



Welcome to
IKEA Canada
Summary Report 2021



Note from the CEO

Reflecting on this past year, I'm proud of our many accomplishments as a business, as leaders and as people. We helped many Canadians create a more livable, workable, sustainable, and enjoyable home when it mattered most.

We embraced the challenges that came with leading in the unknown and made incredible strides to meet and inspire our customers in a better way. This year, we saw the lives of Canadians continue to shift, and the demand for more convenient and affordable ways to shop increase. We took bold steps to enable a more seamless shopping experience that reaches our customers wherever, whenever, and however they want to meet us.

Despite the challenges, we achieved tremendous results this year because of our co-workers' spirit, togetherness, and resilience. Building on our strengths and taking the lessons we have learned along the way, we will continue to transform our business to become more accessible, affordable, and sustainable than ever before. "

Mike Ward

CEO and Chief Sustainability Officer, IKEA Canada

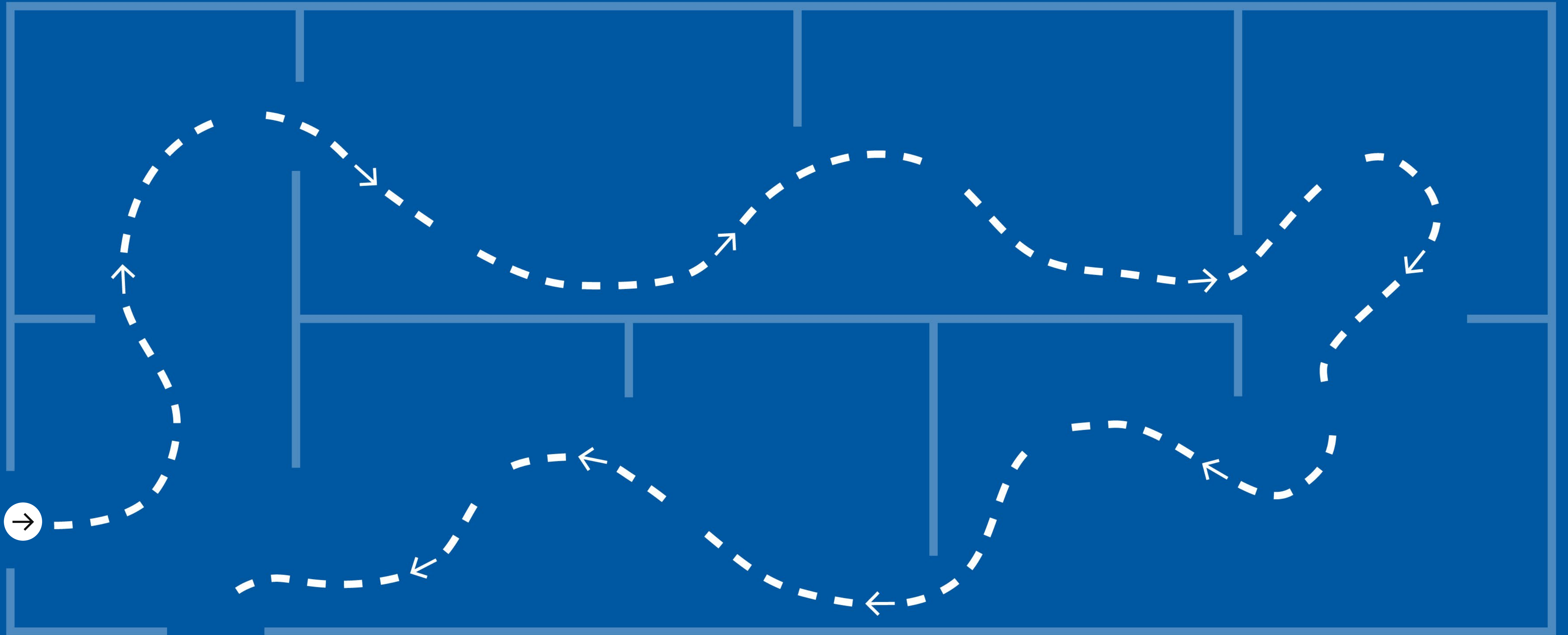


Summary Map



Summary Map

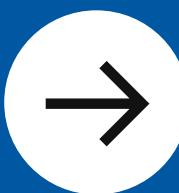
Jump directly to a section by clicking on a number



Note from the CEO



Welcome to IKEA



Hej!

That's how we say "hello" in Swedish

This past year, life at home became more important than ever as Canadians redefined the meaning of "home" and its emotional connection to the everyday. As the world around us continued to evolve, our habits and homes began to change too.

We've seen an increasingly intimate relationship between our homes and our mental health and well-being. Nearly two in every five Canadians say their mental health has suffered this past year, but research has shown that a better home can positively impact our well-being.

We believe creating a better home is also the starting point to contribute to a better planet. That's what this past year was about. We helped Canadians create spaces and places that made life at home better and strengthened our commitments to support our local communities, neighbourhoods, and our shared home – the planet.

2021 was another unpredictable year where we saw increased interest in IKEA products, while also navigating industry-wide supply chain disruptions due to long-term impacts of the pandemic. Together, our co-workers and partners continue to turn challenges into opportunities, working to find solutions to improve the availability of our products. By putting the needs and dreams of our customers first, we were able to accelerate our transformation and become more accessible, more affordable and truly sustainable.



Data from
Sept 1, 2020 - Aug 31, 2021

2 Results at a Glance

\$2.59B
in total sales
11.8% increase from last year

\$969.48M
in online sales
161.5% increase from last year



1.8M
orders delivered
63% increase from last year

4,195
Click and collect orders
per day (avg)
550% increase from pre-COVID



21.2M
store visits
7.4% decrease from last year

236M
online visits
32% increase from last year



We sold:

20M+ Meatballs

3M+ Plant Balls

1.8M+ Hot Dogs

*as we navigated store closures and limited capacities



1 Welcome to IKEA

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3 Delivering Seamless Customer Experiences



3 Delivering Seamless Customer Experiences

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The needs and behaviours of our customers continue to change rapidly

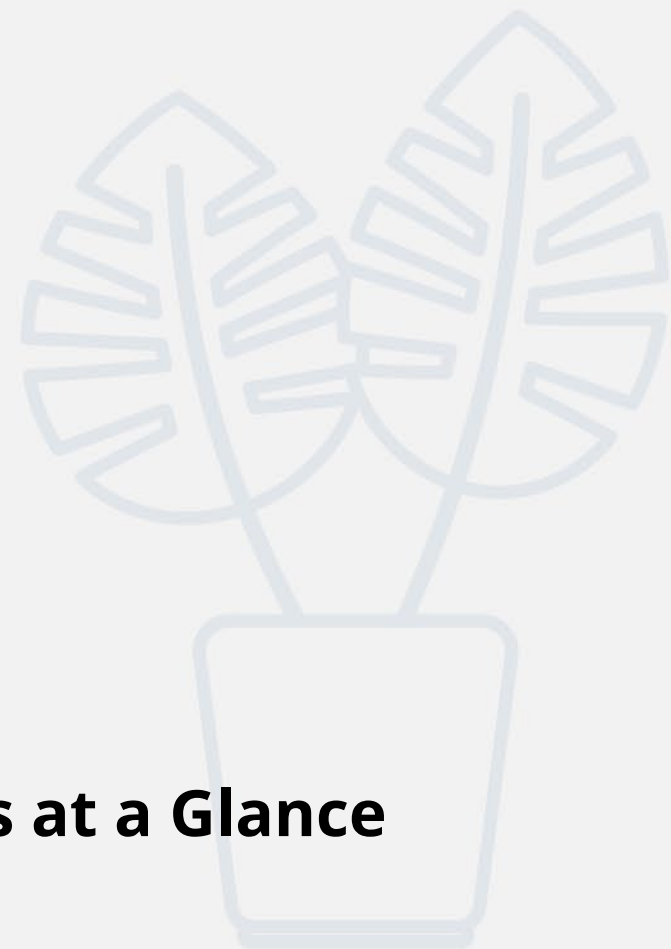
The pandemic has accelerated our customers' shopping behaviours and expectations, and there is an increasing need for retailers to consistently deliver on value, convenience, and speed.

We're transforming our business and delivering locally relevant solutions that meet evolving customer needs. This includes introducing new ways to shop, enhancing our existing store experiences, strengthening our digital capabilities and service offers, and optimizing our fulfilment network and design.



Liz Wilson

Head of Customer Fulfilment, IKEA Canada



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Results at a Glance



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Expanding Our Reach



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Delivering Seamless Customer Experiences

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The heart of IKEA

Our 14 stores across Canada are where customers can meet our knowledgeable life at home experts, enjoy an affordable dinner with family, and choose from thousands of IKEA products to take home. This year, we continued to invest in and realize the full potential of our stores by introducing new in-store experiences, transforming our AS-IS departments into circular hubs, and creating a more efficient self checkout process, while also increasing store fulfilment capacities to meet increasing Click and collect, and delivery demands.



