Employees who have been with the company for 10 or more years are entitled to subsidies for comprehensive physicals for one of their family members every three years. Also, 50 percent of the bill is subsidized when additional tests are advised by physicians. In 2014, we spent KRW 3.5 billion on the physical subsidy program, which benefited 20,492 people (13,415 employees and 7,077 family members).

Additionally, our group accident insurance policy covers one dental implant and up to three cosmetic surgery procedures for work-related injuries. As a corporate subscriber to the National Health Insurance Service, our insurance policy also covers our employees' immediate family members with medical allowances at select healthcare providers, as the company contributes to their National Health Insurance premium. In 2014, related expenditures stood at KRW 24.9 billion.

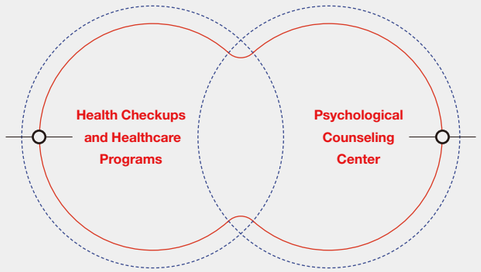
Based on the company's labor-management agreement, whereby employees' emotional well-being is an issue calling for a Group-wide response—as it determines their quality of life and, more importantly, influences their job performance—the Maeum Sanchaek (literally, "Soul Stroll") Counseling Center is open to any employee who needs help since 2012. Commissioning the operation to an external group of experts (the Korea Counseling Psychological Association), the center runs an infirmary within production plants and regional centers. M

Work-Life Support

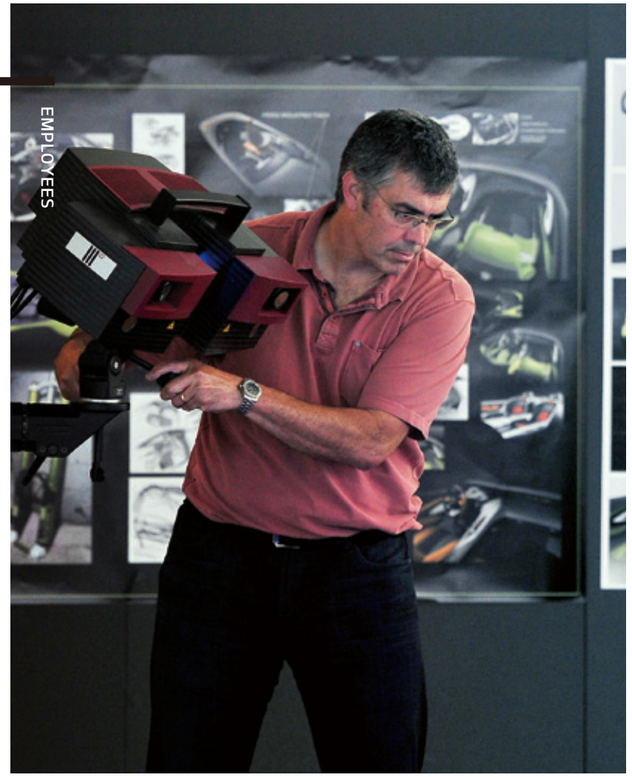


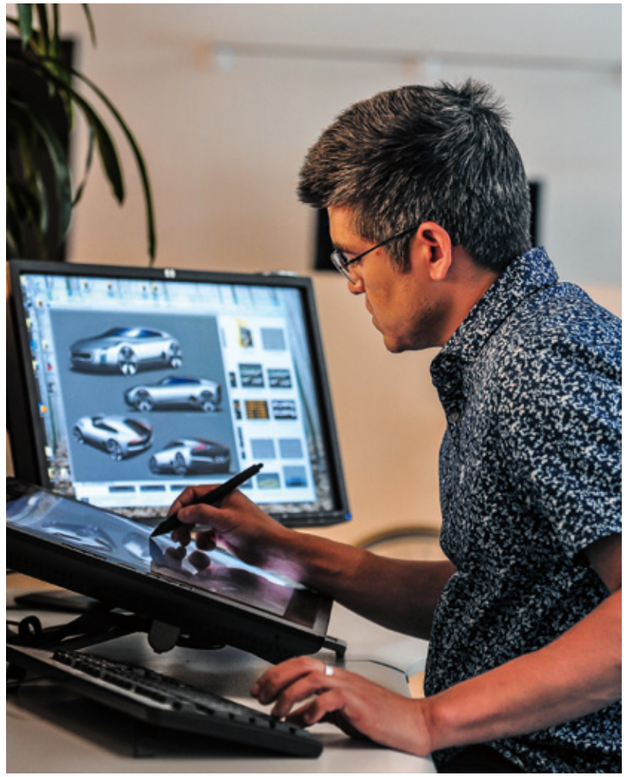
Smart Work	New KIA
Campaign to raise awareness and build infrastructure to improve work efficiency	A company-wide campaign promoting communication among employees and their families

Health Management Programs



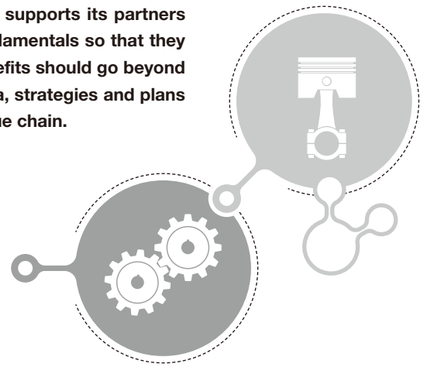
Health Checkups and Healthcare Programs	Psychological Counseling Center
Regular health checkups and health management support programs	Counseling services on work and life issues





Approximately 95 percent of all automobile parts come from partner companies, which is evidence of the important role the supply chain plays in the industry. Consequently, their assistance is imperative to quality and technology innovation efforts, meaning that their competencies have to be continuously updated. Kia Motors supports its partners to reinforce their competitiveness in technology and business fundamentals so that they can advance alongside us in the global market. Ultimately, the benefits should go beyond primary partners and cover the entire business supply chain. At Kia, strategies and plans are now in place to develop core competencies throughout the value chain.

Our approach to co-prosperity

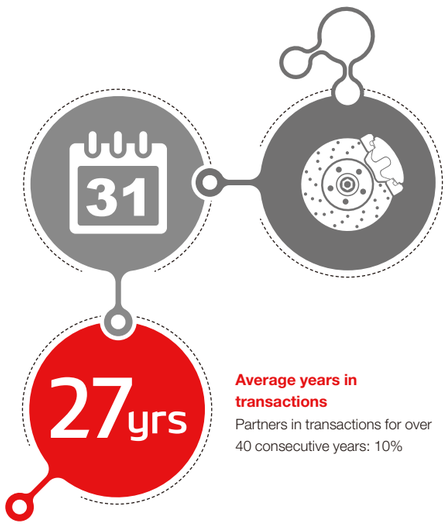


An Interactive

Three Mutual Growth Strategies & Systems

Kia Motors has adopted three strategies for mutual growth and set up a taskforce team for effective implementation of the strategies with the aim of promoting partners' global competitiveness; reinforcing their foundations for sustainable growth; and setting up an infrastructure for mutual growth. We are continually expanding our support to partners centered on these three-pronged policies and are constantly extending the scope to include our secondary and tertiary partners.

The taskforce consists of the in-house Win-Win Cooperation Promotion Team, the R&D Partner Technology Support Team, and the Foundation of Korea Automotive Parts Industry Promotion (KAP) as an external body. The Win-Win Cooperation Promotion Team choreographs company-wide mutual growth policies and is in charge of planning and executing related programs; the R&D Partner Technology Support Team takes charge of technical assistance to partner businesses; and KAP was co-founded in 2002 along with peer affiliates of the Hyundai Motor Group and 165 partner companies to promote the advancement of the automotive parts industry. Out of a total commitment of KRW 5 billion to the foundation's annual budget, the Hyundai Motor Group honors KRW 4 billion in cash and KRW 1 billion in payment-in-kind securities every year.



Average years in transactions
Partners in transactions for over 40 consecutive years: 10%

Strategy 1. Promoting Global Competitiveness

In order to promote our partners' global competitiveness, we have laid forth three objectives to improve quality, technology and productivity by channeling Group-wide resources into building our partners' competencies. In fact, we have a dedicated team for this purpose, which consists of working-level experts from our R&D, procurement, quality and production departments, and falls under the control of KAP.

The support programs range from three-month to one-year stay-overs at sites for training and instructing to sessions for sharing information and exchanging technologies. We also co-develop technologies with partners and support them with the filing of patents and license protection. Particular focus is placed on our secondary and tertiary partners, who usually lack opportunities and have difficulties realizing economies of scale in terms of investments or other activities. Internally, we are consistently expanding programs in collaboration with related organizations and primary partners.

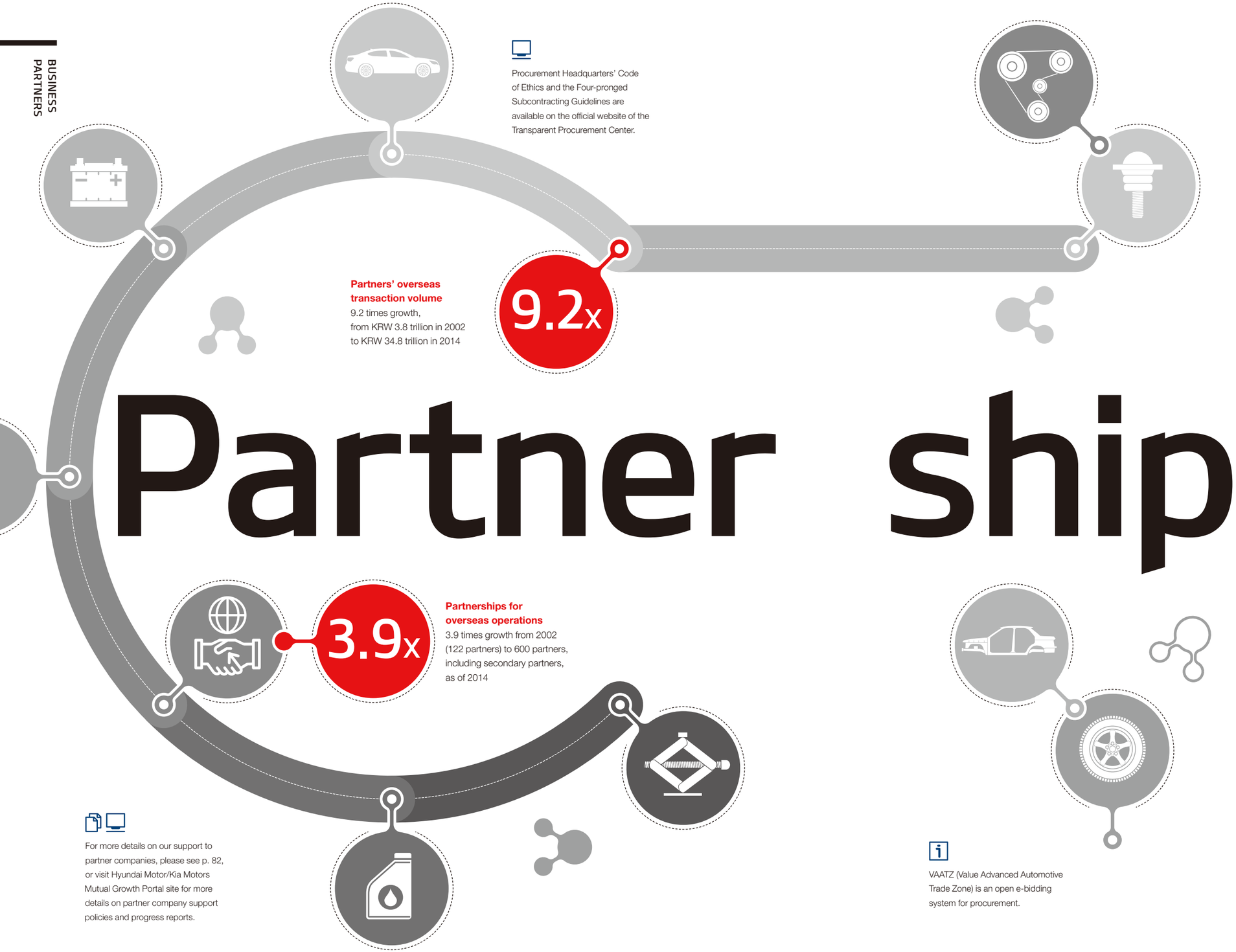
All performance data and figures represent the combined performance of Hyundai Motor Company and Kia Motors Corporation.

In 2014, 3,792 trainees from our small- & mid-sized partner firms completed 10 quality education courses while 994 trainees completed eight technical education courses. In support of our secondary partners, we provide differentiated quality control education by business type, offering them useful information on their businesses, while innovating the working environment and production process through technology advances as part of the Industrial Innovation 3.0 campaign. The Hyundai Motor Group's automotive affiliates made a total of KRW 25 billion in contributions to the campaign from 2013 to 2017, and experts assisted our primary partner firms with the appropriate support. A total of 150 of our secondary partner firms benefited from this campaign from August 2013 to May 2014. We also give on--site instruction to our secondary and tertiary partners at their production lines to support their production quality control efforts. A total of 4,000 of our partners, including 200 from overseas operations, have received this assistance to date. Additionally, the Guest Engineer Program is a collaborative research program where researchers from Kia partners participate in Kia Motors' R&D activities to develop new models. A monthly average of 340 engineers from 43 partners participated in the program in 2014.

