



ZERO-EMISSION SHIPPING REPORT CARD

89
100

B+

The Ship it Zero Report Card grades companies based on the Ship it Zero campaign's three campaign demands, which are End Port Pollution Now, Abandon Dirty Ships, and Put Zero at the Helm. IKEA earned a B in the ending port pollution category; a B in abandoning dirty ships; and an A in putting zero at the helm. Overall, IKEA earned 89 / 100 available points, or a B+ grade, on the Ship it Zero 2023 Report Card for the company's actions to date to end its ocean shipping pollution. It is the top performing company among all retail brands analyzed for this report card.

IKEA is the world's largest furniture retailer, operating in 50 countries and with approximately 460 stores worldwide. The company has committed to becoming climate positive by 2030. It is the highest scoring company across all retail brands considered due to its significant efforts to address its maritime shipping pollution.

IKEA particularly stands out from other companies for its efforts to understand and address air pollution from its operations, including maritime shipping. It partnered with the Climate and Clean Air Coalition and the Stockholm Environment Institute to publish "A Practical Guide for Business: Air Pollutant Emission Assessment" in 2022. This is a first-of-its-kind guide for businesses to measure air pollution across value chains, and includes maritime shipping in its emissions inventories. IKEA has explicitly named the reduction and elimination of methane and black carbon as a priority to meet its targets for both greenhouse gas and air pollution emissions. While the company has not yet published its own air pollution inventory, it appears that IKEA is conducting this research in 2023. Ship It Zero looks forward to including this analysis in future report cards.

IKEA is also notable for taking immediate steps to reduce both its air pollution and greenhouse gas emissions from transportation throughout its supply chain, including maritime shipping. The company has committed to zero-emission home deliveries by 2025 through the use of electric and other zero-emission technologies for on-road vehicles. In stark contrast to several other major retail brands, there is no evidence that IKEA has invested in compressed natural gas vehicles. Instead, the company is working towards hydrogen powered trucks, with 21 currently deployed in the Shanghai region.

IKEA has also taken steps to reduce its maritime shipping pollution through the use of biofuels from waste cooking oil and moving cargo from fossil fueled oceangoing vessels and onto electric cargo trains. Ship It Zero does not support long-term biofuel use, as it is not a scalable solution for the maritime sector and still produces problematic emissions. We do, however, recognize that this does provide some immediate reductions in lifecycle air pollution and greenhouse gas emissions compared to fossil fuel combustion. It is a valid short-term bridge fuel for harm reduction while zero-emission fuels and technologies are brought to scale, and IKEA was credited for taking this immediate step in both the "End Port Pollution Now" and "Abandon Dirty Ships" categories.

IKEA also stands out for its transparency regarding its emissions profile. It not only discloses its greenhouse gas emissions from upstream transportation, but also breaks these emissions down by transportation mode. Its climate targets not only include Scope 3, but also set a relatively ambitious target to reduce land and ocean transport emissions by 70% by 2030. Despite continued growth, IKEA has reported year-over-year upstream transportation emissions reductions.

IKEA is also a founding member of the Alliance for Clean Air as well as Cargo Owners for Zero Emission Vessels (coZEV). It joined the Zero Emission Maritime Buyers Alliance (ZEMBA) shortly after its inception.

Ship It Zero applauds IKEA on its ambition and leadership in reducing air and greenhouse gas emissions from its ocean and land transportation. We look forward to seeing its air pollution inventory and targets for reductions in the coming year. We would encourage IKEA to take further steps to reduce air pollution from its maritime shipping through a logistics policy that prioritizes ports with shore power ready berths for container ships, negotiating with carriers to ensure goods are transported on shore power equipped vessels, and opting for slow steaming for its ocean transportation.

We also would encourage IKEA to use its considerable influence to publicly support the expansion of zero-emission port infrastructure and oppose fossil fuel bunkering infrastructure. We further urge the company to increase its level of ambition for eliminating its ocean transportation pollution by 2030, rather than its current 2040 target date. Finally, Ship It Zero would like to see IKEA invest directly in the research and development of zero-emission fuels, technologies, and infrastructure.





