

A woman with blonde braided hair, wearing blue overalls and red sneakers, is seen from behind, reaching up to adjust a black metal chair frame hanging from a wooden beam. The warehouse floor is concrete, and there are stacks of metal frames and pallets in the background. The lighting is bright and industrial.

# IWAY

## STANDARD

*The IKEA Way of Responsibly Procuring Products,  
Services, Materials and Components*

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# The IKEA vision is to create a better everyday life for the many people

For the purpose of this document, “we” means all companies operating under the IKEA brand, and “you” means any *supplier* to any IKEA company.

We (“IKEA”) want to build long-term relationships with *suppliers*, service providers and other contracting parties (herein after, “*Suppliers*”) that share our vision. That’s why we have developed IWAY, the IKEA Way of Responsibly Procuring Products, Services, Materials and Components.

IWAY defines what we expect of you, as a *supplier* in the IKEA *value chain*, when

taking care of people, the planet and animals.

Our experience working with IWAY has shown us that when people, the planet and animals are treated with respect, *workers* are more productive, resources are utilised more efficiently, and business thrives. Our customers benefit too – knowing that all goods IKEA sells are produced, transported, delivered and assembled responsibly and that *suppliers* of our stores, customer touchpoints and production sites maintain good social, environmental and animal welfare conditions.

When working with IWAY, we are continually guided by the following questions:



**WHAT IS IN THE BEST  
INTEREST OF THE CHILD?**



**DOES IT HAVE A POSITIVE IMPACT  
ON THE ENVIRONMENT?**



**WHAT IS IN THE BEST INTEREST  
OF THE *WORKER*?**



**DOES IT HAVE A POSITIVE IMPACT  
ON THE WELFARE OF ANIMALS?**

# We are determined to support responsible procurement principles at all stages of the IKEA *value chain*

By committing to meet IWAY, you are expected to secure the following:

## **Responsibility**

You are responsible to comply at all times with local, national and international laws, as well as with all IWAY Must and IWAY Basic requirements defined in the IWAY Standard.

## **Openness**

You are open and honest about areas that require improvement.

## **Continual improvement**

We recognise the time and effort required to implement the IWAY Standard and encourage you to adopt a continual improvement mind-set, to strengthen performance and go beyond the IWAY Basic requirements, as required.



# We recognise that our actions make a difference too

We strive to take a fair and open approach to how we work with you. This means that:

## **Alignment**

We aim to live up to the same expectations internally as we require of you.

## **Dialogue**

We maintain open lines of communication with all our *suppliers* and welcome any feedback you may have on our performance and behaviour.

## **Support**

Where possible, we provide you with practical support to help you develop your own processes, adapted to your operations, to enable you to meet and continuously improve, in line with the IWAY Standard.



# The IWAY principles and requirements are based on internationally recognised standards and principles

These reflect our commitment to the UN Guiding Principles on Business and Human Rights (UNGPs) and are based on the Ten Principles of the UN Global Compact. In developing our requirements, we have also been guided by the UN Sustainable Development Goals (SDGs) and the ILO Centenary Declaration for the Future of Work, among others.

IWAY is structured according to:

## Principles

The principles define the IKEA standpoint on responsibly procuring products, services, materials and components.

## Sections

The sections group IWAY requirements and are applicable depending on the activities or setups of *suppliers*.

## THE IWAY REQUIREMENTS

### MUST

Requirements that must be met at all times when doing business.

### BASIC

Requirements that must be met within 12 months of first delivery or service.

### ADVANCED

Requirements that go beyond minimum compliance and define additional steps towards more sustainable practices. These may or may not be applicable depending on the priorities set by the relevant IKEA organisation.

### EXCELLENT

Requirements that go beyond minimum compliance and define additional steps towards more sustainable practices. These may or may not be applicable depending on the priorities set by the relevant IKEA organisation.

The most demanding requirements are always complied with, whether they are legal or IWAY requirements. Should IWAY requirements contradict the applicable laws or regulations, the law is complied with and prevails. In such cases, IKEA is informed immediately and alternative ways to respect the IWAY requirement are looked for.

