



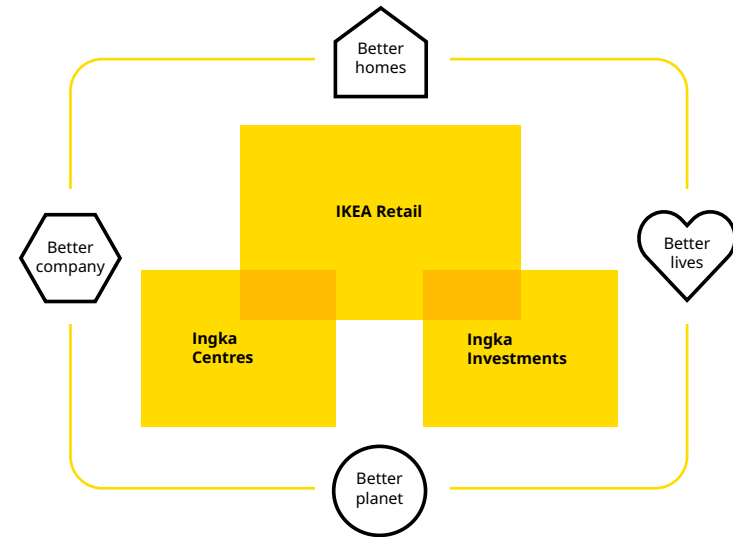
Data and Progress FY21

Better, together

INGKA™

Hej!

We are Ingka Group



Ingka Group brings the IKEA Brand to 32 countries in order to make millions of homes and lives better. We operate 392 IKEA stores and 73 shops and planning studios, as well as worldwide ecommerce and digital solutions. Our expansion and reach are strengthened by our network of meeting places and an active investment arm to support sustainable growth and business transformation.

One brand, many companies

IKEA is a franchise business. That means that many people and companies with different owners work under one IKEA brand, dedicated to one IKEA vision: to create a better everyday life for the many people. The franchisor Inter IKEA Systems B.V. is

responsible for continuously developing the IKEA Concept and ensuring its implementation in new and existing markets. Franchisees like Ingka Group provide valuable input based on consumer and market insights. Each year, the companies in the IKEA franchise system work together to launch more than 2,000 new products, develop new ways to make shopping more convenient, and help more than 800 million people to live healthier, more sustainable lives.

Ingka Group – three businesses in one

As the largest IKEA franchisee, Ingka Group represents the IKEA Brand through omnichannel retail in a variety of physical and digital formats, generating over 89% of total IKEA Retail sales in FY21. Ingka Holding B.V. is the parent company of Ingka Group, and is based in Leiden, the Netherlands. Ingka Group is made up of three businesses, working closely together: IKEA Retail, Ingka Centres and Ingka Investments.

IKEA Retail

IKEA Retail is our core business, and we continue to expand in new and existing countries, with IKEA stores, and new customer meeting points, fulfilments units and omnichannel solutions. Every year, we welcome more than 657 million customers into our 392 IKEA stores and 73 IKEA shops and IKEA planning studios in 32 countries, and our website IKEA.com saw more than 4.6 billion visits in FY21.

Ingka Centres

We also own one of the world's largest shopping centre businesses, operating 47 vibrant meeting places in 16 countries across Europe, Russia and China, with 372 millions visits in FY21. Always anchored by IKEA, our experience-led meeting places offer a unique mix of activities and services developed to meet the specific needs of each local community.

Ingka Investments

Through Ingka Investments, we make strategic and responsible investments and acquisitions to secure the long-term financial independence of Ingka Group and support our growth and business transformation. Our investments and partnerships allow us to connect with innovative companies that help accelerate our business development and digitalisation, and to reach our sustainability goals.

About our reporting

This document forms part of our reporting for FY21. We've refreshed our reporting approach in FY21 to improve transparency for our stakeholders.

Our four movements

We are on a journey to create a better IKEA, driven by our purpose to create a better everyday life for the many people. We have bold ambitions to play our part in some of the challenges facing our world, while delivering an ever better experience for our customers.

We'll achieve this by focusing on four big movements: helping more people to have better homes; contributing to better lives for our co-workers, customers and communities; playing our part in creating a better planet; and creating a better company for today and future generations.

Our report is now structured around these four key movements - Better Homes, Better Lives, Better Planet, and Better Company – which encompass both our financial and non-financial performance against a wide range of goals and indicators.

Our reporting channels

Our report now includes three elements.

Our **Annual Summary FY21**, provides an accessible overview of our approach, summarising performance highlights and KPIs for FY21.

Our **online Reporting website** (on [ingka.com](https://www.ingka.com)) provides a full update against our targets and summarises our many actions during FY21 in our priority areas.

Our **Data and Progress FY21** (this document) contains our performance data and summarises progress against targets. It also includes our UN Global Compact Index and UN Sustainable Development Goals Index.

Our targets

Our report contains a range of goals and targets within each movement. Many of these are existing targets from previous years. In addition to supporting our performance culture and steering our business more successfully towards our vision, we are developing 'value creation' goals for all parts of the business, to help us measure performance and make it easier to assess whether we are succeeding as a purpose-led business. These goals align with our four movements: Better Homes, Better Lives, Better Planet and Better Company. Some of these goals are reported for the first time this year.

Reporting scope

The Ingka Group Report FY21 is a combined report of our performance and achievements across our business, including within sustainability. It covers the financial year 2021 (FY21), from 1 September 2020 to 31 August 2021, unless otherwise stated, and the entities controlled by Ingka Holding B.V. during this time.


It does not cover the activities of the Inter IKEA Group which includes the companies that develop and supply the IKEA product and food ranges, certain manufacturing and Inter IKEA Systems B.V. – the worldwide IKEA franchisor.

Each year, Inter IKEA Group reports progress against the IKEA People & Planet Positive Strategy from across the IKEA value chain and franchise system. Relevant data from Inter Ikea Group is included within our scope 3 climate footprint reporting.

External assurance

The scope of external assurance in FY20 covers our direct climate footprint (greenhouse gas emissions - scope 1 and 2), and parts of our indirect footprint (scope 3), representing 12.7% of our total climate footprint covering all entities under our operational control. Scope 3 emissions within the organisational scope of Ingka Group, such as customer and co-worker travel and home deliveries, are included in the assurance scope. The majority of our scope 3 emissions come from the production and use of the products we sell, which are supplied by Inter IKEA Group. Inter IKEA Group are currently reviewing their scope 3 emission model, which is why scope 3 emissions from Inter IKEA Group have not been included in the assurance scope this year. [See Assurance report of the independent auditor.](#)

 [Online report on \[ingka.com\]\(https://www.ingka.com\)](#)

 [Annual Summary FY21](#)

 [Inter IKEA Sustainability Report FY21](#)

Building better into everything we do



Better homes

Our passion for a better life at home is what makes us IKEA. For generations, we have been on a mission to understand the needs, challenges and aspirations of the many, bringing inspiring and affordable home furnishings to people with big dreams and thin wallets.

Now we are transforming our business to bring IKEA to more people, and to make healthy and sustainable living desirable and affordable for the many, not just the few.

[Better homes](#)



Better lives

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

Starting with our co-workers and supply chain, extending to our customers, neighborhoods, communities and society at large, we are determined to be a force for good.

[Better lives](#)



Better planet

We only have one planet, the home we all share. To achieve our vision for a better everyday life for the many people, we have to play our part in tackling climate change and creating a circular economy. And we have to act now.

We are taking bold steps across our business to help achieve the IKEA commitment to become a climate positive and circular business by 2030, and we are making it easier for our customers to act too.

[Better planet](#)



Better company

We do business with a humanitarian outlook, guided by our vision and values but always adapting to a changing world. We structure our business to ensure financial resilience, reinvesting the majority of our profit to help us grow and innovate, and the remaining part as dividends to the INGKA Foundation to achieve its charitable purpose.

We push to be a fair, inclusive and empowering company with good governance, equal opportunities and respect for human rights across our entire value chain.

[Better company](#)



We support the United Nations Sustainable Development Goals (SDGs) in their ambition to achieve a better world for all. You can find a mapping showing how we contribute to each goal [on page 63](#).

[To determine our most material issues, we use a 'double materiality' approach. Read more here.](#)

Summary of performance

FY21 has been a year where Ingka Group overall delivered a good performance with growing revenues.

Thanks to the entrepreneurship of our co-workers and the transformation of our business, we met the needs and dreams of our customers and kept IKEA open with digital capabilities, despite store closures. We are proud to have served millions of customers in a time when life at home has never been more important and to have led in the pandemic in a professional, caring way with people and business at heart.

Better Homes

Accessible and affordable

We saw strong growth during FY21 with IKEA retail sales of EUR 37.4 billion, an increase of 6.3% compared to last year (EUR 35.2 billion in FY20). We achieved an increase in the share of online sales from 18% to 30% due to transforming stores to serve as fulfilment units, a revamp of IKEA.com and further roll-out of the IKEA app. At peak capacity in FY21, we handled almost four times as many online orders in a week as the year before, with many orders fulfilled by the stores.

Even while complying with pandemic-related restrictions and lockdowns, we were able to expand into new markets and open new IKEA locations in FY21, with six new IKEA stores, four IKEA small stores, four IKEA shops, 12 IKEA plan and order points, one ecommerce opening, two Ingka Centres meeting places and one customer distribution centre.

The pandemic continues to pose challenges for supply chains around the world, including the ones we rely on. This means that in the last year,

our customers have not always been able to get the products they want, when they want them, which of course has sometimes impacted the customer experience. Co-workers across the business have worked hard to keep offering a great IKEA experience, despite these challenges.

Inspiring and enabling a better life at home

We launched a range of new initiatives, services and communication campaigns in store and online to inspire and enable customers to create a better and more sustainable life at home. In FY21, 40,000 people used our interior design service to create a better home and we upskilled 8,000 of our home furnishing experts.

In FY21, we extended our home solar service to Spain and Portugal, and launched our first renewable electricity subscription service together with Svea Solar in Sweden. This means customers can now access our clean energy services in 12 countries.

More than 42 million products were given a second life, with 32 million products resold in our circular hubs and more than 10 million repacked and sold in other areas. More than 260,000 customers used our spare parts service in FY21, with 4.2 million spare parts provided.

We continued to offer healthier and more sustainable food choices in our food outlets and trialled a range of solutions for growing our own fresh produce. In FY21, we started selling VÄRLDSKLOK, a shapeable, plant-based mince. Our popular HUVUDROLL plant ball is now available in all of our 32 markets.

Better Lives

We updated and expanded the Ingka Group Policy on Human Rights and Equality in FY21, to be clearer for co-workers on our focus areas and the outcomes we expect to achieve, and to align with international standards.

Co-workers

We made progress across many of our targets for Better Lives during FY21. We were pleased that 83% of co-workers believe Ingka is a great place to work and that 80% feel engaged and believe we live our values.

Our lost time accident frequency rate - the number of lost time accidents (more than one day of lost time) per million hours worked was 12.61 in FY21 (FY20: 12.27).

We have maintained our gender balance in management positions (all leaders) and reached gender balance in our Group Management. We do not yet have gender balance on our Management Board. Our annual gender equal pay assessment showed that 5.04% of co-workers belong to groups where pay gaps cannot be explained by performance, competence or a country's legal requirements, a decrease from 8.04% the previous year.

Co-workers reported a 4.6 out of 5 satisfaction rate with our learning programmes.

Neighbourhoods

We reached 802 refugees through skills for development programmes in 22 countries in

FY21. Over the last two years, we have helped more than 1.5 million people affected by the pandemic. We worked with 39 social businesses in 15 countries in FY21.

Better Planet

Becoming climate positive

Since FY16, the Ingka Group business grew by 17.6%, and yet we also achieved a 6.5% climate footprint reduction over the same period.

The climate footprint from our own operations (scope 1 & 2) decreased by 6.6% from FY16. 56.0% of energy (76.1% of electricity) we used worldwide was from renewable sources and this has enabled us to reduce our scope 2 emissions by 21.4% from FY16. It has been more challenging to reduce scope 1 emissions, which mainly include emissions from heating. Our scope 1 emissions increased by 31.3% from FY16.

Relative emissions from customer and co-worker travel and home deliveries (per person¹) decreased by 10.5% from FY16. In FY21, 11.0% of home deliveries were made using zero-emissions vehicles. Our progress against our target has been limited by ongoing impacts of the pandemic, and in FY21 emissions from home deliveries were 2.4 times higher than in FY16. Emissions from IKEA products and food decreased by 6.0% from the FY16 baseline.

Becoming circular

We know our customers don't like to be wasteful, and neither do we. By adopting and scaling up new circular solutions, we aim to help customers acquire, maintain and pass on IKEA products in more sustainable ways. We implemented 170 circular hubs in 26 markets by the end of FY21, where customers can find out about our approach to circularity, buy second-hand and nearly new furniture and get advice on how to maintain, clean and personalise their IKEA products.

We recycled 75.0% of waste, up from 71.5% in FY20. Increasing recycling rates at Ingka Centres meeting places remains challenging because much of the waste is mixed consumer waste that tends to be contaminated (for example with food residue) and is harder to sort and recycle.

We reduced production food waste by 44.8% since 2017. This is the the waste from our kitchens before the food is sold to our customers.

Better Company

Financial performance

Ingka Group achieved strong financial results in FY21, with revenue amounting to EUR 39.8 billion (FY20: EUR 37.4 billion), and total IKEA Retail sales were EUR 37.4 billion, an increase of 6.3% compared with the previous year (FY20: EUR 35.2 billion). Income before tax was EUR 2.2 billion

(EUR 1.6 billion in FY20). Ingka Group pays taxes in all countries where it operates. The effective tax rate of 29.3% (FY20: 24.1%) corresponds to an amount of EUR 0.7 billion in corporate income taxes (FY20: EUR 0.4 billion). In FY21, our total tax bill, including other taxes and duties such as property taxes, environmental taxes and customs duties, amounted to approximately EUR 1.1 billion.

The net profit for FY21 was EUR 1.6 billion (FY20: EUR 1.2 billion).

Governance

Our governance is designed to ensure that Ingka Group remains a well-managed, successful, purpose-led company, and that we deliver on our strategic ambitions and goals.

Sustainability is fully integrated into our governance. Our Chief Sustainability Officer (CSO) is a member of our Group Management to further strengthen our focus on sustainability as a key topic for the group. We have integrated climate-related matters into our governance and expanded our reporting against the recommendations of the Task Force on Climate-Related Financial Disclosures.

Ethics and integrity

More than 93,000 co-workers were trained on our Code of Conduct, up from 73,000 in FY20.

We assessed 338 existing and 202 potential

new suppliers against IWAY, the IKEA supplier code of conduct. In FY21, 97% of new contracted suppliers that are high or critical-risk received an IWAY review within required timescales² and addressed any major non-compliances.

We aim to empower our co-workers at all levels with data privacy training and awareness initiatives. In FY21, over 93,000 of our co-workers took the training.

Investing with impact

We continued to invest in our business transformation in our stores, distribution and customer fulfilment networks, and in the digital customer experience and shopping centres.

At Ingka Investments, we focused on acquisitions, and majority and minority investments in cutting-edge companies, to build a network of partners that can help us improve the IKEA customer journey. We also invested EUR 450 million in projects to help create a sustainable future.

We have invested EUR 2.24 billion in off-site renewable energy since 2009, including EUR 170 million in FY21. 100% of direct investments made by Ingka Investments were fossil fuel free in FY21.

¹ The emissions are calculated relative to the number trips taken. ² New contracted suppliers that are high or critical-risk are required to have an IWAY review to check compliance with our standards within 9 months of the risk rating.

We operate IKEA stores and other sales channels under franchise agreements

Ingka Group (IKEA Retail) is one of 12 franchisees, operating IKEA stores and other sales channels under franchise agreements with Inter IKEA Group, the owner of the IKEA Concept and worldwide IKEA franchisor. Inter IKEA Group and Ingka Group have the same founder, as well as a common history and heritage, but are two separate groups of companies with different management and different owners.

All IKEA franchisees pay a 3% franchise fee to Inter IKEA Systems B.V. The franchise fee gives us, as an IKEA retailer, the right to operate stores and other sales channels under the IKEA Concept and IKEA Brand. It grants access to systems, methods and proven solutions as well as staff trainings, manuals and updates of the IKEA Concept such as store layouts, fittings and display concepts.

The IKEA range is developed and supplied by Inter IKEA Group.

Built for purpose

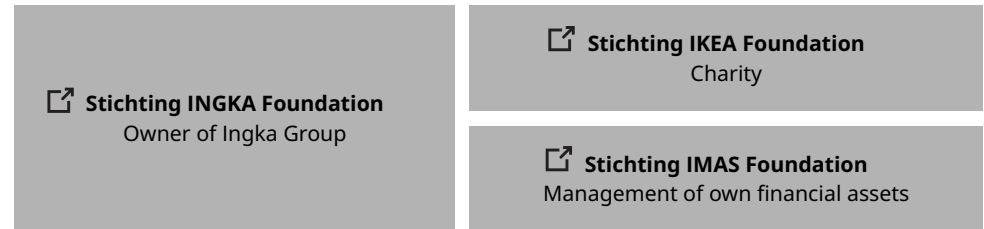
Ingka Group (Ingka Holding B.V. and its controlled entities) has an ownership structure that ensures independence and a long-term approach. It is owned by a Dutch foundation, Stichting INGKA Foundation (hereafter referred to as INGKA Foundation). INGKA Foundation does not have any owners; it owns itself. It also does not have any beneficial owners but holds its assets only on its own behalf. This means that nobody is entitled to the assets of the Foundation. As its owner, INGKA Foundation can reinvest funds into Ingka Group.

INGKA Foundation has a charitable purpose to create a better everyday life for the many people in need. It achieves its charitable purpose by providing funding to the Stichting IKEA Foundation, an independent philanthropic grant-making organisation committed to helping children and families living in poverty afford a better everyday life while protecting the planet. Part of the net income of Ingka Group is paid as dividend to INGKA Foundation. INGKA Foundation ultimately uses

the dividends to support the IKEA Foundation in its charitable purpose. INGKA Foundation also provides funds to IMAS Foundation, which has a charitable purpose to create a better everyday

life for the many people in need. This is achieved by managing its assets and by financially supporting INGKA Foundation.

Ownership structure



Ingka Group Governance

Supervisory Board		Committees	
Management Board	Group Management	Committees	Group Functions Global Operations & Board
INGKA CENTRES Centres Board Centres Management Local Boards & Management	IKEA RETAIL Retail Board Retail Management Retail Country Boards & Councils Country Management	INGKA INVESTMENTS Investments Board Investments Management Local Boards & Management	

Ingka Group Board of Supervisory Directors

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

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

As per 31 August 2021, 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**.