2 Results at a Glance



Summary Map

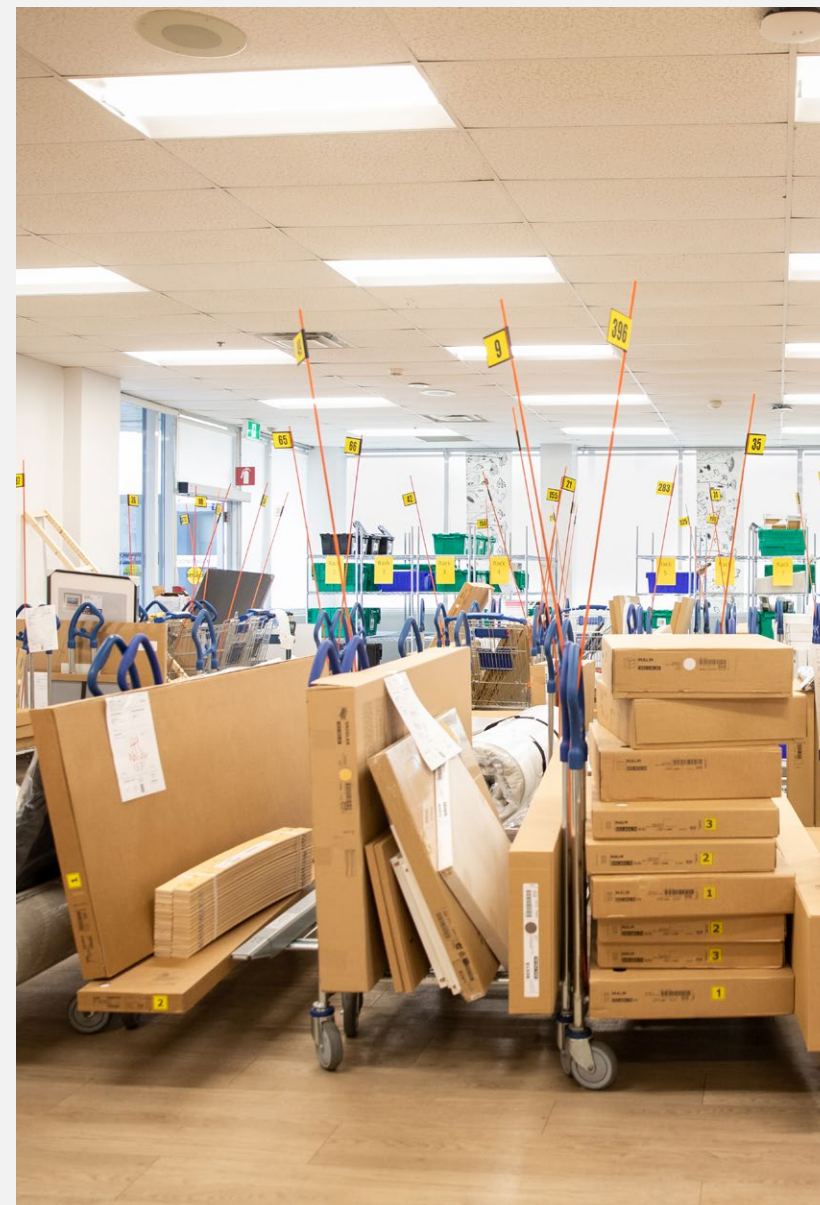
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Fulfilment networks

We continued to expand and develop our fulfilment networks to ensure better product and service availability for our customers. We are creating a fully integrated fulfilment operation with both central customer fulfilment units and store fulfilment across Canada. Fulfilling orders closer to where our customers live and offering services like Click and collect, Collection points and home delivery helps us reduce delivery times and lowers our carbon footprint.



2 Results at a Glance



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Delivery and assembly

We began enhancing our delivery service offer with more affordable and convenient options like contactless doorstep delivery. Once delivered, customers across Canada can use TaskRabbit to get products assembled in-home and at their convenience for an affordable price.



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Results at a Glance



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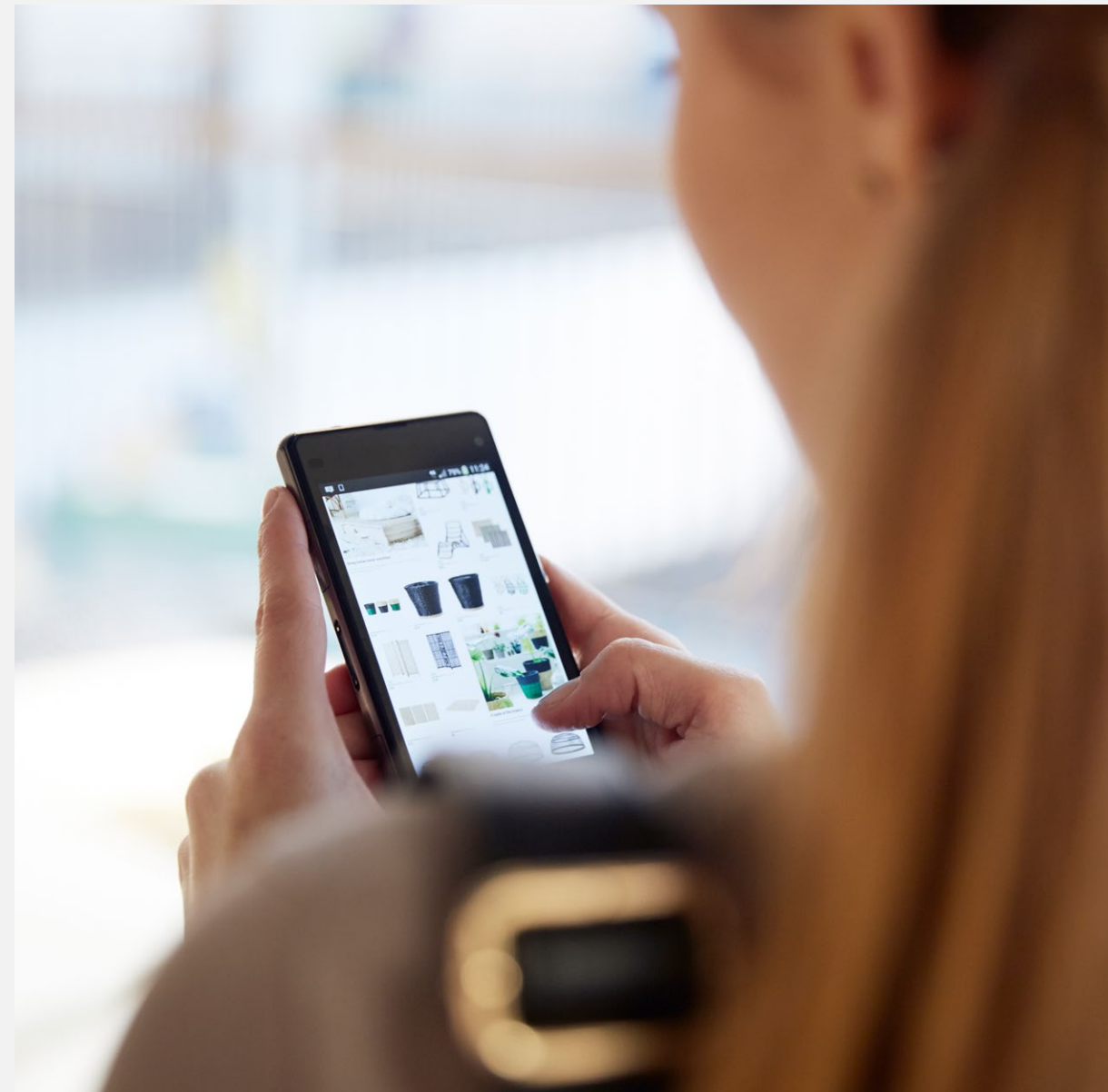
Expanding Our Reach



