



## Modern Slavery Statement



### Welcome from Peter Jelkeby, Country Retail Manager and Chief Sustainability Officer, IKEA UK and Ireland

The IKEA vision is to create a better everyday life for the many people. The IKEA value chain touches millions of lives around the world and we are committed to respecting and supporting human rights throughout that chain, based on the UN Guiding Principles of Business and Human Rights (UNGP).

As a business, we take our responsibility seriously to identify, prevent, mitigate and remedy human rights violations across our value chain. We do not accept any form of forced labour in the IKEA value chain and we see value in transparent ways of working and a comprehensive national and global approach to protect stakeholder human rights.

IKEA is working continuously to ensure the safety and rights of the people working in the supply chain through close cooperation and dialogue with suppliers, using IWAY - the code of conduct for IKEA suppliers - as the foundation.

At IKEA, we appreciate the focus that the UK places on this issue, including through the Modern Slavery Act. And in doing so, we hope to use our influence and relationships to ensure better conditions, and a better everyday life, for all.

### Introduction

This statement has been produced by IKEA Limited on behalf of itself and its subsidiaries, IKEA Properties Investments Limited and IKEA Distribution Services Limited in compliance with the Modern Slavery Act 2015. It details the steps that we have taken to date to ensure that slavery and human trafficking are eliminated from IKEA's own operations and supply chains.

In this statement we set out what actions and steps we have taken in our 2021 financial year to combat modern slavery and human trafficking in our supply chain. We will talk about our people, our business, our values, our policies, the actions taken globally to eliminate modern slavery in our supply chain. This statement builds on the commitments and actions described in previous reports.

This report is approved and endorsed by our senior management in the UK & Ireland and its significance is known by those involved in the management of our supply chain. Before the legislation came into effect, we contributed to the 'Joint Committee on the draft Modern Slavery Bill' in 2014, helping to support the development of the law on modern slavery. This statement explains in detail how we are actively working to protect the dignity and wellbeing of all workers in our operations and in our value chains and what we are doing to improve, in line with our values of caring for people and planet and taking responsibility.



The emotional and physical wellbeing of the many workers who make up our supply chain is extremely important to us. Any potential violation of the dignity and basic human rights of those who earn a living within any aspect of our supply chain network is unacceptable. Be it the production of raw materials, manufacturing or delivering products to customers. Every individual deserves fair working conditions and an opportunity to make a better life for themselves, their family and their wider community. At IKEA, we have a responsibility to respect the human rights of people that our business touches.

We continually strive to put respect for human rights at the centre of everything we do. We want our customers to be confident in the knowledge that the products and services they purchase from IKEA are in no way linked to the unfair treatment of workers in IKEA's operations or in the supply chain.

### **Our Values**

At IKEA, we come from all over the world but we share an inspiring vision: *"to create a better everyday life for the many people"*. How we realise this vision is based on our shared humanistic values. These values guide our work and build our inclusive, open and honest culture:

- Togetherness or *'tillsammans'*
- Caring for people and planet
- Cost-consciousness
- Simplicity
- Renew and improve
- Different with a meaning
- Give and take responsibility
- Lead by example

These values are the foundation of the global IKEA family. We all work together, not just with each other, but with suppliers and customers. We want to be a force for positive change both locally and globally, and be mindful of our impact on the planet and its population. We strive to improve the work environment for IKEA co-workers and the many people throughout the direct and indirect supply chains involved in producing IKEA products.

It is a privilege to take responsibility and be accountable for all decisions we make, including the impact of our business activities, and the eradication of modern slavery in whatever form we discover it.



This Statement was prepared to cover the six areas recommended by the Home Office's statutory guidance. The table below identifies where each area is addressed within this Statement.

<b>Criteria recommended by statutory guidance</b>	<b>Heading and page reference</b>
Organisation structure, business and supply chains	1. Our structure, operations and supply chain (page 4)
Policies in relation to slavery and human trafficking	2. Our Policies and Procedures (page 7)  Appendix A: IWAY - The IKEA Way of Purchasing Products and Services (page 20)
Due diligence processes in relation to slavery and human trafficking in its business and supply chains	3. Due Diligence Processes (page 9)
The parts of the business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps taken to assess and manage that risk	4. Identifying our modern slavery risks (page 10)  5. Actions taken to assess and address our modern slavery risks (page 11)
Key performance indicators to measure effectiveness of steps being taken	6. Measuring the effectiveness of our actions (page 14)
The training and capacity building about slavery and human trafficking available to staff	7. Other Information – IKEA's broader contributions and planned future actions (page 15)



## 1. Our structure, operations and supply chain

### ***Our structure***

IKEA Limited (IKEA UK) is a company incorporated in the UK. Its registered office is located in Milton Keynes. References in this statement to “we”, “us”, “our” or IKEA UK are references to IKEA UK and the entities we own or control. The ultimate parent company of IKEA UK is INGKA Holding B.V., a company registered in the Netherlands. IKEA UK is engaged in retail operations in the UK.

IKEA UK operates as a franchise under the “INGKA Group” of franchise companies. The worldwide IKEA franchisor is Inter IKEA Systems B.V. which is owned by Inter IKEA Holding B.V.. We refer to Inter IKEA Holding B.V. and all of its subsidiaries including IKEA of Sweden AB, IKEA Marketing & Communications AB, IKEA Supply AG and IKEA Food Supply AG as the “**Inter IKEA Group**”.

IKEA Distribution Services Limited, (**IKEA Distribution**) is responsible for furniture and furniture accessories distribution within the UK and Ireland.

IKEA Ireland Limited, (**IKEA Ireland**) is a company incorporated in Ireland. Its registered offices is located in Dublin. IKEA Ireland Limited carries out business in Ireland and is engaged in retail operations.

### ***Our operations***

To ensure the long-term growth and development of the IKEA business, we use a franchise system. That means many people and companies with different owners work under one IKEA Brand, dedicated to one IKEA vision: to create a better everyday life for the many people.

IKEA home furnishing products are designed, sourced, produced and supplied by two Inter IKEA Group companies: IKEA of Sweden AB and IKEA Supply AG. These form part of the ‘Range and Supply’ arm of Inter IKEA Group. Products are distributed to franchisees around the world and sold in 458 IKEA stores in 61 markets.

IKEA UK currently runs 21 stores, 1 Order and Collection Point, 1 small store, 5 distribution centres, 2 contact centres and 1 wind farm in the UK, whilst IKEA Ireland Limited currently runs 1 store and 1 Order and Collection Point in Ireland.

