



Corporate  
Initiative

# Safeguarding Impact Integrity

with **IKEA Social Entrepreneurship B.V**



# Who is IKEA Social Entrepreneurship?

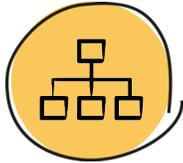
<b>Name</b>	IKEA Social Entrepreneurship B.V.
<b>Related company (and industry)</b>	Inter IKEA Group (Home furnishing retail)
<b>Legal structure</b>	B.V. (Social Business)
<b>Established in</b>	2018
<b>HQ Location</b>	The Netherlands
<b>Financial instruments</b>	Grants, Loans, Equity
<b>Social sector</b>	No set criteria, focusing on livelihoods for vulnerable groups

# Impact Integrity Risk Assessment

**Strategic alignment:** Thematic Alignment, Business Alignment



**Board composition:** Only trustees with background from the related company.



**Staff composition:** Balanced staff with and without background from the related company.



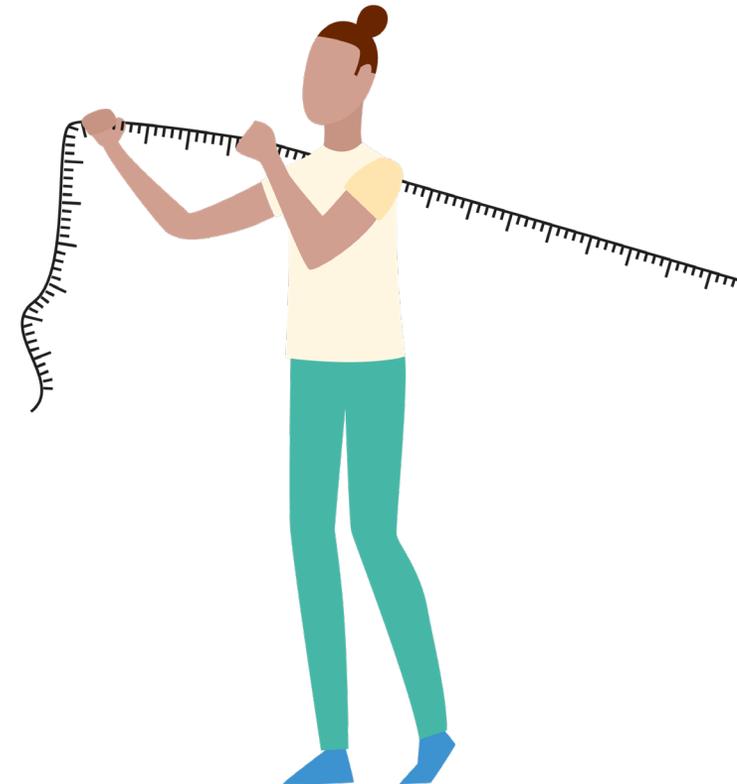
**Investment decisions involvement:** board, managing director and authorised staff, programme committee.

