



# history

**IKEA**<sup>®</sup>

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## HISTORY

# IKEA through the years

- 1943** Ingvar Kamprad registers IKEA as a company.
- 1951** The first IKEA catalogue is distributed.
- 1955** IKEA starts designing its own furniture.
- 1956** IKEA starts with flat packages.
- 1958** The first store opens in Älmhult, Sweden.
- 1961** Polish production "rescues" IKEA
- 1963** The first store outside Sweden opens in Norway.
- 1973** The first store outside Scandinavia opens in Switzerland.
- 1985** The first store in the USA.
- 1986** Anders Moberg takes over as President after Ingvar Kamprad
- 1991** IKEA buys its own sawmills and factories to create Swedwood.
- 1999** Anders Dahlvig takes over as President after Anders Moberg.
- 2000** The first store in Russia.

## HISTORY

First catalogue  
**1951**

Furniture in the range  
**1950**

Designing our own furniture  
**1955**

58 000 employees  
**2000**

First store in China  
**1998**

Flat packages  
**1956**

The IKEA name is registered  
**1943**

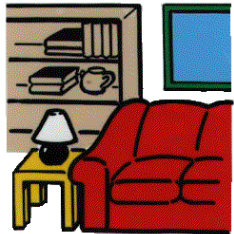
## HISTORY

# Flat packages

In **1956** a designer unmounted the legs of a table to fit into a car...  
- creating history and distribution revolution with IKEA's first ever flat package.



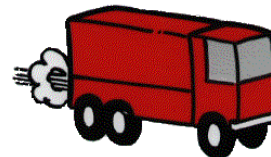
# Prioritised environmental issues 2000-2003



Environmental  
adaptation of the  
range and product  
materials



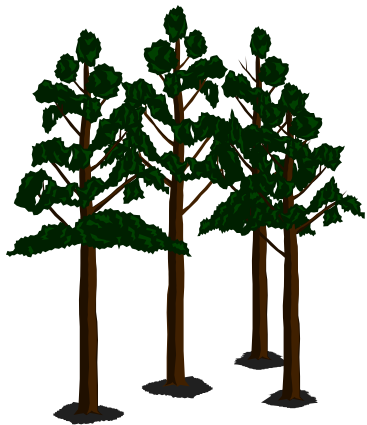
Environmental  
work among our  
suppliers



Goods transports



Meeting the  
customer



**Forestry**

# IKEA & Forestry

- Wood is IKEA's most important raw material
- Wood is good
  - Renewable
  - Recyclable
  - Biodegradable
- IKEA's total annual use of wood amounts to 1/10 of the annual felled volume in Sweden, i.e. approximately 7 million m<sup>3</sup>



