Building Eco-Conscious Cars

When we look at the CO_2 emitted during the lifecycle of a car, around 10% comes from the parts manufacturing phase, around 2% from the assembly phase, around 80-90% when it is on the road (from a few years to over a decade) and around 0.05% in the disposal phase.

Kia Motors uses diverse methods and technologies to minimize the environmental impact of a car throughout its lifecycle. We manage the resources and raw materials that go into the manufacturing of a car, build an increasingly eco-friendly production environment and work on increasing reuse and recycling. In "Paradigm Shift: Efficiency," we discussed our efforts to raise fuel economy and cut emissions to minimize environmental impact when our vehicles are on the road. Now we would like to introduce to you Kia Motors' efforts and progress in building eco-conscious cars by each phase of the automotive lifecycle.

Design phase

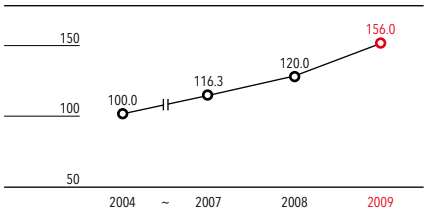
The programs applied to the planning phase–i.e., pre-manufacturing–affect the rest of the vehicle's lifecycle. Kia Motors' vehicles undergo Life Cycle Assessment (LCA), eco-efficiency assessment, eco-friendly design assessment, toxic chemicals management and recyclability assessment. These internal and external assessments show that the environmental impact of our cars is on a steady decline. The environmental information on Kia Motors' new vehicles, including improvements from previous models, are available on Kia Motors' website (http://www.kia.co.kr) and the Korea Environment and Resource Corporation's ECOAS website (http://www.ecoas.co.kr).

Assessments to minimize environmental impact LCA is a quantitative assessment of a vehicle's environmental impact throughout its lifecycle. In addition to LCA, Kia Motors undertakes an eco-efficiency assessment during the design phase. The eco-efficiency assessment aims to minimize our vehicles' environmental impact while creating high economic value.
Eco-efficiency assessments show that Kia Motor's eco-efficiency in 2009 rose 56% from the base year 2004. This is a 30% improvement from the 20% in 2008, demonstrating that Kia Motors is raising our efficiency every year in terms of resource consumption and CO_2 emissions vis-à-vis our sales revenue.
K7 (Cadenza), our premium executive sedan released in 2009, received the Carbon Footprint Labeling Certification from the Korea Environmental Industry & Technology Institute under the Ministry of Environment. The Carbon Footprint Labeling Certification measures the total CO_2 emissions from the entire automotive lifecycle. K7 had a carbon footprint of 29.5 tons, which is 1.2 tons less than its competitors in the same vehicle class.

Green car production system Kia Motors applies Design for Environment (DfE) standards on all the vehicles we develop. We apply green car prototype development and design guidelines from the pre-design, early planning stages. In the design phase, we conduct digital assessments to minimize further design changes in an effort to cut time, costs and resource consumption. We also operate the Design for Recycling Optimizing System (DOROSY), a CAD-based design system that uses 3D modeling to analyze dismantlement and recyclability and improve low-performing parts. All Kia Motors' designs teams and some 90 partner companies currently use DOROSY, which has cut the design/design revision period by 30% and the time required for parts dismantlement by 30% as well.

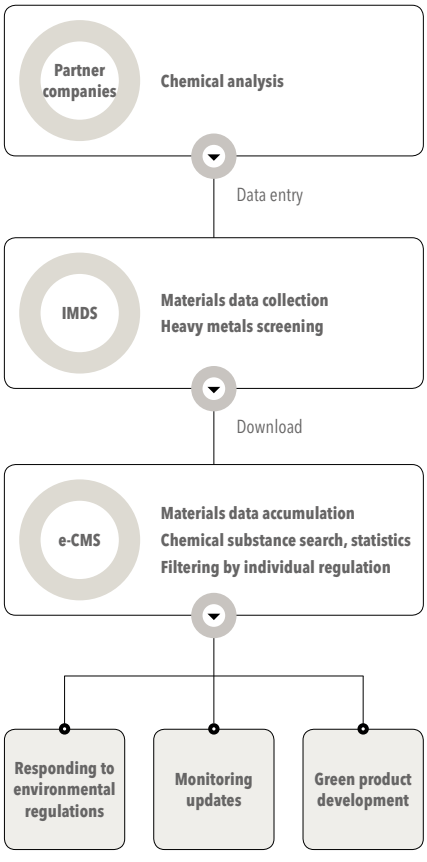
"The production phase is responsible for only 2% of the total CO_2 emissions over the entire automotive lifecycle. Nevertheless, given Kia Motors' global annual production capacity of 2.4 million units, the numbers add up. Improvements and eco-friendly practices at our worksites and by individual employees around the world combine to have a major impact on our efforts aimed at resource circulation."

Eco-efficiency



※ Eco-efficiency assessment: Economic value (sales revenue)/ Environmental load (total amount of CO2 emissions and resource consumption)

Toxic chemicals management system



In order to build cars that "stay green" until the very end of their lifecycle, we undertake various digital simulations at the design phase to analyze the dismantlement process of the vehicles in development. We improve on parts that are difficult to dismantle and optimize the dismantlement process by redistributing tasks involved in the individual steps comprising the process. We are also developing more efficient dismantling equipment that reduce the dismantlement time and cut related costs.

Reducing harmful substances and using recyclable materials Kia Motors operates e-CMS, an internal chemical substance management system, in order to make cars that do not release environmentally damaging substances. e-CMS uses data from the International Material Data System (IMDS)* and manages information on chemical substances. During the design phase, Kia Motors uses the materials information on some 160,000 parts stored in the e-CMS database in order to use only non-toxic materials. We also conduct regular education programs for the relevant personnel at our partner companies in order to provide updated environmental information.

Kia Motors runs the Recyclability Assessment Information System for Homologation (RAIS-H), a recyclability/reusability assessment system, to identify and replace non-recyclable parts and materials at the design phase. In Europe, new models (from December 2008) and existing models (before July 2010) must be designed so that 85% of its parts are recyclable and 95% reusable when dismantled at the end of their lifecycle.

In 2008, Kia Motors received the EU Certificate of Compliance with Annex IV recyclability standards from the Department of Road and Transport of the Netherlands (RDW), an official EU certification agency. All Kia Motors' vehicles sold in Europe have been proven to be eco-friendly, fulfilling the strict standards of the EU Certificate. The EU Certificate of Compliance assures the clean production and green development systems at the worksites that produce a given vehicle.

* International Material Data System (IMDS): Parts and materials management system used by the automotive industry in response to regulations on end-of-life vehicle disposal and dismantling

Production phase

Kia Motors is working on the smooth adoption of a resource circulation system as a part of our effort to build a clean production system and reduce environment impact. Resource circulation aims to replace the existing linear model of production-consumption-disposal to a cyclical model that incorporates recycling and heat recovery in order to enhance resource efficiency and minimize environmental load. With the ultimate goal of minimizing waste materials, wastewater and pollutants generated in the production process, resource circulation involves reducing resource input by raising materials usage efficiency, reducing waste output by raising manufacturing efficiency and

recycling waste materials.

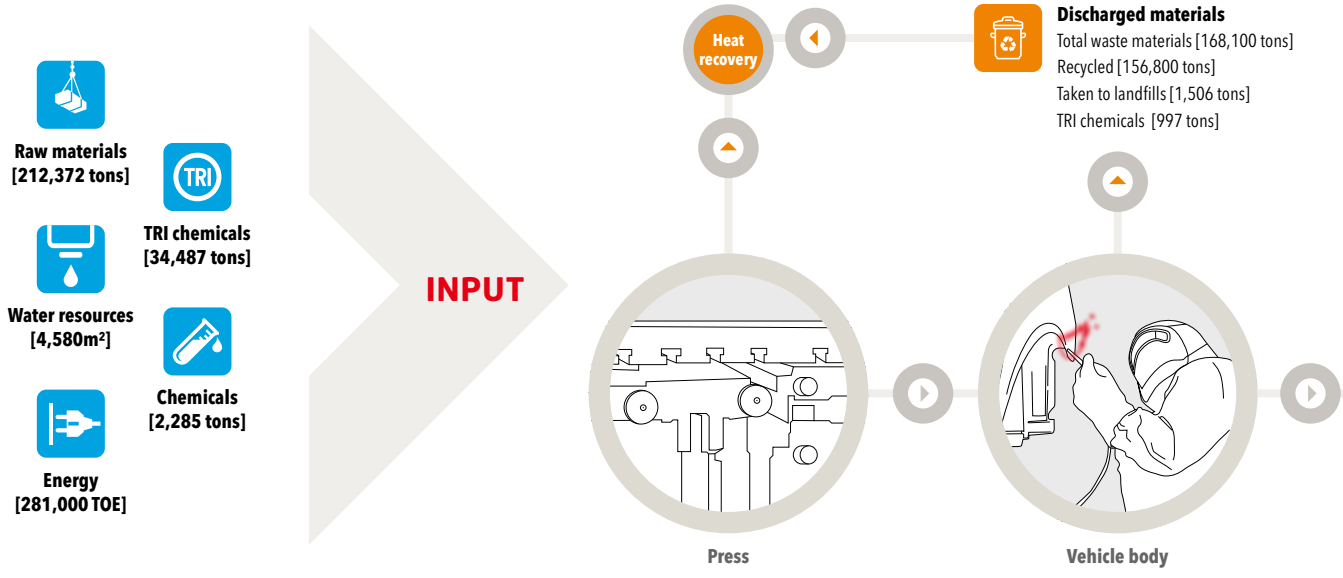
The production phase is responsible for only 2% of the total CO_2 emissions over the entire automotive lifecycle. Nevertheless, given Kia Motors' global annual production capacity of 2.4 million units, the numbers add up. Improvements and eco-friendly practices at our worksites and by individual employees around the world combine to have a major impact on our efforts aimed at resource circulation.