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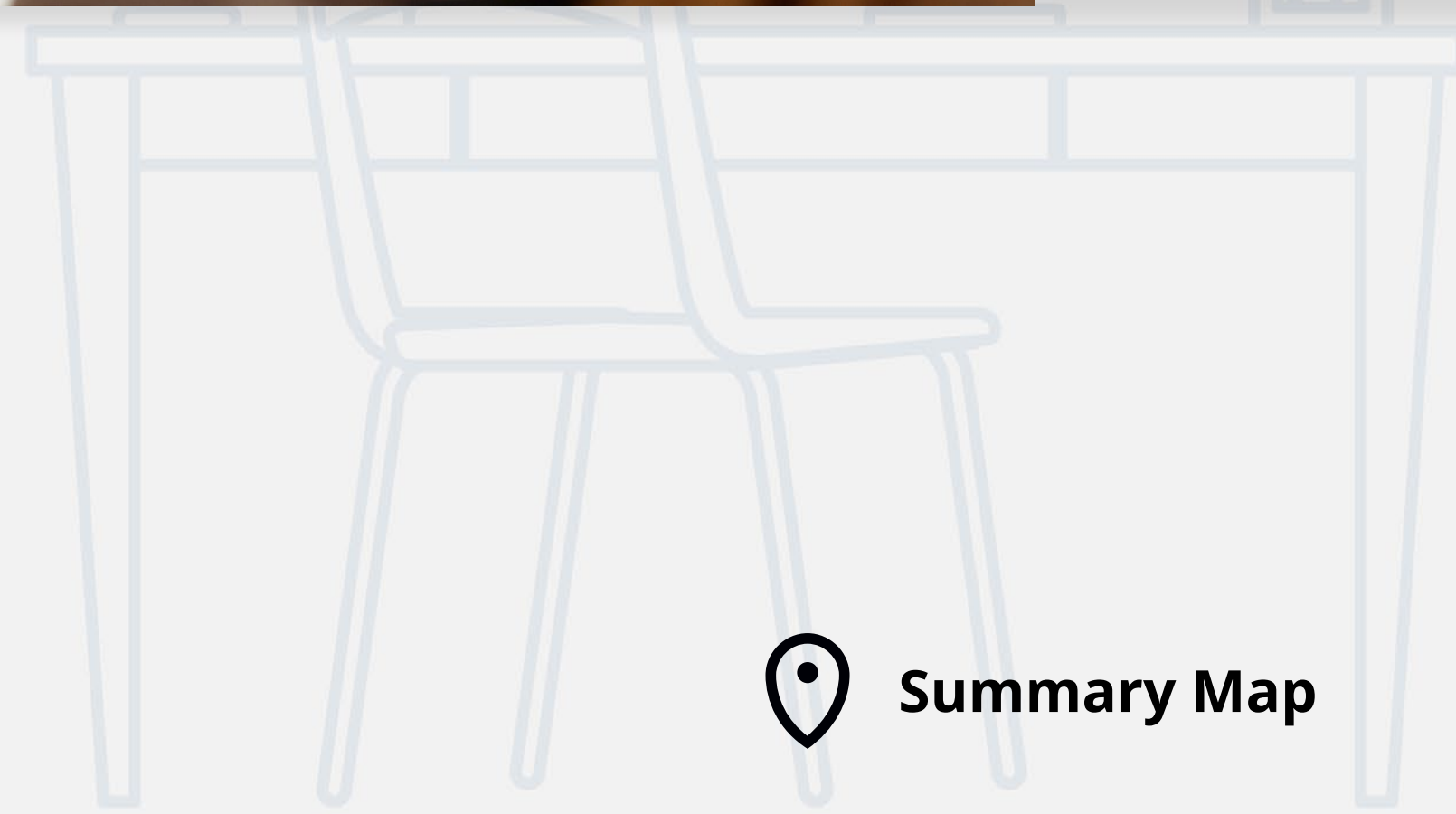
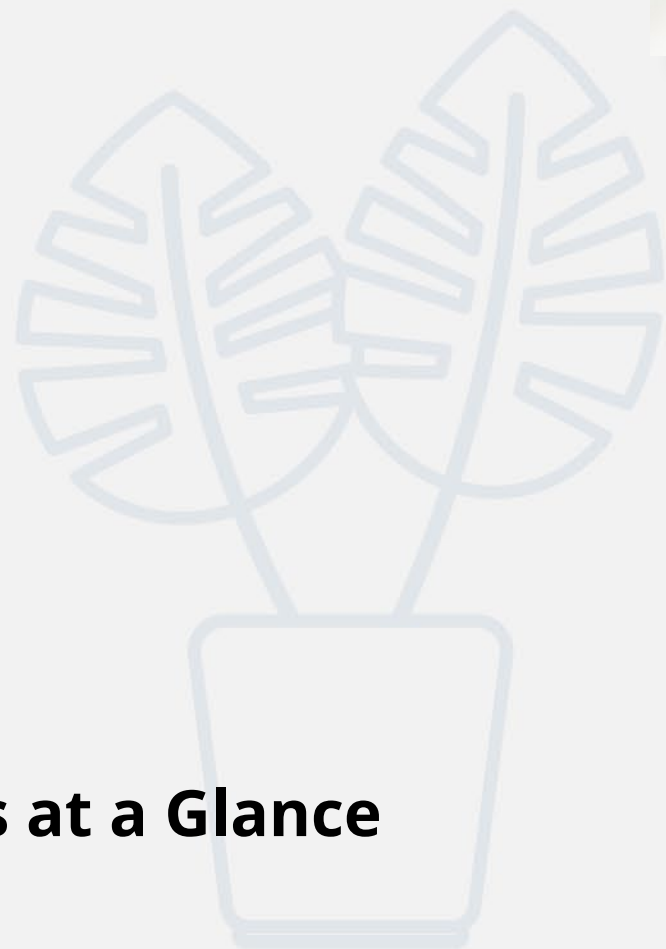
Delivering Seamless Customer Experiences

Click on each point for more information



Skip the line and save time

As customers shop in-store, they can now scan their items on the IKEA App and pay at a dedicated IKEA app checkout without unbagging or re-scanning. This new feature, available at most locations, helps to cut checkout times and shorten lineups at the cash lane.



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Results at a Glance



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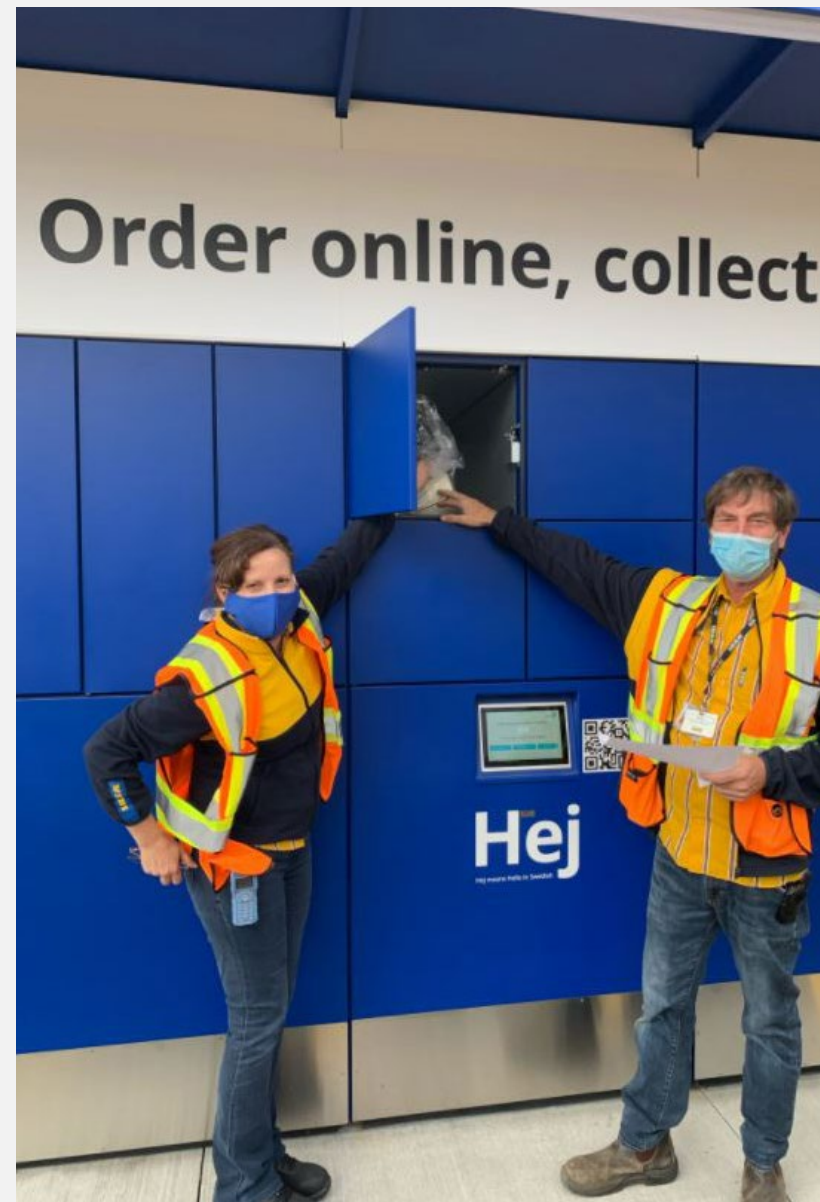
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Pick-up lockers

With the demand for convenience higher than ever, customers in several markets can now order purchases online and pick up their goods 24/7 – whether we're open or closed!



