



IConduct

A strong base for
leading IKEA® business
and people together

Valid as of January 2021

Inter IKEA Systems B.V. 

General introduction

The IKEA vision is *to create a better everyday life for the many people*. It guides the entire IKEA value chain and the everyday work life of all IKEA co-workers worldwide. Our way of doing business is based on our culture and values as described in *The testament of a furniture dealer*.

We are committed to IKEA being a meaningful and trusted brand. We recognise that we have a responsibility beyond the home through the impact of our business and the role we have in society, and for people and the planet. This responsibility also extends to all IKEA franchisees who should be seen and regarded as a reputable employer, an attractive place to work and a trusted part of the community. This is why Inter IKEA Systems B.V. as the owner of the IKEA Brand and worldwide franchisor has issued this set of business requirements in *IConduct*.

We believe that each IKEA co-worker can make a valuable contribution to creating a better everyday life for the many people. It is IKEA co-workers who represent the IKEA Brand. The IKEA culture and values are what unite us. Every IKEA co-worker should feel the living reality of these values every day.

Legal compliance and IConduct

It is every IKEA franchisee's responsibility to comply with all applicable laws and regulations, including, but not limited to, health, safety, anti-corruption, data privacy, environmental and employment laws and regulations. In the event that the requirements of *IConduct* exceed what is required by applicable laws and/or regulations, the requirements of *IConduct* shall prevail. For the purpose of clarity, the applicable laws and regulations shall take precedence should they impose standards on IKEA franchisees that are contrary and/or stricter than those set out under *IConduct*.

Incident reporting

It is crucial IKEA franchisees have routines in place that ensure effective monitoring, reporting and response procedures to incidents that could have a negative impact on the IKEA business and the IKEA Brand. Inter IKEA Systems B.V. retains the right to test the effectiveness of these routines.

Consequently, franchisees shall without undue delay report to the franchisor via agreed channels the occurrence of any material incident (including reports of food-borne illness, accidents, safety-related issues, legal-compliance related issues, or controversies related to IKEA Retail Business) which has or is likely to become the subject of publicity in the news media or social media or is otherwise required to be reported by *IConduct*.

Support and contact details

IKEA franchisees around the world are encouraged to suggest improvements to *IConduct* so that together we can search for better ways to improve and protect IKEA business operations. Requests for

support or clarification can be sent to **iconduct.support@inter.IKEA.com**.

IKEA franchisees may sometimes face local circumstances that make it impossible to fulfil specific parts of *IConduct*. In such instances, Inter IKEA Systems B.V. can, at its discretion, grant (temporary) exemptions that will make it possible to meet the requirements of *IConduct*, as well as test new ideas and develop improvements that fall outside the current framework provided by *IConduct*. Requests for exemptions are carefully reviewed by Inter IKEA Systems B.V. in order to understand the possible implications and decide how to proceed. Exemption requests can be sent to **iconduct.support@inter.IKEA.com**.

The seven sections of *IConduct* are complemented with a number of documents that describe the “how to” and support the implementation of *IConduct*. Some (parts) of these supporting documents are mandatory. This supporting documentation is available on IKEA toolbox

External sources

IConduct reflects our commitment to the *UN Guiding Principles on Business and Human Rights (UNGPs)*. The requirements found therein are based on internationally recognised standards and principles: the *International Bill of Human Rights*, the *Eight ILO Fundamental Conventions*, *Children's Rights and Business Principles* and the *Ten Principles of the UN Global Compact*. In developing *IConduct* we have also been guided by the *UN Sustainable Development Goals* and the *ILO Centenary Declaration for the Future of Work*.

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1

People and society

1

People and society

We support positive economic, environmental and social development, and take the lead in contributing to a better everyday life for the many people and the communities where the IKEA business has an impact.

We are inspired by and passionate about our vision, culture and values. We show how we live the IKEA values when we translate them into actions for a better everyday life at work for all IKEA co-workers.

We set ourselves high ambitions for a truly good life at work in relation to societal norms, common practices and laws. We also recognise that living by our values is not always easy and can mean facing dilemmas and challenging situations. When we navigate dilemmas we do it with a firm belief in people and the best intentions for people. We will stand up for our ambitions, values and beliefs, advocate for necessary impactful change and play an active role in society. We will eagerly engage in the various communities where we operate.

IKEA wants to contribute to a fair and equal society that benefits the many. We will do this by growing our business in an inclusive way, and by respecting and encouraging diversity and promoting decent and meaningful work across our value chain to help people provide a good life for themselves and their families.

We want to create and support decent and meaningful jobs that meet the needs of people, respects their human rights and strengthens our business. Fighting intolerance and discrimination – by focusing on equality, diversity and fair treatment – is who we are as a brand and what we do every day wherever we work. When we care about each other we create a safe and healthy work environment together.

A unique working relationship always starts with our IKEA value-based recruitment experience and the offer of fair employment conditions. The foundation of these relationships is a humanistic approach and the deeply rooted belief in equality, diversity, involvement and working together. This increases and strengthens our mutual understanding of our customers and each other and contributes to the development of our business.

1. People and society

Human rights

Equal rights and opportunities

1.1 All IKEA units and meeting points are free from discrimination. This includes discrimination based on race, religion, gender identity, marital or family status, age, political affiliation, nationality, physical ability, sexual orientation, ethnicity or any other dimension of a person's identity.

