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## The IKEA Way of Responsibly Procuring Products, Services, Materials, and Components (IWAY)

### IWAY Forest Materials Specification

**Explanatory Note:** *The Specification IOS-MAT-0253 pertaining to the European Union Deforestation Regulation (EUDR)<sup>1</sup> (EU) 2023/1115 sets forth the requirements that each supply of an in-scope product must satisfy in order to achieve compliance with the EUDR. The IWAY Forest Materials requirements herein serve to complement IOS-MAT-0253 by defining the methods that suppliers are required to adopt to demonstrate adherence to the global regulatory framework governing responsible forestry management throughout the supply chain and refer to documents, information and other evidence that may be requested by competent authorities during an audit. It is expressly acknowledged that neither the IWAY requirements nor the IOS-MAT Specification shall be construed in a manner that modifies or alters the terms of the other. Taken together, both documents collectively constitute the entire agreement between the parties regarding the subject matter addressed herein.*

#### 1. Purpose

The purpose of this document is to specify the IWAY Standard Forest Materials Section for requirements **F 9.1, 9.2, 9.4, 9.5, 9.6, 9.8, and 9.9** (Forest Management) and requirements **G 1.5** and **G 1.6** (Supply Chain Management) of the IWAY Standard General Section that apply to *forest material* supply chains.

The glossary at the end of this document applies together with the glossary presented in the IWAY Standard Forest Materials Section. In the event of any ambiguity or inconsistency between the requirements in this Specification and the IWAY Standard Forest Materials Section, this Specification takes precedence.

#### 2. Scope

This Specification applies to *suppliers* using *virgin* and *pre-/post-consumer recycled forest materials* in *products* and *packaging* for IKEA.

The scope of implementation covers all involved *suppliers* and *sub-contractors*, including *forest owners*, logging and wood processing companies, warehousing, traders, transport companies<sup>2</sup>, and any other *sub-contractors* handling *forest materials* along the supply chain up to the required solution as defined in the requirement **G 1.5** of this document.

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<sup>1</sup> Refers to the EU Deforestation Regulation (Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010).

<sup>2</sup> Transport companies that shall be mapped and registered in the Sub-Supplier Tracking System (SSTS) are those contracted directly by the IKEA *supplier* to transport ready-made IKEA *products* between the factory and the *supplier's* warehouse or Consolidation Point (CP).

The scope of *forest materials* (*virgin and pre-/post-consumer recycled*) used for IKEA includes, but is not limited to wood, paper, pulp, bamboo, rattan, and cork:

- **Wood:**
  - **Solid wood** (round wood, sawn goods, glue board, dowels, knobs, handles, legs, wooden casters), casks, tools, wooden frames, wood in the rough, and other parts of wood;
  - **Composite materials** (Hardboard, High-Density Fibreboard (HDF), Medium-Density Fibreboard (MDF), Low-Density Fibreboard (LDF), softboard, Oriented Strand Board (OSB), particleboard, High-Density Strand Board (HDSB), wood-plastic composite, densified wood, or similar boards of wood or other ligneous materials, whether agglomerated with resins or other organic substances);
  - **Veneer** (surface and inner veneers, sheets for veneering);
  - **Plywood, layer-glued wood, and laminated veneer lumber (LVL);**
  - **Residuals** (demolished construction wood, slabs, offcuts, shavings, wood wool, chips, sawdust, wood powder);
- **Paper:**
  - **Paper** (Corrugated board, honeycomb paper, cardboard/ solid paperboard, M-board, tissue paper, fine paper, moulded paper, packing cases and similar packings of wood, paper composite, and other forest-based papers);
  - **Paper-based coverings** (pre-impregnated foil, Low Basis Weight Paper (LBWP) foil, décor paper, core paper, overlay, edge band, and balance paper);
- **Pulp;**
- **Bamboo** (*bamboo in industrial and bamboo in non-industrial applications*);
- **Rattan;** and
- **Cork.**

**Forest materials used in the following applications are excluded from the scope of the IWAY Forest Materials Section.**

- Paper-based labels of components used in home appliances, electronics, and lighting assemblies.
- *Packaging* used exclusively to support, protect, present, or handle *products* for the office and administrative operations (e.g., fruit crates, boxes, instructions, and brochures for IT equipment, etc.).
- Wooden handling materials from external rental systems, such as EUR-pallet, EPAL-pallet, CHEP pallet, etc.
- Returned, repaired, reused *packaging*, or *packaging* produced from the *supplier's* production waste.
- Wood-based textiles.

### 3. *Sub-contractor* mapping and IWAY implementation along *value chains*

#### **G1.5: *Sub-contractors* of products, services, materials, or components in the IKEA *value chain* are mapped, in line with IKEA organisation specifications (Basic).**

