Ingka Group Annual Summary and Sustainability Report

FY24

Hej!

We are driven by the IKEA vision to create a better everyday life for the many people. We are passionate about life at home and are transforming our business to create a better IKEA that is affordable, accessible and positively impacts people and the planet.

In this report we aim to provide a transparent account of our performance, highlighting areas where we are making progress as well as where we are facing challenges.

Ingka Group reporting includes:

Ingka Group Annual Summary and Sustainability Report FY24
An in-depth account of our performance in FY24.

Short summary of the Ingka Group Annual Summary and Sustainability Report FY24
Key highlights of our performance and challenges in FY24.

Ingka Group reporting website
www.ingka.com/reporting
An online summary of FY24 performance.

The Ingka Group Annual Summary and Sustainability Report FY24 covers the financial year 2024 (FY24), from 1 September 2023 to 31 August 2024, unless otherwise stated, and the entities controlled by Ingka Holding B.V. during this time.

Contents

Summary FY24

About Ingka Group 4
A few words from our CEO and Deputy CEO and CFO 5
Building better into everything we do 6
Our value chain 7
Young Leaders' opinion letter 8
Our performance at a glance 9

Our progress FY24

Better homes **12**
Progress against targets FY24 13
Affordability and accessibility of products and services 14
Healthy and sustainable living 18
Customer and end-user safety 22
Better lives **24**
Progress against targets FY24 25
Human rights 27
Equality, diversity and inclusion 31
Health, safety and wellbeing 36
Skills development 39
Fair income 42
Community impact 45
Better planet **49**
Progress against targets FY24 50
A few words from our CSO 52
Climate change 53
Resource use, circularity and waste 66
Water 71
Biodiversity and forestry 73
Better company **77**
Progress against targets FY24 78
Financial resilience 79
Ethical business conduct 83
Digital trust 85
Responsible sourcing 88
Governance 92

Our data FY24

About our reporting 104
Updates to our targets 105
Better homes data 107
Better lives data 108
Women's Empowerment Principles 112
Better planet data 113
Better company data 126
Our contribution to the UN Sustainable Development Goals 130
Assurance report of the independent auditor 132

EUR 41.8 billion
Ingka total revenue

162,293
co-workers

3.1 billion
online visits

574
IKEA retail locations in 31 countries

35
Ingka Centres meeting places in 13 countries

Read more about Ingka Group
Read more about Ingka Centres
Read more about IKEA Retail
Read more about Ingka Investments

About Ingka Group

Ingka Group operates 574 IKEA retail locations in 31 countries, as well as worldwide IKEA e-commerce and digital solutions. Our reach and expansion are strengthened by our network of meeting places, and an active investment arm to support sustainable growth and business transformation.

IKEA is a franchise business, with many companies operating under one IKEA brand. Inter IKEA Systems B.V. is the franchisor, responsible for continuously developing the IKEA Concept and ensuring its implementation in new and existing markets. Ingka Group is the largest IKEA franchisee, generating 87.8% of total IKEA Retail sales in FY24. Ingka Group is made up of three businesses, working closely together: IKEA Retail, Ingka Centres and Ingka Investments.

IKEA Retail

IKEA Retail, is our core business, with the purpose to create a better and affordable everyday life at home. We operate 400 IKEA stores including city stores, as well as 174 plan and order points of various sizes. In FY24, we had 729 million visits to our IKEA retail locations and 3.1 billion online visits. Our Retail Direction: 10 jobs in three years, lists the most important jobs we need to do to create a new and better IKEA.

Ingka Centres

Ingka Centres is a global developer and operator of retail-led destinations for the many people that we call meeting places. Ingka Centres has 51 years of experience in shopping centres and works with 2,600 brands across its portfolio of 35 Ingka Centres meeting places in 13 countries and 271 million visits in FY24.

Ingka Investments

Ingka Investments invests in assets, manages companies and operates strategic businesses to secure Ingka Group's long-term financial strength and support our growth, business transformation, sustainability and societal commitments. It manages assets worth EUR 27 billion (including liquidity), spread over six investment portfolios: Business Acquisitions and Venture, Real Estate, Renewable Energy, Circular, Forestland and Financial Markets.

Our unique ownership structure

Ingka Group (Ingka Holding B.V. and its controlled entities) has an ownership structure that ensures independence and a long-term approach. Ingka Group is owned by a Dutch foundation, Stichting INGKA Foundation (INGKA Foundation). INGKA Foundation does not have any owners. It also does not have any beneficial owners but holds its assets only on its own behalf. This means that nobody is entitled to the assets of INGKA Foundation and there are no dividends paid to private shareholders.

INGKA Foundation has a charitable purpose to create a better everyday life for the many people in need. The INGKA Foundation achieves its charitable purpose by providing funding to the Stichting IKEA Foundation, an independent philanthropic grant-making organisation committed to tackling the two biggest threats to the future of children and families: poverty and climate change.

Investing for our future

At the heart of IKEA there is a simple and beautiful vision: to create a better everyday life for the many people. For more than 80 years, we have been offering affordable home furnishing products supporting people with thin wallets but big dreams and needs for life at home.

In financial year 2024, our biggest achievement was lowering prices by investing EUR 2.1 billion, making thousands of IKEA products more affordable. We see this as an investment in the long-term future of IKEA. The decision put pressure on our financial results yet helped us to welcome more people to IKEA. We also opened 43 new locations including IKEA Maebashi, our first location in Japan's north Kanto region; Livat shopping centre in Xi'an, China with the two storey IKEA Xi'an Yanta store; IKEA Riddes, Switzerland's tenth store; and IKEA Karl Johan, a city unit in the heart of Oslo, Norway.

Ingka Investments secured a spot on Fifth Avenue in New York City, and Ingka Centres acquired shopping centres in Brighton, UK, and Paris, France. The digital IKEA experience remained a priority and we invested in logistics and automation solutions and strengthened our use of A.I. This helped us to improve the customer experience while reducing costs, and contributed to us reaching a new record in our happy customer score.

We are in the most important decade for humankind when it comes to climate change – it's no longer a distant reality, it impacts millions of people every day, as well as our business. Across the year, we further strengthened our science-based targets, reflecting our commitment to the Paris Agreement and to keeping global warming below 1.5°C. We aim to halve our emissions by 2030 (against our FY16 baseline) and reach net zero by 2050 at the latest.

Since FY16 we have reduced our climate footprint by 30.1% across scope 1, 2 and 3, while growing our business by 23.7%. Being climate smart is resource smart and good for business. We reached 96.6% of electricity from renewable sources and 41.1% of home deliveries made by zero emission vehicles, up from 24.6% last year. Through Ingka Investments we have invested or committed to invest EUR 4.2 billion in wind, solar farms and wider renewable investments since 2009, supporting the low carbon transition beyond our value chain.

In a time that keeps taking unexpected turns, colleagues around the world have shown great resilience and determination, pulling together as a team. IKEA is for the many people, so we try our best to represent the many, wherever we are. Our gender diversity continues to be around 50/50 across all co-workers and our Inclusion Index remains strong at 79%. Having passed our goal to help 2,500 refugees and asylum seekers increase their employability, we have committed to support an additional 3,000 by the end of 2027.

We act for the long-term, aiming to add value for decades to come not just the next quarter, while creating a better company now and for future generations. Our profit in Ingka Group can only be

"In financial year 2024, our biggest achievement was lowering prices."

used in two ways: either reinvested in the company (85% in FY24) or paid as dividend (15% in FY24) to our sole owner, Stichting INGKA Foundation, which has a charitable purpose to provide funding to the IKEA Foundation. No dividends go to any private shareholders and since it was founded, the IKEA Foundation has granted EUR 2 billion to partners working in the areas of poverty and climate change. We share great pride in this achievement.

We look forward to FY25, and our continued work to make IKEA more affordable and accessible, with a positive impact on people and the planet.

*Jesper Brodin, President and CEO, Ingka Group**

*Juvencio Maeztu, Deputy CEO and CFO, Ingka Group**

*Jesper and Juvencio are members of the Management Board , Ingka Group's ultimate decision-making body and responsible for formal conduct and strategic, structural and financial approvals, as well as critical risks.

Building better into everything we do

Better homes

For generations, we have been on a mission to bring inspiring and affordable home furnishings to the many people regardless of wallet size. We are focussing on omnichannel innovation, seamlessly integrating our physical and digital channels to bring IKEA to more people, offering affordable products, services and solutions that make healthier and more sustainable living easier.

Material topics

- Affordability and accessibility of products and services
- Healthy and sustainable living
- Customer and end-user safety

Better lives

People are at the heart of everything we do. We want to take a leading role in creating a fairer and more equal society. Starting with our co-workers and supply chain, extending to our customers, neighbourhoods, communities and society at large, we are determined to be a force for good.

Material topics

- Human rights
- Equality, diversity and inclusion
- Health, safety and wellbeing
- Skills development
- Fair income
- Community impact

Better planet

We only have one planet, the home we all share. We are taking bold steps across our business to reduce our greenhouse gas emissions, minimise resource use and waste, and promote biodiversity and water conservation. We are making it easier for our customers to act too.

Material topics

- Climate change
- Resource use, circularity and waste
- Water
- Biodiversity and forestry

Better company

We do business with a humanistic outlook, guided by our vision and values. We push to be a fair, inclusive and empowering company with good governance and respect for human rights across our value chain. We reinvest a large part of our net income in our business with the remainder paid as a dividend to the Stichting INGKA Foundation to achieve its charitable purpose.

Material topics

- Financial resilience
- Ethical business conduct
- Digital trust
- Responsible sourcing

SUSTAINABLE DEVELOPMENT GOALS

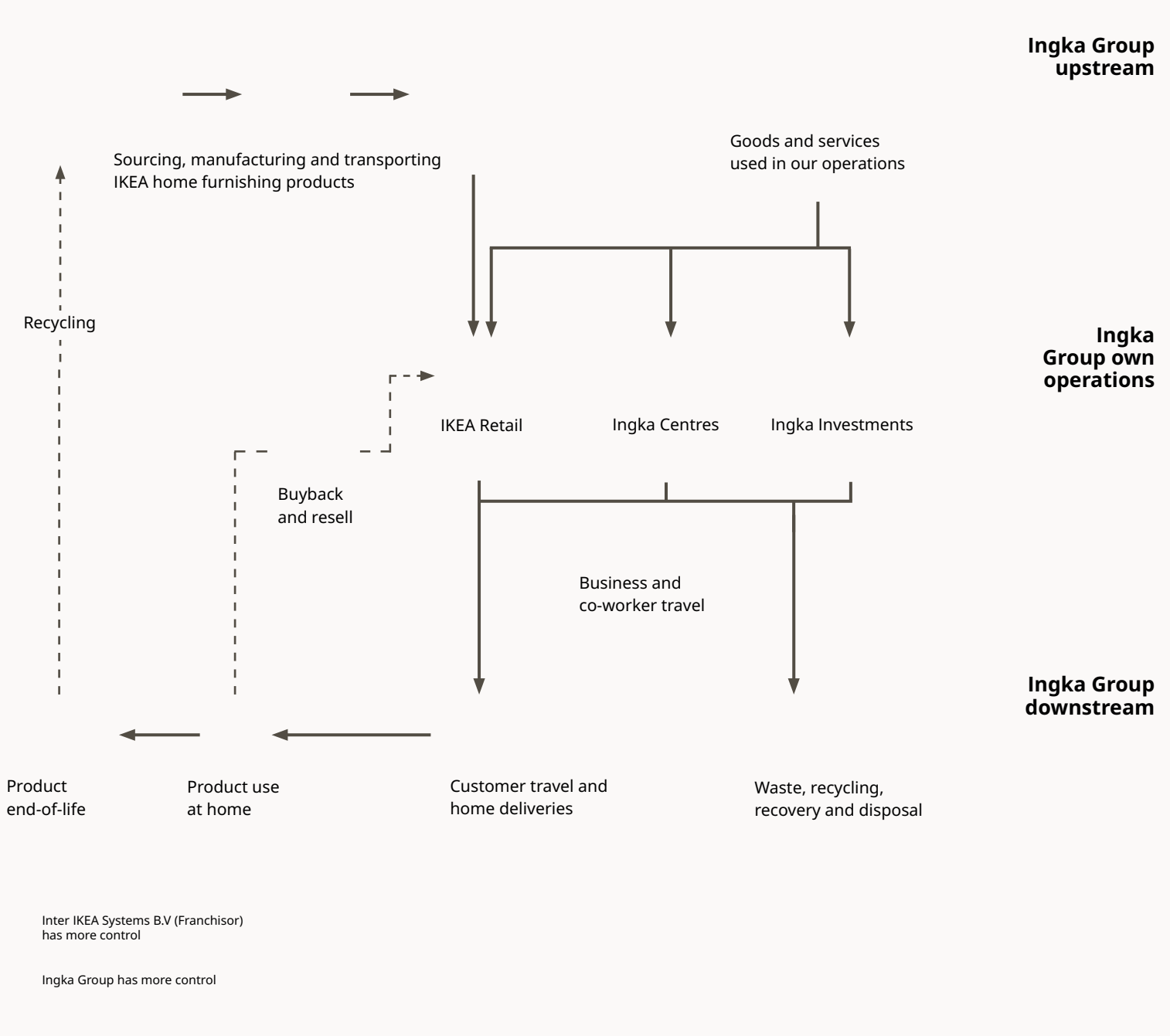
We support the United Nations Sustainable Development Goals (SDGs) in their ambition to achieve a better world for all. Read more on pages 130-131.

Our value chain

At each stage of our value chain, our business has an impact on people and the planet – from our sourcing to the use of our home furnishing products by our customers.

At Ingka Group we take a value chain approach – seeking to understand and address our impacts at every stage to achieve our vision to create a better everyday life for the many people.

We are accountable for our whole footprint but have most control over impacts closely connected to our own operations (marked yellow in the diagram). We work with Inter IKEA Group and other partners to address issues and opportunities associated with sourcing and production (upstream). We offer home furnishing products and services to inspire and enable our customers to live a healthier and more sustainable life at home and to conserve resources through repair, reuse and recycling of IKEA products (downstream).



IKEA Climate Report FY24

IKEA Sustainability Report FY24

Young Leaders' opinion letter

We are the Ingka Young Leaders Forum, a group of under 30 activists and professionals committed to advancing environmental and social justice.

Our collective experience spans building global movements, shaping international policies, and empowering grassroots communities – all aimed at securing peace, prosperity, and justice for people and our planet.

Our Work Thus Far

Over the past four years, we have engaged with the Ingka Group in a manner that balances collaboration with critical oversight. This year, we presented our recommendations on sustainable consumption and community engagement to the Group Management, visited an Ingka-owned forest in Romania, welcomed new expertise to our Young Leaders' cohort, and provided rapid feedback on various sustainability-related initiatives. We have challenged and advised on transparency, digitalization, and sustainability, while advocating for stronger diversity and equity in business practices. Additionally, our Transparency Working Group has contributed to fostering greater transparency and accountability reflected in this annual report.

Conclusion

In a world grappling with intensifying geopolitical tensions and environmental crises, the solutions demand collective action across all sectors of society. As 2025 marks the midpoint of this decisive decade for climate and nature, we

urge Ingka to sustain its leadership and rally businesses and governments toward a future that moves away from unsustainable practices. Our collaboration with Ingka Group has set a precedent for meaningful corporate engagement with youth, exemplified in the strategies outlined in the Young Leaders Playbook. We hope our efforts inspire Ingka and other organizations to deepen their engagement with the next generation of leaders.

Zhilin Xiao, Cathy Yitong Li, Zanagee Artis, Rowella Marri Berizo, Vladislav Kaim on behalf of the Young Leaders Forum

Read the Young Leaders Playbook

We have identified the following areas that are commendable:

- We are pleased to see Ingka continuing to demonstrate leadership, courage and optimism against a challenging geopolitical backdrop, evident in its effort to increase product affordability to meet the needs of the many, pilot IKEA Preowned to expand the second-hand marketplace, and advance environmental advocacy to mobilize business and government ambition.
- Ingka has enhanced its reporting on stakeholder engagement, both within the IKEA ecosystem (with Inter IKEA) and externally, detailing collaborations and resulting actions. We support Ingka's commitment to accountability and inclusive collaboration, which are essential for addressing complex global challenges.
- Ingka's commitment to upskilling co-workers on responsible AI use through its AI literacy programme is commendable. The Group Rule of Digital Ethics provides a vital foundation as the organisation develops its AI roadmap for the coming years.

We would like to see more progress in the following areas:

- We are delighted to see Ingka's increased focus on biodiversity and forestry, and encourage deeper collaboration with civil society organisations and stakeholders, particularly those with local expertise, to advance progress on nature, adaptation and renewable energy.
- With AI having a growing impact in the workplace, we strongly encourage Ingka to advocate for ethical global AI governance and integrate the perspectives of co-workers and unions into its internal framework, ensuring responsible implementation and addressing workforce implications.
- Corruption and human rights issues in the supply chain present significant reputational and regulatory risks to all organisations. We hope to see significant and continuous improvement in the completion rate for additional anti-bribery and corruption training among co-workers in sensitive roles and the major non-compliance rate in IWAY reviews.
- Combating climate change and other global crises requires systemic change. We encourage Ingka to openly share the rationale, challenges and learnings behind updating its targets with stakeholders, while preserving the ambition needed to drive and advocate for systemic solutions to address these challenges.

Our performance at a glance

BETTER HOMES

0.5 million

products that are no longer needed purchased back from customers through our Buyback service

BETTER HOMES

50%

discount on meals in our IKEA restaurants on one day a week to make our food even better value

BETTER LIVES

3,715

refugees have completed employability training in 26 countries since 2019

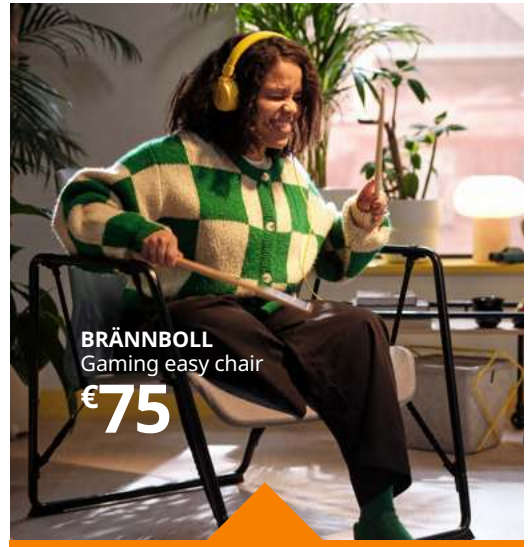
BETTER LIVES

84%

of co-workers feel they can be themselves at work

EUR 2.1 billion

invested in lowering prices of thousands of products across our furniture and home furnishing range



BETTER HOMES

84

Happy Customer score for FY24

BETTER LIVES

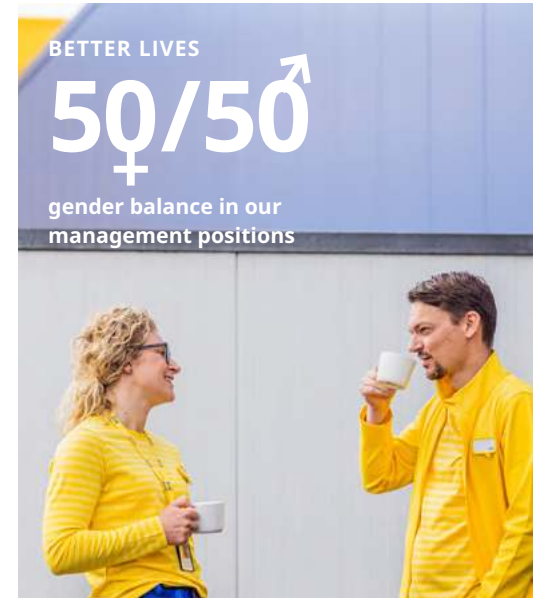
81,080

people supported through our social impact programmes

BETTER LIVES

50/50

gender balance in our management positions



BETTER PLANET

77.7%

operational waste recycled

BETTER PLANET

30.1%

reduction in our climate footprint (scopes 1, 2, 3) from our FY16 baseline.
(Target: 50% by 2030)

BETTER COMPANY

EUR 4.2 billion

invested or committed to invest in renewable energy by Ingka Investments since 2009

BETTER COMPANY

EUR 0.8 billion net income

We reinvested 85% of our net income into the company and the remaining 15% was paid as a dividend to the Stichting INGKA Foundation, to achieve its charitable purpose by providing funding to the IKEA Foundation

BETTER PLANET

96.6%

electricity in our operations from renewable sources

BETTER PLANET

60.5%

reduction in production food waste since FY17

BETTER COMPANY

EUR 41.8 billion

Ingka Group revenue

BETTER PLANET

97.3%

of our forestland portfolio is FSC certified and 2.7% is undergoing certification

BETTER COMPANY

Over

4,000

co-workers participated in AI training and our AI literacy awareness resources were viewed over 54,000 times

BETTER COMPANY

EUR 1.2 billion

Total tax bill

Our progress FY24

Better homes

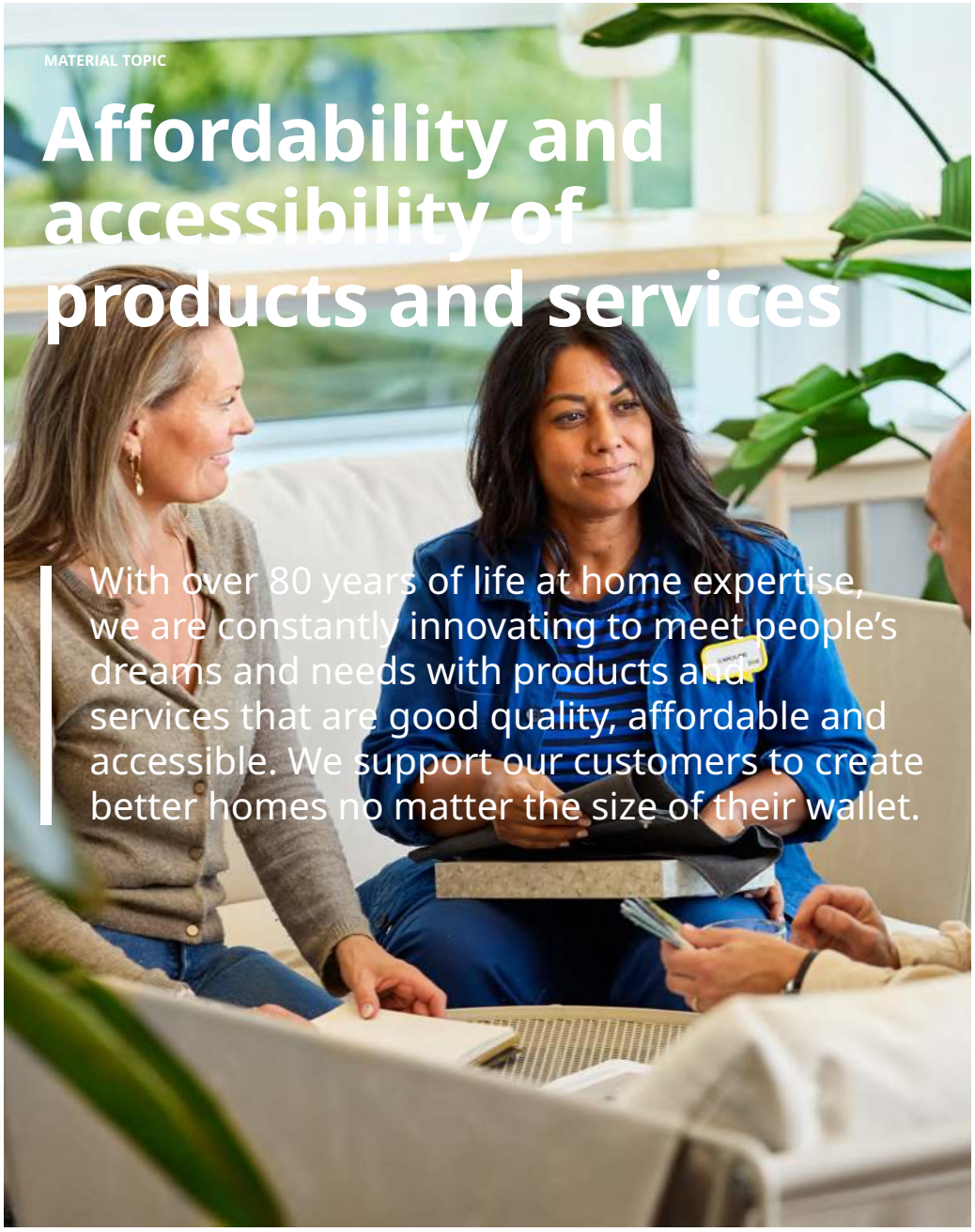
We believe a better home can enable a better life. For generations, we have been on a mission to understand the needs, challenges and aspirations of the many, bringing inspiring and affordable home furnishings to people with big dreams – regardless of wallet size.

Our material topics

- Affordability and accessibility of products and services
- Healthy and sustainable living
- Customer and end-user safety

Progress against targets FY24

OUR TARGETS	PRELIMINARY PROGRESS IN FY24	PERFORMANCE SUMMARY
Affordability and accessibility of products and services		
Targets under development		In parallel to publishing our FY24 report, we are conducting a thorough Double Materiality Assessment (DMA) to set our final CSRD report scope. DMA conclusions will feed into future target setting and the outcomes will be reflected in future reports.
Healthy and sustainable living		
Provide knowledge, inspiration, services and platforms to support customers in prolonging product life.	[ON TRACK]	Progress this year included: • As-Is areas in 365 stores (FY23: 337) where customers can buy returned, discontinued, ex-display and second-hand items for a lower price than buying new. • Around 260,400 customers across 28 countries used our Buyback service to give over 495,000 items a next life (FY23: 430,000). • We provided over 25.8 million free assembly parts (FY23: 24.6 million) to 2.2 million customers to help them repair their products and keep them in use for longer. • Refreshed our Sustainable Living Shops design and communications to make it easier for customers to find out about products that can help them reduce energy, water, waste and prolong product life.
Enable customers to reduce their climate footprint by offering IKEA Energy services in all markets by 2025.	[NOT ON TRACK]	We offered IKEA energy services to help customers use and produce renewable energy at home in 7 countries (FY23:11). We faced several challenges which meant we had to reduce the number of markets offering energy services in FY24. We remain committed to expanding to more countries but don't expect to meet our target to reach all markets by 2025.
Customer and end-user safety		
Targets under development.		In parallel to publishing our FY24 report, we are conducting a thorough Double Materiality Assessment (DMA) to set our final CSRD report scope. DMA conclusions will feed into future target setting and the outcomes will be reflected in future reports.



MATERIAL TOPIC

Affordability and accessibility of products and services

With over 80 years of life at home expertise, we are constantly innovating to meet people's dreams and needs with products and services that are good quality, affordable and accessible. We support our customers to create better homes no matter the size of their wallet.

What we are proud of

- Lowered the prices of thousands of products across our furniture and home furnishing range by an average across all countries of 9% and reduced the cost of our services, such as planning, interior design and assembly, by 9% without compromising on quality.
- Piloted IKEA Preowned, a peer-to-peer second-hand marketplace, to enable customers to buy and sell used IKEA furniture at even lower prices.
- Offered a 50% discount on meals in our IKEA restaurants on one day a week to make our food even better value.
- Opened 43 new IKEA locations including 3 new stores and 40 plan and order points, as well as 3 new Ingka Centres meeting places.
- Enhanced the omnichannel retail experience with new features in the IKEA app that integrates in-store and online shopping.
- Customer satisfaction (as measured by our Happy Customer score) increased to 84 (FY23: 80).
- We conducted our annual IKEA Life at Home research surveying 38,630 people in 39 countries to understand their perceptions of life at home.

Challenges we are addressing

- Many customers are facing higher living costs and have less disposable income, making affordability an ongoing challenge.
- This year, we faced challenges with product availability, particularly in Europe and North America, due to a combination of internal and external factors. Externally, the geopolitical situation in the Red Sea and port strikes created disruptions, while internally, we navigated the complexities of implementing a new transport booking system.

An affordable offer

We are continuously investing in lowering prices to ensure our products and services provide a better life at home at the lowest possible price. Our financial services help customers achieve their home furnishing aspirations whatever their budget.

Lowering prices across the IKEA range

Over the last two years we've been reducing the cost of our products and services to ensure they are affordable. In FY24, we lowered the prices of thousands of products by an average of 9% compared to FY23, bringing them in line with pre-pandemic levels (accounting for inflation). The overall prices of our services such as delivery, click and collect, planning, assembly and installation were also reduced by 9%. All our countries passed on savings from operational and supply chain efficiencies to achieve these cuts for customers, without compromising on quality. For example, Canada invested over CAD 80 million in lowering the price of 1,500 furniture, textiles, cooking and lighting products, South Korea reduced prices by an average of 13% across 700 products, and France invested over EUR 200 million to lower the price of 150 products.

We aim to make all our food ranges nutritious and affordable. In FY24, to make our food even better value, we ran our Happy Days campaign giving IKEA Family members a 50% discount on main courses in our IKEA restaurants on one day a week.

We are also working with the world's largest surplus food marketplace, Too Good to Go, to offer customers in 11 countries 'surprise bags' of surplus food from IKEA food outlets at around a third of the original price. In FY24, customers bought more than 141,860 'surprise bags' (a 5% increase from FY23). For more on healthy and sustainable food see page 20.

Helping spread the cost

We offer financial services in 30 markets to help customers spread the cost of their purchases. 60% of customers using our services report that they could not afford to purchase (fully or partially) without this financial support. We work with financial services providers that share our values to offer fair, simple and affordable financing. In eight countries (Sweden, Denmark, Finland, Norway, the UK, Poland, Germany and Austria) some of these services are provided by Ikano Bank, which was also established by Ingka Group's founder, Ingvar Kamprad.

In FY24, we expanded our financial services to include loan services in Canada and Serbia and a payment by instalment service in Canada, Belgium, the Netherlands, Serbia and the US. Our financing simulator helps customers in 12 countries understand different financing options to find one that suits them best.

To safeguard our customers and support their financial wellbeing, we always provide at least one offer at 0% interest rate. We conduct regular consumer research to make sure our offers are clearly communicated and customers understand how much they will pay each month and in total.

Our research shows that as many as 40% of people feel that having a tidy, organised home helps them feel content and at ease. Many of our customer communications focused on storage across the home in FY24 and our product families such as KALLAX shelving and EKET cabinets. With these products we aim to support customers to declutter, to create multifunctional living spaces, and to spend quality time at home.

A new marketplace for IKEA furniture at even lower prices

Buying second-hand can be a great way of getting quality items at a more affordable price. Our research shows that over half (52%) of people buy second-hand household items to save money[1].

IKEA Preowned, our new second-hand marketplace, enables customers to buy and sell used IKEA products easily and conveniently. To list an item free of charge, sellers simply scan their products using a smartphone and receive a recommended price, professional IKEA product photos and accurate measurements. Each listing also includes product descriptions, assembly guides and care instructions. Once sold, the seller can accept payment as cash or as an IKEA refund card with an extra 15% on their sale price. This can be used for their next purchase with us in-store or online

We are testing the marketplace in Spain and Norway and we are planning to expand to more markets in FY25.

For more on how we're helping customers care for and pass on our products, see page 20.

[1]Ingka Group and GlobeScan: People and Planet Consumer Insight and Trends (2023).

Bringing the IKEA range to more people

We're investing in new locations to make IKEA accessible and convenient for more people.

During FY24, we opened over 43 new IKEA locations including 2 new stores, 1 smaller store and 40 new plan and order points. For example:

- **Japan** - we expanded to a new location in Maebashi in the north Kanto region. The store will have the lowest carbon footprint of any IKEA store in Japan and serve an area of 7 million people. It is part of an investment worth over EUR 1 billion to expand stores in Japan, China and Korea over the next three years.
- **Switzerland** - we opened a 100% renewable-powered store with extensive green space. It is located near the city of Riddes in the Swiss mountain region.
- **Norway** - a new city location in the centre of Oslo that offers planning services and around 600 home furnishing products.

We opened 3 new Ingka Centres meeting places including Livat Xi'an in China with 400 shops, restaurants and entertainment venues. Our first plant-forward Saluhall food hall opened in San Fransisco. We acquired a flagship shopping centre in the city of Brighton, UK and Ingka Investments invested in a new office and retail tower project on Fifth Avenue, New York, where we plan to open an IKEA store in the coming years.

Creating an omnichannel retail experience

We are delivering a seamless and convenient omnichannel shopping experience that combines the benefits of in-store and online.

By integrating digital technology into every element of our customers' shopping journey, we are making it easier and more convenient for them to access our products. In FY24, 28% of our sales were from digital touch points.

Enhancing our digital shopping tools

The IKEA app enables customers to buy products online, plan their visit to a store and improve their shopping experience while in-store. New features include a 3D product visualiser, back-in-stock notifications, a scan and pack tool to save time at the checkouts and wish lists to organise favourite products. We have also integrated the IKEA Kreativ tool to help customers design their living spaces by visualising IKEA products in their homes.

In FY24, the IKEA app was downloaded 18.9 million times, had over 273 million visits and accounted for around 12% of our online sales. IKEA Kreativ had over 2.9 million active users across the IKEA app and ikea.com in 29 countries (FY23:9 countries).

AI-powered shopping assistant

We launched a first-of-its-kind, AI-powered home design and shopping assistant, IKEA AI assistant, in the OpenAI GPT store in the US. It provides customers with an interactive experience and personalised design and furniture inspiration based on their needs, tastes and budget.

Digitising self-service in store

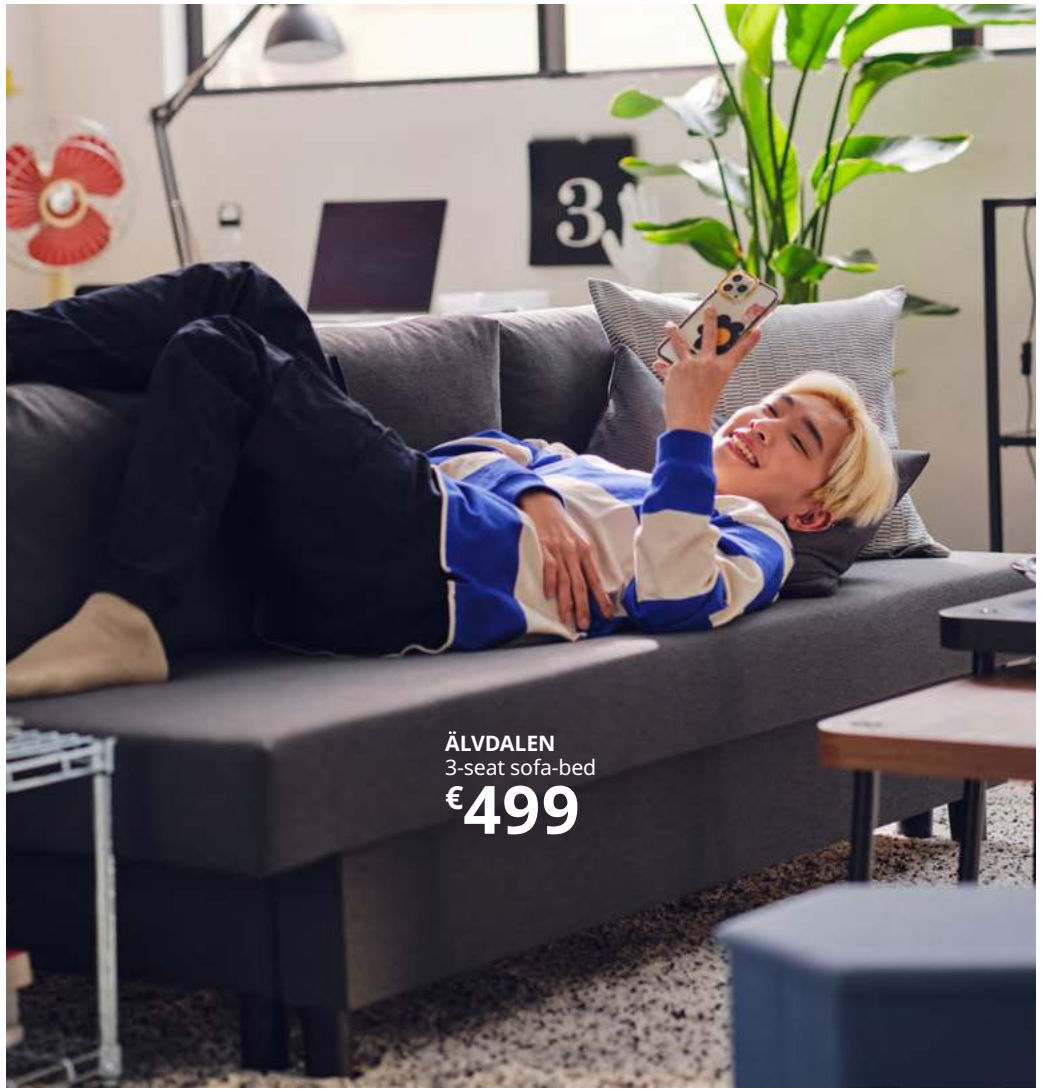
We rolled out our Upptäcka self-service kiosks in all stores to help customers check product information and availability, easily locate items and start purchases using their smartphones to streamline the checkout process. We have also introduced more 'click and collect' services to offer an affordable and convenient alternative to home delivery. In FY24, this included a new service in Amsterdam that enables customers to order online and collect from a vending machine in-store or from lockers located around the city at a time that suits them.

Automating our operations

Digital and automated solutions are helping us improve operational efficiency, reducing the time co-workers spend on manual tasks and improving stock availability for customers. In FY24, we continued to trial many automated solutions across our business including 300 drones to carry out inventory checks at our stores and fulfilment centres in nine countries, and smart robots that can pick and transport products to improve stock management at some warehouses in South Korea, Japan and China.

We are also using data and AI to more accurately forecast customer demand based on factors such as pricing, campaigns, weather, economics, and customer preferences, to help ensure our products are available at specific locations when needed. We plan to evaluate and scale the most effective solutions in FY25.

Our Digital Ethics Policy helps ensure we use AI and other technologies responsibly, see page 86.



What our customers think

We assess whether our products and services are affordable and accessible using sales data, customer feedback and research to help us keep improving.

In FY24 this included:

- Our Brand Trust score, which is based on consumer and customer research. Our score improved in FY24 thanks to improved awareness and perception of our shopping experiences and the quality of our range for the price, as well as high scores for our approach to sustainability. 47.4% of people endorse IKEA as a brand they trust compared to other home furnishing brands (FY23: 46.7%). We track our Brand Trust score in 30 countries, and in 28 of these we are the most trusted brand vs direct competitors (FY23: 27).
- Our Happy Customer Score, which tracks customer satisfaction, increased in FY24 to 84 (FY23: 80)[1]. This included improved ratings for customers' perception of affordability. Our Happy Customer Score is the main way we measure customer experience at IKEA and scores are based on feedback from several sources.
- Customer research assessed perceptions of affordability and found that 60% of participating consumers agree that IKEA always has furniture that fits their budget.