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Express returns

Before visiting the store, customers can now get a head start on their return online, which speeds up and streamlines the process.



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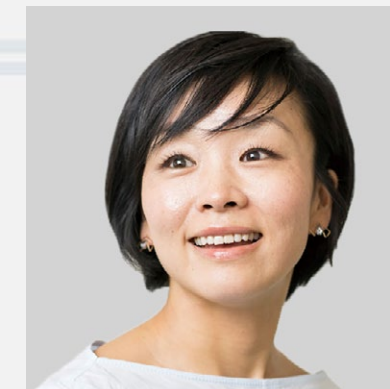
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Helping Canadians by becoming more accessible

Click on each point for more information

¶ We are continuing to grow our business by getting closer to our customers, offering locally relevant services, bringing new IKEA experiences to life, and transforming ourselves into a true omnichannel retailer.

We are driven by our ambition to create a seamless shopping journey where our customers can shop with us whenever, wherever, and however they choose to. ¶



Eri Mathy
Head of Business Development, IKEA Canada



3 Delivering Seamless Customer Experiences



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IKEA Toronto Downtown

Many Canadians are expected to move into big cities over the coming decades. We're working to become more accessible by bringing our stores closer to them. This year, we announced the launch of our first downtown shopping destination on Yonge Street, set to open in 2022. This urban store will be smaller and offer 2,000 IKEA products for takeaway, and a new food offer called the IKEA Swedish Deli.



3 Delivering Seamless Customer Experiences



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IKEA Design Studio

We launched a new concept – a small, dedicated studio space for personalized design and planning services with IKEA experts. Locations across Ontario enable us to better reach our customers with local, relevant home furnishing solutions.



3 Delivering Seamless Customer Experiences



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Collect near you

We're helping Canadians who don't live near or have easy access to an IKEA store. We've expanded our pick-up network to 42 locations across Canada, including PenguinPickUp locations across the Greater Toronto Area and Montreal. Customers can now have their home furnishings delivered closer to home, at an affordable flat rate.



3 Delivering Seamless Customer Experiences



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IKEA Food to-go

We launched a nationwide restaurant takeout program so that customers could enjoy their favourite Swedish meals on the go (we fulfilled nearly 90,000 orders!). We also made Click and collect available for our Swedish Food Market products and partnered with DoorDash in most markets to offer food delivery of our classic Swedish Restaurant dishes.



3 Delivering Seamless Customer Experiences



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5 Inspiring a Better Life at Home



5 Inspiring a Better Life at Home

Click on each point for more information

In 2021,

60%

of Canadians made changes to their homes

This year, we saw a major shift in the way Canadians used and thought about their homes. Creating a space that reflects and supports their need for new activities, like working from home, exercising or creating a relaxing oasis, became more important than ever.

We're leveraging decades of experience in life at home to help Canadians create spaces that reflect the fluid nature of their lives and meet their evolving needs through new products, affordable solutions, and inspiration.



Kathy Davey

Head of Home Furnishing and Retail Design, IKEA Canada



4 Expanding Our Reach



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84 %

of Canadians say it's important to have control over their home



Canadians want hybrid spaces for hybrid living that contribute to a sense of health and well-being at home. That's why we invested in smart home products like the new FÖRNUFTIG and STARKVIND air purifiers and the SYMFONISK picture frame Wi-Fi speaker that integrates high-quality sound into the home.



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1 in 3 say having a private garden or balcony has become more important

Our outdoor space is a place to escape, get some much-needed fresh air, and enjoy a change of scenery. We helped Canadians make the most of their private gardens and balconies with new outdoor furniture solutions that don't break the bank. Canadians installed nearly 2 million RUNNEN patio tiles, and we sold 2x as many ÄPPLARÖ outdoor tables as last year.



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93 % of Canadians think home should provide a sense of comfort

When it comes to maintaining a sense of mental well-being at home, sleep is paramount. This past year, we saw sales increases on ergonomic pillows, duvets, and bedframes as Canadians worked to create a space that offered them a better-quality sleep and supported their mental health and well-being in a stronger way.



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Canadians bought

1M

more IKEA candles than last year

Candles add a natural warmth to any space and evoke memories and emotions. With a greater emphasis on comfort and balance, it's no surprise that Canadians bought more than 4 million candles this past year, including our OSYNLIG collection of 13 scented candles in collaboration with Ben Gorham.



4 Expanding Our Reach



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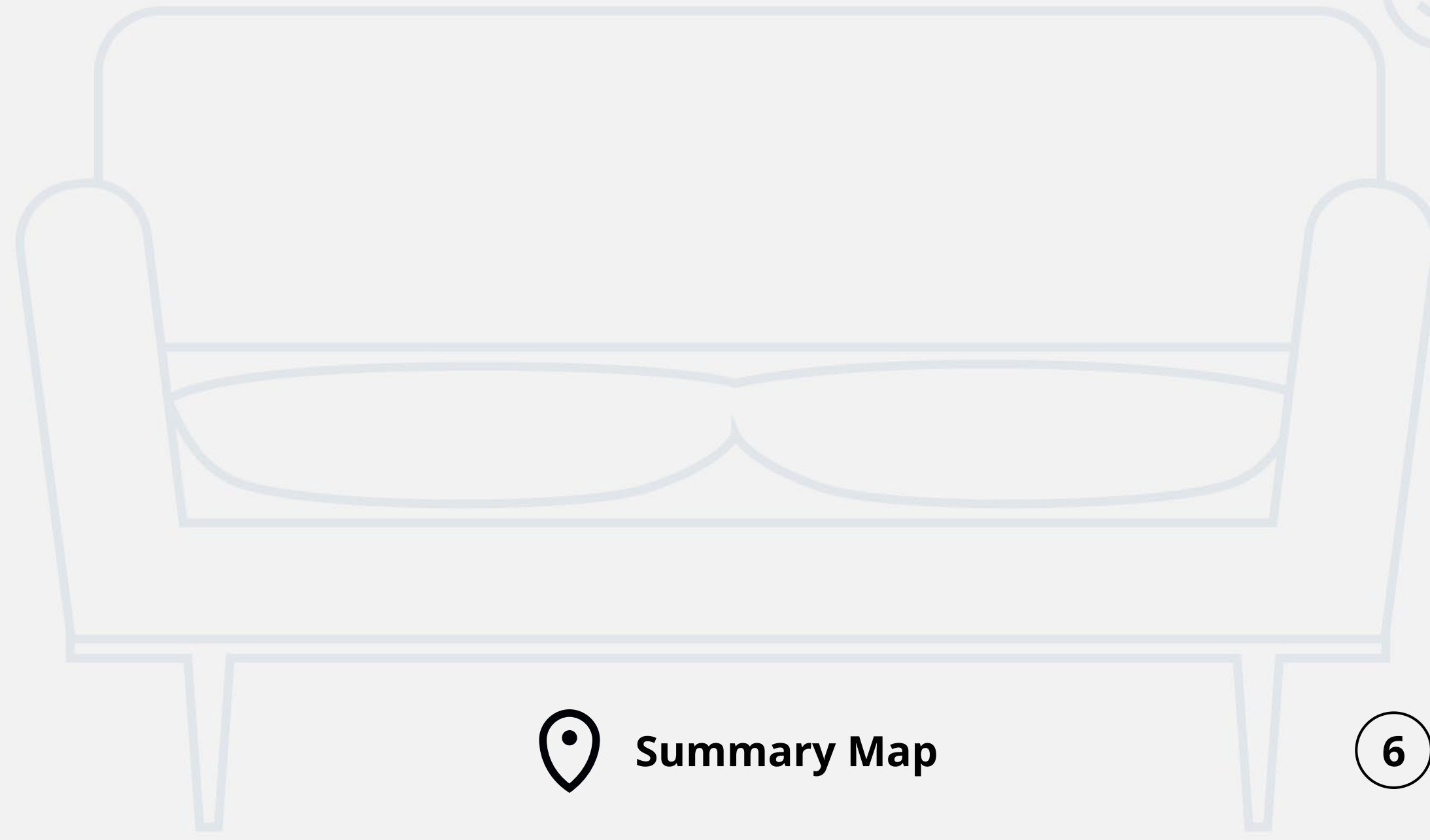
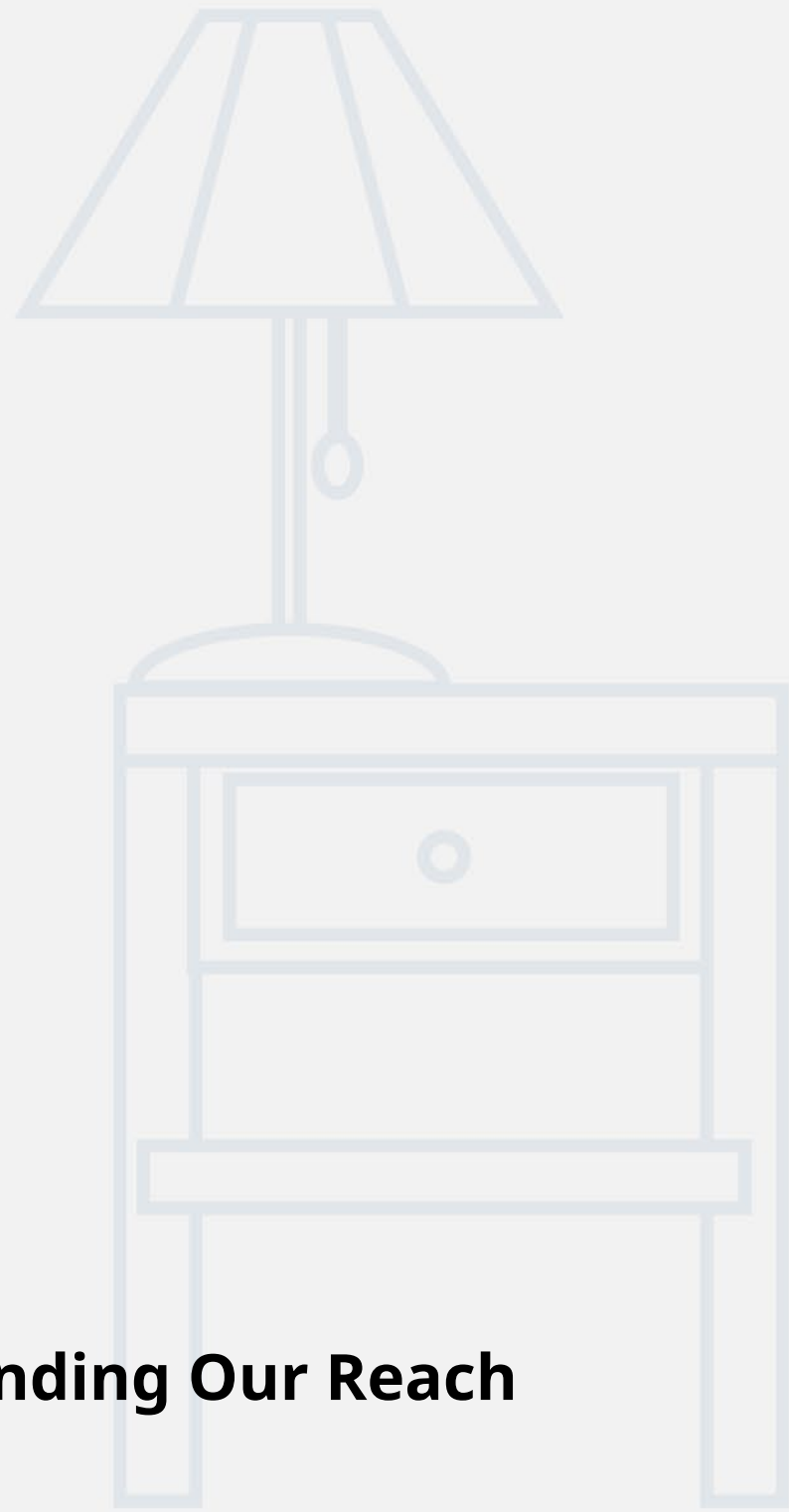
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Sandwich Friends

