

# CIRCLES OF PROSPERITY

ANNUAL REVIEW 2015

IKEA Foundation



# LETTER FROM OUR CEO

## Building circles of prosperity for children in poverty

When I reflect on 2015, I will remember a year during which we laid a strong foundation for the future.

Our team dedicated countless hours to articulating an exciting new strategy to guide our work through 2020. In October, our board approved not only the strategy but a greatly increased budget. We will aim to invest €1 billion on programmes from 2015 through 2020, €400 million of which will be directed at helping families in poor communities adapt to and overcome the challenges posed by a changing climate.

We are strengthening the organisation by putting into place the required team and tools we need to manage such a generous budget efficiently. We have expanded our staff and upgraded our programme management system so we can continue to be efficient and effective in how we work with our partners. After all, supporting their life-changing work for children is why we are here.

In 2015, we also ran our two in-store Good Cause campaigns for the final time. We have committed to redesign and launch three new campaigns over the next three years in cooperation with IKEA stores and look forward to telling you more about them in the near future.

We are determined to secure a world where children living in poverty have more opportunities to create a better future for themselves and their families. We know it won't be easy. There is so much more to be done, and we thank everyone who has helped us reach where we are today. We couldn't do our work without you!



Per Heggernes  
Chief Executive Officer, IKEA Foundation



*Per Heggernes with children in Zaatari refugee camp, Jordan.*



# OUR KEY ACHIEVEMENTS

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€ **120 MILLION**  
DONATED IN 2015

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€ **400 MILLION**  
PLEGGED TO FIGHT  
CLIMATE CHANGE

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**49**

PARTNERS  
around the world

**10**

NEW PARTNERS  
in 2015

**46**

COUNTRIES  
where our projects  
helped children

€ **11.1**

million raised through  
SOFT TOYS FOR  
EDUCATION CAMPAIGN

€ **23.1**

million raised through  
BRIGHTER LIVES FOR  
REFUGEES CAMPAIGNS

€ **10**

million given to help in  
EMERGENCIES AND  
DISASTERS

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**“Children and families in the world’s poorest communities are the ones suffering the most from climate change. We need to help them fight the impact and cope with the consequences.”**

*Per Heggnes, IKEA Foundation CEO*

# CLIMATE CHANGE

## We’re ready to turn the tide on our biggest challenge yet

Our work at the IKEA Foundation grew from a desire to help children living in IKEA supply-chain communities break the cycle of poverty. We have focused on improving the four fundamental areas necessary for kids to have better opportunities in life: a safe place to call home, a healthy start in life, a quality education and a sustainable family income. We call those four areas the Circle of Prosperity because that is what we want to create for children.

But climate change threatens the progress we and our partners have made. It has become the negative undercurrent that threatens children’s rights, their security and even their futures. Today’s children, and *their* children, will suffer the negative consequences of a warming planet—unless we act now.

In June 2015, we announced that we would invest €400 million through 2020 to help the world’s poorest communities adapt to and overcome climate change. We will fund programmes that help families cope with the devastation it causes and fight it by adopting renewable and carbon-neutral technologies.

We firmly believe that such investments are not only planet friendly but are also forward-looking business strategies that will drive global efficiency, innovation and profit without compromising future generations.

In the years to come, we will help communities build resilient and innovative infrastructure to protect them during disasters. We will push ahead on bold renewable-energy experiments to benefit entire villages. And we will fund programmes to help farmers in Asia and Africa adopt climate-sensitive techniques that increase quality, yield and nutritional value of their crops while decreasing waste.

But we cannot do it alone. That’s why we will continue to motivate corporations, investment firms and average citizens to be proactive. And it’s why we need the continued support of IKEA co-workers, customers and our partners.

We *can* turn back the tide and create a better everyday life for children living in poverty. It is our greatest challenge—but also our greatest privilege.





# A SAFE PLACE TO CALL HOME

Wherever a child's home is, it's the most important place in the world

"This shelter feels more like a house than the tent we lived in the first night. It is much bigger," says 11-year-old Bilar, who is staying in a refugee camp in Lesbos, Greece. Bilar is one of almost two million children who have fled Syria since the conflict began in 2011. Most have sought safety in neighbouring countries, such as Jordan and Iraq, while some have made their way to Europe.

