IKEA Foundation

## 2024 Disclosure ANBI details for Stichting IKEA Foundation

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|---|---|
| ANBI Name: | Stichting IKEA Foundation |
| ANBI RSIN number: | 815768199 |
| Contact details: | info@ikeafoundation.org |

### Office and registration

Stichting IKEA Foundation was founded in 1982 and has its statutory seat in Amsterdam and registered address at Dellaertweg 9G, 2316WZ, Leiden, the Netherlands. The Foundation is registered in the Dutch trade register under number 41202422. The Foundation has its main office in Leiden, the Netherlands and in 2022 opened a liaison office in Gurgaon, India.

### Objectives

The mission of the IKEA Foundation is to improve the lives of vulnerable children by enabling their families to create sustainable livelihoods, and fight and cope with climate change. We do that by providing financial grants to our program partners – in line with the Foundation’s articles, vision and strategy.

### Strategic Plan

The Foundation has embraced a commitment to improve economic livelihoods and the health of the planet. The IKEA Foundation’s uniqueness lies not just in the choice and the combination of these two themes, but in the strong belief that improving the lives of people and protecting the planet are goals that cannot be achieved in isolation. Our success depends on advancing both in an integrated manner. True to our vision – a better everyday life for the many people – we have a positive worldview, and we feel it is our responsibility to articulate and advocate for this worldview.

We get the best results by working with partners who know the most about the areas we want to support. We support programmes managed by knowledgeable, innovative and well-regarded organisations.

The work is organised into two distinct pillars, People and Planet, with a senior director leading each pillar, reporting to the Chief Program Officer.

Where the main focus area of the grant is to address climate change, and/or directly focus on greenhouse gas emissions reduction, the grant will have oversight of our Planet pillar director. When the main focus area of the grant is to improve livelihoods and increase family income, the grant will be managed by the People pillar director. The two pillars do not operate in isolation. In 2024 we funded an exciting programme at the nexus of regenerative agriculture and renewable energy and our focus on emissions reduction has been integrated across all portfolios for more efficient management.

**People pillar:**
Employment and Entrepreneurship
Agricultural Livelihoods
Renewable Energy
Refugee Livelihoods

**Planet pillar:**
Governance and Society (previously under Climate Action)
Real Economy (previously under Climate Action)

The Foundation has continued to build capacity in the specific portfolio areas and has focused on strengthening our professional networking and advocacy. The Foundation continued the execution of its current 5-year strategic plan (2021-2025), which was designed to secure optimal long-term impact of Foundation grant investments, and the 2024 annual plan was developed for each portfolio to guide the grant-making during that 12-month period.

In 2025 the Foundation will sharpen and integrate strategic intervention areas. The scope of our intervention areas is broad and would benefit from greater focus. In 2024 we reviewed the progress and impact of our grants to partners in our chosen intervention areas, and in 2025 we will apply the learnings to build a more cohesive strategic direction for the organisation. With a more focused and integrated approach, we are confident we can increase the effectiveness of our grant-making.

**Overview of activities during the year**

The year 2024 was marked by a number of key milestones for the IKEA Foundation. It kicked off with the first change in CEO since the organisation was established and, as we reached the fifth year under our current strategy, was largely dominated by a multi-phased strategy review process. This process had a primary purpose to ensure that the IKEA Foundation adapts, evolves and optimises its work in changing times.

To that end, we engaged our team members as well as external evaluators to help us understand how to become a more impactful organisation. Internally, we conducted a self-assessment by portfolios and by department. In addition, with the support of external consultants, we evaluated our Monitoring, Evaluation and Learning practice and our support and relationship to partners and peers. As part of this strategic review we also began an exploration of new avenues for impact. This included taking into consideration changes in the regulatory environment that allow ANBIs in The Netherlands to explore public benefit investments. This work continues in 2025 as we finalise our new strategic direction.

We maintained our focus on empowering our partners to create greater impact and continued to grow the team. Strengthening our relationships with partners and creating more space for their collaboration is key to achieving this goal. In 2024, we invested in hosting partner convenings and gathering partner feedback so we can take their input into account as we develop our new strategy.

We recruited and onboarded 8 new co-workers; 5 co-workers also left the organisation.

Jessica Anderen assumed her duties as the new CEO on the 1st of January 2024. Jessica brings with her solid leadership experience working with different companies under the IKEA brand for the last 34 years.

