

Our Year

FY18 ANNUAL REPORT



IKEA Southeast Asia



Creating a Better Everyday Life

We are IKEA Southeast Asia & Mexico

IKEA is the world's largest home furnishing retailer, and we are one among a dozen IKEA franchisees - part of the Ikano Group of companies and the only franchisee owned by the Kamprad family that founded IKEA.

We own and operate IKEA stores in Singapore, Malaysia and Thailand, offering millions of people a wide range of well-designed, functional home furnishing products at affordable prices. We also develop, own and operate shopping centres anchored by IKEA, and create vibrant destinations by investing in residential, office and other types of real estate. Our multi-national team has ambitious projects in the pipeline, including plans to bring IKEA to the Philippines, Vietnam and Mexico.

We share a unifying vision: to create a better everyday life for the many people. We bring this vision to life in the home furnishings we offer, the workplace culture we develop, the relationships we build in our communities and the way we care for the environment.



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Message from our Management Team



Standing Left to Right:

Sebastian Hylving Property & Expansion Director
Lee Hartigan Chief Financial Officer
Christian Olofsson Shopping Centre & Mixed Use Director
Lars Svensson Sustainability & Communication Director

Seated Left to Right:

Gloria Ngooi Human Resource Director
Mike King Deputy Managing Director (Commercial Team)
Lacia Sherlock Deputy Retail Director (IKEA stores SG TH PH)
Christian Rojkjaer Managing Director
Gerard Jansen Deputy Retail Director (IKEA stores MY)

Our IKEA big-blue-box concept was born in an era when free parking was a sure ticket to business success. Customer expectations are changing, and so is the world of retail!

Today, we are transforming our business to meet a new generation of shoppers who conduct everyday tasks on mobile devices and look for emotional connections with brands they love.

The interest in beautiful, functional homes is as strong as ever and our IKEA stores together with our shopping centres attracted 85 million visits last year. Our total turnover topped SGD 1 billion for the first time.

In Thailand, we opened the first IKEA store to be fully integrated into a shopping centre, with entrances and checkouts at every level. We expanded our ecommerce operation into all of Malaysia and improved our Customer Contact Centre. We engaged customers in everything from home furnishing workshops to IKEA 75th birthday celebrations. At the same time, we prepared to enter the Philippines with what will be the biggest IKEA store on earth! The store will meet our ecommerce fulfilment needs from the start, with an integrated Customer Contact Centre and supersized warehouse taking up much of the space.

Our Ikano Centres took big steps last year to become meeting places for the many. Anchored by IKEA, our centres grew visitation by 20% over the previous year with newly launched spaces, award-winning marketing campaigns and additional tenants. We offered more services, more entertainment, more food, and more opportunities for visitors to play or relax.

We are committed to making our offer accessible, available and affordable while providing millions of people in Southeast Asia with inspiration and a fun day out!

We are creating a great place to work together with our co-workers and making sustainability a natural part of everyday business. Last year, we introduced solar cooling and took first steps to eliminate single-use plastics from our stores by 2020.

We are grateful for the many customers, co-workers, suppliers, business partners, government authorities, non-profit groups and media friends that have been part of our journey. This report celebrates what we have achieved together with all of you. Tack!



IKEA 75!

The small business Ingvar Kamprad founded in 1943 in a rugged corner of southern Sweden has grown into the world's largest home-furnishing retailer. By the end of August 2018, IKEA franchisees together were operating 422 stores in 50 countries – including us with seven stores in Southeast Asia.



A mail-order business begins, named for its founder, **I**ngvar **K**amprad, and places he loved, **E**lmtaryd and **A**gunnaryd

1943



Co-worker removes legs of the LÖVET table to fit it into a car. Flat packs are born!

1956

1958

IKEA Singapore opens first shop with 30 co-workers



1978

1983



We open IKEA Alexandra, first blue-box store in Southeast Asia

1995

1996



We open IPC, the first of our IKEA-anchored shopping centres in Southeast Asia

2003

2011

We launch ecommerce in Southeast Asia



2017

2018

First IKEA Catalogue published



First IKEA store opens in Älmhult, Sweden. A visit to IKEA becomes a family day out



Franchise system established to secure expansion and IKEA brand

We bring IKEA to Malaysia



We open first IKEA store in Thailand

We celebrate 40 years in Singapore!

