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**The purpose of this strategy is to inspire, activate and lead us in our decision-making and goal setting so that we together can achieve the big positive changes we want to see in the world, and for the entire IKEA ecosystem.**

The IKEA sustainability strategy, People & Planet Positive, is issued by Inter IKEA Group and covers the entire IKEA value chain and franchise system.<sup>1</sup>

The IKEA business is defined as the business activities performed by all entities operating under the IKEA Brand. “We” in this strategy refers to the IKEA business. The IKEA value chain includes sourcing and extracting raw materials, manufacturing, transporting of products, retail activities in stores, customer travel to stores, product use in customers’ homes and product end-of-life.

To ensure the long-term growth and development of the IKEA business, we use a franchise system. This provides financial stability while allowing franchisees to challenge, test and explore new markets and ideas. Together, we continue to develop the IKEA business.

The strategy will be reviewed annually to secure alignment with the total IKEA strategic framework. You can read about our latest progress measured against this strategy in the annual IKEA Sustainability Report and IKEA Climate report.

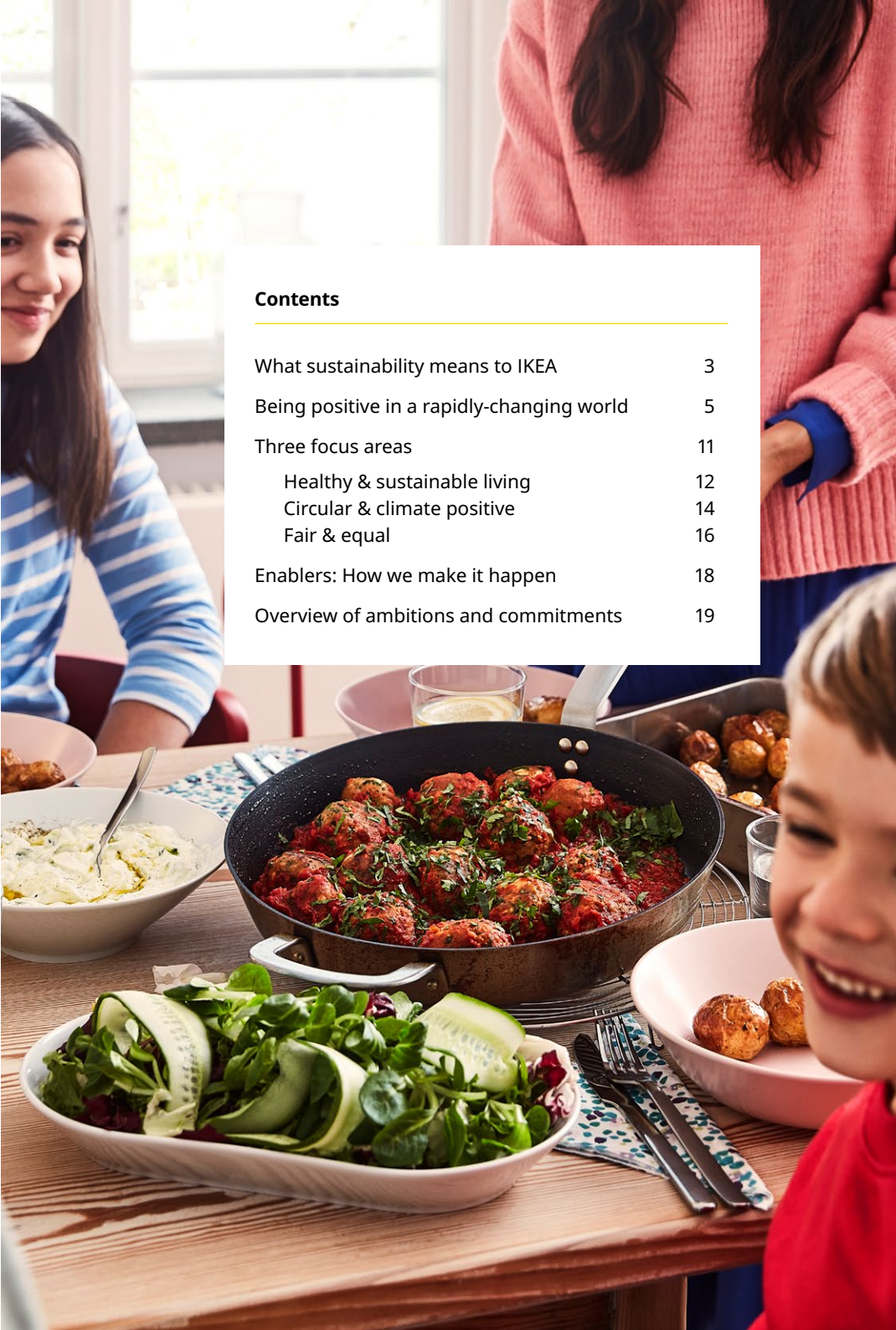
Our sustainability ambitions and commitments are set for 2030 in line with the UN Sustainable Development Goals.

