



## Introduction

At IKEA, our vision of creating a better everyday life for the many people goes beyond home furnishing. We want to have a positive impact on our world, in our communities, and for our people. Our Gender Pay Gap Report is not just a tick box exercise, it is an important tool in building an inclusive and fair workplace that truly reflects the societies we work in.

Across IKEA UK, the overall gender pay gap analysis reflects a small pay gap, where on average male co-workers earn 2.35% more than female co-workers. There is a smaller median gender pay gap (2.19%) which is influenced by the higher proportion of men in top level salary roles. There is a small gender pay gap of 1.76% reflected in hourly paid roles, which is reflective of the higher proportion of men in roles that earn extra allowances such as night shifts and fork-lift premiums.

At IKEA UK we have an equal split between male and female co-workers (50.08% vs 49.02%), which we view as a positive indicator of gender diversity across the organisation. However, this does have an impact on the pay gap as a significant portion of these female co-workers are in lower paid roles, particularly in hourly roles and part-time positions which are less likely to be salaried. This higher representation of women in lower-paying positions tends to increase the overall gender pay gap.

There remain opportunities to enhance balanced representation across all pay levels and continue our work to develop greater equity throughout IKEA UK. We continue to build upon our long-term strategies, targeted actions and investment to ensure we are in the best position possible to continue closing the pay gap.

We are motivated by this year's results and looking ahead to 2026 we know that there is still work to be done. There are opportunities in the year ahead for us to make progress on our goals and move towards our longer-term vision of creating a more equal everyday for our people and the communities we serve.

**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).

### 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.

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

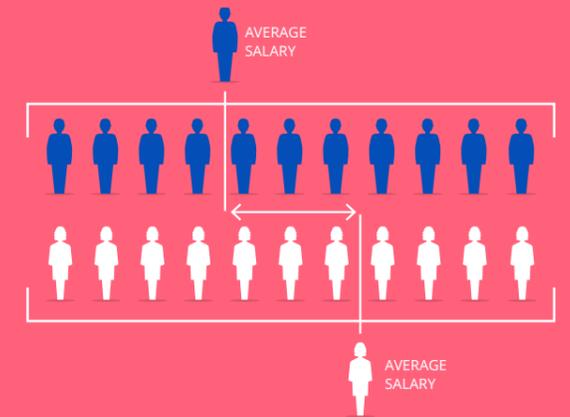
### Mean vs Median

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

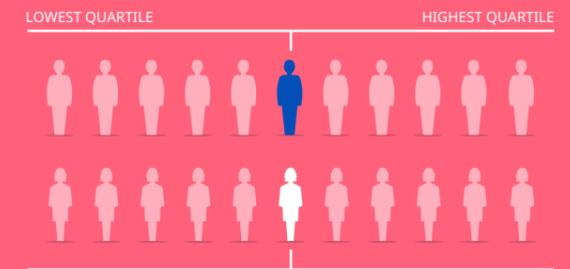
**Mean:** This is the difference between the average male salary and the average female salary. It takes account of total hourly pay, divided by number of co-workers, to compare the gender split of salaries across the entire organisation.

**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 mean:

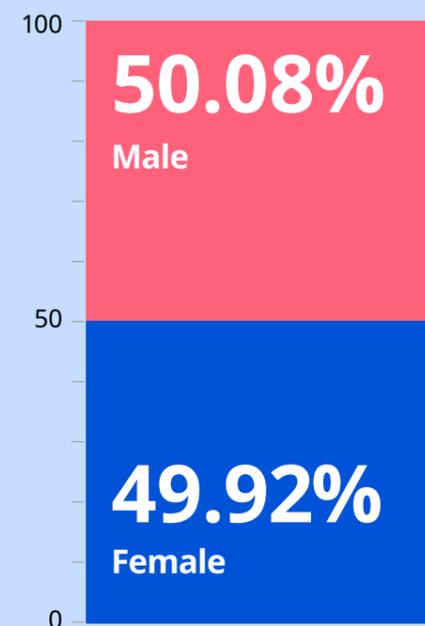


Calculating median:

