

Ikano Group

Sustainability strategy

2022-2025

IKANO®

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**Sustainability is a journey.
We can't wait for one big
solution, we have to take
many small decisive steps.**

Peter, Jonas and Mathias Kamprad
Owners of Ikano Group



The Ikano Group sustainability strategy 2022-2025 is our overall direction and includes sustainability strategies for our businesses. Launched in September 2021, we focus entirely on ambitious goals and crucial measures to ensure positive change for people and the planet.

With our planet in code red and in times of pandemic, it is obvious that we are in the midst of a crisis. This demands agility, compassion and finding creative solutions together.

We have always believed in creating possibilities for better living for the many people, and we are convinced that sustainability is an enabler for good business. With this strategy, we strive to inspire and enable our many co-workers, customers and partners to live healthier and more sustainable lives within the boundaries of our planet, as soon as possible. **#betterfuturetogether.**

Lars Thorsén, CEO of Ikano Group
30 September 2021

A decisive decade

By 2050, the world's population is predicted to exceed 9 billion and we will have an unprecedented demand for food, housing, infrastructure, energy and water. The next 10 years will be decisive in whether we can sustain Earth's resources and provide for a growing population.

The climate crisis is not in the future, it is happening now. Extreme weather such as hurricanes, fires, floods and droughts are increasing in frequency and severity as temperatures rise. However, it is not too late to stabilise our planet if we take rapid action and commit to the goals of the Paris Climate Change Agreement, limiting global warming to 1.5° C.

The Covid-19 pandemic has shown us the resilience of both people, nature and the global community. We need to harness the lessons we have learned from many past crises and change our relationship with our planet. To achieve this, we must accelerate climate actions – giving back more to nature than we take. It is our responsibility to be a good example for positive change for the many people.

Our vision

To create possibilities for better living.

Our sustainability ambition 2030

It starts with our vision.

We have an ambition to create possibilities for better living within the limits of our planet, while growing our business in a responsible, profitable and fair way.

As an international group of companies, operating two brands: Ikano and IKEA, and active within banking, real estate, production, insurance, data analytics and retail, we have a diverse business model that gives us the unique ability to reach people in different circumstances and stages of their lives.

With thousands of co-workers in three continents, we offer healthy financial solutions, affordable homes, circular foam products, safe insurance, reliable data handling and sustainable home furnishing.

This is our contribution to enabling sustainable growth.

IKANO®

**Together, we put
sustainability at the
heart of everything
we do to enable good
business and contribute
to a better future for
the many people.**

Our sustainability commitment



How we make a difference

Today, some of society's biggest challenges are climate change, inequality, unsustainable consumption and lack of well-being for many people across the world. We asked ourselves how we can make a positive difference.

That is why we align with Ingka and Inter IKEA and have decided to work with the same three focus areas as they are doing. Our focus areas and the actions we take going forward are rooted in the UN Sustainable Development Goals.

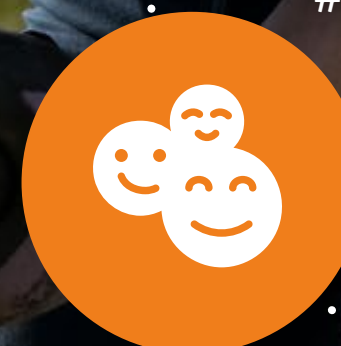
On the following pages, you will see our overall direction, commitments and ambitions for the whole Ikano Group. Specific targets and goals are set by each Ikano business and will lead our work and efforts as a group of companies towards a better and truly sustainable future.



Healthy & sustainable living



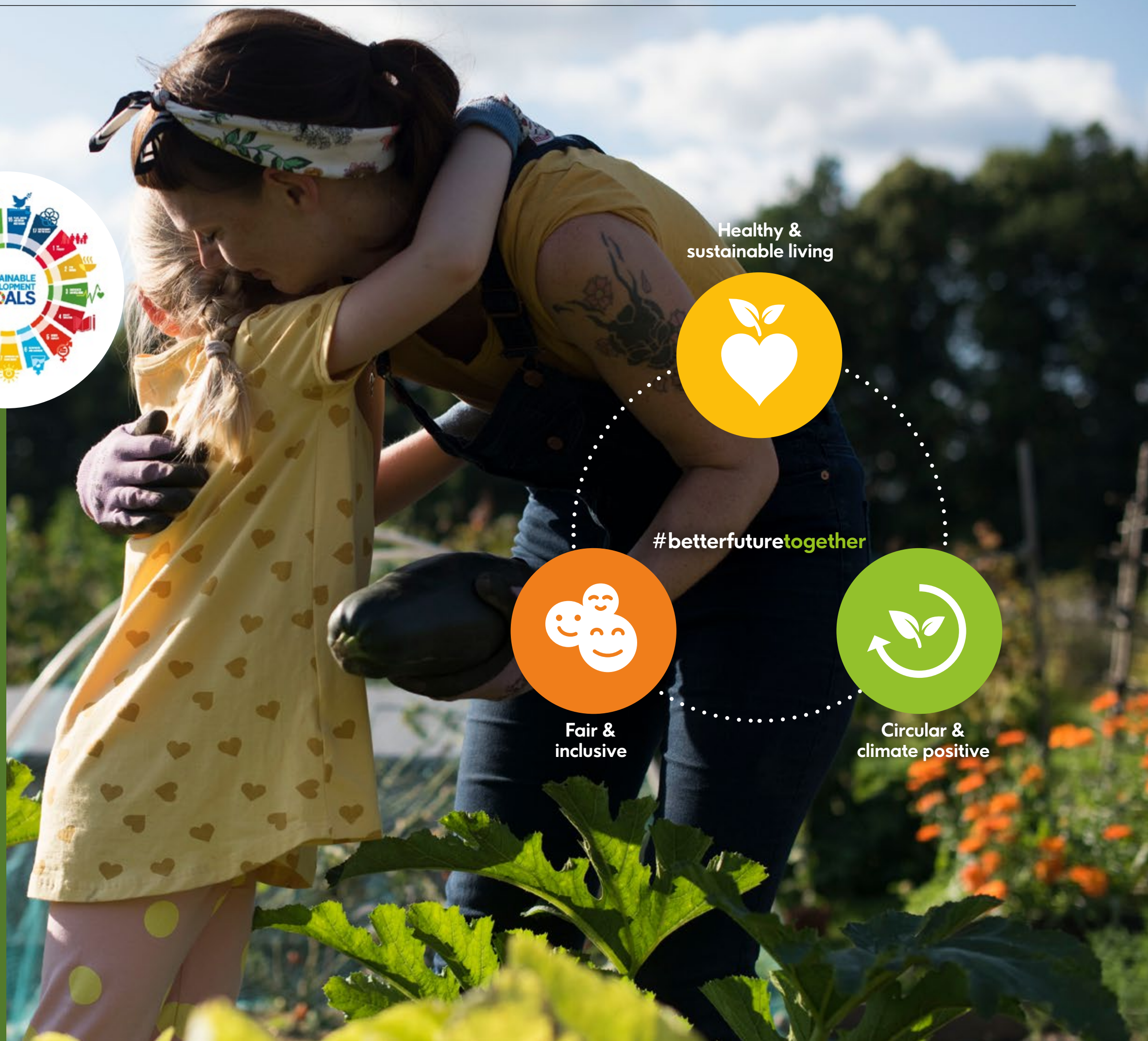
#betterfuturetogether



Fair & inclusive



Circular & climate positive





Healthy & sustainable living



Healthy and sustainable living is a lifestyle with the purpose to reduce the use of our planet's limited resources and at the same time improving well-being and quality of life for the many.

Challenge

A major challenge when it comes to healthy and sustainable living is that we consume more natural resources than the planet is able to regenerate. With a population expected to grow with more than 1 billion people by 2050, the irreversible loss of resources can no longer be avoided.

