



Sustainability and Innovation: Unleashing Mindset Transformation for New Business Opportunities

IKEA sustainability journey

FORMALDEHYDE



CHILD LABOUR



IWAY Standard

Minimum Requirements for Environment and Social & Working Conditions when Purchasing Products, Materials and Services.

Approved By:
IWAY Council



Issued by
IKEA Supply Chain

Approved by
Business Social Compliance Initiative

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06/2009

Edition:
5.2

IWAY Standard

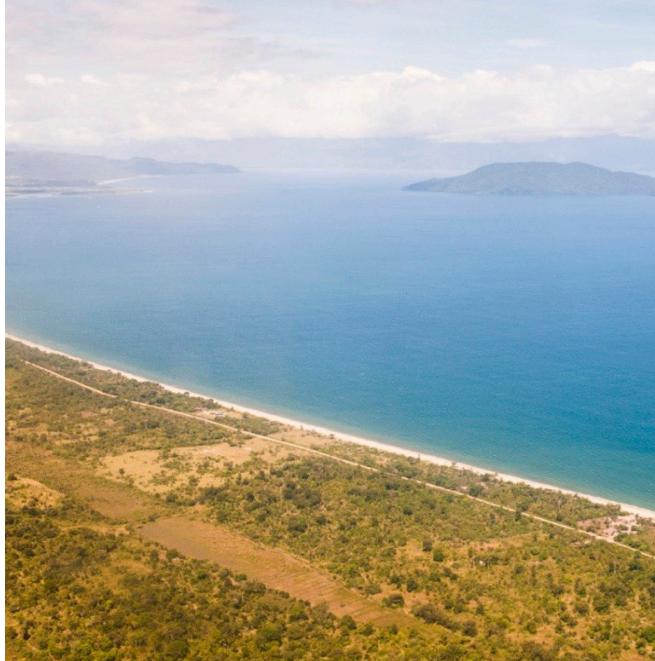
1. Our Code of Conduct
This document, "The IKEA Way on Purchasing Home Furnishing Products", is a "Code of Conduct" for the procurement of products for the IKEA range. The Code of Conduct is not a minimum requirements document for the IKEA range. The Code of Conduct is based on the eight core requirements defined in the Fundamental Principles of Fair Labour Practice (FLP) publication, June 2006 and the the Declaration on Fundamental Principles and Rights at Work, adopted by the International Labour Organization (ILO), 1998.
We believe that our daily business has an impact on Environmental and Human Rights issues. This document is a minimum requirements document for the IKEA range. A complete specification of our minimum requirements is stated in the IWAY Standard. A complete specification of our minimum requirements is stated in the IWAY Standard.

2. The IKEA Concept in a Nutshell
Our Vision
To make better everyday life for the many people.
Our Business Idea
We shall offer a wide range of well-designed, functional home furnishing products at prices so low that the mass of people are able to afford them.
The plan to achieve this:
a) a rational product range development and an inspiring product design in production;
b) a reduced distribution chain in combination with a strong marketing with low money;
c) a strict cost structure management in all areas.

3. Customers and Suppliers in Focus
Our business idea and focus is to work with the customer. This is an objective that always obliges us.
We want to offer our customers the prices for individual design and functional home furnishing products that are competitive under sustainable working conditions.



IKEA sustainability challenges



Climate change

The biggest risk to any business

Unsustainable consumption



Inequality

Gender, racial, financial, sexual orientation, disability, age



How does a likely future look like?

2 overarching trends

Digital transformation

- AI
- Blockchain
- Data & Algorithms
- ChatGPT
- AR/VR

Technology driven

Sustainability transformation

- Climate change
- Biodiversity loss
- Inequality
- Water
- Food

Consumer/Citizen driven

Risk categories

- Economic
- Environmental
- Geopolitical
- Societal
- Technological

Global risks ranked by severity over the short and long term

"Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period."