Together with social enterprise Better Shelter and the United Nations Refugee Agency (UNHCR), we have created a safer and more durable shelter. It can be built quickly from a flat-pack and gives children like Bilar, who lose their homes during conflicts and disasters, a more dignified life.

Better Shelter was set up with a grant from the IKEA Foundation. In 2015, UNHCR bought 10,000 shelters to house displaced families in several countries, including Greece, Iraq, Djibouti, Chad and Serbia. Thanks to the shelters' modular design, our partners are also using them as healthcare centres.

Also in 2015, we gave UNICEF funding to help 3,000 former child soldiers in South Sudan

return home and regain their childhoods. After witnessing horrific violence, the children urgently need help to recover from the trauma. The IKEA Foundation is funding care for the children as they rejoin civilian life, including health check-ups, food, clothing, psychological support and the search for their families.

In order to feel secure, children also need safer communities. That's why we're funding Fight for Peace, an organisation that uses boxing and martial arts, combined with education and personal development, to help young people in communities with high rates of violence. In 2015, with our support, Fight for Peace launched two new projects in Cape Town, South Africa, and Kingston, Jamaica.

We're also looking at the bigger picture. Around 60% of children between the ages of two and 14 are regularly subjected to physical punishment by their caregivers. As well as physical violence, millions of children suffer sexual and emotional abuse. We have joined Know Violence, a global effort to help governments find ways to end violence against children, so the place they call home is one of safety and security.

**“This shelter feels more like a house than the tent we lived in the first night.”**

*Bilar\*, aged 11, a Syrian refugee in a UNHCR refugee camp in Greece*

*\*Not pictured*





# A HEALTHY START IN LIFE

## Happiness overflows when children have clean water and quality healthcare

Four-year-old Arjah in Jakarta, Indonesia, loves playing with water, splashing and bathing. But until recently, her family didn't have proper drainage in their bathroom, so it was unhygienic and often flooded. Thanks to Water.org, Arjah's mother, Ropikoh, got a small loan to build an improved bathroom, making the family's home healthier and giving them back their dignity. "I am really happy—I have no words to describe how I feel," says Ropikoh.

Clean drinking water and access to a toilet are among life's most basic necessities. Yet one in 10 people don't have access to safe water, and a third of the world's population have no toilet.

We believe all children have the right to a healthy start in life, which is why we are supporting Water.org's innovative WaterCredit programme in Indonesia and India with a €12.4 million grant. This programme will help 1 million people, including hundreds of thousands of children, get safe water and sanitation by giving their parents access to small loans. Programmes like these increase families' ability to cope when they are caught up in flooding and water shortages. This is important in countries like Indonesia which are vulnerable to a changing climate.

Often caused by dirty water, diarrhoea is an easily treatable condition that kills more than

700,000 children every year. We're working with the Clinton Health Access Initiative (CHAI) in India and Kenya to make sure even the poorest families have access to the simple solution that could save their children's lives: zinc and oral rehydration salts. In Uttar Pradesh and Madhya Pradesh in India, around 46,000 rural medical practitioners in addition to government health centres are now regularly using this lifesaving solution. The project covers 110,000 villages, home to 17.1 million children.

And we're contributing €39.5 million so UNICEF India and the Indian government can improve access to health, nutrition, water and sanitation services for five million infants and five million mothers. This ongoing programme focuses on the first 1,000 days in the children's lives, helping them grow up healthy and strong. By the end of 2015, 670,000 newborns had been treated in special newborn care units and over 6.5 million children had been exclusively breastfed in the first five months of their lives.

Also in 2015, we supported Shifo Foundation with a €1.2 million grant to help healthcare workers register children's births and keep track of essential vaccines. Shifo's MyChild system will help protect nearly 10,000 children and 5,000 pregnant women in Uganda and Afghanistan by ensuring they get the right vaccines at the right time.