Healthy and sustainable living remains unaffordable and inaccessible for many people worldwide and there is an increasing call for companies to offer more products and services that empower consumers to make more sustainable choices.

The solutions must be simple, because the easier they are, the more likely people are to change behaviours and adapt to new habits. It should be easy for consumers to buy from sustainable businesses and make the right choice.

We are also being challenged by a global mental health crisis following the Covid-19 pandemic and lockdowns. Mental health and well-being is fundamental, because people are our most important asset. Without healthy people, we cannot secure a healthy business.



Our commitment

We are committed to listening to our customers and learning more about their needs and obstacles to live healthy and sustainable lives. By doing so we hope to empower them to make lifestyle choices that are within the boundaries of our planet's natural resources.

- We will take responsibility across our value chain to ensure we have a positive impact on people and the planet.
- We will innovate and develop sustainable solutions that are affordable and accessible, inspiring and empowering people to make sustainable lifestyle choices.
- We will be a valued and recognised brand by being transparent and offering simple and meaningful solutions that enable sustainable consumption.
- We will systematically work with the health and wellbeing of our co-workers, both physically and psychologically, ensuring that Ikano is a great, caring and safe place to work.

Circular & climate positive



To limit the already visible effects of climate change, the average global temperature rise must be limited to 1.5 °C. This should happen through drastic cuts in greenhouse gas emissions.

Challenge

Climate change is possibly one of the biggest threats facing global humanity and nature and therefore a top priority for our businesses to address.

If the world continues with business as usual, it is predicted that the global average temperature will increase by up to 5° C by the end of the century. Such a big change will increase the frequency of extreme weather events resulting in the hardest consequences for those most vulnerable in society.

We are already experiencing the destructive impact of climate change. If we are serious about limiting the worst effects, we must enforce drastic cuts in greenhouse gas emissions. If we do not take bold steps now, the generations to come will pay a high price

We have a responsibility to work together and develop actionable solutions aimed to reduce our greenhouse gas emissions to half of current levels by 2030 and to zero by 2050.



Our commitment

We are committed to the goals in the Paris Climate Change Agreement: limiting the average global temperature rise to 1.5° C. As such, our aim is to become a circular and climate positive business by regenerating resources, protecting ecosystems and supporting biodiversity. Transparent follow-up of our climate footprint will be implemented to secure the efficacy of our efforts.

- We will significantly lower our CO² emissions to reach the 2030 goal outlined in the UN Sustainable Development Goals.
- We will accelerate and scale up our investments in renewable energy and other climate solutions across our businesses.
- We will innovate and promote more circular solutions, services and products, and only offer renewable and recyclable materials to our customers.
- We will take the lead and join forces with others through advocacy and strategic business partnerships.

Fair & inclusive



We have a responsibility to enable people to live their lives free from fear and social exclusion, and to improve their opportunities to grow no matter their background.

Challenge

Around the world, millions of people are denied a fair chance to a decent living due to factors outside of their control. The world needs us all to be aware and contribute to a better world for everyone - on equal terms.

While we see improvements in some areas, gender equality is still far from a reality. Discrimination towards minority groups like elderly people, ethnic and LGBTQ+ communities, and people with disabilities continues to persist. This is something that severely impacts their mental and physical health, life expectancy, and overall quality of life.

Structural changes to ensure equal access and rights for all requires full commitment from every level of society. Our companies carry a significant responsibility to enable safe and equal treatment of all our co-workers, customers and partners. People should feel included and treated on fair terms, always.

We need to address the challenges faced by a more diverse world, as inclusion in society dictates people's possibilities and access to education, employment, health care, and security. Only by being part of a community where everyone feels valued and respected, do we thrive as individuals and as a business.



Our commitment

We are committed to ensuring a fair and equal treatment of everyone across the Ikano value chain. We will focus on diversity and build inclusive and meaningful workplaces that encourage people's development and well-being, which will contribute to a more sustainable and better business.

- We will reflect the diversity of the communities where we do business at all levels of our organisation.
- We will remove barriers and bias against diversity of identity, life experiences and ways of thinking.
- We will create a safe and collaborative environment where all co-workers, customers and partners feel respected and are treated fairly and equally.
- We will deliver truly accessible products and services that contribute to closing the inequality gap in society.



How we make it happen

We will work together with a bottom-up approach engaging every Ikano co-worker in our sustainability agenda. All of us are guided by the overall sustainability direction including our ambition and three focus areas.

It's our actions that count and the only way to make the necessary difference. To do this, we will monitor and follow-up on every KPI and share the progress in a transparent way through our sustainability dashboards.

We believe the best way to do better is with an open mind and show that we are willing to learn along the way. This is not a strategy for the sake of it. This is our promise to our co-workers, customers and to the many people to build a better future together.

All Ikano businesses are responsible for reaching their respective sustainability goals, and Ikano Group is responsible for supporting and establishing the right preconditions for each business to make our shared ambition a reality.

All Ikano companies will have a sustainability champion in their leadership team. The sustainability champion's most important responsibility is to keep everyone engaged, build awareness and ensure we are on track to meet the goals in the strategy.

All Ikano business boards will have sustainability as part of the board agenda and a designated sustainability committee.

All Ikano businesses will publish an annual sustainability report externally starting 2022, including progress of the sustainability goals and KPIs.

Our Group sustainability strategy, including the business strategies is continuously reviewed and updated every year.

We are all leaders and should encourage our colleagues, customers and partners to join us in this important journey towards a more sustainable future.

Ikano Group

Businesses sustainability strategies

2022-2025

Ikano Bank

The way we do business is rooted in our business idea: We create possibilities for better living by offering simple, fair and affordable services, enabling a healthy economy for the many people.

People need the right means and tools to be able to contribute to a sustainable future. We will provide the many people with inclusive digital banking solutions that will help them achieve a healthy economy, driving social progress, and empowering more people to make better, more sustainable choices in their everyday life.

The financial industry has an important role in driving environmental change through what and who they finance. Together with our partners, we also actively support development of circular solutions. At Ikano Bank, we want to steer capital towards low carbon and climate resilient activities, helping to mitigate the economic and social risks posed by climate change.

