



Introduction

At IKEA, our vision is to create a better everyday life for the many people. This vision guides everything we do and is at the heart of how we support our co-workers. We are committed to fostering a workplace where everyone feels valued, can be themselves, and has the opportunity to thrive. Creating an inclusive and equitable environment is central to this ambition, and our Gender Pay Gap Report reflects both our dedication to transparency and our ongoing efforts to make meaningful progress.

Our Gender Pay Gap Report for FY24 shows that our mean gender pay gap stands at 5.61%, indicating the average percentage difference between the hourly earnings of male and female employees. The median gender pay gap stands at 3.53%, providing a middle point for comparison. Our results demonstrate a reduction in our pay gap in both mean and median terms, compared to FY23, reflecting progress in our commitment to pay equality.

The results show that men earn more on average, as reflected in both the mean (5.61%) and median (3.53%). This is driven by the higher representation of women in lower-paid roles and the greater concentration of men in higher-paid roles. Additionally, male-dominated allowances, such as nightshift and forklift truck work, significantly impacts the average hourly rate for men.

We have made strides in promoting equality by supporting the development of co-workers from under-represented backgrounds, enhancing flexible and hybrid working arrangements, and creating pathways for women to progress into senior leadership roles. We also remain committed to fair pay practices as part of our long-standing relationship with the Living Wage Foundation.

While we are proud of the progress we've made, we know there is still more to do. By continuing to invest in our co-workers, fostering inclusivity, and unlocking opportunities for all, we aim to create a workplace that reflects our values and supports our vision of a better everyday life for the many.

**Darren Taylor Country People & Culture Manager,
IKEA UK and Ireland**

Understanding our FY24 UK gender pay gap report

What is the gender pay gap?

The gender pay gap reported is the difference in the average hourly wage of men and women across IKEA UK (excluding Northern Ireland).

Who is represented in our data?

Our figures track the pay of all "relevant full paid employees" at IKEA UK. This includes consideration of full-time, part-time and temporary co-workers, whether hourly or salaried. Anyone who is paid less than their normal pay during the pay period is not included. For example, those on unpaid sick leave, maternity leave, and unpaid absence are not included.

What about non-binary co-workers?

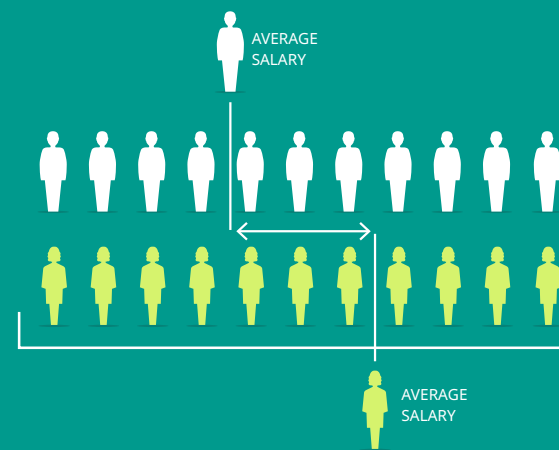
The focus of our Gender Pay Gap Report is the binary gender that is required by law: women and men. However, at IKEA we acknowledge that gender identity goes beyond the binary definitions. We have a systematic and comprehensive approach to LGBTQ+ inclusion to minimise discrimination against people of all sexual orientations and gender identities.

Mean vs Median

We report on two different data sets relating to our gender pay gap – the mean and the median.

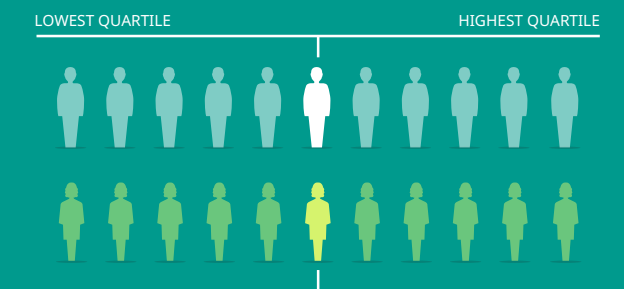
Mean: This is the difference between the average male salary and the average female salary. It takes account of total hourly pay, divided by number of co-workers, to compare the gender split of salaries across the entire organisation.

