








Sustainability by Design: IKEA's Eco-Friendly Marketing Efforts

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Abstract. IKEA, the global retail, and home furnishings giant, takes center stage in this comprehensive case 0000-0002-2611-0780 study, as we delve into the multifaceted realm of its sustainable marketing initiatives. IKEA has not only established a remarkable presence in the industry but has also redefined the way we approach sustainable living. This case begins with an exploration of IKEA's foundational principles, featuring affordability, accessibility, and sustainability as cornerstones that have not only defined the brand but have also shaped its unparalleled market position. Delving further, we uncover the tangible efforts undertaken by IKEA to minimize its environmental footprint, including the implementation of sustainable materials, energy-efficient practices, and the integration of renewable energy sources within its operations. The study sheds light on the key marketing strategies employed, such as transparent communication of product sustainability, community involvement, and strategic partnerships with organizations promoting eco-conscious lifestyles. IKEA's success in encouraging recycling, repurposing, and the adoption of circular economy practices through resonant marketing campaigns comes to the fore, illustrating how it effectively bridges sustainability with consumer engagement. IKEA's commitment to sustainability shines through in its product range, characterized by a focus on renewable and recycled materials, energy-efficient appliances, and designs that prioritize sustainability. Furthermore, the study underlines how these sustainable products are marketed, effectively conveying their environmental advantages to consumers. Beyond the realm of products, IKEA's social and environmental initiatives are explored, showcasing the brand's dedication to making a meaningful impact in local communities. In sum, this case study encapsulates the remarkable journey of IKEA, where sustainable marketing is not just a practice but a way of life, fostering a global shift towards eco-friendly living and responsible consumer choices.

Keywords: sustainable marketing, eco-friendly, circular economy, energy-efficient practices, transparent communication, environmental impact, eco-friendly products First Section

1 INTRODUCTION

1.1 Background of IKEA

IKEA, the iconic Swedish brand, has a rich history that dates to 1943 when Ingvar Kamprad founded it as a small mail-order business. The name "IKEA" is an acronym of Ingvar's initials and the first letters of the farm and village where he grew up (Elmtaryd and Agunnaryd). From its modest beginnings, IKEA's vision was to offer well-designed, functional, and affordable home furnishings to the masses. The brand's core principles are:

Affordability: IKEA's commitment to affordability means that their products are designed to be budget-friendly without compromising on quality and style. This principle makes stylish home furnishings accessible to a wide range of consumers, regardless of their budget.

Accessibility: IKEA's philosophy of accessibility goes beyond just the price point. The brand aims to make its products easily accessible to customers through strategically located stores, a user-friendly shopping experience, and innovative solutions for transporting and assembling furniture.

Sustainability: Sustainability is a cornerstone of IKEA's operations and product design. The brand is dedicated to reducing its environmental impact through sustainable practices, such as using renewable and recycled materials, promoting energy efficiency, and minimizing waste. IKEA also aims to inspire sustainable living among its customers.

1.2 Market Position and Global Influence:

IKEA has evolved from its humble origins into a global retail powerhouse with a unique market position and far-reaching influence. IKEA's market position is characterized by a unique blend of factors that have made it a global leader in home furnishings. The brand is renowned for its extensive range of well-designed, functional products that are tailored to suit various lifestyles and home settings. This includes not only budget-conscious consumers but also those who seek both style and value. Furthermore, IKEA's flat-pack, self-assembly model is a hallmark of its market strategy, setting it apart from traditional furniture retailers and contributing to its distinctive position. In terms of global influence, IKEA's impact extends far and wide, leaving an indelible mark on the way people approach home furnishing and sustainability. The brand's innovative and efficient retail model has not only been widely emulated by competitors but has also redefined industry standards. Moreover, IKEA's unwavering emphasis on sustainable practices and the use of eco-friendly materials has set the bar for responsible business conduct, raising global awareness about eco-friendly living. Its extensive presence in

numerous countries has made its core principles of affordability, accessibility, and sustainability accessible to a diverse and international customer base, thereby shaping the global landscape of home furnishings and sustainable living.

2 IKEA and Sustainability

IKEA has emerged as a global frontrunner in both sustainable marketing and the home furnishings industry. With a storied history that spans several decades, the brand has established itself not only as a household name but also as an icon of sustainability and innovation. The brand's journey from a modest Swedish enterprise to an international retail giant is a testament to its unwavering commitment to affordable yet sustainable home furnishings. The essence of sustainable business lies in an ever-evolving transformation that has deep roots in IKEA's history and heritage, forging the very essence of the IKEA culture [15] (Edvardsson & Enquist, 2009) Unlike many companies, sustainability is not just a facet of IKEA's operations; it is woven into the very fabric of its identity.

