



Indices and appendix

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Our compliance with the UN Global Compact

We are a signatory to the United Nations Global Compact, a set of ten principles in the areas of human rights, labour, environment and anti-corruption. The UN Global Compact reference table shows where the report discusses our policies and progress regarding these principles.

UNITED NATIONS GLOBAL COMPACT (UNGC) PRINCIPLES		LOCATION IN FY19 REPORT
HUMAN RIGHTS		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Respecting human rights , page 83
Principle 2	make sure that they are not complicit in human rights abuses.	Respecting human rights , page 83 Supporting decent work in our supply chain , page 84
LABOUR		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Building strong social relations , page 54
Principle 4	the elimination of all forms of forced and compulsory labour;	Respecting human rights , page 83 Supporting decent work in our supply chain , page 84
Principle 5	the effective abolition of child labour; and	Respecting and supporting children's rights , page 83 Fairer lives for young and migrant workers , page 83
Principle 6	the elimination of discrimination in respect of employment and occupation.	Going all in on equality , page 52 IKEA employment standards (IES) , page 54
ENVIRONMENT		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	Circular and climate positive , page 68
Principle 8	undertake initiatives to promote greater environmental responsibility; and	Healthy and sustainable living , page 62 Circular and climate positive , page 68
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	Healthy and sustainable living , page 62 Circular and climate positive , page 68
ANTI-CORRUPTION		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Business ethics , page 106

Our contribution to the UN Sustainable Development Goals

We support the United Nations Sustainable Development Goals (SDGs) in their ambition to achieve a better world for all. As a global business, we have a role to play in contributing to achieving the SDGs. Find out how we contribute to each goal in the table below, and where to read more in this report.

SUSTAINABLE DEVELOPMENT GOALS	HOW INGKA GROUP CONTRIBUTES
 <p>1 NO POVERTY End poverty in all its forms everywhere</p>	<ul style="list-style-type: none"> Providing and supporting decent and meaningful work in our business and supply chain, pages 48, 82-85, and 87 Supporting refugees to develop skills for employment, pages 37 and 87 Partnering with social enterprises to support those facing poverty and other barriers, page 88 Partnering to create positive change in local communities, page 88
 <p>2 ZERO HUNGER End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<ul style="list-style-type: none"> Offering healthier and more sustainable food for customers and co-workers, page 67 Investigating foods for the future, including offering more meat-free options, page 67 Trialling lower carbon techniques to grow more nutritious fresh produce, page 66 Minimising food waste in our operations, page 80
 <p>3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> Offering products for more healthy and sustainable living, page 62 Inspiring and enabling healthy and sustainable living, page 63 Offering healthier food to customers and co-workers, page 67 Supporting children's well-being by promoting the power of play, page 86 Health and well-being in the workplace, page 55
 <p>4 QUALITY EDUCATION Ensure inclusive and equitable quality education and promote life-long learning opportunities for all</p>	<ul style="list-style-type: none"> Supporting children's right to play, page 86 Supporting refugees to develop skills for employment, pages 37 and 87 Offering our co-workers opportunities for training and development, page 49
 <p>5 GENDER EQUALITY Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> Working to ensure gender equality across Ingka Group, page 52 Partnering with social enterprises that employ people – mostly women – and empower them to develop sustainable incomes, page 88
 <p>6 CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all</p>	<ul style="list-style-type: none"> Managing water resources, page 81 Inspiring and enabling customers to save water at home, page 63
 <p>7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<ul style="list-style-type: none"> Making significant investments in wind and solar energy, pages 39 and 75 Making residential solar affordable and accessible for the many people, page 32
 <p>8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> Being an inclusive employer and investing in our co-workers development, page 48 Providing and supporting decent and meaningful work, page 82 Improving standards in our supply chain through IWAY, the IKEA supplier code of conduct, page 84 Supporting refugees to develop skills for employment, pages 37 and 86 Partnering with social enterprises to create opportunities for people experiencing poverty and other barriers, page 88

