

IKEA U.S. Annual Summary

Fiscal year 2020 | September 1, 2019 – August 31, 2020



2020: A year like no other

The pandemic has tested our business, putting our strengths and our opportunities center stage.

When we began fiscal year 2020, no one could have imagined that a global pandemic would change our daily lives. Health and safety have always been a priority at IKEA, but it became paramount as we faced the reality of COVID-19. More than ever, during FY20 IKEA Retail U.S. was driven by our shared values and purpose and not by profits.

Throughout the pandemic, we balanced the needs of the business while meeting the needs of our customers as they rediscovered a new meaning to life at home. Backed by the resilience and hard work of our more than 18,000 co-workers, we came together to make life a little better for our customers and communities.

While tested by these unexpected challenges, we remained focused on our co-workers and on making IKEA a great place to work; expanding our presence into city centers; our ongoing digital transformation; and a heightened focus on sustainability.



Putting people first



Our main goal was to protect as many livelihoods as possible, while meeting the needs of our customers.

We're proud of the way we led with our values and put our co-workers first, while also taking care of our customers and local communities:

- When we furloughed co-workers in the spring while our stores were closed, we continued to pay their healthcare benefits at 100% and worked with individual co-workers to ensure income stability.
- We invited 100% of our furloughed co-workers back to work.
- We provided an additional \$3,000,000 in IKEA grants for co-workers who needed additional financial support due to unexpected hardship and medical expenses.

Caring for communities



IKEA Charlotte

Backed by the resilience and hard work of our more than 18,000 co-workers, we came together to make life a little better for our customers and communities.

We donated more than \$1,600,000 in product donations and supplies to hospitals and organizations supporting COVID-19 relief efforts.

Through our “Pay it Forward” program, we partnered with state governments across 27 states to return funds equivalent to the unemployment insurance paid to our furloughed co-workers.