We conducted our annual IKEA Life at Home research surveying 38,630 people in 39 countries to understand their perceptions of life at home. In FY24, we found that 61% of people feel good about their life at home (FY23 60%). Household finances, the economy and health were people's main concerns. Just under half (48%) of people feel positive about their future but interestingly, we found people that feel good about their homes are more likely to feel positive about their future.

[1]Our Happy Customer Score methodology was updated in FY24 and we have recalculated our FY23 score using the new methodology to enable comparability.

MATERIAL TOPIC

Healthy and sustainable living

The IKEA ambition is to make healthy and sustainable living a desirable choice that is affordable, attractive and accessible for as many people as possible. We contribute by offering products and services that can help customers to reduce energy, water and waste and prolong product life and using communications to inspire behaviour and lifestyle changes.

What we are proud of

- Refreshed our Sustainable Living Shops' design and communications to make it easier for customers to find out about products that can help them reduce energy, water and waste and prolong product life.
- Scaled up our circular services including buying back over 495,000 used products from customers through our Buyback service and selling second-hand items at discounted prices in our As-Is areas in 365 stores.
- Provided plant-based food to customers at our food outlets at the same or lower price than the meat-based alternatives, including our new plant-based breaded nuggets.
- Our Love your stuff for longer campaign encouraged 315,000 visitors to Ingka Centres to repair, reuse and repurpose instead of buying new products.

Challenges we are addressing

- We had to reduce the number of countries offering IKEA energy services due to challenges with some of our partners and changes to subsidies and regulations. We are reviewing our approach and plan to expand the number of markets offering energy services in FY25.
- We were unable to expand Circuit spaces to other Ingka Centres meeting places but continue to test multiple circular approaches to gather insights on which best meet customer needs.
- We could not scale up our second-hand offer fast enough to meet customer expectations, both in-store and online.

Products for healthy and sustainable living

Sustainability is embedded in the IKEA product development process and many of our products are designed to help people use less energy and water, reduce waste and eat healthy and plant-based food.

Latest IKEA range sustainability highlights

Our new HILLEBORG and MAJGULL black-out curtains are made using recycled pre-consumer polyethylene terephthalate (PET) textile waste, helping reduce waste, energy, water and CO_2 emissions from production.

PLATSA is the first IKEA product to have full disassembly instructions included online so customers can disassemble, reassemble and alter its function over time to keep it in use for longer.

DÅNHULT is a foam-less sofa that uses thermobonded felt made from pre- and post-consumer fabric waste from IKEA's production process and other used textiles.

Our Sustainable Living Shops

Our Sustainable Living Shops are designated spaces in our stores and online where customers can find out about products and behaviours for living more sustainably and saveing money. Products featured include energy-efficient smart home solutions, water-saving taps, long-lasting LED lightbulbs, rechargeable batteries, as well as paints and oils that can help revive furniture to prolong product life.

In FY24, we refreshed our Sustainable Living Shops design and showcased tips, ideas and products focused on encouraging five key actions (see box). We also launched our Sustainable Living Shops online.

Our Sustainable Living Shops encourage customers to:

- Use less energy
- Use less water
- Choose better food
- Create less waste
- Love it longer

Visit a Sustainable Living Shop

Helping customers care for and pass on our products

Our current circular services enable customers to buy second-hand, maintain and repair items to prolong product life, and resell them when they're no longer needed.

Giving items a second chance

We offer ex-display, discontinued customer returns, and second-hand items at discounted prices via our 'As-Is' areas. In FY24, we had As-Is areas in 365 stores (FY23: 337) and customers can now buy As-Is items online at 338 stores in 27 countries (FY23: 279[1] and 24).

Providing spare parts to prolong product life

We provided over 25.8 million free assembly parts to 2.2 million customers to help them repair our products and keep them in use for longer. These included nuts, bolts, screws and dowels which we provide online at IKEA.com. We also offer larger furniture spare parts in-store or by contacting our customer service centre. Our free assembly parts campaign promoted the service in FY24 (see page 21).

Buying back used products to resell

Around 260,400 customers across 28 countries used our Buyback service in FY24. We repurchased over 495,000 used IKEA products that customers no longer needed (FY23: 430,000) and resold them at our 'As-Is' areas, both in-store and online. We also expanded the range of items eligible for Buyback to include children's furniture, lamps and bedframes. To promote the service, we ran our Buy Back Friday campaign (see page 21).

To showcase our second-hand offers to customers we used second-hand items in room settings in some countries.

Bringing renewable energy to customers

IKEA Energy Services enable customers to use and produce renewable energy at home.

The services we offer vary by country but include solar panels, battery storage systems, an electricity subscription service to help customers switch to renewable electricity and a heat pump service that enables customers to buy quality heat pumps at affordable prices. In FY24, we also piloted a new feature in our Home Smart app to help customers reduce their energy use.

We faced several challenges in FY24 which meant we had to reduce the number of markets offering energy services. These challenges related to partner companies we are working with, cost of living concerns, changes in government subsidies for consumers, and policies that prevent customers from selling excess energy generated back to the grid, which makes them less affordable.

We remain committed to helping our customers generate and access affordable renewable energy. During FY25, we will identify markets where energy services are most likely to succeed and those where we may need to wait for policy changes before implementation. We are also focusing on extending lessons learned from successful markets such as Sweden to other locations. We plan to expand the number of markets offering energy services in FY25 but we don't expect to meet our target to reach all markets by 2025.

IKEA smart home app

Our new energy insights feature available in the IKEA Home Smart app provides energy saving tips and real-time data on electricity use and prices as they change throughout the day. This helps customers understand which appliances are using most energy so they can be used more efficiently and cost-efficiently.

Offering more plant-based food

We served food to around 665 million people last year. By offering plant-based meals on our menus, we're helping customers choose diets made up of more plants and less meat with a lower carbon footprint[2].

A growing number of customers are opting for plant-based food including our plant-based balls, veggie balls, plant-based hot dogs, veggie hot dogs, plant-based soft ice and, new in FY24, plant-based breaded nuggets. Our goal for 2025 is that 50% of IKEA restaurant main meals offered will be plant-based.

We also offer hybrid dishes, which have less meat and more vegetables per dish. One example is our Pannbiff patty in Sweden, which is made with 50% minced beef and 50% plant-based ingredients, including locally sourced yellow peas.

To encourage people to opt for plant-based food, we make sure all our locations offer it at the same or lower prices than the meat-based alternatives (even when the cost of raw materials is higher).

[1]Data for FY23 has been restated (previously reported as 278 stores).
[2]Project Drawdown: The powerful role of household actions in solving climate change.

Love your stuff for longer at Ingka Centres

More and more people are discovering the joy of repairing, reusing and repurposing. Our 'Love Your Stuff For Longer' campaign, now in its fourth year, supports this movement by encouraging visitors to our Ingka Centres to only buy what they love, and to make it last.

In FY24, we kicked off the campaign during Black Friday Week and set up swap shops to enable visitors to exchange belongings with each other such as clothes and toys. We also provided tips and ideas on how to adopt more circular habits in daily routines. Around 315,000 people visited our swap shops over three months (November to February).

We're also exploring new circular services at our meeting places to provide insight into customers' needs and preferences. For example, at our Circuit space in Birsta City, Sweden we're trialling DIY equipment rental and resale of household items.

Inspiring behaviour and lifestyle changes

We aim to nudge and inspire lifestyle changes through our communications campaigns.

In FY24, we ran customer campaigns in many of our markets including:

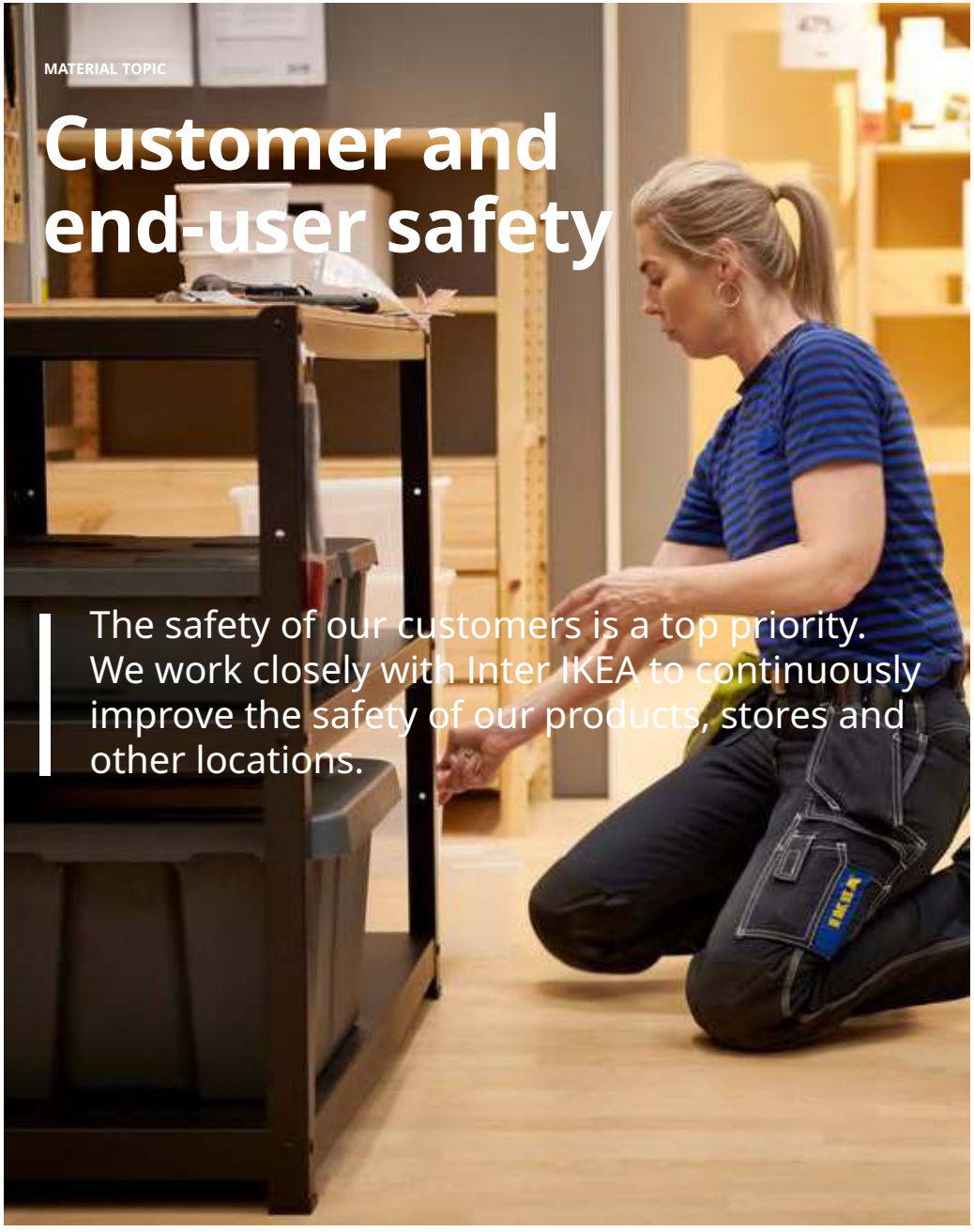
- 'Buy Back Friday' which invited customers to sell used IKEA products they no longer need back to us in exchange for an IKEA voucher during Black Friday week. Over 604,180 customers used our online valuation tool to get an estimated price and we purchased 54,641 items back.
- Our spare assembly parts campaign which encouraged more people to use our free assembly parts service.
- Our Second Hand Tax (SHT) campaign which advocated for sales taxes to be removed on second-hand goods to reduce costs for consumers in Canada. It gave IKEA Family members a 13% discount on second-hand products in our As-Is areas to offset the cost of the tax.

External engagement and advocacy

We engage with a variety of internal and external stakeholders to develop our business and to ensure we have a positive impact on society.

We collaborate with:

- 1.5 Shift Foundation (SITRA)
- SolarPower Europe



MATERIAL TOPIC

Customer and end-user safety

The safety of our customers is a top priority. We work closely with Inter IKEA to continuously improve the safety of our products, stores and other locations.

What we are proud of

- Updated our safety requirements for retail and shopping equipment to help prevent accidents in customer areas.
- Rolled out the GOOD FOOD app to help co-workers improve food safety and hygiene across all our countries.
- All food outlets underwent unannounced third-party audits twice a year to check our processes are being implemented.
- Introduced new monitoring and escalation processes to help co-workers identify and quickly respond to food safety issues.
- Our new product safety and hygiene processes enabled us to expand the second-hand ranges we resell.

Challenges we are addressing

- Maintaining high safety standards in our locations requires all our co-workers to be vigilant and to apply our policies consistently. We need to continually reinforce a focus on safety through our training and communications.

Customer safety in our locations

We have strict safety policies and procedures to help prevent accidents and ensure that customers stay safe throughout their visits to our stores and meeting places.

Our Group Rule on Health and Safety guides our locations on how to evaluate and mitigate safety risks. In FY24, we updated the Rule to clarify our safety requirements for retail and shopping equipment in customer areas.

Our co-workers carry out weekly safety checks in customer areas to make sure all furniture is displayed safely and to check for, and address, any potential trip hazards. Our product quality teams carry out additional safety inspections three times a year to confirm that products are displayed safely. We also conduct daily checks of our supervised children's play areas such as the IKEA Småland creches.

We provide training for retail co-workers on customer safety and work with Inter IKEA to integrate safety measures into the design of retail equipment, such as shopping trolleys and display racking, as well as new store layouts and displays.

Most customer accidents relate to minor slips, trips and falls. Serious accidents are rare but unfortunately can occur, for example when a customer falls while getting on or off an escalator. We analyse the reasons for any accidents to prevent them from reoccurring.

Food safety and hygiene

All our food outlets apply rigorous safety and hygiene standards to make sure our food is always safe to eat.

Our food safety standards are set by our franchisor, Inter IKEA. They incorporate best practices from international accredited bodies and comply with local regulations. All our food outlets undergo unannounced external third-party audits against our safety standards twice a year and we use the findings to target improvements. Any unit requiring improvement will undergo more regular audits until performance is back on track. In FY24, we updated our audit checklist to meet new legislation and business needs which included giving increased weighting to cleanliness and equipment hygiene.

In FY24, we finished rolling out our GOOD FOOD app to all our countries to help co-workers manage safety and hygiene processes in food storage and preparation. The app's features replace manual checks with digital checklists and temperature monitoring of hot and cold food items, fridges and freezers. Co-workers can use the app to track that corrective actions are implemented. We also introduced a new tool to improve food safety incident monitoring and developed an escalation process to ensure a rapid response in the event of a serious food safety incident

Product safety

We make sure IKEA products are good quality and safe to use by working to prevent, detect and correct any product safety and quality issues before they reach our customers

Inter IKEA Group is responsible for designing, producing and supplying safe and compliant IKEA products. Its approach to product safety includes:

- **Risk assessment:** A formalised risk assessment process known as "Design for Safety". Product safety risk assessments consider intended – and unintended – uses of every product we sell.
- **Safety testing:** Over a million product tests are carried out every year at IKEA Test Labs in Älmhult, Sweden, and China, as well as independent accredited test labs around the world.
- **Safety standards:** IKEA product safety standards comply with, and often exceed, all relevant safety laws and standards in the countries where we operate.
- **Information for customers:** We provide guidance on correct use of products to prevent any safety issues occurring

As a retailer, Ingka Group considers product safety when handling, communicating, stocking and selling IKEA products. Our Policy on Product Safety and Quality sets out our requirements and we make sure any product safety concerns or incidents that arise in relation to the IKEA range are reported to Inter IKEA via an online reporting tool which is monitored 24/7. We provide this feedback on an ongoing basis to support continuous improvement of IKEA products.

Co-workers are trained on our Policy and how to report concerns. We track the number and types of concerns raised to ensure co-workers are applying our policy consistently and to ensure products are safe and comply with our requirements. Our compliance teams check our displays, room sets and advertising to make sure that products are shown being used correctly and safely.

In FY24, we introduced new safety and hygiene processes to ensure that any second-hand products we resell are clean, safe to use and assembled correctly, and that relevant safety information is provided to the customer. This enabled us to extend the products eligible for our Buyback service, which buys back used IKEA items that customers no longer need and resells them in our As-Is areas (see page 20).

Better lives

People are at the heart of everything we do. We want to take a leading role in creating a fairer and more equal society and to improve the lives of the millions of people that interact with, or are impacted by, our company.

Our material topics

- Human rights
- Equality, diversity and inclusion
- Health, safety and wellbeing
- Skills development
- Fair income
- Community impact

Progress against targets FY24

OUR TARGETS	PROGRESS IN FY24	PERFORMANCE SUMMARY
Human rights		
Targets under development.		In parallel to publishing our FY24 report, we are conducting a thorough Double Materiality Assessment (DMA) to set our final CSRD report scope. DMA conclusions will feed into future target setting and the outcomes will be reflected in future reports.
Equality, diversity and inclusion		
Achieve gender balance across our business by FY27.	[ACHIEVED]	We maintained a 50/50 gender balance (equal representation of men and women) in our co-worker (54% women) and management positions (50%).
Achieve gender balance across our governing bodies and senior leadership (boards) by FY27.	[ON TRACK]	We are progressing towards our target among executive leadership, increasing the percentage of women in Group Management to 42% (FY23: 39%). At country level, 46% of our CEOs were women. We maintained representation of women on our Supervisory Board at 25%.
Score 80% on our Inclusion Index, based on our co-worker survey.	[ON TRACK]	Our Inclusion Index score was 79% (FY23: 80%) which was slightly below our target but we are pleased with a strong result.
Increase ethnic, racial and national diversity at all levels so our workforce reflects the diversity of the communities in which we operate by 2024.	[NOT ON TRACK]	We have come to the end of our time-bound target. While we have made progress in key areas, we face challenges in monitoring and reporting our performance due to legal restrictions on diversity data collection in many markets.
Health, safety and wellbeing		
Maintain at least an 80% engagement score in our co-worker survey.	[ON TRACK]	Our engagement index score decreased slightly to 77% (FY23: 79%) but remains well above the global benchmark of 70%.
At least 80% of co-workers believe we live our values, based on our co-worker survey.	[ON TRACK]	Our co-worker survey results indicated that 78% of co-workers agreed we live our values (FY23: 79%). While this is slightly below our target we were pleased to maintain a good result.

Progress against targets FY24

OUR TARGETS	PROGRESS IN FY24	PERFORMANCE SUMMARY
Skills development*		
At least 80% of co-workers feel they have good opportunities to develop their competencies.	[NOT ON TRACK]	Our co-worker survey showed that 72% of co-workers feel they have good opportunities to develop their competencies (FY23: 74%). We are developing a skills library, talent marketplace and AI-driven talent hub to ensure co-workers can access relevant training and provide clear pathways for growth and development.
At least 80% of co-worker feel empowered to create best customer experience.**	[ACHIEVED]	We were pleased to achieve our target with 81% of co-workers feeling empowered to create the best customer experience – up from 80% in FY23.
Fair income		
Equal pay for women and men performing work of equal value in all countries (own co-workers).	[ON TRACK]	Our latest gender equal pay assessment showed that 4.32% of co-workers were in groups where differences in pay could not be explained by performance, competence or a country's legal requirements. We put monetary and non-monetary actions in place to address the gaps. Less than one percent of co-workers required monetary actions.
Community impact		
Support at least 2,500 refugees through job training and language skills initiatives in Ingka Group units across 30 countries by 2022.	[ACHIEVED]	We have provided over 3,700 refugees in 26 countries with training via our Skills for employment programme since 2019, with 887 completing it in FY24. We have now committed to support a further 3,000 refugees and asylum seekers into work by the end of 2027.

*We have discontinued our FY24 target to provide upskilling and reskilling training to co-workers in our transformation initiatives starting with customer service, facilities and stores.
**New target in FY24.

MATERIAL TOPIC

Human rights

We aim to put respect for human rights at the heart of our business, integrating it into our strategies, policies and processes based on the UN Guiding Principles on Business and Human Rights. Our respect for human rights encompasses everyone our business encounters including our co-workers, customers, workers in our supply chain and neighbours.

What we are proud of

- Began conducting a salient human rights risk assessment of our operations and value chain to identify and prioritise our main human rights risks.
- Developing our new company-wide Human Rights and Environmental Due Diligence (HREDD) framework to help us identify, prevent and manage potential and actual human rights risks as they evolve.
- Strengthened our approach to child rights and safety with a new roadmap and safeguarding guidelines for co-workers.
- Developed just transition principles to ensure our climate plans address the social impacts of decarbonisation.

Challenges we are addressing

- Identifying how to measure human rights impacts beyond adherence of our suppliers to our supplier code of conduct.
- Conducting further human rights due diligence of our value chain to ensure compliance with upcoming legislation. We are exploring new systems to help us improve transparency of sub-suppliers deeper in our supply chain. Our Human Rights and Environmental Due Diligence (HREDD) framework will help us identify, prevent and manage potential and actual human rights risks across our value chain. It aligns with the UN Guiding Principles on Business and Human Rights and relevant OECD frameworks and ensures we can meet upcoming human rights legislation.

Our human rights approach

The Ingka Group Policy on Human Rights and Equality is the basis of our approach to human rights and we are guided by the Ingka Employment Standards, our Code of Conduct and IWAY – the IKEA supplier code of conduct. We are developing our new Human Rights and Environmental Due Diligence (HREDD) framework to strengthen our approach.

Governance: The Ingka Group Policy on Human Rights is approved by our Management Board and our Human Rights and Social Impact team lead our efforts. We are clarifying our governance bodies and business functions' responsibilities in implementing our HREDD framework in FY25.

Salient human rights risks: We aim to focus on our most salient human rights risks which are those that could create severe negative impacts. Potential human rights risks for our industry include modern slavery and forced labour, low wages, undocumented cash wages, excessive hours, unsafe working conditions, and threats to freedom of association rights. We are conducting a human rights risk assessment of our operations and value chain to identify and prioritise our most salient risks, considering risk factors such as sector, geography and commodity. The findings will be used to update or develop mitigation plans for our most salient risks.

Due diligence: Our IWAY system helps us identify human rights risks before supply chain agreements are entered into, and monitor and manage these throughout the agreement, including risks relating to workplace health and safety, wages and working hours. See page 89. Human rights is also one of the categories in the Ingka Group risk management process, see page 96.

Reporting concerns: We operate Trust line for co-workers to confidentially report any human rights concerns, see page 84. In the EU, we are also making Trust line available to people who have a working relationship with Ingka, such as contractors, suppliers and volunteers. Through our supplier code of conduct, IWAY, we request that suppliers put grievance mechanisms in place to enable workers in our supply chain to raise complaints or concerns without fear of retaliation. With Inter IKEA, we are also exploring an external grievance mechanism to enable supply chain workers to report violations of our supplier code of conduct by their employer, directly to us.

Remediation: We take seriously our responsibility to remediate any negative human rights impacts on people, society and the environment that we cause or contribute to. Our approach is determined by the impact, nature and severity of the harm. If cases arise within our supply chain that are indirectly connected to us, we work with the supplier to support access

to remediation, external experts or independent partners where necessary. Working with Inter IKEA, we are creating remediation principles that align with the UN Guiding Principles on Business and Human Rights and Organisation for Economic Co-operation and Development (OECD) Guidelines. These principles will be adapted to guide how we remedy affected stakeholders.

During FY24, we have been developing our approach to the just transition so we can ensure our climate plans respect human rights and that we address the social impacts of decarbonisation. Read more on page 54.

Strengthening our human rights commitment

We are developing a new company-wide Human Rights and Environmental Due Diligence (HREDD) framework to help us identify, prevent and manage potential and actual human rights risks as they evolve across our operations and value chain.

The framework sets out a comprehensive approach to strengthen human rights due diligence across four key areas: human rights risk assessment and mitigation, grievance mechanisms, remediation and public reporting as well as our approach to engagement and measuring our human rights impacts. Our governance bodies and business functions will oversee implementation.

HREDD will help us address the gaps and opportunities identified through our human rights baseline assessment in FY23. It aligns with the UN Guiding Principles on Business and Human Rights and relevant OECD frameworks and ensures we can meet upcoming human rights legislation.

Supporting children's rights

We aim to support, protect and empower the children and families that come into contact with our business through our products, stores, marketing and supply chain.

Our children's rights commitment is set out in our Policy on Human Rights and Equality and we have detailed principles for child participation and safeguarding. Our approach is based on the Children's Rights and Business Principles developed by Save the Children, the UN Global Compact and UNICEF.

We are developing a roadmap to strengthen our approach to child rights across our business. It is based on three priorities:

- **Keeping children safe and protected –** putting appropriate child safeguarding measures in place, never tolerating any form of child labour in our supply chain and making sure products are safe and marketed responsibly.
- **Being a family-friendly business –** supporting co-workers who are parents and caregivers through our policies and workplace practices.
- **Reflecting young people's views –** listening to young people's opinions and ideas and collaborating with them to shape the future of our business.

We are developing and implementing new processes, guidance and tools to embed our child rights roadmapage In FY24, this included updating our child safeguarding guidelines and reporting protocol to help co-workers interact safely with children on our premises, identify signs of neglect and act on any concerns. We plan to pilot these guidelines in FY25.

Our zero-tolerance approach to child labour is made clear to suppliers through our IWAY Standard on Preventing Child Labour and Supporting Young Workers. We believe that young people who are legally able to work should have access to decent employment opportunities, but they should not do hazardous work, night work or overtime. In FY24, there was one case of child labour identified in the Ingka Group supply chain at one of our waste sub-suppliers in Slovenia. During an IWAY audit we found that a child was operating floor cleaning machinery in an area considered a hazardous working environment. We required the supplier to immediately resolve the situation including restricting access to the production site to authorised personnel and clarifying that access restrictions and child labour policies apply to family members. Our direct supplier is conducting regular follow-up checks of the sub-supplier site. For more on supplier audit results see pages 89-91.

Our marketing principles for agencies and production companies ensure our marketing to children or portraying children aligns with our robust standards.

Our Ingka Young Leaders Forum of activists and professionals who are under 30 years old provided feedback on our business strategy and challenged us to improve (see page 8 for more).

Fair income for supply chain workers

We are committed to supporting our suppliers to provide a living wage for workers in our supply chain.

In FY24, we conducted a review of supply chain living wage best practices to identify gaps and opportunities and developed a fair income roadmap, based on our Responsible Wage Practices Framework. We plan to pilot potential approaches with selected suppliers from different sectors. See page 42 for more on fair incomes.

Aligning to international standards

This starts with the Universal Declaration of Human Rights and its two corresponding covenants, The International Covenant on Civil and Political Rights and The International Covenant on Economic, Social and Cultural Rights, which form the basis of our approach.

We pay special attention to children's rights, women's rights and the rights of people belonging to underrepresented and marginalised groups, as outlined in international conventions including:

- The UN Convention on the Rights of the Child
- The UN Convention on the Elimination of All Forms of Discrimination against Women
- The International Convention on the Elimination of All Forms of Racial Discrimination
- The Convention on the Rights of Persons with Disabilities.

Our commitment to workers' rights is based on the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Our approach to human rights in our business is also aligned to:

- The UN Guiding Principles on Business and Human Rights
- The Children's Rights and Business Principles
- The OECD Guidelines for Multinational Enterprises
- The UN Global Compact, including the UN Women's Empowerment Principles
- The Gender Guidance to the UNGPs
- The UN Standards of Conduct for Tackling Discrimination against LGBTI people.

We comply with applicable laws in the countries where we operate. When these laws are not aligned with international human rights standards, we strive to find the best way forward to secure that the essence of the rights reflected in these international human rights standards is still respected.

External engagement and advocacy

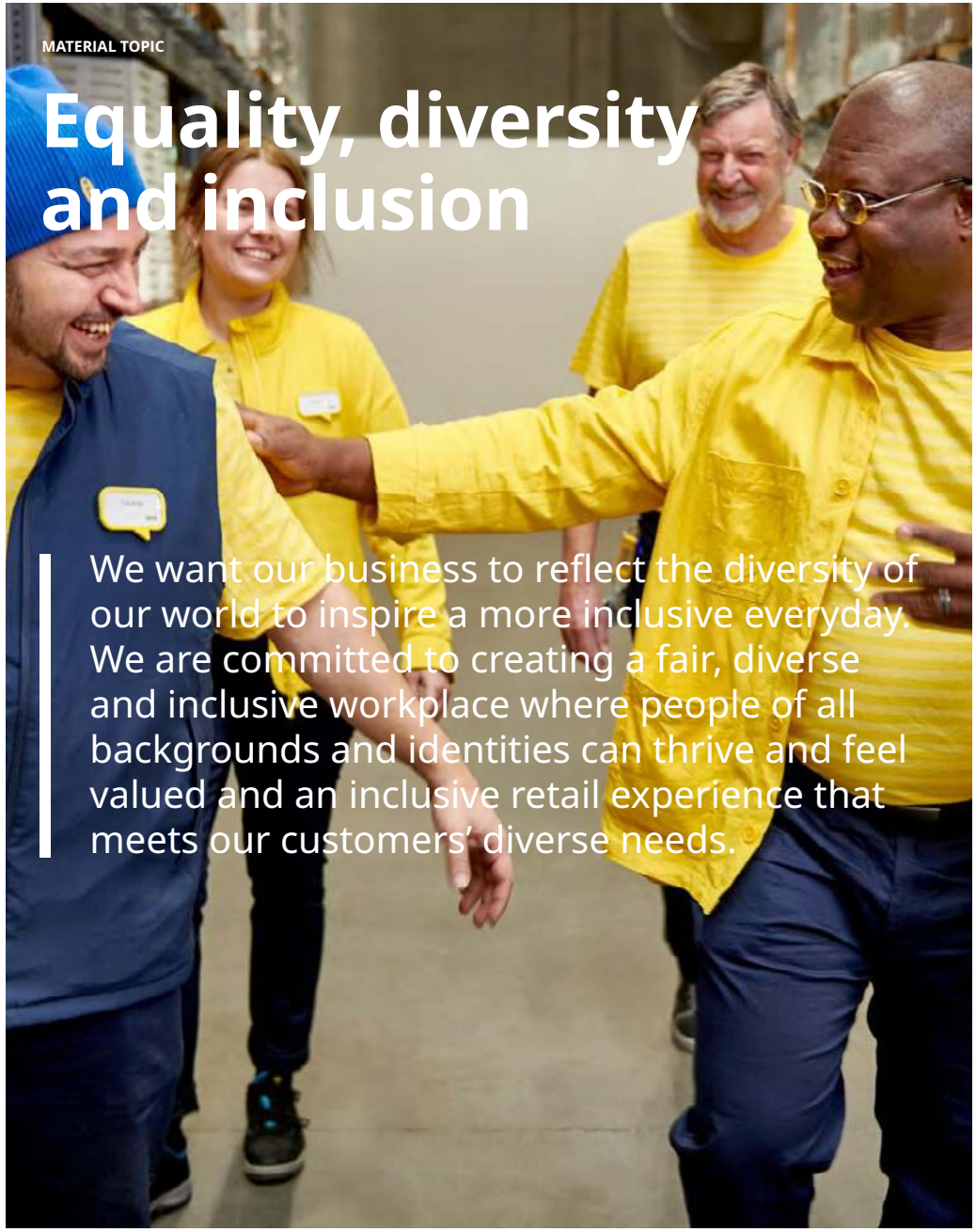
We engage with organisations working on human rights including the B Team, UNICEF and World Economic Forum. We are members of the Business Network on Civic Freedoms and Human Rights Defenders and the Enact Business and Human Rights Network.

We believe businesses have a responsibility to provide transparency on human rights through due diligence reporting. Together with Inter IKEA Group, we have supported the adoption of the proposal for a Corporate Sustainability Due Diligence Directive (CS3D) and Forced Labour Ban and we continue to engage with EU institutions and policy makers to support the implementation of CS3D, including through the development of practical implementation guidelines.

During FY24, we co-founded the International Day of Play to bring the joy and benefits of play closer to communities worldwide. This was officially endorsed by the United Nations General Assembly and was celebrated for the first time in June 2024.

We collaborate with:

- World Economic Forum
- Equal Pay International Coalition
- The B Team
- Ingka Young Leaders Forum
- UN Global Compact
- UNHCR
- Enact Network on Business and Human Rights
- Open for Business
- Stonewall
- Workplace Pride
- Catalyst
- Valuable 500
- Business Disability Forum
- European Disability Forum



MATERIAL TOPIC

Equality, diversity and inclusion

We want our business to reflect the diversity of our world to inspire a more inclusive everyday. We are committed to creating a fair, diverse and inclusive workplace where people of all backgrounds and identities can thrive and feel valued and an inclusive retail experience that meets our customers' diverse needs.

What we are proud of

- Launched our global Equality, Diversity and Inclusion Plan with goals and actions up to FY27.
- 84% of co-workers feel they can be themselves at work.
- Maintained gender balance of co-workers, management teams and retail country boards.
- Extended our gender equality approach to include co-workers who identify as gender non-binary.
- Completed our Equal Up! pilot programme to increase diversity in leadership and launched our Equal UP! Playbook to help embed inclusive practices.
- Trialled different approaches to making our retail experience more inclusive including room sets showcasing products that improve accessibility and silent shopping hours to support neurodiverse customers.
- Recognised by the World Economic Forum DEI Lighthouse initiative for our commitment to achieving gender balance.

Challenges we are addressing

- We have further work to do, in partnership with others, to improve our diversity data, in particular in relation to ethnicity across all countries.
- We are making good progress on gender balance in senior leadership but have not yet achieved it for our Management Board and Supervisory Board. We aim to address this through succession planning.
- Co-worker feedback shows we have more to do to create a fully inclusive co-worker journey for people with underrepresented identity aspects.
- Ensuring a consistent approach to creating an inclusive retail experience for all customers across Ingka Group.

Our Equality, Diversity and Inclusion priorities

Our new global Equality, Diversity and Inclusion Plan sets out our ED&I goals and actions up to FY27.

Through the plan, we aim to increase our impact by focusing on:

- **Building and sustaining diverse teams** that reflect the diversity of society with a focus on gender, including people who identify as non-binary, ethnic diversity in management, and disability inclusion.
- **Creating an inclusive culture** where all our co-workers feel psychologically safe, respected, acknowledged, valued and confident being their unique selves.
- **Meeting more people with the IKEA brand** including ensuring our retail experiences are inviting, engaging and inclusive for customers of all backgrounds and abilities.

Each Ingka Group country will develop local action plans to drive progress on these priorities in FY25. Our Inclusion Sponsors Network helps embed ED&I in strategic decisions and encourages learning between different parts of the business. Sponsors are from country and Group Function management teams.

While we have a particular focus on gender balance, ethnicity and disability inclusion, we are committed to supporting multiple dimensions of diversity and their intersections including race, nationality, age, generations and sexual orientation. Our Ingka Group Policy on Human Rights and Equality and our Rule on Equality support our efforts to establish a workplace free from discrimination, harassment and hostility. Our European Union countries have all signed their country's national diversity charter.

Building competence for ED&I

We are tackling bias in the workplace to improve the quality of decision-making in our people and business processes. Since FY22, we have been rolling out unconscious bias training to all our leaders and are now integrating this into the training our people managers undergo in relation to recruitment, talent review and performance and development processes. Almost all our country management teams have completed our ED&I management training: Bridging from intentions to actions.

Co-workers ED&I communities

Our co-worker resource groups (CRGs) are voluntary networks of co-workers based on shared identities such as gender, ethnicity and LGBT+, and are open for anyone to join. CRGs can provide co-workers with community and a safe space to share experiences, as well as generating solutions for how our business can further improve inclusivity and accessibility. In FY24 we established two new groups focused on multicultural diversity and disability inclusion.

Gender balance

We updated our gender equality approach for the years FY25-27 and are extending it to include people who identify as gender non-binary.

We continue to focus on achieving a 50/50 gender balance across our business, including our governance bodies. In FY24, 54% of co-workers, 50% of managers and 46% of country CEOs were women (FY23: 54%, 50% and 46%). Among our administrative, management and supervisory bodies (AMS), women made up 42% of Group Management and 25% of the Supervisory Board (FY23: 39% and 25%). We are achieving gender balance in succession plans and leadership development programmes and we expect this to have a positive impact on gender balance among our executive leadership over time.

When it comes to our new gender equality approach, we will focus on the following key actions over the coming years:

- Improving gender-balance in functions by tackling stereotypes that may lead to over-representation of genders in roles and talent pipelines. This could include removing gendered references on job descriptions and recruitment materials.
- Rolling out a global framework for mentoring and reverse mentoring to ensure these are fully inclusive, and all co-workers can access mentoring based on their development plans, no matter their gender.
- Exploring new ways to support co-workers who have caring responsibilities for children, adults or partners.

Our data on gender balance is subject to external assurance (see page 111).

Ethnic diversity

We aim to have a workforce and leadership teams that reflect the ethnic and cultural diversity of the countries we operate in and to remove barriers to equal career opportunities across the business.

In FY24, we completed our Equal UP! pilot programme that was focused on testing solutions that help us lower potential barriers to career development for people from underrepresented backgrounds. Through the pilots, we discovered some of what stands in people's way and developed new tools and practices to improve our people management processes and enhance multicultural diversity in leadershipage New tools and practices included how we attract candidates to apply for open positions, assessment of candidates during recruitment, and inviting and encouraging more diversity in our development programmes. Our new Equal UP! Playbook provides practical guidance for our People and Culture teams to implement these new solutions, and we are rolling out Equal UP! to more countries in FY25.

Collecting ethnicity data to monitor our progress continues to be challenging due to legal restrictions in many countries. However, together with external partners and other companies, we are exploring how to collectively overcome these barriers in ways that are inclusive, legally compliant and protect co-worker privacy.

Taking time to talk about the menopause

At Ingka, we are committed to supporting co-workers at all life stages and recognise the impact menopause and perimenopause can have on physical and mental health. In the UK alone, an estimated 14 million working days are lost each year due to the menopause with 10% of those experiencing symptoms leaving their role[1].

On World Menopause Day in October 2024, we launched our new menopause toolkit to encourage open conversations, reduce stigma and support co-workers going through perimenopause and menopause. The toolkit offers co-workers advice and practical workplace adjustments such as flexible working to help them manage symptoms effectively. It also provides managers with tools and training to help them better understand and support co-workers in their teams. The toolkit will be rolled out to all our counties in FY25.

[1] World Economic Forum (April 2023)

Disability inclusion

Our Global Disability Inclusion approach is focused on: accessibility, engagement and leadership accountability. We are adapting workplace processes, procedures and the physical environment to ensure everyone can perform at their best and feel fully included.

During FY24, disability experts visited our workplaces in Austria, China, France and Switzerland and made recommendations on how we can further improve workplace accessibility. The findings are being used to develop a set of minimum standards, supporting guidelines and training that will be rolled out to leaders and co-workers across the business.

We engage and listen to co-workers with disabilities to better understand their experiences and how we can improve. In FY24, this included holding a workshop with our disability co-workers resource group and including questions on disability and inclusion in our co-worker survey. The feedback identified a need for further awareness raising on disability and practical actions to improve accessibility that we will be addressing in FY25.