Within the realm of sustainable marketing, IKEA has set itself apart by embracing a multifaceted approach that resonates with consumers worldwide. It encompasses sustainable materials, energy-efficient practices, and the integration of renewable energy sources in its operations. By doing so, IKEA minimizes its environmental footprint and sets a precedent for eco-conscious business practices. The adoption of socially responsible practices has not only resonated morally but has also proven financially beneficial, notably for industry leader IKEA in the global furniture landscape [1]. The brand's marketing strategies are equally remarkable. IKEA transparently communicates the sustainability of its products, actively engages with local communities, and collaborates with organizations dedicated to promoting eco-conscious living. These strategies not only reinforce its brand but also inspire eco-friendly choices among consumers. IKEA's dedication to sustainability is unmistakable in its product range. The brand has made significant investments in using renewable and recycled materials, incorporating energy-efficient appliances, and prioritizing sustainable design. This ensures that customers have access to stylish yet eco-friendly home furnishings. The brand's commitment to sustainability goes beyond just the products; it extends to how they are marketed.

IKEA effectively communicates the environmental advantages of its sustainable products, educating consumers and enabling them to make environmentally responsible choices. In addition to its product-driven sustainability, IKEA has embarked on various social and environmental initiatives. Ethical values, sustainability, and corporate social responsibility play a significant role in driving value resonance and service excellence, particularly in the case of IKEA [12]. IKEA employed diverse strategies to infuse sustainability into product development, mirroring their distinct corporate cultures and management systems [8]. This approach has redefined not only the furniture industry but also how consumers around the world engage with sustainability in their everyday lives. IKEA's sustainability journey stems from its heritage of hard work and resource

efficiency. They've integrated sustainability into all their business strategies, with ongoing projects in responsible forestry, water treatment, and sustainable cotton. This commitment reflects their focus on environmental and social responsibility. [13]

2.1 Sustainable Practices in Operations

IKEA's commitment to minimizing its environmental footprint is a central tenet of its corporate ethos. This commitment is manifested in a variety of ways, reflecting the brand's dedication to responsible and sustainable practices. McDonald's, Walmart, and IKEA, among other notable brands, have earned accolades for their strong focus on eco-friendly products, which not only enhances their corporate image but also positively impacts environmental well-being. Moreover, their commitment signals a promising future marked by innovation and unwavering dedication to sustainable practices [2]. In line with their commitment to corporate responsibility, IKEA sources wood materials from highly sustainable origins, with over 98% of their wood used in products meeting FSC certification or being recycled, underscoring their dedication to climate preservation [15]. Incorporating environmental responsibility and ecological orientation into a company's business strategy is essential for effectively and efficiently addressing environmental challenges [5].

Some of the key aspects of IKEA's efforts to reduce environmental impact are:

Sustainable Materials: IKEA actively seeks out sustainable materials for its products. This includes the use of wood from responsibly managed forests, which is certified by organizations like the Forest Stewardship Council (FSC). The brand also utilizes other renewable and recycled materials in its product range. As per the sustainable cotton ranking report, 37 companies using 100% cotton as well as maintaining transparent supply chain policy were subjected to thorough evaluation, none achieved the highest possible score of 19.5 points, largely due to the absence of any company meeting the criteria for 100% sustainable cotton usage or full transparency in their cotton supply chain policies. Remarkably, only eight companies managed to score three points or more. In this landscape, IKEA Group emerged as the frontrunner, boasting an impressive score of 12.0, and is the sole company to earn a place in the coveted "green zone."

Energy Efficiency: IKEA prioritizes energy efficiency in its operations. This includes investments in energy-efficient lighting and appliances in stores, distribution centers, and production facilities. The brand continually works to reduce its energy consumption and dependence on fossil fuels.

Renewable Energy: IKEA is a notable proponent of renewable energy sources. The company has invested heavily in wind and solar power, both for its own use and for contributing clean energy to the grid (Appendix 1 & 2). This commitment to renewable energy aligns with the brand's goal to be energy-independent by 2020.

Waste Reduction: IKEA actively works to minimize waste generation. The company aims to send zero waste to landfills and incineration by optimizing its operations, recycling materials, and reusing resources. In addition, the brand encourages customers to recycle or return old products for refurbishment.

Circular Economy: IKEA has embraced the concept of a circular economy, where products are designed to be reused, refurbished, or recycled rather than discarded. This approach emphasizes product longevity and reduces environmental impact.

Transportation Efficiency: IKEA has taken measures to enhance transportation efficiency, reducing emissions associated with product distribution. This includes optimizing shipping routes and promoting the use of sustainable transport options. As per their latest sustainability and climate report by 2025, they would have eco-friendly transportation system build across their supply chain.

Water Stewardship: The brand is mindful of its water use and seeks to minimize water consumption in its production processes, as well as in its suppliers' operations. It also supports water conservation efforts in areas where it operates.