\$1,600,000
in product donations



IKEA Atlanta



IKEA Centennial



IKEA Miami



IKEA Carson



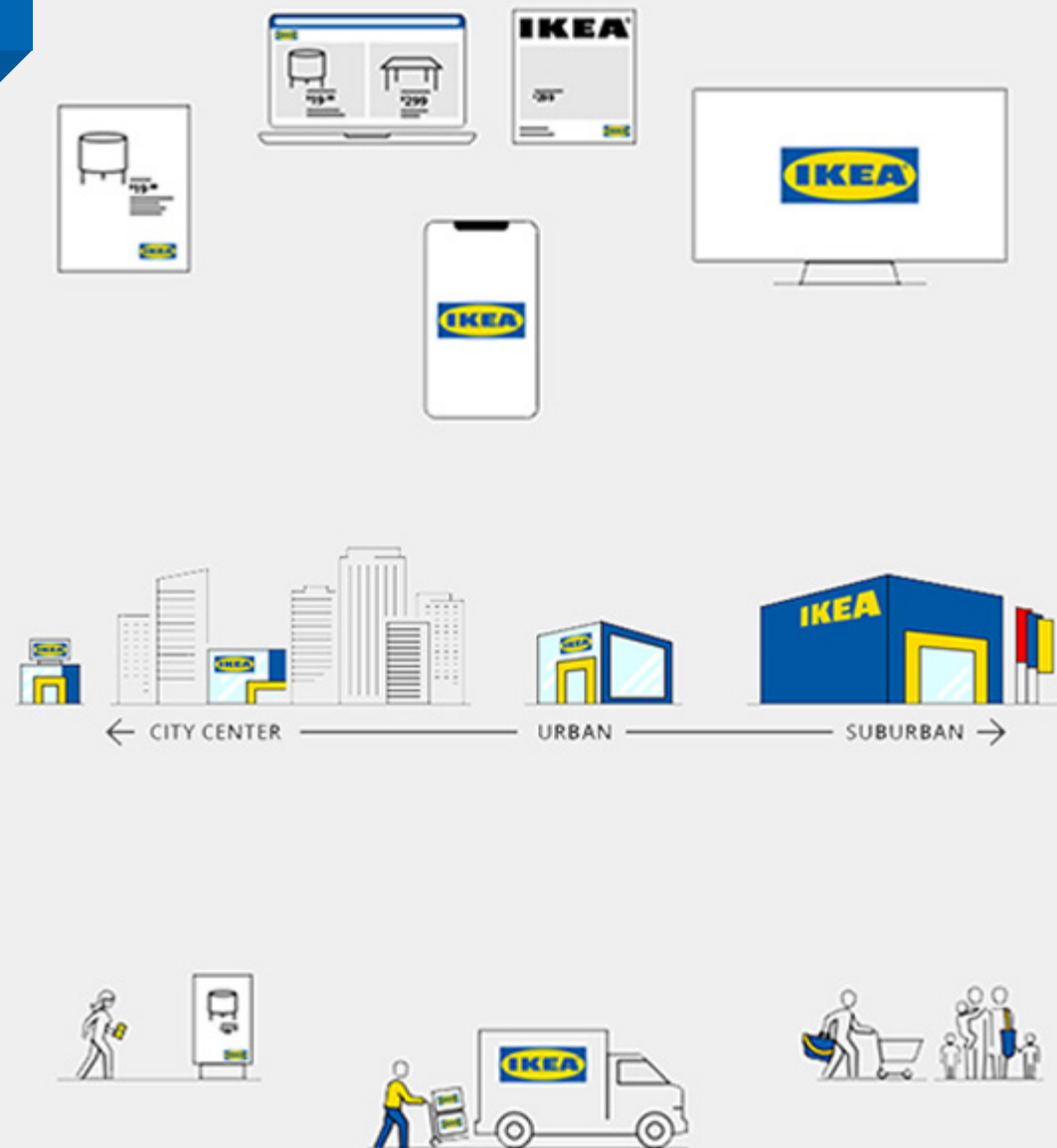
IKEA Long Island

Accelerating transformation

When we decided to close all of our stores for the safety and wellbeing of our co-workers and customers on March 17, 2020, we had to quickly adjust our business model.

We put measures in place to continue to operate our business under the new conditions warranted by the pandemic:

- We turned our stores into warehouses so that we could ship products directly to nearby customers.
- We started offering Click & Collect curbside pickup at many locations.
- We increased the number of co-workers in our call center and customer service departments.
- We had products shipped directly to our stores versus the warehouses so that we could get products back on store shelves more quickly.



FY20 business highlights

We rallied back after reopening and ended FY20 with \$4.7B in total sales, including a 32% increase in online sales.



\$4,739,750,000

Total sales



60,000,000

Store visitors



493,000,000

Online visitors



961,964

Click & Collect
orders fulfilled



2,157,233

Home delivery
orders fulfilled



32%

increase in
ecommerce



66,022

TaskRabbit
assembly service
projects completed

Rediscovering life at home

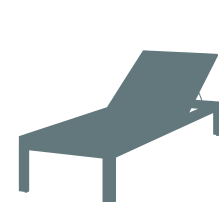


We're driven by our vision to create a better everyday life for the many people.

We offer home furnishings with good design and function at low prices. Never has our vision resonated with us so strongly. We feel that home is the most important place in the world, now more than ever, and we're here to help the many people create beautiful, functional homes through smart products and inspirational solutions.

During the pandemic, we've helped our customers transform their homes into classrooms, work spaces, and gyms as they discovered new meaning to Life at Home.

Our FY20 top product categories



Outdoor furniture

First largest category



Office furniture

Second largest category



Living room storage

Third largest category



Bedroom furniture

Fourth largest category



Dining furniture

Fifth largest category

Although many of our IKEA Restaurants were closed due to the pandemic, we still served **2,709,684 customers and 145,780,505 meatballs!**

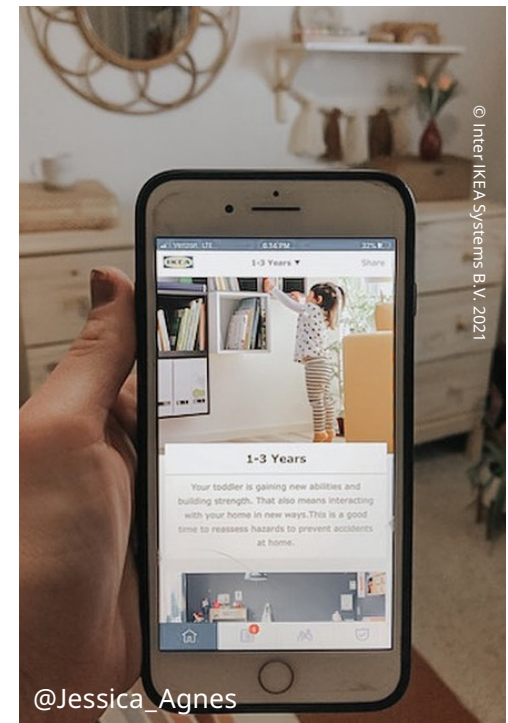
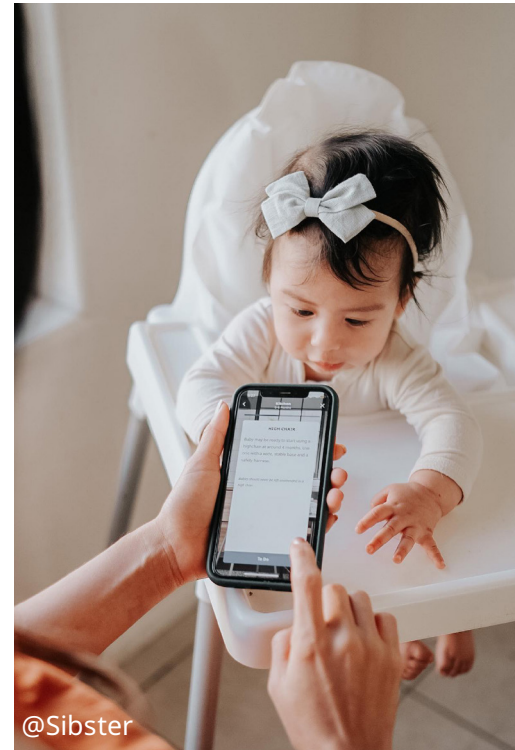


