

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

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

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



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- On the ground capacity (Foresters)





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- On the ground capacity (Foresters)
- Training of business teams and suppliers

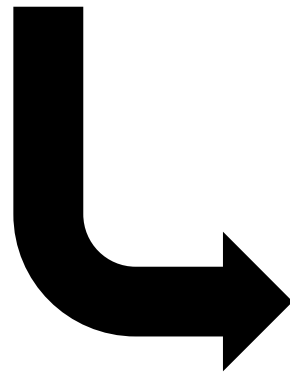
Training

Forestry on the business agenda with suppliers

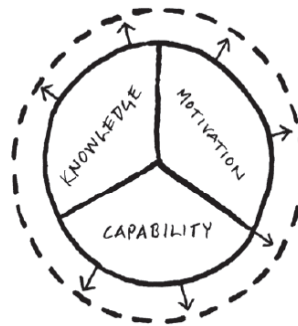
SMALL
TALK.



Presentation



LEARNING
IS.

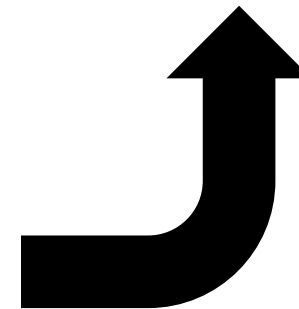


Pre-activity &
Face-to-face

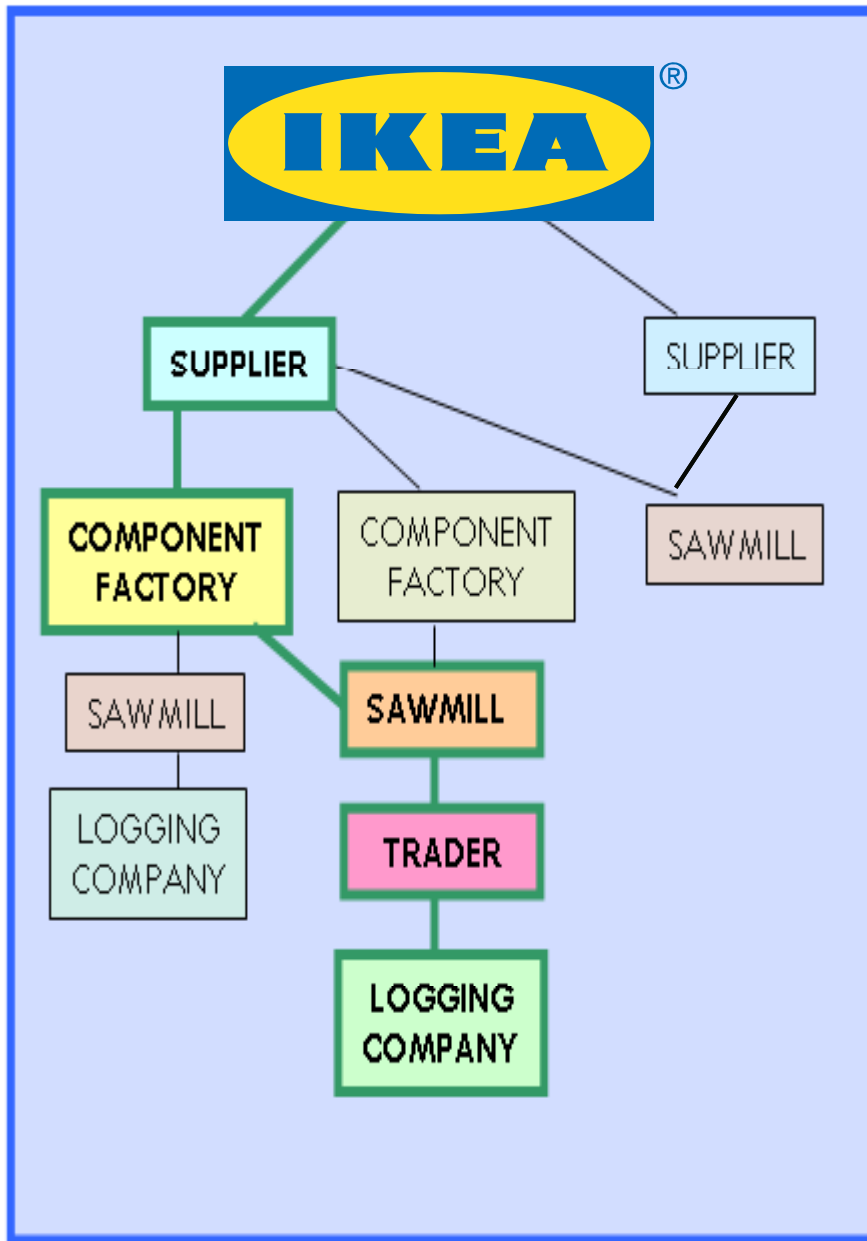
EVERYDAY
UNIVER-
SITY.



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 m3 /Y current

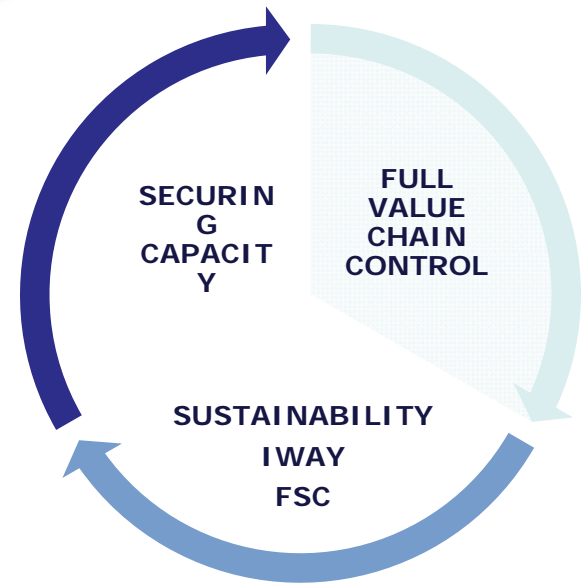
FSC IKEA Support

- 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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- 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**