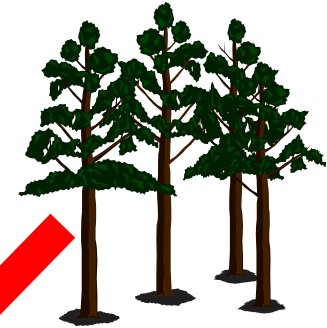


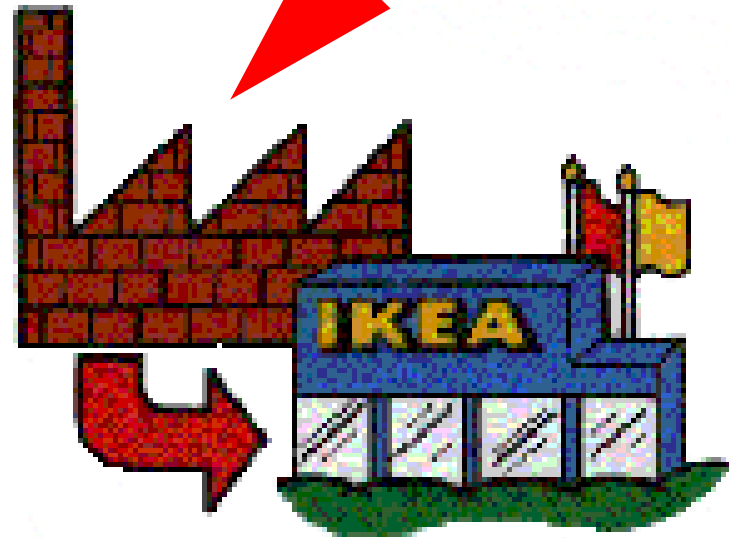


IKEA  
and  
Forestry

# IKEA



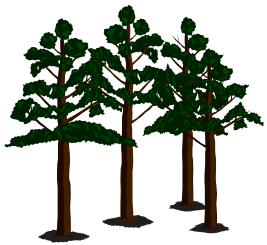
- A home furnishing company
- 50 000 co-workers
- 159 stores in 29 countries
- 230 million visitors/year
- 10 000 articles
- Sales - 8.5 billion USD in FY00
- 2000 suppliers in 56 countries
- More than 70 % of the purchase in Europe



# Prioritised environmental issues 2000-2003



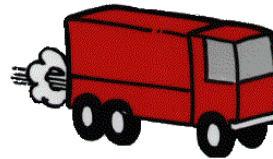
Environmental  
adaptation of the  
range and  
product materials



Forestry



Environmental  
work among our  
suppliers



Goods transports



Meeting the  
customer

# IKEA & forestry

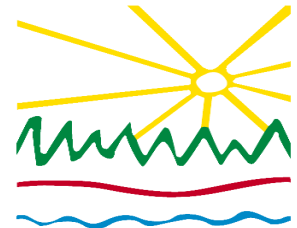
- Wood is IKEA's most important raw material
- Wood is good
  - Renewable
  - Recyclable
  - Biodegradable
- IKEA's total annual use of wood amounts to 1/10 of the annual felled volume in Sweden, i.e. approximately 7 million m<sup>3</sup>



# What can the customers expect from IKEA?

IKEA should:

- Know where the wood comes from and what tree species we use
- Put demands on the raw materials and production processes 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

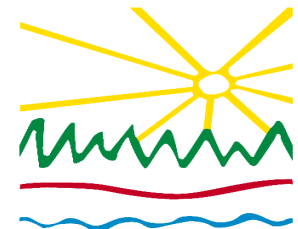


# IKEA's long-term goal

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





## Six components build up the forest Action plan

- The staircase model for wooden merchandise – solid wood
- Additional requirements
- The forest tracing system (FTS)
- The IKEA Way on Purchasing Home Furnishing Products
- Audits of wood supply chains
- Other actions that will be carried out during the plan period



## Six components build up the forest Action plan

- **The staircase model for wooden merchandise – solid wood**
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IKEA of Sweden AB