**Key priorities for 2024**

The focus on empowering our partners to create impact resulted in developing 4 key priorities:

**Focus on grant management and learning** - As we prepared to develop a new strategy it was important to ensure a solid understanding of what we have achieved with our current strategy. At the same time, we have significant investments that require responsible management. We therefore slowed down new grant-making to focus on managing existing commitments and evaluating our work to date. This evaluation highlighted the IKEA Foundation's leadership in several areas such as climate action, refugee livelihoods and regenerative agriculture. It also showed a need for better integration of the Foundation's multiple areas of work.

**Stand by our partners** - As a foundation we are aware there are many ways that we provide support to our partners. This year, as part of our strategy review process, we have explored partner needs to better understand how we can prioritise our resources in ways that add the most value for our partners.

**Shaping the organisation for the future** - 2024 marked the fourth year of the current 5 year strategy. Since the strategy was launched, much has changed both in the world in general and in philanthropy in particular. In 2024, we took time to gather and analyse the evidence and insights to allow us to develop a strategy to reduce current and future emissions while caring for the people that are most affected. In 2025 the strategy will be defined and the organisational design will be developed to deliver on that strategy.

By the end of the year, the Foundation had 119 partners and managed a total of 176 active grants. In 2024 the IKEA Foundation disbursed €349 million in grants, the largest amount since the Foundation started.

The year-end co-worker survey showed a team generally inspired by the vision and mission of the Foundation and happy with the atmosphere of trust in the organisation. Workload, development opportunities and collaboration between departments remain areas that will need attention in 2025.

We continued to build on the success of our engagement programmes with the wider IKEA community.

For more information on the Foundation's activities, please click here.

**Financial results**

In 2024 the IKEA Foundation increased total grant disbursements to €349 million, a 21% increase compared to 2023. Total operating cost (program management costs & general expenses showed a 3% decrease and remained within the agreed budget of €19.7m. The main reason for the decline in operating costs was a reduction in external evaluations.

The income of the Foundation is provided solely by INGKA Foundation. This resulted in a zero net result and unchanged reserves of €25 million, which would be sufficient to cover more than one year of future operating costs.

**Grant program**

The Foundation disbursed €349 million as grants in 2024. As per end of this financial year another €374 million is committed, but conditional for the years up to 2029. The majority of these funds go to climate mitigation intervention areas. The amounts are distributed over the different portfolios in the following way:

| **in million €** | **2024** | **2025-2029** |
|---|---|---|
| Governance & Society | 88 | 64 |
| Renewable Energy | 45 | 101 |
| Refugee Livelihoods | 86 | 57 |
| Real Economy | 52 | 72 |
| Agricultural Livelihoods | 60 | 52 |
| Employment and Entrepreneurship | 18 | 28 |
| **Total** | **349** | **374** |

A total of €50 million was granted to our emergency response partners for immediate assistance in emergencies caused by conflicts and natural disasters. Out of that, €35 million was donated to Médecins sans Frontières (MSF) to support the response to the Sudan conflict crisis.

The year has seen a reduction in the total number of partnerships as 92 programmes reached their end and 41 partnerships were terminated. This resulted in a total portfolio of 119 partners, including 7 new partners and 44 new programs across portfolios. Existing partnerships have continued to be strengthened and supported through a focus on innovation and increased efficiency.

Click here for more information on our grant-making.

**Monitoring, Evaluation and Learning (MEL)**

In 2024 the MEL team continued to operate under the interim management of the Chief of Staff. MEL activities such as monitoring, commissioning and managing evaluations, identifying grants with performance issues, and advising on necessary course corrections all proceeded uninterrupted. The MEL team continues to lead efforts with other funders to reduce and harmonise reporting requirements particularly for regranters.

In 2024, we conducted an independent evaluation of our MEL practice. The findings highlighted that there is strong expertise and professional competency in the team, however MEL practices and thinking in the sector have evolved significantly since our MEL approach was designed. A different approach is required for evaluating systems-level transformation, ensuring continuous learning and enabling strategy that is adaptive and informed by evidence. We shared the findings from this independent review with the broader philanthropic community through a webinar in December 2024. In 2025, we will redesign our MEL approach considering the findings of the evaluation and the needs of our partners, the sector and IKEA Foundation's new strategy.

The Foundation has a policy of sharing externally all learnings, including making public third party evaluation reports, to ensure other foundations and organisations can learn from our successes and mistakes. Click here for more information.

