



# IWAY Standard

Minimum Requirements for Environment and Social & Working Conditions when Purchasing Products, Materials and Services.

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## IWAY Standard

### Introduction

#### Guiding principles

At IKEA we recognise that our business has an impact on social and environmental issues, in particular people's working conditions, as well as the environment, both locally and globally.

We also strongly believe that we can do good business while being a good business. This is a pre-condition to our future growth, a growth that will be achieved along with suppliers that share the same vision and ambition.

Our guiding principals when working with these issues are:

- What is in the best interest of the child?
- What is in the best interest of the worker?
- What is in the best interest of the environment?

Through these principles we continue to follow our sustainability direction; "the IKEA business shall have an overall positive impact on people and the environment".

#### The fundamentals

The IKEA Way on Purchasing Products, Materials and Services (IWAY) is the IKEA supplier Code of Conduct. It comprises the IKEA minimum requirements relating to the Environment and Social & Working Conditions (including Child Labour).

IWAY is based on the eight core conventions defined in the Fundamental Principles of Rights at Work, ILO declaration June 1998, the Rio Declaration on Sustainable Development 1992, The UN Johannesburg Summit on Sustainable Development and the Ten Principles of the UN Global Compact 2000.

IKEA recognises the fundamental principles of Human Rights, as defined by the "Universal Declaration of Human Rights" (United Nations 1948) and adheres to UN decisions regarding trade boycotts and embargoes.

#### Legal compliance and IKEA requirements

The IKEA supplier shall always comply with the most demanding requirements whether they are relevant applicable laws or IKEA IWAY specific requirements.

Should the IKEA requirement be in violation with national laws or regulation, the law shall always be complied with and prevail. In such cases, the supplier shall immediately inform IKEA.

#### Confidentiality

IWAY and all of its activities are dependent upon co-operation, mutual trust and respect between the supplier and IKEA. All observations, discussions and written information received from the supplier are to be treated confidentially by IKEA, its employees and any third party organisations appointed by IKEA.

#### Business ethics

The values of trust, integrity and honesty are at the foundation of IWAY and are keys to its sustainable implementation. It is on this basis that we begin the relationships and through continued respect of these values that it will grow.

It is important that all IKEA co-workers and external business partners understand the IKEA position on corruption and its prevention. This has been established in the IKEA Corruption Prevention Policy and The IKEA Rules on Prevention of Corruption and communicated in the IKEA Way of Doing Business and the vendor letter which shall be signed by all business partners.

#### Definitions

The term "IKEA Supplier" in this document refers to any company, corporation or individual supplying and/or delivering products, components, materials or services to the IKEA Group of companies. This definition is applicable to all IWAY related documents.

The term "Worker" in this document includes own hired workers as well as on-site temporary workers, piece rate workers, contracted workers, trainees and workers on trial or probation.



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## **IWAY Standard - General Section**

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## 1. Start-up requirements (IWAY Must)

The requirements in this chapter, Chapter 1, must be complied with before signing a business contract. Additional start-up requirements may also be included in specific IWAY sections regarding Forestry etc.

### 1.1 Prevention of child labour

IKEA does not accept child labour. All measures to prevent child labour shall be implemented taking into account the best interests of the child.

IKEA suppliers shall not make use of child labour and take the appropriate measures to ensure that no child labour occurs at their own place of production or operations or at their sub-contractors' place(s) of production or operations.

The IKEA supplier shall abide by the United Nations Convention on the Rights of the Child (1989), and comply with all relevant national and international laws, regulations and provisions applicable in their country of production or operations.

The IKEA supplier shall obtain documentation to legally prove the date of birth for all their workers. A Labour force register carrying all such records shall be maintained by the IKEA supplier.

All IKEA suppliers are obliged to keep IKEA informed at all times about all places of production or operations, including their sub-contractors where production or operations for IKEA takes place.

#### Clarifications:

- Child labour is defined as work performed by children, which interferes with a child's right to healthy growth and development and denies him or her the right to quality education.
- According to ILO Minimum Age Convention no. 138 (1973), a child is defined as any person less than fifteen years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If the local minimum working age is set at fourteen years of age in accordance with exceptions for developing countries, the lower age will apply.

### 1.2 Forced and bonded labour

The IKEA supplier shall not make use of forced, prison, bonded or involuntary labour.

#### Clarifications:

- Forced labour is understood as all work or service that a person is compelled to carry out under any threat of punishment or confiscation of any personal belongings, such as ID card, passport etc., and for which work the person has not offered him/herself voluntarily.
- Bonded labour is understood as labour not only physically bonded, but also bonded by financial debts, loans or deposits.
- The IKEA supplier shall not:
  - Use any prison workers.
  - Use any military personnel employed as part of their active service.
  - Require any deposits.
  - Withhold wages, ID cards, passports, or other personal belongings.
  - Delay payments of workers' salary more than one month on a regular basis.
- The IKEA supplier shall allow its workers to freely leave the factory premises when their work shifts end.
- If employment contracts are terminated according to agreed notice time, the IKEA supplier shall not make any salary deductions for workers who leave.
- If guest workers or temporary labour are employed on a contractual basis, such workers shall never be required to remain employed against their own will for any period beyond the agreed time of the contract. The IKEA supplier shall pay all commissions and other fees to the recruitment agency in connection with their employment.
- IKEA supplier's loans to workers shall not exceed the amount of three month's salary.