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

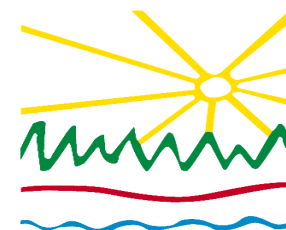
Step 1

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

ISTFS  
Forest management in transition towards step 4 approved or certified according to IKEA Step Three Forest Standard (ISTFS)

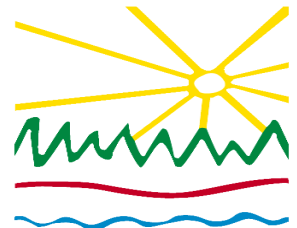
Acceptable solid wood sources  
- Known origin – region within country  
- Compliance with forest legislation  
- Not from protected areas unless certified according to “step 4 standard” or felled in accordance with management prescriptions  
- Not from plantations established after Nov. 1994 by replacing intact natural forests

No solid wood from intact natural forests or high conservation value forests unless certified according to a “step 4 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**

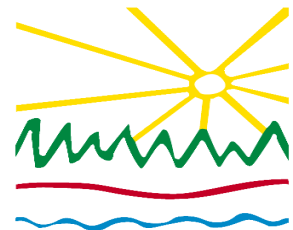
Forests managed according to a standard that includes established performance levels that is;

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

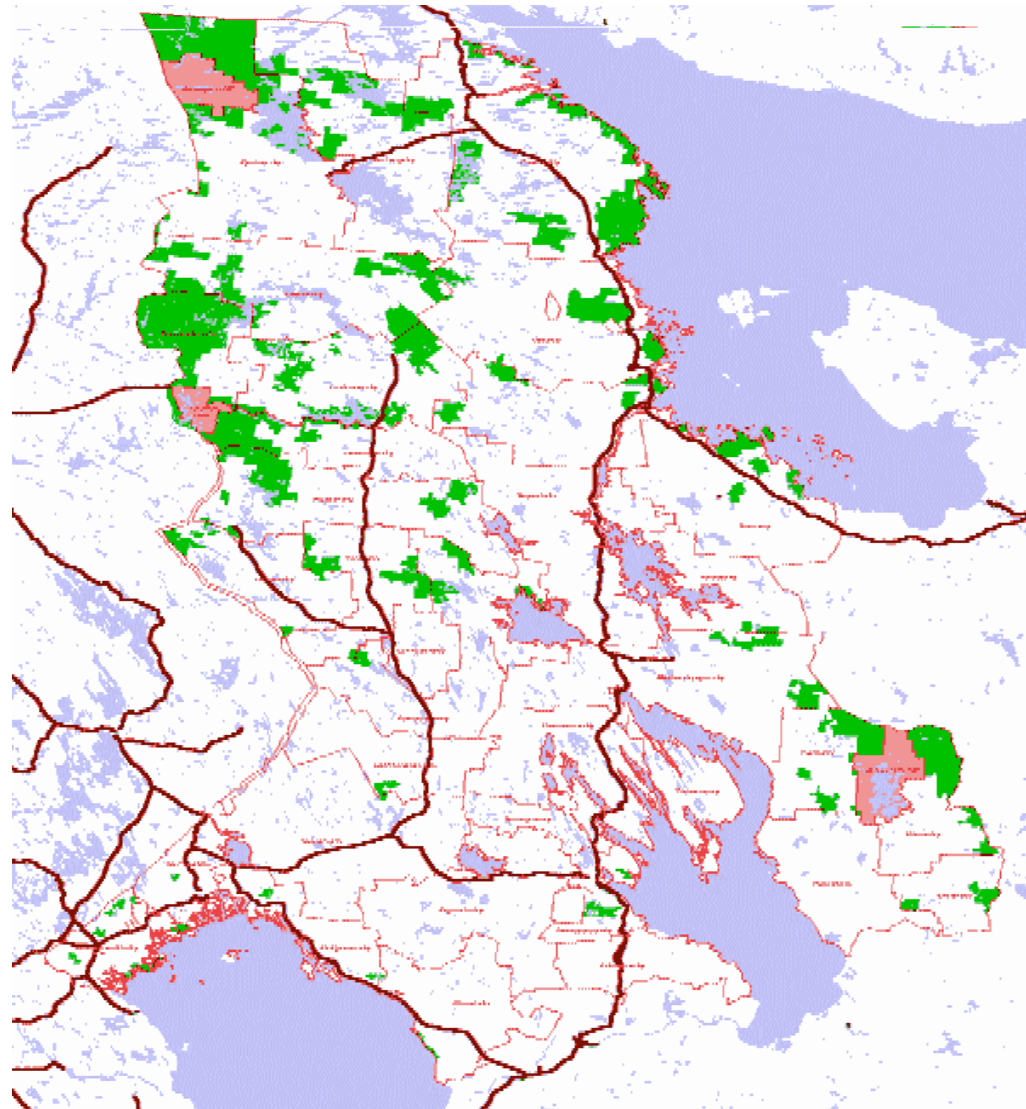
Today only FSC is recognised as a Level 4 standard.

