

Manual of Ethics and Conduct Norms

IMPETUS



GROUP

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1. Introduction

Since 1973, **Impetus** has been broadening its horizons and conquering more business partners, boosted by innovative and excellent customer service and products, with a clear focus on its social and environmental responsibility.

Experience has shown that relationships, whether personal or professional, work better when they're based on a set of previously established behaviour standards, ethical and normative values. In this Manual, which is born as one more tool to reach the proposed goals, **Impetus** intends to identify and clarify the principles, moral, ethical values and conduct norms by which all employees, suppliers and subcontractors must guide their decisions, behaviours and attitudes in reciprocal relationships that are established with other entities on behalf of **Impetus**.

2. Nature and scope of application

The present Manual institutes the principles and conduct norms to be observed by all **Impetus's** employees, regardless of the nature of the respective bonds and hierarchical position they occupy, in the performance of their functions and relationships that, on behalf of **Impetus**, are established with other entities.

This Manual is also applied to suppliers and subcontractors with whom **Impetus** establishes business relationships in accordance with the law and within the established limits.

3. Obligation to comply

Impetus's employees must act in accordance with this manual of ethics and code of conduct.

The noncompliance with the manual of ethics and code of conduct by **Impetus's** employees will be punished according to the established disciplinary criteria, with adequate enforcement, without prejudice to civil and criminal liabilities that may arise from such breaches.

Impetus's suppliers and subcontractors must act in accordance with the Norms present in this manual of ethics and code of conduct.

The noncompliance by **Impetus's** suppliers and subcontractors, of the Norms present in this manual of ethics and code of conduct, may implicate penalties, according to the established criteria, without prejudice to civil and criminal liabilities that may arise from such breaches.

4. IMPETUS

Impetus Portugal Têxteis, S.A., founded in 1973, is part of a Portuguese industrial group, being a national and international reference in the development, production and commercialisation of textile products.

The technological level, the logistical and organisational ability and the know-how acquired in over four (4) decades of activity, place the company at the forefront of European men's sports and intimate fashion.

4.1 Mission

Impetus Portugal Têxteis, S.A. mission is the design, development, production and distribution of solutions of clothing in intimate and sports fashion, in the global market, creating value for

shareholders, for employees, for customers, for suppliers and for community in general, guaranteeing the best offer of Products and Services.

4.2 Vision

Impetus Portugal Têxteis, S.A. vision encloses an entire integrated organisational system which allows it's differentiation and flexibility, increased productivity and improvement of product quality, taking a strategic, differentiating, innovative and sustainable positioning in national and international markets, emphasising the relationship with employees, customers and respect for the environment, social and economic commitment.

4.3 Values

Impetus guides it's performance by the following corporate values:

- **Creativity and Innovation;**
- **Team Spirit;**
- **Excellence at Work;**
- **Strength and Determination;**
- **Passion for the Customer;**
- **Process Performance;**
- **Product Quality;**
- **Social and Environmental Responsibility.**

5. Responsibility

5.1 Respect for the Law

All employees shall rigorously comply with the law currently in force while performing their activity, according to the spirit and goals of the norms. In that sense, they will fully respect the commitments and obligations taken by **Impetus** in their contractual relationships with third parties, as well as traditions and good manners of the countries in which they perform their activity.

The recipients must respect and fulfill both internal, judicial or administrative decisions, final and executive, that are applied, committing to collaborate and supply the required information when required by qualified authorities.

In the event of contradiction between the Manual of Ethics and Code of Conduct and current legislation, the strictest prevails, always and when not contrary to the current law.

6. Employees

6.1 Interpersonal Relationship

All employees must promote mutual respect, as well as cordial and professional treatment, in their relationships with their coworkers, hierarchical superiors, customers, suppliers and subcontractors, always searching to maintain a good working environment and promote team spirit. Their attitude must always be responsible and cooperative, and respectful towards valuing diversity, not allowing any form of discrimination.

6.2 Conflict of Interests

The performance of any external professional activity that may cause conflict with **Impetus's** interests or the inadequate fulfilment of their function in the company is not allowed.

Professional independence forces all employees to always act with objective integrity and therefore exclude arbitrary conducts in the performance of their functions. Actions must be governed by professional criteria, avoiding personal considerations.

6.3 Promotion of sustainability

All employees must contribute to the promotion of sustainable development, supporting economical progress, environment preservation and social development.

Sustainability implies that **Impetus** treats all interest groups in a socially responsible form.

6.4 Commitment to human and employees rights

It is an obligation of all employees to promote human and employee rights and to inform any abuse to human rights during **Impetus's** operations or those of its business partners.

