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SHELL - IKEA



Giants of Different Worlds

Exploring Sustainability Practices, and their Impact

ESG-ANALYSIS



In 2020, Shell's Scope 3 emissions from the use of its energy products were 1,305 million tonnes of CO₂.



Environmental:

High GHG Emissions
Oil Spill Risks

Social:

Community Displacement
Stakeholder Pressure

Governance:

Regulatory Compliance
Transition to Low-Carbon

Opportunities:

Renewables Investment
Carbon Capture

7

AFFORDABLE AND
CLEAN ENERGY



SDG 7

9

INDUSTRY, INNOVATION
AND INFRASTRUCTURE



SDG 9

13

CLIMATE
ACTION



SDG 13



SHELL SDGS

ESG-ANALYSIS

IKEA

- vast global presence and market influence
- intersection with various industries (manufacturing, retail, and supply chain logistics)
- sustainability commitment and inspiration for consumers to pursue sustainability
- largest wood consumer (1% of the world's commercial wood supply)
- great example for understanding diverse sustainability practices



ESG IKEA fliks

ENVIRONMENTAL

Illegal Logging & Deforestation:

- Environmental risks related to the sourcing of timber.
- Romanian Carpathian forests
- Ukrainian and Russian forests (2020 and 2021).
- Brazil - chemical pollution and illegal deforestation.

Waste Generation and Unsustainable Consumption:

- Consumer Waste Disposal Incidents and Role of waste from consumers.
- Packaging Waste.

SOCIAL

Diversity and Inclusion:

- Lawsuit and payment after deleting emails in age discrimination lawsuits about favouring younger employees.

Labor Conditions and Ethics:

- Belarusian factories - forced labor of prisoners (2022).
- Protests and unfair wages, for example, in Poland.

Human Rights Breaches:

- Privacy issues - data leaks and illegal filming incidents involving staff and customers (2021 France and 2023 Israel).
- Sexual assault and harassment.

Threat to Health and Wellbeing:

- Choking Hazards, Laceration Risks, Bug Infestation.

GOVERNMENTAL

Supply Chain Transparency.

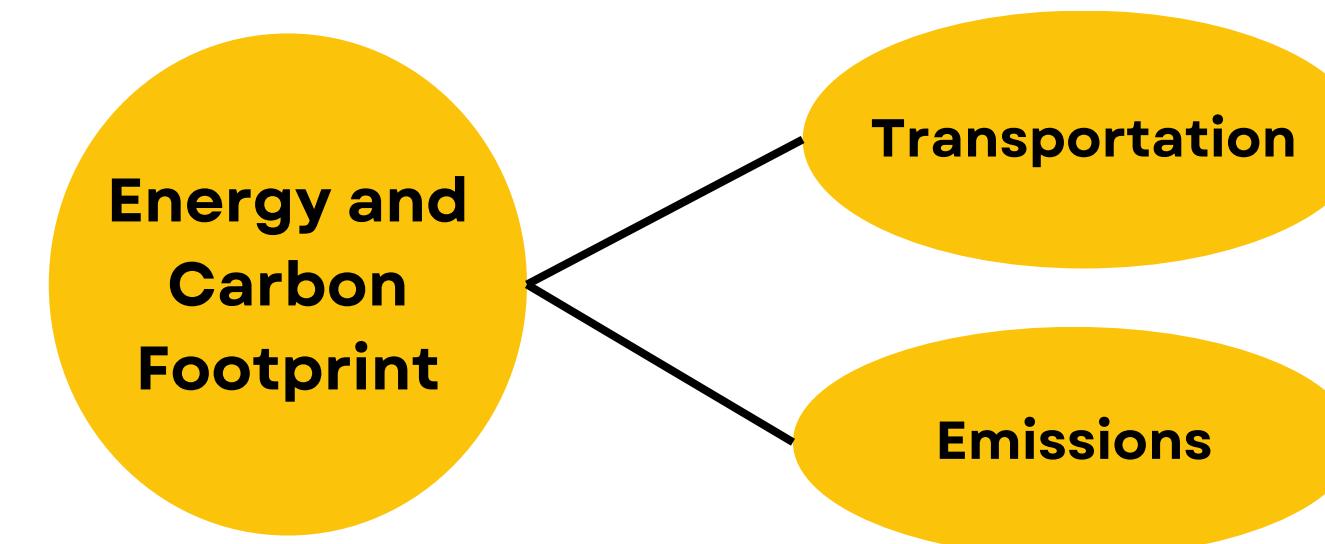
Regulatory Compliance and Policies.