# How do we control that our suppliers comply with our demands ?

- All suppliers have to sign an agreement with IKEA where the supplier agrees to comply with our demands
- IKEA gives professional support to suppliers and provides suppliers with maps of intact natural forests (GFW)
- IKEA audits all solid wood suppliers and their wood supply chains through:
  - Own forest experts within the trading organisation
  - Internal audits carried out by IKEA International
  - Third part audits



## Intact natural forests in Russian Karelia



Taiga Rescue Network

# High conservation value forests (FSC definition)

High Conservation Value Forests are those that possess one or more of the following attributes (no size restrictions):

- a) forest areas containing globally, regionally or nationally significant: concentrations of biodiversity values (e.g. endemism, endangered species, refugia); and/or large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance
- b) forest areas that are in or contain rare, threatened or endangered ecosystems
- c) forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control)
- d) forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in co-operation with such local communities).





## Six components build up the forest Action plan

- The staircase model for wooden merchandise – solid wood
- Additional requirements**



# Additional Requirements

- 12 months; keep records of the origin of wood
- The supplier must upon request by IKEA, or a third party appointed by IKEA, within 48 hours be able to report the origin of the wood. Must show how wood sources that fulfil IKEA's requirements are separated from wood sources that do not fulfil IKEA's requirements.
- Sub-supplier information
- Tropical tree species:
  1. must be certified (FSC).
  2. must have chain of custody certificates.
  - 3 must be labelled with the logo of the certification system
- Major industrial plantations with tropical tree species must be audited according to the plantation checklist.

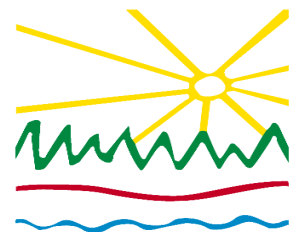


## Six components build up the forest Action plan

- The staircase model for wooden merchandise – solid wood
- Additional requirements
- **The forest tracing system (FTS)**

# Forest tracing System

- All suppliers of solid wood products
- Once a year during April - August
- Questionnaire
- A supplier assurance
- Information given by the suppliers will be controlled
  - random sample
- Information requested
  - tree species used
  - wood origin
  - level according to stair-case model