Our annual SAGOSKATT collection is created by children, for children. This year, Audrey, a young Canadian from Saskatoon, was among the five global winners with her PB&J-inspired design. All proceeds go to local children's charities.



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Turning the page

After 70 successful years, we bid farewell to the iconic IKEA Catalogue.

We're embracing new ways to connect with and inspire people. One of those ways was the first IKEA Festival, a 24-hour world tour that celebrated life at home. Artists, designers, chefs, musicians, and other collaborators opened the doors to their homes during the digital event.



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We joined forces with LEGO® to create a playful storage solution called BYGGLEK that encourages play while blending functional storage into the home in a beautiful way.



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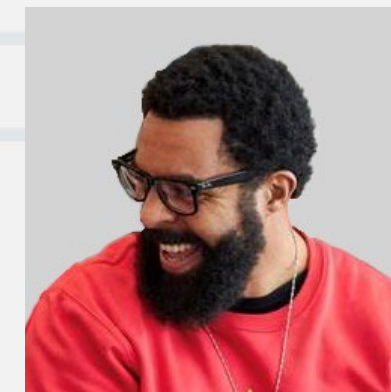


6 Contributing to Better Communities

Communities and neighbourhoods played an essential role in our lives this year

Click on each point for more information

W Nearly 75% of us spent more time in our local neighbourhoods, which provided vital support during a challenging time. Our ambition to create a better life for Canadians goes beyond just the four walls of a home – it's about having a positive impact in all areas of society, and we're committed to becoming a leader in this space.



John Williams

Equality, Diversity and Inclusion Leader, IKEA Canada



5 Inspiring a Better Life at Home



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Everyone should feel at home

In honour of Pride, we collaborated with designers active in the 2SLGBTQ+ community to create Love Seats, a series of one-of-a-kind slipcovers inspired by different Pride flags and the lived experiences from a wide spectrum of gender and sexual identities they represent.

We also donated \$40,000 from our STORSTOMMA rainbow bag proceeds to 2SLGBTQ+ organizations across Canada that push progress forward and create safe spaces in their local communities.



5 Inspiring a Better Life at Home



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Opportunities for refugees

We launched a national Refugee Skills for Employment initiative with ACCES Employment, aiming to hire 150 refugees within three years. The initiative will provide paid work placements, culture and language coaching, job search strategies and mentorship from IKEA Canada leaders.



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Inspiring a Better Life at Home



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Supporting vulnerable communities

COVID-19 continued to impact vulnerable communities across Canada. We donated \$500,000 in funding and products to organizations like Save the Children, National Friendship Association of Canada, and Black Health Alliance.



5 Inspiring a Better Life at Home



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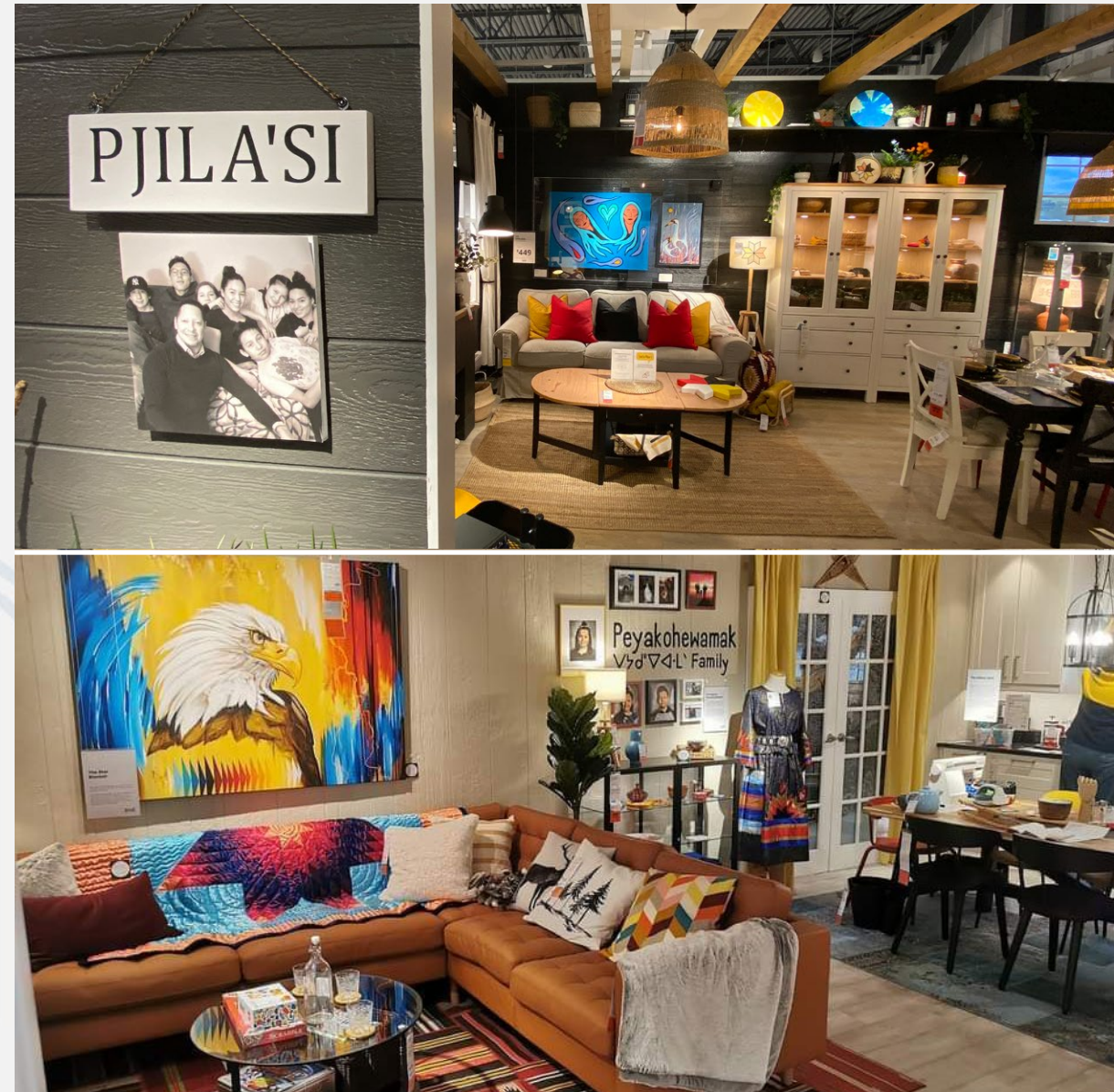
Caring for Our Co-workers