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## **1.3 Severe Environmental pollution**

The IKEA supplier shall prevent severe environmental pollution.

### Clarifications:

Severe Environmental Pollution is to be understood as pollution that is likely to spread widely from the site and where the effects will be very difficult or expensive to correct.

### Examples:

- There is a direct discharge of untreated wastewater from production processes. Example: surface treatment, tanning, dyeing and printing processes etc.
- The emissions from industrial on-site boiler or kiln are not within the legal standard or a legally required emissions permit does not exist.

## **1.4 Severe safety hazards**

The IKEA supplier shall prevent workers from exposure to severe safety hazards. .

### Clarifications:

- Severe workers safety hazards are to be understood as safety hazards that are likely to pose an immediate risk to the workers' life or permanent injury.

### Examples:

- Fire fighting equipment is to a critical extent unavailable, ineffective or malfunctioning.
- There is only one emergency exit for workplaces larger than 250 m<sup>2</sup> or where highly flammable or explosive materials are used.
- There is a dormitory located in buildings where flammable, explosive or highly toxic materials are used or stored.
- In dormitories with more than one floor there is only one available emergency exit (legal exceptions excluded).
- Appropriate safety guards are not in place for dangerous processes such as: sawing, pressing, metal surface treatment and conveyor systems etc.

## **1.5 Records on working hours and wages.**

The IKEA supplier shall maintain a transparent and reliable system for records on working hour and wages.

### Clarifications:

- It shall be easy to follow all steps in the calculation of the workers wages and working hours.
- The records shall include all workers and reflect the reality of the operations.

## **1.6 Workers' accident insurances.**

The IKEA supplier shall provide accident insurance covering medical treatment for work related accidents to all workers.

### Clarifications:

- The insurance shall, as a minimum, cover the costs for medical treatment connected to work related accidents. Should stricter legal demands or local agreements (e.g. with the Workers Union) exist, these demands apply.

## **2.**

## **General Conditions**

### **2.1 IWAY Compliance Commitment**

The IKEA supplier shall acknowledge and accept the IWAY requirements by signing the IWAY Compliance Commitment document.



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## 2.2 IWAY Responsibility

The IKEA supplier shall appoint one or several persons who shall have defined responsibilities and the authority to ensure compliance with requirements relating to the environmental, social and working condition requirements as specified in this document.

The responsible person(s) shall have the necessary competence and knowledge about issues related to his/her area of responsibility and type of business.

### Clarifications:

- The names, responsibilities and positions shall be identifiable. A job description is not required.
- These responsibilities may be included in existing Health, Safety, Environmental and Human Resource positions.

## 2.3 IWAY communication to sub-suppliers

The IKEA supplier shall communicate the IWAY requirements to its suppliers, involved in production or operations for IKEA. The IKEA supplier shall ensure that its suppliers have signed a document where they acknowledge and accept the requirements.

### Clarifications:

- Requirements do not need to be communicated to partners that e.g. provide electricity, fuel, office material or other services that are not connected to production or that provide production equipment e.g. machinery or tools.

## 2.4 IWAY communication to workers

The IKEA supplier shall communicate the IWAY requirements to all its workers.

### Clarifications:

- The complete IKEA requirements shall be made available in a place where all workers have access e.g. on notice boards, in a file or on an internal web-site in a language understood by the workers.
- In addition to the above, a simplified version of the IWAY requirements may also be communicated through posters or during introductory training.

## 2.5 Internal IWAY audits

The IKEA supplier shall at least once every 12 months perform an internal IWAY audit. The results from the audits and any corrective actions shall be documented, and on request provided to IKEA.

### Clarifications:

- The internal IWAY audits can be included in other internal review processes providing that the intentions of all IWAY requirements are covered.
- If, during the course of an IKEA conducted IWAY audit, several deviations that obviously existed at the time of the internal audit are identified, the supplier internal audit procedure shall be improved.

## 2.6 Update of laws and regulations

The IKEA supplier shall have a routine in place that ensures they are continuously updated with applicable laws and regulations relating to the requirements included in IWAY.

### Clarifications:

- The routine can be explained through examples etc. with references to sources of update information and recent changes that have occurred. Example: The IKEA supplier can demonstrate an internet based service that is used.

# 3. Environment

## 3.1 Environmental classification, reporting and inspections

The IKEA supplier shall ensure compliance with applicable laws and regulations relating to environmental protection including environmental classification, reporting, and inspections by authorities. The required corrective actions from such inspections shall be documented and completed within the set time frame.



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## Clarifications:

If the IKEA supplier is legally required to be inspected, but no inspection has been carried out, the IKEA supplier shall as a minimum send the relevant authority a written request to be inspected.

