



## IWAY Standard

### Introduction

#### Guiding principles

At IKEA we recognise that our business has an impact on people and the planet, 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 that will be achieved along with *Suppliers* that share our vision and ambition.

Our guiding principles when working with environmental, social and working conditions 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 support the direction described in the IKEA Group Sustainability Strategy; "People & Planet Positive".

#### 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 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 the United Nations sanction list and European Union restrictive measures list.

#### 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 contradict national laws or regulations, the law shall always be complied with and prevail. In such cases, the *Supplier* shall immediately inform IKEA.

#### Confidentiality

The successful implementation of IWAY depends on 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 IKEA's approach on anti-corruption. This has been communicated to all business partners via vendor letters, which are signed by all *Suppliers*.



## IWAY Standard - General Section

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Definitions and Glossary of terms

References



This is the General Section of the IWAY Standard. For certain parts of the IKEA Supply Chain there might also be a Specific Section, e.g. Forestry Section or Transport Section with additional or adopted requirements.

Words or expressions *in Italic* are explained / defined at the end of this document

## 1. IWAY Must requirements

### 1.1 Child labour

- *Child labour* is not used at the *Supplier*
- Proof of age documentation for all *Workers* is in place

*Child labour* is work performed by a *child* which interferes with a *child's* right to healthy growth and development and denies him/her the right to quality education.

*Child labour* is work performed by a *child* below the *minimum working age* that has not been specifically approved by IKEA as *light work* or *apprenticeship / vocational training*, as specified in the "IKEA Way on Preventing *Child Labour* and Supporting *Young workers*".

The *minimum working age* is defined by the national legislation and is the age, above which a person can be employed on a full time basis. It can be 16 years, 15 years or 14 years in certain developing countries.

### 1.2 Forced and bonded labour

There is no *forced*, *prison*, *bonded* or involuntary labour.

*Workers*:

- have the legal right to perform work at the *Supplier* premises
- have the freedom to terminate employment at any time according to the agreed notice period, without penalty or salary deductions.
- have the freedom to leave the premises when their work shifts end.
- personal documents or other belongings are not withheld.
- have not been charged, directly or indirectly, any fees or commission related to the recruitment and/or employment process. If the recruitment agent has requested any such fee, the *Worker* has been reimbursed by the *Supplier*.
- have not been requested to provide deposits and have not payments delayed, been offered wage advances or loans with the consequence of indebting the *Worker* and binding him or her to employment.

### 1.3 Business ethics

Trust and transparency related to the IKEA business are ensured at all times.

There is no case of corruption or the use of bribery related to the IKEA business.

IWAY related official documents required by law are not manipulated.

### 1.4 Severe environment pollution

There is no severe environmental pollution, which 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.

### 1.5 Severe health or safety hazards

*Workers* are prevented from exposure to severe health or safety hazards, which are to be understood as health or safety hazards that are likely to pose an immediate risk of causing death or permanent injury or illness.

### 1.6 Working hours

A transparent and reliable system for records of working hours and wages for all *Workers* is maintained by the IKEA *Supplier*.

### 1.7 Wages

The *Worker* is paid a wage equal to or exceeding the legal minimum wage.

### 1.8 Workers' accident insurance

The *Supplier* provides *accident* insurance to all *Workers*, covering medical treatment for work related *accidents* and compensation for work related *accidents* resulting in permanent disability.



## 2. General Conditions

### 2.1 Legal compliance

There are *routines* in place to ensure the applicable laws and regulations related to requirements in IWAY are implemented.

### 2.2 IWAY responsibility

An organisation and *routines* to ensure and maintain compliance with the IWAY requirements have been implemented.

### 2.3 IWAY at *sub-Suppliers*

The *IWAY requirements or equivalent*, including the "The IKEA Way on Preventing *Child Labour* and Supporting Young *Workers*", are communicated by the *Supplier* to all its 1<sup>st</sup> tier *sub-Suppliers* involved in providing products, materials or services for IKEA.

The *Supplier* has secured the right to perform IWAY audits at its *sub-Suppliers*.

### 2.4 IWAY at *critical sub-Suppliers*

In addition to 2.3 all 1<sup>st</sup> tier *sub-Suppliers* involved in providing products, materials or services for IKEA are registered by the *Supplier*.

