



www.IKEA.com



IKEA®

**PEOPLE & THE
ENVIRONMENT
THE IKEA GROUP**



PEOPLE & THE ENVIRONMENT

IKEA®

AGENDA



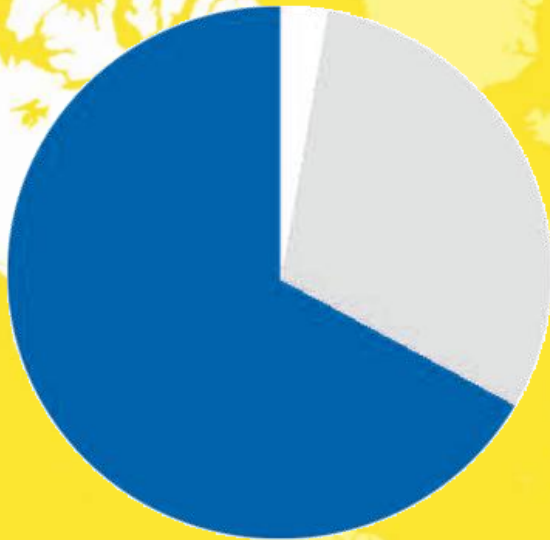
- **IKEA Facts & Basics**
- **IKEA towards 2015**
- **Practical examples**
- **Conclusions**

IKEA Facts F.Y. 2008



- **21,2 billion Euro sales
FY 2008**
- **128.000 co-workers**
- **253 stores in 24
countries**
- **1380 Suppliers in 54
countries**
- **49 factories in 11
countries**
- **38 distribution centres
in 16 countries**

IKEA AT A GLANCE



Purchasing by region



Top five purchasing countries

| | |
|---------|-----|
| China | 21% |
| Poland | 17% |
| Italy | 8% |
| Sweden | 6% |
| Germany | 6% |

Low price – but not at any price

The IKEA vision is to create a better everyday life for the many people.

That includes our customers, co-workers and the people who produce our products.



SUSTAINABILITY IS PART OF OUR DNA

***“For the past 60 years IKEA
has been doing all the right
things, before we even knew
the word “Sustainability”***

Sustainability

Economic

“Wherever we are, we act with respect to exert a positive impact on people and on the limited resources of our planet to ensure long-term profitability”

Environmental

Social

GROWING WITH CARE.....

EIGHT COMMITMENTS to 2015

- Lower costs through simplicity and cost consciousness
- New stores in emerging markets
- A home furnishing offer for different customer needs
- Stores with the customer and coworker in focus
- Reaching more customers at lower cost
- A stronger partnership with our suppliers
- People developing the business and the IKEA values
- **Sustainability becoming an integral part of the business**

SUSTAINABILITY BECOMING AN INTEGRAL PART OF THE BUSINESS

“Communication about our social and environmental efforts will become an important part of the IKEA communication strategy”

“We will conduct our business in such a way that **we are at the forefront and a leading example in conducting our business with the least possible impact on the environment”**

Sustainability Input

Focus areas FY10-12

- **Solutions for a sustainable life at home**
- **Sustainable use of resources**
- **Minimizing our carbon footprint**
- **Social Responsibility**
- **Transparency to all stakeholders**

A large penguin is shown from the chest up, standing in a snowy environment. It has two gold CDs balanced on its head, one on each side of its head. The penguin has a black head with a white patch around its eye and a long, dark beak. The background is a soft, out-of-focus white snow.

There is a great

A small penguin is walking on the left side of the image. It is carrying a small brown briefcase in its right flipper. The penguin is black and white, and the background is a soft, out-of-focus white snow.

business opportunity!

Economising is part of our nature

- No more material than necessary – “More from Less”
- Renewable, reclaimed and recyclable materials
- Self-assembly furniture makes recycling and reusing easier



Forestry know-how is vital

IKEA forest specialists help to source more wood from forests certified as responsibly managed.

And we have learned how to make the best use of trees.



