

PRESS RELEASE

Ingka Holding B.V. and its controlled entities

EMBARGO UNTIL - JANUARY 13, 2022 - 14.00 CET

Ingka Investments to plant new, sustainably managed forest in Florida area damaged by Hurricane Michael

Ingka Investments, the investment arm of Ingka Group which represents the largest IKEA retailer¹, today announced it has acquired 1,321 hectares (3,264 acres) of land in Florida as part of its long-term commitment to responsible forest management. The investment property, Tupelo Honey, consists of two parcels of land in Gulf and Liberty Counties near the Apalachicola River that will be used for an ongoing afforestation project, creating new forestland by planting trees in areas where there were none before.

The new forests will support increased biodiversity, help ensure sustainable timber production from responsibly managed forests, and recover land damaged by Hurricane Michael in October 2018. The project will begin by preparing the land for planting, including clearing debris from storm-damaged areas and rehabilitating abandoned pastureland. The property will then be planted with a mix of local species, focused on longleaf pine. At least 650,000 new trees will be planted in the first rotation of the 40-year cycle.

"We are delighted to expand our forestry portfolio in the United States, and this demonstrates Ingka Group's long-term commitment towards investing in responsible forest management. The Tupelo Honey acquisition is a fantastic opportunity to demonstrate the responsible forestry management approach Ingka Investments uses on all our properties: caring for the environment and the planet, meeting the needs of the local community through long-term, sustainable stewardship," says Krister Mattsson, Managing Director, Ingka Investments, Ingka Group.

Longleaf pine, which will constitute most of the new forest, is a keystone species that supports habitat for a variety of threatened and endangered plants and animals, including gopher tortoises, dusky gopher frogs, pine snakes, and red-cockaded woodpeckers. Furthermore, longleaf pine is more resilient to the effects of climate change than many other tree species, including resistance to forest fires.

"Reforestation and afforestation all form part of the solution for climate change, and the afforestation business – buying bare, unforested land and converting it by planting seedlings that will eventually become mature trees – is a long-term investment that consolidates our business while also positively impacting the climate through the absorption of CO₂ during the forests' growth," Mattsson explains.

Between September 2020 and August 2021, Ingka Investments planted 600,000 seedlings and afforested 480 hectares (1,186 acres) in the U.S. and planted close to seven million seedlings globally. To guarantee that their forest management meets the highest environmental and social standards, all Ingka Investments forests are audited and certified by the Forest Stewardship Council (FSC).

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

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

About Ingka Group

With IKEA retail operations on 32 markets, Ingka Group is the largest IKEA retailer and represents about 90% of IKEA retail sales. Ingka Group employs more than 170,000 co-workers and reported IKEA Retail sales of EUR 37.4 billion at the end of financial year 2021. It is a strategic partner to develop and innovate the IKEA business and help define common IKEA strategies. Ingka Group owns and operates IKEA sales channels under franchise agreements with Inter IKEA Systems B.V. It has three business areas: IKEA Retail, Ingka Investments and Ingka Centres. Read more on [Ingka.com](https://www.ingka.com).

Over the past few years, Ingka Investments has had an increased focus on afforestation in New Zealand, Latvia and Estonia. In total, Ingka Investments currently owns and manages around 250,000 hectares (approx. 618,000 acres) of forestland in the United States, New Zealand and Europe (Estonia, Latvia, Lithuania and Romania)^[2].

Ingka Investments' Florida acquisition builds on Ingka Group's total investment of U.S. forestland properties, which are located in southeast Georgia (11,000 acres), South Carolina (17,000 acres), Alabama (29,000 acres), Oklahoma (18,000 acres) and Texas (59,000 acres).

The signing of the Purchase Sale Agreement (PSA) has taken place and the final closing (transfer of the purchase price) occurred on December 22, 2021.

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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>

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