SUSTAINABLE DEVELOPMENT GOALS	HOW INGKA GROUP CONTRIBUTES
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p>	<ul style="list-style-type: none"> Making significant investments in renewable electricity generation, pages 39 and 75 Investing in renewable heating and cooling in our buildings, page 75 Investigating foods for the future, including plant-based proteins, and trialling lower carbon techniques to grow nutritious fresh produce, pages 66 and 67 Tackling emissions from travel and deliveries, page 78
 <p>10 REDUCED INEQUALITIES Reduce inequality within and among countries</p>	<ul style="list-style-type: none"> Promoting a fair and inclusive society and respecting human rights, pages 83 and 84 Respecting and supporting children's rights, page 83 Supporting fairer lives for young and migrant workers, page 83 Supporting refugees to develop skills for employment, pages 37 and 87
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<ul style="list-style-type: none"> Striving for zero waste and using resources in a circular way, page 79 Inspiring and enabling customers to live more sustainably, pages 62-63 Making residential solar affordable and accessible for the many people, page 32 Contributing to thriving communities, page 87 Tackling emissions from travel and deliveries, page 78
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> Offering and trialling products and services that promote circular consumption, pages 33 and 66 Striving for zero waste and using resources in a circular way, page 79 Responsible sourcing of goods and services that help to run our business, page 81
 <p>13 CLIMATE ACTION Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> Contributing to the IKEA ambition to become circular and climate positive, page 68 Tracking our climate footprint against our science-based targets, pages 70-71 Understanding the impact of climate change on our business, page 72 Inspiring customers to make more climate friendly choices through campaigns and other customer communication, pages 17 and 63 Collaborating with partners to accelerate progress on climate action, pages 70 and 91 Making residential solar affordable and accessible for the many people, page 32
 <p>14 LIFE BELOW WATER Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<ul style="list-style-type: none"> Working to phase out single-use plastic from our IKEA Restaurants, Cafés and Bistros, page 80
 <p>15 LIFE ON LAND Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss</p>	<ul style="list-style-type: none"> Responsible sourcing of goods and services that help to run our business, page 81 Investing in responsibly managed forests, page 39
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> Respecting human rights, page 83 Aiming to become an inclusive and people-centred company and employer, pages 52 and 82 Contributing to thriving communities, page 87 Ensuring an ethical approach to the way we do business, through our Code of Conduct, page 106
 <p>17 PARTNERSHIPS FOR THE GOALS Strengthen the means of implementation and revitalise the global partnership for sustainable development</p>	<ul style="list-style-type: none"> Partnering with others to extend our impact beyond our own business and taking a stand on the issues we believe in, pages 53, 60, 86, 88, 89 and 91

Appendix, Circular and climate positive

This appendix contains complete and restated data as described in the section Circular and climate positive, page 68-81.

Climate footprint (tonnes CO₂e)

Restatements and previous years ¹

	FY16	FY17	FY18	FY19	FY19 SHARE %
Scope 1 (Previous years assured)	127,033	134,464	142,098	-	-
Scope 2 (Previous years assured)	492,617	488,761	495,006	-	-
Scope 3 (Previous years assured)	22,676,691	23,523,641	23,958,027	-	-
Total (Previous years assured)	23,296,341	24,146,865	24,595,131	-	-
Scope 1 NEW	98,879	115,504	124,038	129,233*	0.54%
Scope 2 NEW	414,290	420,130	462,688	474,922*	1.98%
Scope 3 NEW	23,494,220	23,202,317	24,118,580	23,430,677	97.49%
Total NEW	24,007,389	23,737,951	24,705,306	24,034,832	-

Energy-related greenhouse gas emissions from our buildings (tonnes CO₂e)

Restatements and previous years ^{2,3}

	FY16	FY17	FY18	FY19*
IKEA Retail	282,062	295,866	342,930	341,085
Distribution Centres	23,482	33,016	36,170	36,614
Ingka Centres (common areas) (Previous years assured)	296,923	281,292	267,067	-
Ingka Centres (common areas) NEW	206,497	202,365	204,369	219,717
Offices (Previous years assured)	8,272	9,197	10,962	-
Offices NEW	1,128	2,048	777	3,415
Other units (Wind farms) (Previous years assured)	1,519	2,804	878	-
Other units (Wind farms) NEW	n/a	2,339	2,480	3,324
Total (Previous years assured)	612,258	622,175	658,007	-
Total NEW	513,169	535,634	586,726	604,155

* Data included in the external assurance scope

¹ Carbon footprint FY16-FY18 restated, following improved reporting process for Ingka Centres and update of Scope 3 models (historical data error and review of methodology).

² Carbon footprint FY16-FY18 restated, following improved reporting approach for Ingka Centres and historical data error correction.

³ Emissions from company cars, onsite vehicles and refrigerants have been excluded for FY16-FY19, and a more consistent reporting approach will be introduced in FY20.

