

IKEA U.S. Annual Summary

Fiscal year 2022: September 1, 2021 – August 31, 2022





Leading from our purpose

Our position as the leader in life at home and our unique product range allows us to evolve, grow, and thrive. Whether it was facing down global supply challenges, improving our customer experience as a true omnichannel retailer, or unveiling new technological solutions for consumers to visualize their homes, IKEA U.S. has continued to embrace our vision of creating a better life for the many people.

While we saw a slight increase in sales in FY22, we are most proud of our ability to provide an affordable and accessible range of products and services to the many, especially those with thin wallets. We enhanced the shopping experience—not only through improved online shopping, but also with new in-person retail locations. We opened two new IKEA planning studios in locations convenient for our customers, and unveiled IKEA Kreativ, an AI-powered digital experience for customers to design and visualize their living spaces.

Taking care of people and our planet continues to be in focus, and our commitment begins with our co-workers. In January 2022, we raised our starting wages to a minimum of \$16/hour and provided enhanced benefits to support our co-workers' livelihood and wellbeing. We will continue on our journey towards

greater equity and inclusion, and by 2027 it is our ambition to reflect the diversity of our units' local markets and communities. In this Annual Summary, we are excited to share more detailed information on our approach to equity, diversity, and inclusion at IKEA U.S.—allowing anyone to track our progress towards creating a more equitable workforce and culture representative of the communities we serve.

We have continued to advance our efforts to combat the climate crisis by launching ultra-fast public EV charging stations and home solar solutions at our stores. In a step towards circularity, we have launched the Buy Back & Resell service in the majority of our stores, which allows IKEA Family members to sell back gently used IKEA furniture and gives IKEA products a second life.

Over the next year, we are in a position to harness this positive momentum and take even bigger leaps. We will focus on meeting our customers where they are, with a unique omnichannel customer experience, while continuing our mission to become climate positive by 2030. And to live out our IKEA values, we will commit to affordability in the long-term for the many.



Javier Quiñones
CEO & Chief Sustainability Officer, IKEA U.S.



Better homes

Home is the most important feeling in the world

Home is more than a place, it's a feeling. And having a place to feel at home has never been more important for our comfort, safety, happiness, and wellbeing.

We are passionate about helping our customers create, shape, and style their homes to fit their lifestyles—wherever life takes them, whatever their bank balance.

Every year, we visit hundreds of homes around the world to learn first-hand about their needs, challenges, and dreams—then we create products and solutions to match.



Life at home

The best leaders are lifelong students; that's why we never stop learning about life at home.

Every year, we speak to thousands of people all over the world to find out what life at home means today, how it's evolved, and how we can help make it better.

We know that home is an extension of identity. Our homes are just like us—personal. The more we see ourselves in them, the better life at home is. We want to be the mirror for that reflection.

57%

of Americans feel
their home reflects
who they are.

IKEA Life at Home Report

The [IKEA Life at Home Report](#) is an ongoing research project that fuels our connection to real life, real people, and real solutions. Some of the findings in this year's report include:

There's hope for home

34%

of Americans feel more positive about their home than this time last year.

We value safe space at home

8 in 10

Americans say emotional needs are important; security, comfort, and privacy rank highest.

Sometimes, we bend the truth

26%

of people have pretended to have plans because they wanted to stay at home instead.

Those who feel their home reflects their identity are almost **three times more likely** to feel positive about it. Important elements that help people in the U.S. feel their home reflects them are:

39%

say it's things that help them remember experiences.

36%

say it's things they've bought themselves.

37%

say it's space for needs and interests.

26%

say it's things they've made themselves.



Meaningful affordability

At IKEA, affordability is part of our DNA, and it's about more than a low price. It's when the total value is worth your money, time, and effort. That means our products and services must be easy to buy, deliver, assemble, and use—simplicity across the board. The affordability of our products never means compromising on quality, style, sustainability, or convenience.

Our intention remains to keep our prices as low as we possibly can. It's more important than ever before, as many people face rising living costs and increased inflation. We have and continue to take steps to make our total offering more affordable for customers every day—reducing prices when and where we can.

Planning studio

Reaching more of the many

We remain strongly committed to making the IKEA brand more accessible. In August 2022, we added two new customer meeting points to realize that very commitment. The new planning studios opened in [Arcadia and Long Beach](#). These Los Angeles touchpoints focus on providing inspiration and smart home solutions for city living in California.

