



European Furniture Industries Confederation

# Roadmap on new Circular Economy Action Plan

(published 23 December 2019)

## **EFIC feedback**

20 January 2020

## Introduction

The circularity of the European Union (EU) economy needs to be increased to preserve the environment and to achieve a climate-neutral continent, by stimulating markets for circular products and services. To this end, the use of resources needs to be optimised to reduce the environmental footprint of the EU economy and the generation of waste. In this context, the European furniture industry welcomes the roadmap on the new Circular Economy Action Plan, part of the European Green Deal, with a focus on initiatives along the lifecycle of products, sustainable product policies, measures to empower consumers, to reduce waste generation, to foster an integrated internal market for secondary raw materials, to tackle the skills needs for the transition to a circular economy and to support companies and SMEs via innovation and investment opportunities.

The European furniture industry strongly supports the transition to a circular economy and is ready to be involved in making it a reality. A true circular economy can only be achieved through collaboration and requires the involvement of many actors, including policy makers, industry, experts, academia and consumers. Important to be kept in mind is that there is currently no roadmap to the transition to a circular economy. The furniture industry is however adapting gradually and changing business models, also taking into account the fact that consumers are more and more conscious of the environmental impact of the products they purchase and are becoming more demanding. Circularity is in its early days, much remains to move away from a linear economy, and changes will be seen in the medium/long-term.

From a “circularity” point of view, furniture products are complex due to the wide range of materials used in their production (e.g. wood, plastics, textile, steel, glass, composites, foam). EFIC, the European Furniture Industries Confederation, has identified a number of challenges and opportunities linked to the transition to a circular economy, covering the different phases of furniture manufacturing, from the supply of materials to the end of life phase, and is hereby providing sector specific expertise for EU policies on circular economy affecting the furniture sector. The European furniture industries are ready to collaborate with EU institutions to create suitable tools for the sector, enabling the industry to move into the right direction in the transition to a circular economy.



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## Remarks:

- 1. Harmonisation is key:** We encourage legislators to promote international standards and a harmonised approach across borders. Harmonised circular economy rules are crucial to ensure a level playing field, to avoid fragmentation and national measures hampering circular economy objectives. Misaligned rules bring no benefits and a like-minded approach to circularity will yield the best results. The same rules should apply to products imported into the EU.
- 2. Limits to EU regulatory action:** Potential EU-level regulatory action could support the sector in defining what should be achieved, for instance promoting lower emissions or less waste generation, but should entrust the industry with the technical solutions on the best ways to achieve the specific goals. Simple and smart circular economy regulations are needed and the industry is best placed to find the technical solutions needed in this transition. Regulators should only create the conditions for the industry to operate under.
- 3. Need for clear definitions and a common language:** Legislation should provide definitions for a number of parameters, such as long lifetime, durability, reparability, reuse, recyclability, among others. Clear definitions are important for all stakeholders to operate under the same understanding as well as for providing measurable and harmonised information to consumers.
- 4. Realistic transition needed:** A step-by-step approach is needed in order to grant a gradual, sustainable and realistic transition to the circular economy principles. A realistic time for compliance should be provided and it is crucial when it comes to reporting obligations. We encourage policy makers to adopt harmonised and streamlined ways of reporting, with realistic ambitions, to avoid burdensome and costly action among different markets. For example, there is an urgent need for a harmonised approach in reporting obligations for Extended Producer Responsibility (EPR) Schemes across the EU, aligning on what should be reported, and when/how (see also point 10 below). The transition to the circular economy should not bring any additional costs, burdens and an undesired competitive disadvantage on EU companies. Fair competition must be ensured for companies operating in the sector.
- 5. Support for companies:** No one should be left behind in the transition to the circular economy. Conditions supportive of a more circular economy need to be enabled, such as innovation and investment opportunities to develop and deploy new technologies, infrastructure and circular business models. SMEs will require specific support to reach new



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goals and increase their competitiveness. In addition to this, there is a need to promote incentives for producers to take into account environmental considerations along the lifetime of products, from the design phase to the end-of-life.