Calculating mean:



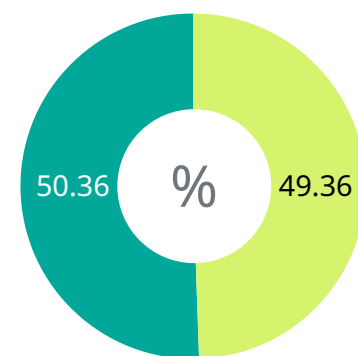
Median: Lining up all the male employees in order of earnings, the salary of the male in the centre of the line is the median male salary. Comparing this to the median female salary gives us the median gender pay gap. The median is less skewed by extreme values (for example, if one person is paid significantly more than many others across the organisation).

Calculating median:



Results – IKEA UK at a glance

Gender split across IKEA UK



50.36%

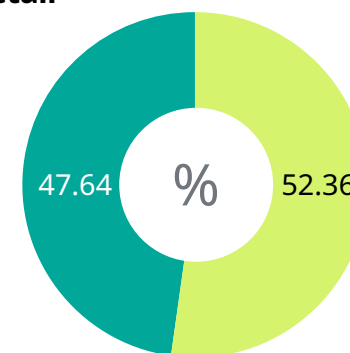
Male

49.64%

Female

Spread of co-workers across retail and fulfilment

Retail

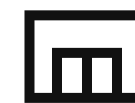


47.64%

Male

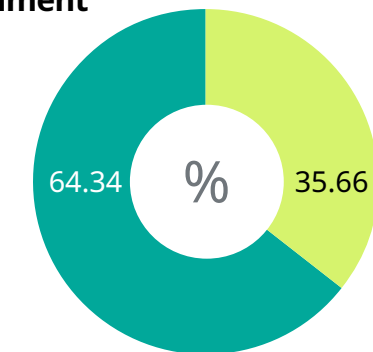
52.36%

Female



Our retail business includes all functions related to the running of our stores, order and collection point, plan and order points, online shopping, customer contact centre and service office.

Fulfilment



64.34%

Male

35.66%

Female



Our fulfilment business, operated through IKEA Distribution Services Limited, includes all co-workers who run our warehouses, and organise the movement of IKEA products between warehouses, stores and customers.

*Results exclude Belfast

Our Retail Business Gender Pay Gap

Proportion of employees in each pay quartile

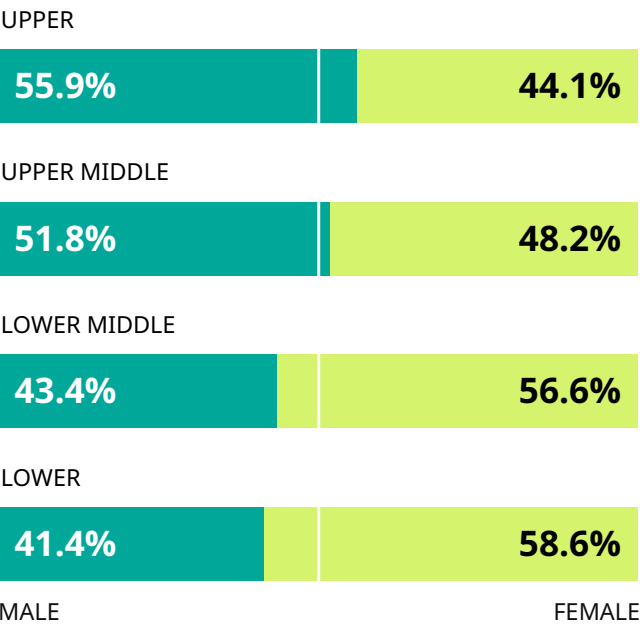
Quartiles are calculated by listing the pay rates for each co-worker, from lowest to highest, splitting the list into four equal-sized groups and calculating the percentage of men and women in each.