Is it Greenwashing,
Greenwishing, or
Greenhushing?

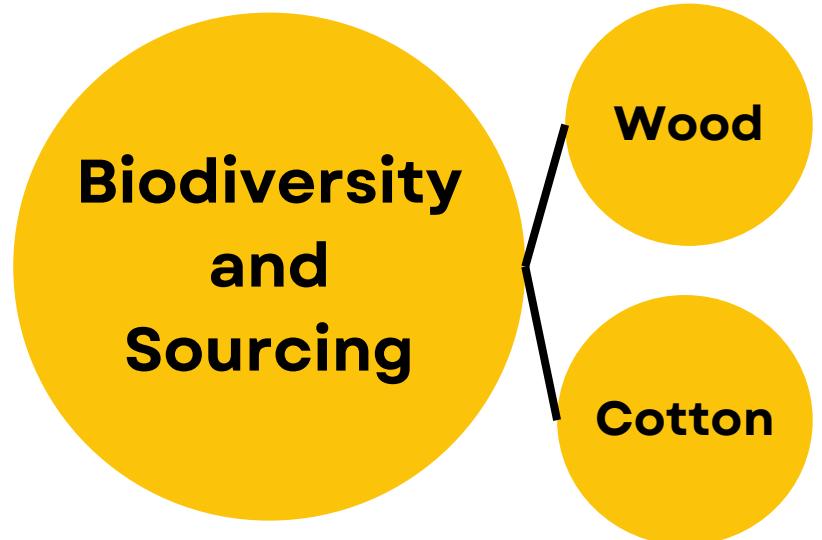
IKEA SUSTAINABILITY APPROACHES AND GOALS



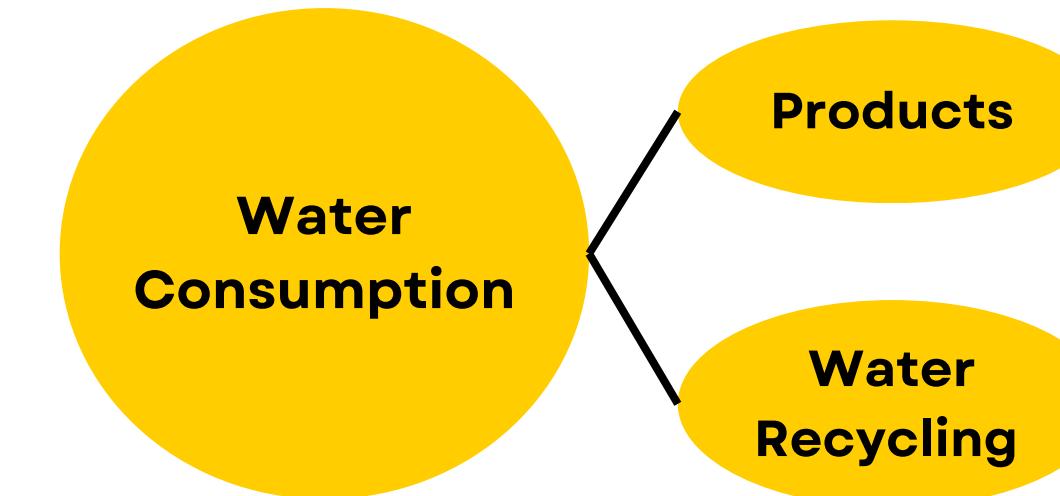
- Acquire-Maintain-Pass On; Buy-back services, and IKEA Preowned in Spain.
- Ingka Group investing €1B in recycling companies.
- 60% products renewable; >10% recycled materials.