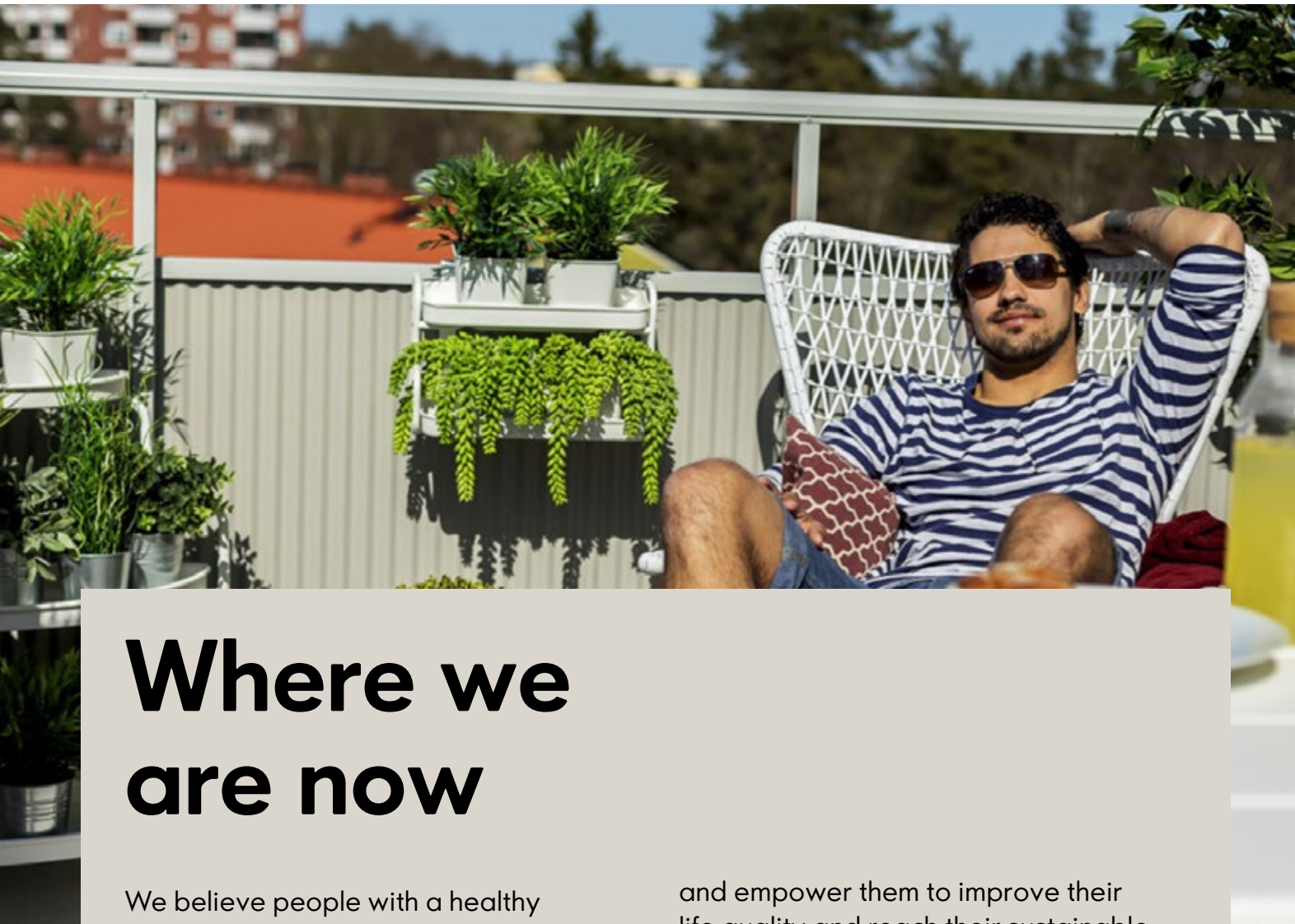
To be genuine and credible, we must incorporate sustainability as a natural part of our new business developments and how we operate our business. In this way everyone in the bank becomes a sustainability ambassador and contributes to a **#betterfuturetogether**.



Sustainability statement:

“Enabling a healthy economy for the many people.”





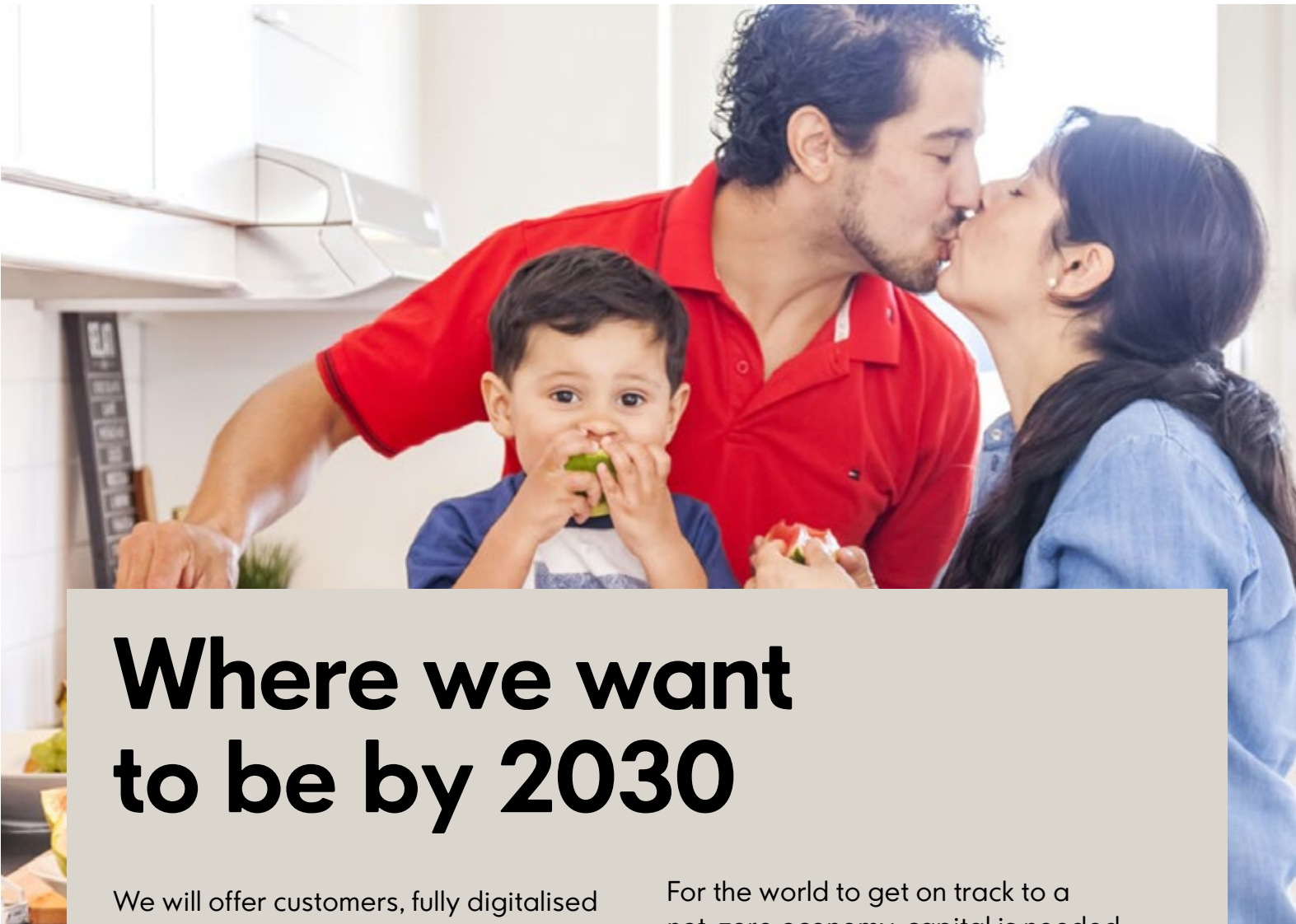
Where we are now

We believe people with a healthy economy contribute positively to the wider economy, help drive social progress and are more able to make better environmental choices. We strive to support the needs of the many people, with high ambitions to further develop and create financial inclusion.

Through use of data and analysis, we seek to understand who in our communities are not able to access capital, and why. Armed with this analysis we aim to reach more people

and empower them to improve their life quality and reach their sustainable lifestyle goals, thereby contributing to a healthier overall economy and society.

Significant amounts of capital is still flowing to unsustainable investments instead of responding to the investment needs that exist for a green transition. We are 100% ESG compliant in our investments, according to the MSCI framework, and have ensured that our significant treasury capital is invested in a way that supports a low-carbon economy.



Where we want to be by 2030

We will offer customers, fully digitalised and seamless services and solutions that are simple, fair and affordable and that create possibilities for better and more sustainable living. Together with our partners we will also actively support the development of circular solutions. By reaching more people who previously could not access capital, we will support the inclusive growth and development of the communities in which we are active.

All our retail partners will have a 1.5° C compatible business plan.

By actively promoting human rights, fair working conditions, and diversity and equality we will make a difference to the lives of people, the community and the environment.

For the world to get on track to a net-zero economy, capital is needed to accelerate the transition. We are committed to the UN Environment Program Finance Initiatives (UNEP FI) & Principles for Responsible Investments (UN PRI) and will proactively seek to increase financing in green and socially responsible sectors. 50% of our sales of lending will be verified as green by 2030.

