

# Annual Review FY22

IKEA Social Entrepreneurship



 Social Entrepreneurship

(L-R) Duitin Indonesia co-founders, Astriani Liewaputra, Agdya Savanto and Adijoyo Prakoso

# IKEA Social Entrepreneurship in FY22

## Welcome to the IKEA Social Entrepreneurship annual review for the financial year 2022

In FY22, we saw global crises multiply and their effects compound. The climate emergency, coronavirus pandemic, war, inflation — in rich and poor countries alike we saw human rights and standard of living setbacks, continued excess mortality<sup>1</sup>, growing debt, and disrupted food, energy and supply chains.

But in times of crisis, it's still people who live in vulnerable and marginalised communities who suffer most. Rising prices, precarious work and environmental instability have led to a growth in inequality, poverty and hunger<sup>2</sup>. Currently, around one tenth of the world's population live in extreme poverty and a quarter, in relative poverty<sup>3</sup>.

We continue to be inspired by social entrepreneurs' innovative approach and their commitment to making a positive social impact. Social entrepreneurship has the ability to address systemic disadvantage at a grassroots level. It plays a crucial role in improving livelihoods



Getting ready for school in the Spun community

and addressing social and environmental challenges.

True to the vision of IKEA founder, Ingvar Kamprad, "to create a better everyday life for the many people", IKEA Social Entrepreneurship (ISE) partners with like-minded entrepreneurs to enable and accelerate change for the people most vulnerable to global challenges and inequalities.

We want to contribute to creating a fair and equal world, where everyone has the opportunity to provide for themselves and their families. Combining philanthropy with socially responsible business practices we aim to build social entrepreneurs' capacity through programmes and investment, and by doing business with social enterprises. We not only work to improve livelihoods, but also bring valuable learnings to

the IKEA business, contributing to an overarching ambition of inclusivity and sustainability.

Every day, social entrepreneurs around the world make, create, design, discover and innovate. And at ISE, we're exploring ways to work together, seek solutions to global challenges, and effect positive change.

**Asa Skogström Feldt**  
Managing Director  
IKEA Social Entrepreneurship BV

**Lena Sörmon**  
Business Leader Collections &  
Social Entrepreneurship  
IKEA of Sweden

1. <https://ourworldindata.org/excess-mortality-covid>

2. [https://news.un.org/pages/wp-content/uploads/2022/06/GCRG\\_2nd-Brief\\_Jun8\\_2022\\_FINAL.pdf](https://news.un.org/pages/wp-content/uploads/2022/06/GCRG_2nd-Brief_Jun8_2022_FINAL.pdf)

3. <https://blogs.worldbank.org/opendata/updating-world-banks-societal-poverty-line-2017-purchasing-power-parities>

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## **About IKEA Social Entrepreneurship and this annual review**

ISE is IKEA Social Entrepreneurship, and includes IKEA Social Entrepreneurship Range & Supply and IKEA Social Entrepreneurship BV. ISE is the 'we' and 'our' in this report.

IKEA Social Entrepreneurship Range & Supply (ISER&S) develops social business partnerships and co-creates products sold at IKEA retailers.

IKEA Social Entrepreneurship BV (ISEBV) supports and funds programmes, innovation and investment in social entrepreneurs and enterprises, both inside and outside the IKEA value chain.

FY22 is our financial year, from September 2021 – August 2022, and our reporting period for this review.

In its tenth year, ISER&S continues to scale and explore how to further incorporate social business in the IKEA value chain.

In 2018, ISEBV was founded to scale and extend social impact outside the IKEA value chain.

We collaborate with IKEA franchisees as well as purchasing and supply specialists on social impact initiatives.

This is our 4th annual review, detailing our methods and highlighting our initiatives and impact — for social entrepreneurs, IKEA customers, co-workers, and our global community.

[www.ikeasocialentrepreneurship.org](http://www.ikeasocialentrepreneurship.org)

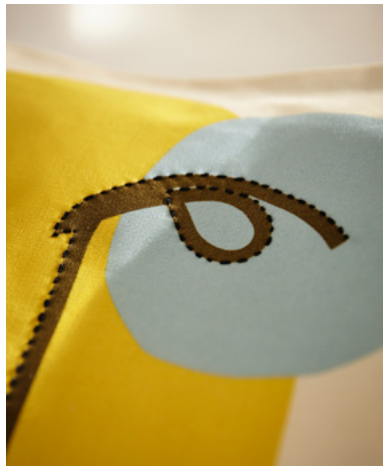
# FY22: Looking back

In September 2021, there was a slight reprieve from Covid-19, with reported cases dropping and global supply chains ramping up again. But it was to remain an ongoing issue, with vaccination rates low in poorer countries and the northern hemisphere soon to face another winter.

Then, in February 2022, as the weather warmed, Russia invaded Ukraine and our attention was split from supporting social entrepreneurs in the face of the pandemic, to looking for ways to provide relief for refugees seeking safety in Poland and Romania.

The IKEA business took swift action to address Russia's invasion of Ukraine, pausing operations in Russia and Belarus<sup>1</sup> and delivering emergency relief<sup>2</sup>. At ISE, we responded by harnessing our existing relationship with NESsT<sup>3</sup> to develop a programme for refugees in Poland and Romania, providing practical, medium-term relief through employment opportunities facilitated by social enterprises. Implementation is underway as we write this report.

To better understand the barriers refugees face in Europe, we also joined Ashoka in an exploratory process to identify alternative methods of assistance for navigating immediate issues and creating long-term systemic change<sup>4</sup>. More broadly, we continued to assess our support of social entrepreneurs and develop good practices in alignment with the Global Alliance For Social Entrepreneurship<sup>5</sup> (an initiative of the World Economic Forum), which continues the work of the Covid Response Alliance for Social



MANDELPIL handstitched cushion cover, Jordan River Foundation

Entrepreneurs, and of which we remain a member.

Moving beyond emergency support, together with our partners, we continued to focus on accelerating impact through social entrepreneurship. During FY22 we had active accelerator programmes underway in Indonesia (with Instellar); Mexico (with New Ventures); Colombia, Peru, Chile and Brazil (with NESsT); Poland and Romania (with NESsT); and in our ongoing global programme, Dela (with Ashoka).

We also grew the portfolio of social business product partners from six to 11, bringing a tangible and direct connection from social entrepreneurs all the way to IKEA customers, and into homes around the world. Our first global collection, VÅRDANDE, was launched in August 2022, with 20 individual products from five social business suppliers, creating jobs for people from vulnerable groups across Asia.

With increased orders, maturing social business partners, like Rangsutra, were able to expand production. New local-market pilots were also launched with responsibly sourced chocolate and coffee suppliers. Social impact monitoring at Rangsutra and Jordan River Foundation found positive improvements in workers' livelihoods and self-esteem. And learning from these



Textile production at Rangsutra, India

initiatives, four additional IKEA suppliers are exploring expanded social impact activity.

Designing and developing our upcoming global collection, MÄVINN, due to launch June 2023, proved challenging given ongoing travel restrictions and the uncertainty surrounding supply chains. But it was critical for the stability of the social businesses we partner with, and the wellbeing of their workers, that we found ways to continue working together. Product development went ahead online, successfully creating production and employment continuity for people at risk of poverty.

Beyond products, we're also making new connections between social entrepreneurs who participate in our programmes, and the IKEA business. Mitt Liv, a Swedish work integration social enterprise, has been engaged by Ingka Group to explore enhanced practices for inclusive recruitment. And Proxima Servicios, which hires people who traditionally struggle with job security, has signed a contract to provide IKEA Chile with cleaning services. IKEA Chile is also working with Incluyeme, a social enterprise that connects people with disabilities to corporate jobs.

1. <https://about.ikea.com/en/newsroom/2022/03/03/ikea-pauses-operations-in-russia-and-belarus>  
2. <https://about.ikea.com/en/newsroom/2022/04/08/the-war-in-ukraine-ikea-continues-its-humanitarian-support>  
3. <https://www.nesst.org/nesst/a-new-partnership-to-increase-livelihood-opportunities-for-refugees>  
4. <https://ashokahelloeurope.exposure.co/refugees-in-europe-how-to-help-in-a-systemic-way>  
5. <https://initiatives.weforum.org/global-alliance-for-social-entrepreneurship/home>

Harvesting palm fronds,  
Du Anyam, Indonesia



Across our programmes we continue to engage global and local IKEA organisations, with co-workers participating as coaches, mentors, facilitators and thought partners, sharing experiences and learning about the challenges of social business management. Participating IKEA co-workers go on to spread the message of social entrepreneurship, adopting an intrapreneurial mindset and reinforcing IKEA values.

ISE is one of the enablers of the IKEA sustainability strategy, People and Planet Positive, which

this year was strengthened to include a focus on a just transition and resilient societies<sup>1</sup>. To meet the Fair and Equal commitments as set out in the strategy, we continue to reassess our approach, monitor impact, and realign with the theory of change which guides our work (see page 8).

Over FY22 we've also defined three focus areas where we're strategically positioned to increase impact. The circular economy (including circular products, services, and waste), inclusive employment (including

jobs and income creation) and renewable materials (including food and agriculture).

