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
- 1,380 Suppliers in 54 countries
- 49 factories in 11 countries
- 38 distribution centres in 16 countries
IKEA AT A GLANCE

Purchasing by region
- North America 3%
- Asia 30%
- Europe 67%

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.
“For the past 60 years IKEA has been doing all the right things, before we even knew the word “Sustainability”"
“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”
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
There is a great 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

• By 2015 we will save 10,2 trillion liters of water
• and save 9 million Kg of pesticides and 265 million Kg of agrochemicals

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
Rain water harvesting

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

According to yesterday's UN report, the world will be a much hotter place by 2100. This will be the impact of the warming trend that has been observed in recent decades.

Coral Reefs Almost Extinct
Rainforest TURNS TO DESERT
Melting Ice-Caps Displace Millions
Sea Levels Rise By Four Metres
Most of Life Is Exterminated

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

The heat is on
A special report on climate change

Greenhouse Effects
More Hot Summers Ahead

HOT PROSPECTS: FROGS, FORESTS
NEW GLOBAL FORESTS
ENDANGERED SPECIES

GLOBE WARMING
Why Business Is Taking It So Seriously

Inside the Steroid Pipeline Sting
As the Planet Changes, So Do the Games We Play

Sports Illustrated

BusinessWeek

Time
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

the NEVER ENDING job.

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

IMPROVEMENT #72

IMPROVEMENT #63
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.
Challenges

- Rail for Gods 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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