Ingka Group Board of Managing Directors and Ingka Group Management

The Management Board is the ultimate decision-making body and is responsible for the formal conduct and the strategic, structural and financial approvals, as well as critical risks, for Ingka Group.



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

Group Management focuses on the strategic direction and performance of Ingka Group, and

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

Ingka Group Management: **Jesper Brodin**, President and CEO, (Chairperson), **Karina Gilpin**, CEO Assistant (Permanent Invitee & Organiser), **Juvencio Maeztu**, Deputy CEO (Deputy Chairperson) and Chief Financial Officer,

Barbara Martin Coppola, Group Digital Manager, **Tony Sandelius**, Strategy, Development & Innovation Manager, **Ulrika Biesert**, Group People & Culture Manager, **Krister Mattsson**, Ingka Investments Manager, **Cindy Andersson**, Managing Director Ingka Centres, **Kurt-Jörgen Olsson**, General Counsel, **Tolga Öncü**, Retail Operations Manager, **Karen Pflug**, Chief Sustainability Officer and **Belen Frau Uriarte**, Global Communication Manager.

Sustainability governance and management

The Ingka Group People and Planet Positive Strategy sets out the sustainability direction for the three businesses we operate: IKEA Retail, Ingka Centres and Ingka Investments. As a purpose-led business, we have fully integrated sustainability into our governance to ensure we implement our policies and achieve our targets.

Our sustainability strategy is formally decided by the Management Board, on consideration of advice from the Supervisory Board, who have a broad range of competencies, including ESG. The Sustainability Committee of the Management Board, chaired by the CFO and Deputy CEO of Ingka Group, defines and follows up on the overarching priorities, principles and frameworks for sustainability within Ingka Group.

The Chief Sustainability Officer (CSO), is a member of our Group Management to further strengthen our focus on sustainability as a key topic for the group. She manages the group sustainability function with responsibility for the execution of our People and Planet Positive Strategy across Ingka Group. The CSO organises and is the deputy chairperson of the Sustainability Committee, supported by the Sustainability Management Team.

Sustainability management team

The sustainability management team includes managers from the Group Sustainability, Group Communications and Finance functions, along with the Sustainability Managers of IKEA Retail and Ingka Centres. The management team is responsible for the development of sustainability policy, strategy and governance, and oversees our sustainability performance, communications and innovation programmes. Managers from the Procurement and Business Risk & Compliance functions attend relevant meetings.

Management at Country level

Our Country Retail Managers are also the Chief Sustainability Officers for their country. This is designed to help embed sustainability into our core business at Ingka Group, and broaden ownership of our People & Planet Positive strategy. Country CSOs are accountable for delivering our goals at the country level, and sustainability is integrated into their development programme and performance review process. They are supported by Sustainability Managers in each country.

Collaborating with Inter IKEA Group


Ingka Group participates in the IKEA Strategic Sustainability Council. This is an Inter IKEA Group governance body that focuses on the IKEA Brand's role in society, the IKEA People and Planet Positive Strategy and ambitions across the franchise system. The group also oversees compliance with sustainability requirements for suppliers set out in IWAY, the IKEA supplier code of conduct. Ingka Group collaborates with Inter IKEA Group on topics in the IKEA People and Planet Positive Strategy that require a value chain approach to improving our impact, such as inspiring customers on healthy and sustainable living.


Materiality

Our approach to sustainability is informed by our own research, in-depth knowledge of our customers and consultation with our key stakeholders. We also conduct regular formal materiality assessments to help us identify the issues of most importance to the business, to our stakeholders and the planet.

We undertook a materiality assessment update in FY21, conducted by an external consultant. This included a research phase, a series of internal workshops, and a stakeholder roundtable.

As in previous assessments, we used a 'double materiality' approach which considers both the impacts of sustainability issues on our business and the impacts of our business on people and the planet.

 **Materiality**

 **Stakeholder engagement**

Managing sustainability risks

We have robust processes for identifying, managing and mitigating non-financial risks to our business.

Social, environmental and ethical risks are integrated into the Ingka Group Risk Management Framework. Risks are identified, assessed and managed across the business, and relevant functions are responsible for monitoring progress and putting mitigation plans in place. We assess risks on an ongoing basis, and also conduct an annual sustainability risk review, led by the Sustainability Management Team. Strategic sustainability risks are assessed using internal data and third-party reports from organisations such as the World Economic Forum and the World Resources Institute. Risks are assessed from a quantitative financial impact and qualitative impact perspective under five different areas: Brand & reputation; Financial; Legal & Regulatory; Operations; Health & Safety. The impacts are assessed based on a five-level scale, from insignificant to critical.

Risks are also assessed based on their likelihood to materialise. The likelihood is assessed on a five-level scale, from un-likely to materialise to almost certain to materialise (the highest likelihood). The impact and likelihood together determine the overall risk level; which in turn determines how swiftly a risk response plan must be developed where Ingka has five possible response options; accept, transfer, mitigate, avoid, or explore. Our risk assessment process includes pre-defined risks from the Ingka risk universe that is used as a basis for the assessments. Based on the input received from all the different parts of the business and different countries, the consolidated score of some of the sustainability risks have been rated as having a potentially high impact and requiring a coordinated approach to respond effectively. This includes risks related to climate change.

Bottom-up risk process

Our risk process includes a bottom-up approach for each Ingka Group country to identify and report local sustainability risks. Sustainability Managers in each country, supported by Business Risk & Compliance Managers and other relevant co-workers, identify and record risks. The bottom-up approach improves our understanding of sustainability risks in each country, and tells us whether there are any emerging risks that could affect our strategic sustainability goals.

Risk reporting

Strategic sustainability risks are reported to the Sustainability Committee and in consolidated form to the Risk and Compliance Committee. A risk owner is assigned from the relevant business area who is accountable for managing climate-related risks. Strategic sustainability risks from various group functions are reviewed and consolidated in the Ingka Group Risk Register annually, to reflect the latest assessment.

Managing climate-related risks

Climate-related risks are integrated into the Ingka Group risk management framework and are assessed in line with the recommendations of the Task Force on Climate-Related Financial Disclosures. In FY21, we initiated an updated TCFD assessment in order to include more of our material climate-related risks and net-zero transition opportunities. We undertook a scenario analysis which considered two scenarios that span different temperature outcomes and pathways – Net Zero 2050, capping warming to

1.5 degrees over pre-industrial levels by 2100, and Current Policies, capping warming to 3-4 degrees over pre-industrial levels by 2100. We looked at our most material climate-related risks and net-zero transition opportunities, with a focus on energy and emissions (electricity costs, carbon price and energy efficiency in buildings), transportation (transition to zero-emission deliveries), physical risks to our buildings, and changes to consumer behaviours and evolving business models. Findings show that Ingka Group faces important climate-related risk but has already started many initiatives that could mitigate transition-related risks fully. Read more about the TCFD assessment.

Key sustainability risks in FY21

The key sustainability risks identified in FY21 include: climate change disrupting our supply chain and business operations and impacting co-workers and customers; and social and environmental risks in our supply chain.

Reporting non-financial information

We disclose our approach to managing non-financial risks in line with the EU Non-Financial Reporting Directive requirements. More information can be found throughout our website, see links on this page.



[Climate positive](#)

[Becoming circular](#)

[Our co-workers](#)

[IWAY - our supplier code of conduct](#)

[Human rights](#)

[Better neighbourhoods](#)

[High standards of ethics and integrity](#)

[Anti-bribery and corruption](#)

[Data ethics](#)



Better homes

Better homes

With 78 years of home furnishing retail expertise, we are constantly innovating to make our solutions more affordable, accessible and sustainable.

For generations, we have been on a mission to understand the needs, challenges and aspirations of the many, bringing inspiring and affordable home furnishings to people with big dreams and thin wallets.

Today we are transforming our business to find new ways to reach more people and to make healthy and sustainable living affordable for the many, not just the few. We are committed to offering a great IKEA experience at all customer meeting points. Whether it's the full experience

at one of our IKEA stores, the convenience of shopping online or a spontaneous visit to one of our city locations, customers should always get a great service and access to the IKEA range integrated with affordable, convenient and sustainable services.



We are passionate experts in life at home. We want to show people how better homes create a better life and use our know-how in personal, engaging and entertaining ways to reach more people in all of our markets.

The IKEA ambition is to inspire and enable 1 billion people to live a better everyday life within the boundaries of the planet by 2030. At Ingka, we're contributing to this goal by making sustainable living desirable, accessible and affordable for the many, through our stores, meeting points and online. We want every customer to find affordable and sustainable IKEA products and services that meet their needs, and to feel engaged, informed and inspired by our know-how on sustainable living.

Progress against targets FY21

OUR TARGETS	PROGRESS IN FY21	PERFORMANCE SUMMARY
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Inspiring and enabling a better life at home

<p>Enable customers to reduce their climate footprint by offering clean energy services in all markets by 2025.</p>	<p> [ON TRACK]</p>	<p>We reached 12 countries with our clean energy services. We estimate that customers that have purchased IKEA home solar panels in FY21 will save 186,000 tonnes of CO₂e over the lifetime of the panels.</p>
<p>Provide knowledge, inspiration, services and platforms supporting customers to actively participate in circular actions.</p>	<p> [ON TRACK]</p>	<p>We have introduced and tested a range of solutions, including 170 circular hubs in 26 markets, where customers can buy second-hand and nearly new furniture. Our spare parts service was used by 260,000 customers in FY21 to repair and extend the life of IKEA products.</p>

 [Read more about Life at home](#)

Visitation and Sales

	FY17	FY18	FY19	FY20	FY21
Number of Visits to IKEA.com		2.4 billion	2.6 billion	3.6 billion	4.6 billion
Number of IKEA App downloads			0.5 million	9.4 million	23.9 million
Number of visits to Ingka meeting places (Centres)		475 million	480 million	370 million	372 million
Number of visits to IKEA stores		838 million	839 million	706 million	657 million
% online sales growth			48.0%	60.0%	75.0%
% sales increase (IKEA Retail)	3.5%	1.9%	5.6%	-4.1%	6.3%
Online conversion				0.8%	1.3%

Our units

	FY17	FY18	FY19	FY20	FY21
Total number of stores (including IKEA stores, IKEA small stores, IKEA planning studios, IKEA shops and IKEA pick-up points)			414	436	465
Total number of countries			30	30	32
Fulfilment and Replenishment units (Distribution Centres, Customer Distribution Centres and Central Parcel Units)					93

4.6 billion

visits to IKEA.com
(3.6 billion in FY20)

26

new openings FY21
(26 in FY20)

12

countries with Clean Energy
Services

[Read more about Inspiring and enabling a better life at home](#)

[Read more about Making IKEA more affordable and accessible](#)



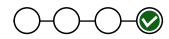
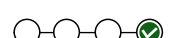
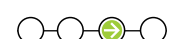
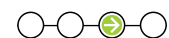
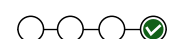
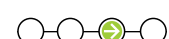
Better lives

Better lives

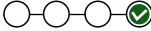



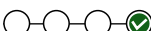
Our people strategy aims to prepare us as individuals – and collectively as an organisation – to thrive. That means that the safety and wellbeing of our people is always our highest priority – and in the face of a pandemic, caring for our people has meant bringing our cultures and values to life as never before. At the same time, we want to keep building our business for future generations – by attracting and rewarding people who share our values, and working to create a meaningful, inclusive workplace where we can all be ourselves, develop and grow, and where everyone is equipped to take care of our business, our customers, and each other.

We want to create a positive impact for everyone across our value chain and beyond, and that means supporting the neighbourhoods in which we operate and where our co-workers and customers live. Everyone deserves a better home, a better life and a better planet.

Progress against targets FY21

OUR TARGETS	PROGRESS IN FY21	PERFORMANCE SUMMARY
Culture and values		
Maintain at least an 80% engagement score in our co-worker survey.	 [ACHIEVED]	Our engagement score was 80% (FY20: 80%), consistent with last year.
At least 80% of co-workers believe we live our values, based on our co-worker survey.	 [ACHIEVED]	Our survey shows that 80% of co-workers believe we live our values (FY20: 80%).
Fair, equal, inclusive		
Achieve gender balance across our business in 2022.	 [ON TRACK]	We have achieved a 50/50 gender balance in our management positions (all leaders), and significantly increased gender balance in our Group Management to reach 50/50.
Equal pay for women and men performing work of equal value in all countries by the end of 2021.	 [ON TRACK]	Our latest gender equal pay assessments show that 5.04% of co-workers belong to groups where pay gaps cannot be explained by performance, competence or a country's legal requirements (compared to 8.04% in FY20).
Score 80% on our Inclusion Index, based on our co-worker survey.	 [ACHIEVED]	Our score was 80.4% (FY20: 81.5%).
Increase ethnic, racial and national diversity at all levels so our workforce reflects the diversity of the communities in which we operate by 2024.	 [ON TRACK]	We have started to put in place processes to measure our progress against this target. We aim to report data from our voluntary and anonymous D&I survey in FY22.

Progress against targets FY21 continued

OUR TARGETS	PROGRESS IN FY21	PERFORMANCE SUMMARY
Lifelong learning		
At least 80% of co-workers are empowered to develop their competencies.	 [ACHIEVED]	Our survey shows that 80.7% of co-workers feel empowered to develop their competencies.
Upskilling and reskilling training provided to co-workers in our transformation programmes starting with customer service, facilities and stores.	 [ON TRACK]	We are delivering a range of targeted upskilling programmes for the co-workers in these three transformation programmes and expect to upskill 10,400 people in FY22.
Neighbourhoods and communities		
Support at least 2,500 refugees by the end of 2022 through job training and language skills initiatives in Ingka Group Units across 30 countries.	 [ON TRACK]	We reached 802 refugees through skills for development programmes in 22 countries in FY21. Since FY20 we have reached 847 refugees, and we are on track to reach our target.
All Ingka Group retail countries will develop products or services from local social businesses by 2025.	 [NOT ON TRACK]	We partnered with 39 social entrepreneurs in 15 countries. This includes textile collections, sewing services, and last-mile services. The number of countries actively partnering with social businesses has decreased compared to FY20 (18 countries) and the number of partnerships has remained flat as we review our overall ways of working with social entrepreneurs. We aim to increase the number of partnerships and countries by standardising the way our retail countries initiate and maintain these partnerships.
Use our Covid Emergency Fund EUR 26 million to help people affected by the pandemic.	 [ACHIEVED]	We invested EUR 24.5 million in FY20 to support Covid relief efforts. This money continued to have an impact in FY21 through our Place Called Home programme. Over the last two years, we have helped more than 1.5 million people affected by the pandemic.

Our co-workers

We continued to grow, expanding our workforce by 4.4%, and were pleased to recruit over 87% of our managers from within. We are reporting more data on co-worker turnover and new hires for the first time this year. Our turnover rate reduced year on year.

In FY21 we completed a root cause analysis of co-worker turnover in each country and developed a three-step action plan to help us reduce turnover and increase retention focusing on reward, development opportunities and flexibility.

Our global values-based recruitment training has helped to reduce co-worker turnover in the first 100 days of employment, meeting our 80% retention target.

Our co-workers

	FY17	FY18	FY19	FY20	FY21
Total number of co-workers ¹	148,961	158,470	161,184	166,170	174,225
Net number of jobs created	8.1%	6.4%	1.8%	3.0%	4.4%
% of managers recruited from within	-	-	88.0%	87.2%	87.2%

Training data²

	FY18	FY19	FY20	FY21
Competence empowerment score ³ - % of co-workers who feel empowered to develop their competences				80.7%
% of co-workers who feel they have good opportunities to develop their competences				73.0%
Co-worker satisfaction with our learning programmes (out of 5)			4	4.6
% co-workers who have completed sustainability training			12.0%	64.0%
Number of training hours (millions of hours)				2.4
Leadership index - co-worker views on the quality of our leadership			77	81

174,225

co-workers
(166,170 in FY20)

4.4%

net number of jobs created
(3.0% in FY20)

87.2%

managers recruited from within
(87.2% in FY20)

¹ Total co-worker numbers are for non-seasonal co-workers. We hope to include data on seasonal co-workers from FY22. ² The competence empowerment score is based on results from our co-worker survey. The leadership index score is calculated based on responses to four questions in our co-worker survey. ³ This is a new metric so we don't have data for previous years.

Employee turnover by age group, gender and region

	FY17	FY18	FY19	FY20	FY21
% employee turnover (voluntary & involuntary) - non-seasonal co-workers	-	-	-	29.70%	28.80%
Total number of leavers (seasonal and non-seasonal)	-	-	-	50,523	51,405
Share of non-seasonal leavers by age group (seasonal and non-seasonal)					
<20	-	-	-	8.58%	9.26%
20-29	-	-	-	56.22%	54.89%
30-39	-	-	-	18.79%	19.76%
40-49	-	-	-	8.72%	8.48%
50-59	-	-	-	4.59%	4.27%
60-69	-	-	-	2.18%	2.21%
70-99	-	-	-	0.18%	0.16%
Unknown	-	-	-	0.74%	0.97%
Share of non-seasonal leavers by gender					
Female	-	-	-	53.33%	52.25%
Male	-	-	-	46.67%	47.75%
Share of non-seasonal leavers by region					
Asia Pacific	-	-	-	-	12.17%
Europe	-	-	-	-	66.13%
North America	-	-	-	-	21.69%

New hires by age group, gender and region

	FY17	FY18	FY19	FY20	FY21
Total number of new hires (seasonal and non-seasonal)	-	-	-	-	52,068
Total number of seasonal new hires	-	-	-	-	6,114
Total number of non-seasonal new hires	-	-	-	-	45,954
Share of non-seasonal new hires by age group					
<20	-	-	-	-	10.87%
20-29	-	-	-	-	54.14%
30-39	-	-	-	-	20.10%
40-49	-	-	-	-	8.75%
50-59	-	-	-	-	3.97%
60-69	-	-	-	-	0.79%
70-99	-	-	-	-	0.03%
Unknown	-	-	-	-	1.35%
Share of non-seasonal new hires by gender					
Female	-	-	-	-	50.00%
Male	-	-	-	-	50.00%
Share of non-seasonal new hires by region					
Asia Pacific	-	-	-	-	5.65%
Europe	-	-	-	-	73.07%
North America	-	-	-	-	21.29%

Caring for our people and living our values

We were pleased that 83% of co-workers believe Ingka is a great place to work and that 80% feel engaged and believe we live our values. Co-workers also gave us valuable feedback on areas where we can do better, such as communication and workload. We're analysing what they've told us, and building action plans to address the issues raised. We saw a small increase in our accident frequency rate during FY21.