We don’t have all the answers and cannot achieve our goals alone. Therefore, we are committed to working together in a collaborative way and being transparent about what we learn. We will rely on our culture of entrepreneurship, always moving forward and not waiting for perfection. We will work together to achieve continuous improvements.

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<sup>1</sup> In total, there are 12 IKEA franchisees in more than 60 markets. Inter IKEA Group includes the IKEA franchisor, range, supply and manufacturing. The IKEA sustainability agenda is set and governed by the Strategic Sustainability Council with the Inter IKEA Group CEO as chair.

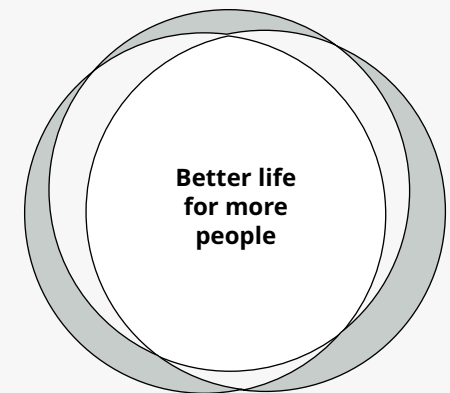
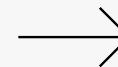
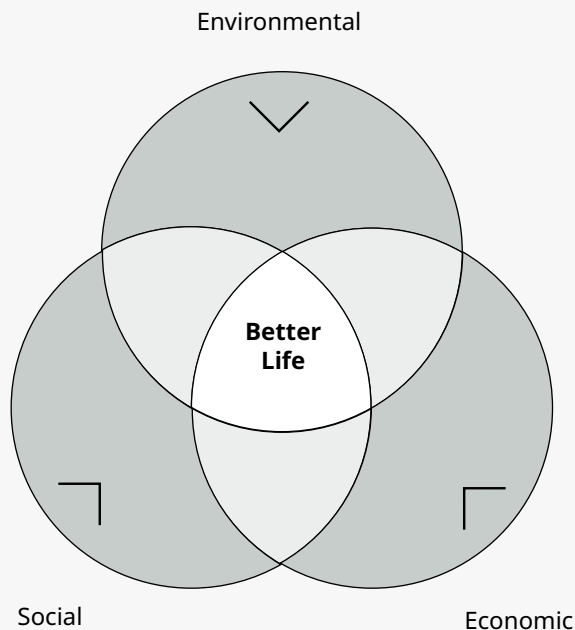


# What sustainability means to IKEA

**We want to have a positive impact on people, society and the planet. For us, it's about balancing economic growth and positive social impact with environmental protection and regeneration.**

We always think long term – to be able to meet the needs of people today without compromising the needs of future generations.

Doing this requires rethinking and inspiring changes in lifestyles and consumption and to adopting new ways of working. We are committed to leading the way forward together with our co-workers, customers and partners and to using our size to make a positive difference. This is both a responsibility and a business opportunity. The more people we reach, the bigger the impact we can have together, and the more people we can enable to live a better everyday life.



*The better the balance between environmental, economic and social impact, the more people will have the chance at a better life within the boundaries of the planet*

# The IKEA vision is our inspiration



**We want to create an IKEA business model that is sustainable. The IKEA vision, to create a better everyday life for the many people, is our inspiration.**

We must transform our way of working – from linear to circular; from only using to also regenerating resources. As a business reliant on natural resources and people, this will also mean that we can secure the future of the IKEA business and value chain and the livelihoods of the millions of people that contribute to it.

We believe that the IKEA culture – how we work and what we value – is fundamental to achieving our vision. In other words, it is not only what we do, but how we do it, that matters.

## Living our values

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Caring for people and the planet is one of our core values, and it guides us in how we work. From the very beginning, we have always viewed waste as “a sin”. We were born in the rocky landscape of Småland in southern Sweden where people had to be creative with their limited resources.

## Being bold in facing challenges

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It’s about setting ambitions that we know we cannot reach alone. Still, being bold is not only about setting high ambitions, but also about being open and honest about the challenges we face and making difficult decisions that lead to a positive impact. To take the next big steps will mean talking about our successes and failures, admitting we don’t have all of the answers and being part of a wider conversation to find new solutions.

## Co-creating a better world

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We are open and engage with others, listening and learning and sharing knowledge and ideas. Together we co-create a better world. This is how IKEA has worked, and continues to work, with sustainability. We see the opportunity to use creativity and knowledge to scale ideas, collaborate on challenges and be a partner for positive change. Sustainability can’t be achieved alone.

