

GENERAL STATEMENT

At IKEA, we believe that to make a difference for the world's forests, through advancing responsible forest management, we can accomplish more by working together with others than by working alone. We welcome reports and findings by NGOs and take them very seriously. We have immediately begun investigating the allegations and are committed to engaging further with Earthsight. IKEA shares and supports the ambition to improve the forest management situation for Ukraine.

Wood is an essential part of our design heritage and is an excellent renewable material from a design, quality and environmental perspective, provided that it comes from responsibly managed forests. IKEA suppliers source wood from approximately 50 countries around the world. As a large consumer of wood, we consciously work to use our scale and global reach as a driver for positive change, particularly in regions facing challenges. We believe it is important to be present in such areas to advance responsible forest management to generate a positive impact on the world's forests and to enable efficient production, strengthen biodiversity and protect ecosystems.

Currently, IKEA uses less than 1% of the total wood harvested in Ukraine, and it forms less than 1% of our global sourcing. IKEA does not accept illegally logged wood in our products. We acknowledge that illegal logging remains a widespread global issue, and work proactively to implement measures to verify that our suppliers comply with legality and our requirements. When we encounter any information that suggests wood which does not meet our requirements has entered, or is at risk of entering our supply chain, we take immediate action. This includes the termination of suppliers' contracts.

In 2018 and 2019 we initiated independent audits based on the results of the 2018 Earthsight report. We did not identify any illegally logged wood in our supply chain at that time. Following Earthsight's most recent report, we have immediately requested another 3rd party audit of our wood supply chain in Ukraine. We have also asked Assurance Services International (ASI) – the FSC (Forest Stewardship Council) auditor – to investigate the report's allegations. Together with that, we have asked Earthsight to share their documents with us so we can work together to address this highly complex issue.

IKEA shares the concerns that Ukraine faces many challenges relating to irresponsible forest management practices, illegal logging and corruption. It is of critical importance that all relevant stakeholders in government, non-governmental organisations, businesses, and local communities come together in a joint effort to address the problems and work collaboratively to strengthen the system.



We currently believe that FSC (Forest Stewardship Council) is the most credible global forest certification available due to its transparency and inclusion of multiple stakeholders from environmental, economic and social groups as part of its membership and decision-making processes.

At IKEA, we are always committed to taking action in our own supply chain and working together with partners from around the world to improve and make responsible forest management the norm.

We remain steadfast in our ambition to care for both people and planet.

About IKEA

IKEA offers well-designed, functional and affordable, high-quality home furnishing, produced with care for people and the environment. There are several companies with different owners, working under the IKEA Brand, all sharing the same vision: to create a better everyday life for the many people. IKEA was founded in Sweden in 1943.

About the IKEA franchise system

The IKEA retail business is operated through a franchise system with franchisees that are authorised to market and sell the IKEA product range within specified geographical territories. Inter IKEA Systems B.V. is the owner of the IKEA Concept and worldwide IKEA franchisor, who also assigns different IKEA companies to develop the product range, supply products and deliver communication solutions. Today, 12 different groups of companies have the right to own and operate IKEA sales channels under franchise agreements with Inter IKEA Systems B.V.

About Inter IKEA Group

Inter IKEA Group includes Inter IKEA Systems B.V., IKEA of Sweden AB, IKEA Supply AG and IKEA Industry AB related businesses. Inter IKEA Holding B.V. is the holding company for the Inter IKEA Group.