IKEA’s Position on Child Labour.

Child labour is an unacceptable part of today's reality in certain countries. We are aware of this and also of the complexity of the problem. For many years, IKEA has actively worked on the issue of child labour. Our goal is to make sure that no child labour is involved in the manufacturing of IKEA products.

As a company whose operations are international, IKEA has a responsibility to influence the conditions under which the products we sell are manufactured. We want to offer our customers well-designed, functional home furnishing products of good quality and at low prices, manufactured under acceptable working conditions by suppliers that care for the environment.

IKEA respects different cultures and values in countries where IKEA operates and sources its products, without compromising the basic requirements regarding the rights of the child. We want our activities always to be in the best interests of the child. We firmly believe in, that the best way IKEA can help to improve the situation for children, is through active business co-operation. Our presence gives us the possibility to raise the awareness and put demands in countries where child labour is part of today’s reality.

IKEA does not accept child labour in factories owned by suppliers to IKEA or by their sub-contractors. Children must be protected from child labour. That means from any work which interferes with a child's right to healthy growth and development and especially denies her/him the right to quality education.

How does IKEA work?

IKEA supports the UN Convention on the Rights of the Child (1989), with the basic requirement to always put the best interests of the child in focus. Our work is also based on the ILO (International Labour Organisation) Convention number 138 (1973) concerning minimum working ages, and the ILO Convention number 182 (1999) concerning worst forms of child labour. This is regulated in a special child labour code of conduct, “The IKEA Way on Preventing Child Labour”. This code addresses the issue of child labour and includes the following criteria:

- The supplier must accept IKEA's insistence to take the appropriate measures to ensure that no child labour occurs at suppliers' and their sub-contractors’ places of production.
- The supplier must agree to provide lists of all places of production (including their sub-contractors) and allow IKEA’s co-workers and representatives for an independent third party, as and when commissioned to do so by us, to carry out unannounced visits at any time.
- If child labour is found in any place of production, IKEA requires the supplier to implement a corrective action plan, taking the child's best interests into consideration. 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 children (such as educational opportunities).

- If corrective action is not implemented within an agreed timeframe, or if repeated violations occur, IKEA will terminate all business with the supplier concerned.

**Monitoring**

In most countries, IKEA has its own trading service offices with staff who speaks the language and are familiar with the culture and working conditions. This gives a good understanding and insight into production in various markets.

IKEA co-workers visit all suppliers, approximately 1,800, on a regular basis and conduct audits within the framework for the general code of conduct, “The IKEA Way on Purchasing Home Furnishing Products”. The IKEA compliance and monitoring group supports the local offices in this work and they are also responsible for monitoring the work done on local level. In addition, external verification companies conduct audits on a random basis, in order to support and monitor the compliance of IKEA’s own auditing.

In two countries, with special emphasis on child labour, IKEA has additionally assigned third party companies to make regular monitoring through unannounced random checks - KPMG and PricewaterhouseCoopers in India, and Inspectorates Corporation International (ICIL) in Pakistan.

**Carpet-production in India – an example**

The production of carpets in India is spread over large geographical areas and divided into many small units, sometimes right down to individual looms in villages scattered across the countryside. According to UNICEF figures, there is an estimate of 150,000 - 175,000 looms in the carpet belt of Uttar Pradesh in Northern India, total weavers being 450,000-525,000. This widespread production makes it impossible for IKEA, or any other organisation in our opinion, to make 100% guarantees that no child at any time is involved in the production of a product. Consequently, IKEA is hesitant to put any labels on its products that can give an illusion of guarantees.

**What is IKEA doing?**

There are many reasons why children work. Among them are poverty, poor quality education, cultural and personal attitudes, willingness to exploit cheap, docile labour and limited law enforcement. Children are involved in a huge range of work, in the developing world most of them (70%) in agricultural, fishing, forestry and hunting. And world wide about 5% of the children working are in the production of internationally traded goods.

The complexity of the child labour problem requires input and influence from many different parties, and a consistency in the long-term efforts to tackle the root causes of child labour, so that broad-based and enduring developments are created. We have experienced the importance of close co-operation with our suppliers, UNICEF and with local and international NGOs, among them Save the Children Alliance.

- IKEA has its own Children's Ombudsman, whose responsibility it is to ensure that we maintain a clear focus on the best interests of the child and that we comply with the United Nations Convention on the Rights of the Child (1989).
• IKEA has one person employed in India, whose task is to work specifically with child labour issues and social projects in South Asia.
• IKEA has an ongoing dialogue with experts, NGOs and UN organisations, both internationally and locally.

Child rights project in India together with UNICEF
In August 2000, IKEA together with UNICEF, initiated a three-year child rights project in 200 villages in the “carpet belt” in the state of Uttar Pradesh in Northern India. The aim is to prevent child labour by addressing the root causes.

The focus is put on working with rural communities, creating awareness and mobilising them around strategies for preventing child labour. School enrolment drives are conducted and alternative learning centres (ALCs), as a transitory measure to formal primary schools, are established on a needs-based basis. Through the formation of self-help groups, the project also helps rural women to enhance their economic status by improving access to credit and income-generation opportunities, thus reducing the debt-burden which, according to UNICEF, is one of the primary reasons why families send their children to work. Women also learn to write and read, learn about children’s rights and get basic information on health and nutrition.

The project has proved to be very successful. 24,000 children are now attending school and more than 6,000 women, because of education and their own micro credit schemes, have got the possibility to contribute to the income of their families. IKEA and UNICEF therefore decided to enlarge the project into another 300 villages in the same area, starting in January 2003. This means that in total 500 villages, with a population of about 1 million people, will benefit from the project. IKEA finances the project fully, with total USD 1.4 million.

Immunisation project in India together with UNICEF and WHO
In the same area IKEA, together with UNICEF and WHO (United Nations World Health Organisation), has initiated a five-year immunisation programme. There are obvious links between immunisation and the health of children and child labour. Through the prevention of disability and ill health, such as through immunisation, we also contribute in preventing child labour.

The project started in 2002 and the objective is to provide immunisation to infants between 0-1 years of age against the six most common childhood diseases. The vaccination will also be given to all pregnant women. Extra emphasis is put on improving the acceptance and demand for immunisation from the community.

The project covers more than 3,000 villages and the estimate is that 140,000 children and 150,000 women will get immunised. IKEA will contribute with total USD 270,000.

For further information, please contact PRCO@memo.ikea.com