Health & safety data¹

	FY17	FY18	FY19	FY20	FY21
Lost time accident frequency rate (the number of lost time accidents with more than one day of lost time per million hours worked)	-	-	9.26	12.27	12.61
Health & safety training - number of new co-workers trained	-	-	-	-	29,100

ishare results (our co-worker survey)²

	FY17	FY18	FY19	FY20	FY21
Engagement Index - % of co-workers who feel engaged	-	-	78.10%	80.10%	79.80%
Values Index - % of co-workers who believe we live our values	-	-	78.20%	79.60%	79.80%
Great place to work - % of co-workers who believe IKEA/Ingka is a great place to work	-	-	81.10%	82.50%	83.40%
% co-workers who feel supported to live a healthy lifestyle	-	-	53.80%	60.60%	57.90%
% co-workers who feel supported to effectively deal with stress	-	-	49.70%	57.60%	56.80%
% co-workers who feel supported to manage their financial life	-	-	50.30%	57.30%	58.60%
% co-workers who feel that they actively contribute to taking care of people and planet	-	-	79.60%	81.30%	79.80%
% of co-workers who feel that IKEA cares for co-workers' interests and safety during Covid-19	-	-	-	89.00%	77.90%
% of co-workers who feel sufficiently updated on policies and actions during Covid-19	-	-	-	96.00%	93.20%
% of co-workers who feel they got sufficient support from their manager during Covid-19	-	-	-	90.00%	82.80%

¹ We have changed how we calculate our accident rate to align with the methodology used by the International Labor Organization and have restated our data for previous years. Previously, we reported calculated accident data as severe accidents per million hours worked. Training data is for our Introduction to Safety and Security induction training. ² Data is the latest available i-share scores at the end of each financial year.

Fair, equal, inclusive

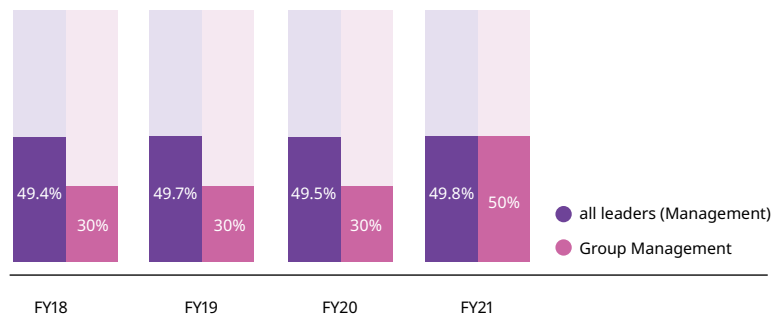
Our inclusion index monitors co-worker views on whether we're succeeding in creating an inclusive workplace. It's based on questions from our co-worker survey. The score for FY21 was 80.4% (FY20: 81.5%).

We have achieved a 50/50 gender balance in our management positions (all leaders), and significantly increased gender balance in our Group Management to reach 50/50. At country Board level, women made up 48% of permanent members. We have not achieved gender balance on our Supervisory Board or Management Board.

Our annual gender-equal pay assessment showed that 5.04% of co-workers belong to groups where pay gaps cannot be explained by performance, competence or a country's legal requirements, a decrease on 8.04% in FY20.

We've set a target to increase ethnic, racial and national diversity at all levels of our leadership and have started to put in place processes to measure our progress. We hope to report data from our voluntary and anonymous Diversity & Inclusion survey in FY22.

Women in leadership (% of women)



Inclusion index

	FY17	FY18	FY19	FY20	FY21
% employees that feel included	-	-	78.5%	80.3%	80%
% employees that feel they can be themselves	-	-	82.0%	82.7%	82.3%

Gender balance*

(% of women)

	FY17	FY18	FY19	FY20	FY21
all leaders (Management)	49.2%	49.4%	49.7%	49.5%	49.8%
all co-workers	53.8%	55.2%	54.6%	54.7%	55.3%
Group Management (including our Management Board)		30.0%	30.0%	30.0%	50.0%
Supervisory Board		37.5%	37.5%	25.0%	25.0%
Business Boards (the boards of IKEA Retail, Ingka Investments and Ingka Centres)					44.0%
Country Boards (registered members only)					48.0%
Country Boards (registered members and permanent invitees)					49.0%

Gender-equal pay*

	FY17	FY18	FY19	FY20	FY21
% co-worker population in scope for our Gender-equal Pay assessment					100.00%
% co-workers belonging to identical groups with gaps that cannot be explained by performance, competence and a country's legal requirements				8.04%	5.04%
% of co-workers belonging to identical groups where financial investment is needed to close a pay gap				2.00%	1.60%
% of recruiters that have completed Gender-equal Pay training					68.00%
% of managers who have completed the Gender-equal Pay training					50.00%

50%

of managers have completed the Gender-Equal Pay training

68%

of our recruiters in FY21 have completed our Gender-Equal Pay e-learning training

* We monitor two types of gender pay gaps: total gap and identical group gap. We monitor the total gap because it may signal the need for additional gender equality efforts, such as increasing the number of women in highly-paid decision-making roles. However, our primary focus is on identical groups where women and men are performing similar work (same pay band, same job title).

Women's Empowerment Principles

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:

Establish high-level corporate leadership for gender equality

Our gender equality framework follows a systematic approach all the way from establishing the mind-set 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 global ED&I team. Our goal is to achieve gender balance across our business by 2022*. Our CEO is active in our efforts to promote gender equality.

Treat all women and men fairly at work – respect and support human rights and non-discrimination

Our Policy on Human Rights and Equality states that co-workers must be treated fairly and provided with equal opportunities regardless of any dimension of their identity including gender. Our Code of Conduct and our Standard on Equality ensure that our workplace is free of discrimination, harassment and hostility.

Ensure the health, safety and well-being of all female and male 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 introduced additional measures to support co-workers during the pandemic and will roll out our global Health and Wellbeing Framework during FY22.

Promote education, training and professional development for women

We invest in training and competence development, so every co-worker has the skills to deliver on our business goals today and in the future. We make sure that our leadership programmes and succession pipeline are gender balanced.

Implement enterprise development, supply chain and marketing practices that empower women

Our IWAY Standard defines the requirement for our suppliers to respect human rights. We encourage suppliers to achieve gender balance and to close the gender pay gap. We've built partnerships with social entrepreneurs and social businesses in 15 countries that support women and others facing inequality or poverty.

Promote equality through community initiatives and advocacy

We collaborate with NGOs and governmental agencies to advocate for a more equal society including Catalyst, the B Team and EPIC. Our EU countries have signed their national Diversity Charter. We partner with local organisations connected to women's rights. For example, our Covid-19 Emergency Community Support fund helped organisations working on domestic violence.

Measure and publicly report on progress towards achieving gender equality

We report progress through our 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.

* This target covers our Group Management (including our Management Board), our country boards and the boards for our three businesses (IKEA Retail, Ingka Centres and Ingka Investments). It does not cover our Supervisory Board.

Better neighbourhoods and communities

We reached 802 refugees through skills for development programmes in 22 countries in FY21. Since FY20 we have reached 847 refugees, and we are on track to reach our target. We are currently not on track to reach our target for all countries to develop products or services from local social businesses by 2025 - the number of countries actively partnering with social businesses has decreased compared to FY20 and the number of partnerships has remained flat as we review our overall ways of working with social entrepreneurs. We aim to increase the number of partnerships and countries by standardising the way our retail countries initiate and maintain these partnerships. We invested EUR 24.5 million in FY20 to support Covid relief efforts. This money continued to have an impact in FY21 through our Place Called Home programme. Over the last two years, we have helped more than 1.5 million people affected by the pandemic.

	FY18	FY19	FY20	FY21
Number of refugees supported	n.d.	n.d.	45	802
Number of countries with refugee programmes	11	9	3	22
Number of countries with products or services from social businesses	14	16	18	15
Number of social businesses reached	58	32	39	39
Number of people supported through social impact initiatives in their local neighbourhoods			750,000	1,032,268*

847

refugees supported in the last two years

22

countries with refugee inclusion programmes

* This figure includes reports from all countries on the number of people supported during FY21 as part of Place Called Home initiatives. The support took various forms, from small donations to bigger donations of products, knowledge and financial support.



Better planet

Better Planet

We are taking bold steps across our business to help achieve the IKEA goal to become a climate positive and circular business by 2030, and we are making it easier for our customers to act too.

To achieve our vision for a better everyday life for the many people, we have to play our part in tackling climate change and creating a circular economy.

IKEA is committed to the Paris Agreement¹ and to limiting global temperature rises to 1.5°C, aiming to become climate positive by 2030 and to reach net-zero by 2050² at the latest. At Ingka, as the

largest IKEA franchisee, we have an important part to play in achieving the IKEA climate positive commitment and many opportunities to enable the transition to a net-zero society.

Using resources efficiently has always been part of how we work at IKEA and we want to play our part in making the circular economy a reality. IKEA is committed to become a circular business by

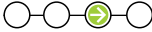
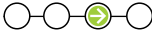

2030. This will impact the whole business, from the products and services we offer our customers, to the way we run our operations.

See [Ingka.com/Reporting](https://www.ingka.com/Reporting) and [IKEA Sustainability Report FY21](#) for further details about IKEA climate positive and circular goals.

Progress against targets FY21

OUR TARGETS	PROGRESS IN FY21	PERFORMANCE SUMMARY
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Climate footprint of our operations (scope 1 and 2)




<p>Reduce absolute greenhouse gas emissions from our own operations (scope 1 and 2) by 80% by 2030 (from FY16)³</p>	 [ON TRACK]	<p>In FY21, our greenhouse gas emissions from our own operations (scope 1 and 2) decreased by 6.6% against our FY16 baseline and by 3.5% since FY20. This was mainly due to an increase in renewable electricity and we are working to further roll out renewable electricity, heating and cooling (see targets below). Read more on climate footprint of our operations. Note: this is a science-based target (approved by the SBTi⁴).</p>
<p>Use 100% renewable electricity in our operations by 2025.</p>	 [ON TRACK]	<p>76.1% of the electricity used in our operations in FY21 was from renewable sources, an increase from 66.6% in FY20.</p>
<p>Renewable heating and cooling systems in 100% of our buildings by 2030.</p>	 [NOT ON TRACK]	<p>In FY21, greenhouse gas emissions related to heating increased by 29.5% since FY16 and 15.3% since FY20. This partly reflects an increased use of heating among existing stores, and that we did not install 100% renewable heating in two new stores that opened during the year. In the coming years, we expect to improve our performance by implementing further energy efficiency measures, and converting more of our buildings to renewable heating and cooling. We anticipate these measures will drive down emissions and get us back on track to achieve our target for 100% renewable heating and cooling by 2030.</p>

¹ The Paris Agreement is a legally binding international treaty on climate change adopted at COP 21 in Paris. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. ² The IKEA Climate Positive commitment is a shared responsibility across IKEA and is the outcome of all actions across the IKEA value chain. ³ This target covers our scope 1 and 2 greenhouse gas emissions which are responsible for around 1.9% of our total climate footprint in FY21. This includes greenhouse gas emissions from energy use (1.7% of our total climate footprint) and other scope 1 and 2 activities relating to our operations, including refrigerants and company-owned vehicles (0.2% of our total climate footprint). Data for refrigerants was externally reported the first time in FY21. ⁴ The Science Based Targets initiative (SBTi) is a partnership between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature. It defines and promotes best practice in science-based target setting; see <https://sciencebasedtargets.org>.

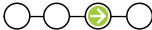
Progress against targets FY21

OUR TARGETS	PROGRESS IN FY21	PERFORMANCE SUMMARY
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Climate footprint of co-worker and customer travel, and home deliveries (Scope 3)

<p>All company-owned, leased and shared vehicles used in our operations to be zero emission by 2025.</p>	 [NOT ON TRACK]	<p>We have begun work to switch to zero-emission vehicles in several countries.</p>
<p>Reduce relative greenhouse gas emissions from customer and co-worker travel and home deliveries by 50% per person* by 2030 (from FY16).</p>	 [NOT ON TRACK]	<p>In FY21, we achieved a 10.5% reduction in relative greenhouse gas emissions from customer and co-worker travel and home deliveries (scope 3) against our FY16 baseline and a 2.3% reduction since FY20. Note: this is a science-based target (approved by the SBTi).</p>
<p>All home deliveries made by zero-emissions vehicles by 2025.</p>	 [NOT ON TRACK]	<p>In FY21, the proportion of home deliveries by electric or zero emission vehicles increased to 11.0% (compared to 9.6% in FY20). This excludes small parcels. We achieved limited progress against our target because total home deliveries continued to increase significantly (up 24.5% compared to FY20, and yet our ability to deploy more EVs was limited due to availability challenges, extended lead times, and manufacturing delays. The total number of zero-emissions deliveries increased by as much as 49.7% compared to FY20, yet the ongoing impacts of the pandemic meant we could not reach the proportional increase targeted. Nevertheless, we are confident that the actions we are taking will significantly increase the electric truck fleet next year, and we expect to get back on course to achieve our target by 2025.</p>

Climate footprint of IKEA products and food (Scope 3)

<p>Contribute to a 15% reduction in the climate footprint of IKEA products and food by 2030, while still growing the IKEA business. Accounting for the estimated growth over the same period, this is equivalent to cutting the average climate footprint per product by an estimated 70%.</p>	 [ON TRACK]	<p>We contributed to this goal by promoting IKEA products, food and services with a lower climate footprint and by providing renewable electricity to IKEA suppliers. In FY21, scope 3 emissions from IKEA products and food arising from Ingka Group sales (89.0% of IKEA sales) was 6.0% lower than the FY16 baseline, despite total sales growth of 17.6% over the period. See IKEA Sustainability Report FY21 for further details of progress against the IKEA goal.</p>
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* Covers scope 3 emissions categories 6, 7 & 9. The emissions are calculated relative to the number trips taken.

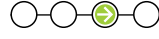
Progress against targets FY21

OUR TARGETS	PROGRESS IN FY21	PERFORMANCE SUMMARY
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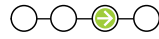
Going beyond the IKEA value chain

<p>Enable customers to reduce their climate footprint by offering Clean Energy Services in all markets by 2025.</p>	 [ON TRACK]	<p>We reached 12 countries with our Clean Energy Services. We estimate that customers that have purchased IKEA home solar panels in FY21 will save 186,000 tonnes of CO₂e over the lifetime of the panels.</p>
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Striving for zero waste and becoming circular

<p>Reduce our operational waste and strive to recycle 100% of waste generated in our operations by 2030.</p>	 [ON TRACK]	<p>Waste generated in our operations increased by 5.7% in FY21 compared with FY20, but has reduced by 4.1% since FY17. We recycled 75.0% of operational waste in FY21, up from 71.5% in FY20.</p>
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<p>Reduce production food waste by 50% by the end of 2021, compared with FY17*.</p>	 [ON TRACK]	<p>We have reduced production food waste by 44.8% since FY17. This target covers production food waste, which is the waste from our kitchens before the food is sold to our customers.</p>
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<p>Provide knowledge, inspiration, services and platforms supporting customers to actively participate in circular actions.</p>	 [ON TRACK]	<p>We have introduced and tested a range of solutions, including 170 circular hubs in 26 markets, where customers can buy second-hand and nearly new furniture. Our spare parts service was used by 260,000 customers in FY21 to repair and extend the life of IKEA products.</p>
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* This target deadline was extended from our original goal of 31 August 2020. The target set by Inter IKEA is to reduce production food waste by 50% by the end of 2022, compared with FY17. This covers all IKEA stores across the entire franchise system; see [IKEA Sustainability Report FY21](#) for progress.

Our climate footprint

Our total climate footprint was 24.1 million tonnes of CO₂e in FY21. This covers IKEA Retail, Ingka Investments and Ingka Centres.

Since FY16, the Ingka Group business grew by 17.6%, and yet we also achieved a 6.5% climate footprint reduction over the same period (see chart).

Our climate footprint covers greenhouse gas emissions across our value chain, including scope 1, 2 and 3 emissions (see table). The overall 6.5% reduction in our climate footprint from FY16 was driven by a 21.4% reduction in our scope 2 emissions and a 6.5% reduction in our scope 3 emissions. However, scope 1 emissions have increased by 31.3% from FY16, which mainly reflects challenges in reducing emissions from heating.

Our progress over the past two years has been impacted by disruptions to our business caused by Covid-19. During both FY20 and FY21, we experienced disruptions in our supply chain, temporarily closed restaurants, and negative impacts on production and the availability of ocean containers for transport. Over the past year, total greenhouse gas emissions increased by 5.8% (from FY20). The main reason for this expected increase was retail sales beginning to recover from the pandemic.

However, compared to pre-pandemic levels (FY19), our retail sales are higher this year. But we have continued to make progress in reducing our climate footprint, which is 6.7% lower than in FY19.

We recognise that more significant reductions are needed in the coming years to achieve the IKEA climate positive commitment.