**Governance**

The board consists of five members: Jonas Kamprad, Peter Kamprad, Johan Kuylenstierna (chairperson), Anders Moberg, and Krister Mattsson. The board convened two times (March and October) to discuss and approve Foundation strategy as well as all grant proposals larger than €25 million.

A Grant Approval Committee consisting of, among others, two board members and three management team members, convened 4 times to discuss and approve proposals for grants presented by the organisation that are below €25 million but over €10 million.

A Grant Review Committee comprises of the same members as the Grant Approval Committee and convened 4 times to review grant performance and discuss particular challenges linked to certain partners/grants.

Finally, the IKEA Foundation Approval Committee (IFAC) consisting of CEO, COO, CPO and Chief Impact Officer (CIO), met 10 times to approve grants up to €10 million. Since the CIO departure the board delegated the additional responsibility to the Chief of Staff so continuity is ensured until a new CIO is in place.

All five board members of IKEA Foundation are also board members at INGKA Foundation and IMAS Foundation. Peter and Jonas Kamprad are part of the supervisory board of Ingka Holding.

**Conflict of Interest**

The IKEA Foundation also has a conflict of interest policy in place. The objective of this policy is that any actual, potential or perceived conflict of interest situations should be avoided, or, where this is not possible, these situations must be reported and managed in a structured and professional manner in order to manage our risk and maintain the organisation's good reputation. The policy is applicable for co-workers, Board members and other stakeholders. In all situations in which there is an actual, potential or perceived conflict of interest, the relevant co-worker or Board member shall abstain from participating in the decision making, other than by providing information requested by decision makers. This abstention shall be formally noted in meeting minutes or other appropriate written records

**Remuneration Policy**

The IKEA Foundation's remuneration policy is based on the recognition and reward of each individual's contribution to the organisation. Board members however are only reimbursed for out-of-pocket expenses.

**Staff**

The required expansion in program volume, professional capacity and stronger focus on program refinement has seen a continued increase in staff in 2024. 8 additional co-workers (and 5 persons leaving the organisation) have taken the total headcount from 60 at the start of the year to 63 people at year-end (23 Programmes, 6 MEL, 5 Comms, 17 Operations Management, 4 People and Culture, 3 India LO, 5 CEO's office). 59 are based in The Netherlands and 4 in India. Certain support services are being provided by the Shared Services function of INGKA Foundation. The Foundation staff will continue to develop in accordance with the agreed operating model.

The assumptions made in the original operating model will be reevaluated again in 2025 after the development of our new strategy. This will enable the Foundation to ensure adequate capacity to deliver on our future strategy.

The work of the IKEA Foundation is built on a solid foundation of honesty, openness, trust and fairness. Our ethics are set out in detail in the IKEA Foundation Ethical Framework. All co-workers need to comply with this framework, which is an integral part of the employment agreement.

**Outlook 2025**

The Foundation's management will use 2025 to focus on developing the new strategy and ensuring an appropriate transition plan. We expect deployment of funds to remain stable with the emphasis on existing commitments rather than new grant-making until the new strategy is finalised.

Communication will play a vital role both internally and externally. Internally we will engage Foundation co-workers on our strategic priorities and bring our values to life. We will hire a new co-worker to focus on internal communication during this period of change. The Communications team will also work with our co-workers to contribute to the Foundation's voice through all our channels. We will continue to amplify the work of our partners and engage the IKEA community.

The Foundation's management will also work on the enablers for shaping the future. This will include an evaluation of systems and methods as well as capacity planning and an evaluation of the operating model.

A grants budget of €450 million together with an operating cost budget of €21.6 million was approved for the year 2025.

Early in 2025, the new US administration closed USAID, the US foreign aid agency that works in 100 countries across sectors. Approximately $60 billion of commitments was pulled from 2,500 direct contractors and 9,500 (local) subcontractors. Many of those organisations are partnered with other local NGOs or have other organisations in their supply chain. Although it is too early to assess the impact on our partners and their running programs, IKEA Foundation teams will be monitoring the situation, stand by our partners and take actions when necessary.