Resource input and output in the production process Kia Motors endeavors to realize resource circulation in the automotive production process and reduce greenhouse gas emissions and environmental pollutants. In order to determine the actual results of such efforts and continue to raise efficiency, Kia Motors tabulates the yearly resource input and product output as well as the amount of waste materials and substances generated by our production process. Our 2009 resource input and output is organized in the diagram below.

Use of raw materials Raw materials used in automotive production include steel, paint, thinner and plastics. Raw materials consumption rises with the expanded operations of production facilities and the increase in the volume of products manufactured. Kia Motors strives to reduce our per unit resource consumption not simply by cutting the amount of materials we use but by raising the usage efficiency. We tabulate our resource consumption and track our progress, focusing especially on steel, paint and thinner usage.

※ Refer to p. 80 for more information on Kia Motors' efforts to reduce resource consumption along with related figures and trends.

Waste reduction and recycling Waste materials that are not recycled or reused damage our air, water and soil. Kia Motors considers waste materials not as targets of disposal but as leftover resources. We are continually and systematically upgrading the management of waste-generating sources and production processes. The final waste products generated during the automotive production process are incinerated or taken to landfills. Thanks to our ongoing efforts at recycling waste, we reduced waste materials taken to landfills to under 0.9% of total waste in 2009. Sohari and Hwaseong plants now produce zero (0%) landfill waste. Starting in 2010, we will work toward zero incinerated waste through recycling, reducing packaging materials and heat recovery. We aim to lower incinerated waste to less than 3% of total waste by 2013. In 2009, 93.3% of the 168,070 tons of waste materials generated at Kia's three Korean worksites



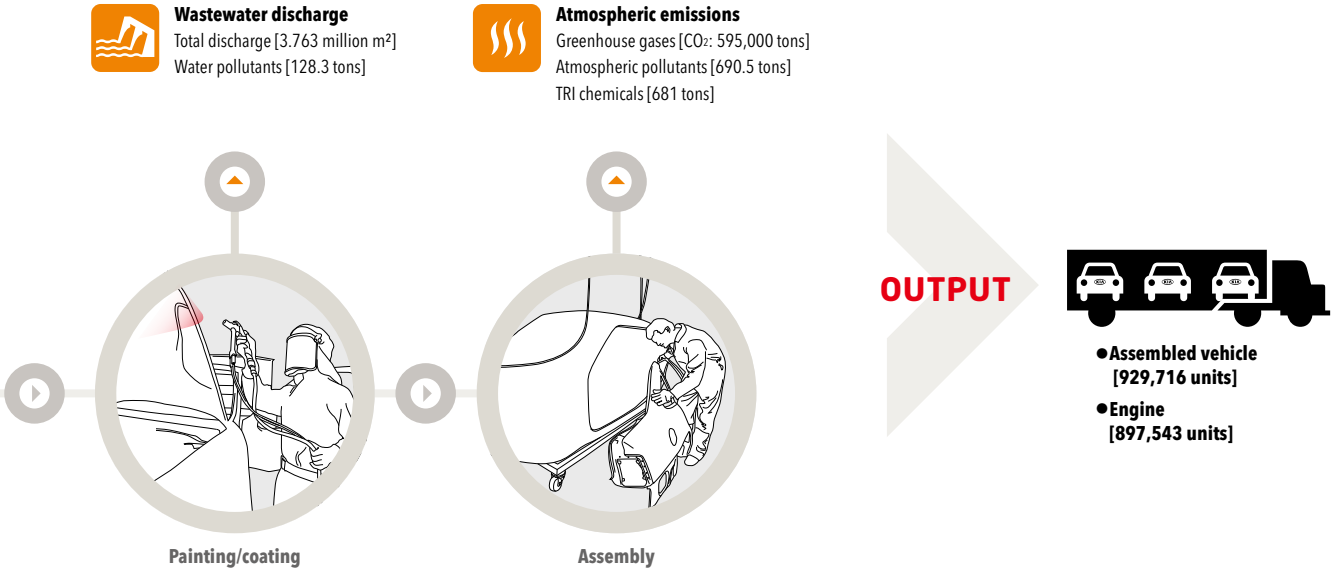
(Sohari, Hwaseong and Gwangju plants) were recycled. Thus, 181 kg of waste was generated per vehicle, a 22% reduction compared to 2003.

※ Refer to p. 81 for more information on waste materials generated, recycled and incinerated each year over the last three years.

Using water resources One public awareness campaign stressed that the only substitute for water is water. According to the UN, 1 billion people (one out seven people worldwide) do not have access to clean drinking water, and this number is on the rise. Kia Motors strives to minimize the use of precious water resources and contribute to alleviating the global water shortage problem. To this end, we make ongoing facilities investments and upgrades for the efficient use of water and encourage our employees to make water conservation a part of the Kia Motors lifestyle. In 2009, we reduced our water consumption by 19.9% compared to 2003.

※ Refer to p. 81 for more information on Kia Motors' efforts to reduce water consumption along with related figures and trends.

Curbing energy consumption and greenhouse gas emissions The world must work together to overcome the climate change crisis. There is a global consensus on the urgency of the crisis, and international regimes to combat climate change are being formed. Most of the greenhouse gases emitted by Kia Motors' worksites are attributable to the use of energy sources. Hence, we are working to increase our use of renewable alternative energy resources while replacing existing equipment with more energy-efficient alternatives. Based on Scope 1, 2 standards, Kia Motors' Korean worksites have demonstrated a steady decline in greenhouse gas emissions since 2005. In 2009, our worksites generated 595,000 tons of greenhouse gases, a 40,000-ton decrease from the previous year. Our Slovakia Plant's greenhouse gas emissions have continued to drop from 204,000 tons in 2007, to 237,000 tons in 2008, and 152,000 tons in 2009. Due to the increase in production volume, our two China Plants recorded a year-on-year increase from 205,000 tons to 271,000 tons. We receive third-party assurance of our Korean and global worksites' energy consumption and greenhouse gas emissions to obtain more accurate information and statistics on emission sources and volume for our systematic emissions reduction efforts. Starting with the Hwaseong Plant in 2005, Kia Motors completed third-party assurance of all our worksites in Korea (including the three plants and A/S centers) in 2009. We also completed third-party assurance of the three-year (2007-2009) inventory of greenhouse gas



※ Greenhouse gas emission figures include Scope 1 (direct emissions) and Scope 2 (indirect emissions from energy sources) emissions.
※ Three Korean worksites (Sohari, Gwangju Hwaseong plants, excluding A/S centers)

emissions volume of the Slovakia and China plants. We have, therefore, proven the reliability of our emissions data and strengthened our greenhouse gas management system. Our next step will be to determine our potential reduction target and implement a step-by-step reduction initiative through everyday energy conservation practices and high-efficiency equipment.

※ Refer to p. 81 for more information on Kia Motors' efforts to cut energy consumption and greenhouse gas emissions along with related figures and trends.

Reducing environmental pollutants Kia Motors' internal management standards on atmospheric and water pollutants are stricter than government standards. Based on these standards, we operate a monitoring system to track the emissions of pollutants. We aim to significantly reduce the emission of environmental pollutants and minimize their impact on the communities near our worksites. To this end, we are working to improve the processing of environmental pollutants, use raw materials of low toxicity, regenerate waste materials and optimize our work processes.

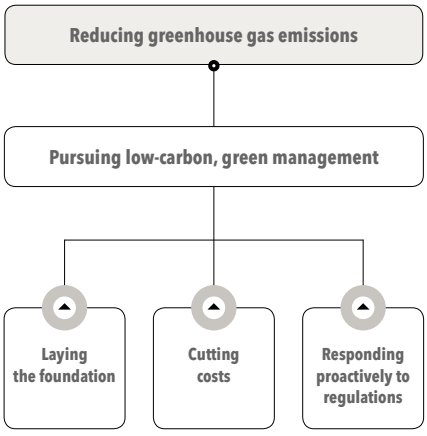
Atmospheric pollutants: Atmospheric pollutants created during the automotive production process include volatile organic compounds (VOCs) and paint particles from painting and coating; dust particles from materials processing; and gaseous substances from combustion. Kia Motors continues to reduce the emission of atmospheric pollutants by using raw materials of low toxicity, installing equipment that cut or prevent the emission of pollutants and improving our work processes. In 2009, domestic worksites emitted 690 tons of atmospheric pollutants, a 13% decline from 2008, while overseas worksites generated 41.5 tons of particulate matter, a 12.6% decline from 2008. Korean worksites produced 7,876 tons of VOCs and recovered 62% of the organic solvents generated.

