

Better homes

We believe a better home can enable a better life. For generations, we have been on a mission to understand the needs, challenges and aspirations of the many, bringing inspiring and affordable home furnishings to people with big dreams – regardless of wallet size.

Our progress **FY22**



INGKA™



Better homes – Our commitments

1.
Inspiring and
enabling a better,
more sustainable
life at home

2.
Accessible and
affordable for the
many

OUR TARGETS	PROGRESS IN FY22	PERFORMANCE SUMMARY
Inspiring and enabling a better, more sustainable life at home		
Enable customers to reduce their climate footprint by offering clean energy services in all markets by 2025.	<div><div></div><div></div><div></div><div></div></div> <div>[NOT ON TRACK]</div>	We have reached 11 countries with our clean energy services. In FY22 we made heat pumps available to customers in Sweden.
Provide knowledge, inspiration, services and platforms supporting customers to actively participate in circular actions.	<div><div></div><div></div><div></div><div></div></div> <div>[ON TRACK]</div>	We have introduced and tested a range of solutions, including turning our As-Is areas into circular hubs in 306 stores, enabling customers to buy second-hand and nearly new furniture. Our spare parts service was used by 1.8 million customers to repair and extend the life of IKEA products and over 105,000 customers used our Buyback & Resell service. Ingka Centres have also launched Circuit – a curated community hub for circular living in some of our meeting places.



1. Inspiring and enabling a better, more sustainable life at home

In the last few years, life at home has been subject to unexpected challenges from the pandemic to rising costs of living and the growing impacts of climate change.

It is clear that the way we live at home has a big impact on the planet and our health. Many people want to make healthier and more sustainable choices but not at the expense of price, quality or convenience.

At Ingka Group, we are passionate about making life at home better. By bringing our customers affordable, sustainable, well-designed and functional home furnishing products, services and solutions alongside creative ideas and inspiration we can live up to our vision to create a better everyday life for the many people.

Our approach

The IKEA ambition is to inspire and enable 1 billion people to live a better everyday life within the boundaries of the planet by 2030. At Ingka Group, we contribute to this goal by:

- Making sustainable living desirable, accessible and affordable for the many, through our stores, meeting places and online – from prolonging the life of our products, to creating a clean energy community and offering more plant-based food options in our food outlets.
- Using our research and insights to develop an even deeper understanding of people's lives at home: their needs, hopes and dreams, in every city and market
- Sharing our unique insights and home furnishings expertise with customers in new and engaging ways to inspire and enable them to reduce their environmental footprint and create a better life at home.

We are developing our approach to enable us to report progress against our ambition.

Healthy and sustainable living

With our products, knowledge of life at home and over 3 billion visits online and to our stores and meeting places each year, we have a unique opportunity to make healthier and more sustainable living desirable, affordable and accessible for the many.

We offer products, services and solutions that enable people to reduce their environmental

impact and aim to use our communications to inspire positive lifestyle changes. At Ingka Centres we are also working with our partners to explore a range of approaches that support sustainable living.

We recognise that a shift is needed towards more sustainable consumption patterns that reduce over-use of natural resources. We are exploring

how we can best contribute to this shift, including through our focus on circular living. We aim to collaborate with others and use our influence to support government policies and business best practice that enable sustainable consumption and production, see page 25.

We've introduced our Sustainable Living Shop across 30 markets, providing a dedicated space in our stores to highlight accessible and affordable products and solutions that enable customers to reduce their climate impact and household costs by using less energy, reducing single use plastics, creating less waste, using less water and caring, repairing, reselling and recycling.

Many Ingka Centres are also dedicating space to inspire visitors to live a healthier and more sustainable life. For example, Livat Wuhan in China has created a Sustainability Space furnished with recycled materials that includes information and ideas on circular living and runs regular educational events. We have also launched Circuit – a curated community hub for circular living, see page 25.



Sustainability and the IKEA range

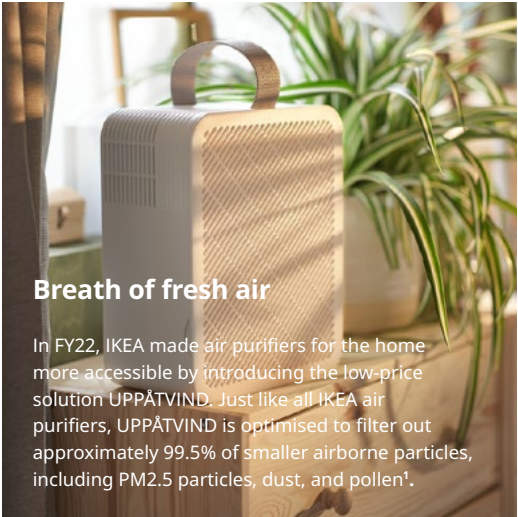
The IKEA range is supplied by Inter IKEA Group. It is designed according to the five dimensions of Democratic Design: form, function, quality, sustainability and a low price. This means sustainability is considered from the start and continual improvements are made to embed sustainability considerations into design, manufacture and use.

At Ingka Group, we have a key role to play in communicating the sustainability attributes of IKEA products and making sustainable living accessible and desirable to customers. We continue to inspire and guide our customers across all our IKEA stores and online by highlighting products and sharing tips and tricks that can help them save energy, reduce waste and give their favourite furniture a longer life.



Let there be LED

In FY22 IKEA expanded our SOLHETTA LED bulbs range with more sizes, shapes and functions. Customers can now use SOLHETTA LED bulbs for more purposes and in more areas of the home, which reduces home energy use. Launched in FY21, SOLHETTA LED bulbs are more energy efficient and – on average – more affordable than previous IKEA LED bulbs.



