



GENERAL STATEMENT

At IKEA we work hard to make sure that our high standards connected to social responsibility and environmental protection are met throughout the entire value chain. We also believe strongly in working together with other likeminded business and advocacy groups to further promote these values on a global level.

IKEA continuously work to ensure the safety and rights of the people working in our supply chain through the code of conduct for IKEA suppliers, IWAY. IWAY ensures the IKEA minimum requirements relating to working conditions as well as the environment and social conditions for suppliers. Our direct suppliers are required to implement and audit their own suppliers' compliance with our IWAY requirements in IWAY Must.

During the spring of 2020, March 11, the Better Cotton Initiative (BCI) announced the decision to suspend its assurance activities in Xinjiang, China, for the upcoming cotton season (2020-21). IKEA supports the BCI decision and commitment to conduct an external review of operations based on allegations of forced labour. Under no circumstances do we accept any form of forced labour in the IKEA supply chain. If and when we encounter information that implies this standard is not met, we take immediate action.

At IKEA we are committed to using 100% Cotton from More Sustainable Sources (CMSS) in all our products and productions since September 2015. BCI is one of our approved schemes for CMSS and therefore historically we have been using BCI licensed cotton on a global scale including Xinjiang, China. However, since the harvest from the cotton season 2020-21 will not be approved by BCI, IKEA has taken the decision to stop sourcing cotton from Xinjiang, China.

The cotton for our products is today mainly sourced from suppliers in China (outside of the Xinjiang province), Brazil, India, Pakistan, Turkey and the United States. In all countries where we are present, we work to make sure that our suppliers adhere to our supplier code of conduct, IWAY. To secure compliance throughout our supply chain we are continuously working with our compliance agenda and through IWAY audits, as well as clear mandatory requirements for our production partners.

IKEA wants to create a positive impact in the world of cotton, and we know that with our size and volumes, we have the possibility to make a difference. IKEA will continue to work towards improving the cotton industry from within and create a movement towards better cotton and better working conditions for those working in the industry. We acknowledge that in some areas and at some times, this is a challenging journey. This makes it even more important to continue to work towards making things better.

By using CMSS, prioritising compliance, working with partnerships and initiatives on the ground, we believe that we can contribute to a better global cotton industry.

IKEA is one brand and many companies. Around the globe, a large number of companies operate under the IKEA trademarks. IKEA Range & Supply, consisting of IKEA of Sweden in Älmhult and IKEA Supply AG in Pratteln, Switzerland, have the responsibility to develop, design, produce and supply IKEA stores and sales channels around the world with home furnishing solutions available to the many people. Each year IKEA Range & Supply introduces 2,000 new products. The total range is almost 10,000 products.