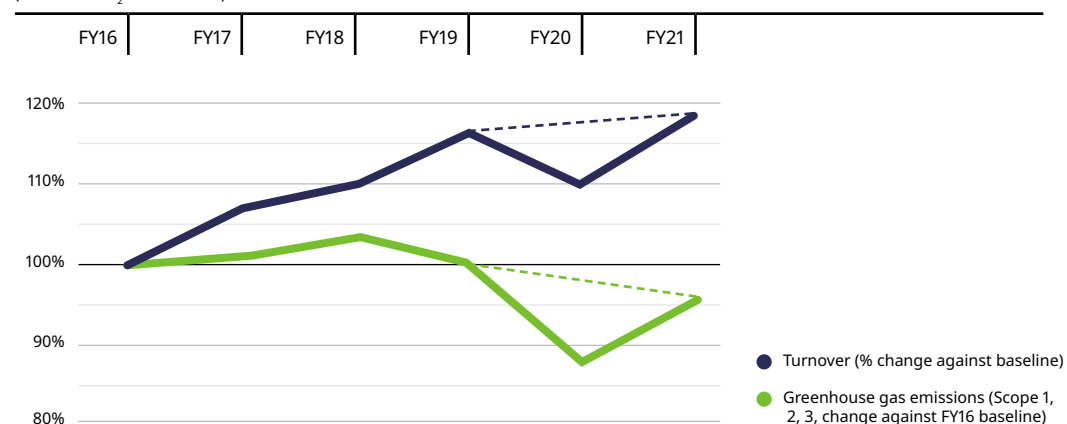
Climate footprint

(tonnes CO₂e)

	FY16	FY17	FY18	FY19	FY20	FY21
Scope 1 ¹	138,999	158,369	177,079	170,949	166,748	182,466*
Scope 2 ²	355,503	346,601	346,123	332,346	311,895	279,281*
Scope 3	25,276,454	25,403,760	26,067,910	25,311,749	22,290,910	23,624,630**
TOTAL Scope 1, 2 & 3	25,770,956	25,908,730	26,591,112	25,815,043	22,769,554	24,086,377
Scope 1 - previously reported data	107,227	125,478	132,625	134,253	129,574	
Scope 3 - previously reported data	22,977,638	22,815,059	23,606,104	22,565,842	19,707,900	

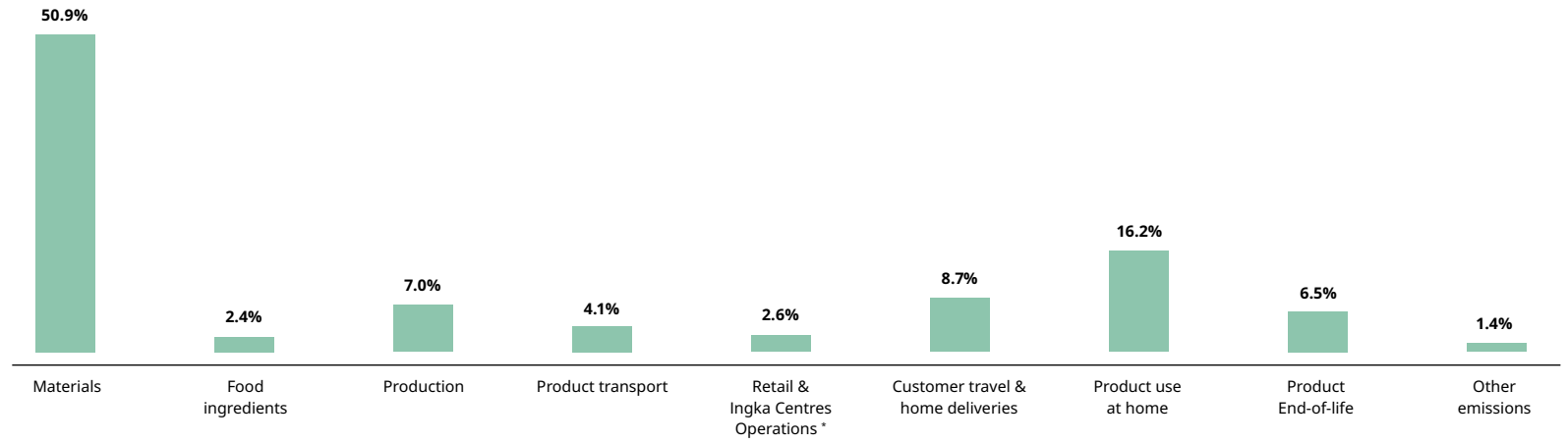
Our climate footprint (Scope 1, 2 and 3) vs business growth

(tonnes of CO₂e vs turnover)

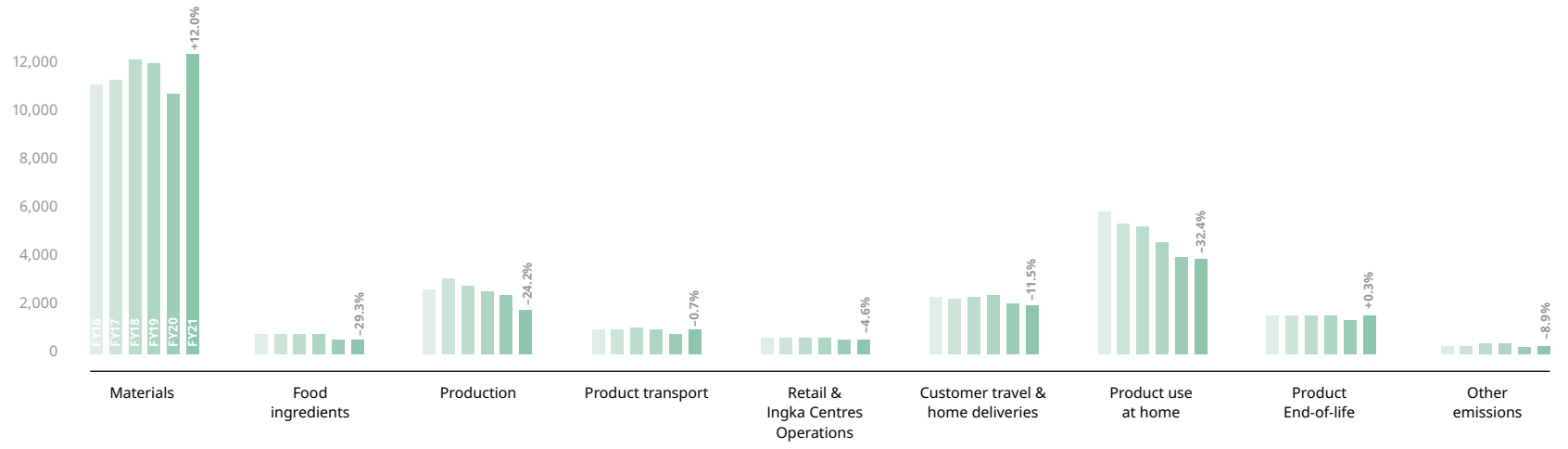


¹ Previous years' data restated to include refrigerants. ² Previous years data restated due to changes in Inter Ikea data; See Inter Ikea Sustainability Report for explanation. * Data included in the external assurance scope. ** External assurance only covers the scope 3 emissions within Ingka Group's operational control (categories 2, 3, 5, 6, 7, 9, 13 and category 1 for raw materials of products used for store operation, purchased by Ingka Group Procurement) which accounts for 2,652,825 of the 23,624,630 CO₂e tonnes.

Our climate footprint FY21



Our climate footprint FY16-FY21



* Includes scope 1 & 2 emissions (1.9%) and scope 3 emissions (0.7%)

Climate footprint - our operations

Greenhouse gas emissions from energy use in our own operations (scope 1 and 2) are responsible for around 1.7% of our total climate footprint. In addition, around 0.2% of our total climate footprint is from other scope 1 and 2 activities relating to our operations, including refrigerants and company-owned vehicles. There are also other scope 3 emissions relating to our own operations covering waste, water use and some fuel and energy-related emissions (see page 38).

In FY21, we achieved a 6.6% reduction in the climate footprint from our operations (scope 1 and 2) compared with FY16 and a 3.5% reduction

compared with FY20. This is mainly due to an increase in renewable electricity, which has led to a 21.4% reduction in our scope 2 emissions from FY16. It has been more challenging to reduce scope 1 emissions, which mainly includes emissions from heating. Our scope 1 emissions increased by 31.3% from FY16. Although we are making progress, we will need to make more significant reductions to achieve our target of an 80% reduction by 2030.

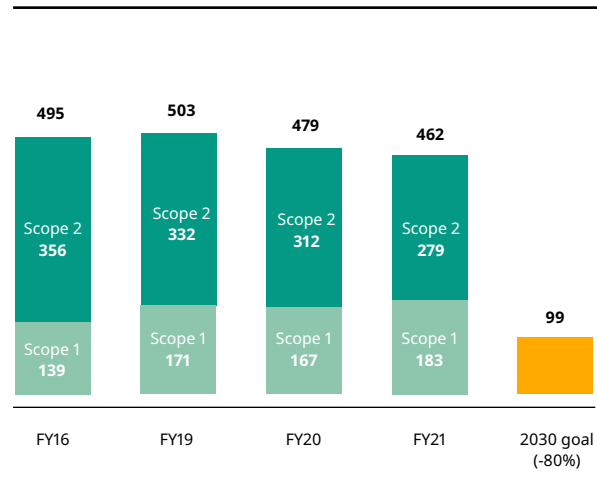
Since FY16, we reduced emissions by 2.7% in IKEA stores and 20.2% in Ingka Centres (common areas). However, emissions have increased by 33.7% in our distribution centres. One of the reasons for this

increase is that we have expanded our distribution centres as more customers switch to online shopping but without securing the renewable energy required to reduce emissions.

We achieved our biggest emissions reductions in Russia, Canada and Denmark due to an increase in the amount of renewable electricity we used in these markets. We are now focusing on securing renewable electricity in remaining countries, especially focusing on Australia, China, India and South Korea.

Climate footprint - our operations (Scope 1 and 2)

(thousand tonnes CO₂e)



Emissions from consumed electricity (local and market based) scope 2

	FY16	FY17	FY18	FY19	FY20	FY21
Consumed electricity (MWh)	1,913,155	1,879,928	1,955,355	1,958,937	1,808,145	1,921,341
Location-based emissions (tCO ₂)	635,562	626,726	657,373	652,805	604,757	631,913*
Market-based emissions (tCO ₂)	322,698	309,743	310,137	303,548	284,943	249,824*
Footprint reduction due to use of renewable electricity(%)	59.0	60.8	62.0	61.4	60.0	66.2

* Data included in the external assurance scope.

Climate footprint - our operations (scope 1 and 2)¹(tonnes CO₂e)

	FY16	FY17	FY18	FY19	FY20	FY21
Retail	274,631	286,599	306,096	288,894	285,828	267,180*
Customer Fulfillment	29,811	39,334	41,335	41,704	41,979	39,852*
Ingka Centres (common areas)	190,061	178,686	175,301	172,141	150,416	151,696*
Offices	-	-	-	-	1	3*
Off-site wind & solar ²	-	351	470	556	419	3,016*
TOTAL	494,502	504,970	523,202	503,295	478,643	461,747
Retail - previously reported assured data	249,231	260,494	267,457	257,833	251,511	
Customer Fulfillment - previously reported assured data	27,681	36,953	39,458	40,840	41,571	
Ingka Centres (common areas) - previously reported assured data	185,817	174,280	171,363	167,369	147,967	
Offices - previously reported assured data	-	-	-	-	1	
Off-site wind & solar - previously reported assured data	-	351	470	556	419	
TOTAL	462,730	472,079	478,748	466,599	441,469	

Biogenic emissions (scope 1 and 2)(tonnes CO₂e)

	FY16	FY17	FY18	FY19	FY20	FY21
Diesel bio-fuel blend (On-site use CO ₂ t)	-	24	3	6	10	12*
Biogas (On-site use)	-	3,859	5,233	5,065	4,950	5,189*
Biomass, wood based (On-site use)	11,109	7,829	6,216	6,601	5,563	5,609*
TOTAL	11,109	11,712	11,451	11,673	10,523	10,810

¹ Previous years data restated to include refrigerants. ² We are working to secure 100% renewable electricity for electricity required to operate the wind turbines. * Data included in the external assurance scope.

Energy efficiency

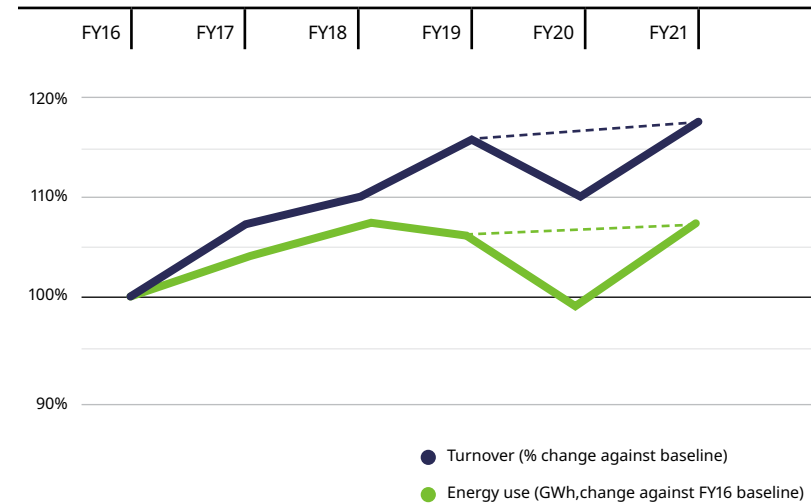
We have annual energy action plans for every building. Examples of initiatives we are taking to improve energy efficiency include switching to LED lighting, upgrading building management systems, improving insulation and using energy recovery from heating and cooling.

Our total energy consumption increased by 7.1% from FY16 which has been due to a combination of factors including opening new customer meeting points and distribution centres, an increase in heating demand in FY21 (due to a cold winter in Europe) and greater ventilation requirements (due to Covid).

Our progress over the past two years has also been impacted by disruptions to our business caused by Covid-19. Over the past year, our energy use increased by 7.9% from FY20, which has been partly due to retail sales beginning to recover from the pandemic. However, compared to pre-pandemic levels (FY19), our energy use in FY21 was 0.9% higher (see dotted line on chart). We therefore need to focus on improving energy efficiency in future years to reverse this trend.

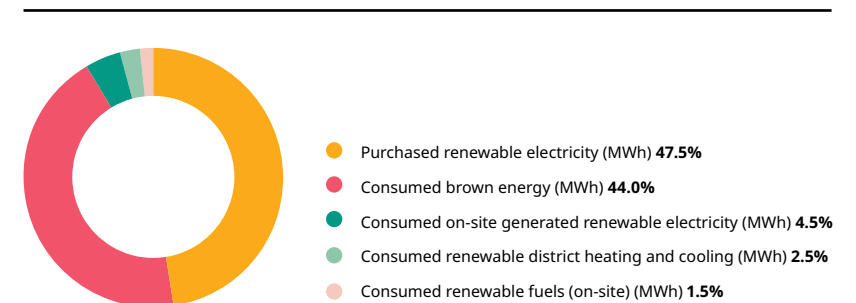
Energy use vs business growth

(Energy GWh vs turnover)



Energy use by source in FY21

(percentage of total energy use)



Renewable electricity

We're aiming to consume 100% renewable electricity across all of the countries where we operate by 2025. In FY21, 76.1% of the electricity (56.0% of the energy) we used was from renewable sources*. As a result, our climate footprint from purchased electricity was 66.2% lower than if we had purchased non-renewable electricity in the countries where we operate. We reached 100% renewable electricity in our retail and centres operations across 23 countries in FY21.

We aim for as much electricity as possible to be produced on-site from solar panels. In FY21, 6.6% of our electricity consumption was generated on-site.

We also secure renewable electricity from off-site generation. Our off-site investments in wind and solar projects enable us to reduce our own value chain climate footprint and provided 47.1% of the electricity used in our operations in FY21.

Renewable heating and cooling

We're aiming for 100% renewable heating and cooling across all of our buildings by 2030. In our new stores and centres, we are working to fit renewable heating and cooling technology, such as ground and air source heat pumps that run off renewable electricity, and biogas or biomass boilers. In FY21, we installed renewable heating and cooling in four of the six new stores that we opened (the stores without were in Ljubliana and Kiev). We're

also retrofitting existing stores and now have 100% renewable heating and cooling in three countries, with one more country almost at 100% (by the end of FY21). The majority of our cooling is generated using electricity and therefore this is covered by our target for 100% renewable electricity (see previous section).

In FY21, greenhouse gas emissions related to heating increased by 29.5% since FY16 and 15.3% since FY20. This partly reflects an increased use of heating among existing stores and that we did not install 100% renewable heating in the two new stores in Ljubliana and Kiev. In the coming years, we expect to improve our performance by implementing further energy efficiency measures, and converting more of our buildings to renewable

heating and cooling. We anticipate these measures will drive down emissions and get us back on track to achieve our target of 100% renewable heating and cooling by 2030.

Renewable electricity in our operations

	FY16	FY17	FY18	FY19	FY20	FY21
Renewable electricity in our operations (% of total electricity)	62.5	63.3	64.3	65.6	66.6	76.1

Renewable energy generation by type

(GWh)

	FY16	FY17	FY18	FY19	FY20	FY21
Electricity from wind	304	2,386	2,546	2,958	3,569	3,692
Electricity from photovoltaic	120	128	156	169	366	477
Heat from renewable sources	31	40	43	44	41	42
TOTAL	456	2,555	2,745	3,171	3,975	4,210

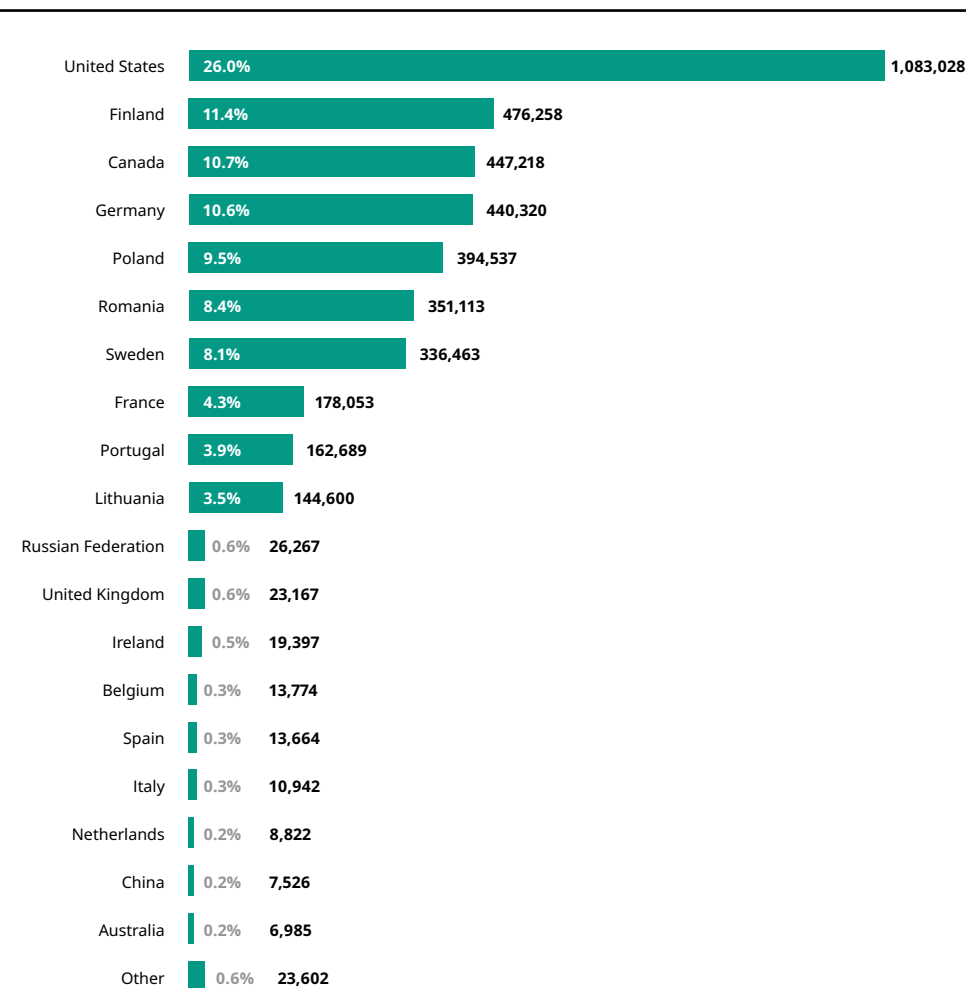
* This covers electricity used for our own operations and excludes tenants' electricity use.