Sustainable Agriculture: IKEA is committed to promoting sustainable and responsible agricultural practices, particularly in relation to the sourcing of food products in its restaurants and Swedish Food Markets.

At IKEA, sustainability is not just a buzzword but a guiding principle deeply embedded in its ethos. The brand's unwavering commitment to reducing its environmental footprint is evident through its conscientious approach to sustainable materials, energy-efficient practices, and the seamless integration of renewable energy sources into its operations. From responsibly sourced wood and recycled materials to the transition to energy-efficient LED lighting and appliances, it has sustainability built in it. Analyzing the sustainable practices at IKEA it was revealed that the companies can effectively implement sustainability practices throughout their entire supply chain, extending to second and third-tier suppliers [7]. IKEA's product range exemplifies eco-conscious design. The brand's investments in wind and solar power not only reduce its own carbon emissions but also contribute clean energy to the grid. This dedication to sustainable materials and energy-efficient solutions not only minimizes IKEA's ecological impact but also empowers customers to make sustainable choices for their homes. By embracing renewable energy, IKEA sets a shining example for businesses and underscores its commitment to a greener, more sustainable future. As per, Reuters report, dated 7th September 2023 Ingka Investments (Ingka Group, which owns and operates most IKEA stores) has invested 4 billion euros (\$4.30 billion) in renewable projects such as wind and solar farms out of 6.5 billion euros planned by 2030, and says it currently produces more electricity than it consumes per Reuters.

3 IKEA's key achievements in reducing environmental impact.

IKEA's journey in reducing its environmental impact is marked by remarkable achievements that epitomize its dedication to sustainability. A standout accomplishment is the brand's global shift to 100% renewable energy, a commitment realized in its operations by 2020. Moreover, IKEA's resolute embrace of the circular economy principles has led to the design of more durable, repairable, and recyclable products, effectively extending product lifecycles, and minimizing waste. Sustainable sourcing practices, including an increased use of FSC-certified wood and sustainably sourced cotton, have further underscored the brand's commitment to responsible material acquisition. Additionally, IKEA's focus on recycling, energy efficiency, and water stewardship has led to tangible reductions in waste generation and energy consumption, contributing to its substantial environmental achievements. Beyond its own initiatives, IKEA actively engages and educates customers, fostering a collective commitment to eco-conscious living. These milestones highlight IKEA's comprehensive approach to sustainability, inspiring both consumers and businesses alike to join in the quest for a greener, more sustainable future. The IKEA People & Planet Positive Strategy 2030 serves as a catalyst for profound change, addressing the pressing global issues of climate change, unsustainable consumption, and inequality. Aligned with the UN Sustainable Development Goals (SDGs), IKEA's target for transformative change by 2030 is encapsulated in their strategy declaration: "We aspire to create a positive influence on individuals, society, and the environment. Our focus is on harmonizing economic growth, positive social impact, and environmental conservation and rejuvenation" (IKEA, 2020, p. 3).

4 Sustainable Marketing Strategies

IKEA's sustainable marketing strategies revolve around principles that reflect its commitment to affordability, accessibility, and sustainability. These strategies include:

Transparent Communication: IKEA places a strong emphasis on transparent communication of product sustainability. The brand provides customers with detailed information about the materials used in each product, their origin, and their environmental impact. IKEA's product labels, such as the "Better Cotton" tag, provide clear and accessible information about sustainability, enabling customers to make informed choices.

Educational Campaigns: IKEA engages in educational campaigns to raise awareness about sustainable living. Through its catalogs, website, and in-store displays, the brand offers tips, ideas, and information to help customers make more eco-conscious choices in their homes.

Sustainability Reports: IKEA publishes annual sustainability reports that outline its progress and goals in environmental and social sustainability. These reports serve as a

transparent account of the brand's initiatives and achievements, reinforcing its commitment to openness.

In addition, IKEA's involvement with communities and partnerships with eco-conscious organizations are integral to its sustainable marketing approach. The "IKEA Foundation" stands as a beacon of the brand's commitment to positive community impact, channeling efforts into areas such as children's education and clean energy projects worldwide. Simultaneously, IKEA fosters alliances with eco-conscious organizations and environmental groups, exemplified through initiatives like "People & Planet Positive." Such partnerships align with the brand's mission to inspire and enable individuals to live more sustainably. Furthermore, IKEA prioritizes sustainability certification, collaborating with entities like the Forest Stewardship Council (FSC) to ensure responsible wood sourcing, reaffirming its dedication to ethical and eco-conscious practices. Additionally, the brand actively sources products locally whenever feasible, reducing transportation emissions and providing vital support to local economies. These interconnected strategies bolster IKEA's environmental stewardship and community involvement, fortifying its status as a leader in sustainable marketing. These efforts not only reinforce the brand's commitment to sustainability but also inspire and enable customers to make more eco-conscious choices for their homes and communities.

