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**IKEA's Holistic Approach to CSR:
People, Planet, and Profit.**



IKEA®



Image for representation purpose

CORPORATE SOCIAL RESPONSIBILITY | A SYNOPSIS

766 | PUBLIC RELATIONS AND CORPORATE COMMUNICATIONS

PREPARED FOR : PROF. REBECCA FOSTER | MCKEIL SCHOOL OF BUSINESS, MOHAWK

CURATED BY : GISELLE PRETTO | LIFELONG LEARNER 000929540 | FALL 2024



INGKA GROUP

The Ingka Group is committed to co-creating millions of eco-friendly, accessible and affordable homes with its flagship brand, IKEA.

Rooted in Scandinavia, the IKEA brand was founded by Ingvar Kamprad in 1943, in Småland, southern Sweden. We are in 2024, about eighty-one years after the second World War, the Swedish Group and its family of brands led by IKEA, has pivoted with an iconic global brand on a purposeful and sustainable journey.

More than 30 years ago, John Elkington challenged international business leaders to rethink capitalism by prioritising the triple bottom line i.e. People, Planet, Profit (Elkington, 2018). Underpinned by 3 strategic pillars namely social, environmental and financial, IKEA holistically delivers in the present and consistently protects our shared future powered by its vision, mission and values to build a better everyday life.

Where CSR meets ESG, the Ingka Group consistently measures 3P-targets, evaluates performance and reports with accuracy, aligned to the Group's ambition to be better in four key ways: Better homes, Better lives, Better planet and Better company, (*Annual Summary and Sustainability Report FY23 | Ingka Group, 2024*).

This report focuses on why IKEA is a trailblazer, leading the way and charting the course for every brand and retailer, in an ecosystem where Corporate Social Responsibility converges with Environmental, Social and Governance serving beyond net zero, and many a greater purpose across:

1. **Better Homes**
2. **Better Lives**
3. **Better Planet**
4. **Better Company**



Image Credit: IKEA



Image Credit: IKEA



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PRIMARY AREAS OF FOCUS

BETTER HOMES

- ♥ Co-create affordable and inspiring homes.
- ♥ Design for people across all demographics and cultures.
- ♥ Build better for many is the ethos and goal.
- ♥ Omnichannel innovation brings IKEA to its customers.
- ♥ Physical converges with digital delivering phygital value.
- ♥ Offering sustainable and healthier products, services, and solutions.

BETTER LIVES

- ♥ Fostering an equitable and fairer society.
- ♥ Promoting diversity, equity and inclusion.
- ♥ Starting with co-workers and extending to the supply chain.
- ♥ Prioritising customers, neighbourhoods, communities and society.
- ♥ Serving greater purposes by being a force for good.

BETTER PLANET

- ♥ Reducing greenhouse emissions.
- ♥ Minimising waste.
- ♥ Minimising resource (use).
- ♥ Promoting biodiversity.
- ♥ Promoting water conservation.
- ♥ Engaging customers.

BETTER COMPANY

- ♥ Humanistic Outlook.
- ♥ Respect Human Rights.
- ♥ Fair, inclusive, and empowering.
- ♥ Good governance.
- ♥ Re-invest(net income) in the business.
- ♥ Net positive=planet and people (positive).
- ♥ Remainder=dividend committed to the Ingka Foundation.
- ♥ Ingka Foundation is dedicated to charitable purposes.



STRENGTH

CIRCULAR ECONOMY

- ♥ The Butterfly framework, (*How to Build a Circular Economy | Ellen MacArthur Foundation, 2024*).
- ♥ Positively impacting the 3Ps, and co-creating a better life for all.



Reporting

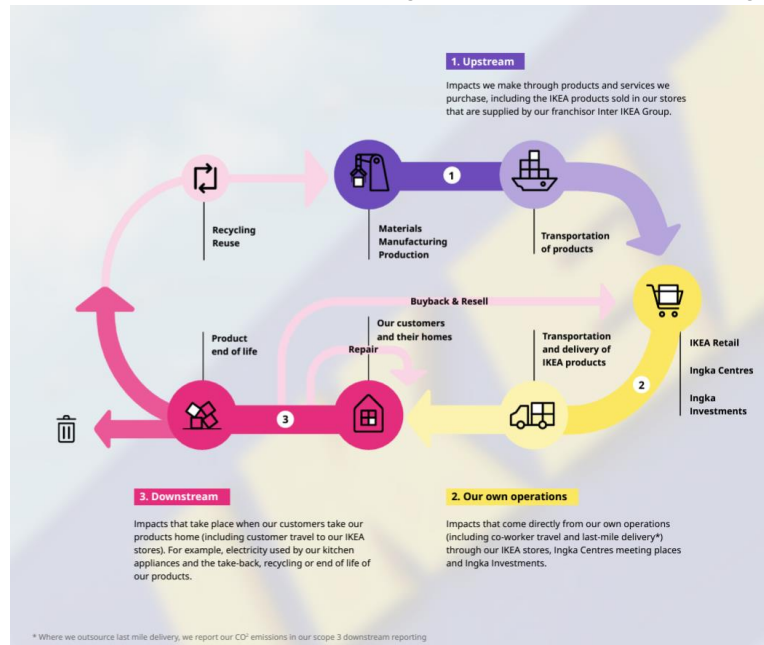
- ♥ Holistic Value Chain, upstream and downstream impact.



HUMAN-CENTRED DESIGN

- ♥ Community-centric.
- ♥ Transparency.
- ♥ Healthier Lifestyles.
- ♥ Safety and Wellbeing.
- ♥ Skills Development.

VALUE CHAIN (IKEA, 2024).



AUTHENTICITY

The Ingka Group publishes one of the most holistic, transparent, detailed, and authentic ESG reporting frameworks in the world of retail, cross-cutting climate, nature and circularity.

The Group's progress against its 2030 ambition and targets are as follows:

1. In 373 stores, customers can buy returned, discontinued, ex-display and secondhand items for a lower price than buying new.
2. Over 211,600 customers (FY22: 105,000) used our Buyback service to give 430,000 items a second life (FY22: 230,000).
3. A campaign to 'Keep Good Things Going' ran in several markets to highlight the service.

(*Better Homes | Ingka Group, 2024*).

- ♥ Fair Income.
- ♥ Human Rights.

IMPACTS

Our performance at a glance



MATERIALITY

- ♥ IKEA's overarching approach to CSR and ESG, can be measured from cradle-to-cradle.
- ♥ The double materiality assessment not only provides knowledge, inspiration, services and platforms supporting customers to actively participate in circular actions, it also connects the dots of the triple bottom line.
- ♥ Detailed report can be reviewed [here](#).



WEAKNESS

- ⊗ IKEA energy services has not met its 2025 targets vis-à-vis customer's climate footprint.
- ⊗ High prices (challenges in decreasing prices to reach pre-pandemic levels).



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