



IKEA GENDER PAY GAP REPORT IRELAND 2023





At IKEA, we believe that equality is a human right, and it is this belief that is central to our vision of creating a better everyday life for the many people.

For us, a better everyday also means a more equal everyday both for IKEA as a business but also more widely in society, which is why we continue to focus on being both people and planet positive.

Understanding and addressing the gender pay gap is a key element of these ambitions and supports our journey towards greater equality, diversity, and inclusion.

One strand of this focus is on our global ambition to become truly gender balanced. Here in Ireland, we continue to improve in this area and have achieved gender balance across our most senior leadership and see a positive trend across all quartiles and business areas. We also take a pro-active approach to uphold our commitment to ensure equal pay for equal jobs and continue to invest in pay.

We are proud of the substantial improvements we have made to improve our gender pay gap. Over

the past year, we have reduced our gender pay gap by almost 50%, bringing it down to 4.8%. This in-part, has been driven by the reduction of our mean pay gap across our full-time co-workers that has notably been reduced by over 11%, bringing the pay gap down to 2%.

These significant movements are a direct result of the ongoing work to pro-actively tackle the pay gap and the early application of methodologies from the EU directive to support more equitable outcomes for all our co-workers.

We have seen a slight increase in our part-time co-worker median, which is impacted by a larger number of males in forklift truck and nightshift roles that command a higher rate of pay.

When it comes to our bonus pay gap, while this is in-line with the average across all Irish employers, it remains an area of focus. We take confidence from the significant improvements we've already seen and through the continuation of our multi-year approach, it's my ambition to see this improve further as the full impact of our strategies are realised.

If we look over the past few years, it is evident that the impacts of COVID-19 are still a factor and employment trends continue to evolve. So, it's important we continue to take a holistic view to effectively address the pay gap.

Our multi-pronged approach of longer-term strategic movements, tactical actions and strategic investments will ensure we have the agility needed to continue to close the pay gap. While measures such as our new flexible working approach will not only play a role in closing our pay gap, but also improve the experience of our co-workers by better supporting their individual needs and drive a sustainable shift over time.

Looking further ahead there remains lots to be done. However, we continue to be encouraged by what has been achieved over the past year and energised by the opportunities ahead to realise our goals and longer-term vision to create a more equal everyday for our people and the communities we serve.

Darren Taylor - Country People & Culture Manager, IKEA UK and Ireland, December 2023

UNDERSTANDING OUR GENDER PAY GAP REPORT

To understand the findings in this report, it is important to know that the gender pay gap and equal pay are two different things.

What is the gender pay gap?

The gender pay gap is the difference in the average hourly wage of men and women across our Irish coworkers.

The Gender Pay Gap Information Act 2021 requires IKEA to report on our hourly gender pay gap across a range of metrics.

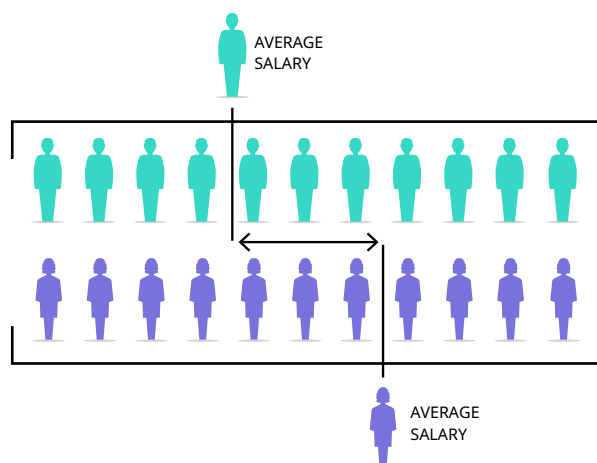
Why does the gender pay gap matter?

The gender pay gap is influenced by many structural and societal factors. For example, the ways in which different types of work and roles have traditionally been viewed and valued, contributing to disproportionate amounts of men in higherpaid jobs. Without a concerted effort to address these disparities, they are likely to persist across all industries.

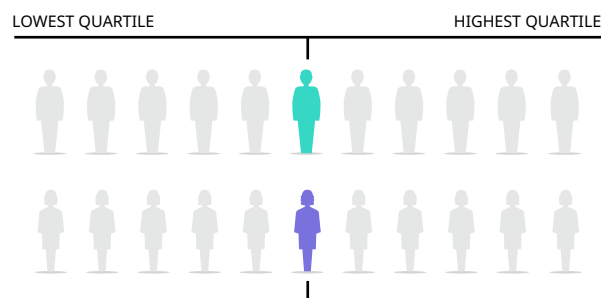
Mean vs Median

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.