Number of partners whose sales exceeded KRW 100 billion
155 partner companies, or 2.5 times growth compared to 2001 (62 companies)

Figures outside the text body represent the conversion of our mutual growth performance for the period from 2001-2002 to 2013 into our partners' performance records. Kia Motors collected partners' performance results to report on their progress, and to reflect in future policies; not included are partners that do not specialize in automotive parts and whose dependence on Hyundai Motor/Kia Motors and affiliates is less than 10 percent.

Percentage of MEs to large corporations
The number of large corporations increased 3.1 times and mid-sized companies 3.0 times from 2001



Procurement Headquarters' Code of Ethics and the Four-pronged Subcontracting Guidelines are available on the official website of the Transparent Procurement Center.

Partners' overseas transaction volume
9.2 times growth, from KRW 3.8 trillion in 2002 to KRW 34.8 trillion in 2014

9.2x

Partner ship

3.9x

Partnerships for overseas operations
3.9 times growth from 2002 (122 partners) to 600 partners, including secondary partners, as of 2014

For more details on our support to partner companies, please see p. 82, or visit Hyundai Motor/Kia Motors Mutual Growth Portal site for more details on partner company support policies and progress reports.

VAATZ (Value Advanced Automotive Trade Zone) is an open e-bidding system for procurement.

Strategy 2. Reinforcing the Foundation for Mutual Growth

Stable cash flow is critical to a sound business, and if a business is to sustain growth, it must be able to take advantage of present opportunities to invest in its future. That is part of the reason why Kia Motors pays all bills and invoices to SME partners in cash. We either negotiate raw material prices or organize bulk purchases to help partners cut their procurement costs, and we have in place 10 different funding programs our partners can tap into according to their different needs and uses. Secondly, we aid our partners in their global market expansion. Hyundai Motor and Kia Motors provide full support to our domestic partner firms in advancing into overseas markets where we operate our plants. As of 2014, 260 of our primary partners were active in 10 countries around the world. When counting secondary partners, the number almost triples to more than 600 firms. We support partner companies' global expansion through global road shows, sharing of export logistic, and assisting with the setup of country-of-origin certification systems. Finally, we support our partners with their recruitment and training of employees, and with realizing their ideas as well as strengthening their eco-friendly competencies.

In a proactive bid to tackle our partners' chronic issue of labor shortage as well as the social issue of high youth unemployment, Kia Motors has held the Partner Job Fair since 2012. Since then, the fair has grown both in size and significance, with the number of participating partners increasing eight percent from 2013 to 371 in 2014, with 300 primary partners hiring 17,510 new recruits in 2014, up 1.7 percent from the previous year.

Establishing Systems for Mutual Growth

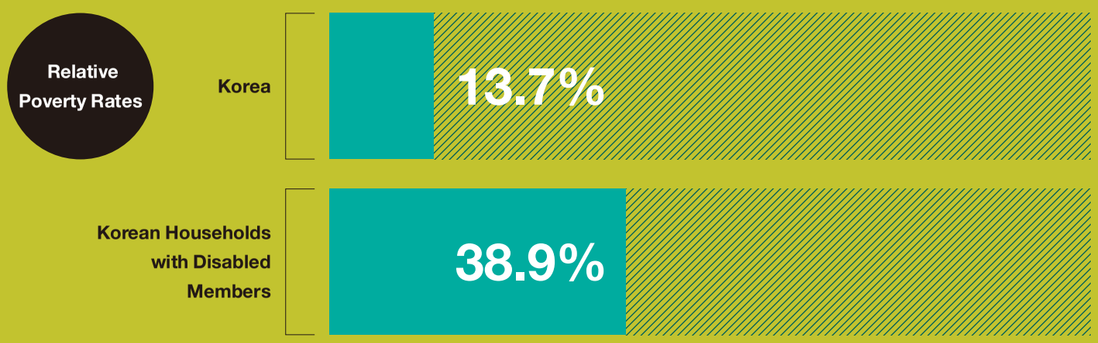
The ultimate goal of mutual growth systems lies in establishing fair and transparent transactions as well as mutually beneficial growth practices within our corporate culture. Cordial partnerships are maintained with our primary partners through separate council meetings, and we are working to heighten our support to secondary and tertiary partners in all mutual growth programs, from quality control and technology development to financing and global expansion assistance. Kia Motors has been observing the terms of the Agreement on Mutual Growth with primary partners every year since 2009. Under the agreement, we support partners' ethical management practices and corporate social responsibility activities, while advising them on how to acquire the OHSAS 18001 certification to ensure safe workplaces for their employees. As of 2014, almost all of our partners domestically and abroad had obtained this certification.

We also enacted the Procurement Headquarters' Code of Ethics and the Four-pronged Subcontracting Guidelines to ensure ethical practices by departments involved with partner firms. Meanwhile, the Transparent Procurement Center receives grievances from partner firms' employees. In 2014, eight cases were filed, all of which were promptly forwarded to the relevant departments for follow-up and improvement measures. Procurement is conducted through the Value Advanced Automotive Trade Zone (VAATZ), an open and standardized online bidding system for domestic and overseas partners. Evaluating the submitted bids for product quality, payments and technologies on the Five-Star Scheme scale, the results are then published. M

Our approach to social issues

The Millennium Development Goals (MDGs), established by the United Nations Development Programme (UNDP) for ending poverty, will end in 2015. When you look at poverty from a macroeconomic point of view, the mission may seem too complicated to be accomplished. However, if you look closely at the figures, things change. Income inequality has become exacerbated in almost all countries, and life has become miserable for many sub-Saharan Africans. When it comes to Korea, the issues are not about figures. By percentage, families from social minority groups tend to be poorer and face more cutthroat competition, making Korean children the unhappiest youth of all OECD members. So, what can we do to tackle these issues?

The Indian economist Amartya Kumar Sen defined poverty as capability-deprivation. Kia Motors has found its solution to eradicating abject poverty. Feeding today's hungry is not as important as helping people realize their full potential. As an automaker, Kia Motors promotes the universal right to freedom of mobility (Mobility) and provides opportunities to take on challenges for a better life (Challenge). Under the shared values of Mobility and Challenge, we look for "a better way to go" by taking a different approach to issues in different societies.



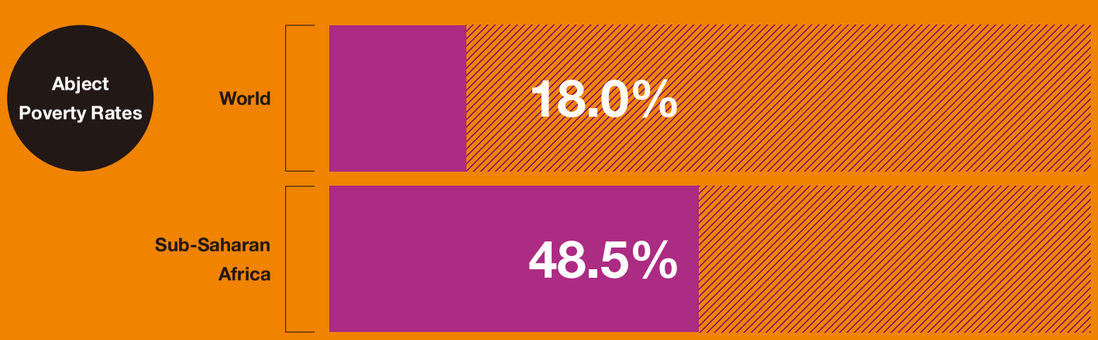
Korean children's satisfaction with their quality of life was based on the 2013 Korean Children Well-Being Index by the Ministry of Health and Welfare; and Amartya Kumar Sen is an Indian economist who has contributed to economic theories on famines and poverty.

Green Trip
Kia's signature domestic social outreach program that supports the disabled with trips

EcoDynamics
Providing youth with opportunities to expand their experiences

Supporting Future Generations
Traffic safety campaigns for children and special programs for university students

A Better Way to Go



Korea's relative poverty rates were based on the 2014 Poverty Statistical Yearbook (as of 2013) by the Korea Institute for Health and Social Affairs. International abject poverty rates were based on the World Bank's 2013 World Poverty Report (as of 2010).

Green Light Project

Education
The Green Light Project builds schools and provides education programs that travel by road to different rural areas in Africa.

Village Projects
Offering practical support by selecting self-support programs in consideration of the different needs of each village

Mobile Centers
Providing vehicles and programs that can be used as school buses or for medical use, libraries or other educational purposes

Kia Motors supports the Millennium Development Goals (MDGs) of the United Nations Development Programme (UNDP). Social outreach activities are shown with icons corresponding to the MDGs they are helping to realize. The eight MDG goals are listed below.

1. Eradicate abject poverty and hunger **2.** Achieve universal primary education **3.** Promote gender equality and empower women **4.** Reduce child mortality **5.** Improve maternal health **6.** Combat HIV/AIDS, malaria and other diseases **7.** Ensure environmental stability **8.** Build global partnerships for development

Green Light Project

Mobility ▪ Challenge

The Green Light Project (GLP) succinctly manifests Kia Motors' CSR philosophy. We go to regions most in need and brainstorm solutions for the most pressing issues. Based on these resolutions, we build schools and education centers, undertake village sponsorship projects, and provide medical and educational services or vehicles. Over a period spanning five years, Kia Motors is offering local communities the appropriate aid, while local residents are building their own competencies to become independent both as individuals and as members of the broader community.

Under the GLP Roadmap, which adds two beneficiary regions each year, the number of beneficiary countries has grown to four African nations from 2012 to 2014. A total of three schools and one healthcare center are now in operation in six communities within these countries. Another school and vehicle repair training center are currently under construction, and new villages in Ethiopia and Kenya will be the target of GLP activities in 2015. Starting in 2016, we plan on expanding the program to regions outside of Africa.

Villages Undergoing Change

Residents of Nagashanqui, Tanzania, the first beneficiary village of the Green Light Project, have a passion for learning. Therefore, educational support was the focal point of the GLP there. Today, the community has four educational facilities, including schools and a day care center. Three school buses and mobile library & education centers now travel around the village. Additionally, the GLP Center built for community projects began offering technical training in 2015. Salima and Lilongwe of Malawi were in need of medical and underprivileged youth support programs. A healthcare center was constructed from 2012 to 2013 for basic treatments and for the promotion of mother-child health care. Also, mobile clinic vehicles and a mobile video education center are both in service. The fertilizer loan program, our pilot project at one selected village, turned out to be successful in helping the 196 participating households raise their yield of maize by 2.5 times more than prior levels, creating a virtuous cycle for sustainable operation. In 2015, additional villages are to benefit from the project. In the meantime, we built schools in Lilongwe, Malawi to promote equal opportunity for secondary education, while running a community school for local residents who had to give up their studies. We also built a maize mill for local residents and donated trucks now on the roads.

Zavala, Mozambique, where the GLP was initiated in July 2013, also lacks infrastructure for quality education and medical services. We have already donated schools and school buses, and more vehicles will be added for mobile clinic services. Starting in 2014, we are constructing schools and a self-reliance center, waterworks and public toilets in Bagamoyo, Tanzania. In addition, we are building a vehicle repair training center jointly with KOICA and preparing for a handicraft business project in Lideta, Ethiopia.

This section focuses on the company's signature social outreach programs. Visit the official Kia social outreach website for more on our social outreach schemes and key activities.

Project periods vary per community; all descriptions cover the latest one-year performance.

KOICA: Korea International Cooperation Agency

Ethiopia

Lideta
Nov. 2014-Oct. 2015
Upon completion, the new repair training center is expected to train 1,400 people over a five-year period.

Nagashanqui
July 2013-June 2014
Approximately 2,800 students and 8,900 local residents are benefiting from the education programs, improving the students' competencies by 35 percent over the previous year.

Bagamoyo
July 2014-June 2015
Schools, waterworks and public toilets are currently under construction, which is expected to benefit about 200 students and 9,130 local residents.

Tanzania

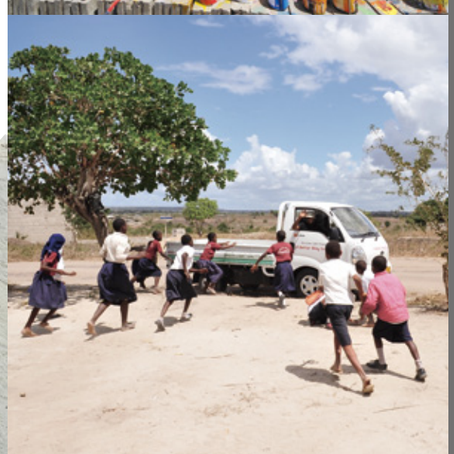
Salima
Sept. 2013-Aug. 2014
A healthcare center and mobile clinic treated 3,537 residents, with 52 infants under intensive care improving their nutrition by 88.4 percent.

Lilongwe
Aug. 2013-July 2014
80 students entered the newly established school and 85 residents attended community schools for local residents.

Malawi

Mozambique

Zavala
July 2013-June 2014
873 students are studying at the new middle school.



The Critical Role of Employees in Green Light Project

After the launch of the GLP global volunteer corps in 2013, 21 Kia employees volunteered their time in 2014 to fly 10,000 kilometers from Seoul to Tanzania for 10 days. Meanwhile, the local Kia subsidiary contributed to the funding and three of their employees also took part in the activities, promoting the spirit of the project at a the company-wide level.

