Ingka Group Annual Summary and Sustainability Report FY25

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Hej!

Driven by the IKEA vision to create a better everyday life for the many people, Ingka Group brings the IKEA brand to millions of homes.

We aim to have a positive impact on people and planet through our business and this report summarises the progress in FY25. We aim to report in line with our values, providing a transparent account of performance that highlights both the progress we're making and challenges we are facing. We updated our reporting this year, inspired by the European Sustainability Reporting Standards, changing the structure and contents to focus even more on what matters most for our business and stakeholders.

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The Ingka Group Annual Summary and Sustainability Report FY25 covers the financial year 2025 (FY25), from 1 September 2024 to 31 August 2025, unless otherwise stated, and the entities controlled by Ingka Holding B.V. during this time.

About Ingka Group

IKEA is a franchise business, with many companies operating under one IKEA brand. Ingka Group is the largest IKEA franchisee, generating 87.4% of total IKEA Retail sales in FY25. 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 made up of three businesses, working closely together:

IKEA Retail
IKEA Retail is our core business with a purpose to create a better and affordable everyday life at home. We operate IKEA stores and plan and order points and IKEA e-commerce and digital solutions.

Ingka Centres
Ingka Centres is a global developer and operator of shopping centres for the many people that we call shopping centres.

Ingka Investments
Ingka Investments makes investments and acquisitions that secure Ingka Group's long-term financial strength and support growth, business transformation, sustainability, and societal commitments.

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

620 IKEA Retail locations
in 31 countries

37 Ingka Centres shopping centres
in 14 countries

739 million
visits to our IKEA Retail locations

166,458
co-workers

4.0 billion
online visits[1]

EUR 41.5 billion
Ingka Group total revenue

Ingka Investments[2]
26 solar parks
47 wind farms
1 battery storage facility
323,863 hectares of forestland

[1] Data is not comparable with numbers published in the Annual Summary and Sustainability Report FY24. In FY25, online visits are measured using modelled sessions, whereas in FY24 they were based on tracked visits with user consent. Additionally, FY25 data excludes China.
[2] This includes solar parks and wind farms fully owned, partially owned or minority owned by Ingka Investments, and those which Ingka Investments has a formal commitment to own.

Reaching more people

Home is the most important place in the world, and we are in the business of supporting people to have a better life at home. Driven by a strong vision of creating a better everyday life for the many people, our focus is to make home furnishing more accessible, affordable and sustainable.

This past year has been marked by economic uncertainty, challenges in supply chains and continuing cost-of-living pressure, impacting customer confidence across many markets. It is because of this, that we have made significant efforts to keep prices low, leading to higher volumes sold and slightly lower revenue than the previous year.

We focused on bringing IKEA to more people and more people to IKEA. We invested in opening new stores, such as IKEA Oxford Street as well as developing digital solutions, that cater for people's dreams and needs in life at home. We opened the doors to Livat shopping centre in Shanghai, our biggest investment in China and a significant milestone for IKEA as well as Ingka Centres and we welcomed Place d'Italie in Paris, among many other locations.

We know it's good business to be a good business. Doing the right thing for people and the planet is not only about leadership and doing what we believe is right, it also strengthens our financial results and makes IKEA more resilient for the long term.

Since FY16, we have reduced emissions from our own operations by 70.6%, supported by EUR 4.3 billion invested or committed to invest in wind and solar farms. Around 60% of our retail home deliveries are made by zero-emission vehicles, and we are growing our circular services for customers and investing in waste recycling businesses to support a circular economy.

This is the most important decade for climate action, and we remain committed to the Paris Agreement and to keeping global warming below 1.5°C. We are well on our way to delivering on our ambition to halve our emissions by 2030 - against our FY16 baseline - and reach net zero by 2050 at the latest across all activities, from materials and production, through retail and customers use of our products.

IKEA is for and by the many people. We see inclusion as our responsibility and a business opportunity. As a company we are committed to giving everyone the opportunity to work, belong, and thrive. We continued to implement our Responsible Wage Practices framework and our systematic approach to closing the gender equal pay gap so that all colleagues are paid equally for work of equal value. We continued to develop our approach to equality, diversity and inclusion to create a great place to work where everyone can feel at home. We're pleased to share that we have maintained gender balance across the company.

Additional note:
In November 2025, a leadership transition took place where Jesper after 30 years at IKEA and 8 years as CEO and President, took his next step. Juvencio took over as CEO and President of Ingka Group and Cindy Andersen stepped into the role as Deputy CEO and CFO. Together they form the Management Board of the group of companies.

We are excited about the future and have confidence in our ability to deliver to our vision. As we begin this new chapter, we look forward to bringing IKEA to more people while creating a positive impact for people and planet. ■

Jesper Brodin, Former CEO and President of Ingka Group (up to November 2025)

Juvencio Maeztu, Current CEO and President of Ingka Group (from November 2025), former Deputy CEO and CFO (up to November 2025)

Our purpose

IKEA was founded with a simple yet powerful 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.

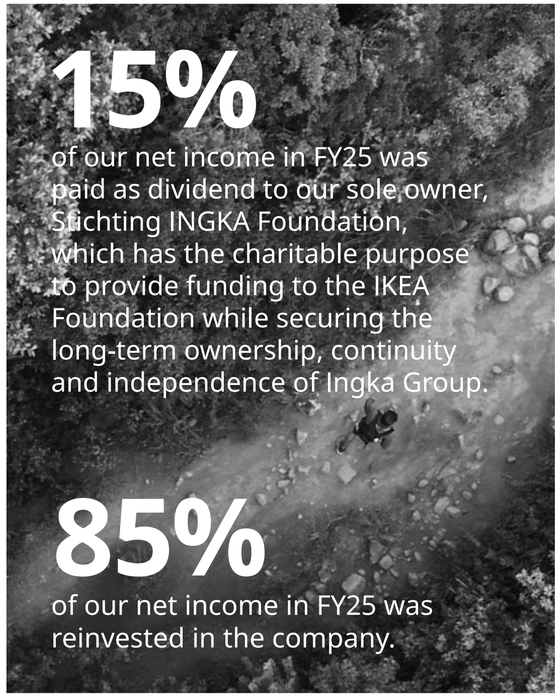
Acting for the long term

At Ingka Group, we think in decades, not quarters. In 1982, IKEA founder Ingvar Kamprad transferred the ownership of Ingka Group to the INGKA Foundation, to secure longevity for the business. We are not listed on the stock market and don't depend on investors. In FY25, 85% of our net income was reinvested in the company, and 15% was paid as dividend to our sole owner Stichting INGKA Foundation, which has the charitable purpose to provide funding to the IKEA Foundation while securing the long-term ownership, continuity and independence of Ingka Group.

This structure empowers us to take a long-term perspective and invest so that purpose and profit go hand in hand.

Affordable and accessible

We believe that everyone deserves a functional and beautiful home, regardless of budget. That's why we continuously invest in lowering prices, expanding our reach through new store formats and digital platforms, and offering financial services that help customers spread the cost. Our omnichannel approach ensures that IKEA is available wherever and however people choose to shop – online, in-store, or through innovative services like second-hand marketplaces and AI-powered design tools.



Positive impact for people and planet

We are guided by our belief that business can – and should – be a force for good. Sustainability drives performance and business resilience. We are working across our business to reduce the greenhouse gas emissions, minimise resource use and waste, and promote biodiversity and water conservation while making it easier for customers to act too.

The IKEA range is supplied by Inter IKEA Group and designed according to the five dimensions of Democratic Design: form, function, quality, sustainability and a low price. This means sustainability is considered from the start and embedded into design, manufacture and use. It includes products designed to help people use less energy and water, reduce waste and eat healthier and plant-based food. In addition, at Ingka Group we are developing circular services and solutions that enable customers to keep products in use for longer, see page 41. For co-workers, we aim to create a great place to work where people from all backgrounds can thrive. Together with our, co-workers, and partners we seek to create lasting positive impact in the communities where we work and source from. Our Skills for Employment programme helps refugees gain meaningful work experience (see page 51). The IKEA Foundation is a fully independent philanthropic organisation fighting global warming with and for the many people. ■

FY25 performance highlights

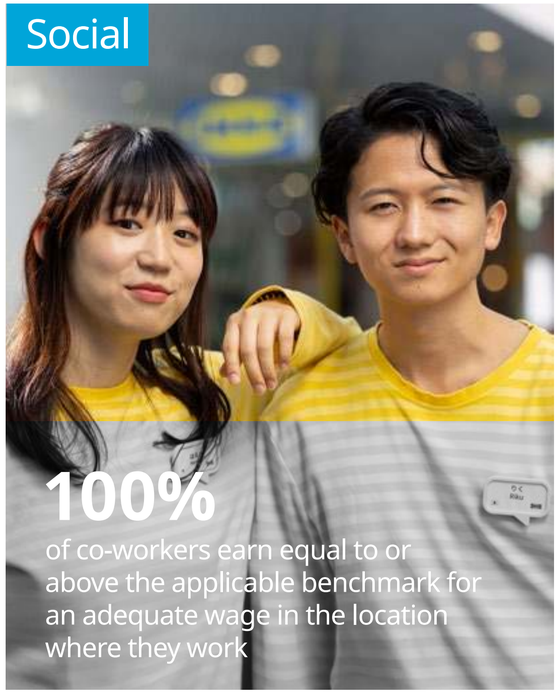
Environmental

EUR 4.3 billion
invested or committed to invest in wind and solar farms and wider renewable investments since 2009

70.6%
reduction in emissions from our own operations since FY16

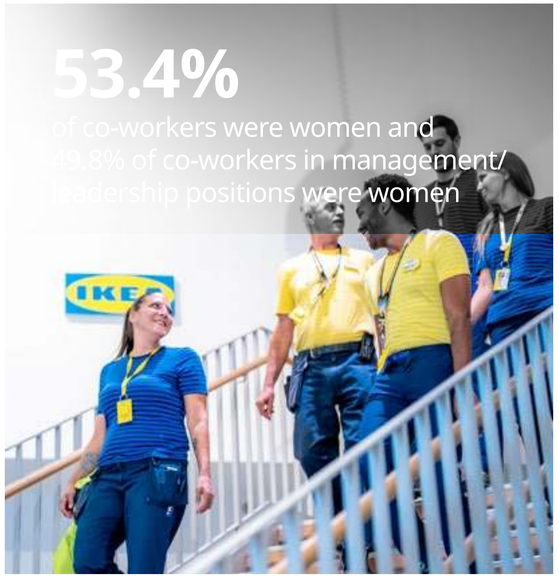
424 stores
had As-Is areas selling ex-display, discontinued products, customer returns, and second-hand IKEA products at discounted prices

Social



100%
of co-workers earn equal to or above the applicable benchmark for an adequate wage in the location where they work

60.1% of retail home deliveries were made by zero emission vehicles by the end of FY25



53.4%
of co-workers were women and 49.8% of co-workers in management/leadership positions were women

Governance

81.0%
of co-workers in sensitive positions completed training on anti-bribery and corruption

FY25 Ingka Young Leaders' opinion letter

We are the Ingka Young Leaders Forum,[4] a group of independent under-30 activists and professionals committed to advancing environmental and social justice. Our collective experience spans building movements, shaping international policies, and empowering grassroots communities – all aimed at securing justice, sustainable development, and peace for people and our planet.

Our Work Thus Far

Over the past five years, we have engaged with Ingka in a manner that balances collaboration with critical oversight. This year, we welcomed new expertise to our Young Leaders' cohort. We offered insights and challenged Ingka on consumption and consumer behaviour, sustainability, transparency of forestry reporting, digitalization, diversity and equity, and more.

Conclusion

In a world grappling with intensifying geopolitical tensions, humanitarian challenges, and environmental crises, bold vision and action are more crucial than ever to drive systemic and societal change. Ingka is uniquely positioned — connecting communities across borders

and shaping everyday choices for millions. This influence carries profound potential to lead by example and help shift consumer behaviour at scale. We are pleased that Ingka continues to demonstrate leadership on these issues. We encourage other companies to follow Ingka's lead and embrace the multi-stakeholder collaboration that meaningful change requires.

Cathy Yitong Li, Zanagee Artis, Michael Backlund, Siddhi Pal, and Victor Ye, on behalf of the Young Leaders Forum

We have identified the following areas that are commendable:

- We commend the ongoing reductions in greenhouse gas emissions across Ingka's own operations, continued revision of methodologies with best available science, and alignment with. By moving beyond baseline requirements, Ingka demonstrates the level of ambition necessary for business leadership.
- A nature-positive world requires deepening multistakeholder efforts and businesses stepping up across their value chains. We are pleased to see Ingka advancing in nature and biodiversity.
- The transition toward ensuring an adequate and living wage for all co-workers, rather than statutory minimums, alongside continued reduction in the gender pay gap, reflects a commitment to internal fairness and a more equitable workplace.
- We are also pleased to see the increase in relevant coworkers completing anti-bribery and corruption training year-over-year following feedback in the FY24 letter.

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

- Sustainability challenges are interconnected and cannot be solved without holistic approaches across the entire value chain. We encourage further collaboration and joint reporting with other IKEA businesses, in particular Inter IKEA, as well as openly sharing the rationale, challenges, and learnings behind updating targets with stakeholders.
- We hope to see advanced efforts on climate adaptation and resilience, circularity, and plastics. Petrochemical production significantly contributes to climate change and pollution, yet reporting on the topic is limited thus far. We encourage Ingka Group to develop targets on the issue with Inter IKEA.
- While Ingka has established responsible AI frameworks, we encourage deeper integration of co-worker and union perspectives into governance decisions through meaningful participation. We hope to see transparent reporting on workforce impact, and advocacy for robust safety standards among technology providers.

[4] The Ingka Group Young Leaders Forum started in 2021, and has continuously evolved and remains an active initiative. It has brought together more than 20 young leaders aged 17 to 30 from diverse countries and backgrounds. Each participant was selected for their proven dedication and ability to drive significant global causes - from climate action to gender equality. Young Leaders playbook

Financial performance

Total Ingka Group revenue for financial year 2025 amounted to EUR 41.5 billion. We served more customers, with growing store and online visitation and quantities, yet with a continued focus on keeping prices low, our revenue decreased by 0.9% compared to last year.

Lower Retail sales were partially offset by increased rental income, as well as revenue in Ikano Bank which is now consolidated. Despite the pressure on top-line growth, we delivered a solid operating income of EUR 1.5 billion, representing 3.5% of sales, an improvement from 3.0% in 2024. This uplift was driven by favourable effects from the goods and food margin as well as store fulfilment efficiency.

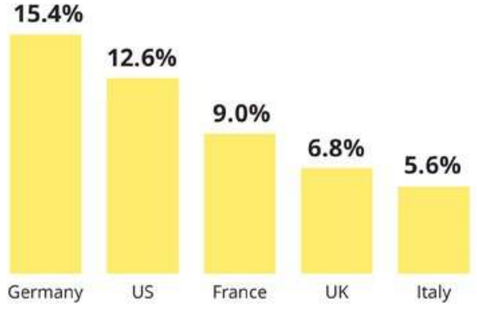
Income before tax was EUR 2.1 billion (EUR 1.6 billion in 2024). The effective tax rate of 32.8% is significantly lower than 48.7% in 2024, corresponding to EUR 0.7 billion corporate income taxes (2024: EUR 0.8 billion). The normalised effective tax rate is within our 25-30% band.

The net profit of 2025 was EUR 1.4 billion (2024: EUR 0.8 billion).

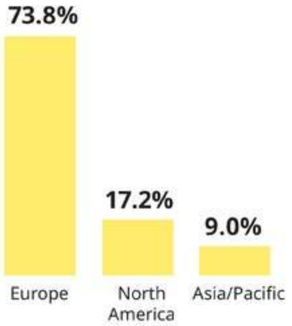
Cash flow from operating activities was EUR 4.0 billion (2024: EUR 2.9 billion). The total cash flow for 2025 was EUR 0.4 billion positive (EUR 0.1 billion positive in 2024). Our capital expenditure was EUR 3.4 billion, reflecting continued investments in business transformation, fulfilment capabilities, customer experiences, real estate development, renewable energy, and responsible forestry.

Read the Ingka Group Annual Financial Report ■

FY25 top selling countries



FY25 Retail sales per region



FY24: EUR 41.8 billion

EUR 41.5 billion

Ingka Group total revenue

FY24: EUR 765 million

EUR 689 million

Corporate income tax

FY24: EUR 0.8 billion

EUR 1.4 billion

Net income

Consolidated income statement 1 September – 31 August (in millions of euros)	FY24	**FY25**
Revenue	41,846	41,451
Cost of sales and services	–27,986	–27,030
Gross profit	**13,860**	**14,421**
Operating expenses	–13,001	–13,207
Other income	394	250
Operating income	**1,253**	**1,464**
Total financial income and expense	318	634
Income before minority interests and taxes	**1,571**	**2,098**
Tax	–765	–689
Income before minority interests	**806**	**1,409**
Minority interests	–	2
Net income	**806**	**1,411**

Where local wisdom meets climate innovation

Through its partnership with SNV, the IKEA Foundation is supporting smallholder farmers in East Africa to adapt to climate change and improve their livelihoods. In places like Bahati Market in Kenya, farmers are combining local knowledge and indigenous techniques with new innovations to grow and sell food more sustainably. Together, SNV and the IKEA Foundation are helping farming communities strengthen their resilience and secure a more sustainable future.

This story was shared during IKEA Foundation Week, helping IKEA co-workers and customers better understand the challenges - and the practical solutions - behind the Foundation's climate work.

During 2025, the IKEA Foundation paid out

EUR 404 million[5]

to create a better everyday life for the many people

[5] Figure not audited.

Going above and beyond to bring down emissions

Methane is the second-largest contributor to global warming and about 86 times more potent than carbon dioxide over a 20-year period. The IKEA Foundation is working with the Global Methane Hub to help communities around the world reduce harmful methane emissions by 30% before 2030, improving air quality and supporting healthier, more prosperous lives.

This story is featured in Ingka Group's Do Something, Change Everything framework, which will be shared in IKEA stores globally to amplify the work of the Global Methane Hub and its partnership with the IKEA Foundation.

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Strategy and business model

Our operations

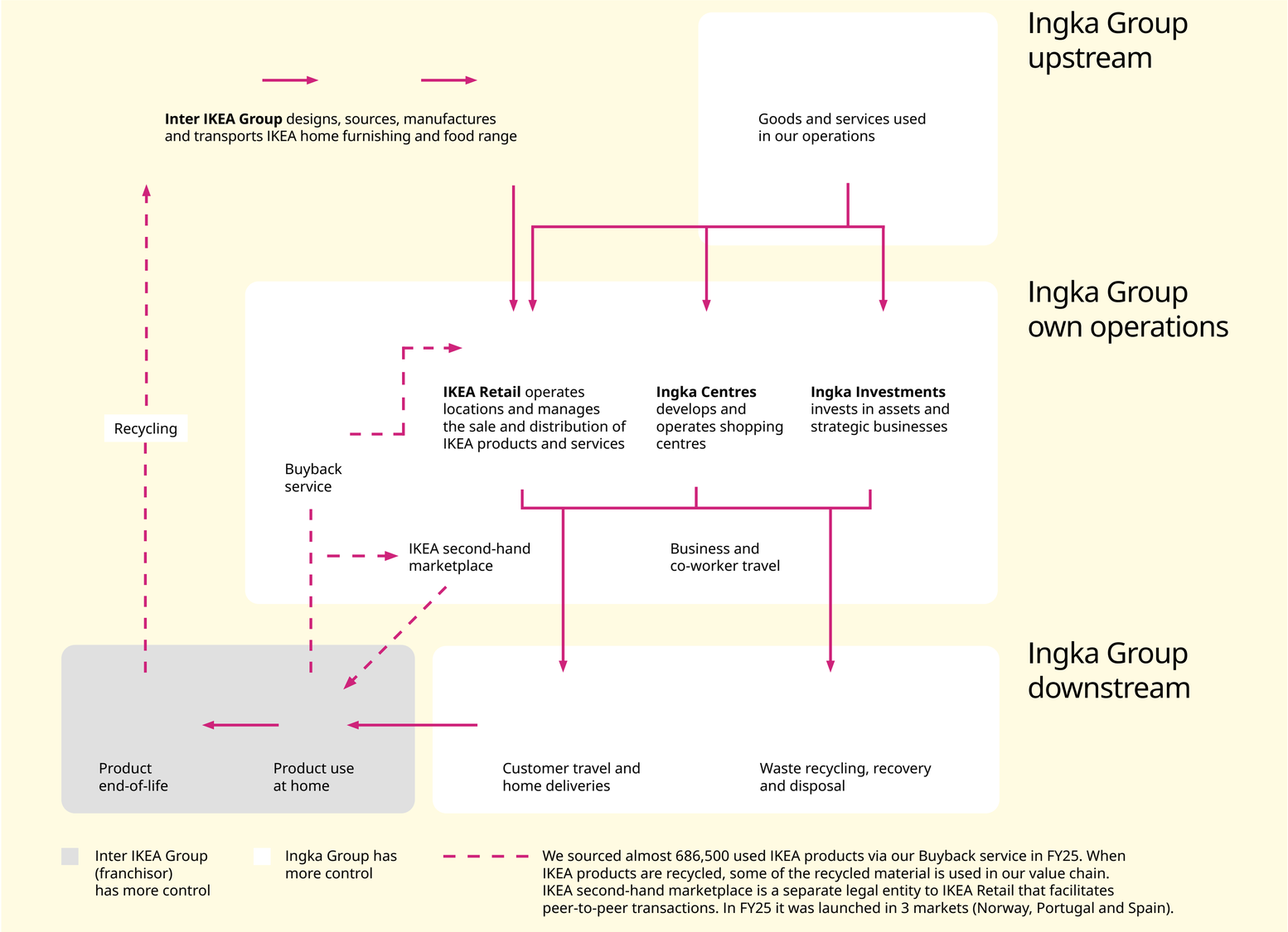
Ingka Group is made up of three businesses, working closely together:

- **IKEA Retail:** Bringing the IKEA home furnishing and food range to consumers.
- **Ingka Centres:** Developing and operating shopping centres where each centre is anchored by an IKEA store.
- **Ingka Investments:** Investing in assets, managing companies and operating strategic businesses.

Upstream value chain

Our upstream value chain includes both the supply chain for the IKEA range and that of the goods and services used to run our business.

Inter IKEA Group plays a crucial role in our value chain. The Group includes Inter IKEA Systems B.V. – the worldwide IKEA franchisor – as well as range development, supply and certain industry activities. They are responsible for developing the IKEA product offer (including home furnishings and food). Inter IKEA Group works with suppliers providing home furnishing, transport, logistics and distribution services, components, and food, who source materials and components from their own sub-suppliers and raw material providers. The most common materials sourced (by weight) include: wood & paper, metals, textiles & comfort materials and plastics. At Ingka Group, we have more control over the supply chain for the products, materials and services used to run our operations (indirect ▶



procurement). Our supplier base expands across several categories: Real Estate (related to construction, refurbishment and operation of our properties and logistic solutions), Professional services (including HR, advisory & consulting, financial & insurance), Digital & technology and Marketing.

Downstream value chain

Our downstream value chain focuses on customers, delivering products and the post-purchase lifecycle. This part of the value chain is primarily driven by the IKEA Retail and Ingka Centres businesses and includes how customers interact with and dispose of the products they buy from us. We are developing circular services to enable customers to buy second-hand, maintain and repair items to prolong product life, and resell products when they're no longer needed.

Our downstream value chain is influenced by how Inter IKEA Group designs and manufactures the IKEA range. They are working to embed circular design principles to make it easier for products to be reused, refurbished, remanufactured and recycled.

Creating and delivering value

As a purpose-driven business, we measure performance holistically, looking both at financial measures and how we add value to co-workers, customers, society and the planet.

We have set Value Creation Goals (VCGs) across four 'better' movements enabling us to make a balanced assessment on whether we are succeeding as a purpose-led business. See description of the four betters below.

Our profit in Ingka Group can only be reinvested in the company, or paid as dividend to our sole owner, Stichting INGKA Foundation, which has the charitable purpose to provide funding to the IKEA Foundation while securing the long-term ownership, continuity and independence of Ingka Group. See page 9.

We are committed to being a responsible taxpayer and recognise the effect of the tax contribution on the development of local economies and communities. Alongside this report, we publish our transparent tax report, explaining the approach to tax and displaying Ingka Group's country-by-country tax data.

Read our Tax Transparency Report

Strategic alignment

Our Sustainability strategy sets out the response to three major challenges affecting the world and our business: the climate and nature crisis, rising inequality and unsustainable consumption.

Our strategy clarifies the aims and empowers all co-workers to play an active part in achieving our goals. It is supported by roadmaps and action plans and metrics to track progress in our three businesses.

The strategy is one of five Ingka Group Strategies alongside Finance, People, Digital and Real Estate strategies. These strategies steer the financial and societal value creation of Ingka Group. Our strategies apply equally to all Ingka Group business areas and are reflected in the business directions of IKEA Retail, Ingka Centres and Ingka Investments, supported by the value creation goals, policies, governance and incentives. This helps us to integrate sustainability across Ingka Group. ■

The four betters

We are on a mission to bring inspiring and affordable home furnishing to the many people regardless of wallet size.

We want to take a leading role in creating a fairer and more equal society.

We are working to help tackle global environmental challenges including climate change, biodiversity loss and water scarcity.

We do business with a humanistic outlook, guided by our vision and values.

Governance

We implement a robust governance structure and processes to ensure we remain a well-managed company and deliver on our goals. Our key administrative, management and supervisory bodies (AMS) are the non-executive Supervisory Board and the executive Management Board and Group Management. Due to our ownership structure, no members of AMS bodies (or any co-workers) are shareholders in Ingka Group. Supervisor/ non-executive members 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 the Ingka Group Code of Conduct. As part of the audit of the consolidated financial statements Ingka Group performs an annual assessment with a focus on the independence (including related party transactions and relationships) of AMS body members.

Skills and expertise

To ensure high-quality decision making, we appoint members to our AMS bodies based on their skills, experience and competencies, in line with the Group Rule on Decision Making. We make sure AMS members have expertise and experience relating to our material topics. The Management Board approves appointments to group level AMS bodies and company boards.

We run leadership training and development to further enhance the skills and expertise of our AMS bodies. In FY25, for example, we launched a new learning programme on decision making for members and invitees to committees, internal governance bodies, company boards and management teams.

Responsibilities

The roles and responsibilities of our AMS bodies are set out in charters, approved by the Management Board. Policies, rules and Code of Conduct define our principles and what we expect of people including members of AMS bodies on topics such as confidentiality, avoiding conflicts of interest, anti-bribery and corruption and reporting obligations.

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 others, the strategic plan, the main directions and the budget of the Ingka Group. The Supervisory Board is guided by the interests of Ingka Group to ensure the continuity of business. Their work is supported by:

- Audit Committee – monitors the Ingka Group control framework and oversees risk management, compliance, the internal control system and internal audit activities. It makes sure that Ingka Group maintains the integrity of its consolidated financial information and facilitates the external audit process. The Audit Committee has responsibility for oversight of Ingka Group's consolidated financial statements and external financial information including ESG reporting. In FY25, the Committee reviewed and endorsed our double materiality assessment (DMA) and plans to prepare for CSRD reporting and to review and evolve our DMA process and definition in FY26.
- Remuneration Committee – oversees and evaluates the compensation and benefit principles of Ingka Group.

As per 31 August 2025, the Supervisory Board of Ingka Holding B.V. consists of eight 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**.

The **Management Board** is the ultimate decision-making body for Ingka Group. It is responsible for the conduct of the Group and for approving strategic, structural and financial decisions and monitoring of critical risks. The Management Board delegates responsibility for day-to-day business operations to the respective business managers:

Ingka Retail Manager, Centres Manager and Investments Manager. Certain roles, responsibilities and authorities of the Management Board are allocated to one or more of its members and delegated to Committees (the Finance & Compliance Committee
and Investment Committee). The Management Board also has ultimate responsibility for relations with Inter IKEA Group.

The Management Board formally approved our updated sustainability strategy in FY24 which covers many of our material topics. In FY25, the Management Board validated the findings of our DMA, and reviewed and approved our Annual Sustainability and Summary Report and external performance targets. ▶

Group Management is the strategic and administrative leadership team for Ingka Group, focusing on strategic direction and performance. Group management takes part in decision making in relation to our five key strategies (digital, financial, people, real estate, sustainability), business transformation, leadership and performance and enterprise risk management. It sets Ingka Group overarching priorities, approves roadmaps and monitors performance against our Value Creation Goals. It meets ten times a year.

Group Management monitors performance on our sustainability strategy and this is a regular agenda item. In FY25, our Chief Sustainability Officer (CSO) was a member of Group Management, with a remit to secure focus on sustainability as a key topic for the Group. Other members were accountable for material topics which sit outside our sustainability strategy such as digital ethics, ethical business and the People and Culture strategy. Retail Country Boards are responsible for the formal conduct of our retail business at country level.

Oversight of targets and decision making

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 (VCGs) across most of our material topics to help us do this. Ingka Group Management is accountable for delivering our VCGs and they are cascaded down to each Ingka business, country and unit. VCGs for climate is on pages 26-27. We are developing our use of financial levers to support implementation of our Net Zero Transition Plan and embed our carbon reduction targets in decision making. The three Ingka Group businesses are in the process of allocating this down to country and site level so that each business and unit has a 'carbon budget' for operational emissions which it should not exceed. Where proposed investments or expenditures will result in a business or part of the business exceeding its carbon budget, steps need to be taken to adjust the investment or put clear plans in place to make CO_2 reductions elsewhere. Read more in our Net Zero Transition Plan

Integration of sustainability performance into incentive schemes

VCG form part of the performance development and appraisal process for all co-workers via our VCG performance framework. This informs the annual salary review process but is not currently integrated into incentive plans. Our annual One IKEA Bonus programme rewards co-workers for achieving and exceeding the business goals and is directly linked to our financial performance.

Our policies, rules and standpoints

Our Ingka Group Policies and Rules help us to steer the business as a purpose-led company by clarifying roles and responsibilities for key topics and ensuring consistency across all parts of the company. They reflect our values and ethical standpoints, enabling us to remain a trusted brand and to act in the best interests of the business, co-workers, people and planet. Our policies are designed to be easy to apply by co-workers, making it clear what we stand for and what is expected. We regularly review and update our policies, rules and standpoints. See page 86. ■

Ingka Group Management FY25 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.

Group management restructure

Ingka Group is restructuring its Group Management from 1 January 2026, and a new simplified governance is under development.

The new Group Management will include seven roles in addition to the CEO **Juvencio Maeztu**, with over 25 years of IKEA experience, who took over in November 2025: Deputy CEO and CFO: **Cindy Andersen**, Commercial Manager: **Javier Quinones**, Development and Transformation Manager: **Emily Birkin**, Digital Manager: **Parag Parekh**, People, Sustainability & Communication Manager: **Ulrika Biesért**, General Counsel & Governance Manager: **Kurt-Jörgen Olsson**, Management Assistant: **Melisa Connors**

A few words from Chief Sustainability Officer

When I look at how far we've come on our sustainability journey, I feel genuinely proud - and grateful. In FY25, we made real progress. We scaled circular services that make it easier for customers to live more sustainably. We took bold steps to decarbonise our home deliveries and improve energy efficiency in our own operations. We also made new investments in the renewable energy and circularity sectors and expanded our programmes to support equality, diversity and inclusion.

But we know we need to do more and speed up. To reach our ambitions for 2030 and beyond, we'll need even more grit, more curiosity, and more willingness to work across teams, borders and sectors. Progress now requires all of us, to not just react to what's in front of us, but to anticipate, innovate, and take responsibility. At Ingka Group, we see sustainability as an integral part of how we do business, how we create value and how we serve our customers and wider society. We want to make IKEA more affordable, accessible and sustainable for as many people as possible. To achieve our vision of a better everyday life, affordability and sustainability must always go hand-in-hand. That's why we're working to integrate sustainability into every role, empowering every co-worker to have a positive impact on people and planet. When we do that, something powerful happens: work gains more meaning, collaboration deepens, motivation increases, and co-worker pride grows. We know that the challenges of climate change, nature loss and human rights issues are deeply connected. We strive to address them in a holistic way with people at the centre. A just transition isn't optional, it's essential. We remain firmly committed to aligning our business with the 1.5°C pathway of the Paris Climate Agreement and accelerating our progress towards net zero.

Going forward, collaboration will be more critical than ever-no single organisation can solve the many challenges we face, alone. But together - businesses, policy makers and communities - we can remove barriers, accelerate action and create shared value that benefits society, our business and the planet we call home. When we join forces, the solutions we already have become stronger, and the opportunities we haven't yet imagined become possible.

The path ahead is ours to shape, and by leading with courage and optimism we can deliver what's needed. I believe it will be our most meaningful chapter yet. ■

Karen Pflug
Chief Sustainability Officer

Basis for preparation

Reporting scope
Ingka Group will be in scope for the EU Corporate Sustainability Reporting Directive from FY28. Our Annual Summary and Sustainability Report (ASSR) is inspired by the European Sustainability Reporting Standards (ESRS) as set out in the Annex 1 to the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council. We also considered the simplifications and clarifications proposed in the ESRS Exposure Draft released by EFRAG in July 2025. We have not yet fully aligned with the standards but will continue to evolve reporting to ensure we are fully compliant from our FY28 report at the latest, in line with regulation. ASSR is prepared on a consolidated basis. The scope of consolidation is the same as that of our financial reporting and includes the entities controlled by Ingka Holding B.V., unless otherwise stated in reporting criteria (for example, when data is not available). Associates and joint ventures where we do not have control and The Green Dairy Sweden AB (where we have control, but less than 50% ownership) are excluded.

Narrative information on our upstream and downstream value chain is included in the scope of this report, where it is material see page 12 for a description of our value chain. Value chain data are only consolidated into reported metrics where this is explicitly stated in our reporting criteria (for example, Scope 3 greenhouse gas emissions data). See pages 67-85 for details.

Inter IKEA Group is a significant part of our value chain. When applicable, we explain where Inter IKEA Group is responsible for managing topics. Read more at Inter IKEA Group website

The reporting period for this statement is 1 September 2024 to 31 August 2025, which is consistent with the reporting period of the consolidated financial statements.