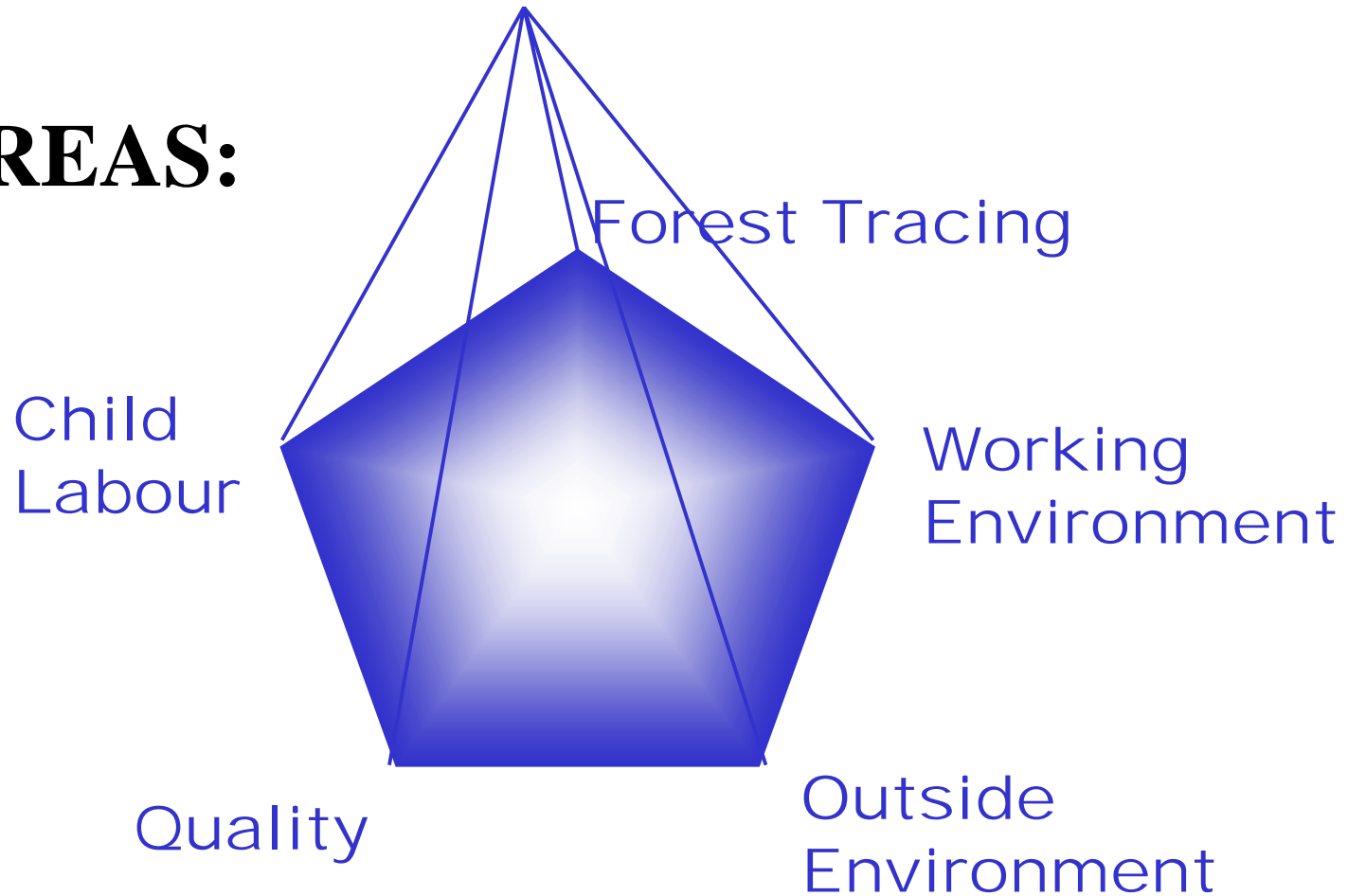


## Six components build up the forest Action plan

- The staircase model for wooden merchandise – solid wood
- Additional requirements
- The forest tracing system (FTS)
- **The IKEA Way on Purchasing Home Furnishing Products**

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

## AREAS:





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

- ✓ **STAIRCASE LEVEL DEFINITION PER 5 AREAS**
- ✓ **REVIEW CHECKLIST & GUIDELINES PER 5 AREAS**
- ✓ **IMPROVEMENT DEVELOPMENT PROGRAM**
- ✓ **IMPROVEMENT INSPECTION**



## Six components build up the forest Action plan

- The staircase model for wooden merchandise – solid wood
- Additional requirements
- The forest tracing system (FTS)
- The IKEA Way on Purchasing Home Furnishing Products
- **Audits of wood supply chains**





## Six components build up the forest Action plan

- The staircase model for wooden merchandise – solid wood
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- The IKEA Way on Purchasing Home Furnishing Products
- Audits of wood supply chains
- **Other actions that will be carried out during the plan period**

# 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
  - Etc.