### **We encourage attempts to drive harmonisation of requirements and ways of working**

IKEA recognises that *suppliers* may have their own Code of Conduct, work with another buyer's Code of Conduct or be certified according to a sustainability scheme that is comparable to IWAY. IKEA supports alternative approaches to implementing IWAY requirements. IKEA reserves the right to decide whether such approaches are equivalent.

### **Successful implementation of IWAY depends on cooperation, mutual trust and respect**

All observations, discussions and information received from you are treated confidentially by IKEA, its co-workers and any third party organisations appointed by IKEA. Any data gathered in relation to IWAY is treated respectfully and for the sole purpose of verifying compliance to IWAY.

### **The official language of the IWAY Standard is English**

Translations of the IWAY Standard are provided for information purposes only, and cannot be relied upon as contractual documentation. The English version is the sole contractual document and prevails in case of ambiguities or discrepancies.

### **Glossary**

Words in *italics* are defined in the Glossary.



# IWAY principles

1

IWAY principles are supported by effective *routines* and open dialogue

2

Business is conducted lawfully and with integrity

3

Children are protected and opportunities for learning and family life are promoted

4

Fundamental labour rights are respected

5

Workers have time off work, are paid responsibly and have opportunities to develop competence

6

Workers' health and safety are protected

7

Working and living conditions are suitable

8

The planet is protected

9

Resources, including water and waste, are managed in a sustainable and circular way

10

Animals live decent lives

# IWAY STANDARD GENERAL SECTION

*Requirements for all suppliers*



# 1 IWAY principles are supported by effective *routines* and open dialogue

## PERFORMANCE MANAGEMENT



- G 1.1 Accountability and responsibility related to IWAY has been granted to one or more management-level representatives.
- G 1.2 Internal audits to assess compliance with IWAY requirements are conducted at least once every 12 months.



- G 1.3 Written policies and *routines* covering IWAY are in place.
- G 1.4 Indicators and plans are in place to measure and improve performance related to IWAY.

## SUPPLY CHAIN MANAGEMENT



- G 1.5 *Sub-contractors* of products, services, materials or components in the IKEA *value chain* are mapped, in line with IKEA organisation specifications.
- G 1.6 IWAY is implemented and verified at *sub-contractors* of products, services, materials or components in the IKEA *value chain*, in line with IKEA organisation specifications.



- G 1.7 Social and environmental risks in the IKEA *value chain* are identified and actions are taken to mitigate them.

## WORKER/MANAGEMENT DIALOGUE

### BASIC

- G 1.8 *Workers* are informed of their rights and responsibilities related to IWAY.
- G 1.9 There is a structured dialogue with *workers* related to IWAY.



## 2 Business is conducted lawfully and with integrity

### BUSINESS ETHICS

#### MUST

- G 2.1 Trust and transparency related to the IKEA business are ensured. Attempts to break the law, falsify documents, deceive, or commit corruption are not accepted.

#### BASIC

- G 2.2 All applicable laws, regulations and permits related to IWAY are complied with.

# 3 *Children are protected and opportunities for work, learning and family life are promoted*

## PROTECTION OF CHILDREN

### MUST

- G 3.1 There is no *child labour*. Any potential or confirmed case of *child labour* is immediately reported to IKEA.

### BASIC

- G 3.2 *Children* do not perform work below the *minimum legal working age*. *Vocational trainees* may participate in training from 14 years of age. Training is related to their education.
- G 3.3 *Children*, whether as *young workers* or *vocational trainees*, do not perform *hazardous work* or night work.

## OPPORTUNITIES FOR WORK AND LEARNING

### BASIC

- G 3.4 Work opportunities for *young workers* are identified and promoted.

### ADVANCED

- G 3.5 *Vocational training* opportunities for *children* are identified and promoted.

## OPPORTUNITIES FOR FAMILY LIFE

### ADVANCED

- G 3.6** *Workers receive childcare support in addition to that defined by applicable legislation.*



# 4 *Fundamental labour rights are respected*

## WORKER FREEDOM

### MUST

- G 4.1 There is no *forced, bonded or prison labour*. Any potential or confirmed case of *forced, bonded or prison labour* is immediately reported to IKEA.