Moreover, the 1:1 support campaign where our employees subsidize tuition fees and school meals for students of GLP schools is now expanding its participation from merely volunteer corps members to the entire workforce of Kia Motors.

Green Trip

Mobility

Green Trip is a domestic signature social outreach program at Kia Motors. Travel opportunities are provided to people with disabilities, those who are most in need of easier, more convenient access to mobility but are often deprived of the vested rights. Launched in June 2012, the program has subsidized 10,835 people—the disabled and their family members—as of December 2014. The program began in and around the Seoul Metropolitan Area in its first year and expanded each year to cover Busan and Gyeongnam by 2013 and Gwangju and Jeonnam by 2014. The standard program sponsors only the vehicle for the trip, while the theme program organizes theme-oriented group trips. Under the program, a total of nine Easy Move vehicles with self-driving features and wheelchair loading are available.

In 2014, the program expanded to include after-trip service for higher satisfaction of beneficiaries and began home-to-home service in and around the Seoul Metropolitan Area. Starting in 2015, the home-to-home service coverage will be expanded far down to the southern tip of the Korean peninsula, while changes are in place for a theme program based on users' feedback.

Green Trip vehicle sponsorship

Green Trip
Total number of beneficiaries:
10,835 persons
(June 2012–Dec. 2014)

Disability Programs

Kids Programs

UNESCO Kids
Domestic and international camps for 100 elementary school students

EcoDynamics Expedition
45 students from middle schools, high schools and universities provided with opportunities for developing and sharing optimal green technologies

S.L.O.W Campaign
Safety education for 9,500 children

UNESCO Kids' Mock General Assembly

S.L.O.W. Campaign safety education

"Eogiyeocha: Happiness Sharing Art Camp" by Suwon Women's University

University Student Sponsorship Programs

Eogiyeocha
(university club sponsorship)
Public essay competition on CSR and CSR projects
20 clubs and five teams provided with CSR project expenses and rewards for CSR theses and projects

Supporting Future Generations

Challenge

The main culprits of Korean children having the lowest happiness index among all OECD members are academic stress and depression. Cutthroat competition deprives children of their freedom and right to enjoy life. Kia Motors offers children various opportunities for expanding their experiences in the hope that our future generations can build a better world for all through more liberal yet careful thinking. Kia's UNESCO Kids program has given our children more insight into international issues since 2013. A year later, 100 fifth and sixth graders from elementary schools participated in the program, and 25 of them joined field trips to the headquarters of UNESCO, the OECD and the EU. In collaboration with the UNEP-MIT D-Lab, the EcoDynamics Expedition develops and shares optimal green technologies in a bid to cultivate youth interest in environmental issues. In 2014, 36 middle school, high school and nine university students joined as mentors for solutions to water shortage issues in Katmandu, Nepal. Furthermore, they held a seminar for local students and residents to promote technology adoption within local communities. The *Eogiyeocha* project and the CSR Essay & Project Idea Competition bring about brilliant ideas for CSR projects from university students. In 2014, 120 clubs from 70 universities and 51 teams from 41 universities participated in this event Kia Motors awarded 20 clubs and five teams with project expenses and idea suggestion rewards. For the road safety of preschoolers and elementary school students, we have been carrying out a campaign called S.L.O.W. since 2005. In 2014, the program was expanded in terms of both numbers of sessions and regions, providing safety education sessions to 9,500 children across the nation. Kia Also provides traffic safety education material through S.L.O.W. Kit, which is available at home and abroad.

Challenge Volunteer Corps activities

EcoDynamics Expedition

Employee Volunteer Corps
(Year-on-year comparison as of 2014)

Challenge Volunteer Corps
19.2% increase to reach 3,441 participants

K-Family Volunteer Corps
72.1% increase to reach 1,170 participants

Employee Volunteerism

Challenge

Kia Motors assesses its social outreach programs against three criteria. First, they should generate long-term changes rather than be focused on short-sighted one-time charity work. Second, the programs should be customized to local needs, not for our purposes. Third, they need to take into account Kia employees' volunteer participation rate. At Kia Motors, our employees are encouraged to voluntarily take part in a wide range of volunteer work.

Launched in 2005, the corporate volunteer corps runs on a dual track: the employee-led Challenge Volunteer Corps and the employee family-led K-Family Volunteer Corps. Every year, just over 100 departments spend their free time operating volunteer groups as part of the Challenge Volunteer Corps. The number of volunteers increased by 19.2 percent from 2013 to 2014, reaching 3,441 employees from 102 departments, with 392 sessions of social outreach activities carried out. Since its launch in 2013, the K-Family Volunteer Corps has been receiving the full support of employees and their families. In 2014, the number of participants surged by a whopping 72.1 percent from 2013, as 1,170 people from 525 families joined together for worthy social causes. M

Appendices

Sustainability Management

UN Global Compact

Since joining the UN Global Compact (UNGC) in July 2008, Kia Motors has been committed to upholding the UNGC principles of human rights, labor, environment, and anti-corruption. Our progress and commitment are detailed in the pages listed in the table below.

UNGC Index

Area	Ten Principles	Coverage (pages)
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure they are not complicit in human rights abuses.	58-67, 79-83
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	58-63, 79-81
	Principle 4: the elimination of all forms of forced and compulsory labour;	80
	Principle 5: the effective abolition of child labour; and	80
	Principle 6: the elimination of discrimination in respect of employment and occupation.	58-63, 79-81
Environment	Principle 7: Businesses are asked to support a precautionary approach to environmental challenges;	48-51
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	52-57, 84-90
	Principle 9: encourage the development and diffusion of environmentally-friendly technologies.	28-41
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	82-83

ISO 26000

The ISO 26000 is an international standard on social responsibility issued in 2010. Kia Motors endeavors to internalize the seven core subjects and their implications, then and uphold them as standards of social responsibility in all our business management activities, from top to bottom, in decision-making process at the managerial-level as well as working-level job fulfillment.

ISO 26000 Index

Seven Core Subjects	Relevant Issues	Coverage (pages)
Organizational governance	Decision-making process and structure / Delegation of power	6-7
Human rights	Discrimination and vulnerable groups / Human rights risk situations & Avoidance of complicity / Civil and political rights / Economic, social and cultural rights / Fundamental rights at work	58-67, 79-83
Labor practices	Employment and employment relationships / Conditions of work and social protection / Social dialogue / Health and safety at work / Human development and training in the workplace	58-67, 79-83
Environment	Prevention of pollution / Sustainable resource use / Climate change mitigation and adaptation / Protection and restoration of the natural environment	48-57, 84-90
Fair operating practices	Anti-corruption / Responsible political involvement / Fair competition / Promoting social responsibility in the sphere of influence / Respect for property rights	64-67, 82-83
Consumer issues	Fair marketing, information and contractual practices / Protecting consumers' health and safety / Sustainable consumption / Consumer service, support, and dispute resolution / Consumer data protection and privacy / Education and awareness	28-47, 78
Community involvement and development	Community involvement / Employment creation / Technology development / Wealth and income creation / Social investment / Education and culture / Health / Skills development	24-27, 68-73

Memberships to Associations and Organizations

Association/Organization	Purpose of Membership
Federation of Korean Industries (FKI)	Exchange information on management activities; cooperate on CSR activities
Korea Automobile Manufacturers Association (KAMA)	Promote the auto industry; pursue intersectoral joint projects
Korea Chamber of Commerce & Industry (Seoul, Gwangmyeong, Hwaseong, Gwangju)	Mandatory membership as per the Chamber of Commerce & Industry Act
Korea Auto Industries Coop. Association (KAICA)	Cooperate with relevant businesses to advance the auto industry
Korea Standards Association	Promote the industrial standardization and quality management
Fair Competition Federation (KFCF)	Share information and opinions with government and businesses to observe fair trade regulations
Korea AEO Association	Promote safety management practices on Authorized Economic Operators (AEOs)
BEST Forum: Business Ethics and Sustainability management for Top performance	Engage in ethical management and CSR work exchanges
Global Compact Network Korea	Uphold the ten principles of the UN Global Compact
The Korean Association for Industrial Security (kaitS)	Promote efforts aimed at protecting industrial technologies
Korea Economic Research Institute (KERI)	Conduct comprehensive research on long- and short-term development issues pertaining to Korean businesses and economy

Economy

As of the 2011 fiscal year, consolidated financial statements for corporate headquarters and overseas subsidiaries are drafted as per the International Financial Reporting Standards (IFRS).

Business Performance

KRW in millions

	2012	2013	2014
Production volume (vehicles)	2,723,915	2,832,168	3,049,692
Sales volume (vehicles)	2,719,500	2,827,092	3,041,685
Sales revenue	47,242,933	47,597,897	47,097,049
Operating profit	3,522,251	3,177,100	2,572,549
Cash flow	4,345,425	4,776,593	2,363,825
Ordinary income	5,164,056	4,828,576	3,816,316
Net profit	3,864,704	3,817,059	2,993,593

Financial Standing

KRW in millions

	2012	2013	2014
Assets	32,398,314	36,182,040	41,044,202
Current assets	11,139,430	13,472,386	16,655,401
Fixed assets	21,258,884	22,709,654	24,388,801
Liabilities	15,550,252	15,927,245	18,560,387
Current liabilities	10,000,239	10,806,238	11,974,388
Fixed liabilities	5,550,013	5,121,007	6,585,999
Equity	16,848,062	20,254,795	22,483,865
Equity ratio (capital/assets)	52.00%	55.98%	54.78%
Debt ratio (liabilities/capital)	92.30%	78.63%	82.55%

Value Distributed to Stakeholders

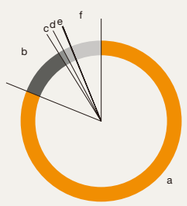
KRW in millions

	Detailed Breakdown	2012	2013	2014
Total value generated		47,999,794	48,164,860	47,087,015
Sales revenue		47,242,933	47,597,897	47,097,049
Other income	Other income-(other costs+depreciation costs)	756,861	566,963	(10,034)
Partner companies	Product & service costs	38,197,219	38,547,540	38,300,949
Value-added generated		9,802,575	9,617,320	8,786,066
Employees	Wages and benefits	4,245,509	4,536,658	4,721,277
Shareholders	Dividends	263,240	283,489	404,058
Investors	Interest payments	156,808	89,673	57,240
Government	Tax payments (corporate tax+other taxes)	1,022,822	955,781	747,054
Local communities	Donations	22,092	27,138	26,224
Kia Motors	Retained value	4,092,104	3,724,581	2,830,213

· Other income=(other operating income+income from investment in affiliated companies+financial income)-Other costs(other operating costs+financial costs minus interest costs and donations)-Depreciation Costs (depreciation cost+depreciation cost of intangible assets)

Economic Value Generated & Distributed (EVG&D)

%



a. Partner companies	81.3
b. Employees	10.0
c. Shareholders & investors	1.0
d. Government	1.6
e. Local communities	0.1
f. Kia Motors	6.0

Sales Revenue by Region

KRW in millions

	2012	2013	2014
Sales revenue	47,242,933	47,579,897	47,097,049
Korea	9,466,102	9,017,976	9,311,265
Overseas	37,776,831	38,561,921	37,785,784
North America	16,799,524	17,090,431	16,865,983
Europe	11,797,175	12,360,058	11,892,172
Others	9,180,132	9,111,432	9,027,629

Share of Sales Revenue by Region

%

a. Korea	19.8
b. North America	35.8
c. Europe	25.2
d. Other	19.2

Production Volume by Worksite

vehicles

	2012	2013	2014
Sohari	304,054	292,190	328,517
Hwaseong	553,054	541,379	562,355
Gwangju	443,394	479,880	538,896
OEM	285,183	285,414	282,717
Goergia (USA)	358,518	369,299	369,379
Slovakia	292,050	313,000	323,720
China	487,580	551,006	644,108
Total	**2,723,833**	**2,832,168**	**3,049,692**

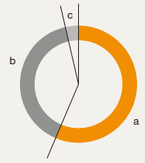
Share of Production Volume by Worksite

%

a. Sohari	10.8
b. Hwaseong	18.4
c. Gwangju	17.7
d. OEM	9.3
e. Georgia (USA)	12.1
f. Slovakia	10.6
g. China	21.1

Salre of Sales by Product Type

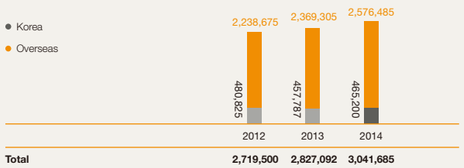
%



a. Passenger cars	56.5
b. RVs	40.0
c. Commercial & special-purpose vehicles	3.5

Sales Volume by Year

vehicles

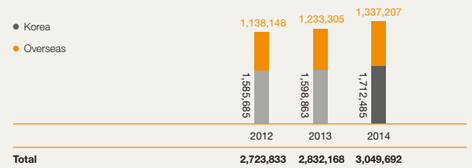


	2012	2013	2014
Total	**2,719,500**	**2,827,092**	**3,041,685**

· Sales data (share of sales by product type and sales volume by year) are based on plant sales orders.