- The *supplier* maps and registers all *sub-contractors* of *forest materials*<sup>3</sup> along the supply chain in the **IKEA Sub-Suppliers Tracking System (SSTS)**<sup>4</sup> based on the following conditions:
  - a) FSC-certified *virgin and pre-consumer recycled forest materials*:
    - (i) *Virgin* wood, bamboo, rattan, cork, pulp, and paper used in *products* (including *packaging products* delivered to *IKEA Components Buy and Sell Business*) are mapped and registered up to the *first industrial wood processing point* (e.g., sawmill, veneer mill, plywood mill, board mill, pulp mill). If *suppliers* purchase the listed *forest materials* directly from an *FSC Forest Management organisation*, the mapping is done up to that *FSC Forest Management organisation*.
    - (ii) In cases where the risk of illegal logging for *forest materials* (excluding pulp and paper) is classified as high according to the risk assessment in **F9.1**, the source of the *virgin forest material* is mapped directly to each relevant *FSC Forest Management organisation*.
    - (iii) *Pre-consumer recycled* wood used in *products* is mapped and registered at least until the *sub-contractor*, that generated these materials.
  - b) Non-FSC-certified *virgin and pre-consumer forest materials*, the supply chain mapping of all *virgin forest materials* is mapped up to each forest management organisation.
  - c) FSC-certified and non-FSC-certified *post-consumer recycled forest materials* for *products* are mapped and registered at least until the waste collection center or *waste management unit*.
  - d) FSC-certified and non-FSC-certified *forest materials* used in *packaging* are mapped and registered at least 1<sup>st</sup> tier *sub-contractors*.
- If *forest material* is supplied by a *sub-contractor* that is an *IKEA company* or an *IKEA general agreement supplier*, mapping shall be completed at that stage, and it is not required to map upper tiers.
- In case there is a new or any change in *sub-contractors*, the *supplier* is required to register such *sub-contractors* in SSTS before *forest material* from that *sub-contractor* is used for IKEA.
- In cases when the compliance verification is performed by competent authorities, *suppliers* may require extending supply chain mapping up to the forest management organisation level.

#### **G1.6: IWAY is implemented and verified at *sub-contractors* of products, services, materials, or components in the IKEA *value chain*, in line with IKEA organisation specifications (Basic).**

##### **I. IWAY implementation towards *sub-contractors*.**

- The *supplier* is responsible for ensuring compliance with applicable IWAY requirements from all *sub-contractors* along the supply chain as defined in requirement **G1.5**.
- The *supplier* is responsible for ensuring that all applicable IWAY Sections and relevant IWAY Specifications (at least the IWAY Standard General Section and Forest Materials Section) are communicated to all *sub-*

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<sup>3</sup> For non-*forest materials*, the *sub-contractor* mapping, implementation, and verification (G1.5 and G1.6) shall comply with IWAY-S-602 or its applicable specification(s).

<sup>4</sup> SSTS will be gradually replaced by new IT solution. *Suppliers* will be separately informed of any changes to the applicability of requirements G1.5 and G1.6. Until further notice, SSTS remains the mandatory system.

*contractors* as defined in **G1.5**. The most updated versions of IWAY Standard Sections and Specifications are available at [www.inter.ikea.com/iway](http://www.inter.ikea.com/iway).

- Communication shall be done in such a way that *sub-contractors* have understood the requirements and agreed to implement them.
- The *supplier* keeps documentation of IWAY communication dates as evidence of when communication was conducted, unless SSTS permits these dates to be recorded within the system.
- Communication with all *sub-contractors* shall be renewed at least every 24 months or whenever the applicable IWAY Sections and/or relevant Specifications are updated.
- The *supplier* is responsible for verifying compliance with all applicable IWAY Must requirements at all critical *sub-contractors*.
- All applicable IWAY Must verifications at critical *sub-contractors* shall be performed according to the predefined timelines in SSTS.
- The verification of compliance can be performed by the *supplier* and/or a third-party auditing organisation appointed by the *supplier*. In some cases, IKEA may request that verification activities be performed by an appointed third party on its behalf.
- All verification results shall be registered in SSTS.

## **II. IWAY Must non-conformities at *sub-contractors***

If an IWAY Must non-conformity has been detected at a *sub-contractor*, the *supplier*:

- Immediately stop using materials, components, products, and services from that *sub-contractor*.
- Immediately ensure the safety and well-being of any child and worker involved in the non-conformity.
- Promptly report the non-conformity to the IKEA business responsible and register in SSTS.
- If the non-conformity is related to child labour or forced labour or the legality of materials, the *supplier* shall involve and fully cooperate with IKEA in the process of corrective, preventive, and remediation actions.
- Secure that a corrective action plan is agreed with the *sub-contractor* and registered in SSTS as soon as possible. The corrective action plan includes, as a minimum:
  - A root cause of the problem
  - Corrective actions
  - Person responsible for the implementation and execution of the corrective actions and
  - Time plan of the corrective actions
- Verify corrective actions before resuming delivery from the *sub-contractor*.
- Inform IKEA and agree on the next steps if the IWAY Must non-conformities cannot be corrected within a maximum of 90 calendar days.

## **III. IWAY implementation at *IKEA company, IKEA general agreement supplier, or any other supplier with a legal contract with IKEA***

- The *supplier* shall register the *IKEA company, an IKEA general agreement supplier, or any other supplier with a legal contract with IKEA* in SSTS.
- The *supplier* is not accountable for communicating IKEA requirements and verifying the implementation of IWAY requirements at *IKEA company, IKEA general agreement supplier, or any other supplier with a legal contract with IKEA*.

## 4. Sourcing, risk assessment, and mitigation

**F9.1: High risk sources are identified prior to the use of *virgin* and *pre-consumer recycled forest materials* for IKEA, using criteria defined by the relevant IKEA organisation. Evidence of risk mitigation is provided for high-risk sources, in line with IKEA organisation specifications (Must).**

*Virgin* and *pre-consumer recycled forest materials* used in *products*, including *packaging products* delivered directly to the *IKEA Components Buy and Sell business*, are subjected to a risk assessment and mitigation of identified risks.