Around the world, co-workers mark IKEA 75



IKEA SOUTHEAST ASIA & MEXICO FY18

Our Business Map



7 IKEA Stores
+
1 IKEA Pick-Up & Order Point
3 IKEA Collection Points



3 Ikano Centres



3 New Businesses Under Construction
2 IKEA stores, Philippines & Penang
1 shopping centre, Johor Bahru



3 New Markets Under Planning:
Vietnam, Brunei, Mexico

24,000

Solar Panels

Produced enough renewable energy to power the equivalent of some 2,100 four-bedroom flats in Singapore

85 million

Visits

IKEA stores and Ikano Centres combined

187,882

Children Visits to Småland

Supervised playgrounds in IKEA stores

3,272

Co-Workers

IKEA stores, Ikano Centres and Service Offices

1,432

Tenant Units

Shops and kiosks in three Ikano Centres

SEPTEMBER 2017 - AUGUST 2018

Our Year in Numbers

SGD

1.05 billion

Total Turnover

Sales in our IKEA stores and income from Ikano Centres

49,758

GLADOM side tables

Sold

40 million

Meatballs, Chicken Meatballs and Vegetable balls

Sold in our IKEA restaurants

2.8 million

Views

Award-winning video that promoted IPC shopping centre through the story of a boy's first love

IKEA RETAIL BUSINESS

Make Room for Life

Conversations. Celebrations. Play. At IKEA, we believe home is the best place in the world for a social hangout, dance party, a game with the kids or a quiet night with a book. It all happens in the living room. That's why IKEA encouraged people around the world to *Make Room for Life* in 2018 with a focus on living rooms.

SGD
931 million

Total turnover at
our IKEA stores

2.3 million

Followers on our
IKEA Facebook pages

Across all our markets, more than 92% of people consider "home" one of the most important things in life. Comfort is named among our most important needs. But our *IKEA Life at Home* surveys tell us that reality is falling far below expectations. A quarter of the 3,000 people we interviewed in Singapore, Malaysia and Thailand said they feel more 'at home' outside of the place they live. Many leave home for activities like relaxing and eating. We want to change that!

We want to inspire people in Southeast Asia to make the most of their living room spaces. Last year, we introduced five new sofa ranges, including GRONLID, a sectional with deep seats and pillows that combines in different ways to adjust the size and shape to suit each home. We rebuilt the living room areas in all our stores to create style clusters, showcase possibilities for co-ordination and help people with home furnishing solutions.

We also took initiatives to connect with our customers. In Singapore, we celebrated our

40th anniversary with customer games, prizes and a give-away of limited-edition pins that soon became a hotly traded commodity in some social media sites. In Malaysia, our stores ran play workshops that encouraged visitors to get creative at home. IKEA Food introduced fresh-baked bread to our Swedish Food Markets and hosted a string of special events, such as our annual Crayfish Parties.

Behind the scenes, our Product Compliance team found agreement with regulators in Malaysia and opened the door to more than 200 sustainable, natural-fibre products previously banned from import. For the first time in seven years, Malaysians have access to our IKEA rattan chairs, sea grass placemats, rugs and more.

Even in our changing retail landscape, we see that millions of people regard a trip to the IKEA store as a fun and inspirational day out. Our home furnishing products remain the key to realising our vision of creating a better everyday life for people at home.



2018 Products We Love

IKEA designers and product developers work hand-in-hand with suppliers on factory floors around the world to create functional, beautiful, quality home furnishings with sustainability built in. Typically Swedish. Clever. Practical. Comfortable. And always affordable.



EKET series

Stacked, hung or combined in multiple different possible combinations, EKET is the ultimate in fun, friendly and functional storage furniture.



BURVIK side table

Light and small, the handle makes it easy to carry this table around the home. Self-adjusting plastic feet provide increased stability.



KUNGSBACKA kitchen fronts

At IKEA, waste is a resource, not a problem. These kitchen fronts are constructed with 100% recycled wood and covered in matte foil made from recycled (PET) plastic bottles. A step in our journey to becoming a 'circular' business – reusing our resources.



DELAKTIG sofa

Winner of the 2018 international Red Dot design awards, this product is the result of collaboration with celebrated industrial designer Tom Dixon – and our customers. It's designed to be hacked. Want a bed? Remove the armrest and swap the backrests. Want a sofa? Add a table and some light. Want a change? Slip on new covers. Our team was thrilled to get a personal visit from the British designer, whose work can be found in New York's Museum of Modern Art, among others. Watch how we worked with design students from around the world and challenged the upholstery industry.



A Blue Box Unlike Any Other

We opened our seventh IKEA in March 2018, ushering throngs of eager customers into a store that breaks the mold on our IKEA traditional blue-box design principles.



"Never before has the world seen an IKEA store so customer friendly!"

Christian Rojkjaer
Managing Director, IKEA
Southeast Asia & Mexico



At more than 48,000 square meters, IKEA Bang Yai in Thailand is the first IKEA in the world to be fully integrated with a shopping centre. It will soon act as an ecommerce fulfillment centre and is so far the largest store in Southeast Asia.

