

Social and Environmental Responsibility



Hans-Juergen Burkard/STERN-Magazine

IKEA[®]

Low prices – but not at any price

Customers must be able to rely on IKEA. They must be able to find good home furnishing products at IKEA at prices so low they can afford to enjoy a better everyday life at home. IKEA must offer attractive, durable, functional low price products. That's the IKEA vision: "To create a better everyday life for the many people".

For more than 60 years IKEA has been perfecting ways of creating low prices – manufacturing as inexpensively as possible, building our own stores, flat-packing furniture for customers to put together themselves.

But IKEA's responsibilities don't stop there. We also want the products we sell to be free from hazardous substances. And we don't want the wood in bookcases, tables or other products in the store to come from areas where forests are being devastated.

All IKEA suppliers, wherever they are in the world, must follow certain fundamental rules. Child labour is not tolerated, working conditions must be acceptable and suppliers must adopt a responsible attitude to the environment.

The aim is to make products which have minimum impact on the environment. And to manufacture them in a socially responsible way.

IKEA is not yet at journey's end, even if huge efforts are being made to reach this goal. But we're getting there – by taking many small steps forward. You can read about some of them in this brochure.



Doing things right – right from the start

Environmental thinking all the way from the drawing board gave IKEA designer Monika Mulder the inspiration for her prize-winning watering can VÅLLÖ.

Do environmental considerations stifle a designer's creativity? Not according to Monika Mulder.

“They open up new possibilities. Avoiding certain materials and production methods for the sake of the environment forces me to be more innovative. That unleashes creativity, stimulates new ideas. IKEA's environmental criteria can help designers like me to create an even better product.”

When asked to design a product that would work just as well indoors and out, Monika opted for a watering can. But the long spout, handle and ▶

Name: Monika Mulder

Nationality: Dutch

Job: Designer. IKEA co-worker since 1998.





Hans-Juergen Burkard/STERN-Magazine

hollow body make conventional watering cans a nightmare to transport. Each one takes up a huge amount of space.

As IKEA works to minimise the environmental impact of transport, Monika realised she needed to re-think traditional forms and materials to make more efficient use of transport capacity. That's how the stackable watering can was born.

"It doesn't feel right designing prod-

ucts that mean we ship vast quantities of air around the globe," she explains.

VÅLLÖ watering can is made of plastic and is stackable, so we can fit a lot more into every shipment. That reduces not only harmful emissions, but freight costs as well. Its economical use of resources, low price and low environmental impact make VÅLLÖ a shining example of the IKEA philosophy. And, by thinking along the right lines right

from the start, Monika can devise environmentally sound solutions even before her products leave the drawing board.

VÅLLÖ also received the Excellent Swedish Design award – proof, if it were needed, that concern for the environment is compatible with good looks and good function.

Hollow legs, particleboard cores instead of solid wood, and multi-functional furniture are other smart IKEA ideas for minimising the use of resources.

"When we design new products we consider the environmental consequences at every stage in a product's life cycle," says Monika.

That means IKEA products must make economical use of materials, be easy to transport and preferably be made from a renewable or recycled material. When possible, production waste is used to make other products. And the products themselves should be recyclable: that way, at the end of their lifespan, they become resources rather than rubbish.

As an IKEA designer Monika has learnt a lot about environmental adaptation and makes use of the internal expertise the company provides.

"I hope IKEA uses even more reclaimed raw materials in the future. It's a simple and inexpensive way to show we care about the environment," she says. ■

Only approved substances in IKEA products

Customers live with IKEA products in their homes. They want the peace of mind of knowing that the products are free from substances that cause allergies or that have other harmful effects on the environment and people's health.

With more than 10,000 articles in the range it is extremely important for IKEA to do things right from the beginning. For this reason, products must not include substances that are prohibited by law or banned by IKEA.

IKEA has resolved always to apply the strictest criteria. If laws and regulations for chemicals and other substances are tightened in any of the countries where IKEA is active, these stringent new rules are applied in all other IKEA countries. Suppliers are continuously updated with details of the rules that apply.



Name: Kjell-Owe Ahlskog

Nationality: Finnish

Job: Forest manager for Finland and Russia. IKEA co-worker since 2000.

On site to protect the forest

As one of IKEA's forest managers Kjell-Owe Ahlskog's job is to make sure the wood used in IKEA products comes from responsibly managed forests.

