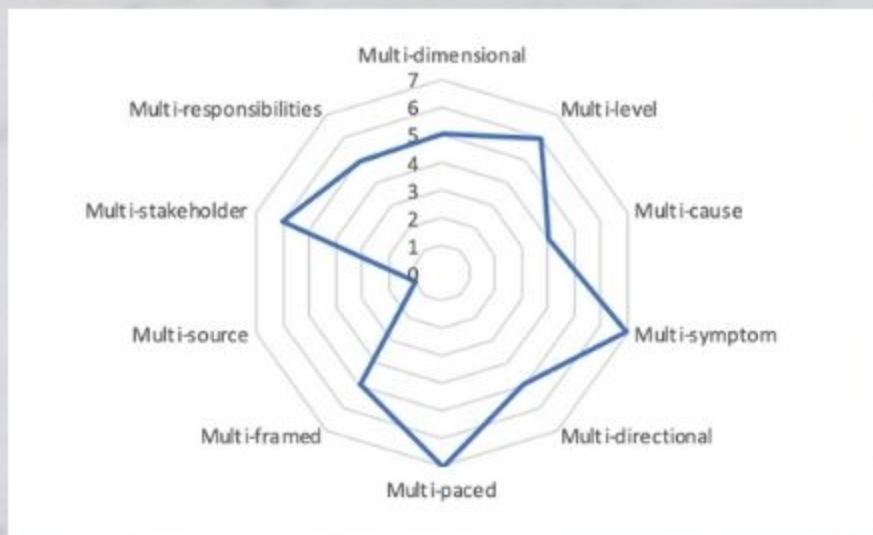




THE TRADEDY OF COMMONS WITH A HAPPY ENDING

WICKEDNESS



PROBLEMS



- SDG 3: Contributor to air and land pollution, creating negative externalities
- SDG 8: No signed external agreement on employee well-being
- SDG 12: Linear economy, resulting in problematic wood extraction
- SDG 13: Significant usage non-renewable natural resources and energy
- SDG 17: Limited transparency of partnerships

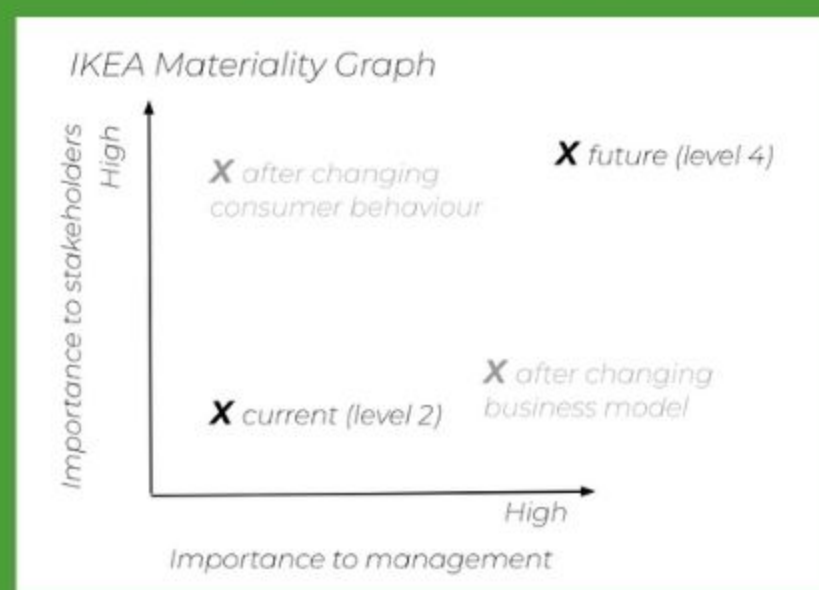
MATERIALITY

Current business-case LEVEL 2

Reaching LEVEL 4

- Corporate Social Responsiveness (reactive approach)
- Problems solved as they occur, but no adequate actions are taken to avoid them
- Creation of negative externalities; especially in wood extraction

- Corporate Social Responsibility (pro-active approach)
- Follow the proposed strategy
- Become a market leader in sustainability
- Make consumer behaviour responsible and sustainable



CLIMATE ACTION



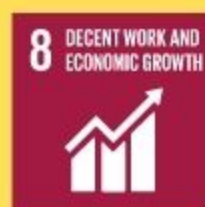
Currently:

- LED bulbs which are 35% more energy efficient
- 14% of all the wood used is recycled

Moving forward:

- Aim for 90% of all materials to be recycled
- Transition to 100% renewable energy in IKEA stores, factories, and distribution centres by 2050
- Encourage a more circular economy
- Improve forest management practices

DECENT WORK AND ECONOMIC GROWTH



Currently:

- Bangladesh Accord not signed
- IKEA follows IWAY, a non-legal binding agreement

Moving forward:

- Sign legally binding international accords, as IKEA claims to already comply with the required regulations, therefore creating accountability instead of avoiding it (Target 8.8)

PARTNERSHIPS FOR THE GOALS



Currently:



Moving forward:



GOOD HEALTH AND WELL-BEING



Currently:

- In 2021 alone, 26.2 megatons of CO2 produced, equal to almost 16% of total yearly emissions in the Netherlands
- 21 million m3 of wood produced in 2021, of which approximately 14% is recycled
- IKEA minimally protects the health and well-being of its employees, to sell products at the lowest prices

Moving forward:

- Donate to NGOs that lower air and land pollution (Target 3.9)
- Healthcare benefits, support with family planning and mental health workshops included in every employee package (Target 3.8)

RESPONSIBLE CONSUMPTION AND PRODUCTION



Currently:

- Linear economy: products mainly disposed after use
- Every year 1.8 to 2.5 million trees extracted more compared to previous year

Moving forward:

- Aim for proactive approach on sustainability
- Create online platform for second-hand furniture, to let sellers and buyers interact with each other and give IKEA furniture a second life
- Stop yearly increase of wood extraction

SOCIETAL TRIANGULATION

Market

- Not taking the responsibility they should be taking (indicator 12.6)



State

Lack of:

- punishment for unsustainable companies
- support for sustainable companies

Society

- 'One-time' purchases
- Opt for cheap and easy rather than sustainability



CSR STRATEGY



Current

Business Idea: Offer a wide range of low-priced furniture, reaching many consumers

Values: Togetherness, Caring for people and planet, Cost-consciousness, Simplicity, Renew and improve, Give and take responsibility, Lead by example

Proposed Strategy

Business Idea must be refocused around the 17 SDGs

- Offer low-pricing by creating positive externalities with upcycling (SDG12&13)
- Drift away from consumerism and unethical production (SDG3&8)
- All other SDGs fall under the nexus of interdependence (SDG17)

Positive Change

- Virtuous cycle
- Responsible societal triangulation
- Truly becomes leader it purports itself to be
- Tackles Tragedy of the Commons