



## 2022 Disclosure ANBI details for Stichting IKEA Foundation

ANBI Name: Stichting IKEA Foundation  
ANBI RSIN number: 815768199  
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### Office and registration

Stichting IKEA Foundation 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 opened a liaison office in Gurgaon, India in 2022.

### Objectives

The main objective and mission of the IKEA Foundation is to improve the lives of children living in vulnerable parts of the world by supporting programmes that enable their families to create sustainable livelihoods, and fight and cope with climate change.

### Strategic Plan

The Foundation has embraced a distinctive strategy among strategic philanthropies: a convergent 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 need not be in conflict. In fact, we believe that advancing these two ambitions in harmony is not only achievable but a requirement to make real progress. 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.

The long-term strategy is based on a vision to create a better life for the many children and their families living in vulnerable situations. The Foundation will do this through the creation of more family wealth and a better quality of life – while protecting the planet through interventions directed towards reducing greenhouse gas emissions.

We work with partners that help people earn a sustainable income and contribute to a liveable planet.

By supporting income-generation through agriculture, employment and entrepreneurship, improving access to renewable energy, and by 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 forcibly 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.

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

During 2022 our work has been reorganised into two distinct pillars. When the main focus area of the grant is to reduce greenhouse gas emissions, the grant will be housed in a portfolio under the Planet pillar. When the main focus area of the grant is to improve livelihoods and increase family income, the grant will be managed from a portfolio under the People pillar.

**People pillar:**

- Employment and Entrepreneurship
- Agricultural Livelihoods
- Renewable Energy
- Refugee Livelihoods
- Special Initiatives (including emergency relief and disaster preparedness initiatives)

**Planet pillar:**

- Climate Action
- Emissions Reduction

The Foundation has continued to build capacity in these specific portfolio areas and has focused on strengthening our professional networking and advocacy. The Foundation has also continued curation of five year strategic plans designed to secure optimal long-term impact of grant investments. Annual plans are developed for each portfolio to plan and guide our grant making during that 12-month period.

**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 our vision and strategy.

2022 was marked by the return to office after a long break during the pandemic. This put some extraordinary requirements on leadership to establish a new office/work from home balance to secure optimal collaboration and preserve and strengthen our unique

culture. Considerable geopolitical events also impacted the operation in several new ways.

**The main focus for 2022 was building an organisation that could responsibly handle the doubling of the annual grant level introduced by the board in 2021.** That meant an accelerated focus on building a culture of development, learning and growth aligned with our values. An intense and focused recruitment process resulted in recruiting and onboarding 18 new co-workers including a new Chief Program Officer.

Furthermore, several initiatives were introduced to drive learning and development to ensure co-workers can deliver at the highest level of quality and efficiency. These initiatives included establishing an online Learning Management System as well as intensified Performance Review Cycle training, feedback training and subject matter training.

**The second goal was to build increasingly efficient and inclusive grant-making and governance processes.** These are ongoing priorities that help drive efficiency in grant making and grant management for both co-workers and partners. Further refining these processes was a key priority during 2022. Additional work was completed on guidelines and templates related to criteria for risk assessment, funding and selection of partners.

**The third key goal for this year represented the continued mission to find ways to further deepen the Foundation's impact.** This means that we implemented the new Grant Performance Review System to make it easier to gain insight into the overall performance of our 204 grants. We continuously monitor Key Performance Indicators and introduce course corrections when performance diverges from plans. For a selection of partners, we have provided non-monetary support to help strengthen their operations. Foundation-initiated partner learning events have helped build communities, share learnings and drive collaboration.

The Foundation continued to increase its external visibility and influence during the year. Ongoing advocacy work and visible representation on global event platforms such as World Economic Forum, UN General Assembly, Climate Week and COP27 has been important to driving the development and climate agendas in Foundation focus areas. We have also invested resources in building and maintaining a strong engagement of INGKA Group co-workers in support of our mission. We have done this mainly through the IKEA Foundation week and the IKEA Foundation ambassadors programme, which is now 100 co-workers strong.

Finally, we made significant efforts this year to identify scalable opportunities and curate programme proposals to drive increased investments in greenhouse gas emissions reductions, to meet the additional € 1 billion budget allocated by the board. This has been incredibly challenging given the size of the task and the limitation of staff capacity.

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

## Grant programme

The Foundation has recorded €268 million as grants in 2022. As per the end of this financial year another € 336 million is committed, but conditional for the years up to 2027. This was distributed over the different portfolios in the following way:

<b>in million €</b>	<b>2022</b>	<b>2023-2027</b>
Emissions Reduction	20	56
Climate Action	85	88
Renewable Energy	32	51
Agricultural Livelihoods	39	56
Refugee Livelihoods	72	63
Employment and Entrepreneurship	19	22
Legacy / Special Initiatives	1	0
<b>Total</b>	<b>268</b>	<b>336</b>

Furthermore, the board agreed to continue the extraordinary €10 million COVID-19 specific grant envelope for another year, which was mainly awarded to existing partners in the emergency response area.

