

# IKEA GENDER PAY GAP REPORT 2021

FY21 PROGRESS (SEPTEMBER  
2020 – AUGUST 2021)



## WHAT'S IN THIS REPORT:

**Page 1:** Introduction

**Page 2:** Gender pay or equal pay?

**Page 3:** Our results: 2021

- IKEA UK at a glance
- Our retail business gender pay gap and bonus headcount
- Our fulfilment business gender pay gap and bonus headcount
- Understanding our gender pay gap

**Page 6:** Working towards gender equality: IKEA's progress





At IKEA, our people are the heart of everything we do. Without our co-workers' passion and expertise in life at home, we wouldn't be able to achieve our vision of creating a better everyday life for the many people. We are guided by our strong culture and values, of which equality represents a key pillar.

We are on a journey to become truly gender equal by 2024 - this means ensuring equal opportunities for both women and men, and reaching 50:50 gender balance in every unit, function and level. To achieve this, we are integrating equality, diversity & inclusion across our business, because we firmly believe that it's up to all of us to remove barriers and enable all co-workers to thrive, no matter what their gender or background is. This starts at the top, and in 2021 we were able to reach a 50:50 ratio of women and men in our country management team.

In our fifth year reporting on our gender pay gap, we are pleased that our pay gap remains smaller than the average for the wider UK and retail industry. However, we have not seen any improvement in our figures and that's simply not good enough. Throughout the pandemic, we've focused on

prioritising our co-workers' safety, wellbeing and livelihoods. This has meant that we have been unable to meet our ambitions in totality, as previously planned.

This doesn't mean that we haven't taken any meaningful actions. Over the past year, we have focused heavily on leadership and development opportunities for women; most of our internal development programmes saw a higher uptake of women than men, which will ultimately lead to more gender-equal talent. We've also opened up important conversations around women's health and have introduced new guidance and support for co-workers experiencing menopausal symptoms for Menopause Awareness Day.

The impact of the COVID-19 pandemic has amplified existing gender inequalities, and empowering women in their homes has never been more important, with greater equality at home meaning greater gender equality in society. With a third of women in the key retail markets where IKEA is present saying that their careers are held back because they do more in the home than men, our global campaign for International Women's Day encouraged couples, friends and flat-mates to discuss and rebalance responsibilities in the home.

Now it's time to bring the focus back on gender equality, so that we can live up to our ambitions and contribute to creating a world that's fair and equitable for all. We owe it to our co-workers and customers to help make a difference beyond the walls of IKEA.

**Darren Taylor**  
**Country People & Culture Manager,**  
**IKEA UK and Ireland, April 2022**

# 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.

## The gender pay gap

The difference in average earnings between men and women, expressed as a percentage of men's earnings.

## Equal pay

Equal pay is a comparison between people doing the same or similar work of 'equal value'. This is a legal requirement, as set out in the Equality Act of 2010.

## Why does the gender pay gap matter?

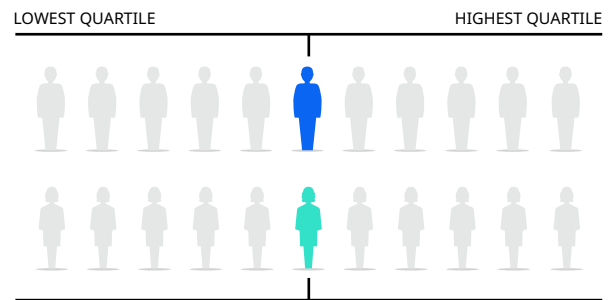
The gender pay gap is influenced by many structural and societal factors. For example, the ways in which different types of work and roles have traditionally been viewed and valued, contributing to disproportionate amounts of men in higher-paid jobs. Without a concerted effort to address these disparities, 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).

