



Sustainability report 2021



Welcome

Here we present our sustainability report for 2021. Below you can read more about our business and how we are working towards becoming a more sustainable company that takes responsibility for our impact on people and the planet.



Ikano Industry is and will continue to be a market leader in foam products.



We have begun production in Mexico and have advanced our research in foam recycling in partnership with IKEA and Retour Matras – an area where we see huge potential to strengthen our supply and product offer to IKEA. In a broader partnership, we will continue to develop a fully circular offer, creating the future.



We are committed to using only renewable energy and decreasing our green-house gas emissions. At the same time, we use IWAY*, in our procurement operations.



IWAY is IKEA's supplier code of conduct for responsibly procuring products, services, materials and components. It is a mandatory standard and sets clear expectations for environmental, social and working conditions, as well as animal welfare, for all suppliers and service providers.



Our 3 focus areas

We will work together with a bottom-up approach engaging every Ikano co-worker in our sustainability agenda. All of us are guided by the overall sustainability direction including our ambition and three focus areas.

It's our actions that count and the only way to make the necessary difference. To do this, we will monitor and follow-up on every KPI and share the progress in a transparent way through our sustainability dashboards.

We believe the best way to do better is with an open mind and show that we are willing to learn along the way. This is not a strategy for the sake of it. This is our promise to our co-workers, customers and to the many people to build a better future together.

Our 3 focus areas



Healthy & sustainable living

Healthy and sustainable living is a lifestyle with the purpose to reduce the use of our planet's limited resources and at the same time improving well-being and quality of life for the many.



Circular & climate positive

To limit the already visible effects of climate change, the average global temperature rise must be limited to 1.5 ° C. This should happen through drastic cuts in greenhouse gas emissions.



Fair & inclusive

We have a responsibility to enable people to live their lives free from fear and social exclusion, and to improve their opportunities to grow no matter their background.



Introduction





By 2025

Healthy & sustainable living

We offer our customers healthy and high-quality products to sleep better and provide industry expertise to our retail partners.



Design and offer multiple products that combine all our sustainability ambitions in an affordable way.




Improve our co-workers' working positions in production to comply 100% with required ergonomics standards to ensure a healthy and harm-free working life.




By 2025

Circular & climate positive

We work to reduce the environmental impact caused by our own operations and supply chain, as well as finance solutions for a circular and climate positive economy.




Recycle the same number of mattresses as we produce.



Decrease GHE from our production (Scope 1 and Scope 2) by 50% compared to 2020



20% of our foam will be renewable or recycled.



Use 100% renewable electricity.



Decrease our waste by 15% compared to 2020.

Ikano Industry direction

FY22 – FY25



By 2025

Fair & inclusive


We are a fair and inclusive company, providing development, safety and equal treatment for all co-workers while making a positive contribution to the community around us.



50% gender balance for leading positions and successors.



Create regular forums for all of our co-workers to discuss sustainability awareness with representatives.



Have talent turnover lower than 5%.



Gain > 80% positive answers from coworker satisfaction and engagement surveys.



Mattress
recycling



Mattress recycling

Our purpose is to **recycle at least the same number** of mattresses as we produce

850K Mattresses recycled, these mattresses come **from Netherlands**

Represent the 32% of our total production. (2,616,308)



Mattress recycling

We chose this location because local legislation environment and high density of population are enablers to launch mattress recycling business.

Ikano Industry is part of a recycling platform in the Netherlands and will integrate active re-use of end-of-life mattresses into our manufacturing and thereby create an advantage over our competitors. Our ambition is to collect and recycle more mattresses than we produce.

Our platform consists of 4 plants in Netherlands. Today we recycle 850K mattresses yearly. It is based on mechanical dismantling, sorting and selling separate materials. Our nearest plan is to launch post-consumer chemical foam recycling. Output of this process is new polyol branded Repoliol. We also work strongly on expansion plant to clone this concept for new markets.



SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

IN THIS
PROJECT
WE IMPACT
3 OBJECTIVES

7

AFFORDABLE AND
CLEAN ENERGY



9

INDUSTRY, INNOVATION
AND INFRASTRUCTURE



13

CLIMATE
ACTION





Designing a circular future

Together, we will provide endless life for our products. And we will continue to develop a fully circular offer, creating a better future in this way.