We continue working with organisations such as the Business Disability Forum, an independent not-for-profit organisation, and the Valuable 500 to support us in strengthening disability inclusion and accessibility across our business.

Our diversity and inclusion survey tracks the percentage of co-workers with a disability and in FY24, 9% self-reported as having a disability (vs 11% in our previous survey in FY22).

LGBT+ inclusion

Our LGBT+ Inclusion approach and Global Trans Inclusion guidelines help our managers create an inclusive workplace where LGBT+ co-workers feel welcome, safe and valued.

During FY24, we were members of the non-profits Stonewall and Workplace Pride as well as the business coalition for advancing LGBT+ inclusion, Open for Business. We participated in Pride events and marked the International Day Against Homophobia, Biphobia and Transphobia in many countries.

84%

of co-workers feel they can be themselves at work.

A more inclusive retail experience

We want customers to feel welcome when they visit us, whether in-store or online, and to have a positive and inspiring shopping experience.

During FY24, our ED&I Sponsors (business leaders from across Ingka) and their teams tested different solutions to improve accessibility and engagement for our diverse customer base. Examples include room sets in our stores highlighting how IKEA's home furnishing range can create better homes for people with disabilities, and quiet shopping hours that support customers with sensory sensitivities in Australia, Finland and Italy. As part of our consumer research, we also visited the homes of people who use wheelchairs to better understand their challenges and lived experiences. This provided insights on how we can improve the customer experience across IKEA.

Measuring progress

We assess co-worker views on inclusion through our co-worker surveys.

Our Inclusion Index helps us measure progress on creating an inclusive culture based on six questions in our global co-worker survey. In FY24 our score was 79% (FY23: 80%) with 84% of co-workers reporting that they can be themselves at work (FY23: 85%).

In addition, around 24% of co-workers took part in 'Ingka Includes' in FY24, a voluntary and anonymous survey run every two years to help us better understand the diversity of our workforce. The results indicated that while our overall survey scores on inclusion are high, co-workers with underrepresented ethnicity, disability and sexual orientation are less likely to feel included at work and more likely to report barriers to career progression.

We are using the survey insights to inform our Equality, Diversity and Inclusion plan and have set specific actions in our countries and Group functions to directly address co-workers' feedback.

External engagement and advocacy

As a global business we interact with millions of people every day. This gives us a role to play in advocating for equality in wider society.

We run campaigns to drive awareness and promote equality for women, the LGBT+ community and other underrepresented groups. In FY24, examples of our global ED&I campaigns include:

- Equality starts at home, which we launched on International Women's Day in March 2024, to highlight the importance of equality at home and the impact of inequality in the workplace.
- 'Love starts at home', launched in May 2024 to mark the start of our Pride celebrations and International Day Against Homophobia, Biphobia and Transphobia. To highlight the need for LGBT+ acceptance and the importance of allyship, we promoted a series of short films featuring people from the LGBT+ community sharing their coming-out stories and experiences which were viewed over 446,000 times.

Our commitment to achieving gender balance across our business was recognised as a DEI Lighthouse initiative by the World Economic Forum in FY24.

We collaborate with:

- World Economic Forum
- The B Team
- Ingka Young Leaders Forum
- UNHCR
- Open for Business
- Stonewall
- Workplace Pride
- Catalyst
- The Conference Board
- Equal Pay International Coalition
- Valuable 500
- Business Disability Forum
- European Disability Forum

MATERIAL TOPIC

Health, safety and wellbeing

Being safe, healthy and well is the foundation of a good quality of life and essential to thriving at work. We want to keep all our co-workers safe, no matter their role and support their mental, physical and financial wellbeing. We want co-workers to feel proud to work for us, inspired to reach their potential and know they are contributing to our success.

What we are proud of

- Introduced new requirements on ergonomics, manual handling of goods and supplier training to strengthen our health and safety approach.
- Rolled out wearable exoskeleton safety technology to prevent co-worker injuries and reduce repetitive strain during manual handling.
- Delivered mental health e-learning training to over 5,380 co-workers.
- Achieved an engagement score of 77% (vs global benchmark of 70%).
- Our voluntary co-worker turnover reduced to 16% (FY23: 21%).

Challenges we are addressing

- Health and safety processes are higher risks, which included sales, food operations and customer fulfilment and logistics.
- Mental health conditions continue to increase worldwide. We aim to support co-workers through our mental health programmes.
- Lower scoring areas in our co-worker survey included engagement and tools and equipment. We are upgrading tools and equipment across Ingka Group and our managers are addressing feedback relevant to their local teams.

Health and safety

Our Group Rule on Health and Safety and our Occupational Health and Safety (OH&S) framework help us manage and mitigate safety risks.

They provide guidance on how our locations should evaluate safety risks to prevent accidents and ill health and are regularly updated. In FY24 we introduced new requirements on ergonomics and one-man manual handling of goods for co-workers, as well as requirements to ensure our suppliers provide safety training to their workers. Our safety network brings together OH&S co-workers from across the Group to share best practice and develop their competencies.

Preventing ergonomic injuries

Musculoskeletal disorders are one of our main health and safety risks. Our updated Group Rule on Health and Safety includes ergonomics principles for designing workplaces and processes to ensure they are safe, comfortable and productive for all co-workers.

We are rolling out wearable exoskeleton safety technology to help prevent co-worker injuries when lifting heavy items. By reducing the impact on the lower back, exoskeletons reduce the chance of injuries such as repetitive sprain. Over 400 exoskeletons were in use in FY24 with co-workers providing positive feedback. We plan to roll them out further in FY25.

Health and safety training

We provide regular safety training for all co-workers, as well as more in-depth sessions for managers. To build the expertise of our occupational health and safety community, we held awareness sessions on our new requirements for ergonomics and one-man manual handling of goods, led by Ingka Group subject matter experts in FY24. We strengthened our processes to make sure our suppliers' workers are informed about relevant health and safety risks, requirements and emergency procedures before working on our sites.

Lost time accidents

The number of lost time work-related accidents (accidents resulting in more than one day of lost time) was 2,255 in FY24 (FY23: 2,455)[1]. There were no co-worker fatalities in FY24. However, we were deeply saddened by the death of a maintenance worker employed by one of our suppliers following an accident in which they were struck by equipment while carrying out pressure testing at one of our shopping centres in China. Following this accident, we introduced additional requirements for suppliers in China to ensure the safety of workers operating on our sites. These included mandatory safety training, equipment safety requirements and ensuring pressure and leakage checks are carried out before any maintenance work begins.

Promoting wellbeing

Our Ingka Group Health and Wellbeing Framework helps ensure we provide quality wellbeing support to our co-workers.

Our wellbeing programmes vary by country but include support such as:

- Mental health training (see box).
- Offering nutritious food in our canteens to help co-workers make healthier lifestyle choices.
- Providing access to financial education and benefits such as pension plans and life, disability and medical insurance to help co-workers improve their financial stability.

Our Employee Assistance Programme, available in all countries, provides co-workers with access to counselling and resources to support their mental, physical and financial wellbeing. This includes supporting co-workers with occupational stress, emotional stress, major life events, health concerns, domestic violence and bereavement.

In FY24, we introduced new tools and ways of working to improve co-workers' work-life balance and reduce administration for managers. This included self-scheduling to enable co-workers to choose when, where and how much they work by selecting and swapping shifts without needing manager approval. We are also phasing out clocking devices that monitor co-workers' attendance, except in countries where these are legally required. We will continue to roll out self-scheduling tools in FY25.

Promoting positive mental health

Mental health issues affect an estimated 970 million people globally. Anxiety and depression are the most common and they can impact all aspects of life[2].

Our mental health training aims to improve co-workers' mental health awareness, foster open conversations, reduce stigma and let them know what to do if they need support.

During FY24, we hosted several virtual mental health workshops for co-workers and leaders covering topics such as self-care and managing stress.

Our countries also provided mental health support such as R U OK? training in Switzerland, The Working Mind training for leaders in Canada, and, in the UK and Ireland, 'tea and talk' sessions to get more people talking about mental health on World Mental Health Day.

Mental heath e-learning was completed over 5,380 times.

[1]Data is for IKEA retail employees only.
[2]WHO 2024: Health Topics: Mental health.

What do co-workers think?

Our regular survey gives everyone working at Ingka the opportunity to share their views and ideas on how we can make our business a better place to work for all.

We use the survey results to assess co-worker satisfaction and gather feedback to improve workplace practices. Over 134,000 co-workers took part in FY24 which was an 84% response rate (FY23: 83%). We view this high response rate as an indication that co-workers trust that we will listen and respond to their feedback.

Our engagement index, which is based on how positively co-workers feel about the work they do, how they fit in and their sense of pride about working for us, was 77% (FY23: 79%), which is well above the global benchmark of 70%. The overall survey score was 78% (FY23: 80%) with co-workers rating us most positively on collaboration, leadership and performance. The main areas for improvement are engagement, health and wellbeing, and upgrading the tools and equipment needed by co-workers to do their jobs. Our managers are addressing survey feedback relevant to their local teams and we are continuing to invest in global initiatives such as upgrades to digital software.

Our eNPS – employee Net Promoter Score shows how willing co-workers are to recommend our workplace to others. In FY24, our eNPS decreased slightly to 20 (FY23: 23) but it remains considerably higher than the global cross-sector benchmark score of 2.

Retention and reducing turnover

We monitor co-worker turnover and review the causes to identify opportunities to improve retention. We focused on strengthening our communications, policies and processes and in FY24 were pleased to see the results of our efforts as we further reduced voluntary co-worker turnover to 16% (FY23: 21%). Our involuntary turnover remained stable at 9% (FY23: 9%).

External engagement and advocacy

We engage with a variety of internal and external stakeholders to develop our business and to ensure we have a positive impact on society.

Co-worker survey scores:

77%
of co-workers feel engaged (vs global benchmark of 70%)

82%
of co-workers agree they have supportive and motivating leaders
(FY23: 83%)[3]

72%
of co-workers feel supported to manage their workload, live a healthy life and openly discuss mistakes
(FY23: 73%)

78%
of co-workers believe we live our values
(FY23: 79%)

We collaborate with:

- World Economic Forum
- UNHCR
- Open for Business
- Stonewall
- Workplace Pride
- Catalyst
- Valuable 500
- Business Disability Forum
- European Disability Forum

[3]Based on our Leadership Index which consists of 10 questions.

MATERIAL TOPIC

Skills development

We believe in democratised learning that is accessible and relevant for all co-workers. We provide inclusive and continuous learning and skills development opportunities that align with co-workers' aspirations and our business needs.

What we are proud of

- Over 11,590 co-workers completed our Leadership by All e-learning training.
- 72% of co-workers felt they have good opportunities to develop their competencies.
- 81% of co-workers feel empowered to create the best customer experience.
- Developing our skills library, talent marketplace and AI-driven talent hub to address skills gaps and encourage internal hiring.

Challenges we are addressing

- Making sure co-workers, especially those on the frontline, have time to develop their skills. We will ensure dedicated learning time to enable co-workers to balance current responsibilities with future skills development.
- Gaps in our succession pipeline related to readiness, leadership, skills and mindset that we need for effective leadership in an evolving business landscape.
- Ensuring that our leadership development aligns with changing business needs.

Accessible and relevant learning for all

We work hard to ensure all co-workers have opportunities to access relevant learning and understand the skills and competencies they need to progress.

Our Group Learning Principles help ensure our learning offer is relevant, accessible and skills-based, across our countries. Our Common Learning offer provides co-workers in customer-facing and operational roles, such as fulfilment, with role-specific training and structured learning on topics such as ethical compliance, equality, diversity and inclusion and wellbeing. We are integrating dedicated time for learning into daily workflows to enable co-workers to develop while doing their job.

In FY24, we continued developing our skills library to provide co-workers with clear information on the skills required for their role and potential future roles, supporting them to access relevant training and providing clear pathways for growth and development. We are also exploring a new talent marketplace to match co-workers with relevant roles based on their skills, and we piloted an AI-driven talent hub to create personalised learning journeys for co-workers.

A continuous learning journey

We offer many upskilling and reskilling programmes throughout our co-workers' careers to help them reach their potential and deliver on business needs.

Examples of our programmes include:

- **Onboarding** — our skills-based onboarding focuses on developing the specific skills needed for co-workers to quickly perform in their new roles. We piloted this in FY23 and will continue rolling it out to more countries in FY25.
- **Early careers** — Bloom! prepares ambitious early career co-workers for market leadership roles. Diversity is a key element. We ensure gender balance and assign 30% of places to underrepresented groups. In FY24, 72 co-workers took part, representing 31 nationalities.
- **Digital and data skills** — our programmes like Data Hero and Demand Forecasting build digital literacy and data proficiency, preparing co-workers to use data effectively in decision-making. We are also rolling out an AI literacy programme, see page 86.
- **Self-serve learning** - all co-workers can access our MyLearning platform to sign up for mandatory and supplementary training. We also offer over 16,000 LinkedIn Learning courses and 24 Rosetta Stone language courses which were accessed by over 20,060 and 5,280 co-workers respectively in FY24, logging a total of 36,500 e-learning hours.

To track the impact of our learning programmes, we monitor business results, our Happy Customer score, feedback from co-workers following training sessions and via our co-worker survey. Performance against leadership expectations accounts for half of the score in all co-worker annual appraisals (see box).

Leadership by all

At Ingka Group, we believe everyone has the potential to lead. We focus on empowering all co-workers to unleash their leadership potential. Our seven leadership expectations for all co-workers are:

- I develop our business
- I create results
- I collaborate and co-create
- I develop myself and others
- I communicate with impact
- I navigate the unknown
- I lead by example

We make leadership expectations for each role clear to our co-workers in our skills library and curate learning content for each expectation so all co-workers can develop relevant leadership competencies. Our introductory leadership e-learning course was completed by over 11,590 co-workers in FY24 and a total of 65,528 times since 2022.

Learning highlights

72%

felt they had good opportunities to develop their competences
(FY23: 74%)

81%

of co-workers feel empowered to create the best customer experience
(FY23: 80%)

82%

of co-workers agree they have supportive and motivating leaders
(FY23: 83%)

Future leaders

The Ingka Succession Approach helps create a pipeline of strong leaders ready to navigate future challenges.

We identify potential leaders and provide targeted development to ensure they have the right skills and mindset to meet evolving business needs. We have succession plans in place for 73% of our global key positions (FY23: 70%) and remain focused on ensuring diversity and gender balance in our pipeline.

Performance development

Our performance and development approach, Performance Success, aims to give equal, fair and transparent opportunities for everyone at Ingka Group to perform and develop.

We focus on enabling rather than managing performance and ensure frequent touchpoints between manager, co-worker and team, with regular feedback and coaching.

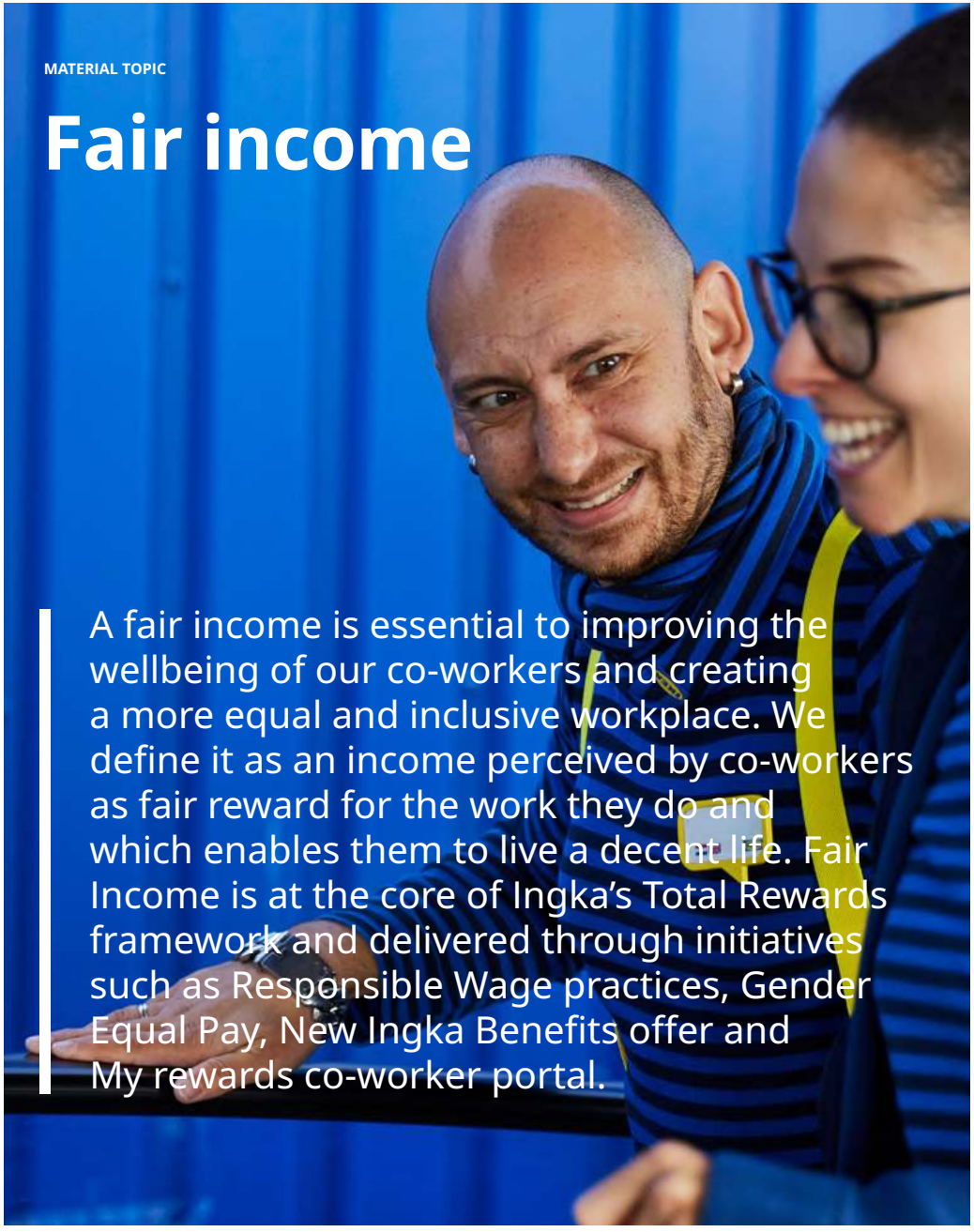
External engagement and advocacy

We work with partners to improve our learning offer and participate in global efforts to close the skills gap.

During FY24, we participated in the Learning Forum's Chief Learning Officer's LIFT initiative to develop cross-industry standards and approaches to skills development and creating time for learning. We also partner with the EU Pact for Skills and the World Economic Forum's Future Skills Alliance.

We collaborate with:

- World Economic Forum
- UNHCR



MATERIAL TOPIC

Fair income

A fair income is essential to improving the wellbeing of our co-workers and creating a more equal and inclusive workplace. We define it as an income perceived by co-workers as fair reward for the work they do and which enables them to live a decent life. Fair Income is at the core of Ingka's Total Rewards framework and delivered through initiatives such as Responsible Wage practices, Gender Equal Pay, New Ingka Benefits offer and My rewards co-worker portal.

What we are proud of

- Ingka Group's sixth annual gender equal pay assessment covered more than 157,000 co-workers.
- Managers and recruiters complete gender equal pay e-learning.
- Piloted training to help managers have constructive conversations on pay following co-worker feedback.
- 24,490 co-workers received a bonus payout totalling EUR 53 million.
- Our loyalty programme Tack! has paid EUR 965 million towards Ingka co-workers' pension funds in total since FY14.

Challenges we are addressing

- Ensuring gender equal pay is an ongoing process and new gender pay gaps may appear, for example, as the workforce changes. We conduct annual assessments to maintain progress on equal pay for work of equal value.

Responsible wage practices

Our Responsible Wage Practices framework is our shared approach with Inter IKEA Group to provide fair incomes across the value chain. It focuses equally on five practices: Equality at work, Pay principles, Competence, Dialogue and Living wage. We view a living wage as a minimum, not a target.

Our framework includes a consistent methodology for benchmarking and monitoring a living wage that is used in all Ingka countries. This is informed by data from the WageIndicator Foundation, a not-for-profit organisation that calculates living wages across countries.

We conduct co-worker surveys to help us monitor progress in implementing our Responsible Wage Practices. Co-worker feedback in FY23 indicated that discussions on pay with line managers was an area that could be improved. During FY24, we provided local training and began piloting global training to help managers feel confident to have meaningful conversations on pay. It covers our total rewards philosophy including benefits, unconscious bias in salary setting and progression, recognition and variable pay plans, and will be rolled out in all our countries in FY25.

Gender equal pay

We are committed to achieving and sustaining equal pay for work of equal value. There should be no gaps in pay that are not explained by performance, competence or a country's legal requirements. We conduct annual gender equal pay assessments to identify and address any gender pay gaps.

In FY24 our sixth annual group-wide gender equal pay assessment[1] found that 4.32% of co-workers were in groups where pay gaps could not be explained by performance, competence or a country's legal requirements. We put concrete actions in place, both monetary and non-monetary, to address the gaps including salary adjustments, updating pay policies and practices, and training for managers on salary setting and gender equal pay. Less than 1% of co-workers required monetary actions.

We also calculated our overall gender pay gap across Ingka Group which was 4% in FY24. This is a broader concept than equal pay and is calculated based on the difference in average gross hourly earnings between male and female co-workers, expressed as a percentage of male gross hourly pay. We use a set of gender-neutral salary setting and review principles. We focus on gender balance in recruitment, and, where

allowed by local law, we do not ask about a candidate's previous salary. All managers and recruiters complete gender equal pay e-learning. We encourage participation in unconscious bias training. Our Group and Country Management Teams are required to report annually on the status of gender equal pay during their board meetings.

Our approach to a fair income is published on Ingka.com

[1]The assessment covers all Ingka Group part-time or full-time co-workers with temporary and permanent contracts. It excludes the following groups: seasonal co-workers, co-workers with non-comparable salary setting (for example due to being on assignment), co-workers of Ingka Holding B.V. (holding company) and acquired companies, co-workers not receiving a salary during the assessment period (for example because they joined the business in the month prior to the assessment date) and co-workers for whom we don't have information on gender.

ONE IKEA® BONUS

Tack! The Ingka Group Loyalty Programme

Ingka Group rewards and benefits

We aim to offer co-workers equal-for-all core benefits like paid time off, parental leave, insurance, pension and discounts as well as market-relevant flexible benefits to support their wellbeing.

Our My rewards portal available in 26 countries provides personalised insights into rewards and benefits. By the end of FY24, the portal was available to over 146,800 co-workers and 75% had used it.

Our annual One IKEA Bonus programme rewards co-workers for achieving and exceeding our business goals and is directly linked to our financial performance. 24,500 co-workers received a bonus pay out for FY24, totalling EUR 53 million.

Our loyalty programme Tack! rewards co-workers who have worked for Ingka Group for at least five years with a contribution to their individual pension funds. In democratic fashion, all co-workers within a country receive the same amount. In FY24 we did a total payment of EUR 35 million and in total EUR 965 million since FY14.

External engagement and advocacy

We are a member of the Equal Pay International Coalition (EPIC), an initiative led by the International Labour Organization (ILO), UN Women, and the Organization for Economic Cooperation and Development (OECD).

We continued to partner with EPIC and its members to achieve equal pay for women and men in FY24, supporting its work to improve legislation, knowledge, monitoring and labour standards in relation to gender equal pay.

We collaborate with:

- Equal Pay International Coalition

MATERIAL TOPIC

Community impact

We are mobilising our business, co-workers, customers and partners to have a positive impact on the communities in which we operate. By addressing social issues that are connected to our core business, we aim to deliver lasting change as part of business as usual.

What we are proud of

- Supported over 81,080 people through our social impact programmes.
- Provided employability training to 887 refugees and committed to support a further 3,000 refugees over the next three years.
- Co-workers spent over 132,400 hours volunteering to help local causes and advocate for change.
- Upskilled our country Chief Sustainability Officers on our community approach and its value to the business.

Challenges we are addressing

- Building our knowledge of social enterprises to ensure we can provide meaningful support. This has meant integrating more social businesses into our supply chain is taking time.
- Making sure that all Ingka Group businesses are involved in, and can contribute to, our community impact programmes.

Ingka x Neighbourhoods

Our Ingka x Neighbourhoods approach uses our business capabilities to create lasting positive social impact in our local communities.

We partner with local civil society organisations to help deliver our social impact programmes. We aim to support projects that tackle the root causes of social challenges, and involve our co-workers and customers to magnify the impact. During FY24, we focused on our three priorities:

- **Increasing access to better homes**: helping those experiencing housing issues or homelessness to access essential products, services and affordable housing.
- **Creating pathways to decent work**: upskilling people facing barriers to employment with a focus on refugees, and working with social businesses to bring socially impactful products and services to our customers.
- **Enabling the many people to participate:** involving our co-workers, customers and partners to support local causes and advocate for policy change to improve local communities.

Our social impact toolkit guides our countries to identify locally relevant issues and implement effective social impact programmes. In FY24, we introduced a social impact reporting tool to ensure activities are reported using a consistent methodology.

Each year we provide emergency support to communities affected by natural and manmade disasters globally. In FY24, over 81,000 people were supported through our social impact and emergency response programmes (FY23: 99,000). Our co-workers spent over 132,400 hours volunteering for local causes and advocating for change.

In FY25, we will broaden our focus to help address two additional issues also closely connected with our business: empowering children and young people through education, access to play and protection for those at risk of abuse; and helping scale up organisations that provide essential goods and services to people in need, such as food banks, charity shops and community initiatives.

Increasing access to better homes

Across Ingka Group, we are using our products, co-workers and life-at-home knowledge to support those experiencing housing issues.

In the UK, working with the homelessness charity, Shelter, we funded three housing rights workers who are based in Shelter advice hubs offering expert advice to people experiencing or at risk of homelessness. We are also training co-workers to help colleagues and others who may be experiencing housing issues to understand their housing rights and keep hold of their homes before they reach crisis point. In FY24, the partnership supported 1,615 people in need with advice and product donations. A further 20,500 people used our political campaigning tool to find out about the extent of homelessness in their local area and call on the UK Government to act.

In the US, we are raising awareness and training co-workers on trauma-informed design, including how the built environment can promote recovery and wellbeing for people experiencing homelessness and mental health issues. We plan to roll out the training to US co-workers in FY25 and offer trauma-informed design as part of our interior design service. To demonstrate how trauma-informed design can work in practice, we constructed a permanent small home with features that promote relaxation and connection such as flexible furniture to accommodate guests. This will be donated to a non-profit supporting people experiencing homelessness in Texas with further small homes pilots planned for Memphis, Tennessee and Washington D.C.

Creating pathways to decent work

We are upskilling people facing barriers to employment and supporting the work of social businesses to boost job opportunities.

Our Skills for Employment programme provides refugees with work experience, skills training and language lessons over 3-6 months to help them find jobs. We've supported over 3,700 refugees through the programme since 2019 in 26 countries, with 887 completing it in FY24. We have now committed to support a further 3,000 refugees and asylum seekers into work by the end of 2027. We also continued to support 'job ready' displaced people who have the right skills but need help finding and adapting to a new role in our business. Around 170 displaced people were directly hired through the programme in FY24.

Social businesses can help provide vulnerable people with an income and tackle societal challenges. In FY24, we integrated more social businesses into our value chain. They provided us with a range of services including facilities management and customer and delivery services, as well as supplying food and products. With IKEA Social Entrepreneurship (part of Inter IKEA Group), we are exploring how to encourage our suppliers to work with social entrepreneurs. In FY25, we plan to start a multi-year project to increase the number of social businesses we work with, supporting more jobs in the sector.

Enabling the many to participate

Our co-workers volunteered over 132,400 hours of their working time to support local causes and advocate for change in FY24, and we encouraged our customers to get involved too.

Co-workers in Spain, for example, provided in-kind interior design and furniture assembly services to a co-working space as part of the Hola Pueblo project to boost rural employment opportunities. Customers in Austria were invited to buy KARMA points and for every point purchased, we donated IKEA vouchers of the same value to families living in poverty with the help of the non-profit, Volkshilfe. In Serbia, our food outlets installed donation boxes and collected around EUR 12,435 from customers to support the British Red Cross.

Joining forces with Taskrabbit to upskill people facing barriers to employment

Taskrabbit, the on-demand platform for small DIY jobs owned by Ingka Group, is upskilling people facing barriers to employment, helping them access job opportunities, build their businesses and earn extra income. For example, in Milan, Italy, the Taskrabbit training academy is providing training on a range of popular tasks, from simple assembly, to repairing and maintaining IKEA furniture. On completing the training, the academy graduates are supported to set up as a tasker on TaskRabbit, or are connected to IKEA service providers such as assembly and wall mounting services to help them find suitable jobs.

Responding to emergencies

We support people and communities affected by human and manmade emergencies including war, flooding, earthquakes and wildfires.

Our support is tailored to each situation and includes funding organisations working on the ground as well as in-kind donations of products, services and resources. Our standard operating procedure for IKEA Retail provides stores and countries with guidance on how to deliver effective emergency support to meet local needs. In FY24, examples included:

- **Ukraine** – donating thousands of IKEA tableware, bedding and furnishing products to a national rehabilitation centre providing support to people in Lviv.
- **China** – providing thousands of IKEA products such as towels, blankets and cooking equipment to help people affected by severe flooding in the Guangdong Province.
- **Japan** – donating bedding sets to shelters providing support to people affected by a severe earthquake in the Chūbu region.

External engagement and advocacy

We partner with the UNHCR, the UN refugee agency, to change the narrative around refugees and help improve their lives.

In December 2023, we participated in the UNHCR Global Refugee Forum (GRF) in Switzerland to help address the global refugee crisis. It brought together governments, civil society, businesses and refugee representatives and resulted in several pledges of support for refugees including increased funding and job creation.

On World Refugee Day 2024 we ran our annual Changing the narrative campaign which shared refugees' personal stories to challenge people's biases and highlight the need for action.

Many of our countries also advocate for change on relevant issues in their communities. For example, Belgium continued to engage with NGOs, housing associations and politicians to raise awareness of policy recommendations aimed at improving housing and social assistance for single parents. In FY24 this included publishing a study highlighting the housing challenges of single-parent families and holding awareness events in IKEA stores.

We collaborate with:

- World Economic Forum
- The B Team
- Ingka Young Leaders Forum
- UNHCR
- Open for Business
- Stonewall
- Workplace Pride
- Catalyst
- Valuable 500
- Business Disability Forum
- European Disability Forum
- C40 Cities

Better planet

We only have one planet, the home we all share. We are committed to playing our part in tackling global environmental challenges including climate change, biodiversity loss and water scarcity. And we have to act now.

Our material topics

- Climate change
- Resource use, circularity and waste
- Water
- Biodiversity and forestry

OUR TARGETS	PROGRESS IN FY24	PERFORMANCE SUMMARY

WE HAVE MADE SOME CHANGES TO OUR CLIMATE TARGETS IN FY24. THESE ARE EXPLAINED ON PAGE 105-106.

Climate change

Reduce absolute scope 1, 2 and 3 GHG emissions by 50% by FY30 from a FY16 base year. *Note: this is a science-based target (approved by the SBTi in 2024).*	[ON TRACK]	We have achieved a 30.1% reduction in absolute emissions (vs FY16) against our SBTi target of 50% by FY30 and a 4.3% reduction on FY23. The reduction since FY16 reflects a range of factors including a significant increase in our sourcing of renewable electricity and use of renewable electricity in our value chain, improvements to energy efficiency in our business and in the IKEA range, lower product volumes and the closure of our retail business in Russia. This target excludes emissions from customer travel which are not covered by the SBTi methodology.
Reduce absolute GHG emissions in our operations by 85% by FY30 from a FY16 base year.	[ON TRACK]	We have reduced emissions from our operations by 62.5% since FY16 by switching to renewable electricity in all but two of our markets, improving energy efficiency in our buildings and installing renewable heating and cooling systems. The closure of our retail business in Russia also contributed to emissions reductions since this accounted for 12.6% of our non-renewable energy consumption in FY16. Our operational emissions category includes scope 1 and 2 emissions as well as scope 3 emissions closely connected to our operations such as operational waste and the emissions associated with producing and distributing the energy we buy (scope 3 categories 3, 5, 8 and 13). We also have an SBTi approved target for scope 1 and 2 emissions.
Source 100% renewable electricity for our operations by 2025.	[ON TRACK]	In FY24, 96.6% of electricity was from renewable sources compared to 96.0% in FY23. This includes on-site renewable generation (e.g. PV panels on our stores) which accounts for 7.9% of consumption, off-site generation (purchasing renewable electricity from solar and wind farms owned by Ingka Investments) and, where on-site and off-site approaches aren't possible, we purchase renewable electricity from a supplier that can guarantee the renewable source with energy attribute certificates.

Customer and co-worker travel, and home deliveries

Reduce absolute GHG emissions from mobility (including home delivery, co-worker travel, business travel and customer travel) by 40% by FY30 from a FY16 base year.	[ON TRACK]	Emissions from mobility have reduced by 12.7% since FY16. The most significant reductions have been in customer travel (an 18.8% reduction) and co-worker travel (including business travel) which has reduced by 12.9%.This reflects increased use of electric vehicles by customers, co-workers and our home delivery partners as well as more customers shopping online. The closure of our retail business in Russia has also had an impact. Relative emissions from customer and co-worker travel to our stores has reduced by 9.1% since FY16. Absolute emissions from home delivery have increased by 48.2% due to a significant rise in the number of home deliveries since our baseline year.
Achieve more than 90% of home deliveries made by zero emissions vehicles by 2028.	[ON TRACK]	41.1% of home deliveries were made by zero emissions vehicles in FY24, a significant increase from 24.6% in FY23.* We updated and extended our target in FY24 as we were not on track to reach our previous goal of 100% zero emissions home deliveries by 2025. Despite a rapid increase from 12.3% in FY22, achieving our target is taking longer than originally anticipated due to challenges such as lack of availability of suitable zero emissions vehicles and charging infrastructure in some of our countries.
Achieve more than 90% of company-owned and leased vehicles used in our operations to be zero emissions vehicles by 2028.	[ON TRACK]	Zero emissions vehicles accounted for 48.4% of owned or leased vehicles used in our own operations (including passenger and goods vehicles) in FY24 (FY23: 39.2%). We updated and extended our target in FY24 as we were not on track to reach our previous goal of 100% of company-owned, leased and shared vehicles to be zero emissions vehicles by 2025. Despite significant progress, achieving this target is taking longer than expected due to challenges such as lack of availability of suitable zero emissions vehicles and charging infrastructure in some of our countries.

*Our data currently excludes small parcel deliveries which account for a small percentage of last mile home delivery emissions.

Progress against targets FY24

OUR TARGETS	PROGRESS IN FY24	PERFORMANCE SUMMARY
Resource use, circularity and waste		
Reduce our operational waste and strive to recycle 100% of waste generated in our own operations by 2030.	[ON TRACK]	In FY24, we recycled 77.7% of waste (FY23: 76.9%). Our total waste increased by 3.9% compared with FY23 but has decreased by 4.6% since FY16. It has been challenging to increase our recycling rate which can be impacted by lack of recycling infrastructure in some locations.
Water		
Targets under development.		In parallel to publishing our FY24 report, we are conducting a thorough Double Materiality Assessment (DMA) to set our final CSRD report scope. DMA conclusions will feed into future target setting and the outcomes will be reflected in future reports.
Biodiversity and forestry		
Targets under development.		In parallel to publishing our FY24 report, we are conducting a thorough Double Materiality Assessment (DMA) to set our final CSRD report scope. DMA conclusions will feed into future target setting and the outcomes will be reflected in future reports.

A few words from our Chief Sustainability Officer

The world exceeded 1.5°C for the first time in 2024. With just five years left to achieve the Paris Agreement, it's no surprise that 68% of people now report being worried about climate change.

As a large, global business, we at Ingka Group have both the opportunity and the responsibility to be part of the solution to this challenge and are determined to play our part. We want to lead with agency and optimism, taking ownership of our role in creating a better future for people and the planet.

Often, the greatest barrier to action is the belief that change is impossible or that someone else will fix it. But the truth is: every action matters! That's why I am really proud of this year's progress in all areas of sustainability – from environmental to societal impact. This would not have been possible without our amazing co-workers whose passion, dedication and actions are taking us ever closer to our achieving our sustainability goals. This includes our climate targets and enabled us to reach new milestones in areas such as renewable energy and zero emissions deliveries in FY24.

Our latest People and Planet Consumer Insights report from Globescan shows that 83% of consumers want to take more climate action - but not at the expense of price, quality or convenience, creating a gap between desire and action. We agree with them - that's why at IKEA we want to ensure that sustainability and affordability always go hand-in-hand. This year, we continued to improve how we bring products and services to customers that help them live more sustainably – from our Sustainability Living Shops to our growing Buyback and Resell service - always prioritising affordability and accessibility.

A better planet is a better home for us all, and that's why we approach the interrelated crises of climate change, nature and biodiversity loss, and human rights holistically. We've made good progress in these areas in FY24, from rolling out social impact programmes to over 81,000 people in our local communities and empowering more refugees to find employment, to integrating circularity into our business and continuing to develop our approach to nature and biodiversity across our value chain.

While celebrating the progress we made in FY24 we are mindful that there is still so much more we can do to reach net zero and achieve our overall sustainability targets. With this in mind, it's absolutely critical that acceleration, collaboration and delivering actions with impact are our key priorities in FY25 as we continue to work together for a more sustainable, safer and fairer future for people and planet.

Karen Pflug
Chief Sustainability Officer

MATERIAL TOPIC

Climate change

Global warming is no longer a distant threat, but a visible reality. To limit the worst effects on people, the planet and business, we must work together to keep global temperature rises to 1.5°C or below. We are committed to taking action on climate change in line with the Paris Agreement, working together with our partners, governments, the private sector and our customers.

What we are proud of

- We launched our new climate targets to halve absolute emissions across the value chain by 2030, contribute to emissions reductions in society and reach net zero by 2050 at the latest. Our near-term GHG reduction targets and long-term net zero targets were validated by the Science-based Targets initiative (SBTi), confirming they align with a 1.5-degree pathway.
- 30.1% reduction in our total climate footprint against our FY16 baseline and target of 50% by FY30[1].
- 96.6% of electricity from renewable sources in FY24 (FY23: 96.0%).
- 51.3% of our strategic suppliers for goods and services used in our operations committed to a SBTi validated net zero target.
- 41.1% of retail home deliveries (over 6.3 million deliveries) made by zero emission vehicles, up from 24.6% the previous year.
- We calculated emissions for some of our investment portfolios for the first time as well as emissions, and carbon removals and storage from our forestland portfolio.

[1]Excludes customer travel.

Challenges we are addressing

- The roll-out of renewable heating and cooling is challenging as many countries lack sufficient grid capacity.
- Progress on zero emissions deliveries is affected by limited availability and suitability of some electric vehicles and charging infrastructure.
- Work is in progress to improve the accuracy of our scope 3 data.
- Reducing absolute emissions from Ingka Investments will be challenging over the next few years as we expect to increase the proportion of investments made in physical assets and businesses. While this will add new sources of emissions to our value chain, many of the companies we invest in are contributing to emissions reductions in society, such as renewable energy generation.

