

Annual Review FY24

IKEA Social Entrepreneurship



Social Entrepreneurship

Continued collaboration for good

Welcome to the IKEA Social Entrepreneurship annual review for the financial year 2024 (FY24).

In a chaotic and complex world, we would like to focus this review on what we can influence and learn. One thing we all can do is collaborate to try and tackle the big topics of our time. Collaborations made our continued support to over 100 social enterprises possible.

The partner gatherings we organised for both social business suppliers and accelerator programme partners were a highlight of the past year. We brought our key partners together for face-to-face interactions and sharing across organisational and geographical boundaries.

We all appreciated the opportunity to meet and interact in person and learn from each other. We were yet again reminded of how important it is to develop trust, common ambitions, and ways of working for collaborations to live up to expectations and be sustained.

This does not come automatically. It requires continuous attention, an open mindset, and patience.



Artisans, Bhawari Devi and Bhawari Devi, coincidentally with the same name, add the finishing touches to a MAVINN bathrobe at Rangсутra, India.

With this annual review we would like to honour the people who make these collaborations possible and meaningful. The people living in vulnerability around the world who are striving to improve their lives.

The social entrepreneurs who are working so hard to address social challenges while balancing impact and business. The people in our partner organisations who are so open and dedicated. The IKEA co-workers who are so supportive and engaged. The thought-

leaders within other corporates and the social economy who tirelessly work to promote social entrepreneurship. They all strive to create a world where no one is left behind.

With this review we want to share what can be achieved if we all work together.

“Over the last decade, IKEA Social Entrepreneurship has been a way for us at IKEA to innovate business models and drive system change, to contribute to a fairer and more equal world. We are proud to be working with social entrepreneurs and social businesses to achieve the IKEA vision to create a better everyday life for the many people.”

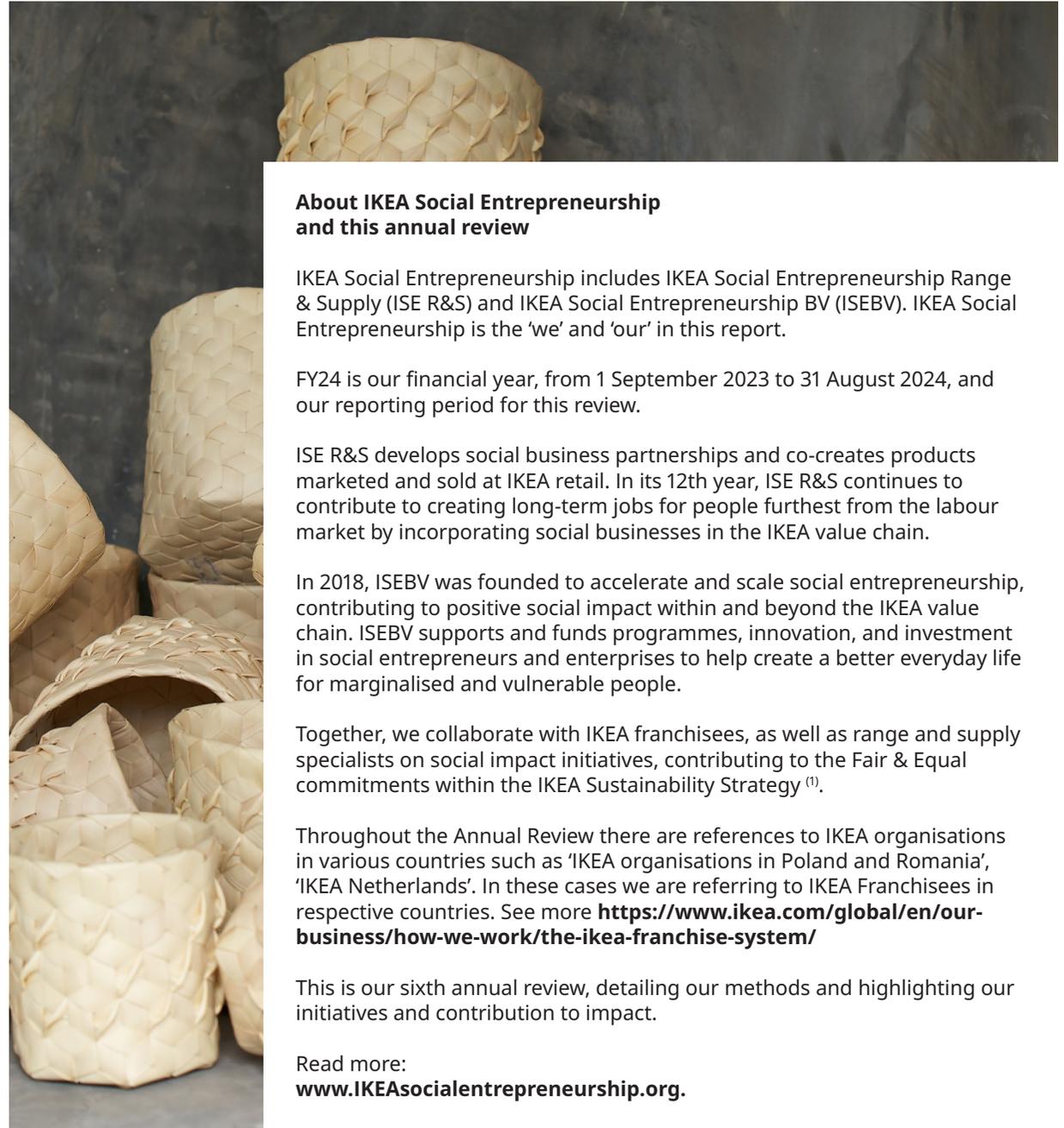
– Jon Abrahamsson Ring,
CEO Inter IKEA Group

Åsa Skogström Feldt
Managing Director
IKEA Social Entrepreneurship BV

Marie Olsson
Range Area Manager
Home Textiles, Rugs & IKEA
Social Entrepreneurship
IKEA of Sweden

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About IKEA Social Entrepreneurship and this annual review

IKEA Social Entrepreneurship includes IKEA Social Entrepreneurship Range & Supply (ISE R&S) and IKEA Social Entrepreneurship BV (ISEBV). IKEA Social Entrepreneurship is the 'we' and 'our' in this report.

FY24 is our financial year, from 1 September 2023 to 31 August 2024, and our reporting period for this review.

ISE R&S develops social business partnerships and co-creates products marketed and sold at IKEA retail. In its 12th year, ISE R&S continues to contribute to creating long-term jobs for people furthest from the labour market by incorporating social businesses in the IKEA value chain.

In 2018, ISEBV was founded to accelerate and scale social entrepreneurship, contributing to positive social impact within and beyond the IKEA value chain. ISEBV supports and funds programmes, innovation, and investment in social entrepreneurs and enterprises to help create a better everyday life for marginalised and vulnerable people.

Together, we collaborate with IKEA franchisees, as well as range and supply specialists on social impact initiatives, contributing to the Fair & Equal commitments within the IKEA Sustainability Strategy ⁽¹⁾.

Throughout the Annual Review there are references to IKEA organisations in various countries such as 'IKEA organisations in Poland and Romania', 'IKEA Netherlands'. In these cases we are referring to IKEA Franchisees in respective countries. See more <https://www.ikea.com/global/en/our-business/how-we-work/the-ikea-franchise-system/>

This is our sixth annual review, detailing our methods and highlighting our initiatives and contribution to impact.

Read more:
www.IKEAsocialentrepreneurship.org.

(1). <https://www.IKEA.com/global/en/our-business/reports/ikea-sustainability-strategy-240904/>

Renewed efforts to address poverty and support social enterprises

The need for renewed efforts to address poverty, create jobs, reduce inequality, and foster inclusive societies has never been greater. Increasingly frequent global crises continue to impact vulnerable communities the hardest, limiting governments' ability to invest in social development ⁽²⁾.

While the government's role is essential, social enterprises are stepping up to fill the gaps. Today, there are an estimated 10 million social enterprises globally, generating \$2 trillion in revenue and providing nearly 200 million jobs ⁽³⁾.

This year, we continued to support the growth of the social enterprise movement. We signed The Rise Ahead Pledge, committing to increase investments in the social economy and report our progress annually.

For the first time, we have also published the programme funding of ISEBV to increase transparency. A key challenge remains the lack of shared definitions for terms like "social

enterprise" and "impact," as well as capturing qualitative aspects of impact.

We recognised ROPE and SPUN in India as formal IKEA social business suppliers. ROPE now delivers products to the main IKEA product line, alongside their contributions to our MÄVINN social business collection. In August 2024, we launched the second MÄVINN collection in collaboration with artisans from Bangladesh, India, and Jordan, showcasing traditional craftsmanship that changes lives.

The year brought external challenges, particularly in transportation, which delayed the MÄVINN launch. While conditions improved later in the fiscal year, some regions remain volatile. Despite this, we remain committed to creating a positive social impact through sustainable growth and long-term partnerships.

Our accelerator programmes also made strides. We launched a new partnership with the Biji-biji Initiative in Malaysia, with the first cohort starting in September

2024. Programmes with NESST in South America, Poland, and Romania; with New Ventures in Mexico; and with Instellar in Indonesia continued as planned, along with our global program, Dela, with Ashoka.