IKEA Ltd (IKEA UK) employed 10,526 co-workers as of 31 August 2021, through our stores in the UK, including our Service Office and Customer Support Centre. As of 31 August 2021, 1341 co-workers were also employed by IKEA Distribution. We see the people working within our organisation as being integral to securing the eradication of modern slavery. We want our co-workers to be ambassadors of IKEA, to embody our culture and values and to inspire fellow co-workers, suppliers and customers alike. All our recruitment processes adhere to the relevant employment laws and regulations, and we expect all businesses with whom we interact to abide by all applicable laws when recruiting.

Within the UK and Ireland, the retail products are stored in warehouses as well as our retail stores. Part of our operations includes distribution of the home furnishings from distribution warehouses to our stores and distribution from both our Customer Distribution Centres (**CDCs**)



and our stores to our customers. These warehouses, distribution and relevant services are by and large provided by IKEA Distribution.

### ***IKEA UK supply chain***

IKEA UK's supply chain is comprised of both the supply chain for sourcing the products that we sell (the **Retail supply chain**) and the separate supply chain for the goods and services that are essential for our business operations (the **Business operation supply chain**).

#### *Retail supply chain*

The IKEA home furnishing and retail food products (**retail products**) are supplied to IKEA UK by the Inter IKEA Group. In this statement, we have included information provided by Inter IKEA Group about its supply chains, modern slavery risks and actions, including from the Inter IKEA Sustainability Report. IKEA UK also purchases food products from other suppliers as described in the section regarding the Business operation supply chain. The Inter IKEA Group imports the retail products and then either stores the products (other than the food products) in distribution warehouses and arranges for them to be delivered to IKEA UK's stores and CDCs.

IKEA UK's direct relationships for purchasing retail products are with Inter IKEA Group. Inter IKEA Group in turn have their own extended supply chains. In the last financial year, Inter IKEA Group has partnered with more than 1,600 direct suppliers in more than 50 countries to source home furnishings. From data provided by Inter IKEA Group, we have ascertained that approximately 660,000 people are involved in production, and millions more people work in extended supply chains.

Production and sourcing of IKEA retail products is carried out predominantly in Europe, Asia-Pacific and North America, which include wood, natural fibres, textiles, plastics, food and agriculture, metals and electronics.

Inter IKEA Group's integrated supply chain and scale gives unique influence, as well as responsibility, throughout the entire product procurement process. From product development and material sourcing to production, transportation and product's end-of-life, Inter IKEA Group is involved every step of the way. All products sold from IKEA are designed and developed in accordance with strict global requirements that Inter IKEA Group puts on both the product and the suppliers. Inter IKEA Group believes in building long-term relationships with their suppliers and places a strong emphasis on supplier development. The average length of collaboration with their suppliers is currently 11 years. Inter IKEA Group tries to understand the specific local contexts and take a consistent approach to securing good social, environmental, and working conditions.

#### *Business operation supply chain*

In order to conduct our retail operations, IKEA UK procure goods and services mainly from other businesses based in the UK:

- **Information and communications technology (ICT):** This includes computer hardware and software, cloud services, virtual data room services, virtual document exchange services, printers, audio/visual equipment and services, desk phones and mobile phones.



- **Warehousing and distribution services:** This includes freight hardware and driver logistics services to transport and unload stock between stores and customer delivery from stores or CDCs.
- **Retail services:** This includes retail showroom fit outs, back-office furniture and fit outs, stationery and branded items, knowledge subscription services, document management services, courier and postal services, as well as printer maintenance services and document printing services.
- **Facilities management:** This includes the services that support our retail operations including leasing, office maintenance, utilities, cleaning and security.
- **Professional services:** This includes taxation, external legal counsel, consulting, professional, personal development, and welfare training programs.
- **Mobility and travel:** This includes vehicle and airplane travel bookings and accommodation bookings.
- **Hospitality and catering:** This includes for in-store restaurant and beverage services, as well as external catering events.

The key areas of outsourcing in our Business operation supply chain are for cleaning, security and 'last mile' transport. The majority of our key suppliers were UK and EU businesses, and the remaining suppliers were based in Asia-Pacific and North America.

We recognise that the world around us is changing rapidly. Advances in technology and the way customers choose to shop has a direct impact on our supply chain and how products are created, developed, and sold. People are at the core of the retail direction and our Sustainability Strategy. We are continuing to focus upon transforming our operations and using resources with the utmost efficiency; providing fair working conditions and respecting human rights, as well as advocating for positive change in society in line with our goal of being "People and Planet Positive".

We believe one of the key factors that reduces the risk of modern slavery and forced labour is having long term and mutually beneficial partnerships with suppliers and service providers.

Inter IKEA Group has valued partnerships with external organisations such as the International Organization for Migration (IOM) and Leadership Group for Responsible Recruitment.

The IKEA business is a founding member of the Leadership Group for Responsible recruitment. We support the Employer Pays Principle, which states that no worker should pay for a job, and that the costs of recruitment should be borne by the employer. The aim is to eliminate recruitment fees being charged to workers anywhere by 2026. The IKEA Guidelines on Responsible Recruitment communicate our expectations regarding recruitment practices for IKEA suppliers.

Established in 1951, IOM is the leading intergovernmental organisation in the field of migration, and works closely with governmental, intergovernmental, and non-governmental partners. The IOM has long been a partner to and supported the IKEA business in developing its approach to ethical recruitment of migrant workers. Inter IKEA

Group also acts as a reference for the International Recruitment Integrity System (IRIS), a voluntary certification process for international recruitment that IOM is developing.

For more details on how we engage with our partners, please refer to our FY21 Sustainability Report [here](#).



## 2. Our Policies and Procedures

### ***INGKA Group Policies***

Across the INGKA Group there are a number of global internal and external policies and procedures in place to secure respect for the human rights of IKEA co-workers and all the people linked to IKEA's supply chain. INGKA Group policies and procedures include but are not limited to the INGKA Group Policy on Human Rights and Equality, the INGKA Group Policy on Sustainability, the INGKA Group Policy on People, the INGKA Group Policy on Anti-Bribery and Corruption, the INGKA Group Policy on Raising a Concern, the IKEA Code of Conduct, and IWAY, our Supplier Code of Conduct (discussed separately in detail in "*Appendix A: IWAY - The IKEA Way of Purchasing Products and Services*") (**Policies and Procedures**).

### *Human Rights*

To mitigate human rights risks in the IKEA business, IKEA UK applies the INGKA Group Policy on Human Rights and Equality and the IKEA Employment Standards.

In FY21, the INGKA Group Policy on Human Rights and Equality was updated and expanded, with more detail on INGKA Group's policy standpoints and focus areas, and clearer links to external, international human rights standards, as detailed further below. In FY22, the policy will be launched to co-workers, raising awareness of the policy through training for all co-workers, and developing more detailed guidance for people in key functions.

IKEA is committed to respecting human rights across operations and the value chain. Human rights are a precondition for a decent life, and they belong to all human beings everywhere. Respecting human rights is about how we act as co-workers and as a company every day through our business processes, the decisions we make and in our business relationships.