Responsibility for forestry issues in Finland and Russia means that Kjell-Owe Ahlskog often exchanges working at his desk for long days in the forests.

"In many countries where IKEA products are made, intact natural forests are under threat. We trace the timber all the way back to where it was felled to ascertain its origin," he explains.

Like his colleagues all over the world, Kjell-Owe has a knowledge of forestry that is becoming increasingly important for IKEA as the company's

purchases of timber increase. Kjell-Owe makes sure that IKEA products are not made from illegally felled timber or intact natural forests.

He makes random checks among the logging companies that sell timber to IKEA suppliers. And he is never short of questions to ask: "How do you fell trees? Do you clear-cut, or leave some trees standing? What will you fell next year?"

He also checks that the timber comes from the exact site approved by the authorities.

"But it's not possible to be ►

everywhere all the time,” says Kjell-Owe, “so neither I nor IKEA can ever guarantee 100 percent that timber doesn’t come from illegally felled trees or forests worthy of protection.”

That is why it is so important to change attitudes by spreading knowledge rather than simply intensifying checks. IKEA informs suppliers about responsible forest management via educational programmes and seminars.

The non-profit organisation Global Forest Watch has mapped out intact natural forests in various parts of the world, compiling the results in special atlases. These have become invaluable tools for IKEA forest managers and indicate clearly “out of bounds” areas. IKEA cooperates with Global Forest Watch and provides financial support for the organisation’s work of charting the world’s intact natural forests. ■

Timber must come from responsibly managed forests

IKEA does not accept timber from intact natural forests or high conservation value forests. To this end, IKEA works with an extensive programme of measures, which includes criteria for suppliers’ purchasing routines and carrying out random checks. IKEA also runs development projects to contribute to responsible forestry in various parts of the world.

IKEA has strict rules for the use of high value tropical tree species. At present these must be certified in accordance with a standard for responsible forest management. In the long term all

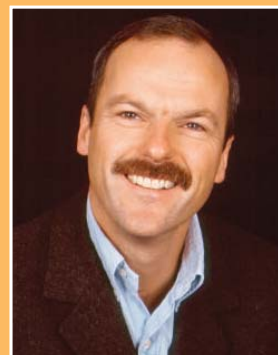


timber used for IKEA products will come from certified forests. The only current standard that meets the long-term aims of IKEA is that of the Forest Stewardship Council (FSC). FSC is an international organisation that

promotes environmentally appropriate, socially beneficial and economically viable forestry. For FSC certification, forestry must, among other things, respect indigenous people’s rights and manage high conservation value forests in a way that preserves the conservation values of the area.

“Let customers be more active”

IKEA should provide its customers with a greater opportunity to make active environmental choices, says Chris Elliott, head of WWF’s international forestry programme, “Forests for Life”. Here he describes the cooperation between IKEA and WWF.



“IKEA’s and WWF’s common goal is better care and protection of the world’s forests. By joining forces both organisations have been strengthened. Together with IKEA it has been easier to influence forest companies and local authorities. IKEA has derived benefit from our network of contacts and local knowledge, which we have built up through many years of operation in countries like China and Russia. We are making a joint effort to support forest managers in achieving responsible forestry. IKEA employees

and staff from local WWF offices are working together in a number of projects. One result of this cooperation is the establishment of brigades with the mission to stop the trade of illegally felled timber along parts of the Chinese-Russian border.

IKEA’s commitment to forest issues is both serious and long-term. However, from WWF’s perspective we would like to see IKEA put the FSC-label on more of their products. By increasing the number of FSC-labelled products, IKEA will provide its customers with an opportunity to actively choose products that have less impact on people and the environment. At the same time we fully understand the fact that IKEA wants its own brand to be a guarantee of environmental consideration and social responsibility. We would like to encourage IKEA to inform its customers and other stakeholders more about its work for sustainable forestry, because IKEA really does have a lot to say.

C. Elliott

Chris Elliott, WWF
www.panda.org



One code of conduct for all IKEA suppliers

IKEA products shall be manufactured under acceptable working conditions by suppliers who take responsibility for the environment. For that reason, in 2000 we established a code of conduct “The IKEA Way on Purchasing Home Furnishing Products” (IWAY).

IWAY specifies the minimum criteria for suppliers and what suppliers can expect of IKEA. IKEA suppliers are themselves responsible for ensuring that their own suppliers also fulfil IWAY criteria.