Internally, we will work with all our offices to reach carbon neutrality and focus on the well-being of our co-workers.

Ikano Bank direction

FY22 – FY25



We will work to reduce the environmental impact caused by our own operations, as well as finance solutions for a circular & climate positive economy.

By 2025

Increase our sales of lending verified as green by 10 times.

Reach carbon neutrality in our offices.

100%
of our retail partners will have committed to 1.5° C business plans.



We will offer seamless and simple digital banking services, granting access to capital to more of the many and promoting a healthy & sustainable living.

By 2025

100%
digitally signed customer contracts

25%
share of our liquidity portfolio is defined as green

Be ranked in the top 3 of sustainable banks in each market in which we operate.



We will provide development opportunities, a safe work environment and equal treatment for all co-workers. At the same time, we will make positive contributions to the community around us.

By 2025

Reach more of the many people by granting loans to customers who are currently under-represented (e.g. students, self employed).

Create platforms and distribute knowledge to include more people and help them build a better personal economy.

Mirror in our workforce the diverse society in which we operate.

Ikano Bostad

We will have the best and most sustainable customer offer by creating possibilities for environmentally, socially and economically sustainable living and a simpler everyday life.

We know that the way we and our industry develop, build and manage housing today is not environmentally, socially and economically sustainable in the long run. The construction and real estate industry accounts for about 20% of the total climate impact on our markets. At the same time, there is a big housing shortage, and we must continue to build homes that more people can afford and thrive in. We invest long-term in our residential areas and an important part of our daily operations is our sustainability work. We do this because we care but also because it is an important business enabler.

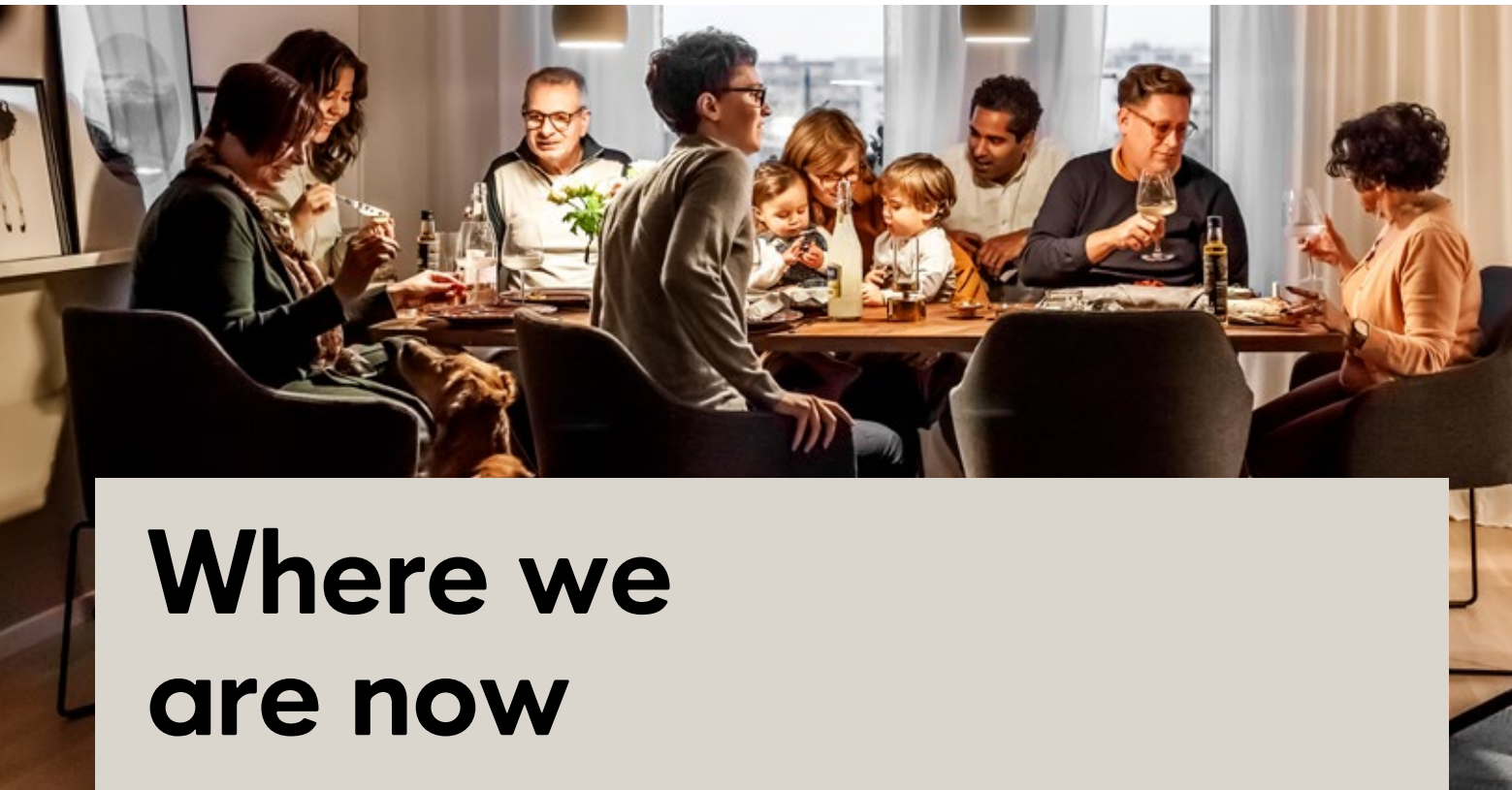
We are facing big changes, and high ambitions demand a lot of work. To us, sustainability is critical, and we need to work together to make change happen.



Sustainability statement:

“One planet, many homes – together for a sustainable future.”





Where we are now

We have integrated sustainability in our business and our corporate governance. Our value chain is updated to have a life cycle perspective to make sure we are taking responsibility throughout our entire business.

We continue to integrate sustainability in our everyday work – from material handling at the construction site, energy efficiency in our buildings, to decision making on a strategic level.

Healthy & sustainable living

To create healthy and sustainable living, we start with our customers' needs. We offer good and affordable homes, plan for various functions such as local services, schools, workplaces, and meeting places and create green and welcoming residential areas. In this way, we create life and movement during all hours of the day, make it easy to share a car with your neighbours, support biodiversity and create opportunities for meetings in everyday life.

Circular & climate positive

Beginning of 2019, climate was added as a new focus area in our business scorecard with the goal of aiming to become climate neutral by 2030. We have investigated our climate impact to understand how we need to scope and prioritise our actions to reach our goal.

Fair & inclusive

We have long experience of working with initiatives within this focus area and we do our best every day to find new ways to act on fair terms in our business and for the many people. Gender equality is fundamental to us, and we are a role model in the industry. We primarily focus on diversity and equal treatment, fair terms and anti-corruption in procurement, and social initiatives.



Where we want to be by 2030

We want to continue being a long-term and competitive company, to achieve this it is fundamental to have an active and forward-looking sustainability work.

We want to offer the many people inclusive, healthy, and sustainable living and residential areas where it is possible to make sustainable choices every day. We want to be the preferred partner for municipalities and the property owners when creating new sustainable homes and neighbourhoods.

We want to be at the forefront on decreasing climate change, leading the way together with other committed companies. We challenge ourselves, our products and the materials we use. When we build, we want to build using sustainable and renewable materials that minimise our climate impact.

Working together with our suppliers to find new, innovative, renewable and reused materials is a success factor. We want to be ahead of current legislation and contribute as much as we can to the fulfilment of Agenda 2030.

We want to be a good social actor that creates positive conditions for inclusive residential areas. Our aim is to increase long-term inclusion and give those who feel socially excluded a community and sense of belonging.