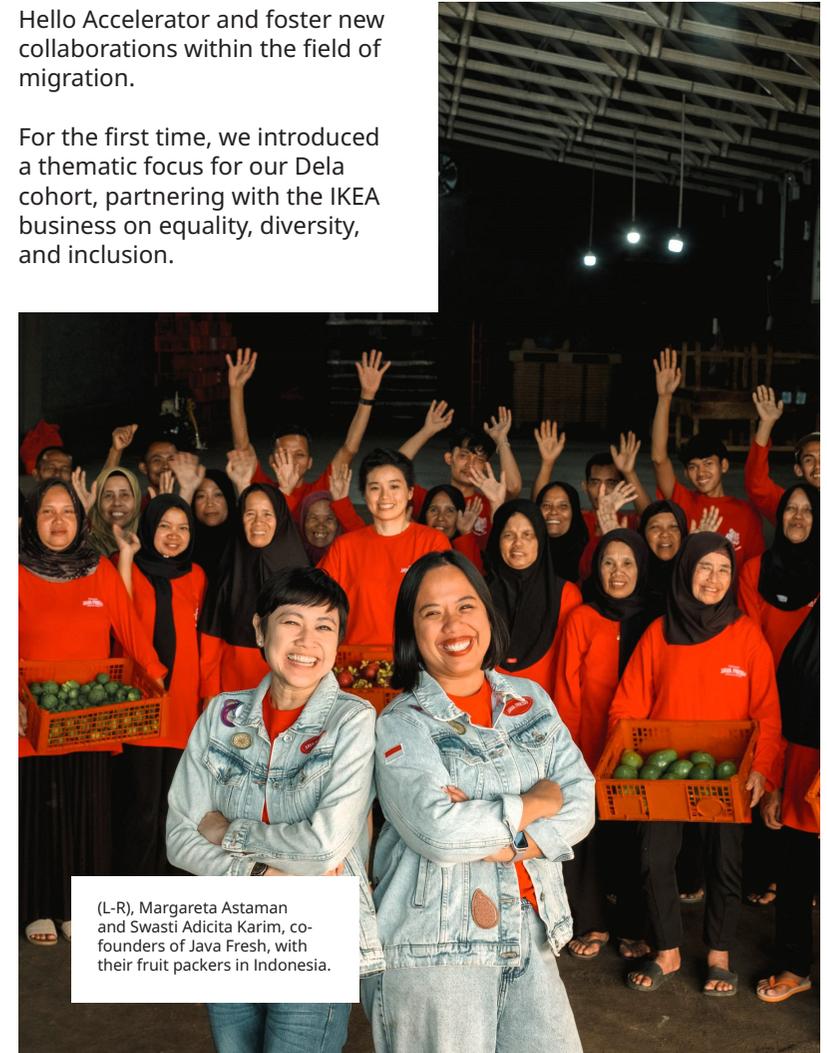
We are exploring ways to support social enterprises post-accelerator, such as establishing investment funds with existing partners. We also continue to develop activities in our three focus areas: renewable materials, inclusive employment, and circularity.

Renewable materials, particularly agriculture and food, are a key focus of our accelerator programmes. In Indonesia, our second cohort centres around this sector. Ignitia, our only equity investment, is expanding geographically and enhancing its weather forecasting solutions for farmers.

In inclusive employment, we committed to creating a better life for refugees at the 2023 United Nations Global Refugee Forum. We also teamed up with Ashoka to launch the

Hello Accelerator and foster new collaborations within the field of migration.

For the first time, we introduced a thematic focus for our Dela cohort, partnering with the IKEA business on equality, diversity, and inclusion.



(L-R), Margareta Astaman and Swasti Adicita Karim, co-founders of Java Fresh, with their fruit packers in Indonesia.

(2). United Nations Department of Economic and Social Affairs, World Social Report 2024, <https://www.un.org/development/desa/dpad/publication/world-social-report-2024/>.

(3). Schwab Foundation for Social Entrepreneurship and the World Economic Forum, The State of Social Enterprise: A Review of Global Data 2013–2023, 2024, <https://www.weforum.org/publications/the-state-of-social-enterprise-a-review-of-global-data-2013-2023/>.



The IKEA Social Entrepreneurship team and our accelerator programme partners at the Partner Gathering in Älmhult, Sweden.

We continued to work on recycled materials, waste management, and circular services within circularity. We renewed our collaboration with Saahas Zero Waste in India to develop a holistic approach to recycled materials.

At the same time, the Take-a-Stake Fund continued to look for further investment opportunities in India's waste management sector. We also explored waste sectors in Colombia and Indonesia with SPIRRe and the WASTE Foundation, respectively.

Funding for iWrc University helped develop digital training for waste workers and developed new insights on the intersection of informality and circularity with UNDP Labs, Circle Economy, Ashoka, and others. In circular services, we piloted social innovation projects with IKEA Netherlands and IKEA Taiwan

to develop inclusive circular service models alongside social enterprises. By year-end, we secured an agreement with RREUSE to map and assess the needs of their network of 1,000 social enterprises working in reuse, repair, and recycling within the furniture sector. We also maintained our involvement in the Dutch textile recycling enterprise i-did.

Engaging IKEA co-workers in our programmes remains a key part of our work. In FY24, 121 co-workers contributed across our accelerator programmes. Some of them brought their experience to other programmes, so in total, there were 182 opportunities to engage in our accelerator programmes.

We expanded our approach, offering participation in advisory groups in addition to individual

mentoring, allowing more co-workers from across the businesses to get involved in different ways.

Together with our partners, we shared stories and insights about social entrepreneurship, raising awareness and encouraging participation from IKEA businesses, other corporations, consumers, and stakeholders in the social economy.

Throughout the fiscal year, we took part in major events like the Social Enterprise World Forum, Euclid Summit, Latin America Impact Investing Forum (FLII), Impact Week, and events during the UN General Assembly week in New York City. These platforms allowed us to share our experiences and learn from others, in an effort to drive systemic change in society.



A fruit farmer partnering with Java Fresh in the Tasikmalaya Regency, West Java, Indonesia.

FY24 In figures

Social enterprises supported

104

Based in **21** countries around the world

80 In accelerator programmes

24 Through direct support and funds

By theme



29

Inclusive employment



20

Circularity



40

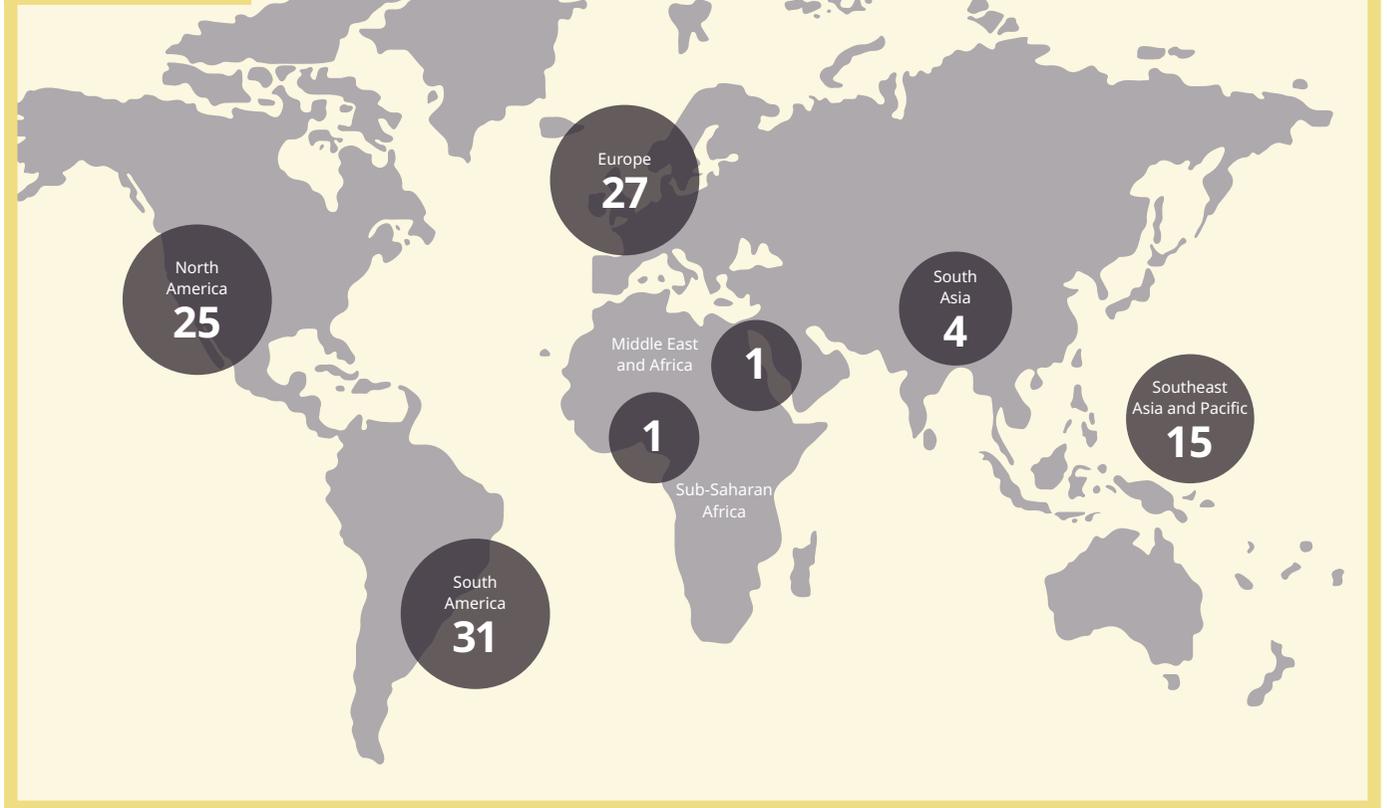
Agriculture and food



15

Other sectors

By geography



121

IKEA co-workers engaged in different roles with social entrepreneurs



11 social business partners providing 10,000 job and income opportunities in IKEA production, in 6 different countries: Bangladesh, India, Indonesia, Jordan, Thailand, Vietnam

ISEBV partner gathering – learning together

Our accelerator programmes wouldn't exist without the support of our incredible partners.

Their deep sector knowledge, local expertise, and networks make it possible to design, launch, and grow these programmes.

Building partnerships based on trust, co-creation, and constant learning is key to testing new ideas and increasing our impact.

Over the years, we've shared valuable lessons across programmes, but what if we brought all our partners together

for a deeper exchange of ideas and learning?

In June 2024, we made that happen during a sunny gathering in Älmhult, Sweden, the heart of IKEA. Teams from Ashoka, Biji-biji, NESSt, New Ventures, Instellar, and IKEA co-workers came together to explore the complexities of the global social enterprise ecosystem.

We had insightful group discussions and dove into specific topics, exchanging experiences and lessons from different regions and backgrounds.

