

A man in a blue IKEA uniform with 'Hej!' on the back, standing on a solar panel roof looking at an IKEA sign.

IKEA

Hej!

Ingka Group Net Zero Transition Plan FY25 – executive summary




Hej!

This plan sets out clear actions and a way forward for achieving our climate targets. Ingka Group is committed to creating a better future for the many people. This summary highlights our key findings and identified actions. Please see the full version of our Net Zero Transition Plan for more details.

View the full Ingka reports:




Ingka Group Net Zero Transition Plan FY25

 [IKEA Annual Summary and Sustainability Report FY24](#)



Ingka Group Annual Summary and Sustainability Report FY24

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
EUR 41.8 billion
total revenue


162,293
co-workers


3.1 billion
online visits


574
Customer meeting points in 31 countries

35
Ingka Centres meeting places in 13 countries

 [Read more about Ingka Group](#)

 [Read more about IKEA Retail](#)

 [Read more about Ingka Centres](#)

 [Read more about Ingka Investments](#)



“Being climate smart is also resource smart, cost smart, and business smart.”

Love the past, create the future

We are in the most important decade of humankind when it comes to climate action.

The science is clear. The climate crisis is a living reality that impacts millions of people every day – families, businesses and entire countries. The time has come to move from commitments to action – with speed and scale. The clock is ticking.

At IKEA, sustainability is a part of our DNA and vision of creating a better everyday life for the many people. As the largest home furnishing retailer, we have both the opportunity and responsibility to use our size and scale to side with the many people, especially those with thin wallets. One of the biggest barriers for individual action is cost, sustainability can't be a luxury for the few – a sustainable lifestyle needs to come at an affordable price, supporting people to save not only energy and waste, but also money. Being climate smart is also resource smart, cost smart, and business smart.

Our commitment goes beyond our own business and how we meet our customers. At Ingka Group, we are committed to the Paris Agreement and did set science-based targets already in 2018. During 2024, our key climate targets were validated by the Science Based Targets Initiative,

resulting in our updated IKEA and Ingka climate ambition “Net Zero and Beyond”. Our commitment is to reduce our climate footprint by 50% by 2030 (compared to our FY16 baseline year) and by at least 90% by 2050. Already today we have achieved a reduction of 30.1% across scope 1,2 and 3.

To build on the emissions reductions we have already achieved, this climate transition plan presents a roadmap for decarbonisation across all aspects of our value chain. It is based on deep dive analysis of our emission categories, and our climate risks and opportunities. We have a solid plan with clear actions, yet climate change is highly complex, and we don't have all the answers. At the same time, we are transparent about our challenges, dependencies and innovation gaps and take a leading role in conversations and collaborations that will support us in delivering to our goals.

Climate change has no borders and the only way to transition to net zero is together – across the public and private sectors – we must collaborate across industries and with governments and customers to drive action. This is the only way to create meaningful impact and systemic shifts.

As stubborn optimists, we have the power to shape the future – a future good for both people and the planet. The solutions are already out there, and even if words can inspire, let's make action speak the loudest.

Most things remain to be done. Glorious future, as our founder Ingvar Kamprad, used to say.

Jesper Brodin
President and CEO,
Ingka Group

Karen Pflug
Chief Sustainability Officer,
Ingka Group





Our commitment to Net Zero

The science is clear. To limit global warming to 1.5°C, we collectively need to cut greenhouse gas emissions in half by 2030, and reach net zero emissions by 2050. We're committed to playing our part.

"Net Zero and Beyond" is the climate ambition for the entire IKEA value chain and franchise system. This includes Inter IKEA Group, Ingka Group, and other IKEA franchisees¹.

Our approach aligns with the Paris Agreement and its goal to limit global temperature rises to 1.5°C above pre-industrial levels. We have set science-based carbon reduction targets to drive progress on our commitments which are explained on page 9.

Net Zero and Beyond

1. Reducing greenhouse gas emissions

We are committed to halving absolute greenhouse gas emissions across the entire IKEA value chain by FY30 (compared to our FY16 baseline) and reaching net-zero emissions by FY50. Net zero means an absolute reduction

of at least 90% of full value chain emissions (without using carbon offsets) and neutralising the remaining 10% of emissions by removing and storing carbon from the atmosphere.

