

IKEA[®] key values



Dear IKEA friends,

Over the past few years the three of us have had the privilege to meet more than 2,000 IKEA leaders at the *IKEA Way* seminars. After listening to the feedback, as well as collecting input from many other co-workers around the world, we felt it was time to update the IKEA key values. The first version of the key values was drafted together with Ingvar during the *IKEA Way* seminars in the early 90s.

Our ambition has been to modernise and simplify the previous version, as well as to add a value about sustainability. We hope this will be a guide and inspiration in your work for years to come.

We see it as our most important task to safeguard and nurture our IKEA culture. Working on the update of the key values has been fun, rewarding and has created a lot of energy. Thanks a lot for your great input and engagement!

It is because we all share the same values that we can keep the IKEA culture a strong and living reality. "*The Testament of a Furniture Dealer*", which Ingvar wrote in 1976, is just as valid today as then. In this document you find the essence of our values. We will never change this great and historical document which we encourage you to read every now and then!

Our shared values and strong culture make IKEA unique, both as a place to work and as a brand. In each and every IKEA unit you visit around the world, you find colleagues with the same wonderful IKEA values. Therefore, we must always recruit on values first, then on competence and diversity.

Competitors can try to copy our concept but they can never copy our culture. Please help us make sure that IKEA remains strong and healthy by nurturing and living our great values.

Together we are stronger, so let's lead by example and live our values!

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Togetherhness

Togetherhness, "*Tillsammans*", is at the heart of the IKEA culture. Everyone is important, everyone is heard and everyone contributes. We involve, care for, acknowledge and trust one another in a spirit of humbleness, honesty and mutual respect.

Ingvar once said, "IKEA is not the work of one person alone. It is the result of many minds and many souls working together through many years of joy and hard work."

We believe in people and we have an optimistic attitude in the way we are and in the way we do things. We believe in diversity, equality and inclusion because they increase our understanding of our customers and each other.

Togetherhness means each of us pulls our weight when the need arises, whatever position or function we have. This could be giving a helping hand in a busy period or supporting others to meet an important deadline.

It is also about looking beyond our own department, store or unit and working together across borders and functions. Always doing what is best for our customers and IKEA as a whole.

Togetherhness is also about inviting customers and stakeholders to join and feel part of our vision and our forward-looking community – creating a better everyday life together with the many people.

We are strong when we trust each other, pull in the same direction and have fun working together. In Småland, this way of focusing together is called "*Kraftsamla*".

Working closely together with enthusiasm, recognising our everyday efforts and celebrating our successes gives us the courage to explore and find better ways forward. And most of all, it's fun!

Caring for people and planet

Our operations and products have an impact on the planet. Sometimes we are a part of the problem and we have decided to be part of the solution. The source for solutions can often be found in our own values – in our care for people, in our urge to avoid waste and in our desire to create more from less. Each of us can contribute with big and small improvements.

We want to have a positive impact on people and the planet by offering large volumes of sustainably sourced products and using new production concepts, materials and technologies. We help people live a more sustainable life at home with products that save water and energy, preserve food and minimise waste.

At the same time we strive to improve the work environment for IKEA co-workers and the many people involved in producing IKEA products. By taking responsibility throughout the entire value chain we can help create a better life for people and communities. We support human rights and we always act in the best interest of children.

We want to be a force for positive change both locally and globally. We choose constant improvement today, rather than the expectation of perfection tomorrow. We have the possibility and the resources to make a significant and lasting impact, today and for future generations. This is a never-ending job for each and every one of us. It inspires us to develop and in turn, we inspire others to do more.

Cost-consciousness

As many people as possible should be able to afford a beautiful and functional home.

Our entire business model is built on the idea of low prices generating large volumes. This together with low costs creates a healthy long-term profit. Profit that gives us resources to invest in reaching even more people with our offer.

That is why a low-price company must also be a low-cost company. Every day, everywhere, we do our best to discover and eliminate unnecessary costs on all levels, because low prices are impossible without low costs.

We constantly challenge ourselves and others to make more from less without compromising on quality, function, sustainability or form. Mediocre products and services cost a lot in all aspects, and not least in consumer trust.

Some of us can influence the big costs, and all of us can influence the many small costs that so easily add up. Cost-consciousness is about being able to balance costs with revenue and investments with savings in order to create low price with meaning. Because we see things in the long term, creating low costs can mean daring to make big and bold investments.

Everything we do must have a clear price tag before we can make a decision. And we should always ask ourselves: "Am I as a customer prepared to pay for this?" As Ingvar put it: "Waste of resources is one of the greatest diseases of mankind."

Simplicity

A simple, straightforward and down-to-earth way of being is a part of our Småland heritage. We believe in people and respect each other regardless of position, gender or background.

Simplicity is about being ourselves and staying close to reality. We are informal, we avoid status symbols like fancy titles, we greet each other by first name, we wear the same uniform and we travel and meet in cost-conscious ways. All these things save time, energy and costs. They also create a shared sense of togetherness.

