

A better way
together

IKANO

We do business on fair terms

Ikano Code of Conduct



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Dear colleagues,

At Ikano, our customer promise requires that we do business on fair terms. To fulfil this promise, we are guided by our values: common sense and simplicity, working together and daring to be different. These values help us make the right choices in our everyday work and succeed in achieving our mission to simplify the lives of the many people.

Acting responsibly and fairly has helped us gain the trust of our customers, partners and of society. We have high expectations when it comes to performing our business in an honest, open and ethical way. To support us in keeping up the good work, we have established this Code of Conduct. It will help us continue to build a strong brand, provide great customer experiences and guide each and every one of us in our daily decision-making.

Some of us work under the IKEA brand and must also consider the IKEA Code of Business Conduct. We have included an additional part to make sure that those of us working with both brands understand the expectations.

I am convinced that following this Code of Conduct goes hand in hand with good business and building people's trust in our brand. Use it in your daily work and refer to it whenever needed.

With your help, I am sure we will create an even better way together!

Lars Thorsén, CEO Ikano Group

February 2017



Our responsibility

Do we need a Code of Conduct? The short answer is, yes. Because at Ikano, we keep a long-term perspective on our business and we recognise our responsibilities. Not only towards you as a co-worker but also to customers, partners, suppliers and society as a whole. Therefore, we need to be absolutely clear on what is expected of all of us. The Ikano Code of Conduct, sometimes more simply referred to as the Code of Conduct or Code, defines our behaviour.

We follow the Code and the law

Ikano shall abide by the laws and regulations of every country in which it operates. In situations where the law does not give guidance, Ikano applies its own standards based on its corporate values and culture. In cases of conflict between mandatory law and the principles of this Code, the law shall prevail (i.e. if the law is stricter than the Code, the law must be applied).

Should you find yourself uncertain about a decision, behaviour or action, seek advice from your manager, senior manager or human resources representative.

Our leaders lead by example

As a leader or manager within Ikano, you have the responsibility to lead by example, ensure that the Code is followed and to take action if you notice any unethical situations. It is also important that you are available if a co-worker wants to discuss ethical issues or wishes to report possible violations.



If you need guidance in your decision-making, here are a few questions you can ask yourself:

- Is it in line with the Code?
- Is it ethical?
- Is it legal?
- Will it reflect well on me and on Ikano?
- Am I willing to stand up for this publicly?

If your answer is no to any of these questions – don't do it.

How we work together



We treat each other with respect

Anyone working for Ikano is entitled to his or her basic human rights and should not be forced to suffer physically or mentally from his or her work in any way. We have no room for harassment or bullying. Different people find different things unacceptable, and as a diverse group of people, we need to be aware of that fact and respect it.

Our diversity is a strong asset

One of our success factors has been to work together and take a different view on problems to find solutions. No co-worker should be discriminated against because of age, gender, religion, sexual orientation, marital or parental status, political opinion or ethnicity. All co-workers with the same experience, performance and qualifications shall receive equal pay for equal work.

Safety is our priority

Ikano requires that safety of the workplace is always a priority concern. This applies to all aspects of working conditions including labelling and handling of chemicals, noise levels, temperature, ventilation, lighting and quality of and access to sanitary facilities.

Our view on drugs and alcohol

You can't misuse alcohol at work. It is absolutely forbidden to use, possess, supply, offer or produce illegal drugs. We recognise alcoholism and drug misuse as an illness. Therefore, we offer special assistance and treatment to help with recovery – wherever possible. If you or a colleague near you have an identified problem and agree to a suitable course of action, we will be there to help. On special occasions, alcohol may be consumed on Ikano premises in a responsible manner, at the manager's discretion.

Doing business on fair terms:

Our way of doing business

Our customer promise and Code together promise the surrounding world that we will do business on fair terms. That's why we are committed to maintaining openness, legal compliance as well as high ethical and moral standards in the way we do business. The Code is the foundation on which our business integrity rests and it defines our standards for doing business on fair terms.

Please remember that you represent Ikano and your behaviour will reflect on the company. This is also valid on social media, so please use your common sense when you post on Twitter, Facebook, LinkedIn and the like.

Sometimes interests collide

As co-workers at Ikano, we make business decisions based on the best interests of Ikano rather than personal considerations or relationships. A conflict of interest arises when anything interferes with or influences the exercise of a co-worker's independent judgement in the best interests of Ikano. We must avoid situations in which our personal interests will or could conflict with the interests of Ikano.

Here are a few examples of where potential conflicts of interest could arise:

External and business relationships

- Someone you know very well owns a company that is doing, or will be doing, business with Ikano.
- You and a business partner or supplier to Ikano are becoming friends outside work.

Personal relationships and activities outside work

- You or a family member own a company with which Ikano is doing, or is likely to do, business.
- An organisation you are involved in tries to use Ikano's name to promote themselves.










If you know of, suspect or have a question concerning conflicts of interest, you should discuss it with your manager.



We work against corruption

To do business on fair terms means among other things that neither you, nor any member of your family, can accept any inappropriate gifts or payments from anyone that you or Ikano are doing business with. This could be seen as a bribe or a kickback.