*Forest materials* used in the following *products* are exempted from this requirement:

- Non-FSC-certified 100% *post-consumer recycled forest materials*, or FSC-certified materials carrying any FSC Recycled claim. In the case of *pre-consumer recycled forest materials*, including paper, intended for the Australian market, whether FSC-certified or not, species identification, illegal logging assessment, and country risk assessment are required.
- *Forest materials* that have been identified and classified in the documents as *waste*.
- *Virgin* and *pre-consumer forest materials* used in *packaging*.

One or more of the following risk categories shall be assessed as applicable: risks related to new species, the sourcing location/country of the materials, and the markets where the *products* are placed or may potentially be placed.

### I. Species Risk Assessment

*Suppliers* shall use only species that are approved by IKEA and listed on the [www.inter.ikea.com/iway](http://www.inter.ikea.com/iway). The use of any species not included on the approved list is prohibited unless and until IKEA has completed a comprehensive risk assessment and granted approval. To introduce a new species, *suppliers* must submit a species-approval request to IKEA. Approval is granted at IKEA's sole discretion. The list of approved species is reviewed and updated on a regular basis.

### II. Country Risk Assessment

*Suppliers* shall conduct a "Country Risk" assessment based on the *country of harvest* for each new or updated *MTS combination* (Materials Tracing Survey Combination) in IKEA Connect prior to using the applicable *forest materials* for IKEA production.

*Suppliers* without access to IKEA Connect shall conduct, document, and retain the required risk assessment and corresponding risk mitigation documents, using the format provided by the relevant IKEA organisation with which they hold a legal agreement.

### III. Geolocation Risk Assessment

The geolocation risk assessment applies to all *forest materials* used in *products*, including *packaging products* delivered directly to *IKEA Components Buy and Sell Business*, that *fall or potentially fall under EUDR requirements*.

#### I. *Suppliers* outside the EU:

- Sourcing EUDR applicable products containing wood **harvested outside the EU on or after 29 June 2023** shall perform a geolocation risk assessment. The assessment shall be completed in IKEA Connect using the collected *geolocation* coordinates and the harvesting period<sup>5</sup>.

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<sup>5</sup> The duration of the relevant harvesting operations is at least specified month(s) in a year.

- Sourcing EUDR applicable products containing wood **harvested outside the EU before 29 June 2023**, or **materials previously placed on the EU market and subsequently exported from the EU**, do not require a geolocation risk assessment.
  - Sourcing EUDR applicable products containing wood **harvested within the EU**, regardless of the harvesting date, do not require a geolocation risk assessment.
- II. **EUDR upstream operators:** When sourcing EUDR applicable products containing wood harvested outside the EU after 29 June 2023 or within the EU after 30 December 2026:
- **Suppliers** are responsible for ensuring compliance with EUDR requirements by performing geolocation risk assessments in their own systems developed for the implementation of the EUDR requirements.
  - **IKEA companies** shall perform and complete the geolocation risk assessment in IKEA Connect.

IKEA reserves the right to request additional information and documentation to verify that EUDR requirements have been correctly and fully implemented.

The Country and Geolocation risk assessment results are presented in IKEA Connect on a scale of two different levels of risk exposure with corresponding required mitigation actions (Table 1).

**Table 1: Risk levels and required actions**

Sourcing risk level	Action required
High	Risk mitigation actions are required
Low	No risk mitigation action is required

**Risk mitigation actions and documentation requirements**

If the Country Risk and/or Geolocation Risk assessment identifies any topic as high risk:

- *Suppliers* provide documented evidence demonstrating that all identified high risks have been mitigated.
- In cases where paper or paper-based coverings, whether standalone or applied to composite materials, are identified as high risk in the Country Risk assessment, a valid FSC-claimed invoice from the direct material *supplier* shall be provided and uploaded to IKEA Connect. A supply chain map is not required.
- In case where a high risk is identified for *pre-consumer recycled* paper materials used in *products* designated for placement in the Australian market, the Country Risk is mitigated.
- A collection of documented evidence of risk mitigation is not required when *suppliers* are sourcing *forest materials* from IKEA Components or IKEA Industry.
- All identified high risks shall be reduced to a “Negligible” level prior to delivery to IKEA.
- Evidence of the implemented mitigation actions, together with the corresponding supply chain map, shall be documented and uploaded to IKEA Connect.
- In the event of an audit by competent authorities, IKEA reserves the right to request complete risk-mitigation documentation and traceability up to the *forest* for all *forest materials*, including paper.

The documented evidence of risk assessment, risk mitigation, and compliance verification is kept for a minimum of five years.

**F9.2: The sourcing, handling, and sales operations of forest materials are compliant with applicable forest-related legislation. The evidence of compliance is provided, in line with IKEA organisation specifications (Must)**

*Supplier* is required to demonstrate with adequately conclusive and verifiable information that (i) *forest materials* used for IKEA are *deforestation-free* and have not been subjected to *forest degradation*, and (ii) were produced in compliance with the relevant legislation in the *country of harvest*. *Supplier* must secure segregation and traceability from the *geolocation of harvesting locations* to delivery to IKEA, and must ensure that they are kept separately and not mixed with other *forest materials* whose compliance status is unknown. Evidence confirming ownership of the *forest materials* and their traceability along the supply chain includes, but is not limited to, shipment/transport documents and invoices/sales documents.

The evidence of compliance is to be collected before using each new *MTS combination* for IKEA and kept for at least five years after delivering the *products* or *packaging* to IKEA.