※Refer to p. 83 for more information on atmospheric emissions by pollutant type along with emission trends.

Water pollutants: Kia Motors is minimizing the discharge of water pollutants through the rigorous processing of wastewater created during the production process. To prevent environmental accidents, we monitor the concentration of pollutants in the discharged wastewater around the clock. In 2009, the volume of BOD and SS discharge and the per-unit discharge of water pollutants dropped by 11% and 39.5%, respectively, from 2003 levels. As for overseas worksites, the Slovakia Plant recorded a 17.5% reduction from the previous year. Although our plants in China saw an increase in the total volume of water pollutants discharged, the per-unit discharge decreased by 11.9%.

※ Refer to p. 84 for more information on water pollutant discharge by pollutant type along with discharge trends.

Sustainable growth



Laying the foundation

Lay the foundation for energy conservation by enhancing awareness
- Run employee education programs and awareness campaigns

Set up monitoring/evaluation systems
- Strengthen greenhouse gas inventory

Cutting costs

Devise and pursue cost-cutting measures for individual production facilities
- Key facilities (facilities with high fuel consumption / focus on facilities with high electricity consumption)
- General facilities (facilities that use electricity / facilities that use fuels; pursue regeneration of waste materials)

Pursue cost-cutting in non-production domains

Responding proactively to regulations

Observe Convention on Climate Change
Prepare for the enactment of the Basic Act on Green Growth

Toxic chemicals: Toxic chemicals require careful management as they damage the environment and human health. Registration, Evaluation and Authorization of Chemicals (REACH) is a program initiated by the EU in 2007 that aims to minimize the impact of chemicals and strengthen accountability over their management. Korea is also working on a legislation to control the registration, assessment and authorization of toxic chemicals. Kia Motors identified the chemicals controlled by REACH and completed preliminary registration. For greater transparency, reliability and accuracy, the Sohari Plant also completed a third-party assurance of its Toxic Release Inventory (TRI; Ministry of Environment), a voluntary reporting scheme for the volume and types of controlled chemicals used. Starting in 2010, we will pursue an upgrade of our chemicals management system. In 2009, Korean worksites used 2,285 tons of chemical substances, a 4.3% per-unit decrease from the previous year.

※Refer to p. 84 for more information on Kia Motors' use and release of toxic chemicals along with related trends.

Distribution phase

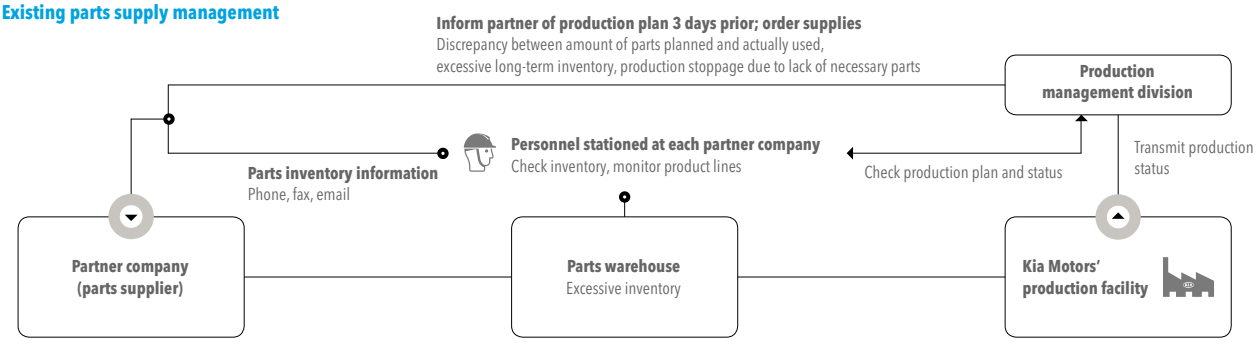
The automobile industry is an assembly industry. An automobile is an assembly of some 20,000 parts. Hundreds of thousands of automobiles, thus assembled, travel the roads in a given day. Automobiles are produced, used and eventually disposed of. Within this process, there is a step that involves the transport of automotive parts and assembled cars: the distribution phase. As in all other phases of the automotive lifecycle, Kia Motors is making ongoing improvements to enhance the efficiency of the distribution phase.

Automotive distribution system The automotive industry is an assembly industry whereby a small number of automakers use some 20,000 components supplied by numerous partner companies to manufacture and sell vehicles. Kia Motors works with over 1,000 primary and secondary partner companies. "Procurement distribution" is the supply of various automotive parts to Kia Motors from our partner companies. "Production distribution" has to do with the timely supply of parts to meet the production schedules of vehicle assembly lines. All production distribution activities take place within an individual plant. "Sales distribution" is the process by which assembled vehicles are supplied to customers. It involves the transport of vehicles to the warehouse as well as the storage of vehicles at production facilities or local warehouses.

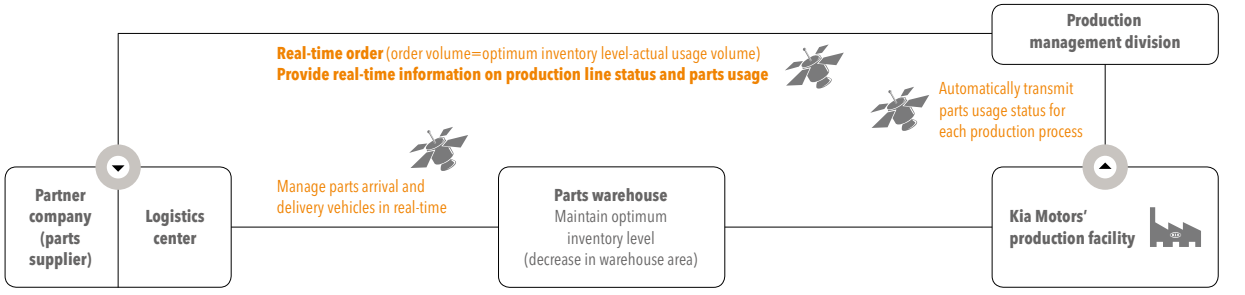
Enhancing the distribution system The existing distribution arrangement has called for individual partner companies to deliver the parts on an as-needed basis using individually operated fleets of delivery vehicles. Accordingly, each plant receives up to 1,500-3,000 deliveries per day. Furthermore, given Korea's transportation system, most deliveries are made by road rather than by ship or rail, resulting in higher energy consumption and CO_2 emissions. This arrangement not only has a high environmental impact but also entails

Improving parts supply management

Existing parts supply management



RFID-based parts supply management



End-of-life vehicle processing sequence

The end-of-life vehicle processing system consists of eight steps. The system is designed to run continuously and successively, so it is capable of handling large loads.

01. Identify vehicle type and specifications

02. Remove airbags, seats and seatbelt pretensioners, which pose risk of explosion

03. Remove hood, battery and tires

04. Retrieve liquids

Prevent environmental pollution by retrieving more than 90% of liquids

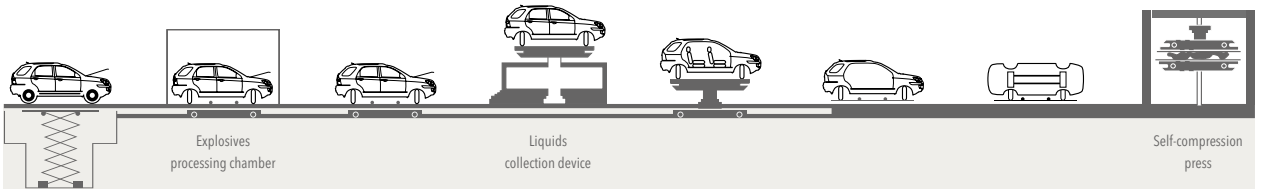
05. Dismantle exterior components

06. Dismantle interior components

07. Dismantle engine and transmission

Dismantled parts are organized by material type; more than 85% are recycled

08. Compress



significant costs and time. To rectify the shortcomings of the existing system, Kia Motors, with government support, has worked on building an integrated parts distribution system for the mutual growth of Kia Motors and our partner companies. We have set up an RFID* system linking our plants in Korea with our partners so that only the necessary parts in the desired amounts are delivered in a timely manner. Through the system, we can send our orders and delivery deadlines to our partners and track the location of the delivery vehicles. As a vehicle passes through the reader set up at each production section, its RFID tag provides real-time vehicle and cargo information. The RFID-based production/distribution system (e-JIT) has been set up for all Kia Motors' worksites in Korea. The Sohari and Hwaseong plants also operate automated systems for incoming deliveries. Through the integrated materials information system we have jointly developed with our partner companies, we share real-time information on parts distribution with our 205 suppliers. We plan to build additional distribution centers near the Sohari and Hwaseong plants as well as operate joint delivery routes. We also plan to introduce larger delivery vehicles to increase per-vehicle cargo capacity and reduce delivery frequency. In terms of sales distribution, we are continually carrying out structural improvements to coordinate local warehouse operations with changes in regional demand and to raise the loading capacity of delivery vehicles that transport assembled cars.