Examples of such payments are:

-  Cash
-  Inappropriate gifts
-  Valuables that easily can be turned into cash
-  Loans
-  Extravagant entertainment
-  Trips that have no business connection
-  Other unusually discounted items

That said, we know that smaller gifts of modest value may be needed to establish or maintain a good business relationship – creating goodwill and building trust. Gifts of modest value such as business lunches, dinners, social invitations or small items are, naturally, okay. These should of course be more of a symbolic nature, and should not affect your ability to make the right decisions.

This works both ways, so none of us should create a situation where there is a risk of conflicting interests for someone else. In other words, and in very much the same way that we may not accept gifts, we cannot offer payments in any form. This includes payments to officials or government employees, which sometimes are called facilitation payments. In short, we will only pay the documented amount for any transaction.

We cannot involve third parties, who act on our or the counterpart's behalf, in any unethical transactions – something we should not be part of in the first place. So any sales commissions, consulting fees or other payments to third parties are not to be used as a channel for bribes or other improper payments.

If you are offered, or if you receive, something that you think is improper – discuss it with your manager.

Commit yourself to a cause, if you choose to

We encourage your involvement in civic, charitable, political and social activities (e.g. social days), as long as it does not create a situation where you end up having conflicting interests. In this case, it may concern your availability, loyalty and objectivity towards Ikano. If you are uncertain whether an activity you are, or want to be, involved in may cause conflicting interests – discuss the situation with your manager and resolve it.

Freedom of association is a basic human right. This means that you are free to join – or not join – any institutional and recognised co-worker association of your choice, without fear of reprisal, interference, intimidation or harassment.

Please remember that Ikano as a company remains politically neutral. This means that company names or assets related to companies within Ikano cannot be used to promote nor discredit the interests of any political party or candidate.

We care for our assets

We have many assets – and how we use these and our time will directly influence our profitability. Therefore, we need to be careful with our assets and only use them to conduct Ikano business. We must protect them from misuse, theft or destruction. Our facilities, equipment, machines and financial assets can only be used for business purposes. Certain assets (such as computers, email, telephone, fax machines, printers and copiers) may be used for minor and incidental purposes, provided it is kept to a minimum and does not interfere with your work duties. If in doubt, consult your manager for advice.

Be careful with information

At Ikano, we regularly produce valuable non-public ideas, strategies and other kinds of business information. We value and protect this type of intellectual property in the same way as tangible assets such as houses, furniture, office equipment, construction tools, land and so on.

Acting on fair terms, we respect and are also careful with others' intellectual property as well as with their confidential or proprietary information. We urge you to refer any media inquiries regarding such information to your Managing Director or Communication department. Also, remember not to discuss such information with colleagues, or anyone outside Ikano, in public places where people may overhear your conversation.

Insider trading is illegal

When you work here, you may get to know of some non-public information about Ikano or about other companies. Using such information to sell or buy securities (e.g. stocks, bonds, options, etc.) or discussing it with people who might buy or sell because of such information – is illegal.

Getting personal?

We want all co-workers to be treated equally. That's why we try to keep a balance between our business interests and your personal life. So, if a close personal relationship exists, or develops, between you and a colleague, you need to inform your manager. Your manager will be able to assess in what way this may impact the operations.

Sustainability in everything we do

We are in business for the long run. That means we will incorporate sustainability – every aspect of it – in everything we do; from raw materials and how products are made, to maintaining a sustainable business as well as to inspire people to live a more sustainable life at home. It includes social and environmental issues, such as climate change, natural resource conservation, waste management and working conditions in our supply chain. The latter also means that we do not tolerate any form of forced, compulsory or child labour. Sustainability also involves us working together in a sustainable way, keeping our business viable for future challenges.

For the record – books and record keeping

We need to be committed to exemplary operational, financial and regulatory reporting.

Our business decisions require accurate, reliable and timely information – both operational and financial. Therefore, we need to protect the integrity of our transactions as well as establish and maintain adequate internal controls over reporting. We must also ensure that all corporate records, financial as well as non-financial, are accurate, complete and properly documented. And, naturally, that they follow applicable laws and regulations.



Violations and consequences

What happens if someone doesn't follow the Code?

With us, you get freedom with accountability. We hope this will encourage you to make decisions, without hesitating because of any risk of making a mistake. Mistakes can happen, we have found great solutions by making mistakes, but we must always act in line with our Code.