On our mission to meet more of the many people whenever and wherever they wish to shop, we also opened our first Pick-Up Point in Nashville, Tennessee. Pick-Up Points are partner locations where customers can pick up qualifying IKEA-USA.com online orders. They reinforce our priority of creating the optimal mix of IKEA meeting points at the lowest possible costs. In FY22, we were proud to add many new Pick-Up Points across the U.S. for a total of 14 today.

Democratizing design

Last summer, IKEA U.S. launched our new AI-driven digital design experience, [IKEA Kreativ](#). This intuitive new omni-channel experience offers customers a lifelike, fully integrated way to design and visualize their living spaces from their computers and smartphones.

IKEA Kreativ combines decades of life-at-home expertise with the latest developments in spatial computing, machine learning, and 3D mixed-reality technologies. With IKEA Kreativ, customers have the confidence, ability, and control to create functionally designed and attractive spaces in a simple, time-saving experience.



"Today, we see customers are using IKEA Kreativ to design complete spaces; to design an empty home after moving in, or to repurpose an existing room using the erasing furniture feature—a fan favorite. As exciting as this is, it's only the beginning. IKEA will bring more intelligence into the home-design experience using AI to help customers find better options from the start. We are looking at more immersive design experiences and will continue to bring IKEA home in new and better ways."
Amanda Effron, Chief Digital Officer, IKEA U.S.



A safer home is the best home

IKEA U.S. is committed to customer safety. We all want our homes to be a safe place, and when we work together, we can reduce the risk of accidents. We believe we must play a collaborative role within the industry and work with consumer safety advocates and customers to promote safe furniture use.

During FY22, we continued to [support and advocate](#) for the Stop Tip-overs of Unstable, Risky Dressers on Youth (STURDY) Act in Congress. We also provided technical input to improve this important legislation, which was passed into law

in December 2022 and will ultimately decrease the risk of furniture-related tip-over incidents through mandatory furniture-stability requirements, making homes safer. The work is ongoing, but the passing of STURDY is a huge milestone to improve product safety.

Additionally, IKEA U.S. announced a monetary and home safety product donation to [Charlie's House](#) in support of its awareness efforts. Charlie's House is a leading voice in educating new and becoming parents about the importance of preventing accidents and injuries to children in and around the home.



Better lives

Our greatest strength is our co-workers

Our nearly 17,000 co-workers are at the center of our business and continue to lead our growth. Whether it's a Sales co-worker in one of our new planning studio locations, a Recovery manager working in our Buy Back & Resell service, or a Food co-worker serving healthy meals in one of our Restaurants, our co-workers make a better life for the many people, every day.

Caring for our co-workers

In January 2022, we increased our minimum starting wages to \$16 per hour along with additional enhanced benefits like a minimum of five weeks of paid time away from work for all co-workers. Co-workers were also offered back-up child and adult care, education assistance, and the new option for co-workers to elect for their chosen or nickname to display across IKEA platforms, thus supporting individuals whose birth or legal names do not reflect their gender identity or expression.

We also rolled out more inclusive health care benefits, including expanded travel benefits for co-workers to travel out of state for covered medical procedures, like abortion, gender affirmation, and fertility services.

As the leader in life at home, we'll keep investing in our co-workers and their futures. We believe every IKEA co-worker has a bright future in our organization and we are committed to rewarding them with fair compensation and benefits.

"The goal for People and Culture at IKEA U.S. is to become the best employer by attracting, developing, and retaining a high performing staff while delivering a world-class co-worker experience."

Phil Wellington, Chief Human Resources Officer, IKEA U.S.





Creating a more equitable IKEA

We're on a journey to build a more equitable IKEA. We know that an equal every day is foundational to creating a better everyday life. As a people-driven company, we have a responsibility to make IKEA a place where our co-workers can come to work and feel safe, accepted, and valued for who they are. That's why we made a commitment to embed equity, diversity, and inclusion into everything we do. What is good for our people is good for our business.

The IKEA U.S. approach to equity, diversity, and inclusion

We have a strong set of values. They are the compass that guides us in everything we do. This year, our values are leading us into continued transparency. For the first time, IKEA U.S. is sharing our equity journey and demographic data here in our Annual Summary. This marks the beginning of an annual tradition as we continue to be an open and equitable workplace with greater transparency and accountability.