### BASIC

- G 4.2 Overtime hours are voluntary and *workers* refusing overtime hours are not penalised. Under certain circumstances well defined by applicable legislation, overtime hours may be mandatory for a short period if agreed through *worker* representation, where applicable.

## FREEDOM OF ASSOCIATION AND GRIEVANCES

### BASIC

- G 4.3 *Workers* are free to exercise their right to form or participate (or not) in work-related organisations, as well as engage in *collective bargaining*. These rights are exercised without fear of *discrimination*, violence or harassment, whether physical or psychological.
- G 4.4 A grievance mechanism is in place and known to *workers*, enabling them to raise complaints or concerns without retaliation. Complaints are recorded and acted upon and the anonymity of *workers* is protected.

## RECRUITMENT AND EMPLOYMENT PRACTICES

|        | BASIC                                                                                                                                                                                                                                                                                                                       |          |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| G 4.5  | Fees and costs related to recruitment, employment or termination processes are not charged to <i>workers</i> . <i>Workers</i> are not requested to provide deposits.                                                                                                                                                        |          |
| G 4.6  | A written routine related to recruitment is implemented and includes rules regarding: age verification, the screening and selection of candidates and the use of all labour recruiters.                                                                                                                                     |          |
| G 4.7  | <i>Workers</i> sign a written employment contract or equivalent before they start work or introductory training, whichever comes first. <i>Workers</i> receive a copy of the contract and understand its terms prior to signature. Significant changes in employment terms are agreed upon by the <i>worker</i> in writing. |          |
| G 4.8  | <i>Zero-hours</i> contracts are not used.                                                                                                                                                                                                                                                                                   |          |
| G 4.9  | Rules regarding <i>discrimination</i> , harassment, <i>business ethics</i> , disciplinary measures and the use of alcohol and drugs are written, implemented and communicated to <i>workers</i> .                                                                                                                           |          |
| G 4.10 | Disciplinary measures do not include the use of mental or physical coercion, including corporal punishment, threats of violence, public warnings or punishments, fines and the removal of contractual benefits. <i>Workers</i> are free to seek assistance and have the right to appeal disciplinary decisions.             |          |
|        |                                                                                                                                                                                                                                                                                                                             |          |
|        |                                                                                                                                                                                                                                                                                                                             | ADVANCED |
| G 4.11 | <i>Temporary work</i> is only used, when work is not of a regular nature.                                                                                                                                                                                                                                                   |          |
| G 4.12 | In case of <i>dismissal</i> , <i>workers</i> are offered a <i>notice period</i> of at least 10 working days prior to termination of employment.                                                                                                                                                                             |          |

## EQUALITY, DIVERSITY AND INCLUSION

|        | BASIC                                                                                                                   |           |
|--------|-------------------------------------------------------------------------------------------------------------------------|-----------|
| G 4.13 | <i>Workers</i> are free from <i>discrimination</i> , violence or harassment, whether physical or psychological.         |           |
|        |                                                                                                                         |           |
|        |                                                                                                                         | ADVANCED  |
| G 4.14 | Actions to promote <i>equality</i> , <i>diversity</i> and <i>inclusion</i> are implemented and communicated internally. |           |
|        |                                                                                                                         |           |
|        |                                                                                                                         | EXCELLENT |
| G 4.15 | Gender pay gaps are assessed and actions are taken to eliminate them.                                                   |           |
| G 4.16 | <i>Gender balance</i> is achieved for managerial positions.                                                             |           |

# 5 *Workers have time off work, are paid responsibly and have opportunities to develop competence*

## WORKING HOURS AND TIME OFF WORK

### MUST

- G 5.1 A reliable system for registering *working hours*, including overtime, of all *workers* is maintained.

### BASIC

- G 5.2 *Working hours* do not exceed 60 hours per week, including overtime.
- G 5.3 *Workers* have at least one break of 30 minutes after every 4.5 hours worked, unless otherwise agreed in writing through *worker* representation.
- G 5.4 *Workers* have at least 24 consecutive hours of rest after 6 days of work.

### ADVANCED

- G 5.5 *Workers* have the opportunity to take time off from work for exceptional personal circumstances, in addition to that defined by applicable legislation.
- G 5.6 Regular *working hours* do not exceed 48 hours per week. Overtime *working hours* do not exceed 12 hours per week.