**Balance Sheet**
(After allocation of result)

| | 31 Dec. 2024<br>'000 € | 31 Dec. 2023<br>'000 € |
|---|---|---|
| Tangible fixed assets | 5 | 0 |
| Financial fixed assets | 0 | 1.673 |
| Receivables and accrued income | 21.315 | 28.863 |
| Cash at bank | 12.287 | 1.659 |
| **Total assets** | **33.607** | **32.195** |
| Reserves | 25.000 | 25.000 |
| Short term liabilities | 8.607 | 7.195 |
| **Total liabilities and reserves** | **33.607** | **32.195** |

**Statement of income and expenditure**

| | 2024<br>'000 € | 2023<br>'000 € |
|---|---|---|
| **Income** | | |
| Contributions from INGKA Foundation | 367.180 | 283.589 |
| Interest and other financial results | 312 | -1.017 |
| **Total income** | **367.492** | **282.572** |
| **Expenditure** | | |
| Grants | 349.157 | 288.921 |
| Impairment of social impact loans | -89 | -25.364 |
| Program Management Costs | 9.172 | 9.867 |
| General expenses | 9.252 | 9.148 |
| **Total expenditure** | **367.492** | **282.572** |
| **Surplus / (deficit)** | **0** | **0** |
| Allocation of surplus / (deficit): | | |
| Reserves | 0 | 0 |

**Notes & Definitions**

*Notes to financial statements*

**Tangible fixed assets** - in 2024 office equipment for the Liaison Office in India was purchased, which will be depreciated in 3 years.

In 2023 IKEA Foundation decided to fully convert a € 25.3 million loan into a donation (included under grant expenses) resulting in a € 25.3 million loss on the loan and the reversal of the impairment for the same amount. The net effect of this transaction on **Financial Fixed Assets** is zero. Financial Fixed Assets at year-end 2023 consisted of a US$ 2.0 million social impact loan to one organisation. This loan was reclassified to short term loans in 2024 as this US$ 2.0 million loan has a repayment date of 30 September 2025. No interest is charged on this loan. The € 89k in 2024 was a fair value adjustment.

**Short term receivables** (€ 21,315k) mainly relate to the balance with INGKA Foundation (€ 19,293k - the Foundation's grantor), the above mentioned social impact loan (€ 1,869k) and some other receivables and prepayments (€ 153k).

The **short-term liabilities** (€ 8,607k) relate to financial commitments to partner organisations (€ 4,821k), a payable related to shared services provided by INGKA Foundation (€ 1,258k) which are invoiced on an annual basis at the end of the year and other creditors (€ 2,528k).

As at December 31st 2024, the **off-balance sheet commitments** consist of € 377 million multi-year conditional commitments up to the year 2029 (of which € 229 million in year 2025) to several partner organisations and for a minor part to evaluation service providers. The donations will be granted and paid each year conditional upon approval of progress and audit reports and effective notification of the approval to the partner organisations.

**Income***:* The income of the Foundation is provided solely by Stichting INGKA Foundation. This resulted in a zero net result and unchanged reserves of € 25 million, which would be sufficient to cover more than one year of future operating costs. In the financial year 2024 the Foundation has not received any gifts or legacies from external parties, nor did the Foundation perform any fundraising activities.

**Expenditure***:* The increase in grants is mainly explained by a significant increase in emission reduction grant payments plus one large emergency response donation. The decrease in program management costs in 2024 is mainly explained by decreased costs for external evaluations.

**Personnel expenses:** total program management costs and general expenses include personnel expenses of EUR 11,585 thousand (2023: EUR 10,972 thousand). The average number of employees increased from 58.0 FTE in 2023 to 61.4 FTE in 2024.

**Reporting period:** the financial statements cover the year 2024, which ended at the balance sheet date of 31 December 2024.

**Reporting standards:** the financial information in the ANBI Disclosure has been extracted from the financial statements of the entity for the year 2024. The financial statements for the year 2024 are drawn up in accordance with the Guideline 640 for the Reporting for not for profit organisations (RJ 640), as published by the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

**Accounting principles**

Accounting principles used for the valuation of assets and liabilities and the determination of the result are based on historical costs. If not stated differently, assets and liabilities are shown at their nominal value. Revenues and expenses are allocated to the period they relate to.

The financial statements are presented in euros, the Foundation's functional currency. All financial information in euros has been rounded to the nearest thousand.

These financial statements have been prepared on the basis of the going concern assumption.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Foundation and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Foundation. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic substance with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. However, in circumstances where the transaction does not significantly change the economic substance of an asset or liability, this asset or liability remains recognised on the balance sheet. In such cases, the results of the transaction are directly recognised in the statement of income and expenses taking into account any provisions related to the transaction.

If assets are recognised of which the Foundation does not have the legal ownership, this fact will be disclosed.