Breath of fresh air

In FY22, IKEA made air purifiers for the home more accessible by introducing the low-price solution UPPÅTVIND. Just like all IKEA air purifiers, UPPÅTVIND is optimised to filter out approximately 99.5% of smaller airborne particles, including PM2.5 particles, dust, and pollen¹.



A more circular BILLY bookcase

In FY22, one of our best-selling products, BILLY bookcase, was redesigned to improve its circular capabilities. By shifting from veneer to paper foil and reducing plastic, most materials used to produce the new BILLY bookcase will come from renewable sources.



Cutting down on resource use

Our RÖNNINGE extendable table now requires fewer raw materials to produce following the introduction of hollow wooden legs. While it is lighter on the planet, the new design does not compromise on function, durability, style, or quality. In FY23 we'll also be introducing the GRÖNSTA chair which is recyclable with a seat shell made from post-industrial waste.



Saving water every time

The new ÅBACKEN water nozzle. When used in mist mode, ÅBACKEN can save up to 95% of water used, and in spray mode, up to 66%². This also results in energy savings from water heating. This solution builds on the water saving abilities of the existing IKEA tap and shower range which has built-in water efficiency features that already enable water use reduction of up to 40%.



Flavourful food with a smaller footprint

We introduced new IKEA plant-based products in FY22, including a veggie ball version of LÄTTLAGAT ready meals. We also launched plant-based soft ice with chocolate flavour. We continue to explore where and how we can remove or replace dairy in our range (without compromising on taste) to further reduce the climate impact of our food ingredients.

¹ PM2.5 are small inhalable particles that measure 0.1-2.5 micrometres. ² 1) Compared to standard washbasin mixer taps with a water flow of 5.7 L/min. 2) Compared to taps and showers without the built-in feature.



A range of clean energy services

We're making it easier and more affordable for IKEA customers to use and produce renewable energy at home, supporting the transition to a net-zero society.

We offer a range of clean energy services with different partners and have reached 11 countries so far. Our offer varies from country to country and can include:

- Home solar service, including solar panels and when suitable a battery storage system. By turning customers' rooftops into mini power plants, customers can produce their own energy and sometimes even sell it back to the grid.

- An electricity subscription service, making it easier for customers to switch to buying electricity from renewable sources.
- A heat pump service, helping customers to use less energy to heat and cool their home. Launched in Sweden in FY22, the service enables customers to buy quality heat pumps at affordable prices.

Making renewable energy accessible and affordable is good for the planet and good for our customers' wallets and wellbeing.

Products and services for circular living

Having a positive impact on people and planet is at the centre of our development and innovation efforts. By testing, adopting and scaling up new circular solutions, we are exploring ways to prolong the life of our products, give customers access to furniture without owning it and helping people give products they no longer need a second life.

Finding circular solutions that are accessible, convenient and profitable can be challenging. By trialling different approaches we are building our knowledge and experience in this area, which will help us to offer a range of different circular product and service options to suit the many people, and ultimately contribute to our ambition to become a circular business. Examples of approaches we are testing in our retail business include:

Circular hubs bring circularity to more customers

For many years, customers have been able to pick up a bargain in our As-Is areas – the part of the IKEA store where we sell returned, repaired, or ex-display products at discounted prices. Now our As-Is areas are being turned into circular hubs where, as well as the usual bargains and nearly new products, customers can buy secondhand products, view our product recovery and repacking processes, and learn how to maintain, clean or personalise their IKEA products. By the end of FY22, we had 306 circular hubs (FY21: 170). During the year more than 42.6 million products were given a second life (FY21: 42.2 million), with 32.5 million products resold



via the As-Is areas and more than 10 million repacked and sold in other areas. All items that are sold for reuse are thoroughly inspected to ensure functionality and safety.

To improve accessibility and enable more customers to use our As-Is areas we've also taken them online at 219 stores in 21 markets. This enables customers to view and reserve second-chance products and pick them up from their nearest store. This improves convenience and enabled As-Is areas to continue operating during pandemic lockdowns and improved convenience for customers. We sold 70,000 products via online reservations in FY22. All items that are sold for reuse are thoroughly inspected to ensure functionality and safety.





Buyback & Resell gives old or unwanted IKEA furniture a second life

With Buyback & Resell, customers in 29 countries can bring back unwanted IKEA furniture to one of our stores and receive an IKEA voucher to spend in-store or online. Around 96% of items are resold via our As-Is areas. Any items not resold are recycled or donated to local community projects. Over 105,000 customers used the service in FY22 (FY21: 74,000) and gave 230,000 items a second life, a 50% increase on the previous year. We also improved the Buyback quotation digital tool, to make the service easier to use for customers and more efficient for co-workers.

Our **#BuyBackFriday** campaign for our retail business promoted a more sustainable alternative to the usual Black Friday sales events, encouraging customers to use Buyback & Resell. The campaign gained a lot of interest from the media and customers. People used our online tool 980,000 times during the campaign to see the value of their items and around 110,000 pieces of old IKEA furniture were returned. [Read more here.](#)

Around the time of Black Friday, Ingka Centres meeting places ran a **“Love your stuff for longer”** campaign for the second year. The campaign involved over 400 partners and aimed to inspire more circular consumption with a range of initiatives, from repair cafés to educational classes on how to care for, reuse and repurpose goods.