IKEA has executed several successful marketing campaigns that actively encourage recycling and promote the principles of the circular economy. Here are a few notable campaigns from IKEA:

The "Second Hand Collection": IKEA introduced a marketing campaign that encourages customers to sell their used IKEA furniture through the brand. This initiative aligns with circular economy principles by promoting the reuse and extension of product lifecycles. The campaign's message revolves around giving pre-loved furniture a second chance.

"The Wonderful Everyday" Campaign: IKEA's "The Wonderful Everyday" marketing campaign emphasizes that sustainability can be an everyday practice. It encourages customers to be mindful of waste reduction and recycling by featuring products and solutions that contribute to sustainable living. This campaign fosters the idea that simple, eco-conscious choices can make everyday life more sustainable.

Upcycling and Customization: IKEA encourages customers to take part in upcycling and customizing furniture, demonstrating that a simple change or a new look can extend the life of a product. The brand provides ideas and DIY instructions through various marketing materials, illustrating how customers can breathe new life into their existing furniture.

Mattress Recycling: IKEA has promoted the recycling of mattresses through marketing campaigns, urging customers to bring back old mattresses to be disassembled and

recycled. This initiative aligns with circular economy principles and helps minimize waste associated with discarded mattresses.

Textile Recycling: IKEA has actively campaigned for textile recycling by introducing in-store textile collection points. Customers are encouraged to bring in old textiles for recycling. This campaign underscores the importance of diverting textiles from landfills and reintroducing them into the manufacturing cycle. These marketing campaigns reflect IKEA's commitment to reducing waste and enhancing the sustainability of its products, reinforcing the brand's position as a leader in eco-conscious marketing and responsible consumption.

4.1 Sustainable Product Offerings by IKEA

IKEA's sustainable product range stands as a testament to the brand's unwavering commitment to eco-conscious design and responsible consumer choices. This diverse range encompasses furniture made from renewable and responsibly sourced materials, including FSC-certified wood and recycled components. Energy-efficient appliances and solar-powered products offer customers options to reduce their energy consumption and transition to clean, renewable power sources. Water-saving fixtures and sustainable textiles promote responsible resource use while ensuring quality and comfort. Further, IKEA champions the circular economy by offering products made from recycled materials and those designed for easy recycling at the end of their lifecycle. Also, IKEA's sustainable product range not only demonstrates its commitment to sustainability but also empowers customers to make responsible choices for their homes and lifestyles, making sustainable living both accessible and affordable.

IKEA's proactive use of renewable and recycled materials in its product range underscores its commitment to sustainability. Whether its recycled PET plastic used in rugs or sustainably sourced wood, these materials reduce the environmental impact of production. Additionally, energy-efficient appliances, such as LED lighting and water-saving faucets, are readily available to help customers lower their energy and water consumption. Sustainable design choices, from circular economy principles to plant-based textiles, ensure that IKEA's offerings not only enhance eco-conscious living but also make responsible choices accessible to a diverse customer base. These measures collectively reinforce IKEA's position as a global leader in sustainable design and product innovation.

4.2 Marketing Sustainable Products

IKEA effectively markets sustainable products through a multifaceted and customer-centric approach, incorporating various strategies to engage, educate, and inspire consumers. Green pricing is a strategy that strives for equilibrium among social, environmental, and economic dimensions, with a core emphasis on the welfare of employees and communities without compromising productivity. Innovations in product aesthetics, functionality, and personalization, exemplified by IKEA's initiatives like incentivizing the use of eco-friendly alternatives such as the "Big Blue Bag" by imposing

charges for plastic bags, can significantly amplify the impact of green pricing, adding value across the board [4]. Here are a few sustainable marketing techniques from IKEA:

Transparency and Information Sharing: IKEA is transparent about the sustainability of its products. Each IKEA product features a tag with information about the materials used and their origin. The brand provides detailed information on its website about sustainable practices, such as responsible wood sourcing. This transparency empowers consumers to make informed choices, the "Better Cotton" initiative educates customers on the sustainability of cotton production, allowing them to choose products made with eco-conscious materials.

Educational Marketing: IKEA's marketing campaigns actively educate customers about sustainable living their "The Wonderful Everyday" campaign promotes the idea that small, everyday actions can contribute to sustainability. It showcases products and solutions that align with eco-conscious living, encouraging customers to integrate these practices into their daily routines.

Demonstrative Initiatives: IKEA sets an example by showcasing sustainable living in its stores and catalogs. It provides ideas on sustainable design, recycling, and waste reduction. IKEA's "Second Hand Collection" campaign is a wonderful example where it promotes the reuse and resale of IKEA furniture, illustrating the benefits of the circular economy in action.