There are rules for working conditions, minimum wages, overtime rates, trade union representation rights, waste management, chemical management, and emissions to air and water. IKEA will not tolerate child labour, discrimination or the use of timber from intact natural forests.

IKEA has few factories of its own. Instead production takes place at around 1,600 suppliers in Europe, Asia and North America, frequently in low-cost countries. By helping suppliers to live up to the IWAY criteria, IKEA also helps to raise standards and increase prosperity in developing countries.

IKEA has specially trained inspectors who visit suppliers all over the world. They continually check that IWAY criteria are met, and help suppliers who are experiencing difficulties. IKEA also employs independent auditors to carry out random checks and verify working methods and results.

IKEA’s work with social and environmental issues is an ongoing process. The many small steps forward are an expression of our aspiration for continuous improvement.

“IKEA criteria help raise standards”



Nicolae Borsos is an IKEA supplier in Romania. Five years ago with IKEA’s help, he bought a run-down furniture factory. Since then an investment programme has increased profitability and improved conditions for the factory’s 680 employees.

The factory in the town of Nehoiu is one of the oldest in Romania. Nicolae Borsos first came here in the mid 1990s as a technical consultant. Since he bought the old state-owned factory with the help of a loan from IKEA in 1999 sales have increased fivefold.

“I learned about finance and business sense from IKEA,” says Nicolae, pointing out all the new investments on a tour round the site: a modern boiler, a ventilation system with heat recovery, air filters and an automatic compressor. A new briquette machine has turned what used to be a waste problem into a valuable and renewable source of energy that can now be sold at a profit.

Many investments have been made to meet IKEA criteria for product quality, working conditions and the external environment, demands that form the core of the IWAY code of conduct.

Nicolae shows pictures of the factory before the investments. With no

ventilation system or air filters, workers were forced to leave windows open even in the middle of winter.

“The old compressor made a terrible racket,” Nicolae recalls, and emphasises that the improvements have also made production more efficient.

The investments have been made using loans from IKEA. Capital is still in short supply in Romania.

The toughest thing about IWAY, Nicolae feels, is that he is responsible for making sure his suppliers also respect the code of conduct.

“You feel awkward asking questions about their own internal systems, like whether they pay wages on time,” he explains.

Nicolae admits that IWAY makes tough demands, but he doesn’t see it as a necessary evil that he has to accept simply in order to supply IKEA.

“On the contrary,” he says, “IWAY has led to a general improvement in standards at the factory.” ■

Name: Nicolae Borsos

Nationality: Romanian

Job: Factory owner. IKEA supplier since 1999.



Keeping an eye on production

Traian Constantinescu spends more time with suppliers than he does in the IKEA office in the Romanian capital, Bucharest. As an IWAY inspector he visits IKEA suppliers in Romania and Bulgaria at least three days every week. The aim is to ensure that all of them meet all the requirements of the code of conduct, “The IKEA Way on Purchasing Home Furnishing Products”.

Traian Constantinescu is a specially trained IWAY inspector. His job is to make sure that suppliers meet the basic criteria IKEA lays down for social and environmental responsibility.

“We’re not there yet,” he says after a visit to check whether a supplier has equipped workers’ changing rooms and shower facilities in accordance with an agreed action plan. After the previous visit the supplier was given 90 days to rectify the problem.

Traian describes IWAY as a long

road with no real end. There are always new suppliers to check, existing suppliers to monitor. A complete IWAY check, which takes several days, is carried out at least once every two years with each supplier.

In the intervening months there are frequent contacts. Traian says there is never more than two weeks between visits from IKEA. If it’s not an IWAY inspector, it’s a purchaser discussing new products, a quality expert, or a technician helping to solve a production problem.

“IWAY means better working conditions for employees and more efficient production for suppliers. The improvements are good for the environment, and IKEA gets lower priced and better products,” says Traian. At the same time he points out that certain aspects are far from simple and that some problems still remain to be solved.

“For example, IWAY makes demands on waste disposal, especially hazardous waste, but here in Romania there is no infrastructure for this. So we insist instead that suppliers store waste safely and don’t dump hazardous waste on the landfills together with other refuse.” ■

Name: Traian Constantinescu

Nationality: Romanian

Job: IWAY inspector. IKEA co-worker since 1997.



