



Creativity



Innovation



Design

# Sustainable Products Initiative

# EFIC

European Furniture Industries Confederation

European furniture industry insights  
Position paper accompanying input to open public consultation

The European furniture industries embrace EU circularity objectives<sup>1</sup> and welcome the opportunity to provide comments on the open public consultation feeding into the upcoming **Sustainable Products Initiative (SPI)**, building on the views of the industry provided to the roadmap consultation in November 2020<sup>2</sup>.

# General recommendations to policymakers

- 1** Take a **holistic approach** in the development of new legislation, avoid addressing the same issues with several initiatives and contradictions between existing and upcoming legislation and tools. It is important that legislators work with a clear scope and **do not 'reinvent the wheel'**.

Establish **harmonised legislation at EU level**, with harmonised definitions and ways of reporting (e.g., harmonised rules are needed at EU level for recycling symbols and sorting instructions). **Avoid that Member States adopt differing legislation** on the circular economy. As an example, uniform Extended Producer Responsibility schemes are needed in the Member States, as differing schemes would lead to unnecessary additional administrative and logistical expenses, but also to costs that do not add any value to the Circular Economy.
- 2** Involve and **consult standardisation bodies** in the process, **as well as the industry** for sector-related expertise and recommendations. Work on circular economy is ongoing both at CEN (CEN TC 207 - Furniture) and at ISO (ISO / TC 323) level and best practices exist in the industry. Technical specifications and how these should be verified should be set in standards. The standardisation work is well established within the EU and must continue playing an important role in the implementation of future legislation.
- 3** Consider a **value chain and ecosystem approach**. The success of the furniture industry in transitioning to a more circular economy also depends on suppliers of components and materials, on consumer mindsets and behaviour, as well as on players involved in distribution and waste management, including new service providers that will appear on the market.
- 4** Consider the **complexity** of not only the **furniture value chain**, but also of **the product itself**. The furniture product range is very varied, ranging from chairs and seats, cabinets, kitchens, bedding, office furniture, project furniture, etc., and many different materials are used in furniture production (e.g. wood, plastics, textile, steel, glass, composites, foam).
- 5** With this complexity in mind, consider that **only general design principles should be established** as part of 'effect goals'<sup>3</sup> at EU level, instead of binding rules. The technical solutions should be entrusted to the industry in collaboration with relevant stakeholders. Setting binding rules at EU level per product, detailing what rules producers are obliged to follow and requirements for technology development will be to the detriment of the industry.
- 6** Consider the **two different distribution systems** in the furniture market (**B2B and B2C**), where the B2C distribution system has by far the larger market share in terms of turnover and quantity of furniture in the total market. The B2C means that the end customer has a contractual relationship with the furniture retailer and not with the furniture manufacturer, therefore the furniture manufacturer usually does not have direct contact to the customer. Companies in B2B operate under completely different conditions than those under B2C, both in terms of possible (circular) business models and competitive conditions. These complexities of the furniture industry (in addition to the
- 7**

complexity of the product range and materials) must be considered when setting rules in many areas (e.g. warranties, take-back systems, or reverse logistics specialized in furniture, a necessary system capability to enable processes in the context of refurbishment and remanufacturing).

**8** With this complexity in mind, **allow companies to adopt the circular business models that work best for them**, as this is mainly market driven. SPI and circularity policies should only set the overall goals and consider that some business models will not work for certain product groups.

**9** Consider the **complexity of value chains and of the sector when developing the product passports**. Although these tools have a large potential to drive circularity, they should be based on existing legislation and schemes and must not become an administrative burden. Product passports should have a pragmatic approach and only provide information that is important and useful for the intended receiver or target operation. Consider making a differentiation between compulsory and voluntary information.

**10** Grant **flexibility** to the sector's companies to adapt to new requirements during a **reasonable transition period**, as well as to find the technical solutions for established policy goals and their own way to contribute to circularity. There is no one-size-fits-all solution. Ensure that **no additional and unreasonable administrative burden** is placed on the industry, which is mainly composed of SMEs and microenterprises. Companies' sustainability agendas are largely market-driven and not primarily by legislation, therefore legislation should be applied with caution and only in the case of market failures. The desire to operate in a responsible way is a main driver, too.

**11** Apart from granting a reasonable transition period to the industry, **incentivize demand for circular products**, both from public institutions and consumers, and reward companies that invest in circularity. Price remains a main driver for consumer choice. As such, pricing differences between products should be levelled.

**12** Put in place **research and innovation funds** to drive a systemic shift toward a circular economy. **Large-scale studies**, supported by the European Institutions, would support the purpose of building more knowledge on the circular economy.

**13** Ensure that **products imported from third countries comply with the same rules** that are applicable to EU manufacturers and put in place adequate market surveillance and enforcement efforts. Products produced in the EU are regularly more expensive and it is difficult to compete against countries with lower labour costs.

