in world farming Food Business

WORKING IN PARTNERSHIP: IKEA

JULY 2013

European Leader Award winner 2012!



BACKGROUND

IKEA was founded in 1943 by Swedish businessman Ingvar Kamprad and just over 10 years later, in 1958, the first IKEA store was opened. IKEA opened its first restaurant in its Almhult store in Sweden in 1959.

Since then, IKEA has expanded to become the leading international company for home products and furniture, as well as a major food service brand, with every IKEA store offering restaurant facilities. IKEA has also launched its own food label with around 150 products sold in its Swedish Food Markets. Based on traditional Swedish recipes, these products focus on high quality food at affordable prices and are sold in both the IKEA in-store Swedish Food Markets and served in its restaurants.

Compassion has been working closing with IKEA for five years to help develop and implement its global animal welfare strategy as part of its continuous commitment to improving welfare in its supply chain.

DRIVERS FOR FARM ANIMAL WELFARE

In addition to being guided by their vision of creating 'a better everyday life for the many people', IKEA's motivation for addressing animal welfare also came from its key stakeholders (including customers and co-workers) who expressed concerns about the company's impact in the welfare sphere.

IKEA contacted Compassion in World Farming in 2008, after hearing about the launch of the Food Business programme. They were keen to learn more about farm animal welfare and to get support and advice on policy making around welfare issues in rearing animals for food. By doing so, IKEA is addressing its stakeholders concerns by tackling key welfare issues in its supply chain, including live animal transport and slaughter.

IKEA's brand ethics are integral to its business culture and, as such, it wants to be proactive in managing farm animal welfare and to ensure traceability and transparency in its supply chain.

Anders Lennartsson, Sustainability Manager at IKEA Food Services AB said: "Animal welfare is very high on our agenda and is a key concern for IKEA. Contacting Compassion was the first step of a journey for us in implementing welfare policies and standards that make a difference to farm animals."

IKEA works in all parts of the food chain, from farm to store, to raise the baseline standards of farm animal welfare, supporting the notion of making higher welfare food the norm and accessible to all of its customers.

POLICY OR COMMITMENT IN FARM ANIMAL WELFARE

IKEA fully supports animal husbandry where consideration is shown to the animals at all times, from rearing to slaughter. It has introduced farm animal welfare policies across different species within its supply chain, with the aim of higher welfare systems becoming standardised across its business. With thousands of suppliers around the world, IKEA recognises the need to have clear and consistent welfare standards for all of its animal-derived food products.

IKEA has already introduced a free-range egg policy across much of its European business and has a further ambition to become free-range across its entire global operation by December 2018.

However, IKEA has not stopped at eggs. Its dedication to ensure continuous improvement in farm animal welfare across its business led to a further aspiration to move its chicken meat to a higher welfare standard across selected European countries (Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Portugal, Slovakia and Switzerland), by December 2017. As a result, chicken served in IKEA restaurants in these countries will meet the following welfare criteria as a minimum standard: access to natural light, perching and pecking objects and straw bales; a maximum stocking density of 30kg/m² and a leg health plan where fast growing breeds are used¹.

In recognition of its welfare commitments for laying hens and meat chickens, IKEA has received Good Egg Awards and Good Chicken Awards from Compassion as part of its Good Farm Animal Welfare Awards programme. Furthermore, for consistently demonstrating its dedication to improving farm animal welfare across its business, IKEA was also awarded one of Compassion's inaugural European Leader Awards in 2012.

Anders Lennartsson stated: "There have been many challenges. We are a global company and the level of farm animal welfare differs quite a lot from region to region. So, it has taken time to get everyone on board. But I am very proud to say that we have come a long, long way now to achieve what we set out to do."

RESEARCH AND IMPLEMENTATION

IKEA has been working closely with Compassion for advice on farm animal welfare issues for five years and during this time has developed and implemented secure policies to ensure farm animal welfare is addressed from birth through to slaughter.

In order to ensure its welfare commitments were economically sustainable, IKEA considered a range of options when implementing its welfare policies. This included sourcing food produce both in individual countries and on a global level to ensure a secure supply that meets its specified standards. Implementing farm animal welfare policy on a global level is no mean feat, so IKEA continuously communicates and educates its co-workers to ensure consistency across markets. A strong emphasis on knowledge sharing and internal communication is key and combined with training and education on animal welfare internally, they are able to deliver sustainable solutions to meet their required standards.