### EXCELLENT

- G 5.7 Work is planned in such a way that it does not rely on overtime.

## WAGES AND BENEFITS

| MUST     |                                                                                                                                                                                                              |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G 5.8    | <i>Workers</i> are paid at least the legal minimum wage.                                                                                                                                                     |
| BASIC    |                                                                                                                                                                                                              |
| G 5.9    | <i>Workers</i> are compensated for additional <i>living costs</i> resulting from working away from their <i>base location</i> .                                                                              |
| G 5.10   | Wages are paid according to contractual terms, on time and at least monthly.                                                                                                                                 |
| G 5.11   | <i>Workers</i> receive a <i>payslip</i> with complete pay, benefits and deduction information that reflects the pay received. Information provided in <i>payslips</i> is understandable for <i>workers</i> . |
| G 5.12   | Uniforms, when required, are provided in sufficient quantity and free of charge. No deductions are made for cleaning and/or maintaining uniforms.                                                            |
| ADVANCED |                                                                                                                                                                                                              |
| G 5.13   | Overtime hours are compensated at premium rate or through the equivalent amount of time off.                                                                                                                 |

## COMPETENCE DEVELOPMENT

| BASIC    |                                                                                                                                                         |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| G 5.14   | <i>Workers</i> have competence on how to handle emergency situations and know the risks associated with their position prior to performing their tasks. |
| G 5.15   | <i>Workers</i> receive training or other competence development activities that allow them to fulfil their tasks.                                       |
| G 5.16   | <i>Vocational trainees</i> above 18 years of age receive compensation for work performed while training. Training is related to their education.        |
| ADVANCED |                                                                                                                                                         |
| G 5.17   | <i>Vocational training</i> opportunities are identified and promoted.                                                                                   |
| G 5.18   | <i>Workers</i> have the opportunity to develop their competence, in areas related or unrelated to their current area of work.                           |

# 6 Workers' health and safety are protected

## OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

### MUST

- G 6.1** *Workers* are not exposed to *severe occupational health and safety hazards*. Fatalities are immediately reported to IKEA.
- G 6.2** *Accident* insurance is provided to all *workers*. Insurance covers medical treatment for work related injuries and illnesses and provides compensation for work related injuries and illnesses resulting in permanent disability or death.

### BASIC

- G 6.3** Occupational health and safety risks, including those related to mental health and ergonomics, are assessed and actions are taken to mitigate them.
- G 6.4** Safe working *routines* are implemented to minimise the risks associated with *hazardous work*.
- G 6.5** Equipment is safe and used under safe conditions. Warning signs and safety information are visible.
- G 6.6** *Workers* use personal protective equipment and protective clothing that are clean, free of charge, in working order and appropriate for the risks identified.
- G 6.7** *Accidents* and *near misses* related to occupational health and safety are reported, analysed, followed-up and acted upon. Records of *accidents* and *near misses* are kept.
- G 6.8** Safety *hazards* are continuously reported, analysed, followed-up and acted upon.

## EMERGENCY MANAGEMENT

|        | BASIC                                                                                                                                                                                                                                                                                      |  |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| G 6.9  | Risks of emergency situations are assessed. Written emergency <i>routines</i> are implemented.                                                                                                                                                                                             |  |
| G 6.10 | An independent evacuation alarm is audible and/or visible to all <i>workers</i> . It is possible to manually activate the alarm and alarm buttons are clearly visible and marked.                                                                                                          |  |
| G 6.11 | Emergency evacuation routes and exits ensure quick and safe evacuation at all times.                                                                                                                                                                                                       |  |
| G 6.12 | <i>Workers</i> trained in first aid and firefighting are available during all operating hours in sufficient number to fit the occupational risks.                                                                                                                                          |  |
| G 6.13 | The type, quantity and location of first aid and firefighting equipment fit the occupational risks. The equipment is operational at all times.                                                                                                                                             |  |
| G 6.14 | Evacuation drills are performed to test the evacuation process and identify any need for improvement. The frequency of the drills is defined according to the occupational risks. As many <i>workers</i> as possible participate in the drills. Records of the evacuation drills are kept. |  |