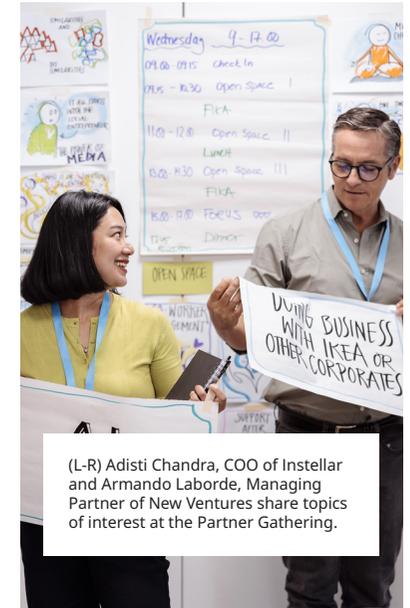
Here are some reflections from the participants:

“Our NESSt Central and East European and Latin American teams had an incredible opportunity to participate in the IKEA Social Entrepreneurship Partner Gathering [at the end of June in Älmhult, Sweden]. This event was a fantastic platform for sharing insights, exchanging ideas, and connecting with amazing partners who are as passionate about making a positive impact as we are.” – **Ioana Samoil, NESSt Romania**

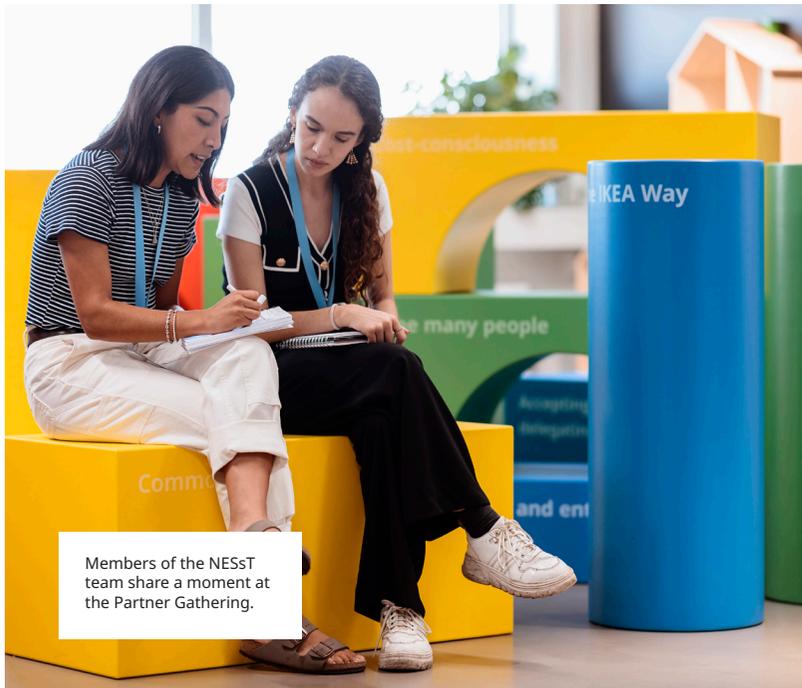
“It's not about who does what or who does it best. It's about how we see ourselves as part of a whole and how we develop and evolve to build each other's capacities to quit our 'second job' – impressing those next to us – and really working towards real impact, the community, and the environment. Overall, I couldn't be more grateful to work with such amazing partners and learn from everyone. As Armando Laborde said, we don't feel like just implementing partners in Mexico anymore; we feel like a team connected worldwide with these amazing partners.” – **Mariana Suárez de Lucio, New Ventures, Mexico**

“Navigating the social enterprise ecosystem is not merely about understanding its complexity but also about harnessing its potential for meaningful impact. While accelerator programmes strive to propel social enterprises towards growth, it's the holistic support encompassing different actors and entities that truly empowers them to thrive and sustain for the long term.” – **Biji-biji Initiative, Malaysia**

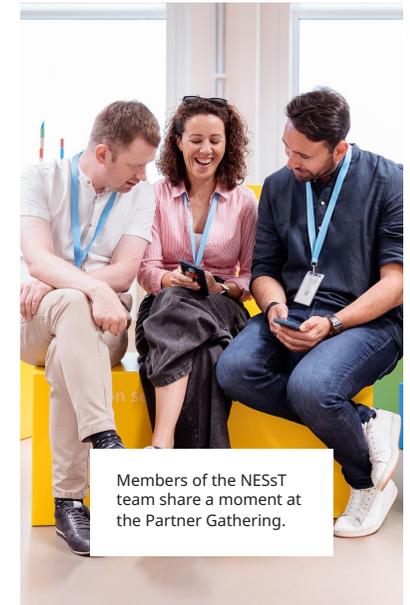
“I was very nervous about the open space setting, but when I saw that the teams split up to sit at different tables during the first session, I knew it was going to work!” – **Tina Molund, IKEA Social Entrepreneurship BV**



(L-R) Adisti Chandra, COO of Instellar and Armando Laborde, Managing Partner of New Ventures share topics of interest at the Partner Gathering.

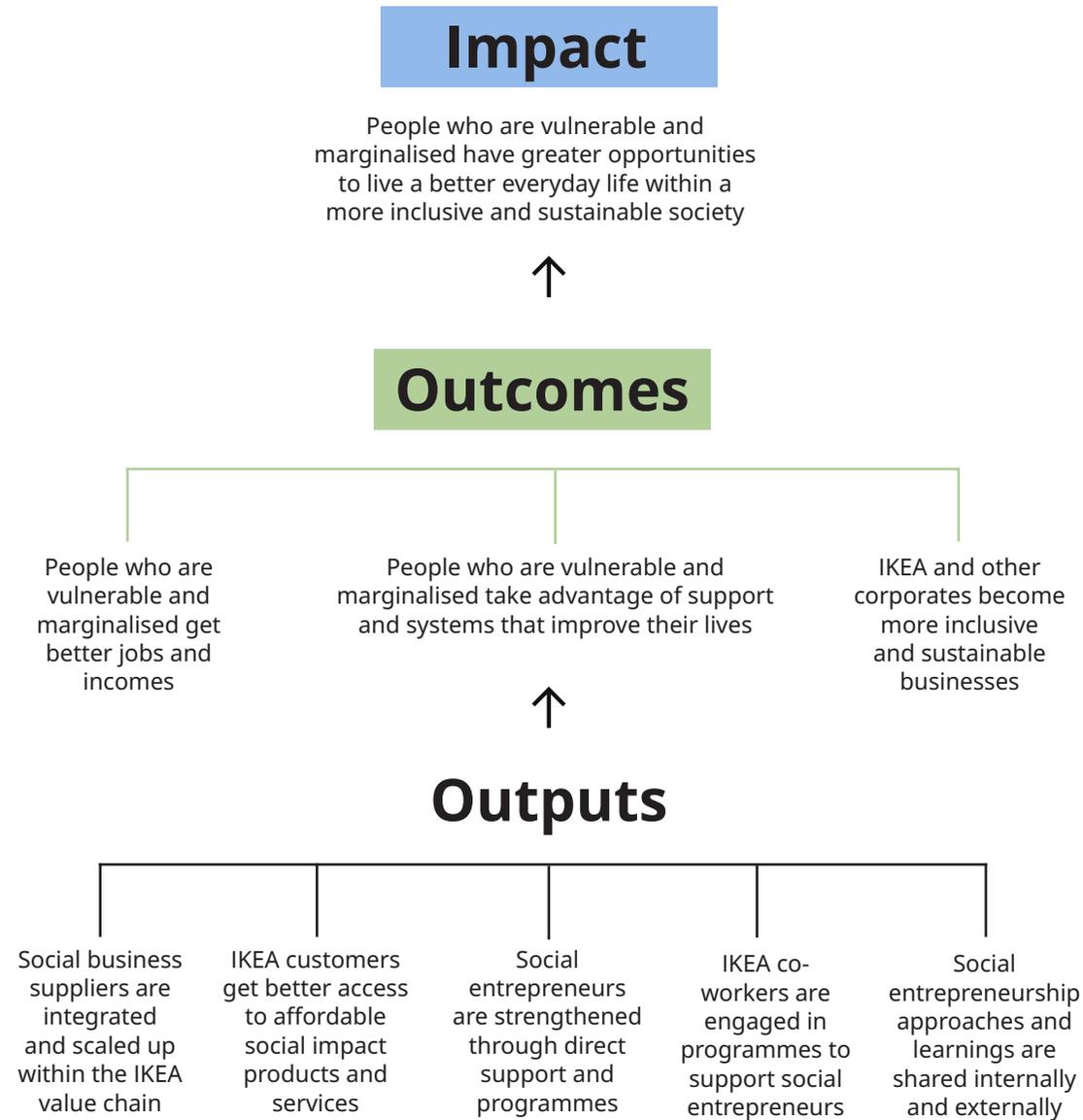


Members of the NESSt team share a moment at the Partner Gathering.



Members of the NESSt team share a moment at the Partner Gathering.

Theory of change



The main chapters of this report are organised according to the five outputs of our theory of change.

Our theory of change provides a common strategic framework for our work and guides our operations. It provides the basis for our strategy and planning, partner selection and programme design, co-worker engagement, research and communications, and performance monitoring and reporting.

Our theory of change defines our impact (goal), outcome (short and medium-term effects) and output (areas of work). Our overall target group is people from vulnerable and marginalised communities, and our social impact goal is to improve livelihoods and

contribute to a more inclusive and sustainable society. We contribute to this goal by supporting social entrepreneurs that provide jobs, income opportunities, and other support for their respective target groups.

We hope this makes it easy for readers to relate our ambitions to what we do.

The first and second chapters describe the work of ISE R&S with social business suppliers and social entrepreneurship products within the IKEA business. The third and fourth chapters cover the programmes and co-worker engagement funded and organised by ISEBV, while the fifth highlights the importance of external sharing of approaches and learnings.

Who are social entrepreneurs and enterprises?

Social entrepreneurs are individuals who employ innovative solutions to address social and environmental challenges. Social enterprises are organisations that use business models to drive social impact, regardless of their legal structure.

Together with our partners, we define selection criteria to identify which entrepreneurs to support, aligning with our impact objectives and local contexts. While we mostly work with impact-first social enterprises, we also support NGO-like organisations and “socially impactful enterprises” – profit-driven businesses with strong social goals.

Collaborating with social business suppliers

We partner with social businesses to design and develop products that complement the IKEA range.

This creates income opportunities for people often excluded from work while offering customers beautiful, unique, socially impactful products.

In May, we hosted our first-ever gathering of social business partners in Bangalore, India. This forum gave us and our partners a chance to share experiences, challenges, and opportunities. Partners showcased their products and capabilities to invited guests, helping us identify shared priorities and learn how to make our business even more impactful in the future.

This year, we recognised ROPE and Spun in India as formal IKEA suppliers. ROPE is now supplying products to the main IKEA product range alongside its contributions to our MÄVINN social business collection.