Changes in scope
In FY25 Ingka Group completed the full acquisition of Ikano Bank AB (publ) which offers savings and loan products for consumers, sales support services for retailers, and leasing and factoring solutions for businesses in eight European countries. Data from this entity are included when material and readily available, details can be found in the relevant reporting criteria in the appendix.

Estimates and uncertainties
Metrics are prepared in accordance with the definitions set out in the appendix, unless otherwise stated. Any Ingka Group-specific definitions are explained in reporting criteria. Where data are not available, we have included estimates based on internal and external data from a variety of sources. This includes, but is not limited to, indirect sources such as supplier invoices, publicly available benchmarks, or scientific research. For any metric that is subject to a high level of measurement uncertainty, we have disclosed the source of uncertainty and the key assumptions, approximations and judgements made to arrive at that estimate. Further details are included in the reporting criteria (pages 67–85).

External assurance
We have expanded the external assurance scope as part of our preparations for CSRD reporting. For FY25, the assurance scope covers all our quantitative FY25 data presented in the data appendix on: energy consumption and mix, energy efficiency, renewable energy production, GHG emissions scope 1 GHG & biogenic emissions, Scope 2 emissions (location & market based), some scope 3 emissions (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-purchased good and services (own operations), Forestry, land and agricultural (FLAG) emissions, removals and storage, Ingka Group vehicles zero emissions share, zero emissions delivery share, water withdrawal incl. risk areas, waste generated, spatial footprint, land-use change, negative impact on biodiversity (forestland portfolio), co-workers headcount (and related breakdowns), co-worker turnover, age diversity, gender balance (and related breakdowns), recordable work-related accidents (own workforce), fatalities, gender equal pay, gender pay gap, adequate wages, supplier reviews with IWAY Must found, reviewed suppliers meeting IWAY expectations, anti-bribery and corruption (ABC) trainings. Additionally, the assurance scope covers composition of administrative, management and supervisory (AMS) bodies and independent board members (page 14), integration of sustainability performance into incentive schemes (page 15) and material inflow (construction) (page 32). ■

Due diligence

Ingka Group has a long-standing commitment to embedding due diligence across our business. We align our approach to the relevant OECD frameworks and the UN Guiding Principles on Business and Human Rights (UNGPs), reflecting the principle of "Protect, Respect and Remedy".

We are in the process of developing our company-wide Human Rights and Environmental Due Diligence (HREDD) framework to strengthen our approach. This will help us to identify, prevent and manage potential and actual human rights risks in our operations and value chain and help us to comply with changing regulation, such as the EU Corporate Sustainability Due Diligence Directive (CSDDD), EU Forced Labor Regulation and EU Deforestation Regulation.

Progress in FY25

During FY25 we conducted multiple assessments of our current processes to evaluate strengths and opportunities for improvement in relation to human rights and environmental due diligence, and establish the priorities for our HREDD framework. We continued to develop the HREDD framework and to integrate it into the business.

IWAY, the IKEA supplier code of conduct, is one of the key tools in our HREDD framework. We continue to focus on implementing IWAY in our supply chain. See pages 53–56.

In FY25, we continued developing a group-wide Third-Party Risk Management framework, to support earlier and more effective risk identification. This included the launch of standardised due diligence processes in addition to IWAY, addressing key risk areas such as Digital, Legal/Anti-Bribery and Corruption, Health & Safety, and Business Continuity, supported by SAP Ariba. We will continue strengthening these practices throughout 2026.

We continued to engage with EU institutions and policy makers in FY25 to support the adoption of a meaningful and implementable CSDDD through the Omnibus Package. ■

Due diligence in our reporting

Core elements of due diligence	Section in the report	Page
Embedding due diligence in operations	Policies	15
	Governance	14
Engaging with affected stakeholders in all key steps of the due diligence	Engaging with stakeholders	22
	Engagement and remediation	49, 54, 58
Identifying and assessing adverse impacts	Double materiality assessment	20
Taking actions to address those adverse impacts	Actions in FY25 in material topic sections	30-35, 37, 40, 42-44, 50-52, 55-56, 58, 62, 64
Tracking the effectiveness of these efforts and communicating	Environmental, Social and Governance Targets	26-27, 46, 60
	Data appendix	65

Engaging with communities and indigenous people in our forestlands

Local communities often have deep knowledge and understanding of their environment. We aim to involve local communities and indigenous people in development of our forest management plans, integrating their valuable knowledge into our operations.

Our approach to working with local communities includes:

- Inviting local communities to be part of decision making by sharing our plans and objectives and taking on board their views.
- Collaborating with local conservation organisations to implement biodiversity studies and monitoring programmes and habitat mapping to protect forest ecosystems.
- Making almost all our forests accessible to the public and investing in community programmes and activities in our forests, working with local schools and donating firewood to public institutions to support community wellbeing, connection with nature and a culture of stewardship towards forests.
- Providing jobs to local people.

When our forestlands are located in areas with indigenous people, we aim to build long-term relationships and to collaborate on forest management tasks. For example, in New Zealand we are collaborating with the indigenous communities on topics like the growing and planting of native seedlings and pest control. In some cases, we sign a Memorandum of Understanding on the management of lands adjacent to indigenous groups. We are also participating in a project with the community-led Whakatane Kiwi Trust to help restore the local kiwi bird population.

We support the community led Whatakane Kiwi Trust to help restore the local kiwi bird population

Risk management and internal controls in sustainability reporting

We implement risk management and internal control processes to help us ensure effective sustainability reporting and to prepare to report in line with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD). This includes a double materiality assessment process to determine the scope of ESG reporting and a focus on regulatory compliance, complete and accurate data and ensuring all claims can be substantiated.

Our ESG (environmental, social, governance) Project Management Office (ESG PMO) in Group Finance function leads the reporting transformation for Ingka Group at a function, country and business level. It brings together leaders from Group functions such as Sustainability, Business Risk & Compliance, Business Steering, People & Culture, Finance, Digital, Communications, Legal & Governance and Public Affairs.

Internal controls for metrics

A cross-company working group focuses on the development of our ESG Reporting Framework. Members provide guidance to the business on the internal controls needed in each function to ensure high-quality ESG data.

Data owners are responsible for implementing and documenting the methodology for each metric used in our reporting. Data providers in the business are responsible for control of the data. We are continuing to strengthen these processes.

Those metrics included in the external assurance scope undergo further review by the external assurer. See page 17 for details. We are expanding the scope of external assurance each year to prepare for reporting in line with the ESRS. We use assurance learnings to improve our ways of working and develop reporting capabilities in the business. Additionally, our internal compliance team performs assurance readiness assessments on selected metrics, especially where processes are still in development.

Internal controls for reporting narratives

Strategic topic owners are responsible for the collection and preparation of narrative disclosures. Content is signed off by the respective Group Management member. Reviews focus on ensuring that disclosures provide a balanced view of reporting, claims are substantiated, potential errors are identified and narratives are consistent across the report. The report is launched after Management Board approval. ■

Double materiality assessment

We regularly conduct a double materiality assessment (DMA) to identify the sustainability topics that matter most for our business, our stakeholders, for society and the planet. This helps us to focus our sustainability and people strategy, track progress and communicate performance transparently.

In FY25, we updated our DMA, as part of our readiness work to meet the requirements of the EU Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards (ESRS), as adopted in July 2023. The assessment considers both impact materiality (our impacts on people and the environment) and financial materiality (sustainability matters that could materially affect our business).

The FY25 DMA assessment process was led by our ESG PMO and Business Risk & Compliance function. The outcomes are helping us to improve data quality and set the foundation for further developing our approach to reflect evolving business priorities and regulations. Our DMA also supports dialogue across the business, helps us to focus on what matters most and strengthens reporting processes. Our FY25 DMA outcomes were endorsed by our Audit Committee to be used as a foundation for strengthening our ESG reporting, with a commitment to review and refine our materiality approach in FY26.

Process and methodology

To align more closely with the ESRS materiality requirements, our DMA process in FY25 involved three key steps:

1. Understanding our context: We reviewed our business environment, value chain, and regulatory landscape, alongside industry trends and stakeholder feedback, to identify potential impacts, risks, and opportunities. We used input from the ongoing stakeholder dialogue that our public affairs team have with NGOs, policy makers, government agencies and consumer representatives to help us reflect the interests and views of stakeholders in a balanced way.

2. Identification and assessment of impacts, risks and opportunities (IROs): We developed a long list of potential IROs using insights from our Climate Risks and Opportunities assessment (outlined in our Net Zero Transition Plan), Taskforce on Nature-related Financial Disclosures (TNFD) assessment (see right), Human Rights and Environmental Due Diligence (HREDD) risk mappingand Enterprise Risk Management (ERM) process. Leveraging the methodology used in our internal risk framework, these were analysed using internal and external data– and expert input via co-worker and subject matter expert engagement to determine materiality based on likelihood, severity, and potential financial effects.

3. Consolidation and validation: The outcomes were reviewed by senior governance bodies and endorsed by the Audit Committee as a foundation for ESG reporting, with a commitment to revise and strengthen our assessment process and continue to align with updates to reporting standards.

Our DMA covers our full value chain, including areas where Inter IKEA group, our franchisor and supplier of the IKEA range, has greater control such as product sourcing and manufacturing. While the assessment focused on our retail business, which represents most of our revenues and co-workers, we also considered relevant IROs for Ingka Centres and Ingka Investments, including forestry, renewable energy, and financial services.

Outcomes of our materiality assessment

Our FY25 DMA resulted in updates to our list of priority topics compared to FY24, including combining some topics and aligning terminology with ESRS.

This assessment reflects ESRS requirements available in FY25. As the standards continue to evolve, we will update our approach and anticipate further refinements to our list of priority topics. ■

Taskforce on Nature-related Financial Disclosures

We are members of the Taskforce on Nature-related Financial Disclosures (TNFD) early adopters programme and are committed to disclosing our performance against its recommendations. In FY25, we conducted a structured process to identify our nature-related dependencies, impacts, risks, and opportunities (DIROs) using the TNFD LEAP approach (Locate, Evaluate, Assess, Prepare).

Our DIRO process covered our operations, our buildings and our forestland and renewable energy investment portfolios. Cross-functional teams from the business and our sustainability function identified a long list of potential DIROs based on sector-specific data and consultation with management and key functions. This was then analysed using a range of primary and secondary data to establish which DIROs are most material for Ingka Group. Sources included data from our business such as water withdrawal by our units and third-party certification in our forests. We also used secondary data such as WBCSD roadmaps for the Built environment, Energy production, and Forestry, data from WWF and Aqueduct data on water stress to help us understand the local context.

The outputs from this process are being used to guide our reporting and to inform the development of our Nature Roadmap. They have also been used as input to our double materiality process.

Our next step will be to develop measurable targets and define key actions for reducing negative impacts. We are also working to improve the data used in our DIROs including more localised data sets that can improve our insight into specific DIROs. Our DIRO assessment will be updated regularly.

Materiality assessment

Material topic	Description and relation to the business model	Materiality upstream	Materiality own ops	Materiality downstream
Climate change	Generation of greenhouse gas emissions across the value chain contributing to climate change.			
Water	Water withdrawals across the value chain, particularly in sourcing and manufacturing of IKEA products but also in our own operations, especially in areas of water stress.			
Biodiversity	Impact on nature and biodiversity including through the sourcing and manufacturing of our products and the forests we own and manage.			
Resource use and circularity	Reliance on natural resources and materials to source and manufacture our products. Developing solutions and services that support circularity.			
Co–workers: Fair working conditions	Ensuring decent and meaningful work and fair income, and fostering a safe and healthy working environment.			
Equality, diversity and inclusion	Diverse, inclusive workplaces where people of all backgrounds can thrive and feel valued and our business reflects the diversity of our world.			
Working conditions in the supply chain	Labour rights challenges in the supply chain including suppliers involved in manufacturing of IKEA products (managed by Inter IKEA Group) and in the indirect supply chain (such as companies providing construction, security and cleaning services, home delivery providers and product assembly businesses) particularly in high-risk countries and sectors.			
Customer safety	Ensuring that IKEA products are safe to use by working to prevent, detect and correct any product safety and quality issues.			
Ethical business conduct	Acting based on our IKEA culture and values, guided by our vision. Running our business honestly and with integrity, meeting high ethical standards in our interactions.			
Digital ethics	Using technology responsibly in line with our values, safeguarding customers and co-workers against digital risks.			

Stakeholder engagement

Stakeholder engagement enables us to understand the diverse interests and views of our stakeholders and directly informs the development of our strategy and business model and double materiality assessment, helping us to identify and prioritise the issues most relevant to our business and stakeholders.

Key insights gained from our engagement with stakeholders are communicated to our governing bodies, supporting our leadership to make informed decisions that reflect the perspectives and interests of those affected by our operations.

The table provides an overview of how we engage with key stakeholder groups.

Groups and examples of groups	How did we engage?	Key topics raised by stakeholders	Example of responses and/or actions
Co-workers – Social partners (e.g. European Works Council and local work councils, unions). – Co-worker resource groups at Group and country level.	– Co-worker feedback mechanisms e.g. annual co-worker survey IShare. – Internal communication platforms e.g. intranets, newsletters, and dedicated communication apps. – Workshops, broadcasts and networking and team-building events. – Digital platforms for real-time communication and collaboration. – Dialogue with our social partners such as EWC.	– Equality, diversity, and inclusion. – Workplace conditions, with a focus on workload and work–life balance.	– We updated our **employment standards** based on feedback from co-workers and the business. – **Enhanced diversity and inclusion initiatives:** implemented 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. – EU institutions (e.g. European Commission, European Parliament). – Regulatory bodies, including environmental, tax, labour.	– 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. – Engagement at multilateral events such as UN General Assembly and COP summits and bilateral meetings with official representatives.	– 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. – ESG reporting and value chain due diligence.	– **Due diligence:** Advocated for transparent, ethical and sustainable supply chain practices including during the EU Omnibus negotiations. – **Circular economy:** Contributed to shaping circular economy legislation (page 44). Our input aimed to reduce administrative burdens on businesses. We continue to advocate for efficient transposition of Extended Producer Responsibility schemes, as well as ambitious landfill targets. – **Second–hand tax:** IKEA Canada advocated for reduction/removal of the Second–hand tax (SHT) to promote resale of goods. – **Domestic abuse:** IKEA Czech Republic advocated for regulation on domestic abuse to improve the protection of domestic violence victims. – **Quality control orders:** IKEA India advocated for harmonised quality standards for imported goods.

Groups and examples of groups	How did we engage?	Key topics raised by stakeholders	Example of responses and/or actions
Customers – Customers. – Business customers. – Commercial tenants (Ingka Centres).	– Customer feedback and research e.g. surveys and direct interactions. – In-store experiences, events and workshops for customers to interact with products and get personalised advice. – Home visits to households in our markets, enabling us to better understand people's needs and dreams for life at home.	– Affordability and accessibility. – Products and solutions for sustainable living. – Customer and end-user safety. – Decent and affordable housing.	– **Products and solutions for sustainable living:** Activation of campaigns, information, and products related to sleep quality and sleep deprivation.
Suppliers – Suppliers (products and services used to run our business).	– Supplier Relationship Management. – Supplier Code of Conduct (IWAY), including risk assessments, training, IWAY reviews 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 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. – **Actions to improve fair labour practices:** Worked with suppliers through IWAY to improve standards in the supply chain and address non-compliances.
Civic and non-profit organisations – Partners e.g. World Economic Forum, The B-Team, WBCSD, UN Global Compact, UNHCR and market level partnerships. – Ingka Young Leaders Forum (independent external youth advisory council).	– 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 meetings, including with Ingka Group Management.	– Environmental sustainability. – Social responsibility. – Polarisation and building trust. – Digital ethics. – Transparency.	– **Incorporating Young Leaders' insights:** Publish an unedited opinion letter from the members of our Young Leaders Forum in our FY24 and FY25 Annual Report and Sustainability Summary and in our Net Zero Transition Plan. Young Leaders also made an input into our work on sustainable consumption, polarisation, advocacy campaigns on inclusion and circularity, provided feedback on key sustainability communications, and co-hosted with us events to bring youth voices into businesses. – **WEF CEO Climate Alliance:** Ingka Group's CEO, Jesper Brodin, co-chairs the WEF CEO Climate Alliance. This allows Ingka Group to play a key role in discussions related to climate and net-zero emissions, drive ambitious climate action in the private sector, and receive key insights from stakeholders.

Groups and examples of groups	How did we engage?	Key topics raised by stakeholders	Example of responses and/or actions
Trade Associations Trade associations / Global, national and EU trade association (e.g. EuroCommerce, Ecommerce Europe).	– Participating in discussions through committees and working groups that shape industry positions. – Collective initiatives organised by trade associations 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. – ESG reporting and value chain Due diligence.	– **EU Energy Performance of Buildings Directive (EPBD):** Engaged with the European Commission to ensure that the Energy Omnibus appropriately exempts retail businesses from mandatory EV charger installation obligations. Our ask is a balanced approach that supports the green transition while safeguarding operational feasibility for large-format retail. – **Corporate governance:** Engaged with policymakers to support ESG transparency and due diligence rules. Our ask is to maintain ambitious rules for the people and the planet, while supporting companies in implementation efforts. – **Circular economy legislation:** Contributed to shaping circular economy legislation (page 44). Our input aimed to reduce administrative burdens on businesses. We continue to engage with policymakers to drive circularity by supporting a landfill ban and making incineration less attractive. Our ask is also to ensure the Single Market for circularity.
Local communities Communities where we operate including around our stores and shopping centres and forestlands.	– 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.	– Sustainability. – Creating pathways to employment. – Equality, diversity and inclusion. – Health and wellbeing. – Child safeguarding. – Youth empowerment. – Human rights and social impact. – Refugee inclusion.	– **Neighbourhoods framework:** The Ingka Group's Neighbourhoods framework is focused on creating lasting social impacts in communities near IKEA stores. – **Disaster relief efforts:** We provided emergency support to communities affected by natural and manmade disasters. – **Encouraging staff involvement:** Ingka Group promotes volunteerism among co-workers, encouraging them to participate in community service projects.

Partnerships and collaborations

We work with a wide range of expert organisations, multi-stakeholder initiatives, NGOs and others to advance progress on social, environmental and governance topics. In FY25 our partners included:

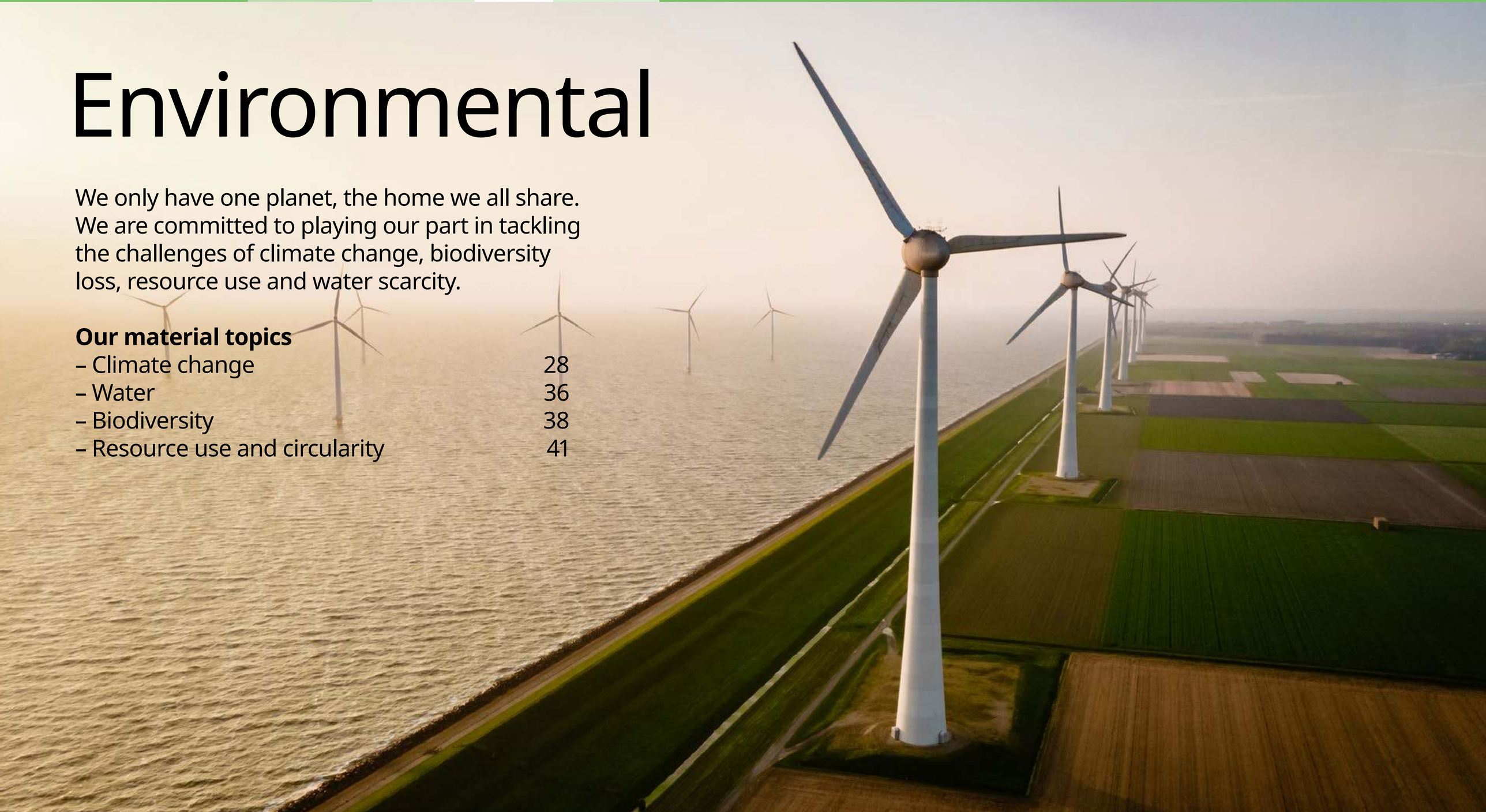
- Asia Clean Energy Coalition (Climate Group)
- Business at OECD
- Business Disability Forum
- Business For Nature
- Business for Social Responsibility
- Business for Societal Impact
- Catalyst
- Consumers International
- Corporate Leaders Groups
- Ecommerce Europe
- Equal Pay International Coalition
- EU Business and Biodiversity Platform
- EuroCommerce
- EV100 (Climate Group)
- Finance Executives Association
- Frank Bold
- Globe EU
- GlobeScan
- IDH – The Sustainable Trade Initiative
- IFRS Corporate Champions (ISSB)
- Ingka Young Leaders Forum
- Partnership on AI
- RE100 (Climate Group)
- RE-Source European Platform for Corporate Renewable Energy Sourcing
- S30 Network
- SME Climate Hub
- SolarPower Europe
- The B Team
- The Conference Board – European Inclusion Council
- The Earthshot Prize
- UN Global Compact
- UNHCR, the UN Refugee Agency
- Valuable 500
- We Mean Business Coalition
- Workplace Pride
- World Business Council for Sustainable Development (WBCSD)
- World Economic Forum
- World Federation of Advertisers
- World Resources Institute

Environmental

We only have one planet, the home we all share. We are committed to playing our part in tackling the challenges of climate change, biodiversity loss, resource use and water scarcity.

Our material topics

– Climate change 28
– Water 36
– Biodiversity 38
– Resource use and circularity 41



OFF TRACK NEEDS IMPROVEMENT ON TRACK

Note about our climate data for FY25: Greenhouse gas emissions data from Inter IKEA Group is used to calculate many of our scope 3 emissions categories (categories 1, 4, 11, 12). As Inter IKEA Group continues to enhance its processes and systems, climate data for FY25 will not be included in its reporting until the publication of the Inter IKEA Group FY26 Annual Report in November 2026. As a result we are not able to report progress against the full Ingka Group value chain footprint or target for FY25. Read more on page 30.

Our targets	Progress FY25	Performance summary
Climate change		
Science-based targets (approved by the SBTi)		
SBTi near-term target: Reduce absolute scope 1, 2 and 3 GHG emissions by 50% by FY30 from a FY16 base year.*	[ON TRACK]	We are not able to report progress against this target for FY25, see note about our climate data above. In FY24, the last year for which we have data for our full climate footprint, we had achieved a 30.1% reduction in absolute emissions (vs FY16) against our SBTi target of 50% by FY30.
SBTi target: Source 100% renewable electricity to match consumption in our operations by 2025.	[NEEDS IMPROVEMENT]	In FY25, we sourced electricity from renewable sources to match 94.8% of electricity used in our operations (FY24: 96.6%, FY16: 69.7%). We strengthened our methodology and now only include Energy Attribute Certificates that comply with the updated RE100 technical criteria. This ensures our renewable electricity purchasing continues to meet best practice standards. However, it has resulted in a small decrease in the percentage of electricity from renewable sources compared with FY24 since not all existing suppliers were able to demonstrate compliance with the updated requirements. We are proud of the significant increase we have achieved since FY16 and have committed to continue sourcing renewable electricity to match our annual consumption up to 2030. In FY25, IKEA stores and Ingka Centres shopping centres in 25 countries (FY24: 28) sourced 100% renewable electricity (backed by renewable energy attribute certificates).**
Our operations		
Reduce absolute GHG emissions in our own operations by 85% by FY30 from a FY16 base year.***	[ON TRACK]	We have reduced emissions from our operations by 70.6% since FY16. The most significant contributors to this reduction are our increase in sourcing of renewable electricity, improvements to energy efficiency in our buildings, use of biogas and installation of renewable heating and cooling systems. The closure of our retail business in Russia accounts for 13.2% of this reduction.****
Our value chain – mobility		
Reduce absolute GHG emissions from mobility (including home deliveries, 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 12.8% since FY16. The most significant reductions have been in customer travel and business travel. This reflects increased use of electric vehicles by customers, co-workers and our home delivery partners as well as more customers shopping online and reduced average travel distances for customers. The closure of our retail business in Russia has also had an impact. We are not yet able to fully reflect the impact of using renewable electricity to charge zero emission vehicles. This means our reported emissions are likely to be overstated. We are working to update our methodology to better reflect this.

* Within this target, Ingka Group commits to reduce absolute scope 1 and 2 GHG emissions by 85% within the same timeframe.
** From FY26, this methodology change will also be reflected in our scope 2 emissions calculations.
*** Our operational emissions include 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. The scope of our operational emissions reduction target is therefore broader than our SBTi approved target for scope 1 and 2 emissions, not included in this table, which targets an 85% reduction in absolute scope 1 and 2 emissions by FY30 from a FY16 base year.
**** Our retail stores in Russia were closed in mid-2022, however, this change in our business did not result in an adjustment to our FY16 baseline.
***** This includes our Optional SBTi approved target to reduce optional absolute scope 3 GHG emissions from downstream transportation and distribution from customer travel 40% by FY30 from a FY16 base year.

OFF TRACK NEEDS IMPROVEMENT ON TRACK

Our targets	Progress FY25	Performance summary
Our value chain – mobility (continued)		
Achieve more than 90% of company owned and leased vehicles used in our operations to be zero emissions vehicles by 2028.	[ON TRACK]	71.8% of company-owned and leased vehicles used in our operations were zero emissions vehicles, a significant increase on the previous year (FY24: 48.4%). We require all new owned or leased vehicles used in our operations to be zero emissions, wherever feasible.
Achieve more than 90% of home deliveries made by zero emissions vehicles by 2028.	[ON TRACK]	At the end of FY25, 60.1% of retail home deliveries were made by zero emission vehicles (FY24: 41.1%). This reflects an increase in the number of zero emissions vehicles used in last mile deliveries, investment in zero emissions trucks for longer distances and improvements in route efficiency to enable more deliveries per journey.
Beyond our value chain		
Enable customers to reduce their climate footprint by offering IKEA Energy Services in all markets by 2025.	[OFF TRACK]	We offered IKEA Energy Services to help customers use and produce renewable energy at home in 9 countries (FY24: 7 countries). We were disappointed not to meet our target. Expanding these services has proved challenging due to multiple and fluctuating factors that have made services less affordable for customers. Read more on page 35. Our target concludes in FY25, however, we will continue to support and develop our IKEA Energy Services in existing markets and expand into new markets where there is a strong business case and favourable regulatory environment. In early FY26, for example, we launched new services in the UK.
Water		
Targets under development, to be disclosed in FY26 report		
Biodiversity		
Targets under development		
Resource use and circularity******		
Reduce our operational waste and strive to recycle 100% of waste generated in our own operations by 2030.	[NEEDS IMPROVEMENT]	In FY25, we recycled 79.0% of waste (FY24: 77.6%). Our recycling rate varies significantly between countries and is influenced by factors such as availability of recycling infrastructure and local regulation. Total waste from our operations has increased by 6.9% compared with FY24 and by 2.4% since FY16. This increase reflects growth in our business, particularly the expansion of Ingka Centres since our baseline and compared with FY24 and the inclusion of more data on waste managed for tenants in some of our Ingka Centres shopping centres. We remain committed to reducing waste and increasing recycling. Actions we are taking include working with tenants in our Ingka Centres to increase recycling and partnering with waste management providers to extend the types of waste recycled.

****** We no longer include our aspiration to "Provide knowledge, inspiration, services and platforms to support customers in prolonging product life" as a target. However, we do continue to report examples of our approach on page 42. For details on changes to our targets, see page 66.

Material topic

Climate change

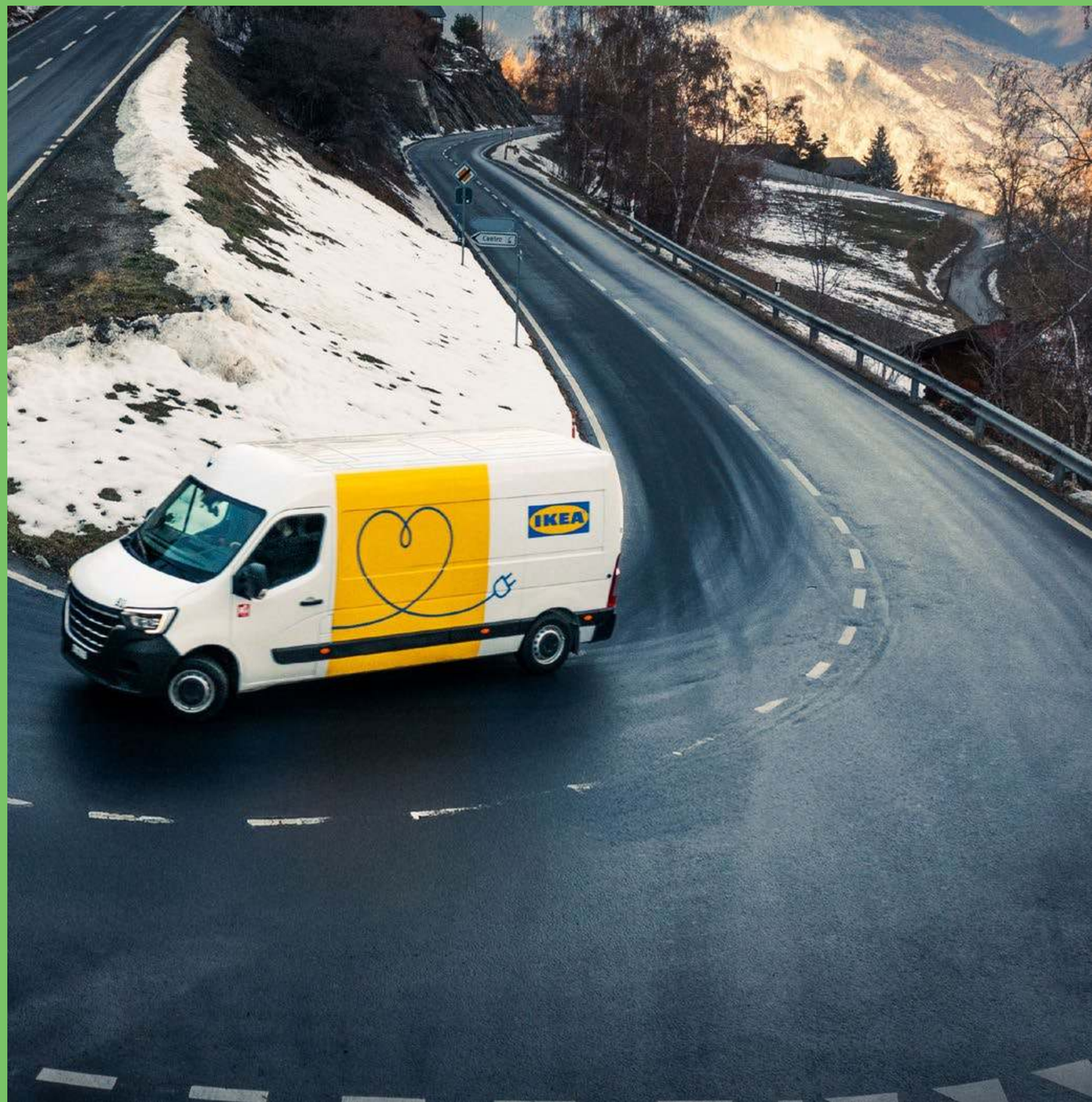
The world is not currently on track to limit global warming to 1.5°C in line with the Paris Agreement. We want to contribute to decisive and fast action to help address this. We are committed to achieving net zero across our value chain and to using our size and reach to help accelerate climate action beyond our business.

What we're proud of

- Achieved a 70.6% reduction in absolute emissions from our own operations (e.g. emissions from energy use in our units and operational waste) against our FY16 baseline, and a 22.3% reduction since FY24.
- Achieved 100% renewable electricity sourcing in India for the first time (via the purchase of energy attribute certificates).
- At the end of FY25, we reached 60.1% of retail home deliveries made by zero emission vehicles (FY24: 41.1%).

Challenges we're facing

- Inter IKEA Group is improving how it calculates and reports climate data (see page 30) and can therefore not report on its FY25 footprint until later in FY26. As we rely on scope 3 data from Inter IKEA Group, our total carbon footprint for FY25 will instead be included in the Ingka Group FY26 report.
- We rely on spend-based data to report our emissions from purchased goods and services used in our own operations, which does not reflect the progress we are making on emissions reduction.



Approach and policies

Our approach to climate change is guided by Net Zero and Beyond, the climate ambition for the whole of IKEA (Ingka Group, Inter IKEA Group and all other franchisees). This commits us to:

1) 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. Our progress in FY25 is summarised in table on the right with more details on pages 30–35.