Our vision:

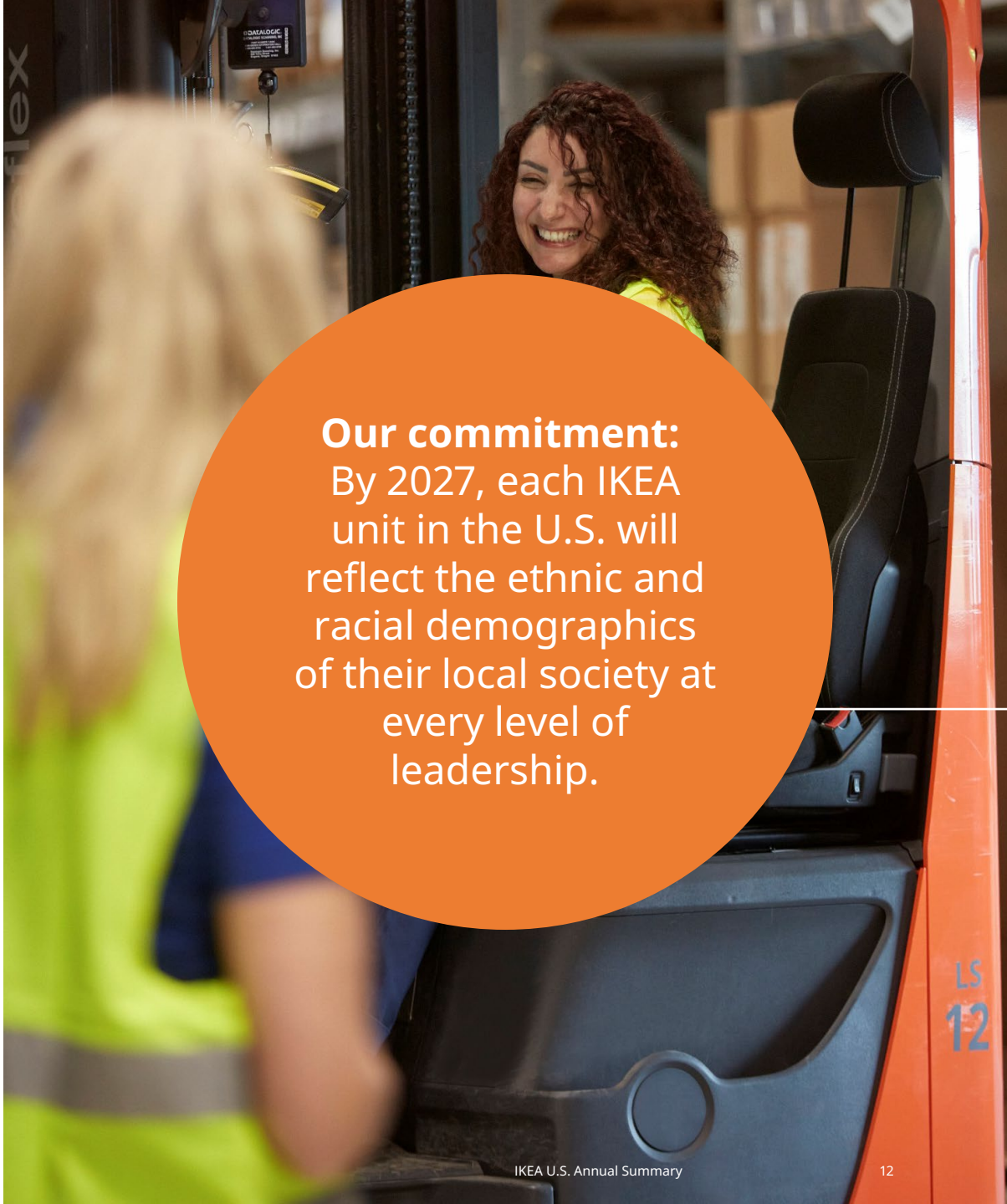
We will foster and sustain an environment of belonging through intentional inclusivity; critically deconstruct existing systems in an effort to eliminate exclusionary practices; and educate and hold leaders accountable to embed ED&I practices into everyday behavior.

Our mission:

At IKEA, we believe that equity is a human right. Equity, diversity, and inclusion is a strategic imperative, makes good business sense, and is the right thing to do. To create equitable access, we will foster an environment where diversity and inclusion is part of everything we do and leveraged through conscious inclusion and equity mindfulness to achieve Inclusion Excellence.

