



Group financial performance and governance

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A MESSAGE FROM JUVENCIO MAEZTU

Transforming and performing in the new world of retail

One year into our transformation to create a new IKEA in three years, we're performing better than ever across IKEA Retail, Ingka Centres and Ingka Investments.

With a strong focus on cost performance and major investments, we've made great progress with new city stores, meeting places, digital innovations and fulfilment services. We've also accelerated our investments in innovative, new companies and renewable energy – all to reach more customers in more ways to become even more affordable, accessible and sustainable.

As we're going through the biggest transformation in IKEA history, we've seen strong performance across our group. In challenging times for many retailers, we continue to grow both IKEA Retail sales and total Ingka Group revenue. Customer visits to our IKEA stores remain strong, and I'm very proud of our growth in comparable stores. Online sales growth was close to 50%, with the online share of total IKEA Retail sales now surpassing 10%. To us, these are signs that our transformation is working.



Focus on costs and affordability

As we grow and reach more people, affordability remains a key priority, and we're determined to not pass the cost of our transformation on to our customers as higher prices. Instead, we're challenging ourselves to find new ways to both transform and perform. Through better underlying business performance, and by working hard to lower our operational costs, we were able to offset the cost of our business transformation and the lower gross profit, to a great extent. Our FY19 performance is in line with our plans, and we're proud of all the great efforts to manage operational costs and achieve higher sales at the same time.

Strength to invest for generations to come

Our founder Ingvar Kamprad used to say that you should earn the money before you spend it and not rely on external funding. With 75 years of strong growth and investments, we've built up a unique ownership structure and financial position that allows us to take a long-term approach, thinking in "generations" rather than "quarters." The owner of Ingka Group, Stichting Ingka Foundation, can only use its resources in two ways: either by re-investing in the business of Ingka Group or for charitable purposes by donations via Stichting IKEA Foundation.

"As we grow and reach more people, affordability remains a key priority, and we're determined to not pass the cost of our transformation on to our customers as higher prices."

In FY19, we accelerated our venture investments in innovative companies that can help us move quicker and speed up our business transformation in strategic areas like retail services, logistics, digital and circularity. For example, we made exciting investments in kitchen installation services, mattress recycling, reverse logistics and robotics furniture, to name a few. To support



a fast execution of our big city expansion, we also started to review opportunities for real estate investments in prioritised cities.

It's good business to be a good business

IKEA has always been about resourcefulness. We want to be a part of creating solutions for the challenges our planet is facing, and we're taking bold steps to secure the IKEA ambition to become climate positive by 2030. Helping to meet the challenges our planet is facing also means huge business opportunities for us. We believe there is a solid business case for sustainability and that financial performance and sustainability go hand in hand. It's the way we grow, stay relevant and remain profitable.

In the short term, we're meeting the increasing consumer demand for sustainable products and services. And our investments in wind and solar power reduce our structural operational costs. In the long term, sustainability is about securing our supply chain, keeping costs down and protecting the health and well-being of our customers and co-workers. With our size and reach, we have a unique opportunity to do good – and to make it affordable for many people to do good. If we, for example, can make solar panels accessible and affordable to more people than ever before, it's good for the climate – but it's also good for business. We're also exploring circular business models, like furniture leasing, that can extend the life of our products while becoming even more accessible and affordable for our customers at the same time.

"In FY19, we accelerated our venture investments in innovative companies that can help us move quicker and speed up our business transformation in strategic areas like retail services, logistics, digital and circularity."

True commitment, great results

It's amazing to see the results that the organisation has delivered this year. I'm impressed and proud of the level of entrepreneurship and commitment of our many colleagues around the world – how we keep trying harder and continue to try new things. At times we'll fail, and that's ok. That's part of how we constantly develop and improve our business to better meet the needs of our customers, for many years to come.

Now, we'll continue to invest and accelerate growth through online, stores and centres, supported by a growing fulfilment network and with a specific focus on increasing our presence in big cities. Our transformation keeps creating new opportunities to grow and reach our sustainability goals. We've never been more inspired to help create a better everyday life for the many people. I'm happy for what we've achieved and excited to keep going.

Juvencio Maetz,
Chief Financial Officer and Deputy CEO, Ingka Group

Our financial year FY19

In FY19¹, Ingka Group revenue increased by 5.3% (to EUR 39.1 billion total), and our total IKEA Retail sales increased by 5.0% at constant currency rate.