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] We continue to develop our approach in this area and initial data on some removals is included on page 34.

3) Going beyond IKEA
We will contribute to additional emissions reductions. We will lead by example and engage proactively with stakeholders advocating for climate policies in line with the science of 1.5°C. Actions we're taking are summarised on pages 34-35.

Our carbon reduction targets help us to achieve our climate ambition (see page 26). Key targets have been approved and validated by the Science-based Targets initiative (SBTi) confirming that they align with the goal of the Paris Agreement to limit global warming to 1.5°C above pre-industrial levels. We have published our Net Zero Transition Plan with our roadmap for achieving the next stage of our journey to net zero up to 2030.

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

This report primarily focuses on the emissions categories over which Ingka Group has most control. We summarise key actions for the emissions categories connected to IKEA products and food on pages 33–34. Our approach is guided by our Sustainability Policy, which sets out our standpoints and principles for tackling the interconnected challenges of climate change, unsustainable consumption and growing inequalities and is supported by a range of more detailed policies and rules on areas such as renewable energy, construction projects, transport and investments (see page 86).

Read more in our Net Zero Transition Plan
Read more Our Climate agenda - IKEA Global

Key decarbonisation levers and progress since baseline

	Impact area	Key decarbonisation levers in FY25	Change in emissions since baseline[2]	Approx. % of footprint[3]
Our climate footprint (scope 1, 2 and 3)	Own operations[4]	– Renewable electricity – Renewable heating and cooling – Energy efficiency measures – More sustainable refrigerant gases – Reducing and recycling waste	70.6% reduction	1%
	Construction materials	– Real estate strategy – Better material choices	58.3% reduction	1%
	Goods and services used in own operations	– Suppliers setting SBTi approved carbon reduction targets – Material decarbonisation roadmaps	6.1% increase	5%
	Mobility	– More sustainable travel to our stores and shopping centres – Zero emission deliveries – Shifting business travel from air to rail	12.8% reduction	11%
	Investments	– Integrating climate strategy into portfolios and investment decisions	6142.8% increase[5]	1%
	IKEA products and food	– 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	Data not available (see page 33)	81%
Removals	Removing and storing carbon from the atmosphere	– Sustainable forest management practices in our forestland portfolio	Not applicable	
Beyond our value chain	Accelerating the transition to net zero	– Investments in materials innovation and recycling infrastructure – Investments in renewable energy generation – IKEA Energy Services – Products and services that help customers save energy, water and waste and prolong product life	Data not tracked	

[1] Together with Inter IKEA Group 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.
[2] Based on our FY25 data where this is available.
[3] % of footprint is calculated using data from FY24 since we do not have data from Inter IKEA Group to calculate our full carbon footprint for FY25.
[4] 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.
[5] This increase reflects growth in our circular portfolio that includes industrial businesses operating recycling facilities which have relatively higher emissions than sectors such as software which accounted for the majority of our investments in FY16. We have also updated our methodology, see page 32.

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. We work closely with Inter IKEA Group on reducing emissions.

Greenhouse gas emissions data for IKEA products and food is provided by Inter IKEA Group and was not available at the time of publication. Inter IKEA Group is continuously working to strengthen its climate data. This supports the company to advance accountability and drive meaningful change. A key focus is on improving how the company calculates and reports climate data, following a deliberate, step-by-step approach. Part of this process is the move towards reporting aligned more closely with CSRD, starting with the Inter IKEA Group FY25 Sustainability Statement in January 2026. As Inter IKEA Group continues to enhance its processes and systems, climate data for FY25 will not be included in reporting until the publication of the Inter IKEA Group FY26 Annual Report in November 2026. This integrated report will combine financial and sustainability information and will present climate data for both FY25 and FY26. As a result we are not able to report progress against the full Ingka Group value chain footprint or target for FY25. We will report on our full FY25 scope 3 climate performance in our ASSR FY26.

Actions in FY25

OWN OPERATIONS

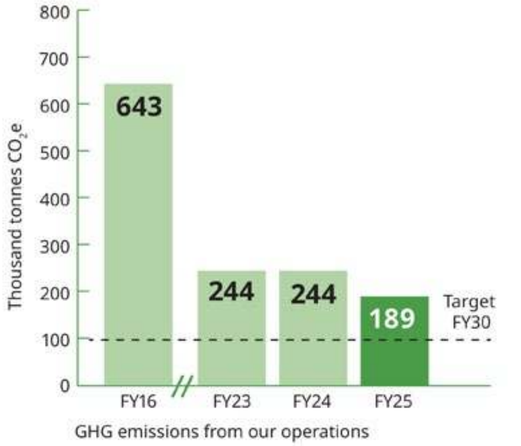
Emissions from our operations are a small proportion of our overall value chain footprint. Nevertheless, we prioritise reducing these emissions because this is where we have most responsibility and control, and can demonstrate our commitment to climate action, setting an example to others. Emissions in this category include scope 1 and 2 emissions as well as scope 3 emissions closely connected to our operations such as waste and the emissions associated with producing and distributing the energy we use (scope 3 categories 3, 5, 8 and 13). To reduce these emissions, we are sourcing more renewable electricity to match our consumption, improving energy efficiency, switching to renewable heating and cooling systems, using refrigerants with a lower global warming potential and recycling more waste.

- Achieved a 70.6% reduction in absolute emissions from our operations against our FY16 baseline, and a 22.3% reduction since FY24. The reduction year on year reflects an increase in the use of biogas in Germany, increased renewable electricity sourcing in India and South Korea, the impact of renewable heating and cooling and increased use of renewable electricity by tenants in our shopping centres.
- Scope 1 emissions have decreased by 26.6% from FY16 and by 17.6% from FY24. The reduction since FY16 reflects improved energy efficiency in our buildings, use of biogas and roll-out of renewable heating and cooling systems .
- Scope 2 emissions decreased by 93.7% from FY16 and 49.0% from FY24. This significant reduction is mostly due to the increase in renewable electricity sourcing since FY16.

Renewable electricity

Our goal is to source renewable electricity to match 100% of our operational consumption (on an annual basis).[6] This includes on-site renewable generation (e.g. PV panels on our stores) to reduce our reliance on grid electricity, off-site generation (purchasing renewable electricity from solar and wind farms owned by Ingka Investments) and, where these options aren't available, we purchase renewable electricity from a supplier that can guarantee the renewable source with energy attribute certificates.

- Sourced 94.8% of electricity from renewable sources compared with 69.7% in FY16 and 96.6% in FY24. This included 7.8% of electricity consumption generated on-site (FY24: 7.9%).
- Updated how we measure progress towards our target to only include Energy Attribute Certificates that comply with the updated RE100 technical criteria. This ensures our renewable electricity purchasing continues to meet best practice standards. Not all existing suppliers were able to demonstrate compliance with the updated requirements. We weren't able to find alternative suppliers in all cases, resulting in a small drop in our renewable electricity purchasing figure.[8]
- Purchased 49.1% of electricity for our operations from solar and wind farms owned by Ingka



Target: Reduce absolute GHG emissions in our own operations by 85% by FY30 from a FY16 base year.[7]

SBTi target: Source 100% renewable electricity to match our consumption by 2025.

[6] This covers electricity consumption within our operational control (i.e. that is responsible for scope 2 emissions).
[7] Our operational emissions include 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.
[8] From FY26, this methodology change will also be reflected in our scope 2 emissions calculations.

Investments (FY24: 51.6%) via the purchase of renewable energy attribute certificates, see page 34.

- Achieved 100% renewable electricity sourcing in India for the first time and increased the amount of renewable electricity we source in South Korea. In 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 continue to engage with the South Korean government via RE100 and the Asia Clean Energy Coalition to support policies that address these challenges.
- Where we supply electricity to tenants (in our shopping centres), we aim to ensure it is renewable, though we were not able to achieve this for all locations in FY25. In locations where our tenants manage their own electricity contracts, we are introducing lease clauses on renewable electricity into tenant contracts. In FY25, we worked with tenants to improve our data so we can track Progress.

Renewable heating and cooling

- Heating and cooling systems powered by renewable electricity are mandatory for all our new sites and we are gradually replacing gas-fired systems on existing sites with renewable alternatives. Continued to roll out renewable heating and cooling retrofits to existing stores, finishing 15 projects in FY25. Around two thirds of stores now have renewable systems installed. Switching to renewable heating and cooling can be a challenging process due to cost, the additional building work required to ensure successful operation, lack of grid capacity in some locations and limited availability of heat pumps and equipment in some countries.

Energy efficiency

We aim to improve energy efficiency through building retrofits, behavioural shifts, and technical upgrades. Our energy management strategy provides data-driven insights via smart meters and an energy dashboard.

- Continued to roll out our building retrofit programme that includes improved insulation and energy recovery from heating and cooling, and annual energy action plans for many of our buildings.
- Energy use per square metre (kWh/m^2 floor space) reduced by 19.6% since FY16, but increased by 1.3% compared with FY24. The increase primarily reflects growth in our Ingka Centres business. Improving energy efficiency is also more challenging in older sites and for sites where we lease rather than own the building.

Refrigerants

When retrofitting or replacing equipment we are switching to refrigerants with a lower global warming potential (GWP), as well as focusing on preventative maintenance and lifecycle management to reduce leaks.

- Continued to replace refrigerants used in the EU with those with a lower GWP, in line with the EU F-gas regulation. This contributed to a reduction in emissions from refrigerants of 2.7% compared with FY24.

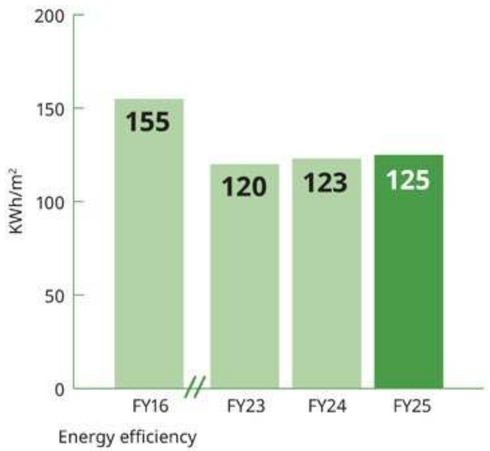
Reducing emissions from waste.

- Improvements to our recycling rate and changes to emissions factors have resulted in a reduction in emissions from waste of 51.3% since FY16. Details of our recent actions are included on pages 43.

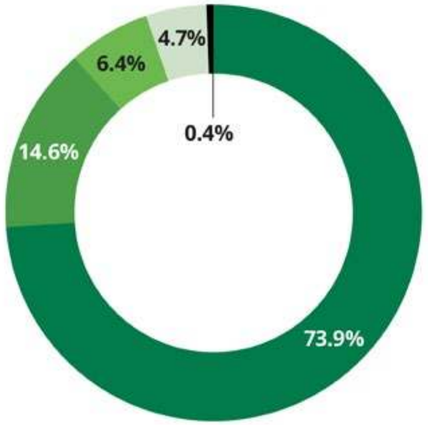
CONSTRUCTION MATERIALS

To reduce embodied emissions from construction we are focusing on using materials more efficiently, integrating more recycled and lower carbon materials and increasing the number of buildings we renovate and refurbish rather than building new.

- Introduced our Sustainable Construction Principles, developed with Inter IKEA Group, to embed sustainability into the choice of materials for construction and major refurbishment projects, and to measure and reduce emissions from each project. We also require projects to achieve at least a BREEAM Very Good rating (or equivalent standard).
- Conducted a lifecycle assessment (LCA) for new construction projects to compare the carbon impact of different material and design choices and identify the most cost-effective carbon reduction options. To ensure a consistent approach to the use of LCAs, we are sharing guidance and examples from major projects with our construction project managers and construction suppliers.
- Piloted an approach to integrating carbon and circularity requirements into our construction tender process at our distribution centre in Limay, France. This identified that many options that reduce embodied carbon also have a positive impact on construction costs.



Energy efficiency



Energy consumption and mix

- Purchased or acquired electricity, heat, steam and cooling from renewable sources
- Fossil sources
- Self-generated non-fuel renewable energy
- Fuel consumption from renewable sources
- Nuclear sources

- Collected data which showed that 373,085 tonnes of materials were used in construction of new sites in FY25.[9] This data will inform development of our materials direction.
- Emissions from construction materials reduced by 58.3% since FY16 and by 27.7% compared with FY24. This reflects improvements we've made to use more primary data based on LCAs and fewer estimates to calculate emissions in this category, and a lower number of construction projects in our retail business and renewable energy portfolio compared with FY16.

GOODS AND SERVICES USED IN OUR OPERATIONS

Goods and services used in our operations are provided by a wide range of suppliers with examples including equipment and IT used in our stores and offices, logistics services and marketing products. We are working with strategic suppliers (our most important suppliers) and preferred suppliers (a wider group of suppliers) to reduce these emissions.

- Engaged with suppliers to encourage them to set science-based carbon reduction targets. 14% of our strategic and preferred suppliers have now committed to a science-based target.[10]
- Emissions in this category have increased by 6.1% since FY16 and by 11.5% compared with FY24. This increase reflects an increase in procurement spend. We currently rely on spend-based data which means our reported data does not reflect the progress we are making on working with suppliers to reduce emissions.

MOBILITY: CUSTOMER AND CO-WORKER TRAVEL AND HOME DELIVERIES

Greenhouse gas emissions from mobility account for around 11% of our footprint, of which the majority is associated with customer travel to our stores. To reduce these emissions, we're switching to zero emissions vehicles and supporting our customers, home delivery partners, and co-workers to do the same. We are also working with organisations such as EV100 to support policy change, see Engagement and Advocacy.

- 10.9% decrease in relative emissions from customer and co-worker travel to our stores
- since FY16.
- EV charging points available at all our customer meeting points worldwide (where we own parking spaces), supporting customer use of EVs. We further increased the number of EV charging points available in FY25 and upgraded many older charging points.
- Introduced trailer and cargo bike rental in more locations to give customers convenient, low carbon ways to take products home if they visit us without a car. This included our Do It Yourself delivery pilot at IKEA Utrecht, IKEA Westbahnhof Vienna, and IKEA Gallerian Stockholm with options including trollies; an electric four-wheel bike with a storage box; an electric cargo bike; and an electric trailer.
- Expanded our pick-up locker service to more locations in the UK and the Netherlands enabling customers to order online and pick up their products at convenient locations, potentially reducing travel to our stores and home deliveries.
- Operated initiatives such as car-pooling, shared electric bikes and subsidised travel via public transport in some European countries to reduce emissions from co-worker commuting.

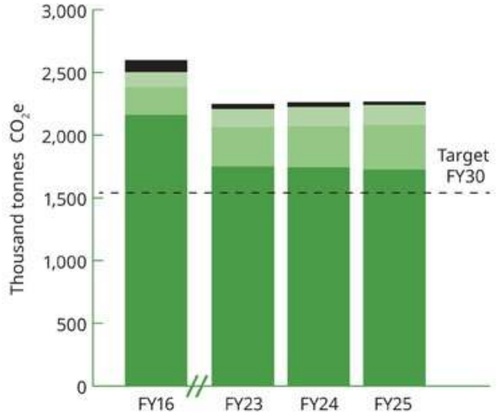
Home deliveries

- At the end of FY25, we reached 60.1% of retail home deliveries made by zero emission vehicles (FY24: 41.1%). Despite this progress, absolute emissions from home delivery have increased by 61.4% since FY16 and 8.9% since FY24 due to continued significant growth in online shopping. We can't yet account for any renewable energy used to charge our zero emission vehicles when calculating emissions in this category. This means our reported emissions are likely to be overstated. We are working to update our methodology to address this.

Business travel

To reduce emissions from business travel, our policy directs co-workers to meet online wherever possible and to avoid air travel when making one-day trips.

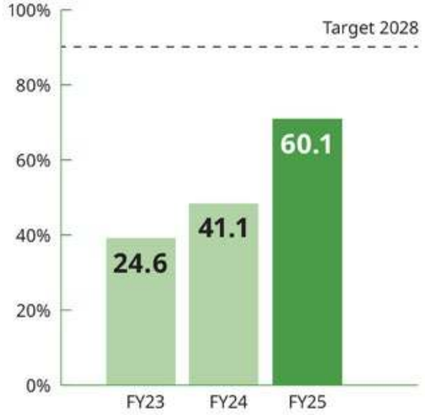
- Extended our air to rail policy to Sweden and integrated train tickets into our travel booking system. The policy, already in place in France and Spain, states domestic trips should be made by rail where the journey time is 3.5 hours or less. We are now working to implement this approach in Germany and expect to extend it to additional



GHG emissions from mobility

Target: Reduce absolute GHG emissions from mobility (including home deliveries, co-worker travel, business travel and customer travel) by 40% by FY30 from a FY16 base year.

- Customer travel
- Home deliveries
- Employee commuting
- Business travel



Zero emissions delivery share[11]

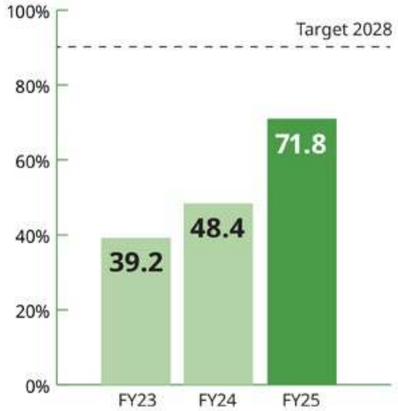
Target: Achieve more than 90% of home deliveries made by zero emissions vehicles by 2028.

[9] Applies to Ingka Group Real Estate construction projects for IKEA Retail and Ingka Centres globally. Includes "Built for Ingka" units constructed from scratch that are under construction during the reporting year. Excludes acquired or leased buildings.
[10] Our data for FY25 is not comparable with FY24 since we now report on a much wider group of suppliers. Data reported in FY24 was for strategic suppliers only.
[11] FY25 data reflects the status at the end of August 2025.

Our Do Something Change Everything communication framework shared key facts about our progress on sustainability topics with customers, co-workers and people in our communities, with a QR code for them to find out more.

markets. We're engaging with the European rail industry to support changes that make it easier for business travellers to book rail tickets through corporate travel channels.
- Reduced greenhouse gas emissions from business travel (by road, rail and air) by 73.0% since FY16 and by 30.6% since FY24.

Company-owned vehicles
- Required all new owned or leased vehicles used in our operations to be zero emissions or electric, wherever feasible. This includes company cars and pool cars (for business travel). As a result 71.8% of company owned and leased vehicles are now zero emissions, a 46.7% increase since FY24.



Ingka vehicles zero emission share

Target: Achieve more than 90% of company owned and leased vehicles used in our operations to be zero emissions vehicles by 2028.

INVESTMENTS

Ingka Investments invests in assets, manages companies and operates strategic businesses to preserve and create value for Ingka Group and IKEA. It is our policy not to make or hold direct investments in fossil fuel industries.

- Emissions from investments have increased by 6142.8% since FY16. This reflects growth in our circular portfolio (which did not exist in FY16) that now includes industrial businesses operating recycling facilities which have relatively higher emissions than sectors such as software which accounted for the majority of our investments in FY16. Despite the increase, emissions from investments still account for only around 1% of our overall footprint. We believe it is important to balance the impact on our own emissions with the emissions reductions beyond our business enabled by investee companies that are increasing the supply of high quality recycled materials and preventing resources being wasted. See pages 43-44. We have also updated our methodology for calculating emissions from investments.[12]
- Continued to invest in renewable energy production, supply and storage, to support the global transition to net zero (see 31) and increased our forestland portfolio investments (see 40).

EMISSIONS FROM PRODUCTS AND FOOD

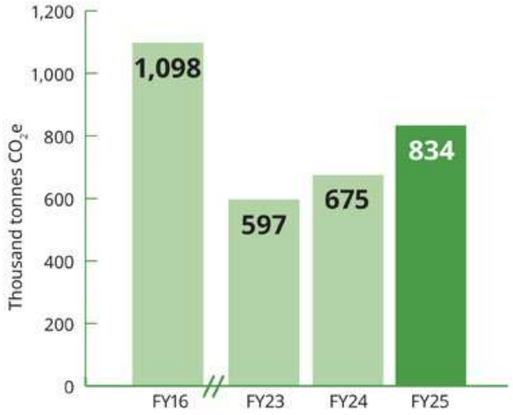
The majority (around 80.6%) of our climate footprint is associated with the IKEA range. This includes

[12] We have updated how we measure emissions from investments to align with the mandatory categories in the GHG Protocol. For equity investments where we hold a share above 1%, we now include scope 3 emissions in addition to previously reported scope 1 and 2 emissions. We now exclude voluntary financed emissions from corporate bonds (scope 1, 2 and 3) and equity investments below 1% which have been calculated separately (2,621,965 tonnes COe in FY25). We have updated our baseline data to reflect this change, see pages 71-73. 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.

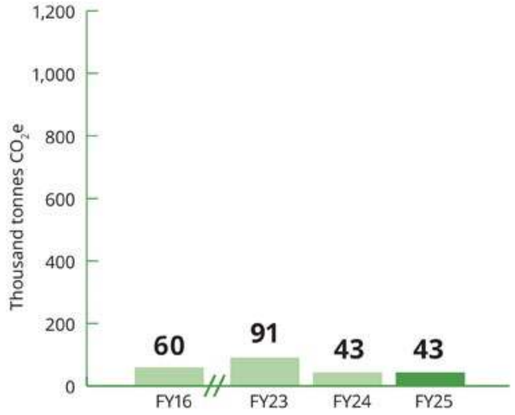
emissions upstream in the supply chain from the sourcing of raw materials, food ingredients, production and product transport as well as downstream emissions from customer use of our products and product end of life.

Inter IKEA Group, our franchisor and wholesale supplier, leads the work to reduce emissions in these categories. At Ingka Group, as the largest franchise retailer of IKEA products (accounting for 87.4% of IKEA sales in FY25), we work with Inter IKEA to support these efforts including 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.

- Worked with Inter IKEA to develop our Food Ball and Hot Dog carbon reduction strategy. A significant portion of our emissions from food ingredients are associated with Food Ball and Hot Dog products, making these a priority for carbon reduction. This will focus on: working with suppliers to use regenerative agriculture techniques; updating our ingredients to use less red meat (which has a high carbon footprint); and encouraging customers to select lower carbon alternatives such as poultry and plant-based products. We are developing a detailed roadmap for roll-out from FY26.
- Inter IKEA launched new products using recycled material, increased the share of renewable electricity in the production of IKEA products, and introduced electric vehicles to its supply chain operations in six additional countries. Updates to the IKEA range included TAGGHAJ, a frying pan made with a minimum of 70% recycled aluminum, ZEBRASÄV ceiling lamp with a lamp shade made from at least 50% recycled plastic, and SOLHETTA energy class A LED bulb, the most energy-efficient classification.



Forestry, land and agricultural (FLAG) removals and storage



Forestry, land and agricultural (FLAG) emissions

CARBON REMOVALS

We calculate the emissions and carbon removals from our forestland portfolio using the 2022 GHG Protocol Land Sector and Removals Draft Guidance. 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).

- Emissions relating to our forestland portfolio were 43,343 tonnes of CO_2e in FY25 (FY24: 43,106). This data includes carbon emissions from the forest to the mill gate (those relating to harvesting trees, running buildings and vehicles, use of chemicals and other emissions associated with forestry management practices).
- 833,831 tonnes of CO_2e were removed and stored by the forests we own in FY25 (FY24: 675,519). This is an increase compared with FY24 but a decrease since FY16. These changes reflect the purchase of additional forestland, the volume of timber harvested which varies year to year, and the age class distribution of our forests (the number of trees in specific age groups). We quantify 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).

GOING BEYOND OUR VALUE CHAIN

We aim to contribute to additional emissions reductions in society through our products and services, our investments and through our engagement and advocacy.

Investment in renewable energy production

Our target is to accelerate investments by Ingka Investments into renewable energy to EUR 7.5 billion by 2030.

- Reached EUR 4.3 billion invested or committed to invest in wind farms and solar parks and wider renewable investments since 2009. This includes EUR 0.2 billion invested and 0.1 billion committed in FY25. In total, renewable energy assets owned by Ingka Investments generated 3,385,953 MWh in FY25.
- Opened our first solar parks in France and Poland and our first battery storage facility became operational in Texas, USA. The facility is next to an Ingka Investments-owned wind farm and will support the power grid to manage fluctuations in supply and demand and reduce pricing peaks.
- Sourced around half of the electricity used in our operations from solar and wind farms owned by Ingka Investments via the purchase of renewable energy attribute certificates, see page 31.

Services for customers

We are developing services that can help customers to reduce their emissions such as IKEA Energy Services (enabling customers to generate their own renewable energy), and our circular customer offer (see page 42).

- Offered IKEA Energy Services to help customers use and produce renewable energy at home in nine countries at the end of FY25 (FY24: 7) with a tenth (UK) added in early FY26. Our energy services 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. We were disappointed that we did not meet our target to offer services in all countries by the end of FY25. Scalable progress has proved challenging due to multiple and fluctuating factors that have made energy services less affordable for customers. In Europe, changes in government subsidies for consumers and policies that prevent households from selling excess energy generated back to the grid have together increased payback periods for customers to over 10 years on average. Although renewable technologies can generate significant savings for customers over time, and the price of systems has reduced, it is still a large initial investment for our customers to make at a time when wallets are squeezed from many angles. In order for us to expand our energy services offerings moving forward and make renewable energy more affordable for the many, we need to better understand the diverse and complex needs of our markets and use the learnings and successes from our 10 existing countries. Our target concludes in FY25; however, we will continue to support and develop our IKEA Energy Services in existing markets and expand into new markets where there is a strong business case and favourable regulatory environment once we have identified an impactful way to scale.

Number of countries in which we offered IKEA energy services

Target: Enable customers to reduce their climate footprint by offering IKEA Energy Services in all markets by 2025.

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. In FY25, our engagement included:

- Took part in London Climate Action Week, New York Climate Week/UN General Assembly, COP29 and World Economic Forum Annual meetings to engage with partners and policymakers on climate action.
- Ahead of COP29, advocated for ambitious Nationally Determined Contributions that align to the Paris Agreement's 1.5°C pathway. Working with the World Economic Forum, The B Team, Corporate Leaders Group and We Mean Business Coalition, we argued that for businesses to move with speed to deliver to net zero, we need ambitious government targets backed by clear plans.
- Worked with EV100 to engage policymakers on regulation that promotes the update of electric vehicles, addresses challenges that restrict uptake and supports investment in charging infrastructure.
- Hosted Action Speaks sessions and exhibitions at events including the World Economic Forum in Davos, Change NOW Paris and New York Climate Week, showcasing climate solutions from around the world to inspire action and collaboration. We also added new examples and an 'enable' category to the Action Speaks open source digital platform of climate solutions.

Material topic

Water

Water stress, when demand for quality freshwater exceeds supply, is increasing around the world. This can affect the health of ecosystems and communities and can also impact businesses. We aim to use water efficiently in our operations and work with Inter IKEA Group to help address water use in our value chain.

What we're proud of

- We made progress on analysing our water impacts and developing our water roadmap and target.
- Water use in our retail business has decreased year on year and since our FY16 baseline.

Challenges we're facing

- Water stress is increasing worldwide, meaning more of our sites are in areas of high water stress. This could expose us to increased restrictions or regulations on water use.

BERGVATTNET,
A collection developed to reduce water-flow rates, monitor consumption and collect water at home that would otherwise go to waste.

Approach and policies

At Ingka Group, we focus on reducing water use in our operations where it is used for drinking, preparing food, cleaning, watering plants and in sinks and toilets. We have a working group to develop our approach to water reduction.

Our key focus is on integrating water efficiency into building design. This includes:

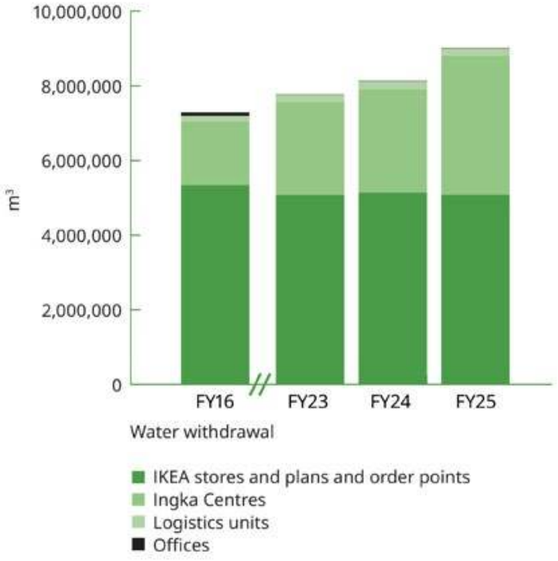
- Using water-efficient appliances and fixtures.
- Introducing a requirement for newly built and refurbished buildings to achieve at least a BREEAM Very Good rating (or equivalent standard) which includes water efficiency criteria.
- Installing rainwater harvesting systems, to reduce demand on local water supplies
- Rolling out automated water meters to our sites to help us spot leaks, compare performance between sites and identify and implement water saving opportunities.

We aim to focus our actions on sites in areas of high water stress. Around 34% of our sites were in areas of high or extremely high water stress in FY25. Water stress affects sites in a wide range of countries and locations, with examples of extremely high water stress areas including Beijing and Shanghai in China, Hyderabad and Bangalore in India, Los Angeles and Denver in the USA, Adelaide in Australia and Rome, Lisbon, Barcelona and Antwerp in Europe.

Significant volumes of water are used in our value chain including in the production and manufacturing of IKEA products and food and use of products by customers. These impacts are managed by Inter IKEA Group. At Ingka Group, we promote products and actions that can help customers reduce water use at home. This includes water saving tips on our websites and in-store and IKEA products such as water efficient taps, shower heads and appliances.

Actions in FY25

- Analysed the drivers of our water use as part of our TNFD assessment (see page 20). This identified a number of dependencies, impacts, risks and opportunities relating to water use. We use the WWF Water Risk Filter tool to help us identify sites in areas of high water stress. Used the findings from our analysis to start developing our water roadmap and water reduction target.
- Continued to roll out automated water metering to enable us to monitor and reduce water usage but have not yet installed meters in all sites.
- Used rainwater harvesting at 13% of sites (FY24: 13%) to reduce reliance on mains water.
- Water use in our retail stores reduced by 4.8% against our baseline and by 1.1% year on year.
- Overall water use in our operations increased by 10.9% year on year and by 23.8% compared to our FY16 baseline. This increase largely reflects business growth including the expansion of our Ingka Centres business, particularly in China where we have opened nine new units since FY21. In this market, food and beverage outlets account for a higher proportion of tenants than in other regions and these businesses are typically higher water users than other types of retailers. Water withdrawal in areas of water stress has also increased.



Material topic

Biodiversity

Our business depends on nature and access to natural resources, yet around the world nature is in crisis, with biodiversity being lost at an unprecedented rate. We believe that businesses must act now and we want to play our part in global efforts to halt and reverse biodiversity and nature loss.[1]

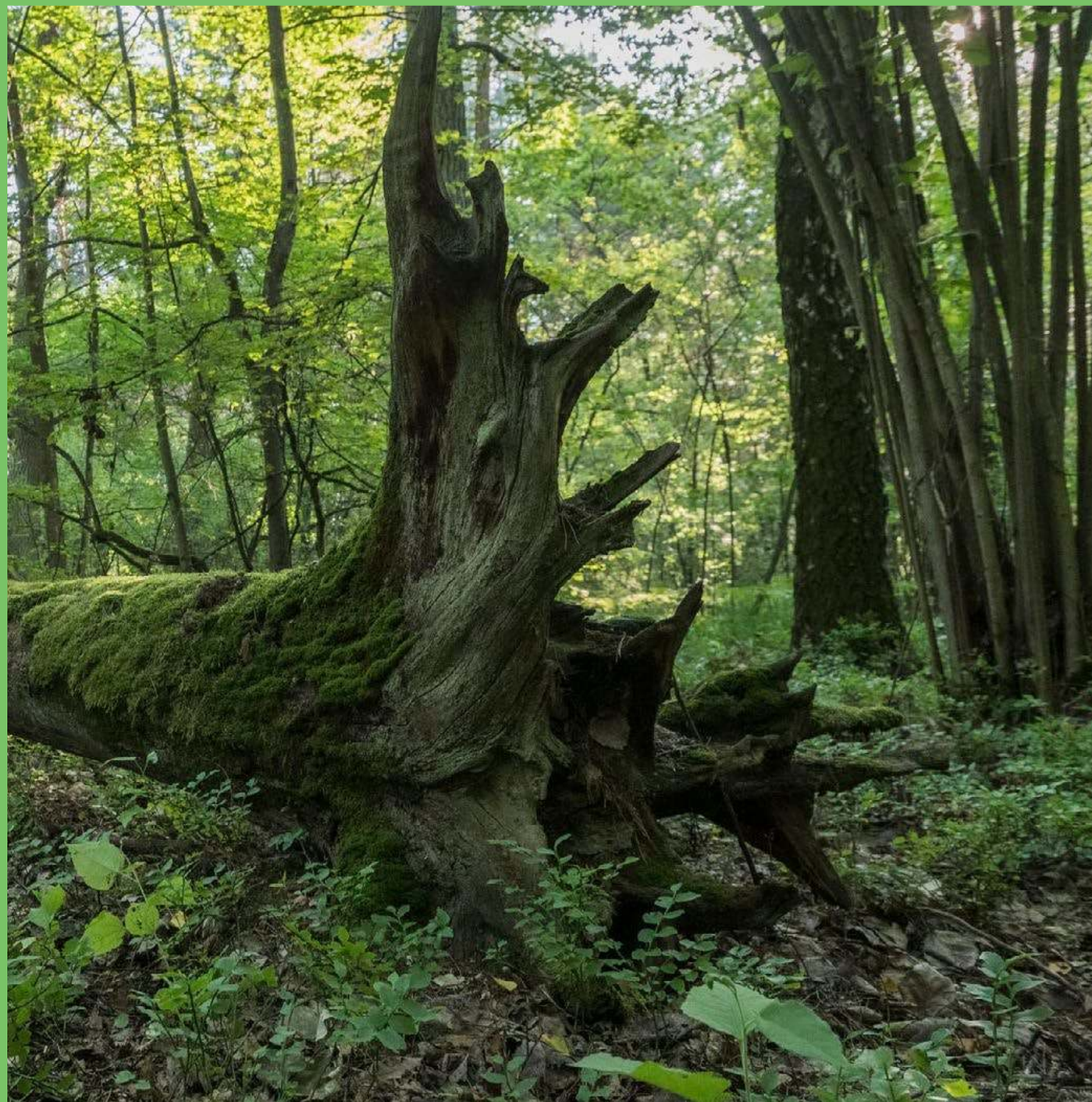
What we're proud of

- Made progress on the development of our nature roadmap including identifying priority locations and expanding data collection to enable us to maximise our positive impact and monitor progress.
- 94.7% of our forestland portfolio was certified by a third-party certification scheme and 5.3% was undergoing certification.

