

# The IKEA focus on nature and biodiversity

Our commitment to regenerating resources, protecting ecosystems and improving biodiversity

The IKEA business is defined as the business activities performed by all companies operating within the IKEA franchise system. "We" in this report refers to the IKEA business. The IKEA value chain encompasses more than the IKEA business and includes sourcing and extracting raw materials, manufacturing, transporting of products, retail activities in stores, customer travel to stores, product use in customers' homes and product end-of-life.





# Our approach to nature

**We have only one planet, with limited resources. The escalating impact of climate change, pressure on the world's natural resources, loss of biodiversity, soil erosion, water scarcity, and increasing levels of air, freshwater and ocean pollution affect the lives and livelihoods of millions of people**

**around the world. The IKEA business is dependent on and impacts nature<sup>1</sup> throughout the IKEA value chain. To support nature, we are committed to regenerating resources, protecting ecosystems and improving biodiversity.**



<sup>1</sup> According to the United Nations Convention on Biological Diversity (CBD), nature is all the existing systems created at the same time as the Earth, all the features, forces and processes, such as the weather, the sea and mountains. In other words, nature is all life on Earth (i.e. biodiversity), together with the geology, water, climate and all other inanimate components that comprise our planet. Biodiversity is the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.<sup>2</sup> In other words, biodiversity is the part of nature that is alive, and includes every living thing on Earth.  
<https://www.cbd.int/ldb/activities/difference-biodiversity-nature.pdf>

## Where we are focusing our efforts

Addressing our impacts and dependencies on nature, actively working towards setting science-based targets for biodiversity and water, with the ambition to halt and reverse biodiversity loss and negative effects on water caused by the IKEA business.

- Leading regenerative projects within and outside the IKEA value chain on degraded land, deforested areas and agriculturally cultivated areas.
- Addressing land use in our business and value chains, through the development of a responsible land use approach with a focus on eliminating conversion of natural ecosystems.
- Continuing to secure, develop and implement responsible sourcing standards that include environmental, social and animal welfare criteria.
- Continually improving efficiency (energy, material, logistics, waste, etc.) to reduce overall resource usage.
- Promoting and implementing responsible forest management to eliminate degradation and deforestation and expanding our efforts beyond the supply chain as part of our forest

agenda. Encouraging innovative approaches to nature management, protection, restoration and regeneration. Contribute to forest adaptation and climate change mitigation.

- Implementing sustainable water management in freshwater and marine environments, with a focus on water efficiency, reducing pollution and protecting ecosystems.
- Advancing water stewardship by leading regenerative projects in key freshwater environments where we operate aimed at increasing water availability, addressing pollution and enhancing climate resiliency.
- Increasing the share of recycled plastic moving toward post-consumer recycled plastics through using materials in a smarter way, finding new solutions to use plastic material in the most efficient way and only using plastic on relevant applications. We are also continuing to explore new materials and technologies, such as carbon-captured technology for plastic.

# Measuring progress

How to measure impacts, dependencies and opportunities for nature (e.g. a reduction in negative impact or the restoration of ecosystems) are still evolving and we are following global developments closely. Methodologies and frameworks such as those outlined by the Science Based Targets Network (SBTN) and Task Force on Nature-related Financial Disclosures (TNFD) will help us identify, report and set science-informed targets to ensure our actions support our goals.

Biodiversity intersects with many other critical sustainability challenges. We don't have all the answers and cannot always achieve our goals alone. We will also continue to engage externally to learn from, influence and take collective action together with communities, suppliers and partners, customers, businesses, governments, universities, NGOs and civil society.

Today, our goals across our climate, circularity, water and forestry agendas are connected to – and support – nature. We continue to refine, strengthen and set additional goals based on evolving science, increased data quality and connection to the IKEA business. For more details, see our [FY23 Sustainability Report](#).

<sup>1</sup> Circular capabilities of a product means that it could be reused, refurbished, remanufactured, and/or recycled. Practically, a product is considered to have circular capabilities if it meets all requirements linked to the circular design principles applicable to that specific product. Fulfilment of circular design principles is a score that indicates the progress a product has made towards having circular capabilities.

