IKEA Approach in High Risk Areas

• **The supplier in the lead**
• 100% FSC in 2017
• Audits every year
• Supply Chain Audits for uncertified suppliers and supply chains
• New supply chains require approval
• Stop deliveries if IWAY Must violation
• Partnership with external organisations (WWF)
**WWF Forestry projects – what is the purpose?**

**Overall purpose**
To ensure efficient, responsible business practices and sound use of natural resources. The results contribute to the IKEA vision of creating a better everyday life for the many people and to the WWF mission to build a future in which humans live in harmony with nature.

**Objectives and scope**

**Forestry**
To drive improved forest governance, responsible forest management and responsible & transparent trade in key countries

- Russia
- Russia Far East
- DCPO (Romania, Bulgaria and Ukraine)
- Bosnia Herzegovina
- China
- Greater Mekong (Vietnam, Cambodia and Laos)
- Indonesia
Other forestry projects

Objectives and scope:

Aimed at areas where focussed efforts are needed in direct connection to IKEA suppliers and sub-suppliers.

Support to FSC to strengthen certification in key regions (China and Russia) and facilitate stakeholder participation.

Expected impact

These project are design to deliver similar benefits and impact as with WWF projects, improved forest management and more certification.

The main aim is however to deliver a strong increase of preferred wood in IKEA supply chains, especially in challenging areas.
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• Partnership with external organisations (WWF, FSC, CBs...)
• On the ground capacity (Foresters)
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- Training of business teams and suppliers
Training
Forestry on the business agenda with suppliers

Pre-activity & Face-to-face

Presentation

LEARNING IS.

Post-activity

EVERYDAY UNIVERSITY.

SMALL TALK.
How much do you know about the supply chains delivering to your supplier?
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- Training of business teams and suppliers
- Support for certification and backward integration
Backward Integration with FSC

Shandong province
Hard wood and layer glued
Turn over 36M USD
Capacity commitment
16 years with IKEA
Forest in Russia (Siberia)

- 8,000 ha leased forest
- Forest lease contract till 2060
- Sawmill investment
- LOG output 40K m3 /Y current
FSC IKEA Support

- Training to company’s staff
- HCVF Identification
- Forest management plan
- IKEA budget – 20,000 USD
Benefits & Future

• Better forest management
• All solid wood FSC from FY14
• FSC dowels for ICOMP
• Wood component from RU
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• Partnership with external organisations (WWF)
• On the ground capacity (Foresters)
• Training of business teams and suppliers
• Support for certification and backward integration
• Test new technology
• Networking
• Close contact with authorities
• **Continuous learning and improvement**