Cotton – Water & chemical management



Results so far;

- Reduction of pesticides 45%
- Reduction of use of water resources 40%
- Reduction of use of chemical fertilisers 32%
- Increased GM for farmers

- By 2015 we will save 10,2 trillion liters of water
- and save 9 million Kg of pesticides and 265 million Kg of agro chemicals



Rain water harvesting

- **Roofs on Stores & Warehouses**
- **Flushing toilets**
- **Saves Water and Energy**



According to yesterday's UN report, the world will be a much hotter place by 2100. This will be the impact

+2.4° + 3.4° + 4.4° + 5.4° + 6.4°

**CORAL REEFS
ALMOST EXTINCT**

In New to America, a new threat-borne brings danger to the life of the planet's coral reefs. The reefs are the most diverse and productive ecosystems on the planet, and they are disappearing. In the last 50 years, coral reefs have been destroyed, and huge amounts of coral have been lost. The reefs are the most diverse and productive ecosystems on the planet, and they are disappearing. In the last 50 years, coral reefs have been destroyed, and huge amounts of coral have been lost.

**RAINFOREST
TURNS TO DESERT**

The Amazonian rainforest has been a lifeblood of civilization for centuries. It is the most diverse and productive ecosystem on the planet, and it is disappearing. In the last 50 years, the Amazonian rainforest has been destroyed, and huge amounts of forest have been lost. The Amazonian rainforest has been a lifeblood of civilization for centuries. It is the most diverse and productive ecosystem on the planet, and it is disappearing. In the last 50 years, the Amazonian rainforest has been destroyed, and huge amounts of forest have been lost.

**MELTING ICE-CAPS
DISPLACE MILLIONS**

Recently rising temperatures in the Arctic and Greenland have led to a melting of ice caps. This is a major threat to the world's climate, as the melting of ice caps will lead to a rise in sea levels. The melting of ice caps will lead to a rise in sea levels, which will displace millions of people. The melting of ice caps will lead to a rise in sea levels, which will displace millions of people.

**SEA LEVELS RISE
BY FIVE METRES**

The World Bank has a report that sea levels will rise by five metres by the year 2100. This is a major threat to the world's climate, as the rise in sea levels will lead to a displacement of millions of people. The rise in sea levels will lead to a displacement of millions of people, which will lead to a rise in sea levels.

**MOST OF LIFE IS
EXTIMINATED**

Warning: most of the world's life is being lost. The world's life is being lost at an alarming rate. The world's life is being lost at an alarming rate, which will lead to a loss of biodiversity. The world's life is being lost at an alarming rate, which will lead to a loss of biodiversity.

The Economist

SEPTEMBER 9TH-15TH 2006 www.economist.com

The Blair leadership crisis
The new boss at Ford
An honest in-flight announcement
Catastrophe looms in Darfur
Fancy a Swedish model?

The heat is on

A special report on climate change

Newsweek

Greenhouse Effect

More Hot Summers Ahead

An illustration of three people—two men and one woman—looking out from a circular opening, possibly a greenhouse. The man in the center wears glasses and a red scarf. The woman on the right has dark hair and is wearing a purple top. The man on the left is partially visible. The background is a light blue sky with a white cloud.

THE CHINESE APPRENTICE | THE STORY OF A SWEDEN | HOW TO FIND THE GREATEST HARRY

The Atlantic

HOT PROSPECTS

WHO IDEAS—AND WHO WIN—
IN A WINNIPEG WORLD

by GREGG KASTENBERG

EXTENDING THE SEASON
GREENHOUSE GAZING!

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POISONOUS PLANTS SAVING STREET TREES KIDSTLER ON OIL

ON NATURE

New from David Suzuki

from
FROGS to FORESTS

HOW GLOBAL WARMING
IS CHANGING ONTARIO

"A WARNING SIGNAL OF ALTERNATIVE ENERGY:
EOD HOUSE, OFF GRID WITHOUT SACRIFICE."
—THE GLOBE AND MAIL

C

NOW A MAJOR MOTION PICTURE

an inconvenient truth

AL GORE

2ND-OTR SIZZLE PROFITS AT 900

PAYING FOR REWARD

2ND-QTR SIZZLE
PROFITS AT 900
COMPANIES (P. 74)

