

2021 Disclosure ANBI details for Stichting IKEA Foundation

ANBI Name: Stichting IKEA Foundation

ANBI RSIN number: 815768199

Contact details: info@ikeafoundation.org

Objectives: The main objective of the IKEA Foundation is to improve the lives of children living in poverty by supporting programmes that help families afford a better everyday life and protect the planet.

Strategic Plan:

The Foundation has embraced a distinctive strategy among philanthropies: a convergent commitment to improve economic livelihoods and the health of the planet. 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 need not be in conflict, and that advancing these two goals in harmony is achievable. True to our vision—a better everyday life for the many people—we have a positive worldview. We feel it is our responsibility to articulate and advocate for this vision.

The long-term strategy is based on a vision to create a better life for the many children and young people living in vulnerable situations. The Foundation will achieve this by enabling families living in poverty and displacement to afford a better life through the creation of more family wealth, while protecting the planet through interventions directed towards reducing greenhouse gas emissions.

We work with partners that help people—especially young people, women and refugees—earn a sustainable income and fight for a liveable planet.

By supporting income-generation through agriculture, employment and entrepreneurship, and improving access to renewable energy and taking climate action we are helping create a better everyday life for the many people.

Every year, conflicts and disasters force millions of children and their families to flee their homes. Many seek refuge in humanitarian camps or in cities—often for years—for safety, shelter, food, clean water and livelihood opportunities. Since families living in poverty are especially vulnerable to climate-related disasters and other devastating events, we also support emergency relief efforts and longer-term programmes that help refugees and other displaced people become self-reliant in their new communities.

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 that are experts in their fields. Click [here](#) for more information on our grantmaking.

It is a key part of our strategy to drive cooperation and encourage best practice sharing among our partners to ultimately improve the quality and efficiency of our investments to support children and their families.

The work is organised into five strategic portfolios:

- Employment and Entrepreneurship
- Agricultural Livelihoods
- Renewable Energy
- Climate Action
- Refugee Livelihoods

Board: At the end of 2021, the board consisted of five members: Jonas Kamprad; Peter Kamprad; Johan Kuylenstierna (Chairman); Anders Moberg; Sten Palmquist.

The board convenes at least twice a year. The authority to represent the Foundation is vested in two board members acting jointly. A grants approval committee, consisting of at least two board members and three management team members, convenes periodically to discuss and approve proposals for grants presented by the organisation. The board has given the power of attorney to the management of the Foundation as described in the extract of the Chamber of Commercial Register.

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

Overview of activities during the year:

The main activities of the IKEA Foundation are to provide financial grants and in-kind support to our programme partners, in line with the Foundation's vision and strategy.

2021 was marked by the continued impact from the COVID-19 pandemic and its influence on the progress of programmes and co-worker capacity.

By the end of the year, the Foundation had 149 partners and managed a total of 228 active grants. Co-workers worked from home for most of the year to follow the government's COVID-19 recommendations. The protracted restrictions have started to take their toll on the entire team. Onboarding new co-workers and partners is particularly difficult and building and maintaining relationships has become increasingly challenging. The leadership has experimented with various online tools and new collaboration techniques to compensate for the lack of personal and social contact.

In addition, the team made a dedicated effort together to review and reinforce processes to enhance collaboration and improve quality in our interactions with partners. The Foundation also put a stronger focus on professional development to continue our efforts to achieve an even higher performing team, which is required for leading a strategic philanthropy.

Despite the extraordinary circumstances created by the pandemic, the year-end co-workers' satisfaction survey showed significant improvements over last year's scores in several areas. This is a result of significant efforts to improve operations and collaboration.

In the context of alarming scientific reports on climate change, the IKEA Foundation's board decided in May to commit another €1 billion for the next five years to help reduce global greenhouse gas emissions. This represented a doubling

of the available annual funds and offers an enormous opportunity for the Foundation to increase its global impact on fighting climate change.

Presented with such a unique opportunity, the Foundation rallied to take advantage of this and identified a couple of immediate and significant new large-scale collaborations. Together with US based Rockefeller Foundation, it founded the Global Energy Alliance for People and Planet. Both foundations intend to provide US\$500 million for the next five years. The Alliance will use this initial funding to leverage additional billions to provide access to renewable energy for people living in the Global South. The Global Energy Alliance for People and Planet was formally launched in Glasgow at COP26 in November, with \$10 billion of committed funding from public and private sources.

The Foundation has embarked on an accelerated recruitment drive to attract the best people to service this unique opportunity, as such a grant expansion requires significant additional programme management capacity. In parallel, a review of co-worker capacity was conducted against the projected new grant volume.

