



## Introduction

At IKEA, we are committed to creating a better everyday life for the many people. This vision extends beyond our products and services, it is deeply embedded within our workplace. Equality is not just a goal; it is a pillar of our values and continues to guide us to foster an inclusive environment where all our co-workers can thrive.

In pursuit of fostering an inclusive and equal workplace, we take pride in presenting our Gender Pay Gap Report. While we have a regulatory obligation to do this, our commitment to transparency extends beyond compliance. We view this report as a tool that can help us to develop a genuinely equal workplace.

This year's Gender Pay Gap Report shows that our mean gender pay gap stands at 6.48%, indicating the average percentage difference between the hourly earnings of male and female employees. Similarly, the median gender pay gap is 5.88%, providing a middle point for comparison. We value the insights this report gives us and have used it to shape our actions. For instance, we have expanded our flexible and hybrid working offering, developed training opportunities to encourage more women into senior leadership positions and continue to support the Living Wage Foundation.

As we strive to create a fair and equal workplace, we are proud of the progress we have made, but believe we still have work to do. We will continue to focus on fostering a culture of equality, diversity and inclusion through investing in our co-workers, providing flexibility and unlocking opportunities. Through our actions we will help to create a workplace that's fair and equitable for all, leading to a better everyday life for the many.

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

## Understanding our 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?

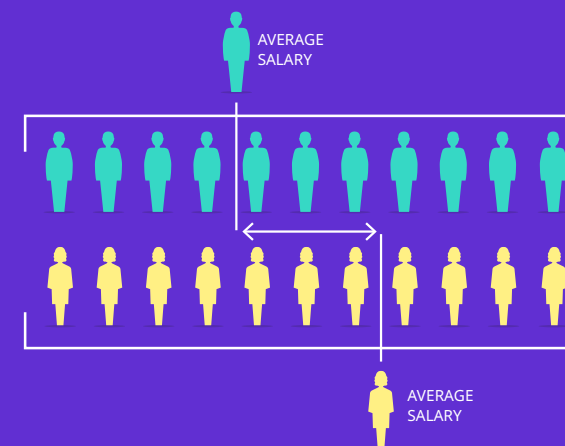
The focus of our Gender Pay Gap Report is the binary gender that is required by law: women and men. However, at IKEA we acknowledge that gender identity goes beyond the binary definitions. We have a systematic and comprehensive approach to LGBTQ+ inclusion to minimise discrimination against people of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

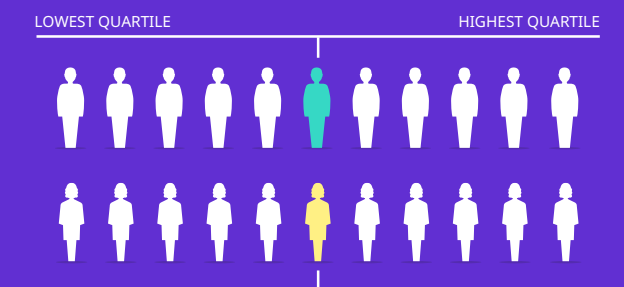
**Mean:** This is the difference between the average male salary and the average female salary. It takes account of total hourly pay, divided by number of co-workers, to compare the gender split of salaries across the entire organisation.

Calculating mean:



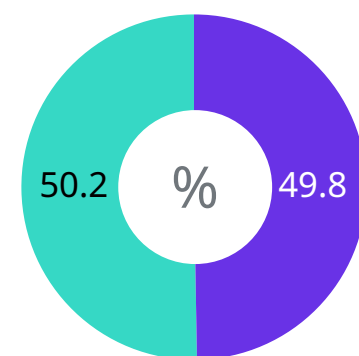
**Median:** Lining up all the male employees in order of earnings, the salary of the male in the centre of the line is the median male salary. Comparing this to the median female salary gives us the median gender pay gap. The median is less skewed by extreme values (for example, if one person is paid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

Calculating median:



## Results – IKEA UK at a glance

### Gender split across IKEA UK

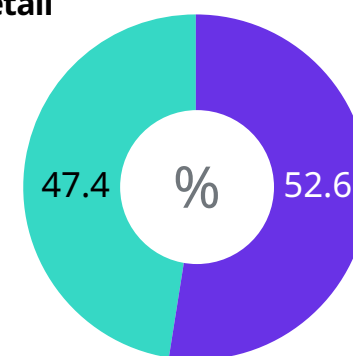


**50.2%**  
Male

**49.8%**  
Female

### Spread of co-workers across retail and fulfilment

#### Retail



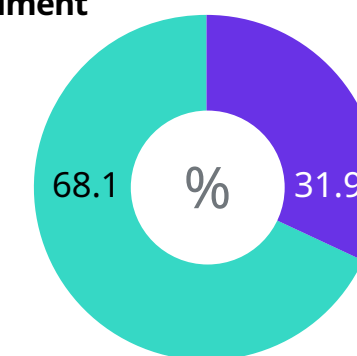
**47.4%**  
Male

**52.6%**  
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



**68.1%**  
Male

**31.9%**  
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

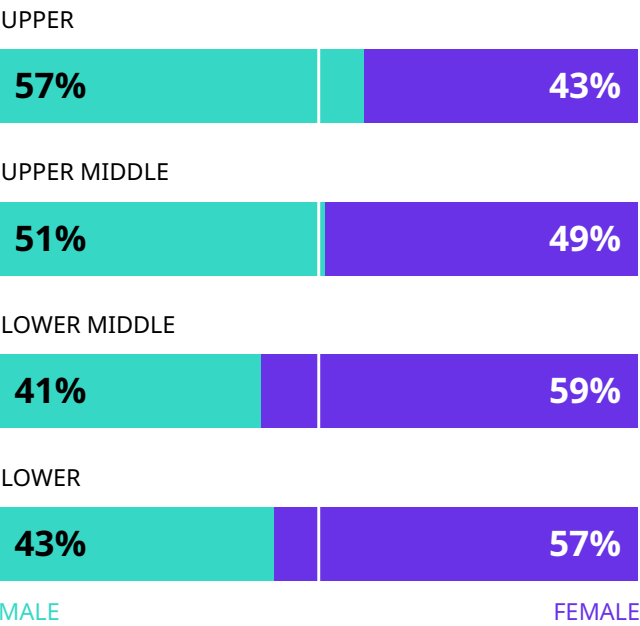
Quartiles are calculated by listing the pay rates for each co-worker, from lowest to highest, splitting the list into four equal-sized groups and calculating the percentage of men and women in each.

### Lower quartiles

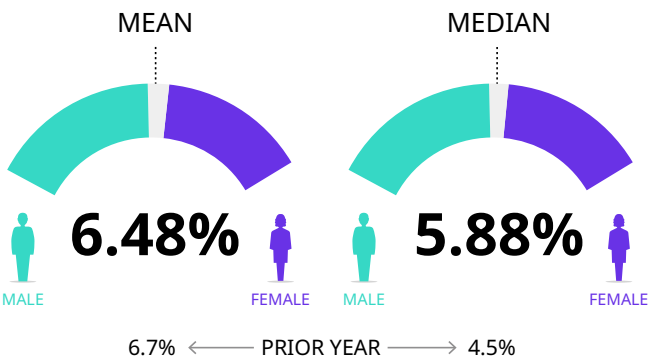
The figures show we have a higher percentage of females in the lower pay quartiles.

### Upper quartiles

We now see a larger percentage of females within our upper quartile. This reflects our efforts in training and hiring to encourage female uptake in leadership roles.



## Overall Gender Pay Gap: Retail



## Results compared to previous years

Our 2023 results show a slight reduction in our mean pay gap compared to 2022. Our median pay gap has increased slightly but remains lower than the figures shown in 2020 and 2021. Both our mean and median figures remain lower than the UK average.

## Our retail business gender bonus gap

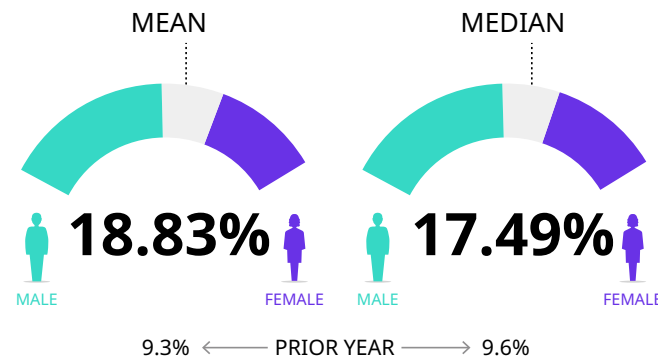
We offer an annual bonus through the One IKEA Bonus scheme, available to all co-workers, regardless of their level or department. The award varies from year to year, based on the performance of each unit and the co-worker's annual salary.

