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# Position Paper: Avoiding Duplication and Ensuring Effective Implementation of the EU Deforestation Regulation (EUDR)

## Input for the EUDR Simplification Report

### Introduction

With divided responsibilities, companies operating under the IKEA brand and franchise system are responsible for the entire IKEA value chain end-to-end: including product development, sourcing, production and retail in more than 60 markets. With this footprint comes a responsibility to ensure that our products are made from materials that do not contribute to deforestation or forest degradation wherever they come from and wherever they are sold. For decades, Inter IKEA has implemented robust sourcing controls, including the IWAY supplier code of conduct and independent certification systems, to ensure deforestation-free materials across our business. With IKEA retail operations on 60+ markets globally, Ingka Group is the largest IKEA retailer and represents about 90% of IKEA retail sales, and it is the IKEA retailer in 22 Member States in the EU.

The European Union Deforestation Regulation (EUDR) aligns closely with our long-standing commitments. IKEA supports its objective as well as the European Commission's efforts to simplify this very important yet complex legislation. The amendments made on 19 December 2025 ("EUDR 2.0") achieved several benefits for European businesses however it also introduced challenges —most notably **unnecessary duplication of due diligence by EU-based retailers** like Ingka Group, even when the due diligence has already been performed upstream, including those operating under the same brand or value chain.

This paper outlines IKEA's concerns but more importantly our recommendation for solutions that would reduce the burden on European companies without undermining the efforts that the EUDR aims to achieve to ensure products in the EU are deforestation-free.

### December 2025 Amendments Create Unnecessary Duplication for EU-Based Retailers

We believe the intention of the latest change is for entities like retailers to fall under 'downstream operator' and therefore should benefit from the simplifications provided for under EUDR 2.0 . However, after the December 2025 amendments, EU-based retailers buying relevant products from companies established outside the EU—including from EFTA countries—may again be classified as "operators" under Article 7. This classification now obliges EU-based retailers to:

- re-collect information already provided for import,
- re-conduct risk assessments,
- re-perform risk mitigation, and
- submit an additional Due Diligence Statement (DDS) in TRACES.

This duplication occurs *even though* the products:

- already possess a valid import DDS;
- have passed EU customs pre-importation controls;
- have not been materially transformed after import; and
- Are traded in a business-to-business environment.

The previous ability to **reference an existing DDS** — explicitly permitted under EUDR 1.0 and the TRACES system — has been removed through deletion of Article 4(9). This change was introduced without an impact assessment, despite the significant operational consequences for the EU-based retailers and for the EU IT infrastructure. The result is a regulatory design that compels EU-based retailers to repeat steps already performed by entities importing the goods into the Union Market.

### **Accountability Can Be Ensured Without Repeating Upstream Due Diligence**

IKEA understands and supports the intention behind Article 7: ensuring that every product placed on the EU market has a clear, accountable operator established within the Union. However, we maintain that accountability can be achieved without repeating upstream due diligence. A more efficient enforcement model is possible—one that:

- preserves accountability for EU-based retailers,
- avoids duplication of import-level due diligence, and
- ensures rapid corrective action if concerns arise.

A proportionate model would include:

1. Import-level control remains the primary due diligence checkpoint, whereas Customs authorities retain the ability to block non-compliant imports;
2. EU-based retailers retain the liability for ensuring compliance with the requirements of the legislation. This means the EU-based retailers:
  - a. are responsible to their respective member state competent authorities for proving compliance when requested;
  - b. are responsible for corrective actions in the event of non-compliance, including, as applicable, withdrawal of non-complaint goods, verifying implementation of corrective actions across the supply chain and updating due diligence policy of upstream supplier; and
  - c. are liable for any fines that may be imposed in the event that they fail to carry out their obligations in accordance with (i) -(iv) of the IKEA proposal below.

### **A Targeted Revision of Article 7 Can Achieve Simplification and Strong Enforcement**

A focused revision—implemented through a Delegated Act—can significantly reduce administrative burdens for companies and Member State authorities while preserving the EUDR’s environmental integrity:

#### **Proposed targeted revision**

Add the following condition to Annex I:

*Articles 8 to 13 of the Regulation does not apply to goods, irrespective of where the Operator is established, if the relevant product already possesses a Due Diligence Statement prior to its placement on the Union Market and where no material transformation of the product occurs after importation. The first Operator established in the Union Market shall further comply with the following:*

- (i) *adhere to the obligations set out in Article 5;*
- (ii) *Collecting or otherwise have access to the Due Diligence Statement Number and verification number issued by the information system referred to in Article 33;*
- (iii) *Verifying that the Operator has a due diligence policy in place for the Relevant products; and*

- (iv) *ensure enforceability of the Regulation by taking all required corrective action in the event of non-compliance.*

This change would maintain accountability while eliminating the need for EU-based retailers to repeat due diligence that has already been completed.

### **Additional Simplification: Designated Operators and Competent Authorities**

#### **Designated Operator**

To support further simplification and burden on TRACES system, IKEA supports allowing a **single group entity** to file DDS submissions on behalf of a group of companies. This would:

- reduce TRACES submissions significantly;
- reflect modern supply chain structures;
- minimize duplication for large retailers operating across many EU markets; and
- Reduce burden on national competent authorities

#### **Designated Competent Authority**

For identical products placed simultaneously in multiple Member States, current rules could trigger **up to 27 parallel notifications and investigations** for a single potential non-compliance case.

A lead competent authority—based on the operator’s EORI or establishment—would:

- eliminate redundant investigations,
- strengthen harmonization of enforcement, and
- reduce the regulatory burden for both authorities and companies.

#### **Conclusion**

IKEA is fully committed to achieving the EUDR’s objectives and ensuring that our supply chain remains free from deforestation and forest degradation. However, **EUDR 2.0, as currently structured, requires EU-based retailers to duplicate due diligence already performed upstream**, without increasing environmental protection or enforcement effectiveness.

IKEA stands ready to collaborate with the European Commission to ensure a simplified, effective, and enforceable regulatory framework that is implemented quickly so that businesses can operate with certainty.

The views within this document are representative of Inter IKEA Group and Ingka Group. For more information, please contact:

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#### **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 IKEA Deutschland**

IKEA has been present in Germany since 1974, and we currently operate IKEA stores and planning studios at more than 60 locations. In Germany, we employ over 20,000 people, and together we work to realize the IKEA vision: "To create a better everyday life for the many people."

#### **About Inter IKEA Group**

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

#### **About Ingka Group**

With IKEA retail operations on 31 markets, Ingka Group is the largest IKEA retailer and represents about 90% of IKEA retail sales. It is a strategic partner to develop and innovate the IKEA business and help define common IKEA strategies. Ingka Group owns and operates IKEA sales channels under franchise agreements with Inter IKEA Systems B.V. It has three business areas: IKEA Retail, Ingka Investments and Ingka Centres. Read more on [www.ingka.com](http://www.ingka.com).

#### **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 range, supply products and deliver communication solutions. Today, 12 different groups of companies own and operate IKEA sales channels under franchise agreements with Inter IKEA Systems B.V.