

Switzerland

Child Labour Due Diligence Report

**IKEA Supply AG and IKEA Food Supply
AG, 2025**

Preamble

This report on child labour due diligence covers the period from 01.01.2025 to 31.12.2025. It is an updated version of the [Switzerland Child Labour Due Diligence Report IKEA Supply AG, 2024](#).

Main changes:

- The scope of this report has been narrowed with key focus on the subject of child labour as required by the Swiss Code of Obligations¹ (CO) and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).
- A description of the Responsible Sourcing Policy has been added.

Scope

This report reflects due diligence and reporting obligations of IKEA Supply AG ("ISAG") and its subsidiary IKEA Food Supply AG ("IFSAG") under Articles 964j–964l of the Swiss Code of Obligations¹ (CO) and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).

It provides:

- A presentation of ISAG and IFSAG and its supply chain.
- An overview of the commitments towards human rights in general and towards child labour in particular.
- An explanation of the approach to child labour due diligence.
- The outcome of the due diligence, the measures taken to mitigate and prevent any adverse impacts on child labour.

Exclusions

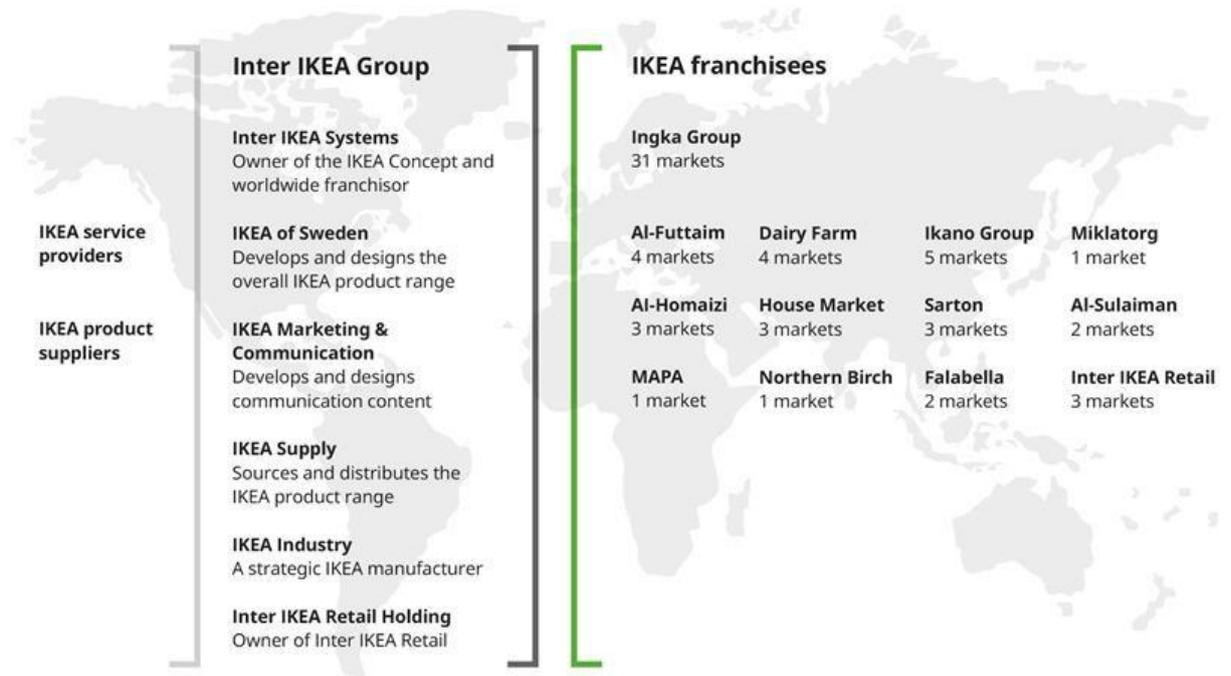
This report is restricted to due diligence and reporting obligations with regards to child labour. ISAG and IFSAG is exempted from due diligence and reporting obligations with regards to minerals and metals from conflict-affected areas as the import of minerals and metals does not reach the thresholds set in Annex 1 to the DDTrO.