There are three direct entries from the mall and checkouts on all levels. While this design challenges the IKEA Concept of a long natural way, it also enables a seamless journey for our customers. In perhaps the most complex IKEA construction anywhere, the showroom and market hall are located in a massive concourse link that is suspended over a road and connects the store to the mall.

IKEA Bang Yai is also the testing ground for a new concept restaurant called HEM (home, in Swedish). This cosy nook, lined by bookcases and soft seating, serves up affordable healthy food with Swedish gourmet flare. The usual IKEA Restaurant still serves our famous Swedish meatballs!

More than 4,500 rooftop solar panels generate renewable energy for about 20% of the store's power needs. This and other sustainable features made IKEA Bang Yai the first retailer in Thailand to be certified to the highest international standards of 'green building' design (LEED Platinum.)



"I love IKEA!" said Maliwan Mueanpetch, 45, who started lining up at 1 a.m. to be first through the doors of our new IKEA on the west side of Bangkok. "When I heard this was the biggest store in the region, I wanted to be the first to come."

Ecommerce Brings IKEA to Malaysian Borneo

Our multi-channel transformation is focused on customers – giving a new generation of shoppers the choice to interact with IKEA where they want, when they want.



With less than three months in operation during the last financial year, our ecommerce business in Malaysia accounted for 3.8% of total sales. We launched the site at a mountaintop media event, highlighting just how far we are now going to deliver our flat packs.

and assemble IKEA products for customers coast to coast.

At the back end, we introduced co-workers to new systems to pick and pack orders. A small team in our Service Office scaled up online payment solutions, sourced shipping companies, secured transport & assembly providers, arranged parcel delivery services and warehouses for our collection points. Our innovative ecommerce team came up with a little technical solution that enables our system to hunt for available stocks at all our IKEA stores – and 20% of our online orders are now being met thanks to this multi-store fulfilment function.

We will bring ecommerce to Thailand in 2019.

Today, a family living as far away as Malaysian Borneo can order anything from a KLIPPAN sofa to candle candle sticks. Customers pick up products later from one of our three IKEA Collection Points in the states of Sabah and Sarawak – in Kota Kinabalu, Kuching and Miri. The millions who live in those urban centres may even opt to have IKEA flat packs delivered to their doors and assembled by our providers. On the mainland of West Malaysia, long-distance delivery teams truck



42,000
Ecommerce orders
filled in Singapore and Malaysia

44.7 million
Visits to our IKEA websites:
Singapore, Malaysia, Thailand

How are we Doing?

Our customers are at the heart of everything we do. That's why we work hard to get to know the many people in our communities – through personal home visits, online research surveys, in-store activities and more. We listen to feedback, track results and always work to renew and improve.

Loyalty Growing

The number of people registered as our FAMILY members grew by 32% per cent in FY18, giving even more loyal customers a chance to save and get involved in special events. We have also seen a 28% increase in the number of young visitors getting involved in our newspaper recycling programs, craft workshops and other activities run through småles, the world's only IKEA club just for kids.

1.71
million

IKEA FAMILY members



105,000
småles

Children between 4 and 12
enrolled in our IKEA kids club

Next up: a Customer Relationship Management tool will improve experience for shoppers, enabling them a one-time sign up for Småland playgrounds and, instead of vouchers, instant redemption of FAMILY points at our checkouts.

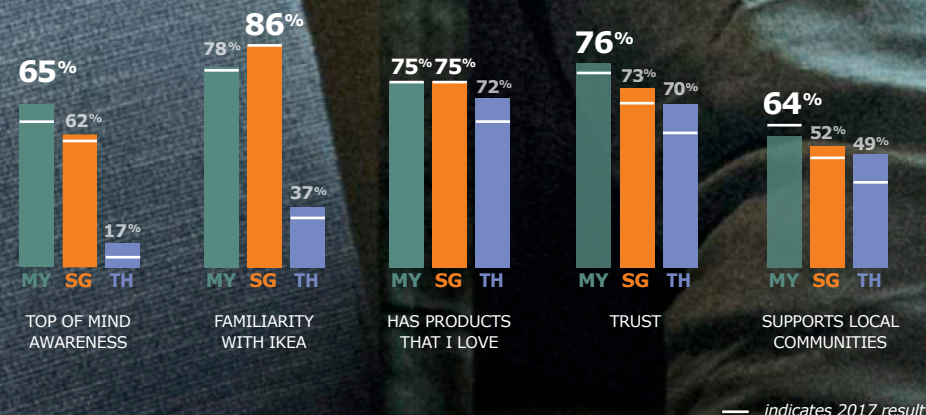
34%
Improvement
FY18 Service Levels

5,439
Webchats
with ecommerce customers



Always on....