To succeed with our ambitions, dedicated and engaged co-workers are fundamental. We want to be a top choice for current and new co-workers by offering a sustainable professional life and a culture that is characterised by equality and diversity.

Ikano Bostad direction

FY22 – FY25



We will work to become climate neutral by 2030, which is 15 years earlier than the government’s goal for the building industry. The biggest part of our climate impact comes from energy, materials, transportation and waste.

All Ikano Bostad co-workers have individual climate goals in order to take advantage of the power of working together.

By 2025

Work to reduce our climate impact by

50%

compared to 2020.

Our first climate neutral housing project will be built and our customers have moved in.

> 70%

of waste from our building sites will be recycled to become new materials.



We will have the best and most sustainable customer offer in the industry by creating possibilities for environmentally, socially and economically sustainable living and a simpler everyday life.

We do this by creating safe and pleasant neighbourhoods, conditions for community, well-being and ecosystem services, offering mobility solutions and opportunities for sharing economy.

By 2025

Be ranked in the top 3 of real estate companies of most satisfied customers.

Eco-label all our new homes, offering better materials to ensure a healthier everyday life for our customers.

All our new homes will be designed based on our green design strategy: Keep it simple.



We act on fair terms in our business and for the many people. We primarily focus on diversity and equal treatment, fair terms and anti-corruption in procurement, and social initiatives. Our values, company culture and our contributions to society makes us a preferred and valued employer.

By 2025

All co-workers have participated in a value driven leadership course and a training in equal treatment.

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accidents at our construction sites.

100%

of the young adults that participate in our Ikano Academy will continue to work or studies.

Ikano Industry

Ikano Industry is and will continue to be a market leader in foam products.

We have begun production in Mexico and have advanced our research in foam recycling in partnership with IKEA and Retour Matras – an area where we see huge potential to strengthen our supply and product offer to IKEA. In a broader partnership, we will continue to develop a fully circular offer, creating the future.

We are committed to using only renewable energy and decreasing our green-house gas emissions. At the same time, we use IWAY*, in our procurement operations.

One of our main goals is to increase co-workers' awareness and understanding of sustainability, beyond being a "green company".

We truly believe that knowledge is key for achieving a committed mindset among co-workers, where every project is approached in a sustainable way. With highly engaged co-workers, we are ready to take steps that go above and beyond.

At Ikano Industry, we are dedicated to offer a safe, fair and inclusive place to work – not only in our words, but also in our actions, everyday.

* IWAY is IKEA's supplier code of conduct for responsibly procuring products, services, materials and components. It is a mandatory standard and sets clear expectations for environmental, social and working conditions, as well as animal welfare, for all suppliers and service providers.



Sustainability statement:

**“The future is circular.
Together we provide
endless life for our
products.”**





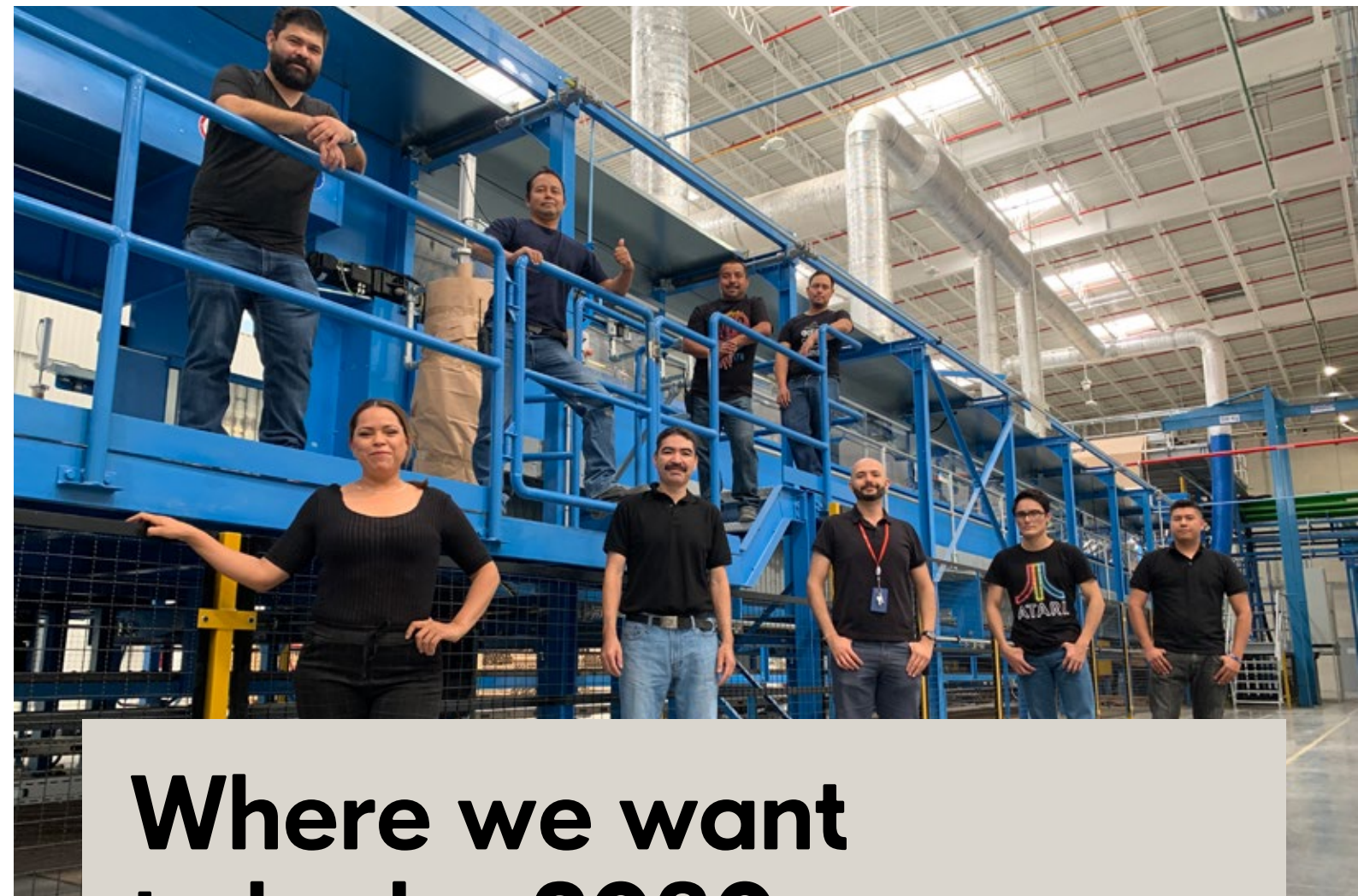
Where we are now

Ikano Industry is an efficient and highly optimised organisation, specialised in mattress and foam-based production. Anchored in our company value daring to be different, we are taking the risk to be pioneers in the uncharted area of furniture recycling.

Going forward, we need to create efficiencies in both new developments within upholstery and in on-going production. Engaging and motivating co-workers is key to achieving not only this but necessary cost reductions as well.

We need to adopt a holistic view on business and sustainability through three identified areas:

- Raw materials, waste reduction and limiting by-products.
- Innovating our machine efficiency
- On-boarding and empowering our people to build engagement and awareness.



Where we want to be by 2030

We want to revolutionise our industry and we are proud to make a difference. In all our activities, Ikano Industry will aim to minimise its environmental impact by using sustainability as a driver for innovation and as a competitive prerequisite.

Within product development, we will create an even more sustainable product base and optimise the use of waste and recycled materials in production. We will focus on zero-waste operations, increase recycled and renewable materials and on top of that contribute to new designs for easy to recycle products.

Ikano Industry is part of a recycling platform in the Netherlands and will integrate active re-use of end-of-life mattresses into our manufacturing and thereby create an advantage over our competitors. Our ambition is to collect and recycle more mattresses than we produce.