An example is our support for two interconnected initiatives in the waste sector in India. We've invested in a Yunus Social Business fund which has the ambition to grow and support transformation in the sector, as well as Saahas Zero Waste, to pilot a programme exploring how empowering entrepreneurs can improve incomes and conditions for waste workers and contribute to a transparent supply of recycled plastics.

Across all our activities, collaboration is key. Ultimately driven by dedicated individuals, we've embraced the Inner Development Goals<sup>2</sup> alongside the UN Sustainable Development Goals. Together, in our own unique way, we can all contribute to a fairer and more equal world. Our annual review FY22 is part of sharing our learnings and aims to be a transparent and useful resource on the role social entrepreneurship can play in this transformation.

101

Social enterprises supported

88

Social enterprises supported through 6 accelerator programmes

8

Direct investments

5

Stipends and fellowships

11

Social business partnerships

6

Social businesses producing their first IKEA products in FY22

14

Product launches

1

Global collection of 20 products

1. <https://about.ikea.com/en/sustainability/fair-and-equal>  
2. <https://www.innerdevelopmentgoals.org/>

# One person's trash: Investing in transformation

Transforming the waste sector is crucial for a circular future. Waste must be reimagined as a valuable resource bank of recycled materials. And in countries like India, the people working with waste similarly need recognition and respect, with better income opportunities and working conditions.

In India, there are an estimated four million people working as informal waste workers. Today, waste mismanagement takes a toll on people working in the sector and on the natural environment. Waste collectors are often exploited, working in unsafe conditions, and instances of child labour, discrimination and harassment are not uncommon. But India is also a country with countless transformation opportunities and where change could have a huge impact.

In 2021, IKEA Social Entrepreneurship embarked on a process to explore how social impact in the waste sector can help improve livelihoods and develop a pipeline of recycled plastics for potential use in IKEA supply chains.

Two different initiatives are now underway, attacking the challenge from different



A Saahas Zero Waste plastic recovery facility

*"This year we looked towards bringing social inclusion to our vendor partners. We have to drive benefits of waste management right down to the base of the pyramid and ensure safe working conditions and dignified livelihoods for all."*

—WILMA RODRIGUES, CEO, SAAHAS ZERO WASTE

*"We used to sit on the floor and segregate the waste. After our association with Saahas, we got a conveyor belt. Earlier each woman would segregate 40-50 kgs of waste per day. After getting the conveyor belt, our capacity and revenues increased. Each person could now process up to 100 kg of waste per day."*

—CHANDA ANAND ANCHAN, SHRI SIDDHI NAGARA STHREE SHAKTHI GROUP, UDUPI

angles. Our investment in the Yunus Social Business waste fund, together with the WASTE Foundation and Sida<sup>1</sup>, is focused on financial support for social enterprises offering waste services and solutions. And our partnership with Saahas Zero Waste<sup>2</sup> supports three microentrepreneurs as they develop self-sustaining business models and improve incomes

and working conditions for waste workers.

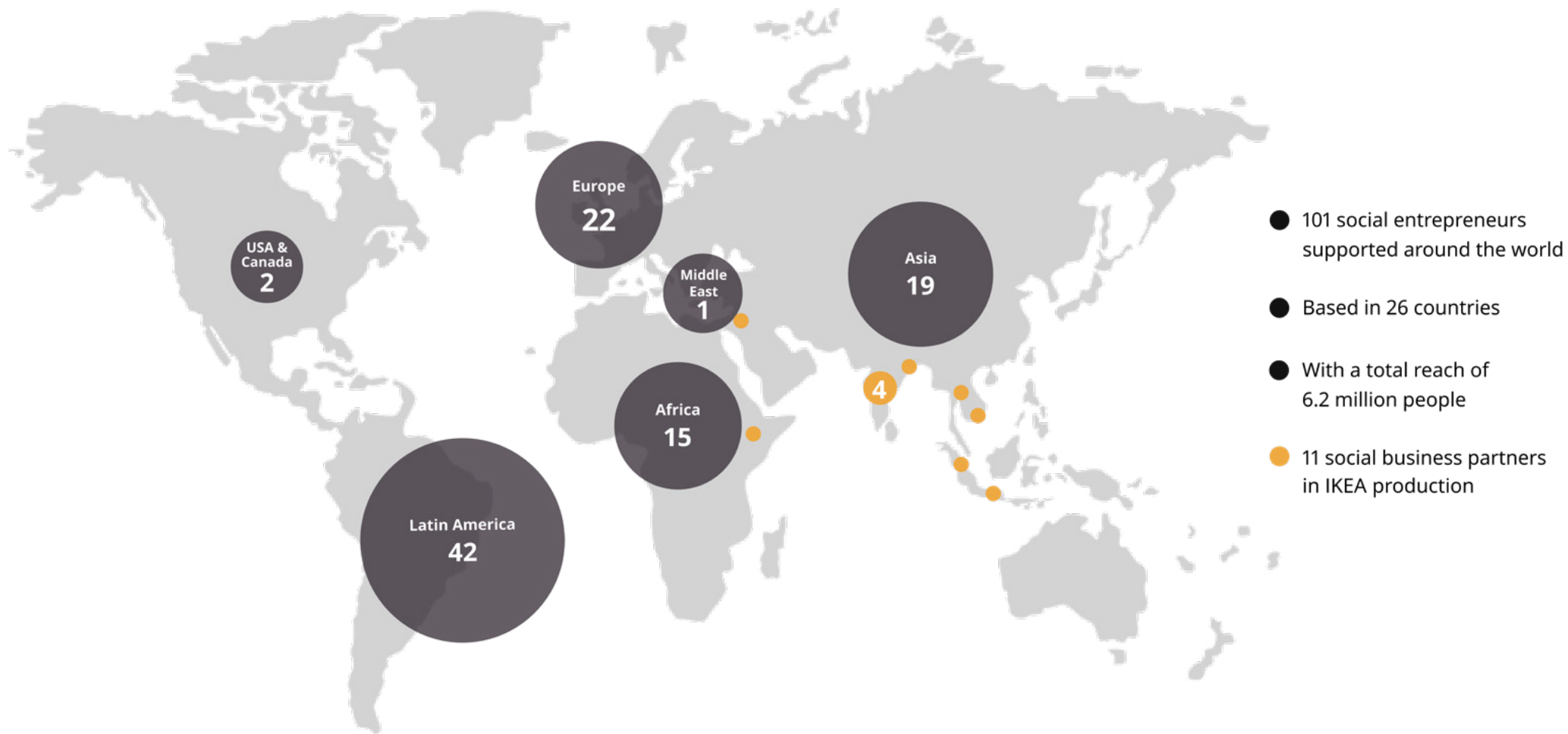
Microentrepreneurs set up in newly built plastic recovery facilities equipped with safety and technical equipment, can sort and trace waste. Sorted and traced waste can be sold to recyclers with the potential to reach IKEA suppliers and other businesses with social impact sourcing aims.



Microentrepreneur Chanda Anand Anchan (R)

1. <https://www.ikeasocialentrepreneurship.org/en/partnerships/accelerating-for-impact/yunus-social-business>  
2. <https://saahaszerowaste.com/shedding-the-informal-tag-ikea-social-entrepreneurship-b-v-partners-with-saahas-zero-waste-to-invest-in-social-inclusion/>

# Social entrepreneurs supported in FY22 by region



**5,231**

jobs and income opportunities created by social business partners in IKEA production

**161**

IKEA co-workers engaged in mentoring and thought partnership

**2,800+**

people present at in-person speaking engagements

**770,000+**

social business products sold

**1,210**

media mentions

# Theory of change

## IMPACT

People who are vulnerable and marginalised have greater opportunities to live a better everyday life within a more inclusive and sustainable society



## OUTCOMES

People who are vulnerable and marginalised get better jobs and incomes

People who are vulnerable and marginalised take advantage of support and systems that improve their lives

IKEA and other corporates become more inclusive and sustainable businesses



## OUTPUTS

Social business suppliers are integrated and scaled up within the IKEA value-chain

IKEA customers get better access to affordable social impact products and services

Social entrepreneurs are strengthened through direct support and programmes

IKEA co-workers are engaged in programmes to support social entrepreneurs

Social entrepreneurship approaches and learnings are shared in IKEA and externally

### Aim and approach

To contribute to impact as defined in our theory of change, we act to improve the wellbeing of our target group: “people who are vulnerable and marginalised”, by focusing on livelihoods, equality and inclusion, and by accelerating the movement of social entrepreneurship inside and outside the IKEA value-chain.

We contribute to this goal through three pathways: social business partnerships; programmes and direct support; and internal and external influence.

These pathways are forged by our outputs, which is where we work day-to-day. We work with social businesses to develop capacity and unique products and services; the IKEA business and co-workers to unleash energy and expertise; sector peers and other corporates to share knowledge and build capacity among social entrepreneurs; and we tell our story to inspire and influence wider society.

Our output, its outcomes and their impact, are how we aim to create change.