Net Zero and Beyond

We strive to be a leader in climate action using our size and reach to help accelerate change and create a positive impact for people and planet.

Net Zero and Beyond is the climate ambition for the whole of IKEA (Ingka Group, Inter IKEA and all other franchisees).

1) Drastically reducing greenhouse gas emissions

We are committed to halving absolute greenhouse gas emissions across the entire IKEA value chain by FY30 (compared to our FY16 baseline) and reaching net zero emissions by FY50 without using carbon offsets.

2) Removing and storing carbon

We will remove and store carbon from the atmosphere through sustainable forest and agricultural management practices within the IKEA value chain and by prolonging the life of products and materials[1].

3) Going beyond IKEA

We will contribute to additional emissions reductions in society. We will lead by example and engage proactively with stakeholders advocating for climate policies in line with the science of 1.5°C.

Our carbon reduction targets will support us to achieve our ambition. These are listed on page 50. Our updated near-term target (up to 2030) and new long-term target (up to 2050) for scope 1, 2 and 3 emissions were approved and validated by the Science-based Targets initiative (SBTi) in April 2024, confirming that they align with the goals of the Paris Agreement to limit global warming to 1.5°C above pre-industrial levels. Our overall target is to reach net zero greenhouse gas emissions across the value chain by FY50.

Some of our actions that are contributing to emissions reductions beyond our value chain are explained on page 65, though we are not yet able to fully quantify this impact and will be further developing our approach in this area over the next few years. We are developing our approach to removing and storing carbon and initial data on some removals is included on page 63.

We assess our climate-related risks and opportunities, in line with the methodology developed by the Task Force on Climate-Related Financial Disclosure (TCFD). A summary will be included in our Climate Transition Plan.

This report primarily focuses on the emissions categories over which Ingka Group has most control. We summarise progress on the emissions categories connected to IKEA products and food on page 64 and more detail on these aspects is included in the Inter IKEA Climate Report FY24.

IKEA Climate Report FY24

Our climate transition plan

We will publish our detailed Climate Transition Plan in early 2025. This will set out our roadmap for the first stage of our journey to net zero up to 2030, with details on our strategy and planned actions for each emissions category. The plan will also explain our key dependencies and climate risks, details of our stakeholder engagement and advocacy and our climate governance. The plan will be published on our website www.ingka.com.

Equipping our leaders to drive progress on net zero

We are integrating climate change into our leadership development programmes so that our leaders across the business understand our goals and their role in achieving them. This will help accelerate progress towards net zero.

In FY24, 300 of our top leaders completed three training sessions focused on climate science and the climate impact of our business, the business case for action, the risks, opportunities and dilemmas facing the business in relation to climate change and the role of leaders in achieving our targets. During the sessions they heard from internal and external experts and participated in group discussions where they were able to share challenges and dilemmas. A further 408 people accessed the recorded material from the sessions.

Feedback was very positive with participants reporting being more knowledgeable about the topic and 83% reporting they'd taken action as a result of the training. In FY25, we will run an upskilling programme for our country Chief Sustainability Officers, which includes a focus on climate change.

[1]We are evaluating performance frameworks/carbon accounting mechanisms for measuring the carbon impact of our initiatives to prolong the life of products (such as Buyback) and will report more fully on this in future years.

Our climate footprint

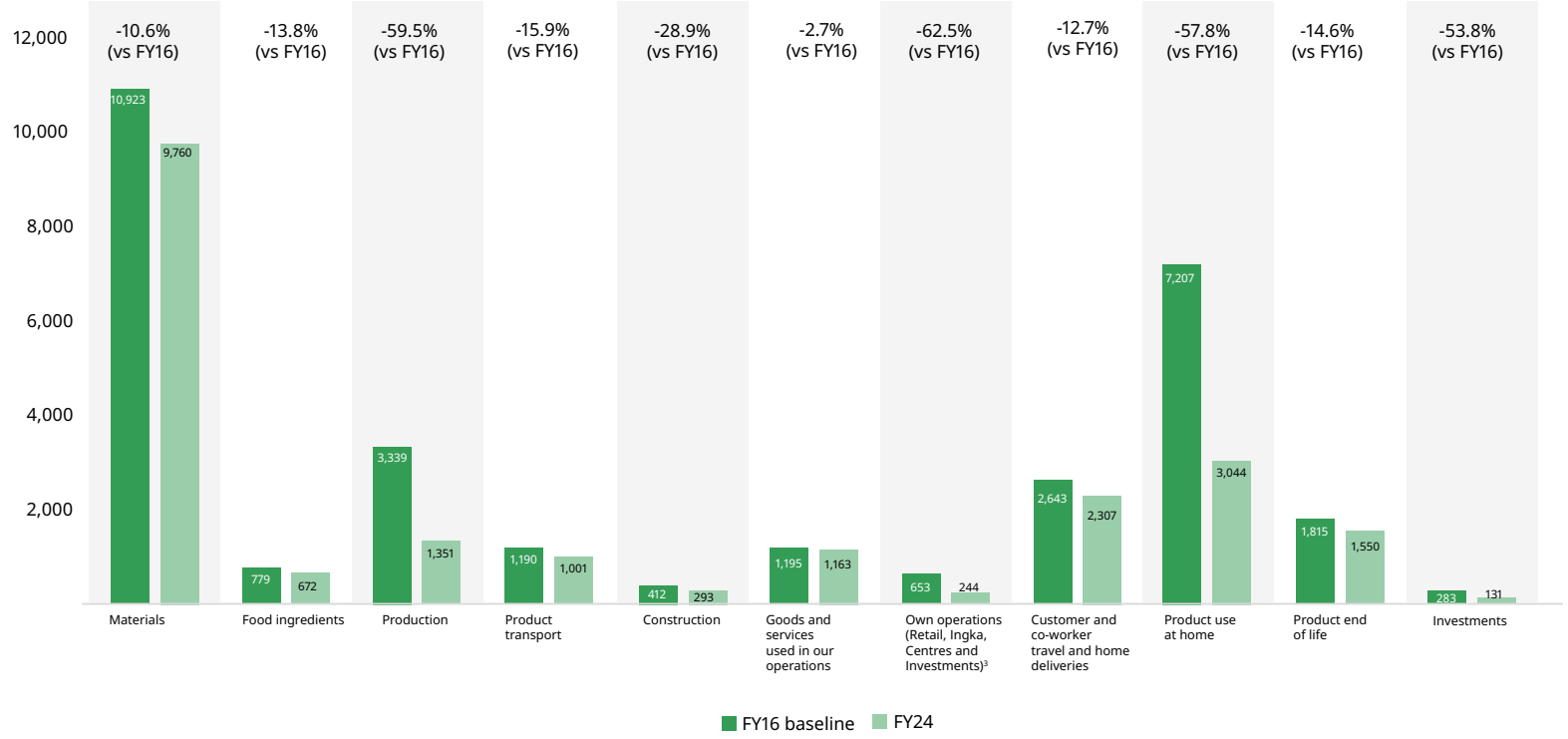
Our climate footprint across our value chain includes emissions from our own operations and upstream and downstream emissions including those associated with sourcing, manufacturing, transportation and use of the products we sell.

The chart shows our climate footprint at each stage of our value chain. Our overall footprint was 21.5 million tonnes CO_2e in FY24 (this includes emissions of 1.8 million tonnes CO_2e from customer travel)[1].

We have achieved an 30.1% reduction in absolute emissions against our SBTi target of 50% by FY30 (excluding customer travel). When emissions from customer travel are included, the reduction is 29.3% against our FY16 baseline and 4.0% compared with FY23.

We have extended our reporting to include emissions from some of our major categories of investment for the first time. We have also calculated emissions, and removals and storage associated with our forestland portfolio. These are not included on the chart and are explained on page 63.

Our climate footprint FY24 vs FY16 baseline[2]
(thousand tonnes CO_2e)



[1]Emissions from customer travel to our stores are included in our footprint but not included in our main SBTi target because they are not covered by the SBTi methodology. We have an 'optional' (additional) SBTi verified target for customer travel emissions.
[2]Changes in reported data for historic years are due to improved data quality and methodology changes. We update our baseline to reflect significant changes in our business or external reporting methodologies. For example, we have added emissions from some of our Ingka Investment portfolios and construction of our renewable energy assets (such as windfarms and solar parks) to our baseline and removed emissions relating to our Ingka Centres business in Russia which was sold during FY24. For more details, see page 114-115.
[3]Emissions from own operations include all scope 1 and 2 emissions and scope 3 categories 3, 5, 8 and 13.

Progress by greenhouse gas scope

Our climate footprint – by greenhouse gas scopes (thousand tonnes CO_2e)[1]

Our emissions are reported in line with the Greenhouse Gas Protocol (GHG) methodology which covers scope 1, 2 and 3 emissions.

	Thousand tonnes CO_2e			
	FY16	**FY22**	**FY23**	**FY24**
Scope 1 – Greenhouse gas emissions directly from operations that are owned or controlled by us. Our scope 1 emissions decreased by 11.4% from FY16 but increased by 5.1% from FY23. Carbon saving measures that contributed to the decrease since FY16 include improving energy efficiency in our buildings and installing renewable heating and cooling systems. The closure of our retail business in Russia is responsible for 93.2% of the decrease in our scope 1 emissions since FY16. Much of the increase compared with FY23 reflects a reduction in our use of biogas in Germany, due to our supplier going out of business. We expect to increase our use of biogas again in FY25.	107	118	91	95*
Scope 2 – Indirect greenhouse emissions from the generation of purchased electricity, steam, heating, or cooling within our operational control. Our scope 2 emissions decreased by 87.5% from FY16 and 20.8% from FY23. This has been driven by increasing the share of electricity from renewable sources (either directly or via purchasing energy attribute certificates). The closure of our retail operations in Russia accounts for 12.6% of the decrease from FY16. There was an increase in scope 2 emissions at Ingka Centres, as we were not able to purchase of renewable energy attribute certificates for a newly acquired shopping centre complex in Paris, France. These will be purchased in FY25. We use the market-based methodology of the GHG Protocol for calculating scope 2 emissions.	342	116	54	43*
Scope 3 – All indirect emissions (not included in scope 2) that occur in our value chain, including both upstream and downstream emissions. Our scope 3 emissions decreased by 28.7% from FY16 and 3.9% from FY23. This reflects lower product volumes as well as improvements in the energy efficiency of energy-using products and an increase in use of renewable energy in production and across the value chain.	29,989	25,659	22,256	21,378*
TOTAL scope 1, 2 & 3 (thousand tonnes CO_2e)	**30,438**	**25,893**	**22,401**	**21,516****

*Data included in the external assurance scope.
**The scope of our external assurance for scope 3 data covers the greenhouse gas emissions within Ingka Group's operational control, including all data reported under the scope 3 categories 2, 3, 5, 6, 7, 8, 9, 13, 15 and part of the data reported under category 1. For category 1, the assurance covers the emissions arising from products and services purchased for use in our operations. The data in scope of our assurance accounts for 18.7% of our total scope 3 emissions.
[1]Changes in reported data for historic years are due to improved data quality and methodology changes, including the sale of our Ingka Centres portfolio in Russia.

Own operations

Operational emissions are a relatively small proportion of our value chain footprint (1%) but a priority for reduction, since we have operational control.

Our operational emissions category includes scope 1 and 2 emissions as well as scope 3 emissions closely connected to our operations such as operational waste and the emissions associated with producing and distributing the energy we use (scope 3 categories 3, 5, 8 and 13).

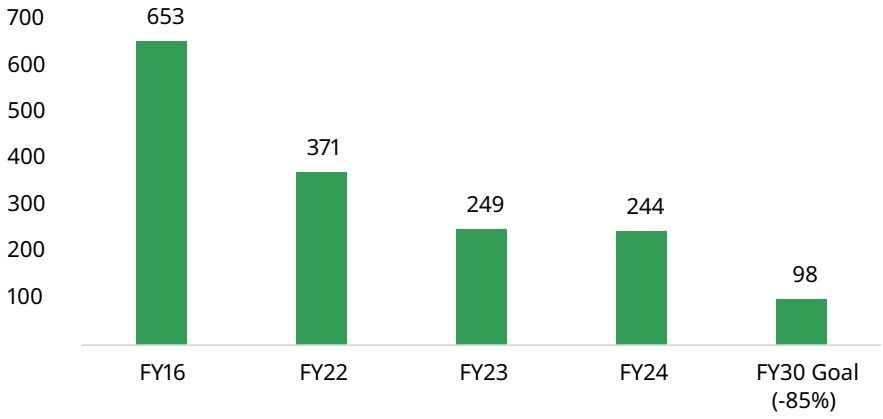
Our target is to reduce these emissions by 85% by FY30[1]. In FY24, we achieved:

- 62.5% reduction in absolute operational emissions against our FY16 baseline
- 1.9% absolute reduction in operational emissions compared with FY23.

Powered by renewable electricity

We're aiming to source 100% renewable electricity across our operations by 2025. This includes on-site renewable generation (e.g. PV panels on our stores), off-site generation (purchasing renewable electricity from solar and wind farms owned by Ingka Investments) and, where on-site and off-site approaches aren't

Greenhouse gas emissions from our operations
(thousands of tonnes CO_2e)



Key decarbonisation levers

	Impact area	FY24 greenhouse gas emissions	Key decarbonisation levers in FY24
Our own climate footprint (scope 1, 2 and 3)	Own operations[2]	1% of climate footprint	• Renewable electricity • Renewable heating and cooling • Energy efficiency measures • More sustainable refrigerant gases • Reducing and recycling waste
	Goods and services used in own operations and construction	5% of climate footprint	• Refurbishing, repurposing and renovating existing buildings • Better supplier choices • Better material choices
	Customer and co-worker travel and home deliveries	11% of climate footprint	• More sustainable travel to our stores and meeting places • Zero emission deliveries • Shifting business travel to rail
	Investments	1% of climate footprint	• Integrating climate change into portfolios and investment decisions
	IKEA products and food	81% of climate footprint	• Renewable energy in the supply chain • Supplier net-zero targets • Energy efficiency of products • Use of renewable and recycled materials in products • Plant-based food
Removals	Removing and storing carbon from the atmosphere		• Sustainable forest management practices in our forestland portfolio.
Beyond our value chain	Accelerating the transition to net zero		• Investments in materials innovation and recycling infrastructure • Products and services that help customers save energy, water and waste and prolong product life.

[1]This includes our SBTi validated target to reduce absolute scope 1 and 2 GHG emissions 85% by FY30 from a FY16 base year. See page 50 for a full list of our targets.
[2]Our operational emissions category includes all scope 1 and 2 emissions such as those from energy used in our buildings and fuel used in the vehicles we own, as well as scope 3 categories 3, 5, 8 and 13.

possible, we purchase renewable electricity from a supplier that can guarantee the renewable source with energy attribute certificates.

Our use of renewable electricity reduces our climate footprint from purchased electricity by 95.0%.

Performance in FY24[1]:

- 96.6% of electricity was from renewable sources compared with 69.7% in FY16 and 96.0% in FY23.
- 7.9% of Ingka Group's electricity consumption was generated on-site (FY23: 7.9%).
- We had solar panels on 283 sites producing 202 GWh of electricity (FY23: 271 sites).
- 51.7% of the electricity sourced for our operations was purchased from solar and wind farms owned by Ingka Investments (FY23: 51.3%) either directly or via the purchase of renewable energy attribute certificates.
- IKEA stores and Ingka Centres meeting places in 28 countries sourced 100% renewable electricity (backed by renewable energy attribute certificates) (FY23: 28).

In India and South Korea, we aren't currently able to source all the electricity we need from renewable sources (either directly or via purchasing energy attribute certifications) due to availability and affordability challenges.

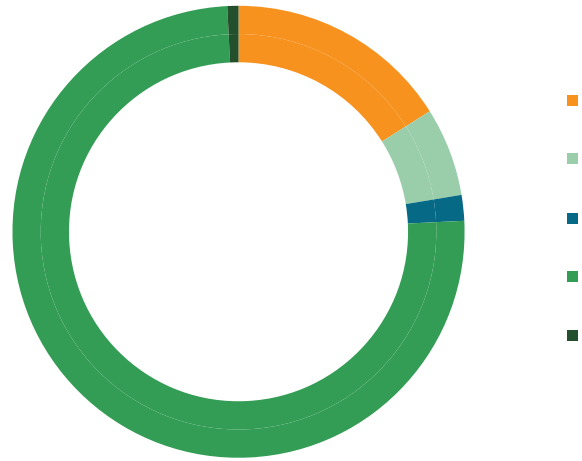
We are engaging with regulators and advocacy groups including RE100 and Asia Clean Energy Coalition to support policies that address this. We aim to expand our Ingka Investments renewable energy portfolio into more countries, including markets where renewable energy is less accessible. This will help us increase our use of renewable energy and support a broader transition to renewable energy in society. See page 65.

We are closely tracking the external scientific evaluation of energy attribute certificates. The SBTi and GHG Protocol are expected to publish updated guidance in 2025 and we will reflect their findings in our renewable energy strategy.

Renewable electricity in our operations[2]
(percentage of total electricity use)

	FY16	FY22	FY23	FY24
Renewable electricity in our operations	69.7%	91.0%	96.0%	96.6%

Energy consumption and mix
(MWh)



Where we supply electricity to tenants (in our shopping centres), we ensure it is renewable. In locations where our tenants manage their own electricity contracts, we are introducing lease clauses on renewable electricity into tenant contracts. In FY24, we tested a new process for collecting data on tenant renewable energy use that will enable us to report progress in future years.

Renewable heating and cooling

Many of our sites still use gas-fired heating and cooling systems and we are gradually replacing these with systems powered by renewable electricity[3]. Renewable heating and cooling systems are mandatory for all new sites.

Performance in FY24:

- We retrofitted 11 sites with renewable heating and cooling (FY23: 14[4]).
- Our greenhouse gas emissions related to heating and cooling have decreased by 26.9% since FY16 but increased by 5.7% since FY23[5]. Much of this increase reflects a reduction in our use of biogas in Germany.

[1]Our data for FY23 has been restated due to the removal of our Ingka Centres operations in Russia (following the sale of this business).
[2]Previous years' data has been restated due to the removal of our Ingka Centres operations in Russia (following the sale of this business).
[3]We no longer report progress on our target to have renewable heating and cooling systems in 100% of our buildings by 2030. See page 105 for details.
[4]Data for FY23 has been restated to reflect a number of projects co-ordinated at country level which were not included in our reporting in FY23.
[5]This covers scope 1 fuels for heating and scope 2 district heating and district cooling.

Switching to renewable heating and cooling can be a challenging process. Retrofitting existing systems is expensive and we often need to carry out additional building work such as insulation upgrades and installation of smart building management systems to ensure the successful operation of heat pumps. This process can take up to three years for an IKEA store. In some countries there are also constraints relating to lack of grid capacity and local infrastructure and limited availability of heat pumps and other equipment.

Improving energy efficiency

Improving energy efficiency contributes to emissions reductions directly and helps us to meet our renewable electricity goal – the lower our energy demand, the more likely it is that it can be met by the wind and solar energy available on the grid.

Actions we are taking to improve energy efficiency include switching to LED lighting, upgrading and optimising building management systems, improving insulation and using energy recovery from heating and cooling.

We have annual energy action plans for every building and are working to expand our smart metering programme which gives store managers access to next generation analytics and insights about energy use and potential savings in near real time. Our global energy monitoring platform enables our facilities teams to identify potential savings and share learnings across countries, facilitating decision-making on energy strategy.

Performance in FY24

- Our energy efficiency (kWh/m2 floor space) has improved by 20.5% from FY16.

By the end of FY24, we had connected one or more smart meters at 198 units across 14 countries to our global energy monitoring platform.

Reducing emissions from refrigerant gases

We use refrigerant gases in our kitchen fridges/freezers, cooling and heating systems (including heat pumps). For our kitchen fridges/freezers, we aim to use refrigerants with a lower global warming potential (GWP) to reduce the climate impact of leakages. This includes replacing the refrigerants used in kitchen fridges/freezers in the EU in line with the EU F-gas regulation. We are also focusing on ways to improve the maintenance and life cycle management of cooling systems to reduce leakages of refrigerants into the atmosphere.

Performance in FY24:

- Emissions from refrigerants reduced by 8.1% compared with FY23.

Emissions from waste

Our goal is to reduce our operational waste and strive to recycle 100% of waste generated in our own operations by 2030. Reducing waste and improving resource efficiency will contribute to emissions reductions[1]. Actions we're taking to reduce waste and increase recycling are summarised on page 66.

Performance in FY24:

- Emissions from waste have reduced by 50.5% since FY16; however this is largely due to a change in the methodology for calculating these emissions.

[1]We currently use emissions factors provided by the UK Government for reporting emissions from waste. See www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024. These cover transportation to the waste management facility and don't take into account the emissions associated with different waste management techniques when there is a user benefitting from the outcome as with recycled materials or energy created from incineration . This means that increasing our recycling rate does not reduce our reported emissions from waste unless the change is from landfill to recycling.

Goods and services used in own operations and construction

In FY24, greenhouse gas emissions from goods and services used in our own operations and for construction accounted for 5% of our climate footprint.

We purchase a wide range of goods and services across our operations such as racking in our stores, logistics services, computer hardware, data centres and marketing products.

To reduce emissions we are working to motivate and support our suppliers to set science-based carbon reduction targets and developing decarbonisation roadmaps for significant materials and procurement categories.

Performance in FY24:

- Emissions from purchased goods and services used in our own operations decreased by 2.7% from our FY16 baseline and by 8.8% compared with FY23.
- 51.3% of our strategic suppliers committed to a SBTi validated net zero target and 69.2% to a near-term SBTi validated target.
- We signed an agreement with Stegra to supply 50% of new warehouse racking globally from FY26 using their 'green steel' (steel manufactured without the use of fossil fuels).

Work is in progress to improve the accuracy of our scope 3 data on purchased goods and services by moving from spend-based calculations to activity-based calculations. However, this is challenging and will take time.

As we increase our use of AI-enabled tools for customers and our business, we are developing our understanding of how these impact our emissions. We will report on this in future years.

Construction materials

We aim to tackle emissions from construction by increasing the number of buildings we renovate and refurbish rather than building new, by using materials more efficiently and by integrating recycled and low carbon materials to reduce embodied carbon.

Together with Inter IKEA (who develop the design concept for our stores) we are developing a set of sustainable construction principles to guide our approach. From FY25, we will be conducting a life cycle assessment for all new construction projects. This will enable us to compare the carbon impact of different material and design choices and identify the most cost-effective carbon reduction options.

Performance in FY24:

- Emissions from construction materials decreased by 28.9% from our FY16 baseline and decreased by 9.1% compared to FY23.

In this category, emissions can vary significantly year on year according to the number of construction projects completed during the year. This is partly because, although construction projects can last several years, emissions are recorded on completion of the project rather than throughout the construction process. We aim to improve our data reporting process to address this.

Mobility: customer and co-worker travel and home deliveries

In FY24, greenhouse gas emissions from customer and co-worker travel and home deliveries accounted for 11% of our total value chain footprint.

Our goal is to reduce absolute GHG emissions from mobility (incl. home deliveries, co-worker travel, business travel, customer travel) by 40% by FY30 from a FY16 baseline[1]. To achieve this, we need our customers, co-workers and delivery partners to make the switch to electric vehicle (EVs) and for these vehicles to be widely available at the right price and supported by sufficient charging infrastructure. We are working with organisations such as EV100 to engage policy makers on ensuring the right regional, national and local regulation to create the conditions for increased EV uptake.

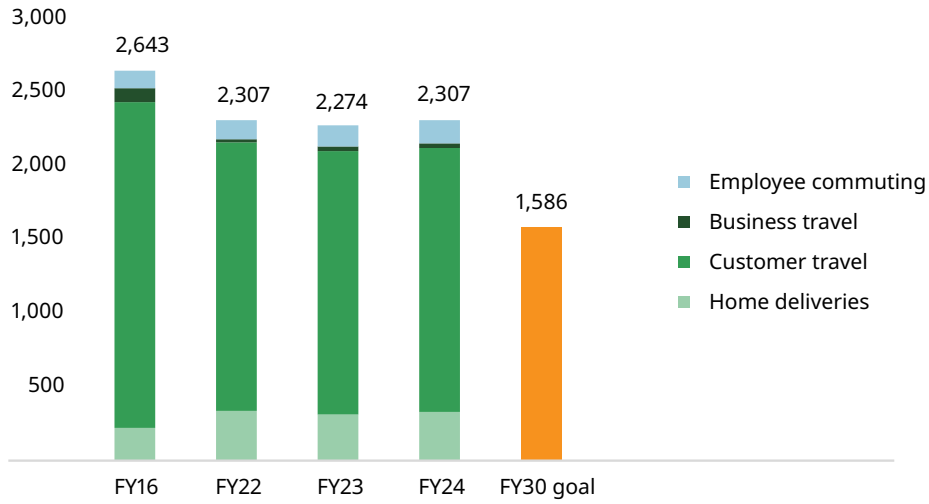
Travel to our stores

Customer travel to our stores accounted for 77.7% of mobility emissions in FY24 and from co-worker commuting 8.0%. We provide access to EV charging points at all our customer meeting points worldwide (where we provide parking) to support uptake of EVs. In some countries, we have initiatives to reduce greenhouse emissions associated with co-worker commuting, including car-pooling, shared electric bikes and subsidised public transport tickets.

Performance in FY24:

- There was an 9.1% decrease in relative emissions (per trip) since FY16 and a 0.2% reduction since FY23. This is primarily due to increased use of electric and more fuel efficient vehicles by our customers and co-workers
- Absolute emissions have decreased by 12.7% since FY16 but increased by 1.5% since FY23 which reflects our expansion into new locations and a 3.3% increase in visits to our retail locations.
- 7,195 EV charging points at our customer meeting points, up from 4,547 in FY23.

Greenhouse gas emissions from mobility
thousands of tonnes CO_2e



[1]We also have an 'optional' (additional) SBTi verified target for customer travel emissions, see page 50.

Home deliveries

Home deliveries account for 14.2% of mobility emissions. A significant increase in online shopping has resulted in an increase in home deliveries and emissions since our baseline. We are working to address this through use of zero emission vehicles powered by renewable energy. Our updated target is more than 90% of home deliveries made by zero emissionss vehicles by 2028[1](excluding parcel deliveries). We made strong progress in FY24 and expect further significant progress in FY25 based on our agreements with suppliers and improvements in infrastructure and public policy in many of our markets.

Performance in FY24:

- 41.1% of retail home deliveries made by zero emission vehicles, a total of 6.3 million deliveries. This is up from 24.6% the previous year.
- Absolute emissions from home delivery have increased by 48.2% from our FY16 baseline and by 4.9% since FY23. This reflects the significant growth in online sales since our baseline and a year on year increase in online sales of 2.4%.
- Our data currently excludes small parcel deliveries.

Challenges on the road to zero emission home deliveries

We have increased the share of zero emissions deliveries in recent years but are facing some challenges, including:

- The limited range of freight electric vehicles (EVs) on a single charge.
- Lack of suitable vehicles for some of our IKEA products and locations.
- Smaller capacity of some EV trucks which can reduce the number of deliveries made on one tripage
- Lack of public charging infrastructure and grid capacity.
- Lack of uniform regulation on freight EVs.

We have a dedicated project implementation manager working on zero emissions home delivery in each country to address local challenges, supported by a Group team. Alongside our investments in EVs we are also piloting innovations and collaborating with industry partners. For example, we are partnering with truck manufacturers to test new EVs and now use over 30 different models globally. To overcome lack of charging infrastructure, we invest in our own charging infrastructure and also work with local partners.

Business travel

To reduce emissions from business travel, our policy directs co-workers to meet online wherever possible and restricts air travel for one-day trips. We have developed an air to rail policy, currently implemented in France and Spain, that moves domestic trips from air to rail travel where the journey time is 3.5 hours or less. This will be further rolled out starting with Germany and Sweden.

We are engaging with the European rail industry to articulate the needs of business travellers and support changes that enables business travellers to book domestic and cross-border rail tickets through corporate travel channels more seamlessly.

Performance in FY24:

- Greenhouse gas emissions from business travel (by road, rail and air) decreased by 69.3% since FY16 and by 6.2% since FY23.

Company owned vehicles

Our target is for more than 90% of company-owned and leased vehicles used in our operations to be zero emissionss by 2028[2]. This includes company cars and pool cars (for business travel). We require all new vehicles to be zero emissions or electric wherever feasible and are using fleet management services to track the transition towards zero emissions vehicles; however, we are facing challenges from limited availability of some types of electric vehicles and charging infrastructure.

Performance in FY24:

- 48.4% of company-owned and leased vehicles used in our operations were zero emissions vehicles (FY23: 39.2%).

[1]We updated our target in FY24 and extended the deadline, see page 106.
[2]We updated our target in FY24 and extended the deadline, see page 106.

Investments

In FY24, greenhouse gas emissions from key categories of investment accounted for 1% of our total value chain footprint.

Ingka Investments purchases assets, manages companies and operates strategic businesses to preserve and create value for Ingka Group and IKEA. We now report emissions from our portfolios: Business Acquisitions and Venture, Renewable Energy, Circularity and Financial Markets Investments (excluding sovereign bonds, government sponsored bonds and alternative investments). This showed us that:

- Emissions from these investments totalled 188,889 in FY24[1].
- Emissions from these investments have reduced by 57% since FY16. In our FMI portfolio, the reduction was 62% despite the portfolio growing.

Reductions achieved since FY16 are partly due to actions we have taken such as divesting from some companies in more carbon intensive sectors supported by our policy not to make or hold direct investments in fossil fuel businesses. We also have more accurate data for FY24 emissions compared to prior years because more investee companies now disclose emissions data.

Some significant categories of investment (such as sovereign bonds) are not yet included in our data because there is no generally accepted methodology for calculating these emissions.

Reducing absolute emissions from investments will be challenging over the next few years, as we expect to increase the amount invested in physical assets and businesses and to extend our reporting to more categories of investment. The steps we are taking to address emissions from investments will be set out in our Climate Transition Plan.

Our investments in renewable energy production, supply and storage, support the global transition to net zero, while our forestland portfolio investments remove and store carbon, see box. Examples of investments that support the transition to a circular economy are included on page 67.

Carbon emissions and removals from our forestland portfolio

In FY24, we calculated the emissions and carbon removals from our forestland portfolio for the first time using the 2022 GHG Protocol Land Sector and Removals Draft Guidance. Understanding these emissions and removals, will help us to develop our strategy and target for carbon removal.

This showed us that:

- Emissions relating to our forestry portfolio were 43,106 tonnes of CO_2e in FY24 (FY23: 91,091)
- 675,519 tonnes of CO_2e were removed and stored by the forests we own in FY24. This is a 13.1% increase compared with FY23 but a reduction of 38.5% since FY16. These changes reflect improvements to our data as well as the harvesting cycle for timber in our forests.

Our data covers carbon emissions from the forest to the mill gate, including those relating to harvesting trees, running buildings and vehicles, use of chemicals and other emissions associated with forestry management practices. We quantified the carbon removal potential of our forests by estimating the amount of carbon stored by the net growth of trees and roots (above and below ground biomass). The data has been externally assured.

Other Forest, Land and Agriculture (FLAG) emissions are included in our value chain footprint (for example emissions associated with the production of raw materials used in our products) and we don't currently set separate targets for FLAG emissions.

[1]This includes scope 1 and 2 emissions from investments where we do not have operational control and scope 3 emissions from investments where we do have operational control. Scope 1 and 2 emissions from investments where we have operational control are reported in our Operations emissions category. Scope 3 emissions from investments outside our operational control are excluded.

Inter IKEA: emissions from our products and food

The majority of our climate footprint is associated with the products we sell, the IKEA home furnishing range.

Our climate footprint from IKEA products and food includes emissions upstream in our supply chain from the sourcing of raw materials (45% of our footprint), food ingredients (3%), production (6%) and product transport (5%) as well as downstream emissions from customer use of our products (14%) and product end of life (7%).

We are collaborating with Inter IKEA, our franchisor and wholesale supplier, to reduce absolute emissions across its value chain by 50% by FY30 (from FY16). A detailed description of their actions and targets is available in the IKEA Climate Report FY24.

IKEA Climate Report FY24

At Ingka Group, as the largest franchise retailer of IKEA products (accounting for 87.8% of IKEA sales in FY24), we contribute to this target by promoting products that enable customers to reduce their climate impact (such as more energy-efficient lighting and appliances) and by extending our plant-based food options.

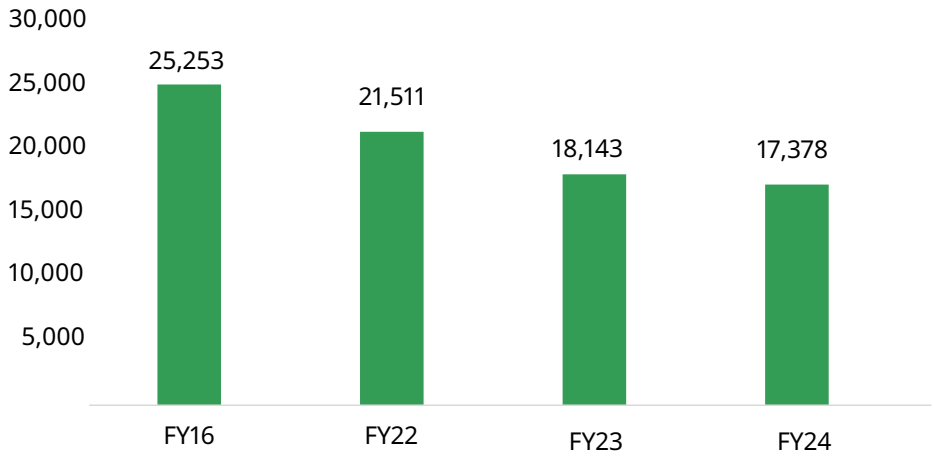
Performance in FY24

- Our scope 3 emissions arising from sales of IKEA home furnishing products and food decreased by 31.2% from FY16 and 4.2% from FY23.
- Emissions reduced in all categories with particularly significant reductions achieved in production (the manufacture of the IKEA range) with a 59.5% reduction since FY16 and 21.2% reduction since FY23 and in product use at home with a 57.8% reduction since FY16 and 5.4% reduction since FY23.

These reductions mainly reflect an increase in renewable electricity use in production and the supply chain, energy efficiency improvements in the IKEA lighting range and lower production volumes and commodity prices (which impact emissions calculated using spend based data).

See page 19 for more details on our products which help customers save energy and how we communicate with customers on these topics.

Greenhouse gas emissions from products and food[1]
(thousands of tonnes CO_2e)



[1]The data covers scope 3 emissions arising from Ingka Group sales (87.8% of total IKEA sales), including emissions upstream in our supply chain from the sourcing of raw materials, food ingredients, production and product transport and emissions downstream associated with customer use of products and product end of life. This accounts for 81.3% of our total scope 3 emissions and 80.8% of our total climate footprint.

Going beyond our value chain

We aim to have a positive impact on emissions reduction beyond our value chain, helping to accelerate the transition to net zero.

One of the key ways we do this is through our investments in areas such as materials innovation, renewable energy generation, circularity and recycling infrastructure. We have invested or committed to invest EUR 4.2 billion in wind and solar farms and wider renewable investments since 2009[1], with a commitment to invest EUR 7.5 billion by 2030. Highlights from FY24 include:

- EUR 0.3 billion invested and 0.4 billion committted in renewable generation.
- Ingka Investments owned, or had committed to own, 49 wind farms (with 606 wind turbines) in 16 countries and 26 solar parks in 9 countries[2].

Around 59.5% of the electricity in our operations is purchased from wind and solar farms owned by Ingka Investments either directly or via renewable energy attribute certificates. Our investments in renewable energy do not act as offsets to our net zero commitments.

Our investments in areas such as recycling infrastructure and materials innovation (see page 67) and mobility also contribute to emissions reductions in society. We offer products and services that can help customers to reduce their emissions. These include IKEA Energy Services (enabling customers to generate their own renewable energy), our circular customer offer and our products that help customers save energy and water and reduce waste (see page 19).

External engagement and advocacy

We collaborate with others to accelerate action on climate change and advocate for policies that support the transition to net zero.

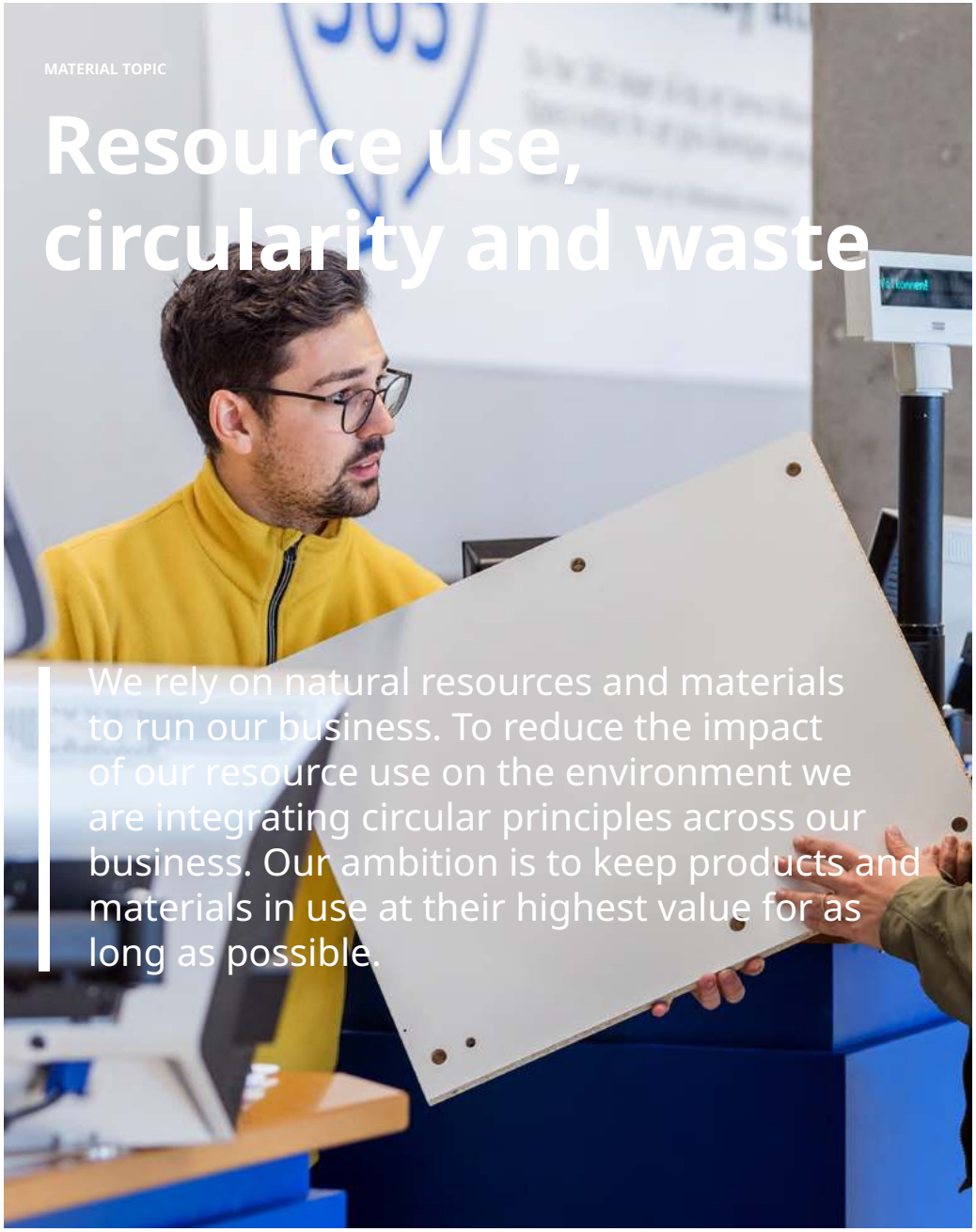
For businesses to move with speed to deliver to net zero, we need ambitious targets by governments – backed by clear plans. In FY24 we supported the Mission 2025 Campaign, a global coalition of NGOs, businesses, cities, regions, and philanthropic organisations encouraging governments to align their national climate plans with the Paris Agreement's target of limiting global warming to 1.5°C. The campaign was launched during London Climate Action Week in June 2024, with global non-profit organisations The B Team, We Mean Business Coalition, Climate Group, C40 Cities and Groundswell.