IWAY Must compliance at 1<sup>st</sup> tier *critical sub-Suppliers* is implemented and verified by the *Supplier* according to the scope and time plan agreed with the IKEA contract partner. The results of the verification are documented and provided to IKEA upon request.

### 2.5 IWAY communication to *Workers*

The IWAY Standard, including specific sections when applicable, or equivalent information, is communicated to all *Workers* in a language understood by them.

In either case, the *Workers* are informed where the IWAY Standard is available to be read and have unlimited free access to the information.

### 2.6 Internal audits

Transparent and reliable *routines* to ensure, verify and report IWAY (or *equivalent*) compliance are implemented.

The verification is completed at least once every 12 months and records are kept for 24 months.

## 3. Business Ethics

### 3.1 Anti corruption *policy*

An anti corruption *policy* has been developed and implemented.

It includes aspects connected to the *Suppliers'* business relations with IKEA and clearly states that bribery and corruption are unacceptable.

### 3.2 Transparent and reliable documents and records

IWAY relevant documents, records, reports etc. are transparent, correct and reliable.

### 3.3 Management training

Relevant management and IKEA contact persons have been trained and are well aware of the IKEA position on business ethics.



## 4. Environment

### 4.1 Outdoor emissions to air

All applicable laws and regulations relating to emissions to air are complied with and, if required, the necessary permits and test reports are obtained.

### 4.2 Outdoor noise

All applicable laws and regulations relating to outdoor noise are complied with and, if required, the necessary permits and test reports are obtained.

### 4.3 Water discharge

Waste water is properly treated on site by the *Supplier* or discharged to an authorised external waste water treatment facility.

Effluent treatment plants (ETPs) are properly operated and maintained and are appropriate for the type and volume of effluents generated from the operations.

The staffs operating the ETP have the appropriate competence.

### 4.4 Ground contamination

Ground contamination is immediately acted upon.

Possible risks of ground contamination due to current and previous activities on the site are investigated and assessed.

Any contamination identified is reported to the relevant authority and dealt with according to directives from the authority. The *Supplier* keeps IKEA informed about the progress and outcome of the issue.

### 4.5 Environmental performance reporting

An annual environmental performance report is made available to IKEA.

The content, structure and time of reporting is defined by the relevant IKEA Organisation and includes as a minimum water and energy consumption.

### 4.6 Continuous improvements

Current environmental impacts from production and operations are evaluated by the *Supplier*.

Practical plans to reduce environmental impact are documented and reviewed periodically. The plans include measurable goals, responsibilities, concrete actions and timeframes. Corresponding results from the planned actions are documented.

### 4.7 Legal compliance

All applicable laws and regulations relating to environmental impacts and protection, but not covered by the points of this chapter above are complied with.

This includes but is not limited to environmental classification, reporting, and inspections by authorities. Required corrective actions from such inspections are documented and completed within the set timeframe.

## 5. Chemicals

### 5.1 List of *chemicals* with valid *MSDS*'s

A list of all *chemicals* with the valid Material safety Data Sheet (*MSDS*) used in the production, operations or services is established, maintained and *continuously updated*.

The list includes the name of the chemical product, the purpose/area of use and a reference to *MSDS*. The *MSDS* is in a language understood by *Workers*.



If only common cleaning *chemicals*, office materials or other common chemical products with minor and well-known risks are used, a list is not required unless required by law or regulations.

### 5.2 Routines for chemicals

Documented *routines* for the purchasing, storage, handling, use of *chemicals* and emergency response *routines* are implemented.

If only common chemical products with minor and well known risks (e.g. cleaning *chemicals*, regular office materials etc.) are used a documented *routine* is not required.

### 5.3 Competence and training

*Workers* handling *chemicals* have the right competence and, before starting work they are adequately trained in purchasing, handling, using and storing *chemicals*.

A description of the training and records are available.

### 5.4 Storage, handling and transportation of chemicals

*Chemicals* are stored, handled and transported in a way that prevents emissions to air, ground and water and risks of ignition/explosion, and that protects the health and safety of *Workers*.

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

Chemical storage facilities have a floor with a hard surface which does not absorb the chemical. If a separate containment of liquid *chemicals* is needed it is able to hold the volume of the largest barrel/tank.

All above/underground tanks containing hazardous liquids are monitored in order to prevent contamination or allow for early detection of leakages.

