



12 May 2023

Inter IKEA Group response to BHRCC inquiries on Russia “Parallel Imports”

Thank you for your questions.

The Inter IKEA Group (IIG), its business partners and IKEA franchisees operate in a global supply chain that includes raw material sourcing, production, transportation, consolidation, handling, storage and sales to customers. In March 2022, Inter IKEA Group decided to pause (and later to stop) production, export and import of IKEA products to and from Russia. Products that remained in stock in our stores and warehouses were sold in compliance with rules, regulations and sanctions.

To ensure a safe and secure environment for co-workers, customers, business partners and assets and ensure the integrity of our supply chain, Inter IKEA Group takes its responsibility seriously to implement a robust global Supply Chain Security (SCS) program with mandatory requirements across all businesses.

At the same time, we recognise that these are extraordinary times calling for extraordinary supply chain due diligence. We are in frequent dialogue with our suppliers to ensure they are informed about the rules and maintain an extra level of vigilance and control over IKEA assets.

What do we do for shipments controls within the scope of the Inter IKEA supply chain:

- Our product suppliers and transport service providers are certified for AEO, CTPAT, ISO 28000.
- Inventory shipment controls are in place through our transaction systems to ensure that the inventory shipped within Inter IKEA supply chain is verified on receipt. Any differences would be escalated for investigation and if a criminal action reported to the authorities.
- We have a third-party perform risk-based reviews of the supply chain security controls each year.
- We have cyber controls in place to ensure that our digital operational systems cannot be controlled by third-party actors.
- We carry out daily sanctioned party screening of all suppliers in our supplier databases to ensure we know with whom we are doing business. This includes supplier ownership structures, company addresses, directors and beneficial owners.

After purchases are made at a retail store by customers this is then outside the control of Inter IKEA.