

"Why IKEA? I think someone has to do it. It requires so much leadership—from many leaders, organizations, and the private and public sector.

"We believe that sharing what we do and getting together with many more to work on climate change is extremely important. Because it's not the problem of one. It's the problem of many."

Javier Quiñones CEO and Chief Sustainability Officer, IKEA U.S.

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ONE PLANET U.S. 2024

At IKEA, our vision is to create a better everyday life for the many people by offering well-designed, functional, affordable, high-quality home furnishings produced with care for people and the planet. Ingka Group (Ingka Holding B.V. and its controlled entities) is one of 12 different companies that own and operate IKEA retail under franchise agreements with Inter IKEA Systems B.V. Ingka Group has three business areas: IKEA Retail, Ingka Investments, and Ingka Centres. Ingka Group is a strategic partner in the IKEA franchise system, operating 399 IKEA stores in 31 countries, including 51 retail locations in the U.S.



A letter from Javier Quiñones

Hej,

In our world today, we're confronted with so many challenges. From conflicts to natural disasters and economic disruptions—businesses, non-profits, and governments find themselves constantly shifting focus. Yet, amidst this perpetual triage, there's a danger of losing sight of the profound existential challenges that affect us all. At IKEA, we believe the defining challenge of our time remains climate change and it warrants our sustained energy and commitment to ensure a brighter future.

We were excited to bring ONE HOME, ONE PLANET U.S. back to Washington, D.C. for a second time, uniting leaders and experts from across different fields. Together, we rolled up our sleeves in breakout discussion groups called CoLabs and worked together to identify key challenges facing the circular economy, affordable housing, and clean construction, along with potential solutions.

The discussions held at ONE HOME, ONE PLANET U.S. serve as a catalyst for progress as we work toward our people and planet goals, and IKEA remains committed to accelerating our efforts with each iteration of the event.

This involves not only deepening connections with the leaders we assembled but also creating actionable changes based on the insights gleaned from the CoLab sessions.

But it's not only up to us. We bring together an action-oriented group of leaders because we believe these gatherings can be the spark that ignites movements across industries and beyond the four walls of IKEA. We are challenging ourselves to see what we can take forward internally, but also pose this challenge to all our partners—what change can you spark in your organization? And how can we help you?

ONE HOME. ONE PLANET U.S. is our commitment to this collaboration and an ongoing journey. Thank you for joining

Javier Quiñones

CEO and Chief Sustainability Officer, IKEA U.S.

Executive Summary

Building momentum since our 2022 U.S. debut

ONE HOME, ONE PLANET is an actionoriented event that brings together purpose-driven, ideas-led doers, thinkers, and influencers from across various fields with IKEA to build real change together so we can collectively create the future of which we all want to be a part.

We brought ONE HOME, ONE PLANET U.S. back to the House of Sweden for its second edition in March 2024. Over the course of the day, 100+ participants brainstormed actions to advance a circular economy, affordable housing, and clean construction.



ONE HOME, ONE PLANET U.S. has three parts:

Town Hall

In the Town Halls, we heard from experts and leaders who shared their perspectives on policy innovation, community engagement, and circular business models. The speakers highlighted opportunities for collaboration and change in a way that stretched our thinking and inspired action and participation.

Action Space

The Action Space highlighted the products and services that IKEA offers to enable a more circular economy, including <u>Buy Back & Resell</u>, <u>As-Is</u>, and <u>spare parts</u>. To kick off the event in the Action Space, opening remarks were shared by IKEA U.S. CEO and Chief Sustainability Officer Javier Quiñones and the Embassy of Sweden's Deputy Chief of Mission, Jonas Wendel.

CoLabs

The CoLabs were the focal part of the event and were dynamic and interactive sessions where groups of 10-15 people brainstormed potential solutions for key people and planet challenges that we all face. The CoLabs yielded a wealth of insights and ideas, and we're currently exploring how we can incorporate some of these innovative concepts into our operations.





Town Hall 1

Public Policy Insights for Shaping a Sustainable Future

Policy innovation and community engagement must work together to address the challenges of the climate crisis and achieve a sustainable and equitable economy. This Fireside Chatstyle Town Hall featuring Stephen Benjamin explored how cross-sector collaboration and public policy frameworks can drive systemic change. His ongoing advocacy shaped our discussion on how local communities, businesses, and policymakers are creating a more resilient and equitable future.