## 5. Records and reporting

**F9.4: The species (trade and Latin names) and harvesting location(s) of virgin and pre-consumer recycled forest materials are recorded, in line with IKEA organisation specifications (Must).**

A *supplier* delivering *products*, including *packaging products* delivered to *IKEA Components Buy and Sell Business*, containing *virgin* and *pre-consumer recycled forest materials*, is required to collect and record the following information for each *batch* of incoming *forest materials*.

**Information collection applies to all applicable products and all markets:**

- Species information includes trade, common, and botanical (Latin) names. Only the *IKEA approved species* (<https://www.inter.ikea.com/iway>) can be used for *IKEA products*.
- The *harvesting location*, which includes details of the *country of harvest*:
  - Country: *virgin* and *pre-consumer* pulp and paper.
  - Country and Region: *virgin* and *pre-consumer* wood.
  - Country, Region, and Sub-region: Bamboo, rattan, and cork.
- Information on species and *harvesting locations* is updated whenever changes occur. The documented evidence shall be provided to IKEA upon request.
- In addition, IKEA has the right to request a *supplier* to submit samples to an IKEA-approved laboratory for testing to confirm the species and *harvesting location* of the material.

*Forest materials* used in the following *products* are exempt from collecting species and *harvesting locations*:

- 100% *post-consumer forest materials*.
- *Virgin* and *pre-consumer forest materials* used in *packaging* and *packaging products* (except *packaging products* to *IKEA Components Buy and Sell Business*); and
- *Pre-consumer recycled paper* is used in *products*, except in cases when it is used in *products* designated for placement in the Australian market.

**Information required for products that fall or potentially fall under EUDR requirements:**

*Suppliers* who place or export EUDR-applicable products on or from the EU market are required to collect and/or provide information and documented evidence in accordance with their identified roles and responsibilities under the EUDR.

- **EU upstream operator:**
  - Placing in the EU market or exporting logs that are harvested in the EU after 30<sup>th</sup> of December 2026:
    - Share *DDS reference numbers* with the *EU first downstream operator or trader* in the EU or with a buyer outside of the EU.
  - Placing imported wood or *products* containing wood harvested outside the EU after 29<sup>th</sup> June 2023:
    - Collect *geolocation* coordinates and harvesting periods from the operator or seller outside the EU, or
    - Collect an *EUDR Disclaimer*.
- **EU first downstream operator or trader:**
  - In case of purchasing materials from an *EU upstream operator*: collect the *DDS reference number*, a *Simplified Declaration*, or an *EUDR Disclaimer*.
  - In case of selling – no action is required.
- **EU subsequent downstream operator or trader:**
  - In case of selling *forest materials* on the EU market or exporting them, no action is required
- **Supplier operating outside the EU:**
  - For logs imported from an *EU upstream operator*: collect the *DDS reference number* or a *Simplified Declaration*.
  - For wood or *products* imported from an *EU first downstream* and *subsequent downstream operators or traders*, no *DDS reference number* or a *Simplified Declaration* is required.
  - When sourcing wood harvested after 29<sup>th</sup> of June 2023 outside the EU: collect *geolocation* coordinates and harvesting periods.

When providing *geolocation* data, the following conditions must be met.

**Geolocation** for different types of spatial features is based on the size of the *harvesting location*:

- For *harvesting locations* larger than 4 hectares, the *geolocation* must be provided using polygons with sufficient latitude and longitude points to describe the perimeter of each plot of land.
- For *harvesting locations* smaller than 4 hectares, *geolocation* can be provided using polygons or a single point with a specified plot area in hectares.

The *geolocation* must be provided to IKEA:

- GeoJSON (Geographic JavaScript Object Notation) file Type I and Type II by *suppliers* located in the European Union.
- In an Excel file or a GeoJSON (Geographic JavaScript Object Notation) file, Type I and Type II by *supplier* located outside the European Union.
- In case the *supplier* collects or receives *geolocation*, the date or time range of harvesting shall also be collected for each *harvesting location*.

**F9.5: A material accounting system is in place and, as a minimum, includes records of inputs and outputs. The records are kept, along with purchase and sales documents, in line with IKEA organisation specifications (Basic).**

A *material accounting system* is established and maintained, which covers all required information and data for IKEA products and packaging:

The records are generated from the *supplier's* management data and contain at least the following information (**a**) – **f**):

- a) Register of inputs:** Includes at least the seller's name, purchase document number, *material type*, material unit, and FSC or recycled claim (if any). The register of *input* is updated for each *batch* of incoming *forest materials*.
- b) Input still in stock:** Quantity and/or volume received during a specific period and material stock balance.
- c) Inputs used in production:** Quantity and/or volume in production or intermediate storage, which has not been packed and stored as finished *products* or *packaging*.
- d) Register of outputs:** Includes at least the buyer's name, the dispatched product name, net and *gross volumes* of each *product* or *packaging*, sales document number, and FSC or recycled claim (if any). The register of *outputs* is updated for each *batch* of delivery.
- e) Output still in stock:** Quantity and/or volume of finished *products* or *packaging* still in stock.
- f) Conversion factor for each product or product group:** A portion of the *input* material and *output* as a product.

The *supplier* delivering *products* (except *packaging products*) shall establish and maintain a *material accounting system* that covers all the required points mentioned above. For production management, from **b**) to **f**) shall be updated frequently enough to allow traceability of *material combinations* used in an IKEA *product*, at a minimum per *production week*.

The *supplier* ensures that the *Article Plant Report* corresponds consistently with the *material accounting system*.

The *supplier* ensures that all upstream tier *sub-contractors* in the mapped supply chains (requirement G 1.5) for IKEA *products* have established and maintained a *material accounting system* that includes at least points **a**), **d**), and **f**) from the above list.