In 2019, we completed the first year of a three-year transformation program to build the future IKEA and to become more affordable, accessible and sustainable. We're adapting the business model, the organisation, governance and processes to the challenges of fast-changing consumer behaviour, of digitalisation and automation trends and of a new competitive business environment.

During the year, we have invested in existing and new markets, moved into cities and tested new store formats resulting in capital expenditures of EUR 2.6 billion in 2019. We have invested in our digital development and provided better solutions for our co-workers to improve customer meetings. We have developed flexible and affordable services to shorten delivery times and improved on-time delivery for our customers.

Summarising 2019, we have performed and transformed at the same time, showing continued growth of total IKEA Retail sales, based on growth of store sales complemented with strong online sales growth.

Ingka Group financial performance

Total Ingka Group revenue for 2019 amounts to EUR 39.1 billion and increased by 5.3% compared to 2018. The revenue development was impacted by a positive 0.5% points currency effect.

Our better underlying business performance in all three businesses, coupled with a strong focus on lowering our operational cost, means we have been able to offset the cost of business transformation and lower gross profit to a great extent. The decrease in operating income from EUR 2,251 million to EUR 2,027 million came mainly from lower gross profit due to increased cost of purchased goods and services. Our FY19 performance is in line with our plans, and we feel very satisfied by the great efforts to manage costs and achieve higher sales at the same time. This performance in FY19, together with a very positive financial net, contributed to a net profit for Ingka Group of EUR 1.8 billion (FY18: EUR 1.5 billion).

A significantly higher result on financial market investments resulted in a financial net result of EUR 0.5 billion, compared to negative EUR 0.1 billion in 2018. Income before income tax amounts to EUR 2.5 billion (EUR 2.1 billion in 2018). The effective tax rate of 27.2% (2018: 30.0%) corresponds to an amount of EUR 0.7 billion incurred corporate income taxes. We have a strong balance sheet, and we further increased our solvency and liquidity during the year. Total assets amount to EUR 54.9 billion (EUR 52.4 billion in 2018),

and we further strengthened our equity to EUR 42.8 billion (EUR 40.8 billion in 2018). Our operating cash flow increased from EUR 2.6 billion (FY18) to EUR 3.9 billion.

IKEA Retail

IKEA Retail grew sales by 5.0% at constant currency and by 5.6% when including currency effects. The main contributors to our total IKEA Retail sales growth are Germany, Russia, France, the UK and Poland. The fastest-growing countries are Hungary, Russia and Romania.

During the year, the positive sales growth from existing and new stores was complemented with strong online sales growth of more than 46%. The share of online in total IKEA Retail sales reached 11% in 2019. Kitchen and Bedroom furniture showed the strongest growth.

The positive sales growth from existing and new stores was complemented with strong online sales growth of more than 46%.

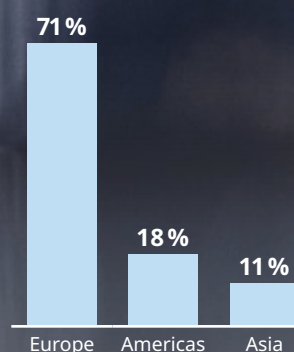
Customer visits to IKEA stores remained at a strong level of 839 million. In addition, visits to IKEA.com increased by 10% to nearly 2.6 billion. Over the year we've opened 7 traditional stores, 11 smaller IKEA stores and IKEA planning studios in major cities like London, Moscow, New York and Paris. We also launched a new IKEA app, making it easier for customers to search, find and buy IKEA products, whenever and wherever they choose.

Ingka Centres

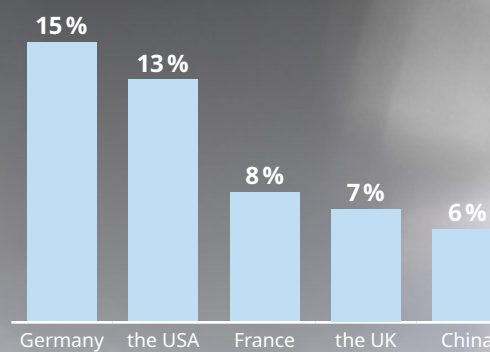
Ingka Centres develops and operates 45 experience-oriented shopping centres, called meeting places, in 15 countries in Europe, China and Russia. Ingka Centres is on a journey to create the meeting places of tomorrow that will have a positive impact on local communities. Visitation to our meeting places was stable, compared to prior year. Ingka Centres rental income was supported by strong uplift in rents in the Chinese meeting places, higher turnover rents and decreasing vacancy.