Impetus demonstrates its commitment and compliance with human and collaborator rights fixed by national and international legislation, particularly in the Universal Declaration of Human Rights of the United Nations and the International Labour Organisation, such commitment being complemented with the voluntary adherence to the certification process in the Social Responsibility Norm (SA8000).

6.5 Diversity, equality and respect

Impetus promotes gender diversity, as well as personal and professional development of all employees, guaranteeing equal opportunities through its performance policies.

Within the scope of performed professional activities all and any discriminatory practices must be abolished, in matters of gender, ethnicity, nationality, religion, creed, age, disability, sexual orientation or any other condition that is legally protected.

6.6 Professional loyalty and cooperation

It is an obligation of all employees to dedicate to **Impetus** their whole professional capacity and personal effort required to perform their functions and participate in further responsibilities the company assigns to them.

Employees must not abuse the trust given by **Impetus**, nor use their working hours to benefit themselves, their family or third parties.

Impetus's employees must act with efficiency, courtesy and correction in their relationships with other employees and third parties, facilitating, without prejudice to the duty of professional secrecy to which they are bound, the required information.

Employees must keep informed the coworkers involved in the same subjects of any progress performed, as well as making their contribution available to the same subjects.

In that sense, they must provide all the information and documentation they hold at that moment that is necessary to be able to develop their functions properly.

Withholding or omitting information from superiors or coworkers, supplying inadequate, false or exaggerated information, the absence of cooperation with coworkers or any other obstructive conduct is considered lack of loyalty.

6.7 Third parties

No employee should demonstrate any type of favouritism or preference towards third parties (suppliers, agents, consultants, customers, amongst others) that is contrary to **Impetus's** interests.

6.8 Undue payments

In the relationships established with third parties, no payments or benefits can be offered, promised or received by or to third parties (suppliers, agents, consultants, customers, amongst others) directly or indirectly, to obtain or maintain contracts, as well as to gain any other inappropriate advantage in the development of businesses.

6.9 Training and Development

All employees must, in their activity and taking into consideration the interests of the company, search, in a permanent form, the improvement and updating of their knowledge and technical skills and take advantage of the training courses promoted by the company, aiming to maintain, develop and improve their professional capacities and provide excellent customer service.

All employees must participate diligently in all professional training courses that are made available to them by the employer.

6.10 Image

All employees must look after and preserve the company's image while on official representation or when displaying some sort of external identification (such as individual identification tags in events, uniforms and vehicles with logo).

6.11 Substance abuse

It is strictly prohibited to consume, possess, distribute and supply drugs in the company's facilities, as well as to consume alcohol during working hours, also being prohibited the entry or permanence, in **Impetus's** premises, of employees who present themselves with higher than legal levels of alcohol (0,49gr/l blood) or under the influence of drugs.

7. Combat and Prevention of Harassment at work

7.1 Prohibition of discrimination

The absence of discrimination constitutes the basis for maintaining fair, sincere and free of prejudice relationships.

Impetus supports diversity and tolerance aiming to reach the best possible productivity in an environment represented by efficiency.

Any behaviour that aims to disturb or embarrass a person, affect their dignity, create an intimidating, hostile, degrading, humiliating or destabilising environment, is absolutely prohibited.

7.2 Characterisation of prohibited behaviours

Moral harassment can take the form of verbal offenses, humiliating treatment or threats.

Sexual harassment is defined as an unwanted assault of sexual nature, request for sexual favours, exposure of inappropriate material or any other inappropriate conduct, verbal or physical, of sexual nature, in the work environment.

Harassment, in any of its forms, will not be tolerated.

7.3 Prohibited behaviours – Measures to adopt

Employees must report facts or simple suspicions of any irregularity regarding the compliance with the present code of conduct in order to the company be able to guide and correct deviations. Usually, the hierarchical superior will be in the best position to help in this matter, reason for which he/she must, whenever possible, be sought in first place. Alternatively, this report must be carried out directly with the Human Resources Department.

7.4 Protection of informer and witnesses

The informer and witnesses cannot be disciplinarily sanctioned, unless they act in bad faith, based on statements or facts contained in the case file, judicial or administrative, initiated by harassment until final decision, unappealable, without prejudice to the exercise of the right to adversary proceedings.

8. Social Responsibility Norm (SA 8000)

Impetus internally applies and demands from its network of suppliers and subcontractors full compliance with the Social Responsibility Norm (SA 8000), thus performing, cyclically, internal and external audits.

As such, all the described points related to the Social Responsibility Norm (SA 8000), are fully complied with by **Impetus** and also mandatory for its suppliers and subcontractors.