We upgraded our Customer Contact Centres to improve our connection to shoppers - whether they reach out by phone, email or social media. We consolidated our Singapore and Malaysia operations in Kuala Lumpur, scaled up our training and on-boarding programs, built specialised teams to handle each channel and introduced a live webchat function to our ecommerce checkout page. We also built a bright new space with a pantry and soft seating areas for our busy co-workers. The result of all these actions was a 34% improvement in service levels. Today, we answer the vast majority of calls in under a minute and emails within 24 hours.



Brand Capital

This is a snapshot of what we learned from our online Brand Capital surveys, conducted twice during the last financial year in all our markets. When it comes to top-of-mind awareness, IKEA stands more than 40% ahead of its nearest competitors in Singapore and Malaysia while our newest market, Thailand, is making positive gains in recognition. In every market, more than 70% of people love IKEA products and trust our brand. Roughly half of all our respondents see the work IKEA is doing to support local communities.

Sustainable Everyday Business

IKEA wants to create a movement by inspiring and enabling millions of people – our customers, co-workers, suppliers and even other companies – to make more sustainable everyday choices. Together, we can make a positive impact on the planet. It begins with us.

During the last financial year, IKEA companies committed to shared sustainability goals that are transforming the way we design products, source materials and work throughout our entire value chain. Our ambition is to make home furnishings that can be repurposed, repaired, reused, resold and recycled, generating as little waste as possible.

By 2020: all single-use plastic products will be phased out of IKEA stores worldwide. That includes plastic straws, plates, freezer bags, garbage bags, and more. In Southeast Asia, our restaurants took the first step by eliminating disposable straws and cups from our own operations.

By 2030: all IKEA products will be made from renewable or recycled materials.



Green Building Design

We construct stores and centres to the highest global sustainability standards, fitting out our buildings with solar PV panels, LED lighting, high-efficiency fans and rainwater harvesting systems. Last year, our IKEA Cheras store in Kuala Lumpur became the first IKEA in the world to receive a gold rating from the U.S. Green Building Council in Leadership in Energy and Environmental Design, for new construction projects inclusive of a full interior fit-out. These investments are not just good for the planet and people, they improve efficiencies and reduce our operating costs in the long run. Sustainability is good business!

Recycling Waste

Our IKEA stores recycle about 73% of the waste produced by our operations, an “exemplary” effort that earned our IKEA Alexandra store an award from Singapore’s National Environment Agency. IKEA Tampines became the first commercial restaurant in the country to recycle tetra packs and sent out more than 18,000 kilograms of used coffee grounds to be turned into soil conditioners for local farms.

Solar Cooling

IKEA Southeast Asia is constantly looking for ways to conserve energy. As part of our drive to reduce our demand on the grid, we have installed more than 24,000 solar PV panels on the rooftops of our stores and centres. Last year we added something new: solar cooling for our IKEA Alexandra store in Singapore. This system converts thermal heat into chilled water for our air conditioners in the store, trimming about \$9,000 a month from the store’s electrical bill and reducing overall energy consumption by 24%.



IKEA Food is developing healthier and more sustainable menu choices for customers, too. Last year we introduced yoghurt ice cream to our Swedish Bistros. Next, get ready for a vegetarian hot dog made with kale, red lentils and carrots!

A Better Life for the Many People

IKEA companies around the world are committed to creating a positive social impact for millions of people throughout our supply chain. We support the creation of decent and meaningful jobs. We promote equality. And we connect with our communities to co-create and innovate.



Inspiring Young Designers

IKEA Singapore's Young Designer Award has been running for five years and, this time, we challenged students to come up with ideas that could change how energy is consumed or generated in urban centres. Students who took up the *Clean Energy Challenge* got advice on early ideas from IKEA designer Jonas Hultqvist and finalists saw their prototyped products go on display in a public space. Judges were blown away by ideas developed by young designers - from a bio-degradable plant pot to a solar-powered LED lamp. In the end, students from Temasek Polytechnic won for a portable filter that clicks onto an ordinary house fan and reduces humidity while increasing cooling effects.

The students won \$1,500 and a trip to Sweden. And we got energy from hearing cool ideas to tackle climate change! We had great support this year from DesignSingapore Council, National Youth Council and also Senior Minister of State for the Environment and Water Resources, Dr. Amy Khor.

Our IWAY Journey

We want to ensure our contractors also respect the human rights of their workers and minimise impact on the environment. That's why our Procurement team in Southeast Asia has embarked on a journey to audit 117 key suppliers - from cleaning companies to food vendors - and conducted nine training sessions to help them implement our IWAY code of conduct. IWAY outlines our expectations around labour practices, health & safety provisions and environmental impact.