Location-based/market-based emissions from consumed electricity¹

Restatements and previous years ²

	FY17	FY18	FY19
Consumed electricity (MWh) (Previous years assured)	2,089,644	2,112,256	-
Consumed electricity (MWh) NEW	1,897,940	1,963,998	1,996,526
Location-based emissions (tonnes CO ₂ e) (Previous years assured)	800,677	813,160	-
Location-based emissions (tonnes CO₂e) NEW	800,856	860,930	877,012*
Market-based emissions (tonnes CO ₂ e) (Previous years assured)	453,326	456,051	-
Market-based emissions (tonnes CO₂e) NEW	420,130	462,688	474,922*
Reduction due to market-based emission factors (%) (Previous years assured)	-43.4	-43.9	-
Reduction due to market-based emission factors (%) NEW	-47.5	-46.3	-45.8

* Data included in the external assurance scope

¹ From FY18, we're applying IEA 2018 emission factors for carbon emission calculations. In previous years, we used DEFRA 2015 emission factors.

² Scope 2 FY16-FY18 restated, following improved reporting approach for Ingka Centres and historical data error correction.

Detailed scope 3 (indirect) climate footprint across the value chain (tonnes CO₂e)

Restatements and previous years assured ¹
 Scope 3 data is not externally assured in FY19.

Scope 3 GHG Protocol category number and name	FY16	FY17	FY18	FY19
1. Purchased goods and services (Previous years assured)	11,669,035	11,921,564	12,752,967	-
1. Purchased goods and services NEW	11,353,156	11,684,306	12,386,743	12,432,641
2. Capital goods (Previous years assured)	140,940	162,623	140,940	-
2. Capital goods NEW	184,306	195,148	260,197	292,722
3. Fuel- and energy-related activities (not included in scope 1 or 2)	238,214	237,097	305,213	217,683
4. Upstream transportation and distribution (Previous years assured)	944,086	879,376	957,356	-
4. Upstream transportation and distribution NEW	1,003,741	1,040,075	1,085,839	1,019,830
5. Waste generated in operations ²	42,235	49,007	49,610	71,172
6. Business travel	42,910	39,265	39,001	28,471
7. Employee commuting	111,915	120,583	123,703	127,807
8. Upstream leased assets				
9. Downstream transportation and distribution (Previous years assured)	3,563,086	3,615,095	3,754,328	-
9. Downstream transportation and distribution NEW	3,530,611	3,380,716	3,643,317	3,698,881
10. Processing of sold products				
11. Use of sold products (Previous years assured)	4,982,167	5,506,868	5,259,304	-
11. Use of sold products NEW	5,896,892	5,376,241	5,152,069	4,492,640
12. End of life treatment of sold products (Previous years assured)	786,233	803,707	847,873	-
12. End of life treatment of sold products NEW	832,423	832,723	829,592	810,570
13. Downstream leased assets (Previous years assured)	155,869	188,456	161,707	-
13. Downstream leased assets NEW	257,817	247,157	243,296	238,260
14. Franchises				
15. Investments				
Total scope 3 (Previous years assured)	22,676,691	23,523,641	24,392,003	-
Total scope 3 NEW	23,494,220	23,202,317	24,118,580	23,430,677

¹ Carbon footprint FY16-FY18 restated, following improved reporting process for Ingka Centres and update of scope 3 models (following historical data errors and review of methodology).

² From FY19, Waste generated in operations includes data from Ingka Centres (common areas) that was not included in FY16-FY18.

Total waste produced (tonnes)

Restatements and previous years¹

	FY17	FY18	FY19
IKEA Retail	462,564	504,274	475,966
Distribution Centres	55,641	69,626	68,412
Ingka Centres (common areas)	71,902	89,829	-
Ingka Centres (common areas) NEW	54,569	91,220	85,040
Offices	151	n/a	-
Offices NEW	n/a	n/a	182
Total	590,107	663,729	-
Total NEW	572,774	665,119	629,600

Water use by business unit (m³)

Restatements and previous years²

	FY17	FY18	FY19
IKEA Retail	5,346,839	6,009,125	5,862,693
Distribution Centres	264,567	380,132	270,729
Distribution Centres NEW		270,602	-
Ingka Centres (common areas)	3,577,280	3,812,010	-
Ingka Centres (common areas) NEW	2,463,212	2,480,484	2,539,254
Offices	42,109	69,029	48,628
Total	9,230,796	10,270,296	-
Total NEW	8,116,728	8,829,240	8,721,304

¹ Waste volume FY17-FY18 restated, following improved reporting process for Ingka Centres.

² Water use FY17-FY18 restated, following improved reporting process for Ingka Centres and correction of historical reporting error for Distribution Centres in FY18.



