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# European Furniture Industries Confederation recommendations for

## Harmonised Extended Producer Responsibility schemes for furniture across the EU

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## **1. BACKGROUND**

## combination of tools

The European furniture industries embrace sustainability initiatives and the opportunities that the twin transition will bring, including new products in line with lifestyle changes and sustainability trends, as well as new business models. We follow and contribute closely to many initiatives at EU level, such as the Ecodesign for Sustainable Products Regulation (ESPR) or the Waste Framework Directive (WFD).

For the circular economy to work, harmonised rules will be needed at EU level, preventing a patchwork of national divergent requirements. While the ESPR can drive a circular economy forward, it focuses on product design (performance and information requirements). Hence, a holistic approach is recommended and a combination of tools allowing scalability of solutions to fully close the loop and enable a real transition to a more circular economy in our sector. One of such solutions are harmonised Extended Producer Responsibility (EPR) schemes across the EU.

#### The potential of harmonised EPR schemes in the furniture sector

In a context where the extraction of new raw materials has a high impact on the environment, we need to increase the use of secondary raw materials. Today, we generally don't have the collection systems and recycling capabilities in Europe yet to reach the ambitious goals of the Green Deal, with the exception of some good practices for some materials such as wood. Beyond the lack of recycling capacities, the unavailability of separate collection systems in many countries (e.g. for furniture and wood), complicates the process of obtaining high-quality recyclates as materials are mixed.

Harmonised EPR schemes are necessary to ensure the availability of raw materials that are needed for the circular transition - alongside life extension strategies (e.g. refurbishment). There is a need to establish collection schemes so that valuable secondary materials that can be recycled and reused in products are not wasted and end up in incineration, landfill or energy recovery.

The creation of systems and facilities for the collection of furniture would allow conducting different operations such as returning whole pieces of furniture, for instance for refurbishment, to the original manufacturer or other actors in the market (repairers, refurbishers), opening up the possibilities for a broader secondary market. It is important

Need for harmonised circular economy rules and a to both enable and incentivize any market actor to refurbish, repair or otherwise prolong the service life of a furniture item. There is also a need to create systems for sorting and recycling of furniture at the end of its lifecycle.

> A mature EPR system can establish relationships throughout the entire value chain, from raw material suppliers to producers, collectors, recyclers and consumers, which will in turn support and accelerate transformation towards a circular economy. Harmonised EPRs should incentivise producers and their supply chain to develop products that are easier to dismantle and recycle, to use more sustainable materials, to explore different business models, leading to longer product lifetime and to higher awareness and participation among consumers concerning recycling. Industry associations play a key role in this transition by guiding producers in both product design and waste management systems.

> However, a major challenge remains in handling noncircular products already on the market. Addressing this requires both managing existing products and ensuring future furniture aligns with circular economy principles. The ESPR will help by providing clear guidelines to encourage and enforce sustainable design.

#### Current EPR schemes developments at national level

France is the only EU country with an EPR scheme for furniture (at the time of writing this position), some countries are in the process of developing such schemes (e.g. Spain, the Netherlands, Belgium, Italy). Several countries have schemes in place for mattresses (France, the Netherlands, Belgium). As Member State authorities gradually put in place plans for developing EPR schemes for furniture (and mattresses), it is paramount that such schemes are harmonised across the EU to avoid unnecessary administrative burden for companies. A scattered approach to EPR rules creates uncertainties and inconsistencies, undermining efforts for incentivising circular practices, and creates barriers to the single market in EU.

#### Standardisation activities in support of EPR schemes

Please consider that CEN TC 473 – Circular Economy, WG 3 is in the early stages of considering developing a Technical Specification for Extended Producer Responsibility and potentially a guiding document for Producer Responsibility Organizations that will help create more harmonisation.



