

Impulse - CSR Code of Conduct

Introduction

Impulse commits itself to provide to its Customers Safe, Quality Products manufactured in Clean & Hygienic environment and in accordance with all applicable legislations of the State / Country of manufacture regarding industry minimum standards, ILO and UN Conventions and any other relevant statutory requirements, whichever affords greater protection.

In order to comply with the above commitment, **Impulse** intends to work only with those reputed suppliers & manufacturers (will be called Supplier's, from now on in this code), who manufacture their goods lawfully, through fair & honest dealing, without exploitation of the people who made them, in safe & clean working conditions & with due regards to the environment. Suppliers are required to appoint a Senior Management Representative, who would be responsible for implementation & maintenance of this Code.

This Code presently applies only to the Suppliers directly working for **Impulse**. However, in the longer term, **Impulse** intends to extend the Code to the Subcontractors of these Suppliers as well. This will be done in consultation with Suppliers and to start with, **Impulse** expects its Suppliers to disclose complete & full details of the processes being subcontracted. Suppliers should conduct audits on their Subcontractors and for the ones who pass Supplier audit, the Suppliers should get Subcontractors audited and approved by **Impulse** prior to issuing any production for **Impulse** at their facilities. Subcontractor Compliance SOP will be the applicable Code for Subcontractor compliance. All Suppliers are required to maintain evidence of sharing the Code with their Subcontractors & also that the Subcontractors are being regularly audited for evaluation of their compliance and progress on implementation of the Code

Compliance with the requirements of the Code will be monitored through announced or unannounced audits by the staff of **Impulse** and / or their representative, as required, and the results will be notified to the Suppliers. In the event of failure to achieve the standards, Supplier will be given the opportunity to achieve them within a reasonable time as agreed with **Impulse**. Whilst **Impulse** will strive to ensure that all corrective actions are resolved through a successful partnership with Suppliers, if at the end of that agreed time, standards are still not achieved, depending on the severity of the

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failure, *Impulse* reserves the right to terminate its relationship with the concerned Supplier.

General Requirements

• Prohibition of Child Labour

- There shall be no new recruitment of child labour. A Child labour is defined as a person working under the age of 14 or as stipulated by the labour law of the state from time to time
- In case of any Child Labour found to be performing work in the Supplier's premises, the latter shall develop or participate in and contribute to policies and programs which provide for the transition of such child found to enable her or him to attend and remain in quality education until no longer a child
- Employers shall verify the age of new employees hired by them & copies of such documents shall be available with the Supplier's for verification. Medical / Dental certification will be required in the absence of other documents.
- Employment of young workers (those between 14 & 18 years) shall be in accordance with the law of the land
- Young workers (those between 14 & 18 years) shall not be employed at night or in hazardous conditions.

• Prohibition of Forced Labour

- There is no forced, bonded or involuntary prison labour
- Workers are not required to lodge "deposits" or their Original identity papers or any other documents with their employer and are free to leave their employer after reasonable notice or as contracted.
- Loans paid to Employees by the Employers shall be as per clear written agreement, with clear repayment term, that shall be realistic & duly agreed by the Employee.

• Prohibition of Discrimination

- There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste,

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national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation

- **Wages & Benefits**

- Wages & Benefits paid to employees shall be as per the law of the land / laws applicable in the particular State of India or the country where the factory is located & revised from time to time as per law of the land
- These should be paid at least on monthly basis or as required by law
- Illegal, unauthorized or disciplinary deductions from wages shall not be made
- Only lawfully permitted deductions from salary or otherwise agreed by the employees in writing are acceptable
- The Supplier's shall also ensure that the wages and benefits are rendered in full compliance with all applicable laws and that remuneration is provided in a manner convenient to workers
- Supplier's shall provide to its employees written and understandable information about their employment conditions in respect to wages before they are hired
- The Supplier shall also provide to it's employees letter of appointment to include, as minimum - name of the Supplier, employee name, initial wages, job title, probation period, if any, signed by both Supplier as well as employee & copy retained by both. Such letter of appointment shall be consistent with the legislation
- The Supplier shall also provide to it's employees documentation giving details of working hours, work days, rest days, notice period, entitlement to leave and other benefits
- Written statement of salary should be provided to the employees along with the salary to include, as a minimum, hours / days worked, pay rate, gross pay, overtime pay, deductions, net pay etc
- If work stoppage is required by the Employer, the employees shall be paid at least their minimum wage or as specified by the legislation