2 years

1 st	Misinformation and disinformation
2 nd	Extreme weather events
3 rd	Societal polarization
4 th	Cyber insecurity
5 th	Interstate armed conflict
6 th	Lack of economic opportunity
7 th	Inflation
8 th	Involuntary migration
9 th	Economic downturn
10 th	Pollution

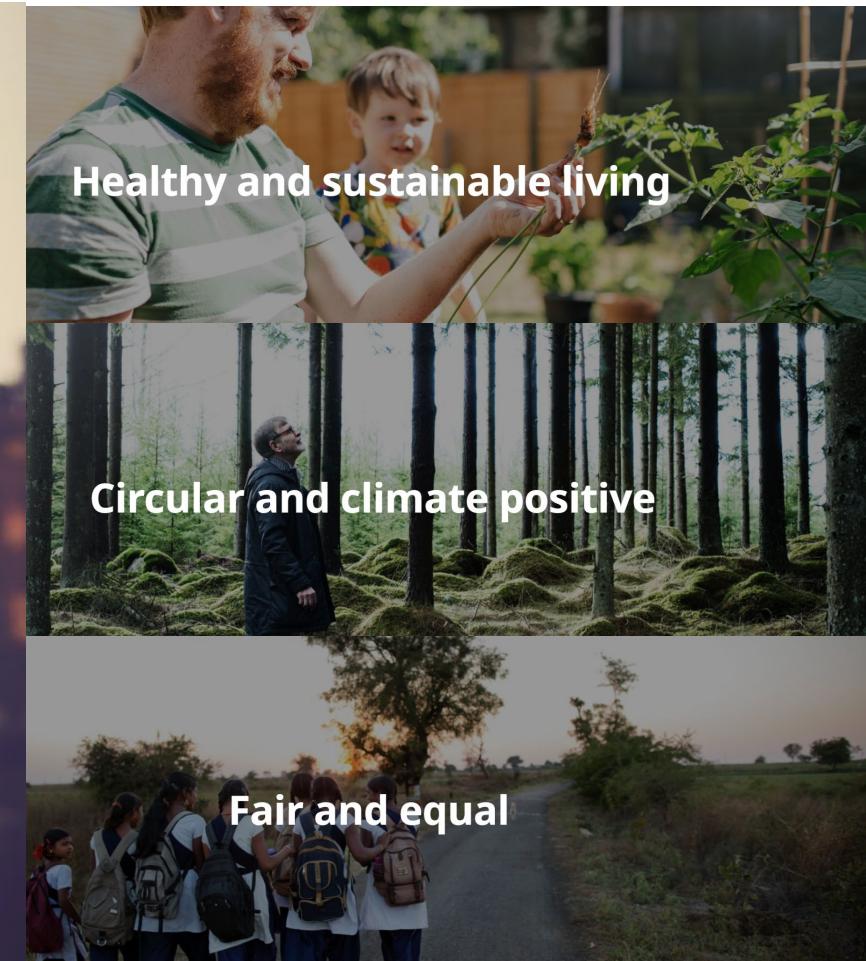
10 years

1 st	Extreme weather events
2 nd	Critical change to Earth systems
3 rd	Biodiversity loss and ecosystem collapse
4 th	Natural resource shortages
5 th	Misinformation and disinformation
6 th	Adverse outcomes of AI technologies
7 th	Involuntary migration
8 th	Cyber insecurity
9 th	Societal polarization
10 th	Pollution

Source

World Economic Forum Global Risks
Perception Survey 2023-2024.

The future we wanted to create!