2. Removing and storing carbon

We will remove and store carbon from the atmosphere through responsible forest and agricultural management practices within the IKEA value chain and by prolonging the life of products and materials.

3. Going beyond IKEA

We will contribute to additional emissions reductions in society. We will lead by example and engage proactively with stakeholders advocating for climate policies in line with the science of 1.5°C.

Our Climate Targets

We have set ambitious near- and long-term targets covering scope 1, 2 and 3 emissions. These were approved and validated by the Science Based Targets initiative (SBTi). They align with the 1.5°C pathway of the Paris Agreement. Our targets were developed in collaboration with Inter IKEA Group. As separate legal entities, Ingka Group and Inter IKEA Group have separate SBTi validated targets. As the largest franchise retailer of IKEA products (accounting for 87.8% of IKEA sales in FY24), we also contribute to achieving Inter IKEA's targets.

A holistic approach

Climate change is one of the biggest challenges of our time, with profound implications for society, the environment, economic stability, and social wellbeing. Tackling it requires a holistic approach and we take into account a range of inter-connected issues. Actions to reduce emissions should also positively impact people and other environmental priorities.

- **Just transition** - We are developing our approach to a just transition, aiming to evaluate the impacts of our environmental commitments and targets on people, and to engage with those most affected by climate change. Read more on page 59.
- **Nature and biodiversity** - We consider the potential impacts on biodiversity of our climate mitigation actions and look for climate solutions that have a positive impact on nature. We will be reporting in more detail on this area in future iterations of our plan.
- **Adaptation** - We are developing our approach to climate adaptation, starting by deepening our understanding of the physical risks to our business and how to build resilience against these, see page 52.
- **Circular economy** - We aim to integrate circular principles into our business so resources can be continually reused and repaired, or recycled as a last resort. Reducing waste and resource use directly supports emissions reductions.