Assurance report of the independent auditor

To: the Board and shareholders of Ingka Holding B.V. and its controlled entities

Our conclusion

We have reviewed the scope 1 and 2 carbon emissions reporting in the Ingka Group Annual Summary & Sustainability Report FY19 for the year ended 31 August 2019 of Ingka Holding B.V. and its controlled entities (hereafter: 'Ingka Group') based in Leiden, the Netherlands. A review is aimed at obtaining a limited level of assurance.

Based on our procedures performed, nothing has come to our attention that causes us to believe that the scope 1 and

2 carbon emissions reporting is not prepared, in all material respects, in accordance with the reporting criteria as included in the section 'About our sustainability reporting' on page 93.

The scope 1 and 2 carbon emissions reporting is included in the Circular and Climate Positive section on page 68, the appendix on page 114 and the explanatory notes on page 93 in the section 'About our sustainability reporting' of the Ingka Group Annual Summary & Sustainability Report FY19 (hereafter: the Report). The data for the indicators included in the scope of our engagement are marked in these sections with an asterisk (*).

Basis for our conclusion

We have performed our review of the scope 1 and 2 carbon emissions reporting in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)' (Assurance engagements other than audits or reviews of historical financial information (attestation engagements)) and including Standard 3410 'Assurance engagements on Greenhouse Gas Statements'.

Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the scope 1 and 2 carbon emissions reporting' of our report.

We are independent of Ingka Holding B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

The scope 1 and 2 carbon emissions reporting needs to be read and understood together with the reporting criteria. Ingka Group is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the scope 1 and 2 carbon emissions reporting are the Greenhouse Gas Protocol (published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD)) and the applied supplemental reporting criteria as explained on page 93 of the Report.

Scope of the review of the group

Ingka Holding B.V. is the parent company of a group of entities. The scope 1 and 2 carbon emissions reporting incorporates the consolidated information of this group of entities to the extent as specified in the section 'About our sustainability reporting' in the Report.

Our group review procedures consisted of both review procedures at corporate (consolidated) level and at site level. Our selection of sites in scope of our review procedures is primarily based on the site's individual contribution to the consolidated information. Furthermore, our selection of sites considered relevant reporting risks and geographical spread.

By performing our review procedures at site level, together with additional review procedures at corporate level, we have been able to obtain sufficient and appropriate assurance evidence about the group's scope 1 and 2 carbon emissions reporting to provide a conclusion about the carbon emissions reporting.

Responsibilities of Management for the scope 1 and 2 carbon emissions reporting

Management of Ingka Group is responsible for the preparation of the scope 1 and 2 carbon emissions reporting in accordance with criteria of the Greenhouse Gas Protocol (published by the WRI/WBCSD) and the applied supplemental reporting criteria as explained on page 93 of the Report.

Management is also responsible for such internal control as Management determines is necessary to enable the preparation of the scope 1 and 2 carbon emissions reporting that is free from material misstatement, whether due to fraud or error.

Our responsibilities for the review of the scope 1 and 2 carbon emissions reporting

Our objective is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in review engagements with a limited level of assurance is therefore substantially less than the assurance obtained in audit engagements.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the scope 1 and 2 carbon emissions reporting. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations on quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3000A, Standard 3410, ethical requirements and independence requirements.

Our review included amongst others, the following procedures:

- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of Ingka Group;
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the scope 1 and 2 carbon emissions reporting. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by management;

- Obtaining an understanding of the reporting processes for the scope 1 and 2 carbon emissions reporting, including obtaining a general understanding of internal control relevant to our review;

- Identifying areas of the scope 1 and 2 carbon emissions reporting with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or error. Designing and performing further assurance procedures aimed at determining the plausibility of the scope 1 and 2 carbon emissions reporting responsive to this risk analysis. These procedures included among others:

- Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the scope 1 and 2 carbon emissions reporting;
- Determining the nature and extent of the review procedures for the group components and locations. For this, the nature, extent and risk profile of these components are decisive. Based thereon we selected the components and locations to visit. The visits to sites in Germany, Russia and China are aimed at, on a local level, validating source data and evaluating the design of internal controls and validation procedures;
- Obtaining assurance information that the scope 1 and 2 carbon emissions reporting reconciles with underlying records of Ingka Group;
- Reviewing, on a limited test basis, relevant internal and external documentation;
- Performing an analytical review of the data and trends.

- Evaluating the consistency of the scope 1 and 2 carbon emissions reporting with the other information in the Report which is not included in the scope of our review.

We communicate with Management, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amstelveen, 28 January 2020
KPMG Sustainability,
Part of KPMG Advisory N.V.

W.J. Bartels RA, Partner