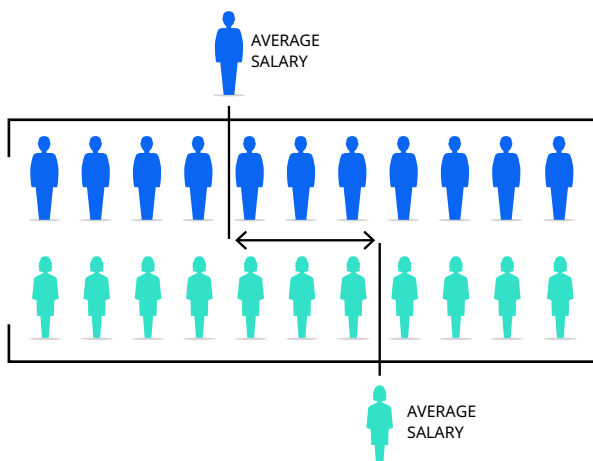


## Who is represented in our data?

Our figures track the pay of all "relevant full paid employees" at IKEA UK. They exclude IKEA Ireland. Anyone who is paid less than their normal pay during the pay period is not included, as this would skew the data. For example, unpaid sick leave, maternity leave, and unpaid absence are not tracked.

## 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.



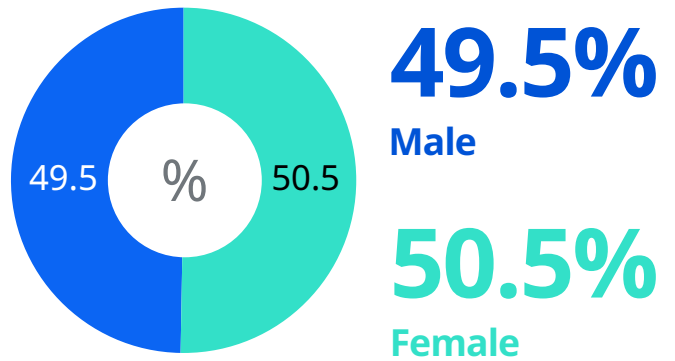


## OUR RESULTS: 2021

### IKEA UK at a glance

---

#### Gender split across IKEA UK



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

##### Retail:

**89%**

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

---

##### Fulfilment:

**11%**

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.

# OUR RETAIL BUSINESS GENDER PAY GAP: RETAIL

## Gender split of co-workers in retail

46.9%

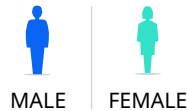
Male

53.1%

Female

## Proportion of female 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.



UPPER



UPPER MIDDLE



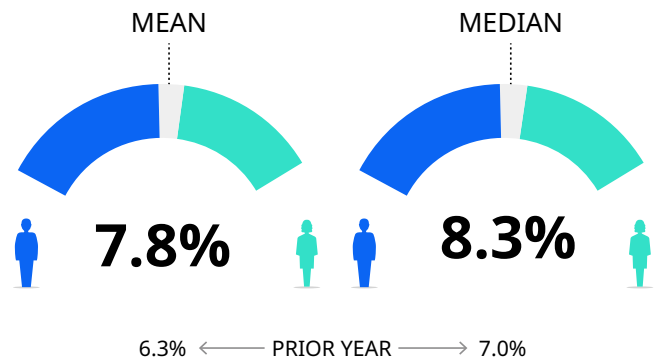
LOWER MIDDLE



LOWER



## Overall Gender Pay Gap



Our mean pay gap has increased from 6.3% last year, but it remains smaller than the UK average and the retail sector's average. Our median gender pay gap has increased in the last year from 7.0%.

## 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 of the bonus varies from year to year, based on the performance of each unit and the co-worker's annual salary. At the time of the snapshot date, no bonus was paid out due to the impacts of the Covid-19 pandemic.