|        | ADVANCED                                                                                                                                              |  |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| G 6.15 | Emergency drills are performed to test the emergency <i>routines</i> and identify any need for improvement. Records of the emergency drills are kept. |  |
| G 6.16 | An <i>emergency response team</i> is appointed to take decisions in case of an emergency situation.                                                   |  |

|        | EXCELLENT                                                                                            |  |
|--------|------------------------------------------------------------------------------------------------------|--|
| G 6.17 | The written emergency <i>routines</i> are aligned with neighbouring companies and local authorities. |  |

## CHEMICAL MANAGEMENT

|        | BASIC                                                                                                                                              |  |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------|--|
| G 6.18 | Chemicals are purchased, stored, transported, handled and used in a way that protects the health and safety of <i>workers</i> and the environment. |  |
|        | ADVANCED                                                                                                                                           |  |
| G 6.19 | Chemical risks are assessed as per the UN Global Harmonising System and chemicals are labelled accordingly.                                        |  |
|        | EXCELLENT                                                                                                                                          |  |
| G 6.20 | Alternative chemicals with lower risks to the health and safety of <i>workers</i> and the environment are identified and used.                     |  |

## BUILDING AND ELECTRICAL SAFETY

|        | BASIC                                                                                                    |  |
|--------|----------------------------------------------------------------------------------------------------------|--|
| G 6.21 | Buildings are designed, constructed, maintained and modified in a way that ensures structural integrity. |  |
| G 6.22 | Electrical wiring, lighting and gas fixtures are properly installed and maintained.                      |  |

OCCUPATIONAL HEALTH CHECKS AND HEALTHCARE SUPPORT

|  |       |  |
|--|-------|--|
|  | BASIC |  |
|--|-------|--|

G 6.23 Non-work related health testing, such as for pregnancy or HIV, is not used.

|  |          |  |
|--|----------|--|
|  | ADVANCED |  |
|--|----------|--|

G 6.24 Occupational health checks are offered regularly to *workers* to identify impacts on health resulting from work. Health checks are performed by a healthcare professional. Findings are kept confidential and are used by the healthcare professional to issue recommendations on potential adjustments to the work position or workplace.

|  |           |  |
|--|-----------|--|
|  | EXCELLENT |  |
|--|-----------|--|

G 6.25 *Workers* receive healthcare support, in addition to that defined by applicable legislation.



# 7 Working and living conditions are suitable

## WORKING CONDITIONS

### BASIC

- G 7.1 The working environment is clean, hygienic and well maintained and has adequate light, ventilation and, when necessary, heating.
- G 7.2 Places where *workers* can eat and rest are available, are away from any *hazards* and are proportional to the number of *workers*.
- G 7.3 Toilets are free of charge, hygienic, accessible during *working hours*, equipped with basic supplies and proportional to the number of *workers*.
- G 7.4 Unlimited, clean drinking water is available free of charge and within a reasonable distance of the work area.

# 8 The planet is protected

## ENVIRONMENTAL IMPACTS

### MUST

- G 8.1 There is no *severe environmental pollution*. Any case of *severe environmental pollution* is immediately reported to IKEA.

### BASIC

- G 8.2 Environmental complaints are recorded and acted upon.
- G 8.3 The risk of ground contamination due to current or previous activities is assessed and acted upon.
- G 8.4 Environmental risks and impacts are identified and assessed in order to find ways to improve environmental performance. Environmental improvement plans are implemented, reviewed and updated every 12 months.

### ADVANCED

- G 8.5 Environmental impacts are assessed when evaluating operational and structural changes.