### **3.2 Outdoor Air pollution**

The IKEA supplier shall ensure compliance with applicable laws and regulations relating to emissions to the air and, if required, obtain the necessary permits and test reports.

## Clarifications:

- A permit stating that the IKEA supplier is complying with laws and regulations relating to emissions to the air is not necessarily enough. Should other indications of excess emissions such as a strong smell or dark smoke etc. be found during an audit, verifying tests might be required.

### **3.3 Outdoor Noise pollution**

The IKEA supplier shall ensure compliance with applicable laws and regulations relating to noise pollution and, if required, obtain the necessary permits and test reports.

## Clarifications:

- A permit stating that the IKEA supplier is in compliance with laws and regulations relating to noise pollution is not necessarily enough. Should high noise levels be found during an audit, verifying tests might be required.

### **3.4 Ground and Water pollution**

The IKEA supplier shall ensure compliance with applicable laws and regulations relating to discharges to ground and water and, if required, obtain the necessary permits and test reports.

Effluent treatment plants (ETPs) shall be properly operated and maintained and be appropriate for the type of effluents generated from the operations. Staff operating the ETP must have the appropriate competence.

## Clarifications:

- A permit stating that the IKEA supplier is in compliance with laws and regulations relating to water discharge is not necessarily enough. Should the waste water not appear properly treated, verifying tests might be required.

### **3.5 Ground contamination**

The IKEA supplier shall ensure compliance with applicable laws and regulations regarding ground contamination. The IKEA supplier shall investigate and assess the possible risks of ground contamination, due to previous or ongoing activities on the site.

## Clarifications:

- Ground contamination does not always require extensive cleanup. This shall be decided in dialogue with the relevant authorities and IKEA.

### **3.6 Energy Reduction**

The IKEA supplier shall measure and record energy consumption for all buildings and processes. Targets for reductions shall be set annually.

### **3.7 Reduction of Other Environmental Impacts**

The IKEA supplier shall have practical plans in place to reduce the environmental impact from the production and operations.

## Clarifications:

- The plans shall be in writing and include measurable goals and time frames.
- The plans shall reflect the current environmental impacts from the production and operations.
- Environmental impacts could include: use of raw materials, water usage, waste, use of chemicals etc.



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## 4. Chemicals

### Definition

By chemicals we mean chemical substances and products including but not limited to: lubricant oil, diesel, glue, lacquer, solvents, paints, dyes, hardeners, stains, waxes, acids, salts, additives, gases etc.

These requirements apply to all chemicals in buildings where IKEA products are produced and areas where chemicals used in the production, operation or maintenance of IKEA products are stored..

### 4.1 Legal compliance

The IKEA supplier shall ensure compliance with applicable laws and classification regulations relating to purchasing, storage, handling, use and transportation of chemicals. The requirements stipulated in 4.1 - 4.6 are applicable for all chemicals used in production, operations and maintenance.

The IKEA supplier shall have a valid permit for chemicals that are legally restricted or controlled. The IKEA supplier shall demonstrate compliance with those permits.

### 4.2 List of chemicals with valid MSDS's

The IKEA supplier shall establish and maintain an updated list of all chemicals, including the name of the chemical product, the purpose/area of use and a reference to an MSDS used in production, operations and maintenance.

#### Clarifications:

- In offices where only common cleaning chemicals and office materials are used a list is not required
- An MSDS shall always be obtained from the supplier/manufacturer of all chemical products. Exceptions:
  1. For pure chemical substances (i.e. which have a CAS number) MSDS from public sources, e.g. the internet, can be used
  2. For some other chemical products with minor and well-known risks we can accept that an MSDS is not provided, or that an MSDS for an equivalent mixture is used. The following categories are included in this exception: Gasoline, Diesel, Grease and Lubricant oils with only non-hazardous additives and white glue not used in the IKEA article.
- The exception regarding MSDS is not valid for any chemicals which remain in the final IKEA product.

### 4.3 Procedure for chemicals

The IKEA supplier shall have documented procedures for the purchasing, storage, handling and use of chemicals.

#### Clarifications:

- In offices where only common cleaning chemicals and office materials are used a documented procedure is not required.
- For certain types of operations with a limited use of low risk chemicals, clear safety instructions to the workers can replace the requirement of a documented procedure (e.g. sewing machine oil, lubricants, diesel oil, grease, white glue).

### 4.4 Competence and training

The IKEA supplier shall ensure that workers that purchase, store, handle and use chemicals have the right competence and are adequately trained before starting work. Records of the training shall be kept by the IKEA supplier including names of participants, dates of the training and an overview of the training content.

#### Clarifications:

- MSDS safety information shall be used when developing training material and include the hazards of the chemical, danger symbols, how it shall be handled (stored, mixed, applied etc), protective and first aid measures.
- Introductory training shall include relevant information on chemicals to be used during daily work. The training shall be given before the start of work.
- For certain types of operations with a limited use of low risk chemicals clear safety instructions to the workers can replace the requirement on training/records (e.g. sewing machine oil, lubricants, diesel oil, grease, white glue).



