

Subject: Invitation to respond – Bestseller in our COVID-19 tracker

Please see answers on behalf of BESTSELLER A/S in the below. On our website you will also find our official statement on our supplier management in the wake of COVID-19:

<https://about.bestseller.com/news/bestseller-in-close-dialogue-with-all-suppliers-in-the-wake-of-covid-19>

Attached to this mail is also a copy of a COVID-19 specific BESTSELLER guidance to factories. The guidelines have been distributed to our suppliers.

In the 12-month period directly before the COVID-19 outbreak:

Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.

1. What are the maximum number of days from invoice date within which you pay your suppliers (e.g. 30, 60, 90, 180 days)?
Invoices are accepted once the supplier hands the goods over to the forwarder in the country of origin (shipment date). Our usual payment terms are TT 40days after this date.
2. When is payment for orders typically made (i.e. after shipping, upon receipt of goods, partial payment in advance of production, etc.)?
Payment is usually made shortly after receipt of goods.
3. In this period, have you asked suppliers for a discount after placing an order? **N**
 - a. If yes, what percentage of FOB was the discount (if varying, please list all percentages)?
4. Do your contracts have clauses for financial penalties:
 - a. For suppliers for contract non-compliance (e.g. for late delivery, wrong specs etc.)?
N
 - b. For you (the buyer) to be held financially liable (in the form of a payment premium or otherwise) for changes in orders after a PO has been raised (order volume, order specs, order deadline etc.)? **N**

In the period since the COVID-19 outbreak:

Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.

5. Have you committed to pay in full for:
 - a. All completed orders? **N**
 - b. All in-production orders? **N**
6. Have you extended your usual payment times? **Y**
In some cases, following individual agreement with each supplier.
 - a. If yes, what are current payment terms (in days, e.g. 90, 180, 230 etc.)?

We have negotiated with suppliers to extend payment terms up to 60, 90 & 120 Days – depending on the individual agreement with each supplier.

- b. Are you supporting suppliers with access to local finance with a letter of credit or through other means? Y L/C if required

7. Have you requested a discount for any orders? Y

Through individual agreements with suppliers we have requested and received a discount on some orders.

- a. If yes what, percentage of FOB (if varying, please list all percentages)?

We have asked suppliers to give a discount and through individual negotiations we agreed on variety of percentages.

8. Have you taken any other steps (outside of order payment) to ensure workers in your supply chain have been paid wages for March and April, or will be paid wages or otherwise provided for during periods of lockdown? Y

All individual negotiations with suppliers were taken to bring both business entities through this crisis, to protect jobs and secure workers' salaries. Our global Responsible Sourcing teams are tracking wage payments from March, April and will continue to track as the situation evolves.

During this time we have seen some wage payment delays of 1-2 weeks in Bangladesh due to workers not being in the factory, or lack of clarity from regional authorities on the process. We are following regional initiatives to deliver financial support to workers – for example EU funding Myanmar 'Myan Ku Fund' is being distributed through SMART TAG. We are a partner in the SMART TAG programme – during this time they have redirected their resources into setting up an EU supported fund where companies can apply for financial support for laid off and vulnerable workers.

BESTSELLER has also have endorsed the Garment Industry Call to Action, an initiative that has been developed by the ILO (International Labour Organisation), IndustriALL and other relevant global stakeholders. By endorsing the statement BESTSELLER commits to take action to protect garment workers' income, health and employment and support employers to survive during the COVID-19 crisis, and to work together to establish sustainable systems of social protection for a more just and resilient garment industry. This initiative is moving forward by identifying priority countries and securing funding.

9. Where production is ongoing, have you taken steps to ensure suppliers are implementing measures to protect garment workers from infection (i.e. social distancing, sanitising practices, providing adequate protective equipment)? Y

Our Responsible Sourcing teams have been in close contact with our global suppliers throughout this crisis and are supporting as much as possible despite being unable to visit the factories. We have supported by distributing material on safe factory opening and operations, and proving online training and updates for supplier HR and compliance teams. We have tracked the progress with our suppliers, and asked that they send us photos and updates on their progress. We also are tracking closely any cases of COVID-19 within our suppliers factories –

and are ready to support if needed. We have developed BESTSELLER guidance to factories (see attached) to support them during these times.

We see some of our suppliers switch production to produce PPE – both for local distribution and for their own employees and surrounding communities – as well as high-grade PPE equipment.

10. Are you paying shareholder dividends? N/A

11. Please add any additional comments (optional):