Stephen K. Benjamin
Assistant to the President, Senior Advisor
to the President and Director of the White
House Office of Public Engagement



Rob Olson
Chief Operating Officer, IKEA U.S.
(Moderator)

"The thing that most of us in this room recognized some time ago is that we're going to have to be lifelong learners. We're going to have to continue this as a process of innovation and as iteration continues, we're going to have to always up our game."

Stephen Benjamin

Assistant to the President, Senior Advisor to the President and Director of the White House Office of Public Engagement



Town Hall 2

From Linear to Circular: Transforming Our Production and Consumption Systems

Consumption reduction creates implications for fostering a circular economy and addressing environmental justice concerns in underserved communities. This panel session explored how companies can contribute to reducing new product manufacturing while promoting circular products and services.

Panelists discussed the projected growth of the furniture resale market and its role in shaping the trajectory of sustainability initiatives, alongside the success of programs like EILEEN FISHER's Renew in collecting garments and the brand's alignment with broader circularity trends in fashion.



Carmen Gama
Director of Circular Design,
EILEEN FISHER



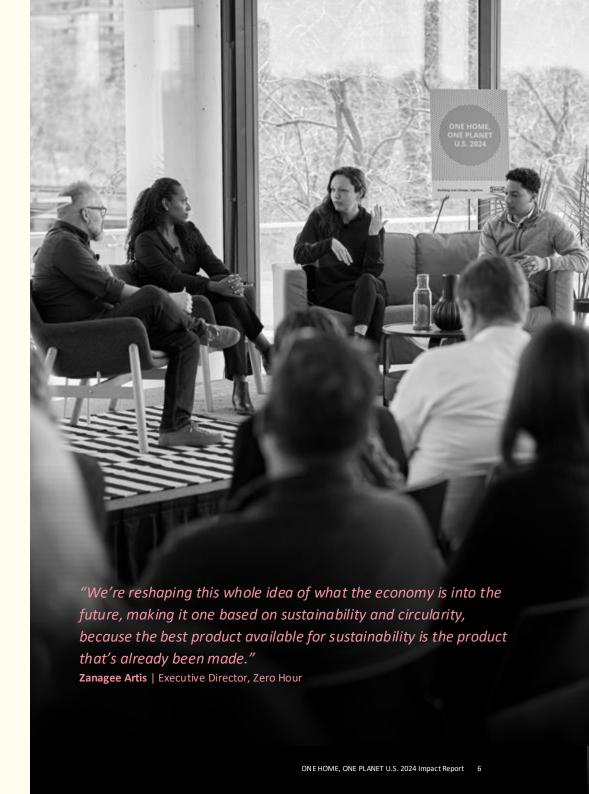
Reham Fagiri CEO & Co-Founder, AptDeco



Zanagee Artis Executive Director, Zero Hour



Jon Smieja
VP, Circularity, GreenBiz Group
(Moderator)







"IKEA can't do it alone. We need partners to do it. We need innovative solutions. We're talking about affordable homes, circular services and circular products, and clean construction—how do we get there? Being equitable and just in the way that we do our work includes everyone." Mardi Ditze | Sustainability Manager, IKEA U.S.

Colab 1

Circular Economy

There is a global need to transform into a circular economy—a closed loop system where materials never become waste and nature is regenerated. This requires adapting existing business models to prolong the life of products and materials by enabling the four circular loops: reuse, refurbishment (including repair), remanufacturing, and recycling. The circular economy gives us the tools to tackle climate change, reduce the consumption of finite resources, and foster economic growth. This transformation is one of our biggest challenges for the future. It's a shift in how we develop products and services, source materials, manage supply chains, redefine waste, and meet our customers. There is no blueprint for this type of transformation, and it requires all of us to learn, share, and develop together in collaboration as we go.



How might we learn and build cross-sector best practices for circularity?

This CoLab addressed circularity challenges and success stories that impact each industry. Through an open discussion, we learned from each other about how to make circular practices more accessible, understandable, and economically viable. In this session, we heard key circularity success stories from the fashion, retail, electronics, and automotive industries and discussed how we can share and tailor these success stories in other industries. We asked ourselves: How can we create cross-sector communication to build a circular economy together?