Ingka Centres is developing three new meeting places in China: Shanghai (planned opening 2023), Changsha (planned opening 2021) and Xi'an (planned opening 2024). Major investments are done in new Ingka Centres developments in China, focusing on mixed-use development that combines an IKEA store, retailing and other components like offices, apartments, hotels, etc.

FY19 – IKEA Retail sales per region



FY19 – Top IKEA Retail selling countries



Ingka Investments

Ingka Investments invests, develops and manages financial and other assets to support the business growth of IKEA Retail and to safeguard the long-term financial strength of Ingka Group. It consists of six portfolios: Business Development Investments, Prioritised City Real Estate, Venture & Growth Capital, Renewable Energy, Forestland, and Financial Market Investments.

In FY19, we acquired 49% of the shares in the kitchen installation company Traemand, and we also launched the Prioritised City Real Estate portfolio during the year and started to review opportunities for the IKEA Retail expansion in cities. The Venture & Growth Capital portfolio transactions in 2019 consist of minority shareholding investments in six new companies in the areas of retail, circularity, digital development and innovation.

We're on track to exceed our goal to produce as much energy from renewable sources as we consume by 2020.

Within the Renewable Energy portfolio, our ownership and commitments include 534 wind turbines in 14 countries and 2 solar energy farms with 715,000 solar panels under construction in the USA. In addition, there are 920,000 solar modules on our store,

warehouse and shopping centre rooftops. With these investments, we're on track to achieve and exceed our goal to produce as much energy from renewable sources as we consume by 2020. As part of the Forestland portfolio, we own 210,000 hectares of forestland located in five countries. During 2019, we invested in over 26,000 hectares, mostly in the USA and Lithuania.

Looking forward to 2020

In 2020, we project continued growth in all sales channels and through expansion. As we are accelerating our business transformation, we plan for significant capital expenditures while also selling certain assets. In total, we are planning for investments significantly above last year's level. Based on available liquidity, significant increase of external financing is not expected in the coming years.

The principles of Ingka Group to secure long-term sustainable growth – earning money before we spend it as well as being innovative, cost-conscious and customer focused – remain unchanged. Our business transformation continues to be guided by principles of having the right speed and conscious risk taking while safeguarding our business and having a culture of performance and accountability. Above all and always, we are guided and inspired by our culture and values.

¹ 1 September 2018 to 31 August 2019.

Taxes

We're strongly committed to managing our operations in a responsible way and to making a positive contribution to the societies in which we operate.

We want to create long-term value through growth, a great customer experience and a positive impact on people and the planet. The taxes we pay are an important part of our wider economic and social impact. Ingka Group pays taxes in accordance with laws and regulations, wherever we are present, as a retailer or in any other role.

In FY19, corporate income tax amounted to EUR 682 million globally (EUR 634 million in FY18), which equals an effective corporate tax rate of 27.2% (30.0% in FY18). In FY19, our total tax bill, including other taxes and duties such as property taxes, environmental taxes and customs duties, amounted to approximately EUR 1,140 million.

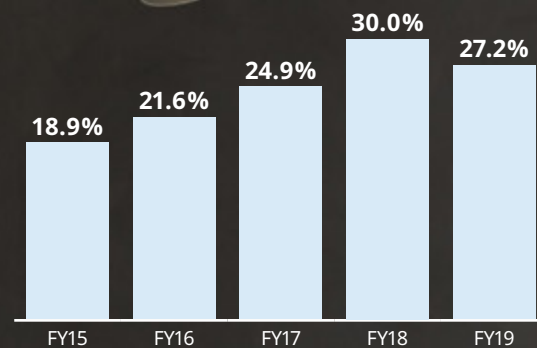
The taxes we pay are an important part of our wider economic and social impact.

Over the past five years (FY15–FY19), corporate income tax and other taxes and duties amounted to approximately EUR 6,888 million. In addition, we collected substantial tax amounts on behalf of governments, such as value added tax and employee taxes.

Over these 5 years, we've also created tens of thousands of jobs, directly in our stores and warehouses, and indirectly with our external suppliers, which in turn generate taxable income.