**14** **Labels and green claims should be voluntary**. Avoid putting additional labels on the market and consider that labels are primarily used at the purchasing time, therefore they are not a tool for long-lasting information relevant for the purposes of the circular economy. We urge policymakers to adopt a constructive approach towards developing an EU methodology to quantify environmental impacts, where the industry is involved in the development of a sector-specific solution for the furniture sector.

**15** **Consider the global aspect** when creating and implementing circular economy rules, and the fact that the furniture industry is highly export oriented.

<sup>1</sup>EFIC position paper welcoming the Circular Economy Action Plan of March 2020

<sup>2</sup>EFIC position paper to roadmap consultation on the SPI

<sup>3</sup>Examples: reduced greenhouse gas emissions, more efficient resource utilization and reduced waste generation, lifetime-extending exchangeability of functional fittings and particularly loaded components, separability of materials critical for recycling (e.g. wood and metal)



# In depth recommendations

## Design Principles

- Instead of binding rules, **only general design principles should be established as part** of ‘effect goals’<sup>4</sup> at EU level. The technical solutions should be entrusted to the industry in collaboration with relevant stakeholders. Furniture manufacturers are gradually implementing design principles to enhance product durability, reusability, upgradability and reparability. Setting binding rules at EU level per product, detailing what rules producers are obliged to follow and requirements for technology development will be to the detriment of the industry, as this will put obstacles to the capacity of companies to innovate and compete with other players on the market. Design is an important aspect in the furniture industry and a tool for healthy competition within the sector.
- **Consider the diversity and complexity of furniture products** when developing sustainability and circular design principles for furniture via the widening of the scope of the Ecodesign Directive and when developing upcoming complementary measures. Circular design principles will not work for all products in the same way. The purpose of widening the scope of the Ecodesign Directive to non-energy related products must be clarified and policies should focus on the above-mentioned effect goals also when identifying the purpose of the Ecodesign Directive. Consider that energy-related products are very different to furniture when it comes to the measurability of sustainability criteria. among other things.
- Involve and **consult industry and standardisation bodies** in the process. Some industry players are already integrating circular design principles into their practices<sup>5</sup> and are also experimenting with different circular business models. When it comes to standards, in addition to the previous focus of these on safety, stability, strength and durability, current standards already contain requirements that have a positive impact on the durability of components (e.g. fittings, screw pull-out resistance, surface resistance) and thus on the lifespan of furniture. In the future, safety and durability aspects will have to be further developed and supplemented by the aforementioned “circular requirements”.
- As such, **standardisation work on the circularity of furniture is already underway**. CEN/TC 207 on Furniture is currently identifying the need for circularity standardisation to support the industry. A new working group for furniture circularity has been approved (Working Group 10). Besides, an exploratory task group has already started working on a standard on design for disassembly and reassembly of furniture. Other crucial topics for future work, such as durability, reparability, refurbishment, remanufacturing, upgradability, reusability and separability at the end of life are also in the work programme of the working group. Work on the circular economy is also ongoing at ISO level within ISO / TC 323, although the standards that are being developed there are more strategic in nature and deal with terms, definitions, measuring circularity and business models.
- **Standardisation** at European (CEN-Cenelec) and international (ISO) level is very **important for establishing harmonised definitions** for different parameters related to the circular economy. Implementing measures of the upcoming SPI - possibly sector-specific - should therefore be linked to and based on this ongoing work in both standardisation bodies.
- Linked to standardisation, we urge policymakers to **consider the recent position of the Alliance for Flame Retardant Free Furniture**, calling for harmonising flammability requirements for furniture in Europe via the SPI. The Alliance calls on the EU institutions and Member States to adopt a similar approach to the 2020 US law mandating nationwide compliance with California’s flammability standard for upholstered furniture, with the aim of harmonising existing flammability standards and requirements across Europe, using smoulder ignition tests (such as cigarette test EN 1021-1) instead of open flame tests as a basis to prove compliance, whenever flammability requirements are already in place at national level.<sup>6</sup>

<sup>4</sup>EFIC Examples: reduced greenhouse gas emissions, more efficient resource utilization and reduced waste generation, Lifetime-extending exchangeability of functional fittings and particularly loaded components, Separability of materials critical for recycling (e.g. wood and metal)

<sup>5</sup> <https://www.efic.eu/best-practices>

<sup>6</sup>The Alliance for Flame Retardant Free Furniture welcomes the US law mandating nationwide compliance with California’s flammability standard for upholstered furniture: [Position paper](#) June 2021