Partnerships and Alliances: IKEA collaborates with eco-conscious organizations and environmental groups like the "People & Planet Positive" initiative seeks to inspire people to live more sustainably. These partnerships enhance IKEA's credibility and enable it to leverage the expertise and resources of established sustainability organizations.

Product Diversity: IKEA's product range includes a diverse selection of sustainable options, from energy-efficient LED lighting to sustainable wood furniture. For instance, the brand offers a "RÖNNINGE" LED work lamp with wireless charging that combines convenience with sustainability.

Accessibility and Affordability: IKEA's commitment to affordability ensures that sustainable living is accessible to a wide audience. The brand strives to make eco-conscious products affordable, such as the "BILD LED work lamp" that is both cost-effective and energy-efficient.

IKEA can work to reduce ecological footprint and stay as a strong and unique leader in sustainability in the furniture industry [9]. IKEA effectively communicates its commitment to environmental sustainability through a customer-centric approach that includes clear product labels, informative website content, in-store displays, and catalog sections. They also run recycling campaigns and circular economy initiatives, collaborate with organizations, and offer third-party certifications to build trust. Moreover, IKEA engages customers through workshops and design challenges, empowering them to make eco-conscious choices. This holistic approach fosters a culture of sustainability both within and beyond IKEA stores, making sustainable living accessible and appealing. Through transparency, education, accessibility, and demonstrative initiatives, IKEA has emerged as a global leader in marketing sustainable products.

5 Social and Environmental Initiatives

IKEA's commitment to social and environmental projects is a core aspect of the brand's mission. Global warming and climate change have negative impacts on agriculture, ecosystems, and human health. Green production practices, exemplified by companies like McDonald's, Walmart, Honda, and IKEA, reduce poverty, improve the economy, and enhance agriculture. These organizations recognize the positive outcomes of green marketing and their social responsibility [6]. IKEA actively engages in initiatives that aim to create a more sustainable and equitable world. IKEA's "Live Lagom" project aimed to encourage sustainable behaviors, resulting in positive effects on environmental actions and customer perceptions. This highlights the potential for businesses to promote sustainability and strengthen customer relationships through similar initiatives [14]. These efforts extend beyond its product offerings and include:

IKEA Foundation: IKEA established the IKEA Foundation, a philanthropic organization that focuses on supporting children's education, clean energy, and empowerment programs in underprivileged communities around the world. The foundation has made significant contributions to these causes, underscoring the brand's dedication to making a positive impact on a global scale.

Renewable Energy Investment: IKEA invests in renewable energy projects, including wind and solar power. The brand's commitment to using 100% renewable energy in its operations and contributing clean energy to the grid is a testament to its environmental stewardship.

People & Planet Positive: IKEA's "People & Planet Positive" program demonstrates its ambition to inspire and enable people to live more sustainably. The initiative involves a range of efforts, including reducing carbon emissions, responsible sourcing, and enhancing product sustainability.

IKEA's dedication to making a meaningful impact in local communities is a testament to the brand's commitment to social responsibility and sustainable practices. Through initiatives like the IKEA Foundation, the company actively supports projects that enhance the quality of life in underprivileged communities globally. By focusing on children's education, clean energy access, and empowerment programs, IKEA extends its positive influence to those in need. In addition, the brand collaborates with local organizations and non-profits to address community-specific challenges, fostering stronger, more resilient neighborhoods. IKEA's sustainable store designs, featuring energy-efficient systems and responsible construction practices, not only reduce the brand's environmental impact but also set an example for local communities, showcasing the possibilities of eco-conscious living. These efforts collectively highlight IKEA's dedication to not only providing affordable and sustainable products but also actively working to create a better, more sustainable world at the community level.

6 Impact and Results

Impact of IKEA's Sustainable Marketing Efforts: IKEA's sustainable marketing practices have ushered in a new era of responsible business, where affordability, accessibility, and eco-consciousness coexist seamlessly. This innovative approach goes beyond marketing; it encompasses the brand's commitment to transparency, education, and engagement. IKEA's sustainable initiatives have made a profound impact, not only on its own image and reputation but also on customers and the environment. This impact reflects the potential of sustainable marketing to drive positive change and inspire individuals to make eco-conscious choices.

On the Brand:

IKEA's sustainable marketing efforts have significantly bolstered its brand image. The brand is widely recognized as a leader in sustainability, fostering a positive perception among customers and stakeholders. IKEA's commitment to eco-conscious living and ethical practices has enhanced brand trust and loyalty. Sustainability is now a central component of IKEA's identity, strengthening its market position and appeal to consumers seeking responsible and environmentally friendly products.