EUR 6.9 billion
in corporate income tax and other
taxes over the last 5 years

Effective corporate tax rate (ETR)
FY15–FY19



Consolidated income statement 1 September–31 August (in millions of euros)

	2019	2018
Revenue	39,065	37,093 *
Cost of sales and services	26,634	24,947 *
Gross profit	12,431	12,146
Operating expenses	10,787	10,212 *
Other income	383	317
Operating income	2,027	2,251
Total financial income and expense	483	-138
Income before minority interests and taxes	2,510	2,113
Tax	682	634
Income before minority interests	1,828	1,479
Minority interests	11	11
Net income	1,817	1,468

* These comparative numbers are reclassified for comparability purposes.

The included abbreviated financial information is derived from the consolidated financial statements of Ingka Holding B.V. This information is prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. An unqualified auditor's report dated 18 November 2019 was issued on these financial statements. Ingka Holding's Annual Report for financial year 2019 is available through the Dutch Chamber of Commerce. Ingka Group total revenue includes sales of goods, service income and rental income.

FÄRLÖV
3-seat sofa
€699

Consolidated balance sheet August 31 Assets (in millions of euros)

	2019	2018
Intangible fixed assets	2,240	2,124
Tangible fixed assets	24,451	23,565
Financial fixed assets	1,166	846
Total fixed assets	27,857	26,535
Inventories	2,273	2,027
Receivables	2,165	2,544
Securities	21,228	19,697
Cash and short-term deposits	1,366	1,547
Total current assets	27,032	25,815
Total assets	54,889	52,350

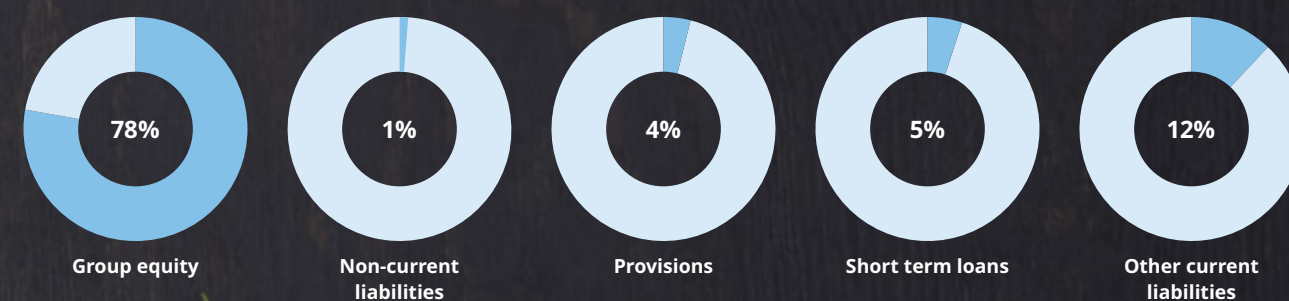
Consolidated balance sheet August 31 Equity & liabilities (in millions of euros)

	2019	2018
Group equity	42,828	40,822
Provisions	2,275	1,810
Non-current liabilities	529	774
Total non-current liabilities	2,804	2,584
Short term loans	2,711	2,727
Other current liabilities	6,546	6,217
Total current liabilities	9,257	8,944
Total equity and liabilities	54,889	52,350

FY19 Total assets – EUR 54,889 million



FY19 Total equity and liabilities – EUR 54,889 million



INGEFÄRA
Plant pot with saucer 12 cm
€2.99

We operate IKEA stores and other sales channels under franchise agreements

► **Ingka Holding B.V. is one of 12 franchisees**, operating IKEA stores under franchise agreements with Inter IKEA Systems B.V., the owner of the IKEA Concept and worldwide IKEA franchisor. Inter IKEA Systems B.V. is based in the Netherlands and part of Inter IKEA Group. Inter IKEA Group and Ingka Group have the same founder, as well as a common history and heritage, but are two separate groups of companies with different management and different owners.

All IKEA franchisees pay a 3% franchise fee to Inter IKEA Systems B.V. The franchise fee gives us, as an IKEA retailer, the right to operate stores and other sales channels under the IKEA Concept and IKEA Brand. It grants access to systems, methods and proven solutions as well as staff trainings, manuals and updates of the IKEA Concept such as store layouts, fittings and display concepts.

Ownership structure

► **Ingka Group (Ingka Holding B.V. and its controlled entities)** has an ownership structure that ensures independence and a long-term approach. Ingka Group is owned by a Dutch foundation, Stichting Ingka Foundation, with a charitable purpose that is achieved by making funds available to Stichting IKEA Foundation. As its owner, Stichting Ingka Foundation can reinvest funds into Ingka Group.