1. Structure, operations and supply chain

1.1 Structure

Legal Structure (i.e. corporation, trust, partnership, unincorporated organization)

ISAG and its subsidiary IFSAG are corporations incorporated in Switzerland, under Swiss laws. Both companies are fully owned subsidiaries within the Inter IKEA Group of companies with the ultimate parent company Inter IKEA Holding B.V., a corporation incorporated in the Netherlands. ISAG is a sister company to Inter IKEA Systems B.V., the worldwide franchisor of the IKEA franchise system.



Organizational mandate or role

ISAG sources and distributes the IKEA products according to the IKEA Concept Framework¹, leading the purchase development process as well as Supply Chain Operations through categories. This means that ISAG is responsible for sourcing and supplying the global IKEA range of Home Furnishing Products, all the way from supplier to franchisee. IFSAG has the same responsibilities for food and beverage products.

Operations, supply chain and partner organizations

IKEA of Sweden AB, a sister company to ISAG, designs and develops, improves and maintains the IKEA home furnishing and food offer.

¹ The IKEA Concept consists of the following three main components: the IKEA product range, the IKEA retail system to present and communicate the range, and the IKEA trade dress, trademarks and other distinctive features

ISAG and IFSAG have about 1,500 direct suppliers in more than 50 markets, including home furnishing, food and beverage products, transport service providers and suppliers of components for home furnishing products. ISAG and IFSAG source and distribute IKEA products according to the IKEA Concept Framework as described above.

The IKEA business partners and collaborates with many external organizations that are committed to tackling large and complex global sustainability challenges that both impact and are impacted by the IKEA business. Our partners and collaborators include businesses, governments, universities, and NGOs.

2. Policies and due diligence processes in relation to child labour

The Inter IKEA Group due diligence system (applicable also to ISAG and IFSAG) is based on the guidelines provided by the Organisation for Economic Co-operation and Development (herein OECD), and on United Nations Guiding Principles on Business and Human Rights (UNGPs).

Inter IKEA Group aims to contribute to a fair and equal society, by respecting and promoting human rights, including children's rights, across the IKEA value chain and contributing to resilient societies. Inter IKEA Group sets out strategic objectives for the Fair & Equal (see [IKEA Sustainability Strategy](#)) section of the sustainability strategy and will continue to further develop the framework to measure progress.

The Inter IKEA Group has a number of policies and steering documents in place to ensure that human rights and specifically children's rights are respected. The following documents will be described in the next section as they are relevant to the content of this report: (2.1) Inter IKEA Group Policy on Human Rights; (2.2) Inter IKEA Group Policy on Child Safeguarding and (2.3) IWAY, the IKEA Code of Conduct for suppliers and service providers. Each of these documents guides the Inter IKEA Group to steer actions, identify adverse and potential human rights impacts and conduct proper due diligence.

2.1 Inter IKEA Group Policy on Human Rights

Human rights are part of the inherent dignity of all human beings – and this includes our co-workers, workers in the value chain, customers and their respective families, and people in the communities across our value chain. We recognise that our activities, decisions, and products have an impact on each and every one of them.

Respecting human rights throughout our business operations and across our value chain are integral parts of both our sustainability and people strategies. We will achieve this by securing that our operations, products, strategic and day-to-day decision making, and our business relationships do not harm individuals or communities.

We are committed to:

- Respecting international human rights standards wherever we operate.
- Embedding respect for human rights across our business operations throughout our value chain.
- Continuously and proactively identifying how our business activities and decisions may negatively impact human rights.
- Addressing our negative human rights impacts in a way that is effective and meaningful to affected rights-holders.
- Being transparent about how we work with human rights and the actions we take.
- Being outspoken about our point of view and using our influence to create positive change and promote human rights.