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## 4.5 Storage, handling and transportation of chemicals

The IKEA supplier shall store, handle and transport chemicals in a way that prevents emissions to air, ground and water, prevent risks of ignition/explosion and ensure workers health and safety.

Applicable information regarding the risks and safe handling of chemical compounds and substances shall be displayed at storage areas and in operations areas where the chemical is used.

### Clarifications:

- The information can be either the MSDS itself or specific instructions for safe handling and use (taken from the MSDS). The information shall be in a language understood by the workers.
- Containment of liquid chemicals shall be able to hold the volume of the largest barrel/tank.
- Indoor and outdoor chemical storage facilities shall have a floor with a hard surface.
- Chemical containers shall be protected from sunlight, rain and snow. Unopened chemical containers and tanks can be stored outdoor without rain protection as long as this does not lead to corrosion of the containers.
- Storage tanks equal to or larger than 1.5 m<sup>3</sup>, as well as all underground storage tanks, shall be inspected for corrosion and other damage either according to a legally defined inspection procedure involving certified inspection bodies, or at least once every five years. For above-ground storage tanks an internal and external inspection shall be made. For underground tanks a pressure test shall be made.

## 4.6 Labelling of chemicals

The IKEA supplier shall ensure all containers of chemicals, including temporary containers, are properly labelled with appropriate danger symbols and chemical names to ensure that the contents are known and the potential risk minimised.

### Clarifications:

- Examples of symbols to be used are including but not limited to: Flammable, Explosive, Oxidizing, Irritating, Corrosive, Harmful, Toxic and Dangerous for the environment.

# 5. Hazardous and Non-Hazardous Waste

## 5.1 Legal compliance

The IKEA supplier shall ensure compliance with applicable laws & regulations relating to handling, storage, transportation, recycling and disposing of hazardous and non-hazardous waste, and if required obtain the necessary permits and demonstrate compliance with those permits.

## 5.2 List of waste

The IKEA supplier shall establish and maintain a list of hazardous and non-hazardous waste in order to monitor the type and quantity that is generated. The list shall clearly show which type of waste is hazardous and which is not, and be continuously updated.

### Clarifications:

- The quantity specified in the list may be estimated as long as it can be clearly described how the estimation has been done.
- When classifying hazardous waste refer to local legislation and the IKEA Hazardous Waste Guidelines.
- In offices where only common cleaning chemicals and office materials are used a list is not required.
- Empty barrels, containers etc. with residue that is dry and not containing heavy metals or similar hazardous substances may be considered as non hazardous waste if in accordance with MSDS and local legislation.

## 5.3 Procedure for waste

The IKEA supplier shall establish a procedure for the handling, storing, transportation and disposal of hazardous waste that prevents harmful emissions to air, ground and water, prevent risks of ignition/explosion and ensure workers health and safety.



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## 5.4 Competence and training

The IKEA supplier shall ensure that workers handling hazardous waste have the right competence and are adequately trained. Records of training shall be kept by the IKEA supplier.

### Clarifications:

- If only non-hazardous waste is generated, or the only hazardous waste is light tubes, batteries, printing cartridges etc. in annually small quantities, the training can be replaced by a simple instruction.
- The training shall include:
  - Risks involved in the handling of hazardous waste.
  - Handling instructions for hazardous waste, including emergency provisions in case of an accident.
  - Relevant MSDS information.
  - Information about danger symbols.
- The records shall include a description of the content and the date of the training and the names of the participants.

## 5.5 Storage, handling and transportation of waste

The IKEA supplier shall store, handle and transport waste in a way that prevents contamination to air, ground and water, ensure workers health and safety and facilitates recycling when possible.

### Clarifications:

- Different categories of hazardous waste shall not be mixed.
- Hazardous waste and non-hazardous waste shall be kept separate.
- Areas for sorting and/or storage of waste shall be marked and barrels/containers properly labelled.
- Safety information from MSDS shall be used when developing handling instructions for hazardous waste originating from chemical products.
- The site shall give a good impression, hazardous and non-hazardous waste of any kind shall not be stored in disorder.

## 5.6 Licensed contractors

The IKEA supplier shall ensure that their contractors for transport, storage and final disposal of hazardous waste are licensed according to applicable legislation.

### Clarifications:

- The IKEA supplier shall have copies of its waste contractors' licences.
- If appropriate licensed contractors, transport companies or end disposal companies do not exist, the IKEA supplier shall ensure that the hazardous waste is kept in storage until appropriate final disposal can be assured.
- Should the transport company and the end-disposal company not be the same, licenses from both are required.
- Empty barrels, containers etc. that are returned to the supplier for refill are not considered waste, therefore no licence is needed unless legally required.

## 5.7 Incineration / landfill on site

Hazardous waste shall not be land-filled or incinerated on-site.

If non-hazardous waste is land filled or incinerated on-site all relevant legal requirements shall be fulfilled.

# 6. Fire Prevention

## 6.1 Fire classification, reporting and inspections.

The IKEA supplier shall ensure compliance with applicable laws and regulations relating to fire protection including fire classification, reporting, and inspections by the fire authorities. The required corrective actions from such inspections shall be documented and completed within the set timeframe.