## Working long term for positive change

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We work long-term for positive change, focusing on the root cause of issues and not only on treating the symptoms. The IKEA business setup allows us to make investments for the future in things like new technologies, innovative materials, and ways of generating clean energy as well as in social development in the IKEA value chain.





# Being positive in a rapidly- changing world

Our world is changing rapidly in many ways, and we believe that over time more and more people can and will have a better everyday life. We are optimistic about the future, even in challenging times.

To create a better everyday life for the many, and to ensure the success of IKEA into the future, we must take on the challenges that face us, together. And this has never been as important as it is today.

We have identified three major challenges that are highly relevant for our business: climate change, unsustainable consumption, and inequality. All three challenges directly impact people's health and well-being.

**From our own history, we know that what at first seem like challenges can become opportunities and that limitations can lead to amazing innovations.**

Challenge

# Climate change

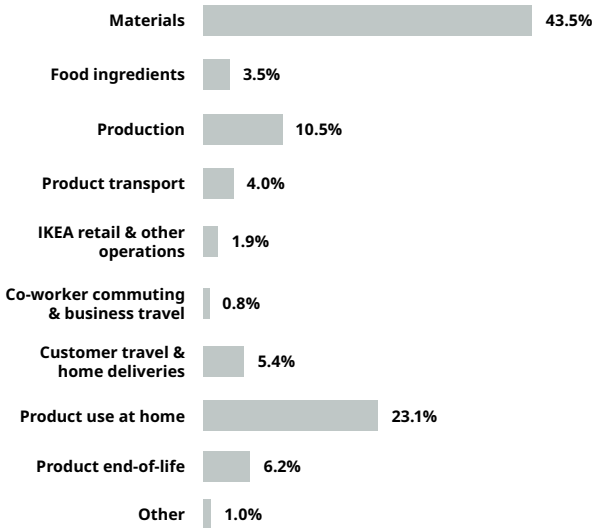
Climate change is one of the biggest challenges that humanity faces. Temperatures are rising more and more every year,<sup>1,2</sup> and today we can already see the impact.<sup>3</sup> The urgency to act now is clear.

The signing of the Paris Climate Agreement was an important step towards coordinated global action to keep the global temperature increase to below 1.5°C by the end of the century.

To limit the critical effects climate change has on people, the planet and business, the temperature increase must be limited to 1.5°C.<sup>3,4</sup> To do this, global greenhouse gas emissions must be cut in half by 2030 compared to 2010 - achieved mainly through drastic reductions in greenhouse gas emissions, as well as by removing CO<sub>2</sub> from the atmosphere through better forest and agriculture management. By 2050, at the latest, this combined effect must reach net zero emissions.

## IKEA climate footprint FY16 (baseline year)

% of total greenhouse gas emissions – 27.8 million tonnes CO<sub>2</sub> eq



The climate footprint data is annually reviewed and updated, to accommodate for new emerging data and facts. The largest IKEA climate footprint comes from the materials used in products. Baseline calculation FY16, percentages have been rounded.

<sup>1</sup> <https://news.un.org/en/story/2022/01/1110022>

<sup>2</sup> <https://climate.nasa.gov/vital-signs/global-temperature/>

<sup>3</sup> <https://www.ipcc.ch/sr15/>  
IPCC special report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty.

<sup>4</sup> <https://www.wwf.org.uk/updates/our-warming-world-how-much-difference-will-half-degree-really-make>



## Challenge

# Unsustainable consumption

**By 2030, the global population is expected to reach nearly 8.6 billion.<sup>1</sup> This means that more and more people will look for a chance for a better life.**

In a world that already uses resources requiring more than one planet, billions of new consumers put even greater pressure on the planet. In many parts of the world, consumption is growing at an unsustainable rate. And while many people are escaping poverty, many also lack access to affordable and healthy food.

Today, it's estimated that the world must produce 70% more food by 2050 due to population growth, but also due to trends in

rising consumption of meat and dairy, and the current loss or wastage of one-third of all food produced.<sup>2</sup>

Resource scarcity and air, water and land pollution are very visible due, in part, to unsustainable consumption and wastefulness.

For IKEA, unsustainable consumption is one of our biggest challenges: How can we continue to grow and enable more people to live better everyday lives within the boundaries of the planet?

<sup>1</sup> <https://population.un.org/wpp/>

<sup>2</sup> FAO, the Food and Agriculture Organization of UN estimated that the world must produce 70% more food by 2050 due to population growth [http://www.fao.org/fileadmin/templates/wsfs/docs/expert\\_paper/How\\_to\\_Feed\\_the\\_World\\_in\\_2050.pdf](http://www.fao.org/fileadmin/templates/wsfs/docs/expert_paper/How_to_Feed_the_World_in_2050.pdf). Current loss or wastage of one third of all food produced. <http://www.fao.org/food-loss-and-food-waste/en/>





## Challenge

# Inequality is rising

**The world economy has grown exponentially over the past hundred years, contributing to the largest reduction of poverty in the history of mankind. At the same time, there is an ever-increasing level of inequality and social instability, with vast numbers of people being left behind.**

Many people have seen their jobs become unstable, wages not covering basic needs and a fast technological shift that's difficult to adapt to – automation is predicted to replace millions of jobs in the coming decades. Gender equality is still far from a reality and people are still discriminated against based on their ethnicity, ability, gender identity or sexual orientation, etc.