Many solutions to tackle climate change are known but not yet widely adopted. To inspire action and collaboration, we developed and launched Action Speaks. We hosted an exhibition and event during the World Economic Forum in Davos showcasing climate solutions from around the world. We then launched an open source platform of climate solutions with the World Economic Forum and Project Drawdown, during Climate Week New York 2024.

We collaborate with:

- World Economic Forum
- The B Team
- Asia Clean Energy Coalition
- Ingka Young Leaders Forum
- Cambridge Institute for Sustainability Leadership (CISL)
- Corporate Leaders Group
- UN Global Compact
- World Business Council for Sustainable Development
- The Earthshot Prize
- World Resources Institute
- We Mean Business Coalition
- RE100
- EV100
- RE-Source European Platform for Corporate Renewable Energy Sourcing
- C40 Cities
- SME Climate Hub
- SolarPower Europe

[1]This includes both investments made, and the amount committed to projects by the end of FY24.
[2]Figures include minority shareholdings.



MATERIAL TOPIC

Resource use, circularity and waste

We rely on natural resources and materials to run our business. To reduce the impact of our resource use on the environment we are integrating circular principles across our business. Our ambition is to keep products and materials in use at their highest value for as long as possible.

What we are proud of

- Integrated wood and paper responsible sourcing requirements for indirect suppliers into our IWAY supplier code of conduct.
- Our IT recycling partnership in 16 countries resulted in 29.7% of our end-of-life IT equipment being refurbished and resold and 70.3% being recycled.
- Since FY17, we have cut production food waste (grams per cover) at our IKEA stores by 60.5%, saving around 37.8 million portions of food.

Challenges we are addressing

- At Ingka Centres our recycling rate of 56.4% in FY24 is relatively low compared with other parts of the business but has improved year on year (FY23: 51.2%).
- Increasing our recycling rate is challenging due to lack of recycling infrastructure in some countries, higher costs of recycling compared with other waste disposal routes and complex legislation.
- We don't yet have all the data we need to measure the total quantities of materials used across our value chain. This creates challenges for improving resource efficiency and circular use of resources. We are working to improve measurements and data accuracy.

More circular products, services and solutions

Inter IKEA Group designs the IKEA range and aims to use recycled and renewable materials, with a focus on significantly increasing the share of recycled content in IKEA products.

Wood is the most widely used material in the IKEA range. In FY24, 16.2% of wood in our products came from recycled sources (FY23: 16.8%) against a target of one third by FY30.

At Ingka Group, we have an opportunity to promote circular actions and behaviours to the millions of people that visit our stores, shopping centres and websites. We are developing services and solutions that enable customers to prolong the life of products and to expand the market for second-hand IKEA products, which can help to reduce resource use compared to buying new. Read more on page 20.

Investing in a circular economy

Through Ingka Investments, we are investing in businesses that can help to accelerate the shift to a circular economy by preventing waste and increasing the supply of high quality recycled materials. We focus our investment across five priority areas – mattresses, plastics, textiles, wood and food.

Since 2017, we estimate that companies in our Circular Investments portfolio have recycled around 1.9 million tonnes of materials, avoiding over 5 million tonnes of CO_2e. For example, since 2019, we've invested in RetourMatras, a Dutch mattress recycling business. In FY24, RetourMatras recycled over 1 million mattresses avoiding over 90,000 tonnes of CO_2e. RetourMatras converts the polyurethane (PU) foam from recycled mattresses into repolyol, a key ingredient for new foam. Some of this is now purchased by Inter IKEA for use in some IKEA upholstery and mattress product lines. The business will open a new facility in France in FY25 with the capacity to recycle an additional 300,000 mattresses per year.

Supporting the development of the recycled plastics industry

Converting plastic waste into recycled raw materials can reduce the environmental impact of plastics use, but the plastics recycling industry has faced a number of challenges to its growth. Morssinkhof Rymoplast is a group of plastics recycling companies and one of Europe's largest producers of high-end recycled raw materials. We have been a minority investor in the business since 2017 supporting it to develop and expand its operations.

Our investment has contributed to Morssinkhof Rymoplast doubling its plastic recycling capacity to 515,000 tonnes per year. Today, Morssinkhof Rymoplast has 11 recycling facilities in Belgium, Germany, Poland and the Netherlands and has started construction of two new facilities in Belgium. Inter IKEA is using their recycled plastics in products such as FNISS & HÅLLBAR waste bins.

Goods and services used in our own operations

We aim to incorporate more circular practices into our procurement, and to use renewable, recycled and recyclable materials where possible.

Wood, cardboard and paper packaging is one of our focus areas. It is our policy that all wood, cardboard and paper used in our business (including marketing material and e-commerce packaging) must come from 100% recycled or Forest Stewardship Council® (FSC®) certified sources. We will start to collect data on this from FY25. We're also exploring ways to increase resource efficiency and reduce reliance on new materials. For instance, in the US, we switched from standard boxes for e-commerce deliveries to customers to product-specific packaging. This cut the volume of packaging materials used and enabled more packages to be transported per vehicle reducing costs by 51.4% since FY22. This approach has been expanded to 12 countries in Europe.

Our partnership in 16 countries for end-of-life IT equipment saw 29.7% of old equipment being refurbished and resold and 70.3% being recycled in FY24.

Construction waste

As our business grows, we are building new stores and refurbishing buildings which uses resources and generates waste.

We are introducing life cycle assessments for new construction projects to enable us to compare the impact of material and design choices and to integrate materials with lower embodied carbon. Through our real estate strategy, we aim to increase the number of existing buildings we refurbish rather than building new which can reduce resource use.

We are working with our construction partners to minimise waste and increase recycling rates. For example, we have a recycling programme for old vinyl flooring. Lack of recycling infrastructure can impact our ability to recycle construction waste in some countries.

Construction waste can vary significantly year on year depending on the scale and type of projects underway. In FY24, there was a significant increase due to construction of an Ingka Centres shopping centre in China which required the excavation and removal of a large amount of soil.

Operational waste

We aim to reduce operational waste and we strive to recycle 100% of waste generated in our operations by 2030.

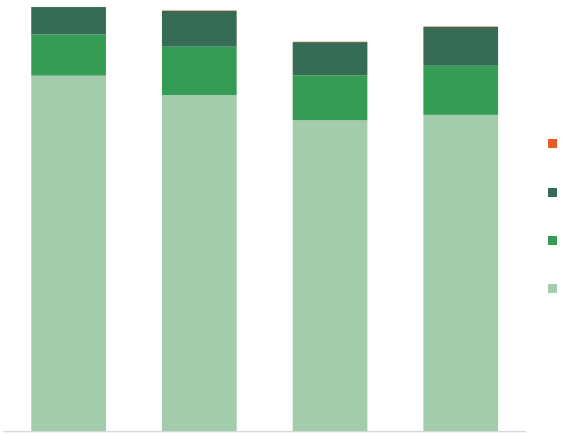
Total waste from our operations has increased by 3.9% since FY23 but reduced by 4.6% since our FY16 baseline. Our most significant categories of operational waste (by weight) include cardboard and paper, mixed non-hazardous waste, wood and organic waste (including food).

Our cross-functional working groups focused on reducing waste and driving circular resource flows at country and unit level. We track progress monthly in each country.

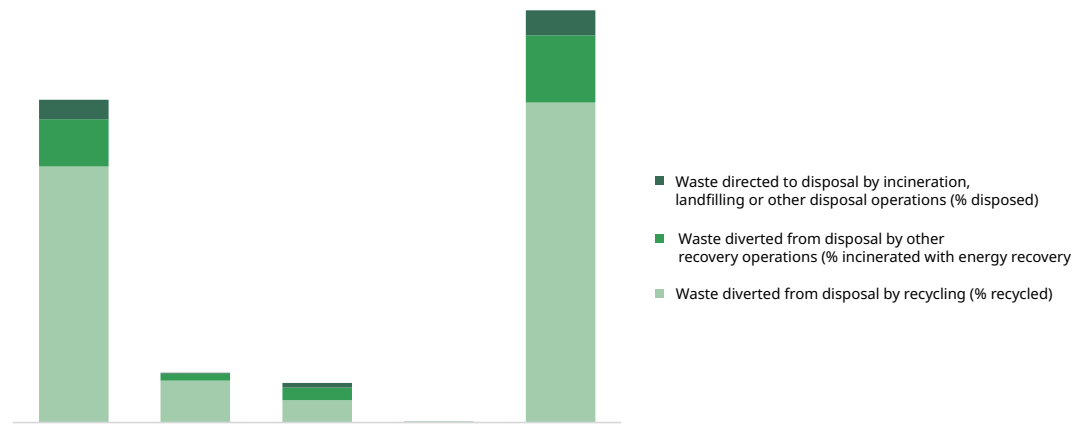
It has been challenging to increase our recycling rate. Our recycling rate varies significantly between countries, depending on recycling infrastructure. Some initiatives that reduce waste, such as shredding waste cardboard for use as filing material in e-commerce packaging, can impact our recycling rate. We are also affected by regulation which requires us to incinerate some types of waste that could be recycled such as food packaging.

We are focusing on improving waste segregation and working with suppliers to find local approaches to increase recycling rates. For example, in Belgium we're now recycling all treated wood waste from our eight stores and distribution centre. Some of the recycled material is used to manufacture new IKEA furniture. At Ingka Centres (which accounts for 9.6% of total waste) our recycling rate of 56.4% in FY24 is relatively low compared with other parts of the business but has improved year on year (FY23: 51.2%). We are integrating recycling requirements into the contracts with new tenants and existing tenants as contracts are renewed and rolling out training for tenants on recycling.

Total waste from own operations[1] (tonnes)



Disposal route for waste from our own operations (tonnes)



[1]Our data has been restated following the sale of our Ingka Centres business in Russia. Other changes in historic years are due to improved data quality and methodology changes.
[2]Data for offices was collected for the first time in FY21.

Food waste

Reducing food waste is a priority for both our retail and Ingka Centres businesses.

Since FY17, we have cut production food waste (grams per cover) at IKEA stores by 60.5%, saving around 37.8 million portions of food. Year on year production food waste decreased by 4.9%.

Our "waste watcher tool" uses artificial intelligence (AI) to identify sources of food waste and optimise food production systems. It is now used in 429 stores (FY23: 400).

Our target is to send no organic waste to landfill (including food waste) across Ingka Group. We have made the most progress in countries with well-established infrastructure and a supportive regulatory environment. At Ingka Centres, we provide waste management services as part of the lease agreement with some tenants and we are working with them to manage organic waste, with a focus on recycling and reducing food waste.

We are working with the Too Good To Go app to avoid surplus food from our restaurants going to waste. See page 15.

External engagement and advocacy

Many barriers to a circular economy are systemic and we need to collaborate with others to advocate for policies and actions that support more circular business models.

We support regulation that promotes reuse and recycling over incineration and disposal. We advocate for policies that improve market conditions for companies that are transitioning from linear to circular business models and that promote better harmonisation and simplification of waste regulation between countries.

In March 2024, for example, as part of the revision of the Waste Framework Directive we brought together policy makers and other stakeholders to discuss EU harmonised waste management tools, such as a harmonised EU Extended Producer Responsibility (EPR) scheme for mattresses. We believe a this would enable improvements in recycling infrastructure and greater use of recycled materials.

We collaborate with:

- Ingka Young Leaders Forum
- World Business Council for Sustainable Development
- Platform for Accelerating the Circular Economy

MATERIAL TOPIC

Water

Water stress can impact communities, nature and businesses and is an issue of growing global concern. We seek to use water efficiently across our operations and to promote water-saving products to customers. The majority of our water footprint relates to water use in our value chain and we work with Inter IKEA to help address this.

What we are proud of

- 13% of sites have rainwater harvesting (FY23: 14%).
- Automatic water metering now in place at 46 sites to help us monitor and reduce water consumption.
- Set internal goals to reduce water withdrawal at our customer meeting points by FY25.
- Analysed our water impacts, dependencies, risks and opportunities in line with the Taskforce on Nature-related Financial Disclosures guidance.

Challenges we are addressing

- Despite the actions we've taken, we have not yet reduced our water use.
- Roll out of automated metering has taken longer than expected, but we expect to complete it in FY25.
- Global challenges relating to water stress and management are increasing.

Water use in our value chain

Most of our water footprint (around 99%) is in our value chain where water is used to produce and manufacture IKEA products and food and by our customers when using some of our products.

These impacts are managed by Inter IKEA Group, who have set water reduction goals and are focusing on three areas:

- Improving water efficiency in the supply chain and manufacturing and developing affordable water-efficient products.
- Improving water quality through work with suppliers and by developing new customer solutions.
- Enhancing freshwater ecosystems and community access with a focus on 15 water-stressed basins in the IKEA value chain.

At Ingka, we promote products and actions that can help our customers reduce their water use at home (see page 19).

Read more in the IKEA Sustainability Report FY24

Reducing water use in our operations

We use water in our operations for drinking, preparing food in our kitchens, for cleaning, flushing toilets and watering plants.

Overall operational water use increased by 4.5% year on year and by 11.5% compared to our FY16 baseline. The increase is largely due to expansion of our Ingka Centres business. Water use in our retail stores has reduced by 4.0% against our baseline but increased 1% year on year.

We have an internal working group to drive progress on water reduction. Our key actions include:

Integrating water efficiency into site design: Water-saving measures include water-efficient appliances and fixtures. All our newly built and refurbished locations must achieve at least a BREEAM Very Good rating (or equivalent standard) which includes water efficiency criteria. We have installed rainwater harvesting systems at around 13% of our sites[1] (FY23: 14%), supplying approximately 2% of total water use.

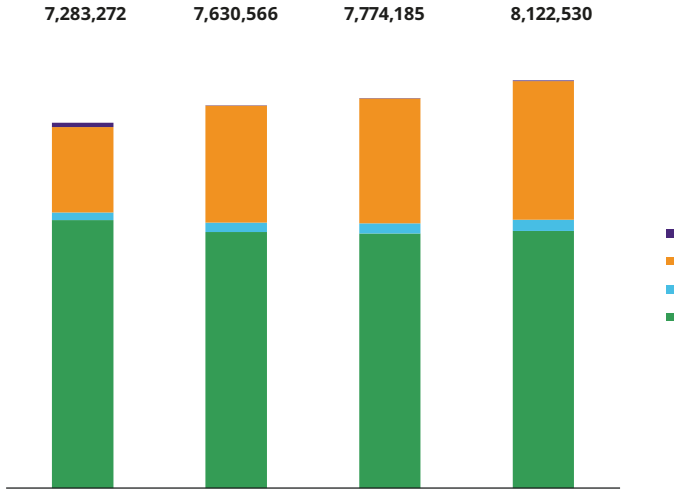
Improving our data on water use: We are rolling out automated water meters to track usage in real time. This enables us to spot leaks more quickly, so we can compare performance between sites and identify opportunities for reducing water usage. These are now installed at 46 sites. Roll out has been slower than expected but we expect to complete it in FY25.

Target setting: We set reduction goals for water withdrawal consumption at our retail sites to help drive performance improvements.

We have mapped our customer meeting points to identify which sites are in areas of high water stress and those likely to be impacted in the near future. This showed that around 33% of our sites[1] are in areas of high water stress and we aim to prioritise these locations for action.

Water use

(m^3)

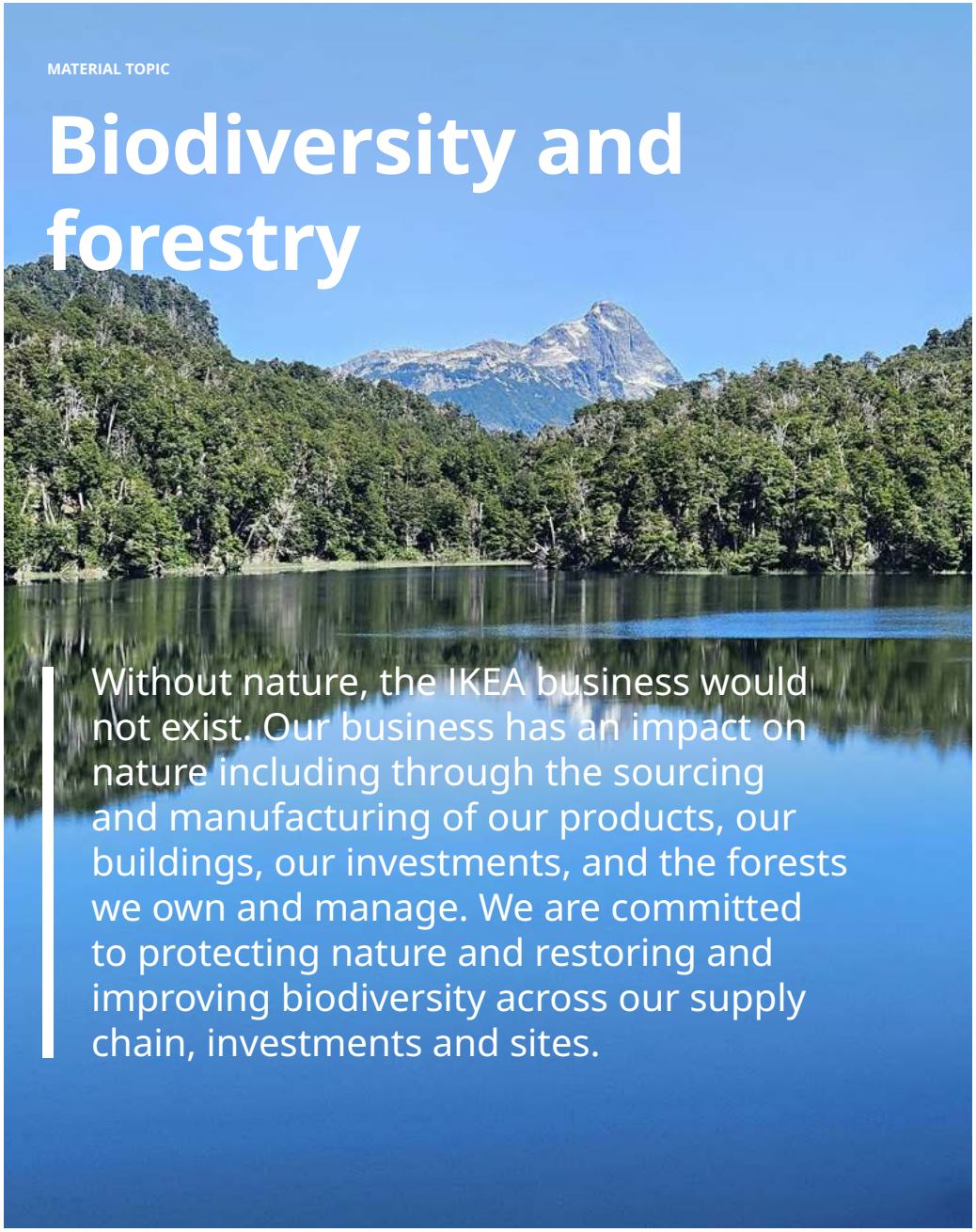


We are in the process of mapping our operational nature impacts, dependencies, risks and opportunities including those relating to water use. Some of our investments support water conservation, including a minority stake (via Equitix) in Waterise, an ocean desalination business aiming to provide clean drinking water to water-stressed regions.

[1]Excludes Ingka Investments sites.

MATERIAL TOPIC

Biodiversity and forestry



Without nature, the IKEA business would not exist. Our business has an impact on nature including through the sourcing and manufacturing of our products, our buildings, our investments, and the forests we own and manage. We are committed to protecting nature and restoring and improving biodiversity across our supply chain, investments and sites.

What we are proud of

- Participated in the WBCSD Science-based Targets for Nature (SBTN) preparer programme to align with best practice.
- Mapped the material nature impacts, dependencies, risks and opportunities for our operations and joined the Taskforce on Nature Related Financial Disclosures (TNFD) early adopters programme.
- 97.3% of our forestland portfolio was FSC certified and 2.7% was newly acquired forestland undergoing certification.
- Started to identify key metrics for tracking the impact of our forestry operations on biodiversity.
- Created new green spaces around some of our stores with planting to help support local biodiversity.

Challenges we are addressing

- There is currently a lack of globally agreed standardised measurement units, methods and KPIs for biodiversity monitoring. We are proactively working with external partners to contribute to and shape these global methodologies.
- We don't yet have detailed data on all our value chain biodiversity impacts and dependencies but we are working to address this.
- We don't yet have global guidelines to help our help our stores and sites implement nature solutions consistently but work is underway to develop these.

Understanding our biodiversity impact

We aim to address our material nature impacts, dependencies and risks in a science-based way.

We have been working to address nature-related impacts for many years but we are now developing a nature plan and strategy that brings our actions and commitments together in one place.

To make sure we align with best practice, we have joined the Taskforce on Nature-related Financial Disclosures (TNFD) early adopters programme and are participating in the WBCSD Science-based Targets for Nature (SBTN) preparer programme. We expect to disclose in line with the TNFD framework from 2026.

We have identified an initial set of metrics to track the impact of our operations on biodiversity and land. These cover areas such as: areas disturbed or restored, type of land use and land use change and other biodiversity impacts. We will collect baseline data in FY25. We are also looking at how to measure biodiversity levels in the forests we own, seepage 75.

Biodiversity and the IKEA range

Inter IKEA Group manages biodiversity impacts connected to the IKEA range.

Wood is the most widely used material in the IKEA range (based on purchasing value). In FY24, 97.3% (FY23: 97.9%) of total wood used in IKEA products was either FSC®-certified or recycled. Inter IKEA's responsible sourcing programme for wood includes strict standards for suppliers, regular internal and external audits and traceability requirements, as well as a focus on increasing use of recycled wood.

Inter IKEA is involved in a number of partnerships and multi-stakeholder collaborations relating to responsible forestry and biodiversity. These include:

- Working with FSC, WWF and other organisations on an initiative to quantify the biodiversity impacts of FSC certification.
- A long-term partnership with WWF contributing to the certification of responsibly managed forest.
- Implementing forensic testing methods to verify wood origin and species and working with World Forest ID to develop an AI-based machine learning tool to increase accuracy of identification.
- Partnering with the Royal Botanic Gardens, Kew on Rattan DNA mapping and identification of conservation risks.

Inter IKEA Group also has responsible sourcing programmes for other materials that impact ecosystems including cotton, soy, palm oil, coffee, cocoa, tea, beef and seafood. Cotton is the main agricultural material for IKEA and has been sourced from more sustainable or recycled sources since FY15.

Read more about sourcing in the IKEA Sustainability Report FY24

Our operations and supply chain

We are integrating green spaces and planting around some of our stores to help support local biodiversity.

We are integrating green spaces and planting around some of our stores to help support local biodiversity. Recent examples include our 'tiny forests' at four sites close to IKEA stores in France. These cover around 500 m2 and use a dense planting technique with fast growing native species to maximise biodiversity. Other examples include a new pollinator garden at the IKEA store in Belgrade, Serbia and the green roof and public rooftop garden at our new city store in Copenhagen. We are developing guidelines and case studies to help our sites maximise the biodiversity benefits of our green spaces.

We have responsible sourcing requirements for the wood and paper we purchase for use in our operations, requiring it to be either 100% recycled or from Forest Stewardship Council® (FSC®) certified sources. In FY24, we launched our updated IWAY Forest Materials section that will enable us to embed sustainable wood and paper requirements into supplier contracts and put a mitigation plan in place for higher risk suppliers.

Our forestland portfolio

We own 319,100 hectares of forestland in seven countries through Ingka Investments (FY23: 281,500 hectares, six countries).

We invest in forestland as part of our financial strategy and all wood harvested from the forests we own is sold on the open market.

Responsible forest management

Forests are important carbon sinks and critical habitats for biodiversity. All forests in our portfolio are either certified by the Forest Stewardship Council (FSC®) or undergoing certification. This applies to both forests managed by external partners and those we manage ourselves. By the end of FY24, 97.3% of our forestland portfolio was FSC certified and 2.7% was newly acquired forestland undergoing certification.

In line with FSC standards, at least 10% of our forestland is managed as a Conservation Area Network (CAN). These areas are not commercially logged and are managed to protect or enhance their environmental and/or social value. We regularly assess our forestland to identify high conservation value areas, looking at factors such as the presence of rare, threatened or endangered species or habitats as well as local community needs. In FY24, 12% of our forestland portfolio was managed as CAN.

In addition, a further 10% of our forestland is managed to protect important landscapes, ecosystems or species in line with legal requirements. Examples include streamside management zones in the US and Natura 2000 sites in Europe. Commercial logging may be permitted in some of these areas but is subject to periodic restrictions (such as restricting harvesting during the bird nesting season) and/or intensity restrictions (such as no clear cutting or restrictions on the volume or types of trees that can be harvested).

All forestry partners we work with in the forests that we own must comply with our Terms of Engagement which are based on IWAY requirements and adapted to forest management. They include criteria in areas such as health and safety, biodiversity, environmental and waste management and legal compliance. We provide training to forestry partners on our standards and legal requirements, conduct scheduled and unannounced audits and use satellite and drone imagery to track compliance.

Measuring biodiversity impacts

We want to improve our data to enable us to track the impact of our forestry operations on biodiversity. We have identified some initial metrics and will collect baseline data in FY25.

Harvesting, replanting and regeneration

Across our forests, we harvest less than the forest's growth and regenerate all harvested sites. After harvesting, we either replant trees or allow areas to naturally regenerate in line with FSC requirements. In FY24, we reforested 4,500 hectares (FY23: 3,610) and supported regeneration on approximately 5,500 hectares (FY23: 1,010). We estimate our forests have a net growth rate of 0.5 million m^3 per year[1].

Afforestation (planting new forests)

We are planting new areas of forest plantation on low-grade agricultural or degraded land that will provide additional sources of timber. This can also improve local biodiversity and soil quality. In FY24, we planted new areas of forest plantations covering 5,300 hectares of land in Aotearoa New Zealand, Baltic countries and the US (FY23: 4,940). In the US and Baltic states we plant native tree species and in Aotearoa New Zealand we mainly plant pine trees but native species are also used.

Engaging on our approach to responsible forest management

Accountability and transparency are key to responsible forest management. We aim to align our approach to best practice frameworks and to engage in dialogue with stakeholders to continually strengthen our approach and that of the wider sector.

We make details of our Forest Management Plans (information on how we manage our forests and planned tree felling, replanting and regeneration) publicly available online, and we invite national authorities, NGOs, and other stakeholders to comment on our approach to forest management. We also publish our terms of engagement for our forestry partners.

During FY24, we engaged with several NGOs sharing information on our approach, listening to their views and concerns and discussing approaches to strengthening future forest management standards. We will continue to develop our approach to engagement, based on our view that multi-stakeholder processes – where voices from governments, NGOs, scientists, local communities, and businesses are heard – are the most effective way to achieve lasting and meaningful solutions.

We protect rivers and watersheds across our forests. When converting farmland to forestland, we map any riparian zones (i.e. buffer areas between the forest and river) and plant them with native species to protect the water course and riverbank.

Carbon emissions and removals from our forestry portfolio

We have quantified the greenhouse gas emissions and carbon removals associated with our forest portfolio for the first time, see page 63.

External engagement and advocacy

We work with others on biodiversity related issues.

We are members of the EU Business and Biodiversity Platform which aims to mobilise businesses to deliver EU biodiversity targets by 2030 and contribute to the Kunming-Montreal Global Biodiversity Framework. During FY24 we participated in the work of the WBSCD Nature Action group and co-signed with Inter IKEA the Business For Nature letter. This called on governments at COP16 to strengthen policies, incentives and legislation that will drive the necessary business action to halt and reverse nature loss by 2030. We also advocated in support of the introduction of the EU Regulation on Nature Restoration.

We collaborate with:

- World Economic Forum
- The B Team
- Ingka Young Leaders Forum
- UN Global Compact
- World Business Council for Sustainable Development
- The Earthshot Prize
- World Resources Institute
- We Mean Business Coalition

[1]This is calculated by estimating the area covered by standing stock at the beginning and end of each year.

Better company

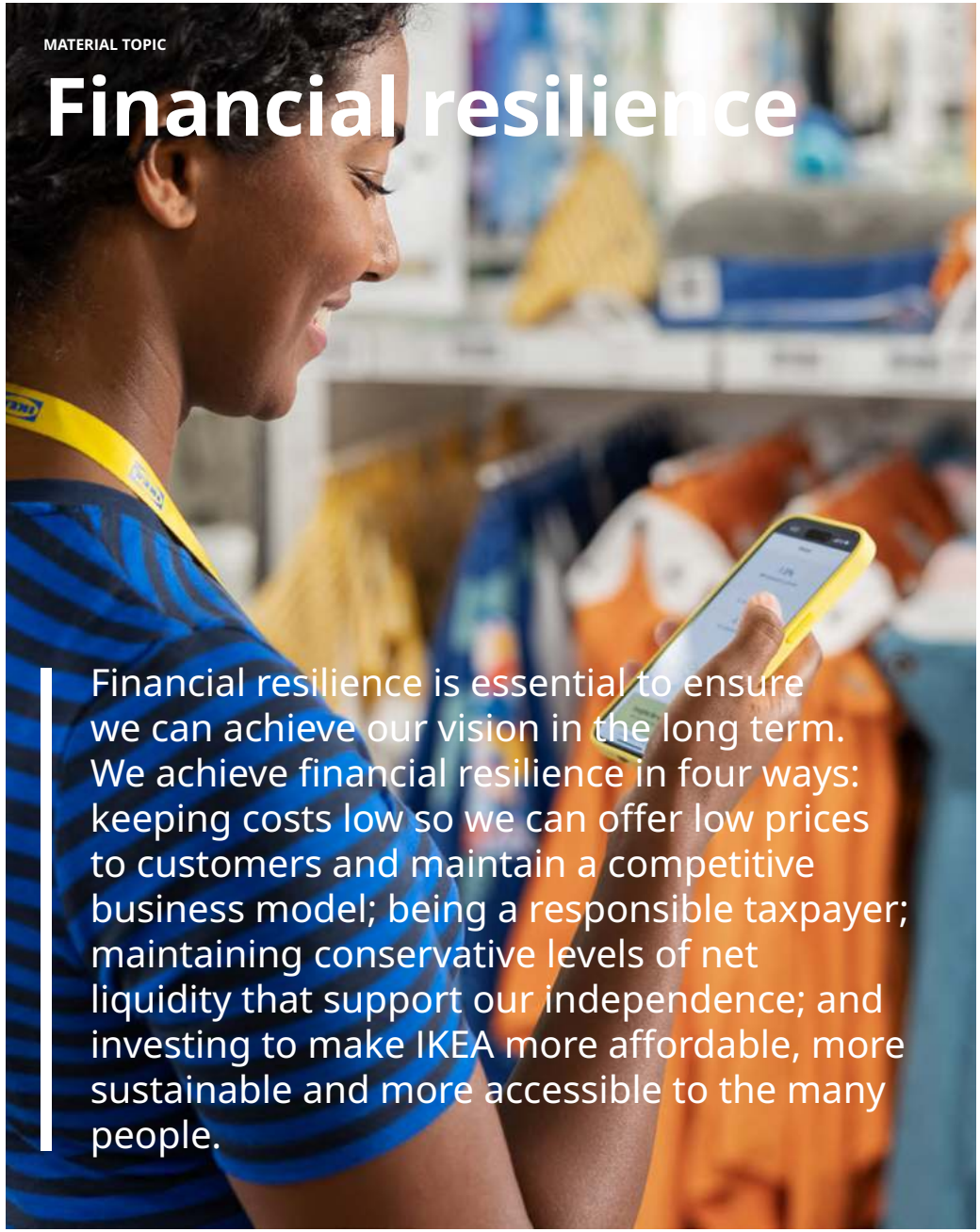
We structure our business to ensure financial resilience and we reinvest profit to help us keep growing and improving. We run our business honestly and with integrity, meeting high ethical standards. Our governance is designed to ensure that Ingka Group remains a well-managed, successful, purpose-led company.

Our material topics

- Financial resilience
- Ethical business conduct
- Digital trust
- Responsible sourcing

Progress against targets FY24

OUR TARGETS	PROGRESS IN FY24	PERFORMANCE SUMMARY
Financial resilience*		
Accelerate investments by Ingka Investments into renewable energy to EUR 7.5 billion by 2030.	[ON TRACK]	We have invested EUR 4.2 billion in wind and solar farms and wider renewable investments since 2009. This includes both investments made, and the amount committed to projects by the end of FY24. We have a commitment to invest EUR 7.5 billion by 2030.
Ethical business conduct**		
All co-workers in sensitive positions complete Anti-bribery & Corruption training.	[NOT ON TRACK]	We aim for all co-workers in sensitive roles (such as procurement or real estate) to complete training on our ABC framework. In FY24, this included an introduction to ABC online course followed by annual ABC refresher training. We have improved our data collection process to enable us to start tracking completion rates for co-workers in sensitive roles. In FY24, 58.2% of co-workers in relevant roles completed ABC training and we expect this to increase in FY25.
Digital trust		
Co-workers trained in digital ethics and responsible AI literacy during FY24	[ON TRACK]	Our AI literacy initiative is upskilling co-workers on the responsible use of AI. Over 4,000 co-workers have participated in AI training and our AI literacy awareness resources have been viewed over 54,000 times.
Responsible sourcing		
We require all suppliers to continuously fulfil our IWAY expectations.	[ON TRACK]	We updated our IWAY target in FY24 which sets different expectations and requirements for suppliers based on their risk level. (Previous target: We aim for 100% of contracted suppliers to achieve IWAY compliance each year.) In FY24, 34.7% of IWAY reviews found major non-compliances (suppliers did not comply with IWAY musts) compared with 36.0% in FY23. When non-compliances are identified, suppliers must take corrective action to address these or we will apply business consequences, up to and including phase out of the supplier. We are extending the data we collect to enable fuller reporting against this target from FY25.



MATERIAL TOPIC

Financial resilience

Financial resilience is essential to ensure we can achieve our vision in the long term. We achieve financial resilience in four ways: keeping costs low so we can offer low prices to customers and maintain a competitive business model; being a responsible taxpayer; maintaining conservative levels of net liquidity that support our independence; and investing to make IKEA more affordable, more sustainable and more accessible to the many people.

What we are proud of

- Generated a positive net income despite investing EUR 2.1 billion in lowering prices for customers and market challenges.
- Upheld a healthy liquidity position.
- Our total tax bill including property and other taxes was EUR 1.2 billion.
- Capital expenditure amounted to EUR 3.4 billion.
- Ingka Investments has invested or committed to invest EUR 4.2 billion in wind and solar farms and wider renewable investments since 2009.

Challenges we are addressing

- Our business was impacted by continued disruption of supply chains and cost inflation, as well as slow economic growth, high interest rates, and a 3.8% decrease in the home furnishing sector in the markets in which we operate.

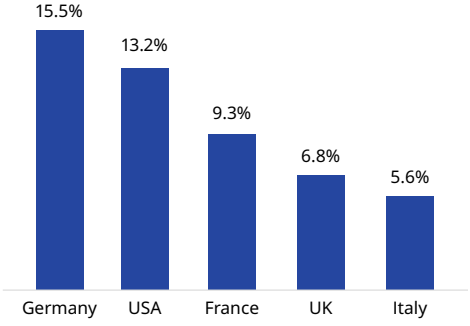
Our ownership structure

Due to our ownership structure, no dividends are paid to any private shareholder.

Our profit can only be used in two ways: 85% of our net income is reinvested in the company; 15% is paid as dividend to our sole owner, Stichting INGKA Foundation, which has a charitable purpose to provide funding to the IKEA Foundation.

The IKEA Foundation is an independent strategic philanthropic organisation that focuses its grant-making efforts on tackling the two biggest threats to children's futures: poverty and climate change. By December 2023, the IKEA Foundation reached the milestone of granting EUR 2 billion to partners working in these areas.

Top selling countries



Ingka Group financial performance

The total Ingka Group revenue for financial year 2024 amounted to EUR 41.8 billion, a decline of 5.5% compared to 2023.

The decline in revenue is primarily due to Ingka Group's strategic decision to invest over EUR 2.1 billion in lowering prices, to prioritise affordability for customers (see page 15). Operating income amounts to EUR 1.3 billion. Income before tax was EUR 1.6 billion (EUR 2.2 billion in 2023).

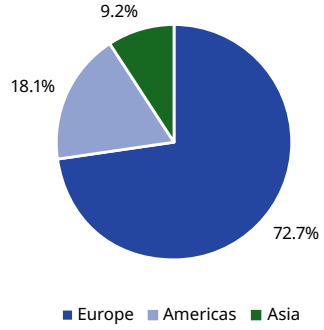
The effective tax rate of 48.7% (31.6% in 2023) is upwardly impacted by currency translation effects from the completion of the sale of our Russian shopping centres and losses realised in some of our markets. This more than offset the downward impact on the effective tax rate from the Financial Market Investments portfolio's strong results. This corresponds to EUR 0.8 billion corporate income taxes (2023: EUR 0.7 billion). The normalised effective tax rate is just below our 25-30% band. The net profit of 2024 was EUR 0.8 billion (2023: EUR 1.5 billion).

Cash flow from operating activities was EUR 2.9 billion (2023: EUR 3.5 billion). Total assets amounted to EUR 57.6 billion (EUR 56.5 billion in 2023). The total cash flow for 2024 was EUR 0.1 billion positive (EUR 0.5 billion negative in 2023).

The latest Ingka Group Annual Financial Report was launched in November 2024.

