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.
Contents

1. People and society 7
2. Planet 11
3. Product quality and safety 15
4. Business ethics 19
5. Information handling 23
6. Health, safety and security 27
7. Business relations 31
8. Glossary of terms used in IConduct 34
1

People and society
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.
2

Planet
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.
3
Product quality and safety
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.
4

Business ethics
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.
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.
6
Health, safety and security
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.
7
Business relations
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.
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 IKEA employees around the world see and talk about IKEA.

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.

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.

Santioned 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.
IConduct

A strong base for leading IKEA® business and people together

Go to IKEA toolbox for more information
http://toolbox.Inter.IKEA.com

Inter IKEA Systems B.V.