Production Volume by Year

vehicles



	2012	2013	2014
Total	**2,723,833**	**2,832,168**	**3,049,692**

Society/Customers

Customer Satisfaction Assessment Results

Internal

Kia Motors commissions customer satisfaction index (CSI) surveys to an independent agency in order to keep track of and improve upon our performance in sales and service issues from the customers' point of view. Also, monthly e-mail surveys ask for feedback from our customers who have purchased our latest models or have used our repair/maintenance services. With the aim of keeping employees vigilant to their customer reception attitude at the customer contact point points, we run regular reviews of customer reception on the spot (sales: eight sessions, service: five sessions) and monthly reviews of over-the-phone response attitudes. These results are then published across the board for self-directed improvement initiatives and CS training programs customized to the review results. Kia Motors Customer Center has completed a fast-track cooperation system named 3-Step Follow-Up, where customer grievances are addressed at source, while preventing a recurrence. The voice of customers (VOC) program is propagated company-wide for further improvements to our CS practices.

External

Organization	Assessment	Kia Motors' Standing
Korea Standards Association	Korea Standard Service Quality Index (KS-SQI)	1st place in automobile aftersale service for the 11th consecutive year
Korea Productivity Center	National Customer Satisfaction Index (NCSI)	1st place in the city and subcompact segments
JoongAng Daily	National Brand Awards (NBA)	Automobile membership awards for a third straight year
Korea Management Association Consulting	Call Center Quality Index (KSQI)	No. 1 in the industry for a second year Best Call Center for 11th year in a row
	Korea Sales Satisfaction Index (KSSI)	No. 1 among all Korean industries
Fair Trade Commission	Consumer-centered Management (CCM)	Recertification

CS Training

All Kia service and sales employees, as well as dealers and partner-firm employees, receive customer satisfaction (CS) training on a regular basis. Sales staff are provided with customized training courses (CS consulting) that check current practices at each regional office to provide one-on-one coaching to salespeople in order to help them develop customer reception skills. Additionally, a premium CS training course (CS Plus) was newly introduced in response to the aggressive advancement of global automakers into Korean market. In 2014, a total of 2,685 sessions helped 41,202 employees (23,557 from sales, 14,936 from service, and 2,709 from production and other operations) enhance their CS skills. In 2015, we plan on running CS awareness-raising programs for our entire workforce so as to enhance company-wide CS competencies.

Sales and Service Training

	2012	2013	2014
No. of annual trainees (persons)	29,049	34,286	41,202
Gross training hours	-	-	57,204
Per-employee training hours (person-hour)	-	-	1.39

· The annual number of trainees for 2014 can be broken down into 23,557 salespeople (8,686 from regional sales offices, including administrative staff, and 14,871 from dealerships) and 14,936 service staff (3,683 from regional service centers and 11,253 from partner firms).
· Past performance on time management is not available, as the program came into existence in 2014.

Customer Privacy

Committed to customer privacy protection, Kia Motors has operated the Personal Information Protection Council since 2011, when the Personal Information Protection Act took effect. The council's sector-specific subcommittees, each overseen by a chief privacy officer (CPO), went into full operation in 2012. The council developed an integrated management system and monitors company-wide privacy protection practices. It also set up contingency plans for personal information leaks in preparation for eventual implication. As a means of controlling company-wide legal compliances, web-based personal information search solutions and integrated log monitoring systems have been in place since 2013. In 2014, we began rebuilding our personal information protection system to tighten up privacy protection. We're also receiving a consulting service with the aim of obtaining the Personal Information Protection Level (PIPL) issued by the Ministry of Government Administration and Home Affairs by 2015. In 2014, Kia Motors had no violation records related to its duty in protecting customer privacy. We will continue developing effective techniques and systems as well as physical security devices to protect customer privacy.

Product Labeling

All Kia product labels at Motors come with CO_2 emissions (g/km) and fuel economy data in order to ensure that customers make an informed decision pertaining to their concerns over the two issues. As of January 2013, all new models rolled out with a label on the weighted combined fuel economy (55 percent for city and 45 percent for highway) as per changes to fuel economy calculation standards.

Customer Marketing Communication

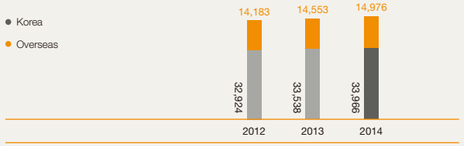
In carrying out diverse marketing events and communication activities, Kia Motors strives not to infringe upon customer privacy, apply double standards, or exercise undue influence on children and other vulnerable groups. We also endeavor to conform to generally accepted cultural and ethical norms. Kia Motors undertakes prior research and canvasses local opinions so that our marketing activities overseas conform to local sensibilities. Kia Motors did not violate any regulations or receive any fines in regard to our marketing communication activities in 2014.

Society/Employees

All data, except for the total number of work members and data specific to overseas employees, pertains to Korean worksites as of December 31, 2014. Executives, contract-based retiree employees, outsourced employees, and interns are excluded from the data. In 2012 and 2013, data was redone according to different calculations.

Domestic/Overseas Workforce

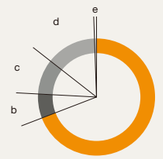
persons



	2012	2013	2014
Total	**47,107**	**48,091**	**48,942**

Workforce by Region

persons



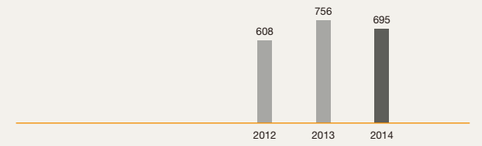
		2014
a.	Korea	33,966
b.	U.S.	3,236
c.	Europe	4,826
d.	China	6,780
e.	Others	134
Total		**48,942**

· Others include Asia-Pacific countries, excluding China, the Middle East, and African countries.

Female Employees

Recruitment

persons



Recruitment by Region

persons

	2012	2013	2014
Headquarters	93	85	76
Sohari	140	34	207
Hwaseong	151	154	203
Gwangju	133	449	120
R&D Centers	14	17	5
Others	77	17	84
Total	**608**	**756**	**695**

· R&D Centers and its operations are run collectively with the rest of Hyundai Motor Group, and new employees herein are referred to as "non-researchers."

Recruitment by Age/Gender

persons

		2014	Percentage
By age	Ages 20-29	510	73.4
	Ages 30-39	149	21.4
	Ages 40-49	33	4.7
	Aged 50 and above	3	0.5
By gender	Male	649	93.4
	Female	46	6.6

Retirement & Resignation by Region

persons

	2012	2013	2014
Headquarters	24	29	35
Sohari	75	86	21
Hwaseong	39	38	23
Gwangju	51	45	24
R&D Centers	4	2	6
Others	56	68	51
Total	**249**	**268**	**160**

Retirement & Resignation by Age/Gender

persons

		2014	Percentage
By age	Ages 20-29	17	10.6
	Ages 30-39	30	18.8
	Ages 40-49	47	29.3
	Aged 50 and above	66	41.3
By gender	Male	147	91.9
	Female	13	8.1

APPENDICES

Sustainability Management Economy Society/Customers Society/Employees Society/Partner Companies/Local Communities Environment About This Report Independent Assurance Statement GRI (G4) Index

Society/Employees

Wages

KRW in millions

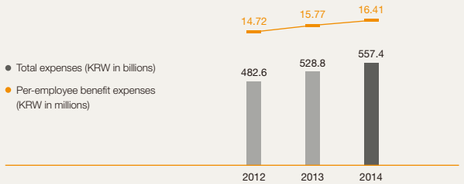
	2012	2013	2014
Average period of continuous service (yrs)	19.1	18.6	18.2
Annual wage	3,207,122	3,400,370	3,587,205
Per-employee wage	97.9	101.9	106.1
Entry-level per-employee wage	49.7	48.5	47.4

· Period of continuous service counts as of the date they join the company.
· Wages include retirement allowances, but entry-level wages do not include retirement allowances. Kia Motors' entry-level per-employee average wage is 3.16 times higher than the legal minimum wage.
· Starting in 2013, the growing percentage of production employees in the overall new recruitments category has fallen to the entry-level per-employee wage.

Fringe Benefits

Kia Motors does not discriminate full-time and temporary (or part-time) employees in offering fringe benefits. In addition to legally mandated fringe benefits, the company provides a wide array of benefit programs to raise the quality and security of employees' lives, and also boost their morale for trust-based labor relations. In 2014, 40 employees used parental leaves, a legally stipulated benefit, while 40 employees used maternity leaves and five on miscarriage/stillbirth leaves.

Fringe Benefit Expenses



Parental Leaves

persons

		2012	2013	2014
No. of employees on parental leaves	Male	9	5	6
	Female	33	45	34
Rate of return after parental leaves	Male	100%	100%	100%
	Female	97%(32)	100%	100%

· One employee retired during parental leave in 2012.

Employee Education & Training

	2012	2013	2014
Total education & training expenditures (KRW in billions)	18.2	19.6	20.0
Per-employee education & training expenditures (KRW 10,000)	55	59	60
Per-employee education & training hours	37	35	43

· Starting with this report, the education/training hour calculation formula changed, and the 2012 and 2013 data changed accordingly.

Human Resource Development

Kia Motors takes a mid- to long-term approach in building human resource development (HRD) programs tailored to individual employees' competencies and job duties to help them develop greater skills. Kia Motors' HRD programs consist of four courses: leadership, specialist, core value and global competency-building. The Leadership program offers a curriculum that helps trainees cultivate leadership skills at each position level, and a curriculum for leadership position candidates to adequately prepare themselves for their new role and responsibilities. The Specialist program consists of a course fostering job specialists by job area and an e-Learning course that focuses on building upon basic competencies, such as business management, job skills and humanities. The Core Value program is designed for newly promoted employees to reinforce their executive competencies with respect to the company's core values. The Global program is purported at cultivating global competencies in our domestic employees, especially in linguistic skills and cultural differences, while e-Learning courses support international employees in their self-development efforts. Additionally, we have in place a global specialist course to foster talented international employees into future global leaders with leadership and business expertise.

Protecting Human Rights at Work

Kia Motors protects the basic human rights of its employees. Employees can vent their grievance(s) through the intranet-based grievance processing system, where the progress and outcome(s) of handling the received grievance(s) can also be tracked. In order to prevent infringement on the human rights of female employees and sexual harassment, the company gives all employees semi-annual classes on the relevant laws, corporate regulations, and related punishments. In addition to the Sexual Harassment Counseling Center is within the Employee Counseling Center to prevent such events at source, the Committee for Female Employee Counseling is also dedicated to resolving problems and challenges female employees face.

Society/Employees

Ban on Child Labor & Forced Labor

Kia Motors hires new employees in full compliance with the Framework Act on Employment Policy and its employment regulations stipulate that the company only hire employees aged 18 and above. As per Article 65 of the Collective Agreement, Kia Motors does not force employees to work on holidays or work overtime against their will without any disadvantages accompanied with such cases. Instead, it pays them all overtime and in every case.

Announcement of Management Changes

Article 17 of the Collective Agreement provides that Kia Motors must announce management changes in writing. Changes requiring disclosure include changes to the company name or the articles of association; revisions to, enactment of, or annulment of employment and personnel policies and other company regulations that affect the condition or status of employees; appointment, dismissal, or change in position or status of executives; audit reports; business performance; and decisions handed down by the Board of Directors. We also disclose our business performance (monthly/quarterly/semi-annually) to the labor union to strengthen mutual understanding and cooperation.

Environment, Safety & Health System

Kia Motors has established an integrated Environment, Safety, and Health (i-ESH) system to ensure a workplace that is environmentally sound, safe and healthy for employees. On-site work processes and inspections proceed only after verified by the i-ESH. Worksite employees are then provided with the relevant information and educational materials. In 2014, the Safety & Environment Planning Group, Occupational Safety Planning Team, and Environment & Fire Planning Team worked closely together as a company-wide ESH organization, supported by safety control departments at each worksite level.

Preventing and Reacting to Industrial Accidents

Employees' health and safety underpins a sound working environment. As stipulated in Article 79 of the Collective Agreement, Kia Motors maintains safe and agreeable working conditions through the Industrial Safety and Health Committee, which consists of seven representatives each from labor and management, at all our worksites. The Comprehensive Industrial Safety and Health Committee, composed of one labor and one management representative from each plant, decides on major health and safety issues after labor-management consultation. Operations at all production sites are certified by the industrial safety and health system (KOSHA 18001 at the Sohari and Gwangju plants and OHSAS 18001/KOSHA 18001 at the Hwaseong plant). Officers in charge of safety and health receive regular training courses to maintain their job specialties alongside the latest changes in the industry. Kia Motors also runs regular inspections at least once every three years, while more in-depth inspections are carried out in the event of work process renewal or in case any musculoskeletal diseases are discovered in an effort to find the cause factors for improvement on the work process. Furthermore, we have an established program to prevent hearing loss from worksite noise and respiratory damage from hazardous airborne substances. All employees working on site receive regular health check-ups (ordinary, special, random, and pre-deployment) and can consult advisory doctors when need be. The health check-up results are collected on our computerized database for any possible follow-up measures. The company also offers customized rehabilitation care for employees returning to work after treatment for injuries from industrial accidents. The number of industrial accidents at our domestic worksites, including the three plants in Sohari, Hwaseong and Gwangju, sales and service, as well as the headquarters, declined by 18 percent in 2013, from 440 cases to 363 cases in 2014. Encouragingly, the number has been on a downward trend for the past three years.