# OUR FULFILMENT BUSINESS GENDER PAY GAP

## Gender split of co-workers in fulfilment

71.4%

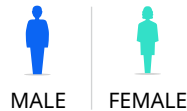
Male

28.6%

Female

## 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.



UPPER



UPPER MIDDLE



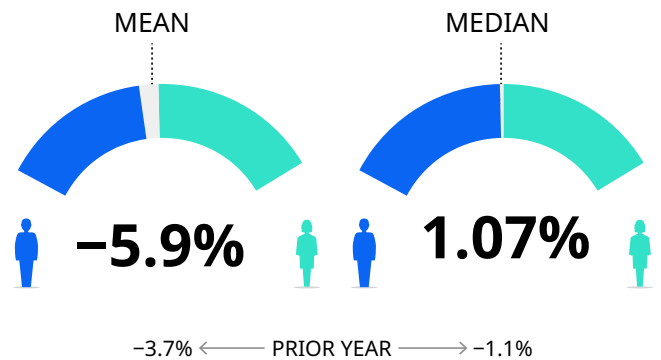
LOWER MIDDLE



LOWER



## Overall Gender Pay Gap: Fulfilment



We have a negative mean pay gap in favour of women, which has increased from -3.7% in the last year. Our median pay gap has remained consistent from last year.

## Our fulfilment 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 of the bonus varies from year to year, based on the performance of each unit and the co-worker's annual salary. At the time of the snapshot date, no bonus was paid out due to the Covid-19 pandemic.

## Understanding our gender pay gap

- 1 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 night shifts (which are paid a premium) and receiving a forklift driving allowance.
- 2 We have achieved a 50:50 ratio of women and men in our country management team, although we still have a higher proportion of men in senior management position than women across the wider business.
- 3 In our fulfilment team we have a higher number of men across all pay scale bands. The small proportion of female employees gives a broad spread of pay over a small number of people. One female changing roles or leaving the team can dramatically alter the figures.

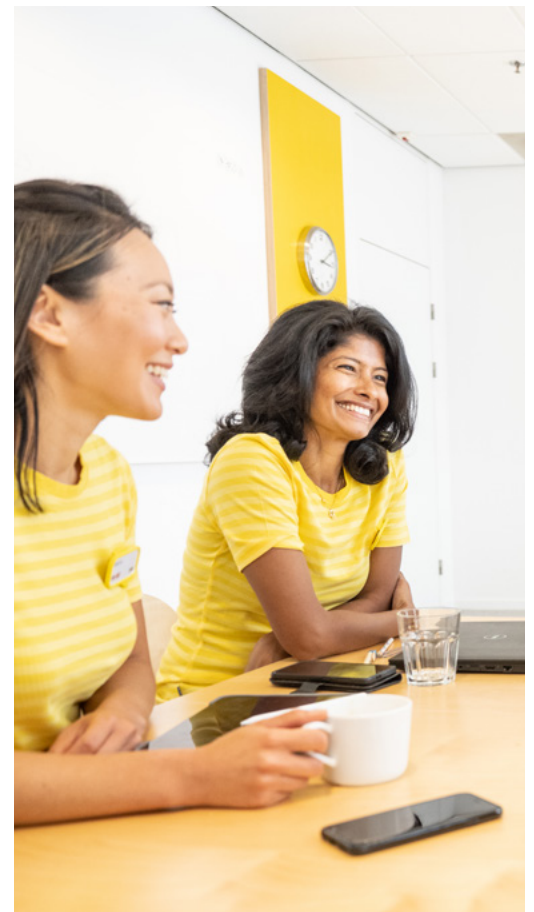


## WORKING TOWARDS GENDER EQUALITY: IKEA'S PROGRESS

As a purpose-led company, we have a role to play in advancing equality, which we see as a basic human right. IKEA is a place where we want people of all backgrounds to thrive, no matter their gender identity, ethnicity, religion and sexual orientation, and we are committed to ensuring that all co-workers receive fair treatment and equal opportunities.