- **Working Hours**

- Working hours shall comply with national / local state laws & where ever deviations are made, these shall be adequately approved by the

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relevant labour department

- The working hours shall not exceed 48 hours per week, with maximum allowed overtime of 12 hours per week & the employees shall be provided with at least one day off after every 6 days of work.
 - Overtime shall be voluntary, shall not be demanded on a regular basis and shall always be compensated at a premium rate, as per the law
 - The work schedules shall be documented & communicated to the employees
 - Every employee shall be entitled to paid leaves, as per law during which he / she would receive the reasonable payment, as prescribed per law
- **Freedom of Association and the Right to Collective Bargaining**
 - Workers shall have the right to bargain collectively with the Supplier's management on issues of their interests or the Supplier shall provide parallel means for independent and free association and collective bargaining. This shall be consistent with the applicable legislation
 - The employer shall facilitate, and not hinder, the development of means for independent and free association and bargaining
 - Worker's representatives shall not be discriminated against
- **Disciplinary Practices**
 - No harsh or inhumane treatment is allowed. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment, use of corporal punishment, mental or physical coercion and verbal abuse or other forms of intimidation are prohibited either from management, colleagues or from the members of public
 - A fair disciplinary procedure should be established and followed in all cases of employee misconduct or unsatisfactory work performance. These shall be communicated to the employees & all such measures taken are duly recorded
- **Occupational Health & Safety**

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- A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- Systems to detect, avoid or respond to potential threats to health and safety of all personnel shall be established
- It must be the aim of all Suppliers to continue to work towards reducing accidents and maintaining the welfare and safety of their employees
- Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers. The Suppliers should introduce training in the safe and proper use of equipment and machinery and raise awareness of potential risks
- Toilets must be clean, odour free & provided as per the legislation
- Potable water must be provided to all
- Where ever required, sanitary facilities for food storage / preparation shall be provided
- Where canteens are provided, cooks shall be trained in food preparation hygiene. They shall be required to undergo a fitness check at suitable frequency. If utensils are re used, they shall be clean and sterilized. Facilities shall be provided for eating meals and adequate rest.
- Smoking, drinking of alcohol or consumption of other restricted substances should be prohibited inside the factory or restricted to specially specified areas only
- Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- The company should assign responsibility for health and safety to a senior management representative
- Suppliers must provide and maintain a safe and healthy work place and working environment. The work place must be safe, clean and of sound structure. It must be well ventilated and lit. Proper working temperature must be maintained
- Evacuation plan, including procedures and layout should be posted in prominent areas. These should depend on the type of emergency

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such as fire, chemical spillage, natural disaster and electricity failure

- Emergency drills should be conducted at least once in 6 months both in workplace and dormitories. The procedure should be documented and communicated to all employees

- Fire exits shall be marked, well maintained, free from any obstacle and can be easily opened
- Walkways should be at least one meter wide and free from obstruction and tripping hazards
- Stairs should have handrails
- There should be at least two exits on each floor
- Fire extinguishers, emergency lighting, fire alarms & fire protection equipment should be provided as per the defined requirement / as specified by legislation. These should be easily accessible and free from any obstruction. These should be regularly inspected for any damage & maintained by qualified personnel
- Suitable and adequate first aid / medical facilities should be provided by the Supplier in the workplace to all its employees free of cost. This should include, as a minimum, first aid supplies, trained first aid personnel etc. Supplier should regularly arrange for the health check up of all its employees who are exposed to any health risk viz. those working in high noise area, those who are susceptible to respiratory diseases etc. Records of any accident (major as well as minor) should be maintained and duly analyzed, corrective action taken to prevent its recurrence
- Reporting procedures in case of any accident should be documented and communicated to all
- Use of hazardous chemicals / substances should be minimized as much as possible. Where, use of hazardous substances is inevitable, adequate steps should be taken for its safe use. These steps would include, as a minimum, safe storage, handling as per MSDS, provision of personal protective equipments (PPEs), eye washing facilities, as required. The area where such hazardous chemicals are stored should be well ventilated. Personnel handling these chemicals should be adequately trained in its handling
- Equipment / machinery used by the Supplier should be suitable, well