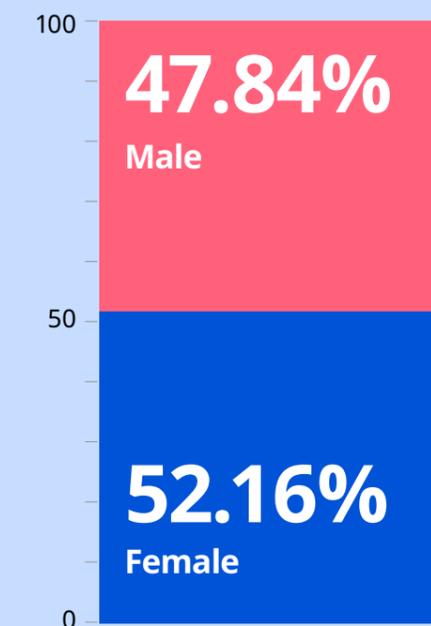


## Our results 2025 - IKEA UK at a glance

### Gender Split Across IKEA UK

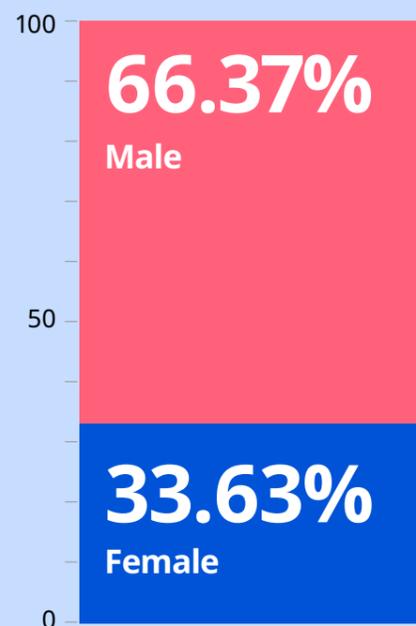


### Spread of co-workers across retail



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.

### Spread of co-workers across fulfilment



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

### Proportion of employees in each pay quartile

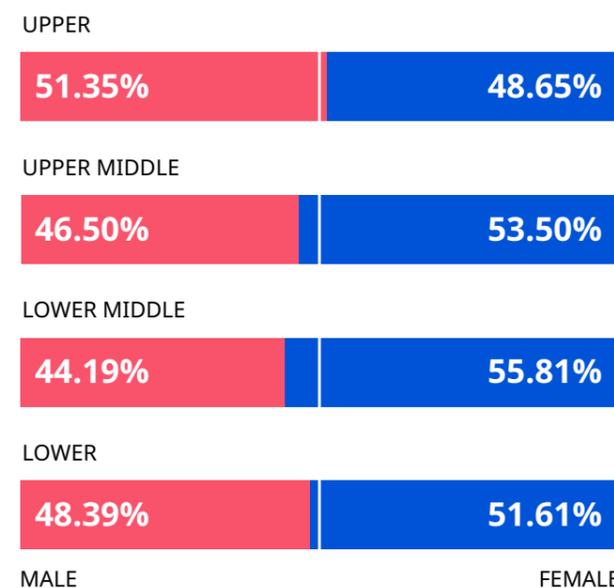
Quartiles are calculated by listing the pay rates for each co-worker, from lowest to highest, splitting the list into four equal-sized groups and calculating the percentage of men and women in each.

### Lower quartiles

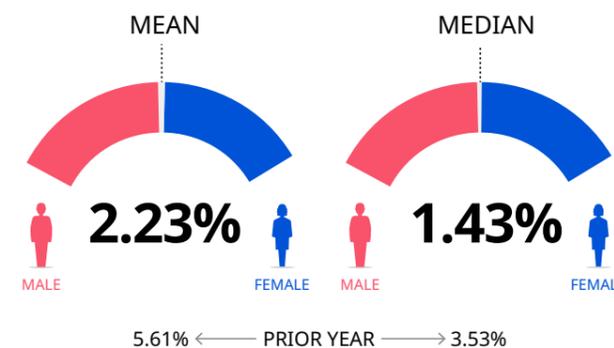
The figures show we have a higher percentage of females in the lower pay quartiles.