Lower quartiles

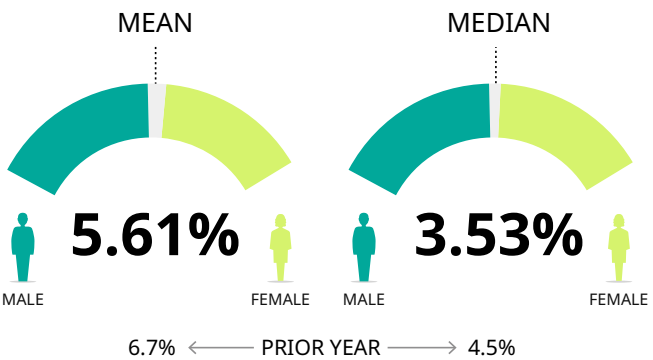
The figures show we have a higher percentage of females in the lower pay quartiles.

Upper quartiles

We now see an increasing percentage of females within our upper quartile. This reflects our efforts in training and hiring to encourage women into leadership roles.



Overall Gender Pay Gap: Retail



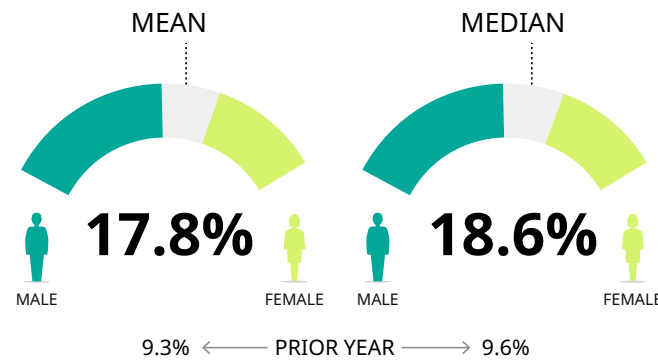
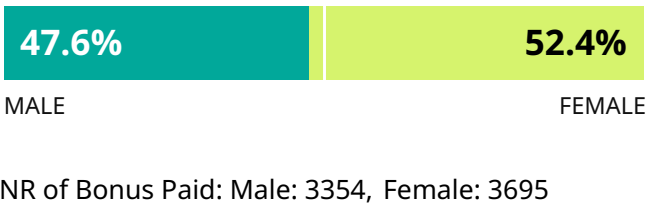
Results compared to previous years

Our 2024 results show a reduction in both our mean and median pay gap compared to 2023. Both our mean and median figures remain lower than the UK average.

Our retail business gender bonus gap

We offer an annual bonus through the One IKEA Bonus scheme, available to all co-workers, regardless of their level or department. The award varies from year to year, based on the performance of each unit and the co-worker's annual salary. Due to the nature of bonus awards being dependent on the performance of each unit and the co-worker's annual salary, the mean and median pay gap can fluctuate in line with the demographics of those receiving the pay award.