## 2. OUR RECOMMENDATIONS

#### When EU rules are developed under the Waste Framework Directive (WFD):

- Take a realistic long-term approach and a step-by-step view.
- Ensure that the system and requirements can be replicated in all Member States (MS) efficiently and equally.
- Ensure that sufficient time for implementation is provided (legally and operationally) and that measures are not prohibitive.
- Provide support and ensure that stakeholders from the entire value chain are given the flexibility to explore, innovate and improve and to contribute to the development and update of the requirements.
- Ensure that obligations are put in place for online platforms to support compliance. These should be in charge of the compliance of their vendors, collecting fees on behalf of the respective Producer Responsibility Organisation (PRO), avoiding the need for extra-EU companies to register themselves, which is very inefficient and makes room for elusion.
- Find a right balance between administrative burden and efficiency.

#### When EPR schemes are developed at national level for a certain product group:

- They must be established based on harmonised rules at EU level. The WFD should be the basis for such harmonised rules.
- Sufficient time for implementation to develop EPR schemes both legally and operationally should be provided, considering national waste management systems.

#### EPR schemes for furniture could be assessed/discussed in coordination with EPRs for mattresses.

#### Areas for harmonisation include:

#### a) Clear scope:

- EPRs should ensure a well-functioning collection and recycling process that builds up a strong market in the EU for secondary raw materials and eco innovation.
- A harmonised scope of products is needed based on the Combined Nomenclature and a common definition of producers, to give the possibility to companies that wish so to be active in any EPR scheme, regardless of domicile (production site and headquarters).
- EPRs should focus on the final products (products that reach the end user) and try to maximise as much as possible efforts and avoid contradictions between the products systems and other systems that may cover commodities, such as wood.
- Use the Combined Nomenclature Tariff codes for setting the scope of which products are to be subject to the EPR scheme and its fees. However, it must be noted that this will not be enough to generate the respective fees. A system is then needed that sets the appropriate incentives, for which there are also corresponding references in the ESPR (e.g. number of materials used, etc.).

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#### b) Registration requirements:

- The registration and related information requirements should be the same in all Member States. Hence a centralised registration is recommended, including a uniform registration form, to avoid that companies must register in EPR schemes of several countries. For example, under the EPR for packaging in Germany, European companies are required to register and pay for the goods they sell to German retailers and distributors.
- A European data centre / Union-wide register should be created for such registrations, to ensure that manufacturers are only registered once. We support the European Parliament's view on the WFD review focusing on textiles and food, calling for putting in place (after assessing its feasibility) a Union-wide register for producers. EPREL (European Product Registry for Energy Labelling) could be used as a reference for developing such Union-wide register.
- An alternative way to avoid multiple registration for the companies would be to consider national producers and importers, meaning that the company that physically receives the products for the first time in a Member State, is subject to registration. This would mean only one national registration for every actor. See also our recommendations for online platform and distance selling above.
- Procedures should also be in place to avoid double payment of fees.
- Producers should be provided with adequate guidance.

### c) Reporting obligations and frequency & consistent measurement indicators:

- Reporting is related to the registration and benefits from a centralised solution.
- Today, for some products subject to EPR schemes, there is a multitude of requirements on reporting and periodicity, leading to large administrative burden. There is a need for a harmonised approach on:
  - The information that companies need to report (with common measurements and definitions – e.g. weight, quantities) and;
  - When and how often companies need to report.
- In the WFD revision focusing on textiles and food, the Parliament proposed to the Commission to "develop comprehensive guidelines for producers" regarding "reporting schedules" and "specifications for the structure and format of data reporting". We support the Parliament's proposal, however, these requirements should be mandatory in the form of secondary legislation, rather than guidelines.

#### d) Fee modulation:

- EU Ecodesign rules should be used as a basis for developing fee modulation criteria. Criteria from ecomodulation of fees and fee structure should be developed at EU level and harmonised across the EU to avoid different Member States (or EPR organisations) setting their own criteria, which can potentially be misaligned/conflicting and not encourage harmonised design improvements by industry. In this way only, ecomodulation can work as a real incentive for companies operating in the EU market. For example, ecomodulation of fees should not be used to create small/local national markets for recyclates.
- e) Transparency obligations for Producer Responsibility Organizations (PROs). A minimum level of transparency could include:
  - Use of fees and investments made in innovation and consequent major results.
  - Effectiveness of collection and sorting: with data showing the level of collection, actual recycling and recovery rates.