Our emission categories



Materials



Food ingredients



Production



Product transport



Construction



Goods and services used in own operations



Own operations



Mobility



Product use at home



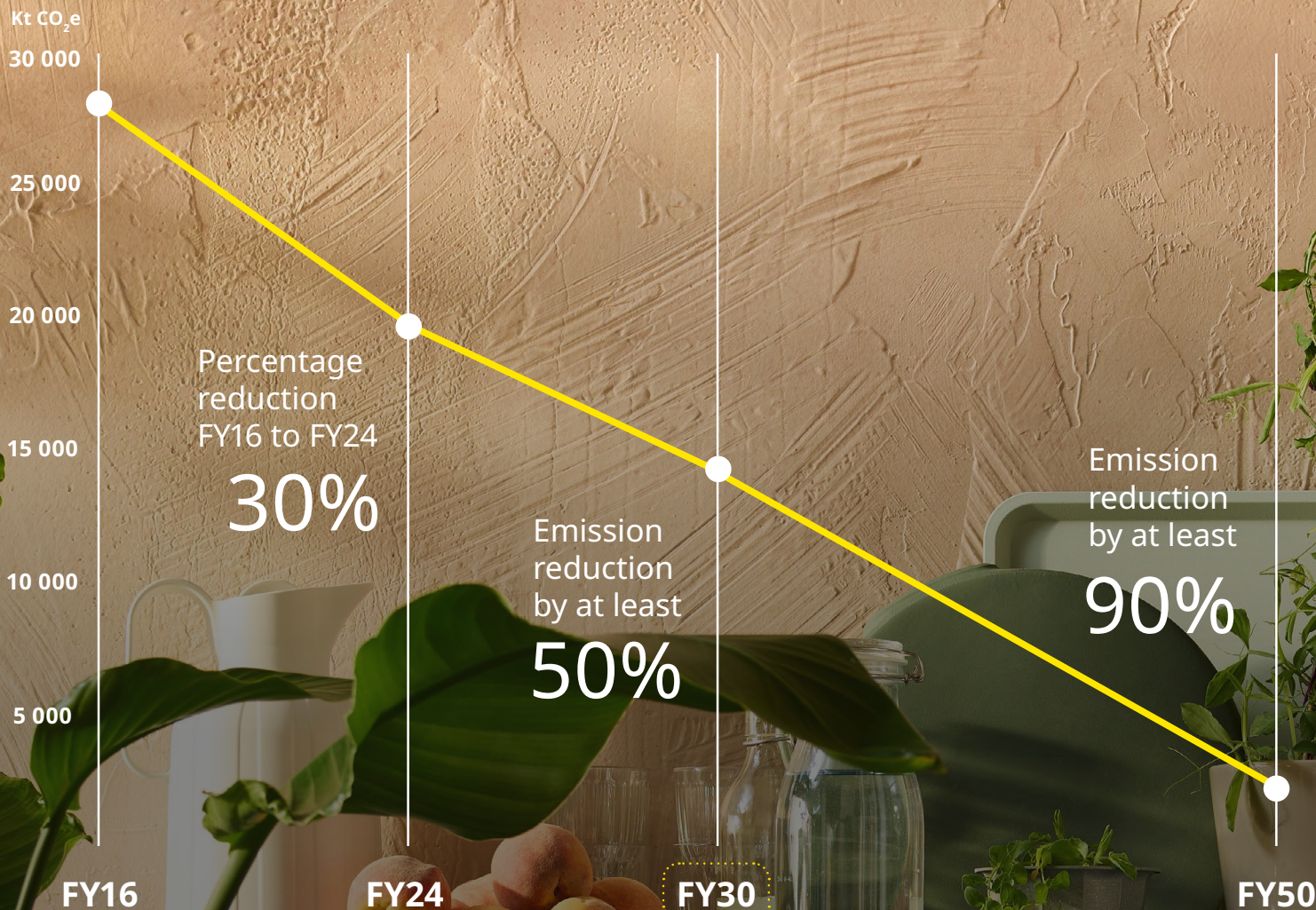
Product end of life



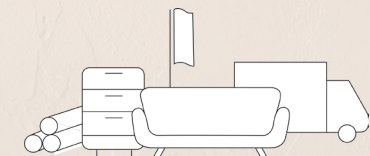
Investments



Ingka Group's path to net zero



1 Reducing greenhouse gas emissions



2 Removing and storing carbon



3 Going beyond IKEA



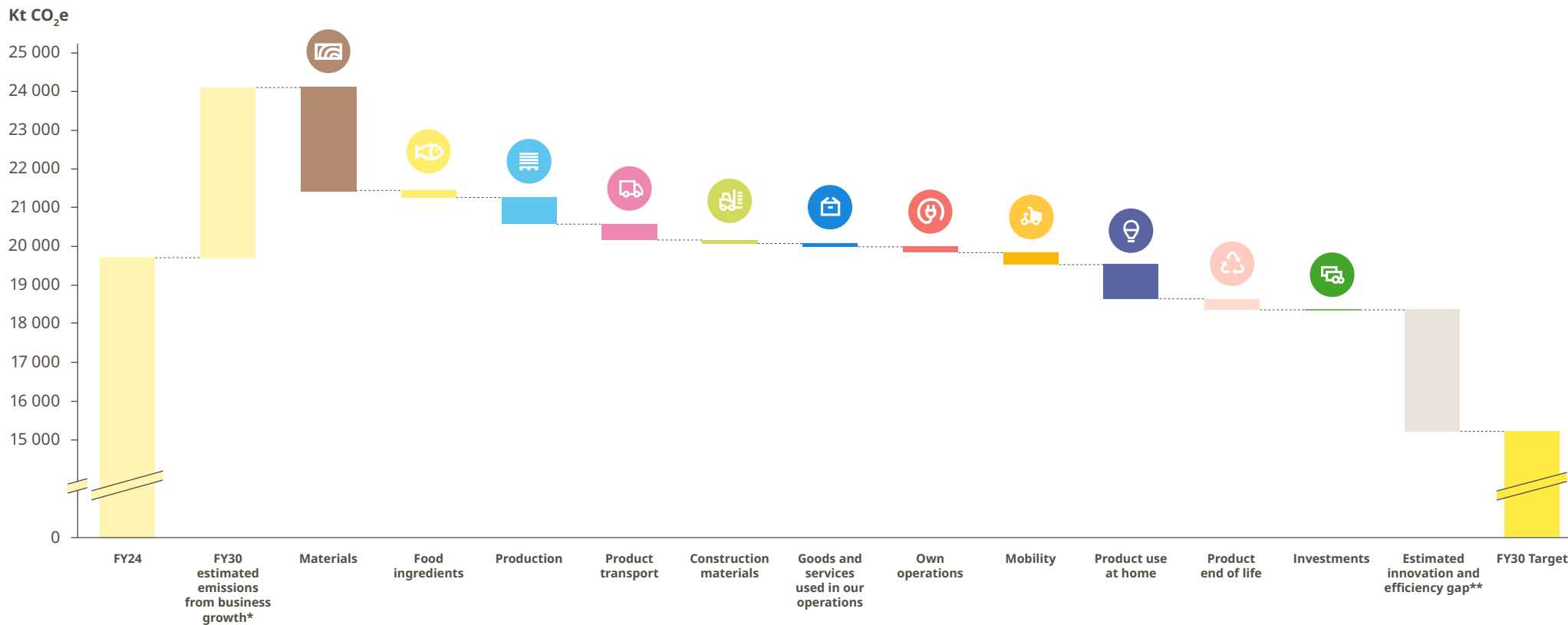
net zero

Net zero means an absolute reduction of at least 90% of full value chain emissions (without using carbon offsets) and neutralising the remaining 10% of emissions by removing and storing carbon from the atmosphere.



Expected reductions

In Ingka Group value chain up to FY30



*Based on our retail business growth projection from our mid-term financial plan, which is currently under development and review, and an estimated decoupling factor

**The innovation and efficiency gap represents the amount of GHG emissions for which we need to develop new or scale existing solutions



Key actions towards net zero



