

A better everyday

IKEA U.S. Annual Summary fiscal year 2021 | September 1, 2020 – August 31, 2021



Reflecting on the past year

It's clear that our world continues to change at a rapid pace, and our lives are changing along with it. As the leader in life at home, IKEA U.S. has adapted our business to meet the new reality both for our co-workers and customers. Over the past year, we saw consumers continue to seek a new meaning of home. IKEA U.S. was honored and humbled to support their journey with our products and solutions, leading to one of our most successful years to date. Despite a challenging environment, we saw opportunities to grow and transform our business, while continuing to make life better for the many people and the planet. We opened a new small-format store in Queens, New York, launched a new shoppable app, built two solar car parks, invested in a forest in Georgia, automated a distribution center, and supported more than 17,000 co-workers with income stability and enhanced benefits.

Though challenges remain, we choose to embrace them as opportunities to create better homes, better communities, and a better planet. We will continue to grow our business by bringing new IKEA formats to cities and transforming ourselves into an omnichannel retailer that meets and exceeds our customers' needs and expectations. We remain committed to enhancing the customer experience both in-store and online. We will also continue our efforts to combat climate change and social injustice by collaborating with our partners and advocating for change. We will not rest on our laurels—we can and will do more. In the words of our founder, Ingvar, "Most things remain to be done." Here's to the good that has been and the better that is to come.



A handwritten signature in dark ink, appearing to read 'Javier'.

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

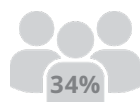


Life at home

Our fascination with life at home is what makes us IKEA.

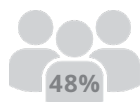
For the past eight years, we've annually conducted one of the world's largest research studies of its kind—The Life at Home Report.

For [The Life at Home Report 2021](#), more than 34,000 people from 34 countries shared their thoughts on mental health and life at home, reflecting on the impact of the last 12 months and how they feel about the future. Through this research we get a clear understanding of life at home today and how we can help make it better for everyone.



Mental wellbeing

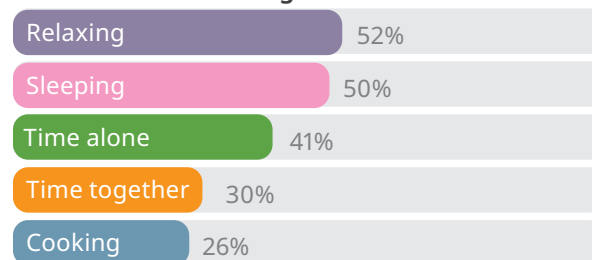
34% of people in the U.S. who felt more positive about their home in 2021 also saw their mental wellbeing improve.



Changes to the home

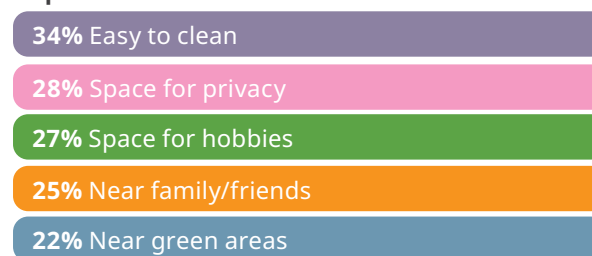
48% of us have changed our homes in the last 12 months.

Activities for wellbeing



Activities that we rate as most important for a sense of mental wellbeing at home in the U.S.

Important features of our homes



Features that have increased in importance in the last year when considering the ideal U.S. home



Creating safer homes

We're fully committed to help the many people live a safer life at home.

In November 2020, we took a decisive step to help reduce the risk of furniture tip-over accidents in the home. We instituted a [mandatory sales requirement](#) that asks all customers who are purchasing a chest of drawers to acknowledge the need to attach the furniture to the wall as a condition of sale.

Also, we partnered with safety advocates, industry organizations, and other retailers to [advance the STURDY Act](#) (Stop Tip-overs of Unstable, Risky Dressers on Youth). This legislation calls on the CPSC to set mandatory stability requirements for storage furniture sold in the United States.



"This new sales requirement [for chests of drawers] reinforces the need for wall attachment to help protect our customers and their homes from tip-over incidents. This is an important next step in our journey to help our customers enjoy a safer life at home."

Patricia Lobell, Area Vice President, IKEA U.S.

Becoming planet positive

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 FY21, we produced approximately 1,018,278,532 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.



**245,784
solar panels**

253,878,532 kWh
of energy produced



**104 wind
turbines**

748,000,000 kWh
of energy produced



**150,000
acres**

of responsibly-
managed forests



**7 fuel cell
arrays**

16,400,000 kWh
of energy produced



2

geothermal
properties



90,000 miles

driven by electric
delivery trucks



**225 EV
charging
stations**

across 53 properties



**2,990,869
packs**

of LED bulbs sold



235,000

plantballs sold with a
4% climate footprint



Taking action now



To strengthen our commitment to responsible forest management, in January 2021 we acquired approximately [10,840 acres of forestland property](#) in southeast Georgia from [The Conservation Fund](#). With this new acquisition, we own roughly 136,000 acres of forestland in five states—Georgia, South Carolina, Alabama, Texas, and Oklahoma.



In FY21, we completed close to 20,000 EV deliveries, primarily in the New York market. We're actively working towards addressing our climate footprint throughout our entire value chain and have an ambitious goal of achieving [zero-emission last-mile deliveries](#) by 2025.



We continue to invest in solar energy as we work toward our goal of being powered by 100% renewable energy by 2025. In February 2021, we [completed our first solar car park](#) at IKEA Baltimore and have plans to build an additional seven projects at IKEA stores in Maryland and California.