Energy use and share of renewable energy in FY21

	Total energy consumption (MWh)	Renewable energy (MWh)	Non-renewable energy use (MWh)	Share of renewable energy used as % of total consumption
Customer Meeting Points	1,870,981	1,217,102	653,879	65.1
Distribution Centres	281,868	163,846	118,022	58.1
Ingka Centres (common areas)	622,067	165,918	456,148	26.7
Offices	18,727	18,726	1	100.0
Off-site wind & solar	17,244	8,767	8,477 ¹	50.8
TOTAL	2,810,886	1,574,359	1,236,527	56.0

Electricity generated from Ingka Group wind power and solar by country FY21²

(MWh) % of total wind and solar generation capacity by country



¹ We are working to secure 100% renewable electricity for electricity required to operate the wind turbines. ² This covers off-site electricity generated from Ingka Group investments and electricity generated on our sites.

Travel and home deliveries

In FY21, 8.7% of our climate footprint was from customer and co-worker travel and home deliveries¹. This includes emissions from customers travelling to our stores, co-worker business travel and commuting, and the last-mile delivery of IKEA products to customers' homes.

Our science-based target is to reduce scope 3 greenhouse gas emissions from customer and co-worker travel and home deliveries by 50% per person² by 2030 (from FY16). We achieved a 10.5% reduction in FY21 compared with our FY16 baseline and a 2.3% reduction since FY20.

In FY21, 11.0% of home deliveries were made using zero-emission vehicles. This excludes small parcels. We achieved limited progress against our target because total home deliveries continued to increase significantly (up 24.5% compared to FY20), and yet our ability to deploy more EVs was limited due to availability challenges, extended lead times, and manufacturing delays. The total number of zero-emissions deliveries increased by as much as 49.7% compared to FY20, yet the ongoing impacts of the pandemic meant we could not reach the proportional increase targeted. This

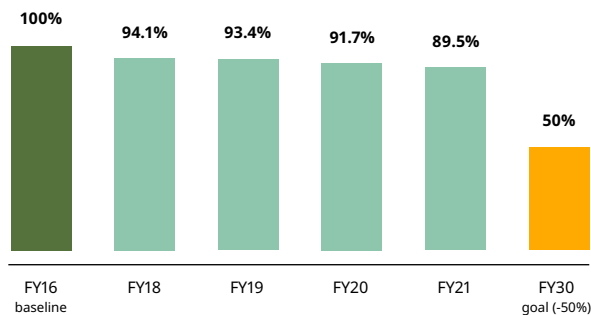
means that compared to FY20, we saw a 45.9% increase in emissions, and compared to FY16, total emissions from home deliveries are 2.4 times higher. Nevertheless, we are confident that the actions we are taking will significantly increase the electric truck fleet next year, and we expect to be back on course to achieve our target by 2025.

Although home deliveries significantly increased in FY21, store closures due to Covid led to less travel by both co-workers and customers in the past two

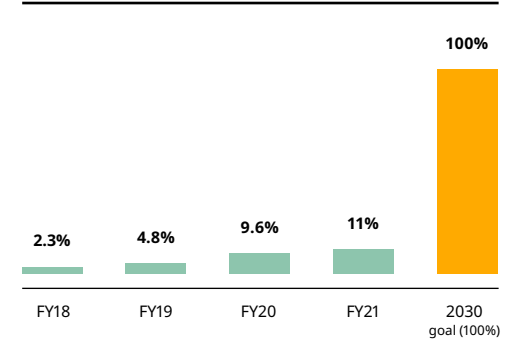
years. This contributed to an 18.2% reduction in total emissions from co-worker travel from FY16 and a 16.8% reduction in total emissions from customer travel from FY16.

Relative greenhouse gas emissions from home deliveries, customer travel and co-worker travel³

(percentage of baseline emissions)



% share of home deliveries made by electric or zero-emission vehicles



Transport related climate footprint

(tonnes CO₂e)

	FY16	FY17	FY18	FY19	FY20	FY21
Home deliveries	82,979	98,670	120,460	213,251	134,424	196,059*
Customer travel	2,130,180	2,069,126	2,119,020	2,092,197	1,868,352	1,771,728*
Co-worker travel	144,268	148,306	149,956	145,422	106,476	118,029*
TOTAL	2,357,427	2,316,102	2,389,436	2,450,870	2,109,252	2,085,816

¹ Our emissions from travel include scope 1 emissions from company cars (0.03% of our carbon footprint) and scope 3 emissions from customer and co-worker travel and home delivery (8.7% of our carbon footprint). ² The emissions are calculated relative to the number of trips taken.

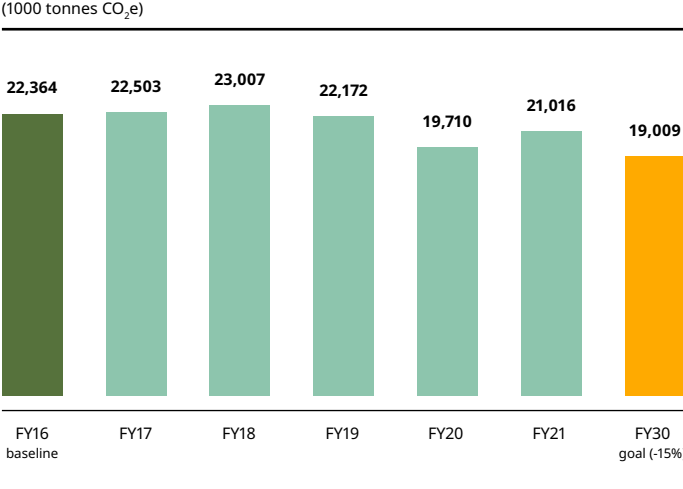
³ The emissions are calculated relative to the number of trips taken. * Data included in the external assurance scope.

IKEA products and food

The majority of our climate footprint is associated with the products we sell; the IKEA range. This includes supply chain emissions from the sourcing of raw materials, food ingredients, production and product transport and emissions associated with customer use of products and product end-of-life. Together these scope 3 emissions accounted for 87.3% of our total emissions in FY21.

In FY21, these emissions decreased by 6.0% from the FY16 baseline, despite total sales growth of 17.6% over the period. However, emissions increased by 6.6% over the past year (from FY20), mainly due to the growth in sales as the business recovers from the Covid pandemic. Inter IKEA Group has developed climate roadmaps for key materials used in products including wood, metals, paper, textile furnishings and plastics in order to achieve the IKEA goal of a 15% reduction by FY30. You can read about how Inter IKEA is reducing the climate footprint of IKEA products in the IKEA Sustainability Report FY21.

Greenhouse gas emissions from products and food - Scope 3*



[Read more in the IKEA Sustainability Report FY21.](#)

* The data covers scope 3 emissions arising from Ingka Group sales (89.0% of total IKEA sales), including supply chain emissions from the sourcing of raw materials, manufacturing, and transport of products as well as the use and disposal of IKEA products and food by our customers.

Value chain climate footprint

Scope 3 emissions by GHG Protocol category

(tonnes CO₂e)

	FY16	FY17	FY18	FY19	FY20	FY21
1. Purchased goods and services ¹	14,018,648	14,582,600	15,177,512	15,024,760	13,368,796	14,548,322**
2. Capital goods ²	184,306	195,148	260,197	295,978	143,678	186,112*
3. Fuel-and-energy-related activities (not included in Scope 1 or 2) ³	122,737	124,526	127,899	121,524	110,304	131,797*
4. Upstream transportation and distribution ³	1,003,108	1,033,224	1,083,857	1,019,856	884,460	996,040
5. Waste generated in operations ⁴	49,276	66,229	93,083	79,154	50,279	41,700*
6. Business travel	42,910	39,265	39,258	29,872	18,096	4,761*
7. Employee commuting	101,358	109,042	110,698	115,550	88,381	113,268*
9. Downstream transportation and distribution ⁵	2,213,159	2,167,796	2,239,480	2,305,447	2,002,776	1,967,787*
11. Use of sold products ³	5,778,396	5,332,383	5,168,656	4,569,968	4,023,671	3,904,046
12. End of life treatment of sold products ³	1,563,737	1,554,405	1,576,478	1,557,896	1,433,514	1,567,943
13. Downstream leased assets	198,818	199,143	190,791	191,744	166,954	162,854*
TOTAL	25,276,454	25,403,760	26,067,910	25,311,749	22,290,910	23,624,630

Scope 3 emissions by GHG Protocol category - previously reported data

(tonnes CO₂e)

	FY16	FY17	FY18	FY19	FY20	FY21
1. Purchased goods and services	12,224,245	12,583,425	13,228,638	12,899,651	11,459,381	
2. Capital goods					172,858	
3. Fuel-and-energy-related activities (not included in Scope 1 or 2)	238,214	237,097	305,213	217,683	213,221	
4. Upstream transportation and distribution	995,523	1,025,540	1,077,517	1,012,497	877,202	
5. Waste generated in operations		54,676				
6. Business travel			No need to restate			
7. Employee commuting			No need to restate			
9. Downstream transportation and distribution					1,803,125	
11. Use of sold products	5,941,390	5,411,744	5,266,739	4,636,166	4,129,838	
12. End of life treatment of sold products	788,440	792,182	794,489	782,100	728,564	
13. Downstream leased assets			No need to restate			

¹ Previous years data restated due to change to Inter IKEA data. ² Data for FY20 restated due to recalculation of builds. ³ Previous years' data restated due to change to Inter IKEA data. ⁴ Data for FY17 restated due to Russia Centres historical data. ⁵ Data for FY20 restated due to changes in calculation methodology. * Data included in the external assurance scope. ** External assurance only covers the scope 3 emissions within Ingka Group's operational control (categories 2, 3, 5, 6, 7, 9, 13 and category 1 for raw materials of products used for store operation, purchased by Ingka Group Procurement) which accounts for 2,652,825 of the 23,624,630 CO₂e tonnes.

Climate footprint by country

Climate footprint by country

(tonnes CO₂e)

Country	Function	Total scope 1, 2 & 3	Scope 1	Scope 2	Total scope 3	1. Purchased goods and services	2. Capital goods	3. Fuel-and-energy-related activities ¹	4. Upstream transportation and distribution	5. Waste generated in operations	6. Business travel	7. Employee commuting	9. Downstream transportation and distribution	11. Use of sold products	12. End of life treatment of sold products	13. Downstream leased assets
All	Ingka Group ²	24,086,377	182,466	279,281	23,624,630	14,548,322	186,112	131,797	996,040	41,700	4,761	113,268	1,967,787	3,904,046	1,567,943	162,854
All	Customer Meeting Points	22,900,518	104,357	162,824	22,633,337	14,548,322	87,093	76,830	996,040	26,066	3,841	101,471	1,321,614	3,904,046	1,567,943	72
All	Distribution Centres	91,599	25,722	14,130	51,747	0	28,188	10,592	0	2,671	0	10,276	0	0	0	20
All	Support Units	29	0	3	25	0	0	22	0	3	0	0	0	0	0	0
All	Centres	1,090,003	52,387	99,309	938,307	0	70,832	43,158	0	12,960	901	1,521	646,173	0	0	162,762
All	Investments	4,229	0	3,016	1,213	0	0	1,194	0	0	19	0	0	0	0	0
AU	Customer Meeting Points	655,899	1,520	20,267	634,111	384,625	4,790	5,600	26,333	1,346	55	2,321	30,732	136,855	41,453	0
AU	Distribution Centres	3,229	310	2,010	909	0	0	608	0	48	0	253	0	0	0	0
AT	Customer Meeting Points	436,311	599	1,420	434,292	292,000	52	468	19,992	170	54	2,025	21,813	66,248	31,470	0
AT	Distribution Centres	753	219	0	534	0	0	109	0	44	0	361	0	0	0	20
BE	Customer Meeting Points	588,498	4,080	0	584,418	397,620	83	600	27,223	224	81	2,461	26,441	86,832	42,853	0
BE	Distribution Centres	1,900	1,390	0	510	0	0	239	0	42	0	229	0	0	0	0
CA	Customer Meeting Points	892,304	5,824	0	886,480	652,020	0	1,357	44,640	2,893	64	4,264	56,562	54,409	70,271	0
CA	Distribution Centres	3,048	1,753	0	1,295	0	0	363	0	172	0	761	0	0	0	0
CA	Off-Site energy Investments	436	0	395	40	0	0	40	0	0	0	0	0	0	0	0

¹ Not in Scope 1 & 2. ² Value from summary sheet.

Climate footprint by country

(tonnes CO₂e)

Country	Function	Total scope 1, 2 & 3	Scope 1	Scope 2	Total scope 3	1. Purchased goods and services	2. Capital goods	3. Fuel-and-energy-related activities ¹	4. Upstream transportation and distribution	5. Waste generated in operations	6. Business travel	7. Employee commuting	9. Downstream transportation and distribution	11. Use of sold products	12. End of life treatment of sold products	13. Downstream leased assets
CH	Customer Meeting Points	580,701	846	203	579,652	442,286	61	204	30,281	224	21	1,793	26,228	30,888	47,667	0
CH	Distribution Centres	504	148	0	356	0	0	99		31	0	226	0	0		0
CH	Ingka Centres	4,739	228	0	4,510	0	0	59		9	6	14	4,422	0		0
CN	Customer Meeting Points	1,361,927	7,782	101,097	1,253,048	735,825	21,711	30,326	50,378	1,399	1,199	5,693	66,773	260,441	79,303	0
CN	Distribution Centres	14,006	629	10,509	2,867	0	0	2,321		105	0	442	0			0
CN	Ingka Centres	270,752	3,800	43,429	223,522	0	70,832	13,242		5,893	335	379	73,363	0		59,480
CZ	Customer Meeting Points	293,962	1,065	1,554	291,342	150,908	303	608	10,332	107	7	1,483	17,369	93,962	16,264	0
CZ	Ingka Centres	23,366	243	3,350	19,773	0	0	428		114	2	34	18,542	0		654
DE	Customer Meeting Points	3,482,721	22,367	3,274	3,457,080	2,072,937	11,920	6,051	141,922	1,268	107	12,537	152,640	834,288	223,410	0
DE	Distribution Centres	9,782	6,565	0	3,217	0	0	1,444		295	0	1,478	0	0		0
DE	Off-Site energy Investments	10	0	0	10	0	0	10		0	0		0	0		0
DE	Ingka Centres	13,428	178	0	13,250	0	0	49		4	39	3	13,003	0		152
DK	Customer Meeting Points	400,564	175	569	399,820	264,846	56	367	18,132	173	29	1,810	17,564	68,300	28,544	0
DK	Distribution Centres	137	0	0	137	0	0	0				137				
ES	Customer Meeting Points	1,039,596	3,919	137	1,035,539	656,289	1,799	1,790	44,932	1,052	137	6,405	79,387	173,016	70,731	0

¹ Not in Scope 1 & 2.

Climate footprint by country

(tonnes CO₂e)

Country	Function	Total scope 1, 2 & 3	Scope 1	Scope 2	Total scope 3	1. Purchased goods and services	2. Capital goods	3. Fuel-and-energy-related activities ¹	4. Upstream transportation and distribution	5. Waste generated in operations	6. Business travel	7. Employee commuting	9. Downstream transportation and distribution	11. Use of sold products	12. End of life treatment of sold products	13. Downstream leased assets
ES	Distribution Centres	502	205	0	297	0	0	199		73	0	25	0	0		0
ES	Ingka Centres	34,615	163	0	34,452	0	0	120		420	48	42	29,733	0		4,090
FI	Customer Meeting Points	224,044	320	0	223,724	150,891	15	102	10,331	97	11	1,309	22,664	22,043	16,262	0
FI	Off-Site energy Investments	4	0	0	4	0	0	4		0	0		0	0		0
FI	Ingka Centres	8,096	0	0	8,096	0	0	110		8	3	5	7,969	0		0
FR	Customer Meeting Points	1,522,984	6,520	133	1,516,331	1,148,421	1,511	836	78,626	621	170	6,913	89,825	65,637	123,771	0
FR	Distribution Centres	2,824	1,176	130	1,517	0	0	466		137	0	915	0			0
FR	Off-Site energy Investments	23	0	19	4	0	0	4		0	0		0	0		0
FR	Ingka Centres	6,850	46	0	6,804	0	0	14		6	57	11	6,716	0		0
HR	Customer Meeting Points	69,137	32	0	69,105	44,905	7	43	3,074	45	4	390	5,240	10,556	4,840	0
HR	Ingka Centres	2,730	0	0	2,730	0	0	9		2	0		2,720	0		0
HU	Customer Meeting Points	209,776	510	445	208,821	120,247	8	368	8,233	134	0	1,137	11,995	53,740	12,960	0
IE	Customer Meeting Points	107,997	22	0	107,976	72,838	3	152	4,987	40	1	498	2,254	19,353	7,850	0
IE	Off-Site energy Investments	0	0	0	0	0	0	0		0	0		0	0		0
IN	Customer Meeting Points	99,033	2,086	8,587	88,360	37,232	10,842	3,749	2,549	153	412	1,023	4,075	24,312	4,013	0

¹ Not in Scope 1 & 2.

