



## IKEA's Position on Forestry

### Background

IKEA recognizes wood as an excellent material from both a functional as well as an environmental point of view. Wood has the right properties for being the principal material in many of the home furnishing products in the IKEA range. In addition, wood is renewable, recyclable and biodegradable. However, for wood to be a good environmental choice, it should originate from responsibly managed forests.

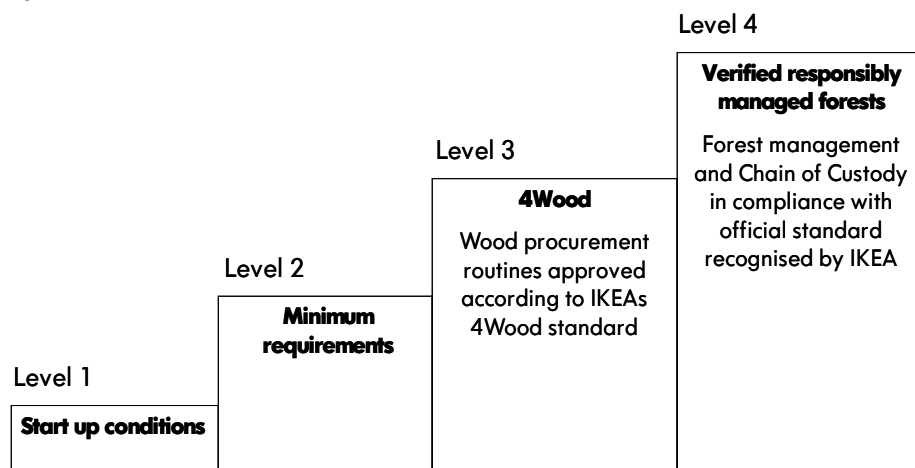
### Our way of working

To meet our customers' expectations, we strive to combine cost consciousness with good design and high quality. A natural result of this approach is that resources and raw materials are used in the most efficient way possible in the furniture design, material sourcing, and production processes. To ensure that social and environmental considerations are included in the way we do business, we have requirements on the wood material used in IKEA products and on our suppliers' wood procurement routines.

IKEA forestry specialists work on a daily basis with IKEA suppliers to promote understanding of our forestry requirements and to ensure implementation. By placing demands on our supply chains, we aim to support the development of responsible forest management practices in the countries in which we work. IKEA is also actively involved in forest projects in our prioritized wood sourcing regions focusing on critical issues such as combating illegal logging, promoting forest certification, and training and education on responsible forest management.

### Our goals

IKEA's long-term goal is to source all wood in the IKEA range from verified responsibly managed forests, i.e. forests that have been certified according to a forest management standard recognized by IKEA. To reach this long-term goal, IKEA works with a staircase model with four levels to establish minimum requirements on wood material and to step by step place higher demands on the suppliers. The staircase model is applicable for suppliers delivering or producing IKEA articles that contain solid wood, veneer, plywood or layer-glued wood.



**Figure 1.** The IKEA staircase for wooden merchandise

IKEA's short-term goal is that 3.6 million m<sup>3</sup> (30%) of the wood material used in IKEA products shall be certified according to Level 4 and 100% of our suppliers shall be on Level 2 of our staircase model by the end of 2009.

## **Our requirements**

IKEA places the following minimum requirements on solid wood, veneer, plywood and layer glued wood used in IKEA products (Staircase levels 1 & 2):

- The origin of the wood must be known
- Wood must be produced in compliance with national and regional forest legislation;
- Wood must not originate from protected areas, unless felled according to the management plan for the area;
- Wood must not originate from intact natural forests or high conservation value forests, unless certified according to a Level 4 standard recognized by IKEA;
- Wood must not originate from plantations established after 1994 by replacing intact natural forests.

All IKEA suppliers must have certain routines in place to secure that wood used in IKEA products meets the above requirements. IKEA suppliers must know the origin of all wood used in IKEA products, ensure that IKEA requirements are met throughout their supply chains, and accept audits at various links in the supply chain. IKEA suppliers are required to report the origin, volume and species of the wood used in IKEA products on an annual basis via the IKEA Forest Tracing System.

Levels 3 and 4 in the IKEA Staircase Model further strengthen procedures at the IKEA supplier by adding chain of custody routines and third party verification of responsible forest management. Level 4 of the staircase model represents a forest management and chain of custody standard produced in a balanced cooperation between social, environmental, and economic stakeholders. Currently the Forest Stewardship Council (FSC) is the only Level 4 certification scheme recognized by IKEA.

## **How we follow-up**

Before starting business with a new supplier and on an annual basis thereafter, the forest tracing information provided by the IKEA supplier is reviewed by IKEA's purchasing teams and forestry specialists. Based on a risk assessment, certain wood supply chains are selected to undergo an audit from the IKEA supplier all the way back to the forest. The wood supply chain audit may be conducted by an IKEA forester or an independent auditor. The wood supply chain audit verifies that each link in the selected wooden merchandise chain has responsible wood sourcing routines in place and that the wood is produced in compliance with IKEA's minimum forestry requirements. Results from the forest tracing information and wood supply chain audits are annually reported in IKEA's Social and Environmental Report.

Read more about how we work with forestry and forest projects: [www.ikea-group.ikea.com](http://www.ikea-group.ikea.com)