



IWAY Standard

Minimum Requirements for Environment, Social & Working Conditions and
Wooden Merchandise when Purchasing Home Furnishing Products

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Introduction

The IKEA Way on Purchasing Home Furnishing Products (IWAY) is a Code of Conduct in our relation with suppliers approved by the board of IKEA (INGKA Holding B.V.). 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. IWAY covers IKEA's minimum requirements in the following three areas: Outside Environment, Social & Working Conditions (including Child Labour) and Wooden Merchandise.

These requirements are applicable to IKEA suppliers as well as our own IKEA Trading Organisations. IKEA suppliers shall always abide by the most demanding of the requirements whether it is the applicable legislation or IWAY specific requirements.

IKEA recognises the fundamental principles of Human Rights, as defined by the "Universal Declaration of Human Rights" (United Nations 1948).

We believe that our business has an impact on Human Rights issues, in particular in relation to people's working and living conditions. Good workshop conditions and orderliness in the factory is a pre-requisite to quality and environmental work.

IKEA adheres to UN decisions regarding trade boycotts and embargoes.

Professional Secrecy

IWAY and all of its activities are dependent upon 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.

The IWAY Approval Process

1. Start-up Requirements

Potential IKEA suppliers – prior to starting a business relationship with IKEA – must fulfil the IWAY start-up requirements: No forced or bonded labour, no child labour and no wood from intact natural forests or high conservation value forests. Suppliers delivering IKEA products containing solid wood, veneer, plywood, layer glued wood, bamboo and rattan must ensure that tracing of these raw materials is completed.

2. Performing the IWAY audit

IKEA will conduct an IWAY audit at the supplier before 1st delivery. The first IWAY audit will always be performed by an IWAY auditor from the IKEA Trading Service Office. Future audits may also be performed by IKEA Compliance & Monitoring Group, as well as 3rd party Audit Organisations appointed by IKEA, to ensure calibration of different Trading Service Offices' judgement level. The IKEA supplier shall support on-site audits conducted by any of the above mentioned parties. This means e.g. allowing for confidential employee interviews and maintaining and allowing access to all documentation and records as required.

The IWAY audit consists of the following activities:

I. Preparation of the audit

Before the actual audit suppliers need to prepare, and e.g. make sure appropriate documentation is available and that key persons (as instructed by IKEA) are available for interviews.

II. Opening meeting

The IWAY audit will start with an opening meeting between the IWAY auditor(s) and representative(s) of the factory management.

III. Factory tour

The auditor will conduct a factory walk-through accompanied by a representative from the supplier. However, the auditor will always decide which parts of the factory to include in the factory tour. Obviously, time allocated to this portion of the audit varies substantially depending of the size of the factory. Auditors will speak with factory employees briefly on the production floor asking questions related to the fulfilment of IWAY. Additionally, auditors may perform tests of fire fighting equipment or evacuation alarms, perform measurements of emissions or noise as well as checking maintenance records.

IV. Document review

Required documentation such as permits from authorities, training records, lists of chemicals will be examined in order to verify compliance with IWAY/legal demands. Auditors will also examine documentation related to employees working hours and pay records.

V. Employee interviews

Employee interviews are a vital part the IWAY audit. Findings and observations are verified through the interviews. Interviews may be performed in the production areas as well as in separate private rooms. Employee interviews shall be conducted without factory management or their representatives present. Typically, auditors will identify individuals for interview during the walk-through of the factory. Some workers may also be selected as a result of the document review. IKEA do not under any circumstances accept that interviewees are harassed, mistreated or dismissed as result of the interviews performed. This will be followed up by IKEA.

VI. Closing meeting

The result of the audit will be summarised in a closing meeting with factory management.

VII. Audit report

Observations of areas requiring improvement found during the IWAY Audit will be presented in a written audit report.

3. Corrective Actions

In the event of non-conformances, IKEA will require a written action plan from the supplier detailing how the non-conformances will be corrected. An action plan must be sent to IKEA within 2 weeks from the audit. The action plan must include a description of the corrective action, responsible person and timelines for each non-conformance to be rectified. IKEA must review and approve the action plan received from the supplier.

4. IWAY Approval

IKEA Trading will follow up and verify to ensure the Supplier has completed the necessary corrective actions according to the action plan and timelines. When all non-conformances have been verified and approved by IKEA (or applicable third party), the supplier is IWAY Approved.

5. Maintenance and Re-auditing

IKEA reserves the right to perform unannounced audits or inspections to verify that the IWAY requirements are fulfilled. IKEA will perform re-audits – as a minimum – every two years to ensure the IKEA supplier maintains its IWAY Approved status.