On Customers:

IKEA's sustainable marketing efforts have a profound impact on customers. By offering affordable, accessible, and sustainable choices, the brand empowers customers to make eco-conscious decisions. The transparent communication of product sustainability and educational campaigns have raised customer awareness, enabling them to lead more sustainable lives. IKEA's initiatives inspire customers to adopt practices like recycling and energy efficiency, positively influencing their consumption behavior and lifestyles.

On the Environment:

IKEA's dedication to sustainability in its products and operations has made a substantial positive impact on the environment. By using renewable and recycled materials, reducing waste, and investing in renewable energy, the brand has decreased its carbon footprint and minimized its environmental impact. Additionally, IKEA's recycling and circular economy initiatives have contributed to the reduction of waste, demonstrating the principles of a sustainable lifestyle. As a global brand, IKEA's commitment to sustainable practices has a ripple effect, influencing customers and other businesses to prioritize environmental responsibility. IKEA is making sustainable transitions in materials to reduce their environmental impact and make strategic investments to maintain its leadership in industry [10]. Developing a transformative wood sustainability strategy would be a crucial lever in achieving their sustainability goals and guiding the business in emerging markets [11]. A comprehensive study examining the green marketing strategies of Swedish companies, with IKEA among its prominent participants, underscores a compelling message: corporations can no longer afford to ignore the importance of embracing eco-conscious practices to retain their competitiveness and fulfill their social responsibilities. [3]

IKEA had been actively engaged in sustainable marketing and made several quantifiable achievements and results in their sustainability efforts. Keep in mind that the company's initiatives and results may have evolved since then, so it is a good idea to check their most recent reports and updates for the latest information. Here are some notable achievements and results as per the latest IKEA Sustainability and Climate Report FY 2022: [Refer Appendix 3]

Sustainable Sourcing: IKEA committed to using 100% renewable and recycled materials in its products by 2030. By FY21, 56% of the materials we sourced were renewable, and 17% were recycled

Energy Efficiency: In FY22, IKEA made significant strides in enhancing the proportion of renewable electricity across its retail and operational facets, raising it to 76%, marking an increase from the 71% achieved in FY21. Impressively, 24 IKEA retail markets achieved the milestone of sourcing 100% of their electricity from renewable sources during this period.

Circular Economy Initiatives: IKEA launched a "Circular IKEA" strategy, aiming to become a fully circular and climate-positive business by 2030. This involved designing products with recycling and reusing in mind and creating a take-back and recycling service for furniture.

Sustainable Products: In FY22, IKEA expanded its range of energy-efficient LED bulbs, particularly the SOLHETTA series, which plays a pivotal role in minimizing the carbon footprint associated with household product use. Notably, the climate impact of product use at home was reduced by an impressive 20% compared to FY21.

Reducing Emissions: IKEA pledged to reduce its greenhouse gas emissions from its own operations and across the value chain. They aimed to become climate positive, meaning they would reduce more emissions than they emit. (Refer Appendix 1 and Appendix 2)

Forestry and Forest Certification: IKEA aimed to have all wood used in its products come from more sustainable sources and by 2020, 98% of the wood used met these criteria. In 2023, IKEA has all its wood coming from sustainable sources.

Water Stewardship: IKEA worked on responsible water use, setting goals to reduce water consumption in production processes across entire value chain.

Sustainable Transportation: They also worked on sustainable transportation solutions, aiming to make all home deliveries by electric vehicles by 2025.

In the pursuit of sustainability, IKEA has achieved significant milestones. They increased the use of renewable electricity in their operations and retail stores to 76%, with 24 IKEA retail markets now using 100% renewable electricity. They have also boosted renewable electricity in production to 64%, a notable rise from 52% in the previous year. IKEA is also a pioneer in disclosing their outdoor air pollution footprint throughout their value chain, showing their dedication to addressing air pollution alongside reducing greenhouse gas emissions. They have expanded their range of energy-efficient LED bulbs, contributing to a 20% reduction in the climate footprint of product use at home in FY22 compared to FY21. Furthermore, IKEA continues to promote plant-based food options, and they are working on global solutions to extend the lifespan of their products, emphasizing sustainability throughout the product lifecycle. Andreas

Rangel Ahrens, Head of Climate at Inter IKEA Group, highlighted their leadership in addressing air pollution, hoping to inspire other companies to take similar steps.

7 Conclusion

In conclusion, IKEA's sustainability-driven marketing efforts exemplify their commitment to creating a greener and more eco-conscious future. By integrating renewable energy, emphasizing transparency, promoting energy-efficient products, and influencing consumer choices, they have set a compelling example for the industry. Their dedication to extending product lifespans and addressing social issues underscores their holistic approach to sustainability. As a global leader, IKEA not only focuses on reducing its own environmental impact but also empowers and educates consumers, fostering a culture of sustainability that extends well beyond their stores. In doing so, they showcase how a customer-centric, transparent, and forward-thinking approach can drive positive change for the environment and society. IKEA not only transforms the way we furnish our homes but also inspires a global shift towards a more conscientious and environmentally responsible way of living.