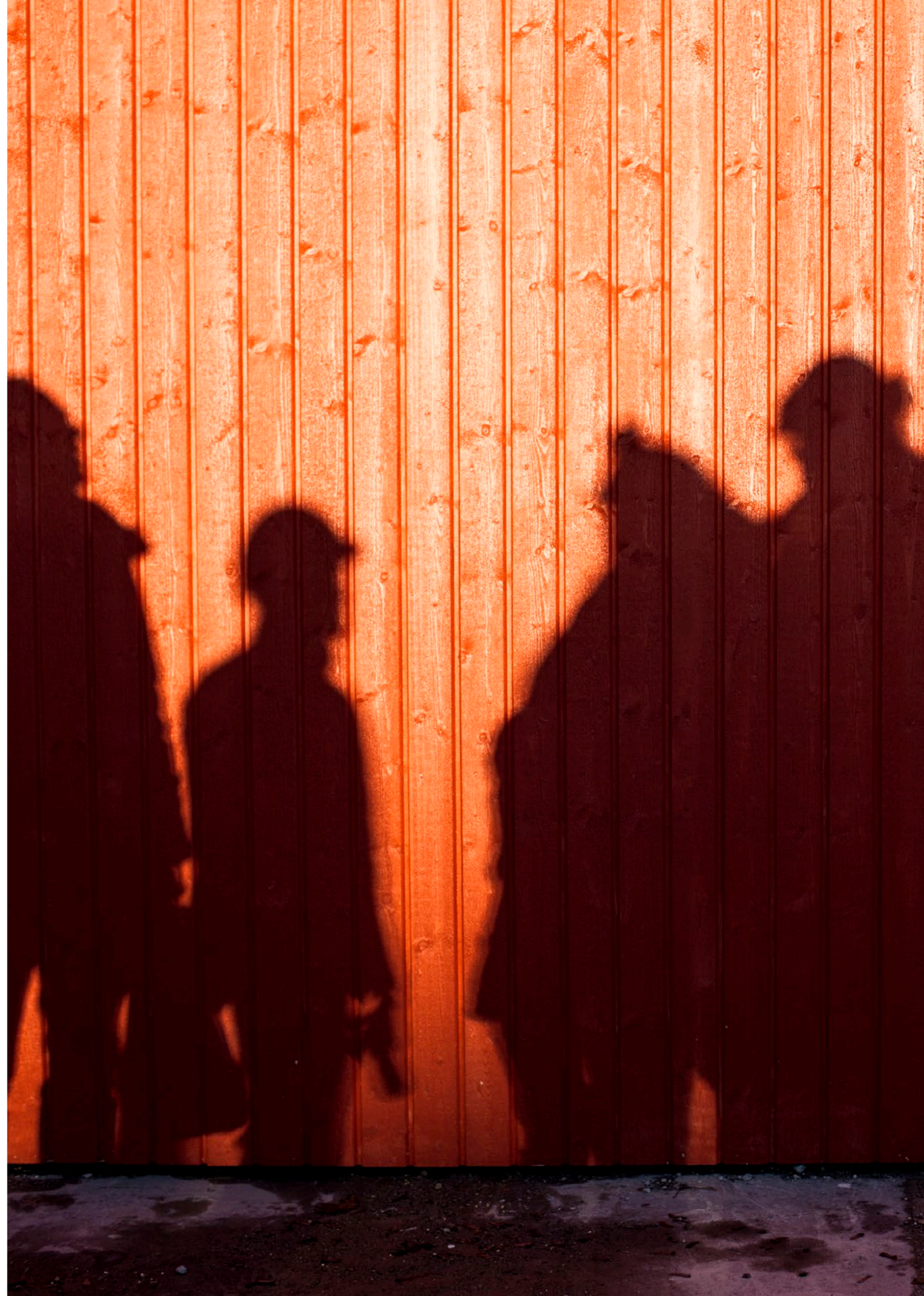
If you or anyone else raises a concern, we will initiate and carry out a full and fair investigation, because we truly believe that everyone is innocent until proven otherwise. The outcome of this investigation will determine if further actions are needed, and what sort of disciplinary actions may be appropriate.

Reporting violations or unethical behaviour

If you have serious concerns about this Code or the law being violated, we want you to tell us about it. We will not accept any retaliation or discrimination against you if you have reported a violation, or a suspected violation, in good faith.

These are your ways of reporting:

- Report to your manager.
- If your manager is involved in the situation, or if you feel that your concerns have not been properly addressed, report to your manager's manager, or a human resource representative.
- Use the Whistleblower programme. You will find what steps to take in the Whistleblower Policy.





Working under the IKEA brand

If you work under the IKEA Brand you have two codes of conduct to relate to – the Ikano Code of Conduct and the IKEA Code of Business Conduct. However, they do not differ too much in their essence.

The Ikano and IKEA Codes of Conduct build on the same ideas of being fair, using common sense and working with the long-term perspective to make people's everyday lives better.

However, it is essential that you read the IKEA Code of Business Conduct as carefully as you have read Ikano's Code of Conduct. You must remember that you actually

represent two distinctive brands, and anything you do, good or bad, may reflect on both of them.

By now, you know the Ikano values – Common sense and simplicity, Daring to be different and Working together. Compare them to IKEA's values on the next page:

Togetherness

Caring for people and planet

Cost-consciousness

Simplicity

Renew and improve

Different with a meaning

Give and take responsibility

Lead by example





My commitment to Ikano

I have read and understood the Ikano Code of Conduct, dated February 2017, and I commit to complying with it. I understand that repeated or serious failure to comply with the Ikano Code of Conduct may lead to disciplinary action.

If I have any business, personal or family relationships which potentially could conflict with the business interests of Ikano, they have been listed below:

Co-worker name & signature

Date