### 5.5 Labelling of chemicals

All chemical containers are properly labelled with appropriate and easy to understand explanations, to ensure that *Workers* are aware of the contents of the containers and the associated risks.

### 5.6 Legal compliance

Applicable laws and classification regulations relating to purchasing, storage, handling, use and transportation of *chemicals*, but not covered by the points of this chapter above are complied with.

## 6. Waste

### 6.1 List of waste

A list of *hazardous* and non-hazardous waste is established and maintained in order to monitor the type and quantity that is generated.

The list clearly shows which type of waste is *hazardous* and is *continuously updated*.

If only common chemical products with minor and well known risks (e.g. cleaning *chemicals*, regular office materials etc.) are used a list is not required unless required by law or regulations.

### 6.2 Routines for waste

Documented *routines* for the handling, storing, transportation, recycling and disposal of *hazardous* and non-hazardous waste are implemented.

The *routines* prevent emissions to air, ground and water and prevent risks of ignition/explosion. The routines ensure Worker health and safety and include emergency response *routines*.

If only common chemical products with minor and well known risks (e.g. cleaning *chemicals*, regular office materials etc.) are used documented *routines* are not required unless required by law or regulations.



## 6.3 Competence and training

*Workers* handling waste have the right competence and are, before starting work, adequately trained in waste handling.

A description of the training and records are available.

## 6.4 Storage, handling and transportation of waste

Waste is stored, handled and transported in a way that prevents contamination of air, ground and water, prevents risks of ignition/explosion and ensures Worker health and safety.

*Hazardous* waste and non-hazardous waste is kept separate and stored in good order. Areas for sorting and/or storage of waste are marked and barrels/containers properly labelled.

## 6.5 Recycling of waste

Waste is sorted and sent for recycling to the extent that local conditions and infrastructure allows.

## 6.6 Licensed contractors

Contractors for transport, storage and final disposal of waste are licensed according to applicable legislation.

If appropriate licensed contractors, transport companies or end disposal companies do not exist, the *IKEA Supplier* ensures that the *hazardous* waste is kept in storage until appropriate final disposal can be assured.

## 6.7 Incineration / landfill on site

*Hazardous* waste is not land-filled or incinerated on site.

## 6.8 Legal compliance

Applicable laws & regulations relating to handling, storage, transportation, recycling and disposing of *hazardous* and non-hazardous waste, but not covered by the points of this chapter above are complied with.

# 7. Emergencies and Fire Prevention

## 7.1 Emergency planning

Site emergency plans are developed and implemented.

The plans are based on identified risks and established *routines* for dealing with emergency situations.

Adequate *routines* in order to eliminate, reduce, and control those risks are implemented.

As a minimum the emergency plans includes potential hazards and emergency scenarios (fire, natural disasters, chemical *accidents*, etc.), evacuation *routines* and defined roles and responsibilities during emergency situations.

## 7.2 Fire incidents and accidents

Any fires or *incidents* that could have caused a fire are documented. The documentation includes a root cause analysis and corrective and preventive actions.

## 7.3 Competence and training

An adequate number of *Workers* in each work area, covering all shifts, are trained to use the firefighting equipment.

The training covers how to use the firefighting equipment installed at the site and is conducted at least once every 24 months.

A description of the training and records are available.





*Workers* are made aware of basic fire safety issues before starting work. The training includes as a minimum, the proper *routines* for evacuation, location and activation of the emergency alarm.

A description of the training and records are available.

### 7.4 Firefighting equipment

Appropriate firefighting equipment is available.

The manual firefighting equipment is easily accessible and identifiable from a distance, properly maintained and kept unlocked.

The equipment is inspected internally or by an authorized external company at least once every 12 months. Records of maintenance are kept and/or stickers/tags placed on the equipment.

### 7.5 Escape routes and emergency exits

Emergency exits and routes ensure a fast and safe evacuation of all *Workers*.

As a minimum there are two independent emergency exits per working area and all emergency exits and access routes are free from obstruction.

It can be acceptable for rooms to have only one emergency 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.

All emergency exits and routes are marked with luminescent or illuminated signs visible from the main aisles and kept unlocked from inside. Emergency exits open outwards unless otherwise stated in local legislation.

### 7.6 Evacuation alarm

There is 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.

In noisy environments the sound signal is complemented by a light signal.

The alarm can be manually activated and is possible to hear or observe in all areas. Alarm buttons are clearly marked and function also during power-cuts.

