Sustainability is one of the five equally important principles of Democratic Design. The IKEA Product Sustainability Scorecard is an internal tool that allows us to measure, and build the business case for, developing more sustainable products. The Scorecard’s 11 criteria (see page 33) take sustainability into account at each stage of the product’s life cycle. A product is classified as ‘more sustainable’ if it scores above 120. We use this threshold to measure progress towards our FY20 target to make 90% of our total sales from more sustainable home furnishing products. See page 33 for some of our best-scoring products. In theory, the maximum score is 400, but we cannot always score all products on each of the 11 criteria. To move from development to production, new products must get a higher score than existing, equivalent products. This means each new product should increase the average score of the IKEA home furnishing range. If products score poorly, a team will suggest ways to improve, for example by choosing different materials or working with different suppliers, and designers must then set out an action plan to increase scores within a year.

Performance

In FY15, 54% of our sales value came from products classified as more sustainable, compared with 52% in FY14. The average score of products evaluated was 109 in FY15, compared to 107 in FY14, based on assessments of around 90% of our products. It is very difficult to assess 100% of products because our product range is constantly changing and being updated. But we continue to work towards gaining a full understanding of the sustainability of our product range. The Scorecard is not perfect, and we are continuously looking for ways to improve it. Although it is an
PUTTING THE SCORECARD INTO PRACTICE

Making more from less

Efficient resource use and production methods bring business and environmental benefits. For example, designing products to use fewer resources means we conserve natural resources, cut material and production costs, and reduce end-of-life waste. Of course, producing more from less does not mean we compromise on quality, form and function of IKEA products. The Product Sustainability Scorecard outlines three ways to make more from less.

• Smart design – making the best use of raw materials, for example our NORDEN tables are made of irregular-looking pieces of wood that otherwise may be rejected.
• Production techniques – using materials more efficiently during production, for example altering fabric templates so that more cuttings can be made from the same piece of material.
• Lighter materials – choosing materials that perform well but weigh less, for example by using lighter wood species from short-rotation plantations (SRP) to make board material (see page 26 for more on SRPs).

Renewable, recycled and recyclable materials

The Scorecard encourages us to look for alternatives to using the planet’s finite resources, such as oil. Using materials from renewable sources reduces our dependence on non-renewable virgin material that may be increasingly scarce, expensive and environmentally damaging to extract and use. For example, in FY15 we began using a new mattress foam made of 15% soy-oil, reducing the amount of petroleum-based, non-renewable foam in mattresses. Our suppliers comply with IWAY, our Code of Conduct, and source soy oil from segregated, traceable sources. We do not source soy beans grown in South America.

In FY15, 98% of the main materials in our products were renewable, recycled or recyclable. This is the same as in FY14. Due to regional legislation and specific requirements for some materials, we may never reach our 100% target, but we continue to look for ways to improve. We sourced 23% of plastics in our plastics category products from renewable or recycled sources in FY15.

Using recycled materials, and ensuring our products are recyclable at end of life, helps us reduce the amount of waste that ends up in landfill or incineration. Wood used by IKEA Industry Division Boards contained 10.7% recycled material. The level of recycled content depends on the quality of locally available recycled materials, availability of machinery to clean wood, and recycling facilities. Some of our facilities such as in Lure, France, produce board that contains up to 55% recycled wood, and we are exploring ways to increase this in our other facilities.

We are exploring new sources of recycled materials for our products. Since many of our products are recyclable, and we encourage customers to recycle them, we thought – why not use this as a source of recycled materials? The Resource Chain project, which started in 2012, is exploring these opportunities. From FY16, we will assess products returned by customers for recycling, and internal waste from our stores and facilities, with the aim of using these materials to manufacture new IKEA products at lower prices.

BRIEF INSIGHT

A material (or combination of materials) is considered recyclable if an industry-scale recycling operation is implemented and available in at least one IKEA retail country, which can reprocess the material into a new raw material resource, for the original or other useful purpose.
Materials from more sustainable sources

Our aim is for all the virgin renewable materials we use to come from responsibly managed sources. For more information on wood, cotton, palm oil and other materials from more sustainable sources, see page 23.

Materials Guides provide product developers with an understanding of the sustainability performance of the materials they choose, for example whether materials are renewable, recyclable or contain recycled content. We are developing ways to feed material performance into the Product Sustainability Scorecard.

We also look for innovations – and tomorrow’s innovators – outside IKEA. In FY15 we joined forces with NASA, Nike, and the US Agency for International Development for the LAUNCH Nordic Challenge, which encourages participants to share ideas for solutions to reduce chemical and water consumption in material production, use and recycling.

Quality

We want our customers to love our products. Democratic Design is all about listening to our customers’ needs and expectations. Our new Quality for Life strategy, launched in FY15, outlines how we create durable products with long-lasting value for customers, and we always make sure to consider quality right from the start of the design process. For example, we discovered that assembly time has a big impact on quality perception – so we strive to make products that can be assembled and dis-assembled easily.

Ensuring our products are durable and fit for purpose are key components of quality. Durable products last longer, saving raw materials and energy in production, and we continually innovate and look for new materials, surface treatments or manufacturing processes that maximise durability. Our rigorous product testing techniques ensure that products live up to our customers’ high expectations, and some of our products come with guarantees of up to 25 years.