2.2 Inter IKEA Group Policy on Child Safeguarding

At Inter IKEA Group we made a commitment to respect children’s rights throughout all our business operations. Our child rights’ agenda is part of our broader human rights approach. Children are a key stakeholder in the IKEA business. We interact with them in a variety of ways every day. All children have the right to participate in society and have their voice heard in matters that concern them (see *UN Convention on the Rights of the Child*, article 12). As a business we also want to be part of promoting that right and to actively engage children as a stakeholder in our business through leading by example in our entire value chain.

We are committed to having a consistent approach to child safeguarding and will apply these standards equally across all areas of Inter IKEA Group legal entities irrespective of their location. Reporting and acting on concerns are an important part of safeguarding children.

What we stand for:

- We are committed to respecting children’s rights in all IKEA operations, and we recognise our responsibility to ensure children are not harmed as a result of any direct or indirect contact with Inter IKEA Group operations.
- We act in the best interests of children in all our business decisions.
- We have zero tolerance for any form of child abuse.

2.3 IWAY

The IWAY System is an important part of the IKEA sustainability due diligence process and is the IKEA way of responsibly procuring products, services, materials, and components. IWAY is the code of conduct for suppliers. It sets social and environmental requirements for IKEA suppliers and service providers.

With its roots in the IKEA culture and values, and the United Nations Sustainable Development Goals, IWAY principles and requirements are founded on internationally recognized standards and principles (such as the United Nations Guiding Principles on Business and Human Rights, the Ten Principles of the United Nations Global Compact, the International Labour Organisation Centenary Declaration for the Future of Work and the International Labour organization Labour

Standards), as well as regional and national laws and regulations. The IWAY Standard can be accessed [here](#).

IWAY is built around 10 environmental and social principles, including principles on children rights:

- IWAY Principle 3: Children are protected and opportunities for work, learning and family life are promoted. The IWAY Must requirement states that *“there is no child labour and any potential or confirmed cases of child labour are immediately reported to IKEA”*.

The IWAY Standard also contains definitions of child labour and children:

- **Child labour** is 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.
- **Children** are persons under the age of 18 years, unless, under the law applicable to the child, majority is attained earlier.

All directly contracted business relationships, and in some cases subsequent tiers or the entire supply chain, are in the scope of IWAY. To prevent and remediate any negative impacts occurring through our suppliers, we set requirements in IWAY. Compliance with IWAY is mandatory for all suppliers and service providers that work with IKEA and it is verified through IWAY audits which are performed by approved IKEA auditors or third-party independent auditors.

We recognize the need to strengthen our approach to provide remedy to affected stakeholders beyond our direct business partners in alignment with the UNGPs.

3. Due Diligence at Inter IKEA Group

Inter IKEA Group is committed to conducting sustainability due diligence to ensure that our operations, products, strategic and day-to-day decision making, and our business relationships respect the environment and the human rights of both individuals and communities, i.e. do no harm.

Inter IKEA Group’s sustainability due diligence system is designed to identify and address actual and potential negative impacts on people, society, and the environment across the value chain. Inter IKEA Group works together with other external stakeholders to influence meaningful change and contribute to systemic improvements.

3.1 Responsible Sourcing Policy

In March 2025, the Inter IKEA Group Responsible Sourcing Policy, which outlines our due diligence system was launched. It provides clear rules for the procurement of all the products, services, materials and components Inter IKEA Group uses. This applies to the products directly included

in the IKEA product range, as well as those critical to business operations, but not directly incorporated into IKEA products.