### 7.7 Evacuation drills

Evacuation drills involving all shifts and departments and as many *Workers* as possible are performed at least once every 12 months.

During an evacuation designated persons are responsible for ensuring that all *Workers* have evacuated the building.

Records of evacuation drills are maintained and, as a minimum, they include date and time of drill, shift information, the time it took to evacuate and to verify the complete evacuation of all people, the results of the drill and any corrective actions needed.

### 7.8 Legal compliance.

Applicable laws and regulations relating to fire protection, including fire classification, reporting, and inspections by the fire authorities, but not covered by the points of this chapter above are complied with.

If such inspections result in required corrective actions, the corrective actions are documented and completed within the specified timeframe.

## 8. Worker Health & Safety

### 8.1 Workplace risk assessment

A workplace *risk assessment* has been done for the whole site and all its workplaces. The workplace *risk assessment* is updated if operations are changed.





Steps are taken to reduce the need for *personal protective equipment (PPE)* by reducing the risks at source (e.g. by reducing noise levels, improving machine safety, using safe work routines, improving air quality etc.).

### 8.2 Incidents and accidents

A routine for reporting, analysing, following up and acting on *incidents* and *accidents* is implemented.

### 8.3 Health & safety training

*Workers* are given the necessary and adequate safety training before operating machines, equipment or carrying out potentially hazardous operations. The training provided is renewed according to legislation and/or identified needs.

Introductory training includes relevant information on health and safety aspects of daily work.

Descriptions and records of the training are available.

### 8.4 Machinery and other equipment

All machinery and other equipment used in production and operations are safe to use and equipped with the necessary safety devices in order to prevent injuries.

Machinery and other equipment like forklifts, escalators, automatic doors/gates, cranes/ lifts etc. are inspected and certified by technical inspection authorities or other certified or authorised persons according to legal requirements.

### 8.5 Safety information

Safety information and/or warning signs are clearly visibly at risk areas. The information describes the risk or hazard and how to minimise exposure and is in a form that is understandable to *Workers* using pictures and figurative signs and/or in written in a language understood by the *Workers*.

### 8.6 Safe working routines

Safe working routines are implemented to minimise risk of injuries and ill-health associated with hazardous work tasks like working in confined spaces, working at heights, working with mobile elevated platforms or cranes etc.

### 8.7 Safety hazards

Risks and other occupational hazards in the workplace that can cause an *accident*/injury are acted on and minimised.

Occupational hazards include but are not limited to unsecured electrical boards, traffic onsite, damaged staircases, damaged electrical wires or ungrounded machines, holes in the floor, storage of goods etc.

### 8.8 Personal protective equipment (PPE)

Appropriate *PPE* and protective clothing is available, maintained, used and provided free of charge for *Workers* and visitors in any harmful or potentially risky work areas.

Areas where *PPE* is needed are clearly marked.

### 8.9 First aid equipment

*First aid equipment* is adequately stocked and available to *Workers* during all shifts in all buildings and on each floor and in all trucks, locomotives and vessels.

The extent of the *first aid equipment* is based upon the size of the facility, the extent of the activities performed as well as the potential risk of injury.

*First aid equipment* is unlocked, placed in a clearly marked, designated area in a location that ensures easy and quick access in case of emergency, maintained in good condition and inspected regularly in order to secure its completeness and utility.



### 8.10 First aid trained persons

An adequate number of first aid trained persons are present during working hours covering all shifts and are easily recognised by *Workers*.

First aid trainers are certified trainers, doctors or nurses. Trainings are renewed at least once every 24 months or according to legal requirements.

Records of the training are kept by IKEA *Supplier* and include names of participants, dates of the training and an overview of the training content.

### 8.11 Workplace conditions and ergonomics

Good working conditions are provided. Monitoring of these working conditions include, but is not limited to, noise, temperature, light, air quality. Protocols from required measurements are maintained.

During high temperature periods the inside workplace temperature may be equal to the outside temperature provided there is a roof that provides shade and protection from sunlight.

Actions such as more frequent breaks and providing proper clothes, drinking water or fans etc. are taken and planned for.

The ergonomic conditions of the workplaces are assessed.

A documented plan how to reduce monotonous repetitive work and work positions etc. that can cause long-term injuries is in place and acted on.