Global challenges such as pandemics, climate change, biodiversity loss and geopolitical conflicts continue to accelerate inequality, hitting the most vulnerable the hardest. The transition to a net-zero economy brings additional challenges for livelihoods and human rights, as industries must drastically change, while the impacts of climate change are set to cause widespread disruption that will disproportionately affect vulnerable communities.

Estimates show that COVID-19 has pushed around 100 million people back into extreme poverty.<sup>1</sup> Women are disproportionately affected, leaving their jobs and not returning, and younger generations are losing access to education and job opportunities. New research suggests climate change could push a further 130 million people into extreme poverty by 2030.<sup>2</sup>

Inequality has become a systemic risk that is threatening individuals, communities, companies and entire economies. Businesses, like IKEA, have a huge opportunity and responsibility to work alongside governments to build resilient societies in which everyone's rights are respected, basic needs are met, and equal opportunities are available for all.

IKEA has identified and is taking action across many areas – including respecting human rights, providing decent and meaningful work, paying and promoting a living wage and focusing on vulnerable groups, such as children, and becoming a more equal, diverse and inclusive business.

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*Inequality is the uneven distribution of income, wealth, and wellbeing. It matters because it undermines human dignity – breeding discontent, fuelling division, and leaving our societies incapable of tackling the collective challenges we face.*

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WBCSD, 2022

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<sup>1</sup> World Bank, 2021. Updated estimates of the impact of COVID-19 on global poverty: Looking back at 2020 and the outlook for 2021.

<sup>2</sup> World Bank Group, 2020. Revised Estimates of the Impact of Climate Change on Extreme Poverty by 2030.



# The UN Sustainable Development Goals (SDGs)

Many of the global sustainability challenges and calls for action are described in the UN Sustainable Development Goals (SDGs). Launched in 2015, the SDGs provide an inspiring framework for collective action. They guide us as we develop the IKEA business, set ambitions, and engage with our partners.

**All of the goals are connected and IKEA will use them as our compass to mobilise change in our work.**



***“No method is more effective than a good example.”***

Ingvar Kamprad



# How IKEA can make a positive difference

**Through our business, we have a unique opportunity to lead the way by being a good example for positive change in society.**

Being a leader means looking critically at all aspects of our business, but also engaging in the debate and enabling customers, co-workers, and partners to take action and contribute.

Each one of us can be a leader for change. To change the world, good ideas must be nurtured and magnified to reach as many people as possible.

Part of our role is to use our size, creativity, innovation and knowledge in life at home to scale ideas and be a partner for positive change.

Having a positive impact means that we always aim to generate more than we use ourselves, working to make a positive difference beyond our own business.

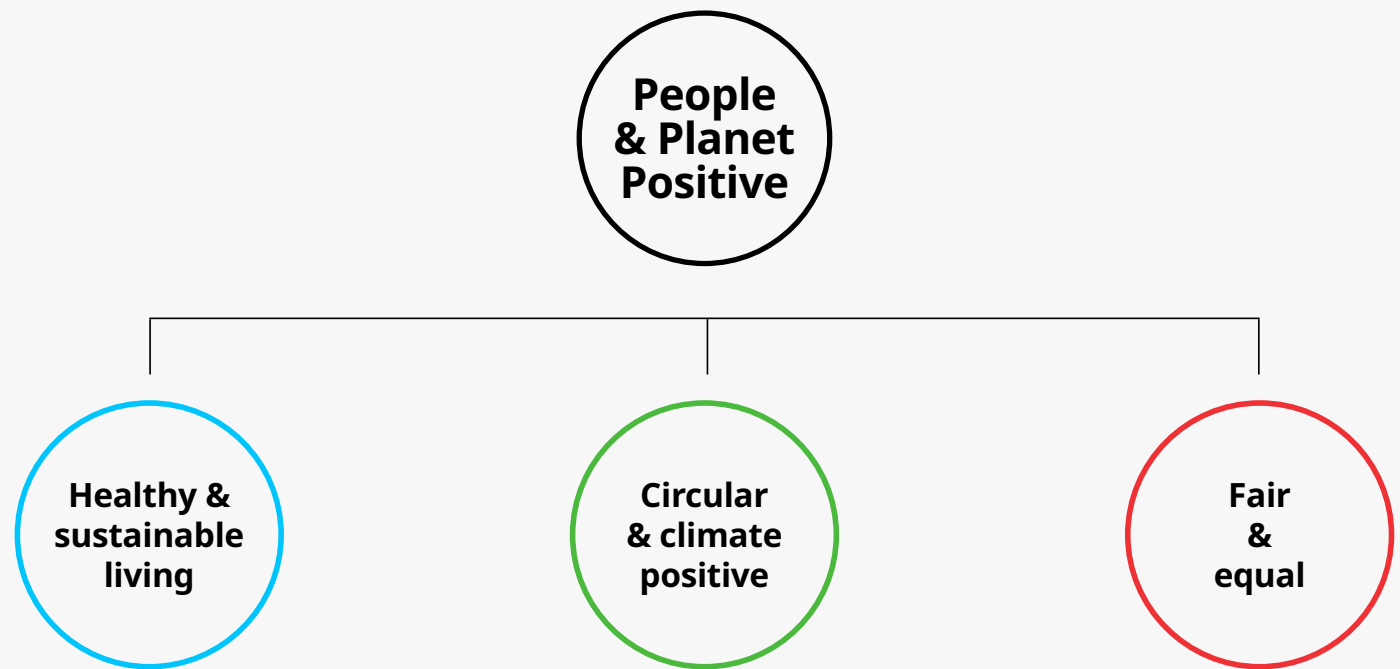
We are committed to creating a better everyday life for the many people and to being people and planet positive.