Refurbishing, repurposing, and renovating existing buildings with

better material

choices

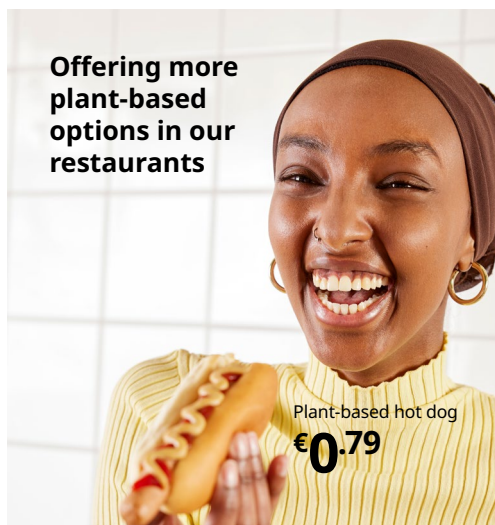


Phasing out fossil fuels and striving towards

100%

renewable energy (electricity, heating, cooling and fuels) across the IKEA value chain (by 2030)

Offering more plant-based options in our restaurants



Plant-based hot dog
€0.79

Increase investments in asset classes that have a

lower carbon footprint



Engaging with our

suppliers

to set emission reduction targets

Retrofitting units with

renewable

heating and cooling



Developing

circular services

to enable customers to prolong the life of products



Achieving more than

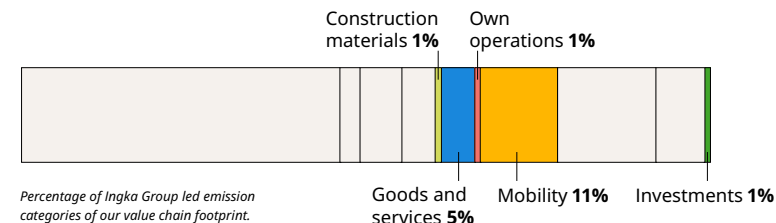
90%

of home deliveries made by zero-emissions vehicles by 2028



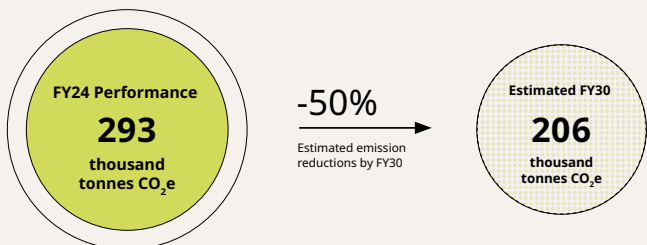
Summary of estimated reductions by emission category

Below is a summary of estimated reductions for the emission categories. More details on emission scope, decarbonization levers, innovation and efficiency gaps can be found in the [full version of our plan](#).