21.9 million spare parts, here to help

We offer a spare parts service in 30 countries, helping customers prolong the life of their IKEA products by replacing small parts, like screws and fittings. In FY22, 1.8 million customers used the spare parts service, with 21.9 million spare parts provided*. Our online system is now rolled out across 28 countries via IKEA.com, making ordering spare parts even easier for customers. We source most spare parts from our suppliers, but co-workers also rescue spare parts from damaged or unused returned products that can't be resold, ensuring important resources don't go to waste. We are also testing whether we can offer larger spare parts for furniture. For example, in Poland we have offered sofa armrests and cushions, enabling customers to repair damaged or worn products, rather than replacing them.

Enabling circularity through new service models

As part of our learning approach to circular services, we've been exploring furniture rental as a service – assessing ways for our customers to access IKEA furniture without owning it. Our aim is to improve flexibility for customers, extend the life of products, and reduce waste by enabling the same product to have several lives.

Through our multi-market test, known as Furniture as a Service, we've been exploring a service where we retain ownership of our products, maintain and take care of them, and when the furniture has been reused as many times as possible the materials and

components are recycled.

We have now tested different iterations of this concept in several countries and have learned a lot about the challenges and opportunities.

Although we initially planned to test Furniture as a Service in 30 markets, we have instead decided to concentrate on refining the tests, building on what we have learned so far. Our focus during FY22 was on Italy. Here we are running an updated version of the test, focusing on desirability and scalability which we've learnt are preconditions for any service to make a real impact. As a next step, we will explore different ways to extend the life of products during and after the rental service. We will use what we learn to inform development of our circular offering, helping our business with its transformation to become circular by 2030.

Inspiring customers with affordable second hand products in Sweden

We've been testing our first secondhand store offering only used IKEA products in Eskilstuna, Sweden. Here customers can buy used IKEA products that have been cleaned, repaired and restored to their former glory, at an even more affordable price. The store has been well received by local customers with 16,000 people purchasing 43,000 products during FY22 of which 80% came from customer homes and offices. We're working with a social business partner to clean and repair the returned products, providing an income for people who may otherwise struggle to find employment.

In Sweden, we also ran flea markets at all IKEA stores on one day during FY22. IKEA Family members could book a table to sell possessions they no longer needed while visitors also benefited from a 40% discount on products in the As-Is area, as well as the chance to attend DIY workshops and a DIY live shopping event.



IKEA bookshelf returned after 56 years

Bengt Johansson, has become a buyback hero in Sweden after using our Buyback service to return the IKEA KONCENTRA bookcase he purchased in 1965. The unit is in perfect condition, complete with his original handwritten paper receipt. Originally purchased at the first IKEA store in Älmhult, the bookcase was auctioned online, with proceeds from the sale going to global charity Save the Children.

[Read more online](#)

* Due to changes in how we measure the scope of spare parts data we cannot directly compare FY22 with FY21 figures. This year we include assembly parts (e.g. screws, bolts etc required for assembling items) furniture spare parts (e.g. replaceable parts of an item such as drawer fronts, table tops etc) and other parts for electrical items (e.g. cables). The number of customers is the number of unique orders dispatched.



Making the world go round at Ingka Centres

We opened the first Circuit space at our Ingka Centres meeting place in Birsta City, Sweden, in June 2022, to inspire visitors to repair, reuse and recycle everyday items. It offers a contemporary twist on the traditional flea market, with a curated space for goods and services related to the circular economy, including a community swap where visitors can exchange books, plants and boardgames. Visitors can utilise clothes repair service and rent out children's wear and equipment. Circuit hosts a lively agenda of workshops and activities to help people better care for and extend the life of their belongings. We are exploring how to measure the impact of this initiative and hope to encourage other retailers in our meeting place to join Circuit.

[Read more online](#)

At our Ingka Centres meeting place in Hammersmith, London, we are also hosting The Library of Things (LoT) kiosk – a social enterprise which provides an affordable rental service for household items such as drills, gardening equipment and sewing machines. Initial results suggest that the kiosk is helping the LoT to increase its user base.

Advocacy and partnerships

Ingka Group is engaging with policy makers and others to support policies that enable more sustainable consumption of resources. In FY22, this included:

- We participated in the European Commission's call for evidence for an impact assessment on the initiative 'Sustainable consumption of goods – promoting repair and reuse'.
- We participated as the only private sector company in a discussion on sustainable production and consumption at One Planet Network with UNEP and the B Team.
- Jesper Brodin, CEO of Ingka Group, met with Virginijus Sinkevicius, European Commissioner for Environment and Ms. Sirpa Pietikainen, Member of the European Parliament, to discuss how to break down policy barriers to ensure no mattress goes to waste in Europe by 2030.





Healthier and more sustainable food

Ingka Group is a large food business, serving almost 600 million customers through our IKEA Restaurants, IKEA Bistros and Swedish Food Markets every year.

We aim to offer a delicious and affordable food range that makes it easier to eat a healthier and more sustainable diet while inspiring consumers with the knowledge and inspiration to make more sustainable food choices.

For many years, the IKEA food range has included sustainably sourced options and ingredients. These range from organic rapeseed oil and responsibly-farmed eggs, meat and dairy, to seafood certified by the Aquaculture Stewardship Council (ASC) and Marine Stewardship Council (MSC) and UTZ/Rainforest Alliance certified coffee, tea and cocoa.

Now, we are going even further to make our food range better for people and planet, with a focus on making plant-based food options attractive and affordable to more people.

Read about our approach to food waste on [page 81](#).



Inspiring a switch to plant-based dishes

Plant-based food can be good for our health and can have a reduced climate footprint compared with meat-based alternatives. We see an opportunity to enable many more people to make sustainable food choices, by making plant-based food more affordable and accessible. Our goal for 2025 is that 50% of our restaurant meals offered will be plant-based.