1.2 All IKEA co-workers are ensured equal rights at work and opportunities to grow and develop and perform their work to the best of their ability.

IKEA franchisees make sure that co-workers clearly understand their rights and obligations with regard to a workplace that promotes and respects equality.

Fair treatment and work environment

1.3 No form of harassment is tolerated in the workplace. This includes, intimidation, exclusion, discrimination, sexual, racial and acts or threats of violence.

IKEA co-workers and service providers understand their responsibility to act immediately on all forms of harassment, abuse, aggression, bullying, victimisation and social exclusion. Processes are in place to support raising concerns.

Forced or bonded labour

1.4 IKEA franchisees do not use, employ or support forced, bonded, prison or involuntary labour. All IKEA co-workers and in-store service providers:

- have the right to terminate employment at any time in accordance with the agreed period of notice without any financial penalty or salary deductions.
- keep possession of their personal documents and other personal belongings at all times.
- are not charged fees with regard to employment or their recruitment process.
- are not asked to provide deposits nor have payments delayed, are not offered wage advances or loans that result in the IKEA co-worker becoming indebted and bound to their employment.

1.5 Effective routines are in place to ensure the responsible recruitment of migrant workers in their operations.

Rights of children

1.6 Effective routines are in place to ensure the verification of the age of all co-workers to support the prevention of child labour.

1.7 Children do not perform work below the minimum legal working age. The minimum working age is defined by the national legislation.

Vocational trainees may participate in training from 14 years of age. Training is related to their education.

Young workers

1.8 Effective routines are in place to support the employment of young workers and protect their rights.

Recruitment and employment practices

1.9 The recruitment process is based on IKEA values, competence, diversity and the potential to grow. Steps are taken to ensure equality and non-discrimination in the recruitment process.

1.10 Every IKEA co-worker has a written and signed employment contract with an IKEA franchisee before starting work. The employment contract specifies the terms of employment and termination in a way that is clearly understood by the IKEA co-worker.

1.11 A policy is in place that addresses the rights of IKEA co-workers in relation to temporary and precarious work. It also includes an expectation on the mix between full-time employment, part-time employment, self-employment and fixed-term and temporary work.

1.12 IKEA co-workers receive predictable schedules and working hours to ensure a clearly defined employment relationship. IKEA franchisees do not use or offer zero hour contracts, on-call scheduling or split shifts.

1.13 Pre-employment background checks are conducted (in accordance with local legislation and in line with IKEA guidelines) for IKEA co-workers working in a position which entails contact or responsibility towards children and other sensitive positions.

Social dialogue

1.14 IKEA franchisees ensure that they continually work to understand and improve IKEA co-worker-related issues through a structured dialogue in a way that is communicated and well known to all IKEA co-workers. IKEA franchisees take the initiative to inform, consult and seek a social dialogue on topics affecting IKEA co-workers.

Freedom of association and collective bargaining

1.15 The rights of IKEA co-workers to join, or not to join, or form an association of their choice, to seek representation and bargain collectively without fear of reprisal, interference, intimidation or harassment are respected.

IKEA franchisees do not distinguish between IKEA co-workers who are members of a trade union or association and those who are not.

Wages, benefits and working hours

1.16 IKEA co-workers are paid a fair wage (at least minimum wage) and are remunerated for overtime (when applicable). Pay gaps are assessed with regard to elements of diversity, at a minimum on gender, and actions are taken to ensure equality.

1.17 Wages and overtime (when applicable) are paid at regular intervals, at a minimum, monthly.

1.18 A transparent and reliable system is in place for accurately recording working hours and wages for all IKEA co-workers.

1.19 IKEA co-workers may not work more than forty eight (48) hours per week (excluding overtime). Overtime hours are only offered to IKEA co-workers on a voluntary basis and may not exceed twelve (12) hours per week, nor are they requested on a regular basis. In addition, IKEA co-workers take at least one (1) calendar day off every seven (7) day period.

Under certain circumstances that are well defined in the local legislation and/or agreed with the local work council/trade union, IKEA franchisees may approve mandatory overtime hours for a short and limited period.

1.20 Co-workers have at least one break of 30 minutes after every 4.5 hours worked, unless otherwise agreed in writing through co-worker representation.

1. People and society

Societal impact

Co-worker facilities

1.21 Adequate and well maintained facilities that support the health and well-being of co-workers are provided in all IKEA units. These include:

- places to eat and take breaks
- toilets that are hygienic, accessible during working hours and equipped with basic supplies
- unlimited clean drinking water is available free of charge and within reasonable distance of the work area.
- facilities shall be proportional to the number of co-workers.

Service provider facilities

1.22 Appropriate facilities are provided for service providers by IKEA franchisees at each IKEA unit. These facilities include drinking water, coffee/tea, an area for breaks, and shower and toilet amenities. Special focus should be paid to service providers such as truck drivers whose work times and conditions may be significantly different from those in normal IKEA unit operations.

Grievance routines

1.23 Effective routines are in place to manage and resolve concerns raised by IKEA co-workers with regard to the requirements that are addressed in *IConduct*. The routines protect the rights and secure the privacy of the co-workers who submitted the grievance and the person who is the subject of a grievance. The grievance routines are built on the understanding that co-workers who report concerns in good faith will not be discriminated, retaliated against or punished in any way. The grievance routines clearly communicate how all IKEA co-workers can raise concerns directly with the IKEA franchisee.

