



# IKEA position on palm oil

October 2014

## Background

Palm oil can be found in the manufacturing of a small number of IKEA products, mainly in candles and as a food ingredient. Palm oil is also occasionally used in the IKEA supply chain to process rattan.

IKEA believes that, when grown responsibly, palm oil has the potential to be a sustainable raw material. It is one of the most productive vegetable oils and can have a positive impact on livelihoods, particularly of smallholders.

However, if grown irresponsibly, palm oil has a destructive impact on the environment, contributing to deforestation and negatively affecting the lives of workers and local communities.

## Our position

IKEA is committed to ensuring that the palm oil we use is grown and processed in a responsible and sustainable way.

IKEA is supportive of the Roundtable on Sustainable Palm Oil (RSPO) and believes RSPO certification is currently the best tool available to achieve sector level change in the palm oil industry. As a relatively small industry user of palm oil, IKEA promotes a collaborative approach to ensure the greatest positive impact.

The IKEA goal is to source 100% certified sustainable palm oil from segregated<sup>1</sup> sources. IKEA commits to working with our direct suppliers to ensure that the palm oil used in IKEA products is sourced according to the following additional requirements:

- *No deforestation.* Forests of high value, for conservation or carbon storage purposes, will be protected. All new palm oil developments should be on land where biodiversity and natural vegetation are already highly degraded.<sup>2</sup>
- *No new development on peat, regardless of depth*

IKEA will work with its suppliers to ensure chain of custody for the palm oil used in IKEA products.<sup>3</sup>

IKEA will work with stakeholders, including the RSPO to ensure that standards are continuously improved.

IKEA will work with stakeholders, including the RSPO to ensure that existing requirements, such as respect for the rights of indigenous people and workers, care for

---

<sup>1</sup> This is certified palm oil that is physically separated from non-certified palm oil all the way from the certified mill to the end user.

<sup>2</sup> We will work with multiple stakeholders to agree credible definitions so that we can verify performance against this commitment

<sup>3</sup> This means that all palm oil in IKEA products must be sourced from producers who can verify the mills and plantations from which they are purchasing certified segregated palm oil and that they are meeting IKEA requirements.

the environment and responsible development of new plantations, including the principle of Free Prior and Informed Consent (FPIC), are enforced.

IKEA operates robust processes and systems to ensure that IKEA products are produced in line with our standards and requirements. If any issues are discovered, we first establish the facts, and then strive to improve and remedy the situation. Once it is clear that remedy or improvement is not possible, we will phase out the relationship.

**Targets and milestones**

- *By Dec 2015 all palm oil used in home furnishing products such as candles, or as a food ingredient, will either come from certified segregated sustainable sources or be replaced by more sustainable raw materials.*
- *By Dec 2015 global suppliers will provide a road-map to IKEA of how palm oil, sourced for use in IKEA products, will meet additional requirements, around deforestation and planting on peat, by Dec 2017.*
- *By Dec 2017 all palm oil used in home furnishing products such as candles, or as a globally sourced food ingredient, will come from sources verified as meeting IKEA additional requirements around deforestation and planting on peat, or be replaced by more sustainable raw materials.*

IKEA will report transparently and regularly on progress against these targets.

At IKEA we are committed to working collaboratively with others and using our influence to effect positive change in the supply chain.