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maintained & adequately monitored to prevent any chances of accidents

- Only trained staff should be allowed to perform any electrical work. All electrical installations should be suitable for use & maintained at a defined frequency. All necessary precautions should be taken while handling / working with electrical installations in the facility

 - No employee should be required to lift, carry, push or pull any load, which could harm them. Where possible, manual handling of loads should be replaced by mechanical handling
 - A job related hazard assessment should be conducted by the Supplier & adequate steps should be taken for the safety of employees. These steps should include, as a minimum, provision of PPEs, training to employees pertaining to these hazards & its prevention, signage posting, health check up, where required, work place environment monitoring etc.
 - Residential accommodations, where provided should be well maintained with respect to dormitories, bathrooms, toilets, canteens, child care facilities etc to a required standard or where ever required as per law
- **Regular Employment is Provided**
 - To every extent possible work performed must be on the basis of recognized employment relationship established through national law and practice
 - Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment
 - No employee shall be required to pay fee to the employer for employment
 - If hiring agents are used, Supplier shall ensure that the terms

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signed between these hiring agents and employees are in compliance with local legislation.

- Suppliers shall ensure, where reasonably practicable, that all employees enjoy security and stability of employment and regularity of income

• **Environment**

The Suppliers should pay adequate attention in safe guarding the Environment, both inside as well as outside their facilities. This should include, as a minimum, Waste disposal, Air emissions, Industrial waste water discharge, Asbestos, Chemical storage etc. Where ever, applicable, attention should be given to the local legislations

• **Reference**

The Code of Conduct has been drawn up with reference to the following -

- Factories Act 1948
- ETI base Code
- BSCI Code of Conduct

• **Annexure to this Code of Conduct**

- Declaration by the factory regarding Compliance with Impulse CSR Code of Conduct
- Subcontractor Compliance SOP dated 29/05/07 & updated on 11/10/07, 01/11/07 & 08/11/07

Definitions

Factory / Supplier means someone who is engaged in a manufacturing process, including cutting, sewing, assembling and packaging, which results in a finished product for the Customer. The terms of contract / Order are between Customer and Factory / Supplier on a Principal to Principal basis.

Sub Contractor means someone who is doing part or parts of the main processes for the Factory / Supplier viz. Piece / Panel Printing / Dyeing / Washing, Embroidery, Bead Work, Sequins etc. This would only cover the processes which fall between the initial & final processes (which are done inside the factory). The "work / job

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order" is issued by Factory / Supplier to the Sub Contractor including all obligations specified by Customer for the contract / Order.

Material / Trim Supplier The manufacturer, factory, distributor, contractor, market retail or wholesale shop or agent supplying on SALE basis, different raw materials to the Factory / Supplier for use on final product or to be converted into final product viz. Yarn, Fabric (Grey, Processed, Dyed, Printed, Yarn Dyed etc), Packaging materials, Accessories/Trims such as buttons, zips, badges, sequences, embroidery threads etc. These items are purchased by Factory / Supplier on the basis of a "Sales Invoice" and subject to meeting specified quality standards. These materials could be from Customer nominated sources or factory own sources.

Impulse is NOT monitoring the Social Compliance of any supplier of such materials / trims as above and except for the large yarn & textile manufacturers, dyeing and printing mills, or some nominated sources of labels, zips and buttons, there is no visibility of where and in what conditions most of the raw material, trims etc are actually manufactured.