Community relations and engagement

1.24 IKEA franchisees have an active engagement with community stakeholders with regard to IKEA operations and their social and environmental impact on the local community. Examples include transportation, energy usage, employment, youth employment, employment of vulnerable or marginalised groups. If community engagement activities involve interactions with children, IKEA franchisees secure that child safeguarding measures are in place.



2

Planet

2

Planet

We make environmental responsibility a part of our everyday work.

Sustainable development within the IKEA value chain involves achieving the balance between economic growth, positive social impact and environmental protection and renewal. This means enabling more people to have a better life in thriving societies within the boundaries of the planet.

We have always tried to eliminate waste and create more with less. Even so, IKEA is still dependent on natural resources and the global resource scarcity is already significantly impacting our business and, more importantly, the lives of people throughout our value chain.

Our IKEA Sustainability Strategy – *People and Planet Positive*, states that *“By 2030 our ambition is to become climate positive and regenerate resources while growing the IKEA business.”*

We want to create an IKEA business model that is truly sustainable and has a positive impact on people and the planet. The IKEA vision is our inspiration. To create a better life for the many people we must radically transform our ways of working.

To do this we will transform IKEA into a circular business that is more climate positive, regenerate more resources, extend product life and materials in innovative new ways, protect ecosystems and improve biodiversity.

We will also continue our commitment to limit the global temperature increase to 2°C, aiming towards 1.5°C, by the end of the century. This must be independent of how much we grow which requires a commitment across our value chain.

2. Planet

Climate positive

Greenhouse gas emissions

2.1 Effective routines are in place to measure greenhouse gases in absolute (and where applicable, relative) terms and to record year-on-year progress for scope 1, 2 and 3 emissions.

2.2 Greenhouse gas emissions are reduced year-on-year in absolute terms with FY16 as a baseline.

2.3 The use of renewable energy is accurately measured and increased year-on-year with the aim of reaching 100%.

Overall environmental impact

2.4 All new IKEA units are designed and built with consideration taken on how to reduce the environmental impact and emissions of CO².

2.5 Existing IKEA units are operated and maintained in a way that continuously improves the environmental impact.

2.6 Outdoor air pollutants caused by business operations (including buildings and transport) are actively reduced.

Water

2.7 Effective routines are in place to measure, monitor and reduce water usage.

2.8 New IKEA units are designed and built for water recycling and rainwater harvesting.

Waste

2.9 Effective routines are in place to measure and monitor waste generated, including food waste, and records are kept up to date to reflect the disposal methods used for all waste materials (traceability).

2.10 The overall volume of waste produced is to be reduced, with the ambition to reuse and recycle as much as possible of what remains.

2.11 Waste (including food waste) sent to landfill shall be minimised.



3

Product quality and safety

3

Product quality and safety

We make great products following the five dimensions of IKEA Democratic Design – form, function, quality, sustainability and low price. Customers can also expect our food range to be delicious, healthy, sustainable and affordable.

The IKEA product range is our identity. All IKEA home furnishing products are designed to be durable, functional and safe to use. The five dimensions of IKEA Democratic Design – form, function, quality, sustainability and low price – help us achieve that. Democratic Design also contributes to strengthening and protecting the IKEA Brand because when customers get many years of enjoyment from their IKEA products they will trust IKEA more.

Our customers can also expect a safe IKEA food range that makes healthy eating delicious, easy, sustainable and affordable. By combining this with a product range that is relevant to the local market, we will succeed in meeting more of the many people and fulfil their dreams of a better everyday life.

All IKEA products are designed, produced, distributed and presented in accordance with IKEA product requirements on product safety and quality.

3. Product quality and safety

Product requirements

Compliance

3.1 Product Requirements & Compliance competence is present at market level. The competence shall serve as the primary market contact for IKEA of Sweden AB and local authorities.

3.2 Food safety competence is always present to co-ordinate, manage, implement and follow up on food safety systems according to the requirements defined by IKEA of Sweden AB.

3.3 Any product safety, compliance or quality-related deviation, or incident from any country where IKEA operates, is reported timely and in detail to IKEA of Sweden AB.

3.4 All appropriate preventative and corrective actions decided by IKEA of Sweden AB in connection with providing safe and compliant products to the customer are to be undertaken promptly. Where the instructions of IKEA of Sweden AB contradict any instructions from authorities or applicable regulations, the latter should prevail. IKEA

franchisees shall promptly inform IKEA of Sweden AB of any instance where they are required to deviate from its instructions.

3.5 To secure safe and compliant home furnishing products and food products for customers, IKEA franchisees must follow all product requirements and guidelines provided by IKEA of Sweden AB related to sales information, range presentation and product safety instructions.

3.6 To guarantee customer safety and safeguard the IKEA Brand, IKEA franchisees should not encourage, support or facilitate adaptation or so-called “hacking” of IKEA products that change the function, construction and/or intended use of the final product.

3. Product quality and safety

Market-specific sourcing of food products by IKEA franchisees

3.7 When Inter IKEA Systems B.V. or its appointed nominee grants IKEA franchisees the right to source certain products themselves, the franchisees must secure that such products comply with the product requirements defined by IKEA of Sweden AB whenever available.