In 2009, we exceeded our cost reduction target of 10.2 billion won by 13% and cut 11.6 billion won in distribution costs. We aim to make further improvements so that we can assess not only the cost but also the environmental impact of our distribution activities. In 2010, we plan to cut the storage period of our parts and raw materials inventory, build automated systems for incoming deliveries at the Gwangju and Seosan plants, and expand the scope of the integrated parts distribution system to include 78 partner companies. In addition, we will also be standardizing the criteria and method for calculating CO_2 emissions of delivery vehicles. This will allow us to analyze the amount of CO_2 emissions reduction realized through the enhancement of our distribution system.

* Radio-Frequency Identification (RFID): Remote identification technology using tags and readers.

Expiration of a Car: Disposal Phase

In 2005, Kia Motors established the Automobile Resource Regeneration Center with an annual processing capacity of 4,000 units. The Center provides technological support for designing recyclable vehicles and develops recycling technologies to reduce waste by improving the disposal process.

End-of-life vehicle processing system Kia Motor's Automobile Resource Regeneration Center features a cutting-edge ubiquitous monitoring system that tracks the end-of-life vehicle processing sequence in real-time–from the number of units being processed to the amount of processed recyclable and waste materials. As the diagram below shows, the end-of-life vehicle processing system is designed to handle large loads with eight continuous-flow processes. We are also working on dismantling systems and equipment for small and medium enterprises that are unable to develop proprietary dismantling technologies. As per requests from the government and academia, we offer more than 10 guided tours of the Center annually and introduce our eco-friendly end-of-life vehicle processing system to more than 1,000 visitors a year. We have built a collaborative network with the Korean vehicle disposal and dismantling industry and are providing technology and know-how for the establishment of processing standards for end-of-life vehicles.

Diverse recycling technologies Kia Motors, through the Automobile Resource Regeneration Center, is researching diverse technologies for recycling the used parts of end-of-life vehicles. We aim to raise the recycling rate of automobile shredder residue (ASR) from the current 85% to 95%. To this end, we are researching ASR resource regeneration and parts remanufacturing technologies as well as industrial regenerative heat recovery and clean gasification and melting technologies. We are also researching technologies for the safe retrieval and eco-friendly treatment of air-conditioner coolants and other harmful substances. Since 2007, we have been working on shredding, cleaning, and recompounding technologies for recycling PET bottles. We completed assessments of the developed material in 2009, and after prototype development and further assessments, we plan to apply the recycled material to exterior parts (e.g. head lamps). We aim to expand the application to the step assist, fender and other exterior parts. This is expected to not only reduce waste products but also decrease the weight of our vehicles. We have also developed a technology to recycle rubber scraps, of which more than 2,000 tons are produced every year. After developing product prototypes, we are planning to produce muffler hangers, mats and gaskets made of recycled rubber scraps by 2011. (M)

Focus on Customers

Kia Motors strives to make cars that provide a pleasant driving experience and protect people from the risk of traffic accidents. Our desire to create safer and more convenient cars has resulted in technological advances, and our desire to create a more enriching automotive experience has led to standout services. We now introduce to you our progress in developing customer-oriented technologies and services.

01

K wraps up another day at work and enters the parking lot. The side mirrors fold out and the door handles light up on one of the cars. K7 (Cadenza)'s **welcome system** greets K.

02

Not long after taking off, the steering wheels warm up. K enjoys the warmth and thinks about a meeting earlier that day. A sudden noise and a flashing light on the dashboard jolt him. K7's **LDWS** was warning him. Deep in thought, he had veered off his lane without having turned on the blinker.

03

K maneuvers to get back into his lane. The road is on a steep incline, and the vehicle shakes. The **VDC** system goes to work, actively controlling the engine and brakes.

04

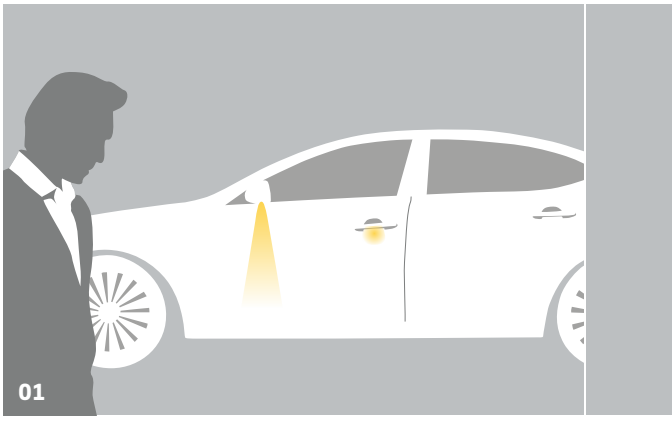
With the busy city streets behind him, K gets on the highway. He turns on the **cruise control** and settles more comfortably in his seat.

Technologies for safer driving

Kia Motors develops technologies for accident prevention as well as technologies and systems that provide maximum protection to both occupants and pedestrians in accident situations. We also strive to provide these technologies and systems to more customers at more affordable rates by cutting costs and raising the efficiency of our production processes. As a result of our ongoing efforts, we have been receiving high marks from Korean and overseas safety rating agencies year after year. In 2009, for example, Soul became the only Korean car to be named a "2010 Top Safety Pick" from the Insurance Institute of Highway Safety (IIHS).

Crash testing The crash test laboratories at our Hwaseong Plant and Namyang R&D Center create computer simulations of impact situations and conduct crash tests to develop safety mechanisms for the protection of our customers. The simulations and crash tests, performed from the early stages of vehicle development, are not limited to vehicle performance but they also take into consideration the occupants' physical response to impact, their height and weight, and other relevant characteristics. We focus especially on women and children, who are more susceptible to severe injuries than men.

Technologies for pedestrian safety Kia Motors is concerned not only about occupant safety; we also aim for maximum pedestrian safety in impact situations. We are focused on the research and commercialization of pedestrian-

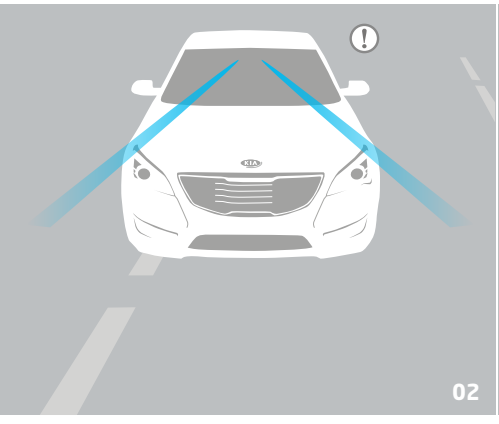

01

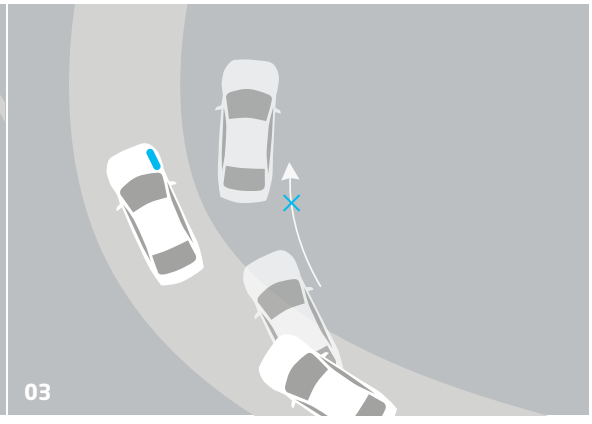
safety technologies. K7 (Cadenza), for instance, has a hood designed to minimize the force of impact in case of a front-end collision. The front of the vehicle body is curved to minimize the force of impact on the lower half of the pedestrian's body. There is also a lower stiffener on the inside of the bumper to minimize impact on the pedestrian's knees in collision situations.

Lane departure warning system (LDWS) LDWS keeps drivers from falling asleep at the wheel and corrects dangerous driving habits. A warning alarm goes off when the vehicle is travelling at 60 km/h or more and veers off a given lane when the blinker is not on or veers off in the opposite direction from the direction indicated by the blinker.

Tire pressure monitoring system (TPMS) TPMS helps prevent accidents that may be caused by damaged tires. When the sensors detect low tire pressure, a warning light flashes on the dashboard along with the location of the problem tire.

Front/rear parking assistant system When the system's sensors detect obstacles to the front and rear of the vehicle, a warning alarm is set off. Cameras on the radiator grill and rear garnish capture the front-end and rear-end blind spots and display them on a monitor. The system facilitates safe parking and prevents parking accidents involving children or animals that are sometimes difficult to spot. It also provides assistance with reverse parking by displaying the expected path of the vehicle (from the movement of the steering wheel) on the monitor.