Inter IKEA Group is committed to a structured process for responsible sourcing. This approach will safeguard and protect, workers, children, animals and the environment connected to the IKEA supply and value chain. In practice, this means:

- *IWAY* principles are supported by effective routines and open dialogue
- Business is conducted lawfully and with integrity.
- Children are protected and opportunities for work, learning and family life are promoted.
- Fundamental labour and human rights are respected.
- Workers have time off work, are paid responsibly and have opportunities to develop competence.
- Workers' health and safety are protected.
- Working and living conditions are suitable.
- The planet and the environment are protected.
- Resources, including water and waste, are managed in a sustainable and circular way.
- Animals live decent lives.

We initially focus this policy on the ways of working with the *IWAY* Standard, given our experience of it over more than 20 years.

3.1.1 Responsible Sourcing Policy and *IWAY*

a. Scope

The *IWAY* process starts by defining what sections of *IWAY* are applicable to each supplier and, in some cases, their sub-contractors. The Inter IKEA co-workers - Business Developer and Sustainability Specialist are responsible for agreeing with the supplier on the *IWAY* implementation scope and site scope for each specific supplier unit. This must be completed before signing a purchase agreement.

b. Communication

Before signing a purchase agreement, specific documentation about *IWAY* requirements must be shared with the supplier.

The Business Developer must:

- share the *IWAY General Section*, the relevant *IWAY* specifications, other applicable *IWAY* sections, the *IWAY privacy statement* and the *supplier description of how to work with IWAY in the supply chain*.

- ensure the potential supplier understands the requirements and is committed to complying with *IWAY*.
- perform an *IWAY* introduction/training session.
- continuously communicate updates about *IWAY*, *IWAY* performance, sustainability risk and opportunities throughout the relationship with the supplier and encourage the supplier to participate in activities associated with *IWAY*.

Recognising standard systems

Some Inter IKEA Group suppliers follow other independent standard systems or codes of conduct that are deemed equivalent to *IWAY*. The sustainability teams must evaluate such systems to assess comparability with *IWAY*.

- The Business Developer must submit an assessment request, for the independent system they suggest for review, to the Inter IKEA Group appropriate governance forum..
- The Inter IKEA Group respective governance forum approves or rejects the request.
- Requests for exemption can only be accepted prior to signing or when contracts are renewed.
- A re-assessment must be performed by the Business Developer (together with the relevant Sustainability Specialist) at least every third year. The outcome of the follow up is documented in the Activity Planning Process documentation.

c. *IWAY* risk assessment

An initial risk assessment must be conducted before a new supplier is approved for collaboration with Inter IKEA. This will give a high-level understanding of how the supplier is organised and what general sustainability risk areas are present at its unit.

- The supplier risk assessment must be performed in the *IWAY Risk Tool* (I-RT). The supplier is automatically risk assessed based on location of the unit, category and questionnaire answers.
- There is a process in place which allows the Sustainability function for manually change the risk level if additional information is available, such as brand risk, additional data, media or other concerns.

The business team or Sustainability Manager can ask for the questionnaire to be repeated for any active supplier, e.g. if there are major changes in the supplier operations or if verification data is outdated.

Gap assessment

The outcome of a gap assessment decides whether the supplier is capable of complying with *IWAY* and can address the gaps identified.

- An approved auditor must perform a gap analysis at all suppliers assessed as having a high- or critical-risk level.

- A gap analysis must be performed when deemed necessary by the Sustainability Specialist.
- The outcome of the gap analysis must be documented by the Sustainability Specialist and stored in the *Supplier Review Database* (SRDB) and Compliance Activity Planning Tool (CAPT).
- The Business Developer is responsible for developing and agreeing upon an action plan based on the outcome of the gap analysis.
- Gaps identified in the *IWAY Must* requirements must be resolved before the first delivery of any products, supplies and services.
- Corrective actions must be verified, closed and recorded in SRDB or CAPT by the Sustainability Specialist.

d. Contract signing

Suppliers at all risk levels may be selected, provided that an action plan is developed to secure compliance within defined deadline.