Name: Vandana Verma
Nationality: Indian
Job: Children's ombudsman, South Asia. IKEA co-worker since 2001.

In the best interests of the child

Vandana Verma is children's ombudsman for IKEA in South Asia. She defends children's rights and works to prevent child labour.

Vandana Verma, who is otherwise stationed at the IKEA office in the Indian capital, Delhi, frequently travels to the poor and densely populated Indian state of Uttar Pradesh. It is here, in the so called "carpet belt", that 85 percent of the rugs exported from India are ►

made. Most are supplied by small businesses. Using looms that have been placed in rural villages, poor agricultural workers with large families can supplement their meagre incomes by weaving rugs at home.

“We know that child labour occurs here and in many other areas where IKEA has suppliers,” says Vandana. “We do not accept this, but we can’t ignore the facts. Child labour is not a problem you can solve by boycotts. You need to tackle the underlying causes. The vicious circle of illiteracy, adult unemployment, large debts, poor health and poverty must be broken.”

That is why one of the partners IKEA has chosen to work with is the UN children’s fund UNICEF, which runs a project to help prevent child labour in Uttar Pradesh. This includes alternative learning centres to help ease children into the ordinary school system.

Vandana often visits IKEA suppliers and sub-contractors to convince them why child labour is unacceptable.

“It’s about changing attitudes and influencing the way people relate to their fellow humans. Things like that take time, but it’s possible,” she says.

Despite all the efforts IKEA still encounters child labour.

“When that happens, we act with caution so that the children don’t

suffer. Everything we do is carefully considered, taking the best interests of the child into account.”

Removing a child from work or terminating a supplier’s contract solves nothing. The child simply moves to another employer. Instead the supplier must present an action plan, making sure the child gets an education and actually attends school. ■

IKEA does not accept child labour

IKEA does not accept child labour and works actively to prevent this. All IKEA suppliers and their sub-contractors must comply with a special code of conduct, “The IKEA Way on Preventing Child Labour”. When they make their regular visits to suppliers IKEA employees always check that there are no children working on the premises. In southern Asia, where child labour is common, unannounced inspections are made at least once a year by independent auditors.

“IKEA is very much aware of the issue”

In 1994, when the debate on child labour involved carpet production in Asia, IKEA got in touch with Save the Children. This was the start of a cooperation which has established a model for how Save the Children would like to work with other large companies.

“IKEA was actually in a state of shock when they approached us in the early nineties. The accusations of using child labour hit IKEA very hard since this contrasted sharply with the image of IKEA as a child-friendly, family-friendly company.

We were asked to contribute our expertise and gave advice on how IKEA could develop and write a responsible code of conduct to address child labour with Children’s Rights as a central focus. This was the beginning of our partnership that has been consolidated over the years. Cooperation with IKEA has established a model for how Save the Children wants to develop partnerships with large companies.

During this ten-year relationship we have always spoken our mind, and IKEA has listened to what we have had to say, even when the message has been unpleasant! On no occasion has IKEA refused to hear our arguments but has displayed an open attitude.

We believe the private sector, especially large companies like IKEA, has a great opportunity to act and accomplish something that we, as a non-profit organisation, cannot achieve alone. The private sector could, and in my opinion should, be a very strong motor in development and the reduction of poverty. But this requires genuine commitment as well as financial support, in order not just to pay lip service to the idea.

IKEA has achieved more than many other big companies. The company appears to understand the problems and is aware that working with Save the Children to create a better life for children, can also be good for business and gives the brand a soul.

We have seen that IKEA addresses the issue of child labour and child rights in a serious manner throughout the whole Group. We continue to be greatly encouraged that IKEA president, Anders Dahlvig, pursues these matters and has put responsible business high on his own personal agenda. ”



Christopher Davis, International Save the Children Alliance
www.savethechildren.net





“I want to go to school!”

Attitudes, education and health are important factors in the fight against child labour. That is why IKEA is involved in several UNICEF and WHO projects aimed at improving people’s lives.

In Chandel Dandiya, an Indian village, 40 children are discussing why girls too should go to school. Many parents, themselves illiterate, want their children to learn to work so that they can help support the family. The children are attending an alternative learning centre (ALC). It is part of a major project to prevent child labour that the UN children’s fund UNICEF is carrying out in Uttar Pradesh and which IKEA supports financially.