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



NR of Bonus Paid: Male: 3127, Female: 3384

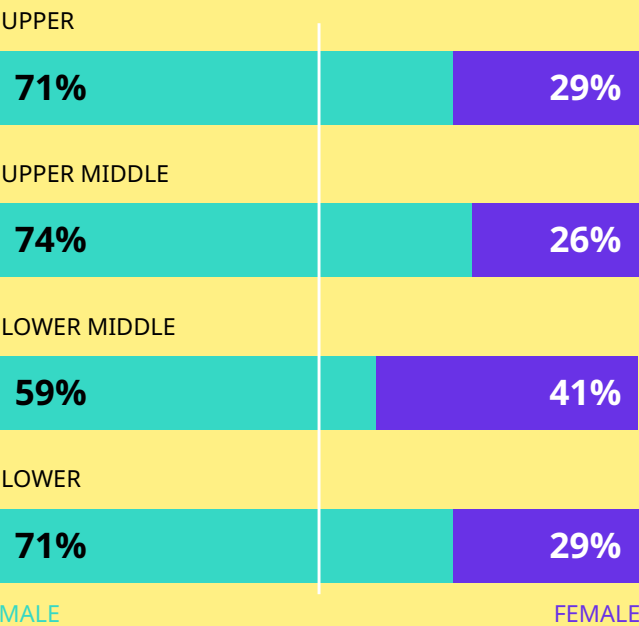


# Our Fulfilment Business Gender Pay Gap

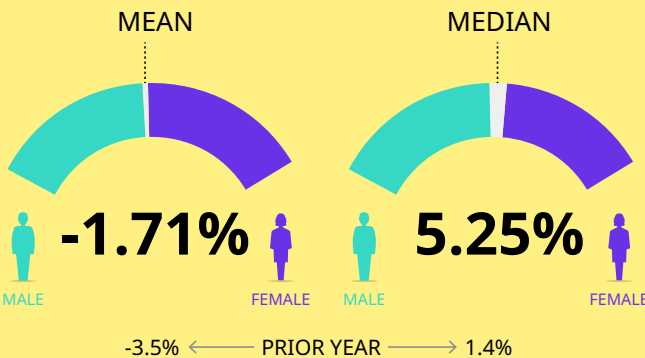


## Proportion of employees in each pay quartile

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



## Overall Gender Pay Gap: Fulfilment

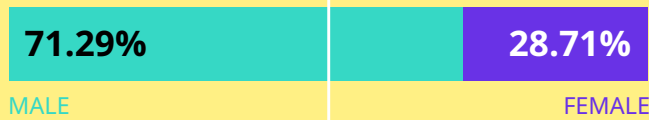


## Results compared to previous years

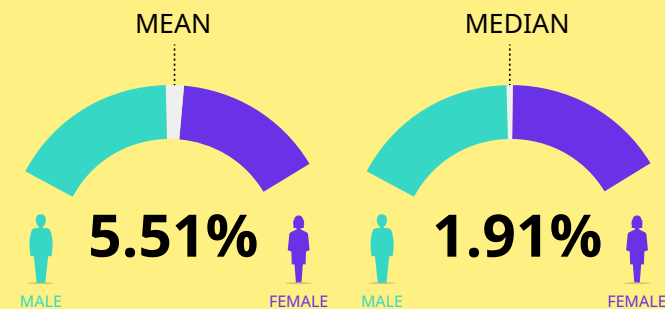
The negative mean pay gap has reduced by half from -3.53% returning to pre-pandemic levels. The median pay gap has increased slightly compared to 2022 data.

## Our fulfilment business gender bonus gap

### Bonus Payment Split



NR of Bonus Paid: Male: 663, Female: 267



# Analysis

We now have a higher proportion of women in senior management positions across the wider business and achieved a 50/50 gender balance in our most senior country management team. Recent introductions of leadership and mentorship programmes and proactive recruitment strategies have aided this shift.

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 doing full-time night shifts and operating forklift trucks, which are roles that receive an additional allowance increasing base pay level.

Across our fulfilment teams, we have a higher percentage of men at all pay scale bands. The comparatively smaller percentage of female co-workers represent a broad spread of pay. However, given the smaller proportion, if a female co-worker changes roles or leaves a team, this can dramatically alter the figures. 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.