Safer homes together

IKEA is relying on its 75 years of experience with innovation and testing to offer consumers products and tools to create a safer life at home.

In October 2018, IKEA U.S. introduced a new child safety app and launched a series of free home-safety workshops in stores across the country.

As families, we're spending more time at home during the pandemic. We worked with a group of parent influencers to share a reminder on the importance of creating safe spaces and tipover prevention for their little ones.



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Becoming climate positive



As a purpose-led brand, we aim to have a positive impact on people and the planet.

Our commitment to becoming activists on climate change became even more evident as we witnessed the devastation caused by wildfires on the West Coast.

For us, it's about balancing economic growth and positive social impact with environmental protection and regeneration.

As an example, in FY20 we produced **1,069,156,300 kWh of renewable energy**, which far outpaced the amount of energy we used in our U.S. locations.



125 EV charging stations
across 38 properties



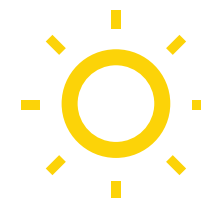
Plant-based (meat)ball
with a 4% climate footprint



3,680,143 packs
of LED bulbs sold



6 fuel cell arrays
11,891,769 kWh of energy produced



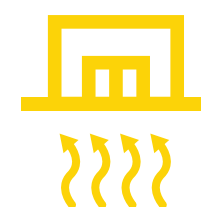
240,784 solar panels
251,878,532 kWh of energy produced



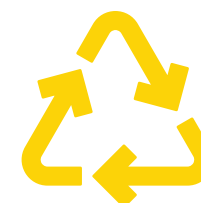
104 wind turbines
817,277,768 kWh of energy produced



125,000 acres
of responsibly-managed forests



2
geothermal properties



60%
waste recycled

Pledging for equality

At the start of FY20, we didn't expect that we would have to reaffirm our belief that equality is a human right in such a profound way in response to horrific events of inhumanity and racism.

We look to lead by example, demonstrating how acceptance, care, and respect for our differences make us stronger. We listen to our co-workers and communities on how we can be better.

- On May 31, 2020, IKEA Retail U.S. President Javier Quiñones shared [a message with the many people](#) condemning in the strongest possible terms all forms of racism and prejudice.
- On June 18, 2020, we [committed \\$3 million](#) to assist organizations that support social justice, economic empowerment, and education initiatives for Black communities.
- On July 11, 2020 we joined more than 100 other employers and trade organizations in signing [a letter to President Trump](#), urging him to leave the Deferred Action for Childhood Arrivals (DACA) program in place.
- In June 2020, we [launched a new collection](#) to support LGBTQ homelessness relief initiatives.
- IKEA U.S. earned 100 percent on the Human Rights Campaign Foundation's [annual scorecard](#) assessing LGBTQ workplace equality.