¹ The Good Egg Award and Good Chicken Award are part of the Good Farm Animal Welfare Awards programme. For more information on the Awards and criteria visit <u>http://www.compassioninfoodbusiness.com/awards/</u>

IKEA holds annual meetings with country managers where they cover a number of business issues including farm animal welfare. Furthermore, IKEA welcomed Compassion to talk at an annual meeting about the wider issues surrounding the welfare of animals farmed for food to ensure that all co-workers understood the thinking behind the business decisions.

in world farming Food Business

IKEA's goal is to offer products that are high quality and affordable to all and this needs to be taken into consideration when implementing new standards that will inevitably have increased costs. To overcome this barrier, IKEA has implemented standards as part of a step change approach, to allow for a sustainable value chain. Securing long-standing, trusted relationships with farmers and suppliers is integral to IKEA's business. IKEA invests in its partners to help implement necessary measures and seeks alliances with farmers who share their values. IKEA knows that creating change takes time and money, so investing in long-term relationships is very important to the business.

COMMUNICATING HIGHER WELFARE

IKEA prides itself on ensuring that all of its stakeholders – co-workers, customers and NGO partners - are aware of its commitment to animal welfare.

In 2011, Compassion was invited to speak to IKEA's global purchasing teams, to outline the key welfare issues the company was looking to address for laying hens, broiler chickens, pigs and dairy cattle in its supply chain.

IKEA is also very pro-active in communicating the importance of higher welfare produce and its achievements in this area. It has promoted its Good Egg and Good Chicken Awards widely to customers across its European business both in-store and on its consumer-facing website.

IKEA demonstrates good practice in terms of corporate transparency by publishing its commitments to improving farm animal welfare and its ongoing relationship and project work with Compassion.

MARKETING EXAMPLES:

In-store poster (France)



In-store poster (Germany)



Tray liners

(Italy)



Table top stickers (Finland)



BUSINESS BENEFITS

Consumers want to be assured that the animals reared for their food have been treated well and they rely on organisations like IKEA to offer products at fair prices that adhere to higher welfare standards.

Farm animal welfare is an increasingly important issue for all food companies, driven by a range of factors including regulation, consumer concern², client demand and the brand and marketing opportunities for companies that adopt higher farm animal welfare standards.

IKEA does not implement animal welfare policies with the thought of increased profit. They raise the baseline standards of welfare, because that is what they believe is the right thing to do. Whilst this may contribute to its long-term growth and brand equity, IKEA wants to support higher welfare farming systems.

By rolling out company-wide welfare standards and by engaging its co-workers, customers and suppliers on the issues, IKEA is clearly demonstrating its leadership in farm animal welfare and allowing for greater transparency across its business.

Through its species-specific welfare policies and commitments, IKEA has clearly demonstrated that making higher welfare food accessible to consumers in the food service sector is possible.

By tackling animal welfare issues across its global business, IKEA is also helping to raise farm animal welfare as a core CSR objective in the food service industry. Their progress as an international organisation is testament to the ability to make positive changes at scale, as part of a step-change programme.

IKEA strives to continuously improve its welfare commitments. The ambition is to have farm animal welfare policies across all species in its supply chain and IKEA will continue to collaborate with Compassion in the coming years. For IKEA, helping to raise the baseline standards of welfare and making higher welfare produce accessible to all is just part of their wider sustainability agenda.

² <u>http://www.bbfaw.com/wp-content/uploads/2010/08/Briefing-No7_FAW_and_the_Consumer.pdf</u>



Anders Lennartsson says: "We have developed an open and trusted partnership with Compassion over the past five years. They push us to continuously improve our welfare standards across different species and have been instrumental in helping us develop our welfare strategy. They are experts in the field - the 'go to' people for knowledge and advice on welfare issues - and we look forward to working with them in the future as we develop our farm animal welfare standards even further."

Compassion in World Farming offers free, objective advice and consultancy from a team of staff who work across the whole of the food industry. To find out more about how we can help you improve animal welfare standards, please contact one of the <u>Food Business Team</u> or visit: <u>www.compassioninfoodbusiness.com</u>