# IKEA & Forestry cont.

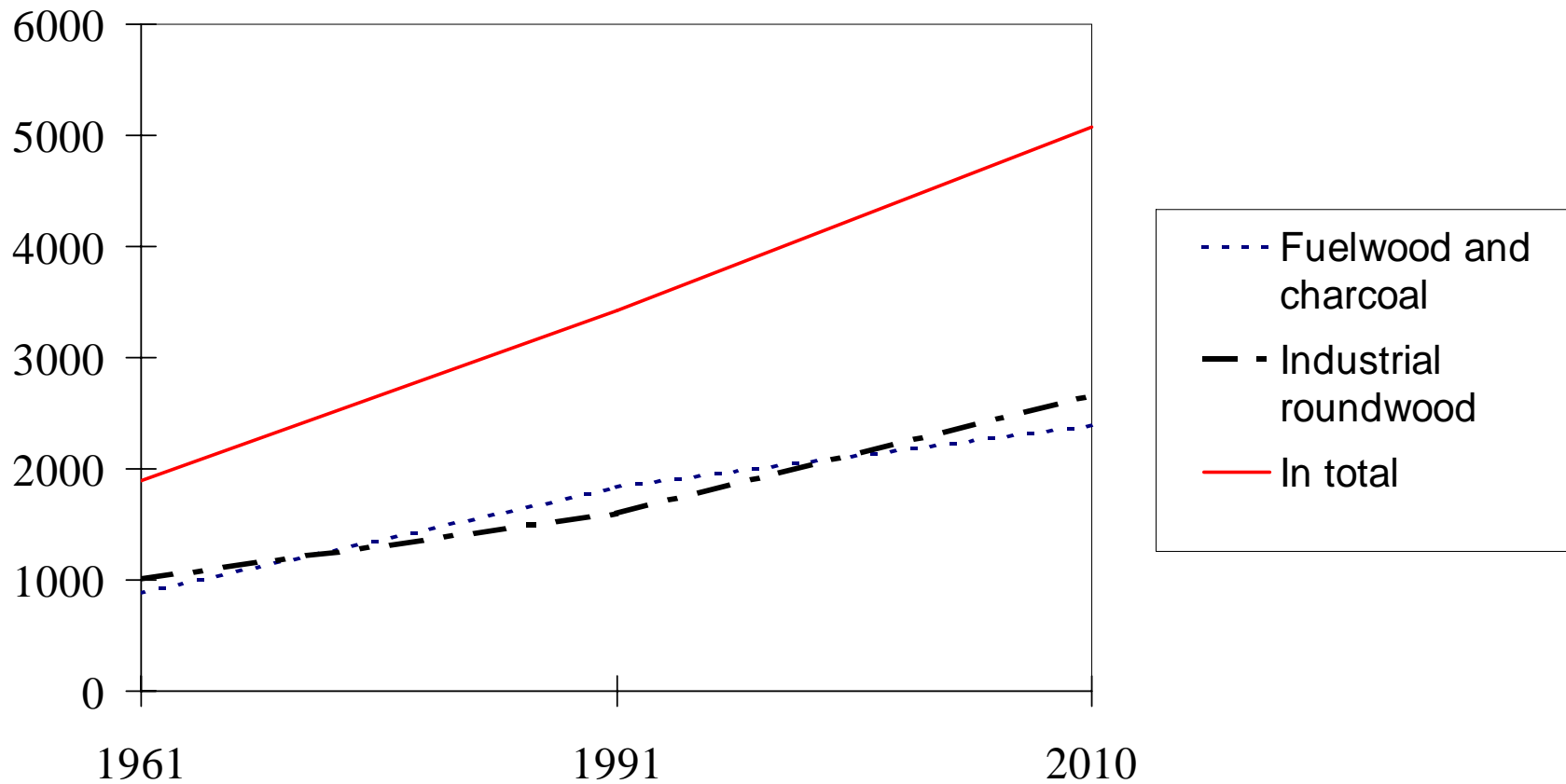
- Population growth - from 6 to 9 billion in 50 years
- The global wood consumption is growing
- No new timber frontiers
- Loss of forest land - 9 million ha/year
- Loss of biodiversity and social values
- Flooding, global warming, etc.
- **We must do what our customers have the right to expect from us**