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Indigenous showrooms

In the first-ever of its kind, our stores in Edmonton and Halifax collaborated with local Indigenous artists to showcase life at home for contemporary Cree and Mi'kmaw families and their modern culture.



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Inspiring a Better Life at Home



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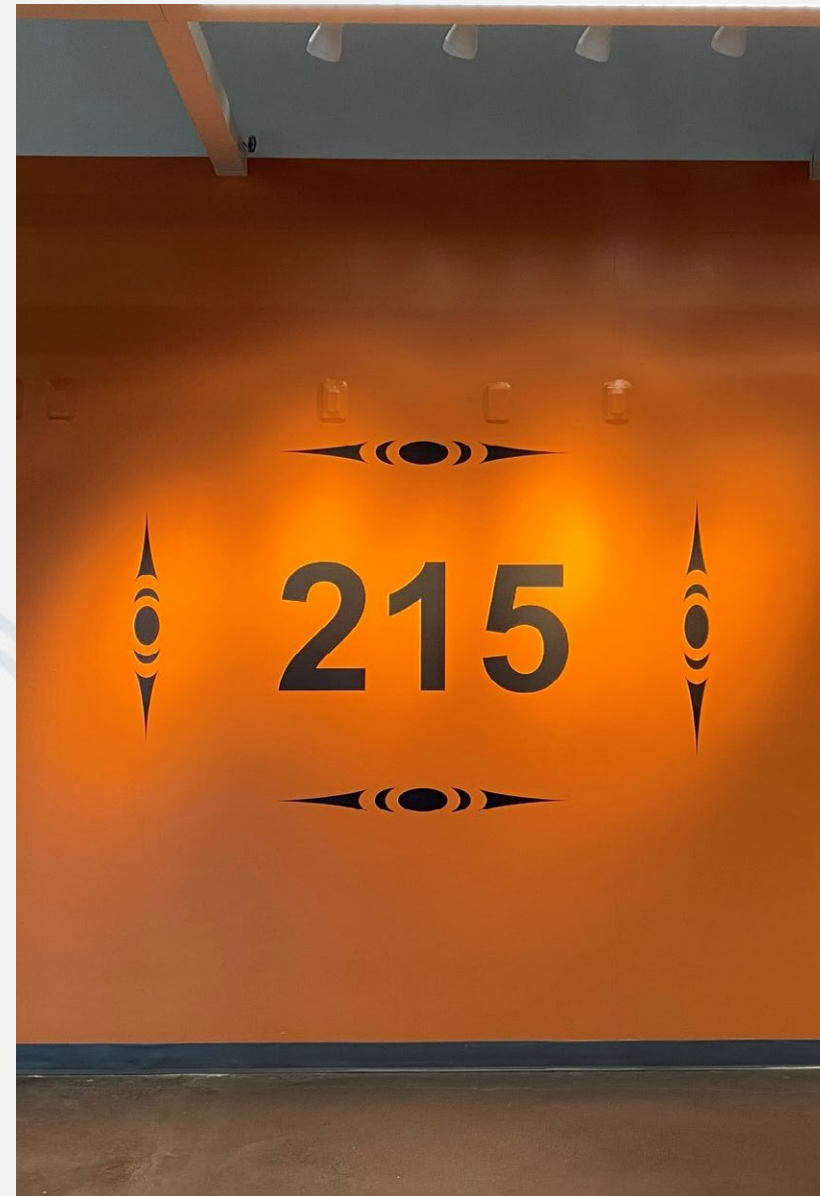
Caring for Our Co-workers



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Standing by the Indigenous community

This year, many Canadians learned of the tragic history and ongoing legacy of residential schools across the country. In response to #92 of the Truth and Reconciliation Commission of Canada's Call to Action, and in consultation with the Indigenous community, we developed a national Indigenous reconciliation strategy that will unfold over the next several years. Our ambition is to contribute to an environment where respect for Indigenous rights is integrated into all areas of our business and society.



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The Youth Pad

We supported national vaccination efforts, including the William Osler Health System, to open a safe, comfortable, and interactive space where teens could receive their COVID-19 vaccine.



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Supporting children's pediatrics in Quebec

For the fourth year, our Quebec stores proudly donated funding and products to help furnish a home in partnership with Opération Enfant Soleil – the proceeds will go to children's pediatrics in Quebec.



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Helping achieve ethnic and racial equity and inclusion

Our efforts towards greater ethnic and racial equity and inclusion in Canada have grown over the past year, and we're driving meaningful change in our organization and our communities. During Black History Month, we further committed to tackling systemic anti-Black racism by signing the [BlackNorth Pledge](#).



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Inspiring a Better Life at Home



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Caring for Our Co-workers



7 Caring for Our Co-workers

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IKEA co-workers are at the heart of our business

¶ We are grateful to our co-workers who showed up each and every day for our customers and each other. This year, our values and purpose continued to be our compass through challenging times. We transformed our business and contributed to our vision of creating a better life at home for the many Canadians – all while growing stronger together. ¶



Tanja Fratangeli

Head of People & Culture,
IKEA Canada



6 Contributing to Better Communities



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Putting co-worker health and well-being first

This year, we focused on taking care of our co-workers' physical and mental health and well-being. We supported our co-workers to speak openly and honestly about their mental well-being while providing leaders with mental health first aid training. All IKEA co-workers have access to at least eight Wellness Days per year. This flexible benefit ensures our co-workers can take care of themselves when ill and can also be used for personal appointments, community volunteering, or even supporting a family member.



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This year, we employed

7,622

co-workers from coast to coast



We were proud to maintain every co-worker's employment despite the temporary closures of our stores. We know that the pandemic has impacted and challenged us all in many ways. As a thank you for their hard work and dedication, we offered co-workers extra paid days off throughout the year to take care and mentally recharge.



6 Contributing to Better Communities



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Benefits designed for the many

We offer a Total Rewards package that includes competitive RRSP and loyalty programs, a performance-driven bonus program, subsidized meals, a co-worker discount, paid uniform, and a 100% employer paid benefits package for all co-workers.



6 Contributing to Better Communities



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UPPSKATTA

Following our strong sales performance this year, most of our Canadian co-workers will receive the "One IKEA Bonus," a performance-driven payout. In addition, a one-time Ingka global appreciation gift of \$6 million will be shared among eligible co-workers.



6 Contributing to Better Communities



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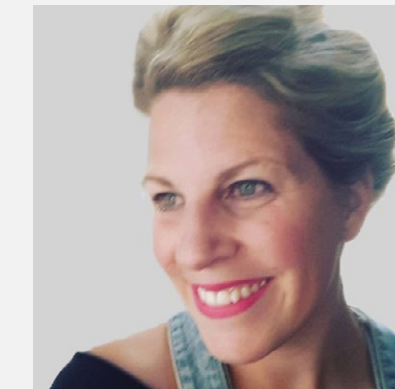
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Becoming a fully circular and climate positive business by 2030

Most Canadians want to live more sustainably, but nearly a third are unsure of what actions to take. We're focused on finding new ways to inspire and enable Canadians to live a healthier and more sustainable life at home that is easy and affordable.

The moment for climate action is now and, together, we can still create a better future. We're on a journey to become a leader in creating smart and sustainable homes, promoting circular and sustainable consumption, and providing better food choices for Canadians.



Melissa Barbosa

Head of Sustainability,
IKEA Canada



7 Caring for Our Co-workers



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100% zero-emission home deliveries by 2025

Electrifying our home delivery service is an important first step in our journey to become a climate-positive business. This year, we took a bold step towards making our zero-emission commitment a reality. Our network of partners, including Bolt and Custom Delivery Solutions, will soon begin last-mile home deliveries with zero-emission trucks in markets across Canada.