**"I like to play with water,  
use soap and a brush,  
and splash."**

*Arjah, aged four, whose family has a healthier bathroom, thanks to Water.org*

# A QUALITY EDUCATION

## Education gives children a key to unlock a brighter future

"It was not nice being out of school for so long because it disturbed my education, and I missed my friends and schoolwork," says Jimmy Kamara, aged nine.

The Ebola outbreak in Sierra Leone in 2014-15 disrupted every aspect of children's daily lives, including schooling. The government closed all 8,100 of the country's schools and postponed the national examinations, which meant 1.8 million children like Jimmy had to stop their education. With our support, UNICEF worked closely with the government to set up an emergency radio education programme, so schoolchildren could keep up with their studies during the crisis.

Our grant of €906,400 paid for thousands of radios for vulnerable families and trained teachers to monitor and motivate the children who tuned in to learn.

"When I heard about the school radio programme," Jimmy says, "I felt good

because it was helping me to study at home and to remember my schoolwork."

We're also supporting the world's first university programme for people living inside a refugee camp. The programme, run by non-profit university Kepler in partnership with UNHCR in Kiziba, Rwanda, accepted its first undergraduates in October 2015. It will enable talented refugees in the camp to get a US-accredited degree, preparing them for life and a job outside the camp.

Also in the higher education arena, we are funding a scholarship programme for 200 skilled and capable women at the Asian University for Women, based in Bangladesh. The university educates women to become leaders in their communities and to break down barriers that restrict opportunities for women and girls. In 2015, 34 IKEA Foundation scholarship students graduated.

**"Education is very important to me because I want to succeed in life."**

*Jimmy, aged nine, who continued learning during the Ebola epidemic in Sierra Leone thanks to UNICEF's radio education programme*







**“Right now, I am not thinking about marriage. I am only thinking about my studies. My dream is to become a doctor.”**

*Jyoti (left), aged 16, with her mother Saroj, who is paying for Jyoti's education from income she earns as a seamstress*



# A SUSTAINABLE FAMILY INCOME

## Investing in women pays dividends for their children

"My dream is to become a doctor," says Jyoti (16), who lives in a village in Uttar Pradesh, India. Jyoti is pursuing her dream thanks to her mother, Saroj, who works hard to pay for her education. Saroj got married when she was 15 and is determined to give her children a better future. She learned to sew through a programme funded by the IKEA Foundation and now works for Rangсутra, a social enterprise and IKEA supplier. Because of the money Saroj earns, Jyoti, her sister and two brothers are all in school.

Women can be the most important catalysts for change in their children's lives. That's why we announced a new grant to the United Nations Development Programme, Xyntéo and India Development Foundation to help women like Saroj learn marketable skills and to connect them to income opportunities. The project aims to empower 1 million women in India, so they can earn a reliable income and send their kids to school.

When families are forced to leave their homes, earning an income becomes even more challenging. In January 2015 we started funding a project run by UNHCR in Burkina Faso to improve the livelihoods of refugees who have fled from fighting in northern Mali. This programme will help more than 6,000 people earn a sustainable income through small-scale dairy farming. It will also improve the nutrition of at least 3,500 refugees' children, as milk forms an essential part of their diet.

Also in 2015, we began our three-year sponsorship of the International Ashden Award for Increasing Energy Access. This year's winner was the Sarhad Rural Support Programme in northern Pakistan, which has set up 189 micro-hydro schemes, bringing electricity to 365,000 people in remote communities. Access to power has enabled people to set up small businesses and make the most of income opportunities.





**“I’m very happy to see my friends and teachers in my classroom. They don’t look scared anymore even when there are aftershocks.”**

*Manjari, aged seven, who is studying in a UNICEF temporary learning centre set up after an earthquake destroyed her school in Nepal*

# DONATIONS AFTER DISASTERS

Our partners are there when children lose everything but hope

“I’m very happy to see my friends and teachers in my classroom,” says seven-year-old Manjari Lama from Nepal. Sadly, Manjari hasn’t always been happy about being in her classroom. Her primary school was damaged by a massive aftershock from the Nepal earthquake in April 2015, leaving her afraid to go to school.