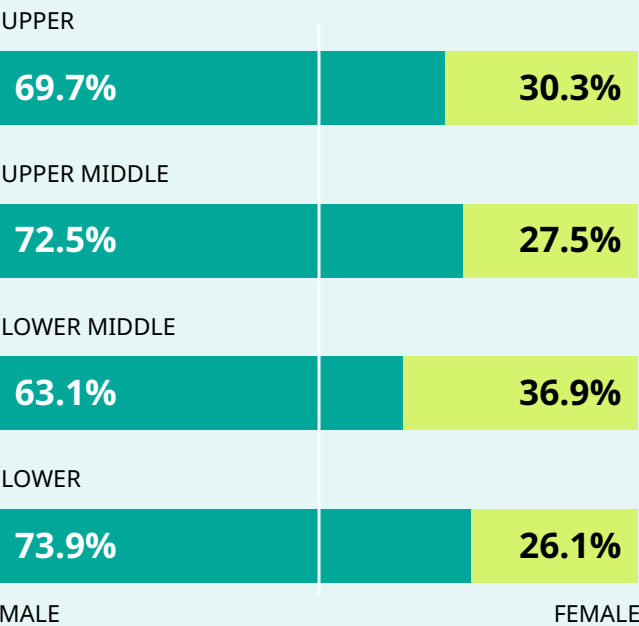
Gender bonus split : Retail



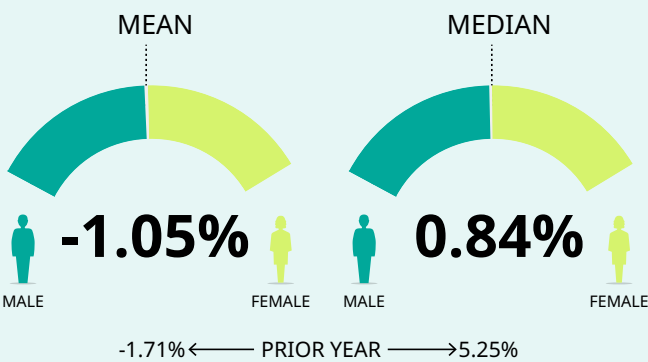
Our Fulfilment Business Gender Pay Gap

Proportion of employees in each pay quartile

The figures show we have a significantly higher percentage of males in all pay quartiles.



Overall Gender Pay Gap: Fulfilment



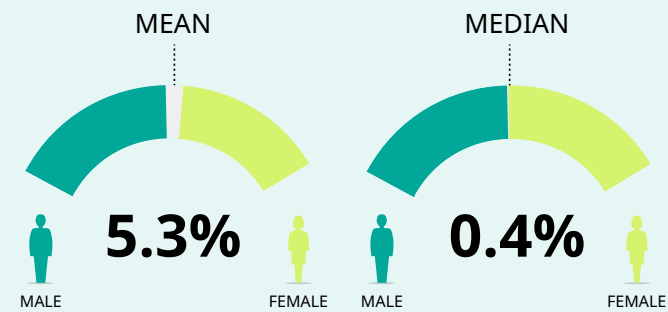
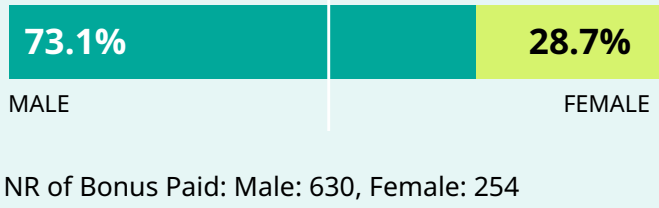
Results compared to previous years

The negative mean gender pay gap (-1.05%) indicates that, on average, females earn slightly more than males. This could reflect the presence of higher-paid females in senior or specialised roles.

The median gender pay gap (0.84%) suggests that male earnings slightly surpass female earnings at the midpoint, most likely resulting from the workforce composition which is 64% male, indicating gender disparity in representation.

Our fulfilment business gender bonus gap

Bonus Payment Split



Analysis



In our lower pay quartiles, we have a higher proportion of women in part-time and hourly roles in our units. There is also a higher proportion of men undertaking full-time night shifts and operating forklift trucks, which are roles that receive an additional allowance increasing base pay level.

In our fulfilment business, women dominate the lower pay scale bands, whilst men represent a higher proportion of the higher pay scale bands. However, on average, women earn slightly more than the men in this area of the business, this may reflect the presence of higher-paid women in senior or specialised roles. Despite this there is still a slight pay gap disparity that favours men as can be seen in the median pay gap.

This is a common disparity for many retailers and IKEA is exploring steps to help readjust the balance. However, the balance between male and female co-workers at an hourly level has improved, with more females entering positions attracting nightshift and forklift truck allowances as a result of proactive recruitment campaigns, changes to shift patterns and available contracts. We now have a higher proportion of women in senior management positions across the wider business and are proud that in 2024 50% of IKEA UK Group leadership roles and 55% of IKEA UK County Management Team roles were filled by women. Recent introductions of leadership and mentorship programmes and proactive recruitment strategies have aided this shift.

In addition to our direct initiatives aimed at fostering gender parity across IKEA, we are committed to creating an inclusive workplace where all co-workers feel a sense of belonging and can be themselves. Our ongoing efforts focus not only on equitable policies but also on cultivating an environment of inclusion and respect.