<sup>2</sup> Scope includes production at direct home furnishing, food, components and printed media suppliers, incl. IKEA owned factories operated by IKEA Industry and packaging and distribution units by IKEA Components.

<sup>3</sup> As defined by Cargo Owners for Zero Emission Vessels.

<sup>4</sup> Commodities and products in scope of the European Union Deforestation-free Regulation will have to meet the corresponding timelines.



## Biodiversity

We are currently in the process of developing a science-based performance framework with indicators and goals specific to biodiversity.



## Climate

- Halve absolute GHG emissions across our entire value chain by FY30 (compared to baseline year FY16).
- Reach net-zero GHG emissions across our entire value chain by FY50 - we will achieve this by reducing greenhouse gas emissions by at least 90% (compared to baseline year FY16) without using carbon offsets.
- Neutralise the remaining up to 10% by removing and storing carbon from the atmosphere through sustainable forest and agricultural management practices within the IKEA value chain and in products.
- Strive towards 100% renewable energy (electricity, heating, cooling and fuels) across the IKEA value chain by 2030.



## Circularity and resource efficiency

- Our focus on circularity increases the use of recycled materials, which reduces the need to extract new virgin resources and relieve pressure on natural ecosystems. To support this focus, we are:
- Aiming to only use recycled and renewable materials, with a specific focus on significantly increasing the share of recycled content in IKEA products.
  - At least a third of the wood in the IKEA range to be recycled wood by 2030.
  - Designing all IKEA products with circular capabilities.<sup>1</sup>
  - Aiming to send zero waste from IKEA operations to landfill.
  - Phasing out plastic from consumer packaging solutions. The phase-out will happen in steps, starting with all new range by 2025, and running range by 2028. With this phase-out, IKEA aims to reduce plastic waste and pollution, and drive the industry agenda to develop packaging solutions centred around renewable and recycled materials.



## Water

### Freshwater

- By FY30, we will reduce the equivalent of 50% of total water withdrawal from production<sup>2</sup> within each of the top 15 river basins that face very high levels of water stress (compared to 2019 baseline). The top 15 river basins are in six countries (Turkey, Pakistan, China, Egypt, India and Thailand), covering over 100 suppliers.
- By FY30, we will reduce the equivalent of 20% of total water withdrawal from production<sup>2</sup> within the remaining river basins we operate in globally (compared to 2019 baseline).

We are currently in the process of developing a science-based performance framework with indicators and additional goals specific to water.

### Oceans

- By calendar year 2040, only purchase zero-emission ocean transport services.<sup>3</sup>
- Our approach to oceans is still maturing, we will evaluate additional goals connected to oceans going forward.



## Forestry and agriculture

IKEA is committed to no deforestation and no forest degradation across our primary deforestation-linked commodities (soy, palm oil, beef, leather, coffee, cocoa, rubber, wood and sugarcane), with a target date of December 31, 2025.<sup>4</sup> All wood used in IKEA products is sourced from responsibly managed forests which do not contribute to deforestation.

# Our biodiversity agenda

**Biodiversity represents the variety of life within nature, supporting ecosystem health and resilience. As a global brand with diverse supply chains, operations, and locations, IKEA both influences and relies on biodiversity in many ways. We have an opportunity and responsibility to take action to both reduce our negative impacts and contribute to the protection and enhancement of biodiversity. Our dependence on biodiversity means these actions also help mitigate risks that biodiversity loss can have on our business.**

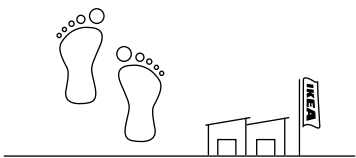
We are actively working to reduce our contribution to biodiversity loss and safeguard our business by addressing key dependencies. We will lead initiatives and collaborate with partners to protect, improve and enhance biodiversity throughout our value chain and beyond.

While biodiversity loss is a global crisis, it's also a local issue where each ecosystem is unique and faces individual challenges and solutions to the global drivers of biodiversity loss. We will strive to address these challenges with place-specific actions in combination with interventions that span our entire value chain.