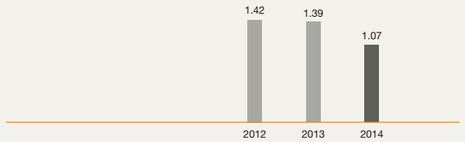
Industrial Accidents by Worksite

	Workforce (persons)	No. of accidents (cases)	Accident rate (%)
Sohari	5,714	88	1.54
Hwaseong	12,080	172	1.42
Gwangju	7,287	77	1.06
Non-worksites	8,735	26	0.30
Total	**33,816**	**363**	**1.07**

· Industrial accident rates formula: total number of industrial accident workers/total workforce X 100 (as of Dec. 31, 2014)

Industrial Accident Rate

%



Society/Partner Companies

Support & Assistance through the Foundation for Promotion of the Korean Parts Industry

	Type	Primary Partners	Secondary Partners
In-house technical assistance (Quality/Technology Volunteer Corps)	10 industrial sectors	7 companies	90 companies
Business Consulting (Partner Support Corps)	6 business areas	17 companies	25 companies
Technical School	8 courses	641 persons	353 persons
Quality School	10 courses	2,336 persons	1,456 persons
General management training	3 courses	394 persons	171 persons

Payments for Goods & Services

		Payment Method	Payment Cycle
Parts for domestic use	SME partners	Cash	Weekly
	ME partners (with annual sales under KRW 300 billion)	Cash	Weekly
	ME partners	Cash e-promissory notes (60 days)	Weekly
	Large partners	e-promissory notes (60 days)	Weekly
Parts for export		Cash	Monthly

· ME partners are differentially applied with a cash payment and the scope of application is expanding every year.

Education/Training Programs for Partner Companies

	Type	Program	No. of Sessions	Persons
Managers/Working-level staff	Quality competency	Quality seminars and education for quality enhancement of parts	472	114,941
	Job training	Job competency-building/assistance education	517	42,669
	Quality awareness	Quality awareness and transparency/ethics education	174	39,038
Total (including overseas worksites)			**1,163**	**196,648**

Ethical Management

At Kia Motors, ethical management is defined as rectifying wrongful practices or cost structures to meet ethical standards for the fair benefit of stakeholders, thereby enhancing the company's long-term competitiveness. Kia Motors Ethics Committee sits under the Board of Directors to supervise company-wide ethical management activities, overseeing and monitoring the process and ensuring smooth implementation. The committee has also enacted a Code of Ethics and Regulation of Workplace Ethics as behavioral guidelines for employees to comply with in their everyday workflow and activities. The company provides regular classes on the Fair Trade Act to employees so as to raise enterprise-wide ethics awareness. In addition, we adopted a fair competition Compliance Program (CP) in 2002 for the proper implementation and oversight of ethical management practices.

Visit the official PR site of Kia Motors for more detailed information on ethical management and the CP, as well as the full texts of relevant regulations.

Society/Partner Companies·Local Communities

Anti-Corruption Program

The CP is an internal corporate regulatory system designed for voluntary compliance with fair competition regulations. With full and unreserved support from top management, Kia Motors applies its utmost to incorporate fair transactions into its corporate culture. The CP operational regulations are registered official Kia Motors work standards, monitoring the compliance practices through the internal supervisory board. Progress reports are made to the board of directors before company-wide publication for sharing across the board. Employees in charge of CP receive in-house and commissioned education on the latest trends and current issues on the CP both at the CP Council level, which is comprised of top compliance officers and managers of relevant departments. CP operational plans are discussed at CP Council meetings for further improvements. In 2014, the CEO's commitment to voluntary compliance was publicized eight times through the corporate groupware. CP news was also via semiannual newsletters and via the CP Bulletin Board on the intranet. The CP Guidebook was updated to reflect the revised regulations and then disclosed on the intranet. In 2014, CP education qualifications were expanded to include salespeople and employees in charge of procurement, while inspections on 24 pertinent departments were carried out for on-site CP practices. Based on the results, outstanding performances were fairly rewarded, which further motivated employees' volunteer engagement as well as enhanced the internal monitoring system. In terms of partner companies, we have been ensuring fair competition through competitive bidding by principle for all new transactions since 2013.
In 2014, Kia Motors imposed punishments and disciplinary actions on internal corruption violations, and employees found guilty of them were punished by the Cyber Audit Office, depending on the severity of the offenses. In the future, we will continue our endeavors with preemptive checks and prevention measures to advance fair competition and ensure transparent work processes.

Education on Fair Trade & Voluntary Compliance

	Period	No. of Sessions	Targets	Subjects
In-house	1H	12	Members of the internal Voluntary Compliance Council (90 executives/team managers), heads of domestic sales offices (338), employees of Customer Service Division (57)	Regulations on anti-favoritism, cartels, fair franchise transactions acts
	2H	10	Members of the internal Voluntary Compliance Council (90 executives/team managers), employees of domestic sales offices (200), managerial-level employees from Sohari, Hwaseong and Gwangju plants (996)	Fair Labeling and Advertisement Act, cartels, Fair Subcontract Transactions Act
Commissioned	1H	3	Staff and executives in charge of work related to fair trade	Conglomerate policies and a ban on new cross-shareholding
	2H	4	Working-level staff in charge of work related to fair trade	In-depth analysis on provisions related to illegal internal transactions and other matters of the Fair Trade Act

Social Outreach Expenditures

KRW

	2012	2013	2014	Subtotal
Social welfare	11,257,313,358	11,988,657,830	10,306,917,495	33,552,888,683
Medical care, public health	214,220,000	81,340,780	50,000,000	345,560,780
Education, schools, academic research	4,015,090,540	5,716,299,200	4,637,670,700	14,369,060,440
Arts & Culture, sports	3,454,705,045	1,893,194,000	2,573,671,332	7,921,570,377
Environment	439,267,000	185,666,000	253,855,000	878,788,000
Emergency & disaster relief	730,000,000	358,090,000	1,880,000,000	2,968,090,000
International programs & activities	4,296,958,843	3,494,134,129	3,246,032,416	11,037,125,388
Others	64,218,000	3,079,067,576	3,499,000,000	6,642,285,576
Total	**24,471,772,786**	**26,796,449,515**	**26,447,146,943**	**77,715,369,244**

· Only expenditures qualifying as donations as per tax laws and expenditures for public campaigns and sponsorships of academic, arts & culture, and sporting events were tabulated (domestic worksites).

Social Outreach Involvement

	2012	2013	2014
Annual involvement (persons)	13,169	13,492	12,275
Total service hours	48,612	41,960	33,968
Per-person service hours	1.5	1.25	1.00

· Per-person service hours are the total number of service hours divided by the total number of employees in Korea for the respective year (33,966).

Environment

Data pertaining to three Korean worksites: Sohari, Hwaseong, Gwangju plants; the per-unit input (output) means the amount of resource input (emissions) into (from) the process of manufacturing one vehicle based on the number of units produced.

Environmental Targets and Performance

Kia Motors monitors performance against set targets for key indicators based on the core tasks of environmental management.

2014 Performance & 2015 Targets

● 100% or higher of target ● 85% or higher of target ● Lower than 85% of target

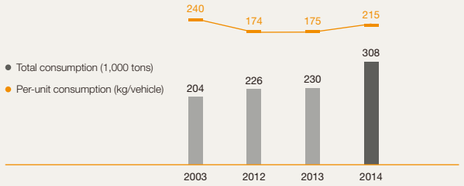
Category	Subcategory		Basis of Measure	2014 Target	2014 Performance (%)	2014 Result	2015 Target (%)
Green growth	Energy (GHGs)	tCO_2eq	Unit reduction from 2008 level	22.0% or higher	27.6	100.0	25.0
Green production	Air	PM	Unit reduction from 2003 level	70.0% or higher	62.6	89.0	65.0
		SOx		22.0% or higher	35.4	161.0	30.0
		NOx		22.0% or higher	33.1	151.0	30.0
	Water	BOD		30.0% or higher	42.4	141.0	45.0
		COD		25.0% or higher	32.1	128.0	33.0
		SS		10.0% or higher	51.0	510.0	50.0
	Controlled chemicals	Usage		15.0% or higher	18.1	121.0	20.0
Resource regeneration	Waste	Recycled	Share of total waste output	94.0% or higher	91.6	97.4	92.0
		Landfill disposal		0.8% or lower	0.9	88.9	0.9
		Incinerated		5.2% or lower	7.5	69.3	7.1
	VOC	Emissions	Unit reduction from 2005 level	51.0% or higher	45.1	88.4	50.0

· There was a temporary rise in SS in 2013 due to a facilities upgrade that led to an increase in days of abnormal operations. Therefore, the 2014 target was adjusted based on the 2013 performance, which led to outperforming the 2014 target.

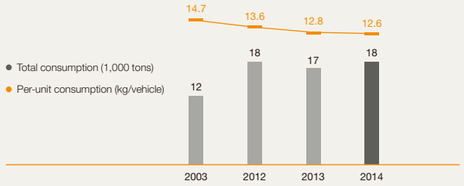
Raw Materials

In 2014, Kia Motors used 308,000 tons of steel (not including partner companies' steel usage), a 51.0 percent increase from the base year of 2003. Per-unit usage was, however, 10.3 percent down from the base year. While total consumption of paints and thinners grew 50.3 percent and 78.8 percent, respectively, compared to 2003, per-unit consumption dropped 14.2 percent and 1.9 percent each. Leftover zinc-coated steel is sent to steelmakers while uncoated steel is recycled at the foundry in Gwangju. In 2014, 8,544 tons of steel was recycled, a 1,343-ton year-on-year decline. Additionally, the Gwangju plant recovers used thinners to outsource the recycling leftovers, while the recycled thinners are reused within the plant.

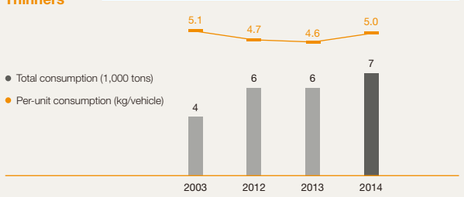
Steel



Paints



Thinners

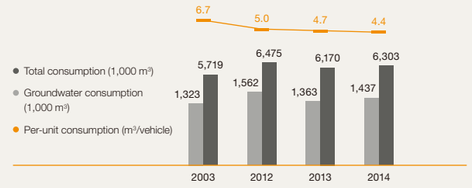


· Starting with this report, other resources are not reported as their percentage of input as trivial.

Water Resource

Kia Motors intakes its water supply from Paldang Dam for its Sohari and Hwaseong plants and from Juam Dam for its Gwangju plant. Each dam holds over 200 million tons of water reserves. Since 2000, the company has continued company-wide campaigns and facilities investments to improve cooling water overflow, increase the water recovery rate from condensed steam, and conserve water in lavatories. As a result, per-unit water consumption fell by 6.2 percent year on year, and 34 percent from 2003 despite the slight gain in the total use due to rising production volume.

Water Resource Use

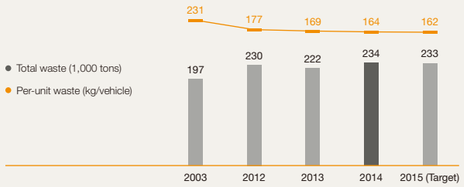


· Groundwater figure for 2013 changed to correct the mis-entry in the previous report.

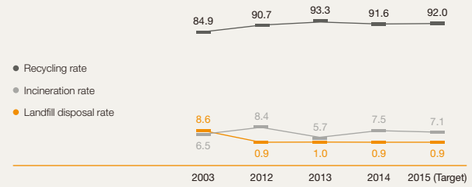
Waste Reduction and Recycling

In 2014, the three domestic worksites generated a total of 234,000 tons of waste, up 12,000 tons from the previous year. Of this, 91.6 percent, or 214,000 tons, were recycled to make cement and other materials, while 7.5 percent, or 18,000 tons, was incinerated. Per-unit waste output was 3.2 percent down year on year, to 164 kg, a 29.2 percent decrease from 2003.

Waste Output



Waste by Disposal Method



Energy and Greenhouse Gases (GHG)

Kia Motors was the first Korean company to undertake third-party assurance of its GHG emissions for the company's service and production facilities in 2006. Based on the results, a GHG inventory was developed for consistent management of GHG emissions. All our domestic worksites have been tracking their GHG emissions and energy consumption since 2007 to report to the government as per the Basic Law on Low Carbon Green Growth, which took effect in 2011. In 2014, our total GHG emissions from all domestic plants, service centers, sales offices, shipping offices, and training centers amounted to 794,459 tons. Of this, scope 1 direct emissions stood at 283,837 tons, while scope 2 indirect emissions reached 510,651 tons. At our overseas worksites, we first adopted third-party assurance on GHG emissions from our plants in Slovakia and China in 2007, followed by the Georgia plant in the U.S. in 2010 and the third plant in China in 2014, completing third-party assurance on all of our worksites. As of 2014, total GHG emissions from our overseas worksites were 435,751 tons, including the 110,895 tons of direct emissions (scope 1) and 324,856 tons of indirect emissions (scope 2).

· GHG emissions from overseas worksites include those from the China #3 plant that went into operation as of 2014, and were calculated based on the ISO 14064-1(2006), WRI/WBCSD GHG Protocol (2004).