- All applicable agreement templates must include an *IWAY* commitment clause.
- In cases where an IKEA contract template is not used, certain conditions must still be met. It is also mandatory to consult an Inter IKEA Group Legal Counsel when creating a tailored agreement.
- A formal supplier commitment to comply with *IWAY* must be included in the purchase agreement.

e. Update *IWAY* risk assessment

By understanding the *IWAY*-related risks in our value chain, we can focus our efforts where they matter most. This approach results in an individual risk rating for each supplier, providing clear insights into the key risk areas to prioritise during the ongoing implementation of *IWAY*.

All suppliers must be risk assessed every four months.

- The *IWAY* risk assessment level (see section 1.3) must be reviewed by the Business Developer and evaluated with the sustainability team at least once a year. The review is part of the annual activity planning process and is documented in the I-RT.
- Risk levels may be manually adjusted if agreed by the Business Developer and Sustainability Manager and justified and documented with relevant additional information.
- The risk level of suppliers is not communicated externally.
- Procurement performed in areas with ongoing armed conflict or military occupation must follow the process of Heightened Due Diligence in high-risk contexts to prevent and address negative human rights impacts.

f. Activity planning

Business teams define *IWAY* development goals for and together with each supplier. These must include the necessary activities to perform to meet the goals set when defining the scope (see section 3.1).

- High level planning must be performed at least once per year and is led by the Business Developer. The review is part of the annual activity planning process.
- The planning must contain:
 - mandatory activities to cease, prevent or mitigate risks.
 - non-mandatory activities to develop performance beyond basic compliance.
 - follow-up activities, including mandatory and non-mandatory verification.

g. Risk mitigation and development

When needed and based on the activity plan, the Business Developer is responsible for ensuring that the suppliers are taking action to cease, prevent or mitigate risks with the highest risk and/or specific sustainability risks in a country or category. This will enable suppliers to mitigate risks, remain compliant with *IWAY* requirements and further develop their positive impact on sustainability.

- Once an activity is performed it must be followed up 12 months after the activity, e.g. structured meeting, approval of corrective action plan, evaluation of development goals, a survey or an audit.
- All activities performed must be registered in CAPT.

h. Follow up and verification

A supplier's *IWAY* performance is continuously monitored. It includes evaluating the supplier's *IWAY* activities, goals, sustainability risks, challenges, and good examples. The follow up can be completed during regular (onsite) business meetings, through a survey or a verification activity.

- The Business Developer must conduct follow-up activities for all suppliers. These include:
 - an assessment 12 months after performing a risk mitigation or development activity.
 - a full *IWAY* audit every 12 months for supplier units on critical risk level.
 - a full *IWAY* audit every 24 months for supplier units on high risk level.

i. Review and report

Our regional offices are responsible to perform *IWAY* verification activities in their respective geographical area. The Business Navigation function compiles data about the progress of *IWAY* implementation and business teams follow up on agreed *IWAY* development goals with each supplier. The outcome is a performance evaluation which forms the basis for steering the *IWAY*

process and defining future development goals and action plans and by that continuously improve.

- Only approved auditors can perform *IWAY* verification activities independently. The approval process for auditors is specified in an *IWAY working instruction* and must be followed.
- *IWAY* verification activities must be performed according to the applicable *IWAY working instruction* depending on the scope of the activity.
- Information from regular reviews must be used as input to future risk assessments.
- The Business Developer is responsible for taking continuous actions with the supplier to maintain compliance, based on the current *IWAY* grading, which is a summary of the statuses at the supplier's units.
- Regular follow-up on the *IWAY* status is shared 3 times per year with relevant governance forums.

j. Training and awareness

Co-workers in sourcing functions must have the appropriate information and general awareness of what they need to know in relation to their position and policy requirements. Sourcing functions must be handled by skilled and competent co-workers who have knowledge of the regulatory requirements.

- Every Inter IKEA Group legal entity must ensure that all co-workers responsible for sourcing matters have the skills and knowledge necessary to perform their work tasks. This includes, but not limited to, completion of the learning solutions in the global *IWAY Learning Offer* available on My Learning (link to playlist) and the *IWAY Hub* on IKEA Toolbox (internal portals).