### Clarifications:

- If there is a legal requirement to be inspected, but no inspection has been carried out, the IKEA supplier shall as a minimum send the relevant authority a written request to be inspected.



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## 6.2 Fires

The IKEA supplier shall document any fires and serious incidents that can cause a fire, including corrective and preventive actions. If required by law, a report shall be sent to the authorities.

## 6.3 Competence and training

The IKEA supplier shall have an adequate number of workers trained to use the fire fighting equipment in each work area, covering all shifts. Records of the training shall be kept by the IKEA supplier including names of participants, dates of the training and an overview of the training content.

All workers shall be made aware of basic safety issues before starting work through introductory training.

### Clarifications:

- Introductory training shall at a minimum include the proper procedure for evacuation, location and activation of the emergency alarm.

## 6.4 Fire fighting equipment

The IKEA supplier shall have the appropriate fire fighting equipment. Placement and maximum distance between fire extinguishers shall comply with applicable laws and regulations and/or specific approvals from the fire authorities.

The fire fighting equipment shall be easily accessible and identifiable, also from a distance. It shall be maintained, kept unlocked and inspected at least every 12 months.

### Clarifications:

- The IKEA supplier shall have an internal review process to check that fire fighting equipment is functioning with documented maintenance records and/or stickers/tags placed on the equipment.

## 6.5 Escape routes and emergency exits.

Emergency exits and routes shall ensure a fast and safe evacuation of all workers. The IKEA supplier shall, as a minimum, have two independent emergency exits per working area and ensure all emergency exits and access routes are free from obstruction.

All emergency exits and routes shall be marked with luminescent or illuminated signs and shall be visible from the main aisles.

### Clarifications:

- Emergency exits shall open outwards unless exceptions are specifically stated under local legislation..
- Sliding doors shall be easily opened in an emergency or shall be equipped with an encased, built-in exit door.
- It can be acceptable to have an emergency exit locked, if the key is easily accessible, is next to the exit and in a clearly marked container.
- It can be acceptable for rooms to have only one exit if the number of workers, the size of the room, the level of risk and the arrangement of the workplace allows all workers to evacuate quickly and safely during an emergency.

## 6.6 Evacuation alarm

The IKEA supplier shall have an independent and functioning evacuation alarm with continuous sound to notify all workers about an emergency situation and to ensure a fast and safe evacuation of the IKEA supplier's facility(s).

The alarm shall be able to be manually activated and shall after activation evoke a continuous signal by itself. The alarm button shall be clearly marked and function also during power-outages.

### Clarifications:

- The decision for determining a proper and suitable evacuation alarm is based upon; the IKEA supplier's field of business, the size of the workplace as well as the extent and ease that the workplace can be evacuated and the risk that a fire will spread to adjoining buildings.
- In noisy environments the sound signal could be complemented by a light signal. The signal shall be possible to hear or observe in all areas at risk.



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## 6.7 Evacuation drills

The IKEA supplier shall perform evacuation drills at least once in every 12 months. These drills shall involve all shifts and departments and as many workers as possible. In case of an evacuation, the IKEA supplier shall ensure that designated persons are responsible for performing a head count to ensure all workers have evacuated the building.

Records of evacuation drills shall be maintained.

### Clarifications:

- Information about evacuation shall be covered in introductory training.
- Minimum requirements of recorded information:
  - 1) The time it took to evacuate.
  - 2) Date of drill.
  - 3) The results of the drill and any corrective actions needed.

## 7. Worker Health & Safety

### 7.1 Health & Safety classification, reporting and inspections

The IKEA supplier shall ensure compliance with applicable laws & regulations relating to health and safety issues including classification, work place risk analysis, reporting and inspections by authorities. The required corrective actions from such inspections shall be documented and completed within the set timeframe.

### Clarifications:

- If there is a legal requirement to be inspected, but no inspection has been carried out, the IKEA supplier shall as a minimum send the relevant authority a written request to be inspected.
- Should there be an exemption from authorities, this shall be in writing and if required include a plan for improvement.

### 7.2 Accidents and incidents

The IKEA supplier shall maintain records of work incidents and accidents including corrective actions. If required by law the accidents shall be reported to the authorities.

### Clarifications:

- An incident is an event in the workplace that could have caused an accident.

### 7.3 Health & safety training

Workers shall be given the necessary and adequate safety training before operating machines, equipment or carrying out potentially hazardous operations. Records of the training shall be kept by the IKEA supplier including names of participants, dates of the training and an overview of the training content.

### Clarifications:

- If there is a legal requirement on special competence or a specific training/license for a working task, the IKEA supplier shall secure that this is complied with.
- Introductory training shall include relevant information on health and safety aspects of daily work. The training shall be given before the start of work.

### 7.4 Machine safety devices

The IKEA supplier shall ensure all machines and other equipment used in production and operations are equipped with the necessary and required safety devices in order to prevent work injuries.