IKEA U.S. ED&I definitions

- Equity: IKEA U.S. has replaced "equality" with "equity" when we use the acronym ED&I. "Equality" is when each individual or group is given the same resources or opportunities. "Equity" is when we take differences into account and increase diversity by upgrading conditions of disadvantaged groups.
- Diversity: "The collective mixture of differences and similarities that includes, for example, individual and organizational characteristics, values, beliefs, experiences, backgrounds, preferences, and behaviors." (SHRM.org)
- Inclusion: "The achievement of a work environment in which all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and can contribute fully to the organization's success." (SHRM.org) Our strategy to increase inclusion focuses on daily actions which directly advance a workplace where everyone feels seen and heard and diversity is valued.



Our commitment:
By 2027, each IKEA unit in the U.S. will reflect the ethnic and racial demographics of their local society at every level of leadership.

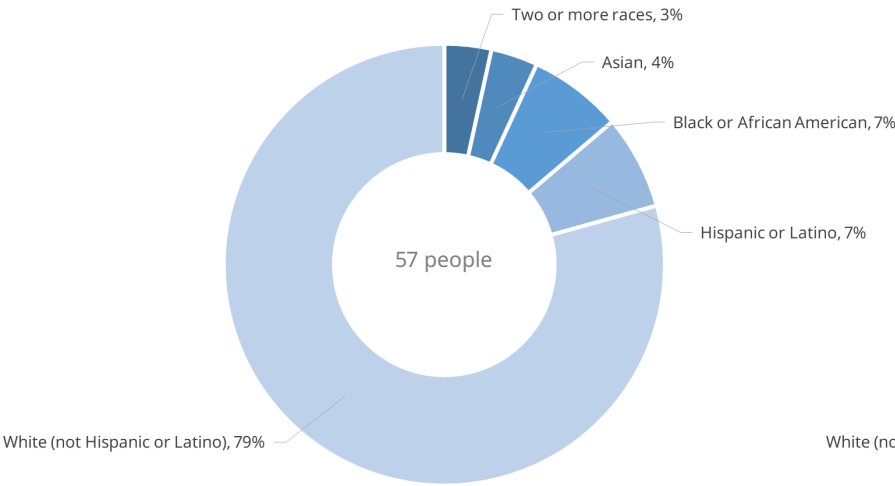
ED&I by the numbers

Visualizations of IKEA U.S. data and demographics as of November/December 2022.

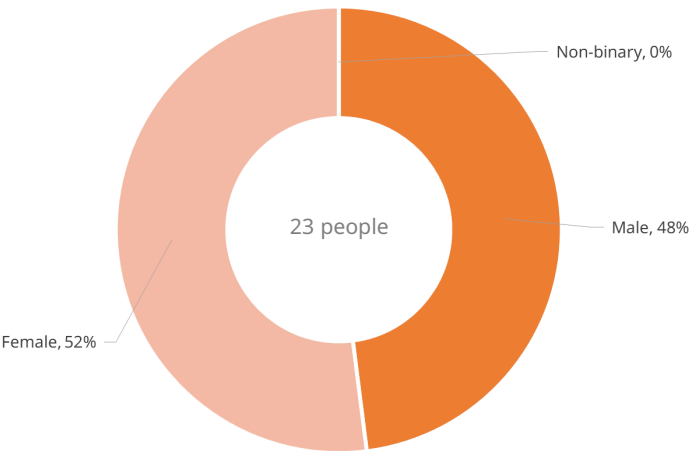
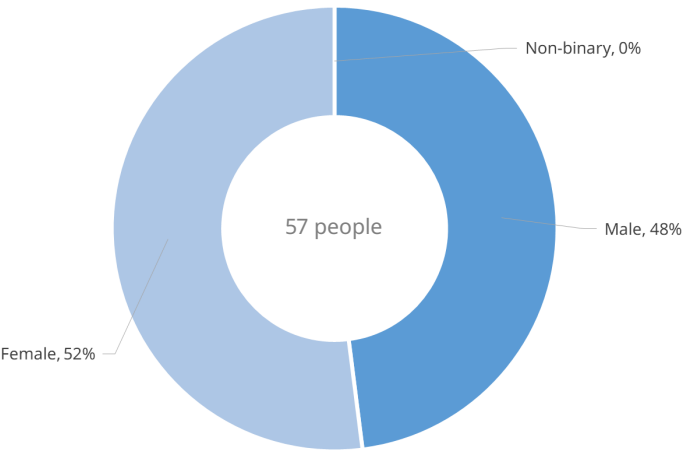
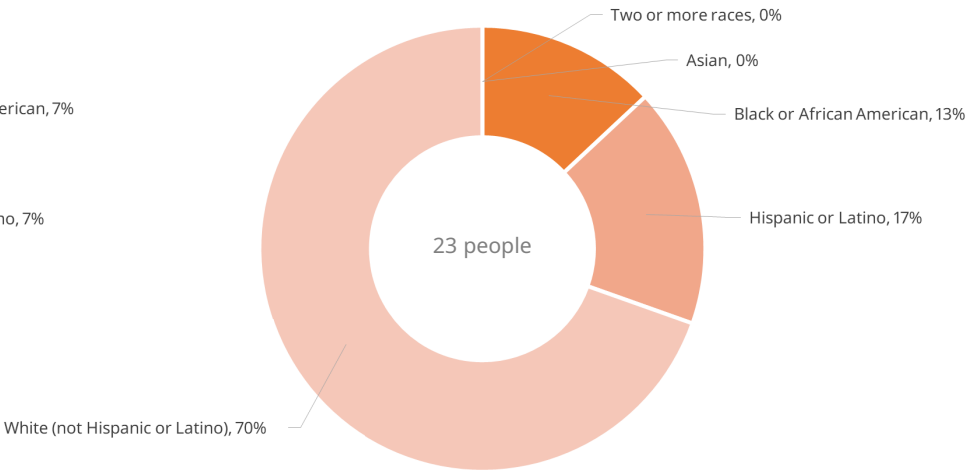
LGBTQ+ and disability sentiment are self-reported figures from co-workers who participated in a company-wide survey called Ingka Includes.