IKEA of Sweden AB

## Wood consumption 1961 - 2010 (million m<sup>3</sup>)

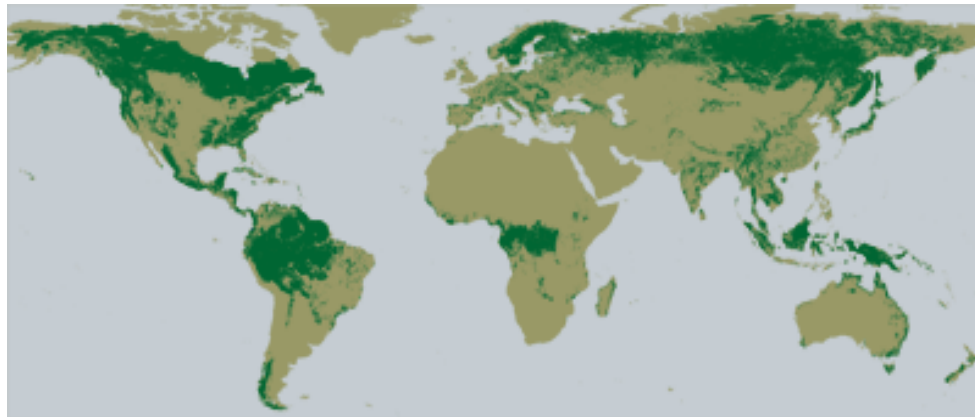




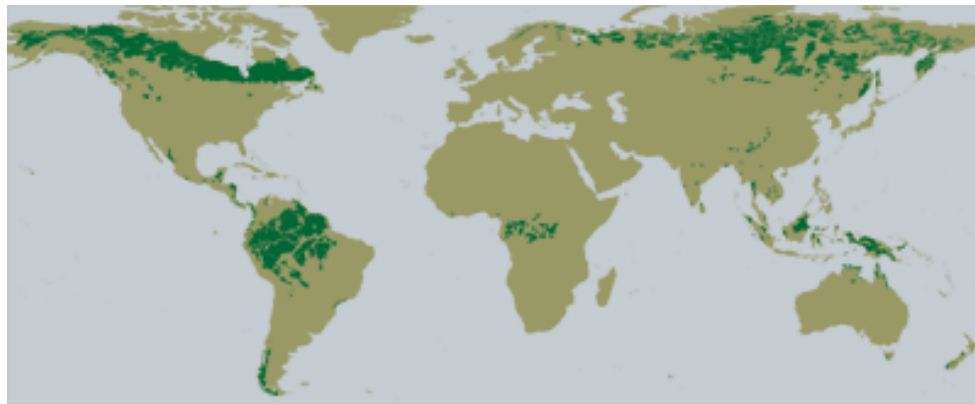
Original  
forest cover



Present  
forest cover



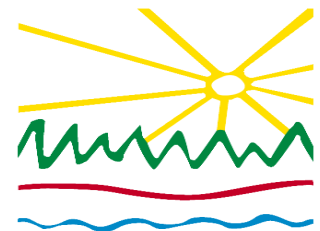
Intact natural  
forests



# What can the customers expect from IKEA?

IKEA should:

- Know where the wood comes from and what tree species we use
- Not contribute to loss of intact natural forests - promote a more sustainable use of the forest resources
- Stepwise increase the amounts of certified wood in our range
- Be competent
- Communicate what we are doing

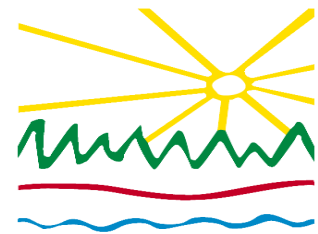


# IKEA's long-term goal

To source all wood in the IKEA range from verified well-managed forests.

Verification should be carried out by a third party according to a standard produced in co-operation between:

- social
- economical
- environmental interests





IKEA of Sweden AB

# Demands on solid wood

Supplier entry level and action plan to achieve level 2 agreements

Compliance with the IKEA way on purchasing home furnishing products and quality assurance

IKEA standard

Official standard

Step 4

Step 3

Step 2

Step 1

No solid wood from intact natural forests unless certified according to standard recognised by IKEA

**Acceptable solid wood sources**

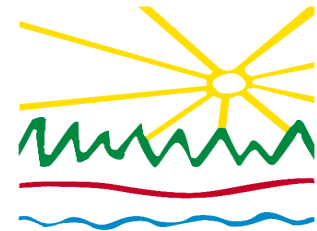
- Known origin – region within country
- Compliance with forest legislation
- Not from protected areas unless certified or felled in accordance with management prescriptions
- Not from plantations established after Nov. 1994 by replacing intact natural forests

**IFS**

Forest management in transition towards step 4 verified by compliance with

IKEA Forestry Standard

**Well-managed forests** verified by compliance with official standard recognised by IKEA



# Supplier “entry ticket” (Step 1)

The solid wood must not originate from intact natural forests (INF) or high conservation value forests (HCVF) unless independently verified as coming from well managed sources, i.e. forests certified according to a standard recognised by IKEA - currently only FSC



## IKEA's minimum demands (Step 2)

- The **origin** of the solid wood must be known. The supplier must be able to state from which region within a country the wood originates.
- The solid wood must be produced **in compliance with national and regional forest legislation** and other applicable laws.
- The solid wood **must not originate from protected areas** (national parks, nature reserves, forest reserves etc.) unless independently verified as coming from well managed forests, i.e. forests certified according to a standard recognised by IKEA or felled in accordance with management prescriptions for the protected area.
- The solid wood must **not originate from plantations** established after November 1994 by replacing intact natural forests.
- High value **tropical tree species** must be certified and labelled (FSC)



## Level 3. 4Wood. Forest management in transition towards level 4

- 4Wood is an **IKEA standard** developed and maintained by IKEA. The forest management is audited against a standard including indicators that describe the transition from level 2 towards level 4.
- Site Specific.
- Existing certification systems and corresponding standards will be compared with 4Wood.