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100%

renewable energy across the IKEA value chain by 2030

Clean energy sources, like the wind and sun, are key to tackling climate change. Our two wind farms in Alberta and solar panels on many of our stores generate renewable energy equivalent to four times our total consumption nationally.



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Black Green Friday

On one of the biggest shopping weekends of the year, we helped change the conversation from mass consumption to mass circularity. Nationwide, we incentivized customers to sell back pre-loved IKEA furniture, ran a national furniture and electronics donation drive, and put the spotlight on more sustainable IKEA products.



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Food that's good for the planet

With the same taste, texture, and juicy bite of our traditional Swedish meatballs, but only 4% of the climate footprint, we launched the IKEA Plant Ball. We also introduced plant-based ice cream and gelatin-free candies as climate-friendly options in our food range.



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Canadians want to enjoy a better everyday life without compromising the conditions for the planet and future generations. That's why we began phasing out non-rechargeable alkaline batteries and are focused on helping customers switch to rechargeable batteries by the end of 2021.



7 Caring for Our Co-workers



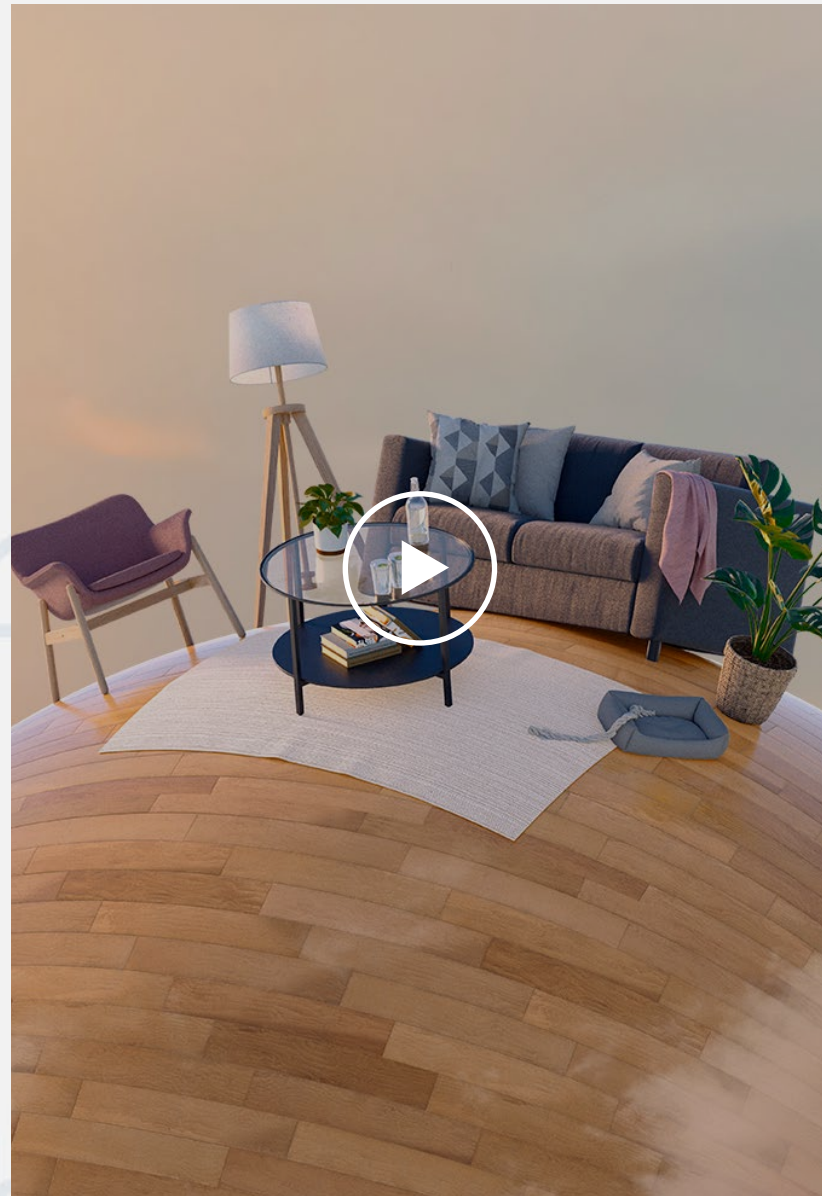
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Small actions can create a better world

Our One Little Thing campaign helped reframe the goal of a sustainable future from a monumental undertaking to a series of small actions that everyone can do in their homes to make a difference collectively.

Our Little World then showed how these actions taken in our own little worlds can positively impact our collective planet.



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We inspired Canadians to reduce food waste with the launch of the IKEA Scrapsbook, a collection of unique recipes from 10 North American chefs that use – you guessed it – kitchen scraps!



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1.8M+ products were given a second life at IKEA Canada

We transformed the AS-IS section of our stores into circular hubs, where products that are gently used, discontinued, or previous showroom displays make up an attractive range of second life products at an affordable price. Customers can also reserve an item before visiting the store on the new circular hub online marketplace.