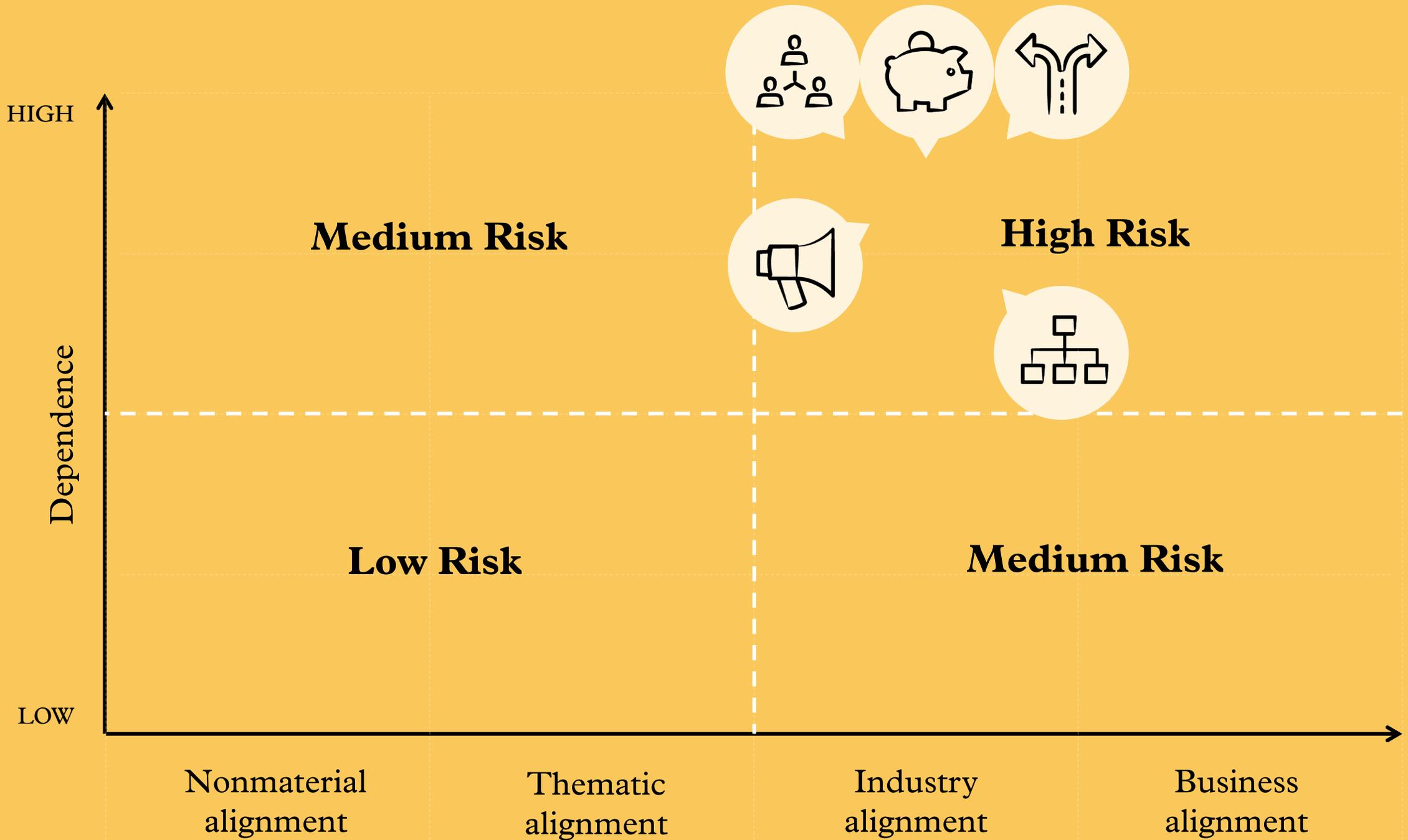


**Communication:** using both own and related company's communication channels.



**Funding source:** annual funding from the related company.





# What does this mean for IKEA Social Entrepreneurship B.V's impact integrity?

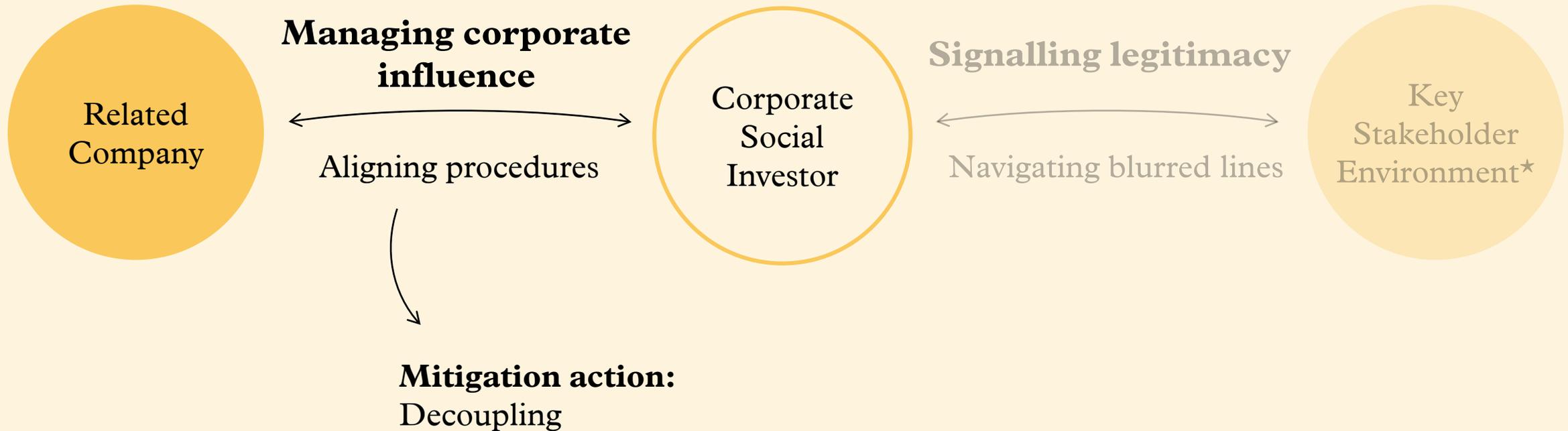
IKEA Social Entrepreneurship B.V consciously balances its activities between thematic and business alignment. By **diversifying its portfolio** in terms of alignment, IKEA Social Entrepreneurship significantly decreases the risk to impact integrity.

