

At IKEA we are committed to working together with our suppliers to develop good working conditions, support human rights and have a people and planet positive impact. In 2010 we started the initiative "IKEA handmade rugs from India and Bangladesh". During the last six years the initiative has dramatically improved the working conditions for the weavers in the region.

# A journey towards changing poor working conditions

Handmade rugs are popular globally for their unique craftsmanship and rich history. In India, where hand woven rugs have been produced for over 300 years in the northern region of Uttar Pradesh, carpet weaving is traditionally a source of extra income for farmers. The weaving takes place at home or in unregulated centres. In the unregulated centres the weavers usually spend several months away from their families. The work is heavy and the production has been associated with poor working conditions, low wages and exploitation by middlemen.

For many years IKEA has endeavoured to improve conditions for the weavers. Efforts intensified when IKEA introduced IWAY, the company's strict code of conduct, in 2000. IWAY regulates our supplier's responsibilities regarding working conditions, safety and sourcing. The work with IWAY led IKEA to stop purchasing handwoven rugs from India and Bangladesh and later to initiate "IKEA handmade rugs from India and Bangladesh".

## IW/AY

IWAY, the IKEA Way on purchasing products, materials and services, is our supplier Code of Conduct.

It sets out our minimum requirements on environment, social and working conditions, and is a precondition for doing business with IKEA.

IKEA inspectors visit suppliers regularly to make sure that they comply with IKEA code of conduct. In addition external auditors make unannounced visits to suppliers and subcontractors.



### Revolutionizing an industry

When "IKEA handmade rugs from India and Bangladesh" was introduced in 2010, the aim was to protect and develop a unique craftsmanship in the region and radically improve the way handmade rugs are produced. Together with a few and carefully selected suppliers, IKEA started to work in a structured way to be able to offer our customers high quality, handmade IKEA rugs produced in a people and planet positive way.

#### How we did it

Together with suppliers, IKEA established regulated weaving centres in India and Bangladesh to produce handmade rugs. At the centres the weavers are offered secure and regulated working conditions in a safe environment with legal, regulated wages and working time plus benefits such as holidays and in some cases transport to and from work. The centres are located close to villages where weavers live, so they no longer have to move away from home and family to find a job.

IKEA also made big investments in the development of the Punja loom. The new loom enables weavers to adopt a more ergonomic working position and requires less muscle power to operate, making it easier for more women to weave rugs. IKEA made sure that the new loom technology cannot be patented, making it freely available to anyone who wishes to use and develop it. In addition to this our suppliers set up two weaving schools, where trainees are paid at least the local minimum wage while they learn the craftsmanship. The weaving schools have been important in raising the status of the weaving profession in India and Bangladesh.

#### A long term commitment

Six years on, we've seen more women becoming weavers and we've also trained over 500 people in the IKEA weaving schools. Approximately 5 500 weavers and 4 500 other workers are involved in the initiative. But we don't stop at this. The ambition is to improve the rug and carpet industry in India and Bangladesh as a whole. It is a long term commitment without an end date.

Rafael Elizondo, Category Manager, Textiles Carpets: "Our aim is to keep driving the profound transformation, which started six years ago, of an industry that is known for low or non-existent social welfare, unfair treatment and poor remuneration of the weaver's artisanship. IKEA is committed to maintain the gains and further develop the industry towards a fair and transparent setup."