We contributed €3 million towards UNICEF’s immediate and ongoing response to the quake. Our grant helped fund emergency relief, such as food, water and hygiene kits. UNICEF has also helped children like Manjari continue their education by providing educational materials and building low-cost temporary learning centres that replaced bamboo shelters, giving children a safer place in which to learn.

After the quake, we gave a €100,000 grant

to Save the Children to protect children, who are at their most vulnerable after disasters. We also donated €400,000 to Save the Children after floods devastated parts of Bangladesh, India, Vietnam and Myanmar, and we made a €100,000 grant after a typhoon hit the Philippines.

We are sending 100,000 IKEA mattresses, quilts and quilt covers to help refugees in Iraq, many of whom have fled from the conflict in Syria. We are donating these items through UNHCR, as they’re needed, over two years.

And we’re supporting the Humanitarian Leadership Academy, a project led by Save the Children to train aid workers in essential skills so they can better care for and protect children affected by disasters. In total, we donated €10 million in response to disasters in 2015.

# OUR CAMPAIGNS TRANSFORM LIVES

## IKEA co-workers and customers brighten children's lives

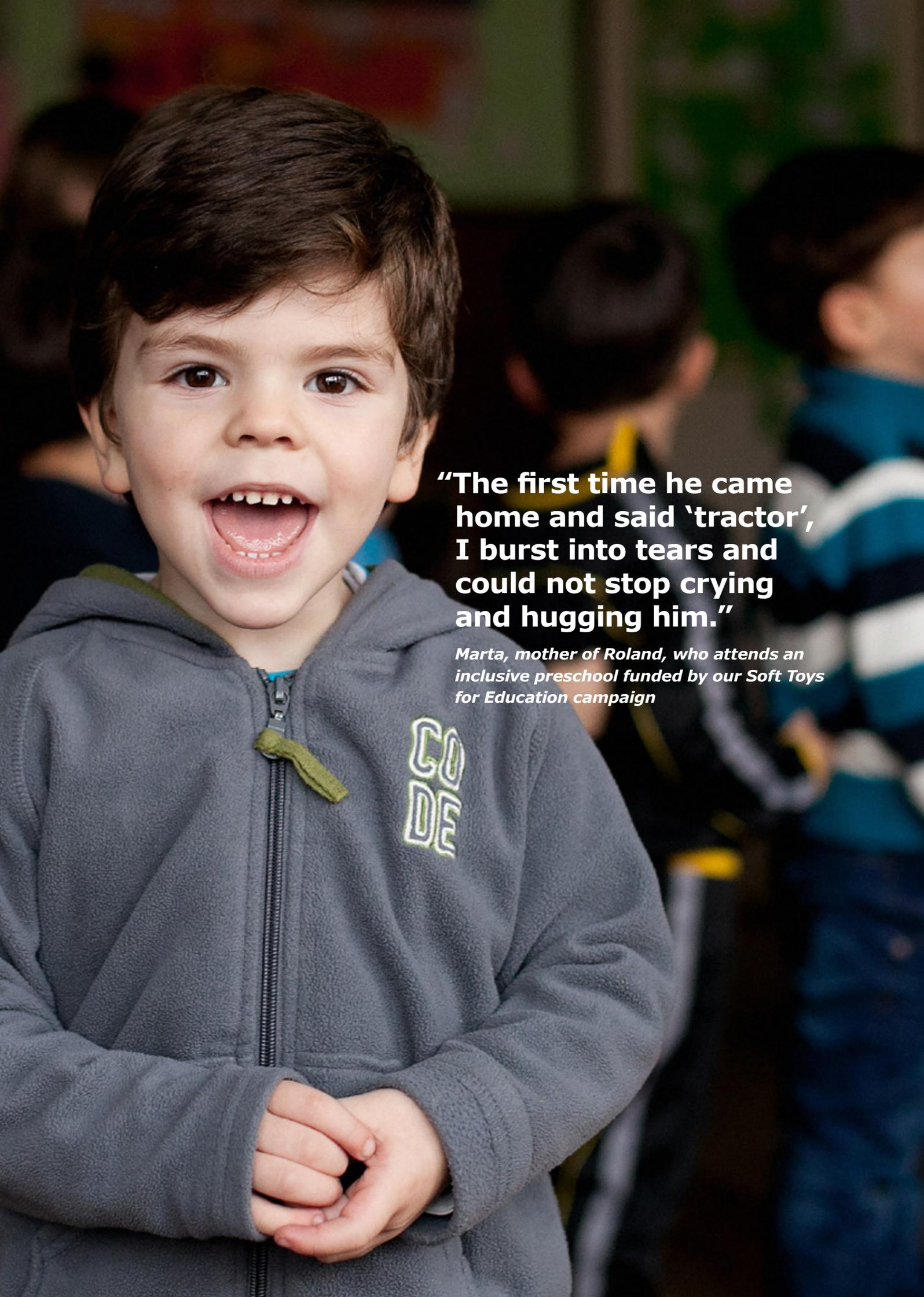
Many children get excited about going to preschool, but for three-and-a-half-year-old Roland in Kosovo, the experience has been especially life-changing.