# Scaling and integrating social business suppliers

**We support and do business with social businesses so they can scale their impact in vulnerable and marginalised communities.**

IKEA Social Entrepreneurship Range & Supply has direct partnerships with 11 social businesses that produce home furnishing and food products for IKEA retailers — six launching

their first products during FY22. The home furnishing products portfolio grew with the sourcing of new materials from new regions, contributing to the increased availability of social business products across all IKEA markets.

Vietnamese denim manufacturer, Saitex, worked extensively with IKEA product developers to co-create a range of products, the first of which launched in the VÅRDANDE collection of FY22. Using cotton fabric and deadstock denim from previous

production, Saitex operates with a circular ambition, while also creating job opportunities for people from marginalised groups such as disadvantaged youth and persons with disabilities.

Classical Handmade Products, Bangladesh, has become a regular partner for product development within the IKEA home furnishing business. The continued success of their natural fibre products demonstrates how social businesses can be integrated within the IKEA supply chain.

Du Anyam, founded by high school friends Azalea Ayuningtyas, Hanna Keraf and Melia Winata, is our newest social business partner. Empowering women in rural areas of Indonesia, Du Anyam revives generations-old weaving traditions and provides year-round income and stability for workers. Using locally sourced natural fibres and sustainable harvesting practices also minimises the carbon footprint of their operation and aids environmental regeneration.

In 2022, product pilots<sup>1</sup> commenced at IKEA Indonesia and IKEA Sweden with new partners Moyee Ethiopia<sup>2</sup> (coffee) and Aneka Coklat<sup>3</sup> (chocolate). Both social businesses empower and create livelihoods for small-scale farmers and factory workers by keeping their entire production process within the country of origin.



Chocolate production workers at Aneka, Indonesia



Workers at Classical Handmade Products, Bangladesh

Moyee Ethiopia's "Gora" coffee beans are sourced directly from 1,800 registered smallholder farmers, with a focus on sustainability and environmental land care. Moyee supports farmers through training to safeguard the quality of the coffee, helping improve yields with shade-grown plants, nutrient-enriched soil and pollution-free water.

In Indonesia, the world's third-largest cocoa producer, raw material is often exported to other countries, where it's refined for production — the more profitable process. Aneka's "farmer-to-bar" concept sources cocoa beans and produces chocolate locally, enabling improved incomes. In May, Aneka chocolate bars were launched at IKEA Indonesia in seven different varieties.

*"Weaving was a skill that was dying out because it didn't carry any economic value. This has now changed, and many young women are excited to join our weaving training. Today, Du Anyam creates work for over 700 women. The collaboration with IKEA Social Entrepreneurship will enable us to grow even further. We are very excited about this opportunity to provide a better quality of life for our weavers and their families."*

—MELIA WINATA, CO-FOUNDER, DU ANYAM

1. <https://about.ikea.com/en/behind-scenes/commitments/2022/06/01/ikea-to-indulge-you-with-ethiopian-coffee-and-indonesian-premium-chocolates>  
2. <https://www.ikeasocialentrepreneurship.org/en/partnerships/developing-products/gora-coffee>  
3. <https://www.ikeasocialentrepreneurship.org/en/news/partnering-with-gora-coffee-and-aneka-choklat>

# Supplier table: Social business partnerships

FY22 social business partners and producers of IKEA products in development, launched or available 1 Sep 2021 — 31 Aug 2022.

NAME	COUNTRY	COLLABORATION COMMENCED	PRODUCT SCOPE	SOCIAL IMPACT
<b>Classical Handmade Products</b>	Bangladesh	2020	Jute natural fibre products. Global collections and global products*.	Jobs for women and people with disabilities in rural, vulnerable areas of Bangladesh. 3,500 workers, 990 in IKEA production.
<b>Gora Coffee by Moyee Ethiopia</b>	Ethiopia	2021	“Farmer-to-cup” business model, keeping value-added processes in country of origin. Pilot with coffee sold at Swedish city stores/bistros.	Incomes for smallholder farmers and women in vulnerable areas of Ethiopia. 2,200 workers, 565 in IKEA production.
<b>Industree PT</b>	India	2013	Handmade banana fibre products. Global collections and global products.	Jobs for women from rural areas in Madurai, India. 900 workers, 823 in IKEA production.
<b>Ramesh Flowers</b>	India	2002**	Handmade products from organic waste material. Global products and global collections.	Jobs for women in rural areas of Tuticorin, India. 705 workers, 335 in IKEA production.
<b>Rangсутra</b>	India	2013	Handwoven and hand-stitched textile products. Global products (home textiles).	Jobs for women from rural areas in Uttar Pradesh and Rajasthan, India. 2,000 workers, 1,050 in IKEA production.
<b>Spun</b>	India	2020	Handwoven and hand and machine-stitched textile products. Global collections.	Jobs for women in rural areas in India. 225 workers, 225 in IKEA production.
<b>Aneka Coklat</b>	Indonesia	2021	“Farmer-to-bar” business model, keeping value-added processes in country of origin. Indonesia-market chocolate bars, locally sourced cocoa.	Incomes for smallholder farmers and women in vulnerable areas of Indonesia. 238 workers, 209 in IKEA production.
<b>Du Anyam</b>	Indonesia	2021	Handmade palm leaf products, market-specific for Indonesia.	Jobs in traditional weaving in remote area of Indonesia. 721 workers, 252 in IKEA production.
<b>Jordan River Foundation</b>	Jordan	2017	Hand-stitched textile products. Global products (home textiles) and part of collections sold in majority IKEA markets.	Jobs for refugee women and women artisans in Jordan. 1,084 workers, 378 in IKEA production.
<b>Doi Tung</b>	Thailand	2012	Ceramics, handwoven textiles and handmade paper. Global products and global collections.	Jobs for people from Indigenous and tribal groups in northern Thailand. 390 workers, 293 directly with IKEA production.
<b>Saitex</b>	Vietnam	2020	Circular business model and industrial production of upcycled and recycled textile products. Global collections.	Jobs for people with disabilities and disadvantaged youth. 111 workers in IKEA production.

\* Mandatory range for all IKEA markets

\*\* Identified as a social business partner in 2020

# Impact of social business partnerships

The annual internal social impact report of Jordan River Foundation showed that 95% of participating artisans (women refugees) improved their perception of other community members, 76% made new friends and 89% stated that their overall quality of life improved both financially and through improved self-esteem.

This is especially important given the pandemic, with 89% citing an impact on their financial situation due to loss of spousal income.

Additionally, a social impact report of Rangсутra, commissioned by the IKEA Foundation and Yunus Social Business, and conducted by

external evaluators ITAD<sup>1</sup>, found women workers' incomes increased, with 68% stating their overall income had seen a 'strong increase' or had 'increased'; 88% of respondents reported improved working conditions compared with their previous and other employment, and 97% participated in training.

When the IKEA business sources directly from social businesses like Moyee and Aneka, 20% more income reaches workers. On average, social businesses operate with much shorter value chains compared with conventional business models.



Gora coffee farm, Moyee Ethiopia



Aneka community school, Indonesia

When women earn money and families receive two incomes, livelihoods are improved across communities. According to the Organisation for Economic Co-operation and Development<sup>2</sup> women typically invest a higher proportion of their earnings in their families and communities than men.

**11,977**

Jobs and income opportunities created by social business partners of which 5,231 are in IKEA production.



IKEA production  
5,231

Other production  
6,746

**IKEA range**

Of the 5,231 people from vulnerable groups working in production for the IKEA range:

**4,457**

Home furnishing products



**774**

Food products



1. <https://www.itad.com/project/evaluating-social-entrepreneurship-in-india-and-kenya/>  
2. <https://www.oecd.org/dac/gender-development/investinginwomenandgirls.htm>

# Co-creating IKEA social impact products and services

We work with social businesses to design and develop products for the IKEA range, providing income pathways for people often excluded from work, and offering customers beautiful, unique, socially impactful products.

Our home furnishing and food products create jobs for people furthest from the labour market. Developing long-term business partnerships and capabilities allows for volume growth over time, providing jobs for a larger number of people from vulnerable groups.

Through co-creation with social businesses, IKEA customers are introduced to products that are made by hand using natural fibre materials, which bring tactility and warmth into their homes. We hope to inspire other retailers to bring products from social businesses into their offer.

In FY22, the volume of social business products increased 4% over FY21, to more than 770,000 pieces.