Technologies for more enjoyable driving

Cars are more than just a mode of transport. They are our life partners that take us to and from work everyday. They are also with us when we take a short break from the daily grind and go on vacation. Cars are a part of our everyday lives. Kia Motors, therefore, believes that cars should not only be safe but also comfortable and pleasant.

Welcome system K7 (Cadenza) is the world's first vehicle to be equipped with a welcome system. When the driver, with the smart key, comes within 1 m of K7, the side mirrors fold out and the door handles light up. When the door lock is released, a welcome sound greets the driver and the interior light, mood light and foot lamp are switched on.

Auto defogging system The auto defogging system is activated when fogging is detected on the front windshield. The wind direction of the air-conditioner unit is automatically adjusted to eliminate fogging.

Amplitude Selective Damper (ADS) suspension system Sliding valves were added to the damping control valves of the existing suspension system to provide fine-tuned damping according to the size of the vehicle's wheel stroke. The ADS suspension system maximizes safe maneuverability and smooth driving.

Autocare system The autocare system displays the operational status and condition of the vehicle on the monitor of the vehicle's navigation system. It not only indicates operational information for economical driving but also alerts the driver regarding the regular maintenance and replacement of the engine oil and filter, brake pads and antifreeze. It also checks for any possible problems with the condition of the vehicle.

Striving for excellence in customer service

Driven by our customer-first corporate philosophy, every Kia Motors employee strives to realize customer satisfaction. In 2009, we concentrated our efforts on enhancing the substance of our services across the entire automotive lifecycle, from vehicle purchase and maintenance to affiliated services and vehicle disposal. We focused especially on upgrading Kia Motors' Q membership services.

Becoming helpful Kia employees Kia Motors runs diverse customer service (CS) training programs in order to enhance the CS capabilities of all our employees. We place special focus on consistently improving the services provided by our employees at customer contact points. Based on customer satisfaction surveys, bad practices are corrected and best practices are shared. Every month, we reward employees commended by our customers. In 2009, we surveyed our staff at customer contact points concerning employee courtesy. The results of the survey were shared with the staff at corporate headquarters. The staff at customer contact points and those at corporate headquarters worked

Auto defogging system

Amplitude Selective Damper (ADS) suspension system

together to eliminate problem areas. Teams that performed well were rewarded, and the program boosted overall job satisfaction and motivation. To facilitate communication and understanding between the staff at corporate headquarters and those at customer contact points, we produced and distributed an internal customer service newsletter. We also held events at customer service centers to enhance employee competencies and satisfaction.

Putting ourselves in our customers' shoes Kia Motors operates diverse customer service programs to maintain a strong relationship with our customers and identify and manage customer needs and grievances. A comprehensive, step-by-step customer service process–a personal call from the branch manager, voice of the customer (VOC) survey and customer service phone call–enables Kia Motors to communicate with our customers at all levels and points of contact, from vehicle delivery to disposal. When we receive a customer complaint, we immediately take corrective measures and then provide feedback to the customer. All areas of the business–production, sales, service and R&D–are notified of the recommendations and complaints on our customer service surveys so that necessary improvements are made. When quality-related issues arise, we carry out joint assessments with relevant teams.

Through our Happy Care Service, Kia Motors provides our customers with eight regular preventative maintenance checks over eight years and sends alerts when fluids, filters, etc. need to be replaced. We have also added aromatherapy air freshening and scratch removal services to the existing before-service package. Kia Motors also endeavors to offer greater and more diverse opportunities for our customers to experience the Kia brand. In 2009, we organized many sporting events for our customers, including the Opirus (Amanti)/ Mohave (Borrego) charity golf tournament and club soccer tournaments. In order to provide our customers with greater access to cultural events, we engaged in active cultural marketing in 2009. We sponsored the Busan International Film Festival and were involved in musicals and others performance arts events. Ⓜ

※ Refer to p. 74 for the results of Kia Motors' customer satisfaction assessment programs.

05

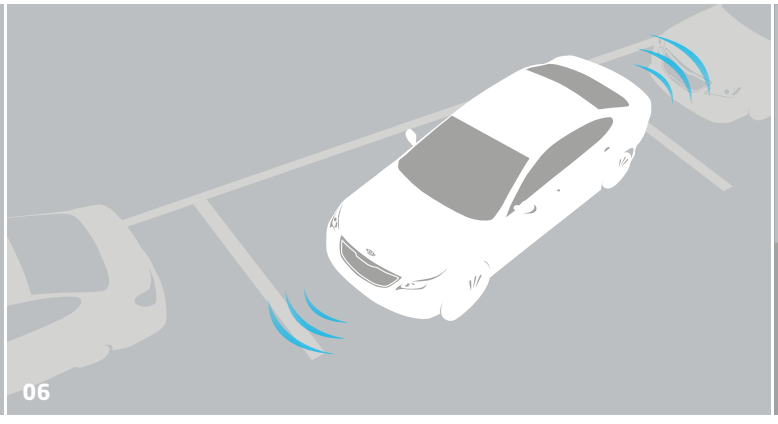
Thanks to the **ETCS** installed on the rearview mirror, K passes through the tollgate without having to stop. To one side, he sees a car wreck. Someone must have gotten hurt as an ambulance is on the scene. He feels reassured, once again, that he made the right choice by purchasing a K7, which features pedestrian-safety technologies.

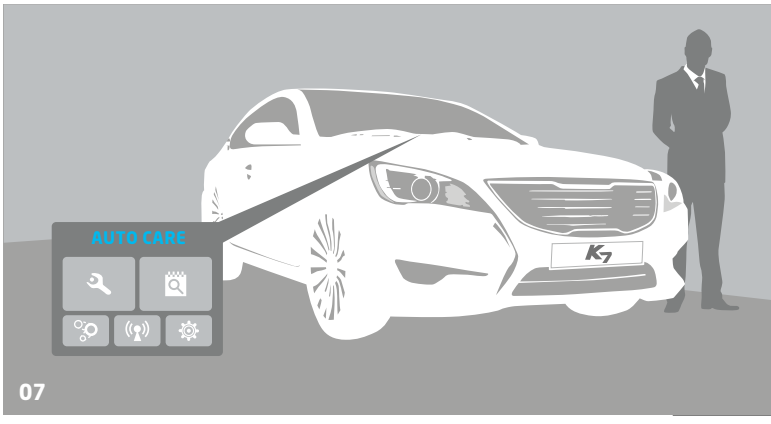
06

Home at last. Driving through downtown Seoul on a Friday night is always tiring. He sighs and begins to back up his car. The **front/rear parking assistant** system is activated.

07

When he finishes parking, the **autocare system** alerts him that his K7 is due for regular maintenance. **TPMS** comes on as well. K had wanted a relaxing weekend. K turns off the ignition, and K7's goodbye jingle bids him farewell. The vehicle automatically goes into surveillance mode.





Making of New KIA

In 2009, the Korea Management Consultancy Association (KMAC) surveyed 2,200 working professionals and 2,200 job-hunters about the company they would most like to work for in Korea. Kia Motors came in first place under the "creative and fun corporate culture" category. Kia Motors strives to become a leading global automaker wherein our employees can freely demonstrate their capabilities and develop their potential as they lead happy and healthy lives with their families. We introduce to you our employee programs and the corporate culture campaign "New KIA".

Keyword 1: Opportunity and diversity

Kia Motors strives to provide equal opportunities to all our employees and create a corporate culture that is free of discrimination and embraces diversity. We recruit new employees through public job announcements and do not discriminate against gender, nationality, religion or social status. In 2009, we hired 49 new employees, bringing the total number of employees in Korea to 32,616 (as of December 31, 2009). Among them, 28,046 employees (85.9%) are union members eligible for collective bargaining. Kia Motors upholds the three labor rights stipulated in the Constitution of the Republic of Korea and guarantees the right to fair and free union activities under the Collective Agreement. We have also established the Labor-Management Council, which holds quarterly meetings to discuss and come to terms on relevant issues.

Kia Motors strives to bolster local economies and contribute to the growth of the national economy by creating new jobs. In turn, we are able to raise our competiveness by recruiting talented workers in diverse areas.

We hire mostly local workers at our overseas worksites, thereby contributing to the local economy and raising Kia Motors' competitiveness. Kia Motors' overseas worksites include production facilities in the United States, China and Slovakia as well as a sales network that spans the Middle East, Africa and the Pacific region. As of 2009, local workers made up around 22% (9,021 persons) of our overseas staff.

It has not been long since Korea's job market truly opened its doors to women and accepted gender differences as a form of diversity. The automotive industry is a classic manufacturing industry as a well as a machine industry. Accordingly, there had been limited opportunities for women, and women's industry participation had been low. However, the number of women workers in the automotive industry is on the rise as greater emphasis is being placed on design, customer satisfaction and the emotional appeal of cars. While women account for 2.5% (820 persons) of Kia Motors' total workforce, the number of women managers has risen dramatically from just two in 2008 to nine in 2009. We endeavor to offer women greater opportunities and a comfortable work environment so that all our employees of diverse backgrounds and skills can realize their potential and work together effectively.