The *supplier* and *sub-contractor* delivering *packaging products* and/or using *packaging* shall establish and maintain a *material accounting system* that includes at least points **a**) and **d**).

The *material accounting system* is kept on file for a minimum of five years and provided to IKEA upon request.

#### **F9.6: Information about the volumes and sources of forest materials for IKEA is reported, in line with IKEA organisation specifications (Basic).**

*Suppliers* granted access to IKEA Connect and Dimension Weight and Packaging solution (DWP) shall register all required information and ensure it is updated whenever there are any changes:

- **Products:** *Suppliers* register an *MTS combination* and connect it to a *material combination* and create a *Material Plant Report* for each *material type* in the IKEA *article/product*. A report is developed for each new and/or updated *MTS combination*. The registry shall be created before *forest materials* are used for IKEA. In case of a *product* containing recycled materials, the *recycled content* shall be reported. In addition, *suppliers* with access to the IKEA Wood Tracing System (WTS) are required to report planned sources and volumes of forest materials for IKEA *products* by submitting a Wood Procurement Plan upon request by IKEA.
- **Packaging products delivered to IKEA Components Buy and Sell Business:** *Suppliers* register new and/or updated *MTS combinations*; a report shall be created before the *packaging product* is delivered to *IKEA Components Buy and Sell Business*.
- **Packaging:** *Packaging* delivered to *IKEA Supply AG (ISAG)* shall be registered in the DWP, including FSC claims and *recycled content*. The registration of ongoing packaging material sources is subject to annual review and update, calculated from the date of registration. Packaging materials from new sources may only be used for IKEA after the source has been registered in DWP.

In cases where a *supplier* does not have access to IKEA Connect or DWP, the *supplier* registers sources of *forest materials* in a format provided by the IKEA organisation with which the *supplier* has a legal agreement.

## Additional reporting requirements for EUDR applicable products

*Suppliers* who place or export EUDR-applicable products on or from the EU market are required to report information and upload documented evidence in the EU TRACES system and/or on IKEA Connect.

- **EU upstream operator**
  - Placing in the EU market or exporting logs that were harvested in the EU after the 30<sup>th</sup> of December 2026:
    - *IKEA suppliers* shall submit the *EUDR DDS* in the EU TRACES system.
    - *IKEA companies* shall register *geolocation* coordinates and harvesting periods in IKEA Connect.
  - Placing imported wood or *products* containing wood harvested outside the EU after 29<sup>th</sup> June 2023:
    - *IKEA suppliers* shall submit the *EUDR DDS* in the EU TRACES and register the *DDS reference number* in IKEA Connect.
    - *IKEA companies* shall register *geolocation* coordinates and harvesting periods in IKEA Connect.
- **EU first downstream operator or trader and EU subsequent downstream operator or trader:** no action is required.
- **Supplier operating outside the EU:**
  - Imported wood or products from the *EU upstream operator* registers the *DDS reference number*, a *Simplified Declaration* or an *EUDR Disclaimer* in IKEA Connect.
  - Sourcing wood harvested outside the EU: registers *geolocation* coordinates and harvesting periods in IKEA Connect.

## 6. Products from More Sustainable Sources (MSS)

**F9.8: All products are from More Sustainable Sources, which means such products are either FSC-certified or made of 100% post-consumer recycled forest materials, in line with IKEA organisation specifications (Basic).**

The *supplier* shall deliver MSS *products* and *packaging* to IKEA, which means *products* and *packaging* comply with at least one of the following conditions, either **1** or **2**.

In certain cases, *products* are allowed to be delivered to IKEA without MSS claims. These cases are defined in point **3**:

**1. Carry an accepted FSC claim** - there are two acceptable sub-conditions (1.1 – 1.2):

1.1 FSC 100%, FSC Mix Credit, FSC Mix 100%, FSC Recycled Credit, FSC Recycled 100%; or

1.2 FSC Mix  $\geq$  70% is applied to:

- *Packaging*,
- *Packaging products*,
- *Products* containing *pre-consumer recycled forest materials*, and

- *Products* containing wood from *trees outside the forests* covered by the FSC Controlled Wood (CW) program according to FSC-STD-40-005<sup>6</sup> within the scope of a valid FSC Chain of Custody (CoC) certificate.
- *Products* containing non-FSC-certified *salvaged wood* harvested under official authorization in countries classified as low risk for illegal logging and verified as Controlled Wood in accordance with FSC CoC requirements (FSC-STD-40-005).

**2. Contain 100% post-consumer recycled forest materials**

**3. Acceptable cases where non-FSC-certified and non-100% post-consumer recycled forest materials inputs are allowed in IKEA products and counted as MSS.**

3.1 Non-FSC-certified *input*:

3.1.1 *Forest materials* sourced from *smallholders* engaged in responsible forestry initiatives identified and approved by IKEA.

3.1.2 *Products* delivered to IKEA by an acknowledged *small-volume supplier*, and all *inputs* comply with MSS requirements.

These *inputs* (3.1.1) and (3.1.2) will be counted as MSS when all other *forest material inputs* contained in the *product* or *packaging*, apart from those listed in points, are FSC-certified and/or made from 100% *post-consumer recycled forest materials*.

3.2 *Products* and *packaging* delivered by an acknowledged *supplier* with the granted status “special case”. The *supplier* shall apply for the “special case” status (**Appendix 1**) before delivering *products* and *packaging* to IKEA. These cases include, but are not limited to:

3.2.1 The *product* delivered by the *supplier* involved in the social entrepreneurship projects<sup>7</sup> initiated by IKEA.