Du Anyam co-founders and workers, Flores, Indonesia



2



3



4



1



5

## FY22 PRODUCT LAUNCHES

### OCTOBER 21:

Global winter collection launch with ceramics from Doi Tung and potpourri from Ramesh Flowers **4**

### JANUARY 22:

Global launch of Jordan River Foundation cushions: **ÄNGSMÄTARE** and **MANDELPIL** **3**

### APRIL 22:

Global launch of Rangsutra products: **SILOMAL**, **VEDMAL** and **ELSABET** **1**

### MAY 22:

Launch of local pilot with Aneka Coklat at IKEA Indonesia retail **2**

### JUNE 22:

Launch of local pilot with Moyee Ethiopia coffee at H22, IKEA Sweden

### JULY 22:

Global launch of Industree India products: **IGELSTORP** and **TÖRNBÄR** **5**

### AUGUST 22:

Launch of the first global social business collection: **VÄRDANDE**, introducing products from new social business partners: Spun India, Saitex Vietnam and Classical Handmade Products Bangladesh

### AUGUST 22:

Launch of local pilot with Du Anyam at IKEA Indonesia retail with new palm fibre products: **LYSTICKA**; **FÄRULL**; **SLIPSKIVA**

# VÅRDANDE: Caring and community

For our first ever global collection of unique products from social business suppliers, we established three new social business partnerships in Southeast Asia. The scale of the project allowed the new partners, Saitex, Classical Handmade Products and Spun, along with existing partners, Ramesh Flowers and Doi Tung, to secure job opportunities for people in rural areas and marginalised groups across Asia.

The VÅRDANDE collection, meaning 'caring' in Swedish, was inspired by Asian traditions and feelings of wellbeing and nourishment. It includes a kimono, yoga mats and blankets, a carry basket, soft storage solution, bowls and plant pots. The collection was launched in August 2022.

*“With VÅRDANDE, we want to offer the many people a chance to relax and find inner strength. It contains a range of products to help create small changes with significant impacts – both for themselves and those who made them.”*

—LENA SÖRMON, BUSINESS LEADER, IKEA SOCIAL ENTREPRENEURSHIP

The materials used in the collection, like banana fibres, clay and jute were sourced locally from suppliers in Bangladesh, Vietnam, Thailand, and India, where our partnering social businesses are located. Vietnamese denim manufacturer, Saitex, operates four factories in Dong Nai, offering employment and career opportunities to people from marginalised groups. Its highly efficient, sustainable factory setup shows that social enterprises need not be small or confined to the handicraft sector. Their recruitment aim is that 20% of their workforce by 2025, across all departments, consists of persons with disabilities.

Classical Handmade Products in Bangladesh makes handwoven and machine-woven home furnishing products in the rural north, creating job opportunities



*“A small enterprise cannot change the world, but you can put your drop into the ocean. And every drop counts. Together we can create a future formula for success that could be replicated in other factories. Imagine what a huge dent we would create.”*

—SANJEEV BAHL, FOUNDER AND CEO, SAITEX

for women. Creating storage baskets, placemats, bags, poufs, and rugs from locally-sourced natural fibre materials like jute, seagrass and water hyacinth, workers are reviving and retaining traditional skills and, instead of having to travel to urban areas for work, they're able to remain living in their village homes.

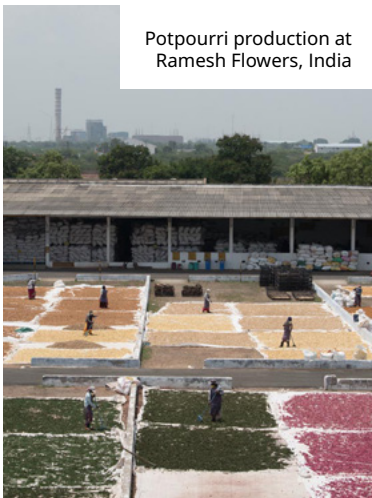
In India, Spun makes skilfully crafted, one-of-a-kind products using remnant cotton textiles from parent company, Welspun. The social business engages women to make handcrafted textile products. They offer educational programmes, environmental and health initiatives, bringing growth to entire communities.

*“When women become fully independent, it brings an amazing effect – better education for their children, better livelihoods for their families, with better self-confidence and respect within their families.”*

—DIPALI GOENKA, CEO OF WELSPUN INDIA, PARENT COMPANY OF SPUN

Along with Ramesh Flowers and Doi Tung, social business suppliers with which we've worked in the past, the five social businesses created VÅRDANDE together with IKEA designers Akanksha Deo and Sarah Fager. The result is a 20-piece collection with great sales success showing social business is good business.

Potpourri production at Ramesh Flowers, India



Workers arriving at Classical Handmade Products, Bangladesh

# Enabling and strengthening social entrepreneurs

**Through our development programmes and investments, we co-create solutions that have a lasting positive impact on people, society and planet.**

As a competence and development centre for social impact, we support social entrepreneurship through partnerships, collaboration and co-creation. Accelerator programmes, impact investing, knowledge sharing and research are all part of our evidence and learning-based approach.

Our support is targeted to reach the long-term unemployed, people in low-income communities, and people distanced from the labour market due to displacement or disadvantage. This includes persons with disabilities, refugees, asylum seekers and migrants, women from vulnerable communities, smallholder producers and small-scale farmers, and other informal workers.

We focus on social entrepreneurs and social enterprise in the circular economy, renewable materials, and inclusive employment. The aim of our programmes and investments is to strengthen social entrepreneurs through financial and non-financial support so they can expand their activities, address social challenges and reach even more people — maximising our positive social impact inside and outside the IKEA value chain.

In FY22 we commenced support for 45 additional social entrepreneurs, bringing

the total for the year to 101. Their cumulative direct reach of approximately 6.2 million people\* demonstrates the social impact value of supporting social entrepreneurs.

In collaboration with leading partners, we continue to facilitate accelerator programmes to build and strengthen capacity. Our partners bring local knowledge and deep understanding of the links between business and social impact, which complements our entrepreneurial mindset, global reach, and resource base.

Since 2018, we have now supported 136 social entrepreneurs around the world.

\*The depth and breadth of impact is markedly different between social entrepreneurs and difficult to capture in a single figure. Impact ranges from significant impact on a few individuals – eg. through employment, to limited impact on a large number of individuals – eg. being a user of a digital service or benefitting indirectly through systems change.

## Dela III

**In partnership with:** Ashoka

**Location:** global

**Social entrepreneurs:** 11

Our global accelerator with Ashoka is a co-created one-year programme, now in its third year, that supports leading social entrepreneurs to develop robust systems strategies, and offers a safe space to innovate and test solutions. With an emphasis on social innovation, leading social entrepreneurs, whose solutions target the underlying cause of social problems, are invited to participate in the year-long programme, receiving non-financial support for the duration as well as grant funding for their projects.

The programme consists of a strategy phase, with a focus on systems change; a summit for feedback and insights; a scoping phase to prepare

for experimentation; and the implementation and testing of services and solutions.

At every step, social entrepreneurs are supported by IKEA co-workers, Ashoka facilitators and executives from the business and social innovation sectors who apply their professional experience to changemaking. Accenture also contributes as a key collaborator, providing their design and digital expertise.

As part of our continued partnership with Ashoka, we also financed three new Ashoka fellows in FY22: Jenny Lindström Beijar of Our Normal, Rafael Rincón of Fundación Gastronomía Social and Agustina Besada of Unplastify – innovators and changemakers in the disability sector, food security, and waste solutions, respectively. And following successful external evaluation<sup>1</sup> by international research and consultancy firm, ECORYS, the Dela programme will continue in FY23 with Dela IV.



Participants in Dela III, TRRAIN, celebrating Diwali in Mumbai

1. <https://www.ashoka.org/en-nrd/story/systems-change-accelerator>

# Accelerating change

In all our accelerator programmes, social entrepreneurs participate in group training sessions, work closely with partner portfolio managers and receive mentoring support from IKEA co-workers. Social entrepreneurs also have access to flexible grants, the social entrepreneurship ecosystem and other business networks to strengthen their business model as they implement plans to scale up.

**In partnership with:** Instellar

**Location:** Indonesia

**Social entrepreneurs:** 10

Launched in FY22, our one-year Indonesian accelerator programme with Instellar

is currently underway. After receiving over 1,300 applications to join the programme, 10 social enterprises were selected for the first cohort. The programme supports social

entrepreneurs with an innovative approach, a focus on circularity and the capacity to address local needs, like inclusive employment and the provision of goods and services (see story page 18).



IKEA co-workers and the Instellar team at the midpoint summit, Jakarta, Indonesia

**In partnership with:**

NESsT

**Location:** Brazil, Chile, Colombia, Peru

**Social entrepreneurs:** 17

A three-year accelerator programme launched in 2020, FY22 saw participating entrepreneurs further develop their businesses and receive programmed investments. To extend support to an important vulnerable group in Chile, we also selected two additional social enterprises from the Mapuche community to onboard to the programme that will start receiving support in FY23.



MakeltReal, a Colombian social enterprise (left), joined the NESsT programme with the ambition to encourage more women to access their affordable IT training. They hired Pía Giudice as new Regional Manager (and role model), and reassessed their marketing and communication material for their full-stack software development bootcamps, adopting gender-inclusive language. Applications from women increased threefold. NESsT also invested in a newly launched fund to provide financial support to women as an incentive to increase participation. In tandem, in 2021, finalising the legal, tax and operational requirements, MakeltReal expanded into Peru, where they can now reach more women in vulnerable communities.

# Accelerating change CONT.

**In partnership with:** NESST  
**Location:** Poland and Romania  
**Social entrepreneurs:** 10

In the first year of this three-year accelerator programme, the ten selected social enterprises started their journey with NESST in Poland and Romania

during a tumultuous year. To ensure the strongest support possible, we set up an advisory group from the nine different IKEA organisations operating in the two countries to not only provide programme support, but also identify and enable synergies between social entrepreneurs and the business.