Our partner Classical Handmade Products in Bangladesh significantly increased its impact and turnover this year. They implemented 12 activities tied to our joint Theory of Change, benefiting employees and the local community. This included hiring people with disabilities, offering training and self-help groups, planting trees, providing health checks and vaccinations, supporting schools, and offering emergency aid to employees. They also installed solar panels, bringing the company halfway to net zero CO2 emissions. Over the next two years, they aim to reach net zero while also supporting employees and the community with solar-powered irrigation, streetlights, and car charging stations.

Despite external challenges this year, especially in transportation, which delayed our MÄVINN launch, we remain committed to creating positive social impact through steady, long-term growth alongside our partners.



A seamstress from Rangstrut, India.

FY24: social business suppliers in figures



11

Social business partners



10K

Social business job and income opportunities in IKEA production



17.1K

Social business job and income opportunities across all operations*

* IKEA social business partners also produce and supply products to other customers. We encourage them to diversify their customer base to reduce dependency on IKEA orders and create a strong business foundation.

ROPE turns waste into a better future

India produces 24.8 million tonnes of bananas annually – 22 percent of global supply – making it the top global producer.

Yet, many natural resources like banana bark, which can be converted into natural fibres, are often discarded as waste. ROPE saw an opportunity to transform these fibres into products, creating thousands of jobs across India.

ROPE began by organising manufacturing in the craft sector, a field often lacking safe and stable work opportunities. Today, it has built a sustainable business model that not only makes beautiful products but also provides inclusive employment. The collaboration with ROPE began in 2008, when the IKEA business team started exploring the potential of incorporating more natural fibres in IKEA products. Initially starting as a sub-supplier, in 2022 it became a formal IKEA social business partner.

ROPE's new factory in Tamil Nadu, a region known for firecracker factories with unsafe working conditions, was deliberately set up to offer safe, fair-paying jobs for female workers. Efforts have been made to build the capacity to handle large production volumes, improve efficiency, and enhance skills while keeping the production process handmade. Currently, 350 women work at the factory. The company plans to gradually diversify its product range and to employ 1,000 women by December 2024, with a target of over 2,000 by FY27.



An artisan from ROPE in India, handweaving natural fibres to make IKEA products.

Social business suppliers

FY24 social business partners and producers of IKEA products; launched or on-going between 1 September 2023 – 31 August 2024.

Name	Country	Collaboration commenced	Product scope	Social impact
Classical Handmade Products	Bangladesh	2020	Jute natural fibre products.	Jobs for women and people with disabilities in rural, vulnerable areas of Bangladesh.
Karupannya	Bangladesh	2023 approved social business. IKEA supplier since 2007.	Handmade rugs and natural fibre products.	Jobs for people in rural areas of Bangladesh, persons affected by flooding, disadvantaged youth and transgender persons.
Ramesh Flowers	India	2020 approved social business. IKEA supplier since 2002.	Handmade products from organic waste material.	Jobs for women in rural areas of Tuticorin, India.
Rangсутra	India	2013	Handwoven and hand-stitched textile products.	Jobs for women and youth from rural areas in Uttar Pradesh and Rajasthan, India.
ROPE	India	2024	Wicker and natural fibres.	Jobs and income opportunities in rural India, Tamil Nadu.
Spun	India	2020	Handwoven and hand and machine-stitched textile products.	Jobs for women in rural areas in India.
Aneka Coklat	Indonesia	2021	Chocolate bars made from locally sourced cocoa market-specific for Indonesia.	Incomes for smallholder farmers and women in vulnerable areas of Indonesia.
Du Anyam	Indonesia	2021	Handmade palm leaf products, market-specific for Indonesia, with ambition to scale for global collections.	Jobs for rural women in traditional weaving in a remote area of Indonesia.
Jordan River Foundation	Jordan	2017	Hand-stitched textile products.	Jobs for refugee women and women artisans in Jordan.
Doi Tung	Thailand	2012	Ceramics, handwoven textiles and handmade paper.	Jobs for people from Indigenous and tribal groups in northern Thailand.
Saitex	Vietnam	2020	Industrial production of upcycled and recycled textile products.	Jobs for people with disabilities and disadvantaged youth.

Co-creating IKEA social impact products and services

By combining local expertise and craft skills from social businesses with IKEA competences in design, product development and logistics, unique products and services come to life.

FY24 global product launches

January 2024

ÅKERNEJLIKA global products: cushion covers and throw from Rangсутra and Jordan River Foundation

1

April 2024

FRÖDD global products: home textiles and ceramics from Doi Tung, Spun and Saitex

2

September 2024

MÄVINN global social business collection: 17 products from Classical Handmade Products, Ramesh Flowers, Rangсутra, Spun and Jordan River Foundation

3

December 2024

MÄVINN global social business collection: 14 products from Jordan River Foundation, Doi Tung, Rangсутra, Classic Handicrafts, Ramesh and Spun

4



Second MÄVINN collection

In August 2024, we proudly unveiled the second MÄVINN collection, reinforcing our commitment to social entrepreneurship.

This collection, created in collaboration with artisans from five social enterprises in Bangladesh, India, and Jordan, celebrates traditional craftsmanship that transforms lives. Each of the 17 unique, handcrafted products tells a story of cultural heritage, creating jobs for people who need them most.

One of those artisans is Aarti, who joined social enterprise Rangсутra from her rural village in western India 15 years ago. Over time, Aarti mastered her craft through training and work experience. She also learned about supply processes and quality standards. Today, Aarti is a cluster manager overseeing 50 artisans. With her stable income, she has been able to save money, and her children now attend school regularly, breaking the cycle of poverty for future generations.

Inspired by the lively atmosphere of craft markets – the scents, the colours, and the vibrant handmade items – designers Maria Vinka and Paulin Machado

aimed to capture that feeling in the MÄVINN collection. The result is a vibrant collection of daily-use products made from locally sourced materials like jute and cotton that blend traditional craftsmanship with contemporary design.

Through collections like MÄVINN, we're proud to foster long-term collaborations that empower artisans and celebrate their skills. By providing sustainable livelihoods to those who craft each piece, we preserve age-old techniques and promote financial independence and community resilience.

As Maria and Paulin say, *“We hope that the products will make you look twice, but most of all, we want people to appreciate how the collection is created in collaboration with social businesses and skilled artisans – that there is a person behind every object.”*



Aarti, who joined social enterprise Rangсутra from her rural village in western India 15 years ago.



Artisans and friends from Classical Handmade Products, Bangladesh.

ÅTERSTÄLLA launch in Mexico

IKEA Mexico has continued its partnership with local social enterprise Básicos de México with the launch of the ÅTERSTÄLLA collection. Básicos de México follows fair trade principles, supporting small, family-owned workshops (maquilas) to ensure good working conditions and fair wages.

After participating in the second cohort of the Mexico Accelerator Programme, they partnered with IKEA Mexico and began delivering products in 2023. Their first collection, including aprons, napkins, tablecloths, and tortilla warmers, is still available in stores and exceeding sales expectations.

The aim is for ÅTERSTÄLLA to become a permanent collection that repurposes textile products destined for waste, creating locally produced versatile, functional, and fun items. This approach helps save water, reduce CO2 emissions, and prevent textile waste from ending up in landfills.

Each ÅTERSTÄLLA product is handcrafted by small, family-owned workshops (maquilas), supporting local economic growth and strengthening communities.



Supporting social entrepreneurs

Through our programmes and direct support, we provide capacity building and financial support to social enterprises that aim to have a lasting positive impact on people, society, and planet.

In the past year, the total number of social enterprises we supported through our programmes and direct support rebounded to 104 from 95 in FY23, mainly thanks to increased contributions to funds and grants. 80 social enterprises participated in accelerator programmes, while 24 received support through funds and direct grants. This brings the total number of enterprises we have supported since we started our work in FY19 to 208, reaching around 6 million people from vulnerable and marginalised groups.

In FY24, we provided EUR 6 million in grants and new loans, a 20 percent increase compared to FY23. This brings the total grants awarded since FY19 to almost EUR 25 million, and outstanding loans to nearly EUR 2 million by 31 August 2024. Our equity investments remained stable at EUR 0.8 million.

85 percent of enterprises in our accelerator programmes focus on one of our three main themes: renewable materials, inclusive employment, and circularity. Most participants were based in North America (primarily Mexico), South America, Europe, South Asia, and Southeast Asia. We also launched a new accelerator programme in Malaysia, further expanding our presence in Southeast Asia.

Overall, satisfaction levels among social enterprises in the programmes were consistently high. Regular monitoring and reporting shows that our programmes support the participating enterprises to scale. However, it's important to note that many internal and external factors can affect their progress. Some of the available evidence is reported in the accelerator programme highlights below.

To support alumni of our accelerator programmes to access funding, we've started launching tailored investment funds with local partners, such as the MAP fund with Viwala. We're also planning to pilot additional financial facilities and services in FY25 for companies that struggle to access funding.

Other updates this year include the addition of the Hello Accelerator in partnership with Ashoka, a new collaboration

with RREUSE, follow-up support to Saahas Zero Waste, and new direct grant support to iWrc and social business supplier Du Anyam. We've also started circular service collaborations with IKEA Netherlands and IKEA Taiwan, though it's too early to report progress. Our support for reNature ended as planned during the year.

Accelerator programmes are at the core of what we do. They are time-limited programmes providing capacity-building support and financial funding to cohorts of social enterprises, selected through a rigorous process.

Each programme is co-created with our partner organisations, with IKEA co-workers playing an active role as mentors and Thought Partners.

We continue to refine our accelerator programmes as we learn, to better serve the needs of the supported social enterprises.

They become more tailor-made with better selection processes, personalised support, leadership development, a sharper focus on measuring and managing social impact, and more connections to the wider ecosystem.

ISEBV programme funding

EUR million

	Actual FY23	Actual FY24
Grants	4.6	5.3
New loans	0.4	0.7
New equity investments	0	0
Programme funding	5.0	6.0
Key figures		
Accumulated grant spending as from FY19	19.2	24.5
Balance sheet value loans, by 31 August	1.2	1.9
Balance sheet value equity investments, by 31 August	0.8	0.8

Programmes and direct support

FY24 programmes and direct support; launched, on-going or completed between 1 September 2023 – 31 August 2024.

Accelerator programmes

Time-limited programmes providing capacity building support and some financial funding to cohorts of social entrepreneurs selected based on specific criteria.