Challenges we're facing

- Corporate approaches to managing biodiversity and nature impacts are complex and there is currently a lack of globally agreed standardised measurement frameworks for biodiversity monitoring. We are working with external partners, aiming to help shape global methodologies and the development of best practice frameworks.

[1] The content in this section relates primarily to the 323,863 hectares of forestland we own through our Ingka Investments business. It does not cover the Inter IKEA Group timber supply chain for products in the IKEA range.



Approach and policies

We are developing our nature roadmap to guide how we manage nature-related dependencies, impacts, risks and opportunities (DIROs) across our business, including those relating to biodiversity, land use and topics such as water use.

Impacts on nature in our wider value chain are connected to the sourcing, and manufacturing of products in the IKEA range. These are managed by Inter IKEA Group whose supplier code of conduct, IWAY, will include newly developed requirements specifically for forestry and agriculture. For example, Inter IKEA Group suppliers are required to prevent severe environmental pollution and report any instances immediately to Inter IKEA Group. Business activities must avoid high conservation value areas unless these areas are certified according to a system recognised by Inter IKEA Group. Before utilising forest materials, suppliers should identify high-risk sources and provide evidence of risk mitigation in line with Inter IKEA Group specifications. In addition to the supplier code of conduct, suppliers are required to – where justified – comply with various commodity-specific certification schemes.

Read more Our nature agenda – IKEA Global

We are members of the Taskforce on Nature-related Financial Disclosures (TNFD) early adopters programme (see table on pages 92–93).

Forestland portfolio

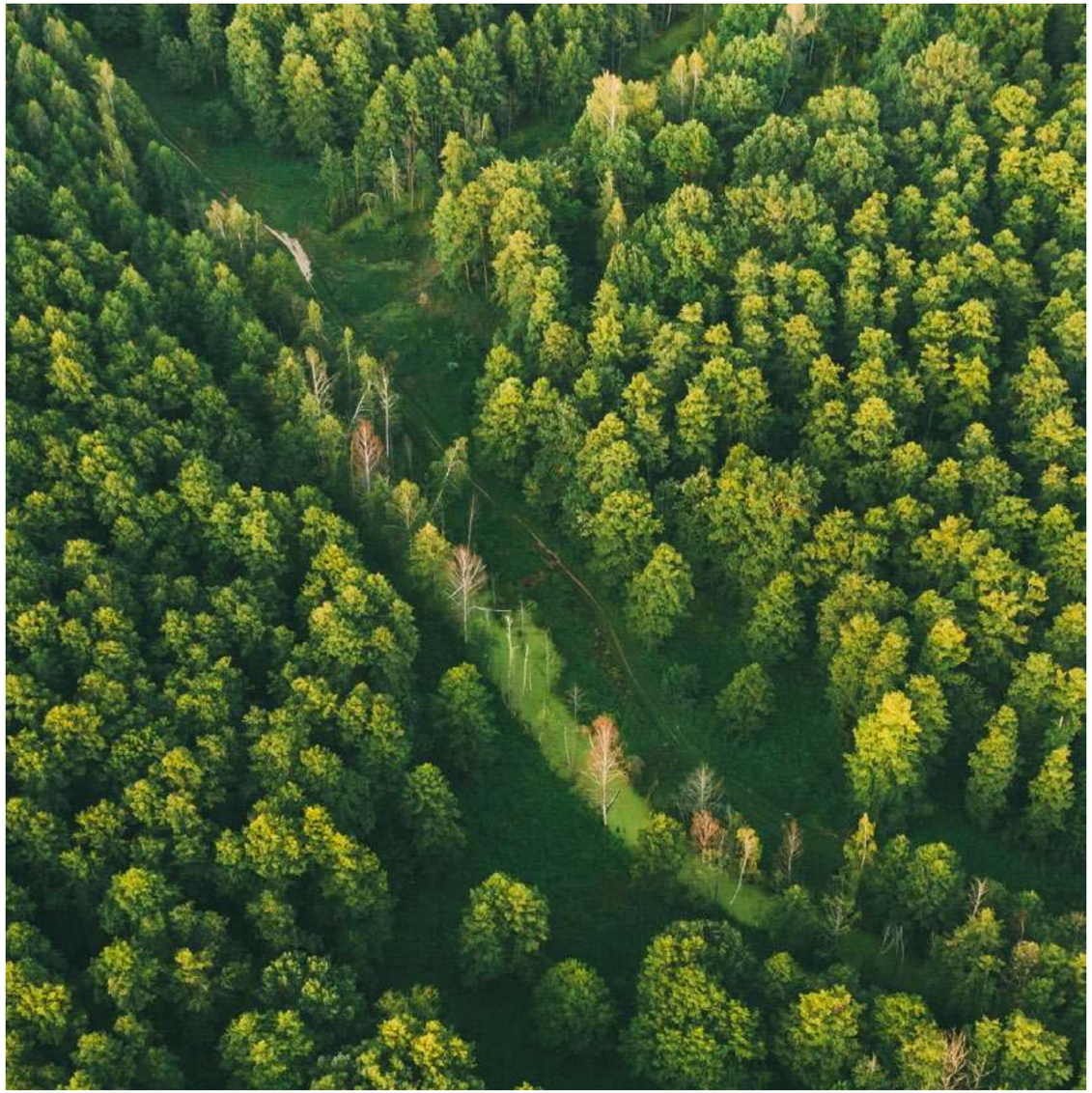
We invest in forestland long term to support our financial strength and because we believe we can play an important role in supplying wood from responsibly managed sources. Wood harvested from the forests we own is sold on the open market.

Read more on IKEA.com

Forests are critical habitats for biodiversity and we have a well-developed approach to managing DIROs associated with our forestland portfolio.

This includes:

- We are committed to responsible forest management and all our forests are either third-party certified or undergoing certification.
- In line with third-party 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 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 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 (SMZs) in the US and Natura 2000 sites in Europe. Commercial logging may be permitted but is subject to periodic restrictions (such as during the bird nesting season) and/ or intensity restrictions (such as no clear cutting or restrictions on the volume or types of trees).
- Across our forests, we harvest less than the forest's growth and regenerate all harvested



sites. After harvesting, we either allow areas to naturally regenerate or replant with seedlings in line with forest certification requirements. We are also investing in afforestation, planting new areas of forest on low-grade agricultural or degraded land. This will provide additional sources of timber, and can help to improve local biodiversity and soil quality.
- When converting farmland to forestland, we map the riparian zones (i.e. the area of land adjacent to a river, stream, lake, or other body of water) and plant them with native species to protect the water course, riverbank and the freshwater and terrestrial biodiversity.

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. They cover health and safety, biodiversity, environmental and waste management and legal compliance. We train forestry partners on our standards and legal requirements, conduct scheduled and unannounced audits and use satellite and drone imagery to track compliance.

Actions in FY25

- Conducted a structured process to identify nature-related DIROs for our buildings (including stores and shopping centres) and our forestland and renewable energy investment portfolios, see page 20, and collected baseline data for new metrics that track our impact on biodiversity and land use, see page 17. This showed that our forestlands are particularly significant in relation to nature, due to the large spatial footprint and direct dependence on natural resources. We will therefore focus our external biodiversity reporting on DIROs relating to our forestlands.
- Started to identify priority locations that will be the focus of our nature roadmap including buildings in areas of water stress (see page 37). Assessed our alignment with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), see table on pages 92-93, with the findings informing our nature strategy and reporting.
- Explored tools and methodologies for measuring local biodiversity DIROs for our operations. We plan to launch global guidelines for our stores on nature in the built environment.

Forestland
- Purchased additional forestlands in Finland, Latvia and New Zealand, increasing our total to 323,863 hectares across seven countries. This accounts for the majority of the total spatial footprint of our operations (compared with 4,652 for our buildings and 864 hectares for our renewable energy portfolio).
- 94.7% of our forestland portfolio was certified by a third-party certification and 5.3% was undergoing certification, including 3.1% that was newly acquired forestland. On average, 12% was managed as a Conservation Area Network (CAN).
- As part of our baseline data collection we assessed our forestland sites for biodiversity impacts. This found that we had no sites in FY25 with a negative biodiversity impact (defined as any non-conformities identified through the third-party certification process).
- Reforested 5,585 hectares and supported natural regeneration on approximately 1,396 hectares. We estimate our forests have a net growth rate of 0.5 million m^3 per year. In addition, we planted new areas of forest plantation covering 6,186 hectares in New Zealand and the Baltic states (FY24: 5,300). In the Baltic states we plant native tree species. In New Zealand we mainly plant non-native pine trees (used for domestic consumption and export) but native species are also used (e.g. manuka, totara, beech), especially in riparian setbacks supporting biodiversity.
- Launched the Climate and Biodiversity-Smart (CBS) forestry research project in partnership with Inter IKEA Group, the European Forest Institute (EFI), and Preferred by Nature, a non–profit organisation. This project, which is taking place across 16,000 hectares of our forestland in Latvia, will test innovative forestry practices to understand which models and techniques are most effective at minimising negative impacts on biodiversity and increasing resilience to climate change. Economic and social impacts will also be assessed and the findings used to inform our own practices and requirements as well as third-party certification.

EXTERNAL ENGAGEMENT AND ADVOCACY

We collaborate with others to develop shared approaches to biodiversity issues and to support action by business and governments that helps to reverse nature loss. In FY25, this included:
- Participated in the 16th meeting of the UN Convention on Biological Diversity (COP 16) held in Cali, Colombia to emphasise the importance of corporate action on biodiversity and support the Kunming-Montreal Global Biodiversity Framework.
- As a signatory to the Business for Nature Call to Action, we support their advocacy efforts urging governments to adopt ambitious policies to reverse nature loss by the end of the decade.
- Hosted a Nature Finance Workshop in Amsterdam with the World Resources Institute to explore ways to scale up private nature finance for conservation and restoration projects.
- Participated in WBCSD's Nature Action Group and Strategy Accelerator Transformation workshops aimed at building capacity and supporting companies to act for nature.
- Advocated in support of the introduction of the EU Regulation on Nature Restoration.

Material topic

Resource use and circularity

We aim to integrate circular principles into our business. In our operations, we strive to reduce and recycle waste. For customers, we are developing services and solutions that make it easier to reuse, repair and recycle our products. Beyond our business, we invest in companies developing innovative circular solutions.

What we're proud of

- Tested new components and capabilities to strengthen our circular customer offer.
- Launched the IKEA second-hand marketplace in three countries with plans to scale it up across Europe from FY26.[1]
- Added three more recycling companies to our circular investments portfolio, contributing towards our EUR 1 billion invested ambition.

Challenges we're facing

- Reducing the overall volume of waste generated in our operation is challenging as our business grows. Cost-effective and widely available recycling solutions are not currently available for all waste streams.
- Expanding circular services, scaling up our second-hand offer and increasing circular resource flows remain challenging due to regulatory, logistical and infrastructure challenges, customer expectations and the need to develop new capabilities and ways of working within Ingka Group.

[1] IKEA second-hand marketplace is a separate legal entity to IKEA Retail that facilitates peer-to-peer transactions between people who and buy and sell directly to each other.

Approach and policies

Inter IKEA Group is responsible for the IKEA range. It designs IKEA products from the beginning to be reused, repaired, refurbished and recycled and is working to increase the share of recycled and renewable content in the IKEA range.
Read more Our circular agenda - IKEA Global

At Ingka Group, we are developing solutions and services that make it easier for customers to prolong product life and to buy second-hand and discounted (e.g. ex-display) IKEA products, improving affordability. We also use our communications and campaigns to promote circular actions and encourage customers to reduce waste.

We are developing our materials direction to increase our use of renewable, recycled and materials from more sustainable sources in our operations and integrate circular practices into our procurement. 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 third-party certified sources.

Guided by our Rule on Waste Prevention and Management we aim to reduce waste in our operations, and we have cross-functional working groups focused on improving efficiency and driving circular resource flows at country and unit level. We track progress monthly in each country. Reducing waste volumes is challenging as our business is growing and we are opening more locations. We aim to reduce production food waste from our kitchens and our ambition is to send no organic waste to landfill (including food waste) across Ingka Group. At Ingka Centres, we provide waste management services as part of the lease agreement with most tenants and we are working with them to reduce food waste.

We have a responsibility and an opportunity to take a lead in accelerating the circular economy beyond IKEA. Through Ingka Investments' circular investments portfolio, our ambition is to invest EUR 1 billion in recycling infrastructure focusing on businesses with innovative solutions for preventing waste and increasing the supply of high-quality recycled materials. Our priority investment areas are focused on key material streams or product areas linked to our business, such as mattresses, plastics, textiles, wood and food.

Actions in FY25

Circular services for customers

- 424 stores had As-Is areas where customers can buy ex-display or discontinued products, customer returns, and second-hand IKEA products, at a lower price than buying new. 359 stores now also make As-Is products available to buy online (FY24: 338).[2]
- Sourced almost 686,500 used IKEA products via our Buyback service (FY24: 495,000). Through this service we buy back used IKEA products that customers no longer need and resell them as second-hand via our As-Is areas.
- Provided 26.7 million free assembly parts to 2.3 million customers to care and repair for their IKEA products (FY24: 25.8 million, 2.2 million). Free assembly parts include nuts, bolts, screws and dowels and are available via IKEA.com to help customers repair their products and keep them in use for longer. We also offer larger furniture spare parts in-store and via our customer service centre.
- Concluded several tests to assess the feasibility and scalability of new circular services such as a kitchen repair service. We also tested new capabilities to enhance existing circular services. This included home delivery for assembled furniture, which is important to make buying and selling second-hand goods more convenient for customers but requires different capabilities to transporting flat-packed goods, and sourcing used IKEA products for resale via a collection point at a municipal recycling centre. These tests, conducted in partnership with Inter IKEA Group, will now form the basis of a more comprehensive pilot at our locations in Barcelona, Spain.
- Expanded Loppis, the flea market area in Circuit, our circular retail concept at Ingka Centres in Birsta City, Sweden and added an app to help enhance the visitor experience. At Circuit, visitors can buy second-hand items, access rental and repair services and attend events and workshops. In FY25, we also introduced 'PreLoved', a curated second-hand peer-to-peer fashion concept offering a selected mix of pre-owned styles.
- Started construction of Ingka Centres' first circular shopping centre in Kuopio, Finland, as part of a joint venture with the Elävä Foundation and Jätekukko, a local waste management company.

[2] We have changed how we report the number of stores with As-Is areas and therefore our data for previous years is not comparable. Previously, we only reported As-Is areas that followed a particular format in some store sizes. We now include all stores with As-Is areas.

Once completed, it will offer visitors a wide range of circular products and services and host a learning centre for education and activities for the local community.

- Launched the IKEA second-hand marketplace in Norway, Portugal and Spain. This is a peer-to-peer marketplace, that enables customers to buy and sell used IKEA products directly with each other.[3] This can enable customers to buy IKEA products at even lower prices, improving affordability. Sellers can receive payment in cash or via an IKEA refund card. Sellers opting for an IKEA refund card receive an extra 15% on their sale price to use for their next purchase with us. Our next step is to scale up the platform and make it available across our European countries.

Resource use in our operations

- Rolled out fan-fold packaging technology to more countries which reduces the volume of packaging materials needed for e-commerce deliveries.
- Extended our partnership for end-of-life IT equipment to more countries. This ensures old equipment is refurbished and resold or recycled.

Waste from our operations

- Focused on improving waste segregation, training our teams and increasing the types of waste we recycle, in partnership with local waste management suppliers. In our retail business we also focused on exchanging best practices between our units. These actions contributed to an increase in our recycling rate to 79.0% (FY24: 77.6%). Our recycling rate varies significantly between countries depending on local recycling infrastructure and regulation (for example some countries require us to incinerate food packaging which could have been recycled).
- Continued to integrate recycling requirements into contracts with new and existing tenants in our shopping centres and run training sessions for tenants on recycling. This contributed to an increase in our Ingka Centres' recycling rate to 60.0%, up from 56.4% in FY24 and 13.9% in FY16.
- Total waste from our operations has increased by 7% compared with FY24 and by 2.4% since FY16. This increase reflects the expansion of Ingka Centres since our baseline and compared with FY24, more waste managed for tenants including fit out waste in some Ingka Centres shopping centres, and sales growth in IKEA Retail, resulting in more cardboard, food and organic waste. Our most significant categories of operational waste (by weight) include cardboard and paper, mixed non-hazardous waste, wood and organic waste (including food).

Food waste

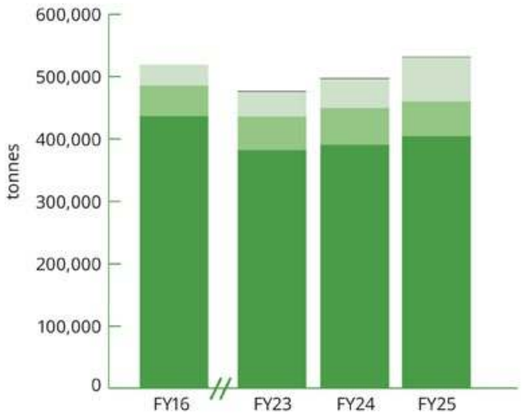
- 402 stores had installed our waste watcher tool from Winnow, that uses AI to identify sources of food waste and optimise food production systems.
- Cut production food waste (grams per cover) by 60% since FY17, avoiding food equivalent to 9.6 million meals being wasted in FY25 (and 47.5 million since FY17).
- Partnered with the Too Good To Go app in 13 countries to offer customers 'surprise bags' of surplus food from IKEA food outlets at around a third of the original price. Customers purchased 213,528 bags, up from 141,862 in FY24.

Circular investments

- Added three additional recycling companies to our circular portfolio including food waste solutions businesses RECO in South Korea and Vanguard

Recycling rate

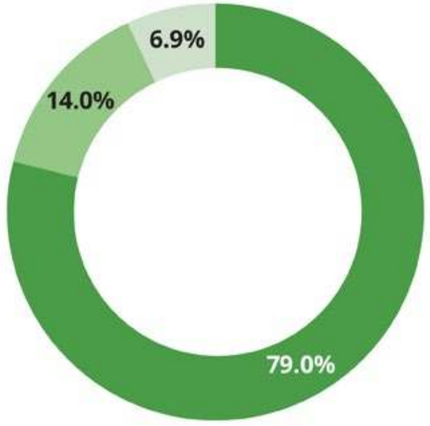
Target: Reduce our operational waste and strive to recycle 100% of waste generated in our own operations by 2030.



Total waste from own operations

Target: Reduce our operational waste and strive to recycle 100% of waste generated in our own operations by 2030.

- IKEA stores and plan and order points
- Logistics units
- Ingka Centres
- Offices



Disposal route for waste from own operations

- Waste diverted from disposal by recycling
- Waste diverted from disposal by other recovery operations
- Waste directed to disposal by incineration, landfilling or other disposal operations

[3] IKEA second-hand marketplace is a separate legal entity to IKEA Retail that facilitates peer-to-peer transactions.

Our Do Something Change Everything communication framework shared key facts about our progress on sustainability topics with customers, co-workers and people in our communities, with a QR code for them to find out more.

Renewables in the USA and Re-Mall, a plastics recycling business in China.

- RetourMatras, the Dutch mattress recycling business that we have invested in since 2019, opened a new facility in France. Repolyol, made by RetourMatras from recycled polyurethane (PU) mattress foam, is sold to Inter IKEA Group suppliers and used in the following IKEA products: HOJEHALL mattresses in France and ASPSJOKULLEN mattresses in the Netherlands.
- Piloted a recycling initiative in the Netherlands to collect old duvets and pillows from IKEA customers with the recovered materials (down, feathers and polyester) to be reused or recycled.

EXTERNAL ENGAGEMENT AND ADVOCACY

Different national rules, definitions, and compliance systems create legal and logistical barriers that hinder the development of cross-border circular resource flows, increase costs, and inhibit innovation. During FY25, we engaged with policymakers, industry platforms, NGOs, and consumer groups to advocate for harmonised definitions, reporting requirements and data collection within Extended Producer Responsibility (EPR) frameworks and policies that prioritise prevention, reuse, and recycling over incineration and landfill.

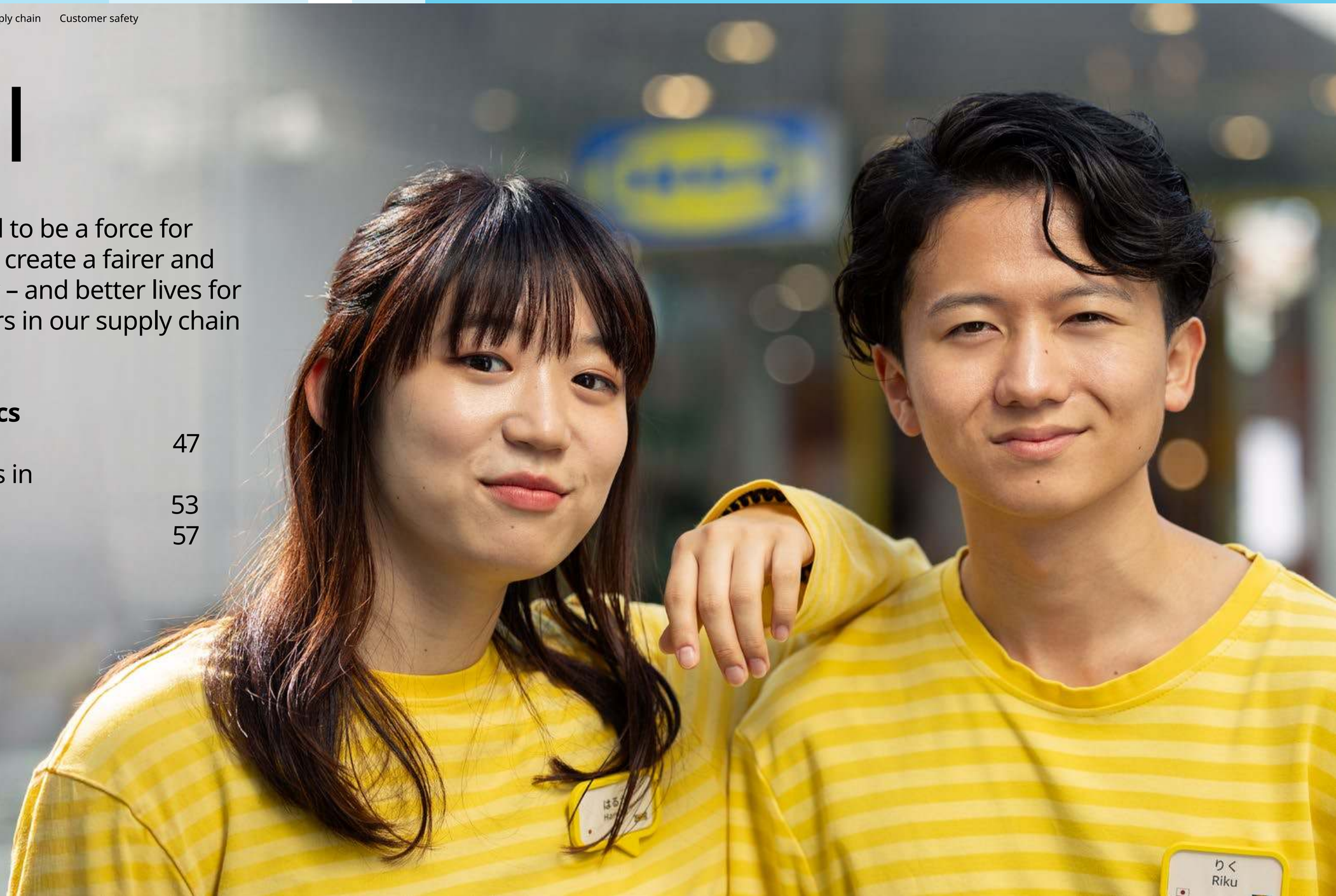
- Continued to participate in the Technical Working Group and Business Advisory Committee for the Global Circularity Protocol (GCP), of which we are a founding member. The GCP is a voluntary framework developed by the World Business Council for Sustainable Development and One Planet Network (UNEP) to help companies measure, manage, and communicate their circular performance across value chains.
- Actively contributed to shaping EU policies aimed at creating a Single Market for waste and diverting more material away from landfill and towards recycling. This included: supporting the proposed inclusion of Extended Producer Responsibility schemes for mattresses under the Waste Framework Directive; providing feedback on the secondary legislation of the Ecodesign for Sustainable Products Regulation to promote a harmonised approach to the disclosure of unsold goods; and contributing to the development of the Packaging and Packaging Waste Regulation to ensure that implementation of the new requirements is feasible across our value chain.
- Participated in the World Resources Institute Champions 12.3 initiative to support the development of shared resources to help organisations reduce food waste.
- Our ‘Love Your Stuff For Longer’ campaign at Ingka Centres, now in its fifth year, encourages visitors to only buy what they love, and to make it last. In FY25, we set up Swap Rooms to enable visitors to exchange belongings peer-to-peer, focusing on clothing, toys and homeware. We also provided tips and ideas on how to adopt more circular habits in daily routines.

Social

We are determined to be a force for good by helping to create a fairer and more equal society – and better lives for co-workers, workers in our supply chain and customers.

Our material topics

Co-workers 47
Working conditions in the supply chain 53
Customer safety 57



OFF TRACK | NEEDS IMPROVEMENT | ON TRACK

Our targets*	Progress FY25	Performance summary
Co-workers – Fair working conditions		
New target: 100% of co-workers earn equal to or above the applicable benchmark for an adequate wage** in the location where they work (based on a full-time equivalent).	[ON TRACK]	Our annual assessment in FY25 confirmed all co-workers earn equal to or above the applicable benchmark for an adequate wage in the location where they work.
Co-workers – Equality, diversity and inclusion		
New target: Aim to have a gender pay gap of no more than 5% and decrease it year on year.***	[ON TRACK]	We track our gender pay gap based on the difference in average gross hourly earnings between male and female co-workers (expressed as a percentage of male gross hourly pay) in line with recognised external reporting benchmarks. Our gender pay gap was 3.4% in FY25, compared with 4.0% in FY24. Importantly, less than 0.6% of co-workers required monetary adjustments to close pay gaps, reflecting continued progress in ensuring equal pay.
Achieve gender balance across our business by FY27.	[ON TRACK]	We maintained a binary gender balance (equal representation of men and women) among all co-workers (53.4% women, compared with 53.6% in FY24) and across all management/leadership positions (49.8%, compared with 49.9% in FY24).
Achieve gender balance across our governing bodies (boards) and senior leadership by FY27.	[ON TRACK]	We are progressing towards our target in senior leadership, increasing representation of women to 45.5% (FY24: 42.0%) in Group Management (including our Management Board) and to 50.0% (FY24:45.8%) of CEOs in Ingka Retail. On our retail country boards, women represented 47.5% (FY24: 49.5%) of registered members and 52.7% (FY24: 49.2%) of registered members and permanent invitees. Women continued to make up 25.0% of our Supervisory Board.
Working conditions in the supply chain		
We require all suppliers to continuously fulfil our IWAY expectations.	[NEEDS IMPROVEMENT]	Our suppliers are required to fulfil our IWAY expectations and we focus our IWAY reviews on those classified as high or critical risk to monitor compliance. Of the 223 reviews we conducted in FY25, 33.2% found instances where suppliers did not fully comply with our IWAY Must criteria and we followed up to ensure suppliers addressed these. By the end of FY25, 94.6% of the 223 reviewed suppliers had either passed their reviews or closed non-compliances with IWAY Musts within the allocated timeframe. Where suppliers failed to address non-compliance with IWAY Musts, we put action plans in place to apply business consequences up to and including ending our relationship with them. Our target is for Ingka Group suppliers only and excludes the supply chain for the IKEA range which is overseen by Inter IKEA Group.
Customer safety		
We don't currently have a target for this material topic.		

* We previously included five targets that were based on findings from our IShare co-worker survey. These related to our inclusion index, co-worker engagement, living our values, co-worker competency development and customer experience. We no longer publish the findings from our survey as we continue to evolve iShare each year and don't necessarily include the same questions each time, making comparability more challenging. For more information on changes to our targets see page 66.

** The general concepts of 'living wage' and 'adequate wage' are based on a level of wages considered sufficient to make a decent living. We define 'adequate wage' based on the requirements of the European Directive on Corporate Sustainability Reporting (CSRD) European Sustainability Reporting Standards (ESRS S1). We also apply recognised benchmarks to ensure our co-workers can afford a decent standard of living, such as living wage estimates published by the WageIndicator Foundation.

*** This target replaces our previous target on gender equal pay. We have updated it to reflect changes in how we report progress on this topic to align with recognised external reporting benchmarks.

Material topic

Co-workers

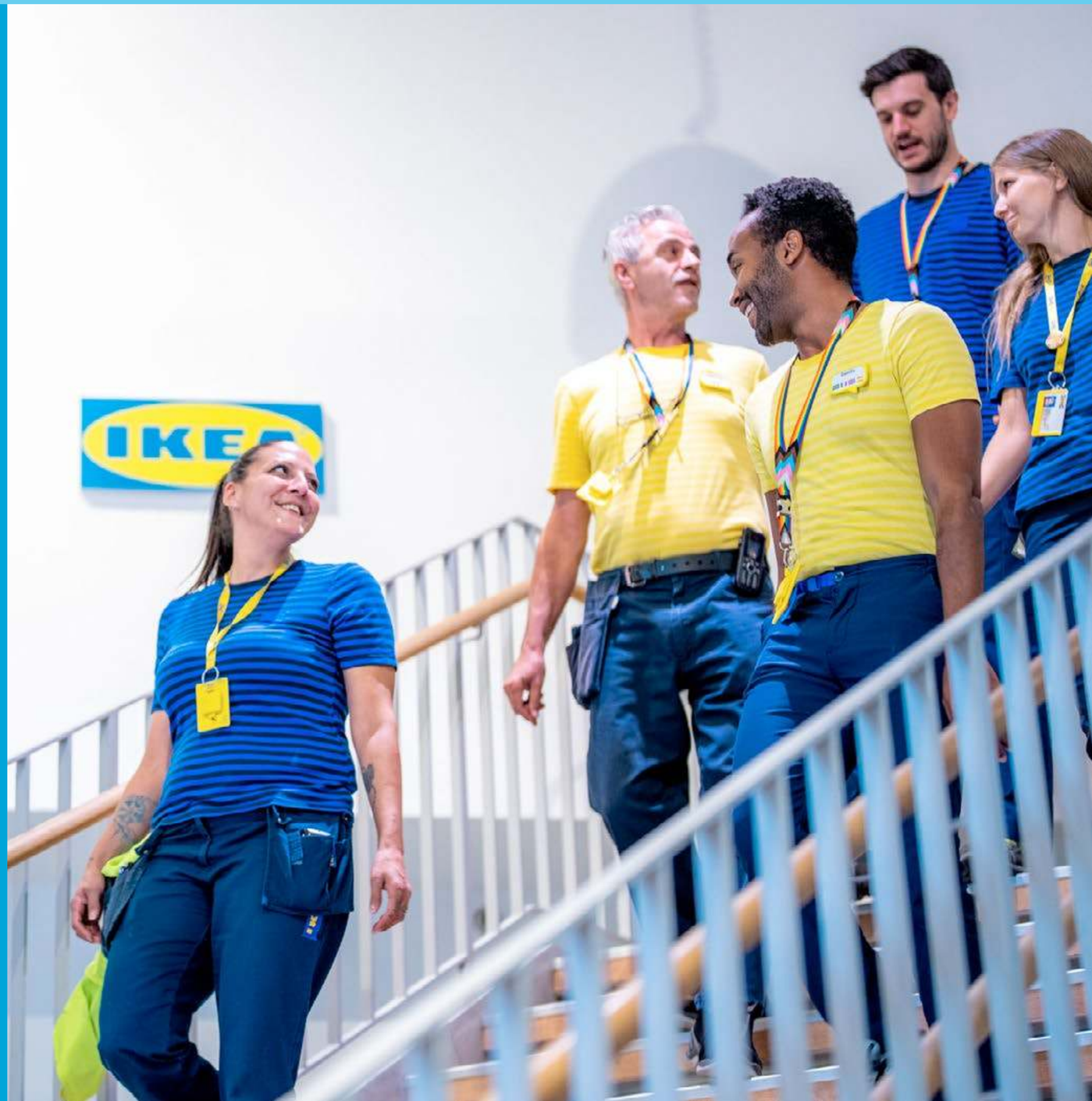
We are committed to creating a fair, diverse and inclusive workplace where all co-workers can work safely, access fair working conditions, and thrive – no matter their background or identity.

What we're proud of

- We reduced our gender pay gap to 3.4% (FY24: 4%), and maintained gender balance across Ingka Group.
- We expanded our programmes to support equality, diversity and inclusion with a new lived experience mentorship programme that connects leaders with co-workers to mentor each other.
- Co-worker voluntary turnover rate has reduced to 14.2%, compared with 15.6% in FY24 and 21.0% in FY23.

Challenges we're facing

- We need to remain vigilant to ensure that new gender pay gaps do not appear due to changes in the workforce, market dynamics, mobility or hiring practices. We do this through ongoing monitoring, by applying gender-neutral pay principles in salary decisions, removing bias from recruitment practices and making leaders accountable for equal pay.
- Collecting ethnicity data continues to be challenging due to legal restrictions in many countries. We collect data in countries where it is permitted, and where we cannot do so our managers have open dialogues to monitor progress on our diversity agenda.



Approach and policies

We have more than 166,000 co-workers across 37 countries, making the IKEA vision a reality and serving our customers every day of the week in-store and online. We aim to build valuable, long-term relationships with them, with a focus on fair working conditions and inclusive working practices. Our approach is guided by our Code of Conduct, Human Rights Policy and People Policy.

