

# The Furniture Industry and the Circular Economy

Policy paper



A path towards Circularity





## **The Furniture Industry and the Circular Economy**

The European furniture industry welcomes the European Commission's initiative aimed at promoting and implementing an ambitious Circular Economy Strategy.

The furniture sector is ready to be involved and EFIC wishes to contribute in the process of supporting furniture companies to make this change happen.

Please, accept this contribution as a first drawing of the challenges and opportunities that the European furniture industries see in the EU ambitious plan for changing the shape of our economy.

### **IN BRIEF:**

- **The furniture industry expects a gradual and realistic transition to the circular economy**
- **SMEs must be active players in the circular economy and not left behind**
- **Fair competition must be assured when promoting circular solutions**
- **Awakening the consumer-awareness on Circular Economy is key for success**
- **Eco-design is a powerful tool if it does not undermine competitiveness**
- **EPR schemes should be based on easy and homogeneous rules in the EU**
- **Working on a better interface between chemicals products and waste would allow more recycling and remanufacturing**
- **EFIC is committed to promote the Case For Flame Retardant Free Furniture, which would give the green light to European furniture producers for not using potentially harmful flame retardant chemicals in their products**



A **step-by-step approach** is needed, in order to grant a **gradual, sustainable and realistic transition** to the circular economy principles and model.



Any possible EU-level initiative should properly balance **environmental sustainability principles** with **economically sustainable criteria**, in order to avoid additional costs and burdens and an undesired competitiveness disadvantage for EU companies.



A specific attention should be paid to **SMEs'** specific assets and needs, coherently with the EU "*Think Small First*" principle. **Specific measures are necessary to help SMEs** reaching new goals and increase their competitiveness.



An effective **EU action** should be based on a **smart order of priorities** and on a **bottom-up approach**, addressing the value chain **from its upstream and suppliers' side to its downstream**. A wider scale result would be ensured: all furniture companies would benefit from a major and more economically sustainable supply and all necessary investments would be spread over the entire supply chain.



Planning an **educational and economic support** to companies: giving information on opportunities for innovation could play a fundamental role for successful results, together with the possibility for **ad hoc starting incentives programs**, (e.g. financial innovative projects, public incentives and technical assistance).



Any effort from companies in production can have a real impact if not reflected by consumers' choices and behaviors. **Improving consumers' awareness at EU level** is key for success. Clear, comparable and harmonized information on the main characteristics of furniture products need to be available to consumers for making informed purchasing choice.



Look at existing ideas: not to miss the opportunities and the good practices already growing in companies all over Europe. The European Commission should promote a **collection of best practices in the furniture sector**, as to take example from the valuable players already working hard to improve the circularity of the furniture sector.



Ensure a level playing field: any measure should **equally apply** to all companies operating and/or selling their products in the EU market, imports included.



**New business models:** challenges in today's economy and new business schemes applicable to the furniture sector play an active role in encouraging circular economy principles.



**The role of "circular tenders:"** many public tenders concern furnishing projects for government and public buildings both on EU and national scale. Governments have a strong instrument to support circular economy and it is of high importance that tenders become circular. In practice, today this opportunity is often lost as the main driver for choice is price-oriented, rather than circular-oriented.

# How the furniture industry can contribute to the Circular Economy Strategy?

## 1. Production phase

### Eco design and the furniture sector

While so far eco-design efforts have largely concentrated on reducing energy consumption during the use stage of electrical and electronic products, new perspectives are under evaluation in the framework of the EU new Circular Economy Strategy, which could be also applicable to the furniture sector.

EFIC welcomes all initiatives aimed at promoting the production of more efficiently produced and sustainable products.