## Level 4. Well managed forests verified by compliance with an official standard

Forests managed according to a standard that includes established performance levels that is;

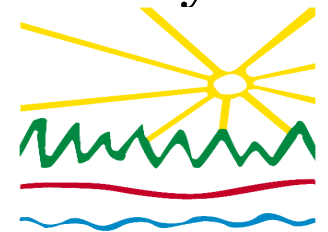
- co-operatively developed by a balanced group of **environmental, economic** and **social** stakeholders and verified by an independent third party.

Today only FSC is recognised as a Level 4 standard.

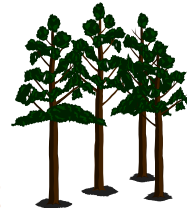
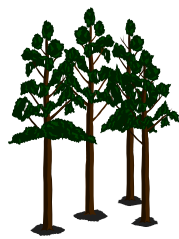
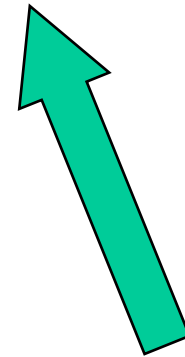
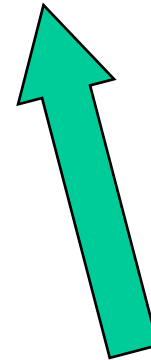
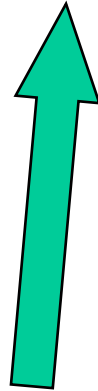
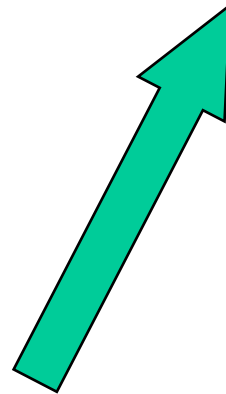
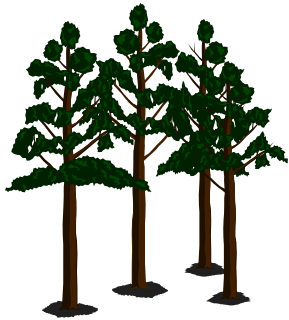
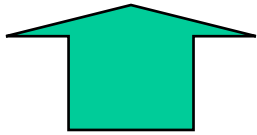
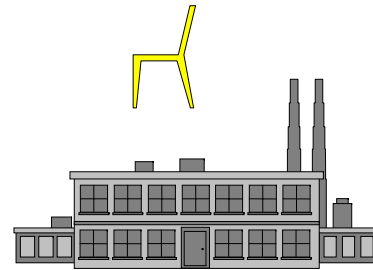
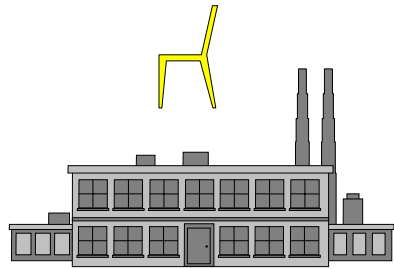