Roland has autism. Last year, when he started at a preschool funded by the IKEA Foundation and supported by Save the Children, he couldn't speak, sit still or play with other children. Thanks to the help of staff trained in inclusive education, he now loves listening to books with his friends, reciting the alphabet and working with numbers. The teachers have also given his mother, Marta, the support she needs. "They talk to me daily and advise me on how to work with Roland at home," she explains. "It has made so much difference, since I had very little knowledge before."

Together with IKEA, we run two Good Cause campaigns that improve the lives of children like Roland. Through our Soft Toys for Education campaign, we donate €1 for every soft toy sold by IKEA stores in November

and December. The money goes to UNICEF's Schools for Africa programme and to Save the Children for educational projects in Asia and Europe. Our final Soft Toys for Education campaign ran in 2015, and over the past 13 years we were able to donate an incredible €88 million.

Our Brighter Lives for Refugees campaign helps UNHCR bring light and education to refugee camps, making them safer, better places for the families who live in them. We donate €1 to UNHCR for every LED light bulb sold by IKEA stores during the campaign and have raised more than €30 million since 2014. The campaign, which ended in 2015, will enable UNHCR and its partners to help more than 1 million people in Ethiopia, Chad, Sudan, Jordan, Bangladesh, Kenya, Burkina Faso, Nepal and Pakistan. The money raised will provide renewable energy solutions including 160,000 solar lanterns, 4,000 street lights, one solar farm and 360 biogas plants. It will also improve schools and health centres in refugee camps.



**“The first time he came home and said ‘tractor’, I burst into tears and could not stop crying and hugging him.”**

*Marta, mother of Roland, who attends an inclusive preschool funded by our Soft Toys for Education campaign*



**“It has been amazing to take part in such a life-changing initiative.”**

*Dave White, IKEA Canada, visiting kids in Zaatari refugee camp in Jordan with IKEA Switzerland co-worker Monica Righeschi*



## **OUR IWITNESS PROGRAMME**

### **Seeing is believing for IKEA co-workers**

When IKEA Canada co-worker Dave White heard he had been selected to visit Syrian refugee families living in Jordan as part of the IKEA Foundation's IWitness programme, he had no idea what to expect. But the experience quickly became very personal for him.

“Being a father,” he says, “it truly hits home as I see so many children and families affected by what is going on in Syria. It is so important to secure the futures of these younger generations, as they will be the future leaders, teachers and thinkers.”

IKEA co-workers work hard to promote our Good Cause campaigns—Soft Toys for

Education and Brighter Lives for Refugees—in their stores. IWitness is our award-winning employee engagement programme, inviting small groups of co-workers to visit some of the projects funded by these campaigns. Participants become ambassadors for our work by sharing their stories, videos and photos on our blog and talking about their experiences with other IKEA co-workers.

In 2015, 91 co-workers visited programmes run by UNHCR, UNICEF and Save the Children in 15 countries. Our IWitness programme was recognised as an example of excellence in 2015, receiving four awards for Corporate Engagement and Digital Impact from *Communicate Magazine*.

# THANK YOU!

## OUR PARTNERS IN 2015



**STICHTING IKEA FOUNDATION**

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