Programme	Geography	Timing	Participants during FY24	Description
Dela, Ashoka	Global	2019-2025	12 social entrepreneurs	One year programme focused on developing and testing social entrepreneurs' systems change strategies. Participating social entrepreneurs receive support from IKEA co-workers and other experts.
I-SEA, Instellar	Indonesia	2021-2026	10 social enterprises	One year tailor-made accelerator programme aiming to develop the business and impact of social enterprises. Programme implemented in close collaboration with IKEA organisations in Indonesia that support with co-worker engagement.
MAP, New Ventures	Mexico	2020-2025	20 social enterprises	One year tailor-made accelerator programme aiming to develop the business and impact of social enterprises. Programme implemented in close collaboration with IKEA organisations in Mexico that support with co-worker engagement.
NESsT, Poland and Romania	Poland Romania	2021-2024	8 social enterprises	Tailor-made accelerator programme aiming to develop the business and impact of social enterprises over a three-year period on average. Programme implemented in close collaboration with IKEA organisations in Poland and Romania that support with co-worker engagement.
NESsT, South America	Brazil Chile Colombia Peru	2020-2026	26 social enterprises	Tailor-made accelerator programme aiming to develop the business and impact of social enterprises over a three-year period on average. Programme implemented in close collaboration with IKEA Chile and Colombia that support with co-worker engagement.
SEAM, Biji-biji	Malaysia	2024-2027	10 social enterprises starting in FY25	One year tailor-made accelerator aiming to develop the business and impact of social enterprises. Programme implemented in close collaboration with IKEA organisations in Malaysia that support with co-worker engagement.

Fund investments

Funds managed by partners that provide primarily financial support to social enterprises.

Programme	Geography	Timing	Participants during FY24	Description
NESsT Refugee Employment Initiative	Poland Romania	2022-2028	11 social enterprises	Investment fund with capacity building support aiming to address the urgent need of livelihood opportunities for refugees and migrants in Poland and Romania.
Take-a-stake Fund	India	2022-2025	2 social enterprises	Pilot for establishing an investment fund to support social enterprises in the WASH and waste sector in India and East Africa, together with Yunus Social Business, WASTE Foundation and Sida.
MAP Fund	Mexico	2023-2029	3 social enterprises	Tailor-made debt financing vehicle for the purpose of financing the needs of the social enterprises that successfully complete the New Ventures accelerator.
NESsT South America Fund	Chile, Colombia and Peru	2023-2027	2 social enterprises	Description: Debt financing vehicle to offer concessional loans to the participants of the NESsT South America programme.

Direct investments

Direct loan and equity investments in social enterprises.

Programme	Geography	Timing	Participants during FY24	Description
i-did	Netherlands	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	Sweden	2021	1 social enterprise	Equity investment in social enterprise that provides tropical weather forecasts to smallholder farmers.

Direct grant support

Direct grant support to social entrepreneurs.

Programme	Geography	Timing	Participants during FY24	Description
iWrc University	Brazil	2023-2025	1 social enterprise	Grant support to development of digital learning platform that offers training in social, environmental, and management issues to waste workers.
reNature RREP	Brazil	2023-2024	Local cooperatives	Grant support to piloting of a Regional Regenerative Entrepreneurship Program in Brazil, which aims to create an ecosystem for local entrepreneurship to drive investment in regenerative agroforestry. The programme is closed.
Saahas Zero Waste	India	2021-2027	3 micro-enterprises	Grant support to pilot project to find scalable solutions to improve the waste sector by creating microenterprises for social inclusion. The pilot is closed but has been followed up by a project focused on ecosystem development.

Du Anyam	Indonesia	2023-2025	1 social enterprise	Grant support to an IKEA social business supplier, to further develop its operational capacity and fulfil the requirements to become an IKEA global supplier.
Krakakoa	Indonesia	2021-2025	1 social enterprise	Grant support to an IKEA social business supplier, aiming to support Rainforest Alliance certification for cocoa growing farmers.

Social innovation

Development of innovative concepts that aim to integrate positive social impact into the IKEA value chain, in collaboration with the IKEA business, social entrepreneurs and partners.

Programme	Geography	Timing	Participants during FY24	Description
Hello Accelerator	Europe Latin America	2024-2026	N/A	Ecosystem accelerator aiming to build collaborative projects between social entrepreneurs and other stakeholders within the migration field.
RREUSE	Europe	2024-2026	N/A	Pilot programme focused on mapping the support needs and good practices within circularity for furniture and mattresses of the 1,000+ social enterprises in the RREUSE network.
IKEA Netherlands circular pilot	Netherlands	2023-2025	N/A	Development of circular services for IKEA Netherlands in partnership with local social enterprises.
IKEA Taiwan	Taiwan	2023-2025	N/A	Development of circular services for IKEA Taiwan in partnership with local social enterprises.

Development programmes

Programme	Geography	Timing	Participants during FY24	Description
Illuminating ASM, Pact	Rwanda	2023-2025	N/A	Improve working conditions and increasing the livelihood of existing Artisanal and Small-scale Mining ("ASM") livelihoods as well as generating new livelihood opportunities in ASM communities.
SPIRRe, Ocean Conservancy	Colombia	2024-2026	26 waste cooperatives	Strengthening waste cooperatives in Colombia and enhancing the collection of low-value plastics.
WWF	Mexico (Oaxaca)	2020-2025	13 community conservation enterprises	Support local small-holder producers and their organisations to improve agricultural practices, governance, and gaining market access.

Accelerator programme highlights

Dela with Ashoka

The fourth edition of the Dela programme wrapped up in FY24, with twelve social entrepreneurs refining their systems change strategies and testing new ideas supported by IKEA co-workers and mentors, including participants from the IKEA Next Generation Leaders Programme, and other experts.

Dela IV received high praise, with participants rating it 8.5 out of 10, equivalent to a Net Promoter Score of 50. The entrepreneurs reported greater progress on systems change strategies and impact than previous cohorts, possibly because many were newer to systems change and benefitted more from the intensive support.

A new addition to the partnership with Ashoka was the organisation of learning circles. Together with the social entrepreneurs, United Nations Development Programme (UNDP) Accelerator Labs Network, Circle Economy and other stakeholders the circles explored the intersection between circularity and informality (the outcomes are discussed in Chapter 5). IKEA co-workers were also invited to follow Ashoka's Future of Business courses starting in autumn and spring.

Dela V also launched in FY24, focusing on Equality, Diversity, and Inclusion (EDI) for the first time, with the support of IKEA EDI teams and the IKEA Next Generation Leaders Programme.



What happens to the Dela participants after the programme?

The real effects of an accelerator programme can usually only be seen some time after it ends. Two years after Dela II, which ran between October 2020 and November 2021, Ashoka went back to its participants to hear about their progress and the impact of Dela on their work and life. The report shows a resounding commitment of the social entrepreneurs to pursue their systems change strategies. Most have followed the strategies devised during Dela and are yielding expected or actual results beyond their initial expectations. In terms of challenges, several social entrepreneurs felt pressure on their teams from increasing demands for their products/services/support from different actors in their ecosystems. Lack of funding was also a common topic, which impacted their ability to hire the right talent and ensure sustainable growth.

Source: Ashoka, Dela II 2-Year Later Report

"I had no clear system change strategy before I joined Dela. Before Dela, we used to do everything by ourselves to have small direct impacts. After Dela, we are now creating ecosystems and engaging other actors in the pursuit of our targeted goal."

– Evariste Aohoui, Founder of Electronic Waste Africa

"I have learned new perspectives, finding new ways of contributing by participating in unfamiliar discussions. It has led to so many learnings and personally I found a lot of motivation to develop myself."

– Takeshi Murai, thought partner in the Dela programme

Accelerator programme highlights

Indonesia Social Enterprise Accelerator with Instellar

In FY24, we wrapped up the first cohort of the I-SEA programme and launched a new cohort welcoming ten enterprises focusing on regenerative agriculture and the circular economy. Building on the success and feedback from the first programme, we reduced the programme duration from two years to one, with a more flexible, tailored approach.

We have also added leadership development, financial literacy, B Corp certification support,

and social impact management and measurement as learning components.

Participants praised the programme as “very good”, “useful”, “relevant” and “comprehensive”, and appreciated the support from IKEA mentors, who provided strategic input from the perspective of a large-scale company, although the matchmaking could be improved in some cases.



Luh Suari, a grape farmer from Banjar Banyu Buah Village in Bali using the PasarMIKRO platform.

PasarMIKRO leverages technology to drive positive change in the Indonesian agricultural sector

Smallholder farmers in Indonesia face many critical challenges within the agri-food supply chain, such as fragmented smallholder structures, cash-centric transactions, limited liquidity access, and a need for more transparency around payments.

I-SEA II participant PasarMIKRO has developed an innovative solution to tackle these issues – a proprietary mobile application and digital trading platform redefining how farmers and agri-food traders operate. The app serves as a trading marketplace, a bookkeeping tool, and a trade finance platform for traders. Moreover, it includes a dedicated payment app tailored to the needs of smallholder farmers.

Within the programme, the company has so far received support for social impact, financial literacy, and B Corp certification assistance, among other areas. In parallel, the business is expanding, with the volume of transactions on the platform multiplying in a short time and the development of several collaborations. This includes an exploration with fellow I-SEA II participant Conservana on ideas to continue finding solutions to support and advance the agricultural sector in Indonesia, specifically for the farming communities producing vanilla, coffee, chocolate, lemongrass, beeswax and frangipani in the Bali area.

Accelerator programme highlights

Mexico Accelerator Programme with New Ventures

The third cohort of our Mexican Accelerator programme (MAP III) concluded in February, with ten social enterprises participating the closing event. Two enterprises, however, exited early due to internal challenges.

External evaluators continued to follow the programme using a developmental evaluation approach. The evaluators noted high satisfaction rates among the MAP III participants and highlighted the programme's contribution to their business development and social impact. To further improve the programmes, recommendations included better integration of

programme components, more focus on refining social impact models, and greater clarity about the role of IKEA co-workers as mentors.

As we kicked off MAP IV with 12 new social enterprises, we introduced new features based on previous learnings, such as "lead mentors" (external mentors from New Venture's network) who offer consistent guidance from start to finish, alongside IKEA mentors. For the first time, closing and new cohorts met during the same week, allowing for valuable knowledge sharing between the groups.