We are on a journey to become truly gender equal by 2024, reaching 50:50 gender balance in every unit, function and level, including our boards. To achieve this, we've been integrating equality, diversity & inclusion across our business, focusing on three main drivers:

1. Leadership and development
2. Equality in the home
3. Health and wellbeing



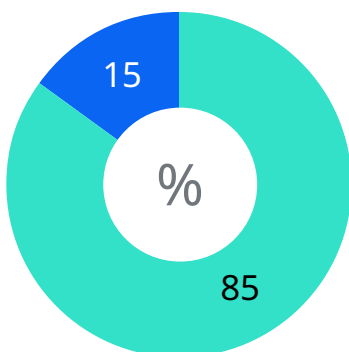
# 1. LEADERSHIP AND DEVELOPMENT

The world around us is changing fast and we are accelerating our business transformation to better meet the needs and expectations of the many people. That's why it's more important than ever that we nurture a new type of talent to become the leaders of tomorrow. Succession planning is key to ensure our pipeline of talent is diverse and to ultimately achieve a 50:50 gender balance across senior functions and roles. 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. Across most programmes, we've seen a higher uptake of women than men, which will ultimately lead to more gender-equal talent.

## Stepping Up:

In 2020, we launched Stepping Up, a 12-month apprenticeship and leadership programme for co-workers with the potential and motivation to become team leaders. In collaboration with our training provider, Lifetime, apprentices learn about the retail industry and bring this knowledge to their roles and leadership.