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1. General Conditions and Legal Compliance

1.1 IWAY Compliance Commitment (Start-up requirement)

The IKEA suppliers shall acknowledge and accept the IWAY requirements by signing the IWAY compliance commitment.

1.2 IWAY communication to sub-suppliers

The IKEA supplier shall communicate the IWAY requirements to its suppliers, involved in the production of IKEA products ⁽¹⁾.

The IKEA supplier must ensure that its suppliers have signed a document where they acknowledge and accept the requirements.

Note 1: Included here are only first level of sub-suppliers which are

a) processing work for the IKEA supplier e.g. weaving, dyeing, stitching, cutting, polishing, surface treatments etc (what could be called sub-contractors) and b) providing components or raw material to the IKEA supplier e.g. steel-pipes, thread, fabrics, yarn, timber, chemicals, wires. Please also note the specific requirements regarding solid wood, rattan and bamboo sub-suppliers as described in section 16.2.

Requirements do not need to be communicated to partners that e.g. provide electricity, fuel, office material or other services that are not connected to production or that provide production equipment e.g. machinery or tools.

1.3 IWAY communication to employees

The supplier shall communicate the IWAY requirements to all its co-workers. The IKEA demands must be displayed in a place where all workers have access e.g. on notice boards in a language understood by workers.

1.4 IWAY organisation

The IKEA supplier shall appoint one or several persons who shall have defined responsibilities and the authority to ensure compliance with requirements pertaining to the Environment, Social & Working Conditions and Wooden Merchandise areas as specified in this document.

The responsible person(s) shall have the necessary competence and knowledge about issues related to his/hers area of responsibility and type of business.

1.5 Internal IWAY audits

The IKEA supplier shall at least once every 12 months perform an internal audit of the IWAY performance. The results from the audits must be documented, and on request, be given to IKEA. If deviations are found during the audit, the supplier shall ensure corrective actions are taken.

The results from internal supplier IWAY audits will be reviewed by IKEA during supplier visits and IWAY audits.

1.6 Factory registration / licence

The IKEA supplier shall have basic factory registration/licence to operate, if the law requires this, and comply with terms stated therein.

1.7 Classification

If required by law, the IKEA supplier shall have a valid environmental, health & safety and/or fire classification.

The IKEA supplier shall comply with requirements stated in the classification.

1.8 Reporting to authorities

If required by law, the IKEA supplier shall make an environmental report, health investigation and/or a work place risk analysis.

If required by law the IKEA supplier shall conduct an environmental impact assessment and obtain approval from authorities prior to changes in production, processes and buildings.

1.9 Legal compliance

The IKEA supplier shall comply with all relevant and applicable laws and regulations pertaining to Environment, Social & Working Conditions, Fire, Health & Safety, as well as Labour issues.

The supplier shall maintain a list of laws and regulations and there shall be a procedure for updating the list on a regular basis.

The IKEA supplier shall always comply with the most demanding requirements whether they are relevant applicable laws or IKEA IWAY specific requirements.

2. Environment – Air, Noise and Water Pollution

2.1 Inspections by environmental authorities

The IKEA Supplier shall ensure compliance with the results from inspections by environmental authorities. The required corrective actions must be documented and completed in stipulated time.

If there is a legal requirement to be inspected, and no inspection has been carried out, the supplier must at least send a request to be inspected to the authorities.

2.2 Air pollution

The IKEA supplier shall ensure compliance with applicable laws & regulations pertaining to emissions to the air – and if required obtain the necessary permits and demonstrate compliance with those permits.

2.3 Noise pollution

The IKEA supplier shall ensure compliance with applicable laws & regulations pertaining to noise pollution – and if required obtain the necessary permits and demonstrate compliance with those permits.

2.4 Water pollution

The IKEA supplier shall ensure compliance with applicable laws & regulations pertaining to discharges to ground and water – and if required obtain the necessary permits and demonstrate compliance with those permits.

Effluent treatment plants (ETPs) shall be operated and maintained appropriately. Staff operating the ETP must have the appropriate competence.



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3. Ground Contamination

3.1 Ground contamination

The IKEA supplier shall ensure compliance with applicable laws and regulations regarding ground contamination. The supplier shall investigate and assess the possible risks of ground contamination, due to previous or ongoing activities on the site.

If contaminated ground has been identified, the supplier must ensure the following measures are taken:

1. Immediately stop the source of contamination to the ground if this is still ongoing.
2. If judged to be feasible, clean up the ground, ensuring disposal in an environmentally acceptable way according to legal demands (normally to be treated as hazardous waste).
3. If cleaning up the ground is judged not to be feasible (e.g. involving significant investments) this must be reported to and discussed with the authorities and IKEA.

4. Chemicals

4.1 List of chemicals with valid MSDS's

The requirements stipulated in 4.1-4.6 are applicable for all chemicals⁽²⁾ used in production and maintenance.