Kia Motors launched the "New KIA" campaign in 2008 under the slogan "Becoming one for a new Kia." The campaign, which has entered its third year in 2010, strives for engagement and dialogue. Under the "New KIA" banner, we are working together to create a corporate culture that is uniquely Kia Motors.

Keyword 2: Competency and potential

Kia Motors endeavors to enable our employees to demonstrate their competencies and develop their potential. In order to guarantee equal treatment and fair compensation, we provide our employees with equal opportunities regardless of nationality or gender (Collective Agreement Article 25, Employment Regulation Article 4). The same base wage rate applies equally to both genders, and wages are paid in accordance with the standardized compensation system based on the duration of service. Employee evaluation and promotion follow an objective performance assessment process. Providing a satisfying work environment in order to retain talented employees is just as important as recruiting them. Kia Motors runs a mentoring program whereby entry-level employees are assigned mentors in their respective departments. An entry-level staff member meets with his/her mentor at least once a month during the first six months at Kia Motors to discuss issues of concern and get advice. For our employees facing retirement, we provide a 2-week educational program on post-retirement life planning and health care. In 2009, 43 employees participated in the program. We also provide job consulting to employees seeking new jobs or careers.

Kia Motors runs diverse educational and training programs for capacity building and personal and professional growth. Our employees can choose the programs best suited for their respective job positions and levels. Our cyber learning center provides employees with the flexibility to study at their own schedule and pace. We also offer educational programs for our employees' families.

Focus: New KIA

"New KIA: Working Together to Build a Lifelong Workplace." Kia Motors launched the "New KIA" campaign in 2008 under the slogan "Becoming one for a new Kia." The campaign strives for engagement and dialogue. Under the "New KIA" banner, we are working together to create a corporate culture that is uniquely Kia Motors. The campaign's four key areas of focus in 2010 are organized as follows: Design Our Communication (DOC), Design Our Feeling (DOF), Design Our Team (DOT) and Design Our Work (DOW).

Building closer ties

Design Our Communication (DOC) aims to build a system and culture of lateral communication. Events such as Open Brownbag Lunch, Designing Office Dinners, and CROSS Meetings are activities and events designed to strengthen teamwork and nurture a culture of open communication. Starting in 2010, the theme of communication will be implemented on a company-wide basis to build a corporate culture of understanding and consideration. We will also expand team-based communication activities to encourage voluntary and active participation of onsite employees.

Design Our Feeling (DOF) strives to encourage positive thinking at work and home while strengthening our employees' pride and commitment to Kia Motors. DOF activities and events include New KIA Tigers Day, family contests and My Dad Works at Kia. In 2009, thanks to the passionate support of Kia Motors' employees and families though the New KIA Tigers Day events, the professional baseball team Kia Tigers won the league championship for the first time in twelve years. We plan to devise more programs to enhance the emotional quality of our employees' and their families' lives.

Keyword 3: Work and life

Kia Motors strives to create a healthy, safe and pleasant work environment. To safeguard our employees' health, we operate sports centers and industrial clinics with in-house physicians at our worksites. The industrial clinics provide basic medical care and are equipped with physical therapy rooms for musculoskeletal disorders. The clinics are free of charge not only to Kia Motors' employees but also to the employees of our partner companies.

Kia Motors operates an online reservation system comprising some 100 healthcare centers for regular checkups and diverse medical services. We have also increased the number of optional tests during checkups to provide our employees with access to a wider selection of healthcare services. Since April 2009, Kia Motors has been subsidizing 50% of the fees for extra tests recommended by the physician after a basic comprehensive checkup. We also offer our employees' immediate families with various medical benefits, subsidize a wide range of medical expenses, contribute to the National Health Insurance premium and provide discounts at select healthcare providers. In 2009, Kia Motors provided 2.11 billion won for regular health checkups for 8,214 employees and 4,745 family members. We spent 13.4 billion won to subsidize our employees' medical fees. Ⓜ

※ Refer to pp. 75-77 for more information on the composition of the workforce as well as detailed data and figures concerning wages, education/training expenditure and instances of workplace injuries and accidents.

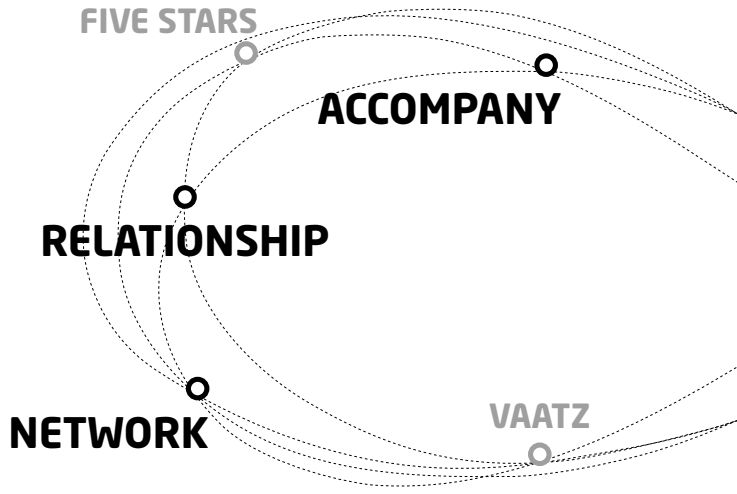
DOT Design Our Team (DOT) endeavors to redesign the team–the smallest organizational work unit–to create a synergy effect for the realization of business goals. The initiative aims to strengthen teamwork using the basic framework of team diagnosis + leadership change + team transformation program and promote collaborative linkages among teams for mutual development. A scientific and detailed diagnostic tool assists the team leader. We are also working on building a solid foundation for every team's sustained growth through the team vision program.

DOW Finally, Design Our Work (DOW) aims to redesign our tasks and responsibilities in order to enhance individual work competencies and raise the efficiency of the overall workflow, thereby creating a value advantage that is uniquely Kia Motors. Through the CAP Meeting, SHOP Self-Study Seminar, and Six Sigma leadership activities, we continually strive to find and work on areas of improvement. In 2010, we plan to advance a work culture based on DOW in which our employees are fulfilled and want to further themselves.

Designing an exciting new Kia Motors In 2010, we will utilize diverse online and offline channels, including thematic posters, to promote the New KIA campaign so that its values and objectives can be shared and internalized by all our employees. We also plan to run educational programs based on the value system upon which New KIA rests. In order to raise the quality of each organizational unit's work output, we are running a worksite touring program. In so doing, we are enhancing intra-organizational communication and raising the corporate culture design expertise of employees at our worksites. By nurturing closer ties and excitement through innovation, New KIA will serve to solidify Kia Motors' distinctive corporate culture.

Working Together

An automobile is a complex piece of machinery consisting of over 20,000 parts. As such, building an automobile requires collaboration, and in turn, such collaboration raises the competiveness of the resulting products. It is the individual parts that create the value of Kia Motors' vehicles. We also understand that greater collaboration is needed for mutual growth. Therefore, Kia Motors strives to contribute to the stability and sustained growth of our partner companies by advancing transparent and fair relationships.



Cooperation for mutual growth

The goal of Kia Motors' Value Engineering (VE) Proposal System is cutting costs without compromising product value or quality. Through this system, we work with our partner companies to develop domestic alternatives to imported parts. In so doing, we can cut costs and enhance the competitiveness of our partners. We also provide assistance for our partner companies to set up operations near our overseas production facilities. As of 2009, some 245 partner companies have expanded their operations to overseas locations in China, Europe and the United States with the Hyundai-Kia Automotive Group. Thanks the efforts of our partner companies, our overseas production facilities are able to receive a stable supply of high-quality parts.

Support for enhancing our partners' competitiveness

To support our partners, Kia Motors has established the Committee for Promoting Win-Win Cooperation (internal), the Foundation of Korea Automotive Parts Industry Promotion (external), and Win-Win Cooperation Working Committee (coordinating). The Foundation of Korea Automotive Parts Industry Promotion is an organization Kia Motors co-founded with 165 partner companies in 2002 to promote the automotive parts industry. The Foundation, which operates on an annual funding of around 5 billion won from the Hyundai-Kia Automotive Group, offers technology and business management support to our partners. In 2009, we expanded our support to promote innovative and autonomous small and medium enterprises. In 2010, we plan to run a win-win cooperation program through which our partners can realize sustained growth through value creation. Every year, Kia Motors hosts the R&D Partnership Tech Day to provide our partner companies with a venue to market and share new technologies. We also run the Guest Engineer Program, which aims to nurture the development of technical professionals at our partner companies and reduce the failure rate in the product development and design phases. In 2009, 336 engineers from around 73 partner companies participated in the program. For our secondary partners, we operate the SQ Mark certification system to enhance the competitiveness of their products and offer training programs to foster certification agents. In 2009, 2,656 secondary partners received the SQ Mark and 448 employees from secondary partner companies completed the certification agent program. We also run training programs to nurture the development of talented employees of our Korean and overseas partners. For our secondary partners, we conduct job training consortiums and seminars.