## Stepping Up gender split:

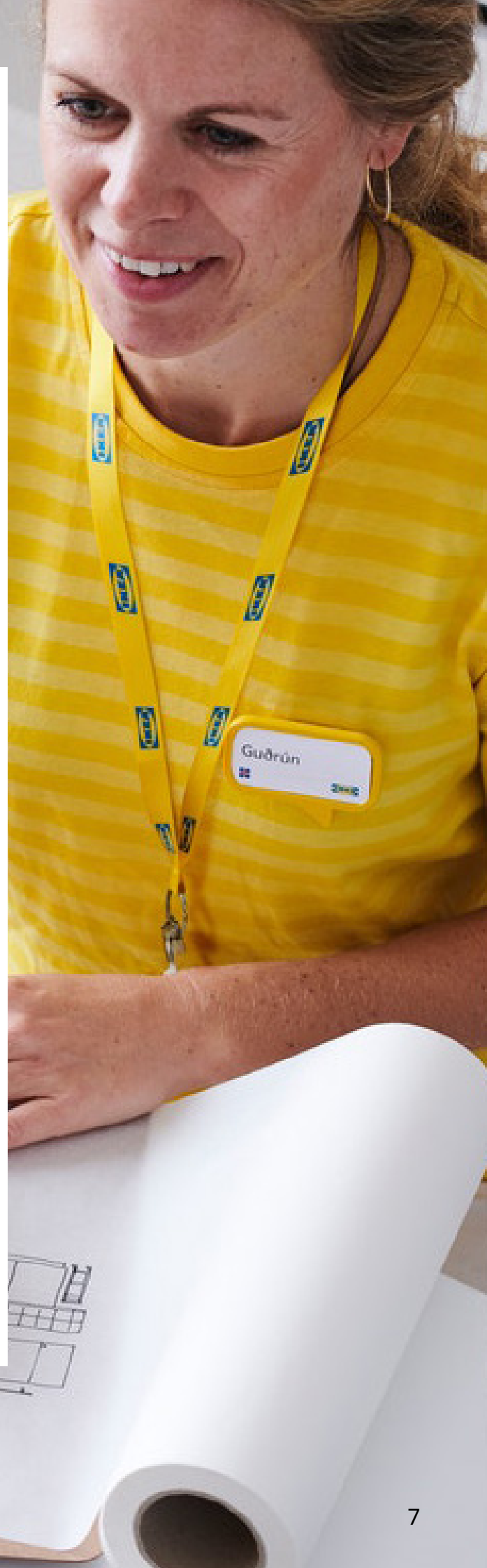


**85%**

Female

**15%**

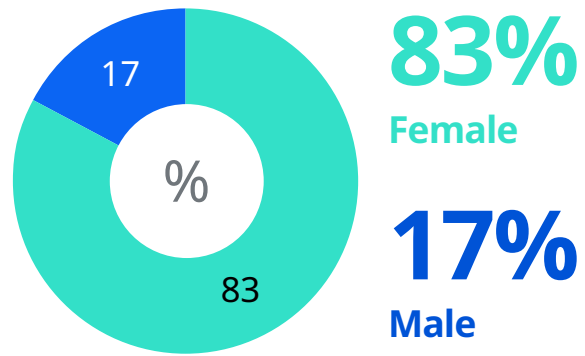
Male



## Bloom!:

Introduced in 2021, Bloom! is a new global fast-track programme for co-workers with less than one year of leadership experience to become Store Managers within just three years. Participants cover three senior positions in the UK and Ireland business within a three-year period and are also assigned to global projects that focus on the real challenges we face in the business today.

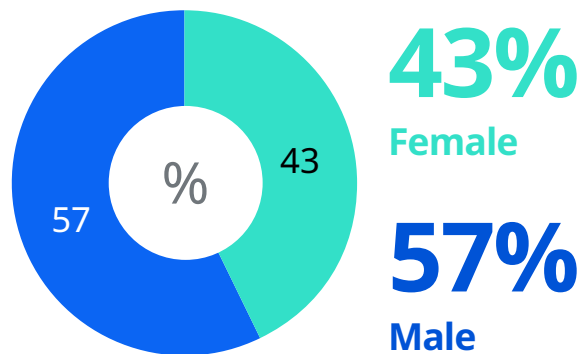
## Bloom! gender split:



## Cultivating Transformational Leadership:

Cultivating Transformational Leadership is a leadership development programme to equip our leaders with courage and confidence to lead through uncertainty, helping us strengthen leadership development in our talent pipeline. It includes a targeted individual development plan, self-learning, a business project, coaching and mentoring.

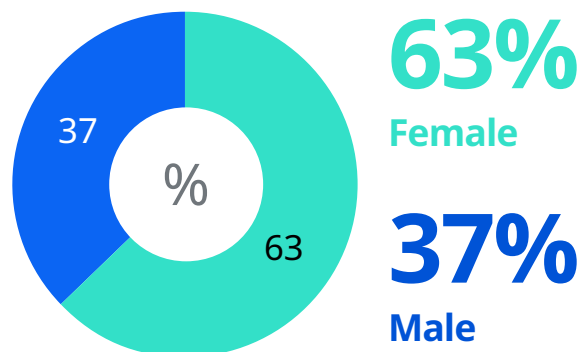
## Cultivating Transformational Leadership gender split:



## iLeap:

iLeap is a development programme specific to the London market, preparing co-workers to land their first leadership role, but also supporting new team leaders to feel more confident in their roles. In just 8 months, iLeap equips participants with the tools and competence to lead, by honing their entrepreneurship, innovation and agility skills. Our ambition is to develop high performing inspiring leaders, that are brave, take risks and create the preconditions to experimentation with the IKEA values at the heart of everything they do.

## Cultivating Transformational Leadership gender split:





## Stepping Up testimonials:

“Before starting the Stepping Up programme I didn’t have enough confidence when speaking or presenting in different scenarios. Stepping Up really helped me gain the confidence I needed and it taught me how to handle different situations in the right way.”

*Katie Girling, IKEA Reading*

“The benefits to my own personal development have been life-changing and eye opening in many different ways. Throughout the course of the apprenticeship, I grew in self confidence and found a new sense of accomplishment once I had completed it. There are several things that I have learnt about myself that will stick with me for the rest of my life. These are things that not only I have managed to adapt to my workday, but also within my own personal life.”

*Cheryl Besley, Customer Support Centre*



## I Leap testimonial:

“My biggest challenge prior to the iLeap programme was stepping out of my comfort zone and connecting with people in other departments or asking for help from others. The program has helped me overcome that and build my confidence up through the different workshops and assignments we did. I am now a Bedroom’s team leader in IKEA Wembley, and can confidently say that everything I have learned during ILEAP has helped me with my first leadership role in IKEA. My main focus at the moment is to continue working on my people skills as that is the most challenging but also rewarding part about being a team leader.”