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End Port Pollution Now | TOTAL SCORE: 31

Performance Criteria	Possible Points	Company Score
End Port Pollution Now: Commitment (30% of category grade)	10.5	9.5
<ul style="list-style-type: none"> Publicly-stated air pollution reduction commitment Commitment to shipping goods on shore power-ready vessels Member of corporate initiatives that reduce air pollution (coZEV, ZEMBA) Founding member of coZEV, ZEMBA 	5 1 3 1.5	5 0 3 1.5
End Port Pollution Now: Implementation Plan (20% of category grade)	7	5
<ul style="list-style-type: none"> Taking steps to quantify air pollution from transport of goods on oceangoing vessels Providing funding directly or indirectly for air pollution reduction measures/fuels/infrastructure in ports (ZEV, operations, drayage) Have a logistics policy that prioritizes clean ports/carriers, air pollution reductions with benchmarks Deducting points for LNG/CNG port operations and drayage 	2 3 2 -1	2 1 ¹ 2 —
End Port Pollution Now: Advocacy (20% of category grade)	7	7
<ul style="list-style-type: none"> Dedicated staff negotiating with ports for pollution reduction operational measures, infrastructure and/or fuels Public support for policy or regulatory measures to reduce port pollution (climate) Joining coZEV 	2 4 1	2 4 1
End Port Pollution Now: Transparency (30% of category grade)	10.5	9.5
<ul style="list-style-type: none"> Annual reporting on overall GHG and criteria pollutant emissions (Scope 1-3) reductions <ul style="list-style-type: none"> Only Scope 1 & 2 Scope 1 & 2 + partial criteria pollutant Scope 1-3 + partial criteria pollutant reporting Scope 1-3 + criteria pollutants Public disclosure of transport emissions Broken down by maritime vs. terrestrial transport type (ocean vs. land) Public reporting of routes and ports of unloading Public reporting of percent of cargo on cleaner and shore power-ready vessels 	3 (1) (1.5) (2) (3) 3 3.5 0.5 0.5	3 (3) 3 3.5 0 0

Abandon Dirty Ships | TOTAL SCORE: 26.5

Performance Criteria	Possible Points	Company Score
Abandon Dirty Ships: Commitment (30% of category grade)	9	8.5
<ul style="list-style-type: none"> Absolute GHG reduction targets that include Scope 3 emissions Transport explicit targets Maritime targets Commitment to move cargo to lower-emission vessels immediately Benchmarks, including reductions by 2030 100% ZEV by 2030 Using LNG or carbon credits as a purported solution 	2 2 2 1 1.5 0.5 -2	2 2 2 0 1 1.5 —

¹Efforts to reduce air pollution by moving to electric rail, and investing in hydrogen trucks, etc.



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Performance Criteria	Possible Points	Company Score
Abandon Dirty Ships: Implementation Plan (20% of category grade)	6	6
<ul style="list-style-type: none"> Contracts for lower-emission maritime transportation or goods transported on lower-emission maritime transportation and/or use of lower-emission vessels in cargo owner owned or chartered vessels RFP for lower-emission shipping Absolute emissions increases from transportation/ failure to disclose transport emissions Absolute emissions reductions from transport 	4 2 -2 Bonus +2	2 ² 2 — +2
Abandon Dirty Ships: Advocacy (20% of category grade)	6	4
<ul style="list-style-type: none"> Publicly support strengthening the level of ambition of the GHG reduction policies Advocate against fossil fuel bunkering infrastructure expansions/for ZEV infrastructure with legislators, regulators, and/or ports 	4 2	4 0
Abandon Dirty Ships: Transparency (30% of category grade)	9	8
<ul style="list-style-type: none"> Annual public disclosure of maritime cargo carriers and volumes of goods per carrier Annual public reporting of modes of product transport by percentage of goods Annual public reporting of transport emissions Annual public reporting of maritime emissions Annual reporting of percentage of goods on lower & ZEV emission vessels Annual disclosure of fuels or technologies employed by reported lower emission and ZEVs 	0.5 1 4.5 2 0.5 0.5	0 0.5 ³ 4.5 2 0.5 0.5