Key Insights

- We have an opportunity to create a mindset shift on our perception of value to emphasize durability, including emotional and product durability.
- Technology remains largely untapped as a resource that can be used to integrate circular solutions and solve key challenges like reverse logistics, reducing friction for customers and companies.
- While linear systems are more predictable and familiar, embracing circularity requires us to revolutionize business models rather than simply attaching them to existing ones.
- Scaling circularity requires
 widespread participation to create
 a shift in consumer behavior.
- There is a misconception that circularity implies degrowth, but we should instead focus on the regrowth potential of circular outcomes. This requires a shift in the traditional business lens—from fearing that circular solutions cannibalize new sales to recognizing that they tap into new, previously untapped supply and revenue streams.
- Regenerating nature is a key component of circularity that often gets overlooked.

Potential Actions

- Design a cross-brand loyalty program to stimulate consumer demand and make resale attractive, promoting a shift in the perception of value.
- Provide education on simple circular actions—such as replacing buttons, darning socks, or tightening a hinge—to empower consumers to take sustainable steps.
- Create cross-sector dialogues to support efforts to establish workable circular public policies, including penalties and incentives.
- Develop product passports to encourage proper disposal or repair of products, ensuring traceability for every material used.
- Develop brand guidelines
 emphasizing repair and resale,
 fostering a culture of
 sustainability within industry.
- Align on new language around circularity (e.g., repair, reuse, secondhand) to ensure consistency and clarity across the industry around new innovative practices.



Affordable Housing

Affordable housing providers have been focused on the creation and preservation of units, which is essential. The U.S. has a deficit of 7 million homes, with the greatest supply shortage at low-income price points. But the U.S. affordable housing system is subject to complex rules and regulations that often push housing providers to prioritize regulatory compliance over the wellbeing of residents and communities.

Housing also relates to climate change, not just as a contributor to greenhouse gas emissions, but also as a factor that both exposes and protects people from climaterelated risks. We have a huge opportunity and responsibility to work alongside governments, communities, non-profit organizations, and other businesses to build humancentered, resilient communities in which everyone's rights are respected, basic needs are met, and equal opportunities are available for all.



How might we co-create holistic solutions to the affordable housing crisis?

In this CoLab, we discussed the affordable housing crisis as a systemic and cyclical issue that requires a comprehensive approach going beyond providing shelter and opportunities for all. We had an open dialogue about long-term, holistic solutions and explored how trauma-informed design approaches can help people experiencing these issues heal and thrive. We asked ourselves: How can we enable collaboration among government, non-profits, and private sector organizations to help provide comprehensive solutions that address the complex needs of those experiencing housing insecurity?

Key Insights

- · Dignified, safe, affordable, stable housing is a fundamental right, not a commodity. There is a pressing need to shift the ideology surrounding housing, considering it a right for the many rather than a privilege for the few.
- . The use of different definitions and language to describe affordable housing can lead to confusion, misunderstandings, and difficulties in assessing needs and progress.
- · The existing stigma surrounding affordable housing often results in exclusionary social practices such as "NIMBYism" (not in my backyard).
- · The widening wealth gap in the **U.S.**, exacerbated by the increasing cost of living and high construction prices, further exacerbates the housing crisis.

Potential Actions

- Engage in collaborative efforts with other organizations to pilot projects showcasing the feasibility of constructing highquality housing efficiently, affordably, and at scale, while prioritizing the dignity and needs of the end users throughout the process.
- Develop educational materials to raise awareness of the affordable housing issue among both the general public and policymakers.
- · Invest in research and data **collection** to reshape the conversation and influence federal policy changes regarding affordable housing.
- · Expand pathways of engagement to include economically and socially diverse individuals and groups.
- · Identify and build upon existing funding channels to improve access to funding for affordable housing development and preservation.
- Establish an effective method for targeted and timely dissemination of this information.



Colab 3

Clean Construction

Construction, maintenance, and use of buildings generate around 35 percent of carbon emissions globally. Given this fact, we need to take action to reduce the embodied carbon in buildings and avoid undermining the carbon reductions achieved through energy efficiency. These challenges require that we integrate both sustainability and local needs into the planning, design, and construction process to better create thriving and resilient communities.

