

9 Sept 2022 Älmhult, Sweden

IKEA Response to Business & Human Rights Resource Centre's invite to respond to demands published by the Coalition to End Forced Labour in the Uyghur Region, calling on companies to (1) commit to apply a single global standard, aligned with the legal requirements set forth in the Uyghur Forced Labor Prevention Act (UFLPA, which went into effect in the United States in June 2022), to exclude Uyghur forced labour across its supply chains, and to not bifurcate their supply chains; and (2) commit to not re-exporting goods detained under the auspices of the UFLPA to other markets.

Thank you for reaching out to us with these four questions regarding commitment to applying the UFLPA:

- 1. Is IKEA applying a single global standard, aligned with the legal requirements set forth in the UFLPA, to exclude Uyghur forced labour across its supply chains, and to not bifurcate its supply chains?
- 2. Is IKEA committed to not re-exporting goods detained under the auspices of the UFLPA to other markets?
- 3. If IKEA is committed to the above statements, how is it implementing these commitments?
- 4. If IKEA is not committed to a single global standard, how is it ensuring that goods imported into markets other than the United States are not tainted?

Here is the Inter IKEA response:

Thank you for the opportunity to respond to these questions on this important topic.

Alongside legal requirements, such as the Uyghur Forced Labor Prevention Act (UFLPA), the IKEA business is fully committed to respecting and supporting human rights based on the UN Guiding Principles of Business and Human Rights (UNGPs). IWAY, our way of responsibly procuring products, services, materials and components, outlines what is and is not an acceptable business practice and all suppliers are responsible to adhere to our global standards.

We are actively working to ensure our products are not made from forced labour. Should there be evidence of it, we would not re-export such products to another market. No matter where we operate, we do not accept any form of forced or bonded labour anywhere in the IKEA value chain, be it at our own operations or operations in the IKEA value chain. The IWAY System has credible processes in place for verifying and following up on compliance with the IWAY requirements for our suppliers and service providers. Verification activities are performed by both approved IKEA auditors and independent third-party auditors and can be announced or unannounced.

If we find any indications of misconduct anywhere in our supply chain, including forced labour, we take immediate steps to remedy the situation and ensure full alignment with our supply chain requirements and IKEA values. This is relevant in all parts of the globe. (Read our point of view on forced labour here).

We embed and continue to strengthen all our human rights due diligence processes into our ways of working, from beginning to end of the value chain. (Read more about our approach to human rights due diligence here).

Depending on the risks, maturity and complexity of each supply chain, IKEA secures – and continues to develop – traceability to varying levels of detail with differing chain of custody models, verified through our own processes and/or through third-party certification.

Based on your reference to the JWW database, we wish to clarify that since Better Cotton Initiative took the decision to suspend its certification in the referenced region in March 2020, neither IKEA suppliers nor their sub-suppliers have purchased cotton from this region for IKEA productions. Should we encounter any information that suggests violations and misconduct, we will take immediate action. (Read more about our point of view on cotton here).

Once again, we appreciate your attention to this important topic.

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