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9 Looking Ahead to 2022

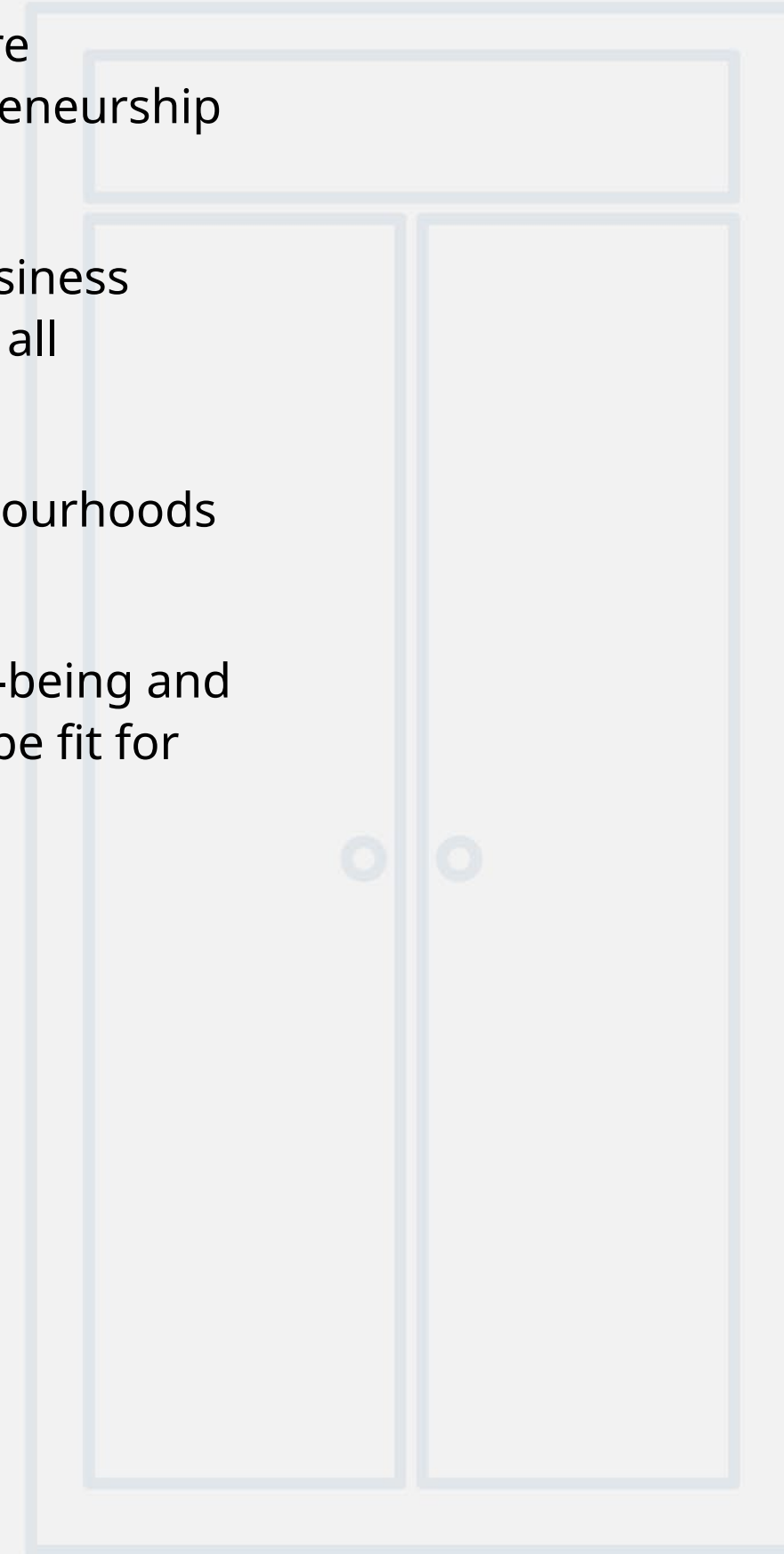
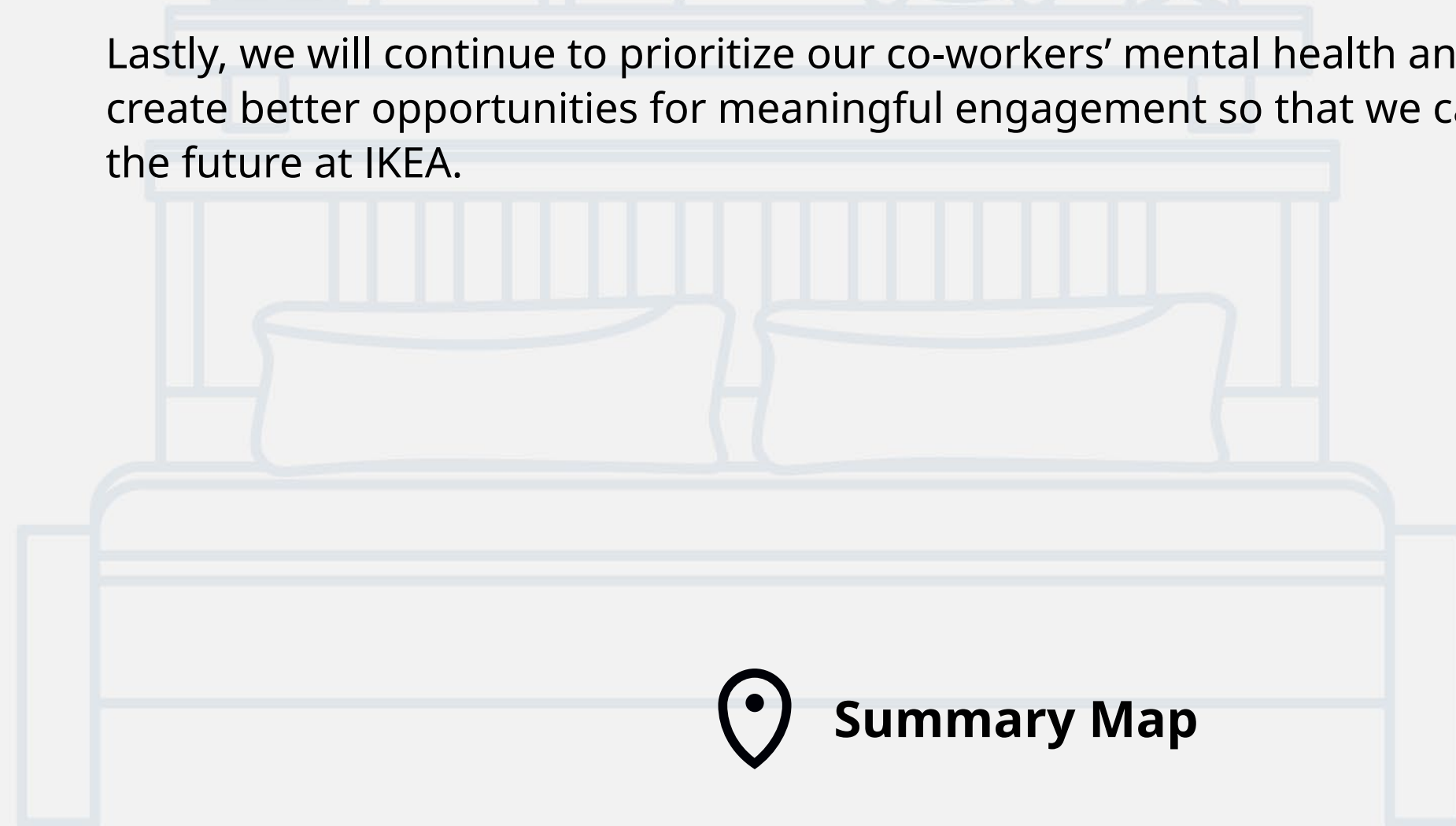
Finding more ways to meet Canadians' needs remains our priority

Our vision to create a better everyday life for everyone has never been more important. As we look forward to 2022, we will leverage decades of entrepreneurship to transform our business with speed.

We continue to focus on putting our customers first and innovating our business where it matters most. Shopping at IKEA will be easy and affordable across all physical and digital meeting places.

We will extend our passion for life at home to our communities and neighbourhoods and assemble a better future for our shared home – our planet.

Lastly, we will continue to prioritize our co-workers' mental health and well-being and create better opportunities for meaningful engagement so that we can all be fit for the future at IKEA.



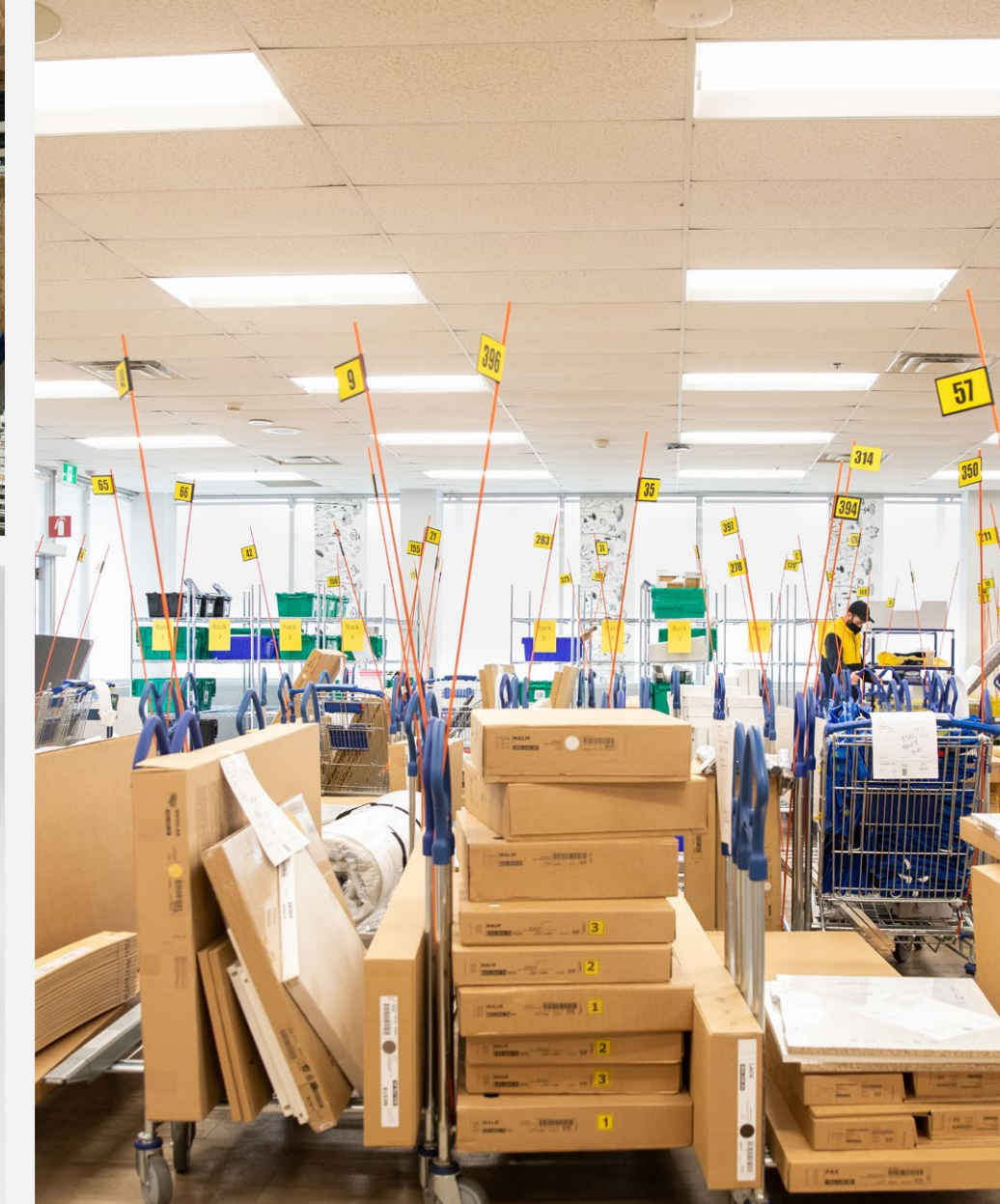
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Creating a Better Planet



Summary Map





To the many beautiful possibilities that lay ahead.



TACK!

Aisle Bin
00 03
Area C

Exit
←

Check-outs
↓

As-Is
→
Excludes up to 80% off