Furthermore, co-workers who, in any way, interact with children as part of their job or work in a function or assignment where they need to take the safeguarding of children into consideration are expected to take a training on child safeguarding. With this training we aim at raising awareness for the risks and opportunities when engaging with children and help build an understanding of our responsibilities for child safeguarding practices in IKEA.

k. External *IWAY* auditors

Inter IKEA Group performs audits to ensure *IWAY* requirements are adhered to. In addition to the regular *IWAY* verification activities, led by Inter IKEA Group auditors, Inter IKEA Group conducts additional unannounced verification activities on suppliers. These are performed by independent third-party external auditors at IKEA suppliers selected on a random basis. These external assurance activities assess the reliability of our regular *IWAY* verification activities and help improve how we implement *IWAY*.

- Inter IKEA Group will only use third party auditors who have proven high levels of integrity, knowledge, performance, flexibility, availability and communication.

- Selection and onboarding of third-party companies for external assurance activities must be conducted based on criteria and requirements in *IWAY working instruction*.
- Auditors must be assessed every third year. Assessment is conducted according to an *IWAY working instruction* and related templates.
- Inter IKEA Group units are not allowed to engage external auditors for *IWAY* verification activities. If you specific *IWAY* verification needs, please connect with the Supply Area Sustainability team.

l. Ethics and integrity

All co-workers must follow the *Inter IKEA Group policy on anti-bribery and corruption*.

- All co-workers who have sourcing in their assignment are holding a (corruption) sensitive position and must attend regular training activities about anti-bribery and corruption.
- Any actual or perceived conflict of interest for co-workers involved in the sourcing process must be disclosed to Inter IKEA Group in accordance with the *Inter IKEA Group policy on anti-bribery and corruption* and its related manual.

m. Raising concerns

Inter IKEA Group promotes a culture of inclusiveness where everyone is encouraged and feels empowered to come forward, in good faith, to raise any concerns they might have. Raising concerns, no matter how big or small, are key to sustaining a safe and secure work environment and safeguarding our reputation, success and licence to operate.

- Inter IKEA Group co-workers must understand what constitutes a breach of the Inter IKEA Group code of conduct, our policies and their supporting documents. They also need to know how to report such breaches and what the possible consequences are of any identified misconduct.
- Co-workers are expected to report any possible or actual instance of non-compliance to the requirements of this policy that they observe or experience.
- Inter IKEA Group offers different options to report potential breaches. We trust that persons who raise a concern choose to report a breach in the way that feels most comfortable to them, for example, directly with the person involved or with support of the manager or a colleague from People & Culture. However, we also understand that a person, for whatever reason, may sometimes feel more comfortable reporting a breach anonymously. In those instances, please use our raise a concern channel where all reports are treated with the strictest confidence. This channel is also open to our suppliers and partners.

n. Responsible roles and bodies

Co-workers performing any procurement activities on behalf of an Inter IKEA Group legal entity are responsible for all the relevant parts of this policy that relate to their roles and work assignments.

The Ethics & Integrity function is responsible for the design and implementation of the Raise a concern channels for Inter IKEA Group co-workers and suppliers in the IKEA value chain. It is also responsible for implementing the Inter IKEA Group code of conduct in co-operation with the People & Culture and Communication functions.

The Business Developer is responsible for complying with this policy when managing a supplier relationship on behalf of Inter IKEA Group. This means working according to the *IWAY* process and related working methods.

The Supply Area Sustainability Manager is responsible for reviewing and, if necessary, adjusting supplier risk levels, which is a priority for activity planning. They are also responsible for securing the necessary competence of this policy among Supply Area roles and functions.