6. **Dialogue with stakeholders & collaboration with academia:** Best practices can be the foundation of the development of new regulations. Ongoing dialogue with stakeholders should take place to learn from existing experiences. Tight collaboration between industry and the academic sector (R&D institutes, universities, etc.) is also key, as research will be needed on a number of aspects.
7. **Value chain:** Value chains need to be addressed from the upstream and suppliers' side to the downstream. Tracking substances of concern, developing relevant tools for this purpose, and receiving sufficient input from suppliers is of utmost importance.
8. **Production phase:** The transition from traditional to lifecycle design is a key factor in enhancing the circularity of products and product design needs to be a key element in sustainable product policies. The goals of the furniture sector are a) an efficient use of materials according to their environmental impact, b) a circular product design, so as to boost the reparability and durability of products through the four circular loops (reuse, refurbishment, remanufacturing and recycling), and c) a responsible use of chemicals, avoiding chemicals of concern, such as hazardous substances (i.e. flame retardants). Important to keep in mind is that the interaction between circular design, the use of materials (which have different potential for circularity and climate impact) and different business models is complex and the production phase has to be tackled from different angles: a) combining circular design with business models, b) engaging designers, technicians and architects, c) closely interacting with suppliers. All in all, Ecodesign is a powerful tool for promoting circularity, however, Ecodesign rules should not be too aggressive, as criteria cannot be applied in the same way to all products and they may be difficult to implement in certain domains, e.g. due to the lack of tenders. Green Public Procurement is therefore an important tool to drive Ecodesign principles. Due to the transition to a circular economy new business models will proliferate in the near future. Business models based on upgraded, redesigned and remanufactured products should be promoted and supported.
9. **Consumption phase:** Improving consumer awareness is key and societal and consumer behavioural changes are needed to support circularity. Consumers can be encouraged to purchasing behaviours compatible with circular economy principles by the use of transparent, comparable and harmonised information tools at EU level (and on the basis of international definitions) providing the main characteristics of furniture products. This will allow consumers to compare different products on the market and choose the most resource-efficient and durable ones. Consumer information should be focused on materials used, health and safety criteria and circular criteria (reparability, durability, recyclability).



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Consumers information is a must, but it should not happen by labelling only. The proliferation of voluntary tools to promote quality and the lack of harmonisation in this respect bring confusion to consumers. The EU should not promote specific products or labels. It needs to be stressed too that circular tenders are a main driver for governments to support circularity and should be circularity-oriented rather than price-oriented. Lastly, legal compliance under the General Product Safety Directive, product liability legislation or REACH needs to be addressed, especially when it comes to second-hand furniture.

- 10. Waste management phase:** Harmonisation of waste rules across the EU are a prerequisite to close loops in an efficient way and to encourage greater cooperation between Member States in waste generation, collection, sorting and treatment. Waste should be made a (harmonised) resource. The waste management sector should be empowered all in all, with investments needed in better waste treatment infrastructure. The furniture industries support the application of the waste hierarchy, enshrined in the Waste Framework Directive. EFIC believes that the EU market for secondary materials should be enhanced (which will increase the competitiveness of recycled materials and their safety), including the imbalance in price and quality between primary and secondary materials. The lack of information on substances of concern in articles from suppliers and the lack of tools for the traceability of chemicals undermines the future treatment of materials and waste disposal, therefore policy options to tackle these obstacles are encouraged. Chemicals posing serious problems for the material flow, such as flame retardants, heavy metals, phthalates should be addressed, including technical and legal obstacles which lead to the use of certain chemicals in production when they are not necessarily needed (flame retardants, see <https://safefurniture.eu/>). The furniture industries also see the benefit of harmonised EPR schemes at EU level and are ready to engage in discussions with the EU institutions to achieve this goal by providing sector-specific expertise. An EU-wide EPR scheme should establish harmonised requirements only, with clear rules and responsibilities for the players involved, covering online trade, definitions of scope, reporting times and obligations, among others, taking a realistic long-term approach and a step by step view and promoting incentives for producers to take into account environmental considerations along the lifetime of products. Harmonisation of EPR schemes at the EU level is key both for reporting requirements and for the eco-modulation of fees.