3.8 An ingredient repository must be used and maintained to enable an overview of the ingredients and suppliers used and secure that all stakeholders receive correct and complete food content and declaration information timely. If available, IKEA franchisees are to use the ingredient repository tool provided by Inter IKEA Systems B.V. or its appointed nominee.

3.9 All food-producing suppliers must be minimally certified according to a *Global Food Safety Initiative* (GFSI) recognised certification programme.

3. Product quality and safety

Food operations

3.10 Documentation is in place to ensure and enable traceability (at least the one step backward, one step forward approach) of food ingredients and products that have been received and sold/produced at IKEA Food units.

3.11 All IKEA Food units actively document and work with a Food Safety Programme including, but not limited to, HACCP (*Hazard Analysis Critical Control Points (Codex Alimentarius General Principles of Food Hygiene)*).

3.12 All IKEA Food co-workers must successfully complete the IKEA food safety training provided by Inter IKEA Systems B.V. before working in an IKEA Food unit and thereafter once per year.

3.13 Unannounced external food safety audits, based on a tool provided by IKEA of Sweden AB, must be conducted at all IKEA Food units at a minimum of twice per year.



4

Business ethics

4

Business ethics

We work according to professional standards inspired by the IKEA values in all our business relations to safeguard honesty, fairness and integrity towards our customers, co-workers, business partners and other stakeholders.

Sound professional business standards and our IKEA values are the foundation for transparency and being seen and regarded as a reputable brand with ethical working practices. Without them we harm the IKEA Brand and erode trust. It is the duty of all IKEA franchisees and IKEA co-workers to understand they have a moral responsibility during the course of their daily work to remain alert to any instances where the business ethics we all support and stand behind are challenged.

We aim to treat any party we conduct business with fairly and we want to be perceived as a credible and reliable business partner in return. Good and mutually beneficial business relations are crucial to the future success and growth of IKEA. Consequently, we expect all IKEA franchisees to always act in a trustworthy, transparent and honest way to achieve long-term co-operative business relationships.

Any form of unethical behaviour is unacceptable from any IKEA co-worker or other third party working for a company under the IKEA Brand. We always make business decisions based on a balanced view of what is in the best interests of IKEA, our customers, business partners, society and all IKEA co-workers. This helps us to protect and further strengthen our brand and achieve our commercial goals together.

4. Business ethics

Anti-corruption

Corruption

4.1 A policy and effective routines are in place to prevent, detect and respond to corruption. The policy clearly states a zero tolerance approach against any instance of corruption. The routines include, at a minimum, awareness activities for IKEA co-workers in sensitive positions.

Gifts and hospitality

4.2 A policy and effective routines are in place to ensure gifts, lavish meals or entertainment that may give the appearance of undue influence are not accepted. However, giving and receiving reasonably priced and customary meals in the normal course of business, and with the business partner present, is permitted if conducted in a transparent and approved way. Token gifts of no commercial value may also be acceptable, but lavish gifts and meals, and inappropriate entertainment must be firmly, but politely, declined.

Conflict of interest

4.3 A policy and effective routines are in place to prevent conflicts of interest. The routines include, at a minimum, awareness activities for IKEA co-workers and a process for how to disclose any (potential) conflict of interest.

Anti-money laundering

4.4 A policy and effective routines are in place to prevent, detect and respond to money laundering.

Sanctioned party screening

4.5 To comply with trade compliance laws business partners are to be screened against international sanctions lists. Effective routines are in place to detect and respond to (potential) positive listings. Records are kept and available.

Insider trading

4.6 A policy and effective routines are in place to prevent, detect and respond to the misuse of insider information by IKEA co-workers and their related parties (also known as covered persons).



5

Information handling

5

Information handling

We protect the interests of IKEA co-workers, customers, business partners and other stakeholders by assuring information is trusted, secured, respected and accessible.

Information is an important business asset for IKEA. It needs to be reliable, suitably protected and treated with utmost care while also respecting ethical values. This helps us to create lasting confidence in the IKEA Brand.

Sharing information is essential for securing future growth and ensuring the continuing business success of IKEA around the world. In the new digital environment in which we live, we all need to share data in our everyday work. The importance of social media is also increasing, meaning customers and consumers in general share personal data daily across multiple channels.

The IKEA culture is characterised by openness, honesty and trust. To encourage people to voluntarily and willingly share their information, it is vital that we take information security seriously and never compromise on data privacy. Non-public information shall be protected and only shared for the purpose intended.

Finally, detecting information security incidents is a critical capability for discovering early any (potential) cyber-attacks or attempts to break through our cyber defences.

5. Information handling

Information requirements

Information management

5.1 A policy and effective routines are in place on information management. The lifecycle of structured and unstructured information is managed efficiently from creation (classification and labelling) to storing, sharing, archiving and destruction.

Information security management

5.2 Policies and effective routines are in place on information security management. The routines balance preventive, detective, responsive and corrective capabilities. A risk-based approach to information security is taken to ensure suitable protection of all business assets, integrity of information and overall resilience against cyber-attacks.

5.3 All information relating to the IKEA Concept and the IKEA business is classified in accordance with the agreed IKEA information classification guideline provided by Inter IKEA Systems B.V. Information shall be treated in accordance with its classification level and protected as such.