Ingka Holding

► **Ingka Holding B.V. is the parent company of Ingka Group**, located in Leiden, the Netherlands. Ingka Group operates three businesses; IKEA Retail, Ingka Centres and Ingka Investments. IKEA Retail is the core business, where we operate IKEA stores and other sales channels in 30 countries. Ingka Centres operates shopping

centres under different trademarks, always anchored by an IKEA store. Ingka Investments makes purposeful investments to support the long-term growth of Ingka Group, to secure its financial strength and to support its sustainability goals.

Ingka Group Governance

Supervisory Board	Committees	
Management Board	Committees	Group functions
Group Management	Councils	
INGKA CENTRES Centres Board Centres Management	IKEA RETAIL Retail Board Retail Management	INGKA INVESTMENTS Investments Board Investments Management
Local Boards & Management	Retail Country Boards & Councils Retail Country Management	Local Boards & Management



Ingka Group Board of Supervisory Directors

► **The Supervisory Board of Ingka Holding B.V.** is responsible for supervising, monitoring and advising the work of the Management Board. Based on recommendations from the Management Board, the Supervisory Board approves, among other things, the strategic plan, the main directions and the budget of Ingka Group. The Supervisory Board is always guided by the interests of Ingka Group and to ensure the continuity of our business.

As per 31 August 2019, the Supervisory Board of Ingka Holding B.V. consists of eight members. From top left to bottom right: **Lars-Johan Jarnheimer** (Chairman of Ingka Group Supervisory Board, also chairs the Remuneration Committee), **Tore Bertilsson** (also chairs the Audit Committee), **Lone Fønss Schröder** (also member of the Audit Committee), **Luisa Delgado** (also member of the Remuneration Committee), **Ian Worling** (also member of the TaskRabbit board), **Stina Bergfors**, **Mark Newton-Jones** and **Jonas Kamprad**.

Ingka Group Board of Managing Directors and Ingka Group Management

► **The Management Board** is the ultimate decision-making body and is responsible for the formal conduct and the strategic, structural and financial approvals as well as critical risks for Ingka Group.

The Ingka Group Management Board has two members: **Jesper Brodin**, President and Chief Executive Officer, and **Juencio Maeztu**, Chief Financial Officer and Deputy Chief Executive Officer. **Kurt-Jörgen Olsson**, General Counsel, is Permanent Invitee and Corporate Secretary to the Management Board.

Group Management focuses on the strategic direction and performance of Ingka Group and is the strategic leadership team for Ingka Group. Group Management takes part in the decision-making in relation to strategies, business transformation, leadership and performance.



Ingka Group Management, from left to right: **Jesper Brodin**, President and CEO, (Chairperson), **Laia Andreu Lopez**, CEO Assistant (Permanent Invitee & Organiser), **Juencio Maeztu**, Chief Financial Officer and Deputy CEO (Deputy Chairperson), **Barbara Martin Coppola**, Group Digital Manager, **Gerard Groener**, Ingka Centres Manager, **Ulrika Biesert**, Group People & Culture Manager, **Kristen Mattsson**, Ingka Investments Manager, **Olivia Ross Wilson**, Group Communication Manager, **Kurt-Jörgen Olsson**, General Counsel, **Davide Urani**, Strategy, Development & Innovation Manager and **Tolga Öncü**, Retail Operations Manager

Business ethics

Our Code of Conduct

The way we run our business and interact with each other, our customers, visitors, suppliers and the world around us, will always determine who we are and how the world perceives Ingka Group and the IKEA Brand.

In Ingka Group, we act based on our values, supported by a strong IKEA culture and our vision to create a better everyday life for the many people. Our expectations on co-workers and partners are set-out in our Code of Conduct, Ingka Group Policies and Rules, including policies on Anti-Bribery and Corruption, and Human Rights and Equality. Business ethics is also incorporated into our IWAY supplier Code of Conduct.

We updated our Code of Conduct during FY19, to create a more user-friendly document with more examples of how to apply our values and resolve common dilemmas that co-workers may come across at work. All co-workers receive training on our Code of Conduct, and a new online refresher training will be available from early FY20.