The result? Our security companies made some big changes in 2018 and migrant workers employed as guards at our IKEA stores are now enjoying more days off, increased pay equality and better living conditions. One supervisor told our Procurement team that IWAY has "totally changed the working environment" and, for the first time, workers are asking to extend their contracts.



IKANO CENTRES

Redefining Retail

Anchored by IKEA, our shopping centres have long stood out as unique destinations in markets crowded with malls. As technology and urbanisation change the way people shop, our Ikano Centres are redefining retail. We are transforming our malls into meeting places for the many people.

We offer more than shopping. We design spaces where people can dine with a date, work out with friends, entertain the kids – and come again the next day. We attract tenants that deliver entertainment, education, creative outlets and personal services. We co-create events. We connect with our communities.

That's why our team at Megabanga set up a giant splash spark at its entrance to celebrate Thailand's Songkran water festival. That was a fun step in our bigger strategy. In 2018, Megabanga also opened Mega Food Walk and developed surrounding land to welcome Southeast Asia's only Marvel Experience

theme park. IPC launched a fully refurbished centre with an interactive app that, for a month, beat out Tinder as the top lifestyle app in Malaysia. MyTOWN celebrated its first anniversary with a dance competition, all-star performances and trendy fashion shows that engaged thousands of visitors.

Our approach to creating meeting places attracted one-of-kind tenants, won our centres industry awards, earned millions in PR value and, most importantly, grew footfall to our centres by 20% over the previous year. Together with IKEA stores, we attracted 85 million visits.

Ikano Centres 2018 **IPC, MyTOWN, Megabanga**

SGD
125 million
Total Income

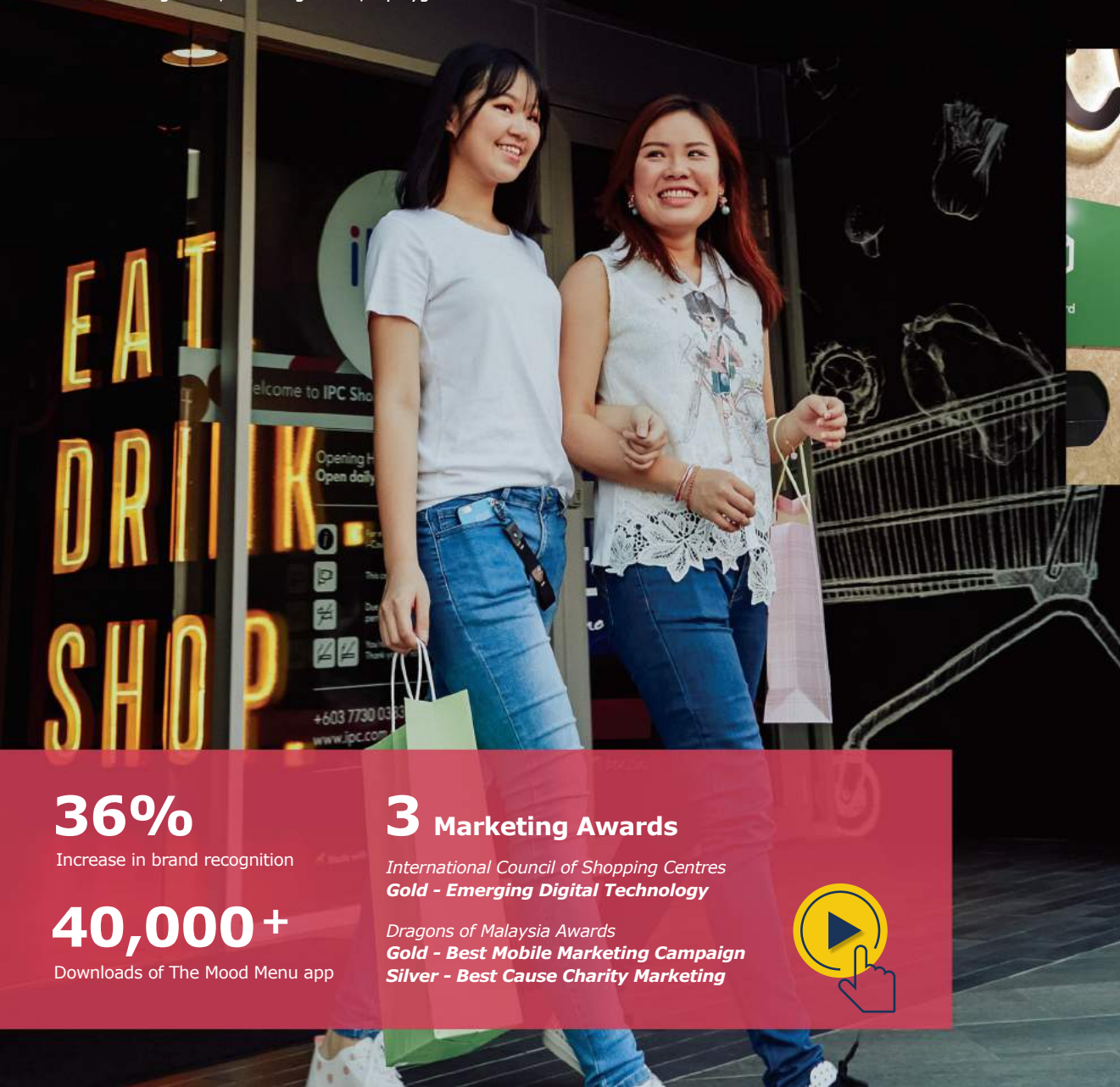
420,696 m²
Gross Leasable Area
(including IKEA stores)