5.4 IKEA franchisees shall have security monitoring and incident response capabilities, as well as defined roles and responsibilities and incident management procedures to ensure timely and effective investigations and a fast response to (potential) security incidents. Vulnerability reports received from Inter IKEA Systems B.V., as part of the IKEA responsible disclosure programme, are handled through these routines and resolved adequately and in accordance with their severity.

5.5 Effective routines are in place to protect payment information. IKEA units handling credit card payments comply, as a minimum, with the *Payment Card Industry Data Security Standard* (PCI/DSS) requirements.

Awareness and competence

5.6 IKEA co-workers and business partners with access to IKEA information are regularly trained and competent in information handling. Targeted training activities are provided based on job function and responsibilities.

All co-workers working with information security, cyber security and data privacy must have demonstrated competence and/or qualifications in this area and shall be regularly trained to keep their knowledge and skills up to date in accordance with the most recent market practices.

Information sharing

5.7 All information relating to the IKEA Concept and the IKEA business shall be treated in an ethical and confidential manner.

5.8 All personal data related to or collected in connection with the IKEA business is only used and processed for the benefit of the development and operation of the IKEA business. Such personal data may not be freely used for any other purposes without prior written approval from Inter IKEA Systems B.V. This also means that IKEA customer data may not be freely shared across other brands within a group of companies.

5.9 It is not permitted to transfer, sell or license any IKEA personal data to a third party. IKEA franchisees may engage

third parties to process personal data on their behalf if there is an agreement in place as required by applicable laws.

5.10 As a reliable brand that feels responsible for the interests and welfare of people, IKEA franchisees must be transparent about the way personal data is processed. This means, among other things, that a privacy notice must be in place, detailing in clear and plain language how information is processed. IKEA franchisees will only process personal data if there is a legal ground for the processing.

5.11 In cases where the IKEA franchisee is collecting personal data through external sources, which can be third parties, social media platforms or other external channels, assurance must be given by the source owner that information may be used for this purpose. When IKEA franchisees collect information through external sources they should always ensure this supports building and/or maintaining lasting confidence in the IKEA Brand from our customers, co-workers and/or third parties.



6

Health, safety and security

6

Health, safety and security

We ensure a healthy, safe and secure environment for all IKEA co-workers, customers and other stakeholders.

Health, safety and security is anchored in the IKEA vision. We want every IKEA co-worker, customer and other stakeholders to feel safe and comfortable every time they are in an IKEA unit. This includes the critical safety issue of epidemics and/or pandemics.

We are committed to providing a healthy, safe and secure working environment for all IKEA co-workers: physically, mentally and socially. This is why health, safety and security issues are a natural and integrated part of our daily work and all IKEA co-workers take an active role in creating and maintaining healthy, safe and secure working conditions. Safe environments allow everyone in the IKEA unit to do their best work, thrive and enjoy each day. In addition, a safe and secure IKEA unit protects visitors against incidents and accidents, and improves the overall shopping experience and trust of our customers.

We believe in a direct hands-on approach to managing health, safety and security issues by actively developing and implementing prevention plans. We encourage co-workers to take shared responsibility for the well-being of each other and our customers, and feel able to speak up and act if there is something we can improve. We also encourage IKEA co-workers to report unsafe conditions or situations to prevent accidents or incidents.

It requires an understanding of the risks to provide a good level of security to protect the integrity of supply chain operations. This will prevent unmanifested goods and individuals entering the global IKEA supply chain, safeguard assets, increase delivery accuracy and result in more efficient customs procedures – all of which saves time and energy, and reduces costs.

6. Health, safety and security

Safety in the IKEA® unit

IKEA unit conditions

6.1 IKEA units are designed and constructed in such a way that they provide a safe and healthy environment for IKEA co-workers, customers or any other third party present at the IKEA unit.

6.2 Effective routines are in place to maintain IKEA units to ensure a safe, secure and healthy condition. These conditions include, but are not limited to, noise, temperature, light and air quality.

6.3 All IKEA units are accessible for people with disabilities.

6.4 Storage, handling and the transport of waste (including hazardous waste) in every IKEA unit follow effective routines to ensure the health and safety of IKEA co-workers, customers or any other third party.

6.5 Effective routines are in place to ensure proper ergonomic working conditions in and around IKEA units.

Equipment

6.6 Effective routines and systems are in place to ensure equipment is installed safely and co-workers have sufficient competence to implement, co-ordinate and follow up on mandatory IKEA equipment (e.g. merchandising, display, handling, storage, activity and display lighting) as well as local legislation.

6.7 Appropriate Personal Protective Equipment (PPE) is provided, and IKEA uniforms and protective clothing are available (free of charge), maintained and used by IKEA co-workers in identified work areas (e.g. carpenter shop, kitchen cooking area, warehouse).

PPE includes, but not limited to, helmets, goggles, gloves, boots, earplugs, aprons, masks, etc.

Alcohol, drugs and weapons

6.8 A clear policy and effective routines are in place to prevent IKEA co-workers from conducting any work under the influence of alcohol, drugs or any other potentially harmful substance.

6.9 A clear policy is in place on the possession of weapons or firearms. The policy clearly states that it is prohibited to bring weapons or firearms into IKEA units. The exceptions are police officers and licensed security staff (e.g. armoured cash pickup).