In May 2022, during Romanian Design Week, programme participant, Atelier Merci, opened ALTRNTV (left), a store in central Bucharest dedicated to discovering and selling clothes, accessories, cosmetics and home-deco products made with sustainable materials and created by people from excluded communities. Sourcing stock from 22 small artisanal suppliers and ordering an initial thousand products, Atelier Merci is driving awareness of sustainable fashion in the capital. The accelerator is providing support as they meet increasing demands and document their positive impact on underserved communities.

**In partnership with:** New Ventures  
**Location:** Mexico  
**Social entrepreneurs:** 11

Building on our successful two-year partnership with New Ventures, in FY22, we agreed to extend the relationship. Feedback from the 20 social enterprises

supported to date has now been integrated into the programme with two new components: debt financing and ecosystem building, ready to roll out in FY23, facilitating potential partnerships between social entrepreneurs and corporates. We again plan to support two cohorts of 10 over a two-year period.



Accelerator participant Illuméxico (left) provides electrical services via solar technology to marginalised families in rural Mexico, where communities often lack access to the national electricity grid. Illuméxico also trains and employs young people from within the communities they service as solar energy technicians. During the accelerator, Illuméxico piloted the expansion of their service to community-based companies and ejidos (communal landholding) in rural areas, and in under one year, reached over 600 additional families and companies.



# Impact investment

In FY22, in addition to funding accelerator programmes, IKEA Social Entrepreneurship BV made impact investments in the Yunus Social Business Waste Fund and the Refugee Employment Initiative with NESsT. The Yunus Social Business fund invests in social enterprises in the waste sector in India, while the NESsT Refugee Employment Initiative is focused on creating employment opportunities for refugees in Poland and Romania.

We also provided financial development support to two social enterprises: Yalla Trappan in Sweden and i-did in the Netherlands. We continued our financial engagement in Ignitia and Saahas Zero Waste. And we made a financial contribution to four of the social businesses working in IKEA production: Aneka Coklat, Jordan River Foundation, Moyee Ethiopia and Rangsutra, and provided grants to four additional development programmes and pilots: with BSR, Pact, Rainforest Alliance and WWF.



i-did textile recycling facility in The Hague, Netherlands

i-did launched a new textile recycling factory in The Hague, bringing together a fully circular textile chain and providing opportunities for the long-term unemployed under one roof. i-did has partnered with IKEA Social Entrepreneurship since 2020 and was again a recipient of funding in FY22.

The Mamo Pracuj team in Krakow, Poland - refugee employment initiative participants supporting mothers returning to the workforce



In response to the invasion of Ukraine, during the year we extended our partnership with NESsT to launch the NESsT Refugee Employment Initiative, along with Cisco Foundation. This built on a two-year partnership which has already seen our support extend to 27 social enterprises across Poland, Romania and Latin America. It was a logical choice to embark on this new initiative together, to provide financing and capacity-building support to fifteen enterprises in Poland and Romania, with the aim of benefitting over 5,000 refugees.



The Community Conservation Enterprise programme co-created with WWF continues to strengthen the capacity and market access of 13 community conservation enterprises in the Oaxaca region of Mexico. The partnership with WWF integrates conservation, sustainable agriculture (agro-ecology),

community empowerment and livelihoods development. Recently visiting the project site to gather learnings from the first two years, we saw positive results in the social entrepreneurs' market readiness and opportunities to strengthen their market position.

The BBC Story Lab<sup>1</sup> also visited Oaxaca in 2022 to shoot a short film (left) featuring Mbis Bin from the WWF programme and Iluméxico from the New Ventures accelerator, showing how women-led smallholder cooperatives and social entrepreneurs are developing businesses in organics, agriculture and renewable energy, protecting biodiversity and impacting livelihoods.

<sup>1</sup> [www.bbc.com/storyworks/age-of-change/social-change](http://www.bbc.com/storyworks/age-of-change/social-change)

# Instellar: Collaborating for change in Indonesia

Our Indonesia accelerator programme, co-created with local partner Instellar, aims to address waste management and pollution, supporting 10 social enterprises focused on sustainable agriculture, the circular economy and responsible sourcing of secondary materials.

In the early stages of the programme, Instellar organised multiple peer learning sessions, giving social entrepreneurs the opportunity to meet in person in Jakarta, and share and learn

from fellow participants in the programme. Given the thematic focus of the programme, the gatherings resulted in four collaborations for the first time in our programmes and something we hope to see more of in future.

Koinpack, Liberty Society and Duitin collaborated with Westbike Messenger, while Duitin also collaborated with Koinpack.

Starting as a bicycle shop and community, Westbike Messenger has grown into a zero-emission bicycle logistics service with



Liberty Society seamstress, Jakarta, Indonesia

Westbike Messenger bicycle courier, Jakarta, Indonesia



hundreds of bicycle couriers, (mostly marginalised youth), across six Indonesian cities. Duitin is a digital platform to make business and household waste management easier. The collaboration with Westbike aims to reduce carbon dioxide emissions in waste collection, while Duitin's service sees waste properly sorted, so recyclables can be diverted from landfill.

Westbike Messenger and Liberty Society collaborated for an upcycling project that saves

unused and old bicycle courier jackets from going to waste. The jackets are repurposed into bags by Liberty Society, a sustainable fashion and accessory enterprise that employs and upskills refugee women.

Koinpack is a returnable and reusable packaging system provider based on a deposit and reward model. They collaborated with Westbike Messenger to provide a convenient courier service for Koinpack customers, meaning they no longer need

to drop off used packaging at a Koinpack location.

Collaboration between social enterprises is a low-risk and cost-efficient way to scale, and typically faster than building relationships with big businesses with lengthy and intensive business development processes. By creating opportunities for collaboration, we can contribute to a more mature social enterprise ecosystem where social entrepreneurs can deliver deeper impact.

# Activity table: Programmes, investment, innovation

FY22 programmes and direct support opened, completed and underway 1 Sep 2021 — 31 Aug 2022.

PROGRAMME	STATUS	TYPE	GEOGRAPHY	TIMING	PARTICIPANTS	DESCRIPTION
Acumen East Africa II	Completed	Accelerator	Ethiopia, Kenya Rwanda Uganda	6 months 2021	15 social enterprises	A co-created regional accelerator programme to strengthen social innovations across East Africa through online learning and IKEA co-worker engagement.
Ashoka Dela II	Completed	Accelerator	Global	1 year, 2020-2021	12 social entrepreneurs, 2 new Ashoka Fellows	A co-created global accelerator programme to select, strengthen and scale system changing innovations through a combination of interventions including co-worker engagement.
Ashoka Dela III	Running			1 year, 2021-2022	11 social entrepreneurs, 3 new Ashoka Fellows	
Ashoka Dela IV and V	Preparation			2 years, 1 year programme 2023-2024	12+12 (2 cohorts) social entrepreneurs Number of new Ashoka Fellows to be determined	
i-did	Running	Direct investment	Netherlands	7 years 2020-2027	1 social enterprise	Loan investment in a small textile recycling plant to be run mainly by people with a distance to the labour market.
Ignitia	Running	Direct investment	Sweden	2021-	1 social enterprise	Equity investment in social enterprise that provides tropical weather forecasts to smallholder farmers.
Instellar Indonesia	Running	Accelerator	Indonesia	2 years 2021-2023	10 social enterprises	Tailor-made accelerator programme to scale social enterprises and increase their impact. Programme co-created in close collaboration with local IKEA organisations that support with co-worker engagement.
NESsT East Europe	Running	Accelerator	Poland Romania	3 years 2021-2024	10 social enterprises	Tailor-made accelerator programme to scale social enterprises and increase their impact. Programme co-created in close collaboration with local IKEA organisations that support with co-worker engagement.
NESsT Latin America	Running	Accelerator	Brazil, Chile, Colombia, Peru	3 years 2020-2023	17 social enterprises	Tailor-made accelerator programme to scale social enterprises and increase their impact. Programme co-created in close collaboration with IKEA Chile that supports with co-worker engagement.
NESsT Refugee Employment Initiative	Preparation	Hybrid investment fund	Poland, Romania, (Ukraine)	5 years 2022-2027	15 social enterprises	Investment fund with acceleration support to address the urgent need of livelihood opportunities for Ukrainian refugees in Poland and Romania.
New Ventures Mexico	Running	Accelerator	Mexico	2 years, 1 year programme 2020-2022	9 + 11 (2 cohorts) social enterprises	Tailor-made accelerator programme to scale social enterprises and increase their impact. Programme co-created in close collaboration with IKEA organisations in Mexico that supports with co-worker engagement.
New Ventures Mexico II	Preparation			3 years, 1 year programme 2022-2024	10+10 (2 cohorts) social enterprises	
Rainforest Alliance	Running	Development programme	Ivory Coast	2 years 2020-2022	2 cocoa producing cooperatives	Supporting test of an innovative approach to bridge the living income gap experienced by cocoa farming households.
Saahas Zero Waste	Running	Direct investment	India	2 years 2021-2023	3 micro- enterprises	Pilot project to find scalable solutions to improve the waste sector by creating microenterprises for social inclusion.
WWF	Running	Development programme	Mexico (Oaxaca)	3 years 2020-2023	13 community conservation enterprises	Supporting local small-holder producers and their organisations to improve agricultural practices, governance, and gaining market access.
YSB Waste Fund	Running	Fund investment	India	3 years 2022-2025	Est. 7-10 social enterprises	Pilot for establishing an investment fund to support social enterprises in the WASH and waste sector in East Africa and in the waste sector in India, along with WASTE Foundation and Sida.