The IKEA supplier shall establish and maintain a list of all chemicals used in production and maintenance. The list shall - as a minimum – include; the name of the chemical product, the purpose/area of use and a reference to an MSDS.

The IKEA supplier shall have valid Material Safety Data Sheets (MSDS) for all chemicals used in production and maintenance.

Note 2: By chemicals we mean chemical substances and products e.g. lubricant oil, diesel, glue, lacquer, solvents, paints, dyes, hardeners, stains, waxes, acids, salts, additives, gases etc.

4.2 Procedure for chemicals

The IKEA supplier shall have a written procedure for the procurement, storage, handling and use of chemicals. The procedure shall include guidelines on safe handling and use of different chemicals, with specific emphasis on hazardous chemicals.

The procedure shall include responsible person(s) at the supplier.

4.3 Competence and training

The supplier must ensure that employees that procure, store, handle and use chemicals have the right competence and are adequately trained. Records from training shall be kept by the supplier.

4.4 Storage and handling of chemicals

The IKEA supplier shall prevent chemicals from leaking to air, ground and water. Chemical storage facilities shall have a floor with a hard surface that can easily be cleaned. Storage of liquid chemicals shall be free of drainage holes and protected by sills (bundling, containment). The containment must at least be able to hold the volume of the largest barrel/tank. There shall be adequate ventilation in storage facilities with e.g. flammable liquids/gases, to prevent explosions or other possible hazards.

Electrical equipment (e.g. switches and lighting) in such facilities must be suitable for the specific environment and prevent risks of ignition/explosion.

Chemicals located at the production line shall be stored and handled in such a way that they cannot easily be spilled or cause accidents for workers. The volume stored shall not exceed the volume normally used during 24 hours.

For chemicals stored outside, the same requirements for bundling etc as given above apply. They must also be protected from rain. Exceptions: unopened chemical containers and chemicals in tanks can be stored outside without bundling and rain protection as long as this does not lead to corrosion of the containers. Storage must still always be on a hard surface, e.g. concrete or asphalt.

To prevent the risk of leakage, above ground storage tanks equal to or larger than 1,5 m³, as well as all underground storage tanks, shall be inspected, for corrosion and other damage either

- according to a legally defined inspection procedure involving certified inspection bodies, or
- at least once every five years, including for above-ground storage tanks both an internal and external inspection; and for underground tanks a pressure test.

The applicable information regarding the risks and safe handling of chemical compounds and substances shall be displayed at storage areas and in production areas where the chemical is used. The information can be either the MSDS itself or specific instructions for safe handling and use (taken from the MSDS). Information must be in a language understood by the workers.

4.5 Labelling of chemicals

The IKEA supplier shall ensure all containers of chemicals - including temporary containers - are properly labelled with appropriate danger symbols⁽³⁾ and chemical names to ensure the contents are known and the potential risk minimised.

Note 3: Examples of symbols to be used on chemical containers are as follows: Flammable, Explosive, Oxidising, Irritating, Corrosive, Harmful, Toxic and Dangerous for the environment.

4.6 Legal compliance

The IKEA supplier shall ensure compliance with applicable laws and regulations pertaining to procurement, storage, handling and use of chemicals.

The IKEA supplier shall have a valid permit for chemicals that are legally restricted. The supplier shall demonstrate compliance with those permits.

5. Hazardous and Non-Hazardous Waste

5.1 List of waste

The IKEA supplier shall establish and maintain a list of hazardous and non-hazardous waste in order to monitor the type and quantity that is generated at the supplier. The list shall clearly show which kind of waste is hazardous which is not, and be updated at least every 12 months.

When classifying hazardous waste, the "IKEA Hazardous Waste Guidelines" together with legal demands shall be used. The supplier shall always comply with the most demanding, whether it is the local law or the IKEA demands.



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5.2 Procedure for handling of waste

The IKEA supplier shall establish a procedure for the safe handling, storing, transportation and disposal of waste. The procedure shall ensure compliance with legal and IKEA demands (see further 5.4).

5.3 Competence and training

The supplier must ensure that employees handling hazardous waste have the right competence and are adequately trained. The training shall include:

- Risks involved in the handling of hazardous waste
- Handling instructions for hazardous waste, including emergency provisions in case of an accident or incident

Records from training shall be kept by the supplier.

5.4 Storage and handling of waste

The IKEA supplier shall ensure compliance with applicable laws & regulations pertaining to handling, storage, utilisation, transporting and disposing of hazardous and non-hazardous waste, and if required obtain the necessary permits and demonstrate compliance with those permits.

Different categories of hazardous waste must not be mixed. Hazardous waste and non-hazardous waste must be kept separate. Areas for storage shall be marked and barrels/containers properly labelled.