# Three focus areas

**As a response to the three major challenges impacting the IKEA business, we have identified three corresponding focus areas to help us to fulfil the IKEA vision and ambition to become people and planet positive.**

Under each focus area, we outline our commitments to achieving our ambitions.





**By 2030, our ambition is to inspire and enable more than 1 billion people to live a better everyday life within the boundaries of the planet**

# Healthy & sustainable living

**Our homes and the way we live have a huge impact on our health, well-being, and the planet.**

Households, for example, are estimated to consume one-third of the global energy use<sup>1</sup> and 10% of the water use.<sup>2</sup> Enabling as many people as possible to generate and use renewable energy and reduce their home energy and water consumption would have a great impact. Water, food and air quality are also major concerns for people around the world. The impact of pollution and waste is already visible in everyday life for many people.

People expect businesses and brands like IKEA to make living a more sustainable life both affordable and attractive. They are searching for ideas and solutions and are counting on

new, innovative ways of living: in smaller spaces, for being more conscious and less wasteful in what they buy, and for prolonging the life of their things.

As one of the largest food companies in the world, we also have a responsibility to provide healthy and nutritious food. We strive to not only offer more sustainable home furnishing and food products, solutions and services, but also to inspire and support people to make positive changes in their lifestyles and to consume in more sustainable ways. Until now our focus has been on enabling customers to become energy and resource efficient and reduce waste. We will now also focus on inspiring a shift through promoting a new mindset for healthy and sustainable living.

<sup>1</sup> <http://www.un.org/sustainabledevelopment/sustainable-consumption-production/>

<sup>2</sup> <https://www.wri.org/blog/2020/02/growth-domestic-water-use>



**Healthy &  
sustainable  
living**

**What we have done so far**

IKEA already enables people to actively live a healthier and more sustainable life at home with a focus on the efficiency and functions of the home, offering affordable products and solutions for water efficiency, energy efficiency, renewable energy, and waste sorting solutions.

For many years, IKEA has worked proactively when it comes to the use of chemicals in IKEA products, phasing out, often ahead of legislation, potentially harmful chemicals.

All IKEA products and solutions are designed with quality, form, function, low price, and sustainability as the IKEA democratic design dimensions.

Even though we have accomplished many things, we are only at the beginning, and there is still much to be done.

**Our ambitions for 2030**

By 2030, we will inspire and enable people to make healthier and more sustainable choices. We will, together with others, define what sustainable consumption means for IKEA. We will develop all products using the IKEA democratic design approach and circular design principles. We will work together with others to prolong the life of products and materials and thereby promote a sharing and circular economy.

Sustainability cannot be a luxury for the few! We will make healthy and sustainable living a desirable choice that is affordable, attractive and accessible for as many people as possible.

The IKEA business will enable people to generate renewable energy and be energy and water efficient, to purify the water and air in their homes, eliminate waste, and contribute to adapting their homes to cope with the impact of climate change. We will come together and work to improve health and well-being.

**We are committed to**

**Creating a movement in society around better everyday living**

Inspiring and enabling people to redefine their life at home – a life that is sustainable, supports safety, health and well-being, and is within the means of the many people.

Leading the transition towards a new definition of a better everyday life and being a driving force behind changes in unsustainable consumption patterns.

**Inspiring and enabling people to live healthier, more sustainable lives**

Offering better, more affordable and inclusive smart products and solutions that enable people to live safer, healthier and more sustainable lives.