FAIR WORKING CONDITIONS

Our approach to fair working conditions encompasses fair income and a safe and healthy working environment.

Our employment contracts are designed to be transparent and fair, incorporating minimum requirements on topics such as working hours as set out in our Rule on Employment Standards. We do not use zero-hour contracts or on-call scheduling.

Health and safety

We are committed to providing a healthy, safe and secure working environment, guided by our Health, Safety and Security Policy.

We expect everyone at Ingka Group to take responsibility for health and safety, and any unsafe working practices must be discontinued and reported immediately. We provide regular training for all co-workers and more in-depth sessions for managers to help them lead by example.

Our Rule on Health and Safety and our Occupational Health and Safety framework provide detailed requirements to help us manage and mitigate safety risks. Measures include regular risk assessments, awareness and engagement, use of personal protective equipment, and ergonomic principles to prevent musculoskeletal disorders.

Implementation is supported by standard operating procedures on specific topics such as goods handling and management of near misses, incidents and accidents, as well as a separate Rule on Health and Safety in Construction Works.

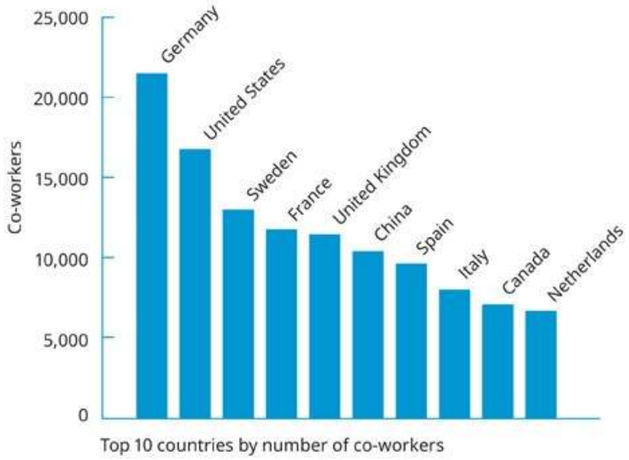
Fair income

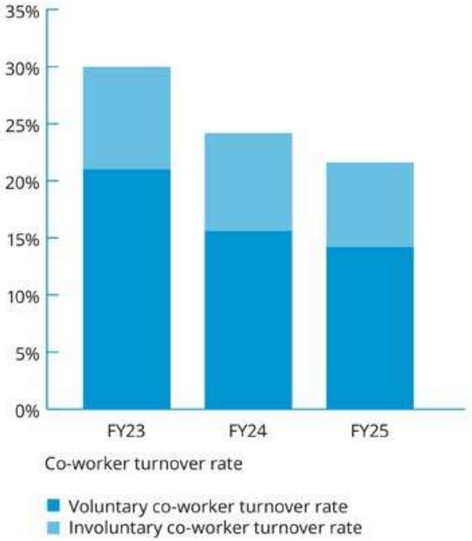
Our Responsible Wage Practices Framework, developed and aligned with Inter IKEA Group, is our approach to securing fair incomes across the value chain. It is built on five equally important practices: equality at work, pay principles, competence, dialogue and living wage. The living wage benchmark is our minimum reference point and our ambition also goes further by addressing all five practices together.

The framework includes a consistent methodology for benchmarking and monitoring the living wage in all Ingka Group countries, informed by data from the WageIndicator Foundation – a not-for-profit organisation that calculates living wages globally. Additionally, we have adopted a new adequate wage metric based on the requirements of the European Directive on Corporate Sustainability Reporting (CSRD) European Sustainability Reporting Standards (ESRS S1).

As part of our total rewards philosophy, 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.

In most of our countries co-workers can access





personalised insights into rewards and benefits through our My rewards portal. Our annual One IKEA Bonus programme rewards co-workers for achieving and exceeding our business goals and is directly linked to our financial performance. In some years, we also reward co-workers who have worked for Ingka Group for at least five years with a contribution to their individual pension funds through our Tack! loyalty programme.

EQUALITY, DIVERSITY AND INCLUSION

We want our business to reflect the diversity of our world to inspire a more inclusive everyday. We believe that diversity contributes to a stronger, more resilient business. We strive to create an inclusive environment where everyone feels respected and valued, and no-one feels the need to cover up aspects of their identity.

Our Human Rights and Equality Policy and Rule on Equality support our efforts to establish a workplace free from discrimination and harassment.

We have a three-year Equality, Diversity and Inclusion plan that sets out goals to FY27 to help us build and sustain diverse teams, create an inclusive culture and meet more people with the IKEA brand through inclusive retail experiences. Sponsors from country and Group function management teams help embed equality, diversity and inclusion in strategic decisions.

We focus on achieving a 50/50 gender balance at all levels of our business by addressing over- and under-representation of men or women within our functions. We also aim to have a workforce and leadership teams that reflect the ethnic and cultural diversity of the countries we operate in, and we are working to remove barriers to equal career opportunities across our talent processes. Our LGBT+ Inclusion Approach and Global Trans Inclusion Guidelines help managers create an inclusive workplace where LGBT+ co-workers feel welcome, safe and valued. Guided by our Global Disability Inclusion Approach, we adapt workplace processes, procedures, physical environment – and digital solutions (see page 64) – so everyone can perform at their best and feel fully included.

As part of our commitment to inclusion and meaningful work, our Skills for Employment programme offers job readiness training, language support and real work experience (with buddies) to support refugees in finding employment, including roles within Ingka Group. In addition, our Hiring Displaced Talent Framework helps us become an employer of choice for refugees by recruiting and integrating displaced talent within our workforce, including through a fast-track recruitment process and customised onboarding path.

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 assessments to identify any gender pay gaps and address these through monetary or non-monetary actions. Actions may include salary adjustments, updates to pay policies and practices, or training for line managers and People & Culture teams on salary setting and gender equal pay.

Engagement and remediation

We encourage co-workers to speak up and engage in straightforward dialogue. Their feedback helps us understand what matters most to co-workers and informs our decision-making.

We engage with co-workers regularly through internal communications channels and managers hold individual or team-level talks at least once a month to capture their perspectives directly.

Our annual co-worker survey (IShare) gives everyone working at Ingka Group 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 results, along with feedback from IShare pulse surveys, exit interviews and other sources, to assess co-worker satisfaction, enable managers to address feedback relevant to their local teams and inform improvements to workplace practices. A separate two-yearly survey gathers feedback specifically on equality, diversity and inclusion

topics, and co-worker resource groups provide deeper insights to support our development of solutions to further improve inclusivity.

We engage with co-worker representatives formally through dialogue with our European Works Council, local work councils and trade unions. Topics covered may include change initiatives, compensation, occupational health and safety, and aspects of equality, diversity and inclusion. Co-workers also provide input to local management teams through our health and safety committees. Co-workers can raise any concerns with their line manager, local Business Risk and Compliance manager or People and Culture representative. They can also use our confidential Trust line to report concerns regarding serious workplace-related misconduct. See page 54 for more on raising and investigating concerns.

Ingka Group is committed to the relevant OECD frameworks and the UN Guiding Principles (UNGP) on Business and Human Rights and its Protect, Respect and Remedy framework. The Human Rights and Environmental Due Diligence (HREDD) framework we are developing (see page 18) will support us in identifying, preventing and managing potential and actual human rights risks across our operations and value chain.

We take seriously our responsibility to remediate any negative human rights impacts on our co-workers or other affected stakeholders. Developing, strengthening and enhancing access to mechanisms for remedy remains a priority as we continue to build and embed the new HREDD framework.

Actions in FY25

FAIR EMPLOYMENT CONDITIONS

Health and safety

- Revised our Rule on Health and Safety during construction work, and associated training, to simplify and clarify requirements for Ingka Group project managers and external contractors.
- Assessed health and safety risks associated with driving and developed training for relevant co-workers on how to mitigate these risks to support the insourcing of last mile delivery services that will see more customer home deliveries carried out by our own co-workers in some countries.
- Extended the range of equipment available to country organisations to improve ergonomics for co-workers and reduce risks of accidents when handling and storing goods. This includes new solutions to support picking and loading of products in our warehouses.
- Developed and piloted a Third Party Risk Management framework to standardise ways of working and communicate Ingka Group 's expectations on health and safety and other topics to third parties early in the tender process, ensuring they are ready to comply. This will help us manage safety risks when third parties are carrying out work on our sites.
- Broadened our reporting on accidents to all recordable work-related accidents. This includes both lost-time accidents that lead to days away from work and accidents resulting in restricted work or medical treatment (beyond first aid). There were a total of 3,631 recordable work-related accidents in FY25.
- Conducted deep-dive investigations into the root causes of severe accidents and took action to prevent recurrence.
- There were no co-worker fatalities. However, we were deeply saddened by the deaths of two workers employed by our suppliers while working at our sites. The first incident involved a fall from height by a worker carrying out replacement of ceiling tiles in one of our stores in Portugal. Following this accident, we have strengthened our procedures for contracting maintenance suppliers, introduced specific safety training for facilities managers, and installed additional safety features on roofs and canopies in some stores. The second incident was at one of our forestlands, managed by a third party, in New Zealand. A worker lost their life while driving heavy machinery that overturned. We have followed up to ensure that our supplier has made the appropriate improvements to their safety procedures.

Fair income

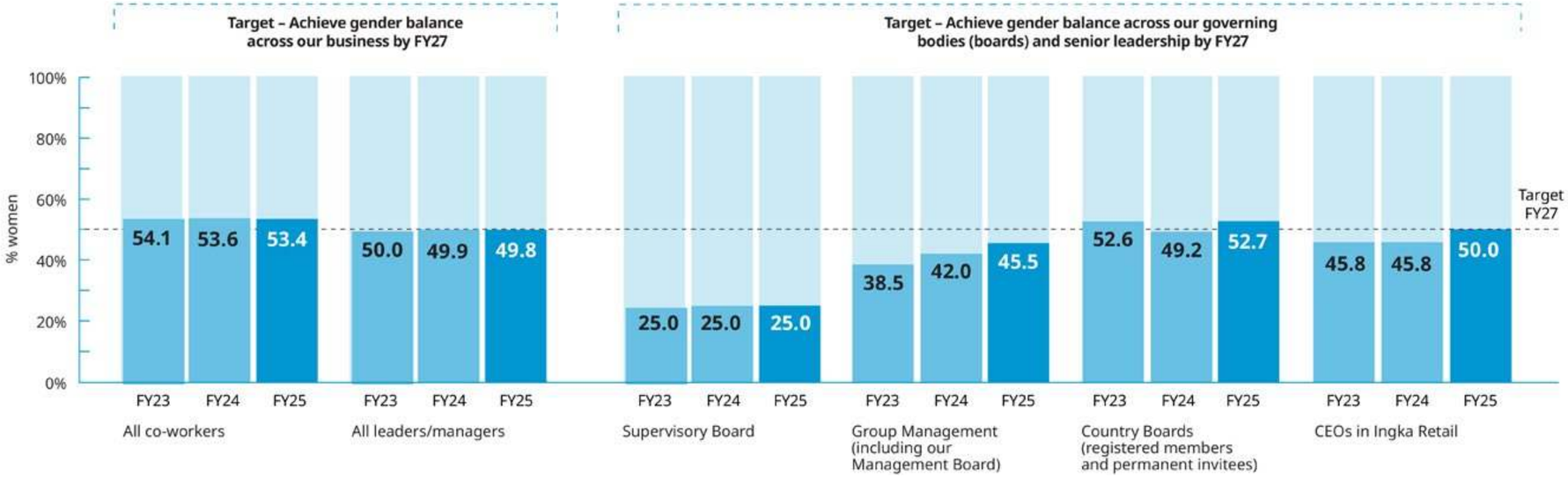
- Confirmed through our annual assessment that all co-workers are paid equal to or above the applicable adequate wage benchmarks in their respective countries and work location, with the living wage as our constant point of reference.
- Began rolling out training to strengthen

managers' confidence in leading transparent, fair and meaningful conversations about pay with members of their team. The training is designed to help us embed our total rewards philosophy and support a consistent approach to pay and recognition across Ingka Group.

- Provided a bonus pay-out to 62,465 co-workers, totalling EUR 123.8 million, through our One IKEA Bonus programme (FY24: 24,490 co-workers, EUR 53 million).
- There were no Tack! payments made in FY25. EUR 965 million has been contributed to co-workers' pension funds through Tack! since 2014.

EQUALITY, DIVERSITY AND INCLUSION

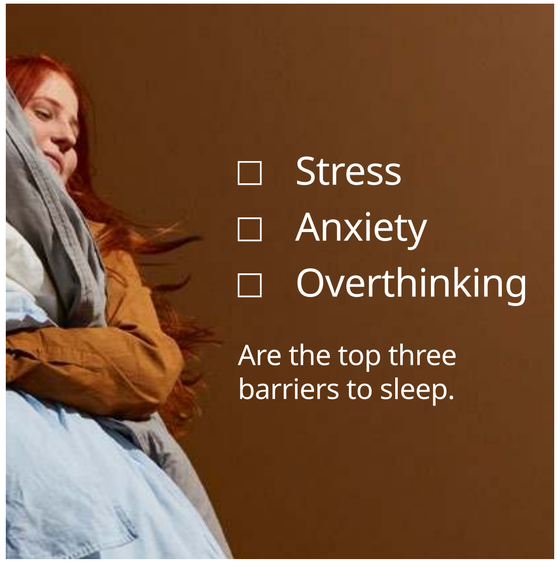
- Extended training on recognising and mitigating unconscious bias to more managers across the business to help prevent unconscious bias and stereotypes from influencing decision making in the workplace.
- Continued our inclusive approach to development and succession, contributing to increased representation of women to 45.5% (FY24: 42.0%) in Group Management (including our Management Board) and to 50.0% (FY24: 45.8%) of CEOs in Ingka Retail. On our retail country boards, women represented 47.5% (FY24: 49.5%) of registered members and 52.7% (FY24: 49.2%) of registered members and permanent invitees. Women continued to make up 25.0% of our Supervisory Board.
- Maintained gender balance in management/leadership positions (49.8%, compared with 49.9% in FY24) and among all co-workers (53.4% women, compared with 53.6% in FY24).
- Rolled out our Equal UP! playbook across all markets to support the People and Culture teams in implementing tools and practices to lower potential barriers to career development for people from underrepresented backgrounds. Accompanying training modules include our new Culturally Curious workshops to help managers gain confidence in leading conversations about ethnicity and cultural background with their teams.
- Launched a lived experience mentoring programme that connects leaders with co-workers to mentor each other. Initially focusing on ethnicity and disability, the programme enables senior leaders to learn about lived experiences connected with certain identity aspects and fosters inclusive leadership and action for inclusive and accessible workplaces.



- Made our menopause toolkit available in all markets to support co-workers going through perimenopause and menopause with practical advice and workplace adjustments.
- Partnered with local disability hiring and inclusion partners in several markets, and introduced a new Rule on Digital Inclusive Design and Accessibility (see page 64). We also developed and piloted new Disability Inclusion & Accessibility Standards to improve workplace accessibility for all co-workers. These were informed by legal requirements in our markets and recommendations from disability experts who visited our workplaces.
- Encouraged more involvement and participation of co-workers in resource groups. These groups help to build a culture of belonging and sense of community and provide a safe space to share experiences and network with others based on shared identities such as gender, ethnicity, LGBT+ or disability.
- In FY25, we supported 816 refugees through our Skills for Employment and Hiring Displaced Talent programmes; of these 359 were hired as Ingka Group co-workers. We are now more than halfway towards our commitment to support 3,000 additional refugees from 2024 to 2027, reaching 1,635 since 2024 – and almost 5,000 since the start in FY20.

Gender equal pay

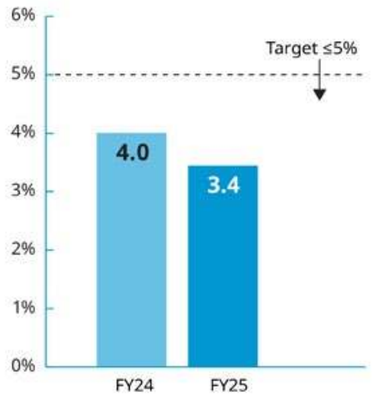
- Decreased our gender pay gap – based on the difference in average gross hourly earnings between male and female co-workers – from



4.0% in FY24 to 3.4% in FY25. We have introduced this additional metric for monitoring equal pay to help us align with future CSRD reporting requirements. Importantly, less than 0.6% of co-workers required monetary adjustments to close pay gaps, reflecting continued progress in ensuring equal pay.

EXTERNAL ENGAGEMENT AND ADVOCACY

- Continued to support the work of the Equal Pay International Coalition to improve legislation, knowledge, monitoring and labour standards in relation to gender equal pay.
- Ran a campaign on International Women's Day in March 2025 to highlight a significant gender gap in sleep, based on IKEA largest-ever global sleep study, with women on average sleeping less than men and experiencing poorer sleep quality.
- Ran a campaign on allyship, launched for the International Day Against Homophobia, Biphobia and Transphobia (IDAHOBIT) in May 2025. This centred around 11 tips for everyday allyship, featured on bookshelves in-store and published on our country websites such as the Ingka Group US website. The campaign, including practical guidance and personal stories from co-workers with lived experience, was also part of our wider support for Pride events in participating countries.
- Showed our support for the LGBT+ community during IDAHOBIT and Pride with our annual sale of the iconic STORSTOMMA shopping bag in some markets, featuring the rainbow Pride design, with proceeds donated to local LGBT+ organisations.



Gender pay gap

Target: Aim to have a gender pay gap of no more than 5% and decrease it year on year.

- Co-hosted two events in collaboration with UNHCR, the UN Refugee Agency, that brought together business, civil society, EU policy leaders and refugees to foster refugee integration and inclusion in the labour market. We also participated in the Intergovernmental Group on Migration led by the International Organization for Migration and shared our updated Skills for Employment toolkit, a guide for opening pathways to decent work for refugees.
- Participated in the public consultation on the European Commission's Gender Equality Strategy for 2026 to 2030 to share our position and priorities in relation to this topic.

Material topic

Working conditions in the supply chain

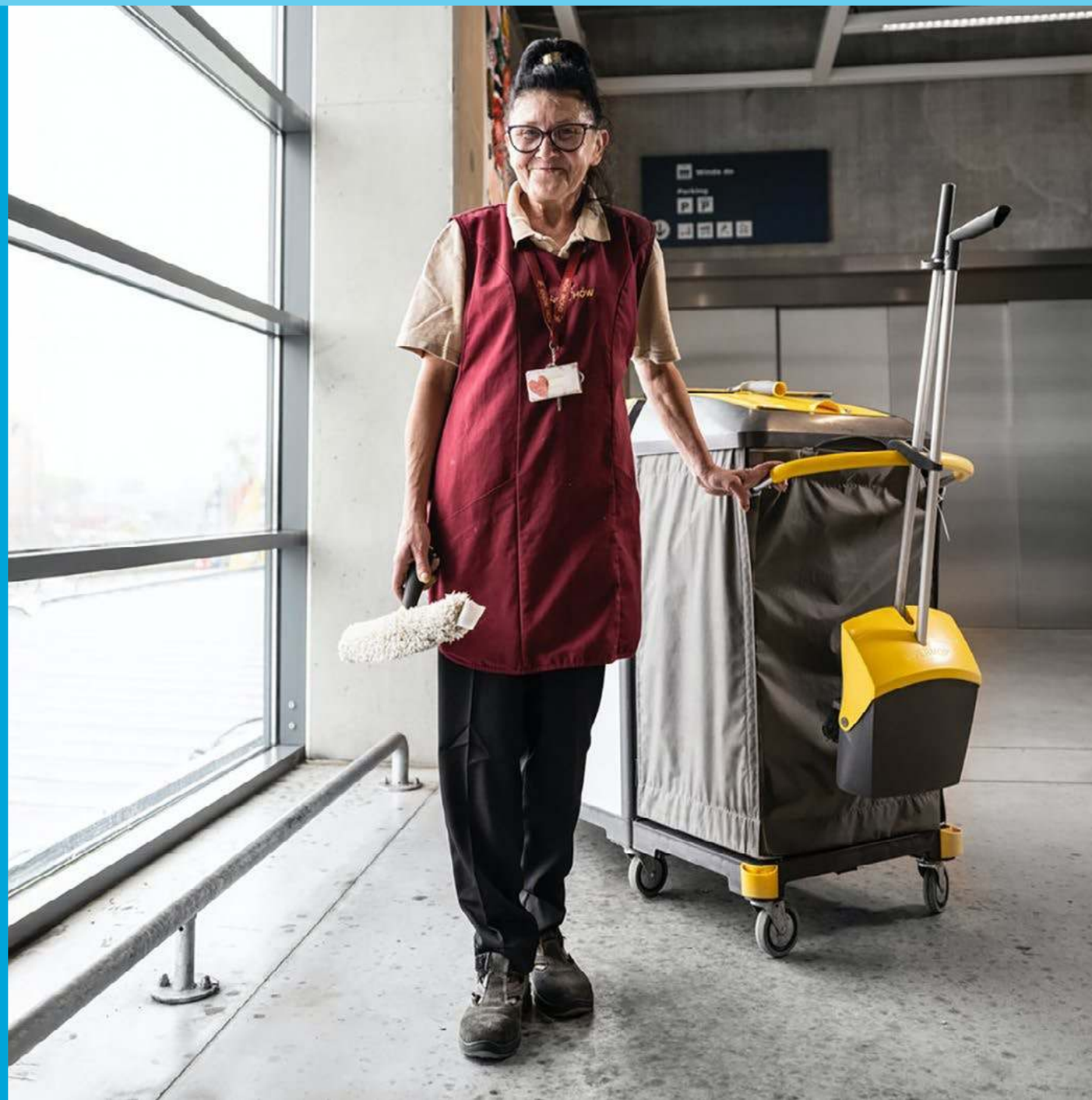
We work with thousands of suppliers to run our retail business and offices and aim to partner with those who meet our high standards. Our supplier code of conduct, IWAY, sets clear expectations on labour rights, working conditions and other aspects of sustainability, and we engage with suppliers to improve standards.

What we're proud of

- We are making progress on engaging with indirect suppliers through our IWAY process, supporting compliance and contributing to improving labour standards for value chain workers.
- We began piloting our fair income roadmap, designed to help us support living wages in our supply chain, in collaboration with IDH – The Sustainable Trade Initiative.

Challenges we're facing

- Implementing IWAY requires strong supplier engagement, especially with those new to us. Some indirect suppliers have limited experience of responsible sourcing processes.
- In higher risk sectors, such as facility management, construction and last mile delivery services, non-compliance rates remain higher, and we keep working to improve the working conditions.



Approach and policies

Our IWAY process is for in scope suppliers providing the goods and services we use to run our Retail and Ingka Centres businesses. This includes, for example, suppliers of construction, cleaning and security services for our buildings, as well as providers of home delivery and product assembly services. Inter IKEA Group oversees IWAY compliance in the supply chain for the IKEA range (home furnishings and food), IKEA Industry, IKEA Components and transport. Read more IWAY: the code of conduct for IKEA suppliers – IKEA Global

Setting clear standards

The IWAY Standard ('IWAY') sets out our expectations for suppliers around 10 social and environmental principles, including a focus on fundamental labour rights and working conditions for value chain workers.

For each principle, IWAY sets minimum standards. These include standards that suppliers must meet in order to start working with us (IWAY Musts), and standards that they are required to meet within 12 months of first delivering a product or service (IWAY Basics).

Suppliers are responsible for ensuring compliance with IWAY requirements in their own supply chain. This supports mitigation of human rights risks across our wider supply chain.

Labour rights and working conditions in the value chain are salient human rights risks for our industry and IWAY plays a key role in the implementation of our Human Rights and Environmental Due Diligence (HREDD) framework (see page 18).

We are also committed to supporting our suppliers to provide a living wage for workers in our value chain through our fair income roadmap.

IWAY process

We decide which suppliers are in scope for our IWAY process through a risk-based approach determined by the sector they operate in and the nature of our business relationship. Those in scope are required to sign the IWAY Compliance Commitment.

We monitor the risk level of suppliers on an ongoing basis. Potential new suppliers assessed as high or critical – based on factors such as their industry, location and the characteristics of the business they run – undergo an IWAY initial assessment to confirm they comply with our IWAY Musts. We do not proceed to work with any potential suppliers failing to meet these standards.

Once we begin working with a supplier identified as high or critical risk, we develop an appropriate mitigation plan that may include supplier training, gap analysis and verification activities. We use IWAY reviews to verify compliance, including some reviews that are unannounced. IWAY reviews are conducted by trained compliance specialists or, in some cases, by external auditors. We focus reviews on critical and high risk suppliers but also review a sample of medium and low risk suppliers. If non-compliances with IWAY Musts are found during an IWAY review, the supplier must agree an action plan to address these within 14 days. If the supplier does not meet this deadline, we take follow-up action and may end our relationship with that supplier.

The process for implementing IWAY is governed by our IWAY Standard Operating Procedure. We provide training on IWAY for our procurement teams and for co-workers in roles such as facility management, construction and last mile delivery who work directly with suppliers operating in high-risk sectors. We help suppliers build capability through training and ongoing engagement.

Engagement and remediation

Every IWAY review of a supplier includes direct engagement with its workers through one-to-one interviews during which they are asked about working conditions and have an opportunity to provide any other feedback. This informs our assessment of whether a supplier is complying with IWAY requirements. Worker feedback is confidential and never reported back to the supplier.

IWAY requires suppliers to have structured dialogue with workers and to put a grievance mechanism in place that is known to workers and enables them to raise complaints or concerns without retaliation. Complaints must be recorded and acted upon, and the anonymity of workers must be protected.

In EU countries, our Trust line is available to people who have a work relationship with Ingka Group, such as contractors, suppliers and volunteers, to report any potential breaches of the law observed in Ingka Group.

We are committed to addressing any adverse human rights impacts on workers in our supply chain or

other affected stakeholders that we cause or contribute to. Our remediation efforts are guided by the nature, severity and extent of the harm. In cases where impacts are linked to the supply chain, we engage with suppliers to facilitate access to appropriate corrective action plans. Where necessary, we involve external experts or independent partners to ensure effective and credible outcomes. Enhancing access to effective remedies remains an ongoing priority as we continue to develop and implement our new HREDD Framework (see page 18).

Actions in FY25

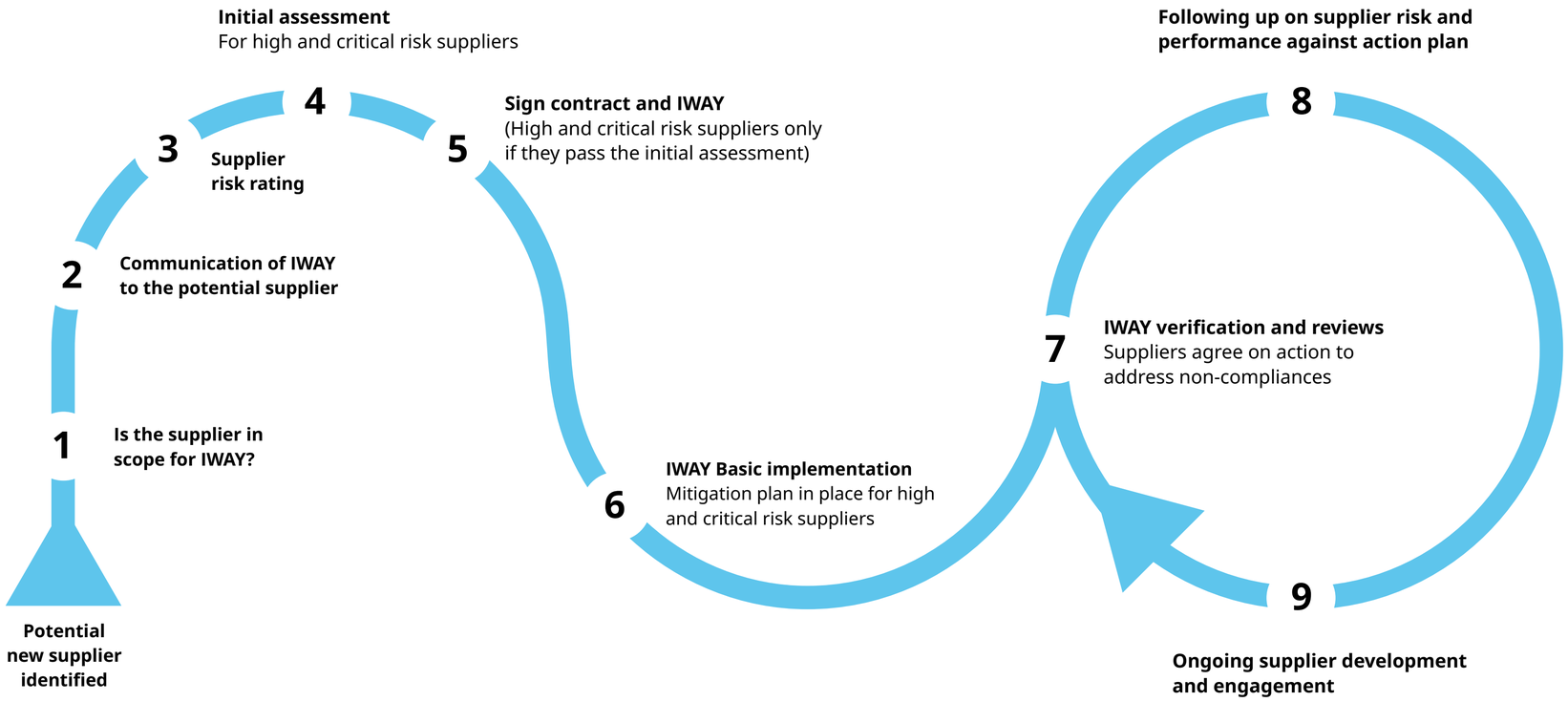
Governance

- Continued to develop our Human Rights and Environmental Due Diligence framework to help us identify, prevent and manage potential and actual human rights risks, including risks that could impact workers in our supply chain (see page 18).
- Updated the IWAY Standard Operating Procedure and strengthened our IWAY performance follow-up processes. Improvements include a new dashboard to monitor and follow up on key performance indicators across all countries where Ingka Group operates, and a new process to facilitate the escalation of issues.

IWAY reviews

- Conducted IWAY reviews of 223 Ingka Group suppliers, focusing on those classified as high or critical risk (FY24: 190). The most commonly identified non-compliances included those relating to reliable systems for recording working hours, minimum wages and proof of accident insurance. The highest rates of

Key steps in our IWAY process



IWAY Must implementation phase

IWAY Basic implementation phase
First 12 months after contract is signed

Continued supplier performance management and development
After the first 12 months

non-compliances were found among suppliers providing services such as last mile deliveries, facility services and construction, and we have enhanced support for suppliers in these areas (see capacity building below).

- Found instances where suppliers did not fully comply with our IWAY Must criteria in 74 (33.2%) of the 223 reviews and followed up to ensure suppliers addressed these. By the end of FY25, 94.6% of the 223 suppliers reviewed had either passed their reviews or closed non-compliances with IWAY Musts within the allocated timeframe. Where suppliers failed to address non-compliance with IWAY Musts, we put action plans in place to apply business consequences up to and including ending our relationship with them.
- Identified no cases of child labour through IWAY reviews of existing suppliers, but found two instances of non-compliances with IWAY Musts in a category relating to bonded labour, both in the EU. One case involved a sub-contractor in the transport industry and the second case involved a call centre service provider. In both cases, clauses in the workers' contracts included financial penalties if they chose to leave the company in certain circumstances. These clauses have since been removed from workers' contracts and we have followed up to confirm the non-compliances have been resolved.

Capacity building

- Enhanced support for suppliers in implementing IWAY expectations, with a focus on those operating in higher-risk sectors. For example, we have introduced IWAY consultants on construction sites in India. We have also strengthened our focus on IWAY implementation during supplier meetings to help us identify and address challenges.
- Begun piloting our fair income roadmap with selected suppliers from different sectors, using data provided by the WageIndicator Foundation, in collaboration with IDH – the Sustainable Trade Initiative.

EXTERNAL ENGAGEMENT AND ADVOCACY

- Continued to work with BSR (Business for Social Responsibility) to explore approaches to human rights in the road transport sector.
- Engaged with policy makers to support the objectives and implementation of the EU Corporate Sustainability Due Diligence Directive and Forced Labour Regulation.

Material topic

Customer safety

We have robust procedures in place to make sure that any potential safety issues are quickly identified and corrected and that we give customers the information they need to use our products safely.

What we're proud of

- Integrated our product recall process into our IKEA Product Deviation handling tool. This makes it easier for the teams responsible for managing recalls in each country to quickly access the information they need.

Challenges we're facing

- As a global organisation, coordinating product recalls across time zones and markets is complex. We put clear processes in place to enable us to communicate with the relevant stakeholders and minimise risks to safety and compliance.

Approach and policies

Customer safety is a shared priority for both Ingka Group and Inter IKEA Group, and embedded across the product lifecycle. At Inter IKEA Group product safety is integrated into the design and development process. Their approach includes:

- Risk assessment: "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 Inter IKEA Group Test Labs in Älmhult, Sweden, and China, and other independent accredited test labs.
- Product safety standards: IKEA standards comply with, and often exceed, relevant safety laws and standards in the countries where we operate.
- Chemicals: Strict chemical requirements are in place to ensure that IKEA products are safe and healthy to use, and that they are produced with care for indoor and outdoor environments.

At Ingka Group, our Policy on Product Safety and Quality establishes our procedures for ensuring that product safety and quality issues are prevented, detected and corrected to minimise the impact on customers. We consider customer safety when handling, communicating, stocking and selling IKEA products and provide customers with information on the correct use of products to prevent any safety issues occurring. We provide feedback to Inter IKEA on an ongoing basis to support continuous improvement of IKEA products.

We provide training to co-workers on our Policy and how to report concerns. We track the number and types of concerns to ensure co-workers apply our policy consistently. Our compliance teams check displays, room sets and advertising to ensure products are shown being used correctly and safely.

Engagement and remediation

Ingka Group co-workers play an important role in identifying potential product-related safety hazards. Every co-worker is expected and empowered to report potential product safety issues, regardless of their role or location. Our training helps them to recognise potential safety issues that could lead to injury and to report these without delay to Inter IKEA Group. This includes any potential safety concerns raised in customer feedback such as product ratings and reviews, product returns, or customer service interactions.