Climate footprint by country

(tonnes CO₂e)

Country	Function	Total scope 1, 2 & 3	Scope 1	Scope 2	Total scope 3	1. Purchased goods and services	2. Capital goods	3. Fuel-and-energy-related activities ¹	4. Upstream transportation and distribution	5. Waste generated in operations	6. Business travel	7. Employee commuting	9. Downstream transportation and distribution	11. Use of sold products	12. End of life treatment of sold products	13. Downstream leased assets
IN	Ingka Centres	128	0	0	128	0		0			115	13	0	0		
IN	Distribution Centres	1,862	236	1,076	550	0	0	511		15	0	24	0	0		0
IT	Customer Meeting Points	1,207,331	4,465	0	1,202,866	734,852	116	1,665	50,311	773	123	4,765	71,664	259,400	79,199	0
IT	Distribution Centres	921	417	0	504	0	0	192		105	0	207	0	0		0
IT	Ingka Centres	27,116	1,173	0	25,943	0	0	356		22	47	24	22,210	0		3,284
JP	Customer Meeting Points	496,820	808	0	496,012	289,708	2,190	895	19,835	276	126	2,414	29,976	119,369	31,223	0
JP	Distribution Centres	174	61	0	113	0	0	45		4	0	63	0	0		0
KR	Customer Meeting Points	343,983	1,471	20,291	322,221	197,726	0	4,825	13,537	323	140	1,345	20,106	62,837	21,310	72
KR	Distribution Centres	77	61	0	16	0	0	16								0
LT	Off-Site energy Investments	44	0	37	7	0	0	7		0	0		0	0		0
NL	Customer Meeting Points	865,255	3,731	517	861,007	484,823	135	1,024	33,193	262	86	3,843	35,272	250,117	52,252	0
NL	Ingka Centres	40	0	0	40	0		0			27	13	0	0		
NL	Off-Site energy Investments	4	0	0	4	0	0	0			4		0	0		
NL	Distribution Centres	1,192	951	0	241	0	0	172		69	0		0	0		0
NO	Customer Meeting Points	428,993	43	20	428,930	327,512	47	139	22,423	167	7	1,912	34,102	7,324	35,298	0

¹ Not in Scope 1 & 2.

Climate footprint by country

(tonnes CO₂e)

Country	Function	Total scope 1, 2 & 3	Scope 1	Scope 2	Total scope 3	1. Purchased goods and services	2. Capital goods	3. Fuel-and-energy-related activities ¹	4. Upstream transportation and distribution	5. Waste generated in operations	6. Business travel	7. Employee commuting	9. Downstream transportation and distribution	11. Use of sold products	12. End of life treatment of sold products	13. Downstream leased assets
PL	Customer Meeting Points	949,388	1,899	556	946,932	443,609	10,981	1,620	30,371	564	30	3,723	52,477	355,747	47,810	0
PL	Distribution Centres	1,409	789	0	620	0	0	433		156	0	31	0	0		0
PL	Off-Site energy Investments	60	0	0	60	0	0	60		0	0		0	0		
PL	Ingka Centres	51,097	1,611	343	49,143	0	0	804		103	7	66	46,282	0		1,881
PT	Customer Meeting Points	291,771	1,314	0	290,457	180,918	73	426	12,386	147	56	1,376	16,658	58,918	19,498	0
PT	Ingka Centres	39,946	345	0	39,601	0	0	238		35	24	23	31,342	0		7,940
PT	Off-Site energy Investments	115	0	96	19	0	0	19		0	0		0	0		0
RO	Off-Site energy Investments	55	0	0	55	0	0	55		0	0		0	0		0
RO	Customer Meeting Points	141,050	257	0	140,794	85,549	6	321	5,857	118	9	825	5,445	33,444	9,220	0
RS	Customer Meeting Points	63,809	206	880	62,723	29,419	0	401	2,014	90	51	223	2,785	24,570	3,171	0
RU	Customer Meeting Points	1,085,847	7,411	1,677	1,076,758	604,225	3,524	3,758	41,368	3,015	105	6,641	89,354	259,647	65,120	0
RU	Distribution Centres	6,834	4,457	0	2,377	0	0	1,382		296	0	699	0	0		0
RU	Ingka Centres	558,956	43,219	51,748	463,990	0	0	27,285		6,184	32	703	344,919	0		84,866
RU	Off-Site energy Investments	2,695	0	1,912	783	0	0	783		0	0		0	0		0
SE	Customer Meeting Points	930,179	381	724	929,074	702,529	429	529	48,098	372	290	5,285	72,171	23,657	75,715	0

¹ Not in Scope 1 & 2.

Climate footprint by country

(tonnes CO₂e)

Country	Function	Total scope 1, 2 & 3	Scope 1	Scope 2	Total scope 3	1. Purchased goods and services	2. Capital goods	3. Fuel-and-energy-related activities ¹	4. Upstream transportation and distribution	5. Waste generated in operations	6. Business travel	7. Employee commuting	9. Downstream transportation and distribution	11. Use of sold products	12. End of life treatment of sold products	13. Downstream leased assets
SE	Distribution Centres	2,747	486	405	1,856	0	0	478		102	0	1,276	0	0		0
SE	Ingka Centres	34,752	116	439	34,196	0	0	209		31	97	172	33,272	0		415
SE	Off-Site energy Investments	17	0	0	17	0	0	1		0	15		0	0		0
SE	Support units	29	0	3	25	0	0	22		3	0		0	0		0
SI	Customer Meeting Points	36,090	60	19	36,011	16,582	10,844	15	1,135	12	4	179	1,632	3,818	1,787	0
SK	Customer Meeting Points	73,896	221	0	73,674	45,162	0	36	3,092	34	0	372	4,201	15,910	4,867	0
SK	Ingka Centres	11,684	1,264	0	10,421	0	0	234		131	0	14	10,042	0		0
UA	Customer Meeting Points	17,978	56	110	17,811	10,634	2,710	56	728	6	2	152	0	2,377	1,146	0
UK	Ingka Centres	1,708	0	0	1,707	0	0	2		0	62	5	1,638	0		0
UK	Customer Meeting Points	1,194,026	7,136	343	1,186,547	851,980	131	2,310	58,330	524	174	6,656	60,848	113,772	91,822	0
UK	Distribution Centres	3,235	1,570	0	1,665	0	0	407		116	0	1,143	0	0		0
UK	Off-Site energy Investments	70	0	56	14	0	0	14		0	0		0	0		0
US	Customer Meeting Points	2,808,649	17,229	0	2,791,419	1,919,201	2,748	6,191	131,397	9,439	287	9,697	193,358	312,261	206,842	0
US	Distribution Centres	36,466	4,299	0	32,167	0	28,188	1,112		861	0	2,006	0	0		0
US	Off-Site energy Investments	697	0	501	196	0	0	196		0	0		0	0		0

¹ Not in Scope 1 & 2.

Becoming circular

At Ingka Group, we are contributing to the IKEA commitment to become a circular business, by making changes in our business today and testing new business models for the future.

Circular services

We know our customers don't like to be wasteful, and neither do we. By adopting and scaling up new circular solutions, we aim to help customers acquire, maintain and pass on IKEA products in more sustainable ways.

We implemented 170 circular hubs in 26 markets by the end of FY21, where customers can find out about our approach to circularity, buy second hand and nearly new furniture and get advice on how to maintain, clean and personalise their IKEA products. Through our Buy Back program, customers returned 155,000 pieces of old IKEA furniture to be resold or recycled.

Our spare parts service was used by 260,000 customers in FY21, with 4.2 million spare parts provided.

Buildings and operations

We prioritise actions to prevent, reduce, reuse and recycle waste. We're involved in several partnerships developing circular resource flows that can reduce the use of virgin materials.

We recycled 75.0% of waste, up from 71.5% in FY20. Increasing recycling rates at Ingka Centres meeting places remains challenging because much of the waste is mixed consumer waste that tends to be contaminated (for example with food

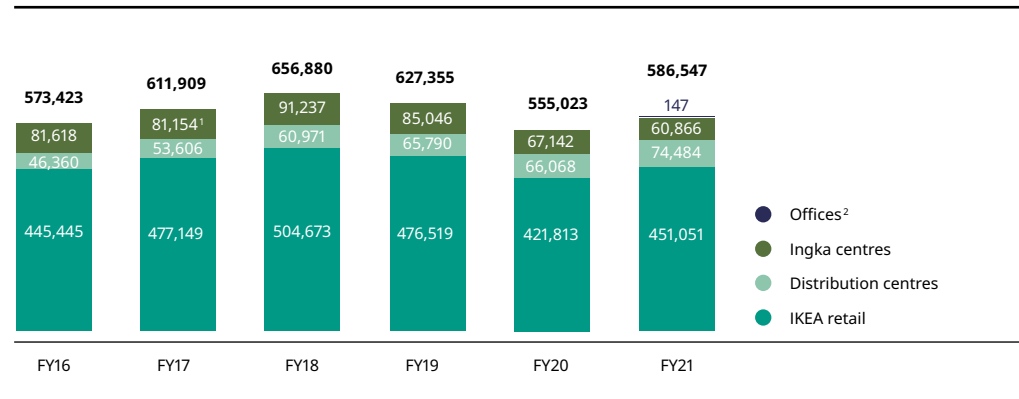
residue) and is harder to sort and recycle. Waste generated in our operations increased by 5.7% in FY21 compared with FY20, mainly due to an increase in product sales.

Our waste reduction and water saving initiatives have contributed to a 4.1% reduction in total waste and a 4.3% reduction in total water use from FY17. The reduction is also partly due to fewer visitors to our stores and meeting places as a result of the pandemic.

We reduced production food waste by 44.8% since 2017. This is the waste from our kitchens before the food is sold to our customers.

Total waste produced

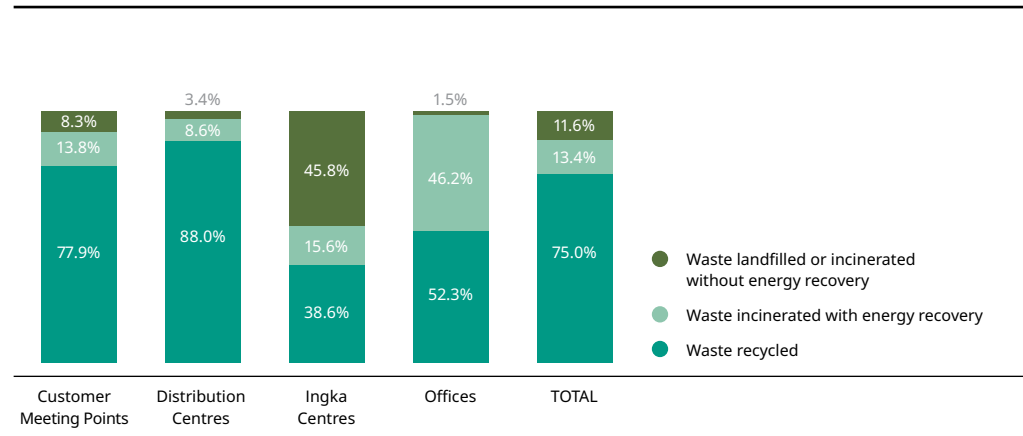
(tonnes)



¹ Data restated for Ingka Centres for FY17 due to a restatement in Russia. ² Data for offices was collected for the first time in FY21.

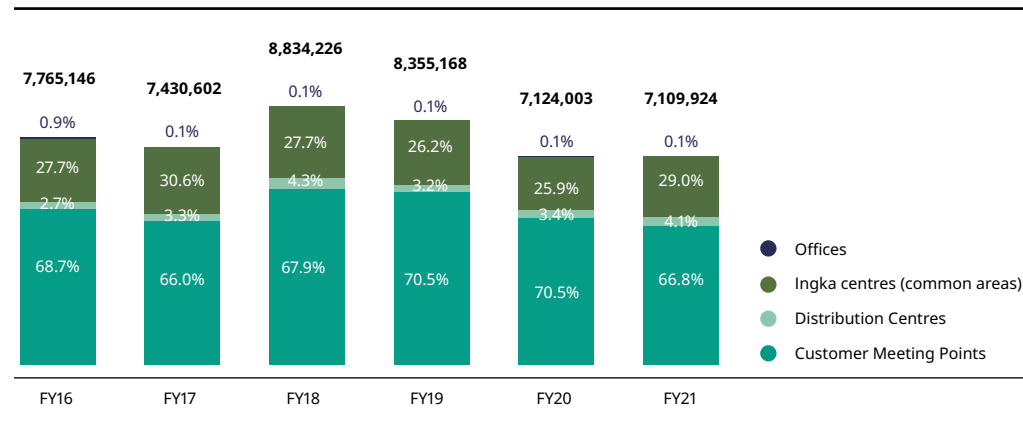
Waste disposal by business unit FY21

(%)



Water use by business unit

(m³)



About our data

Environmental data

We take a science-based approach to climate action, and we consider climate data from our operations in our investment decisions. Our data collection and reporting processes are updated in response to reviews from our independent external auditors, KPMG.

We are committed to being transparent about our climate footprint and environmental impact. We share lessons learned on data collection and emissions models with peer companies to support collective corporate efforts to track and improve impacts.

Our reporting and data collection processes involve many internal and external stakeholders. Most data is collected from primary sources and entered into reporting systems. Energy-related information is usually obtained from real-time meters at each site, from invoices or from service providers. The primary unit used in energy reporting is megawatt-hours (MWh).

We calculate our energy and climate footprint in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, using the operational control consolidation approach and our internal reporting criteria.

The scope of external assurance in FY21 covers our direct greenhouse gas footprint (scope 1 and 2), and parts of our indirect greenhouse gas footprint (scope 3). Data included in the external assurance scope is marked with an asterisk in this document. External assurance only covers the scope 3 emissions within Ingka Group's operational control

(categories 2, 3, 5, 6, 7, 9, 13 and category 1 for raw materials of products used for store operation, purchased by Ingka Group Procurement). The majority of our scope 3 emissions are from purchased home furnishing products and food from Inter IKEA Group (categories 1, 4, 11 and 12) and are not included in the assurance scope this year.

Improving data quality

We work to continually update our data collection models and improve data accuracy, focusing on improving calculation methodologies and data accuracy for each Ingka Group category of emissions.

Every year we improve our methodology for our climate calculations. Where there is a material impact on our reported data we restate the data*.

Historical climate footprint, water and waste data is reported in this document.

Due to inconsistencies with data on gross building area in some countries, we could not report energy efficiency data this year. We are working to improve data so that we can report energy efficiency trends in the future. This does not hinder the work we are doing to become more energy efficient.

Data may also be affected by uncertainties in scientific knowledge or in the contextual data used in calculations, especially for scope 3 emissions. Based on scope and objectives, the best data quality would be achieved if Ingka would track and measure all GHG emissions across operations and

activities. This is not always possible. Therefore, each model is unique in its approach in order to consistently describe our business activities by connecting data sources, logical interpretation in context, estimations, limitations, and future development opportunities.

Because of recent technological developments, the amount of data captured in operations has increased, which opens new grounds for model development, measuring with higher granularity and improving assurance. Hence, we continuously improve our models and update historical data according to new development and business knowledge.

We use emission factors from publicly-available sources like DEFRA, Department for Environment, Food & Rural Affairs (2021) and IEA, International Energy Agency (2018), and from local electricity and heating suppliers. Factors from publicly-available databases are integrated into our reporting system. Regular updates of these databases are included in the services provided by our software vendor. Scope 2 emissions are calculated in accordance with the Greenhouse Gas Protocol Scope 2 Guidance, applying both the market and location-based approaches. Our baseline for greenhouse gas footprint disclosure is FY16. The global warming potentials (GWPs) used in the calculation of CO₂e are based on the IPCC Fifth Assessment Report (AR5) over a 100-year period.

We aim to ensure all information and data is relevant, transparent, consistent, accurate and complete, and that it provides an objective picture of the operations of Ingka Group. Any exclusions are stated in the report.

* We consider a material impact to be one where the emissions have changed by more than 2.5%.

Detail of data restatements for greenhouse gas emissions - FY21 compared to FY16-FY20

EMISSIONS SCOPE	GREENHOUSE GAS PROTOCOL CATEGORY	AFFECTED DATA	EXPLANATION OF CHANGE
Scope 1	Direct emissions	Refrigerant release	We have expanded and matured our reporting to also cover refrigerants. FY20-21 data are real from sites, earlier years include estimates to establish a new baseline when facts are not available.
Scope 3	Category 1 - Purchased goods	Material, food and production	Data provided by Inter IKEA, see their report for details
Scope 3	Category 2 - Capital goods	Material, food and production	Data provided by Inter IKEA, see their report for details
Scope 3	Category 3 - Energy used in own operations	Changes in FY20 data due to increased insights on vehicles bought and units opened	Change in data methodology: added data on materials in food products for the local food range.
Scope 3	Category 4 - Upstream transportation	Goods transport from supplier to Ingka	Data provided by Inter IKEA, see their report for details
Scope 3	Category 5 - Waste from own operations	Ingka Centres waste in FY17	Restated as we have got better insights to waste in Ingka Centres waste in FY17
Scope 3	Category 9 - Downstream transportation and distribution	Customer transportation	Change in data methodology for FY20: data model for customer transport updated with more granular and accurate data from our operations and to align with Inter.
Scope 3	Category 11 - Use of sold products	Products use at home	Data provided by Inter IKEA, see their report for details
Scope 3	Category 12 - End of life treatment of sold products	Treatment of products	Data provided by Inter IKEA, see their report for details



Better company

Better company

We do business with a humanitarian outlook, guided by our vision and values but always adapting to a changing world.

We structure our business to ensure financial resilience and we reinvest profits to help us keep growing and improving.

Our financial approach is based on 78 years of earning money before we spend it, which allows us to be financially independent and purpose-driven in our decisions. We think in generations, not quarters, and invest in the long-term good of our

customers, our business, people, society and our planet.

As Ingka Group, we invest in our own business, including in our stores, property and innovation. In addition, Ingka Investments, Ingka Group's investment arm, strengthens long-term growth, secures our financial position and supports sustainability goals by making responsible

investments in people and businesses. Environmental, Social, Governance (ESG) factors are integrated into our investment decisions.

We run our business honestly and with integrity, meeting high ethical standards in our interactions with each other, our customers, visitors, suppliers and the world around us.

Progress against targets FY21

OUR TARGETS	PROGRESS IN FY21	PERFORMANCE SUMMARY
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Making a positive economic contribution

Make a positive economic contribution through our business activities, including the jobs we create, our procurement, the taxes we pay and through our community investment.



Total Ingka Group revenue for FY21 was EUR 39.8 billion (6.5% increase compared to FY20). 96% of this was distributed to stakeholders (e.g. co-workers, communities, governments and suppliers). Of the 4% remaining, some was distributed to our shareholder the INGKA Foundation for charitable donations and the rest was retained in the business to invest in the long-term good of our customers, our business, people, society and our planet.

Investing with impact

Ingka Investments does not make or hold direct investments in fossil fuel or nuclear power businesses.



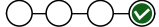
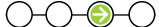


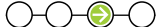
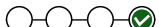
100% of investments were fossil fuel free in FY21. This means we did not directly invest in businesses that explore for, extract, process, refine, or transport fossil fuels or nuclear power, or any utilities businesses that use these fuels.

Accelerate investments by Ingka Investments into renewable energy to EUR 6.5 billion by 2030.



