



## The IKEA Position on Child Labour

Child labour is an unacceptable part of today's reality in certain countries. We are aware of this and also of the complexity of the problem. For many years, the IKEA Group has actively worked on the issue of child labour. Our goal is to make sure that no child labour is involved in the manufacturing of IKEA products.

As a company whose operations are international, IKEA has a responsibility to influence the conditions under which the products we sell are manufactured. We want to offer our customers well-designed, functional home furnishing products of good quality and at low prices, manufactured under acceptable working conditions by suppliers that care for the environment.

IKEA respects different cultures and values in countries where IKEA operates and sources its products, without compromising the basic requirements regarding the rights of the child. We want our activities to always be in the best interests of the child. We firmly believe that the best way IKEA can help improve the situation for a child is through active business co-operation. Our presence gives us the possibility to raise the awareness and place demands on suppliers in countries where child labour is part of today's reality.

IKEA does not accept child labour at IKEA suppliers or their sub-contractors. Children must be protected from child labour. That means from any work which interferes with a child's right to healthy growth and development or denies him/her the right to quality education.

### How IKEA works against child labour

IKEA supports the U.N. Convention on the Rights of the Child (1989), with the basic requirement of always putting the best interests of the child first. Our work is also based on the ILO (International Labour Organisation) Convention number 138 (1973) concerning minimum working ages, and the ILO Convention number 182 (1999) concerning worst forms of child labour. This is regulated in a special child labour code of conduct, "*The IKEA Way on Preventing Child Labour*". This code addresses the issue of child labour and includes the following criteria:

- The supplier must accept IKEA's insistence to take the appropriate measures to ensure that no child labour occurs at suppliers' and their sub-contractors' place of production.
- The supplier must agree to provide lists of all places of production (including their sub-contractors) and allow IKEA co-workers and representatives of an independent third party commissioned by IKEA to carry out unannounced visits at any time.



- If child labour is found in any place of production, IKEA requires the supplier to implement a corrective action plan, taking the child's best interests into consideration. 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 children (such as educational opportunities).
- If corrective action is not implemented within an agreed timeframe, or if repeated violations occur, IKEA will terminate all business with the supplier concerned.

## **Monitoring suppliers**

In most countries, IKEA has its own trading service offices with staff that speaks the local language and is familiar with the culture and working conditions. This provides a good understanding and insight into production in various markets.

IKEA co-workers visit all suppliers (approximately 1,300 as of November 2007), on a regular basis and conduct audits within the framework for the code of conduct, "*The IKEA Way on Purchasing Home Furnishing Products*". The IKEA Compliance and Monitoring Group supports the local offices in this work. In addition, external verification companies conduct a limited number of audits, to support and monitor the compliance of IKEA's own auditing.

With special emphasis on child labour, IKEA has assigned third party companies to conduct unannounced random checks at suppliers and their sub-contractors in India, Pakistan and Bangladesh. IKEA will develop the same approach to other countries according to the situation and local realities.

## **Carpet Production in India—an example**

The production of carpets in India is spread over large geographical areas and divided into many small units, sometimes right down to individual household looms in villages scattered across the countryside. This widespread production makes it very challenging for IKEA, or any other organisation in our opinion, to guarantee 100% that no child at any time is involved in the production of a product. Consequently, IKEA is hesitant to put any labels on its products that can give an illusion of guarantees.

## **What IKEA does to prevent child labour**

There are many reasons why children work. Among them are poverty, poor quality education, cultural and personal attitudes, willingness to exploit cheap, docile labour, and limited law enforcement. Children are involved in a wide range of work in the developing world, mostly, in agriculture, fishing, forestry and hunting. Worldwide, about 5% of working children are in the production of internationally traded goods.



The complexity of the child labour problem requires input and influence from many different parties. It also requires consistency in the long-term efforts to tackle the root causes and achieve broad-based and lasting development. We have experienced the importance of close co-operation with our suppliers, our global partners UNICEF and Save the Children, and with other local and international NGOs.

- IKEA has its own Children's Ombudsman with the responsibility to ensure that the corrective and preventative actions taken are in the best interests of the child, and that IKEA complies with the United Nations Convention on the Rights of the Child (1989). IKEA has an ongoing dialogue with experts, NGOs and UN organisations, both internationally and locally.
- In 2005, IKEA Social Initiative was established to fight for children's rights. This means working together with our partners UNICEF and Save the Children, where we support social projects aimed at providing a healthy and secure childhood with access to quality education for children at risk. We do this not only by targeting the children and their needs, but also by empowering women and improving their entrepreneurial skills. We see women as an important change driver for sustainable change in their communities.