Co-workers are required to raise concerns about potential product safety issues via the IKEA Product Deviation handling tool. Inter IKEA Group assesses potential safety concerns, conducts further investigations where required and determines the appropriate response which could include further product testing, design changes, updates to product information, removing products from sale or a product recall. This structured process ensures that concerns are captured, assessed, and escalated appropriately, maintaining consumer safety and regulatory compliance. Inter IKEA Group ensures reporting processes are monitored 24 hours a day, seven days a week to enable a quick response to product safety concerns, whenever or wherever they arise.

If a product is identified as unsafe, we work together with Inter IKEA Group to quickly implement our product recall process in line with legal requirements, though local regulatory requirements can impact timelines. The recall process includes:

- Immediate notification to all countries via the IKEA Product Deviation handling tool to remove the product from sale and display as quickly as possible
- A comprehensive communication package is provided to recall teams in all markets to support them to alert consumers and regulatory authorities of the product recall. This enables them to prepare for the recall, inform relevant co-workers and external stakeholders and put consistent customer communications in place including information for display in our stores and via our social media channels and websites, media engagement and, where possible, direct communication with customers who may have purchased the product.
- Notifying relevant legal authorities, such as RAPEX (EU rapid alert system for unsafe consumer products) and RASFF (EU rapid alert system for food and feed safety) of the issue and how we are responding. If a product poses a serious risk to consumer health or safety, Inter IKEA Group and Ingka Group share responsibility for notifying the relevant authorities, in accordance with the EU General Product Safety Regulation (GPSR).

Actions in FY25

- Integrated our product recall process into our IKEA Product Deviation handling tool. This makes it easier for the teams responsible for managing recalls in each country to quickly access the information they need.
- Continued to train for co-workers on how to recognise and report safety risks. Training is mandatory during the onboarding process in some countries and we are working to extend this across the business.
- There were a small number of product recalls in FY25. This included a recall of some batches of our black IKEA 365+ VÄRDEFULL garlic press. It was identified that due to a production error, there was a risk of small metal pieces detaching during use and subsequently being ingested with the food. Some batches of our IKEA 365+ HJÄLTE stirring spatulas were also recalled following a local test in Belgium which showed the non-compliant migration of primary aromatic amines (chemicals used in the manufacture of plastics) above the permissible limit. Consumers could receive a full refund with no proof of purchase required.

EXTERNAL ENGAGEMENT AND ADVOCACY

We are engaging with others to explore how technology and AI can be used to support product safety and traceability. In FY25, this included participating in the Consumers International roundtable, Building a Resilient and Inclusive Digital Economy with Consumer Advocates, at the 16th United Nations Conference on Trade and Development (UNCTAD).

Governance

We are committed to doing business ethically and using new technologies responsibly. We expect everyone at Ingka Group to live our values everyday.

Our material topics

– Ethical business conduct 61
– Digital ethics 63

OFF TRACK NEEDS IMPROVEMENT ON TRACK

Our targets	Progress FY25	Performance summary
Ethical business conduct		
All co-workers in sensitive positions complete Anti-bribery and corruption (ABC) training annually.	[NEEDS IMPROVEMENT]	We have significantly increased the number of co-workers in sensitive positions completing ABC training by enhancing processes to identify sensitive roles, assign training and track completion. In FY25, 81.0% of relevant co-workers completed the training, up from 58.2% in FY24.
Digital ethics		
We don’t currently have a target for this material topic.		

Material topic

Ethical business conduct

Our culture and values guide us in everything we do. We are committed to doing business in an honest way with zero tolerance towards bribery or corruption in any form. Everyone at Ingka Group must uphold high ethical standards in the way we work and the way we interact with others.

What we're proud of

- We have significantly increased the number of co-workers in sensitive roles completing training on our Anti-bribery and Corruption (ABC) framework.
- Mandatory two-yearly training on our Code of Conduct reinforces our standards and guides co-workers on putting them into practice.
- We empower co-workers to report concerns about misconduct in good faith without fear of retaliation.

Challenges we're facing

- We must remain vigilant as economic instability and geopolitical uncertainty puts financial pressure on individuals and businesses, increasing the potential for unethical behaviour or corrupt practices.
- We need to reach more co-workers in sensitive roles with ABC training. We are optimising and automating the process for identifying sensitive positions, assigning training and tracking completion.

Approach and policies

Setting clear standards

Ingka Group is a purpose-led business (see page 5). One of the ways we ensure we make our values a living reality is through our commitment to ethical business conduct.

We expect everyone at Ingka Group to live our values every day. Our Code of Conduct translates our values into behaviours, providing guidance on how we act, how we work together, how we do business and how we raise concerns.

The Code sets out our principles for ethical business conduct, including avoiding conflicts of interest and not requesting or accepting gifts and hospitality. It emphasises our zero tolerance towards bribery or corruption in any form, with further guidance provided in our Anti-bribery and Corruption (ABC) Policy and the accompanying Rule.

Mitigating bribery and corruption risks

We mitigate the risk of bribery and corruption through implementation of our ABC Framework. This incorporates our ABC Policy and Rule, training and awareness campaigns, incident management, internal controls, compliance reviews and internal audits in high-risk markets. We regularly review and update the framework based on ABC risk assessments and we communicate any updates across our markets.

Building awareness

We provide training to empower co-workers to do the right thing when confronting dilemmas. All co-workers must complete training on our Code of Conduct every two years.

ABC is one of the topics covered by the mandatory Code of Conduct training for all co-workers. Those working in sensitive roles, such as procurement or real estate, must also complete more in-depth ABC training annually. They receive a detailed introduction to our ABC framework when they first enter a sensitive role, followed by annual refresher training. We also run in-person training sessions for co-workers in targeted functions with interactive discussions on how to handle dilemmas they could face in their roles.

Raising concerns

We foster a culture where all co-workers are encouraged and feel empowered to raise any concerns they might have about misconduct. Our Policy on Raising a Concern makes clear that anyone doing so in good faith will not face any form of retaliation.

We provide information on our website and intranet about how to raise a concern, and through our training on the Code of Conduct. We encourage co-workers to go to their line manager in the first instance, or their local Business Risk and Compliance manager or People and Culture representative.

Co-workers can also use Trust line,[1] our reporting mechanism for serious work-related misconduct and breaches of the law in a work-related context. Guided by our Group Rule on Trust line Operations, the Trust line involves as few people as possible while processing a concern. All co-workers handling concerns are specifically trained and bound to confidentiality.

In EU countries, Trust line is also available to people who have a work relationship with Ingka Group, such as contractors, suppliers and volunteers, to report any potential breaches of the law observed in Ingka Group.

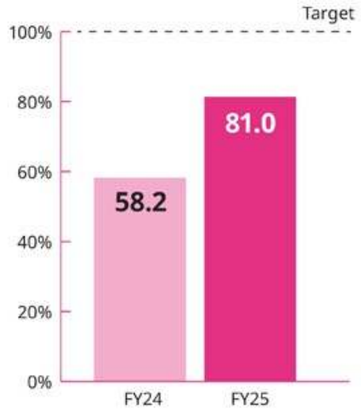
Investigating misconduct

We take every potential policy breach or case of unethical behaviour seriously. We investigate and respond quickly and carefully. Our Group Rule on Investigations provides detailed guidance to ensure confidentiality, objectivity and fairness.

Concerns reported via Trust line are evaluated by Trust line managers within Ingka Group. Where an investigation is required, this is carried out by a designated manager within the People and Culture or Business Risk and Compliance functions. Following investigations, we take disciplinary action where appropriate and implement measures to mitigate risks of similar incidents occurring in future.

Actions in FY25

- Significantly increased the number of co-workers in sensitive roles completing in-depth ABC training by enhancing our processes to identify sensitive roles, raising awareness that they need to complete the training and involving top management in monitoring and driving completion rates. We identified 16,399 co-workers in sensitive roles in FY25 and 81.0% of them completed the training, up from 58.2% in FY24.
- Conducted a compliance review and internal audits in selected high-risk markets, to test our ABC controls at Group and country level. The findings informed our risk assessments and updates to our ABC Framework.
- Ran an internal communications campaign on International Anti-Corruption Day in December 2024 to raise awareness of ABC among co-workers, with messages from senior managers underlining the importance of this topic.
- Maintained mandatory two-yearly training on our Code of Conduct for all co-workers and revised the Code, ready for publication in FY26, to simplify and clarify key messages.
- Investigated concerns reported to our Trust line. The majority of these related to potential breaches of our Code of Conduct in our retail units.



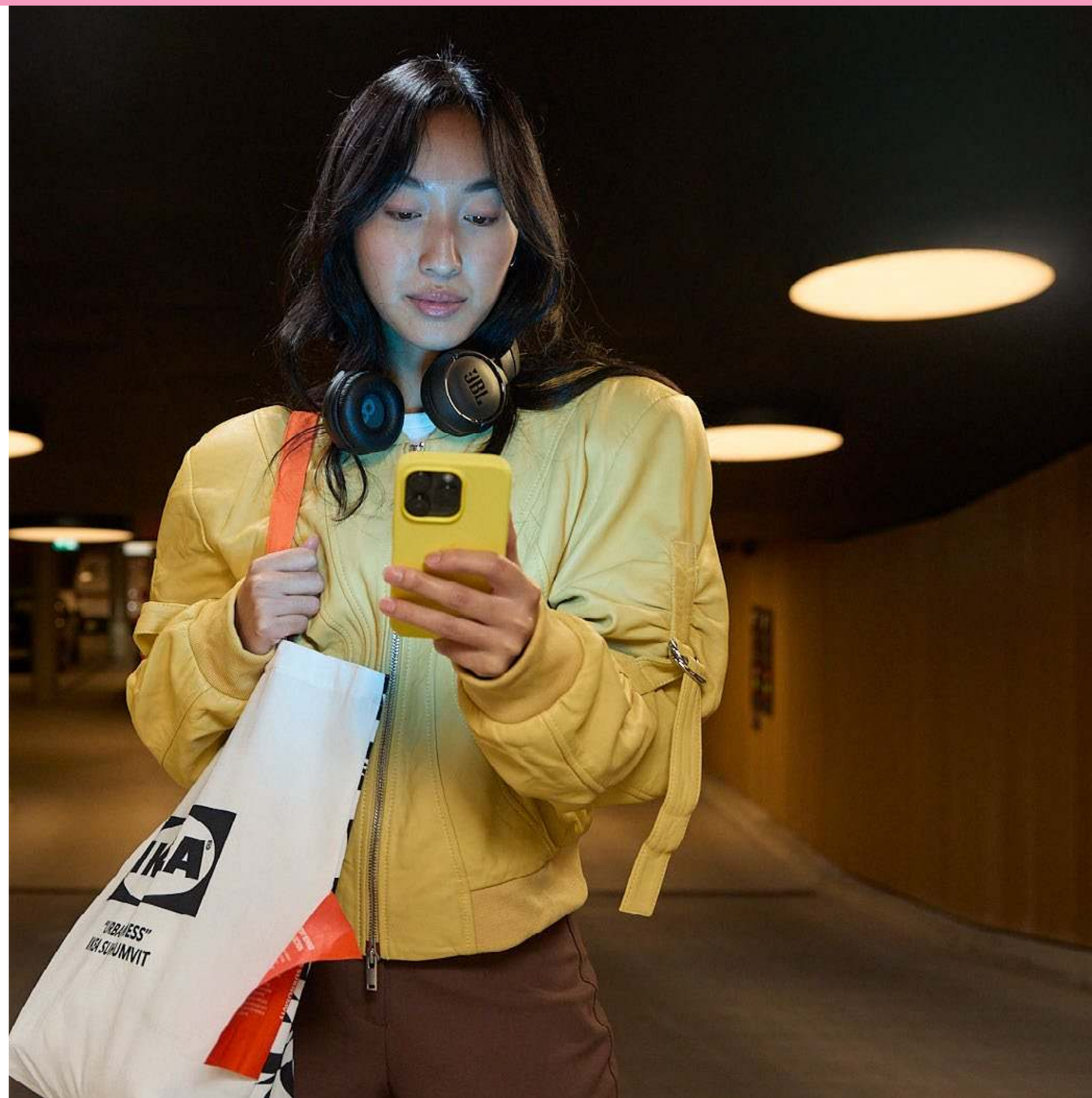
Share of co-workers in sensitive positions that have completed the training.

Target: All co-workers in sensitive positions complete Anti-bribery and corruption (ABC) training annually

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

What we're proud of

Challenges we're facing



Approach and policies

Responsible use of data and technologies such as artificial intelligence (AI) can help us enhance co-worker capabilities and serve our customers in new and better ways. Our digital ethics priorities include responsible adoption of AI, data privacy, and digital accessibility and inclusion.

Data privacy

We use customer and co-worker data to run our business and have a responsibility to ensure it is used, managed and stored securely and in line with the law and stakeholder expectations.

Our data privacy approach is guided by our Group Rule on Data Privacy and aligned with our broader Data Management Policy. These are supported by detailed Rules and Guidelines for aspects such as data privacy, information security and data management.

All co-workers must complete mandatory annual training on handling and sharing information, and dedicated data privacy training on a regular basis. We mandate additional training for those involved in handling co-worker data.

Our team of experts work to embed data privacy into our operations, processes and products. For example, we conduct privacy assessments of our digital solutions to identify and manage data privacy risks.

Responsible AI

When used responsibly AI has the potential to help us achieve our vision of creating a better everyday life for the many. We are committed to leveraging AI for good to drive positive, long-lasting change.

Our Digital Ethics Policy, and accompanying Rule, set out requirements for use of data and algorithms (including AI) in line with our Ingka Group values – in ways that uphold human dignity and agency, fairness, equity and inclusiveness, privacy and data trustworthiness, transparency, sustainability, technical robustness and safety.

This policy and rule form part of our digital ethics framework, led by a dedicated AI adoption and governance team. The framework includes cross-functional governance bodies and an AI inventory, risk assessment and mitigation process for our AI systems and models. In some cases, our approach goes beyond legal requirements. For example, several use cases for AI that are classified as high-risk by the EU AI Act we classify as prohibited, making a conscious decision that we will not use AI in these instances.

We are rolling out AI literacy training to support the responsible development and use of AI and more targeted training for co-workers dealing with high-risk use cases.

Responsible adoption of AI in our everyday business is integral to our new digitalisation strategy for the business.

Actions in FY25

Data privacy

- Updated our Group Rule on Data Privacy, refreshed our guidelines on data privacy, personal data and tracking technologies, and introduced a new guideline on data ownership to support effective management of data.
- 124,845 co-workers completed mandatory annual e-learning on Handling and Sharing Information, and 100,752 completed mandatory recurring Data Privacy training. In addition, 14,385 co-workers in the People and Culture function and managers completed Securing Co-worker Data training that is mandatory for these roles.
- Conducted privacy assessments to identify and manage data privacy risks for our digital products and services.

Responsible AI

- Established an AI Inventory, risk assessment and mitigation process for our AI systems and models. This will help us assess and monitor associated risks throughout the AI lifecycle.
- Included responsible AI in our updated Code of Conduct, for publication in FY26.
- Created an intranet hub on digital ethics and responsible AI for co-workers to access information on our AI tools, training and rules.
- Rolled out training on digital ethics and responsible AI literacy to a further 6,886 co-workers, bringing the total to 11,062 since FY23.
- Ran targeted workshops on digital ethics for co-workers in roles involving AI use cases classified as high-risk,[1] including those developing digital solutions and some of our People and Culture teams. These cover topics such as prohibited uses of AI.
- Made it mandatory for co-workers to be trained on responsible use of AI before using My AI Portal, our new generative AI tool that we have begun rolling out in several countries.

EXTERNAL ENGAGEMENT AND ADVOCACY

- Signed up to the EU AI Pact, committing to be an early adopter of the EU AI Act and to communicate about how we're preparing for its implementation.
- Joined the international multi-stakeholder Partnership on AI (PAI) that brings together more than 100 global businesses, non-profit organisations, academia and media to shape the future of AI in a way that benefits people, communities and the environment. We will join the steering committee for its European hub in FY26.
- Supported the development of the European Commission's living repository of AI literacy best practices, its guidelines on the classification of high-risk AI systems, and its Apply AI Strategy to harness AI's transformative potential while managing risks across industry sectors.
- Contributed to public consultations on emerging regulations, such as India's Digital Personal Data Protection Rules 2025, and data privacy implications of tracking technologies.

1 As defined by the EU AI Act.

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Updates to our material topics and targets

Material topics

The structure of our report was updated this year to align more closely with the terminology used in the ESRS reporting standards. In addition, our latest double materiality assessment process resulted in changes to our list of material topics and sub topics compared to FY24.

As a result of these changes, some subjects included in our FY24 report are not included this year (e.g. Community impact and Skills development) or have been renamed or merged into other sections (e.g. Healthy and sustainable living, Responsible sourcing and Fair income).

Targets

Provide knowledge, inspiration, services and platforms to support customers in prolonging product life.	We no longer include this target in our overall targets list; however, we do continue to report examples of our approach in the Resources and circularity chapter, pages 41–44.
Score 80% on our Inclusion Index, based on our co-worker survey.	Progress against these targets was measured based on findings from our IShare co-worker survey. We no longer publish the survey findings as we evolve iShare each year and don't necessarily include the same questions each time, making comparability challenging. As a result we no longer include these targets in our public reporting.
Maintain at least an 80% engagement score in our co-worker survey.	
At least 80% of co-workers believe we live our values, based on our co-worker survey.	
At least 80% of co-workers feel they have good opportunities to develop their competencies.	
At least 80% of co-worker feel empowered to create best customer experience.	
Equal pay for women and men performing work of equal value in all countries (own co-workers).	This target has been replaced by our new target to have a gender pay gap of no more than 5% and decrease it year on year. This reflects an update to our reporting on this topic to align with recognised external reporting benchmarks and CSRD reporting requirements. We continue to report the metric for our previous target, see page 51-52.
Accelerate investments by Ingka Investments into renewable energy to EUR 7.5 billion by 2030.	We no longer include this in our list of targets but report progress on the amount invested in renewable energy on page 34.
Co-workers trained in digital ethics and responsible AI literacy during FY24	We no longer include this in our list of targets but report progress on AI literacy training on page 64.

Our data

All FY25 data presented in these tables has been included in the external assurance scope.

Climate change

Energy consumption and mix (MWh)	FY16	FY23	FY24	FY25
Fossil sources				
Fuel consumption from coal and coal products	–	–	–	–
Fuel consumption from crude oil and petroleum products	7,401	9,544	9,507	8,305
Fuel consumption from natural gas	343,471	271,178	301,001	225,773
Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	583,965	104,862	86,093	138,241
Fuel consumption from other fossil sources	–	–	–	–
Nuclear sources				
Total energy consumption from nuclear sources	55,203	11,521	19,495	9,226
Renewable sources				
Fuel consumption from renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources	31,381	84,612	45,101	120,717
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	1,308,432	1,749,162	1,843,451	1,880,185
Consumption of self-generated non-fuel renewable energy	76,809	149,298	156,973	162,065
Total	**2,406,661**	**2,380,177**	**2,461,621**	**2,544,512**

Energy consumption FY25	Total energy consumption (MWh)	Renewable energy (MWh)	Non-renewable energy (MWh)	Renewable energy share
IKEA stores and plan and order points	1,697,032	1,422,611	274,421	83.8%
Logistics units	229,636	174,690	54,946	76.1%
Ingka Centres	584,251	532,443	51,808	91.1%
Offices	17,996	17,902	94	99.5%
Ingka Investments	15,597	15,322	274	98.2%
Total	**2,544,512**	**2,162,968**	**381,544**	**85.0%**

Energy efficiency (KWh/m²)	FY16	FY23	FY24	FY25
IKEA stores and plan and order points	155	133	134	133
Logistics units	54	55	49	52
Ingka Centres	246	168	182	178
Offices	68	215	300	293
Ingka Investments	–	138	129	113
Total	**155**	**120**	**123**	**125**

Electricity generated from Ingka Group wind power and solar by country FY25	MWh	%
United States	756,511	21.0%
Poland	570,241	15.9%
Finland	483,353	13.4%
Romania	356,633	9.9%
Sweden	344,491	9.6%
Other	1,085,017	30.2%

Renewable electricity consumption in our operations	FY16	FY23	FY24	**FY25**
Total electricity consumed in our own operations (MWh)	1,885,160	1,892,865	1,983,173	2,070,755
Renewable electricity consumed in our own operations (MWh)	1,313,690	1,817,123	1,915,680	1,962,044
Share of total electricity consumed from renewable electricity	69,7%	96,0%	96,6%	94.8%
Share of electricity consumption generated on-site	4,1%	7,9%	7,9%	7.8%
Share of electricity consumption generated by Ingka Investments	0,0%	51,3%	51,6%	49.1%

Renewable energy production by type (MWh)	FY16	FY23	FY24	**FY25**
Electricty from wind	304,417	3,136,615	3,225,738	3,292,894
Electricity from photovoltaic	119,746	205,766	227,117	303,352
Total	**424,162**	**3,342,381**	**3,452,855**	**3,596,246**

REPORTING CRITERIA ENERGY CONSUMPTION, RENEWABLE ENERGY, AND ENERGY EFFICIENCY

We measure energy consumption, renewable energy generation, and energy efficiency for all Ingka Group operations where we have operational control, in accordance with the GHG Protocol operational control approach. This includes IKEA stores and plan and order points, logistics units, Ingka Centres, offices, and Ingka Investment subsidiaries within our operational control.

Sites smaller than 500m² and temporary sites that have been operational for less than 12 months are excluded from reporting. For energy efficiency reporting, renewable energy sites owned and operated by Ingka Investments (wind farms and solar parks) are excluded, as energy consumption per square meter is not a meaningful metric for these assets.

This is the first year we have reported energy consumption for Ingka Investments subsidiaries (within our operational control) and we have adjusted our baseline to reflect this.

Data sources and collection

Energy consumption data is collected from multiple sources:

- Electricity consumption: Obtained from automated meters at most sites and manual meter readings where automated systems are not available
- Other energy sources (natural gas, diesel, district heating/cooling, fuels): Collected from supplier invoices
- Renewable Energy Certificates (RECs) and Renewable Gas Certificates (RGCs): Collected from our sites and procurement records.
- Building area data: Gross building area in m² (excluding parking areas) is obtained from our Asset Register
- Country-specific energy mix data: For electricity, district heating, and district cooling, sourced from external databases.
- Renewable energy generation data: Collected from meter readings at our on-site installations and from Ingka Investments' renewable energy portfolio

All data is collected and consolidated in our software system on an ongoing basis, with monthly updates for most energy data and annual updates for renewable energy certificates and Ingka Investments portfolio data.

Calculation Methodology

Energy consumption and renewable energy share:

We distinguish between renewable and non-renewable energy consumption by combining metered consumption data with renewable energy certificates and country-specific energy mix data. For electricity, renewable consumption includes:

- On-site generated renewable electricity consumed
- Purchased electricity covered by Renewable Electricity Certificates from credible certification systems (RECs, Guarantees of Origin, Power Purchase Agreements). From FY25, we only consider Electricity Attribute Certificates that comply with updated RE100 technical criteria.[1]

Non-renewable electricity is calculated as total purchased electricity minus renewable electricity and is further split into fossil and nuclear components using country-specific electricity energy source data from Sphera GaBi/MCL databases (global and regional energy datasets and environmental impact data).

For district heating and cooling, we apply supplier-specific renewable energy shares where available, or country-average renewable shares from GaBi/MCL databases. The non-renewable portion is split into fossil and nuclear components using country-specific data.

For fuels, we apply DEFRA (UK Department of Environment, Food & Rural Affairs) conversion factors for lower heating value/net calorific value. Natural gas covered by Renewable Gas Certificates is classified as renewable.

Energy efficiency

We measure the energy consumption of our buildings by dividing total energy consumption (in kWh) by total gross building area (in m^2), excluding parking areas. This includes energy consumed by tenants in our Ingka Centres and energy from contracts in buildings owned by landlords. We only include units in the calculation that have been reporting energy consumption for the last 12 months, to avoid fluctuations in the metric that are not performance related and to ensure comparability across years.

Renewable energy generation

We report all renewable electricity generated from wind and solar assets owned by Ingka Investments, as well as renewable electricity generated at our operational sites. Where we are minority shareholders in a renewable electricity asset, we report generation equivalent to our ownership share.

Estimations and limitations

In rare cases where activity-based data is not available, we estimate energy consumption based on the previous year's performance for that specific unit. Such estimates are flagged as preliminary and updated once actual data becomes available.

Country-average renewable energy shares are used for district cooling where supplier-specific data is not available. The split between fossil and nuclear energy sources relies on country-specific data from external databases (GaBi/MCL), which are updated annually.

Changes in historic years are due to improved data quality and increased scope. From FY25, we only consider Electricity Attribute Certificates that comply with updated RE100 technical criteria which resulted in a small decrease in our renewable electricity share, see page 30. ■

Scope 1 and 2 emissions (tonnes CO_2e)	FY16	FY23	FY24	FY25
IKEA stores and plan and order points	294,393	116,865	106,962	73,221
Logistics units	20,624	16,105	16,369	13,753
Ingka Centres	132,728	11,235	13,252	12,751
Offices	1,207	658	673	202
Ingka Investments	60	33	129	70
Total	**449,012**	**144,896**	**137,385**	**99,997**

Scope 1 Biogenic emissions (tonnes CO_2e)	FY16	FY23	FY24	FY25
Diesel bio-fuel blend (On-site use)	–	4	6	4
Biogas (On-site use)	–	12,103	4,983	21,304
Biomass, wood based (On-site use)	11,109	8,330	7,022	4,785
Total	**11,109**	**20,436**	**12,011**	**26,093**

Scope 2 Location- and market-based emissions	FY16	FY23	FY24	FY25
Location-based emissions (tonnes CO_2e)	747,517	614,184	657,896	703,221
Market-based emissions (tonnes CO_2e)	341,999	53,996	42,064	21,460
Footprint reduction due to use of renewable electricity	-54.2%	-91.2%	-93.6%	-96.9%

[1] From FY26, this methodology change will also be reflected in our scope 2 emissions calculations.

Scope 3 emissions by Greenhouse Gas Protocol category (tonnes CO_2e)	FY16	FY23	FY24	FY25
1. Purchased good and services[2]	16,151,201	13,483,651	12,787,541	1,179,520
2. Capital goods	724,198	453,908	553,284	445,111
3. Fuel-and-energy-related activities (not included in scope 1 or 2)	137,082	57,997	56,174	49,293
4. Upstream transportation and distribution	1,190,013	1,002,942	1,000,881	N/A
5. Waste generated in operations	31,781	18,864	19,131	15,464
6. Business travel	95,338	41,508	37,033	25,697
7. Co-worker commuting	118,612	144,892	154,582	158,182
8. Upstream leased assets	3,628	4,839	3,153	2,366
9. Downstream transportation and distribution	2,384,079	2,063,117	2,070,891	2,082,754
11. Use of sold products	7,206,881	3,218,332	3,044,390	N/A
12. End of life treatment of sold products	1,815,401	1,591,912	1,550,057	N/A
13. Downstream leased assets	21,982	17 ,753	27,854	22,274
15. Investments	4,570	152,302	267,414	285,295
Total	**29,884,765**	**22,252,017**	**21,572,387**	**N/A**

Emissions from own operations (tonnes CO_2e)[3]	FY16	FY23	FY24	FY25
Scope 1	107,013	90,900	95,321	78,537
Scope 2	341,999	53,996	42,064	21,460
Scope 3.3 Fuel-and-energy-related activities (not included in scope 1 or 2)	137,082	57,997	56,174	49,293
Scope 3.5 Waste generated in operations	31,781	18,864	19,131	15,464
Scope 3.8 Upstream leased assets	3,628	4,839	3,153	2,366
Scope 3.13 Downstream leased assets	21,982	17,753	27,854	22,274
Total emissions from own operations	**643,484**	**244,349**	**243,697**	**189,395**

Our climate footprint (tonnes CO_2e)	FY16	FY23	FY24	FY25
Scope 1	107,013	90,900	95,321	78,537
Scope 2	341,999	53,996	42,064	21,460
Total scope 1 & 2	**449,012**	**144,896**	**137,385**	**99,997**
Scope 3 Ingka Group	4,632,186	4,109,067	4,194,683	4,265,957
Total scope 1, 2 & 3 (Ingka Group only)	**5,081,198**	**4,253,963**	**4,332,068**	**4,365,954**
Scope 3 Inter IKEA Group	25,252,579	18,142,950	17,377,704	N/A
Total scope 3 (Inter IKEA Group and Ingka Group)	**29,884,765**	**22,252,017**	**21,572,387**	**N/A**
Total scope 1, 2 & 3 (Inter IKEA Group and Ingka Group)	**30,333,777**	**22,396,913**	**21,709,772**	**N/A**

[2] Purchased goods and services data is for Ingka Group suppliers only in FY25. Data for prior years includes data relating to the Inter IKEA Group supply chain. This data was not available at time of publication as explained in the reporting criteria on page 71.
[3] Our operational emissions include 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.

Total greenhouse gas emissions from transport (tonnes CO_2e)	FY16	FY23	FY24	FY25
Home deliveries	221,441	312,870	328,267	357,418
Customer travel	2,162,639	1,750,247	1,742,624	1,725,336
Co-worker commuting	118,612	144,892	154,582	158,182
Business travel	95,338	41,508	37,033	25,697
Total	**2,598,029**	**2,249,517**	**2,262,507**	**2,266,634**

CONSOLIDATED REPORTING CRITERIA CLIMATE FOOTPRINT AND GREENHOUSE GAS EMISSIONS

We report greenhouse gas emissions for all Ingka Group operations, including:

- Retail: IKEA stores, plan and order points, and logistics units
- Ingka Centres: Shopping centres
- Offices: Corporate and administrative offices
- Ingka Investments: Investment portfolio subsidiaries

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

SCOPE 1 AND 2 EMISSIONS

We calculate our scope 1 and 2 footprint in accordance with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. We apply the GHG Protocol operational control approach, reporting emissions from sites where Ingka Group has operational control over the energy consumed (i.e. where we pay the energy bill).

Sites smaller than 500m^2 or temporary sites open for less than 12 months are excluded from scope 1 and 2 reporting. Those exclusions remain collectively immaterial. Where automated meter data is unavailable, invoice data is used There were no methodology changes compared to FY24.

Biogenic CO_2 emissions from bioenergy use (biogas, biomass, bio-fuel blends) are reported separately and not included in scope 1 totals. Data on bioenergy use is collected monthly. Biogenic CO_2 factors from DEFRA 2025 (UK Department for Environment, Food & Rural Affairs,) are used to calculate the total biogenic CO_2e emissions.

SCOPE 1 EMISSIONS (DIRECT EMISSIONS FROM OWN OPERATIONS)

Direct emissions from Stationary Combustion (Fuels used on-site): Includes natural gas (including biogas with Renewable Gas Certificates), compressed natural gas (CNG), propane, diesel (100% mineral and bio-fuel blends), fuel oil (heavy). Energy consumption data is collected monthly via supplier invoices and entered into Sustain reporting system. We apply DEFRA 2025 lower heating value/net calorific value factors. For natural gas covered by Renewable Gas Certificates (RGCs), we apply biogas emission factors; for non-renewable gas (total natural gas minus RGCs), we apply natural gas emission factors. Calculation: Fuel consumption (kWh, m^3, liters) × DEFRA 2025 emission factor (kg CO_2e per unit) = Emissions (tonnes CO_2e).

Mobile Combustion (Company Vehicles): Includes shunting vehicles, passenger vehicles. Calculation: Fuel consumption × DEFRA 2025 emission factors.

Refrigerant leakage: Includes over 40 refrigerant types including R134a, R404A, R410A, R22, CO_2 and other HFCs, HCFCs, and HFOs. Refrigerant leakage is reported based on data from maintenance records and leak detection systems and entered into Sustain reporting system. Emission factors are primarily from DEFRA 2025; California Air Resources Board factors are used when DEFRA factors are unavailable. Calculation: Refrigerant leakage amount (kg) × Emission factor (kg CO_2e/kg).

SCOPE 2 EMISSIONS (INDIRECT EMISSIONS FROM PURCHASED ENERGY)

We report both market-based and location-based scope 2 emissions in accordance with the Greenhouse Gas Protocol Scope 2 Guidance. Our climate target is based on market-based scope 2 emissions, which take the purchase of renewable electricity attribute certificates and supplier-specific emission factors for district heating into account.

Market based emissions

- **Renewable electricity** must be covered by Renewable Electricity Certificates from credible systems including RECs, Guarantees of Origin and Power Purchase Agreements, and includes on-site renewable electricity generation. Electricity consumption data is collected monthly via automated meters (Retail & Centres); Renewable Energy Certificates are collected annually from countries, verified by Procurement. An emissions factor of 0 kg CO_2e/MWh is used.
- **Non-renewable electricity:** Electricity consumption data collected monthly via automated meters (Retail & Centres); entered into Sustain reporting system. Residual Mix factors from AIB (Association of Issuing Bodies, Europe) and Green-e 2024 (North America) are used where available; IEA 2024 (International Energy Agency) and e-GRID 2023 emission factors are used where residual mixes unavailable.
- **District heating:** Renewable share of district heating is collected from clusters annually, verified by Facility Management. Supplier-specific emission factors are used, where available. MLC/GaBi DB version 2024.2 regional factors used where supplier data unavailable.
- **District cooling:** Sphera MLC/GaBi version 2024.2 country average factors are used

Location based emissions

- **Electricity:** IEA 2024 country average factors and e-GRID 2023 factors for USA are used.
- **District heating and cooling:** Sphera MLC/GaBi DB version 2024.2 regional average factors are used.

RESTATEMENT OF PRIOR YEARS DATA

For Ingka Investments, Scope 1 and 2 emissions have been restated, showing an increase: (from FY16: 16, FY23: 16 and FY24: 49) compared to the previous reporting period. This adjustment is primarily due to two factors. Firstly, we have

retroactively included emissions from IKANO Bank, which was acquired in FY25. Secondly, we have expanded our reporting scope by adding new PCRE (Real Estate Portfolio) sites that were not previously included, as part of our efforts to fully integrate Ingka Investments into our reporting.

Additionally, the scope of the table previously known as 'Scope 2 emissions from electricity use in our operations (Location and market based)' has been expanded. For FY25, this table, now titled 'Scope 2 Location- and market-based emissions', includes the full Scope 2 emissions, whereas in previous reports, it only covered emissions from electricity consumption.