Inter IKEA Group will continue to work to:

- clarify expectations with business partners, always basing them on international human rights standards;
- conduct human rights due diligence across business operations and value chain to identify our prioritised human rights impacts;
- put the needs of people affected first when addressing human rights issues;
- be transparent about how to work with human rights and the actions to take; and
- be outspoken about point of view, while influencing others to create positive change and promote human rights.

In January 2021, the Inter IKEA Group and 11 companies from the Nordic Business Network for Human Rights signed a joint statement supporting EU legislation on mandatory human rights due diligence legislation. In the statement, all signatories share considerations for the design of such legislation based on their collective experience conducting human rights due diligence across the many sectors and geographies in which they operate.



### Children's rights

Children's rights are one of the key areas in the updated INGKA Group Policy on Human Rights and Equality. Our approach is based on the Children's Rights and Business Principles, developed by Save the Children, the UN Global Compact and UNICEF. We look at all aspects of our business from a child's rights perspective, and our key commitments include:

- ensuring that our stores and meeting places are child-friendly
- working with Inter IKEA to ensure that our products for children are safe
- preventing misleading, exploitative, discriminatory, or aggressive marketing and communication practices towards children.
- never tolerating any form of child or forced labour, modern slavery or mistreatment of workers; and
- supporting fair work for young workers, parents, and caregivers.

In FY21, INGKA Group and Inter IKEA Group submitted an action pledge to the International Labour Organization (ILO) and Alliance 8.7 (a global partnership to tackle modern slavery and child labour), committing to further strengthen child rights in the IKEA supply chain in support of the UN's designation of 2021 as the International Year for the Elimination of Child Labour.

### Responsible wage practices

The IKEA Responsible Wage Practices Framework and Assessment Methodology was completed in FY21. This framework and methodology takes a holistic approach to the subject of wages by placing equal focus on equality at work, pay principles, competence, enabling dialogue, and a living wage. It will create a wage system that's fair, inclusive and for the many. The aim is to enable people and families in the IKEA value chain to live a decent life, wherever they are.

This new assessment methodology was adjusted and finalised after an extensive validation exercise in 2021, spanning 65 units in 22 countries and four continents. Inter IKEA Group is conducting baseline assessments throughout the Group and in FY22 will provide different IKEA companies with the means to define baselines from which to set goals, initiate pilots, and implement activities. A number of selected suppliers have been invited to pilot the new Responsible Wage Practices Framework, which will help the IKEA business better understand how to work with this approach within our supply chains.

### Equality and diversity

In FY21, Inter IKEA Group continued to promote gender equality in its operations through new and existing initiatives on both global and market levels. Inter IKEA Group has inclusion approaches that help to create work environments that are safe and welcoming for all people. The aim is to achieve diversity and equality at all levels across all IKEA businesses. In FY22, Inter



IKEA Group will undertake a review and update the Fair and Equal section of its Sustainability Strategy.

In FY21, INGKA Group launched a global roadmap for their IKEA retail operations to integrate the topic of ethnicity, race and nationality into business decisions to support a workforce that reflects the multicultural diversity of the communities where INGKA Group operates and ensure inclusive business practices. The INGKA Group also partnered with the World Economic Forum and 47 global businesses to advance racial and ethnic justice through The Partnering for Racial Justice in Business initiative, which aims to build equitable and just workplaces for professionals with under-represented racial and ethnic identities.

### ***The IKEA Way of Purchasing Products, Materials, Services and components (IWAY)***

#### ***IWAY 6.0 launched – a total system upgrade***

IWAY is the IKEA supplier code of conduct. It is our long-standing programme that communicates and ensures the minimum requirements on environmental, social and working conditions are met by all IKEA suppliers.

In FY21, we celebrated 20 years since IWAY was introduced to IKEA suppliers.

During FY21, IKEA suppliers and service providers were introduced to the next generation of IWAY, including improved ways of working and new topics, such as biodiversity and conservation, worker competence development, road safety, animal welfare and digital platform work. IWAY 6.0 is a total system upgrade. The revision involved many IKEA co-workers, suppliers, other multinational companies, and non-governmental organisations. One important change is a shift in the focus of efforts from audits only, to a combination of audits and implementation support to suppliers and service providers. This shift strengthens the collaboration with suppliers, which supports the aim for the coming years to reach beyond direct suppliers and service providers to implement IWAY further and create a truly sustainable IKEA value chain. A global IWAY learning offer is available for all IKEA co-workers. Targeted training has been held to ensure that relevant IKEA co-workers who work with suppliers learn about the changes.

Further detail of the implementation of IWAY in the Reporting Period, and the way that the global system interacts with IKEA UK, is provided in *“Appendix A: IWAY - The IKEA Way of Purchasing Products and Services”*.

In addition to implementing IWAY, the other steps taken by Inter IKEA Group to assess the risks of modern slavery, and the actions taken in respect of some of those risks are described below.

### **3. Due Diligence, Audits and Remediation of Suppliers**

A supplier's risk rating will direct the level of audit and remediation to be implemented under IWAY.

Suppliers are required under their IWAY Compliance Commitment (explained further under the *“Measuring our Effectiveness”* heading below) to prepare an annual compliance self-assessment.



Copies are required to be provided if requested by IKEA UK. Depending on the response, IKEA UK, with support from the Ingka Procurement Sustainability and Business Risk & Compliance teams will conduct announced and unannounced audits of suppliers and critical subcontractors to ensure IWAY compliance and consistent implementation throughout all of the areas in which IKEA operates. In some cases, we complete joint reviews together with third-party auditors.

Under the IWAY system, if we find that suppliers are not meeting our standards, we will agree on an action plan with the supplier to correct this. Major non-compliances within the Ingka Group must be rectified within 10 days and all remaining issues within 90 days.

#### **4. Identifying our modern slavery risks**

##### ***Supply chain risks***

IKEA UK's supply chain is comprised of both the supply chain for sourcing the products that we sell and the separate supply chain for the goods and services that are essential for our business operations. More details on IKEA UK's supply chain operation and structure is described above (see 1. *Our structure, operations and supply chain (page 4)*).

Potential human rights risks in the retail and business operation supply chains include: modern slavery and forced labour, low wages, undocumented cash wages, excessive hours, unsafe working conditions, harassment and prevention of collective bargaining.

##### ***Inter IKEA IWAY Audits FY21***

###### *Working hours deviations discovered during audits*

During the regular IWAY audits performed at suppliers during FY21, the most common deviations identified were connected to working hours, involving two different types of issues: working hours exceeding the maximum limit defined in IWAY of 60 hours per week or the legal limit, and lack of transparency and manipulation of working hours registered by suppliers.