### **3. ENABLING MEASURES**

- Harmonisation of sorting rules at EU level (including labelling): today, a complex network of national legislative proposals establish national-specific recyclability symbols and sorting instructions, with mandatory requirements that differ and are sometimes conflicting within the EU. While a common approach to sorting of packaging may well be included in the Packaging and Packaging Waste Regulation (PPWR), the WFD can support the bigger picture with a common approach to sorting and separate collection in the EU, beyond packaging waste. The potential of the Digital Product Passport (DPP) under the ESPR should also be explored for aspects where the ESPR and the WFD are at an intersection.
- Revising uniformly the definition of waste. This would lead to more commercial actors making use of what is today called *waste* but which is actually a resource. This would remove regulatory barriers to waste ownership due to the current definition - which results in expenses or restrictions for its transport or storage – and would in turn enable more repair or refurbishing and a higher uptake of secondary raw materials. A new status for used products that travel back to the original producer or reuse/repair/refurbish facilities should be created to avoid the status of traditional waste manager for companies that are willing to invest in prolonging the life of products.
- Harmonisation of the definition of recycling as material recovery and prioritisation of material recovery in the EU: Today the definition of recycling in the WFD is ambiguous and leaves room for interpretation at Member State level. There is potential to harmonise the definition and align it with the waste hierarchy. Harmonisation would allow for more comparable monitoring across the EU.

It is very important to harmonise also:

- The detailed definitions of various types of reuse (reuse of products, reuse of materials from waste) and various types of recycling processes (mechanical/thermomechanical, physical, chemical).
- $\circ$   $\;$  The related 'end of waste' rules and status in each case.
- The related recognition of each case to calculate recycled content (as well as clear distinction for the recycled content between post-production and post-consumer waste).
- Steering the focus towards material recycling whenever possible through specific measures. Due to the current political and legal framework conditions, often the economic attractiveness of 'thermal recovery' is higher than that of 'material recovery', which reduces the motivation for separate collection at the beginning of the chain and the recovery of high-quality material decreases.
- Supporting investment in better waste treatment infrastructure: As explained above, today, we generally don't have the collection systems and recycling capabilities in Europe yet to reach the ambitious goals of the Green Deal, with a few exceptions for some materials in some countries. Beyond the lack of recycling capacities, the unavailability of separate collection systems in many countries (e.g. for furniture and wood), complicates the process of obtaining high-quality recyclates as materials are mixed. Therefore, while it is essential to develop shared recycling capabilities across the EU, it is equally important to focus on improving collection methods to support high-quality recycling. Also, a certain level of competence will be required at collection points, to ensure that items that are salvageable, repairable, or useable for spare parts can be correctly identified and distinguished from those that belong in material or energy recovery.



There's an aspect of logistics to this as well, in that it's conceivable that a quantity of furniture waste is rendered useless in transport because of space constraints, a lack of knowledge, or both.

Ensuring coherence with parallel legislative initiatives (including PPWR, Waste Shipment Regulation, ESPR, Renewable Energy Directive): It is key that regulatory efforts are streamlined, efficient and appropriate, avoiding competing and complicated legislation likely to undermine the final goal. We need a clear and consistent approach and distribution of tasks, where for example topic areas such as rules and incentives for sustainable product design are regulated under the most relevant legislation (product legislation, such as ESPR) and harmonised at EU level, without duplication or potentially contradictory regulatory requirements.

EFIC is the European Furniture Industries Confederation, representing over 70% of the total turnover of the European Furniture Industries, a sector employing 1 million people in about 120.000 enterprises across the EU and generating a turnover of over 100 billion Euros. The EFIC membership is composed of 18 national associations, one individual company member and several clusters. <u>https://www.efic.eu/</u>

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