Providing knowledge and ideas to inspire people to live better, healthier and more sustainable lives.

Offering a food range that makes more sustainable, healthier eating delicious and affordable for the many people.

**Promoting circular and sustainable consumption**

Seeing IKEA products as raw materials for the future and ensuring that all products have circular capabilities: designed from the very beginning to be repurposed, repaired, reused, resold and recycled.

Providing and promoting services, solutions, inspiration and offering easy access to knowledge to prolong the life of products and materials. Inviting and enabling customers and other partners to be part of the solution by making it easy to buy, fix, sell, share and give away products.



**By 2030, our ambition is to become climate positive and regenerate resources while growing the IKEA business**

# Circular & climate positive

**We have only one planet, with limited resources. Pressure on forests, fisheries and agriculture, loss of biodiversity and wildlife, ocean pollution, erosion of soil and increasing levels of air and freshwater pollution affect the lives and livelihoods of millions of people around the world.**


The global resource scarcity is already impacting the IKEA business and, more importantly, the lives of people throughout the IKEA value chain. To be people and planet positive in the future we must further develop responsible sourcing programmes, continue to improve resource utilisation and dramatically reduce greenhouse gases in absolute terms, independent of how much we grow the IKEA business.





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What we have done so far	Our ambitions for 2030	We are committed to		
<p>Our approach of making more from less has enabled the IKEA business to reduce waste and become more efficient in all we do.</p> <p>We have also come a long way in transforming how we source more sustainable materials. Since 2015, 100% of our cotton, fish and seafood have come from more sustainable sources (BCI+, MSC, ASC).</p> <p>We are continuously working on our goal to source 100% of our wood and paper from more sustainable sources. And we have taken steps to begin to phase out virgin fossil plastic from the IKEA product range, a focus that will also continue towards 2030.</p> <p>We have been vocal in our support for a transition to a low carbon economy and limiting climate change to 1.5°C and have invested heavily in renewable energy and improved energy efficiency.</p>	<p>By 2030, our ambition is to be a circular business built on clean, renewable energy and regenerative resources, de-coupling material use from our growth. The aim is to end our dependency on virgin fossil materials and fuels. We will contribute to limiting the global temperature increase to 1.5°C by the end of the century by reducing the greenhouse gas emissions of the IKEA value chain in line with the 1.5°C target, while also contributing with additional reductions in society. We will also contribute to a world of clean air and water and improved biodiversity.</p>	<p><b>Transforming into a circular business</b></p> <p><b>Prolonging the life of products and materials, using resources in a smarter way and meeting customers in new ways.</b></p> <p>Turning waste into resources, sending zero waste to landfill.</p> <p>Taking the lead in transforming secondary materials (i.e. reused and recycled materials) into clean and safe resources.</p> <p>Sourcing and producing renewable and recycled materials with a positive environmental impact.</p> <p>Establishing and promoting systems and services to enable a circular economy.</p> <p><b>Becoming climate positive</b></p> <p><b>Reducing more greenhouse gas emissions than the IKEA value chain emits, while growing the IKEA business. This will be achieved without relying on carbon offsetting.</b></p> <p>By FY30, reduce the absolute greenhouse gas emissions from the IKEA value chain by at least half, compared to the baseline year FY16.<sup>1</sup></p> <p>By FY50 at the latest, reach net-zero greenhouse gas emissions from the IKEA value chain. To reach net-zero the following two conditions must be met:</p>	<p>1. By FY50 at the latest, reduce the absolute greenhouse emissions from the IKEA value chain by at least 90%, compared to baseline year FY16.</p> <p>2. Any remaining greenhouse gas emissions are neutralised through removing and storing carbon within the IKEA value chain and without the use of carbon offsets.</p> <p>Striving towards 100% renewable energy (electricity, heating, cooling and fuels) and electrification across the IKEA value chain.</p> <p>Promoting on-site renewable energy generation and new installations to make more renewable energy available to the many.</p> <p>Actively reducing air pollutants.</p> <p>Continually improving efficiency (energy, material, logistics, waste, etc.) to reduce overall energy demand.</p> <p><b>Regenerating resources, protecting ecosystems and improving biodiversity</b></p> <p><b>Continuing to secure and develop responsible sourcing standards that include environmental, social and animal welfare criteria.</b></p> <p>Becoming <b>forest positive</b>, promoting sustainable forest management to eliminate forest degradation and deforestation. Using innovative approaches to forest management, protection, restoration and regeneration.</p>	<p>Leading regenerative projects on degraded land, deforested areas and agriculturally cultivated areas.</p> <p>Becoming <b>water positive</b> by leading and developing water stewardship programmes. Leading regenerative projects to clean polluted waters and protect biodiversity. Specifically focusing on leading projects to clean plastic pollutants from oceans.</p> <p>Sourcing wood, cotton, food, and other raw materials from more sustainable sources.</p> <p>Providing and promoting services, solutions, inspiration and offering easy access to knowledge to prolong the life of product and materials. Inviting and enabling customers and other partners to be part of the solution by making it easy to buy, fix, sell, share and give away products.</p>