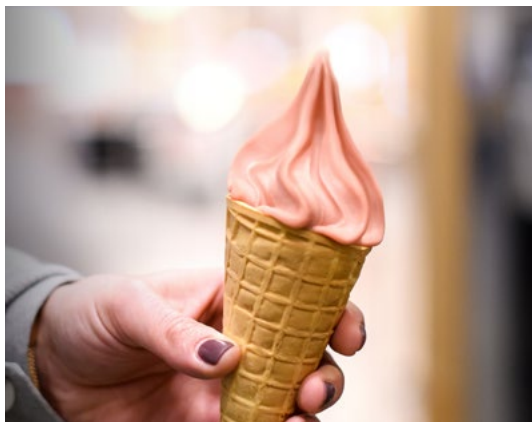
As of October 1st, 2022, all our markets now offer plant-based food at the same or a lower price than the meat-based alternative. This includes our veggie balls, plant balls, veggie hot dogs, and plant-based soft ice. A growing number of our customers are opting for our plant-based food products, with sales of our plant balls and veggie balls increasing by 62% compared with the previous year, and sales of our veggie hotdogs increasing more rapidly than the meat-based original.

We want to inspire even more people to try the plant-based option when they visit us and piloted a new in-store communications approach in three of our markets. This drew on scientific insights from the World Resources Institute and built our co-workers knowledge of our plant-based dishes.

Our range of vegetarian and plant-based dishes and products includes our veggie balls and veggie hot dogs as well plant-based and vegetarian options in our restaurants and LÄTTLAGAT ready meal range.

Recent highlights and additions to the range include:

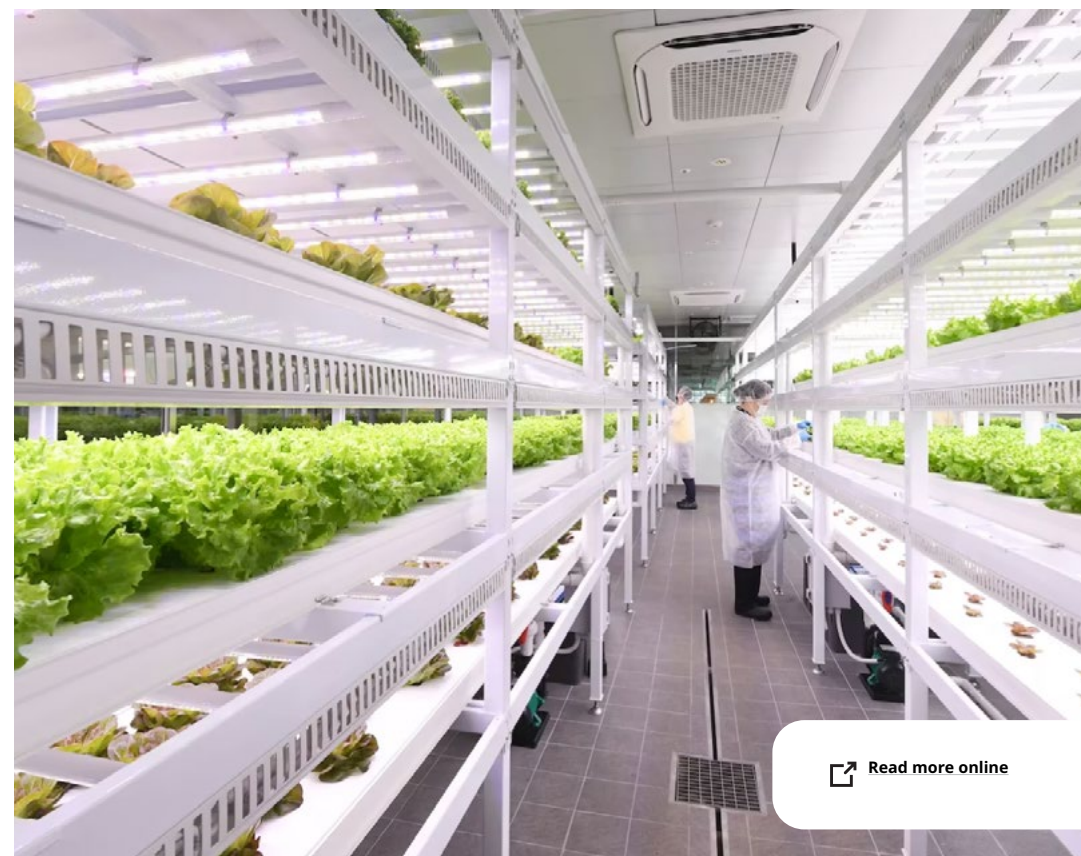
- Plant-based mince launched in 26 markets: VÄRLDSKLOK, a shapeable, plant-based mince looks and tastes like ground beef, but is made from pea protein. For customers who are already vegetarian or vegan, VÄRLDSKLOK can be another convenient item on their IKEA shopping list. For meat lovers new to plant-based products, it's an easy way to try an alternative in their cooking at home, substituting VÄRLDSKLOK for regular minced meat in burgers, tacos or Bolognese, with the same great (or even better) taste.
- Plant ball ready to roll worldwide: Our popular HUVUDROLL plant ball is now available in all our markets. Made from 100% vegan ingredients, including pea protein, oats, potatoes, onion and apple, the plant ball looks and tastes like meat (and blind tests show that our customers find them just as delicious).
- Plant-based soft ice: 100% plant-based, 100% delicious, with only half of the climate footprint of a dairy ice cream.