3.2.2 The *supplier* delivers *products* that contain wood, paper, and *bamboo in industrial applications* with a volume exceeding 1,000 m<sup>3</sup> in round wood equivalent yearly; however, they are not the main raw materials for IKEA, and the *supplier* does not have in-house processing. *Inputs* of all *forest materials* comply with MSS requirements.

3.2.3 A small volume of *packaging* is used for the delivery of materials, components, or *products* from IKEA Components *suppliers*.

3.3 Printing paper for free-range labelling<sup>8</sup> with an FSC label available on its *packaging*.

3.4 Materials are not considered as MSS but can be used as an *input* to IKEA:

3.4.1 Cork, rattan, or *bamboo in non-industrial applications*

3.4.2 Paper in RFID

3.4.3 Release liners in *products* and *packaging*

3.4.4 Linoleum

3.4.5 *Forest materials* from non-FSC-certified *agricultural tree plantations*, or by an equivalent third-party sustainability verification program<sup>9</sup>. The *supplier* shall provide documented evidence of such third-party

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<sup>6</sup> Alternative third-party sustainability or documented legality-verification processes may be applied where the national FSC CW Risk Assessment lacks a clear definition for *trees outside the forests*.

<sup>7</sup> The projects support indigenous people, the local community, handicapped groups, or craft producers.

<sup>8</sup> Free-range labelling: copy paper/printed paper used for labelling purposes.

<sup>9</sup> Alternative third-party sustainability or documented legality-verification processes may be applied when FSC Controlled Wood requirements cannot be applied to *agricultural tree plantations*.

verification. *Wood from trees outside forests* may be used for IKEA only if the removal of the trees was formally approved by the competent authorities in the *country of harvest*.

**F9.9: Documented evidence of *recycled content* is provided for *pre-consumer* and *post-consumer recycled forest materials* that do not carry an FSC claim (Basic).**

*Products* carrying claims other than FSC Recycled 100% or containing non-FSC-certified *pre-consumer* and *post-consumer recycled forest materials* are required to have evidence collected that separately verifies the *recycled content* percentage for each recycled material category.

Acceptable forms of documented evidence confirming *recycled content* include:

- Product technical descriptions or specifications.
- Invoices or delivery notes that indicate the *recycled content* percentage.
- A self-declaration provided by the product manufacturer.

## Glossary

Term	Definition
<i>Agricultural tree plantation</i>	A non-forest tree plantation established on forest or non-forest land and managed primarily for the production of agricultural commodities, in which the use of wood is secondary, incidental, or occurs mainly at the end of the production cycle.
<i>Article Plant Report</i>	A compliance statement for the IKEA product, created in IKEA Connect, confirming adherence to international forest-related legislation and specifying the product's <i>material combinations</i> , net volume/weight, species, and countries of harvest.
<i>Bamboo in industrial applications</i>	A <i>product</i> produced by converting bamboo into a glue board by processing and gluing bamboo lamellas together in an industrial way (by using machines), and is represented by glue board, strand woven elements, and veneer sheets.
<i>Bamboo in non-industrial application</i>	Bamboo is used for simple production without gluing or engineering processes, or bamboo cane, core, core with skin, or skin for weaving or as a hand-made material.
<i>Batch</i>	<p>A <i>batch</i> refers to a group of materials or products received, processed, produced, or shipped together within a single operation. All <i>inputs</i> in the <i>batch</i> are unique by containment and grouped by the identical production time, origin, and composition.</p> <p>A <i>batch</i> can be applied to:</p> <ul style="list-style-type: none"> <li>- received materials or products;</li> <li>- production (for the materials or products in the middle of processing);</li> <li>- final products; or</li> <li>- product consignment.</li> </ul> <p>The <i>batch</i> is always identified with a unique batch number, code, and date.</p>
<i>Country of harvest</i>	The country, region, and sub-region where a <i>forest material</i> was harvested.
<i>EUDR Disclaimer</i>	A formal statement included in contracts, documents, or communications that clarifies the scope, assumptions, and limitations of responsibility regarding compliance with the EUDR, including statements about material scope, data reliability, and provided information.
<i>EUDR Due Diligence Statement (EUDR DDS)</i>	The statement confirming the compliance of a product placed on or exported from the European Union does not contribute to deforestation or forest degradation, and they have been produced in accordance with the relevant legislation of the country of production.
<i>EU first downstream operator or trader</i>	A natural or legal person who, in the course of a commercial activity, places on the market or exports regulated products made from regulated commodities or products, all of which are already covered by a due diligence statement or a <i>Simplified Declaration</i> ."
<i>EU subsequent downstream operator or trader</i>	A natural or legal person who, in the course of a commercial activity, places on the market or exports regulated products made from regulated commodities or products sourced from the <i>first downstream operator or trader</i> .
<i>EU upstream operator</i>	A natural or legal person who, in the course of a commercial activity, is the first to place a regulated commodity or product on the European Union market or export it, and who is therefore responsible for conducting full due diligence and submitting the initial Due Diligence Statement under the EUDR.
<i>DDS reference number</i>	A unique identifier assigned to each <i>EUDR DDS</i> generated by the EU TRACES. The <i>DDS reference number</i> is used in customs declarations and supporting documents to verify compliance with the regulation.