All our efforts are conducted with a fair and inclusive mindset for both our co-workers, communities and our planet.

Ikano Industry direction

FY22 – FY25



We work to reduce the environmental impact caused by our own operations and supply chain, as well as finance solutions for a circular and climate positive economy.

By 2025

Recycle the same number of mattresses as we produce.	Decrease our GHG by 50% compared to 2020.	20% of our foam will be renewable or recycled.
Use 100% renewable electricity.	Decrease our waste by 15% compared to 2020.	



We offer our customers healthy and high-quality products to sleep better and provide industry expertise to our retail partners.

By 2025

Design and offer multiple products that combine all our sustainability ambitions in an affordable way.	Improve our co-workers' working positions in production to comply 100% with required ergonomics standards to ensure a healthy and harm-free working life.
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We are a fair and inclusive company, providing development, safety and equal treatment for all co-workers while making a positive contribution to the community around us.

By 2025

Create regular forums for all of our co-workers to discuss sustainability awareness with representatives.	Gain > 80% positive answers from co-worker satisfaction and engagement surveys.	50% gender balance for leading positions and successors.
	Have talent turnover lower than 5%.	

Ikano Insurance

Helping people is part of our DNA. We help clients identify and manage risks. We raise the red flag for future risks and challenge society to change course when needed, all with the well-being and safety of the many people in mind.

We know that risks are increasing in scale and severity due to climate change; in the form of floods, fires, droughts and other extreme weather events. We also know that those most exposed to these risks are those with thinner wallets, and many of them lack access to insurance. By supporting customers to buy the most affordable and comprehensive insurance solutions, we provide and ensure that the many people can always get back on their feet.



Sustainability statement:

**“Together ensuring
a safer life for the
many.”**





Where we are now

In many parts of the world, access to insurance is limited, or existing products do not meet people's needs. Our new home insurance solution HEMSÄKER, is designed to address this gap and we aim to offer more products that will improve access for the many to relevant and affordable insurance solutions.

Our core competence today is ensuring that IKEA stores globally provide a safe, secure, physical environment for customers, co-workers, and business partners and that those environments can be insured in a comprehensive and cost-effective manner.

We are experts in analysing and identifying new and emerging risks.

We have been growing our competence in understanding climate risk and actively support our clients and the many people to improve their climate resilience and manage these risks.

Ikano Insurance's asset management strategy is ESG compliant. Ethical demands and sustainability drive our way of investing. We have started to introduce green clauses in our insurance contracts to facilitate sustainable claims handling. Our insurance policies cover appropriate natural catastrophe risks.

Each team member has a sustainable project, either for developing our office or for nudging our customers to create a better future together.



Where we want to be by 2030

We are a small team, but we think big. Our ambition is to collaborate with strategic partners and build insurance structures using our expertise and IKEA heritage to make a significant positive change.

We gather valuable data which will provide insights into how we can safeguard the health and wellbeing of IKEA and other clients' co-workers world-wide. We believe understanding this data will enable our clients to improve the mental and physical well-being of their co-workers and reduce their costs for disability and medical expenses.

Our ambition is to offer a good, affordable home insurance to 500,000 IKEA customers.

Further, we aim together with partners to build a new global standard for the recycling industry, which will foster insurability and good risk management processes. This standard will also create a framework for investors in recycling and thereby support the growth and acceleration of this important industry towards a de-carbonised economy.

Ikano Insurance direction

FY22 – FY25



New risks need to be understood before they can be insured. Recycling initiatives are currently difficult to insure because of the limited understanding of how recycling risks can be proactively mitigated and reduced. We understand risk management and, in collaboration with our insurance partners, have the ambition to develop a risk management standard for recycling initiatives that will make it easier for those initiatives to be insured.

By 2025

- Support circularity within the recycling industry through use of our risk score by the global insurance community.
- Aim to have 25+ recycling companies reach insurability.
- We aim to become carbon neutral by 2025.



Co-worker physical and mental health is a key factor for the long-term success of IKEA (Ingka and Inter IKEA) and Ikano. Through understanding and analysing the key data we hold, we aspire to shift the focus from purely physical well-being to a more holistic approach encompassing mental, emotional, and physical health.

By 2025

- Improve the health and well-being of over 100,000 IKEA (Ingka and Inter IKEA) and Ikano co-workers.
- Reduce absence related to sickness by **6%** compared with 2020



Insurance solutions are not always designed for and accessible to the many. In some countries the service delivery is too expensive and products too complicated. Elsewhere, there is no access to insurance. That is why we have launched HEMSÄKER, a home insurance the IKEA way. We aim to have this available throughout the IKEA world.

By 2025

- Reach more than **500,000** customers with HEMSÄKER, our affordable home insurance for the many people.
- HEMSÄKER will be the most affordable home insurance offer in more than 30 markets.
- Reach 5% of new policy holders identified as previously uninsured.

Ikano Insight

Sustainability is a broad challenge encompassing people, society and our planet unless we measure what we do, how can we know the extent of the positive impact that we can make together.

To achieve sustainability goals, it is essential that sustainability is embedded within business objectives. As such, businesses must be able to measure the impact of their sustainability activities and their progress towards these goals. This helps businesses to understand where they can have the greatest impact and pivot their focus and ambitions to those areas of sustainability where they can make the biggest difference.

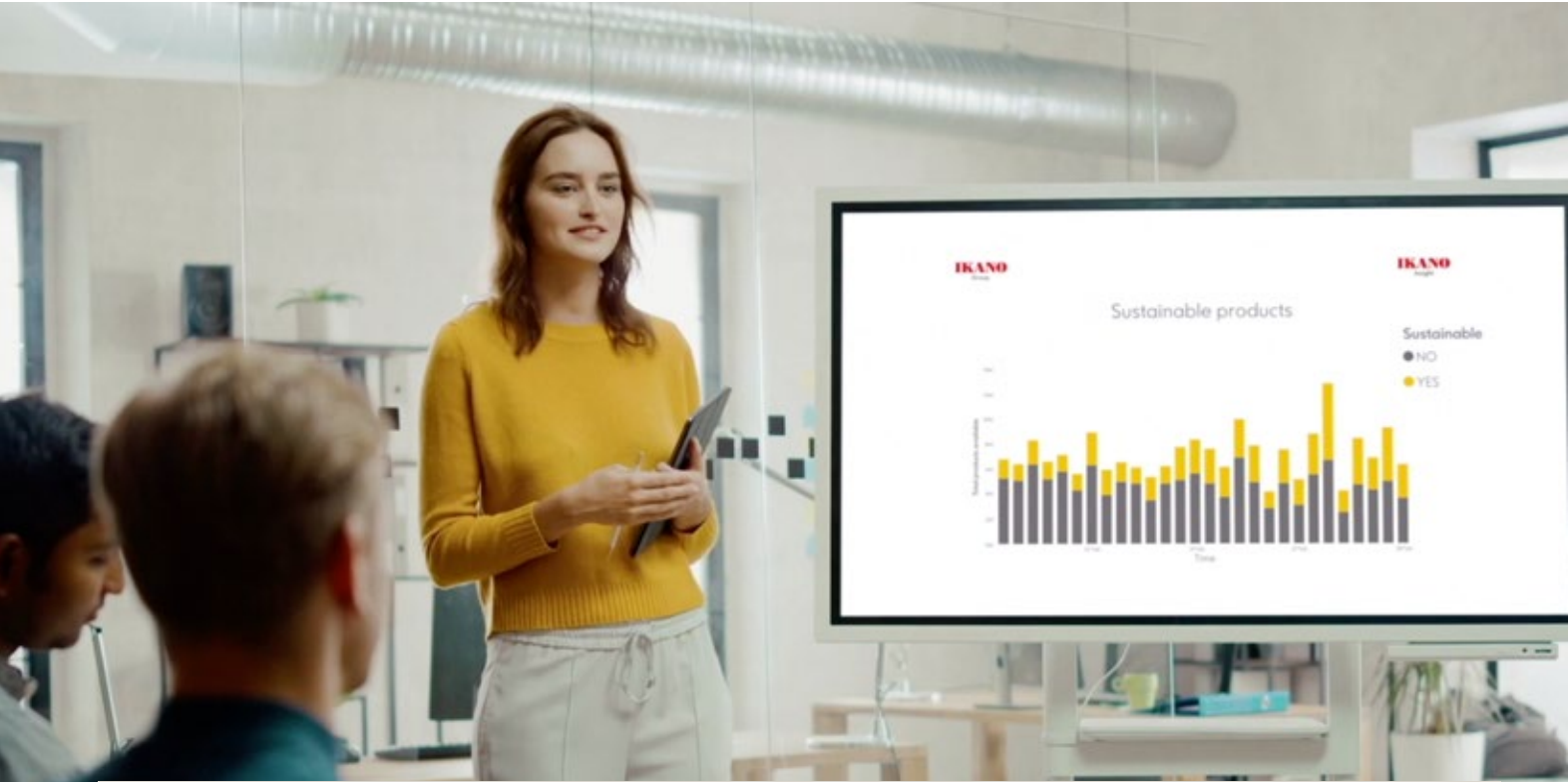
Our Business Intelligence dashboards will help to achieve this. Our sustainability objectives at Ikano Insight focus on our capability to support other businesses to measure their progress towards their sustainability goals.

