

First of all, Daewoo International Corporation (“Daewoo”) is and has always been strongly opposed to any forced labor and agrees that it is an issue that must be resolved as soon as possible. As one of the companies involved in the local textile business of Uzbekistan, Daewoo understands that it cannot be free from the issue of alleged forced labor in Uzbekistan and will continue to resolve this issue until it is eradicated.

Daewoo (formerly, Daewoo Corporation) has been engaged in the Uzbekistan local textile business since 1996 and is currently involved in the operation of three Uzbekistan textile companies. It owns 100% stakes in two of the textile companies (Daewoo Textile Buhkara LLC and Daewoo Textile Fergana LLC; collectively, “Daewoo Textiles”) and has a 35% stake in Global Komsco Daewoo. As you may be aware, the whole process of harvesting cotton in Uzbekistan is managed by three government-owned companies (Uzmarkazimpex, Uzprommashimpex and Uzinterimpex), which are controlled by the Ministry for Foreign Economic Relations, Investment and Trade. Accordingly, as private companies in Uzbekistan, Daewoo Textiles have been completely excluded from the harvesting process. In other words, Daewoo Textiles merely purchased raw cotton from one of the government-owned companies (Uzmarkazimpex) and sold yarn products after processing them. We hope you would understand that it is very difficult for private companies like Daewoo Textiles to have any direct influence or impact on the Uzbekistan government’s policies.

Nevertheless, Daewoo has been making its best efforts in resolving this issue by, for example, asking the Uzbekistan government to make improvements in this regard through consistent and repeated communications on issues relating to human rights including forced labor. Even on March 11, 2013, Daewoo sent a letter to the Uzbekistan government through Daewoo Textile Fergana LLC, asking for the approval of independent monitoring. Moreover, Daewoo raised serious concerns regarding this issue when Minister Mr. Ilkhom U.Khaydarov of Uzbekengilsanoat visited Daewoo’s head office on March 12, 2013. He confirmed that the Uzbekistan government is in the process of taking appropriate steps to resolve any forced labor practices through various means including stricter enforcement of the relevant laws and regulations.

Please note that Daewoo Textiles employ more than 5,000 local residents in Uzbekistan, which means that Daewoo Textiles are responsible for the livelihood of 15,000 local residents if their employees have families with an average of three family members. Indeed, Daewoo Textiles have been using revenues from their textile business in making local reinvestments and undertaking their corporate social responsibility activities such as provision of childcare support and scholarship for

Uzbekistan residents. As such, Daewoo Textiles are proud for having made significant contributions in creating jobs, enhancing human rights and reducing forced labor in Uzbekistan. In this regard, Daewoo Textiles wish to continue to make their contributions to the growth of the Uzbekistan economy as well as the development of the Uzbekistan regional community. Notably, the Uzbekistan government shares our concerns regarding the forced labor issue and has confirmed to us its commitment to make improvements on this issue.

We would like you to note that Daewoo has done everything in its capacity to prevent forced labor and enhance environmental and human rights policies in Uzbekistan. Daewoo is fully committed to applying and operating transparent policies in connection with all of its domestic and foreign businesses.

For and on behalf of
Daewoo International Corp.

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