IKEA co-workers and social entrepreneurs participating in the Mexico Accelerator Programme with New Ventures.

Postales de Café is impacting communities with coffee and creativity

Postales de Café is a coffee roaster on a mission to revolutionise the coffee industry "del campo a la taza" – from the field to your cup. By vertically integrating the coffee production chain, the company creates a pathway for local Mexican coffee producers to sell their products. The company buys coffee beans directly from Finca Hamburgo, a farm located in Chiapas that brings together 100 families that have produced coffee for over 135 years. In addition to coffee production, Postales de Café supports the communities' economic development through conservation projects, ecological tourism, boutique hotels, coffee tours and restaurants.

Through the programme, the company was able to develop their theory of change, define impact goals and targets, and develop a comprehensive measurement tool with indicators to track their impact. Armed with this deeper understanding and guided by their programme mentors, the company envisioned ways of increasing their impact by spreading their model.

In this spirit, Postales de Café recently opened the Histórico Café y Tostador in San Cristóbal de las Casas, which offers specialty coffee, workshops, courses, and training. It also hosts the Finca Hamburgo Coffee Institute, serving as a bridge between producers and consumers to foster a more sustainable coffee industry through education and research.



Miranda Edelmann, Founder of Postales de Café in the newly built Histórico Café y Tostador in San Cristóbal de las Casas, Mexico.

"Through the programme, we created the Finca Hamburgo Coffee Institute, so we can impact even more coffee producers by sharing our cultivation experience and innovations. Our mission became even clearer: to improve coffee production and the quality of life of producers."

– Miranda Edelmann, Founder of Postales de Café

Accelerator programme highlights

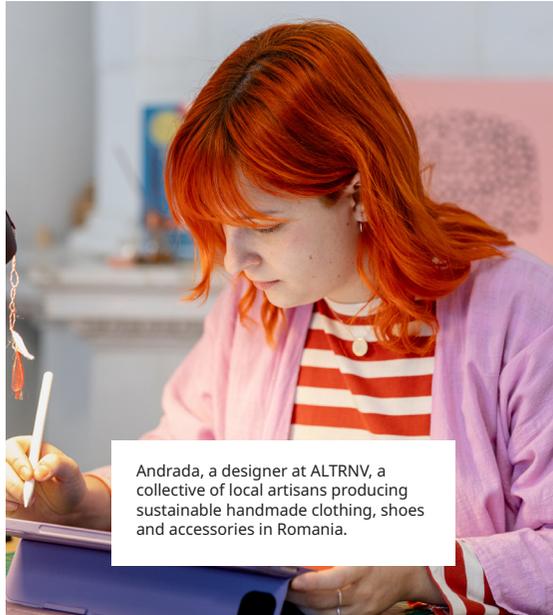
Poland and Romania Accelerator Programme with NESsT

Launched in 2021, our Poland and Romania programme concluded in August 2024. It supported eight social enterprises to create over 1,700 formal jobs, providing security and stability. While two enterprises closed due to financial difficulties, the majority made significant progress, refining their business models and scaling operations.

The programme provided tailor-made technical assistance, business advice, market access support, and financing, enabling the participating entrepreneurs to scale their businesses and amplify their positive impact.

IKEA organisations in Poland and Romania supported the programme with 49 co-workers from across the region and beyond, providing mentorship, hosting masterclasses, and serving as advisory board members.

Going forward, the programme will be merged with the Refugee Employment Initiative – also implemented by NESsT in the same countries – to support 15 social enterprises at any given time with business development and financial support.



Andrada, a designer at ALTRNV, a collective of local artisans producing sustainable handmade clothing, shoes and accessories in Romania.



(L-R) Heca founders Emilia Garska, Maksymilian Flemming, and Paulina Kremer in front of Jasna – their newly renovated coffee shop.

Progress among social enterprises in Poland and Romania

During the programme, the eight social enterprises reportedly made progress in scaling their business and impact.

ALTRNTV Lifestyle expanded its business lines and refined its marketing strategy and positioning, leading to significant growth.

By focusing on financial planning and optimisation, along with marketing and retention strategy, Helyenvalo connected eco-friendly farmers with new channels to sell their fresh products.

ROMO enhanced its social impact measurement and navigated the legal framework to bolster its operations.

Atelierul de Panza opened new business lines and strengthened its marketing efforts, driving business growth.

At the same time, Targ Pietruszkowy improved its governance, overall strategy, and online sales platform, leading to substantial expansion.

These enterprises, along with Studio M6, Heca, and Arte, have strengthened their business models and positioned themselves for future growth and continued social impact.

“During the accelerator programme, we connected, engaged, and learned from many deeply committed individuals whose values align with our mission. Their insights and perspectives have been invaluable to us, and they will continue to shape the way we refine and rethink what we do.”

– Maksymilian Flemming, CEO of Heca Cooperative

Accelerator programme highlights

South America Accelerator Programme with NESsT

During FY24, the programme entered a second and expanded phase. Five enterprises graduated from the programme and nine new ones joined.

Over the next three years, 22 social enterprises will at any given time receive business development support and access to capital.

During the first phase, the

supported social enterprises created or sustained around 1,000 formal jobs per year paying on average 150 percent of the minimum wage.

The participants' economic results were positive, with 13 out of 17 social enterprises reaching breakeven by the third quarter of 2023 with an average revenue increase of 174 percent compared to 2020.

The design of the next phase integrated key learnings to date, including increasing our support in Colombia, where the IKEA retail business is expanding, bringing together the participating enterprises regularly to stimulate peer learning.



Wilder Mahecha, a smallholder farmer in Caquetá, Colombia who works with Agrosolidaria, a NESsT South America participant. Agrosolidaria produces and sells agricultural and cosmetic products made from sustainably cultivated Amazonia plants.

Lazarillo empowers individuals with visual impairments

Lazarillo has been successful in testing its solution and has almost 400,000 active users across 55 countries and support for 30 languages. The organisation provides the "Lazarillo App", a software product designed to particularly empower individuals with visual impairments, offering support for navigating various spaces, both indoors and outdoors, as well as accessing online resources.

Through the programme, Lazarillo received financial support to invest in stronger day-to-day operations and improve their sales efforts. The company improved its financial management, pricing and connections with potential clients. The programme also helped to connect the Lazarillo to IKEA Chile to pilot its solution in IKEA stores.

"In short, what the programme helped us with was to put us in contact with thematic experts to solve specific issues."

– Jonathan Taivo, Co-founder of Lazarillo.



Lazarillo enables people like Alejandro Arellano (pictured) to better navigate indoor and outdoor spaces and to access online resources.

Accelerator programme highlights

SEAM with Biji-Biji Initiative

Together with Biji-biji Initiative, and with the support of the IKEA organisations in Malaysia, we co-created SEAM (Social Enterprise Accelerator Malaysia) to foster innovative and sustainable solutions that prioritise social impact.

This three-year partnership will support two cohorts of ten social enterprises, offering tailored business development and mentoring from at least 20 IKEA co-workers. The programme was launched in May 2024 with an open call. A diverse cohort of ten social enterprises spread across five states (Klang Valley, Selangor,

Penang, Perak and Sabah) and in various stages of maturity were selected.

Notably, seven of the enterprises were led by women. The programme includes a strong ecosystem-building component, working collaboratively with other actors in the social enterprise sector.

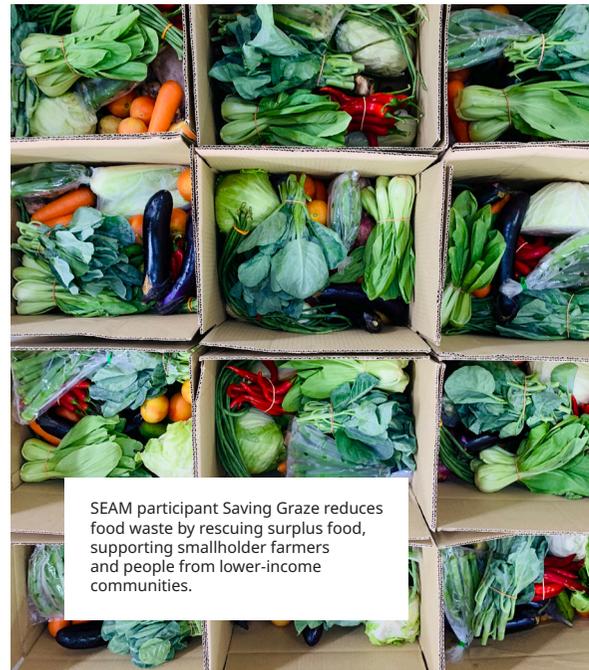
The programme is the first to have an external advisory group with representatives from government and other actors, to ensure alignment with other social enterprise sector initiatives.



Participants of SEAM celebrate the programme launch in Malaysia.



SEAM participants showcase their products to IKEA co-workers at IKEA Cheras in Kuala Lumpur, Malaysia.



SEAM participant Saving Graze reduces food waste by rescuing surplus food, supporting smallholder farmers and people from lower-income communities.



An artisan creating authentic Malaysian batik at the Batik Boutique, a SEAM participant. The process is a labour of love, requiring skillful hands and meticulous attention to detail.

Investment highlights

Tailored investments fund empower social enterprises

After participation in our accelerator programmes, we believe that social enterprises are better prepared to grow their business and scale their impact. However, many still face challenges when it comes to securing the right funding for their growth plans.

This funding gap can arise for several reasons: the enterprises may not yet be mature enough to attract investors, they might struggle to prepare the documentation investors typically require, or they may not have the necessary networks to connect with suitable investors.

To address this issue, we are making improvements to our programmes and adding new components. In some, we've introduced a transactional service to help social enterprises get ready for fundraising. We've also partnered with local organisations to launch tailored investment funds, such as the MAP Fund with Viwala, which offers loans to businesses struggling to find funding opportunities. Additionally, we've developed our impact investing approach to continue supporting social enterprises with direct investments after they leave our accelerator programmes.



Traditional crafting methods kept alive by Indigenous artisans and KipTik.



An informal waste collection depot in India.

Take-a-stake waste fund with Yunus Social Business

We piloted a new fund in collaboration with the Waste Foundation (funded by Sida) and Yunus Social Business, our implementing partner and fund manager. This fund focuses on the waste sector in India and aims to bridge the funding gap for social enterprises. The goal of the pilot is to validate this gap, develop a sustainable operating model, and build a strong track

record to launch a much larger fund in the future.