The Sustainability Specialist is responsible for:

- supporting Inter IKEA Group and its suppliers with specialist knowledge and verification activities when implementing this policy.
- agreeing with suppliers on the scope of *IWAY* implementation.
- following up decisions on recognised standard systems other than *IWAY*.
- deciding whether a gap analysis is needed and, if so, ensuring it is documented and stored accordingly.

The *IWAY* Deployment Leader is responsible for developing and maintaining the *IWAY* process in Inter IKEA Group. They are also the chairperson of the Inter IKEA Group Responsible Sourcing Forum.

The Inter IKEA Group Responsible Sourcing Forum is the governance body making operational decisions related to *IWAY*. **The IKEA Responsible Sourcing Council** is responsible for making strategic and tactical decisions related to this policy. **The Management Board of Inter IKEA Holding B.V.** is the issuer of Inter IKEA Group policies.

3.2 Stop the business

Inter IKEA always strives to continue the business relationship with our supplier to continue to create a bigger positive impact together and to be able to secure the outcome of the actions taken to cease, prevent and remediate the actual negative impact. However, if severe negative impacts are repeatedly identified, or if the supplier wilfully deceived IKEA or breaches trust, the business is stopped. Business consequences are applied in a staircase model applicable for all types of contractual breaches.

If one of the most severe sustainability negative impact (non-conformity to a *IWAY* Must requirements) is identified deliveries or services are immediately stopped and the classification of the supplier is changed to the lowest level for one year. This means that the supplier is not allowed to be included in new business development opportunities or increase their business with IKEA. In some cases, the business/ the orders are also reduced for a period of time.

If the supplier breaches the same requirement a second time throughout the contract the situation is investigated, and the supplier either faces more business consequences or is phased-out. Business consequence staircases also exist for less severe breaches and when a supplier fails to keep deadlines.

In case the IKEA relationship is terminated with a supplier involved in an actual negative impact, the impact of the business termination on the people (worker and community) must be assessed and necessary steps taken to ensure that the remediation process can continue. Prior to terminating the relationship, the Business Responsible establishes a written agreement with the supplier to ensure that the worker is not negatively impacted by the business termination or put at risk of falling back into forced labour. This agreement includes a commitment and plans to continue and complete the remediation and follow-up of the case. The Business Responsible continues to monitor the case until it is fully remediated and keeps the Regional Sustainability Manager and the governance body informed on the progress of the remediation until the case is close

3.3 Assessing and tracking effectiveness, implementation and results

IKEA operates with a 3-Lines (of Defence) Model for compliance verification - self assessments, peer reviews and internal/external audits.

a. Self-assessment

The regional Sustainability Managers conduct self-assessments to assess compliance with IKEA policies and external legislation on a yearly basis. This includes ways of working with IWAY and other Sustainability topics. Methodologies, questionnaires, and tools are developed by Risk Management & Compliance and the self-assessment is reported and followed-up by the accountable management teams.

b. Peer reviews

Peer reviews are performed by internal subject matter experts with support of the Risk Management & Compliance function. IKEA has two methodologies of peer reviews to ensure that the ways of working related to Sustainability due diligence is followed:

- Compliance reviews - Compliance Review is a cross functional process and management tool that supports co-workers responsible for the business relationship with suppliers in the purchasing categories to be compliant with mandatory requirements stipulated in steering documents such as Working Methods. It is conducted through a learning and development approach that involves senior professionals from the organisation itself and risk and compliance. Several reviews occur every year but the focus of the review and the business areas under review vary from year to year.
- Oversight and evaluation - Within IWAY there is a built-in global oversight and evaluation mechanism to the IWAY System to ensure that it is applied consistently across IKEA. This is done by performing reviews on the system itself as well as the different organisations and verification parties, with the aim of ensuring that the IWAY is delivering what it should,

support improvement of the system, as well as to ensure that the organisations and verification parties are working in aligned ways. The assessment is yearly, and the focus of the assessment is decided by Responsible Sourcing Council. Inter IKEA Group Sustainability is responsible to provide oversight and evaluation of IWAY and its implementation across the IKEA franchise system. This includes all components of the IWAY System, namely the IWAY Standard and its respective IWAY Sections, and the IWAY Framework and its appendices, and how all actors in the IWAY System, including IKEA organisations and verification parties (internal or third-party) operate. The oversight and evaluation assignment are performed by the Sustainability Impact and Assessment team and is independent from all IKEA organisations implementing IWAY, as well as from the development of the IWAY System itself.