- Halve GHG emissions by 2030 (vs FY16); net-zero by FY50
- 2023 emissions: 23.7M tonnes CO2 (-12% vs FY22, -22% vs FY16).
- 100% renewable energy in production by 2030 and investment of €200M.
- Reduce transport emissions 28% (vs FY17); target: 70% by FY30.
- Use biofuels for ocean shipping; electro vehicles.

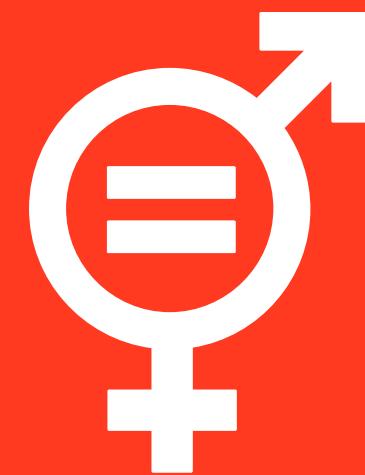


- Reverse biodiversity loss by 2030.
- 97.8% wood FSC-certified or recycled; 17% recycled wood.
- BUT issues like Romanian wood case and other.

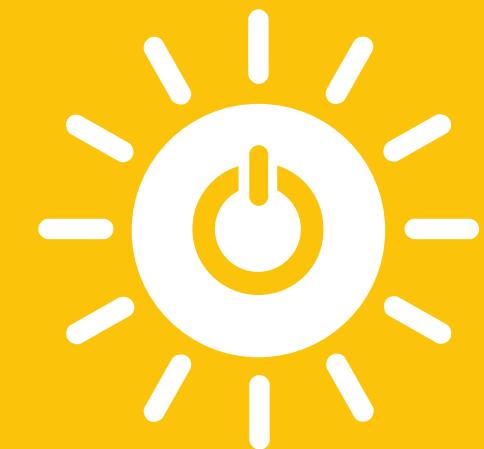


- Reduced freshwater use by 21% (vs FY22).
- Water recycling and water-saving products.

5 GENDER EQUALITY



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



13 CLIMATE ACTION



IKEA SDGS

INNOVATION

SHELL IS INVESTING IN RENEWABLE ENERGY SOURCES, CARBON CAPTURE TECHNOLOGIES, AND OTHER LOW-CARBON SOLUTIONS.

IKEA IS DEVELOPING NEW MATERIALS, EXPLORING CIRCULAR ECONOMY MODELS, AND IMPROVING PRODUCT DESIGN.

ENERGY

IKEA UTILIZES RENEWABLE ENERGY TO POWER ITS OPERATIONS.

SHELL IS DIVERSIFYING ITS ENERGY PORTFOLIO BY INVESTING IN WIND, SOLAR, AND OTHER RENEWABLE ENERGY TECHNOLOGIES.