Read the summary of our financial year here

IKEA Retail sales per region



EUR 41.8 billion

Ingka Group revenue
(EUR 44.3 billion in FY23)

85%

of our net income reinvested in our company

15%

or our net income is paid as dividend to our sole owner, Stichting INGKA Foundation, which has a charitable purpose that is achieved by providing funding to IKEA Foundation

EUR 1.3 billion operating income

(FY23: 2 billion)

Preserving liquidity

Ingka group manages its liquidity and cash flow risk to secure financial resilience and a long term approach.

Cash, short-term deposits and securities amounted to EUR 21.7 billion (FY23: EUR 21.2 billion) and Ingka Group continues to uphold a healthy liquidity position.

Responsible tax

We are committed to being a responsible taxpayer and recognise the effect of our tax contribution on the development of local economies and communities.

Ingka Group pays taxes in all countries in which we operate. Our global tax principles are published on Ingka.com. We publish an annual Tax Report, explaining our approach to tax and disclosing Ingka Group's country-by-country tax data. The latest report was published in November 2024.

Read Ingka Group Tax Report FY24

Since 2022, we have been a signatory to the B Team Responsible Tax Principles.

Corporate income taxes amounted to EUR 0.8 billion (FY23: EUR 0.7 billion). Our total tax bill, including other taxes and duties, such as property taxes, environmental taxes and customs duties, amounted to approximately EUR 1.2 billion (FY23: EUR 1.2 billion). For information on tax rates see seenpage 80.

Over the past five years (FY20–FY24), corporate income tax and other taxes and duties amounted to approximately EUR 5.4 billion. In addition, we collected substantial tax amounts on behalf of governments, such as value added tax and employee taxes. Over these five years, we have also created tens of thousands of jobs, directly in our IKEA stores and warehouses, and indirectly with our external suppliers, which in turn generate taxable income.

EUR 765 million

Corporate income tax
(FY23: EUR 696 million)

Investing in our future

We invest in the growth and transformation of our business.

Our investment decisions are made with a long-term perspective, always in line with our values and Code of Conduct. Our Investment Policy states our aim to create positive change for people and planet.

In FY24 Ingka Group capital expenditure amounted to EUR 3.4 billion, reflecting continued investments in business transformation, fulfilment capabilities, customer experiences, renewable energy, and forestland. Examples include opening 43 new locations, Ingka Centres acquiring shopping centres in Brighton, UK, and Paris, France and rolling out new fulfilment solutions and AI-driven technology.

Ingka Investments

Investments are made by all parts of Ingka Group including our retail and Ingka Centres businesses. In addition, Ingka Investments invests in assets, manages companies and operates strategic businesses to preserve and create value for Ingka and IKEA, aiming to accelerate Ingka Group's business transformation toward a more sustainable future.

Ingka Investments takes a long-term approach, strategically investing to generate lasting financial returns and a positive impact for our retail business and sustainability goals. It manages assets worth EUR 27 billion (including liquidity), spread over six investment portfolios: Business Acquisitions and Venture, Real Estate, Renewable Energy, Circular, Forestland and Financial Markets.

We are working to further integrate Environmental, Social, Governance (ESG) factors into our negative screening and due diligence processes, aligning our approach to changing regulation, such as the EU's Corporate Sustainability Reporting Directive. In FY24, we recruited ESG specialists to join our investment team and developed our ESG due diligence template to help us review potential investments. We are also using external ESG data sources to help us assess performance of potential investments on a range of ESG KPIs. We will be testing our approach during FY25. We ensure that we have the option to exit from an investment within a reasonable time frame, if it turns out to not be in line with our values.

In FY24, Ingka Investments invested EUR 1.7 billion in assets and committed to EUR 2.4 billion with a particular focus on Business Development (Ikano Bank); Renewable Energy and Real Estate. We made progress across key areas linked to our sustainability agenda such as circularity (see examples on page 67) and forestland (page 75). We have invested or committed to invest EUR 4.2 billion in wind and solar farms and wider renewable investments since 2009, with a commitment to invest EUR 7.5 billion by 2030, see page 65. Our financial markets investments included several alternative funds focused on innovative companies in sectors such as water, affordable housing, and climate technology.

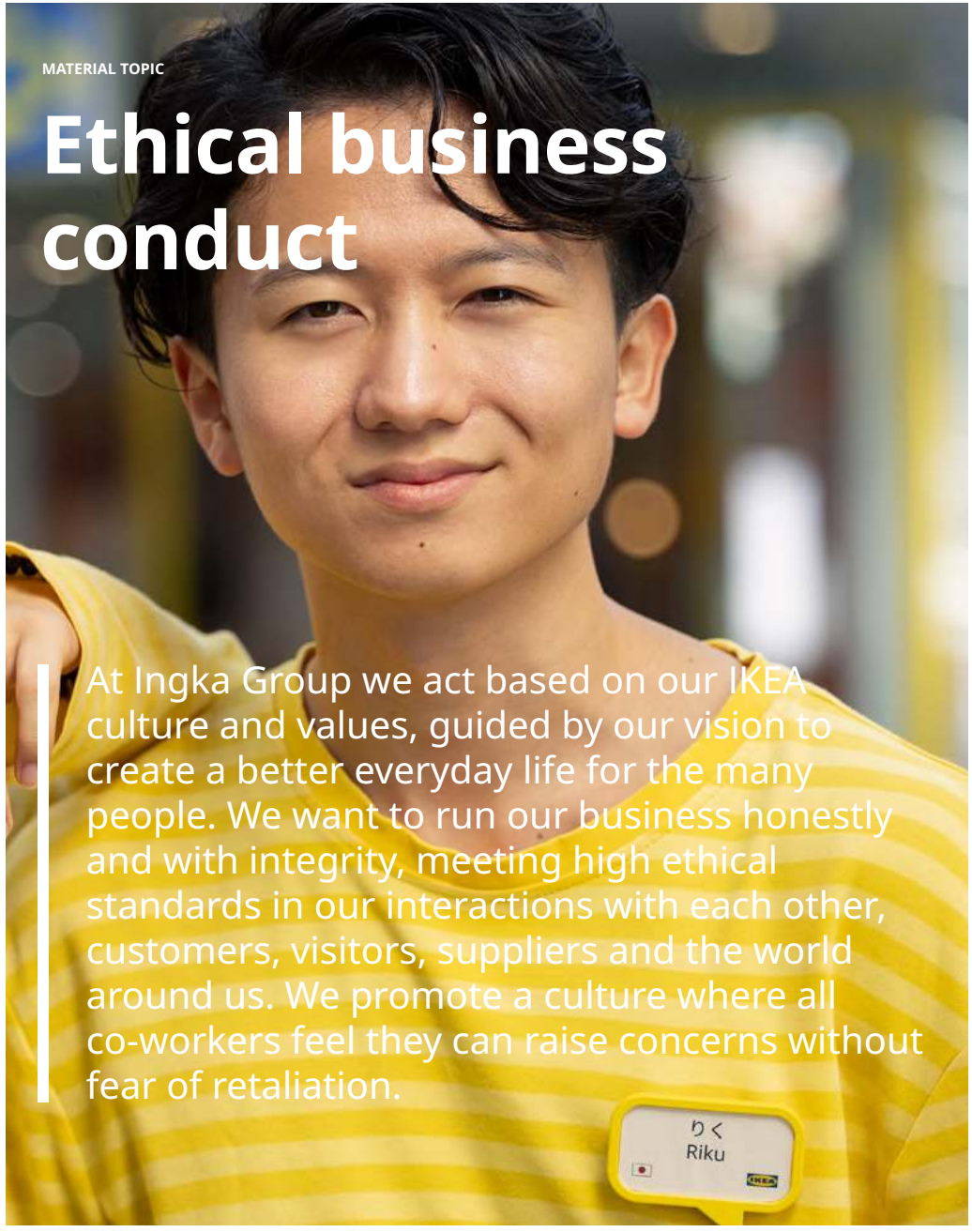
External engagement and advocacy

We work with other companies, civil society groups, and international institutions through the B Team to advance responsible tax practices and transparency.

Ingka Group participated in 'The B Team Responsible Tax Principles: Accountability Report 2024', providing insight into the Principles' impact.

We collaborate with:

- World Economic Forum
- The B Team



MATERIAL TOPIC

Ethical business conduct

At Ingka Group we act based on our IKEA culture and values, guided by our vision to create a better everyday life for the many people. We want to run our business honestly and with integrity, meeting high ethical standards in our interactions with each other, customers, visitors, suppliers and the world around us. We promote a culture where all co-workers feel they can raise concerns without fear of retaliation.

What we are proud of

- Improved our data so we can track co-workers in sensitive positions completing Anti-bribery & Corruption training.
- Co-workers are regularly trained on our Code of Conduct, including introductory training for new co-workers and refresher training. This is included in our mandatory training framework.

Challenges we are addressing

- We need to maintain our efforts on an ongoing basis through training, processes and controls to mitigate the risk of any breaches of our ethical standards and ways of doing business across all the geographies we operate in.

Code of Conduct

Our Code of Conduct, policies and rules set out our position and requirements for how we do business.

Co-workers are regularly trained on our Code of Conduct, including introductory training for new co-workers and refresher training. This is included in our mandatory training framework.

In FY24, we established an onboarding process for businesses fully acquired by Ingka Group to ensure they align with our ethical standards and policies.

Raising concerns and investigating misconduct

If our co-workers have a concern at work, they can raise it with their line manager, local Business Risk and Compliance manager or People & Culture representative. Co-workers can also use Trust line, a confidential reporting mechanism for serious work-related misconduct and breaches of the law in a work-related context[1]. Co-workers learn about Trust line through our Code of Conduct training and via our intranet site and posters in our workplaces.

We take every case of potential unethical behaviour and policy breaches seriously. We investigate and respond quickly and carefully, to ensure confidentiality, consistency and accountability. Concerns reported via Trust line are evaluated by Trust line managers within Ingka Group, and where an investigation is required, this is carried out by a designated manager within our People & Culture or Business Risk & Compliance functions. The majority of concerns reported to Trust line in FY24 related to potential breaches of our Code of Conduct in our retail units.

In the EU, we are making Trust line available to people who have a work relationship with Ingka, such as contractors, suppliers and volunteers, to report any potential breaches of the law.

Anti-bribery and corruption

We have zero tolerance for bribery or corruption in any form. Corruption is not only illegal but can harm our customers and co-workers as well as Ingka Group's reputation.

Our Anti-Bribery and Corruption (ABC) Framework incorporates policies, training, incident management, internal controls, self-assessments and compliance reviews to mitigate the risk of bribery and corruption. It is regularly reviewed and updated based on ABC risk assessments and changes are communicated across our markets. During FY24, we conducted a compliance review and tested our internal controls at Group and country level. The findings will be used to inform our Ingka Group risk assessment and update our compliance framework in FY25.

We investigate any reports relating to bribery and corruption and ensure that appropriate mitigating actions are taken and lessons learnt to prevent any incidents in the future.

ABC is integrated into our business ethics programmes and our values. It is an important part of our Code of Conduct training for all co-workers. In addition, we aim for all co-workers in sensitive roles (such as procurement or real estate) to complete more detailed training on our ABC framework. In FY24, this included an introduction to our ABC online course followed by annual ABC refresher training. We have improved our data collection process to enable us to start tracking completion rates for co-workers in sensitive roles. In FY24, 58.2% of co-workers in relevant roles completed ABC training and we will be working to increase this in FY25.

We ran two company-wide communication campaigns in FY24 to improve co-workers' awareness of ABC risks and what to do if they suspect any wrongdoing.

[1]Trust line is available in all countries except for the US where we use a similar platform called iSpeak.

MATERIAL TOPIC

Digital trust

Digital technology plays an important role in our organisation, helping us to enhance co-worker capabilities and serve our customers in new and better ways. We are committed to using technology responsibly in line with our values, safeguarding customers and co-workers against any potential risks and building digital trust.

What we are proud of

- Our AI literacy initiative is upskilling co-workers on the responsible use of AI. Over 4,000 co-workers have participated in AI training and our AI literacy awareness resources have been viewed over 54,000 times.
- We developed our Group Policy on Data Management to reflect the strategic importance of data and our commitment to managing it responsibly.
- Our Group Rule on Digital Ethics outlines roles, responsibilities and requirements for responsible AI and sets restrictions on the ways the technology can be used.
- Co-workers completed more than 232,400 e-learning sessions on data protection and cybersecurity.
- 1,699 privacy assessments conducted to identify and manage data privacy risks for our digital products and services.

Challenges we are addressing

- The rapid pace of technological change creates challenges for applying our Digital Ethics Policy.
- We need to ensure that generative AI is used according to our policies and that company and co-worker data is protected. This involves upskilling our co-workers as well as developing our compliance processes.
- Cyber-attacks, ransomware and other cybersecurity threats as well as a rise in disinformation and misinformation are a growing risk for all businesses.
- The regulatory landscape is shifting rapidly with new regulations and legislation continuously being introduced.

Responsible and trustworthy use of technology

Our Ingka Group Policy on Digital Ethics states that we will use data and algorithms, including AI, in a responsible and beneficial way.

The policy sets out our commitment to ensure that our algorithmic systems go beyond legal compliance, are trustworthy and reflect the Ingka Group values. It states that we will use digital technologies in line with our commitment to human rights, inclusion and the environment. Our policy is aligned with international standards, including the European Commission's Ethics Guidelines for Trustworthy AI (2019), the OECD Recommendation on AI (2019), UNESCO's Recommendation on the Ethics of AI (2021) and the European Union AI Act (2024).

During FY24, we introduced a Group Rule on Digital Ethics, which outlines roles, responsibilities and requirements for responsible AI and sets restrictions on the ways the technology can be used. We also launched our Group Policy on Data Management. This states that data is a strategic asset and that we treat it with the same level of care as other natural, human and financial resources.

We launched a cross-functional initiative to embed our responsible AI approach involving our data and analytics, technology, legal, privacy and cybersecurity, business risk and compliance functions. This focuses on implementation of processes, tools and change management across Ingka to help us ensure that our use of AI reflects the IKEA values and complies with the EU AI Act.

Our AI literacy initiative aims to upskill co-workers on the responsible use of AI. It includes videos, intranet pages and guides for co-workers and courses such as AI Fundamentals for all co-workers and more specialised courses such as Responsible AI, Mastering Gen AI and Algorithmic Training for Ethics. We trained 649 senior leaders on responsible AI to help them discuss the technology with their teams. Over 4,000 co-workers have participated in AI training and our AI literacy awareness resources have been viewed by co-workers over 54,000 times.

Upskilling co-workers on the use of generative AI

At Ingka, we encourage co-workers to explore and learn about generative AI, and to use it responsibly. We've launched Hej Copilot, a generative AI tool available to all co-workers, helping them with everyday tasks such as improving text and generating ideas. Hej Copilot includes security features that protect our data and does not use co-worker inputs or company data to train the AI- model. It lists the data sources it has used to generate content.

Over 3,000 co-workers have accessed training on how to use Hej Copilot. A co-worker survey found that most users were positive about the tool, reporting that it improved productivity and efficiency. We launched a Hej Copilot user community where co-workers can share their experiences and knowledge to help and inspire other colleagues.

Data privacy

Our Group Rule on Data Privacy defines the standards and controls we have in place to protect customer and co-worker data.

We updated the rule in FY24 to make it simpler for co-workers to apply and to clarify our requirements in areas such as sharing data with third parties, handling sensitive data and privacy risk assessments.

Our data privacy experts work to embed data privacy into our daily operations, business processes and digital products. We conduct privacy assessments to identify and manage data privacy risks for our digital products and services.

Emerging regulatory changes such as the EU-US Data Privacy Framework or India's Digital Personal Data Protection Act may impact our ways of working. We monitor regulatory changes in the data privacy landscape, and we have established working groups to guide and update our data privacy practices as needed.

Cybersecurity

Our approach to cybersecurity is consistent with international standards, including ISO 27001:2013 and the NIST Cybersecurity Framework.

We have a central expert team dedicated to maintaining effective security mechanisms across our business and a wide network of resources embedded locally to ensure that our approach is complete and effective. The Supervisory Board, Audit Committee, Management Board and Group Management receive periodic updates on our cybersecurity approach and performance.

We conduct regular testing of our cybersecurity defences using independent external experts to help ensure we are well prepared to respond to any incidents. Internal and external auditors continually review our IT programmes and security processes and we invest in strengthening our cybersecurity systems and infrastructure.

Training and awareness

To help reduce the likelihood that data privacy and cybersecurity risks could impact our business, we run awareness campaigns, training and simulation exercises.

In FY24, co-workers completed more than 232,400 e-learning sessions on data protection and cybersecurity. This included our training sessions on: Handling and Sharing Information (annual mandatory training), Data Privacy and Securing Co-worker Data (for those involved in handling co-worker data).

We run an annual phishing simulation exercise to help us assess co-worker awareness of phishing and ability to spot phishing emails. We celebrated five years of our Cyber Jedi Academy which provides our digital teams with training and assignments designed to help them embed data privacy and cybersecurity in the design of new digital products and solutions. 375 co-workers were participating in FY24.

We ran internal awareness campaigns throughout the year including during Cyber Awareness October and Data Privacy Day to drive adoption of good cybersecurity and data privacy practices and to educate co-workers on risks relating to phishing, ransomware and other threats.

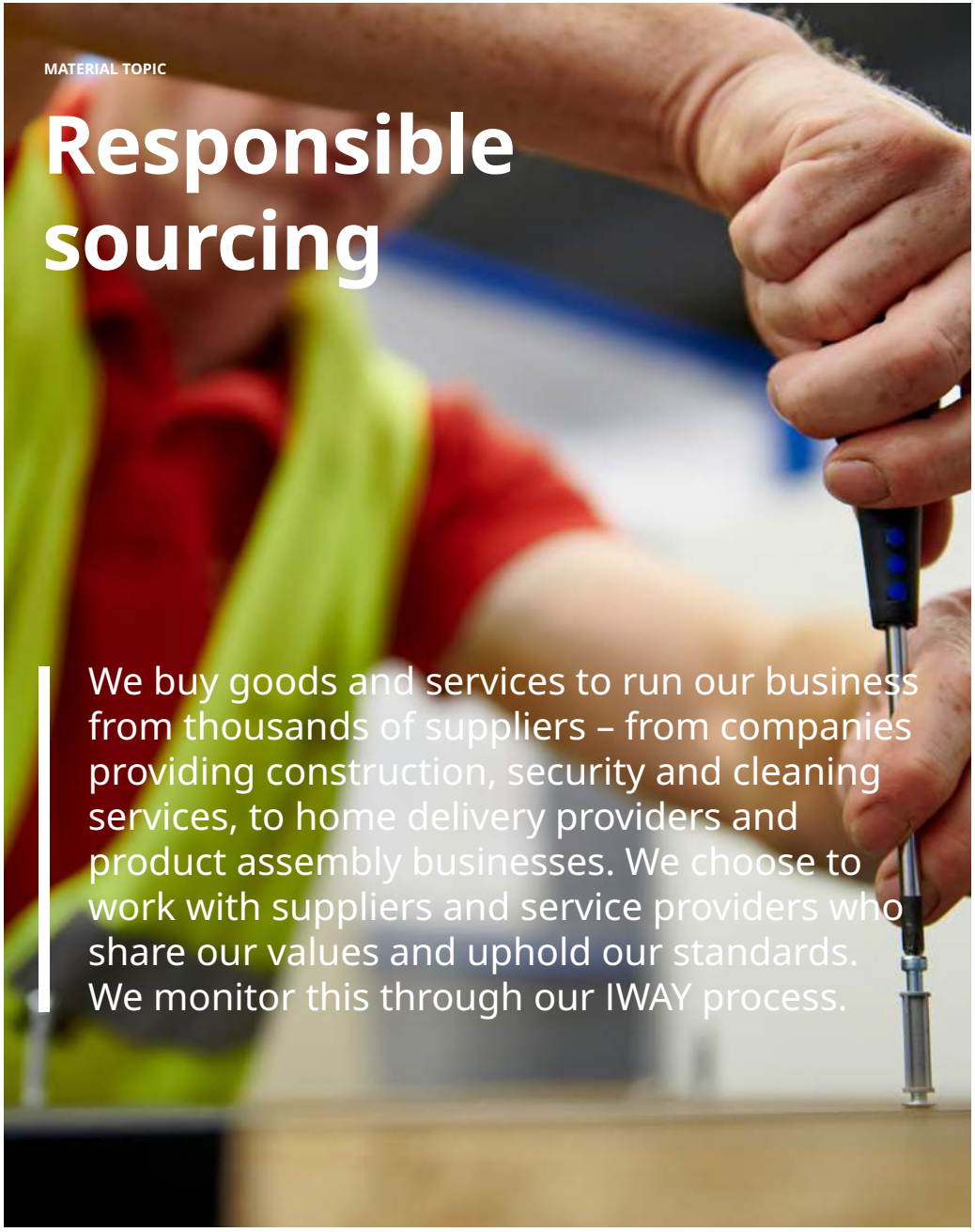
External engagement and advocacy

We engage with organisations such as Business at OECD (BIAC) and the World Federation of Advertisers on digital trust.

We are part of the World Economic Forum's Digital Trust Initiative, the AI Governance Alliance, and the Defining and Building the Metaverse initiative. We contributed to the report on Privacy, Immersive Technologies and the Metaverse published by Business at OECD with the United States Council for International Business (USCIB) Foundation, to the WEF AI Governance Alliance Briefing Paper Series and to the World Economic Forum's white paper on 'Measuring Digital Trust: Supporting Decision-Making for Trustworthy Technologies'.

We collaborate with:

- World Economic Forum
- Business at OECD
- World Federation of Advertisers
- Global Alliance for Responsible Media
- Ingka Young Leaders Forum



MATERIAL TOPIC

Responsible sourcing

We buy goods and services to run our business from thousands of suppliers – from companies providing construction, security and cleaning services, to home delivery providers and product assembly businesses. We choose to work with suppliers and service providers who share our values and uphold our standards. We monitor this through our IWAY process.

What we are proud of

- We have been working to engage and train our teams and suppliers on IWAY and to analyse the root causes of deviations. This is starting to have an impact on reducing the number of non-compliances identified in IWAY reviews.
- Introduced a new IWAY standard operating procedure to help us manage risks among construction suppliers.
- Verified our first cohort of strategic suppliers against our IWAY Advanced & Excellent requirements for equality, diversity and inclusion.
- 3,345 co-workers completed training on IWAY in FY24.
- Worked with last mile transportation suppliers to successfully reduce the amount of IWAY non-compliances.

Challenges we are addressing

- A lot of supplier engagement is required to implement IWAY, particularly when suppliers have not worked with us before or do not have experience of responsible sourcing processes.
- Rates of non-compliance are higher among some categories of suppliers and in some regions. To address this we are focusing on engaging suppliers in these categories in preventative actions as well as carrying out more frequent follow-ups after audits.
- Despite progress on digitalising our IWAY reporting process, some data is still collected manually which can impact our supplier management processes.

IWAY Supplier code of conduct

We work to ensure that our suppliers meet high social and environmental standards by implementing and maintaining compliance with IWAY – our supplier code of conduct[1].

IWAY scope

We determine if suppliers are in scope for our IWAY process through a risk-based approach determined by sector and our business relationship. We require all suppliers in scope to sign the IWAY Compliance Commitment.

All in scope suppliers are risk rated and those identified as high and critical risk must meet additional requirements (see implementing IWAY). The risk rating is based on internal and external data and factors such as the supplier's industry and location and the characteristics of the business they run.

Our IWAY process covers our retail and Ingka Centres suppliers. The IKEA Sustainability Report FY24 includes details of IWAY compliance in the home furnishing, food, IKEA Industry and transport supply chain.

Read more in the IKEA Sustainability Report FY24

Implementing IWAY

We carry out an IWAY Initial Assessment for potential new suppliers with a risk level of critical or high. These potential new suppliers must be able to confirm that they comply with mandatory requirements (our 'IWAY Musts'). We do not proceed to work with any suppliers that fail to meet these standards.

Once we start working with a supplier identified as high or critical risk, we put in place an appropriate mitigation plan with compliance monitoring. This plan may include supplier training, gap analysis and verification activities such as IWAY audits.

We monitor the risk level of suppliers we work with on an ongoing basis and may carry out further IWAY reviews based on risk and performance.

In FY24, we introduced our IWAY standard operating procedure for construction suppliers. This will help our teams to assess and manage risks in this potentially higher risk sector, where we are often engaging with suppliers on shorter term or one-off projects. We also launched our updated IWAY Forest Materials section, see page 75.

We are rolling out IWAY Advanced & Excellent requirements to encourage strategic suppliers to adopt best practices for equality, diversity, and inclusion. This includes targets for FY25 relating to promoting equality, diversity and inclusion in the workplace, achieving gender balance in management and taking action on gender equal pay. 15.4% of strategic suppliers fulfilled the Advanced & Excellent requirements in FY24, and we are working to increase this.

Training and engagement

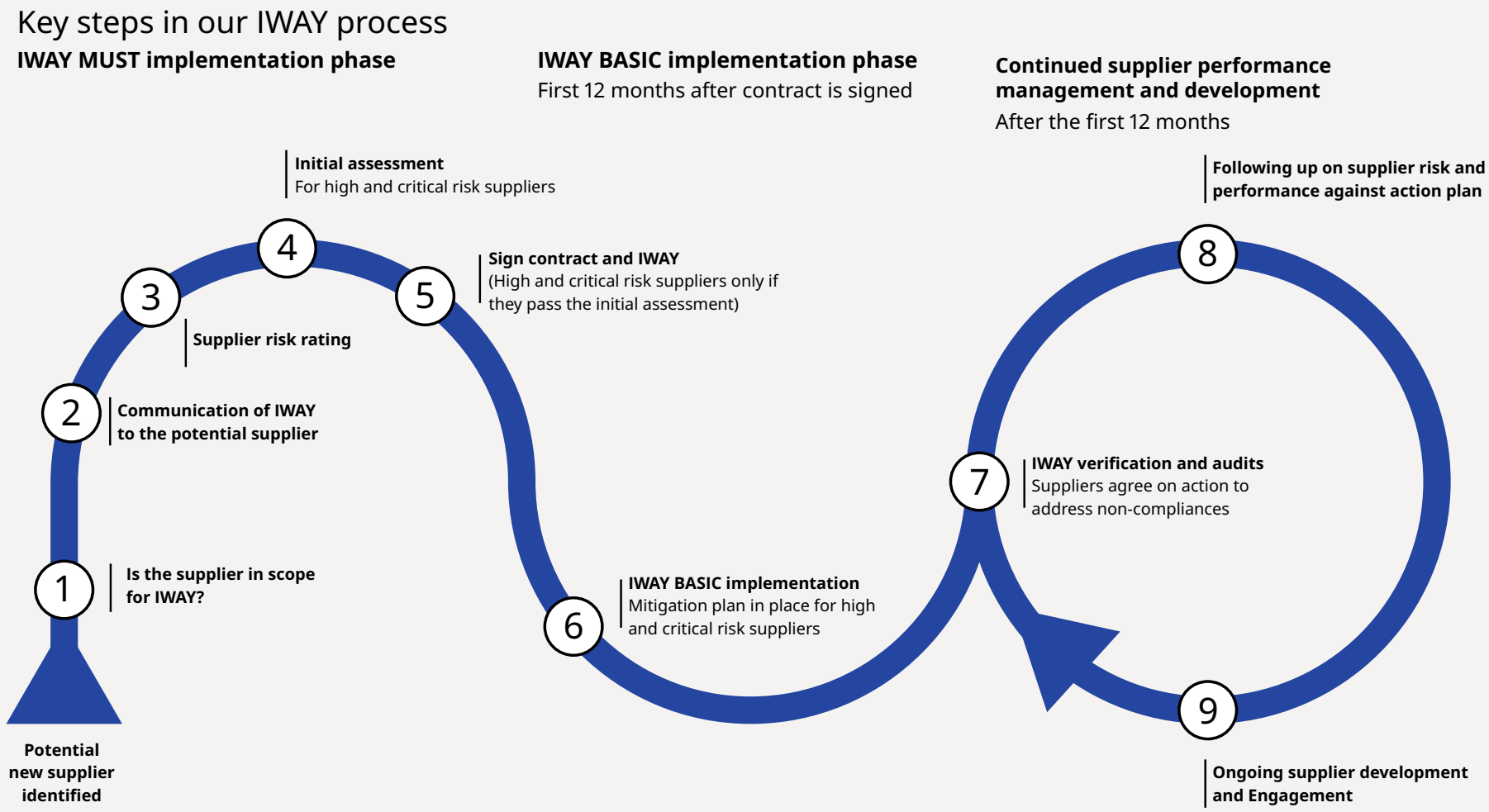
In FY24, 3,345 co-workers completed e-learning training on IWAY. We have several IWAY e-learning modules for co-workers depending on their role. We also operate an IWAY Support Hub for suppliers to help them understand our requirements.

The wider supply chain

Our suppliers are responsible for ensuring compliance with our IWAY requirements in their own supply chain. This is one of the key ways we seek to mitigate human rights risks across our wider supply chain. We support suppliers with this through our training and ongoing dialogue. See page 28 for more on human rights.

[1] IWAY stands for the 'IKEA Way' for responsibly procuring products, services, materials and components.

Key steps in our IWAY process



IWAY audit results

In FY24, we completed 190 IWAY reviews (audits) of high or critical risk Ingka Group suppliers (FY23: 200).

Most of our IWAY reviews are conducted by our own audit team, but we also commission some external audits to help provide an independent perspective. In FY24, 10.5% of the reviews were conducted by an external auditor and 3.7% of reviews were unannounced.

Suppliers are expected to agree an action plan to address major non-compliances within 14 days of the audit. We take action if suppliers do not meet this deadline which can include exiting the supplier relationshipage

Key audit results from FY24 include:

- We found failures to comply with our IWAY Must criteria during 34.7% of IWAY reviews. As at the FY24 year-end these suppliers had either addressed their IWAY Must non-compliances or we had put action plans in place to apply business consequences up to and including phase out of the supplier.
- The most common issues related to reliable systems for recording working hours, proof of accident insurance, and wages and benefits has context menu.
- The majority were identified among suppliers of last mile delivery, facilities management and construction services.
- We also conducted 94 IWAY Initial Assessments to check compliance at potential new suppliers during the tender process (FY23: 102). We found that 33% of these suppliers did not meet all of our IWAY Must criteria. Where the supplier was not able to address this we did not proceed with the contract.

In FY24 we have focused on improving performance among suppliers of last mile delivery services, a sector which had a relatively higher rate of non-compliance in previous years. We have engaged suppliers on preventative actions, carried out more frequent follow-ups after audits and conducted root-cause analysis of the most common IWAY deviations.

Data and governance

We are improving how we collect data on IWAY and are digitalising key processes. This will enable us to better track performance.

Our governance of responsible sourcing includes:

- Global IWAY Forum – oversees the development and implementation of IWAY.
- Country IWAY Forums – oversee implementation at country level, with members from our procurement, business risk and compliance, and distribution teams.
- Category Area Management Forums – work to ensure compliance among the suppliers for their category.
- IWAY Calibration Group – reports to the Global IWAY Forum and is responsible for ensuring a consistent approach to implementation and verification of IWAY compliance across Ingka Group.

External engagement and advocacy

We are working with BSR (Business for Social Responsibility) to explore approaches to human rights in the road transport sector.

In FY24 we were a member of the Indirect Spend Alliance which aims to improve protection of human rights and reduce emissions among indirect spend suppliers (those providing services and goods not for resale).

Read about how we are integrating social enterprises into our supply chain on page 28.

We collaborate with:

- World Economic Forum
- SolarPower Europe

MATERIAL TOPIC

Governance

Our governance with connected processes and ways of working support us to remain a well-managed, successful company, and to deliver on our strategic ambitions and goals.

Our approach to governance

Our key administrative, management and supervisory bodies (AMS) are our non-executive Supervisory Board and our executive Management Board and Group Management.

Our approach to governance includes:

- Establishing clear responsibilities and accountabilities for our AMS bodies and our line management.
- Having strong risk management practices.
- Putting in place values-based policies and rules with clear requirements and expectations for our organisation including our AMS bodies.
- Embedding sustainability into our governance, to ensure that environmental and social factors are considered in our business decision-making.
- Engaging with our stakeholders inside and outside the business and conducting a regular formal double materiality assessment.
- Achieving binary gender balance across our AMS bodies (see page 33).

Due to our ownership structure, no members of our AMS (or any co-workers) are shareholders in Ingka Group. Supervisory Board members are non- executive members and are not employed by Ingka Group and do not perform any management duties. The tasks and conduct of the AMS bodies are regulated in specific board regulations including conflict of interest, reporting obligations and confidentiality. The specific regulations also refer to Ingka Group Code of Conduct. As part of the audit of the consolidated financial statements Ingka Group performs an annual assessment with focus on the independence (including related party transactions and relationships) of AMS body members.

Strengthening governance in FY24

We reviewed our governance in FY24 with the goal of improving efficiency and empowering more of our co-workers.

As a result we:

- Reduced the number of group level decision making bodies, devolving more decision-making to managers in the business and Group functions.
- Launched a group rule on decision-making that includes requirements on effective meetings, composition and gender balance for decision-making bodies and behaviours for decision makers.

Ingka Group Board of Managing Directors and Ingka Group Management

The Ingka Group Management Board (Board of Managing Directors) is the ultimate decision-making body for Ingka Group.

The Management Board has formal accountability for the conduct of Ingka Group. They are responsible for the design and effectiveness of risk management and control systems as well as monitoring of overall compliance and risk appetite levels.

The Ingka Group Management Board has two executive members: Jesper Brodin, President and Chief Executive Officer, and Juvencio Maeztu, Deputy CEO and CFO. Kurt-Jörgen Olsson, General Counsel, is Organiser and Corporate Secretary to the Management Board .

Group Management focuses on the strategic direction and performance of Ingka Group, and is the strategic leadership team for Ingka Group. Group Management takes part in the decision-making in relation to strategies, business transformation, leadership and performance.

Ingka Group Management in FY24, from left: **Belén Frau** Global Communication Manager, **Kurt-Jörgen Olsson** General Counsel, **Ulrika Biesèrt** Group People & Culture Manager, **Juvencio Maeztu** Deputy CEO (Deputy Chairperson) and CFO, **Karina Gilpin** CEO Assistant, **Peter van der Poel** Managing Director, Ingka Investments, **Karen Pflug** Chief Sustainability Officer, **Tolga Öncü** Retail Operations Manager, **Parag Parekh** Chief Digital Officer, **Jesper Brodin** President and CEO (Chairperson), **Cindy Andersen** Managing Director, Ingka Centres.

Tony Sandelius (not in the picture) held the position of Strategy, Development & Innovation Manager during FY24. From the start of FY25, Cindy Andersen now holds the positions of Managing Director, Ingka Centres and Strategy, Development & Innovation Manager.

Ingka Group Board of Supervisory Directors

The Supervisory Board of Ingka Holding B.V. is responsible for supervising, monitoring and advising the work of the Management Board.

Based on recommendations from the Management Board , the Supervisory Board approves, among other things, the strategic plan, the main directions and the budget of Ingka Group. The Supervisory Board is always guided by the interests of Ingka Group and to ensure the continuity of our business.

As per 31 August 2024, the Supervisory Board of Ingka Holding B.V. consists of eight non-executive members. From top left to bottom right:

Lars-Johan Jarnheimer (Chairman of Ingka Group Supervisory Board, also chairs the Remuneration Committee), **Tore Bertilsson** (also chairs the Audit Committee), **Lone Fønss Schrøder** (also member of the Audit Committee), **Luisa Delgado** (also member of the Remuneration Committee), **Ian Worling** (also member of the TaskRabbit board), **Peter Kamprad**, **Mark Newton-Jones** and **Jonas Kamprad.**

Sustainability governance

We integrate sustainability into our governance structures and business decision-making processes to ensure clear accountability and responsibility for delivering on our goals across our leadership, functions, markets and Ingka businesses.

Key roles and responsibilities for sustainability in FY24 included:

Management Board , which formally approves our sustainability strategy, taking into account advice from the Supervisory Board, who have a broad range of competencies including ESG.

Group Management, consisting of Management Board members and managers of our businesses and selected Group functions, focuses on the strategic direction and performance of Ingka Group. Group Management sets strategic direction, approves roadmaps and monitors performance against our targets. Both the Management Board and Group Management meet no less than eight times per year.

Our **Chief Sustainability Officer (CSO),** a member of our Group Management, with a remit to secure our focus on sustainability as a key topic for the Group. She manages the Group Sustainability Function with responsibility for the execution of our sustainability strategy across Ingka Group.

Business Boards (Centres, Retail, Investments) approve business specific goals and secure integration of sustainability strategy into respective business.

Our **Country Retail Managers** are also the Chief Sustainability Officer (CSO) for their country. This is designed to help embed sustainability into our core business and broaden ownership of our sustainability strategy. They are accountable for delivering our goals at the country level, and sustainability is integrated into their development programme and performance review process. They are supported by Sustainability Managers in each country.

Sustainability Leadership Team: This global cross-functional team ensures alignment throughout Ingka Group on sustainability topics. Chaired by our Chief Sustainability Officer with members drawn from key functions and the three Ingka businesses. Group Sustainability (one of our eleven Group functions) drives the delivery of our targets by defining our strategic direction, setting clear performance criteria, and supporting the business with subject matter expertise and thought leadershipage

Strategic Topic Area Forums: Cross functional working groups who lead and coordinate work to deliver on specific topics or targets. Work under the leadership of leaders from Group Sustainability.

Our **ESG Project Management Office** (environmental, social, governance) in our Group Finance function leads on the ESG reporting transformation for Ingka Group. It brings together leaders from Group functions such as Sustainability, Risk Management, Business Steering, People & Culture, Finance, Communications, Legal & Governance and Public Affairs. This ensures business accountability for ESG topics. Our ESG Forum and ESG Steering Group support implementation of the ESG transformation journey.

Value Creation Goals

At Ingka Group, we measure our performance financially and in terms of how we add value to co-workers, customers, society and the planet, enabling us to make a balanced assessment on whether we are succeeding as a purpose-led business. We have set Value Creation Goals (VCG) across the four 'better' movements contained in this report, ensuring a connection between our internal performance management and our external reporting.

Ingka Group Management is accountable for delivering our Value Creation Goals and they are cascaded down to each Ingka business, country and unit. This ensures that as we deliver on our business goals, they are factored into our decision-making. You can read some of these goals in the performance tables throughout this report.

Our Value Creation Goals (including our operational climate footprint reduction goal) form part of the performance development and appraisal process for leaders and co-workers via our Value Creation Goal performance framework. This informs the annual salary review process but is not currently integrated into incentive plans.

Collaborating with Inter IKEA Group

Our Management Board and members of our Group Management participate and represent Ingka Group in the Inter IKEA Strategic Sustainability Council, an Inter IKEA Group governance body that focuses on the IKEA brand's role in society, the IKEA Sustainability Strategy and improving alignment on sustainability across the value chain. The group also oversees compliance with sustainability requirements in IWAY.

Ingka Group collaborates with Inter IKEA Group on many aspects of the IKEA Sustainability Strategy such as inspiring customers to live healthier and more sustainable lives and the IKEA Net Zero and Beyond climate ambition. The Chief Financial Officers for both companies meet regularly to discuss readiness for changing ESG reporting requirements.