# Tracking and evaluating impact

Designing and delivering programmes and investments centred on social impact requires continuous assessment of the internal and external context. We develop a theory of change for each programme or partnership (see page 8), together with a realistic monitoring framework, including key indicators, agreed to by all parties. Data collection and learning and evaluation methods to measure progress and source feedback are applied during, concluding, and following completion, to identify

outcomes and impact, and support continuous programme development.

Since starting our partnerships and programmes, participants have largely reported a personal positive impact, highlighting results like improved strategic focus and business capabilities. But after four years, we're now starting to see results emerge in areas that take time to develop.

Reviewing programme reports, communication material, external evaluation and ongoing progress,

we have documented 24 cases where we have good evidence that our intervention contributed to increased impact.

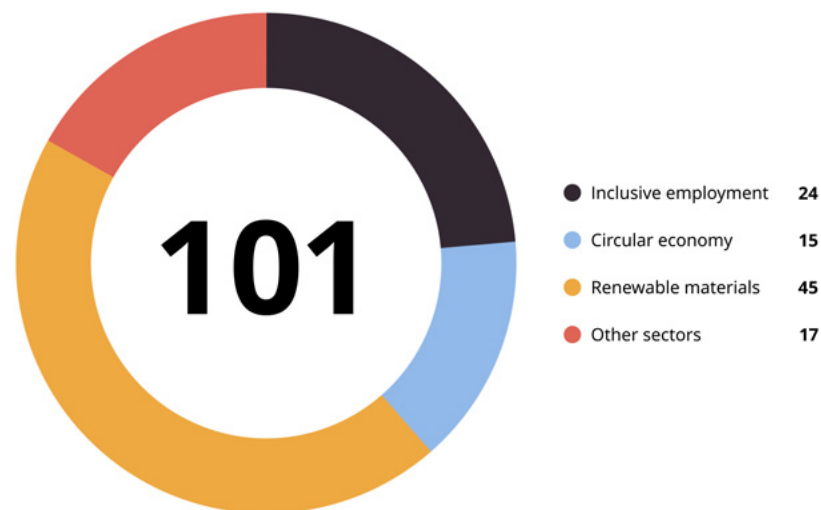
Many come from the Dela programme with Ashoka, our longest running programme — at three years and soon to start its fourth. But we also have interesting early outcomes from our other programmes.

**“Overall the pandemic had a significant impact on performance in the first year, but as the global health crisis stabilises, we’re already seeing positive results, reflected in a 90% average increase in sales [reported by participating social enterprises] from 2020 to 2021. Year three is expected to bring more positive results, given some social enterprises are already moving onto capital raising.”**

— NESST LATIN AMERICAN ACCELERATOR PROGRESS REPORT AUG 2021 — JUL 2022

For example, since joining our first Mexico accelerator with New Ventures, Intrare has used the strategies they learned in the programme to generate 13 new corporate business relationships

## Social entrepreneurs supported in FY22 by sector



to create work integration opportunities for refugees and migrants in Mexico City.

Savia, formerly Fresh & Co, joined the NESST Latin America Accelerator in 2021. A Chilean supplier of organic produce, they source exclusively from small-scale farmers, improving livelihoods and minimising food waste by shortening the value chain and connecting farmers and cooperatives directly with restaurants, coffee shops, hotels, and convenience stores throughout Santiago. Supporting their shift from a business-to-consumer, to a business-to-business model, Savia has now

reached 100 clients, and farmers have seen a 30-50% increase in income.

And within the NESST Poland and Romania programme, Arte Cooperative has launched a social shop selling affordable basic provisions to the community in the Lower Silesia region in Poland, employing three women and reaching 800 customers with necessities like food, clothing and personal products. They now plan to replicate the model across the region where they also service disadvantaged communities with psychological support and workplace integration.



Small-scale farming for Savia, Chile

# Monitoring, evaluation and learning methods

Together with partners we continuously develop our methods of monitoring, evaluation and learning to ensure that we contribute to the objectives set out in our theory of change both at initiative and programme/partnership level.

Identifying internal or external monitoring needs when planning sets expectations and allows baseline and comparative reporting. Ongoing assessment, output and outcome data is sourced and fed into regular dialogue and decision-making during partnerships and programmes. We're also exploring how to use outcome harvesting<sup>1</sup> as a means to more systematically monitor the long-term effects across our programmes and investments.

All our reporting templates used for collecting data have taken inspiration from international good practice, particularly The Impact Management Project<sup>2</sup> and IRIS+<sup>3</sup>. The use of templates is necessary to collect consistent data.

Numbers aside, understanding the actual impact of the activities of social entrepreneurs and business partners requires additional efforts. In our

programmes and partnerships we therefore encourage efforts to understand the situation of and effects on people and communities reached through surveys and other methods. For example, each year our partner NESsT surveys ten percent of the employees across their portfolio companies to understand the quality of their jobs and the impact employment has on them<sup>4</sup>.



We report on people impacted based on self-reporting by social business partners and social entrepreneurs in our portfolio.

Children at school in the Spun community, India



To measure the cumulative direct reach of social entrepreneurs supported through programmes and direct investment, we count people employed and directly serviced, for example, as distributors, suppliers and users in the past year. When reports are as yet unavailable, we supplement results with the previous year's reported data.

Abdul Kader Ibrahim, working with recycled felt made from surplus textiles at the i-did factory in The Hague, Netherlands



Harvesting cacao, Aneka, Indonesia

For jobs and income opportunities created by social business partners, we count the number of workers producing IKEA products in the past year.

1. [https://www.betterevaluation.org/en/plan/approach/outcome\\_harvesting](https://www.betterevaluation.org/en/plan/approach/outcome_harvesting)

2. <https://impactfrontiers.org/norms/>

3. <https://iris.thegiin.org>

4. <https://www.nesst.org/nesst/2022/10/24/nesst-2021-dignified-employment-survey-results>

# Innovating for impact: outcomes from Dela

The following outcomes are representative of the variety of ways investment in innovation can contribute to impact.

## Simplon: Dela II

Since establishing a systems change\* strategy and roadmap, Simplon has developed a stakeholder alliance to fight societal problems through inclusive training in digital trades — across France, and beyond. With new stakeholders and increased access to funding, Simplon can now extend their reach into Europe, and reimagine their digital training platform for use in other vocational fields and in other training organisations

## Ignitia: Dela I

Recipient of IKEA Social Entrepreneurship's first-ever equity investment, Ignitia continues to scale their impact on smallholder farmers in Africa — improving distribution and delivery of accurate and reliable weather forecast systems.

Ignitia's new systems change\* strategy targets business investment in markets where product supply chains experience climate vulnerabilities. Working with investors dependent on small-scale farmers to deliver raw materials and products helps Ignitia provide their weather forecasting tool to a wide audience, with the the number of subscribers multiplying each year.

## Pekka: Dela I

In partnership with Kubu Raya district in Indonesia, Pekka piloted a digital data collection project to capture the number of women-headed families in the region. Using the data, they were able to demonstrate the lack in service provision for women and the negative impact on their families and communities. Changing the way the Indonesian

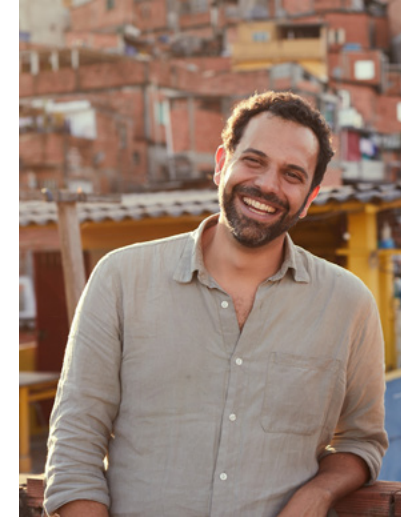
government counts women will help strengthen their collective voice and identify services that will empower women and support systems change\*.

## Vivenda: Dela I

Setting up a network of delivery partners in 40 Brazilian cities, Vivenda have grown their housing platform to meet 60 renovations per month in areas with inadequate housing, growing their sales volume ten times. Focusing on affordable solutions at the bottom-of-the-pyramid housing ecosystem, the Vivenda Institute will provide educational support to other social entrepreneurs entering the sector; it will also lobby the government on legislative solutions. By 2022 Vivenda had delivered more than 3,000 renovation kits in Sao Paulo (right).