### Clarifications:

- Machines and other equipment marked with CE-labels or similar and that have not been tampered or modified are to be considered as fulfilling the IWAY requirement on machine safety devices

### 7.5 Safety instructions

If there is a risk for health or risk of injuries, the IKEA supplier shall ensure that safety instructions and/or warning signs are clearly and visibly posted at designated work area(s), in close proximity to machines and other equipment, and at entrances to such area(s) where such machine(s) or equipment are used.



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## Clarifications:

Risks and hazards can either be described in the form of figurative signs or described in a written instruction or procedure in a language understood by the workers.

### **7.6 Safety hazards**

The IKEA supplier shall ensure that other hazards in the workplace of an immediate nature are avoided.

## Clarifications:

- Examples of other occupational hazards of an immediate character include but not limited to:
  - Severely damaged staircases.
  - Dangerous electrical wires or ungrounded machines.
  - Holes in the floor.
  - Unsafe storage of gas or similar extremely flammable products.
  - Gas-tubes standing loose on the floor and without collars around the valve.
  - Open containers with hazardous chemicals which easily splash into the work environment.
  - Unsafe storage of goods.

### **7.7 Personal protective equipment**

The IKEA supplier shall, free of charge, provide the appropriate Personal Protective Equipment (PPE) and specific protective clothing to all workers and visitors in any harmful or potentially risky work area(s). The IKEA supplier shall ensure the PPE is available, maintained and used.

## Clarifications:

- PPE is to be as understood protective equipment for head, eyes, hands, feet, hearing, body and breathing.  
The IKEA supplier shall strive to reduce the need of PPE by reducing noise levels, improve machine safety, use safe work procedures and improve air quality.
- Areas where PPE is needed shall be clearly marked (e.g. symbol for helmet, ear protection, gloves, mask, goggles, boots etc.).

### **7.8 First aid equipment**

First aid equipment shall be adequately stocked and available to workers during all shifts. The extent of the first aid equipment shall be based upon the size of the facility, the extent of the activities performed as well as the potential risk of injury. Each floor and each building shall have at least one first-aid box placed in a designated area which is clearly marked.

## Clarifications:

- It can be acceptable to have first aid boxes locked, if the key is easily accessible to all, is next to the box and in a clearly marked container.

### **7.9 First aid trained persons**

The IKEA supplier shall have at least one first aid trained worker present during working hours covering all shifts. First aid trainers shall be certified trainers, doctors or nurses.

### **7.10 Internal air quality**

The IKEA supplier shall comply with all relevant and applicable laws, legislation and regulations relating to internal air quality (fumes, solvents, particles and appropriate ventilation).

## Clarifications:

- If there is an uncertainty regarding the internal air quality, tests might be required.

### **7.11 Temperature**

The IKEA supplier shall comply with all applicable laws and regulations relating to temperature levels in the workplace.

## Clarifications:

- In tropical or sub-tropical areas, the outside temperature is acceptable as the workplace temperature, provided there's a roof that provides shade and protection from sunlight. Fans shall be used to ease the heat.



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## 7.12 Workplace noise

The IKEA supplier shall comply with all applicable laws and regulations relating to noise levels in the workplace.

### Clarifications:

- If there is an uncertainty regarding the workplace noise levels, tests might be required.

## 7.13 Workplace light

The IKEA supplier shall comply with all applicable laws and regulations relating to lighting levels.

### Clarifications:

- If there is an uncertainty regarding the workplace light levels, tests might be required.

## 7.14 Drinking water

The IKEA supplier shall provide clean drinking water to all workers. Clean drinking water shall be provided, free of charge and within a reasonable distance of the work area(s). Water dispensers shall be appropriately maintained.

## 7.15 Hygiene

The IKEA supplier shall ensure an adequate number of washing and toilet facilities are available for both men and women, and ensure they are appropriately maintained.

### Clarifications:

- Washing and toilet facilities shall be clean and in good condition.

## 7.16 Canteens – food services

All areas where food service is provided or consumed shall meet local sanitation and hygiene regulations.

### Clarifications:

- If there is a legal requirement to be inspected, but no inspection has been carried out, the IKEA supplier shall as a minimum send the relevant authority a written request to be inspected.
- Canteen facilities shall be clean and in good condition.

## 7.17 Health and Safety Committee

The IKEA supplier shall have a Health & Safety Committee working to reduce the number of incidents and accidents and increase workers involvement in improving their working environment.

### Clarifications:

- The Health & Safety Committee shall include workers as well as management, with at least 50% participation of workers. It shall have regularly scheduled meetings at least once every quarter. The results of the meetings shall be documented and made available for all workers.
- The Health and Safety committee can be replaced by a similar process or routine that secures dialogue between workers and management on improving Health and Safety issues in the workplace.
- For companies consisting of offices only and with less than 50 workers in place, a health and safety committee is not required.

# 8. Housing Facilities

## 8.1 Requirements for housing

The IKEA supplier shall comply with relevant legal requirements for housing facilities.