GHG Emissions Reduction Performance and Goals

Since its joining the Voluntary Agreement (VA) for Energy Conservation in 2000, Kia Motors has consistently been striving to curb its energy consumption and GHG emissions, and reported our progress to the Korea Energy Management Corporation (KEMCO). In participating with the Greenhouse Gas and Energy Target initiative, we have been reporting our annual GHG emissions and energy consumption to the government and negotiating the following year's emission cap since 2011. In 2014, our GHG emissions fell short of the agreed target of 818,380 tons for the year, with actual emissions standing at 779,643 tons. Kia Motors is also going to take part in the emissions trading scheme (ETS) that goes into force in 2015. Under the scheme, participatory companies are being allotted with a GHG emissions credit by the government, with participants able to exchange or trade these credits to control their emissions within the cap. Kia Motors will continue reduction initiatives to keep under the target of 2,516,000 tons of total emissions at its domestic worksites for the first three-year period (2015-2017). In the long run, the company set its goal at curtailing the per-unit GHG emissions by 30 percent from 2008 levels, and looking to achieve the automotive industry's goal: cutting its emissions by 7.8 percent compared to the BAU level by 2020.

APPENDICES
Sustainability Management Economy Society/Customers Society/Employees Society/Partner Companies·Local Communities Environment About This Report Independent Assurance Statement GRI (G4) Index

Environment

Energy Management System

For the systematic management of energy consumption, we are pushing forward to getting the ISO 50001 (energy management systems) certification for all our worksites. The ISO 50001, which went into effect in June 2011, is an international standard on corporate energy conservation planning and implementation. Kia's Gwangju plant was certified in 2012, and we plan to obtain the same certification on the Sohari and Hwaseong plants soon. Eventually, we will establish this energy management system at all our overseas worksites.

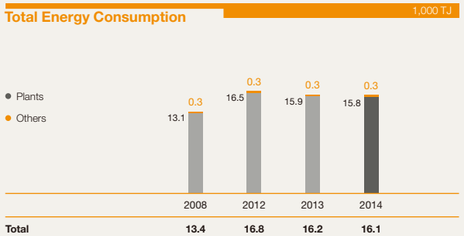
Employee Mobility Emissions

At Kia Motors, we have in place a system for minimizing the GHG emissions from employee commutes and business trips. We restrict parking pass issuances and run a rotating parking system. We also operate shuttle buses, which carry 16,300 of Kia's employees, or 48 percent of the domestic workforce (33,966 persons).

To minimize business travel, we have set up videoconferencing systems at all domestic and overseas worksites. For domestic business trips, we encourage the use of public transportation and carpools. Business trip carpooling only accounted for 2.8 percent (1,554 trips) of all business travels in 2012 when the scheme was first introduced. Since then, however, the rate continued to grow, reaching 3,780 trips, or 7 percent of the overall 54,000 trips, by 2014.

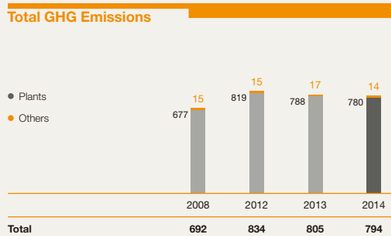
Videoconferencing not only cuts CO_2 emissions but also fosters an efficient meeting culture. Under the Smart Work Campaign, Kia Motors is promoting an efficient conferencing culture and providing personal videoconferencing equipment to employees upon their request. As of 2014, 220,000 meetings being convened on videoconferencing equipment annually at the Hyundai Motor Group level, and this figure is only on the rise.

Total Energy Consumption — 1,000 TJ



Total	13.4	16.8	16.2	16.1

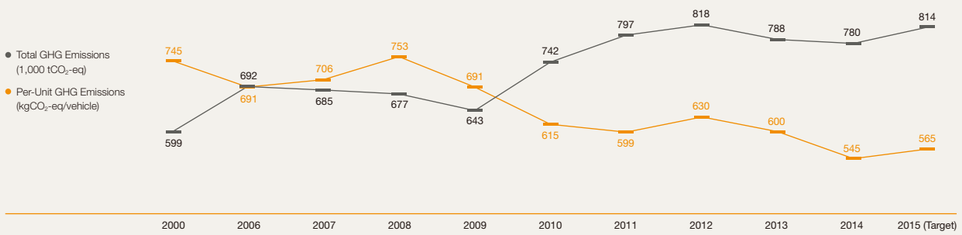
Total GHG Emissions — 1,000 tCO_2-eq



Total	692	834	805	794

· BAU (Business As Usual): expected increase in total and per-unit GHG emissions and energy consumption if no reduction measures are taken
· Plants: Sohari, Hwaseong, and Gwangju plants
· Others: corporate headquarters, service centers, sales offices, shipping offices, Osan Training Center, Pyeongtaek Port

Per-Unit GHG Emissions



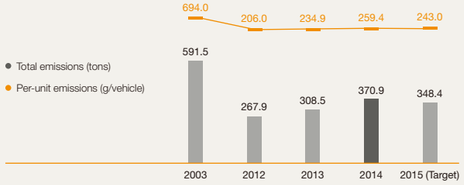
· Scope: Korean worksites (Sohari, Hwaseong, and Gwangju plants)
· Emissions calculation formula: Scope 1 & 2 emissions based on lower heating value (2000-2006) / Operating Guidelines on Greenhouse Gas, Energy Target Management System (Notification No. 2011-29 of the Ministry of Environment (2007-onwards)

Environmental Pollutants

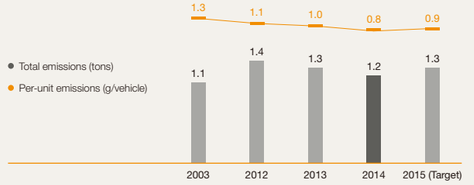
Air Pollutants

Committed to minimizing its air pollutant emissions from its production process, Kia Motors equips all its worksites with particulate matter (PM) filtration systems. The Sohari and Hwaseong plants have installed tele-monitoring systems (TMS) on their boilers and other high-polluting facilities for round-the-clock monitoring, and we scrupulously manage air pollutants at all worksites to meet regulatory emissions caps for all metropolitan areas. In 2014, we generated a total of 830.0 tons of air pollutants, but per-unit emissions were slightly down to 0.58 kg from the previous year, and 50.5 percent compared to the base year of 2003. The unit emissions of Sox and NOx, and PM for the same year each fell by 35.4 percent, 33.1 percent and 62.6 percent, respectively, from the base year of 2003.

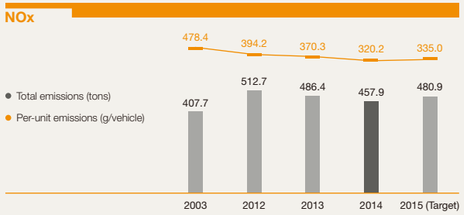
Particulate Matter (PM)



SOx



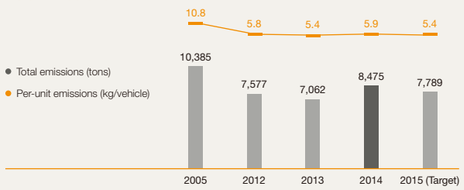
NOx



Volatile Organic Compounds (VOCs)

Volatile organic compounds (VOCs) are one of the main culprits to global warming and ozone depletion, generating noticeable stink odors. Therefore, Kia Motors makes every effort to minimize VOC use and emissions in our manufacturing processes. However, the expanded total production volume also pushed up the raw material inputs, such as paints and thinners, resulting in a 20 percent year-on-year growth in the VOC emissions, at 8,475 tons. That being said, the per-unit emissions growth rate halved the overall emissions growth rate at 10.2 percent (5.9 kg) thanks to improved VOC prevention facilities. Per-unit emissions declined by 45.1 percent compared to the base year of 2005.

VOC Emissions

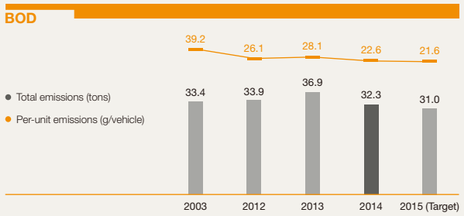


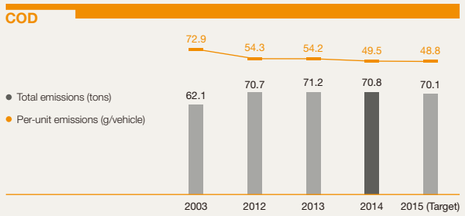
Environment

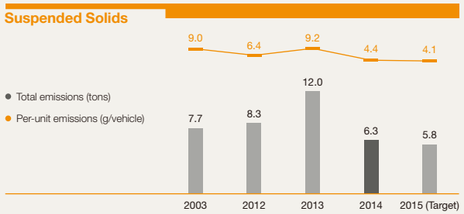
Water Pollutants & Hazardous Chemicals

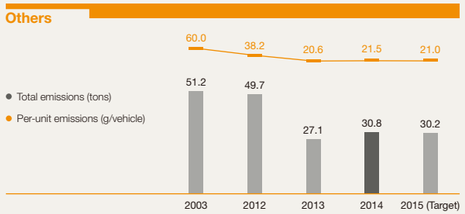
In order to minimize the use of chemicals harmful to human health and the environment, Kia Motors applies stringent monitoring and management standards throughout the entire vehicle life cycle. In fact, Kia Motors runs a self-developed database called e-CMS to control chemicals in the automotive parts of all vehicles produced since 2005. We also have in place an inspection system at every worksite to monitor and manage the use of hazardous chemicals. In 2014, the unit's output of BOD (biological oxygen demand) and COD (chemical oxygen demand) was down 42.4 percent and 32.1 percent, respectively, from 2003. As for suspended solids, of which emissions shot up temporarily in 2013 due to abnormal operations at the Sohari plant caused by facilities upgrade work, it was even lower than 2012 levels at 6.3 tons in 2014, as the facilities went back on track. Total amount of chemicals used in 2014 was 3,279 tons while per-unit consumption stood at 2.3 kg, an 18.1 percent decrease from the base year of 2003.

There were no cases of hazardous chemical leaks or violations with respect to the amount of leakage in 2014.

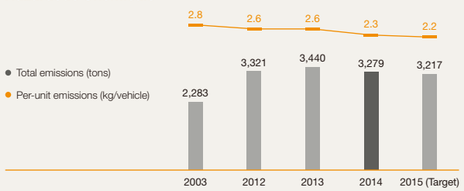








· Others subject to data collection include n-H, T-P, and T-N.
· The 2013 figures were corrected from the previous report.



· BOD (Biochemical Oxygen Demand)/COD (Chemical Oxygen Demand): amount of oxygen required for microorganisms to degenerate organic matter in the water; used as a measure of water pollution. The lower the value is, the lower the level of pollution.
· SS (Suspended Solids): Concentration of solids suspended in water

Support for Partners' Environmental Management

Kia Motors opens its IMDS and self-developed chemical management system e-CMS to its partner companies to share information on controlled chemicals. We also give regular education and training programs with updated environmental regulations and industrial trends to our partner companies, while closely working with them to eliminate the use of hazardous substances and to opt for substitutes. In addition to random inspections on partners' production lines to monitor the use of controlled substances, Kia takes disciplinary measures or makes corrective requests depending on the seriousness of the use or type of substance. Detection of using any of the four major heavy metals results in a 10-point deduction in a company's quality management score in the Quality Five-Star scheme. As for IMDS-stipulated controlled and carcinogenic chemicals, a corrective order is issued and relevant training/education is mandated. Under the Agreement on the Supply of Eco-Friendly Automotive parts signed with our primary partners in 2007, we set forth standards on environmental management practices, and regularly update and distribute guidelines on global environmental regulations pertaining to automotive parts manufacturing.

Environment

Environmental Management System

Kia Motors has obtained the ISO 14001 (environmental management standard) on all its domestic and overseas worksites and undertakes an internal evaluation and an environmental audit to assess our progress on environmental management, identify problems, and make improvements. In 2014, we completed work on an IT-based environmental system for managing targets and progress at overseas worksites that is measured against 2012 figures, and are now in the pilot operation stage. Domestically, we revised and streamlined the environmental management work process standards applicable to all our three plants and service operations division, and commissioned an outside expert agency to foster the inspectors of ISO 14001 certification at the three plants. As we expect these trained inspectors will further enhance our EMS operations at our plants, we plan on expanding the scope of training to our service division in 2015. System documents were also realigned with the new ISO 14001:2016 standards that will go into force as of 2015, and marks part of our plan to establish the more systematic operation of our worksites. While gradually raising investment yields in our environmental improvements, measures to effectively curtail environmental pollutants will be put into action. In a bid to improve living conditions for residents around the Sohari plant, we will continue investments in reducing noise emissions from the plant and CSR activities for the benefit of local residents.

Environmental Expenditures

Kia Motors classifies its environmental expenditures into five subcategories that it spent money on for improving environmental management and emissions control. In 2004, the environmental investment evaluation system was adopted, which streamlined the entire investment system. Based on this, we evaluate the cost-saving benefits and returns on our environmental investments by category and use the findings to develop environmental investment plans for the following year. In 2014, the company spent a total of KRW 26.1 billion, down 29 percent from the previous year, on its three domestic worksites. This was due to the base effect of the rise in the figure for 2012 and 2013, and arising from the company-wide replacement of old equipment as well as the Gwangju plants expansion, which entailed massive facility investments.