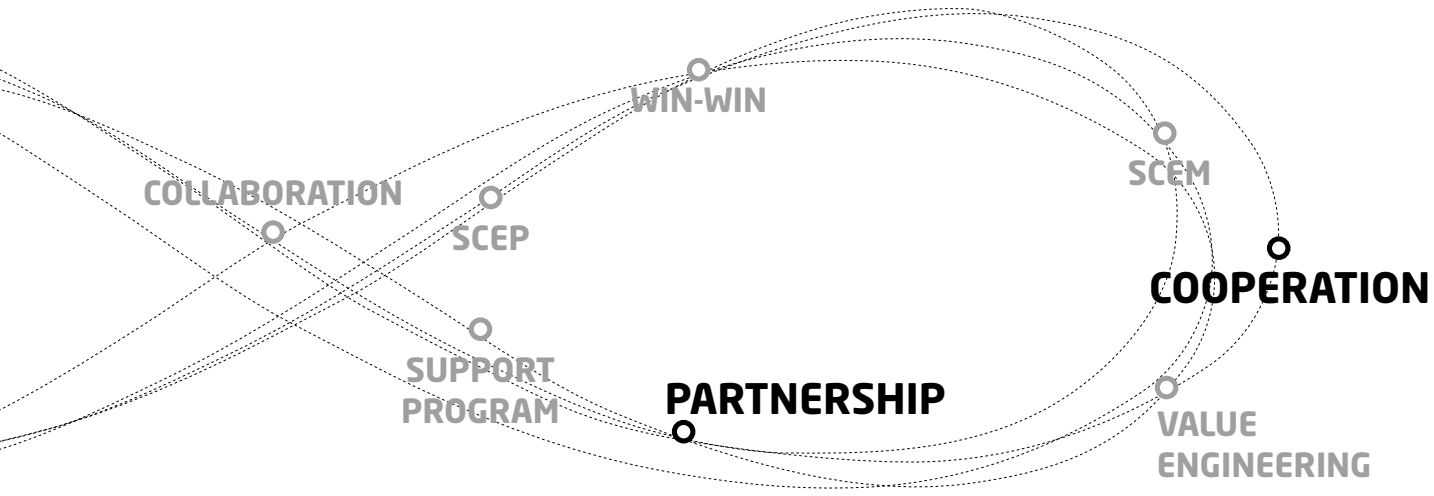
Support for our partners' stability

Kia Motors makes cash payments for the goods received from our small and medium partner companies, and organizes bulk purchases to help our partners cut procurement costs. We also operate diverse direct funding support programs. In 2009, we provided loans amounting to 50.4 billion won through the Win-Win Cooperation Operating Fund Loan Program to 52 small and medium partner companies struggling from capital shortage due to the unfavorable business climate. We also put together a 23.1 billion won Win-Win Cooperation Fund and provided financial support to 22 partner companies for facilities expansion and repair as well as development and investment activities. Additionally, we provided 195 primary, secondary and tertiary partner companies with loans amounting to 98.1 billion won through the Win-Win Loan Guarantee Program that aims to stabilize our partners' business operations. Through the Green Facilities Bridge Loan Program, we provide our partner companies with loans for expenditures related to raw materials and outsourcing in facilities construction. We also provide support for the Die Tool Investment Loan Program. We plan to continually expand and improve the financial support network for win-win cooperation with our partner companies.

※ Refer to p. 78 for information on our support programs, status of payments, subsidies for bulk purchases and educational programs for our partner companies.

Efforts to build transparent and fair relationships

In 2008, Kia Motors, along with the rest of the Hyundai-Kia Automotive Group, signed the Fair Trade Agreement with some 2,400 partner companies. We have worked to alleviate the burden of rising raw material prices by adjusting the per-unit cost. Our efforts were recognized in December 2009 when we received



the highest rating in the Korea Fair Trade Commission's Win-Win Cooperation and Fair Trade Agreement Assessment. In order to encourage ethical practices and awareness among relevant departments and individual employees, Kia Motors has established the Procurement Headquarters' Code of Ethics and runs a program to resolve grievances filed by our partner companies and their employees. To ensure the efficiency and transparency of the raw material procurement process, Kia Motors has placed the entire process online through the Value Advanced Automotive Trade Zone (VAATZ) system. All our domestic and overseas partner companies must use this open e-bidding system. The bids are assessed on a 5-star rating system that evaluates price, quality, supply and technology capabilities of the bidding companies. The VAATZ system contributes to Kia Motors' efforts to building open and fair relationships with our partners. Moreover, our partners are encouraged to observe a set level of work environment standards as the system assesses the level of environmental management (goals and implementation), protection of employees' human rights (work environment and worksite safety) and ethical management (the upper management's ethical integrity and sense of duty).

Refer to Cyber Audit Office website (http://audit.kia.co.kr/) regarding the Procurement Headquarters' Code of Ethics and Kia Motors' ethical management. Refer to the VAATZ website (www.vaatz.com/supplier) for more information on our handling of partner company grievances. Refer to pp. 78-79 for information on our voluntary compliance with fair trade rules and principles and our anti-corruption efforts.

Cooperation to minimize environmental impact

Kia Motors concluded the Agreement on the Supply of Eco-Friendly Automotive Parts with our parts suppliers to minimize the environmental impact of the processing and manufacturing of raw and subsidiary materials that go into our vehicles. The agreement encompasses not only international environmental regulations but also the Hyundai-Kia Automotive Group's rigorous environmental standards, and requires our partner companies to fulfill their social responsibility by protecting the human rights of their employees and practicing ethical management. Kia Motors regularly monitors the level of the agreement's implementation at our partner companies. As for our partners that do not have the resources to respond to environmental regulations and eco-friendly trends in the industry, we provide support for the establishment of environmental management systems. Through the Supply Chain Eco Management (SCEM) project launched in 2003, Kia Motors provides support in the following four areas: building environmental management systems, managing harmful chemicals, improving manufacturing processes and strengthening energy management. We have also been operating the Supply Chain Eco Partnership program since 2006 with our primary partners to help our secondary and tertiary partners establish frameworks for environmental management. Since 2008, we have been expanding our support for the establishment of carbon management systems at our partner companies. In the first phase, we assisted our partners in creating greenhouse gas inventories for energy and greenhouse gas management. In the second phase (September 2009 to September 2010), we are measuring the carbon footprint of our partners and providing support for the establishment of comprehensive greenhouse management systems. Through IMDS* and e-CMS, an internal chemical management system, Kia Motors shares information related to controlled chemicals with our partner companies. We regularly organize environmental education programs for our partners in order to share with them information concerning environmental regulations and industrial trends. We also undertake random inspections of our partners' production facilities and notify our partners if controlled chemicals are detected in quantities that exceed regulatory standards. We are also planning to introduce environmental management systems to our overseas worksites. Ⓜ

Hyundai-Kia Automotive Group's environmental standards specify environmental requirements and relevant regulations pertaining to parts manufacturing. Refer to the VAATZ website (http://hkmc.vaatz.com/vusr/portal/common/echo.jsp) for the full text of the Hyundai-Kia Automotive Group Environmental Standards and the Agreement on the Supply of Eco-Friendly Automotive Parts.

* IMDS (International Material Data System): International Material Data System

Global Citizenship

Among the 230 countries in the world, Kia Motors' vehicles can be found on the roads of 172 countries. We now have over 40,000 employees worldwide. Everyone now calls us a global company. Accordingly, we feel that we now have even great responsibilities to fulfill. Under the slogan "Moving the World Together," we strive to carry out our social responsibilities through the following four campaigns: Easy Move (improving the mobility of persons with disabilities), Safe Move (spreading a culture of motor safety), Green Move (promoting environmental preservation and restoration) and Happy Move (volunteering).

Refer to the Hyundai-Kia Automotive Group's social outreach website (http://www.hyundai-kiamotors.com/) for more information on the vision, organizational structure, and detailed activities of our social outreach programs as well as the Community Relations White Book.

Mobile Clinic

Many people in Ethiopia, one of the world's poorest nations, do not have access to proper healthcare. Kia Motors operates the Mobile Clinic program in Ethiopia, providing free healthcare on wheels. We refurbished an 8-ton truck with medical equipment and facilities to provide maternal and child healthcare services, childcare services and AIDS prevention programs. We are helping women, infants and young children, who are especially vulnerable to the effects of inadequate healthcare. We plan to expand this program to other countries with limited medical and healthcare services.

37,426 Tons CO_2

Since 2007, Kia Motors Netherlands and Kia Motors Sweden have been working with the German non-profit organization Trees for Travel to plant jatropha trees in Mali, one of the worst-hit nations by climate change. The jatropha tree protects other plants by curbing soil erosion. The jatropha fruit can be used to make biodiesel and soap. Therefore, the program not only contributes to environmental protection but also creates an income source for the local community. Through the Trees for Travel program, a monetary value is determined for a given vehicle's annual CO_2 emissions based on the distance traveled. The accumulated fund is donated to the program. Kia Motors Netherlands planted 748,600 jatropha trees over the last three years, offsetting 37,426 tons of CO_2 emissions.