We're proud that we are near gender equality for both Market Managers and executive and regional leadership!

IKEA U.S. Market Managers

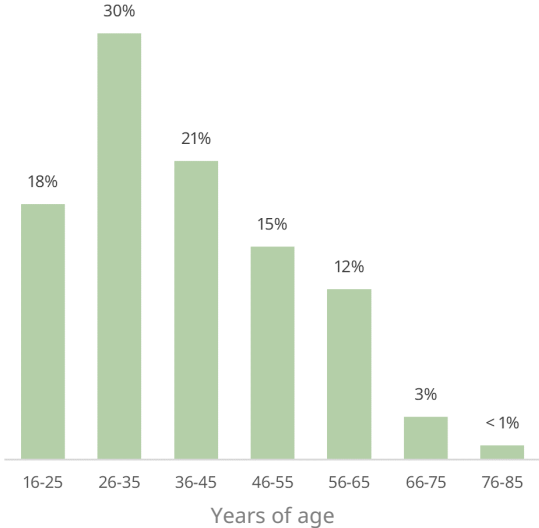
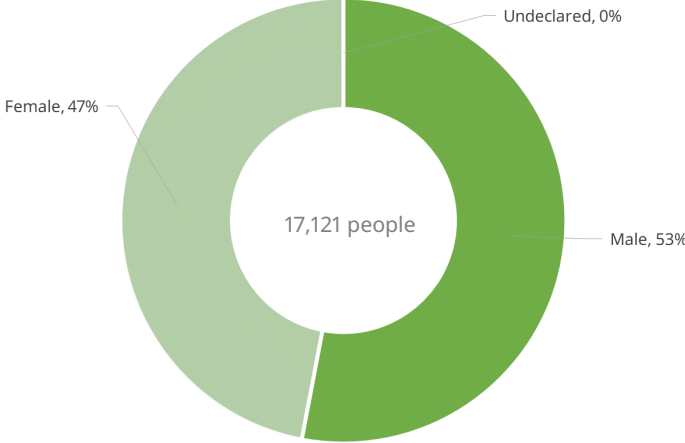
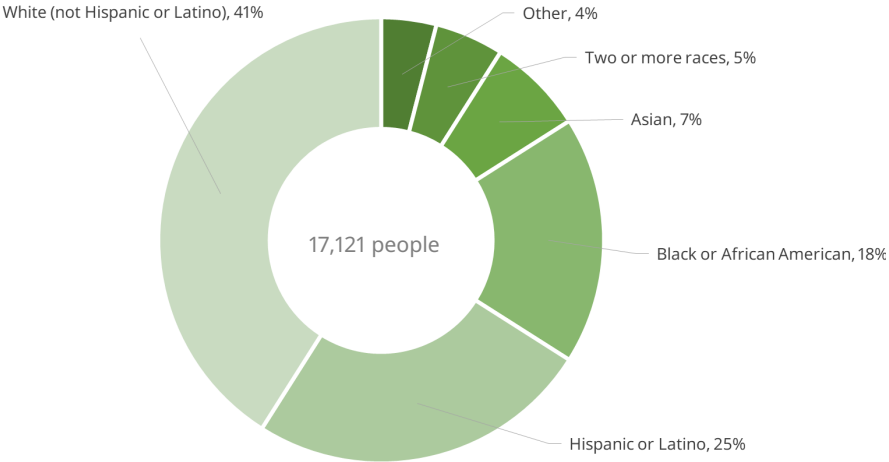


IKEA U.S. executive and regional leadership



ED&I by the numbers.