## Access Bangladesh: Dela II

During the Dela programme, Access Bangladesh co-founder, Albert Mollah, took a deep dive into a systems change approach\* to impacting policy in Bangladesh. Using census data to create reliable and comparable disaggregated data about persons with disabilities, Mollah aims to inform and influence employment related policies, programmes and budget allocation. Integrating research with advocacy and service delivery, the development space can better meet needs and become more inclusive.



Vivenda founder, Fernando Assad



### \*What is systems change? And what's a systems change approach? What is it that needs to change?

- To change the rules and norms of a system, for example, influencing policies at government level or within welfare organisations, and/or changing mindsets (and behaviors) at scale
- To change the resources allocated and/or required for solving a social or environmental problem by adopting solutions at scale
- To change the relationships and power dynamics within a system by empowering under-utilised and/or under-served actors, and/or creating new markets.

# Engaging IKEA co-workers and enabling intrapreneurs

**We collaborate and grow social entrepreneurs and the intrapreneurial mindset by pairing co-workers with social entrepreneurs for coaching and mentoring**

## Values and building awareness

With “togetherness”, “caring for people and planet” and “lead by example” among the IKEA company values, co-worker engagement with social entrepreneurs remains an integral component of our programmes.

In FY22, IKEA co-workers participated enthusiastically in our initiatives with 161 co-workers sharing their business knowledge and insights as thought partners, mentors and coaches for social entrepreneurs, and 22 facilitating group training sessions.

IKEA co-workers not only cite personal development and professional satisfaction among the benefits, but return to their roles with insight into social challenges and an appreciation of their impact on ‘doing business’. As day-to-day advocates of social entrepreneurship, and with increased awareness, IKEA co-workers are also more attuned to opportunities for the IKEA business to be more inclusive and sustainable.

*“There are many ways to help as a corporation. You can give money, buy supplies or equipment, give medicines or build houses, but I feel that promoting entrepreneurship is something every corporation should do. It means giving support on a more powerful level. There’s dignity and there’s autonomy ... If we as corporate organisations help to light that flame, we can support social entrepreneurs solving big problems.”*

—ANDRES HEUSSER, REGIONAL FINANCE MANAGER, CHILE, COLOMBIA, PERU. FALABELLA, IKEA FRANCHISEE

*“Andres’ support has been very valuable, not only because of his financial experience in Latin America, but also because of his experience as an entrepreneur. We greatly value how available he was, and his patience and dedication. He has supported us to build our financial model and given us guidance in a crucial phase, sharing insights on negotiation for welcoming new shareholders into the company.”*

—SIMONE PISU, CO-FOUNDER AND CEO, PESCO

## Matching and collaborating

Our methods of engaging co-workers in our programmes and matching them with social entrepreneurs continues to evolve. Insights from co-worker learning circles in one programme creates a feedback loop we use to iterate activities in other programmes.

### Team development

In FY22, based on feedback that social entrepreneurs regularly sought advice on team building, we collaborated with SISP (Swedish Incubators & Science Parks) to test their team development tool, STEP, in our Mexico accelerator. In January 2022, three experienced IKEA co-workers were selected for facilitator training. In May, three participating social enterprises started working with the facilitators and using the STEP tool. Delivered for the first time outside Sweden, and in the context of social enterprise (instead of in startups), assessment will take place in December 2022, and if the results are positive, we’ll look to expand its use.



(L-R) Plepah co-founder Almira Zulfikar with IKEA co-worker Ellery Kwok

*“My experience with SmartFish and the work on the team development program STEP has been fantastic! I’m impressed by the commitment and engagement of the whole team, contributing to and elevating the value of each of the activities. The tools have been a discovery for me. I’ve learned a lot during the programme and I’ve received great support from the STEP trainers and my peers! I’m convinced that the work done by SmartFish to become a highly effective team will contribute to even greater business performance and social impact in the communities they work with.”*

—RAUL JIMENEZ, GROUP DEVELOPMENT MANAGER, BUSINESS NAVIGATION BDPO, IKEA OF SWEDEN

# Engaging IKEA co-workers and enabling intrapreneurs CONT.

## Thought partners

In our NESSt accelerator programme in Poland and Romania, we tested new 'thought partner' roles. A thought partner supports, explores and identifies social entrepreneurs' needs in a programme's early stages, if and where relevant competencies exist across IKEA, and whether mentoring or other methods could bridge gaps. Thought partners work together with social entrepreneurs to translate and tackle issues at the outset and establish pathways for resolution.

Starting in June, thought partners, programme portfolio managers and social entrepreneurs dug deep into challenges, figuring out the questions to ask and identifying a starting point for solutions. When evaluated in September, social entrepreneurs felt their needs were better defined and were more confident ahead of the next phase. Portfolio managers also appreciated the knowledge and experience the thought partners brought to the conversations.



(L-R) IKEA co-worker Diva Margaret with Astriani Liewaputra and Agdya Savanto of Duitin

*“As a thought partner I could start a dialogue with a social entrepreneur without any preconceived ideas of how the IKEA business could best support them in their mission. It was great to start with a blank sheet of paper and build a map of possibilities together. As a thought partner I could use the full width of my background and knowledge of the business and our network of partners to explore all our possibilities.”*

—PONTUS GABEL, WORKSTREAM LEADER, IKEA BUSINESS SUPPORT, DELFT

## Next Generation leadership

For Dela III, we joined forces with the IKEA Next Generation leadership programme for the scoping and experimentation phase. Seven young leaders were paired with IKEA strategy partners and matched with social entrepreneurs. The experience provided an opportunity for first-hand insight into decision making and leadership through adaptation.

## Transformative learning

In August 2022, Bram van Keulen, from the Rotterdam School of Management at Erasmus University, delivered his Master thesis for the Master in Global Business and Sustainability.

Conducting research into the IKEA Social Entrepreneurship co-worker engagement programme, his thesis: “Generating Structural Change of Thought Through Transformative Learning”, is an in-depth case study of corporate volunteering and transformative learning, that asks how this takes place in corporate volunteering contexts and how it can reach its fullest effects.

Identifying gaps, limitations and possibilities for the programme, van Keulen's findings showed the value of shared dilemmas and the transformative effect of challenges in the right context and given the right conditions. Online engagement can be and has been inhibiting, but co-workers have persisted despite restrictions to brainstorm solutions.

Finding the right balance between volunteer autonomy and guidelines was also shown to be an essential consideration in managing and facilitating a successful co-worker engagement programme — a balance we try to strike as we continually evolve our methods.



# Strengthening expertise and the social entrepreneurship sector

Research, education and learning

## Global Alliance for Social Entrepreneurship

Under the umbrella of the Global Alliance for Social Entrepreneurship, and in collaboration with Acumen, EY, 60 Decibels and others, we released a report<sup>1</sup> on the challenges of cultivating partnerships between social enterprise and corporate entities.

The research acknowledged the importance and value of working together, both to innovate business models and increase positive impact, and aimed to identify effective paths to partnership.

The data gathered surveyed over 150 social enterprises from around the world, providing insights and recommendations on how businesses can use their procurement spending to source from social enterprises and advance their environmental and social commitments.

## University of Nairobi

Radha Upadhyaya and Herbert Wamalwa of the Institute for Development Studies, University

of Nairobi, also completed their study of our East Africa programme with Acumen. Released as an academic working paper<sup>2</sup> and presented at an internal seminar, the study found that coaching, experimentation and peer-to-peer learning were key pedagogical tools, with participation improving hard and soft skills of entrepreneurs, leading to greater resilience in their enterprises.

## London School of Economics

For IKEA Social Entrepreneurship, measuring impact is an important component of our co-created accelerator programmes, as is learning, so we teamed up with researchers at the London School of Economics and Political Science to take a deep dive into the existing research on the effects of business accelerators.

As a result, the London School of Economics hosted a colloquium to present and discuss the findings of the report<sup>3</sup>, written by Juanita Gonzalez-Urbe from the London School of Economics, and Ouafaa Hmaddi, University of Oregon. The discussion reflected



Colloquium on the multidimensional impacts of business accelerators at the London School of Economics

on the key insights into how business accelerators impact enterprises and the economy, and how to foster collaboration between practitioners and academics. Based on their review of more than 80 academic articles and reports, the researchers concluded that accelerators help fill capacity gaps of participating entrepreneurs and contribute to attracting investors and talent to targeted regions.

## The multidimensional impacts of business accelerators\*

1. Business accelerators increase the average participant's performance, but impact varies across programmes and participants
2. They help promising participants to achieve high growth, yet also steer less promising businesses to fold faster
3. The capability-building they offer is crucial, even when funding is not part of the equation
4. Their impact extends beyond participants: the investors they help attract, help even non-participants grow faster

\*The key four lessons from the literature review of 80+ articles

1. <https://www.ikeasocialentrepreneurship.org/en/news/2021-10-04-new-research-shows-what-it-takes-to-be-a-corporate-ready-social-enterprise>  
2. <https://gbl-sc9u2-prd-cdn.azureedge.net/-/media/IKEASocialEntrepreneurship/Publications/Learning%20Capabilities%20Development%20Research%20paper>  
3. <https://www.ikeasocialentrepreneurship.org/en/news/2022-06-14-lse-how-accelerators-impact-businesses-and-the-economy>

# Strengthening expertise and the social entrepreneurship sector CONT.

## EVPA

New research on impact integrity by EVPA<sup>1</sup> looks at how to assess integrity risk in different impact relationships; and what appropriate mitigation measures might offset that risk. The question it posed of organisations like ours, was: “How does IKEA Social Entrepreneurship, which is deeply interwoven with its commercial parent brand — and therefore seemingly at high risk of undermining its ‘impact integrity’ — ensure that it stays true to its social purpose?”