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).



Who is represented in our data?

Our figures track the pay of all “relevant full paid IKEA co-workers” in Ireland in line with government criteria. This includes consideration of full-time, part-time and temporary co-workers, whether hourly or salaried.

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 LGBT+ inclusion to minimise discrimination against people of all sexual orientations and gender identities.

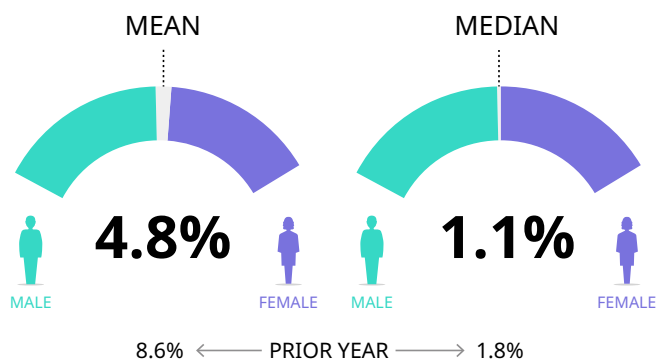
OUR RESULTS 2023

Gender split of co-workers in retail

Male
44.1%

Female
55.9%

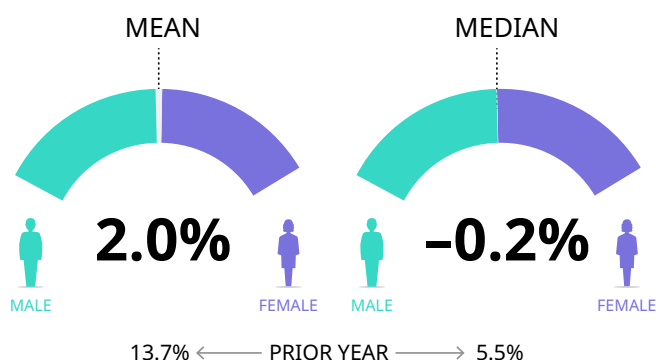
Gender pay gap



Drawing comparison with last year, we have seen a marked reduction in our gender pay gap figures. The mean pay gap has almost halved from last year (8.6% in FY22). The median has also fallen bringing the figures well below the 2022 Irish gender pay gap average of 9.6%¹ (Central Statistics Office Ireland, 2023)

The reduction in the gender pay gap is a result of the long-term actions implemented to address the pay gap which focuses on investing in gender equal pay, accessible and inclusive recruitment, and talent succession planning.

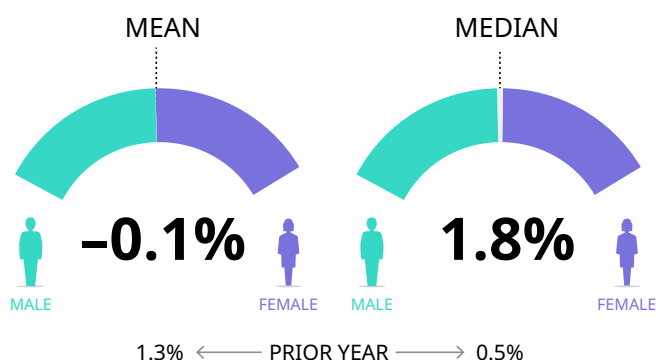
Full-time gender pay gap



The full and part-time mean pay gap have both significantly reduced, with the full-time pay gap falling by over 11% (13.73% FY22) and the part-time by over 1% (1.27% FY22).

The median has also reduced for full-time co-workers by over 5% (5.47% FY22), whereas the part-time median pay gap has seen a slight increase (0.54% FY22).

Part time gender pay gap



This variation is significantly impacted by the higher number of males working full-time on nightshifts, operating forklift trucks, or both. These roles receive additional allowances, increasing base level of pay and are not usually covered by part-time co-workers, impacting the results across full and part-time averages.

All figures are approximate and valid at end of FY23 – July 2022 – June 2023. They don't include employees on maternity leave and unpaid leave. They also don't include our Northern Ireland co-workers.

¹Structure of Earnings Survey 2022, Central Statistics Office Ireland, (Accessed 1st December, 2023) <https://www.cso.ie/en/releasesandpublications/ep/p-ses/structureofearningsurvey2022/genderpaygap/>

Proportion of employees in each pay quartile

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

UPPER



UPPER MIDDLE



LOWER MIDDLE



LOWER



MALE

FEMALE

Lower quartiles

We have a higher percentage of females in the lower pay quartiles, which has reduced slightly compared to last year by just over 1% across each quartile.