Safety and security routines

6.10 A policy and effective routines are in place to protect the health, safety and security of IKEA co-workers, customers or any other third party. This includes, but not limited to, fire, accident, threats, technical problems, social unrest/riots, disease outbreaks and pandemics, weather hazards, natural disasters or criminal misconduct as well as acts of extremism, both in the IKEA unit and during business travel.

6.11 IKEA co-workers in specific roles (e.g. taking care of children in a supervised children's play area, food units, working with forklifts, and other safety and security-related responsibilities) must be qualified and regularly trained. A description of the training and records are available.

6.12 Any incidents (near misses) or accidents in the IKEA unit are documented and analysed.

6.13 Effective routines and systems are in place to protect the property, building and movable assets (i.e. merchandise, indirect materials and personal property belonging to IKEA co-workers and visitors).

6.14 Effective routines for crowd control are in place to ensure proper, safe and orderly entrance and exit areas. Special attention should be paid at peak times (e.g. store opening times, promotional activities and peak hours).

Emergency management

6.15 Every IKEA unit has effective emergency routines and management systems in place to ensure a quick and safe emergency response and evacuation of co-workers and visitors in an emergency situation. The routines are based on identified risks and designed to respond to, reduce and control those risks. At a minimum, the emergency routines must include potential hazards and emergency incidents, evacuation routines and defined roles and responsibilities during emergencies.

The emergency management systems and equipment must have full functionality and there must be clear routines for handling “out of order” (impairment).

Emergency management systems must be inspected, tested and maintained to ensure functionality.

Emergency management systems include, but not limited to, emergency communications systems, emergency power, emergency exits, emergency exit signs and lighting.

Evacuation routines

6.16 Effective evacuation routines and drills are in place to protect IKEA co-workers, customers and other third parties.

Accident prevention and management

6.17 Every IKEA unit has effective routines in place to prevent and manage accidents. This includes clear roles and responsibilities, instructions, training programmes and follow-up routines.

First aid equipment

6.18 First aid equipment must be available throughout every IKEA unit. The first aid equipment is easy to access in cases of emergency, maintained in good condition and inspected regularly to secure its integrity and utility.

First aid equipment includes not only first aid boxes but also other required equipment that is identified during risk assessment processes, e.g. eye washer, emergency shower, collar, defibrillator, stretcher, etc.

6.19 An adequate number of IKEA co-workers must be trained in first aid, present during IKEA unit operational hours and easy to identify. A description of the training and records are available.

Fire management

6.20 Every IKEA unit must have effective routines and fire management systems in place to ensure fires can be immediately detected to allow quick response, evacuation and control. The routines include clear roles and responsibilities, instructions, training programmes and follow-up routines.

The fire management systems must have full functionality and clear routines for handling “out of order” (impairment).

Fire management systems must be inspected, tested and maintained to ensure functionality.

A fire management system can include, but is not limited to, automatic fire alarms, automatic sprinklers (including water supply), smoke management, fire fighting

equipment, fire response teams and fire separation.

6.21 All IKEA units must have appropriate firefighting equipment available. This can range from fireproofing to a wide variety and different types of fire extinguishers and communication equipment. The manual firefighting equipment is easily accessible and identifiable from a distance and properly maintained. Records of maintenance are available.

6.22 An adequate number of IKEA co-workers, covering all shifts, must be trained and competent as first responders to use firefighting equipment. The training includes how to use the firefighting equipment installed at the IKEA unit. The training will be repeated at least once every 24 months. A description of the training and records are available.

6. Health, safety and security

Supply chain security

Fire prevention

6.23 Every IKEA unit has effective routines and systematic working methods in place to prevent fires. This includes clear roles and responsibilities, instructions, training programmes and follow-up routines.

Fire risks must be continuously monitored and assessed. Attention must be given to the following, but not limited to: arson, smoking, open fire, housekeeping, electrical equipment, battery charging, workshops, material storage, cooking areas, hot works and explosion risk items. Electrical installations and cooking equipment must be properly installed, inspected, tested and maintained to avoid the risk of fire.

Employment injuries insurance

6.24 All IKEA co-workers have adequate employment injury insurance to cover medical treatment and compensation for work-related accidents in an IKEA unit and while on business travel.

Training

6.25 All IKEA co-workers before starting work in an IKEA unit, and then regularly during employment, are trained in:

- health, safety and security issues.
- handling emergencies (incidents, accidents and crises) in the IKEA unit.
- handling equipment (e.g. correct use of machinery, personal protective clothing and equipment) and safety devices used during business operations. Training includes the handling of mandatory store equipment.
- fire emergency management. The training includes, at a minimum, the proper routines for evacuation, location and activation of the emergency alarm.

A description of the training programmes and records are available.

6.26 IKEA franchisees ensure suppliers and/or contractors will be certified with ISO 28000, C-TPAT, AEO or equivalent standards.

6.27 Sufficient competence is in place at each IKEA unit to secure an effective implementation, co-ordination and follow-up of supply chain security measures.



7

Business relations

7

Business relations

We believe in open, honest and trusting business relationships based on our values and culture that allow everyone to grow and prosper.

Whereas IKEA is one global brand, the IKEA businesses are operated by different franchisees. Each IKEA franchisee employs many IKEA co-workers who are the ambassadors of the IKEA Brand interacting with a wide variety of suppliers, authorities, media and hundreds of millions of customers around the world.