## AIR POLLUTION AND CLIMATE

### BASIC

- G 8.6 Current energy sources are known and possibilities to convert to *renewable energy* sources are identified.

|       |                                                                                               |          |
|-------|-----------------------------------------------------------------------------------------------|----------|
|       |                                                                                               | ADVANCED |
| G 8.7 | All consumed electricity, generated or purchased, comes from <i>renewable energy</i> sources. |          |
| G 8.8 | No <i>ozone depleting substances</i> or <i>hydrofluorocarbons</i> are used.                   |          |
| G 8.9 | No fossil coal- or oil-based fuels are used on site as a primary source of energy.            |          |

|        |                                                                                                                                                                                                                                                          |           |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
|        |                                                                                                                                                                                                                                                          | EXCELLENT |
| G 8.10 | Emissions of air pollutants and <i>greenhouse gases</i> are reduced in absolute terms, in line with limiting the global temperature increase to well below 2°C, aiming towards 1.5°C, by the end of the century (as set in the <i>Paris Agreement</i> ). |           |
| G 8.11 | All consumed energy, generated or purchased, comes from <i>renewable energy</i> sources.                                                                                                                                                                 |           |

CONSERVATION AND BIODIVERSITY

|        |                                                                                                                                                        |          |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
|        | BASIC                                                                                                                                                  |          |
| G 8.12 | Business activities are not conducted in <i>High Conservation Value Areas</i> , unless the area is certified according to a system recognised by IKEA. |          |
|        |                                                                                                                                                        | ADVANCED |

|        |                                                      |  |
|--------|------------------------------------------------------|--|
| G 8.13 | Initiatives to support biodiversity are implemented. |  |
|--------|------------------------------------------------------|--|



# 9 Resources, including water and waste, are managed in a sustainable and circular way

## WATER

|       | BASIC                                                                                                                                                                                                      |  |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| G 9.1 | Information is available on what type of incoming water is used and how, where and by whom wastewater is treated.                                                                                          |  |
|       | ADVANCED                                                                                                                                                                                                   |  |
| G 9.2 | If water is used in operations, opportunities to reduce use and discharge of water are identified and implemented.                                                                                         |  |
|       | EXCELLENT                                                                                                                                                                                                  |  |
| G 9.3 | If water is used in operations, possibilities to limit the use of <i>high quality water</i> are identified. Actions are taken to limit the usage of <i>high quality water</i> , resulting in improvements. |  |

WASTE MANAGEMENT

|       |                                                                                                                                                                                                                                |  |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|       | BASIC                                                                                                                                                                                                                          |  |
| G 9.4 | Waste is stored, handled, transported and disposed of in a way that protects the health and safety of <i>workers</i> and the environment. No waste is landfilled on site. Hazardous and non-hazardous waste are kept separate. |  |
| G 9.5 | Waste is not incinerated on site, unless for the purpose of recovering energy.                                                                                                                                                 |  |
| G 9.6 | Records are available on how, where, how much and by whom waste is treated.                                                                                                                                                    |  |
| G 9.7 | Opportunities to refuse, reduce, reuse and recycle waste are identified and implemented.                                                                                                                                       |  |
|       | ADVANCED                                                                                                                                                                                                                       |  |
| G 9.8 | No waste is sent to landfill.                                                                                                                                                                                                  |  |
|       | EXCELLENT                                                                                                                                                                                                                      |  |
| G 9.9 | All waste is reused or recycled.                                                                                                                                                                                               |  |



# Glossary

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><i>Accident</i></b>              | An event or occurrence that happens unexpectedly and unintentionally, resulting in injury, illness or death.                                                                                                                                                                                                                                                                                                                                                                |
| <b><i>Base location</i></b>         | Location defined in the employment contract. This is either the regular workplace or the office to which the contract is linked.                                                                                                                                                                                                                                                                                                                                            |
| <b><i>Business ethics</i></b>       | Rules, principles, and standards for deciding what is morally right or wrong when doing business.                                                                                                                                                                                                                                                                                                                                                                           |
| <b><i>Children</i></b>              | Persons under the age of 18 years, unless, under the law applicable to the child, majority is attained earlier.                                                                                                                                                                                                                                                                                                                                                             |
| <b><i>Child labour</i></b>          | Work performed by children under the minimum legal working age that deprives them of their childhood, potential and dignity and that is harmful to their physical and mental development. Furthermore, work done by any person under 18 years of age can also be considered “child labour”, depending on the type and hours of work performed and the conditions under which it is performed.                                                                               |
| <b><i>Collective bargaining</i></b> | Negotiations between the employer and worker representatives, freely and independently chosen by workers.                                                                                                                                                                                                                                                                                                                                                                   |
| <b><i>Discrimination</i></b>        | <p>Discrimination occurs when a person is treated less favourably than another in a comparable situation on grounds that are not related to their capability to do the job.</p> <p>Grounds for discrimination include: age, gender identity, sexual orientation, mental or physical disability, ethnicity, nationality, religion, marital or family status or any other dimension of a person's identity that bears no relation to their capability to perform the job.</p> |
| <b><i>Dismissal</i></b>             | The situation in which an employer officially makes someone leave their job for any reason, unless as a result of a disciplinary process agreed with or not contested by the worker or confirmed by the authorities. This includes cases where workers are laid off or made redundant.                                                                                                                                                                                      |