20%
Increase
in total visitation to our centres

IPC's 'Genius' Marketing Launches Revamped Centre

We refurbished our longest-running shopping centre inside and out, adding alfresco eating areas, vertical gardens, a playground and dozens of new tenants.

When it came time to re-launch the centre in January, IPC took a fresh approach to marketing. We released a short, heart-warming film that tells the story of a boy's first love (and his journey through IPC.) With a surprise ending, the film attracted almost three million views. Personalised follow-up spots were viewed 23 million times on YouTube.



Next, IPC launched a one-of-a-kind Mood Menu app that recommends meals to shoppers based on musical choices on their Spotify playlists. More than 40,000 people downloaded the app and thousands used coupons for IPC food outlets. Hailed as "genius" by one reviewer, media coverage generated the equivalent of SGD 714,000 in positive publicity. Brand recognition jumped to 36%, more than three times the industry benchmark.

IPC has engaged customers in good causes, too. During Christmas, we dimmed down our decorations to focus instead a crowdfunding campaign that supported 100 underprivileged families with gifts of school items and toys. Another campaign raised awareness of our revamped Recycling & Buy Back Centre. We pay people cash for old newspapers, used plastics and more and, over three months last year, collected 4.3 tons of waste.

IPC itself recycled 31% of the waste generated by its operations – 9% more than the year before and far above the industry norm. With solar panels, rainwater harvesting and a sustainable dishwashing system for tenants, IPC is living up to its name as 'the greenest shopping centre in town.'

36%

Increase in brand recognition

3 Marketing Awards

International Council of Shopping Centres
Gold - Emerging Digital Technology

Dragons of Malaysia Awards
Gold - Best Mobile Marketing Campaign
Silver - Best Cause Charity Marketing

40,000+

Downloads of The Mood Menu app



Anchored by IKEA Bangna, Bangkok

Megabangna Transforms into a Megacity

Under a colourful rain of confetti, Megabangna opened a massive open-air Food Walk in January, adding thirty dining outlets and more than 900 parking spaces to a mall that is now 161,000 square metres. The retail extension is more garden than mall, with fountains and trees connected by sloping wooden walkways. An amphitheater brings people together for community events.



The Food Walk brings us one step closer to realising our ambition of creating a Megacity where more than 250,000 people can work, shop, live and play every day. We are developing and leasing land surrounding the mall to add apartments, office towers and more.

In 2018, we started construction of a community park, welcomed an international school to the neighbourhood and grabbed media attention with the May arrival of The Marvel Experience Thailand. This is the only place in Southeast Asia where guests can journey through an immersive adventure housed in the Marvel Universe, featuring 3D superheroes, a thrilling 4D motion ride and cutting-edge Visual Reality environments.

Sustainability is built in: Megabangna harvests rain for its grounds, cleans waste water, generates renewable energy and more. The mall is now 100% occupied, with close to 900 tenants offering everything from avant-garde fashion to relaxing foot massage. Next up: a new retail extension is in the works to add a Kids Zone with tenants that specialise in education and entertainment.



Anchored by IKEA Cheras, Kuala Lumpur

MyTOWN Grows from Strength to Strength

Facing down tough competition in Kuala Lumpur's crowded shopping centre scene, our newest meeting place attracted exclusive tenants and organised activities for visitors almost every day of the year. The number of people who visited MyTOWN went up 50% since its opening - a rate of growth rarely seen in shopping centre businesses.

MyTOWN co-creates events with community groups, making the most of its town park, sunken garden, outdoor amphitheatre and indoor atriums. Last year, the mall organised Zumba in the park, Spartan Races on our rooftop, a Dance Battle competition and fashion shows with tenants inside the mall. Malaysia's national broadcaster made MyTOWN and IKEA Cheras the backdrop for a talent show that aired across the nation. The centre achieved its highest footfall yet with signature events in August such as the Club Mickey Mouse: Live Tour and Korean group S.I.S's showcase. These kind of events make MyTOWN a great place for shopping, leisure and social meetings!

