



Chemicals in products

– experiences and approaches

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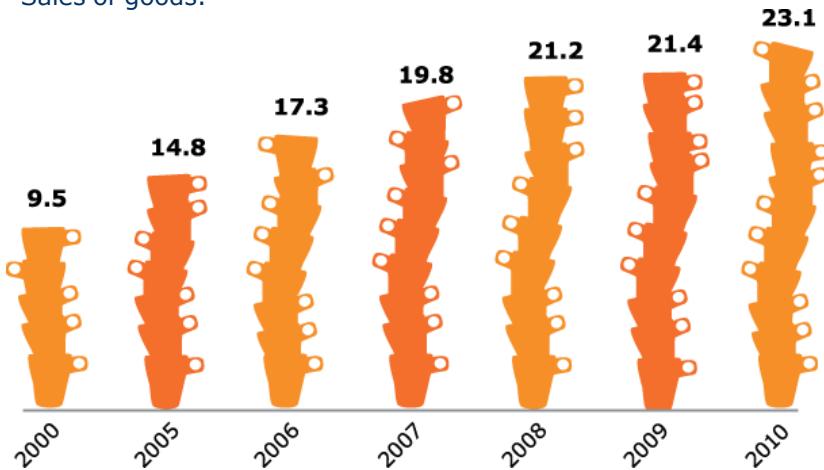


IKEA® at a glance

FY10

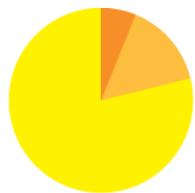
ANNUAL SALES FIGURES, BILLION EURO

Sales of goods.



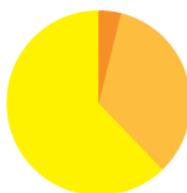
IKEA GROUP STORES WORLDWIDE

In FY10, the IKEA Group opened 12 new stores, in 8 countries. On 31st August 2010, the IKEA Group had a total of 280 stores in 26 countries.



SALES PER REGION, %

- Asia & Australia: 6%
- North America: 15%
- Europe: 79%



PURCHASING PER REGION, %

- North America: 4%
- Asia: 34%
- Europe: 62%

TOTAL SALES FY10: 23.1 BILLION EURO
Sales increased 7.7% FY10 compared to FY09.

IKEA FOOD SERVICES TURNOVER FY10
Turnover for IKEA Food was 1.1 billion EURO.

The IKEA vision

To create a ***better everyday life***
for the ***many people***



The IKEA business strategy

To offer a **wide range** of **well-designed, functional** home furnishing products at **prices so low** that as many people as possible will be able to afford them





Making home furnishing products safe

Customers live with IKEA products

and they should feel confident that the products have a minimal effect on the environment,

and do not contain substances that are potentially hazardous to their health.

Chemicals in products and materials

- The IKEA principle is to apply the strictest health, safety and environmental requirements on any of the sales markets to the entire product range.
- General chemical requirements
- Special chemical requirements for e.g.:
 - Food-contact articles
 - Children's articles incl. toys
 - Electrical and electronic articles
 - Cosmetic articles
 - Surface coatings
- Applying the precautionary principle and trying to be pro-active

One example: Brominated flame retardants in furniture

Environmental and health concerns:

- hormone disruptive
- persistent, environmental poison
- disposal might result in toxic compounds

Decision in 1998

- all organic brominated FR's at once
- phase-out effective from 2000

Cost

- alternatives more expensive

Flame retardants

Current status

- avoid use of flame retardants, if possible
- if used, approval is needed
- fulfilment of UK fire safety requirements by use of alternatives as phosphorous/nitrogen based impregnation chemicals
- considering ban of chlorinated flame retardants

Other examples of substitution and IKEA restrictions

- PVC-substitution except cables (1992-)
- Ban on Organic brominated flame retardants in furniture (1998-)
- Ban on Organotin compounds (2002-)
- Ban on polymers composed of Bisphenol A in children and food contact products (2006-)
- Ban on Bisphenol containing cash receipts (2011)
- Restrictions and approval procedure for use of flame retardants and biocides

Challenges for retailers

- We are in the end of a long supply chain
- Supply Chain communication
 - Lack of detailed chemical knowledge in the supply chain
 - Difficult to always predict implications of changes of materials or mixtures/preparations
 - Chemical information dependent upon weakest link
- Business confidentiality
- Unfortunate with different REACH interpretation in different countries when it comes to the information flow.

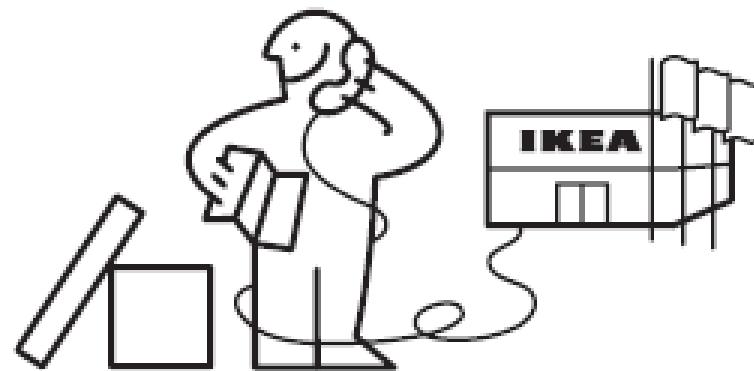
Important resources and the next steps

- Focus on all actors in the supply chain to increase knowledge:
 - Sharing of information and experience are vital for retailers to successfully fulfil our responsibilities
 - Important with good contacts with independent test laboratories and the chemical industry's expertise
- Input from NGO's and developments of tools such as the SIN-list
- Encourage development of a market for alternative substances and knowledge about substitution possibilities (including non-chemical solutions)
- Strengthen the flow of information in the supply chain for articles on an international level

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Home is the most important place in the world