Growing our own greens with urban farming solutions

In FY22, we concluded our pilots testing the use of vertical farms to grow leafy greens. These included a container farm and in-store growing cabinets and aimed to engage co-workers and customers with an on-site growing experience as well as providing locally grown herbs and lettuce to serve in our restaurants. We learned

that this technique had a lower environmental impact compared to our usual leafy greens supply, and also enabled us to meet customer demand for local produce with lower resource-use. The main challenge to scaling this up into large volume solutions is operational costs. When the industry has matured, and costs have decreased, we will re-evaluate the opportunity to develop vertical farming solutions at scale.



[Read more online](#)



Insights and ideas for a better life at home

We are passionate experts on life at home. We want to show people how better homes create a better life and use our know-how in personal, engaging and entertaining ways to reach more people in all our markets. We continually build our expertise and conduct research to help us understand people's everyday life at home.

Our co-workers play a key role and we invest in training and upskilling to keep improving our home furnishing expertise. We also engage our co-workers on sustainability, and encourage them to communicate on this topic with our customers. This includes our 30 minute introduction to sustainability training that

reached 65% of our co-workers in FY22 and the launch of our Assembly Guide for a Better Future book, which aims to inspire co-workers on our sustainability journey.



Our life at home research

In FY22 for our latest Life at Home Report we connected with more than 37,000 people across 37 countries. We wanted to learn more about the many different ways that people shape their home to meet their needs, and the frustrations they face, particularly during a time of rising costs and instability.

Our research showed that today, home is more important than ever with people seeing their home as a place of comfort and security during uncertain times. With the cost of living on the rise, we're likely to spend even more time at home as we seek to save money by cutting back on the expense of hobbies and interests outside the home.

The research showed that we're more likely to feel good about home when it reflects our personality, but only around 6 in 10 people say they feel their home is a reflection of themselves. Our relationships, the things we own and the space we have available are important ways we express ourselves, but they're also the biggest sources of tension at home. In fact, as many as 4 in 5 people say they are regularly frustrated by aspects of their home. The report shares solutions that ease these stresses and celebrates the different ways that people around the world live, so everyone can feel at home when they walk through their front door.

New ways to engage and inspire our customers

We are finding creative new ways to engage and inspire customers to create a better life at home.

Bringing interior design to the many

Our online interior design service is helping customers transform their homes, offering convenient access to expert advice at affordable prices. Customers can choose any room in their home and work with one of our interior designers to generate new design ideas. In FY22, almost 70,000 people used the service to create a better home in 29 countries.

In FY22, we launched IKEA Kreativ in the US and Canada, our new AI-driven digital design experience. This offers customers a lifelike, fully integrated way to design and visualise their own living spaces, using a computer or smartphone. It combines our life at home expertise with new developments in spatial computing, machine learning and 3D mixed reality technologies to enable customers to ‘erase’ existing furniture from the scene, position new IKEA furnishings, rapidly swap through alternatives, and fully design the room. [Read more here.](#)



Meeting our customers in new ways with IKEA live-shopping

We’re exploring live streaming as a way to engage with our existing customers and meet new ones. This enables us to create an interactive experience for customers allowing them to comment, ask questions, like, and purchase products directly from the live stream.

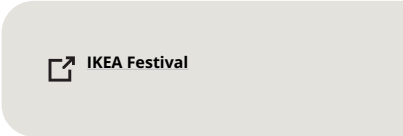
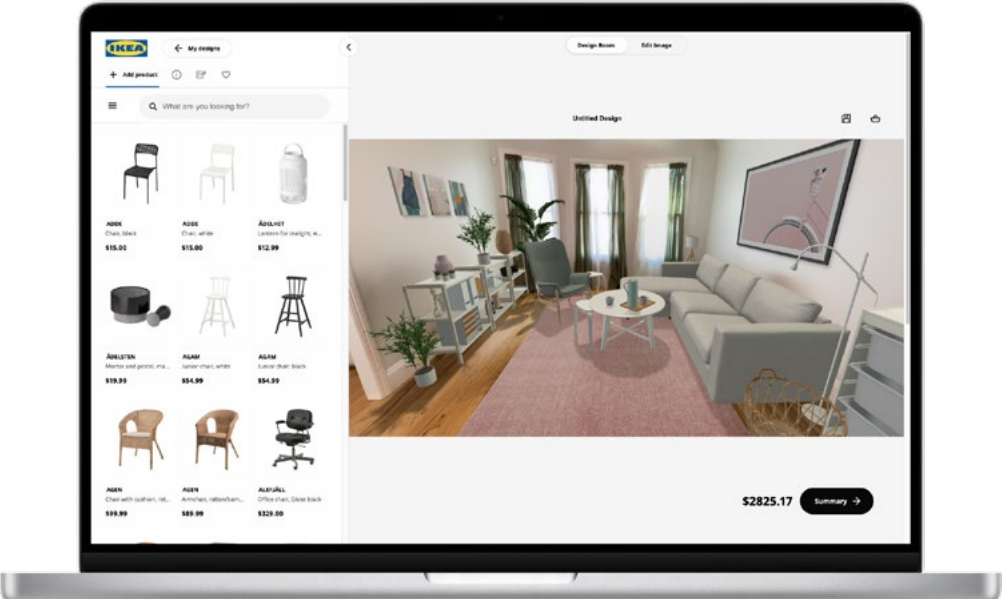
In Sweden we integrated live-streaming within IKEA.com in FY22, hosting 28 Live shows. Feedback showed that viewers enjoy the content, the knowledge sharing and the real IKEA people on stage. In Japan we trained more than 45 co-workers as ‘Home Furnishing Influencers’. In the first 6 months they shared their knowledge via 12 IKEA Live shopping sessions, with customers watching over 1,700 hours of content.