At IKEA, we believe that

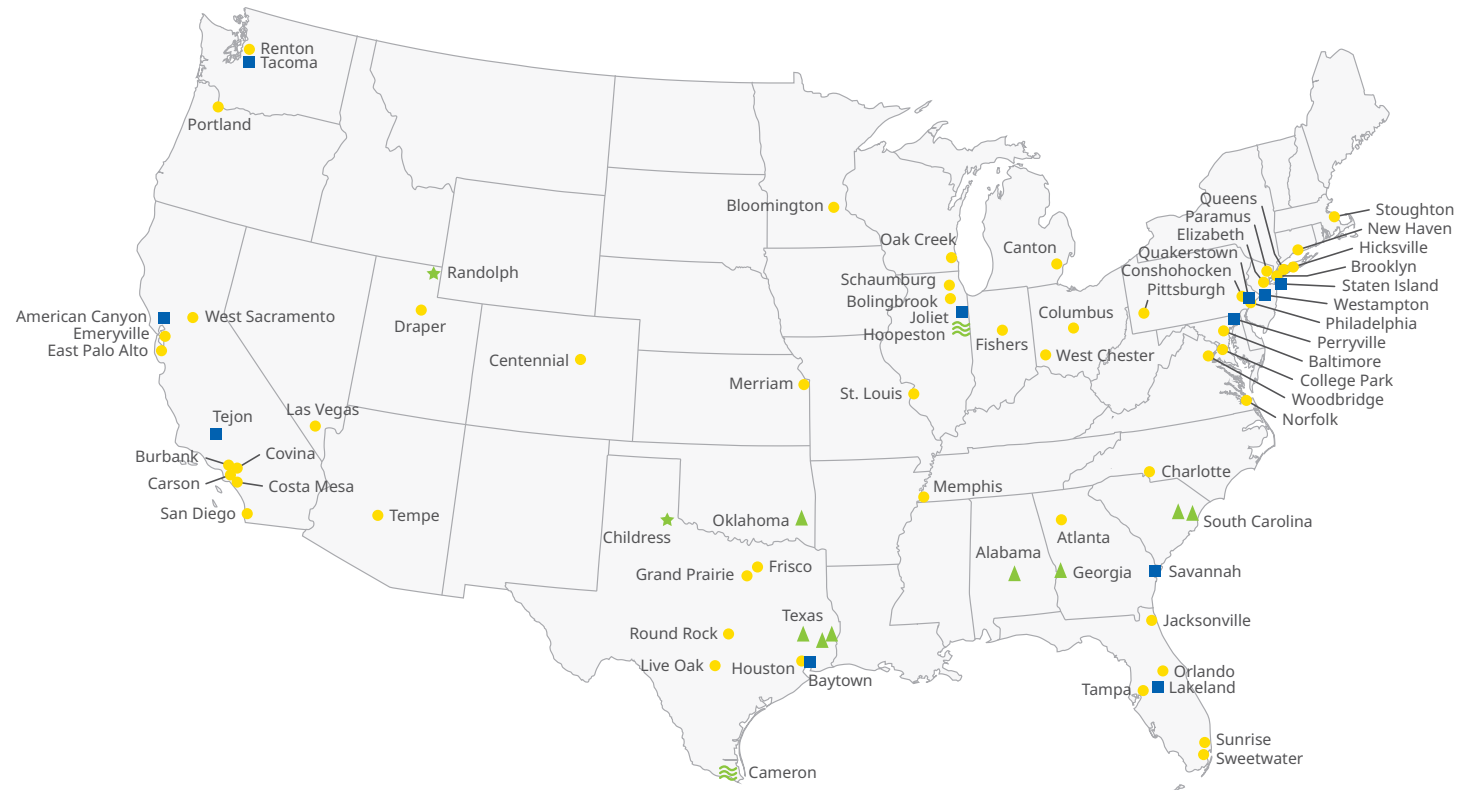
**EQUALITY
IS A HUMAN
RIGHT**



IKEA in the U.S.



In 1985, we opened our first store right outside of **Philadelphia**, and we've come a long way since then—continually evolving to meet and inspire our customers, whenever and however they like to shop with us.


51

stores

1

 planning
studio

11

 distribution
units

18,594

co-workers

21M

 IKEA Family members
(customer loyalty program)

2

 wind
farms

2

 solar
parks

135K

 acres of
forests

Investing for growth

We're building the IKEA of the future—an IKEA that is more affordable, accessible, and truly sustainable—and although our vision is simple and remains unchanged, our world and our industry have changed dramatically. We see huge opportunities for growth in the U.S. in the coming years, and we remain committed to evolving our business model and investing in our transformation in order to achieve that potential.



Here's how we've contributed to our transformation in FY20:

1 We [invested in Optoro](#)—a reverse logistics and circular-commerce company—to help us reduce the amount of waste generated from returned products.

3 In January of 2021, we [opened IKEA Queens](#) in Rego Park, a small-format store where customers can shop for home furnishing accessories and have larger, flat-packed furniture delivered. The store opening was delayed due to the pandemic.

2 We created a Digital Hub in the U.S. with the intention of developing our digital capabilities to better meet the needs of our customers, especially via ecommerce.

4 We [acquired Geomagical Labs](#)—a tech start-up based out of Mountain View, California, that specializes in computer vision, graphics, AR, and 3D technologies—to help us bring a near real-life shopping experience to customers on our mobile apps and website.

A glorious future!

“As we look ahead, we are optimistic about the bright future IKEA U.S. will create for the many people. This past year showed us if we come together, we can face any challenge. Together, we persevered and adapted our operations and recommitted to our core values, and we are stronger for it. As we navigate these uncertain times, we continue to build on our strengths and lead from our purpose to create a better everyday life for the many people. This means finding new ways to make IKEA even more affordable, accessible, and convenient. It means continuing to stand for what we believe by protecting our planet and human rights. This is who we are. This is IKEA.”

— **Javier Quiñones**

President & Chief Sustainability Officer, IKEA U.S.