So far, two social enterprises – Carbon Masters and Megaliter Varuna – have received loans through the fund and have since expanded their operations. By the end of FY24, six more social enterprises were in the process of undergoing due diligence.

MAP Fund with Viwala

Launched in FY23, the MAP Fund was designed to fill a critical financing gap for micro, small, and medium-sized enterprises (MSMEs) in Mexico. Building on our Mexico Accelerator Programme with New Ventures, the fund introduced a blended finance structure to help high-potential social enterprises access the financial support they need. Three former MAP accelerator participants – Homely, Ensembles, and KipTik – received investments from the fund during the year. However, this was fewer than expected, suggesting the loan conditions weren't attractive enough for the enterprises.

After reviewing the first year's results, we renegotiated our agreement with Viwala to offer more favourable terms.



The coffee lab at Ensembles, a social enterprise that selects, roasts and evaluates eco-friendly coffee that respects farmers' cultural traditions.

Investment highlights

Refugee Employment Initiative with NESsT

Led by our partner, NESsT, and co-funded by Cisco Foundation, our Refugee Employment Initiative continued in FY24.

This programme supports socially inclusive businesses in Poland and Romania, which are home to large numbers of refugees and migrants from Ukraine and other countries. The goal is to create job opportunities for displaced people in the region. 11 enterprises have so far participated in the programme, providing training to 4,694 people and creating around 1,900 jobs for people from vulnerable groups – 815 of which went to refugees who earned, on average, 158 percent more than the minimum wage.

However, the participating enterprises faced challenges during the year due to the IT sector's slowdown and rising raw material costs, leading to mixed business performance. Despite these hurdles, we saw substantial improvements in early 2024.

The programme's focus on larger businesses than the accelerator in the region



Anastasiia, who left Ukraine for Poland due to the war, has found work thanks to culinary training at Olsztyn Food Bank.

allowed us to create more jobs, though this also meant the due diligence process was longer and more complex. Many of these companies had social ambitions but required more support to identify and secure their social impact projects.

Going forward, the Refugee Employment Initiative will be merged with the Poland and Romania Accelerator Programme to streamline operations.

Testimonials from portfolio enterprise participants

When Ukraine was invaded, Alla had to leave her home behind and seek refuge in Poland. Upon arrival, she found work at The Being Together Bistro, a social enterprise run by The Being Together Foundation, where she served thousands of meals to fellow refugees fleeing the war. Back in Ukraine, Alla had been a nurse, and thanks to the foundation's job placement services, she was able to resume her career by securing a nursing position at a hospital in Poland.

"Box Elyte is like a family. Sure, people come and go, but its foundation remains strong. Here, we work alongside a team of people we trust, which is essential. From the moment we arrived, we were struck by the hospitality. The people here are so kind-hearted, and they showed such empathy toward us. It was touching how warmly they welcomed us." – **Ludmila and Anatolyi, Ukrainian couple working at Box Elyte**

"I found my dream job thanks to the Mamo Pracuj Foundation. I now work in the IT department of one of the largest airlines in Europe. As an application support analyst, I support pilots and aircraft crew with the software tools they use daily." – **Job seeker from Ukraine who participated in the Mamo Pracuj Foundation Work in Tech program**



(L-R) Ludmila and Anatolyi are a Ukrainian couple who sought safety in Romania following Russia's invasion of Ukraine in February 2022. They both secured a job at Box Elyte, a Refugee Employment Initiative enterprise, where they have worked for two years.

Investment highlights

Exploring the plastic recycling value chain in India with Saahas Zero waste

In India, IKEA Social Entrepreneurship partnered with Saahas Zero Waste to pilot a project aimed at transforming India's informal waste sector by creating scalable waste management solutions.

The project, which ran from September 2021 to March 2024, established three plastic recovery facilities for rigid plastics in Bangalore, Chennai, and Udipi. The key objectives of the project were to:

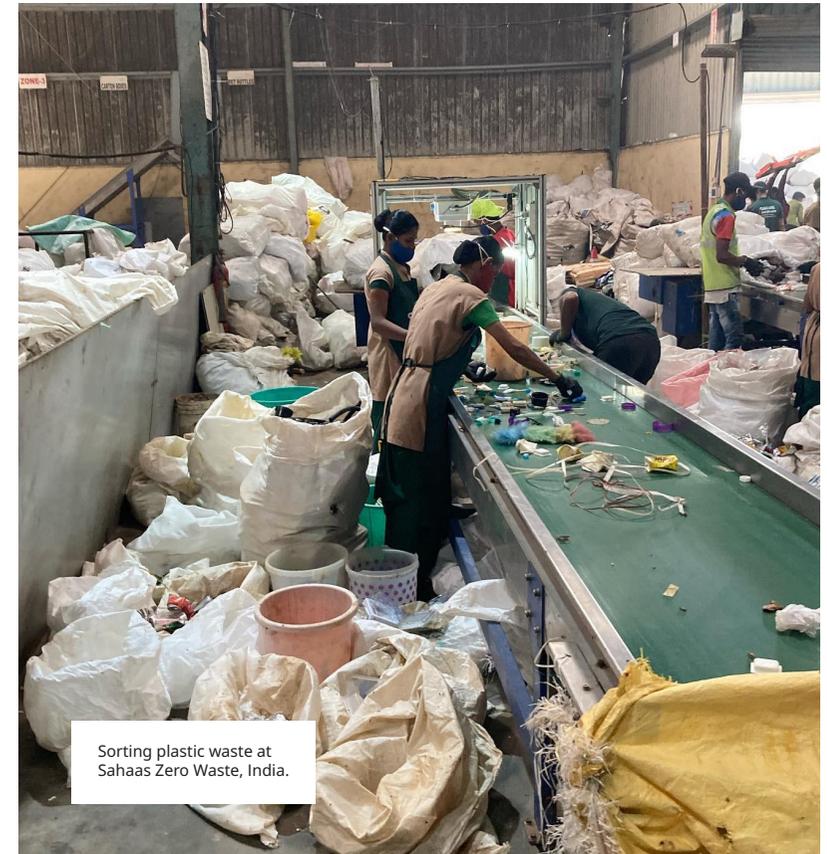
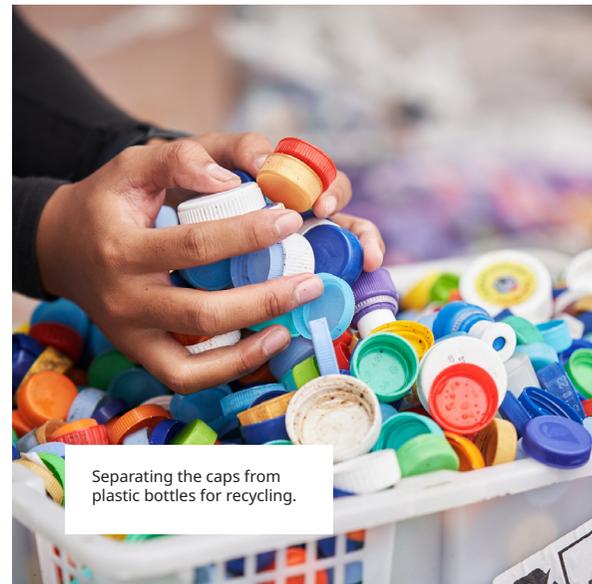
- Promote social inclusion by formalising plastic recovery facilities with compliant systems and processes.
- Implement a sustainable business model for pre-processing post-consumer rigid plastic waste.
- Maximise resource recovery to ensure environmental benefits.

This pilot helped gain insights into the supply chain for plastic. It also helped to identify the challenges faced by entrepreneurs while operating plastic recovery facilities in an ethical supply chain, with environmental and social compliance. These challenges included:

- **Manpower:** Entrepreneurs need support in setting up production facilities as they also need to manage compliance and limited access to capital. Workers need help transitioning from informal to formal employment.
- **Machinery:** The available machinery is often inadequate or lacking necessary functionality.
- **Low-value plastic:** There's a need to establish value chains for different plastic types while dealing with inconsistent demand and supply.

- **Equitable pricing:** Prices are often dictated by downstream recyclers and low prices for virgin plastic, impacting business viability.
- **Public sector engagement:** A dedicated approach is needed for greater involvement from local governments to secure land, infrastructure, and support for local recycling solutions.

Building on these learnings, we launched a new programme with Saahas in April 2024. This initiative takes a holistic, ecosystem-wide approach to establishing a complete value chain for low-value plastic, with a focus on equitable distribution of benefits and investment in waste management infrastructure.



Co-worker engagement

We believe that the unique skills and knowledge of IKEA co-workers can add significant value to the social entrepreneurs we support.

In turn, co-workers gain a deeper understanding of global social issues and learn how they can contribute to making a positive impact.

In FY24, 121 IKEA co-workers across 23 countries took part in **182 co-worker engagements opportunities** within our accelerator programmes. We increasingly matched co-workers from the same regions as the social entrepreneurs, allowing for more locally relevant mentoring.

This also helped integrate the programmes into local IKEA organisations. Beyond one-on-one mentoring, we've introduced new ways to engage, such as participation in advisory groups. The role of the advisory group is to be a sounding board to the programme team.

A key development was the introduction of the Thought Partner role. Senior IKEA business leaders provide strategic advice to social entrepreneurs, supporting them to refine their

business plans. Additionally, our internal certified IKEA coaches have started offering their skills to mentor social entrepreneurs, further enriching their growth journeys.

The collaboration with the IKEA Next Generation Leaders programme continued to be successful. This initiative pairs senior co-workers with emerging leaders under the age of 35. The cross-generational mentoring has proven beneficial for both parties.

"Being involved in social entrepreneurship really highlighted how important sustainable practices are and showed me how business can make a real, positive difference. I learned that social impact goes beyond financial success; it's about creating solutions that improve communities and human life." – **Fanny Selling, IKEA Next Generation Leaders Programme**



(L-R) Dela IV participant Anna Oposa, founder of Save Philippines Sea, and her IKEA Thought Partner, Martin Otahel.

The Future of Business course continued to be popular with two courses during FY24. 120 IKEA co-workers completed the courses, which is a high number for an online course. Many co-workers also shared positive stories about their experiences, reflecting the course's relevance.