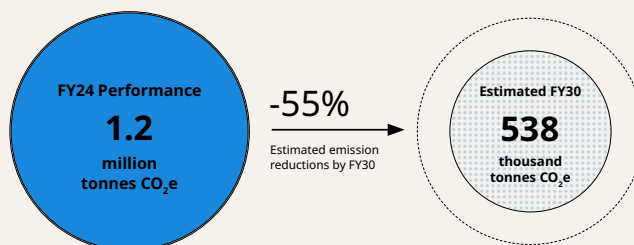
Construction materials: Road to 2030

- **Baseline FY16** (412.0 thousand tonnes CO₂e)
- Identified emissions with current actions
- **We are here FY24** (292.9 thousand tonnes CO₂e)
- Estimated FY30 performance



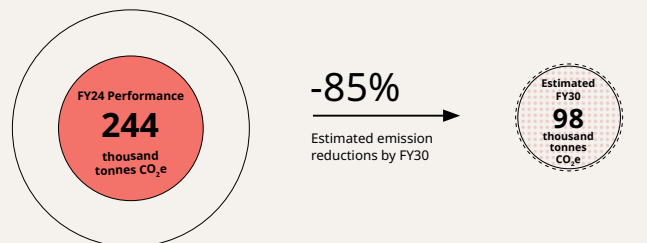
Goods and services used in own operations: Road to 2030

- **Baseline FY16** (1.2 million tonnes CO₂e)
- Identified emissions with current actions
- **We are here FY24** (1.2 million tonnes CO₂e)
- Estimated FY30 performance



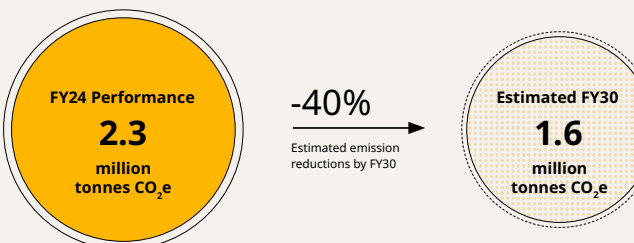
Own operations: Road to 2030

- **Baseline FY16** (652.6 thousand tonnes CO₂e)
- Identified emissions with current actions
- **We are here FY24** (244.4 thousand tonnes CO₂e)
- Estimated FY30 performance



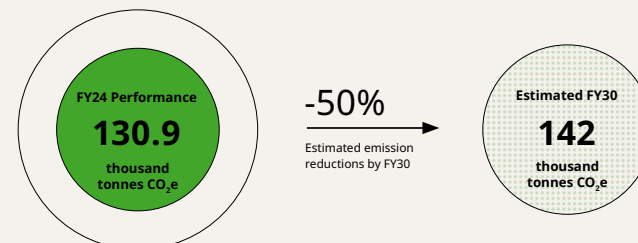
Mobility: Road to 2030

- **Baseline FY16** (2.6 million tonnes CO₂e)
- Identified emissions with current actions
- **We are here FY24** (2.3 million tonnes CO₂e)
- Estimated FY30 performance



Investments: Road to 2030

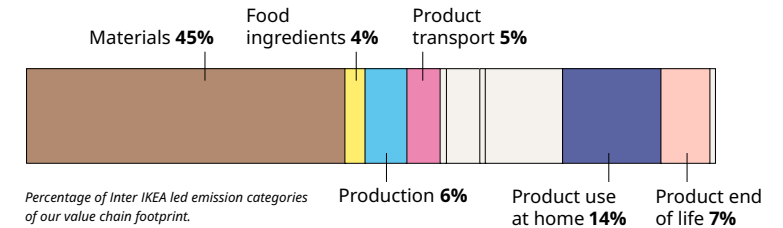
- **Baseline FY16** (283.0 thousand tonnes CO₂e)
- Identified emissions with current actions
- **We are here FY24** (130.0 thousand tonnes CO₂e)
- Estimated FY30 performance