IKEA U.S. co-workers



Authentically IKEA

We value the differences of our co-workers and encourage our co-workers to bring their true selves to work, because the uniqueness of each individual makes IKEA better.

80%

of the LGBTQ+ community at IKEA feels they can be themselves at work.

74%

of LGBTQ+ co-workers are more open about their sexual orientation at work than at home.

72%

of co-workers with disabilities requiring workplace adjustments feel they can be themselves at work.

63%

of co-workers with disabilities feel a sense of belonging at work.

First steps in our ED&I journey

Inclusion

- *Co-worker Resource Groups:* Our CRGs are affinity based and open to co-workers who identify with the group and allies. We have four previously-established CRGs and established two new ones that launched in 2022.
- *ED&I Ambassadors:* We have a network of highly engaged co-workers across IKEA U.S. who work alongside senior leaders to lead ED&I efforts in their units. In 2022, we re-engaged existing Ambassadors and recruited new Ambassadors to help us anchor the new ED&I strategy in every unit.

Education

- We began laying the foundation for inclusive leadership by introducing two trainings for 400 senior leaders across the organization:
 - *DECIDE:* A training that addresses the neuroscience of bias and behavioral science behind the interactions with people who we see as different.
 - *ART:* In partnership with Vantage Point, ART is an anti-racism virtual reality training focused on perspective sharing as a precursor to more inclusive behavior.
- In 2023, we'll roll out the DECIDE training to 1,000 additional leaders at IKEA U.S. and 1,300 additional leaders will go through the ART virtual reality training.

Accountability

- *Equity Council:* As part of our governance structure, we established the Equity Council—co-chaired by our CEO, Javier Quiñones, and Chief Diversity Officer, Stevie Lewis—to bring together senior leaders from across the business with a common focus on monitoring the ED&I strategy and making investments to propel the ED&I agenda forward.
- *Partnership with Accenture:* We partnered with an external team of experts at Accenture to help us benchmark our internal data and collect more data from the organization to guide our strategies and decisions.
- *Ingka Includes Survey:* We invited all co-workers to participate in a global survey called Ingka Includes in November and December 2021 to gather data that is not otherwise captured in our systems.
- *A Week of a Thousand Voices:* We hosted the Week of a Thousand Voices where co-workers from across the business were randomly selected to participate in focus groups to share their experiences at IKEA.
- In 2023, we will launch a tool that gives leadership at every unit access to real-time data about the ethnic, racial, and gender diversity of their co-worker populations. This will help units to develop a local action plan and commitments to support increasing diversity at all levels of leadership.

"Our journey will be a lot like building furniture—it will take time, it will have challenges, we will make mistakes, and we will need to try again. It will take collective commitment from all of us, and it will take effort over the long-term. We're building something different, and we're building it together."
Stevie Lewis, Chief Diversity Officer, IKEA U.S.





Giving back

When customers visit one of our stores, they might notice that our co-workers reflect the rich diversity of their local communities. Our stores are closely linked to nearby neighborhoods, and our co-workers are often leaders in their communities.

At the national level, our company partners with different organizations working to make a difference. We are proud to partner with local organizations doing work to make their communities—and our country—a better place to live for everyone.

Last year, we supported over 280 non-profit organizations through in-kind or cash contributions and co-worker engagement volunteering activities, totaling around \$1.5 million.