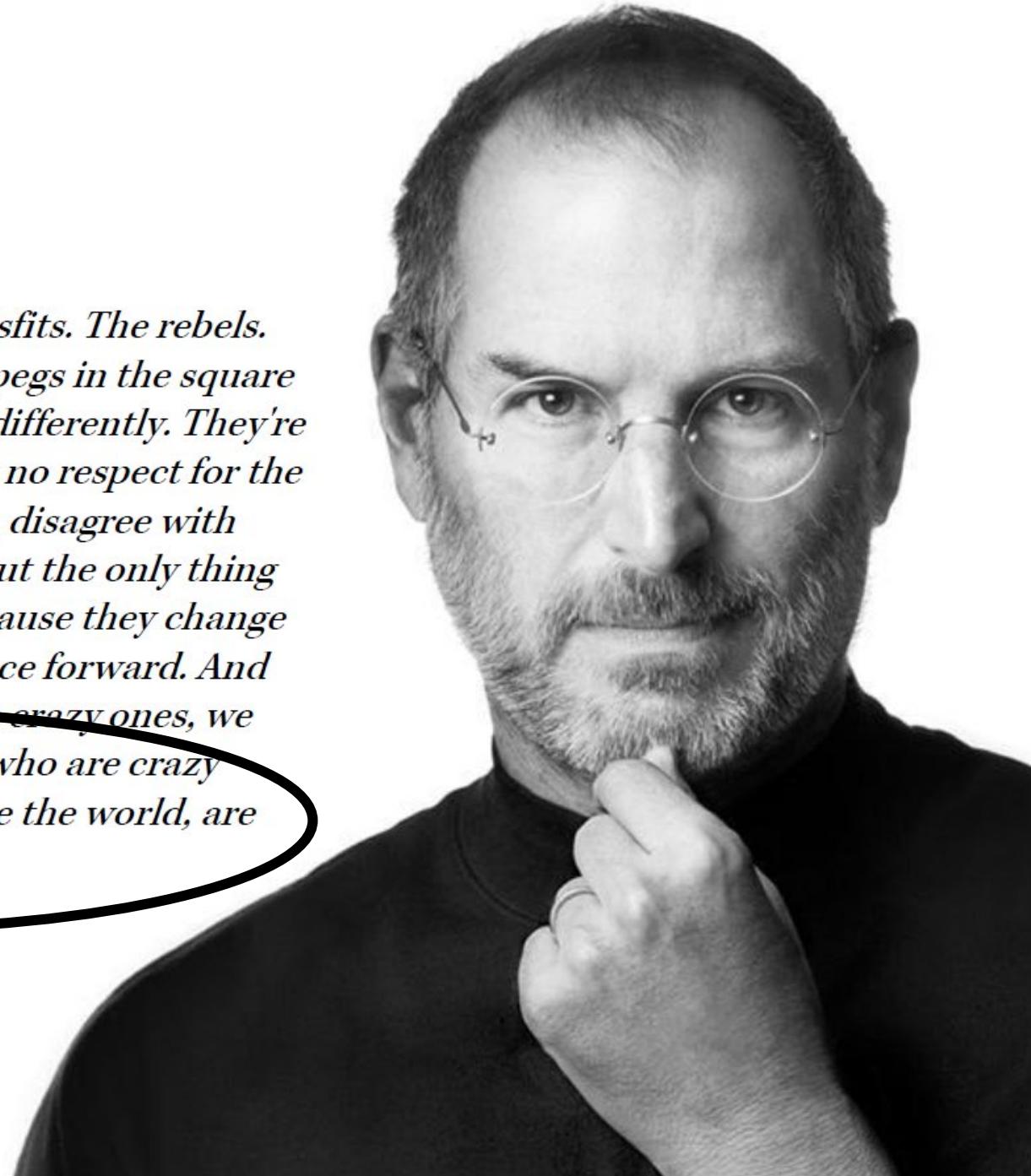


Innovation



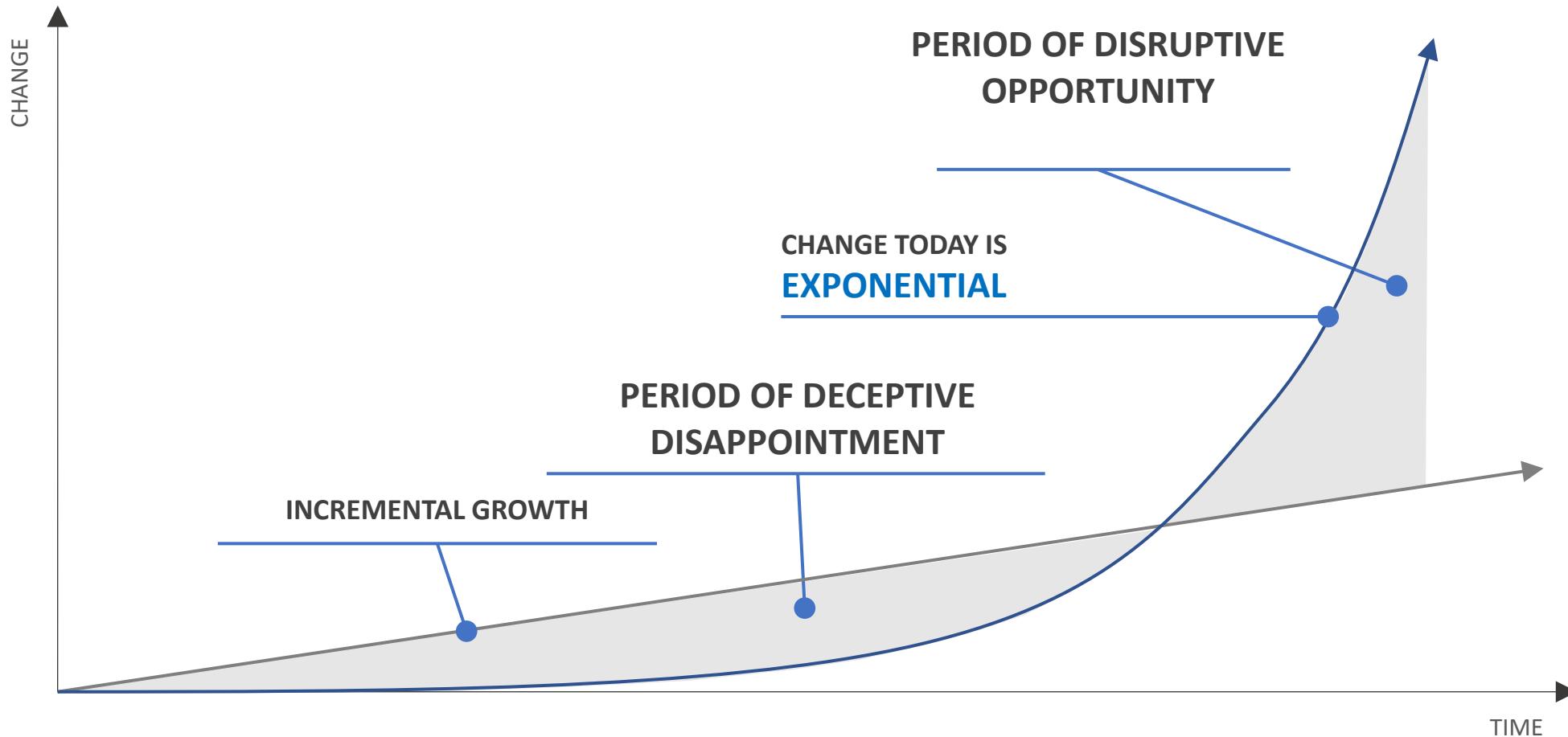
The Crazy ones

*Here's to the crazy ones. The misfits. The rebels.
The troublemakers. The round pegs in the square
holes. The ones who see things differently. They're
not fond of rules. And they have no respect for the
status quo. You can quote them, disagree with
them, glorify or vilify them. About the only thing
you can't do is ignore them. Because they change
things. They push the human race forward. And
while some may see them as the crazy ones, we
see genius. Because the people who are crazy
enough to think they can change the world, are
the ones who do.*



INNOVATION MINDSET

YOU WILL BE DISRUPTED SO HOW CAN YOU “DISRUPT” YOURSELF FIRST?



Innovation culture



"If you can't afford crazy, you can't afford brilliant." Astro Teller, a "culture engineer" and the captain of Alphabet's moonshot factory, expresses how a culture that rewards teams for failure can support world-changing innovation.

Hire the crazy ones

Create Psychological safety

Promote "failures" or learning

Create a "reverse" governance

IKEA examples



Gunrid Curtian

Consists of a mineral based, photo catalyst coating that is applied to the textile. When activated by light – both indoor and outdoor light – GUNRID breaks down common indoor air pollutants.



Huvudroll

A plant ball made with pea protein, oats, potatoes, onion and apple, has the taste and juicy bite of the meatball. A tasty choice when you want to eat less meat – but love meatballs.