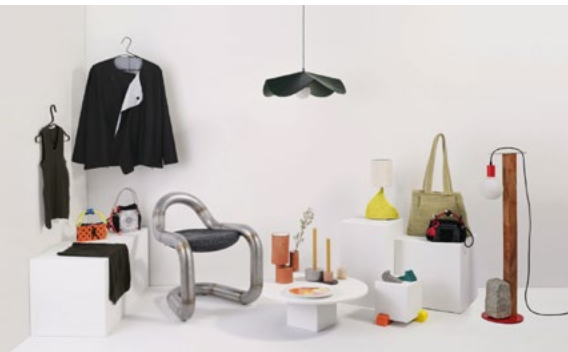
[Watch IKEA Live episodes from IKEA Japan here.](#)

[Watch Live shopping episodes from IKEA Sweden here.](#)

IKEA Festival engages people around the world

The IKEA Festival took place in IKEA stores and online across the world celebrating people’s real creativity and inventiveness at home. The festival focused on ten different topics: food, sports, gaming, music and dance, nature, fashion and beauty, collecting, arts and crafts, focus and wellness, and pets. It included in-store events, live shopping, ideas from inspirational content creators, and a unique new IKEA digital platform where people could watch the festival and link with social media campaigns showing how to turn inspiration into reality.





Atelier100: inspiring customers with local creativity

We're always on the look out for new creative ideas and concepts for our business and want to connect with talented new designers and creative people. In FY22, we joined forces with retailer H&M to launch Atelier100, a unique incubator programme aimed at finding and nurturing up-and-coming creative people in our local areas.

For the pilot in London, 20 creative people and makers living in a 100km radius of London were chosen and are being mentored by leading experts in the field of design. A physical Atelier100 space, located in Ingka Centres meeting place Livat Hammersmith, opened in June 2022 selling a range of locally produced and sustainable products that will include those developed by the programme participants.

Working with Channel 4 in the UK

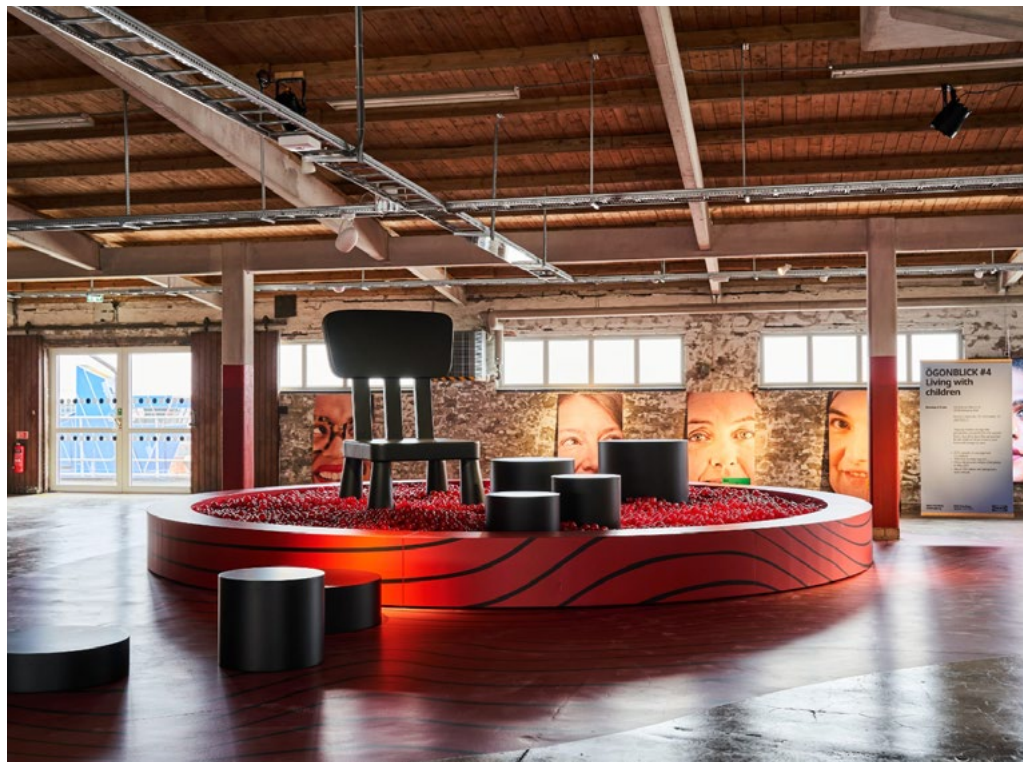
We teamed up with Channel 4, one of the main TV channels in the UK, to bring viewers an exciting new six-part series on home

improvement. It brought inspired, space-saving solutions to a different real life family in each episode, championing the transformative power of good home design and featuring a range of IKEA products.

H22: inviting young creatives to design a better everyday life

In summer 2022, we supported H22 City Expo, an international creative event in Helsingborg, Sweden, aimed at generating new ideas for smarter and more sustainable city living. Our global design competition asked young creative

people from any country to design affordable and sustainable spaces that can help bring people closer to nature. The winning designs were built in an artificial forest in Helsingborg, constructed for the Expo and the designs were made available online so they could be replicated anywhere in the world. [Read more here.](#)



Inspiring businesses to a better life at work

We know that many small and medium sized businesses buy their furniture from us and may have different needs when it comes to products, solutions and services compared to individual customers. During FY22 we made it easier to browse our business offering online, developed our interior design service and fine-tuned our delivery services to better fit the needs of business customers.

