



Ikea 2012 Corporate Responsibility Report - The self-assembly report

Ikea trumpets impressive sustainability progress but fails to put some of its goals and achievements into any useful context

With 298 Ikea Group superstores in 26 countries by August 2012, 139,000 employees, and vertical integration in wood sourcing, the Scandinavian home furnishing giant leads a value chain that involves an estimated two million people serving close to 700 million customers a year.

Ikea's materials consumption has a significant impact on the planet's resources: 0.7% of the world's total wood used commercially, about 0.8% of cotton, as well as large quantities of palm oil, leather and food products sold in the Ikea store restaurants. Ikea's self-assembly flat-pack business model has made lower price furniture accessible to many around the world.

Now, Ikea's sustainability challenges have been refocused in the form of a "people and planet positive" strategy for 2020, which aims to drive a "more sustainable life at home", "resource and energy independence", and a "better life for people and communities". Within these three broad aims, Ikea has established quantifiable targets across all operations.

Ikea reports a number of achievements in its latest full year: wood sourcing has become more sustainable (FSC-certified or recycled at 22.6% of volume); more cotton is from preferred sources (Better Cotton Initiative or other certified sources); a higher percentage of renewable or recyclable materials is used in making Ikea products (91%); GHG emissions (Scope 1&2) decreased by 17%, and carbon intensity by 22%; LED lighting in selected stores delivered 11% energy cost reduction, and 34% of Ikea's power came from renewable sources.

Ikea's transport efficiency increased by 2.5% and 40% more virtual meetings were held by Ikea employees in lieu of travel. Waste recycling improved slightly to 86%.

The gender balance in management improved - 47% are now women - and the Ikea Foundation donated €82m to charities - 26% more than in the previous year. Ikea also explains issues on which the company has been challenged - logging practices in Russia, for example, animal welfare in the Ikea food chain supplying store restaurants, and traceability of raw materials, especially wood. This is evidence of strong performance across a wide range of metrics.

What's missing?

The report is clearly structured using the "people and planet positive" strategy theme but how this strategy was developed and which stakeholders had influence in the target setting process, which material issues are relevant and how they are prioritised is not disclosed. Ikea's report is not assured, and does not use the GRI framework (except for reference).

More importantly, perhaps, this is a report about inputs and actions which lacks some depth in addressing outcomes. For example, as a dominant purchaser of a diverse range of materials and products, Ikea's impacts on small suppliers around the world including the thousands of cotton farmers, wood suppliers, textile manufacturers and food suppliers on suppliers are unexplored.

Similarly, Ikea's focus on a "more sustainable life at home" does not come with a clear plan for action or measurement of outcome, other than the fact that customers should buy more products, of which many are showcased in this sustainability report. There is

no measure of customer satisfaction reported, and no indication of how many Ikea products get returned to the store.

Ikea reports that each product in the line-up has a sustainability score card which measures product sustainability elements. Some 35% of sales at Ikea come from products classified as “more sustainable”, achieving a score of 120 out of 400. It is not clear how this scorecard was developed and whether it conforms to existing available standards in various aspects of product development and design. Whether a 120 score is relatively sustainable or not may be open to interpretation. Is a target of 90% of home furnishing products achieving a 120 score by FY15 a significant stretch?

Surprisingly, despite an objective in the new 2020 strategy to educate consumers about sustainable lifestyles, Ikea’s communications to customers via its products are absent, and there is dissonance between product marketing and sustainability reporting. Ikea published 212m print catalogues in 2012, more than in the previous five years. The company website is about products, storage and design ideas with sustainability information hidden in the “About Ikea” section – you have to be looking for it to find it.

So, whereas a pillow type has “a soft down-like polyester microfibre filling made from recycled PET bottles” in the sustainability report, the same pillow in the consumer catalogue is simply a “low profile synthetic pillow”, made from “renewable material (cotton)”. It seems quite inconsistent that the primary product communication vehicle, the Ikea online and print catalogue, should be devoid of almost any reference to the sustainable properties of products.

In general, the Ikea report demonstrates progress and ambition, and provides a good framework for action. A certain lack of depth is perhaps consistent with the Ikea self-assembly business model: Ikea provides the report but we must assess its relevance and materiality all on our own.

Snapshot

Follows GRI?	No
Assured?	No
Materiality analysis?	No
Goals?	Yes
Targets?	Yes
Stakeholder input?	Yes, a few short quotes.
Seeks feedback?	Yes
Key strengths?	Plain language for the non-professional reader.
Chief weakness?	Lack of context and consistency with Ikea sales.
Pleasant surprise?	Renewable energy advances.

[Elaine Cohen](#) is a sustainability consultant and reporter at [Beyond Business](#) and a [CSR blogger](#).