### 8.12 Drinking water

Clean drinking water is provided to all *Workers* free of charge. Water dispensers are appropriately maintained and within a reasonable distance of the work area(s).

### 8.13 Housekeeping and hygiene

Good housekeeping to ensure a hygienic and safe environment for *Workers* is implemented.

All facilities are regularly cleaned and maintained in good condition.

An appropriate number of adequately equipped washing and toilet facilities are available.

### 8.14 Break areas

An adequate number of places where *Workers* can rest and eat during their breaks are available.

*Workers* are provided with appropriate places for meal breaks. Such areas are clean, in good condition, separated from the production environment such as noise, dust etc. and are equipped at least with chairs/benches and tables.

### 8.15 Alcohol and drugs

An alcohol and drug *policy* with the aim to prevent any work under the influence of alcohol, illegal drugs or any substance that prevents the *Worker* from performing the job safely and effectively is developed and actively communicated to and recognised by all employees.

### 8.16 Legal compliance

Applicable laws and regulations relating to health and safety issues, including classification, reporting and inspections by authorities, but not covered by the points of this chapter above are complied with.

Required corrective actions from such inspections are documented and completed within the set timeframe.



## 9. Recruitment, Working Hours, Wages and Benefits

### 9.1 Reporting and inspection by authorities.

Corrective actions required as a result of labour inspections or equivalent are documented and completed within the specified timeframe.

### 9.2 Recruitment *routines* and recruitment agents

All steps taken in the recruitment process and all agents involved in the entire process are identified and described to IKEA on request.

Any agent recruiting *Workers* has the legal licence to perform such activities.

### 9.3 Employment contracts

A written *employment contract* is signed with each Worker before they start work, which specifies terms of employment in a way understood by the Worker.

As a minimum the contract includes the name of employer, name of Worker, birth date, position, salary, working hours, overtime compensation, benefits and notice period.

Information about working hours, overtime compensation, benefits and notice period can instead be described in a *Workers Handbook* or equivalent.

If the *employment contract* is terminated according to agreed notice period there are no wage deductions for *Workers* who leave.

### 9.4 Payrolls and attendance records

Payrolls and attendance records relating to the documented payment of wages and working hours for each Worker are maintained.

Payroll records are kept by the *Supplier* for at least 24 months and include regular working hours, overtime working hours, wages derived from pieces produced, production bonuses, allowances, applicable deductions and net wages.

### 9.5 Working hours and overtime

*Workers* are not working more than sixty (60) hours per week, including overtime. Overtime hours are on a voluntary basis.

Under certain circumstances well defined in the local legislation and/or agreed with local work council/trade union, IKEA may approve that overtime hours are mandatory, during a short and limited period.

### 9.6 One day off in seven

*Workers* have at least one day off in seven.

### 9.7 Wages

*Workers'* wages, including compensation for overtime, are paid on time at regular intervals and at least monthly.

Deductions never exceed 20% of the *Worker's* wage and do not result in a wage paid out that is below the legal minimum wage.

Legally mandatory deductions (such as tax or pension funds) or agreed deductions for meals, housing and fees for membership in the labour union are excluded from the 20%.

*Workers* are not requested to pay any deposits.

Unless regulated by law, *Workers* are not paid less than the legal minimum wage if short term work stoppages are required by the employer.



Pay slips with complete pay information are provided at the end of each pay period. The pay slips include days worked, gross wages or piece rate earned, hours of overtime at specified rate, bonuses, allowances and legal contractual deductions, other deductions and net pay.

### 9.8 Leave

*Workers* have time off from their job according to applicable legislation, local traditions and standards.

### 9.9 Breaks

*Workers* are provided with appropriate time off for meals and breaks.

*Workers* are provided with at least one break per 5 hour work day/shift and the break is 30 minutes or more, unless otherwise agreed in writing between the *Supplier* and the *Workers* through the local trade union or other *Workers'* representatives.

### 9.10 Benefits

*Workers* are provided with all legally mandated benefits such as medical insurance, social insurance, pensions etc. to which they are entitled.

### 9.11 Legal compliance

Applicable laws and regulations relating to *Workers'* employment, but not covered by the points of this chapter above are complied with.

These include, but are not limited to laws and regulations relating to recruitment practices, agreements, working hours, wages, leave and benefits.