8.1 Child Labour

Impetus does not use child labour, not accepting any employee under the age of 18 to work for the company, not exposing, this way, young employees to dangerous situations. **Impetus** guarantees the implementation of this measure with hiring techniques that verify the age of the employee to be hired.

8.2 Forced or Compulsory Labour

Impetus does not use nor admit the existence of forced or compulsory labour, whether through physical obligation, psychological imposition by the way of threats or other kinds of punishment or other methods related to slave labour, prison labour or human trafficking.

8.3 Health and Safety

Impetus guarantees and ensures full compliance with health, safety, hygiene, environment and well-being norms in the workplace:

- i. Guaranteeing a safe and healthy work environment, taking the appropriate measures in order to prevent work accidents;
- ii. Nominating a representative to be responsible for the health and safety of all employees;
- iii. Providing regular health, safety, hygiene, and wellbeing in the workplace training to all employees;

- iv. Providing, for all employees to use, clean and adequate toilets, drinking water and areas for food storage;
- v. Guaranteeing that the production facilities fully comply with the ruling laws and norms, in order to protect all employees against all professional risks and existing hazards;
- vi. Guaranteeing the risk assessment of all workplaces, in order to reduce or eliminate the risks associated to the health and safety of it's employees;
- vii. Guaranteeing the risk assessment of all workplaces occupied by pregnant, lactating or postpartum employees, in order to reduce or eliminate the risks associated to their health and safety.

It is mandatory for everyone to contribute to safeguarding the safety and health of each **Impetus's** employee.

Employees who hold responsibilities in areas subject to safety related laws, are required to properly know, transmit and apply those laws. Likewise, any recipient has the obligation to immediately inform of dangerous or potentially dangerous situations to the health or safety of employees, so that proper corrective measures can be taken.

Impetus has a series of safety and health norms, of mandatory compliance for all it's employees.

8.4 Freedom of Association and Right to Collective Bargaining

Impetus's employees have the right to associate or form labour unions, associations, representations, according to their will and free choice, just as they have the right to Collective Bargaining. Workers' Representatives must not be discriminated, having the possibility and accessibility conditions necessary to perform their workers' representative functions at the company.

8.5 Discrimination

Impetus disapproves and prohibits any form or practice of discrimination and harassment, whether it is related to ethnicity, gender, age, physical disability, religious belief, political opinion or affiliation, sexual orientation, social class or other personal characteristic, also condemning any behaviour through gestures, language or physical contact that is sexually coercive, threatening or abusive.

8.6 Disciplinary Practices

Impetus does not resort nor tolerate or allow the practice of physical punishment, mental or physical coercion or verbal insult to employees.

8.7 Work Schedule

Impetus ensures working conditions that respect the legally established working hours, not forcing the employees to regularly work more than 40 hours per week, applying the rest periods due in full compliance with the labour legislation in force.

Impetus punctually resorts to the use of additional work (more than 40 hours per week) in exceptional and short-term situations, to cope with eventual and transient increases in work.

8.8 Payment

Impetus provides its employees for the work done, a salary that is equal to or greater than the legal minimum and the minimum set for the sector, this being sufficient to meet the basic needs of the employee.

Impetus processes all salaries and other cash benefits in full compliance with the applicable legislation.

Impetus does not use any employment contract or false learning programme in order to avoid fulfilling its obligations towards its employees, under the terms of the legislation and norms in force, in terms of work and social security.

8.9 Management System

Impetus set up a Committee with the responsibility to periodically analyse or have someone analyse the adequacy and purpose and efficiency of the procedures and company performance, in light of the Social Responsibility Norm (SA 8000)'s demands.

This Committee is responsible for:

- Developing and communicating the assumed Social Responsibility Policy;
- Ensure the compliance of norms and processes assumed by the company in terms of its Social Responsibility Policy;
- Carry out internal and external audits to verify the full compliance with the assumed Social Responsibility Policy;
- Perform periodic assessments in order to identify and prioritise areas of actual or potential non-compliance;
- Report the found non-compliance to Top Management (Administration).
- Promote the continuous improvement of the Social Responsibility Management System.

This Committee ensures that all demands are understood and put into practice at all levels of the organisation. The methods will include, particularly:

- A clear definition of roles and responsibilities;
- Training of those responsible for implementing the obligations;
- A process for monitoring activities and results, in order to demonstrate the efficiency of the systems used to meet the company's policy and demands of Norm SA8000.

The Committee provides all the necessary documents to perform assessments and controls.

The demands of the Social Responsibility Norm (SA 8000), are incorporated in contractual documents produced between **Impetus** and its Subcontractors.