# Our agenda in action:

## Reducing our contribution to biodiversity loss



**Identifying where we have negative impacts on biodiversity across our value chain and taking specific actions to reduce those impacts.**

- We include biodiversity considerations in our IKEA supplier code of conduct, IWAY. Through this, we restrict business activities in areas of high conservation value and also encourage IKEA suppliers to include biodiversity considerations in their work.
- Wood is one of our most important and used materials, and where we have come the furthest on understanding and taking steps to reduce our impact on biodiversity. Wood used in IKEA products and operations is either FSC-certified or recycled.<sup>1</sup> This is confirmed by regular third-party and internal verification. Facts, figures and performance updates on our forestry practices and wood sourcing are disclosed in the annual IKEA Sustainability Report and the wood map at [IKEA.com](https://www.ikea.com/ikea.com/eng/press/2023/01/01/wood-map/).
- To increase traceability, we have integrated forensic methods such as anatomic, isotope and DNA analysis to verify wood species and origins as a part of our forestry due diligence system on a risk-based approach.
- Since 2019, IKEA and the Royal Botanic Gardens, Kew have collaborated on rattan species research, leading to a publicly available DNA database launched in 2022 to address two key knowledge gaps: the difficulty of identifying rattan species in trade, and the uncertainty about their extinction risk. This initiative helps IKEA ensure traceability and avoid endangered species.
- Supporting our circularity ambition to significantly increase the amount of recycled content in IKEA products, in FY23, 17% of our woodbased range was made of recycled wood material.
- We reduce water pollution by ensuring that all wastewater from our operations and our suppliers is properly treated before discharge, meeting strict legal and environmental standards.
- We are working on the root causes of emissions to help mitigate negative impacts of air pollution while making the correct renewable energy choices. We conduct our air pollution footprint calculations in line with “A Practical Guide for Business: Air Pollutant Emission Assessment” by the Climate and Clean Air Coalition and Stockholm Environment Institute, which Inter IKEA Group was part of developing. We have decreased the air pollutants PM2.5<sup>2</sup> by 8% since FY22 levels, sulphur dioxide by 55% compared to FY16 and nitrous oxides levels by 24% since FY16.<sup>3</sup>

<sup>1</sup> Due to ever changing business environment, the number can fluctuate to around 98%, but in all cases our basic forestry requirements have to be met.

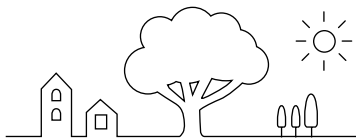
<sup>2</sup> Particulate Matter (PM) is a mixture of solid and liquid particles that are suspended in the air. These are categorized into coarse, fine and ultrafine. PM2.5 are fine particles that have a diameter less than 2.5 micrometres (more than 100 times thinner than a human hair) and remain suspended in the air for longer durations.

<sup>3</sup> [IKEA Sustainability Report FY23](#)



# Our agenda in action:

## Building more resilient ecosystems for our business and beyond



**Working to protect, improve and enhance ecosystems vital for nature, the IKEA business and the millions of people living in the communities where we have influence.**