## 10. Accommodation

### 10.1 Housing conditions

*Accommodation* provided by the *Supplier* or on behalf of the *Supplier* offers adequate and safe conditions.

For single men or women separate *accommodation* of the gender is provided.

There are no restrictions which interfere with the Worker's right to leave the housing facility during their free time.

The average living space is not less than 3,8 m<sup>2</sup> per individual.  
Housing facilities are adequately ventilated and/or heated.

Sleeping quarters are possible to lock from both outside and inside and each Worker has a locker to secure his or her belongings.

*Workers* are provided with their own individual bed/mattress or sleeping mat.

### 10.2 Housekeeping

All facilities are regularly cleaned and maintained in good condition.

An appropriate number of clean and adequately equipped washing and toilet facilities are available and maintained to a reasonable standard.

Areas where food service is prepared, provided or consumed meet local sanitation and hygiene regulations.

### 10.3 Safety

Emergency exits and routes ensure a fast and safe evacuation of all people.

As a minimum there are two independent emergency exits per floor and all emergency exits and access routes are free from obstruction and kept unlocked from inside.



The requirements on fire safety in *accommodation* are the same as per chapter 7 in this document: competence and training (7.3), firefighting equipment (7.4), evacuation alarm (7.6) and evacuation drills (7.7).

The housing facility is not located in a building where high risk operations are taking place.

### 10.4 Legal compliance

Applicable laws and regulations relating to *accommodation* but not covered by the points of this chapter above are complied with.

## 11. Child Labour and Young Workers

### 11.1 Prevention of *Child labour* at *Supplier*

The *Supplier* has a documented *routine* to prevent *Child labour* which is continuously implemented.

### 11.2 Response to *Child labour* at *Supplier*

The *Supplier* has a documented *routine* in place to ensure that *Child labour* identified at the *Supplier* will be acted upon immediately.

- All actions taken are in the best interest of the *child*. The response *routine* outlines all actions to remove the *child* from his or her position and to arrange for more viable and sustainable alternatives for the *child's* development. The *routine* is in line with the "IKEA WAY on Preventing *Child Labour* and Supporting *Young Workers*".
- If *Child labour* is found, IKEA is informed immediately.

### 11.3 Prevention of *Child labour* at *sub-Suppliers*

The *Supplier* has a documented *routine* implemented to prevent the use of *Child labour* at sub-Suppliers.

### 11.4 Response to *Child labour* at *sub-Suppliers*

The *Supplier* has a documented *routine* in place to ensure that *Child labour* identified at the *sub-Supplier* will be acted upon immediately.

- All actions taken are in the best interest of *child*. The response *routine* outlines all actions to remove the *child* from its position and to arrange for more viable and sustainable alternatives for the *child's* development. The *routine* is in line with the "IKEA WAY on Preventing *Child Labour* and Supporting *Young Workers*".
- If *Child labour* is found at any *sub-supplier*, IKEA will be informed immediately

### 11.5 Protection of *Young workers*

IKEA supports the legal employment of *Young workers*. *Young workers* are persons under 18 years of age, but above the minimum working age, who are engaged in work.

The *Supplier* ensures that *Young workers* are employed according to applicable law and protects them from any type of employment or work which by its nature or circumstances in which it is carried out is likely to jeopardize their health, safety or morals.

- The *Supplier* has identified types of employment or work that are appropriate for *Young Workers*.
- *Young workers* do not perform hazardous work.
- *Young workers* do not work during the night.

## 12. Discrimination

### 12.1 Policy and routines against discrimination

A *policy* and adequate *routines* describing preventive and corrective actions against discrimination are implemented.



## 12.2 Discrimination

There is no discrimination with regards to *Workers* based on race, religion, *gender identity*, marital or family status, age, political affiliation, nationality, physical ability, *sexual orientation*, *ethnicity* or any other dimension of their identity during recruitment and employment.

All *Workers*, including contracted and sub-contracted *Workers*, have equal rights and social benefits, unless legal restrictions apply.

## 12.3 Legal compliance

Applicable laws and regulations relating to discrimination, but not covered by the points of this chapter above are complied with.

# 13. Workers Involvement

## 13.1 Workplace conditions

There is a documented and, to *Workers*, well known way to influence the activities which improve IWAY related issues in the workplace through the establishment of a Health and Safety Committee or equivalent.