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8 Appendices

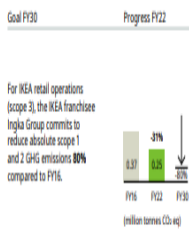
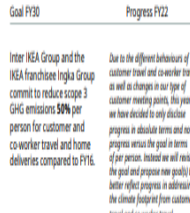
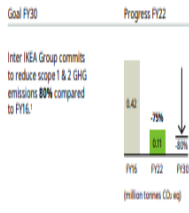
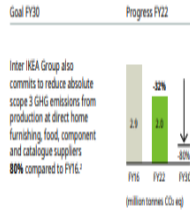
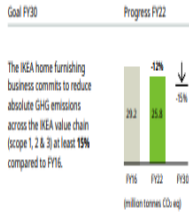
Appendix 1

FY22 progress on external initiatives

The following is a summary of all IKEA commitments towards external initiatives. Based on the pre-defined scope of each initiative, the values could differ compared to those shared in the [IKEA Sustainability Report FY22](#) and [IKEA Climate Report FY22](#).

Science Based Targets initiative

The target boundary includes biogenic emissions and removals from bioenergy feedstocks. For greenhouse gas (GHG) emissions from bioenergy, the global warming potential (GWP) of CO₂ is assumed to be zero, while the GWP of CH₄ and N₂O are still included. See listed emission factors in the climate footprint calculation methodology, [page 37](#).



¹ Scope includes scope 1 & 2 emissions for Inter IKEA Group owned operations for IKEA retail & other operations and production (IKEA Industry and IKEA Components).
² Scope excludes production at IKEA owned factories of IKEA Industry and IKEA Components, which are reported in scope 1 & 2.

Cool Food Pledge¹

The figures below are a summary of the progress versus the IKEA commitment for the Cool Food Pledge. The goal is to by FY30 aim for at least a 25% absolute reduction in food-related GHG emissions or a 38% relative reduction in food-related GHG emissions per calorie, compared to FY16.

Progress against 25% absolute target (million tonnes CO₂e)

	Agriculture supply chain emissions	Carbon opportunity costs	Total	% change since baseline
FY16	0.52	2.26	2.78	0%
FY17	0.54	2.34	2.87	+3%
FY18	0.52	2.23	2.75	-4%
FY19	0.50	2.12	2.62	-4%
FY20	0.39	1.66	2.05	-26%
FY21	0.35	1.48	1.82	-34%
FY30				-25%

Progress against 38% relative target (kg CO₂e per 1,000 kcal)

	Agriculture supply chain emissions	Carbon opportunity costs	Total	% change since baseline
FY16	2.8	12.2	15.0	0%
FY17	2.8	12.2	14.9	0%
FY18	2.6	11.1	13.7	-9%
FY19	2.5	10.6	13.1	-13%
FY20	2.4	10.0	12.4	-17%
FY21	2.2	9.4	11.6	-23%
FY30				-38%

¹ The figures presented here differ from those in the rest of the IKEA Climate Report FY22 because its calculation methodology introduces concepts such as the Carbon Opportunity Costs. As this is reported in the beginning of each calendar year, the

Fig. 1. Progress on External initiatives at IKEA, taken from IKEA Sustainability Report 2022

Appendix 2

Air pollution inventory: emissions across the IKEA value chain

Air pollutants (tonnes)	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Materials	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Food ingredients	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Production							
PM _{2.5}	1,757	1,724	1,854	2,019	1,755	1,518	1,510
NH ₃ (Ammonia)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SO ₂ (Sulphur dioxide)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NO _x (Nitrogen oxides)	3,785	3,798	3,858	3,870	3,532	3,076	3,154
NMVOC (Non-methane volatile organic compounds)	3,375	3,230	3,495	4,007	3,533	3,079	3,111
Product transport							
PM _{2.5}	775	769	774	733	638	727	742
NH ₃ (Ammonia)	26	25	25	23	21	21	15
SO ₂ (Sulphur dioxide)	3,271	3,245	3,262	3,098	2,682	3,067	3,124
NO _x (Nitrogen oxides)	13,025	13,023	13,104	12,393	10,827	12,350	12,477
NMVOC (Non-methane volatile organic compounds)	327	324	329	305	269	315	324
IKEA retail and other operations							
PM _{2.5}	47	48	51	51	48	49	53
NH ₃ (Ammonia)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SO ₂ (Sulphur dioxide)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NO _x (Nitrogen oxides)	577	593	640	625	587	579	580
NMVOC (Non-methane volatile organic compounds)	8	8	9	9	8	8	9
Co-worker commuting and business travel	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Customer travel and home deliveries							
PM _{2.5}	1,248	1,369	1,508	1,841	1,601	1,378	1,380
NH ₃ (Ammonia)	7	8	9	12	10	8	8
SO ₂ (Sulphur dioxide)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NO _x (Nitrogen oxides)	7,173	7,946	9,420	14,004	11,840	9,415	9,050
NMVOC (Non-methane volatile organic compounds)	2,037	2,223	2,618	3,772	3,191	2,640	2,898
Product use at home							
PM _{2.5}	506	505	509	482	449	437	390
NH ₃ (Ammonia)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SO ₂ (Sulphur dioxide)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NO _x (Nitrogen oxides)	5,011	4,743	4,621	4,106	3,681	3,531	2,829
NMVOC (Non-methane volatile organic compounds)	73	69	69	66	62	60	53
Product end-of-life							
PM _{2.5}	650	639	665	748	695	798	733
NH ₃ (Ammonia)	743	765	788	868	840	919	853
SO ₂ (Sulphur dioxide)	206	210	217	200	193	209	190
NO _x (Nitrogen oxides)	2,614	2,660	2,743	2,544	2,453	2,656	2,423
NMVOC (Non-methane volatile organic compounds)	3,370	3,361	3,528	4,016	3,744	4,324	3,962