Simplicity is also about how we approach our daily task where bureaucracy is our biggest enemy. We are practical people with a common sense approach when solving problems. Our decisions are based on the reality in people's homes, in our stores and on the factory floors. In our world, simplicity means efficiency and doing what comes naturally. We say "no" to complicated solutions.

This is why we want to have few rules, that are easy to understand, and instructions that are brief and clear. It is about daring to take away complicated routines instead of adding them. Fewer rules and fewer words are easier to understand and follow. A good example of simplicity is a one-pager instead of a long document.

It can be complicated for the few, but it has to be clear and simple for the many.

Renew and improve

Whatever we are doing today, we can do a bit better tomorrow. A strong will to renew and improve, always for the many people, is one of the main driving forces behind our success.

The reality and the detail of our business is our source of inspiration. We do not rely on standardised solutions from consultants, or follow the ways of our competitors. We always build our actions on our deep understanding and knowledge of our suppliers, co-workers and customers.

When a decision is taken, we all stand behind it, work together with determination and willpower – often with a healthy sense of urgency. If at first we do not succeed we try again rather than giving up. We “stick to it”, which in Småland we call “*bli vé*”.

The word impossible doesn’t exist in the IKEA language. It is finding solutions to the impossible challenges that has made us successful. We constantly look for new and better ways forward. Be it the technical challenge of creating new innovation, finding a low-cost production solution that ensures an impossibly low price or developing ways and channels for people to meet IKEA whenever and wherever they want.

It is important to stop and reflect upon what we have achieved and to recognise and celebrate our everyday efforts and improvements. All the way from a daily pat on the back or a simple “*fika*” to great team activities. Being recognised and feeling appreciated makes us proud and inspired for the next challenge. So let’s celebrate our success together and enjoy the journey of constant improvements.

Happiness is being on the way.

Different with a meaning

IKEA is not like other companies, and we don’t want to be.

With our “happy rebel” spirit we challenge conventions and drive positive changes in our industry and sometimes even in the world. We are restless doers, driven by curiosity, enthusiasm and a desire to create a better everyday life for the many people.

Different with a meaning is about having the courage to question existing solutions, think in unconventional ways, experiment and dare to make “entrepreneurial” mistakes.

Thinking differently is the essence of our “*Övertag*” philosophy (a unique competitive edge), starting with innovative solutions in product development and sourcing, and where every link in our value chain is as strong as it can be, resulting in truly incredible offers for our customers.

Thinking differently is also about how we approach and solve our daily problems. It is therefore important to create an environment of openness where everyone feels comfortable to experiment, try new ways and dare to ask: “What if...?”

Keep in mind, different with a meaning doesn’t always mean creating something new. It can also mean taking good solutions from the past or from our colleagues somewhere else in the world. Why reinvent the wheel?

So when we do things differently we do it for a clear reason - to add customer value, reduce costs, improve efficiency and strengthen the IKEA Brand as unique, meaningful and trustworthy.

Give and take responsibility

It is a privilege to take responsibility and be accountable. This means taking ownership, making decisions and following through. It takes courage and leadership to give responsibility and delegate tasks to those who want to grow and take on more.

We make a point of giving people a lot of responsibility early on in their IKEA journey. We believe in empowering people and in the power of the individual who wants to grow. And each one of us grows with bigger and more challenging tasks.

Both giving and taking responsibility are ways to grow and develop and a source of energy and joy for those who dare. It is ultimately about trusting each other, being positive and forward-looking. This creates a sense of ownership and a feeling of contributing to the development of IKEA.

Making decisions sometimes leads to mistakes. And that's OK! Fear of making mistakes is the root of bureaucracy and the enemy of development. Sometimes asking for forgiveness is better than asking for permission. Being accountable means we honestly admit, correct, learn and grow with our mistakes.

As Ingvar said: "Only while sleeping, one makes no mistakes – making mistakes is the privilege of the active."

Lead by example

To lead by example is to act and stand up for IKEA values at all times. It is a mission for each and every one of us, regardless of our position. Leading by example begins with being aware of our own behaviours and the consequences of our actions, big or small.

We see that leadership is action, not a position. We can lead by taking the initiative and being a great inspiration for others.

Be aware, we are also leading by example when we do nothing, when we don't speak up or when we don't live our values.

Humble, down-to-earth, informal, cost-conscious and caring. But also determined, courageous, straightforward, curious and decisive. These are just a few of the many ways to describe an IKEA person.

We are at our best when we can be ourselves and at the same time live the IKEA values. Therefore we first recruit on values, then on competence and diversity.

When we lead by example we nurture a strong and unique IKEA culture. Because, as Ingvar said: "No method is more effective than the good example."

IKEA® key values

Together
Caring for people and planet
Cost-consciousness
Simplicity
Renew and improve
Different with a meaning
Give and take responsibility
Lead by example

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