

Ikea could be stripped of living wage employer status after refusing to honour rate



Why should Ikea be allowed to flaunt Living Wage status while being too tight fisted to pay a paltry 20 extra pence an hour?

Ikea faces being stripped of its Living Wage Employer status after refusing to honour new Real Living Wage (RLW) rate of **£9.50 an hour**.



The Living Wage Foundation said that there will be a crunch meeting this month, and that if the new rates are not implemented then 'IKEA will not be recognised by us as a Living Wage Employer.'

The home furnishings giant says it will not match the 20 pence per hour increase announced by the Living Wage Foundation (LWF) in **November 2020**.

Employers face a May deadline for implementing the new rate. However, Ikea has said that it does not intend to raise the pay of hundreds of low-paid employees.

Yet the company proudly displays a plaque in the reception of its sites. Ikea is listed as a 'Principal Partner' on the Living Wage Foundation website, and the company is represented on the Living Wage Foundation's Advisory Council.

In a new letter to the GMB Union, the Living Wage Foundation said:

"We're aware that Ikea aren't planning to implement the new rates by the deadline in May at which point they wouldn't be compliant with our accreditation criteria.

"We're meeting in March to discuss their long-term commitment to the Living Wage and will do everything we can to ensure they uplift to the current rates at the earliest opportunity.

"For any period in which they are non-compliant, Ikea will not be recognised by us as a Living Wage Employer."

Ikea recently posted financial results showing total sales of £1.9 billion in the UK for the financial year ending 31 August 2020, with online sales surging 31% through the pandemic.

David Shamma, GMB Regional Organiser said:

"The Living Wage Foundation are facing up to the fact that Ikea can no longer be counted as a Living Wage Employer.

"Ikea is one of the UK's best-known brands and it will come as a shock when loyal customers find out how the company treats its workforce.

"Why should Ikea be allowed to flaunt its Living Wage Employer status if it is too tight fisted to pay the workers who prop up its empire just 20 extra pence an hour?

"Ikea masquerades as an ethical business, but right now the company is putting profits before people.

"Ikea needs to have a good think about what kind of employer it wants to be – it either needs to pay its workers fairly, or be counted on the shameful list of employers that have exploited their workers during the pandemic."



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