IKEA Business Network is our loyalty club that provides members with access to a range of benefits, such as product offers and discounts on services. It supports small businesses to create a better life at work, nurture growth and take greater control over their business. In FY22 we went live in 12 countries, attracting over 500,000 members. We will continue to roll out to all Ingka Group countries in the coming years.



2. Accessible and affordable for the many

To reach more of the many people, and meet their changing needs and expectations, Ingka Group is committed to bringing IKEA closer to more people and offering a great experience at all customer meeting points.

We are becoming a true omnichannel business, with an emphasis on customer focus, innovation and collaboration. In developing our business we are always guided by our culture and values and by our passionate people with their deep knowledge of life at home.

Together with our co-workers and through new partnerships and technologies we're determined to transform our business to be more accessible and affordable, serving our customers better every day.

Our approach

Making every customer happy is a top priority. To create an excellent customer experience for more of the many, we are focusing on:

Making IKEA more accessible: We want to bring IKEA closer to our customers, both physically closer through new locations and retail formats, and by making IKEA more accessible through seamless online shopping, new services, convenient delivery options and ever better customer service.

Affordability, always our priority: Economic uncertainty, rising inflation and increased cost of living are causing stress and having a big impact on people's lives. At the same time, our homes have never been more important to us. Despite the challenges of rising costs, we believe more than ever in making home furnishing more affordable and sustainable for the many.

Making IKEA more accessible

We want to be there, wherever and whenever our customers want to meet IKEA.

New store formats and locations

To meet the changing needs of our customers and growing urbanisation, we continuously develop and test new retail formats and bring IKEA to new locations closer to where customers live, shop and socialise.

Today our three main retail formats are stores, city stores and planning studios. In the past year, we continued our expansion into cities with our smaller formats – including opening our first city stores in Sweden (Stockholm City), the UK (London Hammersmith), Canada (Toronto Downtown), and India (Mumbai Worli and Mumbai R City).

We opened IKEA planning studios in new locations, where customers can get expert help to plan more complex purchases, such as kitchens, bathrooms and wardrobes. Customers can touch and feel selected relevant products, for example kitchen fronts and handles, while getting design help from our knowledgeable IKEA co-workers.

We also expanded our Ingka Centres business including opening more Livat meeting places that provide spaces for local people to meet, eat, spend time and experience new things.

Developing our online shopping journey

We are making IKEA ever more accessible to customers who prefer to browse or shop online. Today almost 80% of all shopping journeys with IKEA start online and in FY22, online sales accounted for 25% of our total. The IKEA app was downloaded 20.3 million times in FY22 and we had over 3.8 billion sessions on IKEA.com.

As we continue our digital transformation we aim to create a seamless customer experience between online and offline shopping, to find innovative ways to keep improving online support and to bring new digital services to customers.

IKEA Hammersmith brings us closer to customers

Our first city centre store in the UK opened in FY22 in Hammersmith, West London, part of a EUR 1.2 billion investment in the UK capital over the next three years. The goal – to enable Londoners to shop with us for a better, more sustainable life at home, whenever, wherever and however they choose. IKEA Hammersmith offers 1,800 products available to take away and 4,000 on display to provide 'life at home' inspiration. The full range remains available for delivery, alongside in-store planning services that support customers in designing bespoke solutions for kitchens, bedrooms and bathrooms. With a focus on accessibility, the store includes self-serve checkouts and has three entrances and exits. Its new 'Swedish Deli', positioned at the edge of the store, will open one hour earlier than the store itself to allow those in the local community, and busy commuters, to 'grab and go'. The location, is in close proximity to four tube lines and 68 bus routes, reducing customers' reliance on private transport.

The store is located in Livat Hammersmith, owned by Ingka Centres. As well as stores and food outlets, the centre includes 'pay-by-the-hour' adaptive retail spaces to give local start-ups, pop-ups and food outlets the opportunity to grow and flourish.

[Read more online](#)



Customer support

This past year Ingka Group has invested in digital self-service tools to improve convenience for customers, as well as digital tools and services to make our co-workers more available to customers in-store and via our digital channels. Online customers can now use live-chat and email, or schedule an online video meeting for advice from our knowledgeable co-workers on buying more complex solutions like kitchens and wardrobes. In FY22, we generated EUR 1.2 billion in remote sales involving customer support.

We have been listening to and engaging customers using research panels in several markets to help shape our next wave of customer support improvements. In the UK and Canada we have tested a digital forum for customers to connect with each other to discuss IKEA products, to ask questions and give personal advice.

The pandemic and war in Ukraine have disrupted many supply chains around the world, including the ones we rely on. This means that in the last year, our customers have not always been able


to get the products they want, when they want them, which of course has sometimes impacted the customer experience. When we don't have the exact product a customer expects, we have put our focus on finding alternatives, helping our customers to create the life at home that they want with the products we have available. At the same time, we are being transparent so customers know they may have to wait longer for some orders. Availability for most products is now improving.

Services improve convenience and accessibility for customers

In FY22, we performed 74 million services and about 40% of our retail sales were connected to a service. Services such as home delivery, assembly and installation are a vital part of our business that help to make our range more convenient and accessible to customers. The quality of services like these are one of the most important drivers for choosing IKEA for some customers, particularly those from younger generations.

Bringing the IKEA range closer to customers in Southern India

One of our newest stores is located in Bengaluru – the state capital of Karnataka province and home to around 10 million people. The store, our fifth in India, employs more than 1,000 co-workers and offers around 7,000 products that reflect local home furnishing needs. It is connected to the local metro station and customers can benefit from services such as remote planning, personal shopper, and click & collect.