It addresses identified hazards, risks and concerns and results in documented actions to continuously improve the work place. It should also reduce the number of *incidents* and *accidents* and increase *Workers* involvement in the workplace.

The documented plans and results of actions are available for all *Workers*.

## 13.2 Grievance routines

There are documented *routines* on how to bring up issues and complaints regarding IWAY related issues e.g. around discrimination, *harassment* or abuse. These grievance routines are well known to *Workers*.

The grievance routines include how all *Workers*, including contracted and sub-contracted *Workers*, can bring up issues and complaints directly to the *Supplier*.

## 13.3 Freedom of association

The *Supplier* respects the rights of *Workers* to join, form or not to join an association of their choice without fear of reprisal, interference, intimidation or *harassment*.

In countries where the right to freedom of association is regulated, restricted or prohibited by law, the *Supplier* does not hinder alternative forms of independent and free Worker representation.

## 13.4 Collective bargaining

*Workers* are free to exercise *collective bargaining* without fear of reprisal, interference, intimidation or *harassment*.

In countries where the right to *collective bargaining* is regulated, restricted or prohibited by law, the *Supplier* does not hinder alternative forms of independent and free *Workers* negotiations.

## 13.5 Legal compliance

Applicable laws and regulations relating to *Workers* rights, but not covered by the points of this chapter above are complied with.



## 14. Harassment, Abuse and Disciplinary Actions

### 14.1 *Policy and routines against Harassment and Abuse and Rules for Disciplinary Actions*

A *policy* and adequate *routines* describing preventive and corrective actions against *harassment* and abuse and rules for disciplinary actions are implemented.

They cover and are communicated to all on site *Workers*, including contracted and sub-contracted *Workers*.

### 14.2 *Punishments and appeal*

The *Supplier* does not engage in, support or allow the use of corporal punishment, threats of violence or other forms of mental or physical coercion, and does not make use of public warning and punishment systems.

*Workers*, including contracted and sub-contracted *Workers* have the right to appeal against reprimands/disciplinary actions/dismissal. These appeals are recorded.

### 14.3 *Harassment and Abuse*

The *Supplier* does not engage in, support or allow any form of *harassment* or abuse on any *Workers*, including contracted and sub-contracted *Workers*, in the workplace and living space.

### 14.4 *Legal compliance*

Applicable laws and regulations relating to *harassment*, abuse and disciplinary actions but not covered by the points of this chapter above are complied with.





## Definitions and Glossary of terms

**Accident** - an accident is any occurrence that leads to any kind of injury.

**Accommodation** - is a housing arrangement provided by an employer consisting of sleeping quarters or an entire building primarily providing rooms for individuals, families or for groups of Workers.

Truck driver cabins in the vehicle are not regarded as a provided housing facility / accommodation.

**Apprenticeship / internship / vocational training or orientation:** work that is done by a student of at least 14 years of age and is done as:

- a. a course of education or training, for which a school or training institution is responsible;
- b. and either a programme of training at a company / supplier, which has been approved by the competent authority or a programme of guidance or orientation, designed to facilitate the choice of the student of an occupation or of a line of training.

Every apprenticeship or vocational training of a person under the age of 18 has to be applied for and approved by IKEA prior to the start of apprenticeship or vocational training.

**Bonded labour** - is understood as labour not only physically bonded, but also bonded by financial debts, loans or deposits. Also see *Forced labour*.

**Chemicals** – means 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.

**Child:** is every person under the age of 18 years.

**Child labour:** Child labour is work performed by a child which interferes with a child's right to healthy growth and development and denies him/her the right to quality education.

Child labour is work performed by a child below the minimum working age that has not been specifically approved by IKEA as light work or apprenticeship / vocational training.

The minimum working age is defined by the national legislation and is the age, above which a person can be employed on a full time basis. It can be 16 years, 15 years or 14 years in certain developing countries.

**Collective bargaining** - is defined as negotiations between employer and *Worker* representatives (freely and independently chosen by the *Workers*).

**Continuously updated** – means that documentation is updated when changes in production, operations or services are introduced. For example the introduction of a new chemical, requires that the list of *chemicals* is updated and the relevant *MSDS* is made available.

**Critical sub-Supplier** – The definition of a Critical sub-Supplier is set by the relevant IKEA Organisation based on the definition below.