Effective communication is essential to the success of the IKEA business. Consequently, we expect everyone to contribute to our high standards of openness, honesty and integrity when communicating with customers, third parties and each other.

Through mutual respect and by working together we build lasting relationships that benefit the IKEA Brand and the many people all over the world.

7. Business relations

Communication

7.1 IKEA franchisees respect the right of IKEA co-workers to have personal views and opinions. However, as we are all ambassadors for the IKEA Brand, private views are expected to remain separate from IKEA. IKEA co-workers are encouraged to advocate and share official IKEA communication (e.g. sharing IKEA social media posts).

7.2 Effective routines are in place to ensure that internal and external communication is aligned with IKEA strategies. IKEA franchisees can only communicate on behalf of their own IKEA retail business.

7.3 Effective routines are in place to ensure that critical and/or important communication is aligned with Inter IKEA Systems B.V. and/or other IKEA franchisees in neighbouring countries. When IKEA franchisees communicate about topics with potential spill-over effect to other markets, they connect and co-ordinate with Inter IKEA Systems B.V.

IKEA franchisees promptly inform Inter IKEA Systems B.V. about potential media risks in their areas. Contact details: media.franchisor@inter.ikea.com or **+31 6 2124 0618**.

7.4 IKEA franchisees secure that an IKEA media contact is available at all times (24/7) to handle external communication requests.

7.5 IKEA franchisees do not express preference for political organisations or religious views, although IKEA franchisees can express points of view on specific legislative or public policy decisions that affect the IKEA business or IKEA co-workers.

7. Business relations

Fair business

7.6 IKEA franchisees secure prior written approval from Inter IKEA Systems B.V. before launching new websites, social media accounts or other external communication channels. It is not necessary to seek approval for accounts existing prior to FY20.

7.7 All IKEA co-workers can speak about IKEA in general terms.

7.8 IKEA franchisees may speak about topics that only concern the IKEA business in their market.

7.9 IKEA franchisees shall appoint spokespersons that represent their IKEA business in public.

Fair competition

7.10 A policy and effective routines are in place to prevent unfair competition through the misuse of market power.

Unauthorised reselling

7.11 IKEA franchisees have measures in place to prevent the sale of IKEA products to unauthorised dealers of IKEA products. Inter IKEA Systems B.V. shall be notified in the event IKEA franchisees suspect or become aware of the (re)sale of IKEA products by unauthorised dealers. Contact details: infringement.report@inter.ikea.com.

Glossary of terms used in IConduct

Accident

An event or occurrence resulting in an injury to a person or damage to an asset.

Association

A group of people organised for a joint purpose.

Bonded labour

Defined as labour not only physically bonded but also bonded by financial debts, loans or deposits. Also see *Forced labour*.

Bribery

The act of offering, promising, giving, accepting or soliciting an advantage as an inducement for an action which is illegal, unethical or a breach of trust. A bribe is something that is of value to the person being bribed. The thing of value can be disguised as a gift, hospitality, travel expenses, payment to an intermediary, false invoices, consultancy fees or payment through a third party.

Child

Every person under the age of 18 years of age.

Child labour

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. The minimum working age is defined by national legislation and is the age above which a person can be employed full time.

Collective bargaining

Defined as negotiations between an IKEA franchisee and IKEA co-worker representatives (freely and independently chosen by the IKEA co-workers).

Conflict of interest

A conflict of interest occurs when an IKEA co-worker’s private interest interferes in any way, or even appears to interfere, with the interests of IKEA.

Contractor

A contractor is any individual or organisation that is hired to perform work for an IKEA franchisee or other IKEA company on a contract basis.

Corruption

The abuse of entrusted power for private gain. Examples include bribery, extortion, embezzlement and favouritism. Corruption can take place both in the public and private sector.

Covered person

Any immediate family member, i.e. child, stepchild, parent, step-parent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, and any person sharing a household.

Customer information

Any data relating to a customer or prospective customer of an IKEA retail business, whether a natural person or a legal entity.

Equality

The equality of treatment and opportunities. It also implies the absence of any kind of discrimination (treating someone less favourably than another in a comparable situation on grounds of age, gender identity, sexual orientation, physical ability, ethnicity, race, nationality, religion, marital or family status, or any other dimension of their identity).

Ethnicity

Persons belonging to a certain culture with a common language, dialect, traditions, religion, etc.

Facilitation payment

Bribes, also called a “facilitating”, “speed” or “grease” payments, made to secure or speed up a routine or necessary process to which the payer is already entitled.

Forced labour

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.

Gender identity

People’s inner sense of their gender as women, men or transgender.

Greenhouse gas emissions

A gas that absorbs and emits radiation within the thermal infrared range, i.e. a gas that traps heat in the earth’s atmosphere. Examples are water vapour, carbon dioxide, methane, nitrous oxide and ozone.

Grievance

Concerns, problems or complaints raised by IKEA co-workers.

Harassment

Any offensive act, comment or display that humiliates insults or causes embarrassment, or any act of intimidation or threat. It includes, but not limited to:

- serious or repeated rude, degrading or offensive remarks
- displaying sexist, racist or other offensive pictures, posters, etc.
- threats, intimidation or retaliation.