The hazardous waste storage facility shall consist of a secure, designated area that is clearly identified. The storage facility must be free of possible leakage to minimise the risks for people and the environment (the same requirements as for storage of chemicals are valid, see section 4.4).

In general, the site should give a good impression to visitors. Raw material, chemicals and waste must not be stored in disorder all over the site.

5.5 Licensed contractors

The IKEA supplier shall ensure that their contractors for transport, storage and final disposal of hazardous waste are licensed according to applicable legislation. The IKEA supplier shall have copies of its waste contractors' licences. If appropriate licensed contractors, transport companies or end disposal companies do not exist, IKEA supplier shall ensure that the hazardous waste is kept in storage until appropriate final disposal can be assured⁽⁴⁾.

Note 4: Should the IKEA requirement of storing hazardous waste be in violation with national laws or regulation, the law shall always be complied with and prevail. In such cases, the supplier shall immediately inform IKEA.

5.6 Incineration / landfill on site

Hazardous waste shall not be land-filled or incinerated on-site.

If non-hazardous waste is land-filled or incinerated on-site all relevant legal requirements must be fulfilled.

6. Fire prevention

6.1 Inspections by fire authorities

The IKEA supplier shall ensure compliance with applicable laws & regulations pertaining to fire protection including compliance with inspections by the fire authorities. The required corrective actions from such inspections must be documented and completed within the stipulated time.

6.2 Fires

The IKEA supplier shall document any fires and serious incidents that can cause a fire, including corrective and preventive actions. If required by law, a report shall be sent to the authorities.

6.3 Competence and training

The IKEA supplier shall have an adequate number of employees trained to use the fire fighting equipment in each work area, covering all production shifts. All co-workers shall be made aware of basic safety issues, e.g. not blocking fire fighting equipment and emergency exits.

Records of training must be maintained.

6.4 Fire fighting equipment

The IKEA supplier shall have the appropriate fire fighting equipment. Placing and maximum distance shall comply with applicable laws and regulations and/or specific approvals from the fire authorities. In the absence of laws, regulations or specific approvals covering this issue, there shall be a maximum distance of 25 meters between individual fire fighting devices.

The fire fighting equipment must be marked in such a way that it is easily identified, also from a distance. It must be easily accessible for co-workers and maintained in good working order. Fire hydrants/hoses must always be kept unlocked.

All fire fighting equipment must be appropriately maintained. The supplier shall have an internal review process to regularly, at least every 12 months, check that fire fighting equipment is functioning with documented maintenance records and/or stickers/tags placed on the equipment.

6.5 Escape routes & emergency exits

The IKEA supplier shall - as a minimum - have two independent emergency exits⁽⁵⁾ per working area. All exits that shall function as emergency exits shall be marked with luminescent or illuminated signs. Emergency exits shall ensure a fast evacuation of all workers. The IKEA supplier shall ensure all emergency exit(s), access routes and fire fighting equipment are free from obstruction.

Note 5: Emergency exits shall open outwards. Sliding doors, used as emergency exits, must always be kept open during work hours. Otherwise, the sliding doors must be equipped with an encased, built-in EXIT door.

It's acceptable for smaller workshops (less than 100 m² and less than 6 people regularly in the workshop) to have only one exit, if the exit is immediately accessible from all parts of the workshop.



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6.6 Evacuation alarm

The IKEA supplier shall have an independent and functioning evacuation alarm with continuous sound to notify all employees about smoke and/or fire and to ensure a safe evacuation of the supplier's facility(s) ⁽⁶⁾.

The alarm can be manually or automatically activated, but must after activation evoke a continuous signal by itself. The alarm must also function during power-cuts.

Note 6: *The decision for determining a proper and suitable evacuation alarm is based upon; the suppliers field of business, the size of the workplace, the degree of planning, as well as extent and ease that the workplace can be evacuated. In noisy environments the sound signal could be complemented by a light signal. The signal must be possible to hear or observe in all parts of the production when the factory is operating.*

6.7 Evacuation plan

The IKEA supplier shall have evacuation plans ⁽⁷⁾. An evacuation plan shall include a map where you can easily identify your position and the way out. The plan shall show emergency exits, appropriate meeting area(s), location of fire alarms and a means to contact the fire brigade.

Evacuation plans shall be placed at appropriate designated locations. As a minimum evacuation plans shall be available at the main entrance(s) of the factory production unit(s), and if there are several floors, at least one per floor.

Note 7: *An evacuation plan is not needed for workplaces in which the size of the workplace, the risk involved, as well as the extent and ease of evacuation poses no potential risk to the safe evacuation of employees.*

6.8 Evacuation drills

The IKEA supplier shall perform evacuation drills at least once in every twelve-month period. These drills must involve all production shifts and departments. In case of an evacuation, the supplier shall ensure that designated persons are responsible for performing a head count to ensure all co-workers have evacuated the building and are accounted for.