Solhetta

This energy-efficient and long-lasting LED light bulb has a lifetime of approximately 25,000 hours. It spreads a pleasant warm-white light that allows the room's natural colors to come into their own. **Price \$1.99 for 2.**

On-site vertical farming



IKEA examples
from the food
area

On-site vertical farming



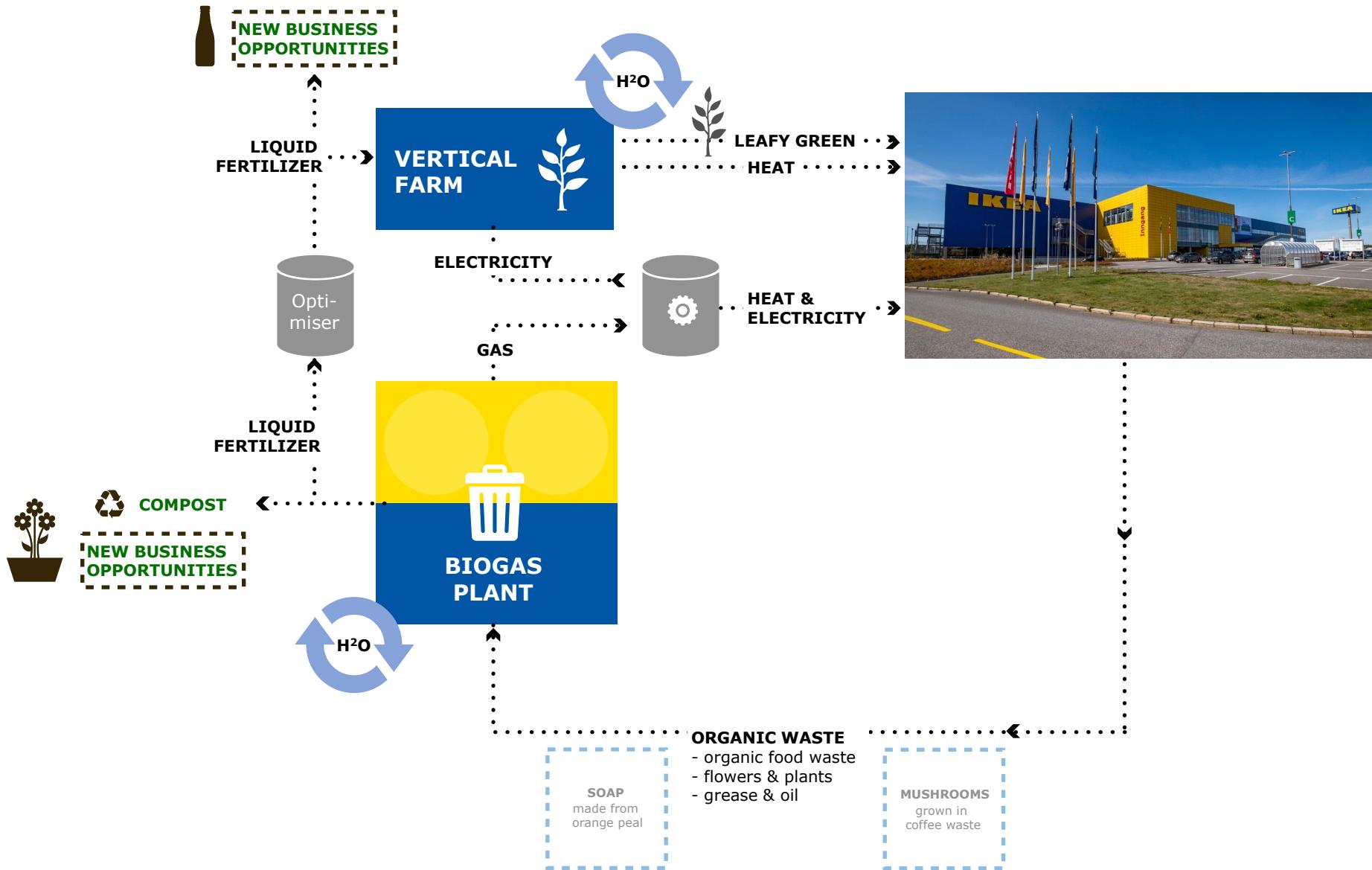
On-site Biogas



On-site Compost



Ecosystem



Lessons learned

1. Be clear on your ambitions and purpose
2. Bring in external perspectives
3. Utilize technology as a driver of transformational change.
4. Hire some crazy people
5. Create a culture where you can do mistakes, learn and move on





What future do you want
to create?



A young boy with dark skin and curly hair is the central figure. He is wearing a blue and white helmet with a white star on the forehead, a grey and navy blue raglan-style hoodie, and a silver cylindrical rocket pack with red fins strapped to his back. He is smiling and has his left hand on his hip. The background is a textured, light grey surface.

Thank you!

Contact

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