<b>Term</b>	<b>Definition</b>
<i>Fall or potentially fall under EUDR requirements</i>	Materials and products listed in the EUDR Annex I for placing on the European Union (EU) market - delivered within the EU, imported to the EU or exported from the EU.
<i>First industrial wood processing point</i>	A facility in the wood supply chain where raw <i>forest materials</i> (wood logs, bamboo, rattan cane, or cork) are first received and transformed in an industrial way into components or products. This excludes forest-level activities like logging, collection, or raw materials transportation operations.
<i>Forest</i>	In the context of this Specification, it refers to land of more than 0.5 hectares characterized by a tree canopy cover of at least 10 percent, with trees that reach or are capable of reaching a minimum height of 5 meters at maturity in the place where they are growing. Forests include natural forests, planted and plantation forests, but exclude land that is predominantly under agricultural, urban, or other non-forest land use.
<i>Forest materials</i>	Virgin or recycled materials originating from the <i>forest</i> .
<i>FSC Forest Management organisation</i>	A legal entity in the form of a company, a cooperative, or an organised group of forest holders included in the scope of a valid FSC-FM/COC or FSC-FM certificate.
<i>Geolocation</i>	The geographical location of a plot of land is described through latitude and longitude coordinates corresponding to at least one latitude and one longitude point and using at least six decimal digits. The coordinate reference system conforms to the World Geodetic System 1984 (WGS84) standard, corresponding to the EPSG:4326 project system.
<i>Gross volume</i>	A volume of <i>forest materials input</i> into the production for IKEA (production loss is included).
<i>Harvesting location</i>	Land within a single real estate property, as recognised by the law of the <i>country of harvest</i> . Specifically, to the IWAY Forest Materials Section, <i>harvesting location</i> refers to a plot of land where <i>forest materials</i> were harvested.
<i>IKEA approved species</i>	Species that are neither protected (in a specific area), threatened, vulnerable, endangered, critically endangered, or extinct in the wild. Species are approved by IKEA and are updated regularly.
<i>IKEA company</i>	The legal entity is part of the Inter IKEA group, including subsidiaries, including IKEA Components and IKEA Industry.
<i>IKEA Components Buy and Sell Business</i>	A commercial activity involving the purchase, sale, and redistribution of materials and products within the IKEA supply chain. IKEA Components is accountable for managing the physical flow of goods and holds financial ownership of the products throughout the transaction.
<i>IKEA general agreement suppliers</i>	The <i>supplier</i> operating under the General Agreement with <i>IKEA Supply AG</i> is specifically assigned to deliver components to the <i>IKEA suppliers</i> designated by <i>IKEA Supply AG</i> .
<i>Inputs</i>	In the context of this Specification, it refers to the quantity of incoming materials, <i>products</i> , and/or <i>packaging</i> that are produced or procured.
<i>IKEA Supply AG (ISAG)</i>	<i>IKEA Supply AG</i> is part of the Inter IKEA Group, responsible for the global supply, sourcing, and distribution of IKEA products. It plays a central role in moving IKEA goods from manufacturers to retailers worldwide.

<b>Term</b>	<b>Definition</b>
<i>Material accounting system</i>	A system to ensure that the material's <i>outputs</i> are correspondent to the relevant material's <i>inputs</i> . The <i>material accounting system</i> may also include other sources of information (e.g., seller and buyer name, purchase and sales numbers, <i>material type</i> , quantity, FSC claims, etc.).
<i>Material combination</i>	A <i>material combination</i> is one specific material, manufactured by one producer and/or one distributor. It is used to structure the connections between documents and articles/ <i>products</i> in IKEA Connect.
<i>Material Plant Report</i>	An IKEA <i>supplier</i> statement created in IKEA Connect, describing the <i>material type</i> , plant species composition, source of origin or production, <i>country of harvest</i> , and ensuring material traceability, transparency of sourcing, and accuracy of reporting. The <i>Material Plant Report</i> is used for the creation of the <i>Article Plant Report</i> .
<i>Material type</i>	A specific type of material with specific properties, ways of processing, and use.
<i>MTS combination</i>	A combination of several descriptions of the material, which includes information about the <i>sub-contractor</i> , species, <i>country of harvest</i> , <i>harvesting location</i> , <i>geolocation</i> , risk, and certification status. It links the material descriptions to the corresponding <i>material combinations</i> in IKEA <i>products</i> .
<i>Output</i>	In the context of this Specification, it refers to the quantity of <i>products</i> and/or <i>packaging</i> that contain respective <i>inputs</i> .
<i>Packaging</i>	<i>Packaging</i> refers to the packaging, handling, and communication materials used for the presentation, containment, protection, handling, moving, storing, communicating, and delivering goods. These include, but are not limited to, paper-based and wood-based packaging and paper-based communication materials (labels, instructions, laws and warnings, local compliance information, paper marking, etc.).
<i>Packaging products</i>	<i>Packaging products</i> refer to paper- and wood-based packaging, handling, and communication materials sold to a buyer as a <i>product</i> .
<i>Post-consumer recycled forest material</i>	Material that is reclaimed from a consumer or commercial product which had completed its life cycle after intended use by individuals, households, or commercial, industrial, and institutional facilities in their role as end users of the product.
<i>Pre-consumer recycled forest material</i>	Material that is diverted from a potential waste stream and reclaimed during secondary manufacturing or further downstream industry processes, in which the material has not been intentionally produced, is unfit for end use and not capable of being reused on-site in the same manufacturing process that had generated it.
<i>Product</i>	In the context of this Specification, it refers to an article or material containing <i>forest materials</i> delivered to IKEA or used in IKEA operations, including <i>packaging products</i> .
<i>Production week</i>	Seven days that are aligned with the calendar week (Monday through Sunday) during which manufacturing activities for IKEA products take place and are reported in Connect.
<i>Recycled content</i>	Proportion, by mass, of <i>pre-consumer</i> and/or <i>post-consumer recycled forest materials</i> occurring in products, materials and components.
<i>Salvaged wood</i>	Wood that was naturally felled (e.g. by storm or snow); felled and subsequently lost or abandoned (e.g. logs that sank to the bottom of a river or lake while being transported, felled trees never picked up in a log yard, logs washed up on shore); felled for purposes other than wood production (e.g. wood from orchard clearance, wood from road

