

PRESS RELEASE

Ingka Holding B.V. and its controlled entities

**Ingka Investments announces New Zealand land investment as part of its
commitment towards responsible forest management**

Ingka Group^[1] today announces it has acquired 5,500 hectares/55 million square metres of land in New Zealand's South Island, as part of its long-term commitment to responsible forest management. The land - the Group's first investment in New Zealand - will be used for a 30 plus year afforestation* scheme to plant new forests. This will create long-term employment in the region, support increased biodiversity in addition to removing CO2 from the atmosphere and storing it in high-quality forests and in the land. The investment will be managed by Ingka Investments, the investment arm of Ingka Group.

The property, Wisp Hill, is located in Otago, a region with a history of forest development. This year 330 hectares will be planted with radiata pine, with the long-term plan of planting 3,000 hectares – over 3 million seedlings - within the next five years. At the same time, the remaining 2,200 hectares are to naturally revert into native bush, helping to regenerate the local ecosystem.

“Responsible forest management creates jobs and adds value in the local communities by supporting the local economy. Having a good impact in the neighbouring communities is an important part of our approach to responsible forest management. We will work closely with the former owners of the land and with local forestry specialists to prepare the land for a new forest.” **says Krister Mattsson, Managing Director, Ingka Investments, Ingka Group.**

Mr Mattsson says that because this is a long-term investment, Ingka Investments' focus will be on growing the forest over this long period which will contribute to removing CO2 from the atmosphere, storing carbon and developing an ecosystem to encourage and sustain biodiversity.

“We are delighted to expand our forestry portfolio into a new country and this investment demonstrates our long-term commitment to New Zealand. Responsible forest management, reforestation and afforestation all form part of the solution for climate change, and we are committed to enhancing carbon removal through our forests. Our commitment to responsible forest management means taking proper care of the environment, respecting the needs of the local communities and setting high standards for the business partners we work with,” says Mr Mattsson.

Ingka Group currently owns and responsibly manages around 248,000 hectares (approx. 613,000 acres) of forestland in the U.S. and Europe (Estonia, Latvia, Lithuania and Romania)^[2]. To guarantee the management meets the highest environmental and social standards, all forest management is audited by the Forest Stewardship Council (FSC®). In all countries where it operates, the management units hold the FSC certificate for forest management*.

Between September 2019 and August 2020 Ingka Group planted close to 7 million seedlings across the level of the entire portfolio, around the world. In 2020 Ingka Investments started to increase focus on afforestation – the creation of new forestland by planting trees in areas where there were none before - in Latvia and Estonia. This new afforestation investment in New Zealand will see its first planned harvest to take place at the end of the first rotation, 30 years after planting.

[1] Ingka Group is a strategic partner in the IKEA franchise system, operating 389 IKEA stores in 32 countries. Ingka Group has three business areas: IKEA Retail, Ingka Investments and Ingka Centers.

[2] Ingka Group-owned forests do not currently directly supply raw material for the IKEA product range.

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Leiden

The purchase agreement became unconditional with the approval of the land acquisition by the Overseas Investment Office on Friday 27th August. A lease back requirement will allow the former owners to properly phase out their operations over a minimum three-year period.

Ingka Group's New Zealand land purchase follows their 2019 announcement of the opening of stores and creating a digital presence in the country for the first time.

IKEA is committed to the Paris Agreement and to contributing to limit the global temperature rise to 1.5°C above pre-industrial levels through the IKEA climate positive ambition**.

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For further information, please contact:

Ingka Group Media Relations

press.office@ingka.com

+46 (0) 709 936376

Notes to Editors:

Read more about Ingka Group's sustainability performance and commitments in the new Annual & Sustainability Summary report: <https://www.ingka.com/wp-content/uploads/2021/01/Ingka-Group-Annual-Summary-Sustainability-Report-FY20.pdf>

**The contribution of these investments does not count towards the commitment to "reduce more greenhouse gas emissions than the IKEA value chain emits" in order to not engage in carbon offsetting but is an important part of how we as businesses invest in a responsible way and disclose climate footprint of the investments where possible and suitable.*

***IKEA climate positive means to reduce more greenhouse gas (GHG) emissions than the IKEA value chain emits by 2030, while growing the IKEA business. IKEA is committed to the Paris Agreement and to contribute to limiting the global temperature rise to 1.5°C above pre-industrial levels. This includes a commitment to halve the absolute net GHG emissions from the total IKEA value chain by 2030. We will achieve this by drastically reducing GHG emissions through science-based targets and by removing carbon from the atmosphere through natural processes and storing it in land, plants and products through better forest and agriculture management within the IKEA value chain. We will contribute to further greenhouse emission reductions in society by going beyond IKEA, such as enabling customers to generate renewable energy at home. [Read more about the IKEA commitment here](#)*

About Ingka Group

Ingka Group (Ingka Holding B.V. and its controlled entities) is one of 12 different groups of companies that own and operate IKEA retail under franchise agreements with Inter IKEA Systems B.V. Ingka Group has three business areas: IKEA Retail, Ingka Investments, and Ingka Centres. Ingka Group is a strategic partner in the IKEA franchise system, operating 389 IKEA stores in 32 countries. These IKEA stores had 706 million visits during FY20 and 3.6 billion visits to www.IKEA.com. Ingka Group operates business under the IKEA vision - to create a better everyday life for the many people by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible can afford it.