

Dear Sir or Madam,

Bindlach, Germany, 22nd January 2024

we are writing to you in response to your e-mail inquiry sent to NKD Group dated 16th January 2024. In this correspondence, you brought an alleged case of labour and human rights abuses of garment workers in the supply chain of Myanmar to our attention. We regret having to read about these alleged abuses and are deeply concerned about the conditions described in the mentioned factory Bohua Fashion.

Our initial investigations did not provide any positive results of a business connection to Bohua Fashion. Despite the images shown in the news report posted on Myanmar Labour News only reflecting a photo of an NKD care label and a brand label, they helped us to link it to one of our orders and to the business partner, to whom this order was placed. As we must ensure supply chain transparency, we also have information in our files, where this order was supposed to be produced. The production place however, which this order was assigned to, is not Bohua Fashion. The next step of our investigation included an inquiry to our business partner, to ensure that we are not dealing with a case of illegal sub-contracting. Upon confronting our business partner with the alleged labour and human rights abuses and moreover the information, that production supposedly took place at the factory Bohua Fashion - which is not known to, nor approved by us - we received supporting evidence from our business partner, which indicates, that no part of the production was illegally outsourced to Bohua Fashion and that the production of this order in question, was solely produced in an approved factory which had undergone an internal audit before allowing production for NKD. Taking the information received from our business partner into consideration, as well as the supporting evidence we received, we conclude, that Bohua Fashion is neither known to us nor to our business partner.

On a side note, we wish to mention, that NKD Group has clear and strict CSR statutes and regulations in place which apply equally to all our business partners. The acceptance and adherence of these CSR statutes and regulations is a contractual part of any business relation in which we enter and are a pre-requisite of becoming a business partner of NKD. It is standard procedure, that no production for NKD may take place at any factory, which has not undergone a thorough audit beforehand. Only approved factories are allowed to carry out production for NKD. Furthermore, we strictly sanction any business partner, in case our CSR statutes and regulations are violated in any way and especially in terms of illegal sub-contracting.

We furthermore wish to stress, that we would appreciate feedback, in case further evidence should be available to the reporter, who published the news articles on Myanmar Labour News, which would support a confirmed link to the factory Bohua Fashion. In case further evidence could be presented to us, which undoubtedly confirms a connection of our company to this factory of any kind, we are definitively ready to observe responsibility and would commit to follow-up accordingly. As no business connection can be confirmed at this stage however, we hope for your understanding, that currently we are unable to take this investigation further.

Yours sincerely,

NKD Group