

# 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.

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

## Objectives and scope

### Forestry

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



# Other forestry projects

- Locations:**
- Slovakia
  - China
  - Ukraine
  - Belarus
  - Malaysia
  - Vietnam
  - Thailand
  - Russia

## 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)



Forestry

Barcelona 150415



Forestry

Barcelona 150415

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- Training of business teams and suppliers

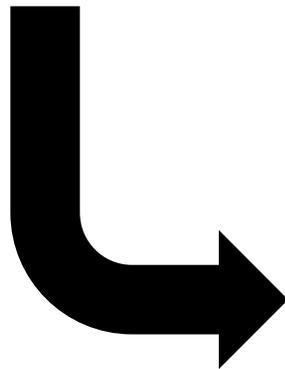
# Training

## Forestry on the business agenda with suppliers

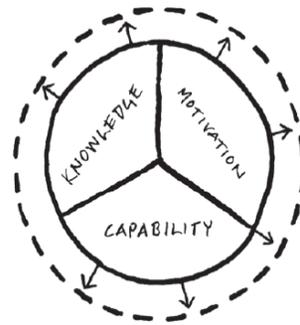
SMALL  
TALK.



Presentation

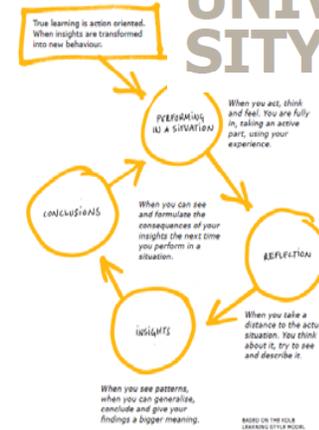


LEARNING  
IS.

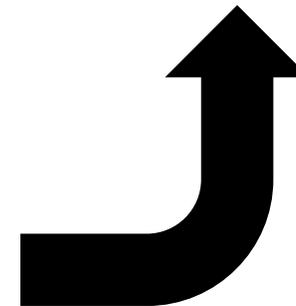


Pre-activity &  
Face-to-face

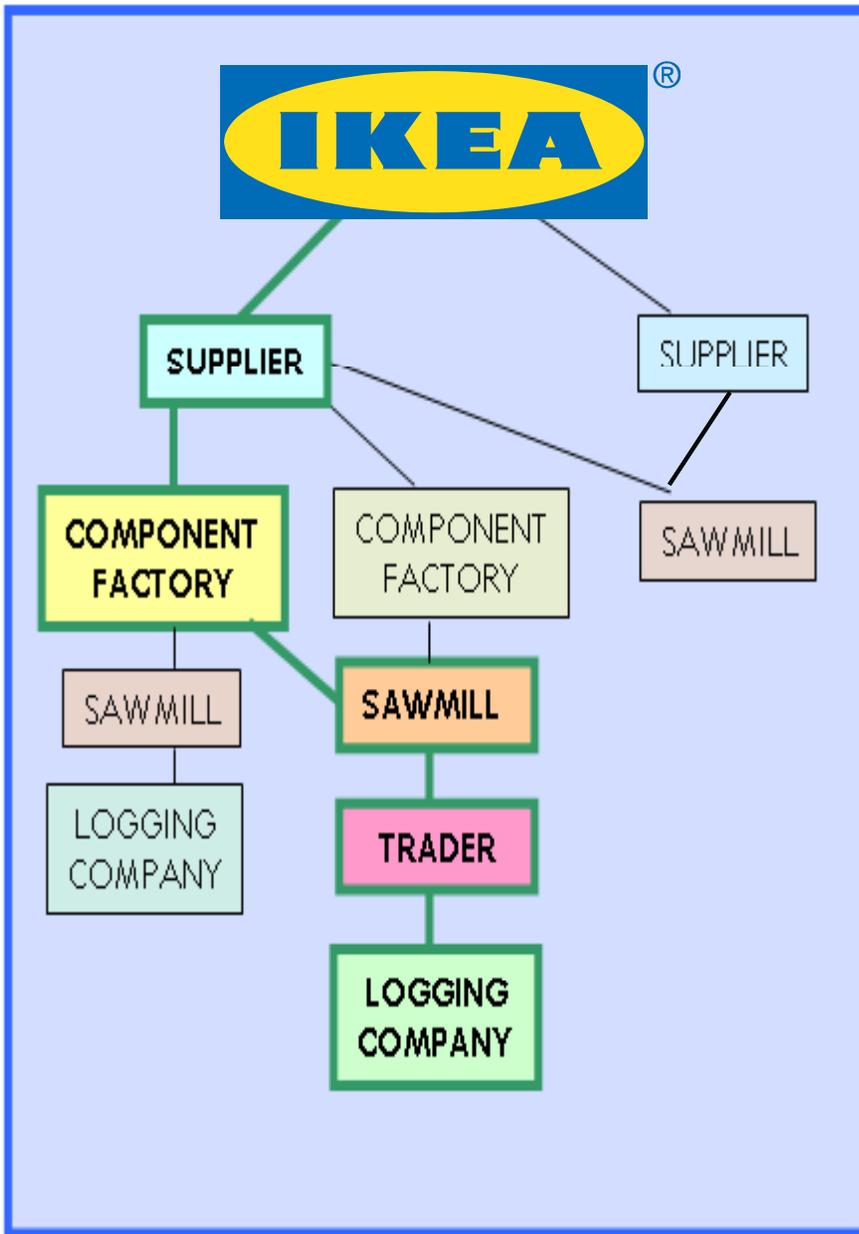
EVERYDAY  
UNIVERSITY.



Post- activity



**How much do you know about the supply chains delivering to your supplier?**



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- 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 m<sup>3</sup> /Y current

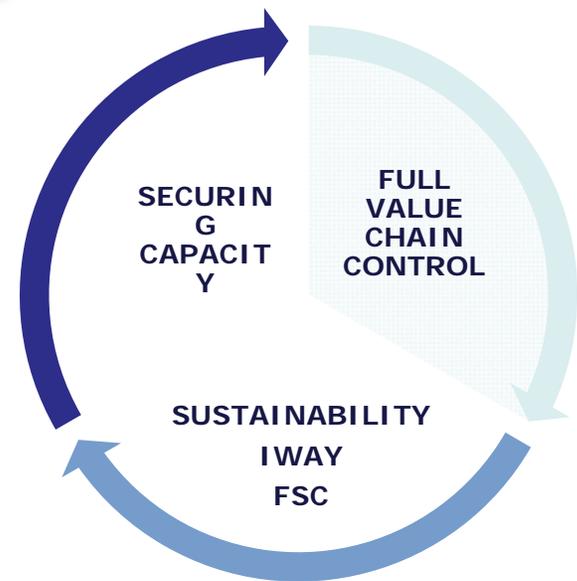
# FSC IKEA Support

- 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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- Training of business teams and suppliers
- Support for certification and backward integration
- Test new technology
- Networking
- Close contact with authorities
- **Continuous learning and improvement**