We take these very seriously, like all IWAY deviations, and are following the IWAY process of identifying root causes to the issue, securing that our suppliers implement corrective measures, and phasing out suppliers who do not address the issues in a reliable way. During FY21, Inter IKEA Group have phased out 12 suppliers due to IWAY noncompliance.

###### *Verifying no child labour at suppliers*

During the audits and verification activities performed in FY21, no suspected or confirmed cases of child labour were identified. At the same time, we are closely monitoring this at all of our suppliers, since the risk of child labour has increased during COVID-19.

###### *Audit challenges due to COVID-19*

During FY21, the largest challenge remained the travel and safety restrictions connected to COVID-19, which have limited our ability to perform regular audits at our suppliers to the same extent as before. Where physical audits were not possible, we performed remote verification activities. While remote audits are better than no compliance and monitoring activities at all, they



present limitations, such as reaching out to workers to hear their voices and inputs in a truly independent way. The IKEA commitment to human rights and decent and meaningful work in the IKEA value chain is more important than ever and we continue a close dialogue with our suppliers to enable these.

## **5. Actions taken to assess and address our modern slavery risks**

### ***Retail supply chain risk mitigation and actions - IKEA globally***

A key part of IKEA UK's supply chain is the supply of home furnishings and food products, which are supplied to IKEA UK by the Inter IKEA Group. The risks in the Retail supply chain are assessed and managed by Inter IKEA Group through the implementation of IWAY. The Inter IKEA Group secures compliance with IWAY by:

- requiring all its direct suppliers to comply with the standards set out in the IWAY Supplier Code of Conduct;
- requesting direct suppliers to communicate the 'IWAY Musts' to their own suppliers and critical subcontractors of IKEA's direct supplier must confirm to IKEA's satisfaction that the IWAY Musts are adhered to;
- due diligence and audits of the supply chain by the Sustainability Risk & Verification team against the IWAY Standard; and
- taking steps for continuous improvement or ultimately termination of contracts if the supplier does fail to fulfil the IWAY requirements within the given time frames.

### ***Business operations supply chain risks and actions - IKEA UK***

IKEA UK continues to demonstrate its commitment to eliminating modern slavery from IKEA UK's business operations and supply chains, through its continued use and implementation of IWAY. We explain below our due diligence review and the ongoing steps that IKEA UK has been taking throughout the Reporting Period, through IWAY and other programs, to address our modern slavery risks and to ensure that our market influence is used to build better communities.

#### *The IWAY Country Forum*

An IWAY Country Forum has been set up in the UK to talk specifically about how we can take action to reduce the risks and ensure IWAY process compliance in the UK business. The IWAY Country Forum is comprised of our Country Procurement Manager, Country Procurement Sustainability Developer, Country Risk and Compliance Manager, Country CFF Sourcing Manager and the Country Sustainability Risk and Verifications Reviewer team. Some additional attendees can be invited to discuss specific IWAY-related topics. They report to the Risk Council where KPI overviews, updates and issues will be managed. The IWAY Country Forum meet on average 3-4 times per fiscal year (at least once a tertial).

#### ***Risk Assessments***

The process for identifying supplier risks, including for modern slavery, commences as part of the process of "onboarding" our suppliers, under the IWAY Supplier Code of Conduct. The IWAY system (described in more detail in "Appendix A: IWAY - The IKEA Way of Purchasing Products and



*Services*") is designed to ensure that modern slavery risks (and other human rights risks) are identified before any supply agreement is entered and thereafter continuously identified, monitored and managed. The IWAY system is used with most of our suppliers, other than utility providers and government related businesses as well as some marketing/media agencies and financial institutions, which are exempt because they are considered low risk.

Before onboarding, potential suppliers are provided with an IWAY communications package, including the IWAY Standard and supporting contractual documents. These include a preliminary individual risk assessment questionnaire (**PIRA**) to demonstrate the prospective supplier's ability to comply with our expectations, including in respect of modern slavery. The PIRA addresses workforce items under "Supplier Characteristics" which covers topics such as: whether the supplier works in shifts, overnight or seasonally; whether they employ young people (under 18 years); whether they use sub-contractors and if so to what percentage; and whether they employ prison workers or migrant workers. The PIRA also facilitates an assessment of IKEA's level of influence with the supplier, by seeking information about IKEA's level of spend with the supplier compared to the supplier's overall revenue and level of impact within IKEA, by considering whether the supplier will be working at an IKEA UK site or in our customer's homes (and if so to what extent). The PIRA also considers the supplier's sustainability performance which captures items such as workplace health and safety. Each PIRA response is then assessed by our procurement sustainability developers and the prospective supplier is allocated a risk rating, including for modern slavery risks, using our IKEA supplier risk rating tool.

The IKEA supplier risk rating tool is based on three datasets which include the responses to the PIRA questionnaire; any records held by us about the supplier (including about previous concerns, for example in respect of that supplier specifically, or with the category of goods and services they are supplying); and advisory data provided by external experts that assesses the supplier's risk in line with the category of industry in which the supplier works and their geographic location. We then finally apply our local knowledge and experience to allocate a final risk rating to the supplier.

The risk rating we apply to our suppliers directs the level of ongoing dialogue and support we will provide, and the level of audit or verification that we will implement under our IWAY protocols. To manage the risks associated with subcontracting and outsourcing, we require our Tier 1 suppliers to communicate our IWAY requirements with their suppliers as described further below. During the reporting period there were 170 suppliers subject to IWAY in the business operations supply chain. Of these 170 suppliers the vast majority returned a low or medium IWAY risk rating. For the high risk rated suppliers we selected a portion to perform full IWAY audits with.

During the reporting period, we identified that contractors were on site that were paid by a third party, and not the supplier. This issue was identified by a co-worker at the site and appropriately escalated, followed by engagement with the supplier. The supplier has now hired those contractors as employees and has implemented an auditing system of their contractor hiring process.

## **Our supply chain**



We also mitigate our potential human rights risks in our IKEA UK business by setting standards for suppliers and monitoring compliance under the IWAY program. This is explained in more detail in "*Appendix A: IWAY - The IKEA Way of Purchasing Products and Services*", however, before engaging in a business partnership, a potential service provider is provided with detailed information about the IWAY standards and is required to perform a risk assessment to demonstrate their ability to comply with our modern slavery expectations.

Once a supply chain partnership is on foot, and if concerns about labour practices arise across any aspect of a partner's business, we will work collegiately to provide training and encourage compliance wherever appropriate. IKEA UK considers that this type of support promotes the most beneficial and enduring mitigation to modern slavery practices in our supply chains in the longer term.

It is made very clear in IWAY, however, that any significant or ongoing failure to meet our expectations will result in a termination of the business relationship (see further under the IWAY heading).