A total of €13 million was donated for immediate assistance in emergencies caused by conflicts and natural disasters (including COVID-19 donations). Another €25 million was donated to UNHCR, the UN Refugee Agency, and Médecins Sans Frontières in the immediate aftermath of the Russian invasion of Ukraine. The invasion led to a significant number of people being forcibly displaced and an immediate increase in the need for emergency relief for Ukrainian refugees in neighbouring countries.

The year has also seen growth in partnerships, adding 26 new partners and 52 new programmes to the portfolio. We have strengthened and supported a total of 121 existing partnerships through a focus on innovation and increased efficiency. We have completed 71 programmes, leading to termination of 28 partnerships. Click [here](#) for more information on our grant making.

## Monitoring, Learning and Evaluation (MLE)

Emphasis on MLE is key to measuring 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 grant making in the future – an improved social return on investment.

As part of this effort, we have completed portfolio level Theories of Change, which serve as the basis for monitoring, learning and evaluation purposes. With clear boundaries in terms of outcomes pursued and countries of intervention, we expect to increase our impact. Hypotheses in terms of intermediate outputs or grantees' outcomes should trigger a change in impact. Each portfolio has defined KPIs. All this work will also lead to better grant management and the ability to address course corrections that are required if and when programmes are not performing according to expectations.

The new Grant Performance Report has provided a comprehensive overview of all active grants with a clear indication of how each grant is performing against agreed KPIs. The report is updated four times a year.

In 2022 the MLE team started seven new evaluations through external, third party evaluators, completed two evaluations and managed another six ongoing evaluations that started in previous years. All evaluations help to improve Foundation grant making and are available for public use.

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.

## **Governance**

The board consists of five members: Jonas Kamprad, Peter Kamprad, Johan Kuylenstierna (chairperson), Anders Moberg, Sten Palmquist (until 1 July 2022) and Krister Mattsson (as from 1 July 2022). The board convened twice (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 four times to discuss and approve proposals for grants presented by the organisation. As a result of the most recent governance changes, this committee will in the future meet four times a year and only approve grants between €10 million and €25 million.

A Grant Review Committee convened four 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 CIO, met nine times to approve grants up to €10 million.

## **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 programme volume, professional capacity and stronger focus on programme refinement has seen a slight increase in staff (more to come in 2023) from an average 49.0 FTE in 2021 to 51.5 in 2022.

The year-end co-worker survey showed a team generally proud of their work and happy with their roles in the Foundation. The survey also identified certain areas for improvement, including internal communications and process efficiency. The Foundation has made an action plan to address these areas during the coming year.

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 2023**

The Foundation's management will use 2023 to further build the grant making capacity and strengthen advocacy and collaboration in selected intervention areas – on the basis of the agreed long-term strategy and increased grant volume. The aim is to stabilise the annual core grant volume at €200 million and then deliver up to €200 million in additional spending against specific emissions reduction initiatives. Further changes in partner and programme portfolio are expected over time as a result of the revised strategic framework and increased financial envelope.

After nearly 15 years of service, Per Heggnes will transition out of his role as CEO of the IKEA Foundation. As of 1 January 2024, Jessica Anderen will take over the role of CEO.

## **Financial results**

In 2022 the IKEA Foundation increased its total grant level to €268 million, a 3% increase compared to 2021. Total operating cost (programme management costs and general expenses) increased by 25%, within the agreed budget.

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.

## Balance Sheet

(After allocation of result)

	31 Dec. 2022 '000 €	31 Dec. 2021 '000 €
Financial fixed assets	1.667	1.524
Receivables and accrued income	24.510	14.698
Cash at bank	6.543	21.194
<b>Total assets</b>	<b>32.720</b>	<b>37.416</b>
Reserves	25.000	25.000
Short term liabilities	7.720	12.416
<b>Total liabilities and reserves</b>	<b>32.720</b>	<b>37.416</b>

## Statement of income and expenditure

	2022 '000 €	2021 '000 €
<b>Income</b>		
Contributions from Stichting INGKA Foundation	281.854	287.462
Interest and other financial results	823	219
<b>Total income</b>	<b>282.677</b>	<b>287.681</b>
<b>Expenditure</b>		
Grants	268.235	260.954
Impairment of social impact loans	-49	-59
Programme Management Costs	6.646	5.384
General expenses	7.845	6.192
<b>Total expenditure</b>	<b>282.677</b>	<b>272.471</b>
<b>Surplus / (deficit)</b>	<b>0</b>	<b>15.210</b>
Allocation of surplus / (deficit):		
Reserves	0	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 at December 31 2022, the off-balance sheet commitments amount to €340 million for multi-year conditional commitments up to 2027 (of which €145 million in 2023) to several partner organisations and for a minor part to service providers. The donations will be granted and paid each year conditional to 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 2022 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 €9,701 thousand (2021: €8,235 thousand).

*Reporting period:* these financial statements have been drawn up for the calendar year 2022.

*Reporting standards:* the financial information has been extracted from the financial statements of the entity for the year 2022. The financial statements for the year 2022 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:* 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 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**

*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:* 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 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.

*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 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.