Records of evacuation drills must be maintained. Minimum requirements of recorded information:

- 1) The time it took to evacuate
- 2) Date of drill and who participated
- 3) The results of the drill and any corrective actions needed

7. Worker Health & Safety

7.1 Inspections by authorities

The IKEA supplier shall ensure compliance with inspection results by the labour and health & safety authorities.

The required corrective actions must be documented and completed in stipulated time.

7.2 Accidents and incidents

The IKEA supplier shall maintain records of work incidents and accidents including corrective actions. ⁽⁸⁾ If required by law the accidents must be reported to the authorities.

Note 8: *Incident = an event in the work place that could have caused an accident. e.g., a heavy object falling down in the work-area but nobody was injured.*

7.3 Health & safety training

The IKEA supplier shall ensure that employees are aware of the safety risks in their respective production area.

Employees shall be given the necessary and adequate safety training before operating machines and other equipment (e.g. as one part of an introduction programme).

The IKEA supplier shall keep records of training.

7.4 Machine safety devices

The IKEA supplier shall ensure that all machines and other equipment used in production are equipped with the necessary and required ⁽⁹⁾ safety devices in order to prevent employee injuries.

Examples of safety devices are emergency stop buttons, gates and safety cages to prevent injuries caused by crushing, squeezing, cutting, etc.

Note 9: *Machines and other equipment marked with CE-labels or similar, that have not been tampered with or modified are to be considered as fulfilling the Health & Safety requirements.*

7.5 Safety instructions

If there is a risk for health or risk of injuries, The IKEA supplier shall ensure that safety instructions and/or warning signs ⁽¹⁰⁾ are clearly and visibly posted at designated work area(s), in close proximity to machines and other equipment, and at entrances to such area(s) where such machine(s) or equipment are used.

The IKEA supplier shall ensure that all its employees follow instructions and warning signs.

Note 10: *Risks and hazards can either be described in the form of figurative signs or described in a written instruction or procedure. The warning signs should also show what kind of PPE to be used and where.*

7.6 Safety hazards

The IKEA supplier shall make sure that other occupational hazards of an immediate character are avoided, e.g.

- severely damaged staircases,
- dangerous electrical wires close to workers,
- big holes in the floor,
- unsafe storage of LPG (Liquefied Petroleum Gas) or similar extremely flammable products,
- gas-tubes standing loose on the floor and without collars around the valve,
- baths with hazardous chemicals which easily splash into the work environment,
- etc.

7.7 Use of personnel protective equipment

The IKEA supplier shall provide the appropriate Personal Protective Equipment (PPE) ⁽¹¹⁾ to all workers in any harmful or potentially risky work area(s). The IKEA supplier must ensure the PPE is maintained.

The IKEA supplier shall ensure all employees wear the PPE when working in or in close proximity to any harmful or potentially risky work area(s).

The supplier must always pay for PPE and any other specific clothes required to be worn at work.

PPE must also be provided for visitors.

Note 11: *Protective equipment for head, eyes, hands, feet, hearing, body and breathing.*



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7.8 PPE signs

The IKEA supplier must ensure that areas where PPE are to be used are clearly marked. (e.g. symbol for helmet, ear muffs, gloves, mask, goggles, boots, etc.)

7.9 First aid equipment

First aid equipment shall be adequately stocked and available to co-workers. The extent of the first aid equipment shall be based upon the size of the facility, the extent of the activities performed as well as the potential risk of injury. Each floor and each building shall have at least one first-aid box placed in a designated area.

The first aid box shall be available during all work shifts.

7.10 First aid trained persons

The IKEA supplier shall have at least one first aid trained employee present during working hours covering all production shifts. First aid trainers must be certified trainers, doctors or nurses.

7.11 Internal air quality

The IKEA supplier shall comply with all relevant and applicable laws, legislation and regulations pertaining to internal air quality (fumes, particles and appropriate ventilation).

7.12 Temperature

The IKEA supplier shall comply with all applicable laws and regulations pertaining to temperature ⁽¹²⁾ levels in the workplace.

Note 12: In tropical or sub-tropical areas, the outside temperature is acceptable as the workplace temperature, provided there's a roof that provides shade and protection from sunlight. Fans shall be used to ease the heat.

7.13 Workplace noise

The IKEA supplier shall comply with all applicable laws and regulations pertaining to noise levels in the workplace.

7.14 Workplace light

The IKEA supplier shall comply with all applicable laws and regulations pertaining to lighting levels.