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><i>Diversity</i></b>                       | Diversity refers to the variety of similarities and differences among people, including age, gender identity, sexual orientation, mental or physical disability, ethnicity, nationality, religion, marital or family status or any other dimension of their identity.                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b><i>Emergency exit</i></b>                  | An emergency exit is illuminated or indicated with a photo luminescent sign. The exit opens outwards, is kept unlocked and is unblocked at all times.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b><i>Emergency response team</i></b>         | Team of workers with appropriate competence to coordinate the emergency response: evaluation of the emergency, immediate decision-making, support to local authorities and emergency services, and external and internal communication.                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b><i>Emergency route</i></b>                 | Route leading towards an emergency exit. The route is kept unblocked at all times.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b><i>Equality</i></b>                        | Equality means that everyone shall be treated fairly and provided with equal opportunities, regardless of their background and their individual differences. Equality also implies the absence of any kind of discrimination.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b><i>Forced, bonded or prison labour</i></b> | <p>Forced labour is any work or service that is performed by any person under the menace or threat of a penalty, and which the person has not entered into of his or her own free will. This includes the confiscation of personal belongings, the inability to terminate employment at any time and the inability to leave work premises.</p> <p>Bonded labour is a form of forced labour in which workers are bound to their job through debt bondage, as a result of being charged, directly or indirectly, recruitment fees or costs, paying deposits, receiving loans or wage advances or having payments delayed.</p> <p>Prison labour is work conducted by prisoners.</p> |
| <b><i>Fundamental labour rights</i></b>       | For the purpose of IWAY, fundamental labour rights include freedom from forced and bonded labour, non-discrimination, freedom of association and the right to collective bargaining.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                       |                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Gender balance</b>                | Gender balance refers to an equal proportion of men and women.                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Minimum legal working age</b>      | The minimum legal working age is defined by the national legislation and is the age at which a person can be employed.                                                                                                                                                                                                                  |
| <b>Greenhouse gases</b>              | Any of the seven greenhouse gases defined by the Kyoto protocol, the emission of which contributes to climate change: carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), sulphur hexafluoride (SF <sub>6</sub> ), hydrofluorocarbons (HFCs), nitrogen trifluoride (NF <sub>3</sub> ), and perfluorocarbons (PFCs). These gases contribute to global warming by trapping heat from the sun like a greenhouse – the so-called greenhouse effect. | <b>Near miss</b>                      | A near miss is an unplanned event that did not result in injury or illness – but had the potential to do so. Only a fortunate break in the chain of events prevented an injury or illness.                                                                                                                                              |
| <b>Hazard</b>                        | A situation that poses a level of threat to life, health or the environment. This can include physical, chemical, biological, ergonomic or occupational hazards.                                                                                                                                                                                                                                                                                                                             | <b>Notice period</b>                  | The time period between the notice of termination and the end of the last working day. The notice period is paid in line with the worker's contract.                                                                                                                                                                                    |
| <b>Hazardous work</b>                | Work in which workers are susceptible to hazards.                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Ozone depleting substances</b>     | Chemicals that destroy the Earth's protective ozone layer in the upper atmosphere. They include chlorofluorocarbons (CFCs), hydrochloro-fluorocarbons (HCFCs), and halons, amongst other human-made substances responsible for ozone depletion. The use of ozone depleting substances is controlled according to the Montreal Protocol. |
| <b>High Conservation Value Areas</b> | Defined by the High Conservation Value Resource Network as areas containing biological, ecological, social or cultural values that are outstandingly significant or critically important at the national, regional or global level.                                                                                                                                                                                                                                                          | <b>Paris Agreement</b>                | Agreement within the United Nations Framework Convention on Climate Change, dealing with greenhouse-gas-emissions mitigation, adaptation, and finance, starting in the year 2020.                                                                                                                                                       |
| <b>High quality water</b>            | Water for which the physical, chemical, biological characteristics match or are close to drinking water limits.                                                                                                                                                                                                                                                                                                                                                                              | <b>Payslip</b>                        | A physical or electronic note given to a worker at the end of each pay period, clearly indicating the components of the compensation. This includes exact amounts for wages, benefits, incentives/bonuses and any deductions. Information provided in payslips is understandable for workers.                                           |
| <b>Hydrofluorocarbons</b>            | Hydrofluorocarbons (HFCs) are man-made, fluorinated greenhouse gases. They are frequently used as replacements for ozone-depleting substances in air conditioning, refrigeration, foam-blowing, fire retardants, solvents and aerosols.                                                                                                                                                                                                                                                      | <b>Renewable energy</b>               | All energy sources from renewable non-fossil energy sources that are naturally replenished during a human time-scale. Renewable energy includes the following energy sources: wind, solar, hydropower, biofuels, hydrothermal and ocean (wave and tidal) and geothermal energy.<br>It does not include nuclear energy or fossil fuels.  |
| <b>Inclusion</b>                     | Inclusion means leveraging diversity to create a fair, healthy, and high-performing organisation or community. An inclusive environment ensures equitable access to resources and opportunities for all. It also enables individuals and groups to feel safe, respected, engaged, motivated, and valued, for who they are and for their contributions toward organisational and societal goals.                                                                                              | <b>Routines</b>                       | A set of actions designed to accomplish a task. Unless specified, routines may be unwritten.                                                                                                                                                                                                                                            |
| <b>Living costs</b>                  | Costs associated with the basic necessities of life, such as food, drink, shelter and clothing.                                                                                                                                                                                                                                                                                                                                                                                              | <b>Severe environmental pollution</b> | Environmental pollution that causes irreversible, long term or widespread ecosystem disruption or is likely to spread widely from the site.                                                                                                                                                                                             |