The IKEA supplier shall also ensure reasonable living space, cleanliness, privacy, quietness, safety, personal hygiene and access to drinking water. The infrastructure of the buildings shall ensure the personal safety of the residents.

Requirement on Fire Safety for Housing Facilities are the same as per section 6 in this document.



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## Clarifications:

- No restrictions shall be applied which interfere with the worker's right to leave the housing facility during their free time.
- Workers, for whom accommodation is provided, shall be provided with their own individual bed/mattress or sleeping mat.
- Separate accommodations, toilets and washing facilities shall be available for men and women respectively.

## 9. Wages, Benefits and Working Hours

### 9.1 Contracts

Workers at the IKEA supplier shall be employed according to applicable laws and regulations and there shall be a contract (offer or appointment letter) written accordingly. The IKEA supplier shall, prior to employment, provide written information to the workers regarding wages and the terms of employment.

## Clarifications:

- A written contract shall contain everything specified in local legislation, and as a minimum the following: name of employer, name of worker, birth date, position, salary, working hours, overtime compensation, benefits and notice time.
- Information about working hours, overtime compensation, benefits and notice time can instead be described in a Workers Handbook or similar.

### 9.2 Payrolls and attendance records

The IKEA supplier shall maintain payroll and attendance records relating to the documented payment of wages and working hours for each worker.

## Clarifications:

- The attendance records and payrolls shall be made available during the course of an IWAY Audit.

### 9.3 Working hours and overtime

The IKEA supplier shall not require their workers to work more than sixty (60) hours per week on a regularly scheduled basis, including overtime. Working time shall not exceed the legal limit. Overtime hours shall be on a voluntary basis.

## Clarifications:

- IKEA can, under certain circumstances well defined in the local legislation and/or agreed with local trade union, accept that overtime hours may be mandatory and decided by the management of the supplier.

### 9.4 Wages

The IKEA supplier shall pay wages to its workers, including compensation for overtime, and working hours in accordance to legal requirements.

## Clarifications:

- Workers shall receive details of wages on pay-slips, including information regarding overtime hours and any legal or agreed deductions.
- Pay-slips could be replaced by other methods of informing the worker, e.g. letting the worker sign a paper containing the above stated information when receiving the payment. Records of the payment details shall be kept by the IKEA supplier for at least 3 years.
- Deductions shall never exceed 20% of the wage and shall never result in a wage paid out that is below the legal minimum wage.
- Wage advances paid out shall never exceed the amount of three months' wages.

### 9.5 Overtime compensation.

Workers shall be compensated for all overtime hours worked according to the legal requirements.



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## 9.6 Regular payments

Wages shall be paid at regular intervals and on time with respect to work performed, according to local legislation.

### Clarifications:

- The IKEA supplier shall not withhold workers' salary.
- Wages shall be paid at least monthly.

## 9.7 One day off in seven

Workers shall have at least one day off in seven.

### Clarifications:

- One day off in seven is defined as 24 consecutive hours, not one calendar day.

## 9.8 Leaves

Workers shall have time off from their job according to applicable legislation, local traditions and standards (e.g. sick/medical leave, annual/earned leave, maternity leave, national holidays etc.).

## 9.9 Breaks

The IKEA supplier shall provide its workers with appropriate time off for meals and breaks.

### Clarifications:

- At least one break per day and shift shall be 30 minutes or more, if not otherwise agreed in writing between the IKEA supplier and the workers (e.g. through an agreement with the local union or workers representatives).

## 9.10 Benefits

The IKEA supplier shall provide its workers with all legally mandated benefits to which they are entitled.

### Clarifications:

- These legally mandated benefits could be medical insurance, social insurance, pensions etc.

# 10. Prevention of Child Labour

## 10.1 Prevention of child labour

IKEA does not accept child labour. All measures to prevent child labour shall be implemented taking into account the best interests of the child.

The IKEA supplier shall not make use of child labour and take the appropriate measures to ensure that no child labour occurs at their own place of production or operations or at their sub-contractors' place(s) of production or operations.

The IKEA supplier shall abide by the United Nations Convention on the Rights of the Child (1989), and comply with all relevant national and international laws, regulations and provisions applicable in their country of production or operations.

The IKEA supplier shall obtain documentation to legally prove the date of birth for all their workers. A Labour force register carrying all such records shall be maintained by the IKEA supplier.

The IKEA supplier is obliged to keep IKEA informed at all times about all places of production or operations, including their sub-contractors where production or operations for IKEA takes place.

### Clarifications:

- Child labour is defined as work performed by children, which interferes with a child's right to healthy growth and development and denies him or her the right to quality education.



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According to ILO Minimum Age Convention no. 138 (1973), a child is defined as any person less than fifteen years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If the local minimum working age is set at fourteen years of age in accordance with exceptions for developing countries, the lower age will apply.

- If child labour is found in any place of production or operations, IKEA will require the IKEA supplier to implement immediately a corrective and preventive action plan. The action plan shall take the child's best interests into consideration, i.e. family and social situation and level of education. Care shall be taken not merely to move child labour from one supplier's workplace to another, but to enable more viable and sustainable alternatives for the children.