However, it is of primary importance to have a closer look at the **definition of eco-design** and what this would mean for furniture companies. At least five criteria must be considered:

	Criteria	Goal	Target/development needed
1	<b>Increase the lifecycle</b>	To keep the product in the lifecycle as long as possible	To produce high durability and high quality product
2	<b>Better reparability</b>	Ensure that products can be easily disassembled, having when possible changes and reparations on single components rather than changing all product.	The furniture design has to be conceptualized accordingly, and spare parts need to be available.
3	<b>Recyclability</b>	Ensure that products and its components are recyclable	Companies should choose recyclable materials (when possible) and/or design products in a way that allows separation of different materials. Materials choice becomes more limited, and this might not always fit with the “efficient use of materials” (criteria 4). Use of chemical substances is also relevant.
4	<b>Efficient use of material</b>	Material follows function: to use the material which is the best one to fulfill the specific function	The material should be selected according to its best performance and use.
5	<b>Avoid environmental unfriendly materials</b>	Select materials according to their environmental impact	Companies have more limited choice in materials. Materials including chemicals of concern should be avoided. However, substitutions are not always existing or widely present in the market. Certain chemicals might be needed to comply with other demands, as it is the current case for open-flame flammability tests and flame retardants in furniture.

When these criteria are applied, production costs raise and furniture products become more **expensive**. For example, having easily dismountable products – relevant to criteria 2 and 3 – would make costs relevantly higher than gluing components together.

Therefore, it is important that the EU reflects on the best regulatory option in between setting **voluntary or mandatory criteria** on eco-design applicable to the furniture sector. If mandatory criteria have to be imposed, this policy choice have to ensure **fair competitiveness**. Mandatory rules should apply to all products sold in the European internal market, including imports and online trade. Without equal conditions in productions, there would be a competitive disadvantage and costs burden imposed on European producers only.

If not, the criteria should be voluntary and industry-led and helped by **support and incentives** for companies, ensuring a **step-by-step, economically realistic** switch to the circular economy model.

EFIC believes that a **voluntary and industry-led approach should be kept with regard to eco-design and the furniture sector**. Mandatory eco-design rules should not be imposed to furniture producers without first 1) allowing companies to progress in innovation and switch to circular economy principles 2) make possible for suppliers to the furniture industry to provide the needed demand 3) ensuring a level playing field in the European internal market.

As a first step, EFIC calls the European Institutions to introduce **incentives for companies who want to invest on the best solutions for eco-design in furniture products**, also encouraging the setting and exchange of best practices.

## **2. Consumption phase**

### **Harmonised consumers' information as a tool for informed and comparable choices**

Coming to the consumers' side and perspective in promoting circular economy principles, EFIC gives a priority role to all measures aimed at promoting **consumers' information and awareness**.

In this regard, one of the first steps needed in order to encourage a purchasing behavior compatible with circular economy principles is to provide consumers with adequate information tools.

Transparent and harmonized information on the characteristics of furniture products, such as on the **materials used or durability features**, is key.

To this extent, an **EU-level information scheme on the main characteristics of furniture products** would allow consumers to compare different products on the market, make environment-oriented decisions by choosing the most durable and resource-efficient ones, and reward those manufacturers who invest in the quality and sustainability of their products.

### **Promotion of Circular tendering**

Public authorities at the National and European level have a great tool to boost circular economy principle in practice. When furnishing public spaces, the final choice should not be primarily based on economic-driven criteria because it would not encourage investments in green and circular products.

When it comes to support a real start of circular tendering, there are already some **good practices and measures** to look at, including re-use of materials, recycling of waste and new business models (such as leasing of interiors and furniture).

## **3. Waste Management**

### **Extended Producers Responsibility (EPR) Schemes**

EFIC sees the potential role which can be played by EPR schemes in **supporting the implementation of a real circular economy**. To this extent, EPR schemes should promote incentives for producers to take into account environmental considerations along the products' life, from the design phase to their end-of-life.

In the furniture sector, for the time being, **France** is the only EU Member State enforcing a general and mandatory EPR scheme on furniture products. However, more regulations on EPRs schemes applied to furniture products are being discussed in different Member States.

EFIC agrees with the principles of EPR schemes, at the conditions that:

1. **One model is agreed in Europe** – having 28 different schemes would be impossible for furniture companies to comply with and would constitute a trade barrier in the European Single Market;
2. **An easy system to comply with** is put in place – where clear rules and responsibilities are defined.
3. **EPR schemes are built on decentralised systems for waste collection** – due both to costs and environmental impact;
4. **The burden is economically shared**, the sum of costs for EPR schemes should not be imposed on the producers only, but should be spread in the society.
5. **A level playing field is granted** – additional rules should not create additional burdens and costs to European furniture producers only. Online trade should be involved as well



## 4. From waste to resources

### A smart chemical policy

One of the major problems furniture companies face when working with circular processes and increased recycling and/or remanufacturing is the presence of **harmful chemicals** in the material to be reused.