Across Ikano Group, it is clear that we have the passion, the energy and the commitment, necessary for our sustainability journey. In order to truly succeed, we need to ensure that sustainability is fully embedded in the business agenda. Measuring performance, making data driven decisions and actions will enable Ikano Group and our customers to grow their businesses in a much more sustainable way.



Sustainability statement:
**“Data insight
is key to a
sustainable
future.”**



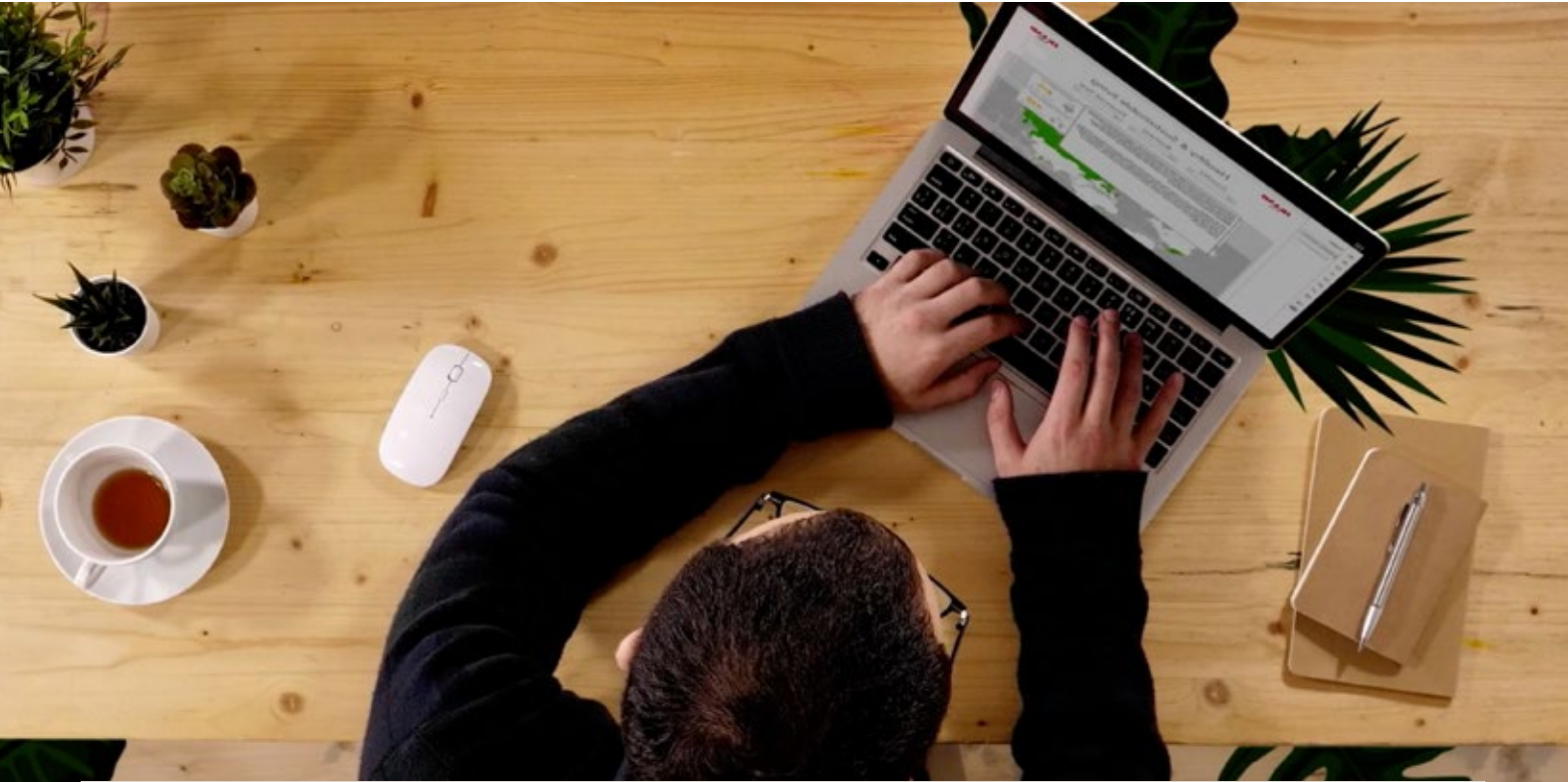


Where we are now

Sustainability is one of our key drivers. Our office management company are currently working with WELL certification with all our energy coming from green sources and all lights are 100% LED. In addition, all our co-workers travel to work by public transport.

One of the ways that we unlock the power of data is to measure progress against sustainability goals for Ikano Group and other clients. Our commitment is to deliver actionable insights that support our clients to grow in a sustainable way. We are also focused on driving our own, long-term trusted and ethical sustainability programme.

As a small and agile b2b agency, we are focused on supporting other businesses to measure and follow up on their performance and visualise their sustainability journey through dashboards. We can also create dashboards, data insights and advanced analytics on a wide range of business topics. We are convinced this is where we can have the biggest impact on driving a broader sustainability agenda in our community.



Where we want to be by 2030

Building on our heritage of delivering customer insight we will continuously seek to help our clients to understand their customers sustainability challenges and goals.

We aim to be known as an agile and respected analytics and data agency able to help other businesses to measure their sustainability ambitions; track performance, develop predictive scenario planning and make better business decisions.

Ikano Insight will deliver its biggest impact on sustainability by supporting other businesses to measure their impact, their own sustainable development goals and how to reach them. By creating business intelligence dashboards, we aim to get a fantastic insight into both Ikano and non-Ikano businesses and how we can help beyond the dashboard.

Ikano Insight direction

FY22 – FY25



We will support clients and partners to measure health and well-being and give insights on how companies can improve HR and well-being policies.

By 2025

Analyse and develop insights for the health and well-being of over
100,000
Ingka and Ikano co-workers.

Deliver insight on well-being and HR development for multiple external clients.

Support Ikano Retail with data driven insights and proposals to increase sales of sustainable products by
5%.



We will focus on supporting our customers and partners to measure and follow up their sustainability goals and climate impact.

By 2025

Generate 15% of external revenue (non-Ikano) from customers using our data driven expertise to measure and achieve climate targets.