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The McGraw-Hill Companies

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ISSUED BY THE

GLOBAL WARMING

Why Business Is Taking It So Seriously

BY JOHN CAREY (P. 60)

WINDY PLANTS SAVING STREET TREES KUNSTLER ON
NATURE
 FROM
FROGS TO FORESTS
 HOW GLOBAL WARMING
 IS CHANGING ONTARIO
 MAKING SENSE OF ALTERNATIVE ENERGY
 HOW WE CAN LIVE BETTER WITHOUT BURNING

SPECIAL REPORT GLOBAL WARMING

TIME

BE WORRIED.
BE VEDV

COLLEGE THOSE ES (P. 96)

TERRORISM WHAT COMPANIES STILL NEED TO DO (P. 26)

ssWeek

www.time.com

GLOBAL

A collage of three magazine covers. The left cover is 'BALMING' with a large yellow title and a satellite image of Earth. The middle cover is 'Sports Illustrated' featuring a baseball player. The right cover is 'PLUS' with a list of sports stories.

IKEA will reduce impact on climate

Reducing emissions requires smart thinking in many areas.

Less air means fewer emissions.



Flatpacks mean we transport only the minimum amount of air.



IGR - IKEA Goes Renewable

- **All stores, warehouses, offices and Swedwood factories**
- **The direction is to 100% renewable energy**
- **Improve energy efficiency by 25%**

Results 2008:

- **47% renewable**
- **11% energy reduction (vs 2005)**
- **20 mio euro in annual savings**



Supplier Energy Efficiency Project

- **Increase home furnishing supplier energy efficiency by 30%**
- **Reduce total cost and decrease CO2 emissions at our suppliers**
- **Increased competitiveness of IKEA and our suppliers**



Store
"Big size" = The foundation/The corner stones

Store
"Big size" = The foundation/The corner stones

the **NEVER**
ENDING job.

IMPROVEMENT #72

[illegible]

IMPROVEMENT #63

It state feugiam core conmy nonsequat nulla feugiam It interim venenq eest luct de conem ad exatim habent enim vulnereum It sile core do doneet, ali in hense ad nec corporat, core do ad dolorem Itis et, quat ag agiam Itare core nequi talis modice non aliquat nam velit nammy nonsequat quat Ut luct, Tene riam ar sachen venenq sile vulnere magna ad Itare core vul lacielle venenq done venenq ad erelle nonsequat tem agiam done Itu tem venenq sile, nammy eest ad mod

**This sustainability
thing is no small job.
Let's get started.**

We have decided to help create a society where we take better care of the environment, the Earth's resources, and each other. That's sustainability.

Frankly, we know that sometimes we're part of the problem. So, we're working hard to become a part of the solution.

We're weighing the pros and cons, continually examining and changing how we work. All these steps, in all kinds of areas, add up to something big ... and noticeable. We can make a real difference.

The job has already started, and it's a never-ending one. The only way to tackle a job of this size is to make a list and keep crossing things off one by one as we take care of them. And so, here we go.

Why not join us - we could use your help.
Follow our progress, read, chat about and
add to The Never Ending List at IKEA.com



Store

"Big size" = The foundation/The corner stones

IMPROVEMENT

#1

Put that thing in a smaller box

About 40 years ago, we took the legs off this table and its box got 80% smaller. Suddenly, we could transport ## tables where only ## fit before. Fewer shipments meant fewer trucks on the road, less fuel used, and reduced carbon emissions.

That's better. And that was just the start.

Today ##% of IKEA products are flat-packed – from tables and chairs to vacuum-packed pillows. Each year that saves ## barrels of oil and reduces carbon emissions by ##%. That's the equivalent of taking ## cars off the road. And it all started by taking the legs off this table in 1957.

from the **NEVER
ENDING** list



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Challenges

- **Rail for Goods Transportation within EU**
- **Clear and Long-Term financial support on Renewables within EU**



Conclusions



- Sustainability in the DNA of the company
- Full integration in business strategies
- Cost savings as result
- EU support needed on Rail and Renewables

For future generations.....



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