

Code of Conduct for Business Partners Melon Fashion Group

Latest version 1 June 2020

1. General

The Code of Conduct for Business Partners (hereinafter, the Code) is mandatory for all the suppliers, their subcontractors and other Partners doing business with the JSC Melon Fashion Group (hereinafter, MFG) such as provision of services, manufacturing, rent, distribution, mediation, etc. (hereinafter referred to as Business Partners).

The Code defines minimum principles which must be followed by all Business Partners.

It is the responsibility of MFG's Business Partners to inform their subcontractors about the Code and to ensure that it is implemented at every factory and entity that produces finishes, packs or otherwise handles goods, or provides services for MFG.

Business Partners should take appropriate steps to ensure that the provisions of this Code are communicated to workers and employees.

Business Partners should authorize MFG or any third party appointed by MFG to control due observation of the Code. For this purpose, they shall provide appropriate access to production facilities and documentation required for the said control. MFG will terminate business relations with those Business Partners who have violated the Code and failed to undertake sustainable improvements.

We base our requirements on internationally recognized standards, such as the Universal Declaration of Human Rights, The UN Convention on the Rights of the Child and applicable ILO Conventions, as well as on national legislation.

We are proud to work on the long-term basis with our Business Partners who share our business spirit and our key values.

2. Code Main Principles

<p>✓ YES TO JUST AND FAVORABLE PAYMENTS</p>	<p>Employees and workers are paid at least the minimum wage required by the country law, or the wage negotiated in collective agreement, whichever is higher. In any case, wages and salaries should always be enough to meet at least the basic needs of workers, employees and their families. The wages and any other allowances or benefits are paid on time.</p>
<p>✓ YES TO REASONABLE WORKING HOURS</p>	<p>Employees do not work in excess of 60 hours per week, or the regular and overtime hours allowed by the laws of the manufacturing country, whichever is less. Employees shall be provided with at least one day off after six consecutive days of work, as well as public and annual holidays.</p>
<p>✓ YES TO SAFE AND HEALTHY WORKPLACE</p>	<p>The Business Partner provides a safe, hygienic and healthy workplace setting and takes necessary steps to prevent accidents and potential injury.</p>
<p>✓ YES TO TRACEABILITY OF PRODUCTION</p>	<p>In case MFG nominates a factory, its orders are to be produced only at nominated factories, which are audited or visited by MFG representatives and indicated in buying orders. In this respect, those Business Partners who outsource any kind of work and services should get prior written consent of MFG.</p>
<p>✓ YES TO PROTECTION OF THE ENVIRONMENT</p>	<p>Business Partners shall comply with all applicable environmental laws and regulations.</p>
<p>✓ YES TO CONFIDENTIALITY OF INFORMATION</p>	<p>Business Partners shall preserve the integrity and confidentiality of any information they may receive as a consequence of their business relations with MFG.</p> <p>No MFG samples (designed and produced at MFG order) are allowed for sales or distribution to third parties.</p>

2. Code Main Principles (continued)

<p>× NO FORCED LABOUR</p>	<p>Business Partners shall not use any form of forced or involuntary labor, including prison labor, bonded labor or other forms of forced labor. Their workers and employees shall not be required to lodge “deposits”, or their identity papers with their employer and shall be free to terminate their employment after a reasonable notice.</p>
<p>× NO CHILD LABOUR</p>	<p>The minimum age of business partner’s employees is 16 or country legal working age, whichever is higher. Persons with the ages between of 16 and 18 years old shall not work during night hours.</p>
<p>× NO DISCRIMINATION</p>	<p>Business partners’ employees are not subject to any kind of discrimination in regards to the employment process, including hiring, compensation, promotion or termination of the labor agreement, or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, pregnancy, marital status, nationality, political opinion, trade union affiliation, social or ethnical origin or any other status protected by the national law.</p>
<p>× NO COERCION AND HARASSMENT</p>	<p>Business Partners shall treat employees with dignity and respect, and must not use corporal punishment, threats of violence, or other forms of physical, sexual, psychological or verbal harassment or abuse.</p>
<p>× NO RETALIATION FOR ASSOCIATIONS</p>	<p>To the extent permitted by the laws of a country, Business Partners shall respect the right of their employees and workers to freedom of association and collective bargaining. This includes the right to join trade unions. No disciplinary or discriminatory actions shall be accepted on the part of an employer against their employees and workers who choose to join peacefully and lawfully their professional association</p>

3. Reporting Non-observance of the Code

If a Business Partner, its employees, its contractors, or any other party believe that the terms of this Code are not observed, they are encouraged to report such concerns to the MFG's management, or via a designated whistleblowing channel at

<https://www.melonfashion.ru/cooperation/direct-line/>.