IKEA Social Entrepreneurship B.V. involves IKEA co-workers through **development programmes** that support social entrepreneurs with their business scale-up or systemic change challenges.

IKEA Social Entrepreneurship matches the **needs of the social entrepreneurs** with the **skill-sets** of the co-workers. Where appropriate, IKEA business units are involved in the decision-making processes to facilitate collaboration and ensure compatibility between business needs and the social entrepreneurs.



# Challenges & Mitigation Actions



\*social sector, media, regulators, etc.

# Managing Corporate Influence

## How decoupling enhanced the relationship with related companies

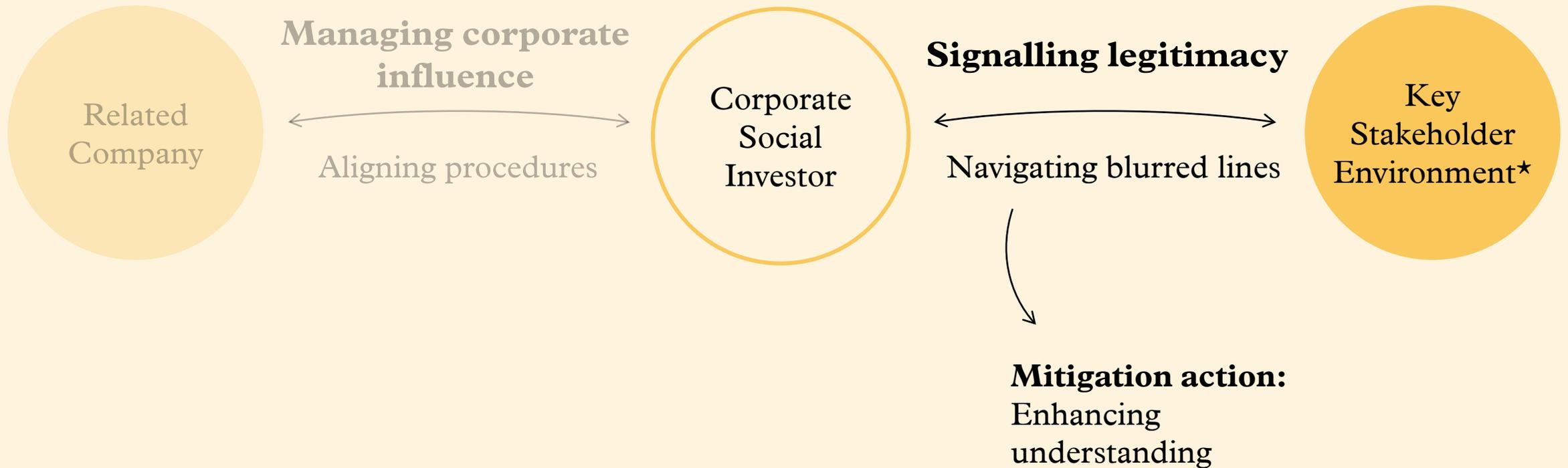
IKEA of Sweden AB has worked with social businesses since 2012 to co-create products sold in its stores and online. These partnerships can only be established with social businesses that meet the IKEA supply chain requirements.

In addition, as the effort came from one specific IKEA entity, it was a challenge to connect with other IKEA businesses and leverage their assets and co-workers for the support of social entrepreneurs.

By creating **IKEA Social Entrepreneurship B.V** (IKEA Soc Ents), a corporate social investor at the intersection of the social and the private sector, IKEA was able to **expand its support to social entrepreneurs**. Thanks to its legal status, IKEA Soc Ents can deploy different financial instruments (grants, debt and equity).

Its unique position between philanthropy and business means IKEA Soc Ents is well-positioned to **facilitate the potential collaboration** between the social entrepreneurs and other IKEA companies.

# Challenges & Mitigation Actions



\*social sector, media, regulators, etc.

# Signalling Legitimacy

## How enhancing understanding with stakeholders helps navigate blurred lines

Working with and being supported by IKEA offers many opportunities for social entrepreneurs. But due to the size of IKEA, its setup and various legal entities, establishing the best possible support for social enterprises on a global scale can be **complex**.

As a **separate legal entity**, IKEA Social Entrepreneurship B.V (IKEA Soc Ents) is in a unique position to offer and communicate to social enterprises the different types of support available to them and manage expectations around future business partnerships.

IKEA Soc Ents shares its knowledge of working with and supporting social entrepreneurs within IKEA, and manages **co-worker engagement** through its development programmes –an opportunity for social entrepreneurs to receive tailored business support from IKEA to increase their impact.

Having this setup allows IKEA Soc Ents to **clarify its position** at the intersect between business and philanthropy and to manage expectations of the social enterprises looking to establish a business partnership with IKEA.

# Visit our website for more insights on impact integrity!

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