As part of our journey to become a circular business, we piloted a furniture [Buy Back & Resell service](#) in our store in Conshohocken, PA, with the goal of making Buy Back & Resell a permanent service at all IKEA stores across the U.S.



Building better communities

Because home has become more important than ever, we started a global initiative called [“A Place Called Home”](#) to provide support for those experiencing poverty and inequality in the wake of COVID-19.

As part of this initiative here in the U.S., we donated 36,600 products to [Save the Children](#) for families to create fun, stable, at-home learning environments to help kids keep up with the demands of school.

And, through our partner [Family Promise](#), we donated over 6,100 products to homeless shelters and transitional homes. An additional \$150,000 of monetary support to Family Promise contributed towards 28,000 instances of homelessness being avoided or shortened.

“IKEA believes that home is the most important place in the world. We recognize that now more than ever, many families are in crisis as the pandemic has exacerbated issues facing lower-income students and at-

risk and already homeless populations.”



Jennifer Keesson,
Sustainability
Manager, IKEA U.S.



Advancing equality

We believe that a better everyday is also an equal everyday...

...at home, at work, and everywhere in between. Equality is a human right and is reflected in our values.

In FY21, we elevated the ED&I function within the U.S. organization to sit within our executive team and have prioritized creating a workplace that reflects the demographics of society in all levels and functions.

Reflecting diversity in leadership

Our executive team in the U.S. reflects the racial and ethnic equality that we strive to achieve throughout our organization.

Reaching gender equality

Half of our executive team and 49% of our managers are women, and we're proud of our work to close the gender pay gap.

Supporting LGBTQ+ inclusivity

We've been recognized for leading the industry with many inclusive benefits for LGBTQ+ co-workers and their families, including parental leave and gender-affirming counseling and surgery.

Advocating for change

We worked to influence public policy on issues related to LGBTQ+ inclusion, immigration rights, and ethnicity and race by supporting the [Equality Act](#), [fair voting rights](#), and a permanent DACA (Deferred Action for Childhood Arrivals) solution.



"At IKEA, we strive for authentic inclusion. It changes our lens, how we look at ourselves and our co-workers; it expands our perspective and underscores our values and purpose."

Stephani Lewis, Chief Legal Officer and Vice President of Equality, Diversity & Inclusion, IKEA U.S.



Caring for co-workers

It's because of the resilience and entrepreneurial spirit of our more than 17,000 co-workers...

...that we're able to take care of our customers and meet the increased demand during the last year. Our co-workers are the heart and soul of our business, and we strive every day to support them in a professional, caring manner—especially during the last year and a half.

We're proud to share our success with the majority of our co-workers through our One IKEA Bonus, a performance-based payout totaling \$76 million in the U.S. Additionally, all Ingka co-workers across the globe will receive UPPSKATTA, a one-time gift of appreciation totaling \$17 million in the U.S.

We're always evaluating our total co-worker offer. We'll continue to invest in compensation and benefits to ensure our co-workers earn a responsible and fair wage and have access to benefits that support their well-being and lifestyle.

Transforming for the future

We're on a journey to transform our business to be more convenient and accessible for customers—wherever they are and however they like to shop with us. In FY21, we further accelerated our business transformation—investing in new customer meeting points, fulfillment automation, and digital capabilities.

1 Furthering our expansion into cities, we opened [IKEA Queens](#)—the first small-format store in the U.S of its kind. We also acquired the [6x6 building](#) in downtown San Francisco with plans to develop a new retail destination in fall 2022.

2 We implemented automated picking at IKEA Covina—the first store in the IKEA world with this type of solution. This automated technology can fulfill over 70,000 cubic meters of volume per year, and with the help of co-workers, has decreased delivery time to our customers in the LA area.

3 In spring of 2021, we introduced an automated pallet loop and pro-glove technology in our customer fulfillment center in Joliet, Illinois. Customers both online and in-store will benefit from faster service and lower costs through this new technology.

4 We revamped IKEA.com and launched the [IKEA shoppable app](#), allowing a more seamless customer experience and contributing to our strong online growth—including a milestone 29.5% increase in ecommerce sales during FY21!



"Accelerating our omnichannel transformation is the fuel for the future. Modernization sets us up for success in an ever-changing retail landscape."

Selwyn Crittendon, Chief Business Development Officer, IKEA U.S.

FY21 business highlights

Life at home has taken on a different meaning since the beginning of 2020. As homes have had to flex in functionality, many people turned to IKEA for home furnishing solutions.

Despite supply issues and shortages, total sales for goods and services increased almost 25% over FY20—our biggest sales year ever in the U.S.

We saw strong growth across all home furnishing categories. Furniture sales were up over 20%, with top gains in storage for the living room and bedroom. And, sales of home furnishing accessories grew over 30% in almost all categories.



\$5,895,946,918

Total sales resulting in a 24.9% increase



29.5%

increase in ecommerce



78,456,202

Store visitors



581,952,184

Online visits



5,228,923

Orders delivered



2,449,500

Click & Collect orders fulfilled



108,890

TaskRabbit assembly service projects completed



28,706,591

meatballs sold in our Restaurant & Cafe

Our FY21 top product categories



Living room storage



Bedroom storage



Childrens storage



Dining furniture

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 more than 35 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

11

distribution
units

21M

IKEA Family
members

17,224

co-workers

54

solar arrays

2

solar
parks

2

wind
farms

150K

acres of
forests