<sup>1</sup> The Greenhouse Gas Protocol (scope 1, 2 and 3 emissions)



**By 2030, our ambition is to play our full part in contributing to a fair and equal society by respecting human rights, creating a positive impact for people across our value chain and contributing to resilient societies**

# Fair & equal

**The IKEA business impacts millions of people across our value chain. We recognise our responsibility to ensure we always respect human rights and understand the impact our business has on both people and the communities where we operate. IKEA is a values-based business and has always strived to put caring for people at the heart of our decision-making.**

By 2030, our ambition is to play our full part in contributing to a fair and equal society by respecting human rights, creating a positive impact for people across our value chain and contributing to resilient societies.

Our responsibility includes everyone in the IKEA value chain: IKEA co-workers, co-workers at our business partners and people working in other parts of our value chain, our customers and the families of these people as well as the communities where we operate. This is a big undertaking – but also an opportunity – to contribute to positive change.

We will do this by taking our full responsibility as a business to respect human rights and ensure ethical business practices, providing and supporting

decent and meaningful work across the IKEA value chain, and further developing into an equal, diverse and inclusive business. This will be based on a solid understanding of our social footprint.

We will, as a business, further strengthen our role and approach in relation to the many instabilities the world faces today, including pandemics, geopolitical conflicts, technological shifts, climate change and biodiversity loss. We will take action to strengthen the resilience of people in our value chain and in the communities where we operate, focusing on those who are most vulnerable. This includes supporting people in adapting to climate change and ensuring a just transition to a net-zero and circular economy.

While growing our business to reach more of the many, we must ensure that people across our value chain can thrive and provide a good life for themselves and their families. Our business is built by people. To thrive as an organisation, we must ensure the well-being of people, leaving no one behind.

In addition, we will advocate for a more fair and equal society, in line with our commitments and in collaboration with policymakers and external partners.





## What we have done so far

As a home furnishing business with a vision to create a better everyday life for the many people, IKEA has long been working in different ways to contribute to a more fair and equal society through our business and by advocating for change.

We have a long-standing commitment to respecting human rights and have been working to develop our human rights due diligence approach in line with the UN Guiding Principles on Business and Human Rights.

We continue to focus on vulnerable groups – children's rights have always been at the heart of what we do – and we continue our efforts to integrate respect for children's rights in all our business operations in line with the Children's Rights and Business Principles. To reach vulnerable groups furthest away from the labour market, we have partnered with social entrepreneurs and social businesses to create job opportunities and improve livelihoods.

We have had for a long time a focus on providing and promoting decent work for people across our value chain. Most recently by developing a Responsible Wage Practices Framework that takes a holistic approach to wages, placing equal focus on equality at work, pay principles, competence, enabling dialogue and a living wage.

IWAY – our supplier Code of Conduct, is the base for our work to secure respect for human rights and good working conditions at our suppliers. In 2021, we launched a total system upgrade with the introduction of IWAY 6, which has a stronger emphasis on supporting our suppliers to develop and reach even higher standards, beyond compliance.

## Our ambitions for 2030

By 2030, our ambition is to play our full part in contributing to a fair and equal society by respecting and promoting human rights across the value chain and contributing to resilient societies. We recognise our responsibility to address the negative impacts of our business and will always seek to create a positive impact for people. We will provide and support decent and meaningful work, including providing and promoting a living wage and ensuring a just transition. We will ensure that IKEA contributes to a more equal, diverse and inclusive society, through our business practices as well as our products, services and communication. We will also use our size and influence to advocate for a fair and equal society.

## We are committed to

### Being a responsible business and contributing to resilient societies

Respecting human rights and children's rights by operationalizing the UN Guiding Principles on Business and Human Rights and the Children's Rights and Business Principles, ensuring we address our most critical human rights risks and impacts across our value chain. We are also committed to promoting human rights and children's rights in society.

Ensuring ethical business practices, including combatting corruption, securing ethical handling of data and digital technology, complying with both the letter and the spirit of the law when it comes to corporate tax policies, and being transparent about taxes paid.

Securing a strong approach in relation to climate, health, political and social justice crises to secure the safety, livelihoods and resilience of our co-workers and partners across our value chain.

Engaging with communities building on our role as a home furnishing business and leader in life at home to create a positive social impact.

### Providing and supporting decent and meaningful work across the IKEA value chain

Providing living wages and income<sup>1</sup> in IKEA operations and support the same among our business partners and in the wider sectors of which we are a part.

Providing and supporting safe and healthy work, labour rights and social protection, and striving towards securing stable and predictable work for everyone in the IKEA value chain.