OUR EXPANSION

Reaching More People

Philippines, Vietnam and Mexico

We want many more people to have easy access to affordable home furnishings that make life at home a little better, and shopping centres that make a day out a little more fun. Over the next five years, we plan to enter the Philippines, Vietnam and Mexico. Added to our existing markets, we will be bringing our offer to six countries with a combined population of 480 million.

In 2018, construction started on the first IKEA store in the Philippines - an island nation of more than 100 million people and countless home furnishing dreams. In the heart of Manila, our IKEA will become the largest anchor tenant at the SM Mall of Asia, one of the world's busiest malls. This will also be the largest IKEA in the world - roughly the size of 150 basketball courts! At around 65,000 square metres, the shop floor will be similar to other IKEA stores but our building will also house an integrated call centre and supersized fulfilment warehouse to support ecommerce operations from the day we open our doors in 2020.

At the same time, a small team established an office in Mexico to prepare for our 2020 arrival in this emerging powerhouse in the Americas. Ikano has secured IKEA franchise rights in the market, so we are leveraging the experience of our team in Southeast Asia to guide the entry and plan the first store. Better together!

At the same time, we continued to explore possibilities for entering Vietnam as well as the small country of Brunei in Southeast Asia. We are developing IKEA formats that are the right fit for our markets, finding logistical solutions, sourcing transport partners and developing new services to support to our customers. We are on our way!



Photo cutline: Our product compliance team secured that we meet regulatory requirements in Philippines - including the importer label now showing on all IKEA products.

Under Construction

Construction workers clocked a total of 8.6 million hours as we expanded and improved our businesses in the last financial year. Supported by our architects, engineers and project managers, our work sites have won national praise for achievements in safety while our new buildings stand out for sustainable design.



Safety is our Priority

We make health and safety of people on our sites a top priority. We linked together with our lead contractors to train more than 8,500 people across the region in our work methods and, last year, all four of our construction sites exceeded 1 million clocked hours without recording a serious injury. That was a milestone we celebrated!



IPC Construction Safety Day



IKEA Batu Kawan

Opens in Penang, March 2019

This destination IKEA store is going up in Penang, the economic centre of Northern Malaysia. IKEA Batu Kawan will anchor a regional shopping centre and create a meeting place in up-and-coming Aspen Vision City, a walkable community that will include condos, shop houses, a school, parkland and more. The store's sustainable features have already earned it a Gold stamp of approval from the Green Building Index.

Megacity

Opening in phases, Bangkok

Building upon the high visitation and success of Megabangna, we are now developing a modern community that includes hotels, office towers, residential and other types of real estate. A Megacity where 250,000 people will one day work, shop, live and play.



TOPPEN Shopping Centre

Opens in Johor Bahru, Malaysia, 2019

Toppen is the Swedish word for 'super' or 'high point.' The name suits a centre that will be crowned by a rooftop with community gardens, alfresco eateries, a water park and a sport zone. With more than 71,000 square metres of leasable area, the centre will be fully integrated with IKEA Tebrau. The plan made a big splash with media and close to 200 retailers when we unveiled our plans.

OUR PEOPLE

Great Place to Work

In recent years, our more than 3,000 co-workers have together strengthened our IKEA culture and values, explored endless possibilities to develop and enjoyed benefits ranging from product discounts to one month of paid paternity leave. In 2018, the positive feelings inside IKEA Southeast Asia helped build our employer brand outside the company, too.



3,272

Co-workers

In our IKEA stores, Ikano Centres and service offices.

19.5%

Turnover Rate

Maintained low level for retail industry

743

VOICE index

Maintained excellent rating in co-worker feedback survey

In Thailand, a magazine story about a 71-year-old IKEA co-worker earned 73,000 likes and pushed our views on workplace diversity into the spotlight. In Malaysia, a national survey of university students earned IKEA a Graduate Choice Award. In Singapore, HRM Asia magazine featured IKEA workplaces in a special report and our union nominated us for a national award recognising progressive employment practices.

When we opened up a recruitment fair for our upcoming store in Penang, Malaysia, close to 3,000 eager candidates came for a chance to be part of our team. Many of our own co-workers spent long days talking to people about all the things that make working at IKEA great.

There was a lot to talk about.

We have endless possibilities to learn and, last year, more than 200 people took courses in leadership and the IKEA Concept. We promoted 60 co-workers from within our company. Diversity is strong, and women make up 49% of the people in steering teams in our stores and centres.