SCOPE 3 EMISSIONS

We report emissions across our value chain following the GHG Protocol Corporate Value Chain (Scope 3) Standard for relevant scope 3 categories.

Greenhouse gas emissions data from Inter IKEA Group is used to calculate many of our scope 3 emissions categories (parts of category 1 and categories 4, 11, 12). Inter IKEA Group is continuously working to strengthen its climate data. This supports the company to advance accountability and drive meaningful change. A key focus is on improving how the company calculates and reports climate data, following a deliberate, step-by-step approach. Part of this process is the move towards reporting aligned more closely with CSRD, starting with the Inter IKEA Group FY25 Sustainability Statement in January 2026. As Inter IKEA Group continues to enhance its processes and systems, climate data for FY25 will not be included in reporting until the publication of the Inter IKEA Group FY26 Annual Report in November 2026. This integrated report will combine financial and sustainability information and will present climate data for both FY25 and FY26. As a result we are not able to report progress against the full Ingka Group value chain footprint or target for FY25. We will report on our full FY25 scope 3 climate performance in our ASSR FY26.

Our FY25 report includes Ingka Group data for FY25 and previous years and Inter IKEA Group data for FY24 and previous years.

Scope 3 category 10 (processing of sold products) and category 14 (franchises) are not reported as they are not material to our business.

Emission factors are updated annually to reflect the latest available data. We apply the most recent emission factors where reasonable and comparable to current year data and historical factors to prior years.

We work to improve our data collection systems year on year. Changes in historic years' data are due to improved data quality. For restatements exceeding a 5% threshold, we include a more detailed explanation.

Category 1: Purchased goods and services (own operations)

The reporting covers purchased goods and services used in our own operations. This excludes the supply chain for IKEA products and food, see note on Inter IKEA Group data above. Based on financial spend data from procurement systems collected annually, which is matched with cradle-to-gate emission factors from the EXIO 2016-2019 (Environmentally Extended Input-Output) database. Latest EXIO 2022 data wasn't used due to significant increases in many EFs which would prevent us from showing performance in a comparable way. Emissions are split between category 1 (operational expenses) and category 2 (capital goods) based on the share of expenses capitalized in financial reporting. Our spend-based methodology inherently assumes Ingka's purchased goods and services are similar to global industry averages represented in EXIO (2016-2019) database.

RESTATEMENT OF PRIOR YEARS DATA

We have restated our values for category 1: Purchased goods and services (own operations) for FY16 (from 994,392 to 1,110,917), FY23 (from 1,055,866 to 1,153,887), and FY24 (from 903,974 to 1,005,166). The restatements were made to reflect improvements in our calculation methodology, specifically the inclusion of non-combustion emission factors.

Category 2: Capital goods

The reporting covers indirect emissions associated with the lifecycle of capital goods acquired or disposed of. Ingka Investments subsidiaries are excluded unless the purchases are booked through Ingka Group financial systems. Based on financial spend data from procurement systems collected annually which is matched with cradle-to-gate emission factors from the EXIO (Environmentally Extended Input-Output, 2016-2019) database. Emissions are split between category 1 (operational expenses) and category 2 (capital goods) based on the share of expenses capitalized in financial reporting. For vehicle purchases, we account for cradle-to-gate emissions covering raw materials, manufacturing, and battery production. We use external life cycle assessment studies (Green NCAP, Joanneum Research, Ricardo) and apply lifecycle emission factors assuming 150,000 km over 10 years (15,000 km/year EU average).

RESTATEMENT OF PRIOR YEARS DATA

Methodological changes have resulted in a restated higher value for FY16 (from 612,532), a restated higher value for FY24 (from 551,792), and a restated lower value for FY23 (from 541,895). These adjustments reflect an improved methodology for calculating emissions from buildings, as we have transitioned to calculating activity-based emissions using OneClick LCA.

Category 3: Fuel and energy-related activities (not included in Scope 1 or 2)

The reporting covers upstream emissions from purchased energy not included in scope 1 or 2, including Well-to-Tank (WTT) and Transmission & Distribution (T&D) losses. WTT emissions for company vehicles are not included due to lack of data and limited materiality. Data is collected monthly via Sustain system. Following emissions factors are applied - for non-renewable electricity: WTT emissions calculated using DEFRA methodology (separated into generation and T&D components); T&D losses using IEA 2024 country-specific factors. For renewable electricity: Only T&D losses included (IEA factors); we assume no WTT emissions. For district heating/cooling: MLC/GaBi DB version 2024.2 country-specific WTT and T&D factors (EU average applied where country-specific unavailable). For fuels: DEFRA 2025 WTT emission factors. For countries without specific T&D or WTT factors, EU average is applied. Data is calculated as Energy consumption × Emission factor.

Category 5: Waste generated in operations

The reporting covers emissions associated with waste generated in our operations. Data is collected monthly from waste supplier invoices and transfer notes entered in Sustain. Where actual data

is unavailable,estimation tools and manual sampling are used to estimate waste volumes. DEFRA 2025 waste fraction and treatment-specific emission factors are used. Data is calculated as: Waste amounts and treatment methods x Emissions factor.

RESTATEMENT OF PRIOR YEARS DATA
The restated lower values for FY16 (from 38,256) and FY23 (from 25,039) are due to the change to new DEFRA waste emission factors.

Category 6: Business travel
The reporting covers business travel by co-workers. We use a hybrid distance and spend-based approach. Data is collected from travel agencies (travel booking tool), and expense systems. Data is collected continuously and consolidated annually. DEFRA 2025 emissions factors are used. Data is calculated as: Air travel: Distance from booking data × distance-based emission factors; Rail, public transport, taxi, private cars: Spend converted to distance using conversion factors × emission factors; Rental cars: Distance × emission factors; Hotels: Number of nights × emission factor per night.

RESTATEMENT OF PRIOR YEARS DATA
TThe restated higher values for FY23 (from 31,000) and FY24 (from 29,065) are due to the correction of a distance calculation error and the inclusion of IKANO Bank's emissions.

Category 7: Employee commuting
The reporting covers emissions from co-worker commute (daily commute between homes and worksites, one way only) with a distance based method. The emissions are calculated using primary data (headcount, estimated travelled distance). The travelled distance and the mode of transport of our co-workers is extrapolated based on our customer behaviour studies. The emissions are calculated as: a product of headcount x travel time x time to km Numbeo factor x Working days x DEFRA 2025 Emission factor.

Category 8: Upstream leased assets
The reporting covers energy consumption in leased properties where the landlord holds the energy contract. Includes IKANO Bank but excludes other Ingka Investment subsidiaries as immaterial. Data collected from landlord invoices and meters in Sustain is collected monthly (Retail/ Centres) or annually (Investments). If data is unavailable, emissions are not reported for those sites; this applies to a limited number of sites where landlord-paid energy represents approximately 0.5% of Ingka's total energy consumption and is therefore considered immaterial for Scope 3 reporting. Emission factors used - renewable electricity: emission factor of 0 kg/MWh if suitable Energy Attribute Certificates provided; non-renewable electricity: RE-DISS (12/2023) country residual emission factors where available (sourced from AIB and Green-e 2024) IEA 2024. GHG Protocol/e-GRID 2023) country average emission factors are used where residual factors are not available. District heating and cooling: Country specific emission factors from MLC/GaBi DB version 2024.2. Fuels used on-site (non-vehicle): Relevant DEFRA 2025 factors for lower heating value / net calorific value for fuels for all years. Data is calculated as: Energy consumption from meters or landlord invoices × emission factors.

RESTATEMENT OF PRIOR YEARS DATA
Our data has been restated and now shows lower values than previously reported for FY16 (from 6,420) and FY24 (from 4,126), and a higher value for FY23 (from 4,319). These adjustments are a result of two main factors: the removal of certain customer fulfilment units in China from the Ingka Group reporting scope (these are now included in Inter IKEA Group's reporting scope), and the acquisition of IKANO Bank.

Category 9: Downstream transportation and distribution (customer deliveries and customer/visitor travel)
Last mile home deliveries are calculated using a hybrid distance and fuel-based model. Data is collected monthly in Centiro delivery system (automated daily data collection for 28 countries) and manually for India and China. Average distance from proxy countries and standardized emission factors are used due to system integration limitations. Fleet data is collected annually from Transport Service Providers. Where detailed data is not available, documented assumptions are applied. Where the fuel type is not registered, diesel fuel is assumed. Emission factors reflect the full fuel/electricity lifecycle (Well-to-Wheel), including both upstream (Well-to-Tank) and downstream (Tank-to-Wheel) emissions. Emission factors for diesel trucks are based on the 2025 Global Logistics Emissions Council (GLEC), while emission factors for electric vehicles are derived from a combination of 2025 DEFRA and 2025 International Energy Agency (IEA) data. Data is calculated as: Distance (km) × Fuel consumption (L/km or kWh/km) × Well-to-Wheel emission factor (kg CO_2e/L or kWh). Parcel home deliveries, returns and deliveries to collection points are excluded from calculations.
Customer travel to stores, and visitor travel to Ingka Centres. Number of journeys are calculated using sales transaction data (daily) (excluding food transactions). Mode of transport and postcode determined using customer surveys, market share customer data or country averages. Distance is calculated using Google Maps car routing (continuously updated). Car fuel type is determined using national vehicle registration statistics from external sources (annually) e.g. Eurostat, UNECE, US Department of Energy. China, India, Romania, South Korea, Russia, and Ukraine use proxy country average distances and fuel splits due to data limitations. Historical years use trend factors and assumptions where current data sources were not yet available. Emission factors are sourced from the 2025 DEFRA library. Calculated as: Number of journeys (one way) × Distance (km) × Emission factor (kg CO_2e/km) per mode of transport. Travel to plan and order points with separate business unit codes are excluded from calculations.

Category 13: Downstream leased assets
The reporting covers emissions from properties we lease to tenants. Data collection monthly from tenant energy meters. Emission factor sources differ depending on the energy source (refer to reporting criteria for Scope 1 and 2 for detai ls). Exclusions: We are currently not reporting on B2B leases issued by Ikano Bank. Based on our estimates, including this segment would increase emissions within Category 13 by approximately 12,000 tCO_2e, representing a 54% increase compared to the emissions currently included in scope for this category. We are reviewing relevant methodologies and refining our calculation approach, with the aim of finalising the accounting for this category in the next fiscal year. Data is calculated as: Energy consumption × emission factors.

Category 15: Investments

Financed emissions for equity investments with >1% ownership. We updated our methodology in FY25 to include investee Scope 3 emissions (previously only Scope 1 and 2). Sovereign bonds are excluded from Scope 3 Category 15 as there is no methodology accepted by GHG Protocol to calculate emissions for this type of investments. Debt investments (listed bonds, listed equity (below 1%)) are excluded from Scope 3 Category 15 in accordance with GHG Protocol guidance (Table 5.9, page 52, Corporate Value Chain Accounting and Reporting Standard) as use of proceeds is not known or not in GHG-intensive projects. Listed bonds and equity (below 1% ownership) are reported separately as Financed emissions following the PCAF Standard (see page 32). Investment portfolio data and investee emissions data - collected annually; data quality assessed according to Partnership for Carbon Accounting Financials (PCAF) data quality scores. We use best available data from investee reporting or industry estimates and apply PCAF methodology and formulas to calculate emissions. 2025 MSCI sector-average carbon intensities (tCO_2 per EUR revenue or asset value) are used as proxies to estimate emissions.

RESTATEMENT OF PRIOR YEAR DATA

The restated lower value for FY16 (from 283,059) and the higher values for FY23 (from 137,271) and FY24 (from 130,858) are a result of the retrospective application of our updated methodology, which now includes investee Scope 3 emissions. ■

Relative greenhouse gas emissions from transport (kg CO_2e per trip)	FY16	FY23	FY24	FY25
Home deliveries, customer travel and co-worker travel	5.4	4.9	4.8	4.7

Relative greenhouse gas emissions from travel to stores (kg CO_2e per trip)	FY16	FY23	FY24	FY25
Customer travel and co-worker travel (excl business travel)	5.2	4.8	4.7	4.7

REPORTING CRITERIA RELATIVE GREENHOUSE EMISSIONS FROM TRANSPORT AND TRAVEL TO STORES

We report several greenhouse gas emission intensity metrics to track our efficiency in reducing emissions per customer interaction. Data collection and assumptions for these metrics are described in the relevant scope 3 categories in the Emissions reporting criteria.

Relative greenhouse gas emissions from transport (kg CO_2e per trip): the average emissions per customer/co-worker trip across home deliveries, customer travel, and co-worker travel (excluding business travel). This is calculated as – total emissions from home deliveries + customer travel + co-worker travel in tonnes CO_2e) ÷ Total number of trips × 1,000 = kg CO_2e per trip.

Relative greenhouse gas emissions from travel to stores (kg CO_2e per trip): this metric measures the average emissions per trip for customer travel and co-worker commuting to stores, excluding business travel and home deliveries. This is calculated as – (Total emissions from customer travel + co-worker commuting in tonnes CO_2e) ÷ Total number of trips (customer + co-worker) × 1,000 = kg CO_2e per trip.

Intensity metrics are sensitive to changes in survey methodology or response rates.

RESTATEMENT OF PRIOR YEARS DATA

This year, we have changed the measurement unit for relative greenhouse gas emissions from transport and travel to stores from tonnes CO_2e per trip to kilograms CO_2e per trip. The increased values for previous years (from the values reported last year: FY16: 4.1 kg CO_2e, FY23: 4.2 kg CO_2eand FY24: 4.2 kg CO_2e) for relative greenhouse gas emissions from transport are primarily due to error corrections, including a distance calculation error in Business Travel and an emission factor error in Employee Commuting. Additionally, the inclusion of IKANO Bank's emissions has contributed to these restated figures. ■

FLAG emissions - removals and storage (tonnes CO_2e)	FY16	FY23	FY24	FY25
The total amount of GHG removals and storage in metric tonnes of CO_2e	1,098,190	597,078	675,519	833,831
FLAG emissions	59,820	91,091	43,106	43,343

REPORTING CRITERIA FLAG EMISSIONS – REMOVALS AND STORAGE

We report FLAG emissions separately in accordance with the GHG Protocol Land Sector and Removals Guidance, including both emissions and removals/storage from forestry and agricultural activities.

Our data covers FLAG emissions from our Ingka Investments forestland portfolio only. Any other FLAG emissions are excluded.

Most data is collected from primary sources (country bookkeeping systems and Forest Inventory GIS systems) and aggregated into our Sustain reporting system. Energy-related information is usually obtained from real-time meters at each site, from invoices, or from service providers. We work to improve our data collection systems year on year.

Carbon removals and store are calculated by estimating net growth in above and below ground biomass in our forestry portfolio and converting to net CO_2 removals. ■

Climate footprint across our value chain (tonnes CO_2e)	FY16	FY23	FY24	**FY25**
Materials	10,922,530	9,914,583	9,760,039	N/A
Food ingredients	778,780	701,661	671,536	N/A
Production	3,338,973	1,713,520	1,350,800	N/A
Product transport	1,190,013	1,002,942	1,000,881	N/A
Construction materials	500,128	214,341	288,136	208,456
Goods and services used in own operations	1,334,987	1,393,454	1,270,314	1,416,175
Own operations (Retail, Ingka Centres and Ingka Investments)	643,484	244,349	243,697	189,395
Customer and co-worker travel and home deliveries	2,598,029	2,249,517	2,262,507	2,266,634
Product use at home	7,206,881	3,218,332	3,044,390	N/A
Product end of life	1,815,401	1,591,912	1,550,057	N/A
Investments	4,570	152,302	267,414	285,295
Total	**30,333,777**	**22,396,914**	**21,709,772**	**N/A**

REPORTING CRITERIA CLIMATE FOOTPRINT ACROSS OUR VALUE CHAIN

For transparency, we report our climate footprint using value chain categories that reflect our business operations. These map to GHG Protocol scopes and categories as follows:

Materials
Scope 3, Category 1 (Purchased goods and services - raw materials for products)

Food ingredients
Scope 3, Category 1 (Purchased goods and services – food products)

Production
Scope 3, Category 1 (Purchased goods and services – manufacturing of IKEA products)

Product transport
Scope 3, Category 4 (Upstream transportation and distribution)

Construction materials
Scope 3, Category 2 (Capital goods – building materials)

Goods and services used in own operations
Scope 3, Categories 1 (Purchased goods and services) and 2 (Capital goods – Ingka Group vehicles used in our operations + other capital goods)

Own operations
Scope 1, scope 2, and scope 3 Categories 3 (Fuel-and-energy-related activities), 5 (Waste generated in operations), 8 (Upstream leased assets) and 13 (Downstream leased assets)

Customer and co-worker travel and home deliveries
Scope 3, Categories 6 (Business travel), 7 (Co-worker commuting) and 9 (Downstream transportation and distribution)

Product use at home
Scope 3, Category 11 (Use of sold products)

Product end of life
Scope 3, Category 12 (End-of-life treatment of sold products)

Investments
Scope 3, Category 15 (Investments)

Note: Materials, Food ingredients, Production, Product transport, Product use at home, and Product end of life relate to Inter IKEA Group's operations as the franchisor. ■

Zero emission delivery share	FY23	FY24	FY25
Share of retail home deliveries made by electric or zero emissions vehicles	24.6%	41.1%	60.1%

REPORTING CRITERIA ZERO EMISSION DELIVERY SHARE

This metric applies to Ingka Retail operations across all markets where home delivery services are provided. It covers last-mile truck deliveries from the final hub (store or Local Service Centre) to the customer's delivery address. The metric excludes:

- Parcel deliveries
- Truck deliveries to pick-up points
- Return deliveries from customers

We define zero emission vehicles as those that do not emit any emissions during usage. This includes:
- 100% Battery Electric Vehicles (BEV)
- 100% hydrogen fuel cell vehicles.

We do not consider the energy source used for charging (e.g., green vs. brown electricity) in our classification of zero emission vehicles. Plug-in hybrid vehicles (PHEV) are not considered zero emission vehicles.

Data is collected from an external Software-as-a-Service (SaaS) platform that integrates Transport Service Provider (TSP) systems with Ingka Group's logistics infrastructure, which captures all customer home delivery work orders and associated vehicle fuel type information.
Data is consolidated monthly through internal systems, with country teams providing manual adjustments when TSP system integration is incomplete. Year-end reporting reflects the status as of end of August.

The Zero Emission Delivery Share % is calculated as: (Number of completed zero-emission delivery work orders) / (Total number of completed delivery work orders) × 100.

Key assumption: Deliveries with unknown or missing fuel type data are conservatively classified as diesel-powered vehicles, representing a worst-case scenario. This assumption is consistently applied and transparently tracked in the reporting system.

Data completeness: While data coverage is comprehensive, minor gaps may exist due to missing monthly adjustments from some countries (estimated impact ≤0.8% of total deliveries) and incomplete vehicle fuel type registration by certain TSPs. These gaps are considered immaterial and are conservatively addressed through the diesel classification assumption. ■

Ingka Group vehicles zero emission share	FY23	FY24	FY25
Share of company-owned and leased vehicles used in our operations that are zero emission vehicles	39.2%	48.4%	71.8%

REPORTING CRITERIA INGKA GROUP VEHICLES ZERO EMISSION SHARE

This metric covers Ingka Group, including IKEA Retail, Ingka Centres, and the forestland portfolio of Ingka Investments. It excludes other Investment portfolios and Ingka Investments subsidiaries.

This metric represents the share of company-owned and leased vehicles used in our operations that are zero emission vehicles. It includes:
- Passenger vehicles (pool vehicles, (company cars)
- Goods vehicles (primarily customer fulfilment vehicles used in last-mile delivery)

Middle mile vehicles (those used between logistics units and local hubs) are excluded since these are outsourced. Forklifts are also excluded.

We define zero emission vehicles as those that do not emit any emissions during usage. This includes:
- 100% Battery Electric Vehicles (BEV)
- 100% hydrogen fuel cell vehicles

We do not consider the energy source used for charging (e.g., green vs. brown electricity) in our classification of zero emission vehicles. Plug-in hybrid vehicles (PHEV) are not considered zero emission vehicles.
Data is collected annually from multiple internal sources:
- Owned passenger vehicles: We extract the total owned fleet from our financial asset registers. Group Financial Control at country level adds the fuel type of each vehicle, based on purchasing documentation.
- Leased passenger vehicles: We extract the total leased fleet from our global leasing registers.
- Goods vehicles: We manually collect data on owned and leased goods vehicles via annual surveys at country level. Data is based on purchasing documentation and primary records.

The metric is calculated as: (total number of zero emission vehicles / total number of vehicles) × 100. ■

Water

Water withdrawal (m^3)	FY16	FY23	FY24	FY25
IKEA stores and plan and order points	5,338,527	5,075,395	5,137,458	5,082,316
Logistics units	156,213	201,900	222,692	202,909
Ingka Centres	1,697,152	2,488,615	2,761,342	3,714,025
Offices	91,379	9,977	11,738	14,021
Ingka Investments	–	143	1,172	5,191
Total	**7,283,272**	**7,776,030**	**8,134,402**	**9,018,462**

Water withdrawal in areas at water risk	FY16	FY23	FY24	FY25
Water withdrawal in areas of water risk, including areas of high water stress (m^3)	2,401,211	3,133,949	3,357,177	4,104,390
Share of our sites operating in areas of high water stress	30.7%	31.5%	32.7%	33.5%

RESTATEMENT OF PRIOR YEARS DATA

Water withdrawal data for Ingka Investments has been restated for FY24 (from 75), showing an increase compared to the previous reporting period. This reflects an expanded reporting scope that now includes new PCRE (Real Estate Portfolio) sites that were not previously included, as part of our efforts to fully integrate Ingka Investments into our reporting. ■

REPORTING CRITERIA WATER

We measure water withdrawal in cubic meters (m^3) for sites within our operational control, defined as sites where Ingka Group pays the invoice to the utility provider. This includes IKEA stores, plan and order points, logistics units, Ingka Centres, offices and Ingka Investments prioritised cities real estate portfolio (buildings which are owned by Ingka Investments and occupied by Ingka Retail). Water withdrawal from other investment portfolios is not considered material and excluded from our data. Sites below 500m^2 or temporary sites open for less than 12 months are excluded. Data is collected through meters installed on site and reported by Facilities Management.

We measure water from external suppliers (municipal water supply), rainwater harvesting systems, and water withdrawal from local wells. Total water withdrawal is calculated as the sum of litres from all units, aggregated in our reporting system to total water withdrawal at Ingka Group level.

Areas at water risk are defined as areas of high and very high water stress. Sites in these areas are identified using Aqueduct, the water risk atlas run by the World Resources Institute. Water stress area classifications are uploaded to our reporting system and mapped against the water withdrawal of our units using geolocation.

Biodiversity

Spatial footprint (hectares)	FY25
Real estate (IKEA Retail, Ingka Centres, and Ingka Investments)	4,652
Forestland portfolio (Ingka Investments)	323,863
Renewable energy portfolio (Ingka Investments)	864
Total	**329,378**

Land-use change (hectares)	Baseline assessment from 2020 – 2025
Real estate (IKEA Retail, Ingka Centres, and Ingka Investments)	0
Forestland portfolio (Ingka Investments)	0.8
Renewable energy portfolio (Ingka Investments)	164.9
Total	**165.7**

Negative impact on biodiversity	Number of sites	Area of sites (ha)
Forestland portfolio (Ingka Investments)	0	0

REPORTING CRITERIA BIODIVERSITY

This is the first reporting year for these metrics. Spatial Footprint and Land-Use Change metrics are reported in line with the Taskforce on Nature-related Financial Disclosures (TNFD). Forestland Sites with Negative Impact on Biodiversity is reported in line with ESRS.

The metrics cover Ingka Group entities globally across three business functions:

- Real estate (IKEA Retail, Ingka Centres, and Ingka Investments) - all buildings in our retail business (including logistics units, stores, and offices), Ingka Centres shopping centres, and the Ingka Investments prioritised cities real estate portfolio (buildings which are owned by Ingka Investments and occupied by Ingka Retail). Includes both owned and leased land plots.
- Forestland portfolio (Ingka Investments) – forestland owned by Ingka Investments where this land was owned for the entire financial year. Non-forestland areas such as agricultural land within forestland holdings are excluded.
- Renewable Energy Portfolio (Ingka Investments) – wind, solar, and battery energy assets fully owned by Ingka Investments. Sites that were operational for all or part of the financial year are included.

Spatial footprint represents the total surface area in hectares controlled or managed by Ingka Group. Land-use change refers to a change from one land-use category to another, using categories from the Intergovernmental Panel on Climate Change (IPCC): Forestland, Grassland, Cropland, Wetland, Settlement, and Other Land. The baseline assessment period for land-use change is 2020 to 2025 and all changes within that period are aggregated into one figure.

To assess the spatial footprint and changes in land use for Real estate, we use site-level legal documentation including title deeds and land registers. To assess land-use change, legal documentation for the site before construction is compared with the current land use. In the current year (2025), an aggregated baseline is reported, including all land area changed since the baseline year (2020). A conservative approach is applied so that the entire site is counted as changed if land use zoning differs between the two periods, even if green spaces remain on the site, which is often the case.

For the Forestland Portfolio, GIS-based (geographic information system) measurement of land area per compartment is used, drawing on data from forest inventory systems acquired upon acquisition of land. Data is collected from GIS systems at the country level. Cases of negative land use change within the Forestland portfolio are sourced from land registry information collected at the local level.

For the Renewable Energy Portfolio spatial footprint, wind energy assets use a megawatt (MW) to area conversion based on National Renewable Energy Laboratory (NREL) factors. This is a conservative estimate using the "Permanent – higher bound" footprint with a standardised conversion factor. For solar and battery assets, land area is assessed based on asset documentation showing the physical footprint of the installation. To assess land-use change for renewable energy, asset documentation and data from Environmental Impact Assessments (EIA) are used to compare the original land use (before construction) with the current land use (during operation) to calculate an accumulated baseline figure for all land that has been changed between 2020 and 2025). Where baseline data is not available for older assets, estimates are used based on available asset documentation.

Forestland Sites with Negative Impact on Biodiversity tracks the number and area of sites owned, leased, or managed that are in or near protected areas (PAs) or key biodiversity areas (KBAs) that Ingka Group is negatively affecting. "In or near" is defined as overlapping with or sharing a boundary with a PA or KBA. Negative impact is tracked as non-conformities with specific certification principles, or directly reported. Certification audit reports and GIS mapping are used to identify sites with non-conformities. Negative impact is reported if a non-conformity overlaps with or shares a boundary with a PA or KBA. Impacted areas are geolocated and recorded in the forest inventory system. Impact is assessed on a case-by-case basis depending on the type and intensity of the non-conformity. If the yearly certification audit report is not yet available at the time of reporting, the previous year's findings may be used. ■

Resource use and circularity

Total waste generated (tonnes)	FY16	FY23	FY24	FY25
IKEA stores and plan and order points	436,607	382,164	390,785	404,546
Logitstics units	49,199	53,686	58,701	55,555
Ingka Centres	33,602	40,491	47,649	71,434
Offices	–	166	227	317
Total	**519,408**	**476,507**	**497,362**	**531,852**

Waste diverted from disposal by recycling	FY16	FY23	FY24	FY25
IKEA stores and plan and order points	76.5%	78.5%	79.3%	81.1%
Logitstics units	82.2%	85.2%	83.8%	88.3%
Ingka Centres	13.9%	51.2%	56.4%	60.0%
Offices	-	66.8%	66.5%	73.6%
Total	**73.0%**	**76.9%**	**77.6%**	**79.0%**

Waste FY25 - by disposal route (tonnes)	Waste diverted from disposal by recycling	Waste diverted from disposal by other recovery operations	Waste directed to disposal by incineration, landfilling or other disposal operations	Total
IKEA stores and plan and order points	328,252	45,821	30,472	**404,546**
Logitstics units	49,046	4,052	2,457	**55,555**
Ingka Centres	42,891	24,559	3,984	**71,434**
Offices	233	67	17	**317**
Total	**420,422**	**74,499**	**36,930**	**531,852**

REPORTING CRITERIA WASTE

We measure waste from our own operations where we have operational control over waste handling contracts. This includes IKEA stores, plan and order points, logistics units, Ingka Centres and offices. Waste from Ingka Investments is excluded due to lack of operational control. We also exclude waste from sites below 500m² or temporary sites open for less than 12 months.

Disposal routes are defined as:

- Waste diverted from disposal by recycling: Any recovery operation by which waste materials are reprocessed into products, materials, or substances, whether for the original or other purposes. It includes the reprocessing of organic material but does not include energy recovery and reprocessing into materials that are to be used as fuels or for backfilling operations.
- Waste diverted from disposal by other recovery operations: Any operation where waste is serving a useful purpose by replacing another material which would otherwise have been used to fulfil the same function. This includes incineration with energy recovery and using waste for production of fuels or backfilling.
- Waste directed to disposal: Any operation which is not recovery, including incineration without energy recovery, landfill, and other disposal operations.

Data is collected monthly from waste supplier invoices and transfer notes, which provide information on waste amounts, waste fractions, and treatment methods. Data is manually entered into the software system by Facilities Management specialists at unit level. In cases where detailed weight or treatment method data is not provided by waste suppliers, we carry out sampling to estimate waste composition and determine the proportion diverted from disposal via recycling.

Changes in data for historic years are due to improved data quality. There were no changes to our methodology in FY25. ■

Our co-workers

Co-workers by region	FY25
Europe	119,939
North America	23,813
Asia / Pacific	22,706
Total number of co-workers	**166,458**

Co-workers by country	FY24	FY25
Germany	21,031	21,435
United States	16,627	16,725
Sweden	12,159	12,971
United Kingdom	11,535	11,471
France	11,479	11,754
Spain	9,621	9,624
China	9,200	10,383
Italy	8,057	8,016
Canada	7,204	7,088
Netherlands	6,534	6,681
Others	48,846	50,310
Total number of co-workers	**162,293**	**166,458**

Co-workers by gender	FY23	FY24	FY25
Male	75,693	74,772	77,354
Female	89,534	87,352	88,881
Other	116	154	180
Not reported	10	15	43
Total number of co-workers	**165,353**	**162,293**	**166,458**

Co-workers by employment type and gender FY25	Female	Male	Other	Not reported	Total
Number of co-workers	88,881	77,354	180	43	166,458
Number of permanent co-workers	83,289	72,455	178	40	155,963
Number of temporary co-workers	5,592	4,898	1	4	10,495
Number of co-workers with non-guaranteed hours contract	–	–	–	–	–

Co-worker turnover	FY23	FY24	FY25
Co-worker turnover rate	30.1%	24.2%	21.6%
Voluntary co-worker turnover rate	21.0%	15.6%	14.2%
Involuntary co-worker turnover rate	9.0%	8.6%	7.4%
Total number of leavers	51,067	40,411	35,949

Gender balance (% of women)	FY23	FY24	FY25
All co-workers	54.1%	53.6%	53.4%
All leaders/managers	50.0%	49.9%	49.8%
Supervisory Board (Ingka Holding B.V.)	25.0%	25.0%	25.0%
Group Management (including our Management Board of Ingka Holding B.V.)	38.5%	42.0%	45.5%
Country Boards (registered members only)	55.8%	49.5%	47.5%
Country Boards (registered members and permanent invitees)	52.6%	49.2%	52.7%
CEOs in Ingka Retail	45.8%	45.8%	50.0%

Age diversity	FY25
Below 30 years	27.7%
30-50 years	53.6%
Above 50 years	18.5%

REPORTING CRITERIA HEADCOUNTS, TURNOVER AND GENDER BALANCE

Co-worker headcount

Co-worker headcount, the total number of Ingka Group co-workers, is defined as the annual average across the financial year of all individuals with an employment contract at any Ingka Group company (directly or indirectly owned/controlled by Ingka Holding B.V.). Each person is counted once, regardless of working-time percentage (full-time/part-time) or contract duration (permanent/temporary). Co-worker headcount excludes apprentices, trainees and contingent workers (non-co-workers). Seasonal co-workers are included in scope from FY25 but are excluded from data for prior years.

To calculate average headcount for the financial year, we count the total number of co-workers at the end of each month during the financial year, and at the end of the prior financial year, then take the average of these 13 monthly snapshot totals. Each person is counted once in each period and if their employment characteristics change during the year, the average reflects time spent in each category.

Headcount data is sourced from HR and payroll systems, primarily based on employment contracts and payroll attributes. The majority of Ingka Group companies are fully integrated into central IT and HR processes, covering approximately 96.5% of the average headcount. For entities that are not fully integrated, headcount data (around 3.5% of the total) is collected annually via file uploads of extracts from local HR systems.

Co-workers by country

This metric breaks down our total co-workers by country (see Co-worker headcount above for reporting on total co-workers). Co-workers are allocated to countries based on the country of registration of the employing entity, which may be different from the country where they work.

The headcount for Poland includes approximately 10 TaskRabbit Poland co-workers who are engaged via Employer of Record in countries without a local legal entity (such as France, Italy and Spain) to align with legal-entity reporting. The headcount for Russia in FY25 includes estimates for OOO IKEA Torg and Ingka Rus II LLC (dissolved November 2024) based on month-end snapshots for the last available payroll data as of 31 August 2024 and may not reflect changes after that date.

Co-workers by region

This metric breaks down our total co-workers by region. See Co-worker headcount above for reporting on total co-workers. Regions are defined as follows: Europe includes all European countries where Ingka Group has co-workers; North America includes the United States and Canada; Asia/Pacific includes all Asian countries, Australia and New Zealand. Regional allocation is based on the country of registration of the employing entity. The notes on Headcount data by country for Poland and Russia (see above) also apply to Europe regional headcount.

Co-worker age diversity

This metric breaks down our total co-workers by age group. See Co-worker headcount above for reporting on total co-workers. Age is determined at the midpoint of the financial year (end of February 2025), based on each co-worker's date of birth as recorded in HR/payroll systems. This is Ingka Group's first year of reporting age diversity.

For OOO IKEA Torg and Ingka Rus II LLC, where source files contained age only (no date of birth), we estimated date of birth based on reported age as of 31 August 2024.

A total of 213 co-workers were excluded from age calculations due to missing date of birth or invalid dates (date of birth later than 28 February 2009 or equal to 01 January 1900).