Term	Definition
	clearance, and urban harvested wood); submerged by water and abandoned as a consequence of artificial reservoirs and dam construction.
<i>Simplified Declaration</i>	A one-time declaration submitted in the EU EUDR Information System by micro and small primary operators, instead of submitting a full due diligence statement for each relevant product or shipment. It confirms that the operator places deforestation-free and legally produced commodities on the EU market, but with reduced administrative requirements compared to a standard DDS.
<i>Smallholders</i>	Woodlot owners, family forests, small non-industrial private forests, small forest enterprises, community forestry operations, and non-timber forest product harvesters.
<i>Small-volume supplier</i>	<p>A status granted by IKEA for an IKEA <i>supplier</i> that meets the following conditions:</p> <ul style="list-style-type: none"> <li>a) <i>The supplier</i> delivering <i>products</i> to IKEA, for which <i>forest materials</i> do not constitute the main <i>material types</i> used for IKEA; and</li> <li>b) The total volume of wood, paper, and <i>bamboo in industrial applications</i> used for IKEA <i>products</i> does not exceed 1,000 cubic meters (m<sup>3</sup>) in round wood equivalent per year.</li> <li>c) All <i>inputs</i> of all <i>forest materials</i> comply with MSS requirements</li> </ul> <p>A <i>small-volume supplier</i> is not required to become an FSC-certified Chain of Custody (COC) company.</p>
<i>Sub-contractor</i>	Any entity or individual that provides a product, service, material, or component as part of the IKEA <i>value chain</i> .
<i>Supplier</i>	A company or organisation with which the IKEA company has an agreement, and also any <i>sub-contractors</i> to that agreement that supply products, services, materials, or components. For the purpose of this document, the term <i>supplier</i> applies to <i>suppliers</i> , service providers, and other contracting parties.
<i>Trees outside the forest</i>	Trees Outside Forests (TOF) are the planted or domesticated trees growing primarily on agricultural and built-up land, in both rural and urban areas, including agroforestry systems, orchards, small woodlots, meadows, pastures, and farms, as well as trees growing along rivers, canals, roadsides, and within towns, gardens, and parks.
<i>Value chain</i>	The full range of activities required to bring a product or service from its conception to the final consumer and reintegration back into the <i>value chain</i> . This includes activities such as design, production, distribution, and support to the consumer. At different stages of the <i>value chain</i> , stakeholders add value to the product or service to increase its end value.
<i>Virgin forest materials</i>	<i>Virgin forest materials</i> are materials originating from <i>forests</i> that contain wood or fibre, and do not contain recycled forest materials.
<i>Waste</i>	Any substance or object that the holder discards, intends to discard, or is required to discard, and for which no further use is intended in its current form or production process. <i>Waste</i> material may also be subject to disposal, recovery, or recycling processes and does not include materials that qualify as by-products, recycled materials with end-use value, or materials that have achieved end-of-waste status under applicable legislation or certification schemes.
<i>Waste management unit</i>	A <i>waste management unit</i> is a licensed legal entity established to organise the collection, storage, treatment, or disposal of streams of residuals or wastes.

## Appendix 1: Application form for the supplier status “Special case”

Supplier number: \_\_\_\_\_ Supplier name: \_\_\_\_\_

Business category: \_\_\_\_\_ Supply Area: \_\_\_\_\_

**The special case status is required due to the materials for IKEA:** **Mark**

From social entrepreneurship projects initiated by IKEA

Deliver products containing wood, paper, and bamboo in industrial applications exceeding 1,000 m<sup>3</sup> RWE, but these materials are not the main material, and are not in-house processing operations.

A small volume of packaging delivered to other suppliers

Other reasons for the Special case (Specify): \_\_\_\_\_

### Materials to be used in IKEA products:

Material kind	Material type	Annual volume, m3 RWE or kg
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

## Revision history

Version	Date	Description of major changes	Document reviewed by
1.0	2024-04-22	Interim version	Evgeny Zabubenin
1.1	2025-02-25	New document	Evgeny Zabubenin
1.2	2025-06-16	<ul style="list-style-type: none"> <li>- Introduces a more streamlined and risk-based approach to EUDR compliance.</li> <li>- Updates requirements to reflect the reporting platform change from WTS to MTS in IKEA Connect.</li> </ul>	Evgeny Zabubenin
1.3	2026-05-19	<ul style="list-style-type: none"> <li>- Updates the scope to include release liners, linoleum, and packaging products for IKEA Components Buy and Sell Business.</li> <li>- Updates the supply chain mapping resolution and risk assessment approach.</li> <li>- Defines EUDR requirements and required actions.</li> <li>- Updates the packaging reporting platform from IKEA Connect to DWP.</li> <li>- Updates additional conditions of input materials are applicable as MSS.</li> <li>- Adds requirement F9.9 to the Specification.</li> <li>- Adds new terminology and an appendix related to EUDR requirements.</li> </ul>	Evgeny Zabubenin