# IKEA's demands on suppliers

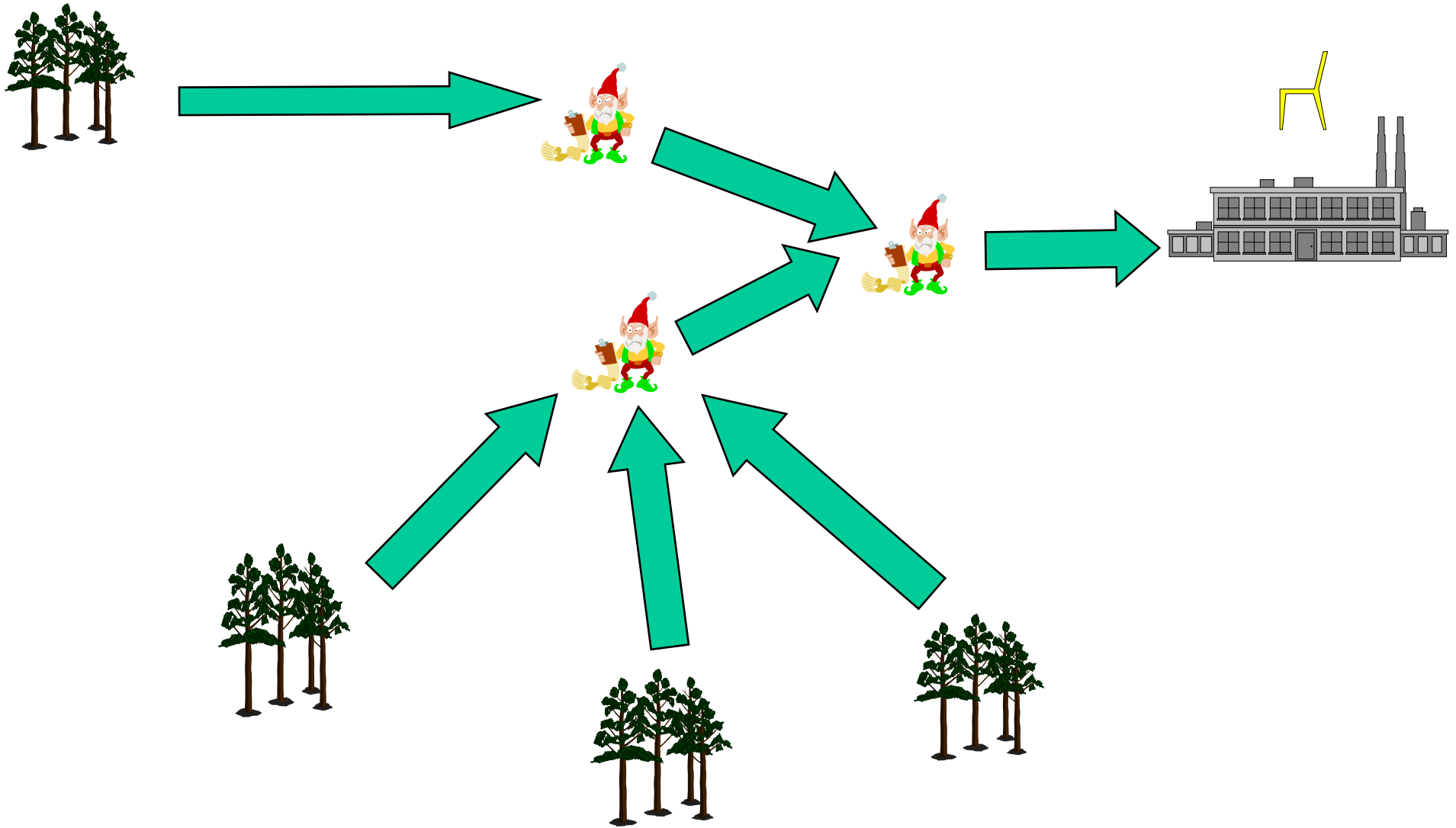
- Must secure that the next part in the chain agrees with IKEA's demands.
- information about the origin of the wood must be available for IKEA within 48 hours.
- must file the information in records for at least 12 months.
- if supplier have wood sources that do not fulfill IKEA's minimum requirements, the supplier must be able to show how the non-complying wood is kept separate from wood for IKEA's products.
- must accept reviews of the wood supply chain either by IKEA or a third party appointed by IKEA.