### 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.



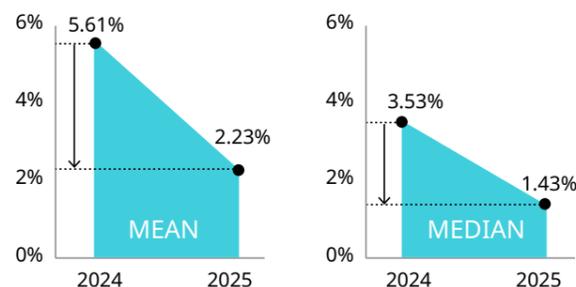
### Overall Gender Pay Gap: Retail



\*The pay data covers all employees active as of June 30, 2025, and includes earnings from July 1, 2024, to June 30, 2025. This analysis encompasses all co-workers within IKEA Ireland during this period.

### Results compared to previous years

Our FY25 results show a reduction in both our mean and median pay gap compared to FY24. Both our mean and median figures remain lower than the UK average.



### Our retail business gender bonus gap

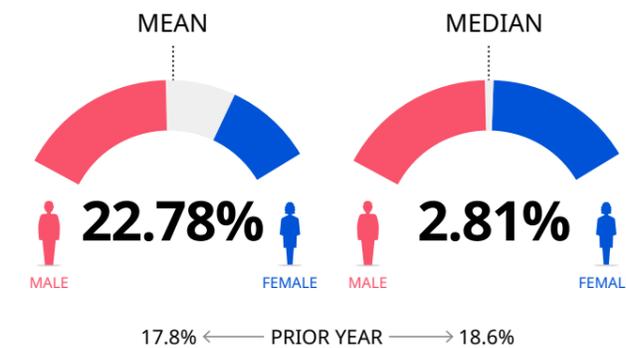
We offer an annual bonus through the One IKEA Bonus scheme, available to all co-workers, regardless of their level or department. The award varies from year to year, based on the performance of each unit and the co-worker's annual salary. Due to the nature of bonus awards being dependent on the performance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

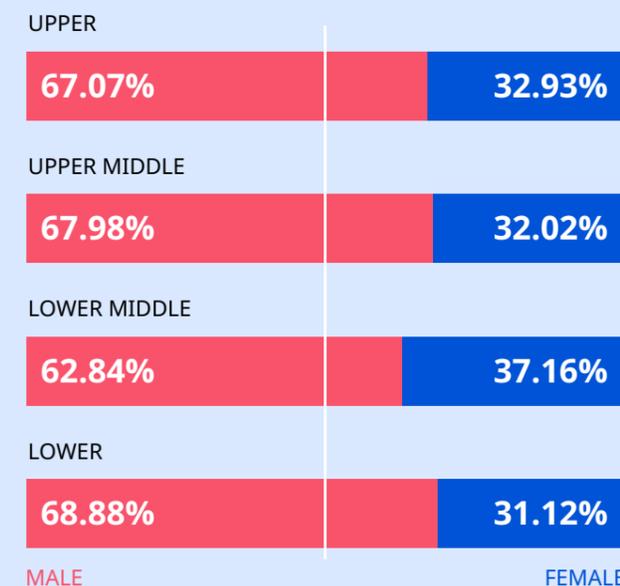
Male: 1897 Female: 2105



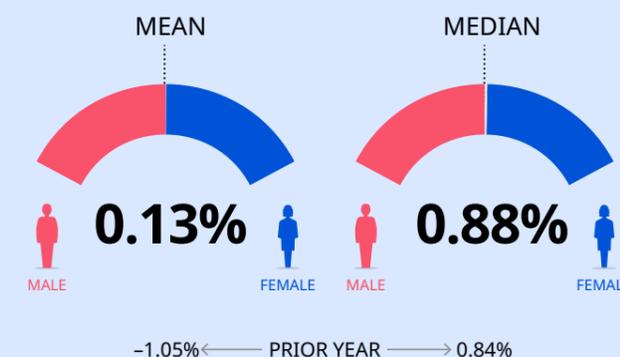
## Our Fulfilment Business Gender Pay Gap

### 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

There is a minimal gender pay disparity between male and female co-workers when looked at by mean and is closer to complete equity than last year.