In the community

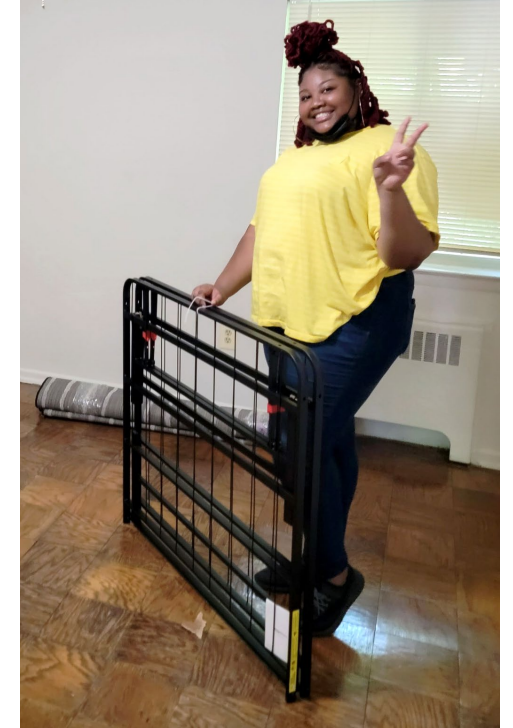
The IKEA U.S. Community Foundation is working with local Black-owned businesses and organizations that support social justice, economic empowerment, and education initiatives in Black communities. As part of our **Black Business Initiative**, in FY22 we awarded nearly \$500K to over 100 Black-owned small businesses.



During Pride Month, IKEA U.S. honored the LGBTQ+ community by partnering with **The Trevor Project**, the world's largest suicide prevention and mental health organization for LGBTQ+ young people. We brought back the limited edition [STORSTOMMA](#) rainbow shopping bag and donated \$50,000 from its sale nationwide during Pride Month to support the expansion of The Trevor Project's free and confidential crisis services programs for at-risk LGBTQ+ youth.



In celebration of 30 years of the **Pan African Film and Arts Festival** (PAFF), four Los Angeles-area IKEA stores sponsored "All Artists Have a Seat at the Table," a new program where world-renowned artists transformed IKEA dining pieces into unique designs. PAFF is a non-profit organization dedicated to the promotion of Black stories and images through the exhibition of film, visual art, and other creative expression.



To support the work of non-profits working to create better lives for the many people, IKEA stores often donate home furnishings to local projects and organizations. In one example, after our signature ONE HOME, ONE PLANET U.S. event last summer, IKEA College Park donated furniture to **Homes Not Borders**, a non-profit providing refugees and asylum-seekers in the Washington, D.C. area with housing and other vital support.



Better planet

Circular and climate positive

We're committed to creating a better everyday life for the many people and to be people and planet positive.

By 2030, we aim to inspire one billion people to live better lives within the limits of the planet. To help our customers prolong the life of their furniture, we expanded Buy Back & Resell, making it a permanent service at many of our stores. At select locations in California, our new home solar solution, Home Solar with IKEA, makes it simple for customers to switch to renewable energy at home. We also currently operate zero-emission last-mile deliveries in New York City and the Los Angeles market, with the rest of the country to follow by 2025.



Sustainable leaps forward

Buy Back & Resell

The [Buy Back & Resell service](#) is offered year-round at 37 stores in the U.S. We buy back our IKEA Family members' gently used IKEA furniture in exchange for IKEA store credit. These items are then available for resale in our As-Is area, providing an even more affordable option for the many people and avoiding product entering the waste stream.



Home solar solutions

Our customers not only want circular and sustainably sourced products, but also the ability to produce their own renewable energy at home. To expand renewable energy to the many people, members of the IKEA Family loyalty program in California are able to purchase home solar solutions to generate and store their own renewable energy through our [partnership with SunPower](#), a leading residential provider of solar technology and energy services.



Ultra-fast public EV chargers

To achieve our ambition of zero-emission home deliveries by 2025 and halving emissions from customer and co-worker travel by 2030, this year we announced [ultra-fast public and fleet EV charging](#). Through a partnership with Electrify America, we offer ultra-fast charging at 25 locations nationwide; quadrupling our total number of EV chargers.

Climate positive by 2030

We're on a mission to help create a future that's better for both people and the planet.

We continue our commitment to produce renewable energy to offset the environmental impact of our business operations. **In FY22, we produced approximately 1,149,880,755 kWh of renewable energy, which far outpaced the amount of energy we used in our U.S. locations.**

From furniture to food, home delivery to assembly, and product design to investments, we're transforming our business model to be circular and climate positive by 2030.



227,229

solar panels producing 366,598,658 kWh of energy



104

wind turbines producing 783,282,097 kWh of energy



171,723

acres of responsibly managed forests



7

fuel cell arrays producing 14,015,770 kWh of energy



2

geothermal properties



37,974

zero-emission deliveries



248

EV charging stations across 53 properties



2,037,940

packs of LED bulbs sold



3,955,448

plant balls sold (4% the climate footprint of meatballs)



ONE HOME, ONE PLANET

In June 2022, we hosted our first [ONE HOME, ONE PLANET \(OHOP\) U.S.](#) event at the House of Sweden in Washington D.C. The event brought together policymakers, corporate leaders, NGOs, students, activists, and IKEA co-workers to unite in an effort to create real change around the climate crisis and inequality.