Domestic & Overseas Environmental Expenditures

KRW 1,000

Category		2012	2013	2014
Direct reduction on environmental loads	(Environmental investments & maintenance expenditures)	30,786,453	36,734,059	20,321,968
Indirect reduction on environmental loads	(Employee environmental education & assessments)	960,754	1,039,181	970,912
Waste disposal & recycling	(Waste disposal outsourcing expenditures)	4,812,285	4,903,174	4,762,841
Environmental risk management costs	(Environmental regulatory compliance & accident prevention)	100,082	93,110	10,080
Environmental protection & conservation	(CSR programs & afforestation)	179,070	26,000	-
Total		**36,685,574**	**42,778,483**	**26,065,801**

· When starting this report, environmental protection & conservation expenditures were assigned to the CSR budget. It is now included in the category of Environment in the Social Outreach Expenditure table on p. 83.

Afforestation

Kia Motors is making its production site a more eco-friendly and pleasant space in proportion to the expansion of building areas on its business premises. In fact, we have been applying the most stringent standards in our management of soil-polluting facilities since 2000. As a result, there has not been a single case of soil contamination for 14 years, and we continue to strengthen our inspection standards even today.

Afforestation Status

	Sohari	Hwaseong	Gwangju	Slovakia (KMS)	China #1 (DYK1)	China #2 (DYK2)	China #3 (DYK3)	Georgia (KMMG)
Site area (m²)	498,908	3,199,636	1,014,941	1,869,360	450,000	1,449,172	1,467,743	2,596,130
Building area (m²)	226,539	1,162,072	597,446	288,282	95,000	272,496	178,976	212,479
Green area (m²)	74,850	663,848	80,007	1,075,260	36,752	310,437	337,581	792,252
Green ratio (%)	27.5	32.6	19.2	68.0	10.4	26.4	26.2	33.2
Afforestation (trees)	91,334	248,245	201,712	1,150	3,599	2,234,841	2,154,889	2,145

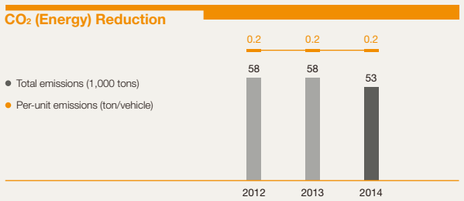
· Green area ratio=Green area/(site area-building area)

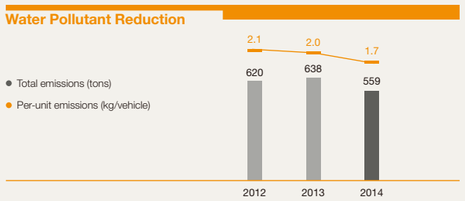
APPENDICES

Sustainability Management Economy Society/Customers Society/Employees Society/Partner Companies/Local Communities Environment About This Report Independent Assurance Statement GRI (G4) Index

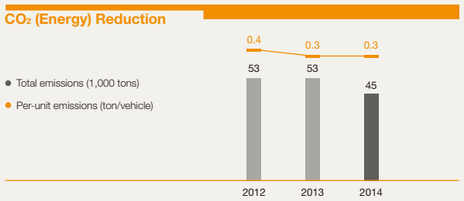
Environmental Performance at Overseas Plants

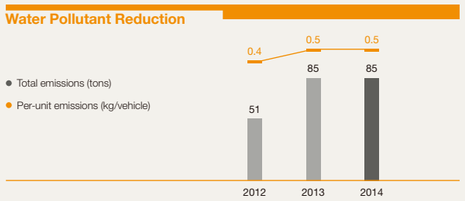
Slovakia Plant



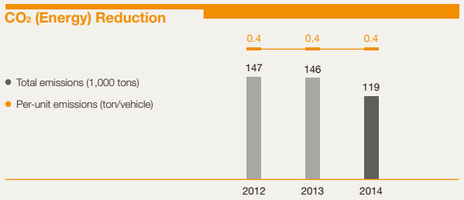


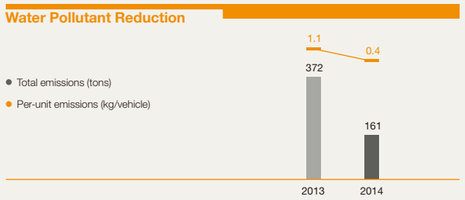
China Yancheng Plant #1



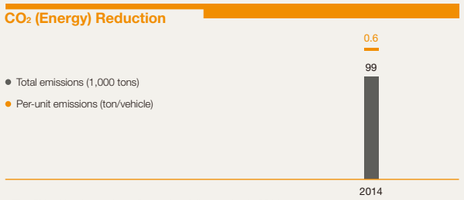


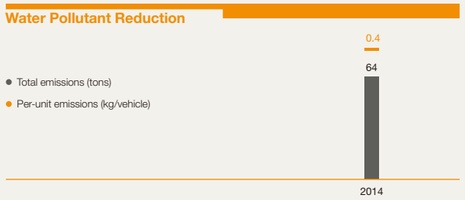
China Yancheng Plant #2





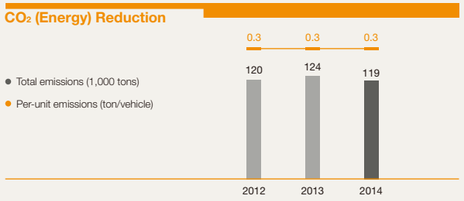
China Yancheng Plant #3

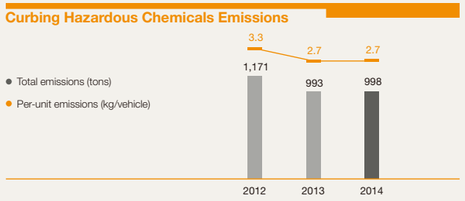




· The China Yancheng plant #3 went into full operation in 2014.

U.S. Georgia Plant





About This Report

Kia Motors has been publishing an annual sustainability report called MOVE to disclose its efforts and progress in maintaining and enhancing sustainability and to make our renewed commitment to proactive action and improvements to our stakeholders.
Departing from the formal and usual sustainability report frame, MOVE borrows a more freestyle structure of magazines to make it more reader-friendly, with highly appealing visual design and reader-friendly terminology. For this report, we took the liberty of restructuring it and deleted the Special Features from our previous report, and redesigned the compilation under the theme of Balance. At the beginning of the report, the Our Perspective section introduces the challenges we are faced with and our approaches to them, including links to more details. Kia Motors strives to strike the right balance among different stakeholder groups as well as between our present needs and future vision, and this MOVE report is our means of communicating that essential issue called Balance.

Reporting Standards

Kia Motors' 2015 sustainability report follows the GRI Sustainability Reporting Guidelines (G4). Item-for-item coverage ratings and relevant pages can be found in the GRI Index in the Appendices section.

· GRI: Global Reporting Initiative

Reporting & Assurance

All information disclosed here is based on verified materials gathered by pertinent Kia Motors' departments. For enhanced reliability, the Korea Productivity Center (KPC), a third-party assurance agency, has verified that this report has been drafted in accordance with G4 comprehensive reporting standards. The assurance statement is provided in the Appendices of this report.

Reporting Scope & Period

The report covers the period from 2012 to 2014. Quantitative performance data covers the past three-year trends to provide a convenient overview of the positive and/or negative progress. The base year is listed for systems whose year of adoption is clear. If the point of adoption is 2013-2014, however, only performance data for the relevant year in question in adoption is included. As for qualitative performance, this report focuses on 2014 activities and efforts. The corresponding time period is listed for those activities and efforts that are underway without significant changes upon adoption or implementation. The reporting period corresponds to Kia Motors' fiscal year, which is January 1 to December 31. There were no significant changes during the reporting period of Kia Motors' 2015 sustainability report.

Accounting Standards

The tabulation of environmental and socially responsible investments and expenditures meet the accounting standards assured by the Board of Directors, Audit Committee, and independent auditors, and follow the investment assessment standards adopted in 2004. Details on environmental and CSR expenditures are provided in the Data Sheet in the Appendices of the report.

Reporting Scope

This report covers Kia Motors; subsidiaries that are joint stock companies in which Kia Motors owns 50 percent or more shares; and overseas offices, which are joint-venture corporations. The reporting subjects include domestic worksites (headquarters; Sohari, Hwaseong, and Gwangju plants; technical centers; and service centers) as well as Dongfeng Yueda Kia, Georgia plant (U.S.), Slovakia plant, overseas technical centers, and the overseas worksites of overseas offices. The data collection schemes are first applied to Korean worksites and are then being expanded to cover overseas worksites. This means some of the coverage in this report is confined only to domestic worksites as footnoted or notified in the main text.

Reporting Cycle

The Korean version of the 2015 MOVE was published on March 19, 2015 and distributed at the General Shareholders' Meeting. The English version is scheduled to be published on April 30, 2015. This is the 13th volume of Kia Motors' annual sustainability report.

Additional Information

Please refer to the following resources for additional information:

Management or product information: Kia Motors' official website and official PR website

Business report: Kia Motors' PR website or the Repository of Korea's Corporate Filing to the Financial Supervisory Service

Department in charge: CSR Management Team, Planning Division (refer to the Contact Us page for contact information)

Independent Assurance Statement

To the Stakeholders of Kia Motors

The Korea Productivity Center (the “Assurer”) was requested by Kia Motors to provide independent assurance on the information presented in “Kia Motors 2014 Sustainability Report (the "Report")” and hereby provides following assurance statements:

Responsibility and Independence

Kia Motors is entirely responsible for the reliability and accuracy of all information and opinions presented in the “Report”. The Assurer is solely responsible for providing a third party verification of the contents of the “Report”. As an independent assurance agency, the Assurer was involved neither in the process of developing the “Report” with Kia Motors, nor in any conflict of interest that may undermine our independence.

Assurance Standards

The independent assurance was performed in accordance with Type 1 and the moderate level of assurance engagement based on AA1000AS (2008) assurance standards. In order to verify the reliability of the data collection process of specific indicators such as water usage, waste management, and occupational accident rates, Type 2 assurance was applied as well. The Assurer verified the suitability of inclusivity, materiality, and responsiveness based on AA1000APS (2008) assurance principle. Furthermore, the Assurer checked the compliance of the Report contents with GRI G4 Guideline standards.

Limitations

The Assurer conducted an assurance of Kia Motors’ performance in 2014 in accordance with the standards above, and verified the credibility of the performance in the Report in following manners:
Financial data were verified through the financial statement and disclosed documents audited by an auditing agency, and other data including greenhouse gas data and webpage linkage were referred from the existing external verification results. Moreover, the on-site inspection was limited to the Seoul headquarter and Sohari Plant, and any further assurance may change the result accordingly.

Methodology

The independent assurance of the Report was conducted following the methods below:

1. Verified if the requirements for core options of GRI G4 Guidelines were fulfilled.
2. Verified the compliance with the principles of the Report contents and quality based on GRI G4 Guidelines.
3. Verified the appropriateness of material issues and contents of the Report through media research and benchmarking analysis.
4. Verified the suitability of the contents and any errors in expression through comparison analysis with other sources.
5. Verified the Kia Motors’ sustainability strategy and the Report contents through interviews with managers and working-level personnel from each department.
6. Verified the basis of core data and information and the internal process and system through on-site inspection in Seoul headquarter and Sohari Plant.

Findings & Conclusion

The Assurer verified that the Report accurately and fairly reflects Kia Motors’ sustainability activities and performance. The Assurer also verified that the Report meets the requirements for core options of GRI G4 Guideline.
In case of General Standard Disclosures, the Assurer verified that the Report is written in compliance with the requirements of core options. For Specific Standard Disclosures, the Assurer reviewed Disclosure on Management Approach (DMA) and indicators about material issues by using the reporting criteria process below.

Category	Topic	Standard	Aspect	Index
Customers	Quality control	SSD	Material	EN1-EN2
			Product and Service	EN27-EN28
Customers	Customer satisfaction management	SSD	Economic Performance	EC1-EC4
			Market Status	EC5-EC6
Customers	Responsible marketing practices	SSD	Marketing Communication	PR6-PR7
Environment	Addressing climate change & reducing greenhouse gas emissions	SSD	Energy	EN3-EN7
			Emission	EN15-EN21
			Transportation	EN30
Product Liability	Product safety	SSD	Customer Safety and Health	PR1-PR2
			Product and Service Labeling	PR3-PR5
			Compliance	PR9
Product Liability	Energy conservation technologies for higher fuel efficiency	SSD	Energy	EN6, EN26
Corporate Governance	Corporate governance	GSD	Governance	G4-34-G4-55
Partner Companies	Shared growth with partners	SSD	Procurement Practices	EC9
			Assessment of Supplier Labor Practice	LA14-LA15
			Anti-competitive Practices	SO7
			Social Impact Analysis of Suppliers	SO9-SO10
Business Ethics	Business ethics & legal compliance	SSD	Anti-corruption	SO3-SO5
			Public Policy	SO6
Local Communities	Social outreach activities	SSD	Local Communities	SO1-SO2
			Grievance Treatment on Social Impact	SO11
Economy	Creation & distribution of economic value	SSD	Indirect Economic Effect	EC7-EC8
Economy	Design management & brand management	-	-	-
Economy	Job creation	SSD	Employment	LA1-LA3
Employee	Sound labor-management relations	SSD	Labor-Management Relations	LA4
			Anti-discrimination	HR3
			Freedom of Association and Collective Bargaining	HR4
Employee	Family-friendly corporate culture	-	-	-

Independent Assurance Statement

1. Inclusivity : Stakeholder Engagement

The principle of inclusivity articulates that organizations should include stakeholders in the development and achievement of accountable and strategic responses to sustainability. The Assurer could verify that Kia Motors put various efforts in 2014 in order to abide by and improve the principle of inclusivity. Kia Motors defines its key stakeholders into 5 groups: customers, shareholders and investors, employees, business partners, and local community, clearly categorizes communication channels and expectations of each group, and collects stakeholders’ opinions through active communication. Its active communication through different channels for each group is highly valued; however, Kia Motors may consider an integrated management of communication information in the future.