In FY21, INGKA Group also launched the Supplier Support Hub which is a SharePoint based hub that suppliers can access (permission granted) and get more information about IWAY. They can find short videos, best practices and documents/presentations describing the process in more detail to support strengthened implementation. IKEA UK's suppliers will have access to the Supplier Support Hub in FY22.

### **Procurement Transformation Project**

The Procurement Transformation Project is a business-wide initiative aimed at improving the way that IKEA UK & IE procures and engages with its suppliers, delivering transparency and consistency. It is led by the Procurement, Legal and Finance teams and has been rolled out across senior management both centrally and in stores.

The initiative has led to the creation of two new central working groups with the sole aim of accounting for each supplier to the UK organisation and ensuring that all of the correct processes have been followed in the procurement of our suppliers. The Supplier Management Group and Procurement Transformation Project Group meet weekly to maintain oversight of suppliers and expenditure.

These two Groups ensure that any potential supplier undergoes a number of assessments to check that they are a suitable business partner and that they share IKEA values, before they are formally procured in the UK/IE organisation. This includes a credit check and verification that the supplier is able to comply with IWAY requirements, as well as formal approval from the two Groups which is then documented.

Our UK procurement team work carefully and diligently on the formation of any contractual relationship with a supplier. They work closely with stakeholders within the business who have been given the responsibility to develop and manage relationships with suppliers. At the beginning of any contractual discussion, we provide training for those with the responsibility of procurement and provide direct assistance to the relevant function in forming or maintaining those contractual relationships. This can include guidance on the importance of understanding



and securing how suppliers work with (amongst other matters) data protection, payments, liabilities and insurance.

The internal stakeholders responsible for developing/maintaining a relationship with a supplier will also assist in the negotiation of contractual agreements to ensure that the intentions of both parties are formally documented and agreed. Acceptance or rejection of our terms and conditions informs us of the mind-set, general approach and likely attitude towards the treatment of people in a supplier's organisation, as well as in that of their subcontractors. We see this all as part of a qualitative assessment of suppliers that can result in site meetings with suppliers where we have an opportunity to inspect their working environments (this is in addition to the IWAY audit visits that we conduct). This approach ensures that we have a better opportunity to capture potential non-compliance with our IWAY expectations rather than just allowing for one site meeting and conversation.

We have designed our procurement process to incorporate a fundamental commitment from our suppliers to our Business Ethics principles. This document emphasises the importance of doing business in an honest, open and ethical way, citing express requests not to engage in any behaviour which constitutes the offering or acceptance of gifts or bribes. It also gives us the right to investigate, report and terminate contracts in circumstances where we suspect that these expectations are not met.

## **6. Measuring the effectiveness of our actions**

### ***IWAY Compliance Commitment and audits***

All businesses in the IKEA UK supply chain are required to signify their commitment to implement the IWAY expectations by signing an IWAY Compliance Commitment (**ICC**). The ICC allows IKEA UK to audit and verify their business operations and, in turn, their supply chains against the IWAY Standard Operating Procedure. The ICC ensures transparency and drives continuous improvement in responsible sourcing and labour rights through a 11-step process.

The way in which IKEA UK measures the effectiveness of IWAY is mainly through annual self-audits which must be completed by all of the non-exempt suppliers in our supply chain with detailed responses required across the following modern slavery related topics:

- Business Ethics
- No Forced and Bonded Labour
- Child Labour and Young Workers
- Worker Health & Safety
- Recruitment, Working Hours, Wages and Benefits

See *Due Diligence, Audits and Remediation of Suppliers* section above for further details.

### ***Listening and Learning***

IKEA UK understands that modern slavery cannot be eliminated by IKEA's actions in isolation. We take every opportunity to learn from our corporate peers and we work as closely as possible with government and other important human rights stakeholders to improve our contribution to the collective ambition to eradicate modern slavery practices globally.



We also welcome opportunities to improve through complaints and concerns. Training about receiving and managing such a complaint was included in the Anti-Bribery and Corruption workshops. Additionally, the Ingka Group operates the Trust Line service for IKEA personnel (co-workers only) through which they can anonymously raise any concerns they may have.

### ***Key initiatives to address modern slavery***

#### *Protecting children's rights in the value chain*

During FY19, FY20 and FY21, Inter IKEA Group continued our work in piloting a project with the Centre for Child Rights and Business to further understand the risks for, and impact on, children in the natural fibre supply chain. The project has identified risks and issues which we will use to implement new guidelines and practices in our natural fibre supply chain, provide training to relevant stakeholders and engage with partners and others to address child rights issues more broadly. The project will also inform our broader supply chain management.

In FY21, the IKEA business submitted an action pledge in support of the UN initiative designating 2021 as the International Year for the Elimination of Child Labour.

#### *Migrant workers*

In many countries and industries across the globe, migrant workers are the backbone of large parts of the economy; creating value for countries, industries and companies. During the COVID-19 pandemic, migrant workers were vital to keeping industries, including many parts of the agriculture industry, operating.

Unfortunately, migrant workers are often at risk of having to pay high fees in order to obtain employment. We are committed to contributing to responsible recruitment and are a founding member of the Leadership Group for Responsible Recruitment (LGRR). We support the Employer Pays Principle, which states that no worker should pay for a job, and that the costs of recruitment should be borne by the employer.

Through the collective efforts of LGRR and throughout the IKEA value chain, we focus on three areas to create systemic changes:

- Creating demand for responsible recruitment by developing and sharing tools and insights to support implementation.
- Creating a supply of ethically sourced labour by supporting systems to identify ethical recruitment agencies.
- Improving protection of migrant workers through improved regulation.

We continue to support the International Organization for Migration (IOM), as well as the development of IRIS as a member of the Advisory Committee, of which Inter IKEA Group is a member. IRIS is a voluntary certification scheme for labour recruiters (also known as recruitment agencies) that ensures that responsible recruitment practices are implemented. IRIS defines a benchmark for responsible recruitment.

Inter IKEA Group actively supports IRIS through the following:

- Strategic and technical advice on the development and implementation of IRIS.



- Sharing best practices and advances in stakeholder efforts to promote ethical recruitment.

#### *Strengthening and protecting migrant workers' rights*

Working in collaboration with IOM in Thailand, we introduced a variety of resources that enable and promote responsible recruitment. This includes a due diligence checklist, a guidebook on employer obligation and cultural sensitivity, and a blockchain-based technology that improves the protection of migrant workers.

In August, together with IOM, IKEA representatives met with the Thailand Overseas Employment Administration of the Ministry of Labour to discuss ways to increase the transparency of the recruitment processes of Thai berry pickers and to promote fair and ethical recruitment. We also delivered communication material created to support seasonal migrant workers travelling to Sweden to work in the berry industry. The communication material explains working and living conditions in Sweden, and provides information about workers' rights and employment contracts. This is the first time this type of supporting information is available in Isaan, the predominant dialect of Northeast Thailand, where the majority of migrant workers employed in the IKEA berry supply chain are from. Every year, 3,000 to 5,000 Thai workers travel to Sweden to work as berry pickers.