Healthy &
sustainable living



Healthy &
sustainable living



Healthy & sustainable living



Health week



We had our 2021 Ikano Health Week where co-workers took the time for any type of exercise for our physical and mental health. Ikano Industry collaborated with **1342 hours** of the total of 9232, which is equivalent to 14.53%.





At Ikano industry we care about the health and well-being of our employees because it has a direct correlation with their level of productivity and job satisfaction.

For this reason, we have integral health campaigns oriented to generate a culture of prevention, motivating our collaborators to adopt a healthy lifestyle.

Breast cancer

Breast cancer is the leading cause of death in women. In 2020, about 685,000 women died from the disease, many women don't show symptoms. Therefore, it's important to have at least one checkup per year. We provided our female coworkers with mammography and pap tests, to create a culture of cancer prevention.



Mammography test

20



Papanicolaou test



23





Ergonomic

The objective of Ikano Industry is to adapt work to the capabilities and possibilities of our coworkers. We are working on promoting health and well-being, reduce accidents and improve the productivity, with changes in the process, procedures and with physiotherapy campaigns focused on prevention of the musculoskeletal diseases fatigue and accidents.



	Positions audited	Implemented
 Poland	79	35
 Mexico	31	10

Physiotherapy campaign

	 Krajenka	 Rogozno
Treatments	131	321
People	120	181





Circular and
climate positive



Circular and
climate positive



Circular and
climate positive



Energy

Almost two-thirds of the IKEA climate footprint is directly connected to the supply chain, including production at suppliers. As Ikano Industry we are working to decrease the amount of fossil fuel energy used, in order to contribute to the goal of limit climate change to 1.5° C.

Green Energy

PURCHASED KWH

7,379,960



Poland

Solar Panels

PRODUCED KWH

196,692



Poland

492,677



Mexico

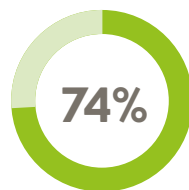
Fossil Energy

PURCHASED KWH

2,841,086



Mexico



GREEN ENERGY



We avoided the emission of 3,986.25 tons CO₂ in 2021 equal to:



23,917.49
Trees saved



Lighting up 322
soccer stadiums
for 90 minutes

SUSTAINABLE DEVELOPMENT



IN THIS
PROJECT
WE IMPACT
2 OBJECTIVES



13
CLIMATE
ACTION



7
AFFORDABLE AND
CLEAN ENERGY



Waste

We will focus on zero-waste operations, increase recycled and renewable materials. We need to adopt a holistic view on business and sustainability through three identified areas:

- Raw materials, waste reduction and limiting by-products.
- Innovating our machine efficiency
- On-boarding and empowering our people to build engagement and awareness.

Ikano Industry Poland is part of a recycling platform in the Netherlands and will integrate active re-use of end-of-life mattresses into our manufacturing.

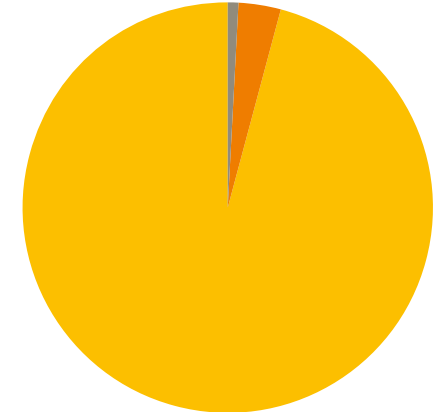
Now 75% of our waste is reused or sold and reused by our clients, instead of being disposed.

Percentage distribution of GHG emissions in 2020 Ikano Industry Poland (Rogozno+Krajenka)

To recognize the impact for global warming, Ikano Industry Poland has calculated GHE for 2020 (base year) and is going to calculate it yearly.

Almost 96% of Ikano's carbon footprint is due to indirect emission in the value chain – mostly emissions generated at the production stage of raw materials purchased by Ikano, such as TDI, MDI or polyols.

We have also taken into consideration Scope 1 (direct emissions from facilities) and Scope 2 (indirect emissions resulting from the production of externally purchased electricity or heat).