The required expansion in programme volume, professional capacity and stronger focus on programme refinement has seen a slight increase in the number of co-workers (more to come in 2022) from an average 46.7 FTE in 2020 to 49.0 in 2021.

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.

Emphasis on Monitoring, Learning and Evaluation (MLE) is key to measure the ultimate impact the Foundation creates through its many grant investments. At the same time, MLE captures important learnings that will lead to even better and more impactful grantmaking in the future—an improved social return on investment.

As part of this effort, portfolio level Theories of Change have been completed and serve as the basis for monitoring, learning and evaluation. Clear boundaries have been set in terms of impacts and outcomes sought and countries of intervention. Hypotheses have been stated in terms of intermediate outcomes or those things that grantees need to affect to trigger an outcome change. KPIs have been to varying, but adequate, degrees qualitatively defined for each portfolio. All this work will also lead to better grant management and the ability to address needed course corrections if programmes are not performing according to expectations.

In 2022, the Foundation's management will further develop grantmaking in line with the agreed long-term strategy and increased grant volume.

For more information on the Foundation's activities, please click [here](#).

Balance Sheet

(After allocation of result)

	31 Dec. 2021 '000 €	31 Dec. 2020 '000 €
Financial fixed assets	1.524	1,353
Receivables and accrued income	14.698	19,482
Cash at bank	21.194	3,762
Total assets	37.416	24,597
Reserves	25.000	9,790
Short term liabilities	12.416	14,807
Total liabilities and reserves	37.416	24,597

Statement of income and expenditure

	2021 '000 €	2020 '000 €
Income		
Contributions from Stichting INGKA Foundation	287.462	204,908
Interest and other financial results	219	-1,617
Total income	287.681	203,291
Expenditure		
Grants and in-kind donations	260.954	193,166
Impairment of social impact loans	-59	-52
Programme management costs	5.384	5,000
General expenses	6.192	5,177
Total expenditure	272.471	203,291
Surplus / (deficit)	15.210	-
Allocation of surplus / (deficit)		
Reserves	15.210	

Notes and definitions

Notes to financial statements

Financial fixed assets consist of social impact loans to two organisations. The short-term liabilities relate to financial commitments to partner organisations, payable to Stichting INGKA Foundation (the Foundation's grantor) and other creditors.

As of December 31 2021, the off-balance sheet commitments amount to €264 million for multi-year conditional commitments up to 2026 (of which €139 million in 2022) to several partner organisations and for a minor part to service providers.

The donations will be granted and paid each year, conditional on the approval of progress and audit reports and effective notification of the approval to the partner organisations.

Income: The income of the Foundation is mainly provided by Stichting INGKA Foundation. In 2021 an additional donation of €15.2 million was provided by Stichting INGKA Foundation, which has been allocated to the reserves as a contingency reserve, bringing total reserves to €25 million. In the financial year 2021 the Foundation has not received any gifts or legacies from external parties, nor did the Foundation perform any fundraising activities.

Personnel expenses: total programme management costs and general expenses include personnel expenses of €8,235 thousand (2020: €7,053 thousand).

The statutory seat of the Stichting IKEA Foundation is Amsterdam, the Netherlands. Its principal activities are performed out of its office in Leiden, the Netherlands.

Reporting period: these financial statements have been drawn up for the calendar year 2021.

Reporting standards: the financial information has been extracted from the financial statements of the entity for the year 2021. The financial statements for the year 2021 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 costs 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.

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.

Valuation principles for assets and liabilities

Financial instruments: financial instruments of the Foundation include social impact loans and other receivables, cash at bank, financial commitments to partner organisations 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 and fair value. 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 and cash equivalents: 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.

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 instalment 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

Income from contributions: the contributions from Stichting INGKA Foundation are recorded in the year for which the contribution has been approved by the board of Stichting INGKA Foundation. In general the total contributions received match the total expenditure made, but in 2021 an additional donation of €15.2 million was provided by Stichting INGKA Foundation.

Interest and other financial results: this relates 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 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 instalment in the contract becomes unconditional at

the moment the contract is signed by both IKEA Foundation and the partner. The other instalments do not yet result in a liability at the contract date, based on the condition in the contract that the obligation to pay further instalments 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 instalments 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.

Programme management costs: the costs of programme management concern the costs incurred in selecting the right projects and partner organisations (strategic planning), in monitoring, assessing and evaluating the projects and programmes.

Under programme management costs are accounted, next to consultancy costs, personnel and travel expenses of co-workers 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 programme management costs.