#### *Raising awareness and enabling action on responsible recruitment in Southeast Asia*

In FY21, we continued the collaboration with IOM to provide training programmes for IKEA co-workers and IKEA business partners in Thailand, Vietnam, Malaysia, Philippines, Singapore and Australia. The trainings focused on international standards, national laws, how to effectively act on unfair treatment, and the increased risks of labour exploitation due to the COVID-19 pandemic.

#### *IKEA Social Entrepreneurs*

IKEA wants to contribute to supporting the millions of people around the world who are marginalised and far from the labour market. Teaming up with social entrepreneurs who use business as a way to reduce poverty, empower women and tackle social and environmental challenges in their communities, is one way of achieving this.

Since 2012, IKEA businesses have worked together with social entrepreneurs on a global and local level to design and produce handmade collections and offer tailor-made services in IKEA stores and online. All local partnerships are audited for IWAY Must requirements and all international partners are IWAY approved. To date, these partnerships have helped create jobs for some 20,000 artisans and local farmers around the world. In FY21, we established six new social business partnerships, bringing the total up to 11. During FY21, sales of the products produced through our social business partnerships increased by 46%, contributing to including more people from marginalised groups in the IKEA supply chain.

In addition, IKEA Social Entrepreneurship B.V. runs programmes and makes investments that support social entrepreneurs throughout the world. In FY21, these programmes and investments



supported 80 social entrepreneurs and enterprises from 21 countries. The main target groups were small-scale farmers, low-income communities, artisans and small-scale producers.

#### Responsible Sourcing – Cotton

All IKEA products are produced in accordance with the IKEA IWAY Standard, our Supplier Code of Conduct. It sets out the minimum environmental and social standards expected from our suppliers, including compliance with local laws. We do not accept any form of forced, bonded or child labour.

Since 2015, IKEA has used 100% Cotton from More Sustainable Sources (CMSS) in all our products and productions. The Better Cotton Initiative (BCI) is one of our approved schemes for CMSS, and therefore historically we have been using BCI licensed cotton on a global scale.

Allegations and reports of human rights violations have been raised in connection to the Xinjiang region, in China. In March 2020, Better Cotton Initiative decided to suspend their assurance activities in the region from the 2020-21 cotton season, which in turn also led IKEA to stop sourcing cotton from the Xinjiang region.

Today Inter IKEA Group does not have direct business relationships, suppliers, or subcontractors in the Xinjiang region. IKEA continues to source cotton from other regions in China (outside of Xinjiang). In those regions, we have cotton experts and auditors securing traceability and following up on our standards, including human rights, related to our global cotton sourcing. We will continue to monitor the situation, and should we encounter any information that suggests misconduct, we will take immediate action.

#### Responsible Sourcing – Ocean Bound Plastic (OBP)

In FY21, we started working with Sahaas Zero Waste, a recycling company in India that provides fair employment to workers who are often at risk of being exploited. The collaboration focuses on collecting OBP that can be used in IKEA products.

The IKEA business is also a member of the NextWave Plastics network, which connects multinational companies to help build OBP supply chains. In FY21, the network developed a social responsibility framework to support responsible sourcing practices for workers.

#### The Approach Going Forward

IKEA is aware that it must continue to engage with suppliers and look for new methods in which it can improve ways of working to eliminate the risks of slavery in its supply chain.

To achieve long lasting positive change, IKEA cannot take a purely 'risk mitigation' approach. IKEA's goal has to be to help lift people out of poverty by providing good places to work throughout its supply chain. IKEA cannot achieve this single-handedly and will embrace opportunities to work collaboratively to bring about change.



## 7. Training and Communication

IKEA UK has taken steps during the Reporting Period to ensure that the expectations expressed in our Policies and Procedures are embedded in our everyday business through training and communication.

### ***Our co-workers***

We respect and promote the human rights of our IKEA UK co-workers by introducing our people to our steering documents during onboarding, to the level of detail relevant to their role, and encouraging them to stay informed via refresher training and promoting accessibility via the intranet (Inside IKEA).

Our co-workers are also encouraged to participate in and learn about IKEA UK's modern slavery objectives through informal communication forums such as "Yammer" and intra-team "huddles".

As part of the IKEA UK routine Code of Conduct training for all staff, topics such as Ethical Conduct with our suppliers were covered.

In FY21, Ingka Group launched the IWAY Academy, which is the hub where all Ingka Group co-workers can find everything they need to know about IWAY. It is constantly updated with the latest information and co-hosted by the INGKA Procurement Sustainability and Business Risk & Compliance teams. Relevant IKEA UK co-workers had access to the IWAY Academy during the Reporting Period.

### ***The IWAY Global Training Programme***

The IWAY Global Training Programme is available for all IKEA co-workers involved in the IWAY process and supports efforts to continuously improve IWAY-related competence, ensuring that IKEA co-workers can effectively communicate with suppliers on IWAY related topics. The global IWAY learning solutions are complemented with local trainings that address IWAY topics specific to regions, industries and/or business setups.

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This statement has been approved by our Board of Directors of IKEA Limited on 4<sup>th</sup> July 2022, Board of Directors of IKEA Distribution Services Limited on 6<sup>th</sup> July 2022 and IKEA Properties Investments Limited on 6<sup>th</sup> July 2022, who will review and update it on an annual basis or more often as we progress with the objectives set out in this statement.

We hope you have found this statement informative and useful. Please contact us if you have any queries.



## **Appendix A: IWAY - The IKEA Way of Purchasing Products, Services and Components**

IWAY is the IKEA way for responsibly procuring products, services, materials, and components. It sets requirements and ways of working for all IKEA suppliers and service providers on environmental, social, and working conditions, as well as animal welfare. IWAY creates the base for continual development towards a more sustainable IKEA value chain.

In FY21, Inter IKEA Group celebrated 20 years since IWAY was introduced to IKEA suppliers. Throughout the last two decades, we have built a credible and robust system that we can rely on to support, challenge, and actively work towards together with our suppliers and service providers. IWAY is regularly revised and updated, to address changes and challenges in the world and in the IKEA value chain. This allows IWAY to remain a system that is agile and relevant to meet the defined sustainability impacts.

With IWAY we create impact in 4 main areas by:

- Promoting positive impacts on the environment
- Securing decent and meaningful employment for workers
- Respecting children's rights
- Improving the welfare of animals in the IKEA value chain

IWAY serves as a tool for risk assessment, development, compliance and verification and its purpose is to ensure that IKEA only works with suppliers and businesses that share its values and working standards.

IWAY 6.0 is structured according to:

### **Principles**

The 10 IWAY Principles define the IKEA standpoint on responsibly procuring products, services, materials and components.