Hazardous waste

Waste that could cause harm to public health and/or the environment because of its chemical, physical or biological characteristics (e.g. it is flammable, explosive, toxic, radioactive or infectious). It includes, but not limited to, hazardous waste identified by applicable legislation.

Human rights

Minimum rights and freedoms belonging to all human beings everywhere. They are described in the United Nations' *Universal Declaration of Human Rights* and related covenants, and in the *International Labour Organisation Declaration on Fundamental Principles and Rights at Work*. The *UN Guiding Principles on*

Business and Human Rights provide detail on how businesses can respect human rights.

IKEA Brand

The IKEA Brand is how the many people perceive the IKEA Concept.

IKEA co-worker

Anyone employed by an IKEA franchisee. This includes all forms of employment such as full-time, part-time, temporary and limited time contract.

IKEA Food unit

The defined areas in IKEA units dedicated to food preparation, serving, selling and consumption, e.g. IKEA Restaurant, IKEA Bistro and IKEA Swedish Food Market.

IKEA franchisee

Any party that has been granted the right by Inter IKEA Systems B.V. as the owner of the IKEA Concept and the worldwide IKEA franchisor to operate an IKEA retail business in a defined territory based on a franchise agreement.

IKEA product range

The range of IKEA products as set by IKEA of Sweden from time to time.

IKEA spokesperson

Anyone formally appointed by the IKEA franchisee to be the spokesperson who speaks on behalf of the IKEA franchisee about its IKEA retail business.

IKEA unit

Any IKEA customer meeting point (such as stores, pop-up stores, e-commerce, pick-up points), warehouses, service offices and other IKEA locations used by the IKEA franchisee in the operation of the IKEA business.

IKEA values

The eight IKEA key values are rooted in *The testament of a furniture dealer*. Together, they capture the essence of the IKEA culture. They serve as a built-in compass, guiding us in how we do things and setting a vision for who we want to be. Sharing the same values helps keep the IKEA culture a strong and living reality.

IKEA vision

To create a better everyday life for the many people.

Incident (near miss)

An event where nobody was hurt and nothing was damaged but which had the potential to cause serious injuries and/or damages.

Inside Information and Insider trading

Inside information is information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments that if it were made public would likely have a significant effect on the prices of those financial instruments.

Insider trading occurs when someone who has inside information about a particular company acts on that information for personal gain.

Involuntary labour

See *Forced labour*.

Landfill

A site intended for the disposal of waste materials by burial.

Mandatory store equipment

The IKEA store equipment as prescribed by Inter IKEA Systems B.V.

Migrant worker

A person who either migrates within their home country or outside it to pursue work.

Money laundering

The process of concealing the origin and ownership or destination of illegally or dishonestly obtained money by hiding it within legitimate economic activities to make it appear legal.

On-call work

A form of employment where employees have intentionally unpredictable work schedules. Employees who work on-call are expected to be available at any time, usually with short notice, to carry out their working duties.

Outdoor air pollutants

Defined as zero ozone depleting substances (e.g. refrigerants), zero or low substances with global warming potential (e.g. fossil fuels used in buildings and for transport), and minimised construction and/or rebuild dust.

Personal data

Any information related to a person through which that person can be directly or indirectly identified.

Recycling

The practice of reusing items that would otherwise be discarded as waste.

Renewable energy

Energy derived from resources that are regenerative or, for all practical purposes, cannot be depleted.

Routine

A structured description of a specific working order for an activity or process. A routine is usually presented in a written form but can also be simplified and presented in pictures, instruction signs, graphs, etc.

Sanctioned party

Any person or entity subject to trade control or sanctions restrictions under lists maintained by the United States, the European Union, the United Nations, or other countries, including, but not limited to, the EU list of sanctioned parties, the U.S. lists of Specially Designated Nationals and Blocked Persons, Foreign Sanctions Evaders, Denied Parties, Debarred Parties, the U.S. Entities Lists, sanctioned parties under the U.S. State Department's Nonproliferation Sanctions programmes, and equivalent lists of restricted or prohibited parties maintained under applicable laws of other countries.

Scope 1, 2, 3 emissions

The scope defines the operational boundaries in relation to indirect and direct greenhouse gas emissions (GHG).

Scope 1: Direct GHG emissions. (i.e. from sources owned or controlled by an IKEA franchisee).

Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam.

Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the IKEA franchisee, electricity-related activities (e.g. transmission and distribution losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

Security

All aspects of protecting IKEA assets, IKEA co-workers (both on site and during business travel) and other people present in IKEA units from physical threats, corruption and similar events.

Sexual orientation

Defined as homosexuality, bisexuality, heterosexuality, pansexuality and asexuality.

Split shift

A work period divided into two parts that are separated by an interval longer than a normal rest period.

Supplier

Any seller, vendor or service provider supplying and/or delivering products, components, materials or services to an IKEA franchisee or IKEA unit.

Supply chain security

Initiatives and processes that protect business operations throughout the IKEA supply chain against disruption and diverse threats such as piracy, terrorism and theft.

Visitor

Any person in an IKEA unit who is not an IKEA co-worker.

Workplace

Any place at any IKEA unit where work can be performed by any IKEA co-worker.

Young worker

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

Zero-hours contract

A form of flexible working that guarantees no minimum number of working hours a week or month.

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IConduct

A strong base for
leading IKEA® business
and people together

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<http://toolbox.Inter.IKEA.com>

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