Our iShare co-worker survey consistently reflects positive progress in this area. The latest results show that 81% of respondents feel they can be themselves at IKEA, while 82.2% believe they are treated fairly, regardless of individual differences. These insights reinforce our commitment to both structural and cultural initiatives that drive meaningful inclusion across the business.

Our Actions: What are we doing to reduce our gender pay gap in the UK?

Training and Development

We offer a range of development programmes aimed at growing co-worker skills and competence, from co-workers looking to take their first leadership role, through to developing our future Market Managers. For instance, our Rise Up programme is aimed at unlocking the potential of co-workers from under-represented ethnic groups across the north of the UK. 25% of those who participated in 2024 developed into a new role, including some co-workers taking career steps in a different location. We have also seen how the confidence of the participants to put themselves forward for new opportunities has increased from an average of 5.6 to 8.5 out of 10.

We also have our Stepping Up apprenticeship programme aimed at supporting co-workers to be ready to take their first step into a leadership role. In addition, we have a reciprocal mentorship initiative called Win-Win which supports high potential female co-workers to take their next step into a leadership role within 12-18 months. We also have BLOOM, a fast-track programme for co-workers to become Market Managers in three to five years. Currently, 83% of UK participants in the programme and 60% of participants globally across Ingka Group are women.



Recruitment and sourcing strategies

Our recruitment strategies aim to attract and retain diverse talent by featuring enhanced salary and pay transparency, inclusive job descriptions, and improved candidate screening and shortlisting processes. Our most senior leaders are measured on creating diverse teams and talent pipelines that are representative of the local communities that we serve, including criteria to help us meet our 50/50 gender balance goal. We are in a strong position with 60.9% of our succession pipeline being female. Our objective is to reflect diversity within our teams to inspire a more inclusive everyday, where co-workers of all genders can be themselves. In the lower pay quartile, we are looking at ways to encourage more females to apply for the higher paid opportunities, such as our nightshift allowance and forklift truck operating roles. We are proactively targeting female co-workers when promoting these opportunities and offering flexible contracts to make roles more appealing and accessible.