We have invested EUR 2.24 billion in off-site renewable energy since 2009, including EUR 170 million in FY21. We have now increased our target to EUR 6.5 billion (previously EUR 2.5 billion), and are on track to meet it.

Progress against targets FY21

OUR TARGETS	PROGRESS IN FY21	PERFORMANCE SUMMARY
Investing with impact (continued)		
Develop an ESG screening methodology for investments in financial markets to be launched in FY22.	 [ACHIEVED]	We developed the methodology during 2021. We continue to strictly exclude investment in certain sectors (e.g. fossil fuel). We developed the positive ESG screening criteria which will enable investing in specific solutions to tackle climate change, unsustainable consumption and inequality.
Achieving good governance		
Achieve gender balance across our governing bodies and senior leadership (boards and committees) by FY22*.	 [ON TRACK]	Women made up 50% of our Group Management (including our Management Board), and 48% of committee members. There were no women on our Management Board (2 members). At country level, women made up 48% of permanent board members. We are pleased at the progress made on gender balance and will keep working towards 50/50 representation for boards and committees. All figures are correct as of 1 September 2021. See page 21 for data on gender balance.
Meeting the highest standards of integrity and business ethics		
All new co-workers complete training on our Code of Conduct within a month of joining and existing co-workers complete refresher training once every two years.	 [ON TRACK]	In FY21, more than 93,000 co-workers completed our Code of Conduct training (including induction training for new joiners and refresher training), up from 73,000 in FY20. In FY21, we have implemented new procedures to check that countries are implementing training in line with our required timescales and are working to improve our data collection systems so we can report progress against our target.
All co-workers in sensitive roles complete face-to-face training on our anti bribery and corruption framework.	 [ON TRACK]	In FY21, 10,115 co-workers in sensitive roles completed our anti bribery and corruption training. Most of the training was done online due to Covid-19 restrictions.
We aim for 100% of contracted suppliers to achieve IWAY compliance each year.	 [ON TRACK]	In FY21, 99.9% of contracted suppliers had signed our IWAY Compliance Commitment (as part of their contract) and had a risk rating (assigned by us). 97% of new contracted suppliers that are high or critical-risk received an IWAY review within required timescales and addressed any major non-compliances.
Extend our Customer Data Promise to cover the IKEA app in all countries by end of FY21.	 [ACHIEVED]	We rolled out improved features in the IKEA app across all countries by the end of FY21. These give customers more control over their data in line with Our Customer Data Promise.

* This target covers our Group Management (including our Management Board), our country boards and the boards for our three businesses (IKEA Retail, Ingka Centres and Ingka Investments). It does not cover our Supervisory Board.

Our financial year

FY21 has been a year where Ingka Group overall delivered a good performance, with growing revenues. Thanks to the entrepreneurship of our co-workers and the transformation of our business, we met the needs and dreams of our customers and kept IKEA open with digital capabilities, despite Covid-19-related store closures.

We are proud to have served millions of customers in a time when life at home has never been more important, and to have led in the pandemic in a professional and caring way with people and business at heart. In parallel, we continued to invest in our ongoing transformation to establish an affordable, accessible and sustainable omnichannel IKEA that delivers the profitability we need for future resilience. Empowered by our healthy financial position, we were flexible, agile and quick to act on opportunities. It is part of our culture and values to ensure we are financially strong and resilient. Our profit gives us resources to continue investments so that we can grow and live up to our vision to create a better everyday life for the many.

We believe in being on the way. We ask ourselves if what we do today can be done better tomorrow. In FY19, we started our three year strategic direction, called 10 Jobs in three years, setting out to create a better IKEA and to build an omnichannel IKEA fit for the future. In FY21, we successfully completed the third year. Together with our co-workers, we have unleashed the entrepreneurial spirit, created a new world of IKEA, moved further into big cities, made meetings with customers more affordable, accessible and inspirational and raised our voice on things that matter to the many people.

Consolidated income statement 1 September – 31 August

(in millions of Euros)

	FY17	FY18	FY19	FY20	FY21*
Revenue	36,295	37,093	39,243	37,368	39,784
Cost of sales and services	-23,730	-24,947	-26,779	-25,643	-26,909
Gross profit	12,565	12,146	12,464	11,725	12,875
Operating expenses	-9,841	-10,212	-10,642	-10,454	-11,243
Other income	307	317	205	160	242
Operating income	3,031	2,251	2,027	1,431	1,874
Total financial income and expense	283	-138	483	141	363
Income before minority interests and taxes	3,314	2,113	2,510	1,572	2,237
Tax	-825	-634	-682	-378	-655
Income before minority interests	2,489	1,479	1,828	1,194	1,582
Minority interests	-16	-11	-11	-5	-3
Net income				1,189	1,579

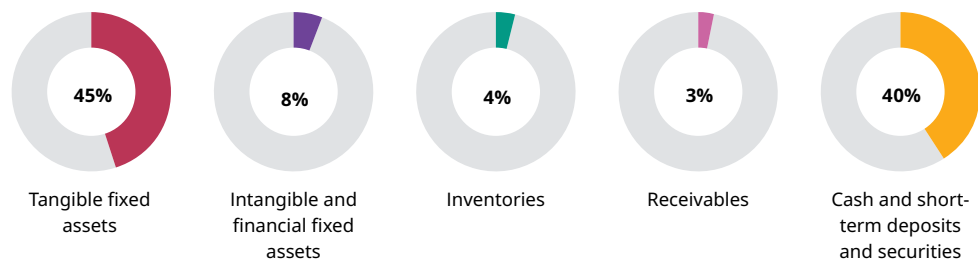
* This information is prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. An unqualified auditor's report dated 24 November 2021 was issued on these financial statements. Ingka Holding's Annual Report for financial year 2021 is available through the Dutch Chamber of Commerce. Ingka Group total revenue includes sales of goods, service income, rental and construction contracts income and renewable energy and forestland income.

Consolidated Balance sheet August 31 Assets

(in millions of Euros)

	FY17	FY18	FY19	FY20	FY21
Tangible fixed assets	23,172	23,565	24,451	23,853 *	24,633
Intangible fixed assets	1,717	2,124	2,240	2,217	2,511
Financial fixed assets	771	846	1,166	1,428	2,186
Total fixed assets	25,660	26,535	27,857	27,498	29,330
Inventories	1,924	2,027	2,273	1,979 *	1,966
Receivables	2,327	2,544	2,165	2,361 *	1,676
Securities	21,460	19,697	21,228	19,063	21,215
Cash & short-term deposits	1,569	1,547	1,366	1,347	907
Total current assets	27,280	25,815	27,032	24,750	25,764
Total assets	52,940	52,350	54,889	52,248	55,094

FY21 Total assets – EUR 55,094 million

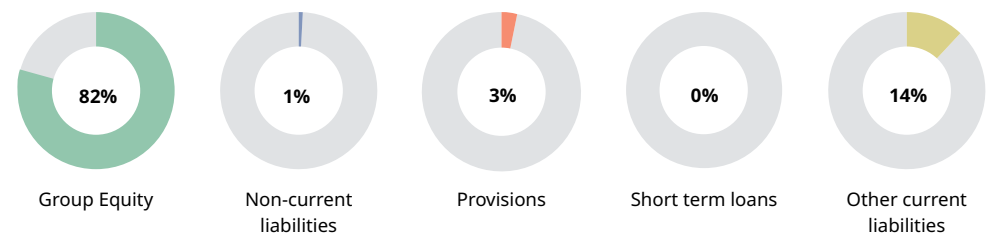


Consolidated Balance sheet August 31 Equity & liabilities

(in millions of Euros)

	FY17	FY18	FY19	FY20	FY21
Group equity	39,943	40,822	42,828	43,166	45,233
Provisions	1,767	1,810	2,275	1,932 *	1,851
Non-current liabilities	1,010	774	529	511	587
Total non-current liabilities	2,777	2,584	2,804	2,443	2,438
Short term loans	3,709	2,531	2,509	16	54
Other current liabilities	6,511	6,413	6,748	6,623	7,369
Total current liabilities	10,220	8,944	9,257	6,639	7,423
Total equity and liabilities	52,940	52,350	54,889	52,248	55,094

FY21 Total equity and liabilities – EUR 55,094 million



* These comparative numbers are reclassified for comparability purposes. The included abbreviated financial information is derived from the consolidated financial statements of Ingka Holding B.V.

Financial performance

Total Ingka Group revenue for FY21 was EUR 39.8 billion, an increase of 6.5% compared to FY20.

Operating income amounted to EUR 1.9 billion, resulting in an operating income ratio of 4.7% compared to 3.8% in FY20. The ratio increased due to improved cost adaptation in the pandemic and fewer impairments recognised in FY21.

Income before tax was EUR 2.2 billion (EUR 1.6 billion in FY20). Ingka Group pays taxes in all countries where it operates, see page 50.

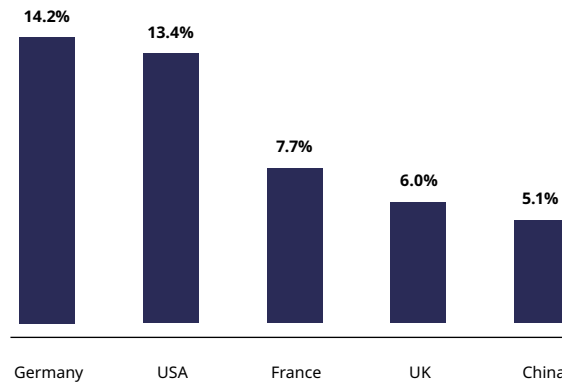
The net profit of FY21 was EUR 1.6 billion (FY20: EUR 1.2 billion).

We continued to invest in our business transformation in our stores, distribution and customer fulfillment networks, the digital customer experience, and shopping centres, and continued our sustainability investments in renewable energy and forestry, amounting to a capital expenditure of EUR 3.2 billion.

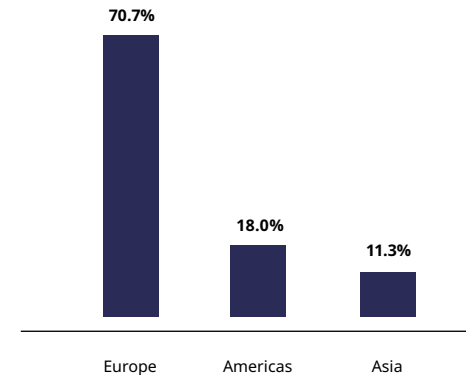
Total assets amount to EUR 55.1 billion (EUR 52.2 billion in FY20). We further strengthened our equity position to EUR 45.2 billion at year-end (EUR 43.2 billion in FY20). The total cash flow for

FY21 is EUR 1.2 billion positive (EUR 2.3 billion negative in FY20). Cash flow from operating activities is EUR 4.2 billion (EUR 2.9 billion in FY20).

FY21 – Top retail selling countries



FY21 – Retail sales per region



Tax payments

Ingka Group pays taxes in all countries where it operates. The taxes we pay are an important part of our wider economic and social contribution to society.

The effective tax rate of 29.3% (FY20: 24.1%) corresponds to an amount of EUR 0.7 billion in corporate income taxes (FY20: EUR 0.4 billion). In FY21, our total tax bill, including other taxes and duties such as property taxes, environmental taxes and customs duties, amounted to approximately EUR 1.1 billion.

Over the past five years (FY17–FY21), corporate income tax and other taxes and duties amounted to approximately EUR 5.5 billion. In addition, we

collected substantial tax amounts on behalf of governments, such as value added tax and employee taxes. Over these 5 years, we've also created tens of thousands of jobs, directly in our IKEA stores and warehouses, and indirectly with our external suppliers, which in turn generate taxable income.

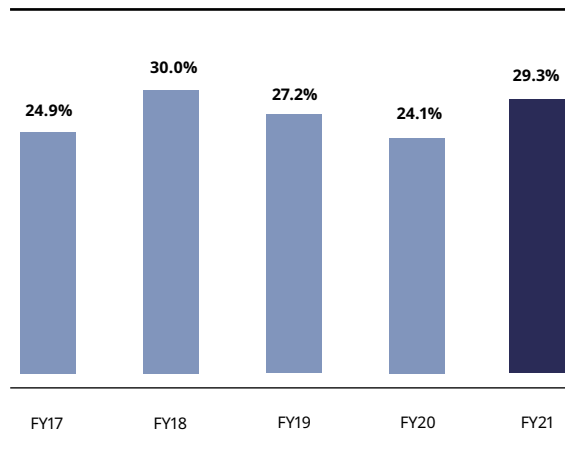
EUR 1.1 billion

in taxes and duties in FY21

29.3%

effective tax rate

Effective corporate tax rate (ETR) FY17-FY21



FY21 highlights

IKEA Retail

IKEA Retail continued development of the IKEA omnichannel business model, securing better accessibility to the IKEA offer. During FY21, we have truly created a new omnichannel world of IKEA. IKEA retail sales reached EUR 37.4 billion for the financial year 2021, an increase of 6.3% compared to last year (EUR 35.2 billion in FY20).

FY21 highlights:

- During the year, due to Covid-19 related closures, we experienced a small decrease in store visitation and a large increase in online visitation. The improved buying journey on IKEA.com resulted in an increase in the share of online sales from 18% in FY20 to 30% of total retail sales in FY21.
- The new IKEA app has been successfully launched in all Ingka Group markets, offering a simple and enjoyable way to find, choose and buy products fast. The app reached 33.8 million users and achieved an average rating of 4.6/5 stars. The number of downloads of the app more than doubled and the number of visits using the app almost tripled, compared to FY20.
- We continued with our physical expansion and opened 10 new IKEA stores (including city stores), 4 new IKEA shops and 12 new planning studios. We also opened one Customer Distribution Centre. Notable openings include new and innovative small-format stores in urban

centres, mini-malls in China (called the 'Home Experience of Tomorrow') and a sustainable city store in Vienna with a GREENPASS design certification.

- We worked on adopting the IKEA fulfilment model to omnichannel needs with stores acting also as fulfilment centres. New capabilities were added, such as the automated warehouse in Zagreb, which increases store capacity to fulfil e-commerce orders.
- We started to offer a new and exciting energy service that is good for the planet and people's wallets. Sweden is the first IKEA market to start offering electricity through wind and solar through a new electricity subscription.

Ingka Centres

Ingka Centres, Ingka Group's arm of shopping centres, moved forward in developing the meeting places concept where the many people can meet, find what they need and connect with their communities and the world. Ingka Centres reached almost 16% rise in sales for tenants and saw footfall reach 372 million (369 million in FY20). Almost 1,000 new stores, including renowned international brands such as Bershka, Decathlon, H&M, Uniqlo, Sephora, Starbucks, and Zara, as well as local shops, opened across the portfolio, raising the appeal of Ingka Centres meeting places to their visitors.

FY21 highlights:

- First acquisition in the USA. The 6X6 building in San Francisco, a downtown retail destination, was acquired and will be anchored by IKEA and complemented with mixed-use offerings that are uniquely suited for San Franciscans and their lifestyles.
- Entry to the Canadian market. The Aura Retail Podium in downtown Toronto was acquired, where a new, smaller format store will open in FY22.
- Entry to the Indian market. A land plot in Noida was acquired to become an 'IKEA anchored' meeting place destination in India.
- Meeting places in China. With the opening of two meeting places in FY21, Livat Fuzhou and Livat Changsha, China has now five meeting places operational. Livat Changsha is Ingka Centres' first mixed use developed.

Ingka Investments

Ingka Investments, Ingka Group's investment arm, strengthens long-term growth, secures our financial position and supports sustainability goals by making responsible investments in people and businesses.

Ingka Investments' activities are organised in six portfolios: Business Development Investments, Prioritised Cities Real Estate Investments, Venture

& Growth Capital, Renewable Energy Investments, Forestland Investments and Financial Markets Investments.

FY21 highlights:

- Investments into financial services. Ingka Investments acquired a 49% stake in Ikano Bank as part of the IKEA transformation journey. The objective is to provide financial services for a more affordable, convenient life at home for the many.
- Finding fast-moving, cutting-edge companies to back. We acquired minority shareholdings in Fluid Truck (an app-based rental solution), DST (electric vehicle rental), what3words (a global addressing system) and Jifiti (a fintech company).
- Investment in a recycling company. By investing in RetourMatras, which opened its fourth mattress recycling facility in the Netherlands, we are contributing to the IKEA circular agenda.
- Large-scale support for renewable energy in Russia. Ingka Investments acquired a 49% stake in eight photovoltaic parks in Russia. The parks will produce enough electricity for all 17 IKEA stores in Russia plus part of the MEGA shopping centres around the country.
- Increasing responsible forest management. In FY21, we bought additional forestland in Estonia and the USA, with the aim of protecting biodiversity.
- Continued investments in renewable energy. To support the transition towards a renewable energy future, we committed ourselves during FY21 to an additional EUR 4 billion investment up to 2030, on top of the EUR 2.5 billion from the past decade.

EUR 2.24 billion

invested in off-site renewable energy since 2009

6.5%

increase in revenue year on year

EUR 3.2 billion

in capital expenditure

Business ethics and compliance

At Ingka Group, we are led by our values, our strong IKEA culture and our vision to create a better everyday life for the many people.

We want to run our business honestly and with integrity, meeting high ethical standards in our interactions with each other, our customers, visitors, suppliers and the world around us.

Our Code of Conduct, policies and rules set out our position and requirements for how we do business. All new co-workers are required to complete training on our Code of Conduct within a month of joining the business. We provide refresher training for co-workers once every two years. In FY21, more than 93,000 co-workers were trained on our Code of Conduct, up from 73,000 in FY20.

We fully investigate any breaches of our code. Co-workers can anonymously raise a concern through our Trust line. In FY21, there were 219 concerns raised via Trust line (FY20: 185). The majority of concerns related to potential breaches of our human resources policies and were raised by retail co-workers.

Ingka Group is committed to doing business in an honest way, and we have zero tolerance for bribery or corruption in any form. In FY21, 10,115 co-workers in sensitive roles completed our Anti-Bribery and Corruption training.

As the pace of technological change continues to accelerate and digital solutions become more integrated into our lives, we are committed to building an ethical digital culture across the business. We place the highest priority on protecting our customers' data and managing cybersecurity risks. We aim to empower our co-workers at all levels with data privacy training and awareness initiatives. In FY21, over 93,000 of our co-workers took the training.

93,000

co-workers trained on our Code of Conduct¹
(73,000 in FY20)

10,115

relevant co-workers trained on our anti-bribery and corruption policies²

219

concerns raised via Trust Line³
(185 in FY20)

¹ This includes induction training for new joiners and annual refresher training. ² Covers training developed by Ingka Group (excludes additional training developed in individual markets in local languages). ³ Covers all markets except the US (where we have a similar service to Trust Line for reporting concerns) and Austria.