7.15 Drinking water

The IKEA supplier shall provide clean drinking water to all employees. Clean drinking water must be provided, free of charge and within a reasonable distance of the work area(s).

7.16 Hygiene

The IKEA supplier shall ensure an adequate number of washing and toilet facilities are available for both men and women, and ensure they are appropriately maintained.

8. Housing Facilities

8.1 Requirements for housing

If there is legislation within this area, the IKEA supplier shall comply with legal requirements. The IKEA supplier shall also, when providing housing facilities to its employees ensure reasonable cleanliness, privacy, quietness, personal hygiene and access to drinking water. No restrictions shall be applied which interfere with the employee's right to leave the housing facility during his/her free time.

Employees, for whom accommodation is provided, shall be provided with his/her own individual bed/mattress or sleeping mat.

The living space provided per individual shall be according to the legal requirements, and if there are no such requirements, the area shall be minimum two square metres per person.

Separate accommodations, toilets and washing facilities shall be available for men and women respectively.

Fire Safety for Housing Facilities

Demands as per section 6.

9. Wages, Benefits and Working hours

9.1 Contracts

The employees at the IKEA supplier shall be employed according to applicable laws and regulations and there shall be a contract (or appointment letter) written accordingly. The IKEA supplier shall pay wages to its employees (applicable also to temporary workers, trainees and workers on trial), including compensation for overtime, and working hours in accordance to legal requirements.

A written contract must contain everything specified in local legislation, and as a minimum the following: employer, name of worker, birth date, position, salary, working hours, overtime compensation, benefits and notice time ⁽¹³⁾.

Note 13: Information about working hours, overtime compensation, benefits and notice time could instead be described in an Employee Handbook or similar.

9.2 Payrolls and attendance records

The IKEA supplier shall maintain payroll and attendance records pertaining to the documented payment of wages and working hours for each employee, including piece-rate and temporary workers.

The IKEA supplier shall make available – upon request – the above mentioned records during the course of an IWAY Audit ⁽¹⁴⁾.

The IKEA supplier shall – prior to employment – provide written information to the employee (this also counts for temporary workers) regarding wages and the terms of employment. In connection with the payment of wages at regular intervals, the employee shall receive details of the wages, including overtime hours, and other legal or agreed upon deductions.

Note 14: Payroll records are to be seen as confidential records and shall be handled according to applicable legislation.

9.3 Working hours and overtime

Suppliers shall not require their employees to work more than sixty hours per week on a regularly scheduled basis, including overtime. Working time must not exceed the legal limit.

IKEA can, during extraordinary business conditions, accept that the supplier obtains waivers from the local labour authority to temporarily exceed the maximum overtime hours. The waiver must always be in writing and presented to IKEA upon request.

Overtime hours must be on a voluntary basis. IKEA can under certain circumstances, well defined in the local legislation and/or agreed with local trade union, accept that overtime hours can be mandatory and decided by the management of the supplier.



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9.4 Minimum wage

The IKEA supplier shall pay its employees with no less than the legal applicable minimum wage. The minimum wage shall be paid as per local legal demands (based on legally stipulated standard working hours).

9.5 Overtime pay

Employees shall be compensated for all overtime hours worked according to the legal requirements.

Employees shall receive details of wages on pay-slips, including information regarding overtime hours and any deductions made.

9.6 Regular payments

Wages shall be paid at regular intervals and on time with respect to work performed, according to local legislation. Wages shall be paid at least monthly. The supplier must not withhold workers' salary.

9.7 One day off in seven

Employees shall have at least one day off in seven.

9.8 Leaves

Employees shall have time off from their job according to applicable legislation, local traditions and standards (e.g. sick/medical leave, annual/earned leave, maternity leave, national holidays etc.).

9.9 Breaks

The IKEA supplier shall provide its employees with appropriate time off for meals and breaks. At least one break per day and shift shall be 30 minutes or more, if not otherwise agreed in writing between the supplier and the employees (e.g. through an agreement with the local union or workers representatives).

9.10 Benefits

The IKEA supplier shall provide its employees with all legally mandated benefits to which they are entitled. These could be medical insurance, social insurance, pensions etc.

10. Child Labour

10.1 Prevention of child labour (Start-up requirement)

Child labour is defined as work performed by children, which interferes with a child's right to healthy growth and development and denies him or her the right to quality education. The IKEA supplier shall not make use of child labour⁽¹⁵⁾. All measures to avoid child labour shall be implemented taking into account the best interests of the child.

The IKEA supplier must abide by the United Nations Convention on the Rights of the Child (1989), and comply with all relevant national and international laws, regulations and provisions applicable in their country of production.

The IKEA supplier shall take the appropriate measures to ensure that no child labour occurs at their own place of production or at sub-suppliers place(s) of production⁽¹⁶⁾.