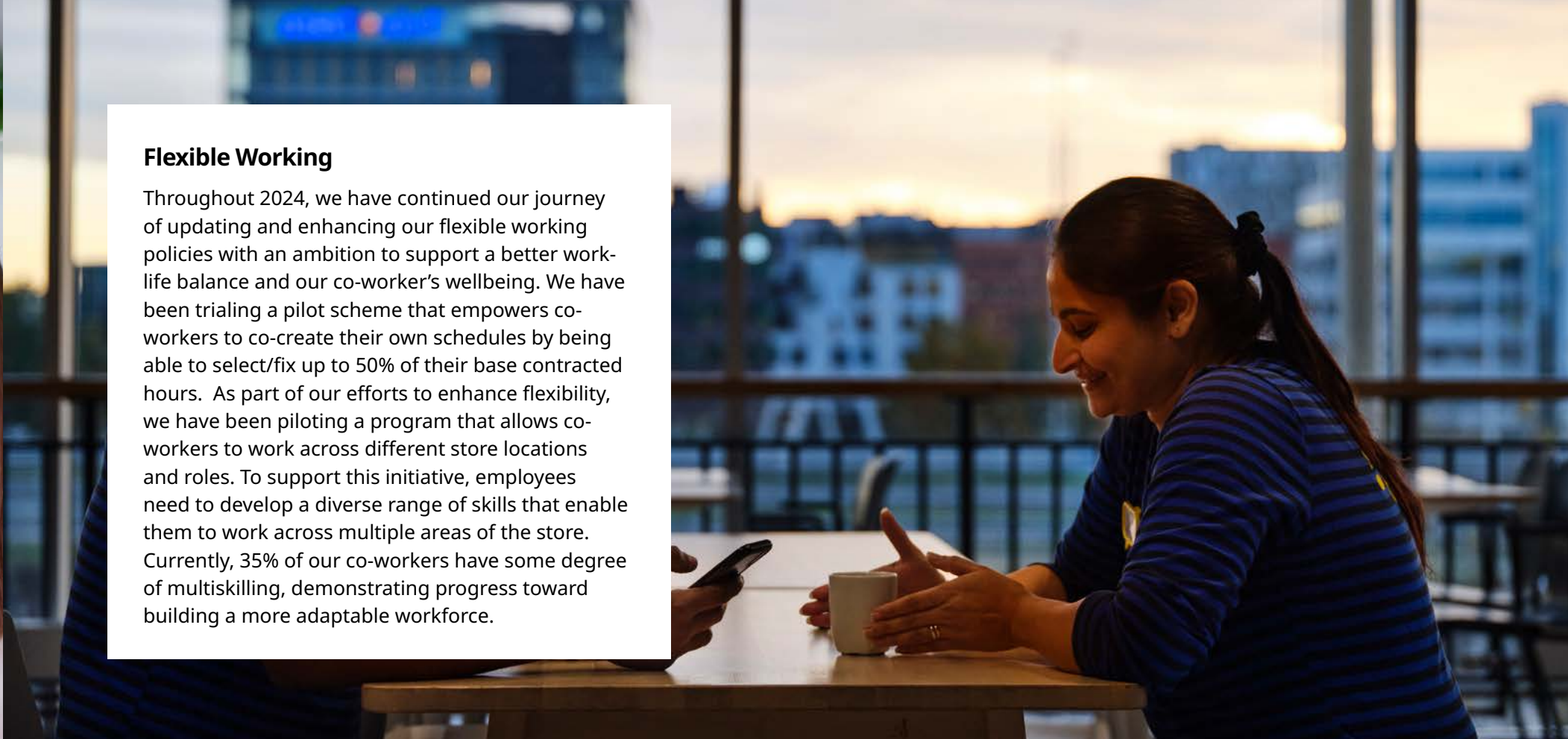
Health and Wellbeing

At IKEA, we recognise that supporting the health and wellbeing of our co-workers is essential to fostering an inclusive and equitable workplace. Investing in wellbeing initiatives helps ensure that all employees can thrive, which is particularly important in addressing challenges that may impact career progression and pay equality.

We are proud to have 275 mental health first aiders across our UK operations, providing vital support to our workforce. In 2024, we introduced a hot food offer for all night co-workers and launched Peppy Health, an app that provides personalised, holistic support in key areas such as menopause, fertility, men's health, women's health, pregnancy, and parenthood.

Flexible Working

Throughout 2024, we have continued our journey of updating and enhancing our flexible working policies with an ambition to support a better work-life balance and our co-worker's wellbeing. We have been trialing a pilot scheme that empowers co-workers to co-create their own schedules by being able to select/fix up to 50% of their base contracted hours. As part of our efforts to enhance flexibility, we have been piloting a program that allows co-workers to work across different store locations and roles. To support this initiative, employees need to develop a diverse range of skills that enable them to work across multiple areas of the store. Currently, 35% of our co-workers have some degree of multiskilling, demonstrating progress toward building a more adaptable workforce.



Pay and Benefits

In 2024, we continued our long-term commitment to fair wages by paying the real living wage as recommended by the Living Wage Foundation. This year, we invested £10.3m to provide a 10% uplift in base pay for hourly-paid co-workers and a 5% uplift for salaried co-workers, enhancing their financial stability. This saw our hourly-paid rate for co-workers increase to £13.15 in London, £12.60 in Outer London and £12 throughout the rest of the UK.

We continue to offer an enhanced benefits packaged which features; free healthy meals, an increased contribution to public transport passes, interest-free loans up to £1,000 (or max 10% of the co-worker's annual salary), an expansion of the co-worker discount, and we made permanent the offer of a flexible loan facility. Our competitive benefits support co-workers at all stages of their life, from growing their families to caring for loved ones. Key benefits include enhanced statutory maternity, paternity, shared leave and adoption leave. We also have fertility leave, a new menopause policy and a free day for children's first day of school included in the benefits.

Throughout 2024, we have been modernising our benefits system to improve accessibility for co-workers. By introducing a more personalised and user-friendly interface, we are making it easier for our co-workers to navigate and access their benefits through a seamless self-service experience. These enhancements ensure greater convenience, empowering co-workers to manage their benefits with ease.