Our sustainability strategy

The Ingka Group sustainability strategy sets out the sustainability direction up to 2030 for our three businesses: IKEA Retail, Ingka Centres and Ingka Investments. It is one of five key strategies for Ingka Group alongside People & Culture, Finance, Real Estate and Digital. It aligns to the overall IKEA Sustainability strategy, which covers the whole of the IKEA franchise system.

We updated our sustainability strategy in FY24 to further strengthen its ambition and targets in key areas. We are developing detailed roadmaps for each of our businesses and functions that will set out how we will achieve our sustainability commitments. To reflect changes in the overall IKEA Sustainability Strategy we no longer refer

to the previous IKEA ambitions, such as climate positive and inspiring and enabling 1 billion people to live a better everyday life within the boundaries of the planet by 2030.

Our policies, rules and standpoints

Our Ingka Policies and Rules help us to steer our business as a purpose-led company by clarifying roles and responsibilities for key topics and ensuring consistency across all parts of our company. They reflect our values and ethical standpoints, enabling us to remain a trusted brand and to act in the best interests of our business, co-workers, people and planet.

Our policies are designed to be easy to apply in co-workers' everyday work, making it clear what we stand for and what is expected. We regularly review and update our policies and rules.

Risk management

We aim to take a balanced and forward-looking approach to risk management where we manage and monitor risks to enable stronger performance against our Value Creation Goals and to build resilience in the business, staying ahead of emerging risks and understanding how future events could impact Ingka Group.

We focus on and respond to key risks by implementing strong mitigation activities that are monitored by our company boards. Our Management Board is updated three times a year.

Below is a high-level summary of the main risks we face and the responses we have taken or which are in progress. We anticipate that these risks will remain relevant for the longer term and require multiple, continuous responses.

Geopolitics, supply disruptions and resource scarcity

Global political tensions will require us to operate in an increasingly multipolar political environment with further uncertainty around national policies, potentially impacting global supply chains. The year 2024 was impacted by increased conflicts in Eastern Europe and the Middle East. This compounded the pre-existing adverse economic trends from the pandemic. Through scenario planning, active geopolitical monitoring, and alignment between all Ingka Group businesses and stakeholders, we aim to anticipate and navigate these risks effectively while maintaining a strong focus on supporting people and communities.

Financial, including inflation and recession

Inflationary pressures and potential recession impact cost of living, consumer spending power, and our cost of operations. These risks are likely to continue challenging the ability of the many people to get access to affordable solutions in the mid to long term. Ingka Group monitors external developments and constantly rebalances our investment portfolios to focus on cost management programmes and reprioritises initiatives as needed.

Fraud and non-compliance

Ingka is evolving at a fast pace, increasing the complexity and diversity of our business both geographically and digitally. The regulatory landscape is also shifting rapidly with new regulations and legislation continuously being introduced. Therefore, our risk management approach includes identification and assessment of fraud and non-compliance risks. Wider measures are used to respond to these risks, which involve horizon scanning, implementing internal controls, and providing steering documents, frameworks and training.

Retail transformation, commercial relevance, and shifting customer expectations

The digitalisation of customer interactions and the evolving nature of digital retailing require agile adaptation to continue being commercially relevant, to retain our market share, and to grow. With our prices restored to pre-pandemic inflation-adjusted levels, we see increases in quantities sold as well as store and online visitation. Our efforts concentrate on advancing our omnichannel journey through the IKEA Retail direction (supported by Ingka Centres and Ingka Investments strategies), transforming our operations, and conducting in-depth market analyses on customers' needs.

Cybersecurity and data privacy

Digital shifts and the rapid development of generative AI bring additional risks related to cybersecurity, data privacy, and digital ethics. With an increasing online share of our total sales and further dependency on technology for our operations, our exposure grows. Ingka Group strives to address these risks by executing on the multi-year cybersecurity strategy while remaining committed to using data in a responsible way.

Talent

Challenges to attract and retain talent could worsen if we experience declining co-worker engagement and motivation or if we fail to anticipate future workforce trends and expectations. Ingka Group has strengthened our talent strategy, including updating the entire Ingka Talent agenda and enriching our employee value proposition. Ingka Centres has also actively promoted internal mobility, enabling co-workers to advance their careers within the organisation. Furthermore, we continue to work on securing equal and fair pay, as well as enhancing benefits and flexibility. We involve panels of young leaders to participate in strategic decision-making in multiple areas, both internal and external, such as Ingka Centres' Future Leaders Movement.

Wellbeing of our people

The fast pace of transformation could expose our co-workers to health and safety risks that jeopardise our well-being. We place great importance on the well-being of our co-workers, with a focus on managing risks related to workload and maintaining a healthy balance. Our global Health and Wellbeing framework in all markets addresses mental, physical, and financial health to ensure co-workers are supported. The framework includes an Employee Assistance Programme available to co-workers in all countries, through external partners. We

run multiple initiatives to identify and launch risk mitigation solutions, like introducing exoskeletons for co-workers who do heavy lifting.

Climate

Climate change is a strategic risk for Ingka, identified through both our materiality assessment and our Enterprise Risk Management Process (ERM). We have mapped climate-related risks and taken steps to better understand potential future costs, including physical impacts of extreme weather on our buildings and the rising cost of using fossil fuels. We have been making substantial investments in renewable energy, circularity, and responsible forestry both in and outside our value chain. In 2024 we conducted a Climate Risk and Opportunity (CRO) assessment following the Task Force on Climate related Financial Disclosures (TCFD) framework to deepen our understanding of how this risk is impacting our business. This will be published in our Climate Transition Plan.

We participated in CDP Climate in 2024, the investor-led initiative, disclosing our approach to climate change, key performance data and climate-related risks and opportunities.

Double materiality assessment

> We regularly conduct a formal double materiality assessment to help us identify the sustainability topics of most importance to the business, our stakeholders and the planet.

Our most recent assessment in FY23 was a double materiality assessment, designed to identify our material topics from impact, risk and opportunity perspectives. This looked at:

- Impact materiality – sustainability-related impacts on people and the environment.
- Financial materiality – sustainability-related matters that may have a material financial impact on our business.

In conducting the assessment, we aimed to validate previously identified material topics and identify any new topics. We also looked to formulate topics so that they are recognisable to co-workers, supporting our efforts to manage impacts, risks and opportunities and drive action and long-term value creation.

The findings from the assessment are helping to shape our approach to ESG management and reporting and assisting our preparations for the EU Corporate Sustainability Reporting Directive and EU taxonomy for sustainable activities.

Material topics	Where do we have the most significant impacts, risks and opportunities?		
	Upstream	Our own operations	Downstream
Better homes			
Affordability and accessibility of products and services	Medium	Critical	Medium
Healthy and sustainable living	Critical	Medium	Medium
Customer and end-user safety	Critical	Critical	Critical
Better lives			
Equality, diversity and inclusion		Critical	
Health, safety and wellbeing		Critical	
Skills development		Critical	
Fair income		Critical	
Human rights	Critical	Medium	Medium
Community impact	Critical	Medium	Medium
Better planet			
Climate change	Critical	Critical	Critical
Resource use, circularity and waste	Critical	Critical	Critical
Water	Critical	Medium	Medium
Biodiversity and forestry	Critical	Medium	Medium
Better company			
Financial resilience	Medium	Critical	Medium
Ethical business conduct	Critical	Critical	Medium
Digital trust	Medium	Critical	Critical
Responsible sourcing	Critical	Medium	Critical

Critical High Medium

Methodology – key process steps

- Initial analysis: Identification of a long list of potentially material topics for our stakeholders and from a financial perspective based on analysis of: our previous materiality assessment in FY21, European Sustainability Reporting Standards (ESRS) draft standards and other reporting frameworks, mega trend analysis, peer benchmarking, views of external stakeholders and value chain analysis and the Ingka Risk Universe (our Enterprise Risk Management process).
- Trend analysis: A review of societal and environmental trends based on research by organisations such as the UN and World Economic Forum and a media review including unsustainable consumption and the rising cost of living, inequality and evolving talent needs, climate change and nature loss. From a financial perspective we conducted a review of industry and regulatory trends and greater corporate accountability requirements based on research by industry experts and a media review.
- Assessment of impacts and risks: Assessment of the long list of topics from both a financial risk and impact materiality perspective through surveys, a workshop series and discussions with senior management.
- Calibration of material impacts and risks: To determine materiality, we assessed the topics both in terms of severity and likelihood of our impact on people and planet as well as the likelihood and potential size of the financial effect.
- Management review: The final list of material topics was determined with active contribution and sign off by the Ingka Management Board and our Audit Committee and aligned with Inter IKEA.
- Review and update: We have made small updates to our assessment in FY24 relating to how we quantify material impacts at different stages of the value chain. This reflects ongoing internal and external dialogue on our material impacts. A full update will be carried out in FY25.

We are incorporating the material topics into our governance structure, risk management and strategy and annual plans, and working to ensure our reporting on these topics is ready for external assurance by 2026, in compliance with CSRD. We aim to have targets and KPIs for all the material topics we have identified, and we are taking a phased approach to developing these. Existing targets are included on pages x, y, z and we have highlighted those topics where targets are under development.

This report is structured around the topics identified in the assessment which have been mapped against our Value Creation Goals and four key movements: Better homes, Better lives, Better planet and Better company.

We will carry out a full update of our double materiality assessment in FY25. This will assess impacts, risks and opportunities for each topic in more detail and the process will be fully aligned to the requirements of the CSRD. We will be particularly focused on strengthening the financial materiality assessment through more integration with our Enterprise Risk Management process and will introduce thresholds to help us determine materiality both at Group level and for the three Ingka businesses.

Reporting non-financial information

> We disclose our approach to managing non-financial risks in line with the EU Non-Financial Reporting Directive requirements.

More information is found throughout our report, including in the following sections:

- Environmental risks – see page 54 and 97.
- Social and employee risks – see Better lives page 37 and 96 and Responsible sourcing page 89.
- Human rights and children's rights risks – see pages 28 and 29.
- Anti-corruption, anti-bribery and business ethics risks – see pages 84, 87 and 96.

We conducted a double materiality assessment as part of our preparation for the EU Corporate Sustainability Reporting Directive (CSRD), see page 97.

Stakeholder engagement

We engage with a variety of internal and external stakeholders to develop our business and to ensure we have a positive impact on society. As a large global brand, we believe we have a responsibility to be an advocate on important issues and to work with others to drive positive systemic change as well as building partnerships.

Stakeholder engagement is critical to delivering our vision and our strategies, enabling us to learn from others, lead on issues where we have expertise and advocate for positive change. Ultimately it helps us to develop and deploy solutions that address major societal, environmental and regulatory challenges. Stakeholder views are a key input in our double materiality assessment.

We engage with a range of stakeholders and collaborate across sectors both at country level and global level. See table below.

Groups	Examples of groups	How did we engage	Key topics of dialogue	Example of action taken
Co-workers	• Social partners (e.g. European Works Council and local work councils, unions). • Co-worker resource groups at Group and country level.	• Employee feedback mechanisms eg annual co-worker survey IShare. • Internal communication platforms eg intranets, newsletters, and dedicated communication apps. • Workshops, broadcasts and networking and team-building events. • Digital platforms for real-time communication and collaboration.	• Equality, diversity, and inclusion. • Skills development. • Workplace conditions.	• **Enhanced diversity and inclusion initiatives:** We have implement targeted programmes to promote and create a more inclusive workplace, such as learning offers, training sessions, awareness campaigns and resource groups.
Government, policy makers and regulators	• Local / national governments. • Environmental regulatory bodies. • EU institutions (e.g. European Commission, European Parliament).	• Participation in industry dialogues aimed at positively influencing regulatory frameworks and standards that impact our operations. • Participation in calls to action to influence regulations related to people and planet topics. • Engage at multilateral events such as UN General Assembly and COP summits and bilateral meetings with Commission officials and Members of the European Parliament.	• Climate, energy, and electrification. • Sustainable consumption, waste and circularity. • Equality, diversity and inclusion. • Regulatory compliance and standards: Market access and compliance, data security and product quality regulations. • Digital technology. • Taxation. • Local economies and job creation. • Retail operations, expansion and business transformation.	• **Due diligence:** We have advocated for transparent, ethical and sustainable supply chain practices. (Cs3D for instance covering both climate and human rights). • **Circular economy:** We have contributed to EU policies to encourage recycling and reduce environmental impact of packaging in the Waste Framework Directive and Packaging and Waste Regulation.

Stakeholder engagement (cont.)

Groups	Examples of groups	How did we engage	Key topics of dialogue	Example of action taken
Customers	• Customers. • Business customers.	• Customer feedback and research eg surveys and direct interactions. • In-store experiences, events and workshops for customers to interact with products and get personalised advice. • Home visits to households that represent our customer base, enabling us to better understand people's needs and dreams for life at home.	• Affordability and accessibility. • Healthy and sustainable living. • Customer and end-user safety.	• **Digital transformation:** We have developed our digital tools and platforms to provide personalised services that customers can easily access from the comfort of their homes e.g. Virtual home furnishing advice and planning. • **Sustainability efforts:** Provide more locally relevant sustainable solution.
Suppliers	• Inter IKEA Group (the IKEA range). • Suppliers (products and services used to run our business).	• Supplier Relationship Management. • Supplier Code of Conduct (IWAY), including risk assessments, training, audits and the IWAY Supplier Support Hub. • Supplier Days for key suppliers to discuss how we can drive innovation and co-create sustainability solutions. • Feedback mechanisms e.g. supplier surveys. • Collaboration projects to develop to develop innovative, sustainable solutions.	• Sustainability goals. • Sustainable Innovation and technology. • Supply chain resilience and ensuring continuous operations. • Ethical business practices. • Performance improvement.	• **IWAY assessments and verification:** Through IWAY, we have helped suppliers implement stronger ethical and environmental standards to meet our expectations. In response to feedback, we increased the tailored support we provide to existing suppliers to help them address non-compliance issues.
Civic and Non-profit Organisations	• Partners e.g. World Economic Forum, The B-Team, WBCSD, UN Global Compact, UNHCR. • Ingka Young Leaders Forum (independant external youth advisory council). • Ingka Young Leaders Forum.	• Strategic partnerships with civic and non-profit organisations including co-chair and board roles. • Industry collaborations on key topics. • External events. • Ingka Young Leaders Forum meets three times a year with Ingka Group Management.	• Environmental sustainability. • Social responsibility. • Digital ethics and governance.	• **Incorporating Young Leaders' insights:** We publish an unedited opinion letter from the members of our Young Leaders Forum on page 8. Young Leaders also inputted into our updated ED&I strategy and together with them, we created a playbook to promote the benefits of intergenerational exchanges.
Trade associations	• Global/EU Trade Association memberships (e.g. EuroCommerce, Ecommerce Europe).	• Participating in discussions through committees and working groups that shape industry positions. • Collective initiatives organised by trade associations to advocate for action and agree joint commitments. • Networking and knowledge sharing.	• Climate, energy, and electrification. • Sustainable consumption, waste and circularity. • Equality, diversity and inclusion. • Regulatory compliance and standards: Market access and compliance, data security and product quality regulations. • Digital technology. • Taxation. • Local economies and job creation. • Retail operations, expansion and business transformation.	• **Legislative support for renewable energy:** Advocated in favour of legislation that incentivises renewable energy investments in countries including the Netherlands and Sweden. This supported the introduction of policies that facilitate the installation of solar panels on stores and warehouses, increasing renewable energy usage.
Local communities	• Communities where we operate e.g. Own forest, have stores etc[1].	• Ingka Neighbourhoods toolkit, supporting our countries to engage on locally relevant topics. • Workshops and trainings on skills development, sustainability practices, and financial literacy to empower community members. • Local collaborations with social rights organisations including matching donations and installing donation boxes in stores.	• Human rights and social impact. • Refugee inclusion. • Sustainability and environmental responsibility. • Creating pathways to employment. • Equality, diversity and inclusion. • Health and wellbeing.	• **Skills development programme:** We co-created our long- term skills development programme to support refugees together with UNHCR. Over 3,000 refugees have been supported through this programme across 24 countries since its inception.

[1]Inter IKEA leads on engagement with communities in the product supply chain.

Our engagement with the UN Global Compact

We are a signatory to the United Nations Global Compact.

It consists a set of ten principles in the areas of human rights, labour, environment and anticorruption. In June 2024 it was announced that our CEO Jesper Brodin was appointed Vice Chair of the UN Global Compact Board.

The table shows where in this report you can find our progress on each principle.

United Nations Global Compact (UNGC) principles	Location in FY24 reporting
Human rights	
Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and	Human rights, pages 27 to 30 and 112.
Principle 2 make sure they are not complicit in human rights abuses.	Human rights, pages 27 to 30 and 112. IWAY supplier code of conduct, pages 89 to 91.
Labour	
Principle 3 Businesses should uphold the right to freedom of association and the effective recognition of the right to collective bargaining;	Equality, diversity and inclusion, pages 31 to 35. Human rights, pages 27 to 30 and 112. IWAY supplier code of conduct, pages 89 to 91.
Principle 4 the elimination of all forms of forced and compulsory labour;	Human rights, pages 27 to 30 and 112. Respecting and supporting children's rights, pages 29 to 30. IWAY supplier code of conduct, pages 98 to 91.
Principle 5 the effective abolition of child labour; and	Respecting and supporting children's rights, pages 29 to 30. IWAY supplier code of conduct, pages 89 to 91.
Principle 6 the elimination of discrimination in respect of employment and occupation.	Inclusion, pages 31 to 35. Women's empowerment principles, page 112.
Environment	
Principle 7 Business should support a precautionary approach to environmental challenges;	Better planet, pages 49, 52, 53, 54, 65, 74, 75 and 76.
Principle 8 undertake initiatives to promote greater environmental responsibility; and	Healthy and sustainable living, pages 18 to 21. Better planet, pages 49 to 76.
Principle 9 encourage the development and diffusion of environmentally friendly technologies.	Healthy and sustainable living, pages 18 to 21. Better planet, pages 49 to 76.
Anti-corruption	
Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.	Ethical business conduct, pages 83 to 84.

IKEA Foundation

The IKEA Foundation is a fully independent philanthropy that works to improve the lives of vulnerable children by enabling their families to create sustainable livelihoods, and fight and cope with climate change. They do this by working with partners to identify and solve problems, scale up solutions, and change complex systems that contribute to poverty and climate change. Like Ingka Group, the IKEA Foundation works towards the vision of IKEA's founder—to create a better everyday life for the many people.

The IKEA Foundation receives all of its funding from the INGKA Foundation, with no other sources of funding. The INGKA Foundation is the owner and sole shareholder of Ingka Group. Dividends from Ingka Group are paid to the INGKA Foundation, which achieves its charitable purpose by providing funding to the IKEA Foundation.

Supercharging the transition to zero emission vehicles in emerging markets

IKEA Foundation and its partners are driving the uptake of sustainable transportation solutions through electric mobility.

Through a $100 million grant to the Drive Electric Campaign, the IKEA Foundation is speeding up the adoption of electric vehicles in emerging markets across Africa, Asia and Latin America. By making EVs more affordable and accessible, this partnership could trigger a "tipping point"—a moment when EVs become the first choice for many, leading to wider changes in the way we travel. This shift has the potential to significantly reduce emissions and help create a cleaner, more sustainable future for all.

Empowering communities with climate solutions

The IKEA Foundation has teamed up with Last Mile Climate to help communities affected by climate change. This partnership focuses on three main projects: providing solar-powered cooking, improving waste management, and finding nature-based solutions to adapt to climate change. These efforts aim to create jobs, reduce pollution, and help communities become more resilient.

Last Mile Climate works by bringing together different groups, like governments, humanitarian organisations, and businesses, to find and use the best solutions for these communities. They call this approach "Climate Action Partnerships". By working together, they can quickly test and scale up solutions that work best.

In 2024, the IKEA Foundation committed EUR 2.5 million to support Last Mile Climate's mission to improve the lives of people facing climate challenges.

During 2024, the IKEA Foundation paid out

EUR 349 million*

to create a better everyday life for the many people.

Our data FY24

About our reporting

We aim to provide a transparent account of our performance through our reporting, highlighting areas where we are making progress as well as the challenges we're facing.

Ingka Group reporting website

IKEA Sustainability Report FY24

IKEA Climate Report FY24

Our reporting is structured around our four key movements: helping more people to have Better homes; contributing to Better lives for our co-workers, customers and communities; playing our part in creating a Better planet; and creating a Better company for today and future generations. It includes financial and non-financial performance against a wide range of goals and indicators. Our reporting channels include:

- **Ingka Group Annual Summary and Sustainability Report FY24 (this document)** - This provides an overview of our most material sustainability and ESG issues, summarising performance highlights and KPIs and progress and challenges for FY24. It provides an in-depth description of progress against targets, detailed actions from FY24, and a description of key policies. The report also includes a section with detailed performance data and our UN Global Compact Index and UN Sustainable Development Goals Index.
- **Short Summary FY24** - Key highlights of our performance and challenges. This is based on the front section of our Annual Summary and Sustainability Report.
- **Ingka Group reporting website (on ingka.com)** - a summary of FY24 performance, with progress and challenges and an update against our targets. On the site you can download the full report (this document) and the short summary.

Reporting scope

The Ingka Group Annual Summary and Sustainability Report FY24 covers the financial year 2024 (FY24) from 1 September 2023 to 31 August 2024 and the entities controlled by Ingka Holding B.V. during this time (unless otherwise stated).

This report does not cover the activities of the Inter IKEA Group which includes the companies that develop and supply the IKEA product and food ranges, certain manufacturing and Inter IKEA Systems B.V. – the worldwide IKEA franchisor. Each year, Inter IKEA Group reports progress against the IKEA Sustainability Strategy from across the IKEA value chain and franchise system. Relevant data from Inter IKEA Group is included within our scope 3 climate footprint reporting. You can read their reports by clicking the links to the left.

External assurance

We have expanded the external assurance scope as part of our preparations for CSRD. For FY24 the assurance scope covers our data on happy customer score, affordability, brand trust, composition of governance bodies, headcount and co-worker turnover, fatalities, selected co-worker survey metrics including Inclusion Index, gender balance (including governance bodies), gender equal pay, gender pay gap, greenhouse gas emissions scope 1 and 2, greenhouse gas emissions scope 3 within Ingka Group's operational control, and indicators relating to energy consumption, production and efficiency, charging points at our customer meeting points, zero emission deliveries, own and leased zero emission vehicles, forestry, land and agricultural (FLAG) emissions, removals and storage, waste from our operations, water metrics and anti-bribery and corruption (ABC) training.

See Assurance report of the independent auditor on page 132. For more information on our environmental data, see page 113.

Preparations for the EU Corporate Sustainability Report Directive

The EU Corporate Sustainability Report Directive (CSRD) is a significant regulatory change that requires a full business response. At Ingka Group, we view CSRD reporting as not just a compliance exercise but an opportunity to drive action and change in our business.

Our ESG Project Management Office (environmental, social, governance) in our Group Finance function leads on the reporting transformation for Ingka Group, ensuring our readiness for CSRD at a function, country and businesss level. It brings together leaders from Group functions such as Sustainability, Risk Management, Business Steering, People & Culture, Finance, Digital, Communications, Legal & Governance and Public Affairs. It is supported by topic owners and cross-company working groups.

We are focussing on building capabilities, automating data flows, aligning the content and structure of our report with CSRD requirements (including reporting manuals and processes) and expanding the scope of our assurance.

Updates to our targets

Previous target	Explanation of changes
Better lives	
Skills developement	
Upskilling and reskilling training provided to co-workers in our transformation initiatives starting with customer service, facilities and stores.	We no longer include this target in our reporting; however, we continue to focus on upskilling and reskilling initiatives. We introduced a new target in FY24 to track progress on competency development. Our target is: At least 80% of co-workers feel they have good opportunities to develop their competencies. See page 26.
Better planet	
Climate change	
Contribute to a 15% reduction in the climate footprint of IKEA products and food by 2030, while still growing the IKEA business.	This target has been superseded by our new science-based target for scope 1, 2 and 3 emissions. Our new target is to: Reduce absolute scope 1, 2 and 3 GHG emissions by 50% by FY30 from a FY16 base year. This target was validated by the SBTi in 2024.
Reduce absolute greenhouse gas emissions from our own operations (scope 1 and 2) by 80% by 2030 (from FY16).* Note: this is a science-based target (approved by the SBTi in 2018).	We updated our science-based targets in FY24 and our new targets were validated by the SBTi. Our new SBTi validated target is to reduce absolute scope 1 and 2 greenhouse gas emissions 85% by FY30 from a FY16 base year. We also have a target to reduce emissions from our own operations by 85% by FY30. This relates to our operational emissions category which includes scope 1 and 2 emissions as well as scope 3 emissions categories 3, 5, 8 and 13. This is listed in the targets table on page 50.
Renewable heating and cooling systems in 100% of our buildings by 2030.	We no longer report progress on this target. However, the emissions reductions achieved by switching to renewable heating and cooling systems will be reflected in the progress against our own operations target (see above).
Reduce relative greenhouse gas emissions from customer and co-worker travel and home deliveries by 50% per person by 2030 (from FY16). Note: this is a science-based target (approved by the SBTi in 2018)	We updated our science-based targets in FY24 and our new targets were validated by the SBTi. Our new SBTi validated target is: Ingka Group commits to reduce optional absolute scope 3 GHG emissions from downstream transportation and distribution from customer travel 40% by FY30 from a FY16 base year. We also have a target to reduce emissions from mobility (home deliveries, co-worker travel, business travel, customer travel) by 40% by FY30. This is listed in the targets table on page 50.

*Our external assurance for scope 3 data covers the greenhouse gas emissions within Ingka Group's operational control, including all data reported under the scope 3 categories 2, 3, 5, 6, 7, 8, 9, 13 and 15 and part of the data reported under category 1. For category 1, the assurance covers the emissions arising from products and services purchased by Ingka Group Procurement for our operations.

Updates to our targets (cont.)

Previous target	Explanation of changes
Better planet (cont.)	
Climate change	
Aim for all home deliveries to be made by zero emissions vehicles by 2025.	We updated and extended our target as progress is taking longer than originally anticipated due to challenges such as lack of availability of suitable zero emissions vehicles and charging infrastructure in some of our countries. Our new target is: Achieve more than 90% of home deliveries made by zero emissionss vehicles by 2028. Although our ambition is still to reach 100%, we want to be transparent that this may be hard to achieve over the next few years. We use third party service providers and cannot guarantee that there won't be occasions when they use non-zero emission vehicles, for example in the case of breakdowns.
Aim for all company-owned, leased and shared vehicles used in our operations to be zero emission by 2025.	We updated and extended our target, as progress is taking longer than expected due to challenges such as lack of availability of suitable zero emissions vehicles and charging infrastructure in some of our countries. Our new target is: Achieve more than 90% of company-owned and leased vehicles used in our operations to be zero emissionss vehicles by 2028.
Better company	
Financial resilience	
Ingka Investments does not make or hold direct investments in fossil fuel or nuclear power businesses.	We no longer include this commitment in our targets list. However, this remains our policy.
Ethical business conduct	
All new co-workers complete training on our Code of Conduct within a month of joining and existing co-workers complete refresher training once every two years.	We no longer report progress on this target. We are in the process of developing a new target and metric to enable us to monitor progress in this area.
Responsible sourcing	
We aim for 100% of contracted suppliers to achieve IWAY compliance each year.	We updated our IWAY target in FY24 to better reflect our risk based approach to supplier management which sets expectations and requirements for suppliers based on their risk level. Our new target is: We require all suppliers to continuously fulfil our IWAY expectations. See page 78.

Better homes data

Visitation and sales

	FY22	FY23	FY24
Total online visits with consent[1] (billion)			3.1
Number of visits to Ingka Centres meeting places (million)	364	352	271
Number of visits to our physical retail locations (million)[2]	639	706	729
Online sales growth (%)	-13.0	9.0	2.4
Sales increase (%)	5.6	5.7	-5.0
Online conversion (%)[3]			1.7

Our units

	FY22	FY23	FY24
Total number of IKEA retail locations[4]	482	537	574
Fulfilment and replenishment units (Distribution Centres, Customer Distribution Centres and Central Parcel Units)	87	91	90
Total number of countries with IKEA retail locations	31	31	31
Total number of Ingka Centres meeting places	44	44	35

[1] Via the website, using the app or TMall/WeChat. We have updated our methodology for tracking online visits and therefore FY24 data is not comparable with previously reported data for prior years.
[2] Data for FY22 and FY23 has been restated due to improvements in data quality. Data was taken from our Common Sales system on 23/01/2025.
[3] We have updated our data methodology and therefore FY24 data is not comparable with previously reported data for prior years.
[4] Including stores and plan and order points.

Better lives data

Co-worker headcount by gender[1]

Gender	FY22	FY23	FY24
Male	80,653	75,693	74,772*
Female	96,505	89,534	87,352*
Other	31	116	154*
Not reported	3	10	15*
TOTAL EMPLOYEES	**177,192**	**165,353**	**162,293***

Co-worker headcount by region*

	Asia / Pacific	Europe	North America
Number of co-workers	21,315	117,147	23,830

Co-worker headcount by country*

	FY24
Australia	3,832
Austria	3,341
Belgium	4,427
Canada	7,204
China	9,200
Croatia	780
Czech Republic	2,300
Denmark	2,951
Estonia	9
Finland	1,754
France	11,479
Germany	21,031
Hungary	1,691
India	2,887
Ireland	770
Israel	69
Italy	8,057
Japan	3,607
Latvia	39

Co-worker headcount by country (cont.)*

	FY24
Lithuania	12
Netherlands	6,534
New Zealand	5
Norway	2,769
Poland	6,217
Portugal	2,779
Romania	1,410
Russia	274
Serbia	582
Slovakia	568
Slovenia	378
South Korea	1,715
Spain	9,621
Sweden	12,159
Switzerland	3,349
Ukraine	330
United Kingdom	11,535
United States	16,627

[1] Our headcount data does not include seasonal workers, apprentices, students, interns.
*Data included in the external assurance scope.

Co-worker headcount by contract type and gender FY24*

	Male	Female	Other	Not reported	Total
Average number of co-workers (headcount)	74,772	87,352	154	15	162,293
Average number of permanent co-workers[1]	71,079	82,853	154	9	154,095
Average number of temporary co-workers[2]	3,693	4,499	-	6	8,198
Number of co-workers with non-guaranteed hours contract[3]	-	-	-	-	-

Co-worker turnover

	FY22	FY23	FY24
Co-worker turnover rate (%)	34.3	30.1	24.2*
Voluntary co-worker turnover rate (%)	23.9	21.0	15.6*
Involuntary co-worker turnover rate (%)	10.4	9.0	8.6*
Total number of leavers	62,332	51,067	40,411*

[1] Includes data on co-workers who are on permanent contracts (i.e. no fixed-term), both full-time and part-time.
[2] Includes data on co-workers who are on fixed-term (temporary) contracts, both full-time and part-time.
[3] Ingka Group Rule on Employment Standards does not allow the employment on zero-hours contracts.
*Data included in the external assurance scope.

Health & safety

	FY23	FY24
The number of Lost Time Accidents (accidents resulting in more than one day of lost time[1])	2,455	2,255

Number of fatalities as a result of work related injuries and work related ill health[2]

	FY23	FY24
Co-workers	0	0*
Non-employees		0*
Value chain workers on our sites		1*

Inclusion index

(%)

	FY22	FY23	FY24
Inclusion index	81.2	80.3	79.0*
% of employees who feel they can be themselves	86.1	84.6	83.6*

Co-worker survey

	FY22	FY23	FY24
iShare response rate %	81[3]	83	84
Overall iShare score %	80.4	79.5	78.4
Engagement Index - % of co-workers who feel engaged	81.0[4]	78.7	77.2
Values Index - % of co-workers who believe we live our values	80.2	79.3	78.3
Leadership index %	83.4	82.6	82.1
Health and wellbeing index %	74.4	73.4	71.8
Great place to work - % of co-workers who believe Ingka/IKEA is a great place to work	81.6	79.6	78.1
% Co-workers who feel supported to live a healthy lifestyle	66.8	65.8	63.4*
% Co-workers who feel that they actively contribute to taking care of people and planet	83.3	81.3	78.6*
% Co-workers who feel empowered to create best customer experience	79.9	79.8[3]	80.5*
% Co-workers who feel they have good opportunities to develop their competences	74.3	73.5	71.8*
Employee Net Promoter Score (eNPS)	27	23	20

[1]Includes data for own employees in IKEA Retail only.
[2]We are reporting fatalities as a result of work-related injuries and work-related ill health in our value chain for the first time in FY24. In the US, legal restrictions mean that fatalities due to work-related illness are excluded from our reporting. Any fatalities in the US due to work-related injury are reported. In FY24, we were deeply saddened by the death of a maintenance worker employed by one of our suppliers following an accident in which they were struck by equipment while carrying out pressure testing at one of our shopping centres in China (see page 37 Health, safety and wellbeing).
[3]We have restated our data for previous years.
[4]The co-worker survey questions contributing to the engagement index were updated FY23, meaning that the FY22 figure is not fully comparable with the FY23 and FY24 figures.
*Data included in the external assurance scope.

Gender balance
(% of women)

	FY22	FY23	FY24
All co-workers	54.3	54.1	53.6*
All leaders (Management)	49.5	50.0	49.9*
Supervisory Board	25.0	25.0	25.0*
Group Management (including our Management Board)	38.5	38.5	42.0*
Country Boards (registered members only)	46.9	55.8	49.5*
Country Boards (registered members and permanent invitees)	44.8	52.6	49.2*
CEOs in our markets	45.8	45.8	45.8*

Severe human rights incidents identified in the Ingka Group supply chain[1]

	FY24
Cases of child labour	1[2]
Cases of forced labour	1[3]

Gender equal pay[4]

	FY22	FY23	FY24
% co-workers belonging to identical groups with gaps that cannot be explained by performance, competence and a country's legal requirements	4.84	3.87	4.32*
Gender pay gap - % of the average female pay level of male employees pay level[5]			4*

Community impact

	FY22	FY23	FY24
Number of people supported through our social impact programmes[6]	417,500	99,096	81,089
Number of refugees supported through the Skills for Employment programme	918	1,135	887
Number of countries running our Skills for Employment programme	22	22	17
Number of candidates recruited through our Hiring displaced talent framework		250[7]	170

[1]Excludes the supply chain for Inter IKEA and the IKEA product range.
[2]We took action to address this as outlined on page 29.
[3]The forced labour case was identified at a construction site in India where the supplier's sub-contractors had withheld part of workers' salaries. The supplier communicated our requirements that all salaries must be paid on time and engaged with the sub-contractor and its workers to monitor whether this was being implemented. We monitored the situation to ensure the corrective actions were implemented.
[4]The assessment covers all Ingka Group part-time or full-time co-workers with temporary and permanent contracts. It excludes the following groups: seasonal co-workers, co-workers with non-comparable salary setting (for example due to being on assignment), co-workers of Ingka Holding B.V. (holding company) and Ingka investments portfolio companies, co-workers not receiving a salary during the assessment period (for example because they joined the business in the month prior to the assessment date) and co-workers for whom we don't have information on gender.
[5]Based on the difference between average gross hourly pay of male and female co-workers expressed as % of male gross hourly pay.
[6]With the implementation of the Ingka x Neighbourhoods strategy we are focusing on longer term strategic partnerships rather than one-off donations to increase the positive impact for communities. In the short term, this has resulted in a lower overall number of people supported. The particularly high number in FY22 reflects the support provided to people affected by the war in Ukraine.
[7]We have restated our data for FY23 to correct an inaccuracy (previously reported as 337).
*Data included in the external assurance scope.

Women's Empowerment Principles

Ingka Group wants to be transparent about our progress on gender equality and to encourage other businesses to act. That's why we've signed the Women's Empowerment Principles developed by UN Women and the UN Global Compact (UNGC). The table summarises our approach to each of its seven principles:

Establish high-level corporate leadership for gender equality	Our gender equality approach outlines how we drive impact, all the way from establishing the mindset for gender equality, to creating an inclusive work environment. We have an Equality, Diversity & Inclusion (ED&I) Leader in most countries to co-create local initiatives with the Group ED&I team. Our goal is to achieve gender balance across our business. Our CEO is active in our efforts to promote gender equality.
Treat everyone fairly at work – respect and support human rights and non-discrimination	Our Policy on Human Rights and Equality states that co-workers must be treated fairly and provided with equal opportunities regardless of any dimension of their identity including gender. Our Code of Conduct and our Standard on Equality ensure that our workplace is free of discrimination, harassment and hostility.
Ensure the health, safety and wellbeing of all co-workers	Our health, wellbeing and occupational safety systems reduce workplace safety risks and help co-workers to improve their health, and to manage a healthy work–life balance. We have a global Health and Wellbeing Framework to guide our countries in helping co-workers look after their mental, physical and financial wellbeing; and we track the impact of our programmes including through our co-worker engagement survey.
Promote education, training and professional development for women	We invest in training and competence development, so every co-worker has the skills to deliver on our business goals today and in the future. We make sure that our leadership programmes and succession pipeline are gender balanced.
Implement enterprise development, supply chain and marketing practices that empower women	Our IWAY Standard defines the requirement for our suppliers to respect human rights. We encourage suppliers to achieve gender balance and to close the gender pay gap We often work with social entrepreneurs and social businesses that support women and others facing inequality or poverty.
Promote equality through community initiatives and advocacy	We collaborate with NGOs and governmental agencies to advocate for a more equal society including Catalyst, the B Team and EPIC. Our EU countries have signed their national Diversity Charter. We partner with local organisations connected to women's rights.
Measure and publicly report on progress towards achieving gender equality	We report progress through our Annual Summary and Sustainability Report. This includes data on gender balance and gender-equal pay. We also report and share our progress and challenges through our many partnerships relating to gender equality.

Better planet data

About our data

Environmental data

We are committed to transparent reporting on our climate footprint and environmental impacts. We aim to ensure all information and data are relevant, consistent, accurate and complete, and that they provide an objective picture of the operations of Ingka Group.

We measure and report progress against our FY16 baseline year for all environment indicators.

Most data is collected from primary sources and entered into reporting systems. Where estimates are used, we explain these, and we work to improve our data collection systems year on year. Data exclusions are explained below and in relevant sections of the report.

In the data tables (see pages 114-125), some of the numbers may not add up to the totals shown due to rounding.

Calculating our greenhouse gas emissions

We calculate our energy and climate footprint in accordance with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard, including emissions arising from our operations (scope 1 and 2) and across our value chain (scope 3). Our data is consolidated using the GHG Protocol operational control approach. For scope 3 emissions, we follow the Corporate Value Chain (Scope 3) Accounting and Reporting Standard and measure and report our impact across the 13 scope 3 categories that are applicable to our business (see page 117).