*The sub-suppliers are defined as **Critical**, if processes performed are considered to be potentially highly harmful to the environment, health or safety of the Workers, or are in an industry or supply setup that is prone to child labour or forced & bonded labour.*

**Employment contracts** – is an agreement specifying the terms and conditions under which a person and a company agree to work. It can be replaced by appointment letter or offer letter.

**Ethnicity** - culture of heritage, who you are as a "people", belonging to a certain culture with a common language or dialect, traditions, etc.

**Fire incident (near miss)** - is a situation that can easily lead to a fire where people and/or equipment could be injured / damaged.



**First aid equipment** - means not only first aid boxes, but also other equipment required which is identified during *risk assessment* processes e.g. eye washer, emergency shower, collar, defibrillator, stretcher etc.

**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 personal belongings, such as ID card, passport etc., and for which work the person has not offered to participate voluntarily.

**Gender identity** - people's inner sense of their gender as women, men, or transgender.

**Harassment** - can be any offensive act, comment or display that humiliates insults or causes embarrassment, or any act of intimidation or threat. It 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

**Hazardous waste** - hazardous waste is waste that could cause harm to public health and/or the environment because of its chemical, physical or biological characteristics (e.g., it is flammable, explosive, toxic, radioactive, or infectious). It includes, but is not limited to, hazardous waste identified by local legislation.

**Incident (near miss)** - is a situation in the workplace that could easily have resulted in injury or damage to people and/or the environment.

**IWAY requirements or equivalent** – where a *Supplier* has its own well developed and implemented requirements, systems and routines in place that cover all IWAY related topics, IKEA can, on a case by case basis, regard those *Supplier* requirements, systems and *routines* as equivalent to IWAY.

**Light work:** simple, limited tasks performed under adequate adult supervision, as long as they do not threaten the *child's* health and safety, her/his right to play or hinder their education or vocational orientation and training. The requirements regarding safety and health for light work are the same as for *young workers* (no hazardous work). When permitted by national law, 13-14 year olds are allowed to perform light work.

**MSDS** – stands for Material Safety Data Sheet (MSDS), also known as Safety Data Sheet (SDS) or Product Safety Data Sheet (PSDA). An MSDS is a written document that provides Workers and emergency personnel with *routines* for handling or working with chemical substances in a safe manner.

**Minimum working age:** The minimum legal working age is defined by the national legislation and is the age, above which a person can be employed on a full time basis. It can be 16 years, 15 years, or 14 years in certain developing countries.

**PPE (Personal protective equipment)** - includes, but is not limited to e.g.: helmets, goggles, gloves, boots, ear plugs, aprons, masks etc.

**Policy** – The set of basic principles and associated guidelines, formulated and enforced by the management of a company, to direct and limit its actions in pursuit of long-term goals.

**Prison Workers** - IWAY requirements strictly forbid the use of prison Workers in the supply of products or services to IKEA. Consideration can be taken on a case by case basis for government programs supporting the positive integration of individuals back into society. The criteria, based on ILO conventions, are available upon request.

**Risk assessment** - is a careful examination of aspects in the workplace that could cause harm to people. An assessment would be evaluated to determine if sufficient precautions have been taken leading to corrective actions if required.

**Routine** – is a structured description of a specific working order for an activity or process. A routine is usually presented in a written form but can also be simplified and presented in pictures, instruction signs, graphs etc.



**Sexual orientation** - homosexuality, bisexuality, heterosexuality, pansexuality and asexuality.

**Sub-Supplier** - is defined as a company providing services, raw material, components, and /or production capacity to an IKEA Supplier.

**Supplier** in this document refers to any Seller, Vendor or Service Provider supplying and/or delivering products, components, materials or services to the IKEA Group of companies. This definition is applicable to all IWAY related documents.

**Worker** in this document includes own hired Workers as well as on-site temporary Workers, piece rate Workers, contracted Workers including migrant Workers, trainees and Workers on trial or probation.

**Young worker** - Young workers are persons under 18 years of age, but above the minimum working age, who are engaged in work.

## Main References

- R 1 The Universal Declaration of Human Rights (UN 1948)
- R 2 Convention on the Rights of the Child (UN 1989).
- R 3 Fundamental Principles and Rights at Work (ILO 1998) and related Conventions.
- R 4 Occupational Safety and Health Convention (ILO Convention 155).
- R 5 The Ten Principles of the UN Global Compact Framework (UN 2000).