# Wood Supply Chain

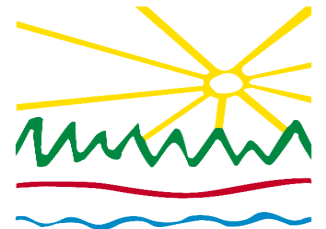


# Wood Supply Chain



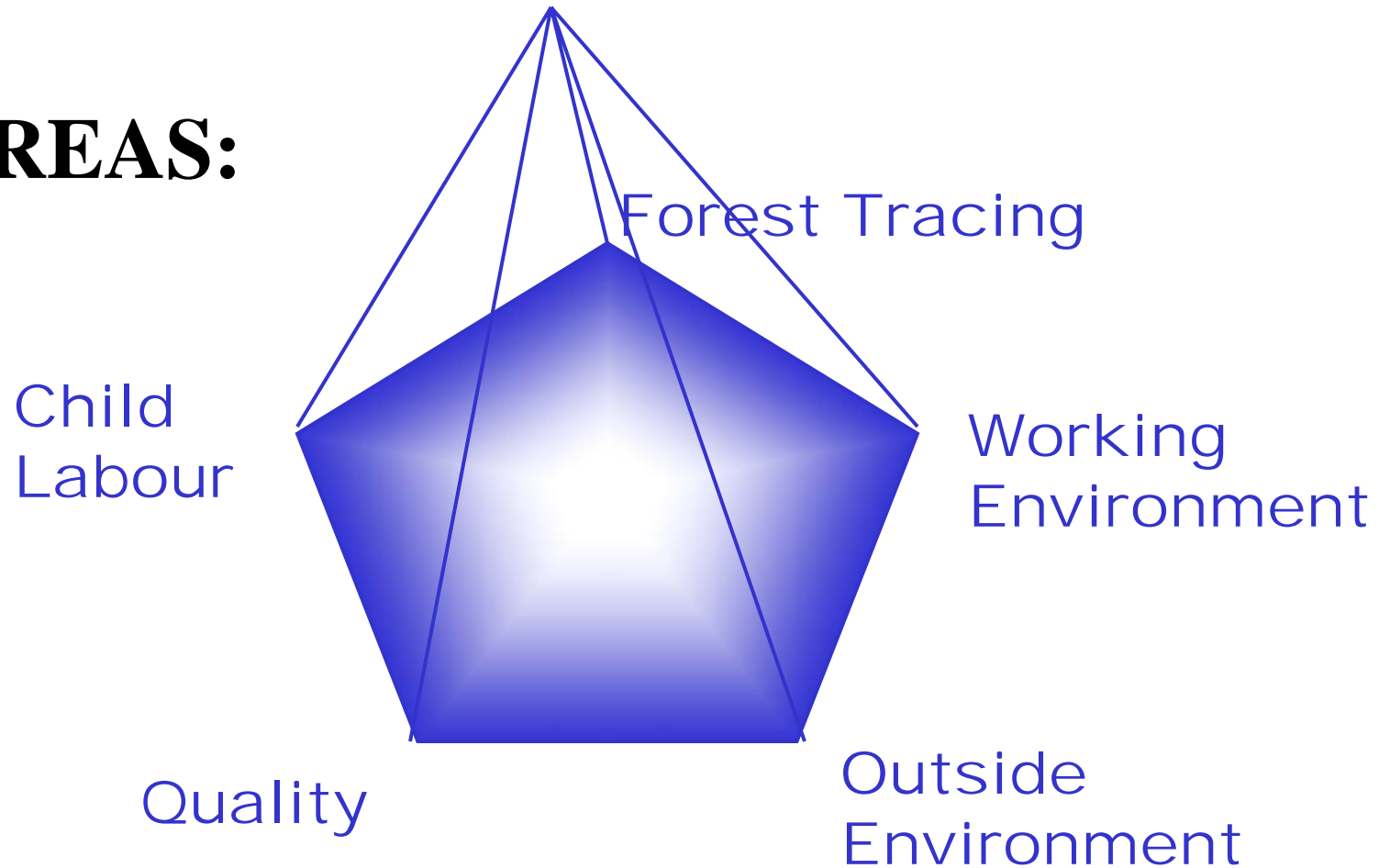
# Forest tracing

- Check all suppliers of solid wood products once a year during April - August.
- Supplier Questionnaire about wood supply chain
  - wood origin for each supplier and each wood source
  - level according to stair-case model
- Random audits of wood supply chains ( all sub-supplier levels) by forest manager.



# The IKEA Way on Purchasing Home Furnishing Products (IWAY)

## AREAS:





## **The IKEA Way on Purchasing Home Furnishing Products (IWAY)**

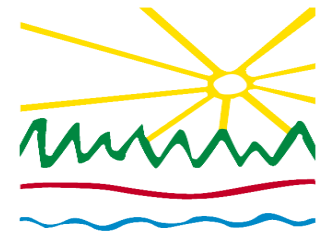
- ✓ Staircase level defined for the 5 areas**
- ✓ Existing review, checklist and guidelines for the 5 areas**
- ✓ Improvement development program**
- ✓ Improvement inspection**

## Other planned actions for the period 2000-2003

- Other wood based materials
- Projects
- Increased forest competence
- Strategic alliances and networks

# What is IKEA's next step?

- We will continue to implement our minimum demands
  - Distribute the maps produced by GFW
  - Carry out audits of our suppliers and their wood supply chains
- We will promote certification and sustainable forestry
  - Initiate and facilitate certification processes
  - Set up projects contributing to develop more sustainable forestry methods
  - Finance grants for MSc-students from Russia, Baltic states, and Poland to study sustainable forestry in Sweden







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