The IWAY Principles and requirements are based on internationally recognised standards and principles. These reflect our commitment to the UN Guiding Principles on Business and Human Rights and are based on the Ten Principles of the UN Global Compact. In developing our requirements, we have also been guided by the UN Sustainability Development Goals and the ILO Centenary Declaration for the Future of Work, among others.



## IWAY principles

<b>1</b> IWAY principles are supported by effective <i>routines</i> and open dialogue	<b>2</b> Business is conducted lawfully and with integrity	<b>3</b> Children are protected and opportunities for learning and family life are promoted	<b>4</b> Fundamental labour rights are respected	<b>5</b> Workers have time off work, are paid responsibly and have opportunities to develop competence
<b>6</b> Workers' health and safety are protected	<b>7</b> Working and living conditions are suitable	<b>8</b> The planet is protected	<b>9</b> Resources, including water and waste, are managed in a sustainable and circular way	<b>10</b> Animals live decent lives

### Sections

The sections group IWAY requirements and are applicable depending on the activities or setups of suppliers. The IWAY General Section applies to all IKEA business partners, and suppliers may have additional requirements under the Accommodation, Animal Welfare, Digital Platform, Forestry or Transport Sections.

### The IWAY Requirements

IWAY requirements are based on a 4-step staircase model: Must, Basic, Advanced and Excellent. IWAY Must and IWAY Basic are the minimum requirements that need to be in place for all suppliers and service providers who do business with IKEA. Together with our business partners, our ambition is to continually improve and develop beyond the minimum, to reach IWAY Advanced and IWAY Excellent levels.

## THE IWAY REQUIREMENTS

### MUST

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

### BASIC

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

### ADVANCED

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

### EXCELLENT

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

### FY21 implementation updates

During the Reporting Period IWAY Version 5.2 was effective and implemented by IKEA UK for auditing purposes while IWAY 6.0 was being introduced and rolled out to our suppliers. By end of FY22, IWAY 6.0 will be fully implemented by IKEA UK.

During FY21, the INGKA Group started/deepened the implementation of IWAY in new areas:

- Implementation of Digital Platform Work Section to selected suppliers (refer further below).
- Roll out of IWAY approach for Construction sector.



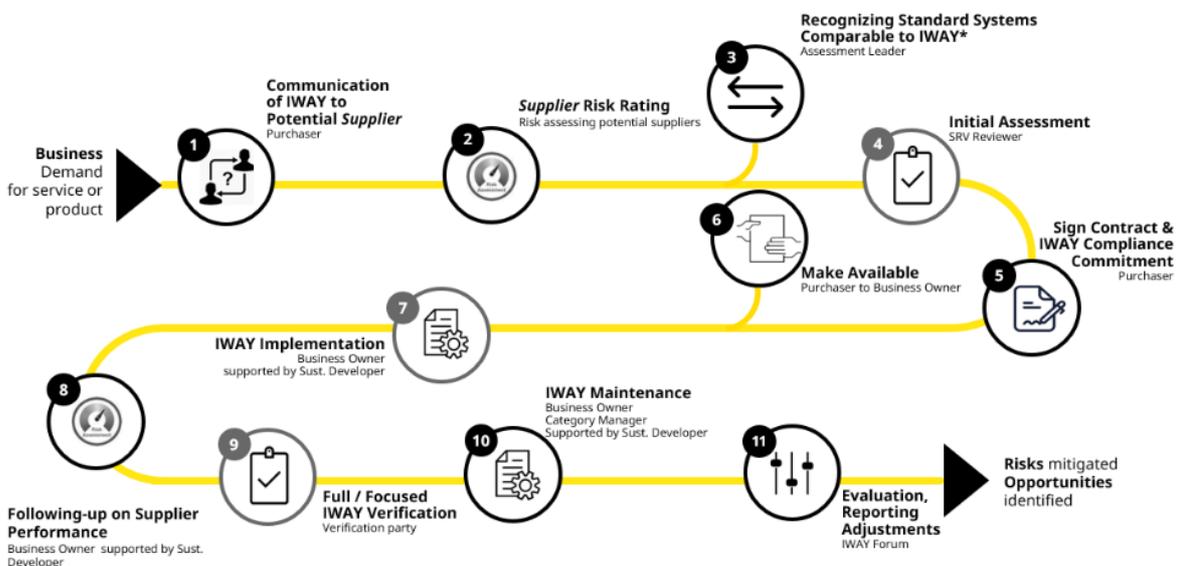
- Roll-out of IWAY roles and responsibilities model (**ARC model**) for Customer Fulfilment (CFF).
- CFF facilitated workshop around clarifying roles and responsibilities (based on ARC model) and creating a priority-based roadmap for IWAY implementation.

The new Digital Platform Section was developed by Inter IKEA Group to prevent exploitative work practices for digital platform companies in our value chain that use gig economy workers. Digital platforms are businesses that connect independent contractors with customers that need their services such as home delivery, assembly, and installation. There is a risk that these workers may not be covered by national employment and social protection, as they may not have conventional employment contracts. The IWAY standards mean that digital platform companies must put measures in place to respect rights such as minimum wages, working hours, grievance processes and freedom of association. They also include measures to prevent forced labour, child labour and discrimination, and require platform companies to pay for any uniforms and marketing equipment that workers are required to use.

In FY22, these standards will be rolled out to all digital platform companies in Inter IKEA Group's direct supply chain, through the IWAY process. These businesses provide services for IKEA customers in around 20 countries. The sustainability teams and reviewers in all countries, including Australia, have been provided training on the new standard.

### IWAY implementation in IKEA UK

We have an 11-step process to manage risks in our supply chain (see below). Suppliers are reviewed and reassessed in a continuous IWAY cycle. Sustainability developers in our procurement team build relationships with suppliers and offer training to help them understand and apply IWAY. For the highest risk suppliers, we conduct IWAY reviews to check compliance with our standards. This is done by a trained team, Sustainability Risk & Verification Reviewers who are independent from our procurement team.





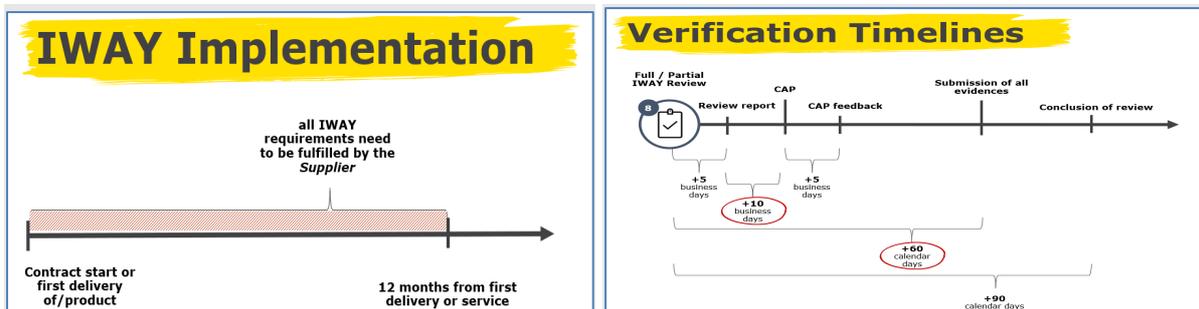
Our suppliers are responsible for communicating IWAY requirements to their subcontractors and for ensuring high-risk subcontractors comply with the critical parts of IWAY (**IWAY Musts**). We support suppliers throughout this process.