Expand our Sustainability product range with 3 new sustainability propositions.

Measure and produce insights on 40 sustainability KPIs for Ikano businesses across 5 years.



We will identify evolving consumer needs and provide insights on how businesses can be more relevant in matching customer needs and reaching more people. Focus until 2025 will be on specific projects together with Ikano businesses.

By 2025

Supporting the customer journey and conversion to encourage uptake of HEMSÄKER home insurance by
10%.

Analyse 'the many' lacking access to capital to help Ikano Bank understand how they can support this group further and develop new propositions.

Help reduce wastage and increase warehouse efficiencies for Ikano Industry.

Ikano Retail

There is new energy behind the People & Planet movement within our business – provoked in part by the Covid-19 pandemic, a rising awareness of climate change and a new sense of urgency to ‘build back better.’

More than 45 leaders supported the development of our long-term sustainability direction, set ambitious goals together and agreed upon key actions. We have taken a leap in our journey to integrate sustainability into all our functions and business units, with every team taking ownership and relevant actions embedded into business plans.

Our strategy is built upon a foundation of policies, guidelines and principles that we have agreed are with us for the long-term.

Our Basics:

Our strategy is built upon a foundation of policies, guidelines and principles that we have agreed are with us for the long-term.

Communities

- Responsible sourcing
- Children’s charity partners
- Good Neighbor Guideline
- Ikano Code of Conduct

Environment

- Green building certifications
- Green Office Guideline
- IConduct

Co-workers

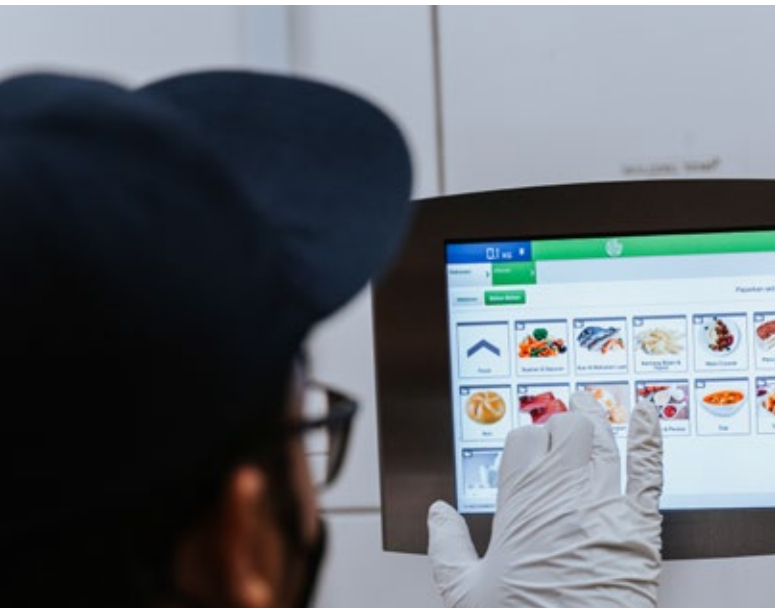
- IKEA Values
- Equal pay for equal work
- Minimum 1 hour of sustainability learning for each co-worker/year
- Social Days leave



Sustainability statement:

**“Making life
at home a little
more sustainable.
Everyday.”**





Where we are now

Healthy & Sustainable Living

Interest in sustainable living is rising among our co-workers, customers and tenants. IKEA carries thousands of sustainable products and plant-based foods, but we are challenged by perceptions of ‘low quality’ and have missed some opportunities to tell the stories behind our products. We are now creating new content for a ‘green thread’ of sustainability stories in every channel and planning for ‘durability’ communication in the year ahead.

Circular & Climate Positive

Circularity has been built into our business – recycling, recovery operations for damaged goods, second-hand As-Is shops and free spare parts – but we have an opportunity to expand our offer and build brand position as

customers look for sustainable solutions. We have won awards and certifications for sustainable properties. We generate 10% of our energy from solar, are getting started with electric vehicles and plan to develop roadmaps to meet our ambitions.

Fair & Inclusive

We build diverse workplaces where people feel included and have an equal chance to develop. We are approaching 50-50 gender balance across our business. We run mentorship programs and succession plans to develop local leaders. We make IWAY* part of key supplier contracts and strive to address poverty in our communities by linking to enterprises with a social mission.

* IWAY is IKEA’s supplier code of conduct for responsibly procuring products, services, materials and components. It is a mandatory standard and sets clear expectations for environmental, social and working conditions, as well as animal welfare, for all suppliers and service providers.

Where we want to be by 2030

We will help make healthy and sustainable living desirable and affordable in six countries that will be home to 480 million people.

Our sustainable products and services will be priced right and readily available, helping to enable sustainable living among the many in our diverse markets. Our communication, collaborations and services will inspire customers to take everyday actions to live within the boundaries of the planet’s resources.

We will move as far and fast as we can to support the IKEA global ambition to become circular and climate positive.

The many people will know that IKEA makes 100% of its products from materials that are renewable, recycled or recyclable and our customers will

be inspired to prolong the life of IKEA products. Our stores will send close to zero waste to landfill and make deliveries in clean transport. We will maximize our solar power generation and third-party suppliers will help us meet 100% of our needs through renewables.

We will be fair and Inclusive as we make our workplaces a leading example of diversity and create a positive impact in our communities.

Local leaders will take up a majority of our management positions, gender balance will be a natural norm and our inclusive approach will make us an employer of choice. Our businesses will be linked to at least six social enterprises supporting local communities.

Ikano Retail direction

FY22 – FY25



Create an unbeatable offer of products and services that enable sustainable living.

Make stores and centres a go-to destination for healthy and sustainable food.

Shift mindsets through bold communication and activities that engage co-workers and communities.

By 2025

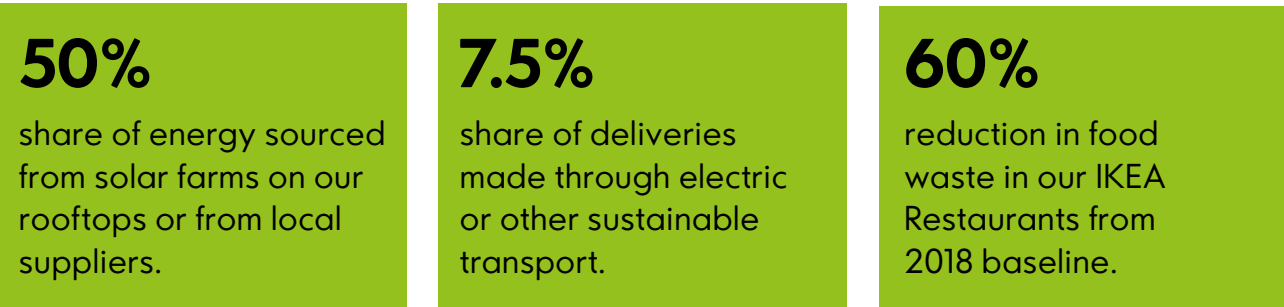


Develop and promote solutions that prolong the life of our products.

Seek innovations that reduce our use of energy and water while investing in solar power, electric vehicles and other solutions that reduce our greenhouse gas emissions.

Adjust our ways of working and invest in systems that help us reduce and manage the waste we generate within our business – driving toward zero waste to landfill.

By 2025



Create fair and meaningful work for people of different races, ages, religions and sexual identities.

Make gender balance the norm, nurture local talent and develop local leaders.

Ensure workers in our supply chain are treated fairly and create work opportunities for disadvantaged people in our communities.

By 2025



A photograph of a rustic stone wall made of irregular grey and brown stones, some covered in moss. The wall is set in a lush green environment with several large trees and dense foliage in the background. The lighting is soft and natural, suggesting a forest setting.

**Most things
still remain
to be done.**

Ingvar Kamprad