Though our fast-paced business is demanding, we also take time to create the spirit of togetherness. Last year, we introduced a daily *fika* in all our Service Offices – a Swedish coffee break. Fifteen minutes with a cup of coffee and a little snack helps us solve many little challenges.

Positive Impact

IKEA Southeast Asia partners with 15 non-profit groups, making long-term commitments to provide financial support, share expertise and give time to good causes. Co-workers from across our business have many different opportunities to volunteer – and see first-hand the impact IKEA makes in our communities and around the world.

IWitness Journey to the Philippines

Save the Children projects funded through the IKEA Foundation



"I met a 12-year-old girl who had been unable to feed or wash herself. After four months of physical therapy, she could shower on her own! It was really inspiring."

- Ng Ping Ping, IKEA Tampines

The disadvantages for some disabled children begin the day are they born, when discrimination and fear prevents parents from registering the birth. After that, it becomes very hard to access public education or government services. Eight of our co-workers met up with families in Manila who benefit from KASALI, a community project that helps kids with special needs get an inclusive education and physical therapy. Most importantly, the group supports parents who feel isolated and lobbies to include people with disabilities in society.

Special Olympics Thailand

Funded through the IKEA Foundation

Armed with flat-packed IKEA furniture and full hearts, more than 80 co-workers visited a Special Olympics education centre in Pathum Thani outside Bangkok. We refurbished classrooms for the children, but the biggest reward came from the play session with the kids.



Twenty Co-Workers Visit Mechai Bamboo School

IKEA Southeast Asia commits EURO 5 million over seven years. Co-worker participation in a Health Week campaign drove an extra EURO 125,000 donation to the school last year.

Twenty co-workers from all across our business spent four days at the Mechai Bamboo School, getting a first-hand look at why a United Nations agency calls it "one of the world's most innovative schools." There are no school fees; instead, the students from low-income families pay for their education through community service. Kids take leading roles in running the school, even helping to hire teachers. They get all the usual academic lessons each morning, then spend the afternoons rolling up their sleeves in agricultural businesses.

Co-workers got involved as the students went about their work. We recycled cooking oil to make bio diesel. We used innovative farming techniques to grow limes and mushrooms. We collected eggs from a free-range chicken farm. We joined students as they shared ideas for social entrepreneurship with other village schools. The Bamboo school is working with more than 100 other schools to develop social entrepreneurship.

"We saw the impact contributions from our company make on kids who otherwise have no chance for an education like this. The school creates a lasting impact far beyond the students it educates. It was a wonderful experience!"

*- Olivia Beaulieu,
IKEA Southeast Asia Procurement*

Great People, Great Year!

It takes great people to build and sustain a fast-paced retail business in Southeast Asia. We met a lot of challenges together during FY18, and we had a lot of fun along the way. Here are some of the snapshots from our IKEA Southeast Asia photo albums.

IKEA Values Ambassadors Journey to Sweden

Our thousands of co-workers come from more than 40 countries, each with experiences and cultures of their own. The IKEA culture is what binds us together across stores, shopping centres, service offices and project sites. We make the IKEA values a part of our everyday worklife. Togetherness. Cost-consciousness. Simplicity. Leading by Example. Caring for People and the Planet... and more! This is who we are and how we do things.

Last year, we elected 20 IKEA Values Ambassadors from across Southeast Asia to take a learning journey to Sweden. They visited the small town of Älmhult, where our founder Ingvar Kamprad opened his first IKEA store in 1958. The team toured the centre of IKEA design, learned how the IKEA Catalogue is produced, toured Ingvar's original home in the countryside and – the highlight for many – built a stone wall. The back-breaking exercise brought the ambassadors together and taught them exactly why the wall is a symbol of the IKEA Values, pictured in stores all around the world. Our ambassadors are now back at work, sharing stories of their learning with co-workers all across the region.



Range Weeks

We re-ignited co-worker passion for IKEA products by running company-wide quizzes and *Range Week* events. We decorated back offices, served up special IKEA foods and challenged one another to fix up a BILLY bookcase, dress up a VIMLE sofa and more. The activities drove thousands of our co-workers to an IKEA range app. We all learned a few things to serve our customers even better.



IKEA 75

Co-workers marked this birthday milestone in IKEA stores and offices all around the world - including ours!



Ready to Roll

We kicked off our new commercial and financial year with events that connected hundreds of co-workers from across three countries via video. Our day-long meeting was packed with information and good laughs. The new business year started September 1 – and we were all ready to roll!

IKEA Southeast Asia & Mexico

Delivering our vision of a better everyday life for many people through meeting places and our wide range of functional, affordable home furnishings.

See business updates and find out about our available jobs:

IKEA Southeast Asia | LinkedIn

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