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



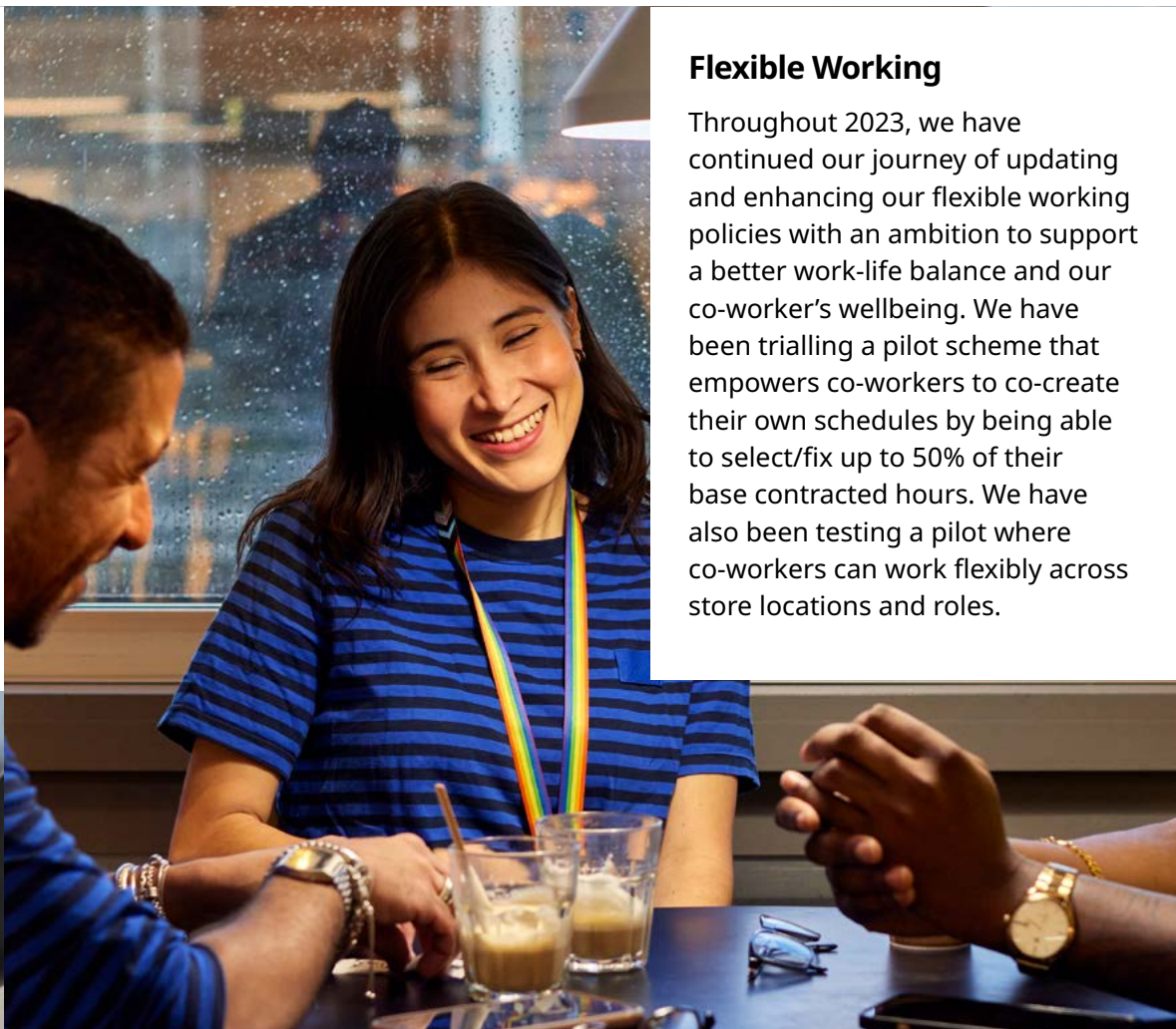
## Training and Development

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 Stepping Up apprenticeship programme is 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 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. 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.



## Flexible Working

Throughout 2023, 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 trialling 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. We have also been testing a pilot where co-workers can work flexibly across store locations and roles.



## Pay and Benefits

In 2023, 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 £12 million in co-worker salaries and enhanced benefits package to support co-workers through the cost of living crisis. The enhanced cost of living benefits package features more 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) and an expansion of the co-worker discount.

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.