Anti-bribery and corruption

Ingka Group is committed to doing business in an honest way, and we have zero tolerance for bribery or corruption in any form. Corruption is bad for business, could harm our customers and co-workers and would damage our reputation and brand. Anyone acting on behalf of Ingka Group must not engage in corrupt practices, which includes accepting or offering bribes, kickbacks or loans. We support efforts by regulators and enforcement agencies to tackle bribery and corruption.

To strengthen our approach and promote our zero tolerance message, we've developed our Anti-Bribery and Corruption Framework. This includes internal controls, periodic risk assessments and due diligence processes, as well as updated policies and processes covering conflicts of interest, gifts and entertainment, sanction screening and anti-money laundering. It governs our interactions with co-workers, business partners, customers and public officials.

The Risk & Compliance Committee provides oversight of our approach and is chaired by our Chief Financial Officer and Deputy CEO who is a member of our Management Board.

We have developed an intensive, face-to-face training programme for co-workers in sensitive roles (such as procurement or real estate)

or locations, with sessions held in China, India, Russia and Southeast Europe so far. This programme will be rolled out to further countries and functions during FY20. Our Code of Conduct training for all co-workers also includes elements on anti-bribery and corruption.

We stand together against bribery and corruption.

Investigating misconduct and raising concerns

We offer clear guidance on how to manage situations of misconduct and undertake regular risk assessments, both nationally and within our functions and three business areas (IKEA Retail, Ingka Centres and Ingka Investments). We take every case of potential unethical behaviour very seriously. If a policy breach does occur, we investigate and respond quickly and carefully, using our Rule of Investigation to ensure confidentiality, consistency and accountability. We take the same approach when investigating a potential breach of our human resources policies.

We promote an open culture of trust, fairness and honest communication. If our co-workers have a concern at work, we encourage them to raise this with the person involved in the first instance, where this is appropriate. When this isn't possible, concerns should be raised with their line manager, local risk manager or human resources representative. If these options are not possible or appropriate, they can report concerns through our Trust line. This is free of charge and accessible 24 hours a day, enabling co-workers to raise concerns online or by phone, in their local language. To ensure confidentiality and anonymity, Trust line is operated by People Intouch, a third party. Trust line is available in all countries where we are present, except for Austria and the USA. In Austria, we are in discussion with our social partners on the best way to implement Trust line. In the USA, we provide a similar service called iSpeak.

When an issue is raised, it is evaluated by Trust line managers to make sure it's handled appropriately. Where an investigation is required, this is carried out by a designated manager within the People & Culture or Business Risk & Compliance functions. In FY19, Trust line received 212 reported concerns. The majority of concerns related to potential breaches of our human resources policies and were raised by retail co-workers.

Towards data ethics principles

Societies are transforming as they become more data- and technology-driven. And this fact creates opportunities for us to do better business – opportunities such as being more relevant and offering a more meaningful experience for every individual customer, through data.

► **Similarly, data is a key enabler** of our business and operations, as well as for our employees, who also benefit from the innovations and developments it enables.

But being the trustworthy partner that our customers, co-workers and partners expect, demands ethical standards and a strong commitment – not just to compliance, but to excellence and transparency in the fields of data use, artificial intelligence, and how new technologies are employed.

In today's digital world, we need to do our part to make our customers feel the way they do in their home: valued, secure and in control. So, we're committed to full transparency around how we use their data, and to explaining how sharing it benefits them. This means they'll always be able to control their data easily – and that choosing and changing their preferences regarding it, is as straightforward as choosing the colour of their sofa.

This is a first step towards putting people first in all our data-driven processes – towards respecting human rights, inclusion and diversity, and towards using personal data in a human-centric way that pays particular attention to potentially vulnerable groups, such as minorities, women, people with disabilities, LGBT+, children, and others at risk of exclusion.

We will ensure that our data-driven decisions always follow our company values, and that we take responsible and ethically-sound decisions around data. To do this as we move forward on our digital journey and expand the role that data and artificial intelligence play in our business, we'll be guided by our Data Ethics Principles, which we're developing across functions and with our partners in civil society.



STOCKHOLM 2017
Tealight holder/vase
€4.99

THE IKEA FOUNDATION

One vision, 10 years, a billion euros

Ten years ago, the IKEA Foundation set out on its mission to create a better everyday life for the many people. Since then, it has given more than 1 billion euros in grants to organisations across the planet to make this vision a reality.