We have extended our climate footprint data to include emissions from our investment portfolios (category 15 emissions). We report on these emissions in line with guidance provided and approved by the GHG Protocol. While the majority share of our investments' footprint comes from Sovereign Bonds that we hold in our Financial Markets portfolio, we currently do not include emissions from our Sovereign Bonds in our climate footprint data. The reason for this is that there currently is no formally approved guidance by the GHG Protocol to report on emissions from Sovereign Bonds. We are awaiting such guidance from the GHG Protocol to include emissions from Sovereign Bonds in our climate footprint data. A small amount of emissions relating to our Prioritized Cities Real Estate Portfolio are currently excluded and we are working to address this.

In FY24 we also started to report the FLAG emissions and carbon removals from Ingka Investments forestland portfolio for the first time using the 2022 GHG Protocol Land Sector and Removals Draft Guidance. Once published, we will be using the finalized GHG Protocol Land Sector and Removals Guidance to refine our calculations. Other FLAG emissions and removals are included in our value chain footprint (for example emissions associated with the production of raw materials used in our products and food).

During FY24 we sold our Russian portfolio of 14 MEGA Shopping Centres. As a result, we have stopped reporting on emissions and other data relating to these Shopping Centres and have removed them from our FY16 baseline. Our retail stores in Russia were closed in mid-2022. In FY24, one retail warehouse in Russia was still in the process of being sold and emissions from this unit are included.

External assurance of climate data

Our climate data and progress against targets are subject to an independent review process by external auditors, KPMG (see pages 104 and 132). The scope of our external assurance in FY24 covers all our scope 1 and 2 greenhouse gas emissions, and scope 3 emissions within our operational control, including all data reported under the scope 3 categories 2, 3, 5, 6, 7, 8, 9, 13,15, part of the data reported under category 1, as well as FLAG emissions, removal and storage. For category 1, the assurance covers the emissions arising from products and services purchased by Ingka Group Procurement for our operations. The majority of our scope 3 emissions are from home furnishing products and food purchased from Inter IKEA Group (scope 3 categories 1, 4, 11 and 12) and are not included in the assurance scope. Data included in the external assurance scope is marked with an asterisk in this document.

Greenhouse gas emission factors

We use emission factors from available sources such as Sphera MCL database (2023), DEFRA, the UK Department for Environment, Food & Rural Affairs (2024), IEA, International Energy Agency (2023, covering 2021) and the EXIO Database (2016-2019), and from local district heating suppliers. Factors from publicly available databases are integrated into our reporting system and are regularly updated.

Scope 2 emissions are calculated in accordance with the Greenhouse Gas Protocol scope 2 Guidance. Our climate target is based on our market-based scope 2 emissions, which take the purchase of renewable electricity attribute certificates and supplier specific emission factors for district heating into account. We also measure and report data for our location-based emissions, which are based on average grid emissions factors for each country/region

Improving data quality and measurement methodologies

We regularly review and update our data collection methodologies and work to improve data accuracy. We restate data for previous years where changes in our methodology has a material impact on our reported data. Details of changes to our climate data methodology are provided in the table on page 114.

We share lessons learned on data collection and emissions models with peer companies to support collective corporate efforts to track and improve impacts.

Detail of data restatements for greenhouse gas emissions – FY24 compared to FY16-FY23

EMISSIONS SCOPE	GREENHOUSE GAS PROTOCOL CATEGORY	AFFECTED DATA	EXPLANATION OF CHANGE
Scope 1	Direct emissions from fuels and refrigerants used on-site	All scope 1 data	We continuously improve the quality of the data that we are collecting from the sites in our operational control. These improvements have led to minor restatements of our historic data. We have removed emissions related to the Russian portfolio of Shopping Centres from our baseline[1].
Scope 2	Indirect emissions from electricity, district heating and district cooling	All scope 2 data	
Scope 3	Category 1 – Purchased goods and services	IKEA products and food	Data provided by Inter IKEA Group. See Inter IKEA Sustainability Report FY24 for details.
Scope 3	Category 2 – Capital goods	Capital goods related to the Renewable Energy Portfolio	We have extended the scope of our capital goods to also include emissions from the construction of our renewable energy sites. Construction emissions are reported in the year of commissioning the renewable energy site. We have adjusted the baseline accordingly.
Scope 3	Category 3 – Fuel and energy-related activities	Transmission and distribution losses of fuel and energy	We continuously improve the quality of the data that we are collecting from the sites in our operational control. These improvements have led to minor restatements of our historic data. We have removed emissions related to the Russian portfolio of Shopping Centres from our baseline.
Scope 3	Category 4 – Upstream transportation	Goods transport from supplier to Ingka	Data provided by Inter IKEA Group. See Inter IKEA Sustainability Report FY24 for details.
Scope 3	Category 5 – Waste from own operations	All category 5 data	We continuously improve the quality of the data that we are collecting from the sites in our operational control. These improvements have led to minor restatements of our historic data. We have removed emissions related to the Russian portfolio of Shopping Centres from our baseline. Waste from construction is reported under scope 3, category 2, as we do not have operational control over that waste.
Scope 3	Category 6 – Business travel	Business travel	No changes.

[1]Energy-related information is usually obtained from real-time meters at each site, from invoices or from service providers.

Detail of data restatements for greenhouse gas emissions - FY24 compared to FY16-FY23 (continued)

EMISSIONS SCOPE	GREENHOUSE GAS PROTOCOL CATEGORY	AFFECTED DATA	EXPLANATION OF CHANGE
Scope 3	Category 7 – Employee commuting	Employee commuting	No changes.
Scope 3	Category 8 – Upstream leased assets		We continuously improve the quality of the data that we are collecting from the sites in our operational control. These improvements have led to minor restatements of our historic data. We have adjusted our baseline accordingly.
Scope 3	Category 9 – Downstream transportation and distribution	Customer travel data	We have developed a new methodology where we estimate the travelled distance based on the zip codes of our customers and the most likely route travelled. Previously we estimated the travelled route based on customer surveys. This change has improved the accuracy of our reporting.
Scope 3	Category 11 – Use of sold products	All category 11 data	Data provided by Inter IKEA Group. See Inter IKEA Sustainability Report FY24 for details.
Scope 3	Category 12 – End of life treatment of sold products	All category 12 data	Data provided by Inter IKEA Group. See Inter IKEA Sustainability Report FY24 for details.
Scope 3	Category 13 – Downstream leased assets	All category 13 data	We continuously improve the quality of the data that we are collecting from the sites in our operational control. These improvements have led to minor restatements of our historic data. We have removed emissions related to the Russian portfolio of Shopping Centres from our baseline.
Scope 3	Category 15 – Investments	All data	We report emissions from the following portfolios for the first time: Business Acquisitions and Venture, Circularity Investments, Financial Markets Investments (excluding sovereign bonds, government sponsored bonds and alternative investments). We now report emissions from renewable energy assets outside our operational control in scope 3 category 15 (previously reported in scope 2). We have adjusted the baseline accordingly.

Our climate footprint[1]

(tonnes CO_2e)

	FY16	FY22	FY23	FY24
Scope 1	107,325	117,834	90,507	95,102*
Scope 2	341,620	116,429	53,945	42,713*
Total scope 1 & 2	448,945	234,263	144,452	137,815
Scope 3	29,989,276	25,659,461	22,256,844	21,378,364**
TOTAL scope 1, 2 & 3	**30,438,221**	**25,893,724**	**22,401,296**	**21,516,179**

[1]Changes in historic years are due to improved data quality and methodology changes, including the sale of our Ingka Centres portfolio in Russia. See Data restatements table on page 114.
[2]Revenue for FY22-FY24 is as reported in our Consolidated Income Statement. Revenue for FY16 has been adjusted for wholesale revenue.
*Data included in the external assurance scope.
**Our external assurance for scope 3 data covers the greenhouse gas emissions within Ingka Group's operational control, including all data reported under the scope 3 categories 2, 3, 5, 6, 7, 8, 9, 13 and 15 and part of the data reported under category 1. For category 1, the assurance covers the emissions arising from products and services purchased by Ingka Group Procurement for our operations.

Scope 3 emissions by Greenhouse Gas Protocol category[1]

(tonnes CO_2e)

	FY16	FY22	FY23	FY24
1. Purchased goods and services	16,034,675	15,793,917	13,385,630	12,686,349**
2. Capital goods	612,532	443,049	541,895	551,792**
3. Fuel-and-energy-related activities (not included in Scope 1 or 2)	136,977	80,996	57,669	56,085**
4. Upstream transportation and distribution	1,190,013	1,258,613	1,002,942	1,000,881
5. Waste generated in operations	38,256	27,511	25,039	18,943**
6. Business travel	94,744	18,434	31,000	29,065**
7. Employee commuting	118,612	128,974	144,892	156,776**
8. Upstream leased assets	6,420	6,371	4,319	4,126**
9. Downstream transportation and distribution	2,429,724	2,159,922	2,098,399	2,121,606**
11. Use of sold products	7,206,881	3,777,027	3,218,332	3,044,390
12. End of life treatment of sold products	1,815,401	1,768,803	1,591,912	1,550,057
13. Downstream leased assets	21,982	21,422	17,544	27,435**
15. Investments	283,059	174,422	137,271	130,858**
TOTAL	**29,989,276**	**25,659,461**	**22,256,844**	**21,378,364**

[1]Previous years' data has been restated for categories 1, 2, 3, 4, 5, 8, 9, 11, 12 and 13 due to changes in our data methodology, improved data quality and the sale of our Ingka Centres portfolio in Russia (see page 114). We do not report data for categories 10 (processing of sold products) and 14 (franchisees) since they are not applicable.
**Our external assurance for scope 3 data covers the greenhouse gas emissions within Ingka Group's operational control, including all data reported under the scope 3 categories 2, 3, 5, 6, 7, 8, 9, 13 and 15 and part of the data reported under category 1. For category 1, the assurance covers the emissions arising from products and services purchased by Ingka Group Procurement for our operations.

Scope 1 and 2 emissions[1]

(tonnes CO_2e)

	FY16	FY22	FY23	FY24
IKEA stores and plan and order points	294,056	167,147	116,380	107,854*
Distribution centres	20,938	25,278	16,165	16,419*
Ingka Centres	132,728	41,163	11,232	12,820*
Offices	1,207	646	658	674*
Ingka Investments	16	29	16	49*
TOTAL	448,945	234,263	144,452	137,815

Scope 1 biogenic emissions[1]

(tonnes CO_2e)

	FY16	FY22	FY23	FY24
Diesel bio-fuel blend (on-site use)		6	4	6*
Biogas (on-site use)		7,658	12,103	4,983*
Biomass, wood based (on-site use)	11,109	7,164	8,330	7,022*
TOTAL	**11,109**	**14,827**	**20,436**	**12,011**

Scope 2 emissions from electricity use in our operations (location and market based)[1]

	FY16	FY22	FY23	FY24
Total electricity (MWh)	1,801,493	1,823,135	1,741,944	1,823,482*
Location-based emissions (tonnes CO_2e)	712,077	640,933	588,093	633,986*
Market-based emissions (tonnes CO_2e)	312,419	98,216	41,039	31,634*
Footprint reduction due to use of renewable electricity (%)	-56.1	-84.7	-93.0	-95.0

[1]Changes in historic years are due to improved data quality and methodology changes, including the sale of our Ingka Centres portfolio in Russia. See Data restatements table on page 114.
*Data included in the external assurance scope.

Climate footprint across our value chain FY16-FY24[1]

(tonnes CO_2e)

	FY16	FY22	FY23	FY24
Materials	10,922,530	11,966,207	9,914,583	9,760,039
Food ingredients	778,780	713,766	701,661	671,536
Production	3,338,973	2,026,884	1,713,520	1,350,800
Product transport	1,190,013	1,258,613	1,002,942	1,000,881
Construction materials	411,965	289,931	322,244	292,855*
Goods and services used in own operations	1,194,959	1,240,178	1,275,517	1,162,911*
Own operations (Retail, Ingka Centres & Investments)[2]	652,580	370,564	249,023	244,405*
Customer and co-worker travel & home deliveries	2,643,080	2,307,330	2,274,292	2,307,447*
Product use at home	7,206,881	3,777,027	3,218,332	3,044,390
Product end of life	1,815,401	1,768,803	1,591,912	1,550,057
Investments	283,059	174,422	137,271	130,858*
Total	30,438,221	25,893,724	22,401,296	21,516,179

[1]Changes in historic years are due to improved data quality and methodology changes, including the sale of our Ingka Centres portfolio in Russia. See Data restatements table on page 114.
[2]Our Own operations category includes all scope 1 and 2 emissions such as those from energy used in our buildings and fuel used in the vehicles we own, as well as scope 3 categories 3, 5, 8 and 13.
*Data included in the external assurance scope.

Energy consumption and mix[1]

(MWh)

		FY16	FY22	FY23	FY24
Fossil fuel sources	Fuel consumption from coal and coal products	-	-	-	-
	Fuel consumption from crude oil and petroleum products	7,401	19,089	9,544	9,522*
	Fuel consumption from natural gas	343,471	387,493	269,238	298,351*
	Consumption of purchased or acquired electricity, heat, steam or cooling from fossil fuel sources	583,895	205,264	104,822	86,082*
Nuclear sources	Total energy consumption from nuclear sources	55,195	23,160	11,509	19,472*
Renewable sources	Fuel consumption from renewable sources including biomass (also comprising industrial and municipal waste of biological origin), biofuels, biogas, hydrogen from renewable sources	31,381	58,738	84,612	45,101*
	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	1,308,432	1,724,974	1,747,134	1,840,296*
	Consumption of self-generated non-fuel renewable energy	76,809	145,212	148,843	155,521*
TOTAL		2,406,583	2,563,929	2,375,699	2,454,343

Energy consumption FY24*

	IKEA stores and plan and order points	Distribution centres	Ingka Centres	Offices	Ingka Investments	TOTAL
Total energy (MWh)	1,700,302	228,635	497,549	16,954	10,903	2,454,343
Renewable energy (MWh)	1,415,577	155,982	441,504	16,952	10,903	2,040,917
Non-renewable energy (MWh)	284,725	72,653	56,045	2	0	413,426
Share of renewable energy as % of total energy (%)	83.3	68.2	88.7	100.0	100.0	83.2

[1]Changes in historic years are due to improved data quality and the sale of our Ingka Centres portfolio in Russia.
*Data included in the external assurance scope.

Renewable electricity consumption in our operations[1]

	FY16	FY22	FY23	FY24
Total electricity (MWh)	1,885,083	1,968,348	1,890,786	1,979,003*
Renewable electricity (MWh)	1,313,690	1,790,740	1,815,077	1,911,638*
Share of total electricity from renewable electricity (%)	69.7	91.0	96.0	96.6*
Share of electricity consumption generated on-site (%)	4.1	7.4	7.9	7.9*
Share of electricity consumption generated by Ingka Investments (%)	0.0	43.4	51.3	51.7*
Number of countries with 100% renewable electricity	17	26	28	28*

Renewable energy generation by type[1]

(MWh)

	FY16	FY22	FY23	FY24
Electricty from wind	304,417	3,596,269	3,136,615	3,225,173*
Electricity from photovoltaic	119,746	191,605	205,257	226,171*
TOTAL	**424,162**	**3,787,873**	**3,341,873**	**3,451,344**

Share of electricity consumption from off-site and on-site investments[1]

	FY16	FY22	FY23	FY24
Share of electricity consumption in our operations coming from our off-site and on-site investments in wind and solar	4.1%	50.8%	59.2%	59.5%*

Electricity generated from Ingka Group wind power and solar by country FY24[2]*

COUNTRY	MWh	%
Australia	32,209	0.9%
Austria	5,220	0.2%
Belgium	12,417	0.4%
Canada	399,982	11.6%
China	19,372	0.6%
Croatia	637	0.0%
Czech Republic	520	0.0%
Denmark	1,925	0.1%
Finland	427,366	12.4%
France	174,620	5.1%
Germany	62,552	1.8%
Hungary	577	0.0%
India	3,532	0.1%
Ireland	18,041	0.5%
Italy	10,220	0.3%
Japan	6,187	0.2%
Lithuania	130,408	3.8%
Netherlands	11,788	0.3%
Poland	449,300	13.0%
Portugal	160,405	4.6%
Romania	401,612	11.6%
Serbia	359	0.0%
Slovenia	418	0.0%
South Korea	2,973	0.1%
Spain	26,640	0.8%
Sweden	307,642	8.9%
Switzerland	5,345	0.2%
United Kingdom	23,018	0.7%
United States	756,060	21.9%
TOTAL	**3,451,344**	**100.0%**

Energy efficiency[1]

(KWh / m^2)

	FY16	FY22	FY23	FY24
IKEA stores and plan and order points	155	143	133	135*
Distribution Centres	53	58	54	49*
Offices	68	315	215	308*
Ingka Centres	246	186	168	182*
TOTAL	154	129	119	122*

[1]Changes in historic years are due to improved data quality and the sale of our Ingka Centres portfolio in Russia.
[2]This covers off-site electricity generated from Ingka Group investments and electricity generated on our sites.
*Data included in the external assurance scope.

Total greenhouse gas emissions from transport[1]
(tonnes CO_2e)

	FY16	FY22	FY23	FY24
Home deliveries[2]	221,441	334,564	312,870	328,267*
Customer travel[3]	2,208,283	1,825,358	1,785,529	1,793,339*
Co-worker travel[3]	213,356	147,408	175,892	185,840*
TOTAL	**2,643,080**	**2,307,330**	**2,274,292**	**2,307,447**

Relative greenhouse gas emissions from transport[1]
(tonnes CO_2e per trip)

	FY16	FY22	FY23	FY24
Home deliveries, customer travel & co-worker travel	0.0041	0.0041	0.0042	0.0042*

Zero emissions vehicles

	FY22	FY23	FY24
Number of charging points at our customer meeting points		4,547	7,195*
Share of retail home deliveries made by electric or zero emissions vehicles (%)[4]	12.3	24.6	41.1*
Share of company-owned and leased vehicles used in our operations that are zero emission vehicles (%)		39.2	48.4*

Greenhouse gas emissions from products and food (scope 3)[5]
(tonnes CO_2e)

	FY16	FY22	FY23	FY24
Products and food	25,252,579	21,511,300	18,142,950	17,377,704

[1]Changes in historic years are due to improved data quality and methodology changes, including the sale of our Ingka Centres portfolio in Russia.
[2]Greenhouse gas emissions for customer deliveries are calculated from the distance travelled by different category of vehicle (diesel and electric). The data is collected from our fulfilment systems as well as through manual processes, and covers last mile delivery by transport service providers to customer homes (excluding small parcel deliveries). We use a digital tool to simulate routes and estimate total km based on the most likely route.
[3]Greenhouse gas emissions for co-worker and customer travel are calculated from the number of co-workers and customers and assumptions on the mode of transport and distance travelled.
[4] Data calculated in the last month of the financial year (August).
[5] The data covers scope 3 emissions arising from Ingka Group sales (87.8% of total IKEA sales), including supply chain emissions from the sourcing of raw materials, manufacturing, and transport of products as well as the use and disposal of IKEA products and food by our customers.
*Data included in the external assurance scope.

Forestry, land and agricultural (FLAG) emissions, removals and storage

(tonnes CO_2e)

	FY16	FY22	FY23	FY24
Carbon removal and storage from our forestland portfolio	1,098,190	1,098,190	597,078	675,519*
GHG emissions from our forestland portfolio	59,820	60,472	91,091	43,106*

Forestland[1]

(hectares)

Country	FY23	FY24	Difference
Latvia	92,800	101,700	8,900
United States	69,500	74,300	4,800
Romania	50,600	50,600	-
Lithuania	27,100	27,100	-
Estonia	22,000	31,500	9,500
New Zealand	19,500	25,300	5,800
Finland	-	8,600	8,600
TOTAL	281,500	319,100	37,600

*Data included in the external assurance scope.
[1]Data includes non-forestland and is the status of 31st August.

Our operations - total waste produced[1]
(tonnes)

	FY16	FY22	FY23	FY24
IKEA stores and plan and order points	436,607	412,638	382,030	388,583*
Distribution Centres	50,207	59,399	54,933	60,014*
Ingka Centres	33,602	43,679	40,491	47,612*
Offices[2]	-	53	166	227*
TOTAL	**520,416**	**515,770**	**477,619**	**496,436**

Our operations - waste disposal route FY24*
(tonnes)

	IKEA stores and plan and order points	Distribution centres	Ingka Centres	Offices	TOTAL
Waste diverted from disposal by recycling	307,987	50,508	26,856	151	385,503
Waste diverted from disposal by other recovery operations	57,274	7,976	15,290	76	80,616
Waste directed to disposal by incineration, landfilling or other disposal operations	23,322	1,530	5,465	0	30,318
TOTAL	388,583	60,014	47,612	227	496,436

Construction waste by disposal route FY24
(tonnes)

	IKEA stores and plan and order points	Distribution centres	Ingka Centres	TOTAL
Waste diverted from disposal by recycling	2,109	322	2,797	5,228
Waste diverted from disposal by other recovery operations	524			524
Waste directed to disposal by incineration, landfilling or other disposal operations	57	-	799,000	799,057
TOTAL	2,691	322	801,797	804,810

[1]Changes in historic years are due to improved data quality and the sale of our Ingka Centres portfolio in Russia.
[2]Data for offices was collected for the first time in FY21.
*Data included in the external assurance scope.

Water use[1]

(m^3)

	FY16	FY22	FY23	FY24
IKEA stores and plan and order points	5,338,527	5,102,943	5,075,395	5,126,238*
Distribution Centres	156,213	189,720	200,055	223,137*
Ingka Centres	1,697,152	2,331,338	2,488,615	2,761,342*
Offices	91,379	6,454	9,977	11,738*
Investments	-	110	143	75*
TOTAL	**7,283,272**	**7,630,566**	**7,774,185**	**8,122,530**

Water use in areas at water risk[2]

	FY16	FY22	FY23	FY24
Water use in areas of water risk, including areas of high water stress (m^3)	2,401,211	2,837,599	3,133,949	3,349,267*
Share of our sites operating in areas of high water stress (%)	30.7	30.7	30	32.6*

[1]Changes in historic years are due to improved data quality and the sale of our Ingka Centres portfolio in Russia.
[2]Areas at water risk as defined by Aqueduct tool by World Resources Institute and mapped against the locations of our sites.
*Data included in the external assurance scope.

Better company data

Consolidated income statement 1 September–31 August

(in millions of EUR)

	FY22	FY23	FY24
Revenue	42,036	44,300	41,846
Cost of sales and services	-28,070	-29,635	-27,986
Gross profit	**13,966**	**14,665**	**13,860**
Operating expenses	-12,271	-12,922	-13,001
Other income	340	264	394
Operating income	**2,035**	**2,007**	**1,253**
Total financial income and expense	-1,202	196	318
Income before minority interests and taxes	**833**	**2,203**	**1,571**
Tax	-546	-696	-765
Income before minority interests	**287**	**1,507**	**806**
Minority interests	-	-	-
Net income	**287**	**1,507**	**806**

Consolidated balance sheet 31 August – Assets

(in millions of EUR)

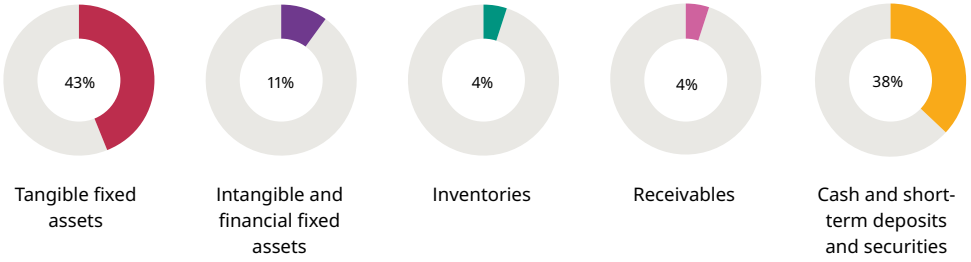
	FY22	FY23	FY24
Tangible fixed assets	25,647	24,740	24,541
Intangible fixed assets	3,196	3,316	3,675
Financial fixed assets	2,442	2,564	2,824
Total fixed assets	**31,285**	**30,620**	**31,040**
Inventories	2,700	2,742	2,237
Receivables	1,963	1,997	2,572
Securities	20,678	20,470	21,315
Cash and short-term deposits	1,138	717	434
Total current assets	**26,479**	**25,926**	**26,558**
Total assets	**57,764**	**56,546**	**57,598**

Consolidated balance sheet 31 August – Equity & liabilities

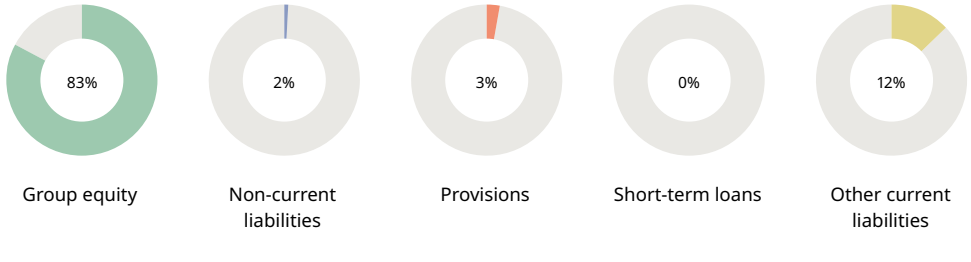
(in millions of EUR)

	FY22	FY23	FY24
Group equity	**47,640**	**46,685**	**47,931**
Provisions	1,563	1,489	1,627
Non-current liabilities	767	795	963
Total non-current liabilities	**2,330**	**2,284**	**2,590**
Short-term loans	12	3	21
Other current liabilities	7,782	7,574	7,056
Total current liabilities	**7,794**	**7,577**	**7,077**
Total equity and liabilities	**57,764**	**56,546**	**57,598**

FY24 Total assets – EUR 57,598 million



FY24 Total equity and liabilities – EUR 57,598 million



Anti-bribery and corruption (ABC) training[1]*

	FY24
Total number of co-workers in sensitive positions	16,319
Total number of co-workers in sensitive positions that completed ABC training	9,498
Share of co-workers in sensitive positions that completed ABC training	58.2%

IWAY reviews and initial assessments

	FY22	FY23	FY24
Initial supplier assessments for potential new suppliers (number of)	168	102	94
Suppliers who failed to comply with "IWAY Musts" in the initial assessment (%)		19.6	33.0
IWAY reviews of Ingka Group suppliers (number of)	256	200	190
IWAY reviews with major non-compliances identified i.e. failure to comply with "IWAY Musts" (%)	24.6	36.0	34.7
IWAY reviews performed by external auditors (%)	5.9	4.0	10.5
IWAY reviews that were unannounced (%)	3.9	6.5	3.7

IWAY reviews by supplier type FY24

Category	Number of IWAY Reviews by supplier type	% of IWAY Reviews by supplier type	Number of IWAY Reviews with major non-compliances by supplier type	% IWAY Reviews with major non-compliances by supplier type
Real Estate	82	43.2	34	41.5
Customer Fulfilment	77	40.5	23	29.9
Professional Services	12	6.3	3	25.0
Marketing	12	6.3	2	16.7
Equipment	7	3.7	4	57.1

[1]We identify co-workers in sensitive positions at Group and country level and by function and business area. Sensitive roles are defined as positions that have ongoing close relationships with third parties and/or authorities or approvals of contracts, such as roles working in procurement and real estate. Co-workers in these roles are required to complete our dedicated anti-bribery and corruption training (in addition to our Code of Conduct training for all co-workers). On an annual basis managers with support from with their P&C (People & culture) business partners perform an assessment of sensitive positions to ensure all co-workers are correctly assessed as being ABC sensitive or not.
*Data included in the external assurance scope.

IWAY reviews by country FY24

Country	Number of IWAY Reviews	% of IWAY Reviews	Number of IWAY Reviews with major non-compliances	% IWAY Reviews with major non-compliances
Australia	5	2.6	0	0.0
Austria	0			
Belgium	2	1.1	0	0.0
Canada	5	2.6	1	20.0
China	25	13.2	6	24.0
Croatia	1	0.5	0	0.0
Czech Republic	1	0.5	0	0.0
Denmark	5	2.6	1	20.0
Finland	3	1.6	0	0.0
France	12	6.3	10	83.3
Germany	13	6.8	3	23.1
Hungary	4	2.1	3	75.0
India	15	7.9	13	86.7
Ireland	0			
Italy	12	6.3	6	50.0
Japan	0			

IWAY reviews by country FY24 (continued)

Country	Number of IWAY Reviews	% of IWAY Reviews	Number of IWAY Reviews with major non-compliances	% IWAY Reviews with major non-compliances
Netherlands	2	1.1	0	0.0
Norway	4	2.1	0	0.0
Poland	22	11.6	10	45.5
Portugal	0			
Romania	2	1.1	1	50.0
Serbia	2	1.1	1	50.0
Slovenia	2	1.1	1	50.0
Slovakia	1	0.5	1	100.0
South Korea	4	2.1	0	0.0
Spain	9	4.7	2	22.2
Sweden	10	5.3	0	0.0
Switzerland	9	4.7	1	11.1
United Kingdom	6	3.2	2	33.3
United States	14	7.4	4	28.6

Our contribution to the UN Sustainable Development Goals

We support the United Nations Sustainable Development Goals (SDGs) in their ambition to achieve a better world for all. As a global business, we have a role to play in contributing to achieving all the SDGs. Find out how we contribute to each goal in this table, starting with the ones we most significantly contribute to.

SUSTAINABLE DEVELOPMENT GOALS	HOW INGKA GROUP CONTRIBUTES
Take urgent action to combat climate change and its impacts	Contributing to the IKEA ambition to become circular and climate positive. Tracking our climate footprint against our science-based targets. Inspiring and enabling more people to live better lives within the limits of the planet. Making residential solar affordable and accessible for the many people. Investing in wind and solar power and switching to renewable heating and cooling in our buildings. Tackling emissions from travel and deliveries. Partnering with others to tackle climate change and advocating for action beyond our business. Promoting more plant-based food. See the Better homes, Better planet and Better company sections.
Ensure healthy lives and promote wellbeing for all at all ages	Inspiring and enabling healthy and sustainable living through our products and communications. Offering healthier food to customers and co-workers. Advocating for a healthy future for children through our climate positive initiatives. Health, safety and wellbeing in the workplace, including protecting co-workers and customers. See the Better homes and Better lives sections.
Achieve gender equality and empower all women and girls	Working to ensure gender equality and gender-equal pay. Partnering with social enterprises that support women and supporting charities and community groups that tackle issues affecting women's lives. See the Better lives section.
Ensure access to affordable, reliable, sustainable and modern energy for all	Generating more renewable energy than we consume. Investing in wind and solar energy. Making residential solar affordable and accessible for the many people, with IKEA Energy Services. See the Better homes, Better planet and Better company sections.
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Being an inclusive employer and investing in our co-workers' development. Providing and supporting decent and meaningful work and fair incomes. Improving standards in our supply chain through IWAY, the IKEA supplier code of conduct. Supporting refugees to develop skills for employment. Supporting suppliers and tenants during times of crisis. See the Better lives and Better company sections.
Reduce inequality within and among countries	Promoting a fair and inclusive society and respecting human rights. Respecting and supporting children's rights. Supporting fairer lives for young and migrant workers. Supporting refugees to develop skills for employment. Working to ensure gender, racial and LGBT+ equality. See the Better lives section.
Ensure sustainable consumption and production patterns	Trialling products and services that promote circular consumption. Inspiring and enabling customers to shop more sustainably. Striving for zero waste and using resources in a circular way. Responsible sourcing of goods and services that help to run our business. See the Better homes, Better planet and Better company sections.

SUSTAINABLE DEVELOPMENT GOALS	HOW INGKA GROUP CONTRIBUTES
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss	Responsible sourcing of goods and services that help to run our business. Investing in responsibly managed forests. Promoting biodiversity around our stores. See the Better planet section.
Strengthen the means of implementation and revitalise the global partnership for sustainable development	Partnering with others to extend our impact beyond our own business, engaging with governments and others to advocate for positive change and taking a stand on the issues we believe in. See Advocacy and partnerships, and Stakeholder engagement section in Better company.
End poverty in all its forms everywhere	Providing and supporting decent and meaningful work in our business and supply chain. Integrating refugees and asylum seekers into our value chain and developing their skills for employment. Partnering to create positive change in local communities. Supporting vulnerable suppliers and tenants during times of crisis. See the Better lives section.
End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Reducing meat consumption with our plant-based dishes. Responsibly sourcing our food. Reducing food waste in our operations. See the Better homes and Better lives sections.
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Offering our co-workers opportunities for training and development. Providing and promoting learning and decent employment opportunities for young people. See the Better lives section.

SUSTAINABLE DEVELOPMENT GOALS	HOW INGKA GROUP CONTRIBUTES
Ensure availability and sustainable management of water and sanitation for all	Managing water resources. Inspiring and enabling customers and co-workers to save water at home. See the Better homes and Better planet sections.
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	Generating more renewable energy than we consume. Investing in wind and solar power. Investing in renewable heating and cooling in our buildings. Tackling emissions from travel and deliveries. Scaling up home deliveries across all countries. Empowering customers to generate and use their own renewable energy at an affordable price. Investing in businesses that are developing circular solutions. See the Better homes, Better planet and Better company sections.
Make cities and human settlements inclusive, safe, resilient and sustainable	Contributing to thriving communities through our Neighbourhood Framework. Striving for zero waste and using resources in a circular way. Inspiring and enabling customers to live more sustainably through IKEA products, and promoting circular consumption. Supporting communities during times of crisis. Tackling emissions from travel and deliveries. See the Better homes, Better lives and Better planet sections.
Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Phasing out single-use plastic from our IKEA restaurants, cafés and bistros. Offering resonsibly sourced fish and seafood. See the Better homes and Better planet sections.
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Respecting human rights. Being an inclusive and people-centred company and employer. Contributing to thriving communities. Ensuring an ethical approach to the way we do business, through our code of conduct and Digital Ethics policy. See the Better lives and Better company sections.

KPMG

Assurance report of the independent auditor

To: The Board of Managing Directors Ingka Holding B.V.

Our conclusion

We have examined the following KPI's in the 'Annual Summary and Sustainability Report FY24' (hereafter: 'the Report') of Ingka Holding B.V. based in Leiden for the year ended 31 August 2024 (hereafter: information in the report):

- GHG emissions scope 1, 2, 3 - specific to the portion of the reported figures that is attributable to Ingka (i.e. excluding Inter IKEA data)
- GHG emissions and removals from FLAG
- Energy indicators: Energy Efficiency and Energy consumption in own operations
- Total amount of waste generated in own operations
- Total water withdrawal (use) in own operations
- Social indicators: Gender Diversity, Gender equal pay
- Headcount of employees and employee turnover
- Governance indicators: share of functions-at-risk covered by ABC training programs, the proportion of variable remuneration dependent on sustainability-related targets and/or impacts, Composition and diversity of the members of the administrative, management and supervisory (AMS) bodies
- EV Indicators: Share of own, leased zero emission vehicles, Zero Emissions Deliveries, Number of EV chargers
- Consumers perception indicators
- Happy customer score
- Selected iShare indicators
- Number of fatalities

A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed and evidence obtained nothing has come to our attention that causes us to believe that the Report is not, in all material respects, in accordance with the reporting criteria as described in the 'Reporting criteria' section of our report.

Basis for our conclusion

We performed our examination in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten) (assurance engagements other than audits or reviews of historical financial information (attestation engagements). This engagement is aimed to obtain limited assurance. Our responsibilities in this regard are further described in the 'Our responsibilities for the examination of the Report' section of our report.

We are independent of Ingka Holding B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting Criteria

The information in the Report needs to be read and understood together with the reporting criteria. Ingka Holding B.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the information in the Report are the Greenhouse Gas Protocol and Ingka Holding B.V.'s internally developed reporting criteria as disclosed in the Report

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the Report / the sustainability indicators and for the sustainability information as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the company.

Scope of the group examination

Ingka Holding B.V. is the parent company of a group of entities. The sustainability information incorporates the consolidated information of this group of entities to the extent as specified in the chapters 'About our reporting' and 'About our data' in the Report.

Our group review procedures consisted of both review procedures at corporate (consolidated) level and at site level. Our selection of sites in scope of our review procedures is primarily based on the site's individual contribution to the consolidated information.

By performing our review procedures at site level, together with additional review procedures at corporate level, we have been able to obtain sufficient and appropriate assurance evidence about the group's sustainability information in relation to the beforementioned indicators to provide a conclusion thereon.

Limitations to the scope of our assurance engagement

We do not provide assurance on base year figures nor do we provide assurance on comparative figures for information newly in scope of our assurance in FY24.

KPMG Accountants N.V., a Dutch limited liability company registered with the trade register in the Netherlands under number 33263683, is a member firm of the global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Responsibilities of the Board of Managing Directors for the Report

The Board of Managing Directors is responsible for the preparation of the information in the Report in accordance with the applicable criteria as described in the 'Reporting criteria' section of our report, including the identification of stakeholders and the definition of material matters. The choices made by the Board of Managing Directors regarding the scope of the Report and the reporting policy are summarized in the chapter 'About our reporting'.

Furthermore, the Board of Managing Directors is responsible for such internal control as it determines is necessary to enable the preparation of the information in the Report that is free from material misstatement, whether due to fraud or error.

The Board of Managing Directors is, amongst other things, responsible for overseeing Ingka Group's reporting process.

Our responsibilities for the examination of the Report

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The procedures performed in this context differ in nature and timing and are less extent as compared to reasonable assurance engagements. The level of assurance obtained in a limited assurance engagement is therefore substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our examination included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant societal themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the information in the report. This includes the evaluation of the results of stakeholder dialogue and the reasonableness of estimates made by the Board of Managing Directors;
- Obtaining an understanding of the reporting processes for the information in the report, including obtaining a general understanding of internal control relevant to our review;
- Identifying areas of the information in the Report where a material misstatement, whether due to fraud or error, are most likely to occur, designing and performing assurance procedures responsive to these areas, and obtaining assurance information that is sufficient and appropriate to provide a basis for our conclusion. These procedures included, amongst others:
  - Interviewing management and relevant staff at corporate level responsible for the strategy, policy and results;
  - Determining the nature and extent of the review procedures for the group components and locations. For this, the nature, extent, and risk profile of these components are decisive. Based thereon, we selected the components and locations to include in our procedures. Our visit to Poland was aimed, at a local level, to validate source data and evaluating the internal procedures at a site level.
  - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures over, and consolidating the data in the information in the report;
  - Obtaining assurance information that the information in the Report reconciles with underlying records of the company;
  - Reviewing, on a limited test basis, relevant internal and external documentation;
  - Performing an analytical review of the data and trends.
  - Evaluating the consistency of the information in the Report with the information in the Report which is not included in the scope of our review;
  - Evaluating the presentation, structure and content of the information in the report;
  - Considering whether the information in the Report as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We have communicated with the Board of Managing Directors regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amstelveen, 28 January 2025

KPMG Accountants N.V.

M. Frikkee RA
Partner

© Ingka Holding B.V. 2025.
Some images by courtesy of Inter IKEA Systems B.V. The IKEA logo and the IKEA wordmark are registered trademarks of Inter IKEA Systems B.V.
Some images used under licence from Shutterstock.com, Pexels.com and GettyImages.com.

INGKA™