



IKEA Services AB

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# THE IKEA WAY ON DISTRIBUTING HOME FURNISHING PRODUCTS (IWAY)

## 1. IWAY - Our Code of Conduct

This document "The IKEA Way on Distributing Home Furnishing Products" is our *Code of Conduct* in our relation with Service Providers of logistic services for IKEA. The *Code of Conduct* is our minimum requirements on Social & Working conditions and Environment. It has been established in order to make the IKEA position clear to Service Providers and their co-workers, as well as any other parties.

It is based on the eight core conventions defined in the Fundamental Principles of Rights at Work, ILO declaration June 1998 and the Rio Declaration on Sustainable Development 1992.

Further IKEA recognises the Fundamental Principles of Human Rights, laid down by the "Universal Declaration of Human Rights" (United Nations 1948).

We believe that our daily business has an impact on Environmental and Human Right issues, in particular, in relation to people's working and living conditions. A complete specification of our minimum requirements is stated in the IWAY Standard document. (see appendix 2)

## 2. The IKEA Concept in a Nutshell

### *Our Vision*

To create a better everyday life for the many people.

### *Our Business idea*

We shall offer a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

### *This shall be achieved through*

- a rational product range development and by adapting product design to production conditions.
- a rational distribution idea in combination with a caring meeting with the many people.
- a strict cost-consciousness in all areas.

### **3. Customers and Service Providers in Focus**

We have decided once and for all to side with the many. This is an objective that carries obligations.

We want to offer our customers low prices for well-designed and functional home furnishing products of good quality, manufactured and distributed under acceptable working conditions by Suppliers and Service Providers that care for the environment.

IKEA is a production-oriented retailing company. We strive to build long-term relationships with Service Providers that share our commitment to promote good practices, and who want to grow and develop together with IKEA.

*Service Providers can expect from IKEA:*

- to be reliable,
- to adapt our products to production,
- to contribute to efficient production and distribution,
- to care for the environment,
- to support material- and energy saving techniques,
- to take a clear standpoint on working conditions,
- to respect different cultures,
- to have clear and mutually agreed commercial terms.

### **4. Distributing for IKEA Includes the Following Requirements**

#### **Legal Requirements**

Service Providers *must* comply with national laws and regulations and with international conventions concerning Social & Working Conditions, Child Labour and the protection of the Environment.

#### **Social & Working Conditions**

IKEA expects its Service Providers to respect fundamental human rights, to treat their workforce fairly and with respect.

*Service Providers must:*

- provide a healthy and safe working environment,
- pay at least the minimum legal wage and compensate for overtime,
- if housing facilities are provided, ensure reasonable privacy, quietness and personal hygiene.

*Service Providers must not:*

- make use of child labour, (see appendix 1),
- make use of forced or bonded labour,
- discriminate,
- use illegal overtime,
- prevent workers from associating freely with any workers' association or group of their choosing or collective bargaining,
- accept any form of mental or physical disciplinary action, including harassment.

## **Environment and Forestry**

The IKEA business shall have an overall positive impact on people and the environment. Therefore, IKEA and its Service Providers shall continuously reduce the environmental impacts of operations.

### *Suppliers and Service Providers must:*

- work to reduce waste and emissions to air, ground and water,
- handle chemicals in an environmentally safe way
- handle, store and dispose of hazardous waste in an environmentally safe manner,
- contribute to the recycling and reuse of materials and products,
- use wood from known areas and, if possible, from sources that are well managed and preferably independently certified as such.

### *Supplier and Service Providers must not:*

- use or exceed the use of substances forbidden or restricted in the IKEA list of “Chemical Compounds and Substances”,
- use wood originating from national parks, nature reserves, intact natural forests or any areas with officially declared high conservation values, unless certified.

## **5. Implementation**

The Service Provider shall effectively communicate to all its sub-contractors, as well as to its own co-workers, the content of the “The IKEA Way on Distributing Home Furnishing Products”, and ensure that all measures required are implemented accordingly.

Via a network of Distribution and Transport Offices, IKEA supports their Service Providers to improve their operations. Believing in long-term relationships, IKEA does not break off relations due to non-compliance only, as long as there is a willingness to improve in the right direction with an agreed plan of action to comply with the IKEA requirements within an acceptable time frame. Repeated violations of the IKEA requirements will result in the termination of the co-operation.

## **6. Support and Monitoring**

The IKEA Distribution and Transport Offices have the direct responsibility to support and monitor the Service Provider. To ensure compliance with the requirements, IKEA has also formed a global compliance and monitoring group in order to support and follow up developments on a global basis.

IKEA always reserves the right to check suppliers with the help of independent organisations.

### List of Appendices

Appendix 1	The IKEA Way on Preventing Child Labour
Appendix 2	IWAY Standard