There are already a number of chemicals imposing serious problems for the material flow, including e.g. heavy metals, phthalates, soil repellent chemical.

It is therefore fundamental to address the issue of chemicals' use and related policies promptly in order to unblock the existing obstacles with recycling of furniture and allow a real switch to circular economy models.

The European Commission has already prioritised the need to focus and act on the **interface between EU chemicals, products and waste legislation**, on the basis that today circular economy targets are hindered by the lack of full information on the chemicals used in production, together the difficulties in dealing with waste and products containing chemicals which prevent materials' recycling.

The furniture industry fully shares the goals of the European Commission and welcomes an EU action in favour of closing the loop from products' waste to new resources.

Together with broader initiatives, EFIC invites policy makers to also look at concrete existing barrier and *ad hoc* solutions to tackle them. Harmonisations of standards at the European level could in certain cases constitute a solution, as the case for flame retardant free furniture clearly demonstrates.

### The Case for Flame Retardant Free Furniture

EFIC – together with a coalition of 10 members representing industry, health and environmental NGOs, trade unions and firefighters - is active in bringing the Case for Flame Retardant Free Furniture to the attention of European policy makers.

Today, a variety of flammability standards for furniture exist in Europe. Some standards, requiring compliance with **open-flame tests**, lead to the use of potentially **hazardous flame retardant chemicals** without providing a demonstrated fire safety benefit. In such cases, the use of flame retardants is not legally requested but it is in practice the needed way for compliance with open-flame tests.

Flame retardants may cause serious harm to human health and the environment, undermine the quality of furniture products and impose a costly burden to furniture producers. The use of flame retardant chemicals may **prevent the furniture sector from fully entering the circular economy**. Many products containing flame



retardants cannot be safely **recycled** for material reuse, thus preventing a better and greener waste handling. The use of flame retardants in furniture **reduces the durability** of products, resulting in a shorter product lifetime. Additionally, the **end-of-life treatment** of products containing hazardous flame retardants is notably more expensive than normal waste and might be more dangerous due to the release of toxic fumes in the atmosphere.

When it comes to the **environmental impact**, flame retardants migrate out of products and accumulate in the environment. Many flame retardants are persistent and can undergo long-range environmental transport. Several scientific studies have demonstrated the presence of flame retardants in seas, rivers, and far away till the Arctic. They have been found in animals, such as bees and fishes, leading to the risk of persisting contamination in the food chain. Moreover, in terms of **fire safety**, several concerns have been raised with regard to the exposure to toxic fumes released from the combustion of materials containing flame retardants, which would significantly increase danger and risk in case of fire.

EU action in favour of flame retardant free furniture is necessary to ensure protection of human health and the environment, and promote competition and fire safety, allowing the furniture sector from fully participating to the circular economy.

Creating a mandatory harmonised testing method for upholstered furniture at a level where flame retardants are not needed (EN 1021-1 cigarette test) would unblock the current situation, and allow furniture companies to produce safer and greener products without flame retardants.

For more information on the Case for Flame Retardant Free Furniture please read [EFIC and Allies policy paper](#).

## About EFIC

EFIC – the European Furniture Industries Confederation - is the voice of the jointly united European Furniture Industries.

EFIC was founded in 2006 by seven national federations representing the furniture industries in Belgium, Denmark, Germany, Italy, Slovakia, Spain and Turkey and it was later joined by Portugal, Sweden, Austria, Russia and Norway. Furthermore, Hungary, the Netherlands and France joined EFIC in 2015.

EFIC now represents more than the 70% of the total turnover of the furniture industries in Europe.

For more information please contact:

### EFIC - European Furniture Industries Confederation

A: Rue Montoyer 24, PO Box 2, BE-1000 Brussels

T: 0032 (0)2 287 08 86 | M: 0032 (0)477 28 71 34

E: [info@efic.eu](mailto:info@efic.eu)

W: [www.efic.eu](http://www.efic.eu)

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**EFIC - the European Furniture Industries  
Confederation**

**Contact: [info@efic.eu](mailto:info@efic.eu)**

**Rue Montoyer, 24 - PO-Box 2  
1000 Bruxelles**