Under company policy and the demands of the Social Responsibility Norm (SA 8000), **Impetus** will take corrective measures, when any non-compliance is identified.

The appliance of corrective and preventive action by suppliers and subcontractors will be analysed by **Impetus**.

In case the supplier or subcontractor does not meet **Impetus's** demands expressed in the present document and related to the Social Responsibility Norm (SA 8000), **Impetus** reserves the right to cease all and any contractual relationship.

9. Customers

9.1 Quality and customer service

The quality of service provided to the customer must be a commitment of all Impetus's employees, in order to allow a clear contribution to their satisfaction.

9.2 Gifts, invitations or benefit's

Gifts, invitations or benefits should not be accepted or offered in exchange for any business, service, confidential information, or with the intention of influencing a decision.

Any gift received, of disproportionate value (with a value greater than 25 €), must be drawn among the whole team, in a draw to be held at the end of each year.

To this end, any and all gifts, invitations or benefits whose value exceeds the defined limits must be delivered to the Human Resources department. ”

9.3 Competition

The obtainment of information from third parties, including information about the competition, will be performed exclusively in a legal form.

10. Impetus's tools

Impetus makes available to it's employees the necessary resources to perform their professional activity.

All employees commit to make good use of material and nonmaterial means made available to them.

10.1 Use of company assets

Both material resources and intellectual property rights and company information, must be treated with utmost respect and care, avoiding loss, theft or other damages.

All employees are obliged to protect **Impetus's** reputation and image, being the use of name and corporate image for the development of unauthorised activities and operations expressly prohibited.

All employees must use the resources provided by **Impetus** for the performance of their functions in a rational and efficient manner, aiming to optimise their use and reduce the costs of using equipment, materials, services, phones, vehicles and other assets.

10.2 Confidential Information

It is a strict obligation of all **Impetus's** employees to comply with professional secrecy, the data protection law and other laws and regulations regarding **Impetus's** data and information confidentiality.

It is prohibited, outside of **Impetus's** professional scope, to use or disclose any Confidential Information known through the relationships with **Impetus**.

Absolute professional secrecy regarding data, reports, accounts, balances, salaries, objectives and other **Impetus's** information must be maintained and, especially, all the information of strategic character and that is not public domain. Such data cannot be provided to third parties, unless expressly authorised by the Administration.

The confidentiality duties established in the present disposition will remain, even when the relationship between employee and **Impetus** is finished and for as long as it's confidentiality character subsists.

10.3 Information Systems and E-mail

Impetus's information systems, including e-mail, must generally be used solely for professional matters.

All employees are responsible for complying with the policies that rule the use of information systems, using them ethically and never to send, receive or share subjects susceptible of damaging the image or interests of **Impetus**, it's customers and third parties, or which can affect the company, service or performance of the employee.

All employees must use computer resources related to the internet, and e-mail, responsibly, obeying the established safety procedures and access restrictions.

11. Final Dispositions

Impetus's employees must be aware of the existence and content of the present "Manual of Ethics and Conduct Norms" and it's compliance must be an obligation for all.

The violations of the norms set in this manual may constitute disciplinary infraction, without prejudice to civil or criminal liability that may incur.

Control and Evaluation of Suppliers or Subcontractors (SA 8000)

The Supplier or Subcontractor commit's to fully comply with the obligations arising from the Demands of the Social Responsibility Norm (SA 8000) and present in Impetus Manual of Ethics and Code of Conduct.

All of Impetus's business partners, namely suppliers and subcontractors have the responsibility to inform their employees about the content of the obligations arising from the Demands of the Social Responsibility Norm (SA 8000) of Impetus Manual of Ethics and Code of Conduct and ensure their compliance.

In addition, they commit to act in good faith, allowing Impetus to monitor the compliance with the Demands of the Social Responsibility Norm (SA 8000) and present in this code of Ethics and Conduct.

For this purpose, the supplier or subcontractor commit's to, particularly, allow free access to their workplaces, offices and production unit's to IMPETUS's members and it's auditors or external auditors sent by IMPETUS.

IMPETUS commit's to monitor the set of aspects that are known to the subcontracted, not exhaustively mentioned in this document, namely:

8.1 Child labour**8.2 Forced or compulsory labour****8.3 Health and Safety****8.4 Freedom of Association and
Right to Collective Bargaining****8.5 Discrimination****8.6 Disciplinary practices****8.7 Work schedule****8.8 Pay**

Date and Place

Name of Company

Function

Signature

Please sign and forward this page (12) to IMPETUS. Thank you