The study found that the perception of ‘high risk’ is dependent on the aims and integrity of the parent brand, and that in fact, “corporate social investors ... are uniquely placed to create social impact, backed not only by the company’s financial support, but also its networks, workforce and expertise” with the added benefit that “they can also steer their company ‘relative’ towards more sustainable operations”<sup>2</sup>.

## Springer Nature

IKEA Social Entrepreneurship BV Managing Director Åsa Skogström Feldt contributed a chapter to the book “The Global Impact of Social Innovation: Disrupting Old Models and Patterns”<sup>3</sup>, published by Springer Link in 2022. Edited by Alexander Ruthemeier, Seda Röder, Kathleen Schröter and Philipp Plugmann, and part of the “Management for Professionals” series, Skogström Feldt’s chapter “The Role of Corporates in Creating a Better Everyday Life with Social Entrepreneurs” goes into the opportunities in partnership and collaboration, demonstrating how a development-oriented approach to social innovation can create incremental impact while seeking systemic solutions.



Workers at Indian social business, Spun, partnering in IKEA production

1. <https://www.evpa.ngo/insights/safeguarding-impact-integrity-ikea-social-entrepreneurs>  
2. <https://immersives.pioneerspost.com/ikea-impact-integrity-evpa/index.html>  
3. <https://link.springer.com/book/10.1007/978-3-031-03849-5>

# Strengthening expertise and the social entrepreneurship sector CONT.

## Advocacy and influence

### Sharing with our colleagues

As a globally recognised brand, with 231,000 employees worldwide, and reaching countless more through our supplier networks, internal change can be hugely influential.

The IKEA vision is ever present at direction, strategic and business planning levels, and in co-worker engagement. Whether with the IKEA sustainability strategy, People and Planet Positive; IWAY — the IKEA supplier code of conduct; or i-conduct — the IKEA franchisee code of conduct; the checks and balances for better development are built into our the IKEA DNA.

IKEA Social Entrepreneurship brings social impact learnings to the business, contributing to our Fair and Equal commitment in the sustainability strategy, as well as testing and securing responsible sourcing principles and raw materials.

By partnering with social entrepreneurs to produce products for IKEA retailers, we get a deeper understanding of how to create jobs for people furthest from the labour market and how to navigate operational complexity. This knowledge can

be used to inspire the entire IKEA supply chain and IKEA co-workers, and build trust in the brand.

Building internal trust helps us make meaningful connections. The better our relationships the more opportunities we can facilitate. For example, in FY22 we used our influence to make connections like linking Our Normal, a networking organisation for families experiencing disabilities, to the IKEA/INGKA “Store of Tomorrow” project; and Next Step — advocates for affordable housing — to IKEA USA, for a national homebuyer study.

### Sharing with our stakeholders

Growing our external influence, we aim to advocate for social entrepreneurship and increase activity in, collaboration with, assessment of, and investment in the sector. We participate as an ecosystem player when possible if we believe we can contribute with ideas backed by demonstrable experience.

In FY22, at a range of events and fora, we spoke to over 2,800 people at in-person settings, meeting countless more online. Our contribution to the conversation stretched from

small roundtables in partner events to participation in global conferences like SOCAP.

Partners Acumen, Ashoka Nordic, NESST, Instellar, Yunus Social Business and Saahas Zero Waste all hosted events with their stakeholders at which we gave insight into collaboration and tabled ideas for action.

We participated in sessions at the Global Steering Group Summit for Impact Investment, IDEON Science Park, the Latin America Impact Investing Forum, The Exchange Abu Dhabi, Euclid Network, Catalysing Change and EVPA. Topics ranged from safeguarding impact integrity to

financing social innovation.

Academic outreach included lectures at University of Nairobi’s Institute of Development Studies, Lund University, the Vrije Universiteit Brussels, the Graduate Institute of International and Development Studies in Geneva, Said Business School at the Oxford University and London School of Economics.

We also participated with our peers to influence the corporate and government agenda with initiatives like the Buy Social business breakfast in Amsterdam and the EU’s conference on the social economy, which took place in Strasbourg in May.



# Storytelling and shifting the conversation

Our partners, social entrepreneurs and social businesses; the people who find work, development and income opportunities through our initiatives; our customers who buy socially impactful products; their friends, families, communities — all tell a story.

The stories we share and the conversations we start play an important role in creating a social impact community and inspiring collaborative action. Showing what's possible, whether through media coverage, on digital platforms or in conversation, helps connect our experiences to the bigger picture. The stories that emerge become part of our living history, socialising the ideas that will form part of our future.

On one level, this story out of Indonesia speaks to personal success: in 2022, Koinpack CEO, Bintang Ekananda, a participant of our accelerator programme with Instellar, made the Forbes' Magazine's 30 Under 30 Asia — Social Impact list<sup>1</sup>. That's some achievement!

But here's another story: Koinpack is on a mission to solve the issue of single-use sachet waste. The low-quality plastics can't be recycled, presenting a huge environmental problem in

Indonesia. Koinpack has created reusable packaging for everyday items, using the local warungs (small family businesses selling prepared food, groceries and basic household supplies) and blockchain-inspired tech to change habits in the community, and offering a deposit and reward system to make eco-friendly packaging accessible for people on low incomes.

In late 2021, IKEA Social Entrepreneurship BV Managing Director, Åsa Skogström Feldt joined Daniel Novak from Yunus Social Business and the Schwab Foundation for an episode of the podcast: Unusual Talks<sup>2</sup>.

*“The fragile state of the globalised economy makes it painfully obvious our value chains may need revision... [toward] diversification, localisation and more long-term partnerships. It's a unique opportunity to rethink our global value chains toward inclusiveness and social equity.”*

—DANIEL NOVAK, MANAGING DIRECTOR, YUNUS SOCIAL BUSINESS

Tackling the subject of 'Value chains as a force for good?', Skogström Feldt tells the story of social procurement and how brands like IKEA can integrate social impact in everyday business decisions.

Working with social businesses to create IKEA products also

brings the story of social impact to our customers. Our handcrafted cushions made with Jordan River Foundation, tell the story of women displaced from Syria who have found work and community in a foreign country. It's the story of Abeer Almnajed (below) who fled Damascus

during the war and for whom the work provides an income and the flexibility to care for her children after school.

It's also the story of Rangсутra founder Sumita Ghose<sup>3</sup>, who since 2006 has created regular work and sustainable livelihoods for women in rural artisan communities,

*“Our purpose is to ... equip women with the necessary skills, equipment and technology required to run a 21st century enterprise – one which is equally committed to its people and the planet, along with financial sustenance and profits. Being market conscious but not market driven.”*

—SUMITA GHOSE, FOUNDER, RANGSUTRA

We celebrated our 10-year relationship with Rangсутra in FY22, demonstrating our ambition to build long-term relationships with our social business partners working in IKEA production.



Abeer Almnajed,  
Seamstress, Jordan  
River Foundation

1. <https://www.forbes.com/30-under-30/2022/asia/social-impact>

2. <https://podcasts.apple.com/us/podcast/value-chains-as-a-force-for-good-how-companies-like/id1588100372?i=1000542407942>

3. <https://rangсутra.com/blogs/news/making-of-a-social-business>





Social Entrepreneurship

## **The ISE organisation: Operations**

### **How we organise and operate to effect change.**

IKEA Social Entrepreneurship is organised in different places within IKEA, each with its own governance structure, assignment, and ways of working: as a dedicated team within Range & Supply, as a separate entity placed at Inter IKEA Group, among different Purchasing and Logistics Areas, and within several franchisees.

IKEA Social Entrepreneurship Range & Supply is part of the IKEA Business Area Textiles Social Entrepreneurs Collections (BA TESEC). At the end of FY22, IKEA Social Entrepreneurship Range & Supply had a team of 4 FTE (full-time equivalent) within IKEA of Sweden AB. This included the business leader (0.5 FTE), two partner development leaders, communication business partner and business navigator (0.5 FTE).

IKEA Social Entrepreneurship B.V. is structured as a Dutch B.V. (limited liability company) within Inter IKEA Systems with a "social impact first" mandate in its charter. At the end of FY22, the B.V. had a core team of 10 FTE with the following functions: managing director, partner account management, finance and investment, co-worker engagement, communication and monitoring, evaluation and learning. Additionally, a co-worker engagement co-ordinator was working on a trainee basis and six interns from Lund University, Copenhagen Business School and Liuc Università' Cattaneo supported us as part of their Bachelor and Master studies.