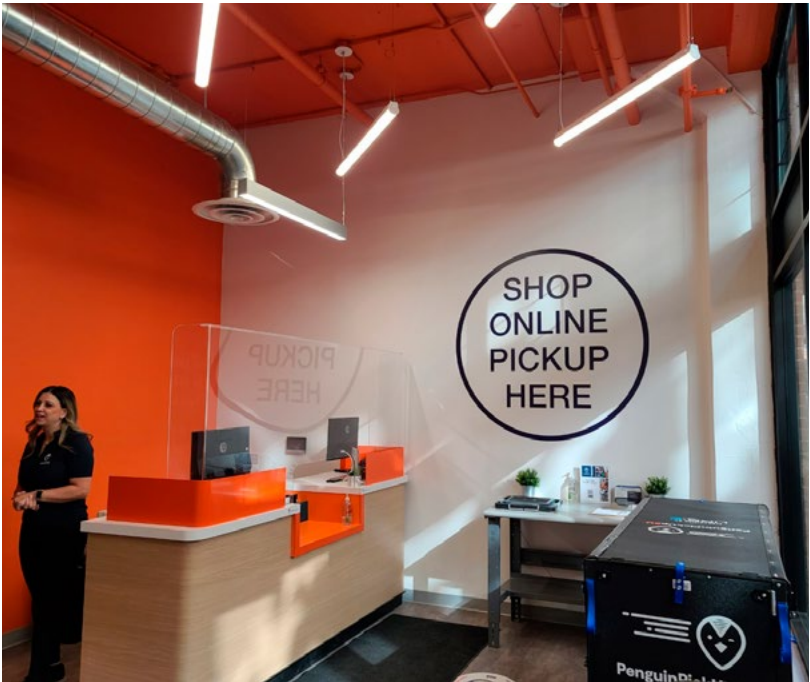
 Read more online



Partnership improves convenience for customers

Our commitment to improving convenience and accessibility for customers means innovating in our business and also forging new partnerships with specialist service providers.

IKEA Canada, has partnered with Penguin-PickUp, a network of secure locations where customers can pick up, ship and return packages. This partnership enables customers to use 'collect near you' locations in three major urban areas. In FY22, the network grew to 28 locations and together we plan to continue expanding with additional locations over the next few years.



Locker solution enables online order pick up, any time of the day or night

In France, we're seeing an increased demand for click and collect and home delivery options and our IKEA Plaisir store has installed two locker solutions outside the store to improve convenience for customers. With one set of lockers for small orders and one for larger IKEA products on trolleys, customers are able to pick up the purchases at a time that suits them including outside store opening hours. Orders on trolleys are placed in elevated storage and automatically retrieved when the customer arrives, meaning they use up less floor space, improve convenience for customers and allow the store to serve more people.



Assembly services available to more customers online

Online shoppers in 11 countries can now book assembly services for their new IKEA products at the point of purchase, improving accessibility and convenience. During FY22 around 2 million assembly services were booked and we aim to extend similar services to all our countries over the next few years



Technology improves efficiency for customers and co-workers

Behind the scenes, we are using technology to improve efficiency and assist our co-workers to better serve our customers.

In our IKEA Ottawa store, for example, we've introduced a new first-of-its kind system that uses autonomous mobile robots to pick and carry products across the warehouse to our co-workers. This is helping the store meet the growing demand for click and collect services and is complemented by other changes including a comfortable and stylish customer lounge for order collection, traditional kerb-side pickup, and 24/7 accessible collection lockers, that allow customers to pick up their orders at a time convenient to them. The robots speed up order processing to benefit customers while also improving safety and ergonomics for co-workers

as there is less need to lift and carry heavy products.

We're rolling out a machine learning tool that improves forecasting accuracy and helps to ensure better availability of products for customers. Traditional demand forecasting is based on statistical sales, looking at patterns from previous years. Demand Sensing calculates the forecasts and predicts the future in a smarter way, looking at a range of factors from the weather forecast, to external events and even when people get paid. It also enables forecasting at a local level. Demand Sensing is now in place in nine of our countries in Europe.



Affordability – a key cornerstone

Affordability is central to our offer as IKEA – to reach more of the many people we must keep our prices as low as we possibly can.

Ingka Group measures affordability against competitors and our perception amongst customers, fine-tuning our service offering and working with our franchisor Inter IKEA Group to ensure that we have an affordable offer.

During the first years of the pandemic, despite rising costs, we kept prices as low as possible for our customers. Together with Inter IKEA Group, we absorbed substantial supply chain-related costs to soften the impact on retail prices. However, in FY22 we have had to increase our prices to reflect rising material and transportation costs following the pandemic and war in Ukraine.

We remain committed to affordability and will continue to invest to reduce prices when and where possible during FY23.

Affordable financial services in 28 countries

We offer convenient and responsible financial services to our customers giving more people a chance to improve their homes while keeping their budget in balance. Our transparent and affordable financing services enable customers to spread the cost of purchasing larger items over time and are needed more than ever in the current economic climate. 36% of our customers who used the services report that they wouldn't have been able to afford the purchase without them.

Customers can visit our Finance Services page to get an estimate of monthly payment options using our calculator tool.

In FY22 we expanded our financial services to further countries including China and Ireland. In Germany, we launched the IKEA Family Credit Card with a reward system incentivising taking financial responsibility – giving customers who stay within their credit limit and pay on time,

vouchers to spend at IKEA. The credit card also offers flexible financing where customers can connect their purchase to a specific repayment plan.



 Exploring affordable financing solutions



INGKA™