IWAY - our supplier code of conduct

We only work with suppliers and service providers who respect our values, uphold our standards and want to have a positive impact on societies and communities. Suppliers must adopt the IKEA supplier code of conduct – known as IWAY – and ensure their suppliers understand and apply our requirements too.

In FY21, we completed 338 IWAY reviews of Ingka

Group suppliers. This is a significant increase from 196 in FY20 when fewer reviews were conducted due to the pandemic (which prevented us from conducting reviews on site). This included 226 IWAY reviews of suppliers rated as critical or high risk.

We found major non-compliances (issues related to critical “IWAY Musts”) during 23% of supplier reviews in FY21 (79 out of 338), a small decrease from 24% in FY20. Non-compliances were mostly related to working hours, accident insurance and

minimum wages. The suppliers with the highest number of major non-compliances were in Russia, China and Poland.

If we find that suppliers aren’t meeting our standards, we agree an action plan to correct this. We require suppliers to fix major non-compliances within 14 days and 96% of major non-compliances were resolved within this timeframe in FY21.

Ingka Group contracted suppliers - IWAY compliance

	FY17	FY18	FY19	FY20	FY21
Ingka Group contracted suppliers ¹ (number of)	NA	NA	NA	NA	8054
Ingka Group contracted suppliers identified as high or critical-risk ¹ (number of)	NA	NA	NA	NA	847
IWAY reviews of Ingka Group suppliers (number of)	260	314	416	196	338
IWAY reviews of high or critical-risk suppliers ² (number of)	NA	NA	123	136	226
IWAY reviews with major non-compliances identified i.e. failure to comply with "IWAY Musts" (%)	11%	12%	21%	24%	23%
Major non-compliances resolved within 14 days (%)	NA	NA	98%	83%	96%
Initial supplier assessments for potential new suppliers (number of)	NA	NA	46	142	202

¹ Data for total number of contracted suppliers is reported for the first time in FY21. We require all key suppliers to sign a contract with us. In FY21, we had around 8,000 contracted suppliers which accounted for nearly 80% of our spend. We aim to monitor IWAY compliance for all suppliers with contracts in place. ² New suppliers with a critical- and high-risk rating are required to have an IWAY review to check compliance with our standards within 9 months of the risk rating.

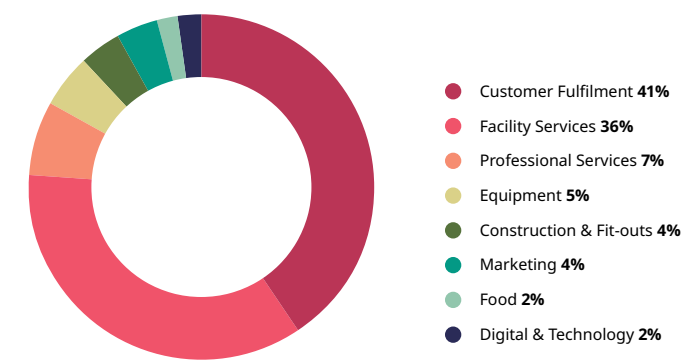
IWAY reviews by supplier type FY21

Category	IWAY Reviews (number)	IWAY Reviews (% of reviews)	IWAY reviews with major non-compliances (number)	IWAY reviews with major non-compliances (% of reviews)	IWAY reviews with major non-compliances (% of reviews with major non-compliances)
Customer Fulfilment ¹	139	41.0%	40	29.0%	51.0%
Facility Services	122	36.0%	19	16.0%	24.0%
Professional Services	23	7.0%	7	30.0%	9.0%
Equipment ²	18	5.0%	2	11.0%	3.0%
Construction & Fit-outs	12	4.0%	4	33.0%	5.0%
Marketing	12	4.0%	3	25.0%	4.0%
Food ²	6	2.0%	1	17.0%	1.0%
Digital & Technology	6	2.0%	3	50.0%	4.0%
TOTAL	338	100.0%	79	23.0%	100.0%

¹ Customer Fulfilment covers logistics, home deliveries, warehousing and services including installation.
² During FY21, suppliers in the Food category and some in the Equipment category were transferred into the scope of the Inter IKEA IWAY reviews

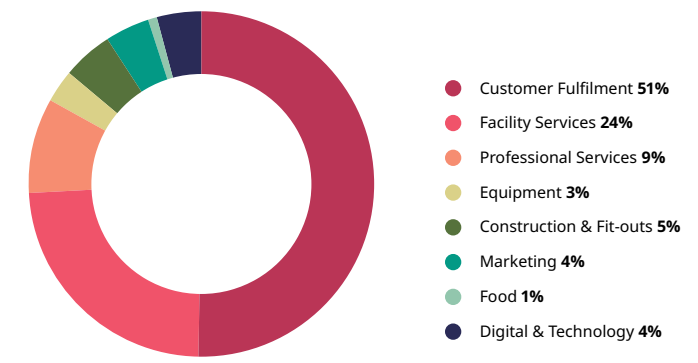
IWAY reviews

(% of reviews)



IWAY reviews with major non-compliances

(% of reviews with major non-compliances)

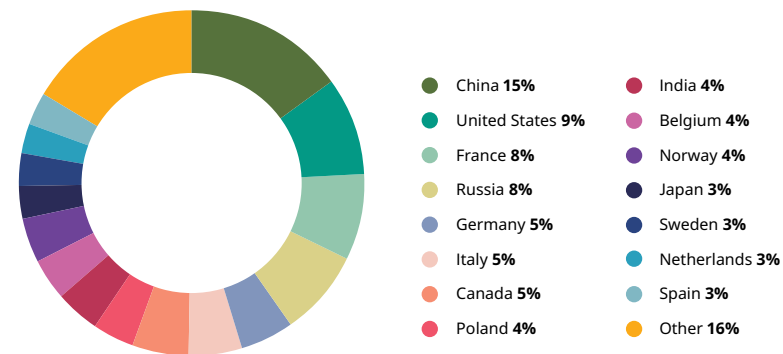


IWAY reviews by country type FY21

Country	IWAY Reviews (number)	IWAY Reviews (% of reviews)	IWAY reviews with major non-compliances (number)	IWAY reviews with major non-compliances (% of reviews)	IWAY reviews with major non-compliances (% of reviews with major non-compliances)
China	50	15%	8	16%	10%
United States	29	9%	0	0%	0%
France	28	8%	6	21%	8%
Russia	26	8%	15	58%	19%
Germany	18	5%	5	28%	6%
Italy	18	5%	3	17%	4%
Canada	16	5%	4	25%	5%
Poland	15	4%	8	53%	10%
India	14	4%	6	43%	8%
Belgium	14	4%	1	7%	1%
Norway	13	4%	3	23%	4%
Japan	11	3%	1	9%	1%
Sweden	11	3%	2	18%	3%
Netherlands	10	3%	0	0%	0%
Spain	10	3%	2	20%	3%
Other	55	16%	15	27%	19%
TOTAL	338	100%	79	23%	100%

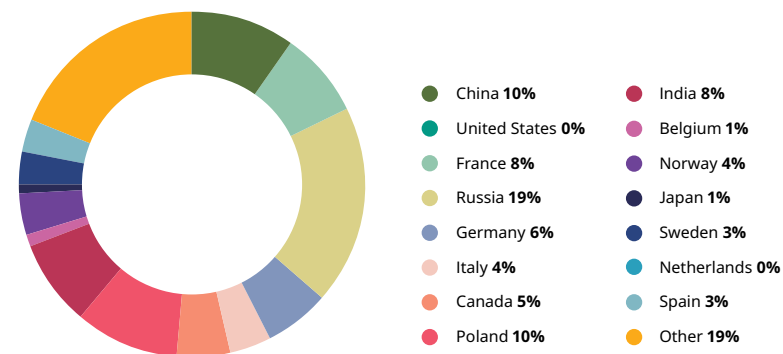
IWAY reviews

(% of reviews)



IWAY reviews with major non-compliances

(% of reviews with major non-compliances)










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






UNGC PRINCIPLES		LOCATION IN FY21 REPORTING	
Human Rights			
Principle 1	Businesses should support and respect the protection of internationally-proclaimed human rights.	Respecting human rights	
Principle 2	Make sure they are not complicit in human rights abuses.	Respecting human rights	IWAY - our supplier code of conduct
Labour			
Principle 3	Businesses should uphold the right to freedom of association and the effective recognition of the right to collective bargaining.	Respecting human rights Living our values	IWAY - our supplier code of conduct Protecting workers' rights in a changing world
Principle 4	The elimination of all forms of forced and compulsory labour.	Respecting human rights Respecting and supporting children's rights	IWAY - our supplier code of conduct
Principle 5	The effective abolition of child labour.	Respecting human rights Respecting and supporting children's rights	IWAY - our supplier code of conduct
Principle 6	Eliminate discrimination in respect of employment and occupation.	Fair, equal, inclusive Protecting workers' rights in a changing world	Living our values Developing skills for employment
Environment			
Principle 7	Businesses should support a precautionary approach to environmental challenges.	Climate positive	Becoming circular
Principle 8	Undertake initiatives to promote greater environmental responsibility.	Climate positive Inspiring and enabling a better life at home	Becoming circular
Principle 9	Encourage the development and diffusion of environmentally-friendly technologies.	Climate positive Inspiring and enabling a better life at home	Becoming circular
Anti-corruption			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	High standards of integrity and business ethics	Anti-bribery and corruption

Our contribution to the UN Sustainable Development Goals

We support the United Nations Sustainable Development Goals (SDGs) in their ambition to achieve a better world for all. As a global business, we have a role to play in contributing to achieving the SDGs. Find out how we contribute to each goal in the table below.

SUSTAINABLE DEVELOPMENT GOALS	HOW INGKA GROUP CONTRIBUTES
 <p>1 NO POVERTY End poverty in all its forms everywhere</p>	<p>Providing and supporting decent and meaningful work in our business and supply chain. Integrating refugees and asylum seekers into our value chain and developing their skills for employment. Partnering with social enterprises to create income opportunities for those facing poverty and other barriers. Partnering to create positive change in local communities. Supporting vulnerable suppliers and tenants during Covid-19.</p> <p>See the Better lives section.</p>
 <p>2 ZERO HUNGER End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<p>Reducing meat consumption with our plant-based dishes. Responsibly sourcing our food. Reducing food waste in our operations. Adopting lower carbon, circular techniques to grow fresh produce and inspiring customers to do the same.</p> <p>See the Better homes and Better lives sections.</p>
 <p>3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages</p>	<p>Inspiring and enabling healthy and sustainable living through our products and communications. Offering healthier food to customers and co-workers. Supporting children's wellbeing by promoting the power of play. Advocating for a healthy future for children through our climate positive initiatives. Health and wellbeing in the workplace, including protecting co-workers and customers during the Covid-19 pandemic.</p> <p>See the Better homes and Better lives sections.</p>
 <p>4 QUALITY EDUCATION Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>Supporting children's right to play. Supporting refugees to develop skills for employment. Offering our co-workers opportunities for training and development. Providing and promoting learning and decent employment opportunities for young persons. Supporting home learning during Covid-19.</p> <p>See the Better lives section.</p>
 <p>5 GENDER EQUALITY Achieve gender equality and empower all women and girls</p>	<p>Working to ensure gender equality and gender-equal pay. Partnering with social enterprises that support women and empowering them to develop sustainable incomes. Building skills and experience for women outside the labour market.</p> <p>See the Better lives section.</p>
 <p>6 CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all</p>	<p>Managing water resources. Inspiring and enabling customers and co-workers to save water at home.</p> <p>See the Better homes and Better planet sections.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>Generating more renewable energy than we consume. Investing in wind and solar energy. Making residential solar affordable and accessible for the many people, with IKEA Energy Services.</p> <p>See the Better homes, Better planet and Better company sections.</p>

SUSTAINABLE DEVELOPMENT GOALS	HOW INGKA GROUP CONTRIBUTES
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Being an inclusive employer and investing in our co-workers' development. Providing and supporting decent and meaningful work. Improving standards in our supply chain through IWAY, the IKEA supplier code of conduct. Supporting refugees to develop skills for employment. Supporting suppliers and tenants during times of crisis. Partnering with social enterprises to create opportunities for people experiencing poverty and other barriers.</p> <p>See the Better lives and Better company sections.</p>
 <p>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p>	<p>Generating more renewable energy than we consume. Investing in wind and solar power. Investing in renewable heating and cooling in our buildings. Trialling urban farming solutions to grow nutritious fresh produce. Tackling emissions from travel and deliveries. Scaling up emission-free home deliveries across all countries. Empowering customers to generate and use their own renewable energy at an affordable price, with clean energy services.</p> <p>See the Better homes, Better planet and Better company sections.</p>
 <p>Reduce inequality within and among countries</p>	<p>Promoting a fair and inclusive society and respecting human rights. Respecting and supporting children's rights. Supporting fairer lives for young and migrant workers. Supporting refugees to develop skills for employment. Working to ensure gender, racial and LGBT+ equality.</p> <p>See the Better lives section.</p>
 <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>Contributing to thriving communities. 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. Making residential solar affordable and accessible for the many people. Supporting communities during Covid-19. Tackling emissions from travel and deliveries. Investing in urban farming solutions.</p> <p>See the Better homes, Better lives and Better planet sections.</p>
 <p>Ensure sustainable consumption and production patterns</p>	<p>Trialling products and services that promote circular consumption. Inspiring and enabling customers to shop more sustainably. Striving for zero waste and using resources in a circular way. Responsible sourcing of goods and services that help to run our business. Innovating low-carbon ways to grow and consume food.</p> <p>See the Better homes, Better planet and Better company sections.</p>

SUSTAINABLE DEVELOPMENT GOALS	HOW INGKA GROUP CONTRIBUTES
 <p>Take urgent action to combat climate change and its impacts</p>	<p>Contributing to the IKEA ambition to become circular and climate positive. Tracking our climate footprint against our science-based targets. Inspiring and enabling more people to live better lives within the limits of the planet. Making residential solar affordable and accessible for the many people. Advocating for a green recovery from the Covid-19 pandemic. Investing in wind and solar power and switching to renewable heating and cooling in our buildings. Tackling emissions from travel and deliveries. Partnering with others to take climate action. Promoting more sustainable food.</p> <p>See the Better homes, Better planet and Better company sections.</p>
 <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<p>Phasing out single-use plastic from our IKEA Restaurants, Cafes and Bistros. Offering sustainably-sourced fish and seafood.</p> <p>See the Better homes and Better planet sections.</p>
 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss</p>	<p>Responsible sourcing of goods and services that help to run our business. Investing in responsibly-managed forests.</p> <p>See the Better planet and Better company sections.</p>
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>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.</p> <p>See the Better lives and Better company sections.</p>
 <p>Strengthen the means of implementation and revitalise the global partnership for sustainable development</p>	<p>Partnering with others to extend our impact beyond our own business, and taking a stand on the issues we believe in.</p> <p>See the Better lives, Better planet and Better company sections.</p>

Assurance report on carbon emissions of the independent auditor

To: the Board of Management and shareholders of Ingka Holding B.V. and its controlled entities

Our conclusion

We have reviewed the reporting of scope 1, 2 and 3 carbon emissions (categories 1 - only the raw material of products used for store operation, purchased by Ingka Group Procurement -, 2,3,5,6,7,9, and 13) in the 'Annual Summary FY21' and 'Data and Progress FY21' (hereafter: the 'information in the report') of Ingka Holding B.V. and its controlled entities (hereafter: 'Ingka Group') based in Leiden, the Netherlands, for the financial year ended 31 August 2021. A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed nothing has come to our attention that causes us to believe that the information in the report is not prepared, in all material respects, in accordance with the reporting criteria as described in the 'Reporting criteria' section of our report.

The information in the report is included in:

- the 'Annual Summary FY21' (hereafter: the 'Annual Report'): chapter 'Becoming climate positive' commencing on page 28.
- the 'Data and Progress FY21' (hereafter: the 'Appendix'): the data for the indicators in scope of our engagement (marked with asterisks (*,**)) is disclosed in the section 'Summary of performance' commencing on page 5, in chapter 'Better planet' on pages 26 to 38 and the explanatory notes in 'About our

data' on pages 47 and 48.

Basis for our conclusion

We performed our review 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)) and including Standard 3410 'Assurance engagements on Greenhouse Gas Statements'. This engagement is aimed to obtain limited assurance. Our responsibilities in this regard are further described in the 'Auditor's responsibilities' section of our report.

We are independent of Ingka Group 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 assurance 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 Group 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 (published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD)) and the applied supplemental reporting criteria as disclosed in section 'About our data' of the Appendix.

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the Annual Report, Appendix and the information in the report as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and Ingka Group.

Scope of the group review

Ingka Group 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 'About our reporting' on page 3 and 'About our data' on page 47 in the Appendix.

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 carbon emission to provide a conclusion about the sustainability information in relation to carbon emission.

The Board of Management's Responsibilities

The Board of Management of Ingka Group is responsible for the preparation of the information in the report in accordance with the applicable criteria as described in the 'Reporting criteria' section of our report, including the identification of stakeholders and the definition of material matters. The choices made by The Board of Management regarding the scope of the Annual Report, Appendix and the reporting policy are summarized in 'About our reporting' on page 3 of the Appendix.

Furthermore, the Board of Management is responsible for such internal control as it determines is necessary to enable the preparation of the information in the report that is free from material misstatement, whether due to fraud or error. The Board of Management is, amongst other things, responsible for overseeing Ingka Group's reporting process.

Auditor's responsibilities

Our responsibility is to plan and perform our review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing, and are less in extent, compared to a reasonable assurance engagement.

The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3000A, Standard 3410, ethical requirements and independence requirements.

Our review 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 Management;
- 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;
 - 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;
 - Determining the nature and extent of the review procedures for the group components and locations. For this, the nature, extent and risk profile of these components are decisive. Based thereon, we selected the components and locations to visit. The visits to sites in Russia and South Korea are aimed at, on a local level, validating source data and evaluating the design and internal controls and validation procedures;
 - Obtaining assurance information that the information in the report reconciles with underlying records of Ingka Group;
 - Reviewing, on a limited test basis, relevant internal and external documentation;
 - Performing an analytical review of the data and trends.
- Evaluating the consistency of the information in the report with the information in the report which is not included in the scope of our review;
- Evaluating the presentation, structure and content of the information in the report;

- Considering whether the information in the report as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We have communicated with the Board of Management regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amstelveen, 25 January 2022
KPMG Accountants N.V.

U.C. van Zessen RA
Partner