We follow strict routines to ensure compliance with IWAY requirements in UK and IE. This includes an audit of suppliers to establish whether their organisation has processes and procedures in place that secure compliance with (amongst other considerations) legal expectations on the treatment of the environment, workers, health and safety and insurances. The audit is comprehensive, and data is captured in interviews and written responses. Detailed questions focus on contracts of employment and ensuring fair employment terms and conditions, and verification of the ages of employees. Further ad hoc questions can also be asked of interviewees as prompted by the instincts of the auditors. We expect our suppliers to be transparent and any failure to answer candidly can justify further inquiry and require us to consider notification obligations and ultimately terminating contractual discussions.

### Follow up and non-compliance

Where we find non-compliance with an IWAY Must, the supplier may be given 10 days to remedy the situation, depending on the severity of the non-compliance. The decision to give them an opportunity to remedy is based on the supplier's attitude and willingness to work with us to improve. If the supplier is unable to rectify the non-compliance within the 10 day timeframe, we will then look to phase out the supplier and terminate the contractual relationship.

Where a non-compliance is found outside of the IWAY Musts, the supplier is given 90 days from the date of audit to rectify any non-conformities and must provide evidence to demonstrate the steps they have taken. If the non-compliance is not rectified, the contract owner is contacted to explain the problem and we will then look at the procedure to phase out and/or terminate the contractual relationship.



For 'subcontractors', IKEA UK and IE's direct supplier must confirm to our satisfaction that the IWAY Musts are adhered to.

IKEA UK & IE supports suppliers throughout this process and will work with them to address any issues.



## **IWAY Musts**

IKEA UK&IE requires that all direct suppliers comply with IWAY. The IWAY Musts, or start up requirements, are those which must be in place before a contract is signed with IKEA and these requirements must be maintained at all times. Under IWAY 6.0, suppliers are also required to implement the IWAY Basic requirements within 12 months from the first delivery date to achieve full compliance.

## **Subcontractors**

Suppliers will often engage their own suppliers (IKEA subcontractors) who are a step removed from day-to-day contact with IKEA personnel and are not in a contractual relationship with IKEA directly. This can make it challenging to ensure that they share the IKEA approach to important issues such as the environment and human rights. Tier 1 suppliers (direct suppliers) are requested to communicate IWAY Must requirements to their own suppliers, and to register them on Inter IKEA Group's IKEA tracking system to identify critical subcontractors. It is the responsibility of Tier 1 suppliers to audit their critical subcontractors and ensure IWAY Must compliance. IKEA UK requires its direct suppliers map their subcontractors and that mapping be provided to us on request.

Subcontractors are defined as critical if the processes they perform are considered to be potentially highly harmful for the environment, health and safety of workers, or they are operating in an industry/geography or supply setup that is prone to child labour or forced or bonded labour. For such 'critical subcontractors', the IKEA direct supplier must confirm to IKEA's satisfaction that the IWAY Musts are adhered to.

## **Who is involved in IWAY implementation?**

At IKEA UK&IE the following groups are responsible for IWAY implementation:

- Business teams are responsible for the sustainable implementation of IWAY with their suppliers. They do this by making IWAY part of their everyday business and discussions with existing and potential suppliers. IWAY is also part of the contractual commitment to becoming an IKEA UK & IE supplier.
- Sustainability developers support suppliers in IWAY implementation. They are also responsible for providing training on IWAY and other sustainability topics and issues, supporting business teams in their daily work with IWAY. Sustainability risk and verification teams and third-party auditors are responsible for annual IWAY audits of IKEA UK & IE suppliers. They review and follow-up action plans in the case of noncompliance.

IWAY trainers are internal experts with expertise in the working of IWAY. Internally, there are three levels of IWAY training at a minimum.

At Ingka Group, the Sustainability Committee (chaired by the INGKA Group Chief Financial Officer and with members of Group Management) is responsible for setting sustainability requirements. The role of the Sustainability Committee is to establish the IWAY specifications for INGKA Group, to monitor and mitigate sustainability risks and follow-up on IWAY compliance. The Sustainability



Committee is supported by the INGKA Group Global IWAY Forum (as detailed below). On a country level, we have local IWAY Forums.

In December 2020, the INGKA Group Sustainability Committee approved a new global governance setup for IWAY. One of the major changes was to merge verification with implementation into the same governance body. This meant that the former SCWG (Sustainability Compliance Working Group) was dissolved, and a new body was created called Global IWAY Forum (**GIF**). GIF supports INGKA Group with operational expertise, advice and guidance connected to implementation and verification of IWAY requirements to support consistency and successful implementation of IWAY across INGKA Group. The members of the GIF are senior leaders from different functions across the company.

GIF's roles and tasks are:

- providing input and steering on IWAY roadmaps;
- advising on IWAY steering documents (rules, standard operating procedure and guidelines), KPI, business solutions and training material;
- defining IWAY specifications for approval in the relevant decision-making body;
- interpreting and confirming exceptions to IWAY requirements based on set criteria and approach. This includes securing alignment and confirmation of new types of exceptions with the relevant line organisation/ decision making body;
- providing guidance on IWAY issues raised by line organisations;
- analyzing IWAY performance to understand continuous development needs for the IWAY process, system and framework; and
- directing IWAY Calibration Group in tactical cases.

At Inter IKEA level, IWAY is governed through the IWAY Council. The IWAY Council has the mandate to make decisions on IWAY related topics on a tactical and strategic level. In certain circumstances, local governance bodies can escalate questions and requests to the IWAY Council. These include requests for long-term exceptions to the IWAY requirements or exceptions to the mandatory requirements outlined in the IWAY Framework and its appendices.

The role of the IWAY Council is to:

- ensure alignment related to IWAY across the IKEA franchise system, including escalation to relevant bodies where needed;
- validate IKEA organisation's IWAY roadmaps and issue recommendations;
- review progress against IKEA organisation's IWAY roadmaps;
- validate IKEA organisation's ways of working related to IWAY and issue recommendations;
- monitor compliance with IWAY across the IKEA value chain; and
- approve exceptions in line with the principles on Exceptions Management described in the IWAY Framework.