The IKEA supplier shall maintain a Labour force register including date of birth for all the workers.

Note 15: According to ILO Minimum Age Convention no. 138 (1973), a child is defined as any person less than fifteen years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply.

If the local minimum working age is set at fourteen years of age in accordance with exceptions for developing countries, the lower age will apply.

National laws or regulations may permit the employment or work of persons 13 to 15 years of age or 12 to 14 years of age on light work which is:

- a) Not likely to be harmful to their health or development; and*
- b) Not such as to prejudice their attendance at school, their participation in vocational orientation or training programmes approved by the competent authority or their capacity to benefit from the instruction received."*

Note 16: *If child labour is found in any place of production, IKEA will require the supplier to establish a corrective action plan. The action plan shall take the child's best interests into consideration, i.e. family and social situation and level of education. 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 the children.*

10.2 Young workers

The IKEA supplier shall protect young persons of legal working age, up until the age of 18, from any type of employment or work which, by its nature or circumstances in which it is carried out, is likely to jeopardise their health, safety or moral.

11. Forced & Bonded Labour

11.1 Forced and bonded labour (Start-up requirement)

The IKEA supplier shall not make use of forced⁽¹⁷⁾, prison⁽¹⁸⁾, bonded⁽¹⁹⁾, indentured or involuntary labour⁽²⁰⁾.

The IKEA supplier shall allow its employees to freely leave the factory premises when their work shifts ends. The IKEA supplier shall not withhold ID cards, passports or require deposits (e.g. for working clothes or uniforms).

If employment contracts are terminated according to agreed notice time, the IKEA supplier shall not make any salary deductions for workers who leave.

Note 17: *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 any personal belongings, such as ID card, passport etc., and for which work the said person has not offered him/herself voluntarily.*

Note 18: *Use of state or military prisoners at the supplier or at sub supplier is prohibited*

Note 19: *Bonded labour is understood as labour not only physically bonded, but also bonded by financial debts, loans or deposits.*

Note 20: *If guest workers or temporary labour are employed on a contractual basis, such workers shall never be required to remain employed against their own will, for any period beyond the agreed time of the contract. The supplier shall pay all commissions and other fees to the recruitment agency in connection with their employment.*

12. Discrimination

12.1 Discrimination

The IKEA supplier shall, as a general principle, base decisions pertaining to hiring, salary, fringe benefits, promotion, termination and retirement on workers individual skills and ability to do the job.

The IKEA supplier shall not discriminate with regards to employees based on race, creed, sex, marital or maternal status, age, political affiliation, national origin, sexual orientation or any other basis prohibited by law.



IWAY Standard

Minimum Requirements for Environment, Social & Working Conditions and Wooden Merchandise when Purchasing Home Furnishing Products

13. Freedom of Association

13.1 Labour union

The IKEA supplier shall ensure that employees are not prevented from associating freely.

13.2 Collective bargaining

The IKEA supplier shall not prevent employees from exercising collective bargaining ⁽²¹⁾.

Note 21: Collective bargaining is defined as negotiations between employer and employee representatives (freely and independently chosen by the employees).

14. Harassment, Abuse and Disciplinary Actions

14.1 Punishments and appeal

The IKEA supplier shall not engage in or support the use of corporal punishments, threats of violence, other forms of mental or physical coercion or engage in sexual harassment.

The IKEA supplier shall not make use of public warning and punishment systems. Reprimands for breach of duty or misconduct shall be a private matter between the employer and the employee and/or his/her representative. The employee at the supplier shall have the right to appeal reprimands/disciplinary actions/dismissal. These appeals shall be recorded.

15. Continuous Improvements

15.1 Health & safety improvements

The IKEA supplier shall ensure and demonstrate continuous health and safety improvements in various areas through the formation of a Health & Safety Committee aiming at

- reducing the number of incidents and accidents
- increasing workers involvement in improving their working environment.

The Health & Safety Committee shall follow up accident & incident reporting and ensure measures are taken to prevent recurrence. It shall identify the need for training of workers, perform regular inspections of the work environment and ensure that deficiencies are addressed. Inspections shall be done at least once every quarter. The committee shall also make sure the IKEA requirements (e.g. the IWAY Standard) are available for workers.

The Health & Safety Committee shall include workers as well as management, with at least 50% participation of workers. It shall have regularly scheduled meetings at least once every quarter. The results of the meetings shall be documented and made available for all employees.

Results from Health & Safety Committee inspections and meetings will be reviewed by IKEA during supplier visits and IWAY audits.