At OHOP U.S. 2022, thought leaders built relationships and developed concrete actions. We look forward to hosting future events and supporting systemic changes to build a more equitable and sustainable future.

ONE HOME,
ONE PLANET
U.S. 2022



Better business

Opportunities to advance our transformation

FY22 proved to be another challenging year for the supply chain, creating more opportunities to advance our transformation agenda and prepare for growth.



"We are making sure that our transformation journey stays true to our sustainability agenda, reducing our CO2 footprint by adding more options for emission-free deliveries. We continue to build a charging infrastructure for customers as well as final-mile delivery partners on all our IKEA properties in the U.S."

Tanja Dysli, Chief Supply Chain Officer, IKEA U.S.

Better meeting the demand of our customers

While IKEA U.S. moved the **record sum of 6.6M cubic meters of product** through our distribution centers in FY22, we also completed almost 5M truck and parcel deliveries to customers all over the U.S. This momentum is credited to the many ways we continue to transform to better meet the demand of our customers:

1. We implemented a **digital yard management solution** for all our distribution centers and customer distribution centers.
2. We launched a **demand-sensing tool** to better forecast our sales per unit.
3. We're on the exciting journey to add a **digital delivery management platform** that will enable us to reach many more customers in the U.S. with lower-priced delivery options.



Always aiming to be a brand you love

Consumer insights drive our decision making to create customer and business value. We continuously look for ways to add significance to our customers' experience, both on and offline.

We're proud to share this year's achievements in our customer experience journey, always aiming to be a brand you love:

1. **Customer satisfaction** reached its highest overall score to date.
2. **Customer resolution time improved** 70%.
3. **205 express checkouts** were installed in U.S. stores.
4. **Piloted the Shop & Go program** to rollout in FY23.
5. Launched **new flexible and affordable delivery options**.



A look ahead...

We remain excited for the future and our commitment to create a better everyday life for the many people. Guided by the words of Ingvar Kamprad, “most things still remain to be done.”

As we look at the start of FY23 and beyond, we’re proud to keep going:

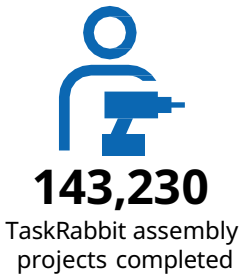
- In September, we added [new benefits](#) to the IKEA Family program in the U.S. including **5% off eligible in-store purchases and special IKEA Family pricing on select delivery options online**. Keeping costs down and quality solutions up help people experience the best of everyday life at home—no matter how big their dreams or how thin their wallet. Our products and services are offered at a price that our planet and all of us who live on it can afford.
- Our omnichannel transformation journey will continue to deliver new ways for our customers to meet us. **We look forward to opening [IKEA San Francisco](#) in late Spring 2023**. We’re confident that we’ll meet the needs of San Franciscans and Market Street more broadly—reaching more customers and making IKEA more accessible.
- IKEA U.S. will also **introduce new Pick-Up Points** in strategic areas where consumers love us but where we may be too far away from them. Focusing on increased accessibility and affordability, we’ll make it easier for our customers to shop with us more frequently or, in some cases, for the first time ever!

FY22 business highlights

Our business idea is to offer a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

In FY22, we saw a slight increase in total sales despite persistent supply changes and rising inflation. Our customers continued to love the ease of online shopping (18.8% growth in ecommerce) with the support of services like assembly and delivery (+9.5%) and Click & Collect (+13%).

Our top product categories shifted to Workspaces, Beds & Mattresses, and Living Room Seating, as customers turned to IKEA to create multifunctional homes.



FY22 top product categories



IKEA in the U.S.

Our vision is to create a better everyday life for the many people by offering well-designed, functional, affordable, high-quality home furnishings, produced with care for people and the environment. We've been at it for almost 40 years in the U.S., continually evolving to meet and inspire the many people whenever and however they like to shop with us.

52
retail locations

13
distribution units

16,631
co-workers

19M
IKEA Family members

14
Pick-Up Points

2
solar parks

2
wind farms

172K
acres of forests



Want to learn more?

Go to [IKEA-USA.com](https://www.IKEA-USA.com)