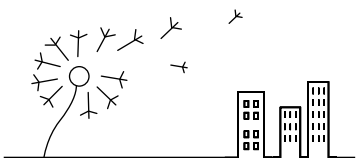
- We invest in initiatives and projects to support the removal of carbon from the atmosphere through reforestation, restoration of degraded lands and better forest management practices which can lead to enhanced soil health and enhanced biodiversity. Inter IKEA Group has committed to invest EUR 100 million for these purposes over the coming years.
- Through our long-standing partnership with WWF, IKEA has supported regenerating more than 180,000 hectares of cotton in Pakistan and India through agriculture practices that enhance biodiversity, improve soil health, and increase crop diversity.
- We are exploring regenerative agriculture<sup>1</sup> practices that support biodiversity by enhancing soil health, replenishing ecosystems, and promoting diverse crop species. We are currently piloting regenerative agriculture practices for beef, cotton and wool and have started exploration for applying these practices for coffee.
- Launched in 1998, the IKEA-funded Sow a Seed project<sup>2</sup> in Sabah, Borneo, has resulted in the restoration of 18,500 hectares of degraded rainforest. After over 25 years of work, two million seedlings of more than 85 different native species have been planted and as of 2021 it was concluded that the rainforest is now regenerating on its own. We have also funded research connected to this project to gather and share gained knowledge for successful rainforest restoration.
- During 2023 and 2024, flooding and drought risks were assessed in surrounding areas of IKEA Industry sites, and nature-based actions were proposed on-site or close to the site to build resilience. Wetlands have been constructed at several sites, the most recent ones being the Manufacturing Development Centre in Zbaszyn, Poland and the factory extension in Hultsfred, Sweden.
- We are currently looking into promoting and improving local biodiversity with new green spaces at IKEA retail sites. For example 'tiny forests' at two IKEA stores in France, a pollinator garden in Timișoara, Romania and a large open roof garden in Copenhagen, Denmark.<sup>3</sup> We are exploring opportunities to scale these projects.

<sup>1</sup> Scaling up alternative farming practices that will leverage the power of plants to keep carbon in the soil (carbon sequestration), increase the capacity of soils to hold water, enhance the resilience of their crops, support the livelihoods of their farmers, and regain the nutrient density of food while decreasing reliance on synthetic inputs.

<sup>2</sup> SLU, [Sow a Seed](#)

<sup>3</sup> These IKEA retail sites are operated by Ingka Group, the largest retail franchisee.

## Our agenda in action: Supporting societal action



**Engaging with communities, suppliers and partners, customers, businesses, governments, universities, NGOs and civil society to scale awareness and action on biodiversity.**

- IKEA is actively involved in multi-stakeholder efforts, such as those led by FSC, to improve forest management standards. Collaboration among scientists, civil society, governments, forest owners, managers, and industry ensures balanced environmental, economic, and social outcomes.
- IKEA has actively supported and advocated for the Global Biodiversity Framework (GBF) by the United Nations Convention credible global partners. This plan outlines an ambitious pathway with goals and targets to halt and reverse biodiversity loss by 2030 and to *“ensure that by 2050, biodiversity is valued, conserved, restored and widely used, maintaining ecosystems services, sustaining a healthy planet and delivering benefits essential for all people.”*
- WWF and IKEA have been collaborating for over 20 years to protect landscapes, enhance biodiversity, and empower local communities. The partnership involves advocacy, improved practices, and continued implementation around the globe. One key focus is on driving responsible forest management, increasing transparency across wood supply chains, and protecting ecosystems. The partnership has contributed to expanding the area of FSC-certified forests, at a size of more than 36 million hectares,<sup>1</sup> which is roughly the size of Germany.
- At COP15, IKEA together with the Forest Stewardship Council (FSC), WWF and leading companies were part of the launch of an initiative to fast-track biodiversity assessments in FSC-certified forests of Brazil, Finland and Sweden. As data on biodiversity is lacking, the initiative represents an important step towards creating a solid global forest management certification scheme to allow monitoring biodiversity and demonstrating conservation outcomes, which is good news for the entire forest management sector.
- We actively collaborate with World Business Council for Sustainable Development (WBCSD) for development on sector wide approaches, and One Planet Business for Biodiversity (OP2B) on exploring regenerative agriculture metrics and advocacy.
- We have supported a number of initiatives led by Business for Nature including the #MakeItMandatory call to action for mandatory assessment and disclosure requirements for businesses on how we impact nature, “It’s Now for Nature” encouraging business action on protecting and restoring nature. We recently endorsed the business statement for “Renewed policy ambition on nature” to demonstrate the continued and growing business momentum for swift implementation of the GBF ahead of COP16.
- Since 2021, we have been an active member of the SBTN Corporate Engagement program contributing to the development of science-based targets for nature.

<sup>1</sup> Certificates are valid for a determined period, and therefore the exact area under certification will fluctuate.



Read more about our focus on nature:  
[IKEA.com/global/en/our-business/sustainability](https://www.ikea.com/global/en/our-business/sustainability)