***Severe occupational health and safety hazards***

Health and safety hazards that are likely to pose an immediate risk of causing death, permanent injury or illness.

***Sub-contractor***

Any entity or individual that provides a product, component, material or service as part of the IKEA value chain.

***Supplier***

A company or organisation with which an IKEA company has an agreement and also any sub-contractors to that agreement that supply products, services, materials or components. For the purpose of this document, the term supplier applies to suppliers, service providers and other contracting parties.

***Temporary work***

Work of limited duration. The end of the contract is determined by objective conditions, e.g. a specific date, completing a specific task, or the occurrence of a specific event. Temporary work can be either full-time or part-time and it can be bilateral (between two parties) or triangular (between 3 parties).

***Value chain***

The full range of activities required to bring a product or service from its conception to the final consumer and re-integration back into the value chain. This includes activities such as design, production, distribution and support to the consumer. At different stages of the value chain, stakeholders add value to the product or service to increase its end value.

***Vocational training***

Includes all forms of apprenticeships, internships and work experience that have a learning objective. Vocational training is conducted in cooperation with a local school or training institution, or has been approved as a training programme by a competent authority, or serves as a guidance or orientation programme designed to support the choice of the trainee of an occupation or a line of training.

***Worker***

A person performing work full-time or part-time. This includes piece rate workers, vocational trainees and workers undergoing a probationary period, as well as sub-contractor workers working eighteen (18) hours or more per week on-site.

***Working hours***

The period in which a worker is working. They exclude time not worked, even if paid, such as paid annual leave, paid public holidays, paid sick leave, meal breaks, time spent on travel from home to work and vice versa.

***Young worker***

Persons under 18 years of age, but above the minimum legal working age, who are engaged in work.

***Zero-hour contract***

An employment contract which does not oblige the employer to provide regular work for the worker, but requires the worker to be on call in the event that work becomes available.



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