40 - IKEA CLIMATE REPORT FY22

Fig. 2. IKEA value chain and inventory analysis, taken from IKEA Sustainability Report 2022

Appendix 3

FY22 sustainability highlights




Healthy & sustainable living



Transforming into a circular business



Becoming climate positive



Regenerating resources, protecting ecosystems, and improving biodiversity



Fair & equal

Expanding the energy-efficient SOLHETTA LED bulbs series to make it easier to use in more areas of the home ([page 10](#)).

Introduced a new low-price indoor air purifier (UPPÅTVIND), enabling even more customers to afford a solution that cleans indoor air ([page 11](#)).

Enabling customers to save up to 95% of water used in taps at home with the new ABÄCKEN water nozzle ([page 12](#)).

Increased the share of sales of plant-based meals in comparison to meat-based options in IKEA restaurants ([page 13](#)).

Following years of testing, we're creating a global offer of circular services that will make it easier for customers to prolong the lifespan of IKEA products ([page 17](#)).

Prolonging the life of sofas through repair and refurbishment – testing of the service continues at IKEA Poland ([page 18](#))¹

Improving the circular capabilities of a best-selling IKEA product - BILLY bookcase ([page 16](#)).

Increasing the use of recycled polyols in foam to drive industry change and move toward mattresses with recycled or renewable foam ([page 17](#)).

On average, we achieved the goal of reducing food waste from preparing meals for IKEA restaurants by 50% by end of 2022 compared to FY17 baseline ([page 17](#))¹

Decreased our climate footprint, in absolute terms compared to our FY16 baseline, by 3.4 million tonnes of CO₂ eq, a reduction of 12%. This corresponds to a 20% relative reduction in terms of the climate footprint per produced volume. ([page 21](#)).

Established one of the first-ever corporate outdoor air pollution disclosures across a value chain, enabling goal-setting as the next step ([page 23](#)).

Significantly increasing the share of renewable electricity for retail, from 71% to 76%, and for production, from 52% to 64% compared to FY21 ([page 23](#)).

Committing to zero emission heavy-duty road transports by 2040 through EV100², meaning all product transports and home deliveries will be zero-emission by 2040 at the latest ([page 21](#))⁴

Advocating for, and assessing our impact on, biodiversity, guided by SBTi, participating at COP15, and supporting #MakeItMandatory ([page 30](#)).

Reached 15% share of recycled wood, moving closer to our goal to have at least one-third recycled wood in IKEA products by 2030 ([page 28](#)).

Introducing a digital map that's increasing transparency on how and where IKEA suppliers source wood. The map launched in January 2023 ([page 29](#)).

Celebrated our 20-year continuing partnership with WWF on projects in forestry, cotton, freshwater and climate ([page 29](#)).

Revised the Fair & equal focus area, strengthening our commitments to tackle inequality, make respect for human rights a foundation for business operations; and contribute to more resilient societies, including ensuring a just transition ([page 41](#)).

Supporting decent work by introducing new IWAY requirements³ for digital platform workers in the IKEA value chain ([page 49](#)).

Providing emergency aid as well as long-term humanitarian support to people affected by the war in Ukraine ([page 42](#)).

Launched VÅRDANDE, our first global collection made in partnership with social business suppliers, creating more opportunities for vulnerable and marginalised people and communities ([page 45](#)).

Developed an IKEA training for child safeguarding that will roll out in FY23 ([page 43](#)).

¹ Based on data from our licensed franchisee, Ikeaika Group.

Fig. 3. IKEA's sustainability highlights, taken from IKEA Sustainability Report 2022

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