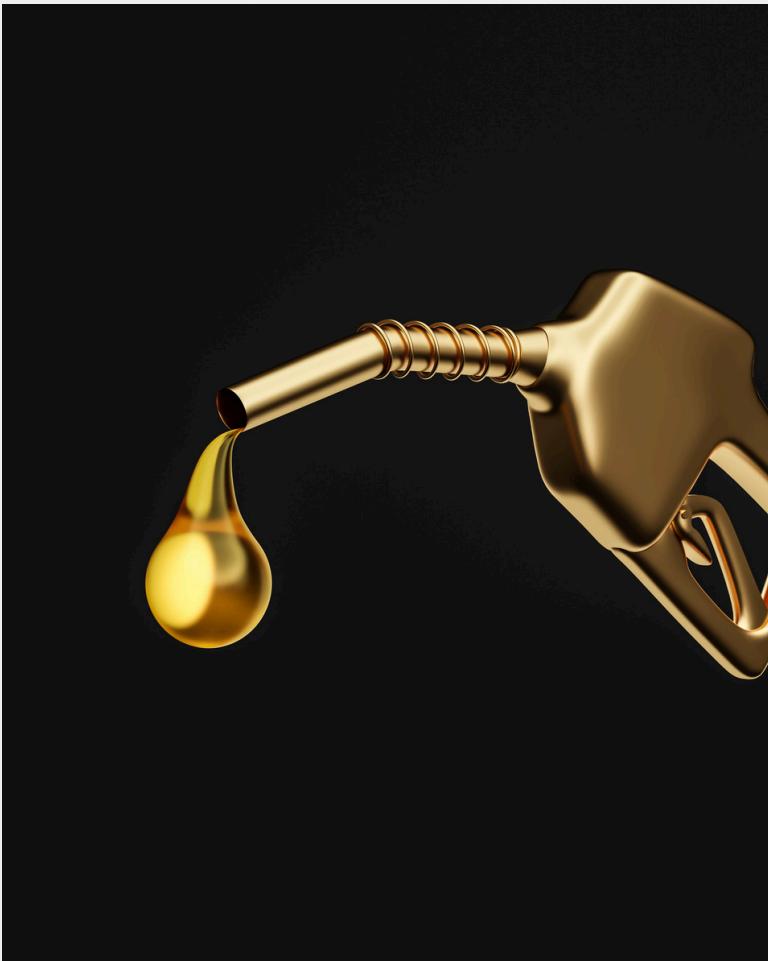
SOCIAL IMPACT

IKEA FOCUSES ON FAIR LABOR PRACTICES WITHIN ITS SUPPLY CHAINS.

SHELL IS WORKING TO ADDRESS THE SOCIAL AND ECONOMIC IMPACTS OF ITS OPERATIONS ON LOCAL COMMUNITIES.

Part 1

COMPARED



CIRCULAR ECONOMY

IKEA IS A CHAMPIONING ROLE MODEL WHILE SHELL STILL HAS A LONG WAY TO GO AS IT FACES THE CHALLENGE OF THE PACE OF TRANSITION AWAY FROM THE CARBON INTENSIVE BUSINESS MODEL

CORE BUSINESS

IKEA'S PRIMARY ENVIRONMENTAL RISKS COME FROM RESOURCE SOURCING AND WASTE GENERATION, IN CONTRAST TO SHELL WHICH PERTAINS TO MINING FOR OIL HENCE DIRECT GHG EMISSIONS.

REGULATION

IKEA OPERATES WITHIN A REGULATORY FRAMEWORK THAT, WHILE EVOLVING, IS GENERALLY MORE CONDUCIVE TO SUSTAINABLE BUSINESS PRACTICES. SHELL OPERATES IN A HIGHLY REGULATED INDUSTRY FACING INCREASING PRESSURE TO ADDRESS CLIMATE CHANGE, NAVIGATE COMPLEX REGULATIONS

part 2

COMPARED



WHERE TO IMPROVE?



ACCELERATE ENERGY TRANSITION:

- PHASE OUT FOSSIL FUELS.
- INVEST IN CCUS & HYDROGEN.
- DEVELOP LOW-CARBON GRID.

SOCIAL RESPONSIBILITY:

- SUPPORT LOCAL COMMUNITIES.

TRANSPARENCY:

- PUBLISH SCOPE 3 EMISSIONS DATA.



TRANSPARENCY AND ACCOUNTABILITY

- SUPPLY CHAIN MANAGEMENT: ENHANCE TRACEABILITY OF MATERIALS (WOOD, COTTON).
- WASTE REDUCTION: IMPROVE RECYCLING AND REUSE PROGRAMS.

ADDRESSING CONTROVERSIES

PROACTIVELY

- SOCIAL RESPONSIBILITY: ADDRESS LABOR ISSUES AND ETHICAL SOURCING.

THANKS

for listening



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