4. Outcomes of the due diligence process at Inter IKEA

In the calendar year of 2025, a total number of 615 audits were performed, verifying that there were no identified cases of child labour at our direct suppliers.

We closely monitor the topic of child labour at all our suppliers and continue working to prevent and address child rights risks in the supply chain.

Child labour concerns have been identified as potential negative impacts of the double materiality assessment performed by Inter IKEA for the financial year of 2025 (September 2024 – August 2025), both in our upstream and downstream value chain (for further details please see the [Inter IKEA Group FY25 Sustainability Statement](#), prepared on voluntary basis in close alignment with the EU Corporate Sustainability Reporting Directive)

Age verification is an important element of the Responsible Recruitment Practices. Verifying the age of all work applicants can ensure that only persons above the legal minimum working age are employed. To ensure workers' age is above legal minimum working age, the suppliers may verify age by proof documents or by cross-checking multiple sources of information.

Inter IKEA collaborates with the ILO Child Labour Platform (CLP) through active participation in ILO CLP member meetings and thematic learning sessions. This partnership supports Fair & Equal agenda by strengthening our child labour due diligence and enabling collaboration across industries to address the root causes of child labour in global value chains. In November 2025, we joined the ILO CLP Annual Meeting in Hyderabad, India. Through this engagement, our co-workers and business partners were able to learn more on child labour prevention in the value chain as well as legal development related to labour rights and child rights in India. The platform also provided an opportunity to share our experience on child labour prevention with other CLP members. By working together, we contribute to collective efforts to address systemic challenges affecting children in supply chains and promote more sustainable and inclusive value chains for the future.

With the Centre for Child Rights and Business, Inter IKEA collaborated on Inclusion of Young Workers & Youth Development Programme under the Implementation of Child Rights Action Hub

in Bangladesh (May 2024 - August 2025). The programme aims not only to prevent child labour in our business partners but also to create decent work opportunities for young workers. We strengthened factory capabilities on responsible recruitment and employment of young workers, ensuring that policies and practices align with local laws and international standards that protect the rights of young workers. In parallel, young workers received comprehensive support to help them grow both personally and professionally. This included technical skills training, soft skills development, and on the job learning within the factory environment. Through this programme, the factory successfully recruited 60 young workers, of whom 42 completed the full training pathway. Each young worker received 355 hours of soft skills training, equipping them with confidence, practical knowledge, and a stronger foundation for decent and meaningful work.

Another project which Inter IKEA collaborated on with the Centre for Child Rights and Business was Strengthening Child Rights Protection in Cotton Value Chain in India (February - July 2025). This project aimed to strengthen children's rights protections within the IKEA cotton value chain in India. It focused on increasing awareness and building capability on children's rights among IKEA suppliers, their sub-suppliers, and stakeholders in the lower tiers of the supply chain, including cotton farmers and workers connected to cotton production. To better understand the risks faced by children in the communities where cotton is grown and processed, a children's rights risk assessment was conducted in January 2025. Insights were gathered from 51 participants, including cotton farmers, mill workers, community leaders, and children of farming families in Madhya Pradesh. These insights help inform our actions and support a more responsible and inclusive value chain. As part of the programme, The Centre delivered training sessions for cotton farmers and workers on key topics such as child labour prevention and remediation. These sessions aim to build knowledge, strengthen local capacity, and contribute to safer and more supportive environments for children and young people connected to our value chain.