

---

## Ethical And Environment Issues

IKEA from Swedish founded in 1943, and it had 194,000 employees in 49 countries worldwide till the end of August 2017 (IKEA 2017). Based on the case study of Bartlett that IKEA might know that under 15 years children are working illegally in India before sourcing the products from India for IKEA because, the child labor varied and increased in agriculture, mining, and manufacturing industries in India as per the data of India government's 1991 census figure (BARTLETT, Indian Rugs and Child Labor (A), 2006, p. 7). But they might not know the child labor law is very sensitive by ILO. Child labor is the offending of fundamental human rights and it could be prohibited children's ability and defaced in not only mentally but also physically. This issue impacts on the country's economic growth and social development (ILO, 2018). This child labor issues mostly happened in poverty country, especially in Southeast Asia. For IKEA, as this change has not anticipated in the standards, or otherwise they did not eagerly well plan on child labor issue, they manage immediately for required actions and future plans seriously once the problem happened.

Wilmar International Limited founded in 1991, headquartered in Singapore, and Asia's leading agribusiness group in today (Wilmar). Based on the case study of Geok that Wilmar is the third largest listed plantation company in the world and its products sold in more than 50 countries. As long as the global demand for palm oil market growth, environmental groups main concern were about the impact of palm oil industry on the environmental and social severely such as air pollution, deforestation, reduces air quality, CO2 emissions, and changes in the earth's climate. It has pressured not only for Wilmar but also palm oil producers, and government in Asia to take action on this issues. By late 2010, Wilmar had expanded to drive future growth in Australia and sub-Saharan Africa because, their governments were willing to support in the development of commercially large-scale oil palm projects (Wee Beng Geok, 2012, p. 1). We could say that initially, Wilmar had not any plan to take action on the impact on environmental and social despite the environmental groups give pressured.

Whether they did right away all they could to prevent the problems from recurring. Should have they been more proactive? In 1994, IKEA faced the problem that one of IKEA suppliers in India using child labor and at that time, a Swedish television documentary showed children are working in Pakistan, which was the IKEA supplier also. This is specifically solving the problems for global sourcing challenge at IKEA. IKEA has amended in the supplier's contract that the contract shall be cancelled if the supplier used child labor against International Labor standards on child labor after all the problems came out.

Wilmar became a member of the RoundTable for Sustainable Palm Oil (RSPO) in 2005 to take action to show up its commitment to sustainable operations. In 2008, Wilmar has studied carbon footprint to provide the control of emissions data and help develop projects by working together with the issue of reducing emission (Wee Beng Geok, 2012, pp. 12,13). In addition, Wilmar flour mill is under construction in Myanmar and it will be finished by March 2019 and also expects to start a rice mill construction by the end of the year 2018. Wilmar hopes to have great potential in the agriculture sector in Myanmar and would be expanded more their investment in Myanmar (Wilmar, Annual Report 2017). Myanmar people hope that Wilmar could help the environment with the leading in the agribusiness sector.

---

In fact, IKEA and Wilmar must avoid not only proactive but also solve the problems when happened. A proactive can severely be impacted on company's reputation or brand image and significantly the cost disadvantages to its (BARTLETT, Indian Rugs and Child Labor (A), 2006, p. 8). Moreover, these two companies seem not to take action the problems willingly as the social media has not broadly and people have relied on the television during that era. For example, nobody was stricken these companies take responsibilities or something else on the media.

Eventually, IKEA and Wilmar companies are the different business type but both are global companies. Their businesses are the huge impact on environmental and social due to the economic growth, advancement of technology and, increasingly in dumping waste (Green Logistics). In my points of view, a problem in the business that requires taking action immediately and a framework for the evaluation process as ethical. Environmental is the main concerns and considers positively suggesting adaptable to the environment.

Nowadays, most of the global companies are using green logistics in their business to know how their actions impact on the environment such as IKEA, Walmart, DHL, Toyota, Fujitsu, Dräxlmaier Group, etc. According to Andrew Blackman, just 100 companies are responsible for 71% of the global greenhouse gas emissions since 1988. We understand that the profit is a concern for business but they can get the benefits of considering the ethical and environmental in business. For example, our company uses the social and environmental impact on our production or manufacturing, we may get the competitive advantages and also be able to attract for employees (Andrew Blackman, 2018). Hence, ethical and environment are the important and main concern for any business.