2. Materiality : Identification and Reporting of Material Issues

The principle of materiality articulates that organizations should identify issues that are relevant and significant to both the organizations and their key stakeholders. The Assurer verified that Kia Motors has selected issues that are relevant and material to the company and its major stakeholders through a rational materiality analysis process. Kia Motors has conducted materiality test based on the ‘Five-part Materiality’ model of AA1000SES (2008) annually, and identified 15 core issues in 2014. Though the activities and major performance of the core issues are evenly covered in the Report, Kia Motors may strengthen its trace management of changes in annual material issues.

3. Responsiveness : Response to Issues

The principle of responsiveness indicates that organizations should take responsive measure to issues that may influence performance of their stakeholders. The Assurer verified that Kia Motors identified major expectations effective to stakeholders’ performance, implemented activities as responsive measure, and reflected these in the Report. Kia Motors, based on its social responsibility management strategy, intensifies its efforts to respond to the material issues in aspect of sustainability. In particular, Kia Motors’ intention to continuously strengthen its Global CSR is highly applauded, but it may expand the scope and boundary of its activities to business-related areas.

Recommendation

While Kia Motors’ various efforts and outcomes for enhancing its sustainability are highly valued, the Assurer suggests below for the company’s future publication of the Report and improvement of its sustainability standard:

1. Optimization of Materiality Test Process: The role of materiality test, which identifies core issues that are significant to sustainability in corporate and social point of view, is being underlined. Therefore, Kia Motors should first acknowledge that the materiality test is an essential process in identifying priority for selection and concentration of corporate management, and enhance the suitability and appropriateness of their existing activities by reorganizing its current process.
2. Management by Sustainability Objective: Kia Motors’ improvement in performance perspective through many years of practices is highly valued; however, the company should promote systematic activities by setting long-term objective related to corporate management environment.
3. Global Expansion of Sustainability Management: As share of business overseas is increasing, the requirements in the target countries also may increase. Therefore, the Assurer recommends Kia Motors to establish a roadmap to enhance global sustainability in overall areas.

March 2015

Korea Productivity Center

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The Sustainability Management Center of Korea Productivity Center is an assurance agency officially certified by AccountAbility [organization established AA1000, the international standard for stakeholder participation and verification] and is qualified to independence assurance engagements. Our Assurance Committee is comprised of competent experts who have in-depth experience in sustainability management consulting and assurance and have completed the relevant training.

· AA1000AS(2008): AA1000 Assurance Standard(2008) is an international assurance standard, set by AccountAbility, that provides method of reporting sustainability management issues by evaluating the organization management on performances, compliance with principles, and reliability of performance information
· AA1000APS(2008): AA1000 AccountAbility Principles Standard(2008) is an international assurance standard set by AccountAbility that provides principles of AA1000 standards.

APPENDICES

Sustainability Management Economy Society/Employees Society/Partner Companies·Local Communities Environment About This Report Independent Assurance Statement GRI (G4) Index

GRI (G4) Index

● Fully reported ◐ Partially reported ○ Not reported ◓ Not Applicable

	Performance Indicator	Description	Status	Page
1. General Standard Disclosures				
Strategy and Analysis	G4-1	Statement from the most senior decision-maker	●	4–5
	G4-2	Provides a description of Key impacts, risks, and opportunities	●	12–23
Organizational Profile	G4-3	Report the name of the organization	●	2–3
	G4-4	The primary brands, products, and services	●	42–43
	G4-5	The location of the organization's headquarters	●	2–3
	G4-6	The number of countries where the organizaion operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	●	2–3
	G4-7	The nature of ownership and legal form	●	6–7
	G4-8	The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	●	2–3
	G4-9	Scale of the organization	●	76, 77, 79
	G4-10	Total workforce	●	79
	G4-11	The percentage of total employees covered by collective bargaining agreements	●	60
	G4-12	The organization's supply chain	●	49–57
	G4-13	Any significant changes during the reporting period regarding the organization's size, sutructure, ownerhsip, or its supply chain	●	2–3, 6–7
	G4-14	Whether and how the precautionary approach or principle is addressed by the organization	●	12–23
	G4-15	List Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	●	75
	G4-16	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization	●	75
Identified Material Aspects and Boundaries	G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents	●	91, Refer to our business report
	G4-18	The porcess for defining the report content and the Aspect Boundaries	●	11
	G4-19	List all the material Aspects identified in the process for defining report content	●	11
	G4-20	For each material Aspect, report Aspect Boundary within the organization	●	11
	G4-21	For each material Aspect, report the Aspect Boundary outside the organization	●	11
	G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements	●	91
	G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	●	91
Stakeholder Engagement	G4-24	List of stakeholder groups engaged by the organization	●	10
	G4-25	Basis for identification and selection of stakeholders with whom to engage	●	10
	G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	●	10
	G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	●	10–11
Report Profile	G4-28	Reporting period such as fiscal or calendar year) for information provided	●	91
	G4-29	Date of most recent previous report (if any)	●	91
	G4-30	Reporting cycle such as annual, biannial)	●	91
	G4-31	Provide the contact point for questions regarding the report or its contents	●	97, 98
	G4-32	Report the 'in accordance' option the organization has chosen	●	92–96
	G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report	●	92–93
Governance	G4-34	Report the governance structure of the organization, including committees of the highest governance body	●	6–7
	G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	●	8–9
	G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	●	8–9
	G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics If consultation is delegated, describe to whom and any feedback processes to the highest governance body	●	6
	G4-38	Report the composition of the highest governance body and its committees	●	6–7
	G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement)	●	6
	G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	◐	6–7
	G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed	◐	6–7
	G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	◐	6–8
	G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	◐	6–8
	G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	◐	6–7
	G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	◐	6–7
	G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	●	6–7
	G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	●	6–7
	G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	●	6–8
	G4-49	Report the process for communicating critical concerns to the highest governance body	◐	6–7
	G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	◐	6–7
	G4-51	Report the remuneration policies for the highest governance body and senior executives	●	6–7

GRI (G4) Index

● Fully reported ◐ Partially reported ○ Not reported ◓ Not Applicable

	Performance Indicator	Description	Status	Page
	G4-52	Report the process for determining remuneration Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management Report any other relationships which the remuneration consultants have with the organization	○	-
	G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	●	6–7
	G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	◐	Refer to our business report
	G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	◐	Refer to our business report
Ethics and Integrity	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	●	8-9
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	●	82–83
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	●	80
2. Specific Standard Disclosures				
Economic				
Economic Performance	G4-EC1	Direct econmic value generated and distributed	●	24-27
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	●	48-57
	G4-EC3	Coverage of the organization's defined benefit plan obligations	●	Corporate pension plan in operation
	G4-EC4	Financial assistance received from government	○	-
Market Presence	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	●	80
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	●	60
Indirect Economic Impacts	G4-EC7	Development and impact of infrastructure investments and services supported	●	68-73
	G4-EC8	Significant indirect economic impacts, including the extent of impacts	●	27, 68–73
Procurement Practices	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	○	-
Environmental				
Materials	G4-EN1	Materials used by weight or volume	●	52–54, 84–90
	G4-EN2	Percentage of materials used that are recycled input materials	●	52–54, 84–85
Energy	G4-EN3	Energy consumption within the organization	●	52–54, 84–90
	G4-EN4	Energy consumption outside of the organization	●	84–90
	G4-EN5	Energy intensity	●	84–90
	G4-EN6	Reduction of energy consumption	●	49–57
	G4-EN7	Reductions in energy requirements of products and services	●	28–43
Water	G4-EN8	Total water withdrawal by source	●	85
	G4-EN9	Water sources significantly affected by withdrawal of water	●	85
	G4-EN10	Percentage and total volume of water recycled and reused	●	No reuse/recycling of water resources
Boidiversity	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas	●	89
	G4-EN12	Description of significant impacts of activities, products, and services on Biodiversity	●	89
	G4-EN13	Habitats protected or restored	●	89
	G4-EN14	Total number of IUCN red list species and national conservation list species with habitats in areas afected by operaions, by level of extinction risk	●	89
Emissions	G4-EN15	Direct greenhouse gas(GHG) emissions (scope 1)	●	85
	G4-EN16	Energy indirect greenhouse gas(GHG) emissions (scope 2)	●	85
	G4-EN17	Other indirect greenhouse gas(GHG) emissions (scope 3)	○	-
	G4-EN18	Greenhouse gas (GHG) emissions intensity	●	85–86, 90
	G4-EN19	Reduction of greenhouse gas(GHG) emissions	●	53–54, 85–86, 90
	G4-EN20	Emissions of ozone-depleting substances (ODS)	●	53–54, 85–86, 90
	G4-EN21	Nox, Sox, and other significant air emissions	●	53–54, 87
Effluents and Waste	G4-EN22	Total water discharge by quality and destination	●	54, 88
	G4-EN23	Total weight of waste by type and disposal method	●	53–54, 57, 87–88
	G4-EN24	Total number and volume of significant spills	●	53–54, 57, 87–88
	G4-EN25	Weight of trnsported, imported, exported, or treated waste deemed hazardous	◓	-
	G4-EN26	Identity, size, proteted status, and biodiversity value of water bodies and realted habitats significantly affected by the organization's discharges of water and runoff	●	54, 88
Products and Services	G4-EN27	Extent of impact mitication of environmental impacts of products and services	●	28–43
	G4-EN28	Percentage of porducts sold and their packaging materials that are reclaimed by category	●	57
Compliance	G4-EN29	Monetary value of significatn fines and total number of non-monetary sanctions for non-compliance with environmental laws and regluations	○	-
Transport	G4-EN30	Significant environmental impacts of transporting products and other goods and materials ofr the organization's operations,, and transporting members of the workforce	●	55–56, 86
Overall	G4-EN31	Total environmental protection expenditures and investments by type	●	89
Supplier Environmental Assessment	G4-EN32	Percentage of new suppliers that were screened using enviromental criteria	●	67
	G4-EN33	significant actual and potential engative environmental impacts in the supply chain and actions taken	●	67

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Sustainability Management Economy Society/Employees Society/Partner Companies/Local Communities Environment About This Report Independent Assurance Statement GRI (G4) Index

GRI (G4) Index

● Fully reported ◐ Partially reported ○ Not reported ⊖ Not Applicable

	Performance Indicator	Description	Status	Page
Environmental Grievance Mechanisms	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievnce mechanisms	●	67
Labor Practices and Decent Work				
Employment	G4-LA1	Total number and rates of new empoyee hires and empoyee turnover by age group, gender, and region	●	61, 79
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	●	80
	G4-LA3	Return to work and retention rates after parental leave, by gender	◐	80
Labor/Management Relations	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	◐	81
Occupational Health and Safety	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	●	81
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	●	81
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	●	81
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	●	81
Training and Education	G4-LA9	Average hours of training per year per employee, by gender, and by employee category	●	80
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●	61
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	○	-
Diversity and Equal Opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	●	6–7, 60, 79
Equal Remuneration for Women and Men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	●	60, 80
Supplier Assessment for Labor Practices	G4-LA14	Percentage of new suppliers that were screened using labor practice criteria	○	-
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	◐	67
Labor Pracitces Grievance Mechanisms	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	●	80–81
Human Rights				
Investment	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	◐	67
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	◐	80
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	◐	80–81
Freedom of Association and Collective Bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	●	60, 80
Child Labor	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	●	81
Forced of Compulsory Labor	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	●	81
Security Practices	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	○	-
Indigenous Rights	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	◐	89
Assessment	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	◐	82–83
Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	◐	67
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	○	-
Human Rights Grievance Mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	◐	80
Society				
Local Communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	◐	68–73
	G4-SO2	Operations with significant actual and potential negative impacts on local communities	◐	68–73
Anti-corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	●	83
	G4-SO4	Communication and training on anti-corruption policies and procedures	●	82–83
	G4-SO5	Confirmed incidents of corruption and actions taken	◐	83
Public Policy	G4-SO6	Total value of political contributions by country and recipient/beneficiary	●	No political donations made
Anti-competitive Behavior	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	●	No violations of the fair transactions act
Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	●	No severe legal violations except for penalties
Supplier Assessment for Impacts on Society	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	◐	67
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	◐	67
Grievance Mechanisms for Impacts on Society	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	◐	66–67
Product Responsibility				
Customer Health and Safety	G4-PR1	Percentage of significant products and services categories for which health and safety impacts are assessed for improvement	●	28–41, 44–47
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	○	-
Product and Service Labeling	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant products and services subject to such information requirements	●	78
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	●	No case of violations
	G4-PR5	Results of surveys measuring customer satisfaction	●	44–47, 78
Marketing Communications	G4-PR6	Sale of banned or disputes products	○	-
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	●	78
Customer Privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	●	78
Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	○	-

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