Around 90% of the males in these quartiles receive additional allowances for overnight shifts, to operate forklift trucks or for both. This difference is a significant factor in comparing the mean hourly rate for males compared to females in the lower quartiles.

Upper quartiles

We have seen an increase of females who now make up the majority of co-workers across the upper middle and upper quartiles combined.

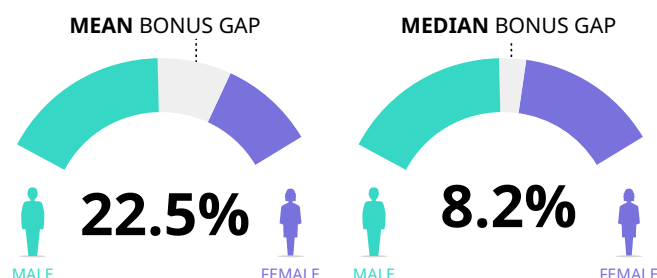
We continue to evaluate the impact of measures to address and maintain the balance of males and females across these quartiles and increase opportunities for progression through leadership development, talent, and succession planning.

Temporary contracts gender pay gap

IKEA Ireland does not have the volume of data available to measure the gap for temporary contract workers.

Bonus gender pay gap

We offer a bonus through the One IKEA Bonus scheme, that rewards co-workers with an annual bonus when the business meets or exceeds specific business goals. The bonus award varies every year and is based on the performance of the business unit, or a retail country and market area. If eligible, each co-worker receives the same level of bonus relative to their annual salary.



OUR ACTIONS:

What are we doing to reduce our gender pay gap in Ireland?

The key actions are split across four main areas of focus:

1. Equality, Diversity and Inclusion (ED&I)

Co-Worker Resource Groups

- Over the past year we launched a new Co-Worker Resource Group (CRG) focused on gender equality and inclusion.
- The CRG creates a safe space for under-represented co-workers and serves as a focus group on relevant topics, a forum to share lived experiences and to foster professional and personal development opportunities.

Leadership Development

- We offer a number of leadership and development programmes aimed at growing co-worker competence and readiness to take their first leadership role or the next step in their career. For instance, a reciprocal mentorship initiative called Win-Win, supports high potential female co-workers and those from other under-represented groups to take their next step into a leadership role within 12-18 months. For 2024, the programme moves from a national to a regional approach that is embedded as part of the succession and talent planning cycles based on local needs.

Leadership accountability

- A member of our most senior country management team (CMT) has been appointed Senior Ambassador and lead advocate for women's inclusion. As a member of the CMT, the ambassador serves as a senior sponsor playing an active role to champion ED&I initiatives across the organisation and support inclusion topics during key decision-making processes to support systemic and lasting change.
- We are rolling out an enhanced training package for all people leaders offering focused training including anti-bias, pay equity, and intention to action coaching. This is supplemented by ongoing training for all co-workers across a broader landscape of equality, diversity, and inclusion topics.



Ingka Equality Roadmap

- These ED&I initiatives will be underpinned and strengthened through the introduction of a new INGKA Gender Equality Roadmap in 2024. The three-year strategy will focus on delivering sustainable and systemic change to advance our gender equality agenda across Ingka group over the next year and beyond.

2. Flexible working

- Our new flexibility approach and policy, enables co-workers in Ireland to access flexible working arrangements from day one of employment.
- Through ongoing flexibility conversations, all co-workers have the opportunity to change contract sizes and shift patterns, to work compressed hours, or to reduce hours temporarily during student exam time or other life events.
- Since its launch, over 30% of co-workers have made changes to their working schedule to better meet their needs. Over the past year, the co-worker turnover rate has significantly reduced from 40% to 28%, positively impacting our gender balance and pay gap.

3. Pay initiatives

- We are part of the Living Wage Technical Group and follow their published hourly rate recommendations for all co-workers. This independent body is dedicated to ensuring an adequate income for everyone to have a socially acceptable standard of living.
- Our Total Reward Roadmap accelerates progression of co-workers through our pay ranges to more quickly address the gender pay gap and achieve pay equity. This initiative combines training and development opportunities, as well as more regular performance monitoring.

4. Recruitment and sourcing

- We continue to analyse and adjust our recruitment approach to ensure we attract and retain diverse talent and implement measures to improve the transparency, attractiveness, and accessibility of our roles.
- Recent changes include adding the start from salary on job postings and introducing reasonable adjustments into recruitment processes to support needs without bias or prejudice.
- Our most senior leaders are measured on creating diverse teams and talent pipelines that are representative of the local communities including meeting the 50/50 split of males and females.
- In the lower pay quartile, we are looking at ways to make higher paid opportunities, such as our nightshift allowance and forklift truck operating roles more attractive and accessible to all genders.