The project includes 500 villages and approximately 1.3 million people. Around 75,000 children who would otherwise receive no schooling are educated via ALCs.

Another aspect of the project is women’s self-help groups. By putting aside small sums of money the women

create their own fund so they do not have to seek help from unscrupulous lenders when they need money to pay for medicines, a wedding, or want to start their own business. This helps to break the vicious circle of debt that forces parents to put their children to work.

There is also a vaccination programme under the auspices of UNICEF and the World Health Organisation (WHO). During a five-year period 140,000 infants and 150,000 mothers-to-be will be inoculated against serious diseases. Illness in the family often leads to a financial crisis, which can also force children into work. In this way vaccinations, too, help prevent child labour. ■

“Boycotts are not the solution”

The child labour issue has become so infected that many companies are moving production away from South Asia. I’m grateful that IKEA has the courage to stay on, says Susan Bissell, who is in charge of UNICEF’s child protection activities in South Asia.

“ A common opinion in the West is that boycott is an effective method of preventing child labour. But, after having studied this issue for several years I’ve come to the conclusion that boycotts have no sustainable, positive long-term impact on the community, and especially not as far as children are concerned. On the contrary. I’ve found that boycotts can knock out industries completely in poor countries and, in the worst case, even lead to children being pushed further and further into an informal sector.



The risk of falling into disrepute and becoming the victim of consumer boycotts has driven many companies to move production from South Asia to areas which are easier to control. Those companies which stay on do everything they can to conceal their presence. I wish more companies had the courage to follow IKEA’s example: stay on and actively work on the problems and take genuine social responsibility.

IKEA is a sponsor of UNICEF, it’s true, but we regard IKEA as a cooperation partner rather than a contributor. Together we go to the bottom of the extremely complex problem of child labour.

By being present in South Asia IKEA creates jobs and contributes to the economical growth in the region. But the most important effort made by IKEA may be involving its local suppliers in the project and making them sense as well as take on more social responsibility. Some of them are proud today to be able to contribute to a positive development of the community.

I’d like to tell all other companies who have production or suppliers in South Asia: Don’t turn your back on the problems! Face them instead! IKEA has shown that it actually is possible to make money and do something good for the community at the same time.

Susan L. Bissell

Susan Bissell, United Nations Children’s Fund, Unicef
www.unicef.org

Seeking help from up above

Light from above! The IKEA distribution centre in Peterborough, UK, uses ingenious “sun pipes” and automatic switchgear to illuminate working areas for forklift drivers and office workers below.

Nick Bryan stands on the huge roof beside a glass sphere, like a big crystal ball, that funnels light into the corridors and stairwells below. All around dozens more of these ingenious “sun pipes” lead daylight into the hangar-like interior of the gigantic warehouse, which has a footprint almost as big as several soccer pitches. When the sunlight is strong enough, automatic control devices switch off the electric lamps and the building is illuminated for free.

Nick is environmental coordinator at the DC, which opened in the spring of 2003. Right from the start IKEA seized the opportunity to employ new technology to use energy in a more ecologically adapted way.

Nick points to what appears to be just an ordinary car park. But under the asphalt is the biggest geothermal heating and cooling plant in Britain.

“Day and night a mixture of water and ethanol is pumped through thirty 85-metre deep bore holes,” says Nick. “Deep down in the ground the temper-

ature is a constant 10°C. As a source from which to extract heat in winter and cool down the building in summer, this saves enormous amounts of electricity.