### 10.2 Young workers

IKEA supports the legal employment of young workers.

The IKEA supplier shall protect young persons of legal working age, until the age of 18, from any type of employment or work which by its nature or circumstances in which it is carried out, is likely to jeopardise their health, safety or morals.

The IKEA supplier shall ensure that young workers are treated according to law. This includes measures to avoid hazardous jobs and night shifts and to ensure minimum wages.

#### Clarifications:

- In accordance with the UN Convention on the Rights of the Child, 1989, IKEA believes that young workers have a right to work as long as all requirements in International Conventions and local laws are met.

## 11. Forced and Bonded Labour

### 11.1 Forced and Bonded Labour

The IKEA supplier shall not make use of forced, prison, bonded or involuntary labour.

#### Clarifications:

- Forced labour is understood as all work or service that a person is compelled to carry out under any threat of punishment or confiscation of any personal belongings, such as ID card, passport etc., and for which work the said person has not offered him/herself voluntarily.
- Bonded labour is understood as labour not only physically bonded, but also bonded by financial debts, loans or deposits.
- The IKEA supplier shall:
  - Not use any prison workers.
  - Not use any military personnel employed as part of their active service.
  - Not require any deposits.
  - Not withhold wages, ID cards, passports, or other personal belongings.
  - Not delay payments of workers' salary more than one month on a regular basis.
- The IKEA supplier shall allow its workers to freely leave the factory premises when their work shifts end.
- If employment contracts are terminated according to agreed notice time, the IKEA supplier shall not make any salary deductions for workers who leave.
- If guest workers or temporary labour are employed on a contractual basis, such workers shall never be required to remain employed against their own will, for any period beyond the agreed time of the contract. The IKEA supplier shall pay all commissions and other fees to the recruitment agency in connection with their employment.
- IKEA supplier's loans to workers shall not exceed the amount of three month's salary.



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## 12. Discrimination

### 12.1 Discrimination

The IKEA supplier shall not discriminate with regards to workers based on race, religion, beliefs, gender, marital or maternal status, age, political affiliation, national origin, disability, sexual orientation or any other basis.

#### Clarifications:

- The IKEA supplier shall, as a general principle, base decisions relating to hiring, salary, fringe benefits, promotion, termination on workers individual skills and ability to do the job.

## 13. Freedom of Association

### 13.1 Freedom of association

The IKEA supplier shall ensure that workers are not prevented from associating freely.

### 13.2 Collective bargaining

The IKEA supplier shall not prevent workers from exercising collective bargaining activities.

#### Clarifications:

- Collective bargaining is defined as negotiations between employer and worker representatives (freely and independently chosen by the workers).

## 14. Harassment, Abuse and Disciplinary Actions

### 14.1 Punishments and appeal

The IKEA supplier shall not engage in or support the use of corporal punishment, threats of violence or other forms of mental or physical coercion. The IKEA supplier shall not make use of public warning and punishment systems.

#### Clarifications:

- Reprimands for breach of duty or misconduct shall be a private matter between the employer and the worker and/or his/her representative.
- The worker at the IKEA supplier shall have the right to appeal reprimands/disciplinary actions/dismissal. These appeals shall be recorded.

### 14.2 Harassment and Abuse

The IKEA supplier shall not engage, support or allow any form of harassment or abuse in the workplace

#### Clarifications:

Harassment can be any offensive act, comment or display that humiliates, insults or causes embarrassment, or any act of intimidation or threat. This includes but is not limited to:

- Serious or repeated rude, degrading or offensive remarks.
- Displaying sexist, racist or other offensive pictures, posters.
- Threats, intimidation or retaliation.



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## International References

- R 1 The Universal Declaration of Human Rights (UN 1948)
- R 2 Convention on the Rights of the Child (UN 1989).
- R 3 Minimum Age Convention and Worst Forms of Child Labour Conventions (ILO Conventions 138 and 182).
- R 4 Fundamental Principles and Rights at Work (ILO 1998).
- R 5 Forced Labour Convention and Abolition of Forced Labour Conventions (ILO Conventions 29 and 105).
- R 6 Equal Remuneration Convention and Discrimination (Employment and Occupation) Convention (ILO Conventions 100 and 111).
- R 7 Freedom of Association and Protection of the Right to Organise, Right to Organise and Collective Bargain Convention (ILO Conventions 87 and 98).
- R 8 Occupational Safety and Health Convention (ILO Convention 155).
- R 9 The Ten Principles of the UN Global Compact Framework (UN 2000).
- R10 The Rio Declaration on Environment and Development (UN 1992).
- R11 The Johannesburg UN World Summit on Sustainable Development (UN 2002).

## IKEA References

- R12 The IKEA Way on Purchasing Home Furnishing Products.
- R13 The IKEA Way on Distributing Home Furnishing Products
- R14 The IKEA Way on Purchasing Materials and Services.
- R15 The IKEA Way on Purchasing Food.
- R16 The IKEA Way on Preventing Child Labour
- R17 Rules on Prevention of Corruption