Co-workers by employment type and gender

This metric breaks down our total co-workers by contract type and gender. See Co-worker headcount above for reporting on total co-workers and see Gender balance below for reporting on gender. Contract types are defined as:

- Permanent co-workers: employees with no predetermined end date to their employment contract.
- Temporary co-workers: co-workers with a predetermined end date to their employment contract. From FY25, this group includes seasonal co-workers. In prior

years, seasonal co-workers were either excluded from headcount or reported separately.

- Non-guaranteed hours refer to contracts with no minimum guaranteed paid hours, where work is offered as needed and accepted by the co-worker. This employment type is not part of Ingka Group Employment Standards and is not used in our regular practice.

Co-worker turnover

This metric reports the number of co-workers leaving the business (leavers) as a proportion of our total co-workers. See Co-worker headcount above for reporting on total co-workers. The total number of leavers represents the number of co-workers who left an Ingka Group company during the financial year based on action start date, without consecutive employment in another Ingka Group company.

Voluntary turnover includes co-workers leaving an Ingka Group company voluntarily, for example due to resignation, mutual agreement or retirement. Involuntary turnover includes co-workers leaving an Ingka Group company involuntarily, for example due to dismissal, redundancy or expiry of contract.

Co-worker turnover rates are calculated using the following formula: total number of leavers during the 12-month financial year / the average annual co-worker headcount for the same period x 100. Total co-worker turnover includes voluntary and involuntary leavers, as well as those missing a type. It excludes turnover due to death, transfer within Ingka Group, termination of a second contract, contract termination due to maternity/paternity leave and no-shows (new hires who never started working).

Gender balance

Our gender balance metrics show the percentage of women among total co-workers (see Co-worker headcount above), leaders and members of governance bodies.

For annual reporting purposes, gender refers to the gender of an co-worker as recorded in the payroll system, based on official documents provided by the co-worker.

Gender values are mapped from gender codes used in the HR systems (possible options can differ depending on local law) to reporting categories: male, female, other, or not reported. This documented gender may differ from the co-worker's self-identified gender. For a small number of co-workers, gender is recorded as 'other' or 'not reported'. 'Other' represents non-binary or alternative gender identities and is available only where local law permits. 'Not reported' captures co-workers for whom gender information is not provided, not declared, opted out or recorded as unknown/missing.

Metrics on gender balance are based on point-in-time data as at the financial year end (31 August), except for FY25 metrics on gender balance for all co-workers and for managers/leaders which have moved to reporting based on the annual average for the financial year.

Gender balance for all co-workers is calculated using the following formula: Number of female co-workers / total co-workers x 100. We use the same formula to calculate gender balance at senior levels of the business, based on the proportion of female and total co-workers in each of the following groups:

- Managers/leaders: co-workers whose official job titles, as recorded in the HR system, contain exact keyword matches from a predefined list of leadership terms (CEO, CFO, Chief, Director, Head, Ldr, Lead, Leader, Man, Manage, Manager, Mgr, President, Shopkeeper, Supervisor, Team Lead, Teamleader, Tl). Records with the missing job title in the source data are not included in the manager category.
- CEOs in Ingka Retail (Country Retail Managers): CEOs of Ingka Retail companies, representing the most senior leadership roles across the retail operations of Ingka Group. The calculation includes one CEO per country-level retail company, identified based on a predefined list of job titles. Vacant CEO roles are excluded from the calculation. In cases of temporary absence, the gender of the co-worker acting as CEO is used.
- Governance bodies: includes the Supervisory Board of Ingka Holding B.V. (the parent company of the Ingka Group), Group Management (including the Management Board of Ingka Holding B.V.) and Retail Country Boards. Calculations exclude vacancies. For Retail Country Boards, we report two metrics on gender balance, one that includes registered members only (those members formally appointed and registered to Retail Country Boards according to legal requirements), and one that includes both registered members and permanent invitees (members who regularly attend board meetings but may not be formally registered). ■

Health and safety	FY24	FY25
Recordable work-related accidents: own workforce	Not measured	3,631
Fatalities as a result of work-related injuries and work-related ill health: own workforce	0	0
Fatalities as a result of work-related injuries and work-related ill health: other workers on our sites	1	2

REPORTING CRITERIA HEALTH AND SAFETY

Reported health and safety metrics cover Ingka Group global operations, including IKEA Retail, Ingka Centres, and Ingka Investments, and Ingka Investments subsidiaries.

Recordable work-related accidents and fatalities (own workforce) include those involving co-workers employed by Ingka Group and some categories of non-co-workers (workers from temporary labour agencies and self-employed contractors). Separately, we report work-related fatalities of other workers working on our sites (non-co-workers) such as those working at customer meeting points or in our forestry operations.

Recordable work-related accidents are defined, in line with European Sustainability Reporting Standards (ESRS), as a work-related injury that results in any of the following: death (fatality), days away from work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness; or a significant injury diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

Work-related injuries and work-related ill health are defined as injuries or ill health that arise from exposure to hazards at work. A heart attack or an epileptic seizure at work that it is unrelated to work is not considered to be work-related. The following definitions of work-related apply:

- Injuries and ill health that occur while a person is travelling are work-related if, at the time of the injury or ill health, the person was engaged in work activities in the interest of the employer (such as travelling to and from customer contacts; conducting job tasks; and entertaining or being entertained to transact, discuss, or promote business at the direction of the employer). Incidents incurred while commuting between home and work are generally considered work-related only if the employer is responsible for the transport commuting.
- Injuries and ill health that occur when working from home are work-related if the injury or ill health occurs while the person is performing work from home and is directly related to the performance of work rather than the general home environment or setting.
- Mental illness is considered to be work-related if it has been notified voluntarily by the person concerned and is supported by an opinion from a licensed healthcare professional with appropriate training and experience which states that the illness is work-related.
- Health issues resulting, for example, from smoking, drug and alcohol abuse, physical inactivity, unhealthy diets and psychosocial factors unrelated to work are not considered work-related.
- Occupational diseases are not considered work-related injuries but are covered under work-related ill health.

Anyone who witnesses or is involved in an accident must report it to the duty manager or their local Business Risk & Compliance function. Incidents (including any fatalities) are registered in our Health & Safety Management (HSM) system. For most business units, data collection is semi-automated through the HSM system. However, certain portfolios within Ingka Investments use manual reporting.

At the end of the financial year (31 August), data is extracted from the HSM system and consolidated at Group level. Filters are applied to ensure accidents included the dataset align with the ESRS definition of recordable work-related accidents.

The metric on recordable work-related accidents is being reported by Ingka Group for the first time in FY25. The methodology applied has been inspired by ESRS requirements. ■

Gender equal pay	FY23	FY24	FY25
Gender equal pay	3.9%	4.3%	4.3%
Gender pay gap		4.0%	3.4%

REPORTING CRITERIA GENDER EQUAL PAY AND GENDER PAY GAP

We measure two metrics related to gender and pay:

- Gender equal pay, an Ingka Group-specific metric that focuses on pay equity for work of equal value by measuring the percentage of co-workers belonging to identical groups with pay gaps that cannot be explained by performance, competence or legal requirements.
- Gender pay gap, a metric based on European Sustainability Reporting Standards that measures the difference in average pay levels between female and male co-workers, expressed as a percentage of the average gross hourly pay of male co-workers.

Both assessments cover all Ingka Group part-time and full-time co-workers with temporary and permanent contracts across Retail, Ingka Centres and Ingka Investments subsidiaries. We exclude seasonal co-workers, co-workers with non-comparable salary setting (such as those on assignment), co-workers of Ingka Holding B.V., Ingka Investments subsidiaries, co-workers not receiving a salary during the assessment period (such as new hires who joined in the month prior to the assessment date), and co-workers for whom we do not have information on gender ('other' or 'not reported', see below).

Data for both metrics is collected annually as of 31 August from internal systems.

For annual reporting purposes, gender refers to the gender of an co-worker as recorded in the payroll system, based on official documents provided by the co-worker. Gender values are mapped from gender codes used in the HR systems (possible options can differ depending on local law) to reporting categories: male, female, other or not reported.

Pay is defined as fixed gross hourly base pay, including the base hourly wage plus any additional stipend or job-based premium, but excluding benefits, One IKEA Bonus and allowances.

For gender equal pay, we define identical groups as co-workers performing work of equal value, aggregated by country, structured area (Retail/Centres/Investments/Group Functions), pay policy, job title and International Position Evaluation (IPE) level. For each identical group containing both female and male co-workers, we calculate average hourly rates and pay ratios using two formulas to ensure a gender-neutral approach. If either pay ratio exceeds +/-5%, Country Total Rewards teams investigate the group, assessing gaps while taking into account performance ratings, competence levels and country-specific legal requirements. The resulting gender equal pay metric is calculated using the following formula: (number of co-workers belonging to identical groups with unexplained gaps / total number of co-workers included in the Gender Equal Pay assessment) × 100.

For gender pay gap, we calculate a weighted average using the following formula: (average gross hourly pay of male co-workers minus average gross hourly pay of female co-workers) / by average gross hourly pay of male co-workers × 100. This calculation considers all co-workers in scope, regardless of their role or level of job. ■

Adequate wages FY25	
Countries where co-workers earn below the applicable adequate wage benchmark	% of co-workers earning below the applicable adequate wage benchmark
N/A	0

REPORTING CRITERIA ADEQUATE WAGES

The metrics on adequate wages cover all Ingka Group co-workers across IKEA Retail, Ingka Centres, and Ingka Investments businesses. The FY25 assessment covered around 158,000 co-workers with part-time or full-time employment under temporary and permanent contracts. The assessment excludes interns, students, apprentices, co-workers on long absence, co-workers of Ingka Holding B.V., co-workers not receiving a salary during the assessment period (such as new hires) and Ingka Investments subsidiaries.

We use external benchmark data from the not-for-profit WageIndicator Foundation for adequate wage, living wage and minimum wage benchmarks by country. Individual co-worker wage data is drawn from internal payroll systems. Data collection is automated or semi-automated depending on the country. Some countries (Belgium, Germany and those countries in our Southeast Europe region) and Ingka Investments require manual data submission as their systems are not yet fully integrated into the automated process. Data is collected annually as of 31 August. Individual wages are calculated as base pay multiplied by contractual hours, plus any fixed additional payments guaranteed to all co-workers (such as transport or meal allowances). Wages for part-time co-workers are pro-rated to full-time equivalent. Each co-worker's wage is then compared against the applicable adequate wage benchmark for their country.

The adequate wage benchmark is defined according to ESRS S1-10 of the European Sustainability Reporting Standards (as set out in the Annex 1 to the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023). For countries in the European Economic Area (EEA), we use the minimum wage set in accordance with EU Directive 2022/2041. For countries outside the EEA, we use wage levels established by national legislation, collective agreements or benchmarks provided by the WageIndicator Foundation. The metric reports the overall percentage of co-workers earning below the applicable adequate wage benchmark in their country. ■

Working conditions in the supply chain

FY25 IWAY reviews	%	#
Number of reviewed suppliers		223
Supplier reviews with IWAY Musts found	33.2%	74
Reviewed suppliers meeting IWAY expectations	94.6%	211

REPORTING CRITERIA IWAY SUPPLIER REVIEWS

Ingka Group's IWAY process and reporting cover suppliers that provide goods and services to support our IKEA Retail and Ingka Centres operations. Suppliers to Ingka Investments are excluded.

IWAY compliance in the supply chain for home furnishings, food, IKEA Industry and transport suppliers is the responsibility of Inter IKEA Group and is excluded from Ingka Group's IWAY process and reporting.

Data on supplier reviews is IWAY reviews of existing suppliers and exclude initial assessments of potential new suppliers. Data is sourced from our tool used to record IWAY reviews across countries.

The metric on supplier reviews with IWAY Musts found refers to supplier reviews where non-compliances with IWAY Musts are identified. The percentage of supplier reviews with IWAY Musts found is calculated using the formula: (number of reviews with IWAY Must requirement non-compliances found / by the total number of reviews conducted) x 100.

Reviewed suppliers meeting IWAY expectations are defined as suppliers that either have zero IWAY Must non-compliances found during their review or have closed any non-compliances with IWAY Musts found within the allocated timeframe. The percentage of reviewed suppliers meeting IWAY expectations is calculated using the formula: (number of reviewed suppliers meeting IWAY expectations / by the total number of suppliers reviewed) x 100. No estimations are used. ■

Ethical business conduct

Anti-bribery and corruption (ABC) training	FY24	FY25
Total number of co-workers in sensitive positions	16,319	16,399
Total number of co-workers in sensitive positions who completed ABC training	9,498	13,288
Share of co-workers in sensitive positions who completed ABC training	58.2%	81.0%

REPORTING CRITERIA ABC TRAININGS

This metric covers Ingka Group, including IKEA Retail, Ingka Centres, and Ingka Investments. It excludes Ingka Investments subsidiaries.

Sensitive roles are defined as positions that have ongoing close relationships with third parties and/or authorities and/or are involved in approvals of contracts. These include, for example, roles in procurement and real estate. Processes to identify and review sensitive positions are performed annually across Ingka Group.

The percentage of co-workers in sensitive positions who completed ABC training is calculated using the following formula: Share of co-workers in sensitive positions who completed ABC training = (Number of co-workers in sensitive positions who completed training / Total number of co-workers identified in sensitive positions) × 100.

The calculation is representative of the fiscal year (1 September – 31 August), with data measured as at 31 August.

Training completion is tracked through our learning system and measured across multiple training modules, including e-learning courses (Introduction to Anti-bribery and Corruption, Refresher for Anti-bribery and Corruption) and face-to-face classroom training. In Austria and India, there is some manual reporting of training completion rates. ■

Our policies, rules and standpoints

Our Ingka Group 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.

Policy	Key objectives	Scope	References to external frameworks	Relevant material topics
Sustainability Policy	Sets our sustainability standpoints and principles. Guides our business response to the global challenges of climate change, unsustainable consumption and growing inequalities.	Ingka Group	• UN Sustainable Development Goals • UN Guiding Principles on Human Rights and Business • UN Framework Convention on Climate Change (UNFCCC) • Paris Agreement	Climate change Biodiversity Water Resource use and circularity
Rule on energy use in buildings and refrigerant-related greenhouse gas emissions	Sets requirements for reducing greenhouse gas emissions from energy use and refrigerants in the buildings owned or leased by Ingka Group.	Ingka Group		Climate change
Instruction on Sustainability Certification for Buildings	Guides the business on ensuring sustainable building certifications.	Ingka Group	• Building Research Establishment Environmental Assessment Method (BREEAM) for New Construction • GSEED Certification • LEED • Green Star	Climate change Water
Rule on transport related greenhouse gas emissions	Sets out responsibilities and requirements for reducing emissions from co-worker commuting and business travel, customer travel and home delivery and product transportation.	Ingka Group		Climate change
Ingka Investments ESG Approach	Clarifies our cross-portfolio approach to ESG including ESG Due Diligence, Negative screening and Restrictions (DNSH); Positive screening and Impact investing; and Active partnerships.	Ingka Investments	• ESRS, SASB, EU Taxonomy, CSDDD • United Nations Sustainable Development Goals principles (UNSDGs) • Principles for Responsible Investments (PRI) • UN Guiding Principles on Business and Human Rights (UNGP) • Children's Rights and Business Principles (CRBP) • UN Global Compact • UN Framework Convention on Climate Change	
Rule on renewable energy investments	Sets out requirements and responsibilities for making and managing renewable energy investments.	Ingka Investments		Climate change

Policy	Key objectives	Scope	References to external frameworks	Relevant material topics
Rule on Waste Prevention And Management	Sets out roles and responsibilities for waste prevention and management, our key requirements and monitoring processes.	Ingka Group		Resource use & circularity
Waste standard operating procedures – IKEA Retail and Ingka Centres	Sets out our mandatory processes, roles and responsibilities for waste management	IKEA Retail Ingka Centres		Resource use & circularity
Circular Investments criteria	Sets our key investment processes and procedures, roles and responsibilities for circular investments.	Ingka Investments		Resource use & circularity
Buyback service standard operating procedure	Clarifies processes and procedures and our pricing approach in relation to our buyback service and sales of second-hand products through our As-Is areas.	IKEA Retail		Resource use & circularity

Policy	Key objectives	Scope	References to external frameworks	Relevant material topics
Rule on Forestland Investments	Sets the requirements and responsibilities for responsible forest management and third-party certification.	Ingka Investments forestland portfolio		Biodiversity
Terms of Engagement in Forestland Operations	Sets out our responsible forest management standards for all suppliers and clients to our forestland assets.	Ingka Investments forestland portfolio	• The Convention on Biological Diversity • Forest Stewardship Council Principles and Criteria	Biodiversity

Policy	Key objectives	Scope	References to external frameworks	Relevant material topics
Human Rights and Equality Policy	Outlines our commitment to respect, promote and uphold international human rights standards across our operations, supply chain and communities. It emphasises non-discrimination, equality, diversity and inclusion, workers' rights, children's rights and human rights due diligence, with accountability mechanisms and expectations also extended to business partners.	Ingka Group	• UN Guiding Principles on Business and Human Rights • International Labour Organization's Declaration on Fundamental Principles and Rights at Work • UN Convention on the Rights of the Child • UN Convention on the Elimination of Discrimination against Women • International Convention on the Elimination of All Forms of Racial Discrimination • International Convention on the Rights of Persons with Disabilities, among other instruments • Children's Rights and Business Principles • OECD Guidelines for Multinational Enterprises • UN Global Compact • UN Women's Empowerment Principles • Gender Guidance to the UNGPs • UN Standards of Conduct for Tackling Discrimination against LGBTI people	Our co-workers: Fair working conditions Our co-workers: Equality, diversity and inclusion Working conditions in our supply chain
People Policy	Defines standpoints related to our co-workers in order to secure that the Ingka Group is a Great Place to Work, including commitments to offer competitive compensation and benefits, have constructive and co-operative dialogue, offer opportunities for skills development, promote equal opportunities and provide a working environment where behaviour is guided by our strong values.	Ingka Group		Our co-workers: Fair working conditions Our co-workers: Equality, diversity and inclusion
Rule on Equality	Sets out the principles and responsibilities for how we implement our Human Rights and Equality policy and our commitment to equality in employment, and to make sure that equal opportunities is at the heart of everything we do.	Ingka Group		Our co-workers: Equality, diversity and inclusion
Rule on Employment Standards	Provides the framework for the relationship between Ingka Group and our co-workers, setting minimum requirements on areas such as contracts, working hours and scheduling.			Our co-workers: Fair working conditions
Responsible Wage Practices Framework	Defines our approach, aligned with Inter IKEA Group, to provide fair incomes across the value chain. It focuses on five areas: equality at work, pay principles, competence, dialogue and living wage.	Ingka Group		Our co-workers: Fair working conditions Our co-workers: Equality, diversity and inclusion
Health, Safety and Security Policy	Declares our commitment to protecting health, safety and security of coworkers, customers, visitors and people working on our premises.	Ingka Group		Our co-workers: Fair working conditions
Rule on Health and Safety	Sets out detailed requirements on topics related to management of health and safety, such as risk assessment, awareness, personal protective equipment and ergonomic principles.	Ingka Group		Our co-workers: Fair working conditions

Policy	Key objectives	Scope	References to external frameworks	Relevant material topics
IWAY Standard (IKEA supplier code of conduct)	Sets requirements and expectations for suppliers around 10 social and environmental principles. Topics covered include business ethics, children's rights, fundamental labour rights, fair pay, health and safety, working and living conditions, environmental responsibility, sustainable resource use and animal welfare. The IWAY Standard clearly communicates our zero-tolerance approach to child labour and forced, bonded or prison labour.	Ingka Group (IKEA Retail, Ingka Centres) and Inter IKEA Group suppliers and their sub-suppliers	• UN Guiding Principles on Business and Human Rights • UN Global Compact • UN Sustainable Development Goals • ILO Centenary Declaration for the Future of Work	Working conditions in our supply chain

Policy	Key objectives	Scope	References to external frameworks	Relevant material topics
Policy on Product Safety & Quality	Mandates that all products must be safe and compliant, including second-hand items. Sets out our requirements for preventing, detecting and correcting safety issues, and reporting potential safety concerns.	IKEA Retail		Customer safety
Standard Operating Procedure Retail Recall Process	Sets out the mandatory structured process for product recalls and roles and responsibilities in the recall process. Includes requirements for how a recall is communicated and monitoring of recall activities, including reporting to authorities.	IKEA Retail	• RAPEX (EU rapid alert system for unsafe consumer products) • RASFF (EU rapid alert system for food and feed safety) • National legislation and reporting obligations in each country	Customer safety

Policy	Key objectives	Scope	References to external frameworks	Relevant material topics
Code of Conduct	Translates our values into behaviours to help co-workers do the right thing in their daily work. It sets out our principles for how we act, how we work together, how we do business and how we raise concerns. Topics covered include caring for people and the planet, working safely, respecting others, upholding human rights, fair treatment and equal opportunities, safeguarding information and respecting privacy, avoiding conflicts of interests, gifts and hospitality, and our zero-tolerance towards anti-bribery and corruption.	Ingka Group		All material topics
Policy on Anti-bribery and Corruption	Underlines our commitment to doing business in an honest way with zero tolerance towards bribery or corruption in any form. The policy sets out clear principles and standpoints on facilitation payments, gifts and hospitality, conflicts of interest, trading of inside information, trade sanctions, money laundering, political contributions, charitable donations and sponsorships.	Ingka Group	• US Foreign Corrupt Practices Act, UK Bribery Act and other relevant national laws • OECD Anti-bribery Convention • UN Convention against Corruption	Ethical business conduct
Rule on Anti-bribery and Corruption	Translates the Policy on Anti-bribery and Corruption into requirements and expectations for co-workers.		• US Foreign Corrupt Practices Act, UK Bribery Act and other relevant national laws • OECD Anti-bribery Convention • UN Convention against Corruption	
Policy on Raising Concern	Reinforces our culture of inclusiveness where all co-workers are encouraged and feel empowered to raise any concerns they have in good faith, without fear of retaliation. It makes clear that we take concerns seriously and sets out how to raise concerns, confidentially (and anonymously if required).	Ingka Group	• EU Directive on the Protection of Whistleblowers	Ethical business conduct
Rule on Investigations	Provides a consistent process to investigate reports of suspected misconduct at Ingka Group, including assigning responsibility for investigations, establishing clear reporting and communication channels, and deciding on any further actions that may be warranted based on the findings.	Ingka Group		Ethical business conduct
Rule on Trust line Operations	Sets out how the Trust line works, the intended target group, the scope of concerns that can be raised via Trust line, how concerns are handled, how confidentiality is guaranteed and how personal data is protected.	Ingka Group		

Policy	Key objectives	Scope	References to external frameworks	Relevant material topics
Policy on Digital Ethics	Sets out standpoints to ensure we use data and algorithms, including artificial intelligence (AI), in a responsible and beneficial way for the many people and our planet in line with our Ingka Group values. These include human dignity and agency, fairness, equity and inclusiveness, privacy and data trustworthiness, transparency, sustainability, technical robustness and safety.	Ingka Group (all data and algorithms, including AI)	• European Commission Ethics Guidelines for Trustworthy AI (2019) • OECD Recommendation on AI (2019) • UNESCO Recommendation on the Ethics of AI (2021) • EU AI Act (2024)	Digital ethics
Rule on Digital Ethics	Translates the standpoints set out in our Policy on Digital Ethics into requirements for the responsible development and use of data and algorithms, including AI.	Ingka Group	• European Commission Ethics Guidelines for Trustworthy AI (2019) • OECD Recommendation on AI (2019) • UNESCO Recommendation on the Ethics of AI (2021) • EU AI Act (2024)	Digital ethics
Policy on Data Management	Sets out standpoints to make sure that data is trustworthy, secure and respected.	Ingka Group	• EU AI Act – Article 10 (2024) • EU Data Act (2024) • EU Data Governance Act (2024) • EU General Data Protection Regulation (2016)	Digital ethics
Data Privacy Rule	Defines clear data privacy requirements and provides clarity to co-workers on the requirements for handling personal data. Every Ingka Group legal entity must comply with these requirements, even if local requirements are less strict.	Ingka Group	• General Data Protection Regulation (GDPR) • Internationally recognised privacy and data protection frameworks and principles	Digital ethics

Taskforce on Nature-related Financial Disclosures (TNFD)

We have assessed our alignment with the recommendations of the TNFD and the table shows where relevant information can be found in our reporting. We aim to further increase our alignment with the recommendations and sub recommendations over the next few years.

Relevant information on nature-related risks and opportunities can be found in our Net Zero Transition Plan.

TNFD recommendation	Where relevant information can be found in our reporting
Governance	
Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	**Governance**, pages 14-15
Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities	**Governance**, pages 14-15 **Double materiality assessment**, page 20
Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities	**Human Rights and Environmental Due Diligence (HREDD) framework**, page 18 **Human Rights and Environmental Due Diligence (HREDD) framework**, page 18 **Our policies, rules and standpointss**, pages 86-91 **Working conditions in the supply chain**, pages 53-56 **Ethical business conduct**, page 61 **Biodiversity external engagement and advocacy**, page 40

TNFD recommendation	Where relevant information can be found in our reporting
Strategy	
Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	**Double materiality assessment**, page 20 **Biodiversity**, page 38
Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	**Strategy and business model**, page 12 **Biodiversity**, page 38 **Resource use and circularity**, page 41 **Water**, page 36
Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	**Strategy and business model**, page 12 **Biodiversity**, page 38
Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	**Biodiversity**, page 38 **Biodiversity metrics**, page 78 **Water**, page 36

TNFD recommendation	Where relevant information can be found in our reporting
Risk and impact management	
Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	**Double materiality assessment**, page 20
Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	**Double materiality assessment**, page 20
Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities .	**Biodiversity**, page 38 **Double materiality assessment**, page 20
Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	**Double materiality assessment**, page 20

TNFD recommendation	Where relevant information can be found in our reporting
Metrics and targets	
Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	**Biodiversity**, page 38 **Biodiversity metrics**, page 78 **Water**, page 36 **Water metrics**, page 77
Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	**Biodiversity**, page 38 **Biodiversity metrics**, page 78 **Water**, page 36 **Water metrics**, page 77
Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	**Environmental targets**, page 26 **Biodiversity**, page 38 **Water**, page 36

Women's Empowerment Principles

At Ingka Group, we want 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:

The principles	Ingka Group's approach
Principle 1 – 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.
Principle 2 – 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.
Principle 3 – 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.
Principle 4 – 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.
Principle 5 – 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.
Principle 6 – 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.
Principle 7 – 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.

Our engagement with the UN Global Compact

We are a signatory to the United Nations Global Compact, a set of ten principles in the areas of human rights, labour, environment and anti-corruption. The table shows where in this report you can find our progress on each principle.

Our CEO in FY25, Jesper Brodin, is Vice Chair of the UN Global Compact Board.

United Nations Global Compact (UNGC) principles	Location in FY25 reporting
Human rights	
Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights; and	Our policies, rules and standpoints, pages 86-91 Co-workers, pages 47-52 Working conditions in the supply chain, pages 53-56 Human rights policy, page 88
Principle 2 – make sure they are not complicit in human rights abuses	Our policies, rules and standpoints, pages 86-91 Co-workers, pages 47-52 Working conditions in the supply chain, pages 53-56
Labour	
Principle 3 – Businesses should uphold the right to freedom of association and the effective recognition of the right to collective bargaining;	Co-workers, pages 47-52 Working conditions in the supply chain, pages 53-56
Principle 4 – the elimination of all forms of forced and compulsory labour;	Co-workers, pages 47-52 Working conditions in the supply chain, pages 53-56
Principle 5 – the effective abolition of child labour; and	Co-workers, pages 47-52 Working conditions in the supply chain, pages 53-56
Principle 6 – the elimination of discrimination in respect of employment and occupation.	Co-workers, pages 47-52 Women's empowerment principles, page 94
Environment	
Principle 7 – Business should support a precautionary approach to environmental challenges;	Climate change, pages 28-35 Resource use and circularity, pages 41-44 Biodiversity, pages 38-40 Water, pages 36-37
Principle 8 – undertake initiatives to promote greater environmental responsibility; and	Climate change, pages 28-35 Resource use and circularity, pages 41-44 Biodiversity, pages 38-40 Water, pages 36-37
Principle 9 – encourage the development and diffusion of environmentally friendly technologies.	Climate change, pages 28-35 Resource use and circularity, pages 41-44
Anti-corruption	
Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.	Ethical business conduct, pages 61-62

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. We aim to contribute to all the SDGs, with a particular focus on those listed in the first half of the table below.

Sustainable development goals		How Ingka Group contributes
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	Contributing to the IKEA Net Zero and Beyond ambition. Tracking our climate footprint against our science-based targets. Inspiring and enabling more people to live better lives within the limits of the planet. Investing in wind and solar generation, using renewable electricity and switching to renewable heating and cooling in our buildings. Tackling emissions from travel and deliveries. Partnering with others and advocating for action beyond our business. Promoting more plant-based food. Offering IKEA energy services to enable more people to access renewable energy. See the Climate change section and Stakeholder engagement section.
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls	Working to ensure gender equality and gender-equal pay. Partnering with others to tackle issues affecting women's lives. See the Co-worker's section.
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all	Generating more renewable energy than we consume. Investing in wind and solar energy generation. Offering IKEA Energy Services to enable more people to access renewable energy. See the Climate change section.
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Being an inclusive employer. Providing and supporting decent and meaningful work and fair incomes. Improving standards in the supply chain through IWAY, the IKEA supplier code of conduct. Supporting refugees to develop skills for employment. See the Co-workers section, Working conditions in the supply chain section and Our purpose section.

Sustainable development goals		How Ingka Group contributes
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote wellbeing for all at all ages	Inspiring and enabling healthy and sustainable living through our products and communications. Health, safety and wellbeing in the workplace. See the Our purpose section and Co-workers section
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	Promoting a fair and inclusive society and respecting human rights. Working to ensure gender, racial and LGBT+ equality in our workplaces and advocating for change beyond our business. Supporting refugees to develop skills for employment. See the Co-workers section
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	Trialling products and services that make it easier for customers to prolong product life and to buy second-hand IKEA products. Reducing waste and increasing recycling. Investing in circular and recycling businesses. Responsible sourcing of goods and services used to run our business. See the Resource use and circularity section and Climate change section
15 LIFE ON LAND	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. Identifying our nature dependencies, impacts, risks and opportunities. Developing our nature roadmap. See the Biodiversity section.

Sustainable development goals		How Ingka Group contributes
17 PARTNERSHIPS FOR THE GOALS	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 the Stakeholder engagement section, Climate change section, Biodiversity section, Resource use and circularity section, Co-workers section, Working conditions in the supply chain section, Customer safety section and Digital ethics section.
1 NO POVERTY	End poverty in all its forms everywhere	Providing and supporting decent and meaningful work in our business and supply chain. Supporting refugees to develop skills for employment. Partnering to create positive change in local communities. See the Co-workers section, Working conditions in the supply chain section and Our purpose section.
2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Reducing food waste in our operations. Offering more plant-based dishes. See the Resource use and circularity section.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	Investing in wind and solar power generation. Investing in businesses that are developing circular solutions and recycling infrastructure. Investing in renewable heating and cooling in our buildings. Tackling emissions from travel and deliveries. Enabling customers to generate and use their own renewable energy. See the Climate change section and Resource use and circularity section.
6 CLEAN WATER AND SANITATION	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 Water section.
11 SUSTAINABLE CITIES AND COMMUNITIES	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. Tackling emissions from travel and deliveries. See the Our purpose section, Resource use and circularity section and Climate change section.

Sustainable development goals		How Ingka Group contributes
14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	We are developing our nature roadmap to guide how we manage nature-related dependencies, impacts, risks and opportunities, including any relating to marine biodiversity and ecosystems. See the Biodiversity section.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	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 Our purpose section, Co-workers section, Ethical business conduct section and Digital ethics section
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	

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 FY25' of Ingka Holding B.V. (hereafter: the company) based in Leiden for the year ended 31 August 2025 (hereafter: 'information in the Report').

- Energy Consumption and Mix
- Energy Efficiency
- Renewable Energy Production
- Scope 1 GHG & Biogenic Emissions
- Scope 2 Emissions (Location & Market Based)
- Scope 3: Categories 1 (Ingka purchased goods & services (own operations)), 2 (with methodological update), 3, 5, 6, 7, 8, 9, 13, 15
- Forestry, Land and Agricultural (FLAG) Emissions, Removals and Storage
- Ingka Group Vehicles Zero Emissions Share
- Zero Emissions Delivery Share
- Water Withdrawal, including risk areas
- Waste Generated
- Spatial Footprint
- Land-use Change
- Negative Impact on Biodiversity (forestland portfolio)
- Co-workers Headcount (Geographical Areas, Gender, Country, Employment Type)
- Co-worker Turnover
- Age Diversity
- Gender Balance of Supervisory Board, Country Boards, Top Management, All Co-workers, All Leaders (Managers), CEOs in Ingka Retail
- Recordable Work-Related Accidents (own workforce)
- Fatalities
- Gender Equal Pay
- Gender Pay Gap
- Adequate Wages
- Supplier Reviews with IWAY Must Found
- Reviewed Suppliers Meeting IWAY Expectations
- Anti-Bribery and Corruption (ABC) Trainings
- Composition of Administrative, Management and Supervisory (AMS) Bodies and Independent Board Members (page 14)
- Integration of Sustainability Performance into Incentive Schemes (page 15)
- Material Inflow Construction (page 32)

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 information in the Report . 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 information in the Report incorporates the consolidated information of this group of entities to the extent as specified in the chapter 'Basis for preparation' 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.

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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 FY25.

Our conclusion is not modified with respect to this matter.

Responsibilities of the Board of Managing Directors for the information in the Report

The Board of Managing Directors are responsible for the preparation of the information in the Report is 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 'Basis for preparation'.

Furthermore, the Board of Managing Directors are responsible for such internal control as it determines is necessary to enable the preparation of the information in the Report 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 kwaliteitsmanagement' (NVKM, Regulations for Quality management) 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 local business operations. For this, the nature, extent, and risk profile of these locations are decisive. Based thereon, we selected the locations to include in our procedures.
- 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 which is in scope of our review with the Other Information in the Report;
- 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, 26 January 2026
KPMG Accountants N.V.

Marco Frikkee RA
Partner

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