※ Kia Motors supports the Millennium Development Goals (MDGs) of the United Nations Development Programme (UNDP). The eight MDGs are listed below with corresponding icons. Each of Kia Motors' social outreach activities are marked with relevant icon(s) to indicate which MDG(s) it is helping to realize.

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 sustainability
8 Build global partnership for development

Since 2004

In November 2009, Kia Motors held a launching ceremony for the Assistance Equipment Mobile Repair Service for Persons with Disabilities and presented a social welfare organization with donations to make facilities improvement and fund the construction of an Al-Maru facility for children with disabilities. The Able Design Car, which was unveiled at the ceremony, is a converted 2.5-ton truck outfitted with equipment to repair prosthetic limbs, electric wheelchairs and mobility scooters. The Able Design Car will travel to low-income households with disabled family members of limited mobility and provide free equipment maintenance and repair services. Kia Motors is working on developing and distributing Easy Move vehicles equipped with wheelchair cranes and other amenities for the transportation-disadvantaged. We also provide ongoing support to welfare facilities.

Oct. 17th

Every three seconds, one person dies from abject poverty. Since 2005, Kia Motors has participated in the UN's White Band Day on the International Day for the Eradication of Poverty (October 17), which is observed by some 120 countries around the world. We also organize fundraising activities at Korean and overseas worksites to sponsor children in poor nations, and are contributing to the eradication of abject poverty through the Happy Move Global Youth Volunteer Group's poverty experiential program and street fundraising campaign.

Kids Auto Park

The Kids Auto Park, an experiential motor safety learning center for children aged six to ten, opened its doors on April 30, 2009. It features a simulation center, a motor safety license testing center, an auto experiential course and other educational and related facilities.

The Kids Auto Park has an annual visitor capacity of some 12,000 persons. It can accommodate up to 40 students at a time. It issues the Kids Motor Safety License to children who complete the motor safety course and pass the license test. For the test, children drive specially designed motorcars and have to stop in front of crosswalks and at the appearance of bicycles, wild animals and pedestrians. At the practice course, children get to drive miniature versions of the Soul designed almost to scale. Children also get to learn about the importance of safety belts in a remodeled Pride (Rio). By putting the children in the diver' seat, the Kids Auto Park takes a proactive and dynamic approach to children's motor safety education and traffic accident prevention. We plan to set up similar programs in China, Russia and other overseas locations.

Practicing humanistic capitalism through Smile Microcredit Foundation

Microcredit is a small, low-interest loan extended to the poor. Kia Motors is contributing to the practice of humanistic capitalism. In 2009, the Hyundai-Kia Automotive Group launched the Smile Microcredit Foundation with a funding of 20 billion won. The Hyundai-Kia Automotive Group will provide a total of 200 billion won over the next ten years (20 billion won per year) to provide loans of up to 50 million won (per person) at a low 4.5% annual interest rate to low-income individuals with poor credit ratings who are not eligible for loans from institutional lenders. The foundation also offers business startup consulting, job information and professional training to provide comprehensive and systematic support to low-income individuals.

In December 2009, Smile Microcredit Foundation's first branch opened its doors in Jegi-dong, Seoul. We will open branches in Gwangju and Ulsan in early 2010 and plan to eventually set up 200-300 branches nationwide in order to promote balanced regional growth and narrow regional income and development gaps.

Delivering coal briquettes of love

Many volunteer activities are carried out during the year-end holiday season. Kia Motors also organizes diverse activities to help our less fortunate neighbors. Among them, perhaps the most arduous yet most rewarding is the Delivering Coal Briquettes of Love program. With employee donations, we buy rice and coal briquettes to deliver to low-income households near our worksites. In 2009, the Hyundai-Kia Automotive Group organized the Delivering Coal Briquettes of Love program through which we delivered 1 million coal briquettes to low-income families near our worksites during the end-of- year employee volunteer week. The Funkia college student volunteer group and members of the Soul Owners' Club carried out a separate Delivering Coal Briquettes of Love program in Yeoncheon, Gyeonggi-do. University student Lee Yu-ri who took part in this program said, "I hope our less fortunate neighbors can feel some warmth this winter with the coal briquettes we delivered," and added, "I am happy I could take part in the program as a member of Funkia Volunteers, which represents Kia Motors' customers in their twenties."

Volunteering with the family

Kia Motors aims to create a better society by putting sharing into action and helping those around us who are less privileged. To this end, we have organized 65 volunteer groups at Korean worksites that take part in monthly community service activities. At the end of the year and during holidays, they carry out additional social outreach activities. In 2009, we introduced a program to revitalize traditional open-air markets and help parentless families and senior citizens who live alone. We provided traditional market gift certificates to underprivileged senior citizens without families and households headed by young breadwinners. We plan to gradually expand this program. The Family Volunteers, established in 2007, undertakes diverse volunteer activities, including the One Family, One Cultural Property campaign. The voluntary participation rate is rising as our employees and their families find the volunteer activities rewarding and beneficial to their children's education. In 2009, we also launched the One Branch, One Volunteer Activity campaign at our sales headquarters in Korea. The campaign, which aims to engender a corporate culture of giving and sharing, is run separately from existing social outreach programs. The participation rate is still low given that the campaign is in its early stages. We hope that it will gain momentum and become an important part of Kia Motors' social outreach efforts.

Kia Village:
Building the Kia Village

In May 21, 2008, a very powerful earthquake struck Sichuan, China. It was a disaster of catastrophic proportions. Many lost their lives, and many more lost their homes.

Kia Motors did not stop at providing the region with a relief fund. We dispatched some 300 members of the Happy Move Global Youth Volunteers who visited temporary shelters and worked with Habitat for Humanity to build houses. Over the summer and winter of 2009, we completed the Kia Village, which consists of 23 houses in the villages of Yangping and Changzhen in Pengzhou, Sichuan.

Lee Sung-hun, a student volunteer, commented, "Seeing how every brick we laid and every dab of mortar we applied came together to form a house, I realized the value of hard work. I will never forget this volunteer experience, which was the greatest experience of my life."

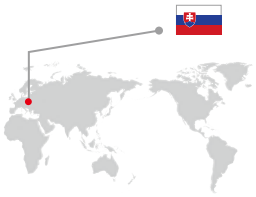
Lhotse Youth Expedition:
Aiming high

The Lhotse Expedition aims to nurture in our youth a global mindset that welcomes creative challenge and is curious about the unknown world.

Kia Motors considers support for the future generation a priority for social development and humanity's advancement. We launched the Lhotse Expedition program for teens in 2006. Participants get to see and experience the human civilization and natural environment of the Himalayas. Through volunteer work at a remote village, participants can heighten their understanding of cultural diversity and develop knowledge and skills for coexistence. The program also offers additional cultural exchange and volunteer opportunities in the Himalayas before and after the actual expedition.

In 2010, the Lhotse Expedition will change its name to Eco Dynamics Expedition. The program will strengthen environmental and ecological education and offer a wider range of hands-on volunteer activities.

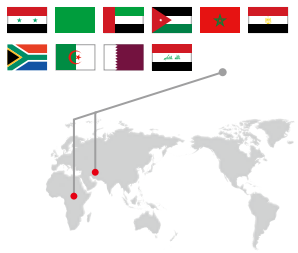
Start!
Our Žilina project



Since 2008, Kia Motors Slovakia (KMS) had been setting aside a set portion of employees' wages to create the KMS Fund. With the accumulated fund, KMS carried out various social outreach projects in 2009, one of which was Our Žilina project. Our Žilina project aims to raise the quality of life for the residents of Žilina, where KMS is located. We received project proposals from 74 non-profit organizations in the area and KMS employees selected 14 of the proposed projects. Of note, our employees did not merely provide financial support but they worked with other volunteers to provide manpower and IT and HR assistance for the selected projects.

Our Žilina project created a new local volunteer network, heightened our employees' spirit of volunteerism and resulted in hands-on participation in issues of local concern.

Kia
Charity & Care



Many in Africa and the Middle East suffer from abject poverty, without access to even the most basic necessities for survival, such as food, clothing and shelter. Kia Motors' Middle East & Africa Regional Headquarters and dealerships in 14 countries–including Syria, Libya, UAE, Jordan, Morocco, Egypt, South Africa, Saudi Arabia, Qatar and Nigeria–joined forces and founded Kia Charity & Care to actively promote social outreach activities.

In 2009, Kia Charity & Care's activities were scaled down from what had been originally planned in the wake of the global financial crisis. In 2010, however, we plan to implement a$100,000 social outreach program in each country.

Kia Charity & Care donates medical and assistance equipment to persons with disabilities, subsidizes rehabilitation treatments, provides financial assistance to nutritional programs as well as surgery and medical treatment for children, grants scholarships, and funds the construction of educational facilities and/or provides educational facilities with relevant equipment. Ⓜ