15.2 Environmental improvements

The IKEA supplier shall ensure and demonstrate continuous environmental improvements – relative to increases in production – in various areas e.g. reduction of:

- Emissions to air
- Discharges to ground and water
- Noise
- Hazardous and non-hazardous waste
- The use of natural resources e.g. energy, raw materials, chemicals etc., as well as working to reduce and replace the use of fossil fuels.

The supplier shall also continuously work to replace hazardous substances with less hazardous (i.e. applying the substitution principle).

16. Routines for Procurement of Wood, Bamboo & Rattan

16.1 Responsible person

The IKEA Supplier shall have a responsible person and a procurement procedure to ensure that all wood, bamboo and rattan used in IKEA products, comply with IWAY requirements.

16.2 Information to sub-suppliers

All sub-suppliers of wood, bamboo and rattan shall be informed about IKEA's minimum requirements for wooden merchandise. The IKEA supplier shall sign written agreements with all wood, rattan and bamboo suppliers, covering the IWAY requirements. Each part in the supply chain is responsible for securing that the next part in the chain complies with the IWAY requirements.

The IKEA supplier shall support on-site audits conducted by either; an IKEA audit team, an independent auditor or an audit organisation recognised by IKEA. IKEA reserves the right to perform unannounced audits at various links in the supply chain, to verify that the IWAY requirements are fulfilled. IKEA suppliers shall allow for confidential employee interviews and shall maintain and allow access to all documentation and records as required.

16.3 Known origin and records of sources (Start-up requirement)

The IKEA supplier shall maintain records of the origin of all wood, bamboo and rattan sources. This must be defined to at least the specific region within the country.

The IKEA supplier shall establish and maintain a register of all wood, bamboo and rattan sources used over the course of the last 24 months.

The IKEA supplier must – upon request from IKEA or by a 3rd party appointed by IKEA - be able to report the origin of the wood within 48 hours.

16.4 Forest Tracing System (Start-up requirement)

The Forest Tracing (FTS) must be completed yearly according to IKEA requirements. New suppliers must complete FTS before first delivery.

16.5 Separation of non-complying wood, bamboo and rattan

If the IKEA supplier mixes or utilises wood, bamboo and rattan that do not comply with IKEA's IWAY requirements, the supplier shall establish and implement a procedure to ensure that adequate storage facilities exist to separate non-complying material from material used for IKEA products, and secure this throughout the whole process.



17. Fulfilment of IKEA and Legal Forestry Demands

17.1 Compliance with forestry legislation and other applicable laws

The IKEA supplier shall for IKEA products, only use wood, bamboo and rattan that have been produced in compliance with existing laws & legislation and accepted forest practices within the country and/or region where the wood originates from.

17.2 Wood from Intact Natural Forests or High Conservation Value Forests (Start-up requirement)

The IKEA supplier shall not utilise wood from Intact Natural Forests⁽²²⁾ or nationally/regionally recognised and geographically identified High Conservation Value Forests⁽²³⁾ unless the forest area is certified according to a standard recognised by IKEA.

In the event that maps of Intact Natural Forests have been distributed by IKEA to the IKEA supplier, the IKEA supplier shall use these maps to secure that the wood does not come from such forests.

Note 22: Intact Natural Forests that are intact, i.e. unfragmented with a minimum block size of 50 000 ha, where no systematic forest management has been carried out within the area and where access to the area is restricted, i.e. no roads, mines, pipelines etc.

Note 23. High Conservation Value Forests: Forests that possess one or more of the following attributes:
a) Forest areas containing globally, regionally or nationally significant concentrations of bio diversity values (e.g. endangered species); and/or large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance
b) Forest areas that are in or contain rare, threatened or endangered ecosystems.
c) Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).
d) Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in co-operation with such local communities).

17.3 Wood, bamboo and rattan from protected areas

The IKEA supplier shall not utilise wood, bamboo and rattan from protected areas (e.g. national parks, nature reserves) unless it can be proven that the wood, bamboo and rattan has been harvested in accordance with management prescriptions for the protected area and/or has been certified according to a standard recognised by IKEA.

17.4 Wood from plantations in the tropical and sub-tropical region

The IKEA supplier shall not utilise wood from plantations in tropical and sub-tropical region, that have been established after Nov 1994 by replacing Intact Natural Forests.

17.5 High value tropical tree species

The IKEA supplier shall only use high value tropical tree species⁽²⁴⁾ that are certified according to FSC or other IKEA recognised level 4 standards.

Note 24. High-value tropical tree species: teak, meranti, rosewood, mahogany.

17.6 Origin of bamboo and rattan

The IKEA supplier shall ensure that no bamboo or rattan is coming from Myanmar (Burma).

Large diameter rattan canes (above 18 mm in diameter) from Indonesia must originate from Sulawesi. All other sources and species of large diameter rattans originating from other parts of Indonesia must prior to usage be approved in writing by IKEA.