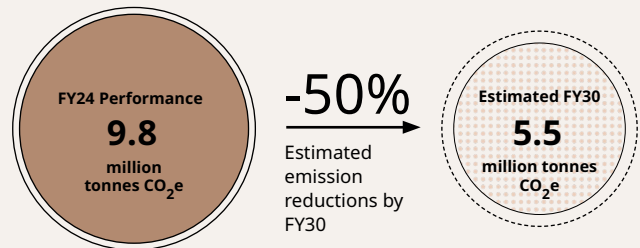
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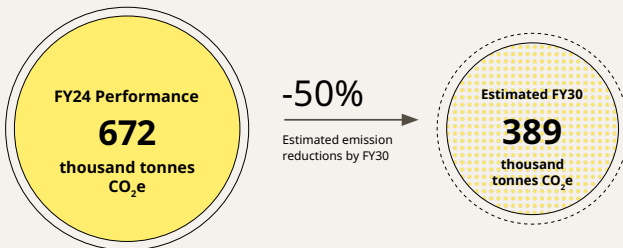
Materials: Road to 2030

- **Baseline FY16** (10.9 million tonnes CO₂e)
- Identified emissions with current actions
- **We are here FY24** (9.8 million tonnes CO₂e)
- ⊕ Estimated FY30 performance



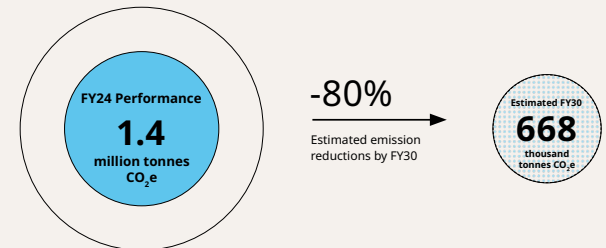
Food ingredients: Road to 2030

- **Baseline FY16** (778.8 thousand tonnes CO₂e)
- Identified emissions with current actions
- **We are here FY24** (671.5 thousand tonnes CO₂e)
- ⊕ Estimated FY30 performance



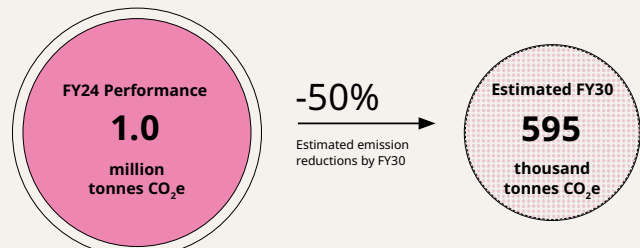
Production: Road to 2030

- **Baseline FY16** (3.3 million tonnes CO₂e)
- Identified emissions with current actions
- **We are here FY24** (1.4 million tonnes CO₂e)
- ⊕ Estimated FY30 performance



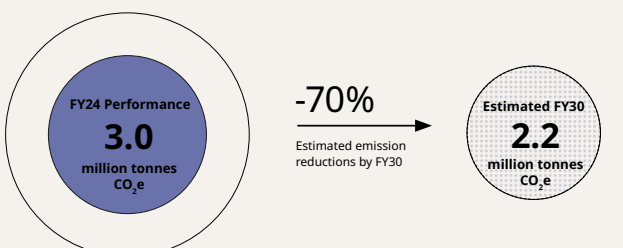
Product transport: Road to 2030

- **Baseline FY16** (1.2 million tonnes CO₂e)
- Identified emissions with current actions
- **We are here FY24** (1.0 million tonnes CO₂e)
- ⊕ Estimated FY30 performance



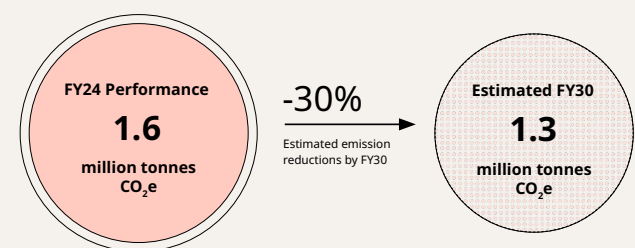
Product use at home: Road to 2030

- **Baseline FY16** (7.2 million tonnes CO₂e)
- Identified emissions with current actions
- **We are here FY24** (3.0 million tonnes CO₂e)
- ⊕ Estimated FY30 performance



Product end of life: Road to 2030


- **Baseline FY16** (1.8 million tonnes CO₂e)
- Identified emissions with current actions
- **We are here FY24** (1.6 million tonnes CO₂e)
- ⊕ Estimated FY30 performance








Questions? Contact:

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 [Read more about Ingka Group](#)

 [Read more about IKEA Retail](#)

 [Read more about Ingka Centres](#)

 [Read more about Ingka Investments](#)



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