Securing a just transition<sup>2</sup> to a net-zero and circular economy with a focus on enabling decent work through, for example, upskilling and reskilling to meet future demands.

Providing and promoting that everyone in the IKEA value chain is empowered to play an active role in their work. Everyone is free to join or form associations of their choice (or to refrain from doing so) and bargain collectively.

Providing and promoting that everyone in the IKEA value chain is recruited responsibly and is free to enter and end employment.

### Being an equal, diverse and inclusive business

Embracing all dimensions of human diversity and strive to reflect the demographics of the societies in which we operate. Actively working to prevent discrimination and ensuring equality of opportunity and treatment.

Promoting accessible and inclusive workplaces both in structure and culture, where people can be themselves and everyone's voice is heard.

Being a child-friendly business, securing child safeguarding, family-friendly practices<sup>3</sup> and inclusion and empowerment of children and youth.

Developing an inclusive and socially impactful offer that mirrors the needs of society and reaches as many people as possible.

Securing a more inclusive and diverse IKEA value chain by integrating social businesses, minority-owned enterprises and small and medium-sized enterprises (SMEs).

Actively providing livelihoods and opportunities to marginalised groups of people in the IKEA value chain and beyond.

Promoting a human-centric approach to our digital touchpoints and data-driven processes, ensuring equality, diversity and inclusion.

Ensuring our marketing and communication are not discriminatory, but actively challenge stereotypes and promote diversity.

<sup>1</sup> Responsible Wage Practices is an IKEA programme and related framework and methodology which takes a holistic approach to the subject of wages by placing equal focus on equality at work, pay principles, competence, dialogue and a living wage.

<sup>2</sup> ILO definition: "A Just Transition involves maximizing the social and economic opportunities of climate action while minimizing and carefully managing any challenges – including through effective social dialogue among all groups impacted, and respect for fundamental labour principles and rights".

<sup>3</sup> Family-friendly practices are defined as paid parental leave, supporting breastfeeding, affordable, accessible and quality child care and providing child benefits <https://www.unicef.org/sites/default/files/2019-07/UNICEF-policy-brief-family-friendly-policies-2019.pdf>

# Enablers: how we make it happen

**Through our strength, size and business setup we can think and act long-term to make our commitments become reality. Central to this process are transparency and accountability. We are determined to be a positive force in society, and inspire and influence others, through a set of strategic enablers:**

## Advocacy

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We use our size and influence to play an active role in advocating harmonised and ambitious legislation to support and enable our sustainability objectives for 2030.

## Co-creation and partnership

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We work together with innovative organisations that develop value for people, the planet and our business. We seek out new partners with unique expertise, perspectives and insights.

## Entrepreneurship and innovation

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We rely on our entrepreneurial spirit for innovation and turning challenges into opportunities. We also look to others, such as social entrepreneurs, for ideas and inspiration to help tackle inequality and promote human rights.

## Inclusiveness and community engagement

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We seek always to be inclusive, and actively engage in the communities where we operate through IKEA stores, offices, warehouses, factories and online.

## Business incentives

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We secure that investment mechanisms, performance indicators and other incentives are in place throughout the business to support the transformational changes needed.

## Codes of conduct – IWAY and IConduct

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We will continue setting clear standards and expectations for the IKEA business relationships and ourselves. The minimum expectations we place on ourselves, and our business partners are found in our supplier code of conduct IWAY and in the franchisee code of conduct, IConduct.

## Reporting and transparency

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We are open and transparent and allow others to learn from our successes, failures, challenges and ways of working. IKEA is fully committed to transparently reporting on our progress in line with relevant standards, and welcome relevant new reporting requirements. To move from vision to action, each business needs to set clear goals and targets to prioritise and measure our progress.

## Communication and marketing

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We use communication to inspire a more sustainable way of living, secure co-creation and continuous dialogue. Our ambition is to inspire and enable people to make a positive difference in their everyday lives, in their communities and in society at large.



# Overview of ambitions and commitments



**Ambitions for 2030**

**Commitments**

**Key enablers**



**Inspire and enable more than 1 billion people to live a better everyday life within the boundaries of the planet**

- Creating a movement in society around better everyday living
- Inspiring and enabling people to live healthier, more sustainable lives
- Promoting circular and sustainable consumption



**Become climate positive and regenerate resources while growing the IKEA business**

- Transforming into a circular business
- Becoming climate positive
- Regenerating resources, protecting ecosystems and improving biodiversity



**Play our full part in contributing to a fair and equal society by respecting human right, creating a positive impact for people across our value chain and contributing to resilient societies**

- Being a responsible business and contributing to resilient societies
- Providing and supporting decent and meaningful work across the IKEA value chain
- Being an equal, diverse and inclusive business

**Advocacy, co-creation & partnership, entrepreneurship and innovation, inclusiveness**