We work closely with our suppliers to secure consistent quality even in very large quantities. Making millions of products with the same high quality leads to happier customers, fewer returns and less waste throughout the value chain.

HOW WE IMPROVE PRODUCT SUSTAINABILITY PERFORMANCE

We give our designers the necessary guidance and tools to make our products more sustainable. These include:

The Product Sustainability Scorecard – enables developers and technicians to measure products against 11 criteria corresponding to each stage of the life cycle, and set goals to improve sustainability.

Materials Guides – explain the sustainability performance of specific materials, to help product teams select the best option.

The Resource Chain framework – a working method to increase use of secondary and recycled materials.

The Material Risk Council – assesses all potential new materials for safety, quality and sustainability.

OTHER CRITERIA ON THE SCORECARD

More on transport efficiency on page 40.
More on energy use in production on page 49 (suppliers) and page 38 (our operations).
More on how our products enable a more sustainable life at home on page 12.
PRODUCT SAFETY

It is essential that all our products are safe to use. Choosing the right materials and making high quality, durable products helps avoid breakages and problems during use. It is vital that customers trust our products, and that they are safe to use.

We have zero tolerance for any safety or health risks. Our product safety standards are based on legislation, compliance requirements and customer needs and expectations across our markets. Before starting production, we thoroughly test the safety of all materials and items made by suppliers. Spot checks and risk assessments help identify issues during product development, production, and after products go on sale. We train and support co-workers to monitor the products in our range and report safety concerns through the Product Safety and Compliance School.

If we are not satisfied with a product’s safety, or if a product fails to comply with legal requirements, we issue a product recall, which we communicate to our customers through a number of channels, including country IKEA websites. Secure it! mandatory for all markets.

Secure it! Prevent furniture tip over accidents

Performance

During FY15, we recalled four products globally – these are listed on our website.

When it comes to creating safer homes, we believe that we and our customers are partners – we call this the ‘Safer homes together’ concept. In February 2015 we launched the ‘Secure it!’ campaign in the USA and other markets to address the issue of furniture tipping over, which is estimated to cause the death of two children per week in the USA. Through the campaign we are providing clear instructions for customers to stop using chests of drawers unless they are secured, and we are raising awareness of the importance of following the assembly instructions and safety guidelines we provide, to decrease the number of incidents.

By the end of FY15, IKEA stores around the world saw a twenty-fold increase in the number of tip-over restraints requested by customers. We are exploring the possibility of making Secure it! mandatory for all markets.

For many children, home is their first playground, and it needs to be a safe environment. All co-workers and relevant suppliers who design and produce children’s products participate in Children’s School, a set of workshops that addresses hazards especially relating to children. We are partnering with world-leading safety expert, Herdis L. Storgaard, on a study to support customers to reduce incidents and accidents in their home, with a special focus on children’s safety. Read more about our commitments to children on page 72.

CHEMICALS

We take a stand for using safer chemicals in materials, surface treatments and production processes. If new evidence emerges to suggest a chemical is considered harmful for people or the environment, we work to eradicate it from products, often in advance of legislation. In most cases, we apply the strictest laws and regulations from across all our markets. And we continue to develop stronger ways to ensure we do not introduce new chemicals without being sure they are safe.

Our ongoing goal, outlined in the IKEA Chemical Strategy, is to substitute hazardous chemicals with safer alternatives across our value chain, and be as transparent as possible about how we work with chemicals. We also aim to work with suppliers that share our values on chemical safety. When necessary, we support suppliers and product developers to carry out risk assessments for all chemicals.

Increasing awareness of our work on chemicals is also a priority, and our communication plan includes working with customers, governments, NGOs and other stakeholders to build trust and find better ways to share information about harmful chemicals. From 2017, we will publish more information about our work with chemicals throughout our communication channels.

We work to improve industry standards for chemicals and support peer companies to phase out harmful materials. We are members of the business working group of ChemSec, a Swedish NGO that advocates for stricter controls on hazardous chemicals. ChemSec’s SIN (Substitute It Now!) list shows which harmful chemicals are likely to become restricted within the EU, encouraging companies to phase these out in advance of regulation.

Performance

In countries like the UK and USA, it is mandatory to use flame retardant technology on some furniture to reduce the risk of ignition. Traditional chemical flame retardants can be harmful to people and the environment, so during FY15 we launched SKUMMESLOV, a flame-retardant layer of fabric that replaces the need to use chemicals. Now being used in products for North America, we are exploring the possibility of rolling this out in Europe and China, and looking into other chemical-free fire safety solutions.

In FY15, we implemented a new production technique for artificial leather, enabling us to cut levels of the solvent dimethylformamide (DMF) by 80% compared to FY14. We are on track to completely phase out DMF by September 2016. We are also working to phase out potentially harmful fluorinated chemicals used to repel water and stains.

Many customers who are parents are especially interested in how we use chemicals in our children’s products. Since 2006, when we phased out bisphenol-A from our plastic children’s toys, we have continued to place high demands on products used by children. For example, we have analysed all the ingredients in our MÅLA crayons to show they are non-toxic, because we know that children might put the crayons in their mouths. See page 72 for more on our work to protect and support children.