Income is recognised in the statement of income and expenses when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability.

Revenue and expenses are allocated to the respective period to which they relate.

**Transactions in foreign currencies** - the reporting currency is the euro. Assets, liabilities and off-balance sheet commitments denominated in foreign currencies are valued at the exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into the reporting currency against the rate of exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date into the functional currency at the spot exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominate din foreign currency, are recognised in the statement of income and expenditure. In the period in which the exchange rate difference arise.

Non-monetary assets and liabilities in foreign currency that are measured based on historical cost, are translated into the functional currency at the exchange rates at the date of the transactions.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at current value, are translated into the functional currency at the spot exchange rates when the current value is determined. Exchange rate differences that arise from this translation are directly recognised in equity using the accounting treatment as the change in current value.

**Use of estimates** - the preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences. The following accounting policies are in the opinion of management the most critical for the purpose of presenting the financial position and require estimates and assumptions: the valuation of the loans presented under financial fixed assets.

## Valuation principles for assets and liabilities

**Tangible Fixed Assets** include office equipment and are stated at cost less depreciations and less impairments (if applicable). Depreciations are calculated as a percentage of the acquisitions price using the straight line method based on the economic useful life, which is for other assets (furniture and office equipment) 3 years.

**Financial instruments** of the Foundation include social impact loans and other receivables, cash at bank, financial commitments to partner organisations (grants) and also trade creditors and other payables.

The Foundation has no derivative financial instruments embedded in contracts.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are de-recognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through the statement of income and expenses, then directly attributable transaction costs are directly recognised in the statement of income and expenses at the initial recognition. After initial recognition, financial instruments are valued as described below.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in the profit and loss accounts.

**Financial fixed assets -** Loans are included at the lower of amortised cost. An impairment is reported when the fair value is lower than the amortised cost.

**Receivables** Receivables are carried at amortised cost using the effective interest method, less impairments.

**Cash at banks** Cash and cash equivalents are measured at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement and disclosed. Cash and cash equivalents that are not readily available to the Foundation within 12 months are presented under financial fixed assets. Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

**Liabilities -** financial commitments to partner organisations are recorded as a liability if and when the grant has been approved as an unconditional grant. The partner organisations receive a notification of the release of each installment of long-term projects that is conditional to the approval of the progress reports. Financial commitments to partner organisations, trade creditors and other payables are carried at amortised cost using the effective interest method.

## Accounting principles for the determination of results

**Revenues from contributions** - the contributions from INGKA Foundation are recorded in the year for which the contributions have been approved.

**Interest and other financial results** relate to the interest on financial fixed assets and on bank accounts as well as foreign currency gains and losses on bank accounts and loans. Interest income and expenditure is recognised in the period to which it belongs, taking into account the effective interest of the related asset.

**Grants** - commitments of financial grants to partner organisations are recognised and expensed in the period that the commitment has been approved as an unconditional grant. The first installment in the contract becomes unconditional at the moment the contract is signed by both IKEA Foundation and the partner. The other installments do not yet result in a liability at the contract date, based on the condition in the contract that the obligation to pay further installments is subject to the condition precedent of approval of the progress reports by IKEA Foundation and the conditions that give IKEA Foundation the right to reduce, postpone or cancel subsequent installments at its sole discretion. The partner organisation receives a formal reaction on the approval of the progress report, and, if applicable, a formal notification of the decision to approve a subsequent unconditional grant of a specific amount within the partner contract.

**Employee benefits – pensions** -the main principle is that the pension charge recognised for the reporting period is equal to the pension contributions payable to the pension fund over the period. In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future. All employees in the Netherlands have a defined contribution pension scheme administered by AEGON Cappital (as from 1 January 2025 part of ASR).

**Program management costs** concern the costs incurred in selecting the right projects and partner organisations (strategic planning), in monitoring, assessing and evaluating the projects and programs. Under program management costs are accounted, next to consultancy costs, personnel and travel expenses of staff on the basis of a percentage of total time spent on the activities mentioned above. General expenses - the general expenses include all indirect costs and the personnel and travel expenses as far as they are not directly charged to program management costs.

## Independent auditor's report

The financial statements 2024 of Stichting IKEA Foundation (on which this ANBI disclosure is based) were audited by KPMG Accountants N.V., which provided the following opinion on 26 March 2025:

*In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting IKEA Foundation as at 31 December 2024, and of its result for the year 2024 in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.*