Put Zero at the Helm | TOTAL SCORE: 31.5

Performance Criteria	Possible Points	Company Score
Put Zero at the Helm: Commitment (30% of category grade)	10.5	9.5
<ul style="list-style-type: none"> General climate commitment <ul style="list-style-type: none"> Commitment applies to Scope 3 Scope 3 commitment mentions logistics, distribution, upstream transportation, supply chain 2040 vs. 2050 Upstream transport-specific commitment Maritime-specific reduction commitment <ul style="list-style-type: none"> "100% zero-emission maritime shipping by 2030" — with benchmark absolute GHG reduction targets Publicly commit to 100% ZEV by 2030 Commitment to move freight onto low- and zero-emission vessels (with time-bound targets) Set short-term targets for moving increasing volumes of cargo on cleaner ships, i.e., MGO/Hybrid powered vessels, shore power-equipped vessels Mentions low- and zero-emission vessels Timeline: by 2030 vs. 2040 vs. 2050 Other <ul style="list-style-type: none"> Member of Science-Based Target Initiative (a We Mean Business Coalition commitments) ZEMBA membership CoZEV membership 	3 3 2 2.5 (0.5) (1) (1)	3 3 1 2.5 (0.5) (1) (1)

² Much more focused on land transport, but also moving cargo off ships and onto electric trains, etc.; some biofuels

³ IKEA reports their emissions by transport type, and their percentage of goods shipped intermodally vs. trucks, but the company does not break down forms of intermodal transport



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Performance Criteria	Possible Points	Company Score
Put Zero at the Helm: Implementation Plan (20% of category grade)	7	6
<ul style="list-style-type: none"> ZEMBA Benchmarks for moving cargo onto ZEVs Working with carriers, ports, regulators and policymakers and/or entering partnerships or investing financially in the development of ZEV shipping corridors and/or ZEV technologies, ZEV infrastructure projects and newbuilds Engage suppliers and urge them to adopt the SBTi (Science-Based Targets initiative) Efficiency and optimization (e.g., reducing packaging size and weight) 	2 1 2 1 1	2 1 2 0 1
Put Zero at the Helm: Advocacy (20% of category grade)	7	5.5
<ul style="list-style-type: none"> First Movers Coalition CoZEV Sustainable Freight Buyers Alliance, "Clean Cargo" (hosted by Smart Freight Centre), Clean Energy Buyers Association, Carbon Disclosure Project's Supply Chain program, RE100, Ceres, LEO coalition, or WWF's Climate Business Network Publicly demanding and/or advocating carriers incorporate existing or future GHG reduction technologies and operational measures <ul style="list-style-type: none"> Public support for green corridors Expressions of public support for zero-emission shipping development Zero-emission, fossil-free cargo ships Cleaner fuels Fossil-free propulsion technologies Efficiency retrofits such as wind-assisted propulsion, hull coatings, slow steaming, and route planning, shore power, and offshore zero-emission charging stations 	1.5 1.5 1 3	0 1.5 1 3
Put Zero at the Helm: Transparency (30% of category grade)	10.5	10.5
<ul style="list-style-type: none"> CDP Climate report Annual CSR report with GHG and air pollution disclosure <ul style="list-style-type: none"> Includes Scope 3 Mentions more than CO₂ (NOX, SOX, PM, HC₄, NFCs, etc.) Discloses Category 4 ("upstream") transportation or "distribution" Mentions maritime shipping specifically Methodology underlying calculations 3rd party verification of calculations Reporting progress toward achieving interim benchmarks and long-term commitment Uses and/or requires vendors to use the Global Logistics Emissions Council Framework 	2 8.5 (1.5) (1.5) (1) (1.5) (0.5) (0.5) (1.5) (0.5)	2 8.5 (1.5) (1.5) (1) (1.5) (0.5) (0.5) (1.5) (0.5)