

As you may be aware, Cotton Campaign, the coalition of NGOs, has recently launched boycott campaign against the products with cotton produced in Uzbekistan. As part of such boycott campaign, Cotton Campaign pressed Nike to stop doing business with Busan Factory in that Daewoo has local companies doing a cotton textile business in Uzbekistan. It is certain, however, that Nike produces the shoes by using the material supplied by Busan Factory, made of synthetic fibers which are absolutely not related to cotton, and Busan Factory's business has entirely nothing to do with cotton produced in Uzbekistan.

We have been using our best efforts to watch and correct the practices of forced labor in Uzbekistan and have made a lot of efforts to communicate and cooperate with Cotton Campaign in various ways to solve forced labor issue. For example, we have been asking for elimination of the forced labor to Uzbek government continuously. Especially, we have brought up the issue seriously when Minister Mr. Ilkhom U.Khaydarov of Uzbekengilsanoat visited our head office on March 12, 2013. He confirmed that Uzbek government has been taking appropriate measures to gradually correct such bad practices through various ways such as enforcement of laws and regulations to prohibit forced labor.

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.