"I participated in Ashoka's Future of Business course. It taught me to step back and look at the bigger picture, instead of getting stuck with problems that are immediately in front of me. It also taught me how to ask better questions at work, which has been helpful." – **Christina Enocson, Retail Equipment Manager**



(L-R) IKEA co-worker Christina Enocson and Rafael Rincón, founder of Fundación Gastronomía Social at the Dela Summit.

Developing the role of IKEA co-workers in Mexico

In the Mexico Accelerator Programme, IKEA co-workers could engage with social entrepreneurs as senior business advisors (Thought Partners), group session facilitators, technical subject matter support, or coaches within leadership and team development. This support was appreciated by the social entrepreneurs in cohort III, who stated that Thought Partners provided connections, relevant advice, challenging assumptions, inspiring conversations, and valuable feedback on aspects such as corporate values, procurement, business model, leadership, organisational structure, and communications. However, some entrepreneurs mentioned that the distance between the corporate and social enterprises worlds, as well as the lack of contextual knowledge, was a constraint to having a more productive and meaningful conversation.

Based on the learnings, for cohort IV we made changes to enhance the support to the social enterprises. Going forward, an external mentor (lead mentor) is paired with the IKEA Thought Partner to establish an acceleration goal together with the entrepreneur and guide them through their scalability challenges. The lead mentor has hands-on sector knowledge, while the IKEA Thought Partner enriches the support with their corporate knowledge and leadership skills.

"I think the match is extremely important, a topic within my area of influence. That increases the possibilities to support and contribute to the enterprises."

– **IKEA Thought Partner**

Sector collaborations: Research

We aim to be a thought-leader in the field of social entrepreneurship by sharing approaches and learnings within IKEA and externally. Leading by example, we hope to inspire other corporates, social entrepreneurs, investors, and the community to contribute to the sector.

Research exploring circularity and informality

As part of our partnership with Ashoka, we joined forces with the United Nations Development Programme (UNDP) Accelerator Labs Network and Circle Economy to explore the intersection between circularity and informality together with social entrepreneurs and IKEA co-workers. The report is based on the outcomes of a series of learning circles that brought together social entrepreneurs and other diverse stakeholders. It produced valuable insights about the intersection of the circular economy and the informal economy.

The report shows how important it is to overcome the stigma associated with informality and respect the significance, identity and knowledge of the informal sector. There is a need for nuance when approaching formalisation; processes of formalisation can be empowering but may also

exacerbate issues for workers' when not approached in ways that safeguard their livelihoods and rights. The report ends with a set of questions that can guide future dialogue and action on the topic.

Read the report →

Mapping waste management in Indonesia

The social aspects and organisational structure of waste management systems are highly context specific. This scoping study produced by the WASTE Foundation focuses on waste management in Indonesia with a focus on the plastic sector in East Java. The aim is to understand the local context and identify areas of potential intervention through social entrepreneurship.

The report shows that the whole plastic waste value chain needs to be improved to ensure a better

recovery of recyclables and to ensure inclusive, transparent and circular long-term supply chains. The informal sector is not recognised nor valued for their work and have no opportunities to be integrated in formal systems. The report's main recommendation is to develop the enabling environment for enterprises in the plastic waste sector and to support them to start, professionalise, and scale.

Read the report →

Theories of change in reality

Theories of change are frequently used within the social impact sector and beyond to articulate how an intervention is intended to bring about desired change. But how often do we as practitioners critically reflect on the strengths and limitations of the approach and how it can be applied in different contexts? This is the ambition of a book, which we sponsored to allow it to be available as Open Access.

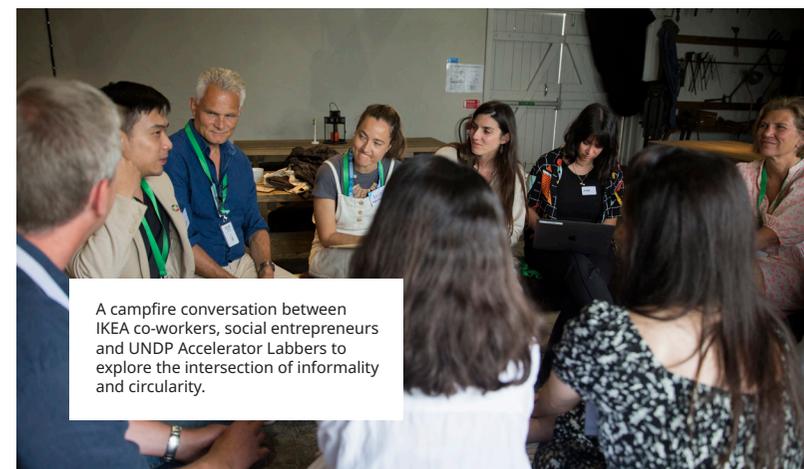
The book brings together nearly 30 leading experts to each provide a short essay that provides insightful reading on the past, present and future of theories of change.

One main take-away of the book is to be conscious about what we are using theory of change for. There are several choices to make. Perhaps the main issue to be aware of is that we tend to place ourselves, our organisation, or intervention at the centre and focus on how we contribute to social change. In reality, the world is complex, and many factors can influence the growth of a social enterprise. We often exclude these other factors from the theory of change, thus overplaying the intervention and excluding the influence of the wider system. This points to the need to more clearly adopt a systems perspective when working with social impact.

Read the report →



Informal artisans in Kenya with their handmade products. Their handicrafts are sold through the Powered by People platform, a social enterprise that participated in the Dela IV programme.



A campfire conversation between IKEA co-workers, social entrepreneurs and UNDP Accelerator Labbers to explore the intersection of informality and circularity.

Sector collaborations: Advocacy

In the past year, we significantly ramped up our advocacy, with a commitment to driving systems change through various influential platforms and events.

In January we signed the Rise Ahead Pledge, spearheaded by the Schwab Foundation's Global Alliance for Social Entrepreneurship in partnership with the World Economic Forum. This shows our commitment towards increasing investments in social innovation and entrepreneurship in collaboration with over a dozen forward-thinking companies. In September 2024 the number of signatories grew to 25 companies ⁽⁴⁾.

Our participation in influential gatherings such as the Social Enterprise World Forum, EUCLID Summit, Forum for Latin America Impact Investing (FLII), Impact Europe's Impact Week, UNHCR Global Refugee Forum, One Young World, and the UNGA Week in New York underlines our dedication to social impact and system change.

Internally, to increase knowledge and engagement among our co-workers, we invited them to IKEA Social Entrepreneurship Day. The event was instrumental in creating a culture of awareness and involvement within IKEA businesses, empowering our team to contribute proactively to the IKEA sustainability agenda.

Central to our advocacy efforts has been our presence on social media, particularly LinkedIn. Leveraging this platform has allowed us to reach a broad audience of professionals, thought leaders, and key stakeholders, essential for amplifying our initiatives and mission.

Overall, by strategically participating in these global events, maintaining an active social media presence, and involving our co-workers, IKEA Social Entrepreneurship continues to contribute to global efforts in supporting social entrepreneurship and driving system change.

(4). <https://initiatives.weforum.org/global-alliance-for-social-entrepreneurship/rise-ahead-pledge>



Åsa Skogström Feldt, Managing Director of IKEA Social Entrepreneurship B.V on stage at the Euclid Network Impact Summit in the Hague, The Netherlands.



(L-R) Jens Andersson from IKEA Social Entrepreneurship and Liselotte Dijk from IKEA Netherlands hosting a circular workshop at the Impact Hub in Amsterdam, the Netherlands.

Monitoring, evaluation and learning methods

The purpose of our monitoring, evaluation, and learning (MEL) is to collect and integrate meaningful evidence and learnings in decision-making to continuously improve the effects and performance of our organisation and programmes.

To set the scene for effective MEL, we recognise the complexity of social change and that we can only contribute to such change. We aim to foster a shared understanding of “impact” from ultimate beneficiaries, through the organisation itself to the board and external stakeholders. We believe it is important to keep a learning mindset and continuously integrate evidence and learnings into decision-making.

Both our organisation and programme MEL start from a theory of change. To this we add a realistic monitoring framework, including key indicators and data collection opportunities.

Measuring progress and sourcing feedback during, concluding, and after a programme allows outcomes to surface and provides learnings that can inform and

support further programme development.

Our reporting templates used for collecting quantitative data on our programmes reported in the Annual Review have taken inspiration from international good practice, particularly The Impact Management Project and IRIS+ ⁽⁵⁾. The use of templates is necessary to collect consistent data, particularly on the number and profile of beneficiaries reached by the social entrepreneurs.

Beyond quantitative data, we continuously explore how to best use qualitative data and analytical narratives to monitor the medium and long-term outcomes across our programmes and investments.

It remains a challenge to assess whether we contribute to increasing the wellbeing of our ultimate target group, the vulnerable and marginalised targeted by the social entrepreneurs. Such monitoring mainly takes place to varying degrees among the social entrepreneurs themselves. One exception is our partner

NESST, which, through their biannual Dignified Employment Surveys, directly reaches out to a proportion of the beneficiaries of the social enterprises in their portfolio.



Martin Bayona, a fisherman working with PesCo in the South America Accelerator Programme in Lima, Peru.

(5). <https://impactfrontiers.org/norms/> and <https://iris.thegiin.org/>.



Organisation

IKEA Social Entrepreneurship is structured across the IKEA organisation, each with its own governance structure, assignment, and ways of working. This includes a dedicated team within Range & Supply, a separate entity within Inter IKEA Group, integration within different Supply Areas, and involvement with several franchisees.

IKEA Social Entrepreneurship Range & Supply is part of the IKEA Range Area: Home Textiles & Rugs, with two dedicated positions: one implementation leader and one partner development leader. Product development is delegated to the IKEA Product Development Centre in India and the supply of products to the IKEA New Business team in India.

IKEA Social Entrepreneurship B.V. is structured as a Dutch B.V. (limited liability company) with “a social impact first” mandate in its charter. At the end of FY24, the B.V. had a core team of ten full-time positions with the following functions: managing director, partner account management, finance and investment, co-worker engagement, programme support, communication, and monitoring, evaluation and learning. Additionally, two interns from Lund University and University of Amsterdam supported us as part of their studies.

 Social Entrepreneurship

A artisan from Jordan River Foundation
embroidering the finishing touches on a
MÄVINN cushion cover