Percentage distribution
of GHG emissions

■ Scope 3 | 95.82%
 ■ Scope 2 | 3.08%
 ■ Scope 1 | 1.10%

Total emissions of Ikano Industry Poland in 2020



6.5 working days
of the refinery



9.9 days of work
of the steelworks



CO₂ equivalent absorbed
by 166 950 trees over 100 years

SUSTAINABLE DEVELOPMENT



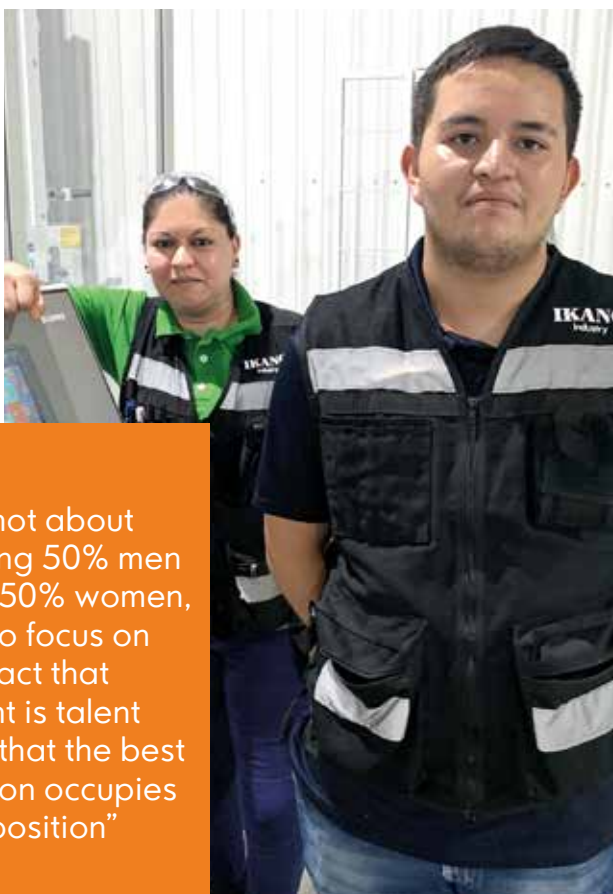




Fairness and equality

Ikano Industry works in a global team with opportunities for our co-workers. We are working to potential growth for everyone, to find the unique value of our team. Poland's experience is the guide and support for our new project in Mexico.

Co-workers are the heart of Ikano Industry, listen to them it's the best way to have high employee engagement, positive work environment and trust in leadership.



“It is not about having 50% men and 50% women, but to focus on the fact that talent is talent and that the best person occupies the position”

Fair & inclusive



Gender equity is the equality of rights, responsibilities and opportunities that should benefit all people, regardless of whether they are men or women. Ikano Industry ensure equal access and rights for all. Our commitments are:



Generate equal opportunities and treatment within the company



Equal pay per job



Access to safe conditions in the company



Work-life balance



Participation in decision



Making equal opportunities for professional development

In 2021 we were a total of 684 women and 770 men:



Diversity by position

Collaborators in non-traditional positions, but with skills to develop this position

	Mexico	Poland	Total
Forklift	8	65	73
Foam	3	0	3
Quilting	5	0	5
Sewers	21	0	21

Age Equal

Discrimination in employment and occupation is a universal and constantly evolving phenomenon. Protection against discrimination is a fundamental human right and is essential for co-workers. Ikano Industry provides equal opportunities regardless of age.

	Mexico	Rogozno	Krajenka	Total
Below 31	188	167	46	401
31-40	162	247	46	455
41-50	102	216	74	392
Over -50	32	113	43	188
Total	484	743	209	

At Ikano we choose people who align with our values, want to grow up, see Ikano Industry grow, and wish to make a career with us.

We ensure that in our process we don't have discrimination with respect to gender, religion, race, age, marital status, or any other type of discrimination, as well as that our processes will have no cost to our candidates and only hire people over 18 years old, verified with legal identification.

SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

IN THIS PROJECT WE IMPACT 3 OBJECTIVES

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GENDER EQUALITY



8

DECENT WORK AND ECONOMIC GROWTH



10

REDUCED INEQUALITIES





Development, training and coaching

This process is led by the technical training area. The training is done through internal trainers previously selected; they have the expertise and mastery of the area and provide the tools that staff will put into practice every day for their development as well as customized courses are scheduled with expert staff depending on the needs of the area.



Accessibility to the Workplace

Accessibility is defined as the right of all persons with disabilities to participate on an equal basis of opportunity and conditions in everyday activities like employment, transportation, education, recreation, and technology without any kind of barrier or limitation



Charity

Ikano Industry has a positive impact on the lives of the many people, their societies, and the planet we live on.

299

people benefited from our donation program

IKANO
Industry