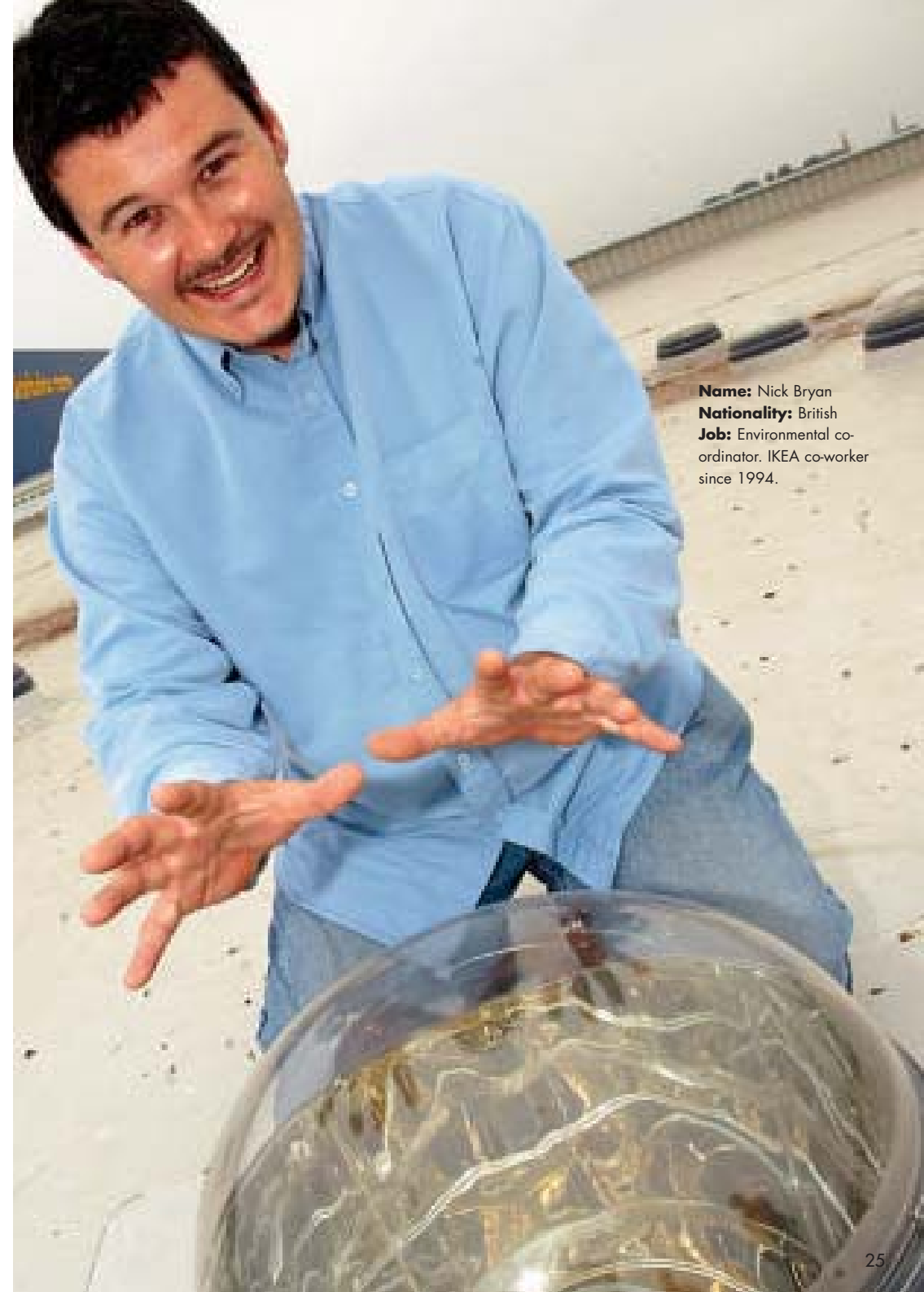
“We had intended to use geothermal energy for the entire DC, but IKEA was ahead of the times. No energy company dared tackle such an ambitious project.”

So, for the time being, geothermal energy is used for the offices only.

The Peterborough distribution centre is at the cutting edge when it comes to using energy-saving technology and renewable energy, but is always looking for new opportunities to act in an eco-friendly way.

For instance, the DC car pool includes hybrid cars that can be powered either by an electric motor or a highly efficient internal combustion engine.

“They reduce emissions – and they’re fun to drive, as well,” says Nick. ■



Name: Nick Bryan
Nationality: British
Job: Environmental coordinator. IKEA co-worker since 1994.



Name: Erik Andersson
Nationality: Swedish
Job: Works with transport issues.
IKEA co-worker since 2001.

Measuring success by the metre

Armed only with a folding ruler and his own curiosity Erik Andersson discovered a few unnecessary centimetres. Once they had been shed, transporting KLIPPAN sofa became more efficient and emissions were reduced.

In physical size KLIPPAN sofa is one of the largest IKEA products. As soon as Erik, who works with transport at IKEA, heard that, it aroused his curiosity. Armed with a ruler he went to Self-Serve in the Helsingborg store and discovered that the KLIPPAN package was 91 cm wide, while the sofa itself measured just 88 cm.

“I suggested the supplier made each package one centimetre shorter, so we could squeeze more sofas into each container. And it worked!” says Erik.