The median gender pay gap (0.88%) 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

There was no bonus paid to Distribution units in FY25

## Analysis

The overall gender pay gap in our retail business has improved from last year with the mean dropping by 3.38% (FY24 5.61% vs FY25 2.23%) and our median by 2.10% (FY24 3.53% vs FY25 1.43%). This highlights the positive progress in our ongoing work to reach pay parity between genders. The most notable disparity in retail is in our bonus payout. Although more women received a bonus men on average received 22.78% more, driven by top level salary positions. Although this is a slight improvement from last year it still shows there is work to be done.

In our fulfilment business the representation of women has increased in our upper quartiles most notably a 5% boost from last year's results in the upper middle quartile. However, the overall gender disparity in our fulfilment business remains mostly unchanged but comparatively, our pay parity is something to celebrate. Across fulfilment there is a consistent 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.

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.

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

## Equality, Diversity and Inclusion (ED&I) Co-Worker Resource Groups

Throughout FY25 we have seen a significant shift in our most senior leadership structure, which has meant the appointment of two new women replacing roles that were previously held by men. This also reflects why there has been a key shift in the positive movement in the UK mean gender pay gap. This has also brought the senior structure in the UK closer to our 50/50 ambition.

We continue to work with our Co-worker Resource Groups (CRG) with a purpose of:

- Community building and storytelling, focusing on sharing lived experiences and building relationships.
- Giving input to the strategic inclusion initiatives and ongoing business actions.
- Inviting more co-workers to become EDI Ambassadors and get involved through activating our co-worker belonging calendar activities.

We continue the good practice of having members of our Country Management Team involved in our CRG's. For example, Kym Bradbury (Country Communications Manager) serves as the senior sponsorship for the women's EmpowHer CRG.

We have previously utilised a reciprocal mentorship initiative called Win-Win which has supported high potential female co-workers and those from underrepresented groups to take their next step into leadership roles within a 12-18-month timeframe. We plan to adapt this model and integrate its successes into our total mentorship offer giving us the ability to scale this to a larger pool of people, with the ambition to always have our 50/50 gender balance in leadership roles at top of mind.



## Leadership accountability

Leadership accountability is imperative in our approach, so we have rolled out anti-bias training for leaders across the organisation, whilst the most senior leaders in the organisation have had coaching sessions on bridging intentions into positive actions. This is all supplemented by ongoing training for all co-workers across the broader landscape of ED&I topics. We also have a clear accountability and awareness across our leadership population about our ambition to achieve 50/50 gender split in leadership roles, which supports our wider message of reflecting the societal demographics we serve, locally and nationally.

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

## INGKA Equality Roadmap

These initiatives are underpinned and strengthened through the INGKA Gender Equality Roadmap. The three-year strategy, first launched in 2024, focuses on delivering sustainable and systemic change to advance our gender equality agenda across the Ingka group over the next year and beyond. The INGKA Gender Equality Approach outlines the next steps in Ingka's gender equality movement. It is rooted in the IKEA Vision and Values and outlines the leadership and actions we will take to be even more fair and inclusive for co-workers of all genders, today and for future generations.

This year we have received global recognition by Forbes which listed IKEA as one of the top five companies to work for women, this is something we take great pride in. When understanding the reasons for the global ranking within a local context we have several things to be proud of, from the strong gender balance in our store leadership team and leaders in the UK, to ensuring a global menopause policy was created across all Ingka markets, which stemmed directly from our Women's Inclusion CRG. Whilst we have work still to do, the key markers show positive signs and progression.



## Flexible working

Our flexibility approach and policy, enables co-workers across the UK 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.



## Pay initiatives

In 2025, we continued our long-term commitment to fair wages by paying the real living wage as recommended by the Living Wage Foundation. 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.

## 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. We have embedded changes such as including 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 still 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.