As the philanthropic arm of Stichting Ingka Foundation, owner of the Ingka Group of companies, the IKEA Foundation (Stichting IKEA Foundation) was set up as a completely independent charitable foundation with a very clear mission – provide a better life for the many people without pursuing profit for IKEA.

The IKEA Foundation goes about this mission by making funds available in the form of a grant to partners and organisations that work with communities and people, often in the poorest parts of the world. Dedicated programme managers identify and work with partners to create a brighter future on a liveable planet.

In 2019, the IKEA Foundation provided EUR 194 million¹ in grants to organisations working to tackle climate change, increase the use of renewable energy, support the livelihood of farmers and help provide employment and entrepreneurship opportunities to those who need it most. The IKEA Foundation also invested EUR 10 million in better prevention and preparedness of communities in the face of emergencies and disasters.

A brighter future for families and the planet

"The IKEA Foundation's grantmaking is guided by two commitments: helping families living in poverty afford a better everyday life and protecting the planet. Together with strong strategic partners, we work to transform global systems to benefit the many rather than the few, while protecting the planet for future generations," says Per Hegggenes, CEO, IKEA Foundation.

"The IKEA Foundation's grantmaking is guided by two commitments: helping families living in poverty afford a better everyday life and protecting the planet."

Per Hegggenes, CEO, IKEA Foundation

Focus on systems change

The IKEA Foundation supports a number of long-term programmes and emergency relief efforts around the world. It focuses on programmes that create systems change – where youth, women and refugees have equal chances to develop skills, find sustainable jobs, start businesses and turn agriculture into a source of growth and innovation. Other examples are programmes that power vulnerable communities with renewable energy resources, giving access to green energy in order to create a sustainable livelihood. Recognising the urgency of climate action, the IKEA Foundation also supports programmes that encourage businesses, financial institutions and governments to drastically reduce carbon emissions.

"We need to act now and work together to tackle climate change. When people join together and unleash their creative power, they can create a brighter future. That's why we support programmes that promote new collaboration between businesses, civil society, governments and the many people," concludes Per.

Read more about the work of the IKEA Foundation: www.ikeafoundation.org



©David Brazier/IWMI

Committed to bold climate action

► **Corporations everywhere** are increasingly realising the role they can play in fighting climate change. They are recognising that those who live in poverty are especially vulnerable to resource exploitation, pollution and extreme weather.

The IKEA Foundation supports and provides grants to We Mean Business, a coalition of organisations that advises companies on ways they can become more sustainable and responsible. Through the

coalition's Take Action campaign, over 1,000 leading companies have committed to bold climate action. When companies choose low-carbon ways to manufacture, package and transport goods, it benefits people today and increases the chances that children will have better lives tomorrow.

In 2018, the IKEA Foundation announced the extension of their commitment to climate-related projects, planning to give EUR 700 million in total until 2023.

Improving the lives of vulnerable children has been at the heart of what the IKEA Foundation does since 2009.

Better everyday lives for refugees

► **The IKEA Foundation is committed** to helping people forced to flee their homes, and the communities who host them, improve their incomes so they can become more self-reliant.

In the area around the Dollo Ado refugee camps in Ethiopia, for example, the IKEA Foundation has worked with UNHCR to build canals that irrigate 1,000 hectares of land. Local families and families who fled Somalia are now farming the land together. Since families are earning a better income, more children – especially girls – are staying in school.

The IKEA Foundation believes that refugees must have the means to earn a living so they can afford a better everyday life and become part of the communities in which they live.



©Inga Urbanaviciute



Engaging co-workers through iWitness

► **In 2012, the iWitness** programme was launched to engage IKEA co-workers and customers in projects funded by the IKEA Foundation. The programme lets co-workers from different IKEA countries visit projects run by partners of the IKEA Foundation, in order to experience how these projects help some of the world's most vulnerable children and families. Then they share that experience with the many IKEA co-workers and customers back home to help drive change in their communities. It's an opportunity to see what's possible to do, thanks to the profits generated by their daily work – which is the reason the IKEA Foundation can make the impact it does. So far, more than 700 co-workers from 37 IKEA countries have had the chance to become advocates for the work carried out by the IKEA Foundation and its partners around the world.

EUR **194** Million granted in 2019

► **In 2019**, the IKEA Foundation granted EUR 194 million. To celebrate its 10th anniversary, the IKEA Foundation published a report highlighting some of its partners' achievements over the past decade.

Read more in the 10th anniversary review at: www.ikeafoundation.org/annual-review/2018