Clean construction places a higher value on existing materials and resources by prioritizing repairs and building retrofits. It also ensures that new buildings and infrastructure include circular economy principles in their design, material choices, and waste practices. By considering the entire lifecycle of a building and using minimal resources, we can save both natural and financial assets. The less we waste, the greater our reserves for the future.



How might we advance clean construction?

In this CoLab, we explored common challenges and opportunities related to clean construction. We worked together to identify barriers, opportunities, and end-of-life circular solutions for building materials. After establishing a common understanding, we brainstormed strategies for standardizing and sharing best practices, fostering innovation and establishing industry-wide benchmarks to collectively advance the development of a shared toolkit for clean construction. We asked ourselves: How can we leverage shared resources to collectively drive the adoption of sustainable building practices?

Key Insights

- There is a widespread recognition of the urgency and importance of transitioning to cleaner construction practices.
- Sharing knowledge and ideas can have a significant impact on the fragmented and siloed building industry.
- The Total Lifecycle Analysis (TLCA) is a valuable tool for measuring and identifying more sustainable materials throughout the construction process.

Potential Actions

- Establish a database to track data and support the development of benchmarks for clean construction, enhancing reporting transparency across industries and enabling organizations to make more informed decisions.
- · Align on messaging, terms, and definitions used in clean construction to establish a shared language for building professionals and other industries.
- Incorporate clean construction practices and passive design elements into existing building codes, standards, and design criteria by supporting a holistic building standard.
- Collectively increase support and demand for clean building materials to stimulate supply and infrastructure development through established cross-sector initiatives.
- Advocate for legislation promoting voluntary reporting of embodied carbon in buildings, along with the standards that guide such reporting.





What's Next

IKEA remains steadfast in our commitment to achieving our people and planet goals. Following the success of our inaugural ONE HOME, ONE PLANET U.S. in 2022, we've maintained momentum by hosting ONE HOME, ONE PLANET Dialogues, a series of engaging roundtable discussions. Recent topics have included second hand and resale and LGBTQ+ equity and corporate advocacy.

The resounding feedback from attendees of ONE HOME, ONE PLANET U.S. has been a collective question: How do we move forward with these ideas? Having united leaders across sectors to think through ways of tackling climate change head-on, our participants and partners are eager to witness tangible outcomes from their conversations.

Several standout ideas have emerged from this year's event that have ignited enthusiasm among both IKEA U.S. and ONE HOME, ONE PLANET U.S. attendees. While some ideas are already in progress or can be seamlessly integrated into our current operations, others will require us to start from scratch and will need more time and planning to get started.

Ideas we're exploring in the short term

- Reward circular action through the IKEA Family loyalty program.
- Deliver engaging circular action education through short social media videos to extend the lifespan of IKEA products. This initiative, inspired by traditional home economics lessons, includes practical tips such as tightening hinges, hemming curtains, oiling cutting boards, and reupholstering dining chair seats using IKEA fabric. It has the potential to expand to in-store workshops and room-setting demonstrations.
- Continue our cross-sector collaboration by increasing internal and external communication about our ongoing circularity work and inviting interested ONE HOME, ONE PLANET U.S. participants to join a working group. At the same time, continue cross-sector dialogues with others engaged in affordable housing and clean construction.

Construct a sustainable, trauma-informed tiny home to deepen our understanding of how trauma-informed design impacts individuals with lived experience of housing insecurity. Refine the solution continuously through community feedback, ongoing research, and valuable insights.

- Train IKEA co-workers in trauma-informed design to provide better customer support and integrate these principles into our design solutions.
- Create an internal toolkit for our new construction and renovation projects, integrating clean construction practices.

Ideas we're exploring in the long term

- Collaborate with Inter IKEA to explore the implementation of "Product Passports" or "Circular IDs" with the aim of developing innovative approaches for IKEA to achieve greater traceability and transparency regarding the material origins and recyclability of our products. This initiative would leverage new technologies, providing comprehensive transparency across our products' entire supply chain and life cycle, from production to end-of-life.
- Enhance our ROI valuation and business case methodologies to prioritize carbon-neutral **solutions** by incorporating embodied carbon considerations in our building and renovation projects. Additionally, integrate end-of-life plans into our calculations to help identify and select more circular projects and solutions throughout the organization.





