



BEHIND THE SCENES IWAY

At IKEA we are keenly aware that our business has an impact on people and the planet. In particular, people's working conditions and the environment.

So how can IKEA do good business while being a good business? We strongly believe we can only achieve this together with suppliers that share our vision and ambition. To ensure this, we have developed IWAY, the IKEA code of conduct for suppliers.

Ethics go hand in hand with business

We are convinced that better working conditions for the workers and better business for the suppliers go hand in hand. A good example has been achieved in China during the last few years. IKEA has worked together with all of the approximately 400 Chinese suppliers to implement the so-called "Full IWAY", which limits working time to a maximum of 40 hours per week and 36 hours of overtime per month (or 49 hours per week on average). Thanks to the cooperation and suppliers' focused business development, it was possible to increase work efficiency and find new ways of working. The factory workers' earnings are equal to, or even higher than before, but they work an average of 11 hours less per week. Workers can earn a decent living and benefit from more spare time.

Clear guidelines for suppliers

IWAY is the IKEA supplier code of conduct for working conditions, sourcing and manufacturing. It comprises the IKEA minimum requirements relating to the environment and social & working conditions (including child labour).



All home furnishing, components, goods transport and global food suppliers are IWAY approved. If a supplier is not able to develop its business to fulfil the requirements of IWAY, it is phased out from the supply chain. IKEA 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. IWAY is continuously being developed.

IWAY has a broad scope

IWAY has a general section, "IWAY Must", which is a list of requirements which all suppliers must comply with before we agree to work with them. These requirements address several areas: General Conditions, Business Ethics, Environment, Chemicals, Waste, Emergencies and Fire Prevention, Worker Health & Safety, Recruitment, Working Hours, Wages and Benefits, Accommodation, Child Labour and Young Workers, Discrimination, Worker involvement, Harassment, Abuse and Disciplinary Actions.

There is also a specific section of requirements concerning certain parts of the IKEA supply chain, like IWAY Forestry and IWAY Transport.

Ensuring that suppliers live up to IWAY

IWAY has been at the heart of our relationship with suppliers for almost 15 years. As our expectations evolve, we provide training and support to enable our suppliers to meet new requirements and compliance.

Besides implementing transparent and reliable routines to ensure, verify and report IWAY, we work with three levels of announced and unannounced audits, performed both by ourselves and third party organisations.

IKEA always strives for long-term cooperation and partnership with suppliers. The average length of cooperation between IKEA and its suppliers is 11 years. We believe long-term partnership with suppliers is built on shared business models and values.