There is now room for four extra KLIPPAN sofas on each trailer. That benefits IKEA in two ways. More sofas per shipment reduces freight costs and harmful emissions.

More efficient use of transport is one of the factors behind IKEA’s success, but Erik sees plenty of opportunity for improvement through closer cooperation.

“We need to encourage one another to think along different lines, to ques-

tion how other people do things. Then we’ll find lots more ways to save.”

IKEA moves products from suppliers to stores all over the world by road, rail and sea. That impacts on the environment, primarily via emissions of greenhouse gases and pollutants. IKEA aims to reduce carbon dioxide emissions, but at the same time sales are increasing, which leads to even more freight shipments.

“We can still do a lot to improve the filling rate in our freight carriers,” says Erik. “Smarter design and flatter packs can help us fit more products into every container. That means fewer emissions per product transported.”

IKEA is constantly seeking ways to reduce the environmental impact of its business activities. It makes many demands on its freight forwarders. More modern vehicles and cleaner fuels, drivers tutored in fuel-efficient driving techniques, environmental training, environmental policies and action plans are all examples that lead to less transport pollution. ■



Name: Glenn Berntsson

Nationality: Swedish

Job: Product technician. IKEA co-worker since 1979.

Better to be boiled in palm oil than diesel

When customers started complaining about the smell from rattan chests and baskets, detective work from IKEA co-workers uncovered a century-old tradition of boiling rattan in diesel oil to make it more pliable. Now a supplier of rattan products for IKEA is the first in the world to boil rattan in palm oil. The working environment has become better, and the furniture smells sweeter.

Glenn Berntsson, an IKEA product technician, oversees operations at a factory in Vietnam as employees lower rattan into large concrete vats to be gently boiled in palm oil.

“Boiling rattan is essential to make it pliable enough to plait and bend into baskets and furniture,” Glenn explains. ▶

It is over 35°C (95°F) in the shade and the boiling oil merely adds to the heat. The plant is new, the result of close cooperation between the supplier and IKEA.

Furniture made from wicker or rattan is popular at IKEA.

“We used to get occasional complaints from customers who said that bedding and fabrics stored in rattan chests smelled of diesel,” Glenn says.

Warehouse workers also complained of the smell when they opened containers filled with rattan products.

When Glenn got in touch with Ulf Windahl, an IKEA product technician in Vietnam, Ulf explained that, for a century or more, rattan has been boiled in diesel to make it pliable enough to work with. All rattan factories worked in the same way, including IKEA’s supplier.

Together with the supplier Glenn and Ulf tried new, more environmentally appropriate solutions.

“We tried salt and water, coconut oil, all sorts of things. Nothing worked. In the end someone suggested palm oil.”

The solution was to boil the rattan in a 3:1 solution of water and palm oil. Then came the next challenge: to make sure the palm oil came from responsibly managed forests. For IKEA it is important that the production of palm oil does not endanger tropical forests.

“Now IKEA has found suppliers in Malaysia who can produce palm oil by using old plantations rather than destroying intact natural forests,” says Glenn.

The result is rattan that smells good, a more eco-friendly manufacturing process and better working conditions for the Vietnamese rattan workers, who no longer have to work amid the stench of diesel fumes. ■



“Good – but too slow”

IKEA is setting a good example by its effort to phase out hazardous substances in the products, but does not act tough enough towards the suppliers of wood who do not comply with environmental demands. This opinion on IKEA’s environmental work is given by Uta Bellion at Greenpeace International.



“Greenpeace’s and IKEA’s paths have often crossed. Sometimes we have cooperated and sometimes we have examined and criticised IKEA. IKEA takes more and more responsibility for the effects of its own activities on the environment and on people, but in Greenpeace we still wish things could move faster.

IKEA deserves praise for the work of phasing out hazardous substances in its products. We have also found that the work on forestry issues is pursued with great commitment and know-how. But we have in some cases been disappointed in IKEA, for example, for not being strict enough with suppliers of wood who fail to comply with environmental demands. IKEA prefers to negotiate and help to improve things rather than simply abandon the suppliers. But to make the suppliers understand how important these issues are to IKEA, the company should adopt a tougher attitude towards them. And the work of implementing demands on environmental care and improvement of working conditions at the supplier and subcontractor level should be speeded up.