*Farah Shaat, IKEA Wembley*

### **UPPNA Refugee skills for employment:**

IKEA UK & Ireland work in partnership with the British Refugee Council in England, Scottish Refugee Council, Welsh Refugee Council and the Irish Refugee Council to give refugees the chance to learn the skills needed to enter the UK labour market, and ultimately find long-term employment here. Refugees access a programme of employability workshops that include an introduction to IKEA and the UK labour market as well as support with CV writing, job applications, interview techniques and customer service training. They then carry out work placements, allowing them to gain work experience at IKEA while developing

their English language skills, improving their workplace confidence and becoming an active part of IKEA's co-worker community. As a result, most of them secure permanent roles at IKEA.

We are currently seeing a higher proportion of male refugees taking part in our skills for employment programme, with a gender split of 69:31 men to women. This is in line with what we're seeing across Europe, with refugee women's employment rates remaining relatively low – due to various obstacles, including structural gender inequality. We are aware of the obstacles that stop refugee women from applying to jobs and are looking to address these in the near future.

## 2. EQUALITY IN THE HOME

### Fit for families

Holding leadership positions and being involved with family life should not be mutually exclusive. IKEA takes its work seriously to support and enable those with children and dependents to do both. Our competitive family benefits support co-workers at all stages of their life. Whether they're growing their family, caring for loved ones or in need of extra childcare support, we make co-workers' experience as easy as possible. Key benefits include enhanced statutory maternity, paternity, shared and adoption leave; fertility leave and a free day for children's first day of school.

### Spotlight on International Women's Day

On International Women's Day 2021, we shone a spotlight on inequality in the home, how it's holding women back in their professional life and impacting women's economic positions. The Covid-19 pandemic has brought to light the increasingly unequal division of household work carried out by women. To address this issue, IKEA created 'FiftyFifty', a free digital game to help couples work out how to balance household responsibilities. Developed in collaboration with relationship expert Jennie Miller, FiftyFifty aimed to take couples, housemates, friends and co-workers on a journey to explore the roles and dynamics in our homes in a positive way.

### Play the FiftyFifty game:

1. What's the best thing about sharing a home with you? Don't be modest.
2. Name the best and worst house chores.
3. How many hours a week do you spend on housework?
4. Do you do any behind-the-scenes housework that goes unnoticed?
5. What's your worst home habit?
6. Ever think, "I'll just get on and do it myself", and then feel grumpy and unappreciated?
7. Pretend it's before you moved in together. What talk do you wish you'd had in terms of responsibilities?
8. "One thing I appreciate my partner doing at home is..."
9. "One thing I could do more of at home is..."

## 3. HEALTH AND WELLBEING

The health and wellbeing of IKEA's co-workers is a high priority, with an extensive number of policies, resources and benefits structured around physical, mental and financial wellbeing accessible to all co-workers. Our employee assistance programme in partnership with Retail Trust provides free confidential access 24 hours a day to specialist information on family matters, work and career guidance, legal guidance, financial advice, and a health line – as well as free online and in-person counselling.

### **Introducing new menopause support for co-workers**

Over the past year, we've introduced a new focus on women's health, to support our female co-workers through different stages of their life. On World Menopause Awareness Day, we introduced a new local rule setting out the support available for co-workers experiencing menopausal symptoms, as well as new menopause guidelines for line managers to feel more comfortable and equipped when talking about the menopause with their co-workers.

There are approximately 3.5 million women over 50 in work across the UK and Ireland, with just over 1000 of those being IKEA co-workers. With the average age for a person to go through the menopause being 51, around three in five working women (59%) between the ages of 45 and 55, with symptoms of the menopause say it has a negative impact on them at work. More than half (58%) also said that they experience more stress and feel less patience with customers and colleagues, and three in ten (30%) said they had been unable to go into work due to their symptom. As a result, many women in senior roles feel a need to step down or choose not to take the step up into a senior role in the first place – which contributes to gender disparity at the top level of organisations.