IKEA is expanding, a fact that entails an increasing need for effective efforts in regard to social and environmental concerns. My advice to IKEA is to focus less on finding suitable raw material and more on finding new suppliers who share IKEA’s values. By using a larger amount of recycled material in the products IKEA can sell more without the environmental impact increasing very much. IKEA has great responsibility – but also enormous possibilities to exert a positive influence. Utilise these possibilities more, IKEA!

Uta Bellion

Uta Bellion, Greenpeace International

www.greenpeace.org



IKEA stores share the responsibility

- IKEA stores welcome more than 300 million visitors a year and are the workplace for most IKEA co-workers. Many come in their own cars, but IKEA is working hard to help more customers and co-workers to use public transport in order to protect the environment.
- Every new employee at IKEA is given environmental training and the aim is for all co-workers to receive regular follow-up courses.
- All IKEA stores are required to have an environmental coordinator and an action plan for work with recycling, waste sorting, energy saving, transport and education.
- Customers may return certain types of waste (packaging, batteries, low energy bulbs etc.) to most IKEA stores. The store then ensures that the waste is taken care of in the proper way, by recycling for example.
- Waste is bad for the environment and it's bad for your wallet. Each IKEA store has co-workers who repair damaged products so they can be sold rather than simply discarded.
- IKEA endeavours to use the latest and the best technology for environmentally appropriate building and energy utilisation when designing new stores.
- IKEA encourages its stores to take social responsibility seriously at local level by participating in different activities to support selected local and regional projects.



Name: Anders Dahlvig

Nationality: Swedish

Job: IKEA Group President. IKEA co-worker since 1984.

“Many things remain to be done”

Offering low prices at the same time as you show social responsibility and due concern for the environment is a tough challenge. But it is essential to achieve the vision IKEA has “to create a better everyday life for the many people”. “We’re moving in the right direction, but we must remain humble,” says Group President Anders Dahlvig.

Is it possible to be the good company that shows respect for people and the environment at the same time as we sell our products at low prices?

Yes. It isn’t always easy. There aren’t always quick-fix solutions. But there’s no conflict between good business and good companies. By making demands on suppliers with regard to environmental and social responsibility and

by helping them meet these demands, our business relationship contributes to a better everyday life for the people manufacturing IKEA products. Better working conditions lead to more efficient production and better productivity. In this way suppliers can produce at a lower cost and IKEA can sell at lower prices in its stores.

Isn’t it exploitation to use suppliers in low-cost countries and then sell the products they make in rich ones?

I understand people who believe that big companies can change or even harm local cultures. At the same time we mustn’t forget that people in poor countries also have a right to work and to better living standards. When IKEA cooperates with suppliers in, for example, China, India, Vietnam or Romania, we are keen to do so with modern production methods. Suppliers must follow the IKEA code of conduct and take far-reaching responsibility for working hours, wages, environmental protection, preventing child labour, etc.

Can you guarantee that IKEA products are manufactured in an environmentally appropriate way under socially acceptable working conditions?

Sadly, I can’t. Many aspects in the struggle to eradicate poverty, poor health and ignorance are highly complex. We can not change the world on our own. All we can do is to take small steps in the right direction. On the other hand I can guarantee that we

will work hard to create good conditions for our suppliers’ employees, take an active role in environmental work and reduce our production costs so that ordinary people can afford to shop at IKEA.

Why has IKEA cultivated contacts with organisations such as Greenpeace, WWF, Unicef and Save the Children?

As IKEA needed to learn more it seemed natural to contact organisations that work seriously with environmental and social issues. Cooperating with them has taught us a lot. I hope that IKEA, in turn, has contributed to the search for workable solutions for how to prevent child labour or protect certain areas of forest.

What are the biggest challenges for IKEA as far as increased social responsibility and environmental protection are concerned?

The environmental impact of our transport requirements is a huge challenge. We’re doing all we can to pack more products into every shipment and to increase our use of rail transport. IKEA customers drive to our stores, so we need to be better at creating the right conditions for more of them to use public transport when they visit us. On the social side, the top priority is to create good conditions for our suppliers’ employees in countries where human rights are still in their infancy. One thing is clear. We still have a great deal to do.

Each year IKEA publishes a report on environmental and social responsibility. To read or download the text “The IKEA Way – Social and Environmental Responsibility”, visit www.IKEA-group.IKEA.com