# Product passports

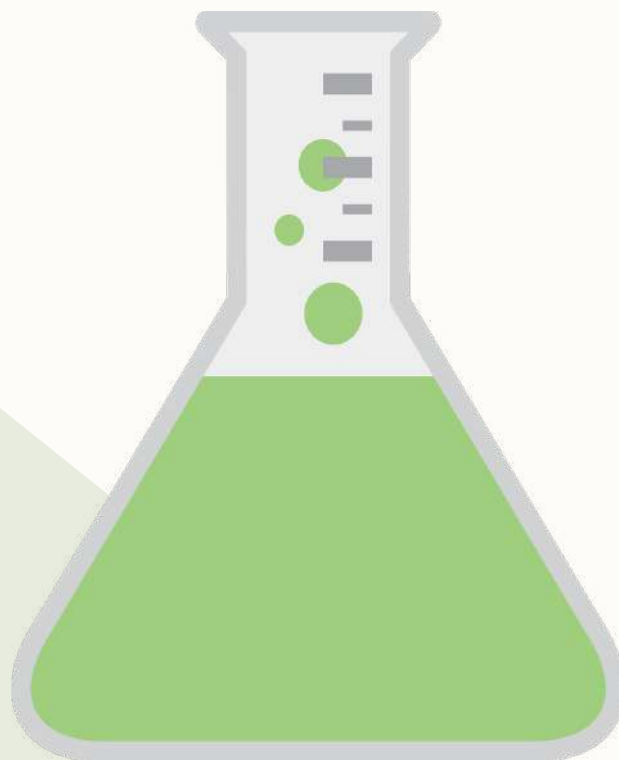
## General

- The introduction of electronic product passports can promote the transition to a more circular economy if they are designed in a proper way. The purpose of the passports should be to facilitate the circular economy. The tool should be **based on existing legislation** and schemes and **must not become an administrative burden** to the industry.
- Consider the **complexity of products and value chains**, as well as of the **quantity of data** required via the passports. Consider the steps within the value chain, such as information that a supplier needs to provide and how it will be used by the manufacturer, to avoid duplication of reporting and ensuring interoperability. Find the right level of detail to be provided, given the long and complex value chains.
- Product passports should have a **pragmatic approach** and only provide information that is important and useful for the intended receiver (B2B or B2C, certain service providers, waste operators) or target operation. Information may need to differ depending on specific needs, product category and target recipient, may have more than one purpose and should be limited to what is relevant and necessary for a specific purpose. Not all information should be available to everyone, and some only on request.
- Make a differentiation between information that is **a) compulsory and b) voluntary information** that can be provided by companies that want to go beyond what is compulsory ('must have' versus 'good to have'). Allowing that certain information is voluntary will give incentives to companies and a gentle push to the market towards circularity, disclosing additional information which may be useful for certain users.
- Establish **common definitions and measurements** (binding and standardised dataset) as a basis for voluntary information, which will increase accountability and reliability of information transmitted across the supply chain and/or towards consumers and which can be potentially linked to third party verification. Establish a harmonised way of reporting (for the mandatory information, such as Safety Data Sheets required under the CLP Regulation).
- Bear in mind that certain information cannot be disclosed under any circumstances because it is a **trade secret** and linked to **intellectual property rights** (trademarks, suppliers, or recipes for adhesives / varnishes, CAD drawings and 3D printings, etc.).
- Consider the amount of **energy and associated carbon footprint** needed to **operate large databases** linked to the product passports. Given the enormous scope of a future database that will handle most of the products placed on the European market, one should consider and weigh the energy consumption that will be required to operate servers and data storage.



## Disclosure of chemical substances

- A high level of detail of information on substances combined with a complex determination to ascertain the information will not support an increased consumer awareness and is also not realistic when considering that certain information is a trade secret. Too detailed reporting of chemical content entails a great **risk of revealing trade secrets**, which will damage the industry's competitiveness and willingness to develop new products.
- Consider **minimising the administrative burden** and weigh the costs against the benefits of chemical content reporting. Every initiative must be well-founded and motivated with tangible benefits to promote circular flows.
- Only chemical **substances that may impede circular economy** in terms of recycling, remanufacturing or reuse **shall be subject to any form of reporting**. Here, other legislation, such as REACH, must be fully harmonised with the product passport and clear definitions are required on which substances can be considered of concern other than substances of very high concern (SVHCs). Consider that SVHCs are already covered by the SCIP database to avoid additional administrative burden and duplication of work.
- Only chemical **substances that are actually included in the finished product** and that can affect circular flows **should be taken into account** and not process chemicals required during manufacture. For example, some chemicals act as catalysts for chemical reactions while other substances react with each other and form harmless reaction products - none of these prevent future recycling of materials. Process chemicals and how they are handled fall under other legislation that regulates safety in the workplace.
- The **availability of information** on chemical substances also **depends on suppliers** of materials and components. As such, a holistic view along the supply chain is needed. For example, if individual components have been tested by suppliers, this means that the final product, in this case the furniture, will be compliant with demands on chemicals. Whenever possible, it must be feasible to use information from the suppliers' product passports (keyword 'interoperability').
- When addressing **substances that can undermine recyclability, consider** setting different rules for products from the past and those from the future, based on **risk assessment**, both for substances and products or components, combining the hazard that a substance could pose in a specific part of a product<sup>7</sup>. In the risk-based assessment of substances, a general distinction should be made between substances that are bound in the material and substances that can emit or migrate from materials. In the case of emitting and migrating substances, the level and hazard of the emission over the lifetime and especially at the end of life of the product must be considered. Large-scale studies, supported by the European Institutions, would support the purpose of building more knowledge.

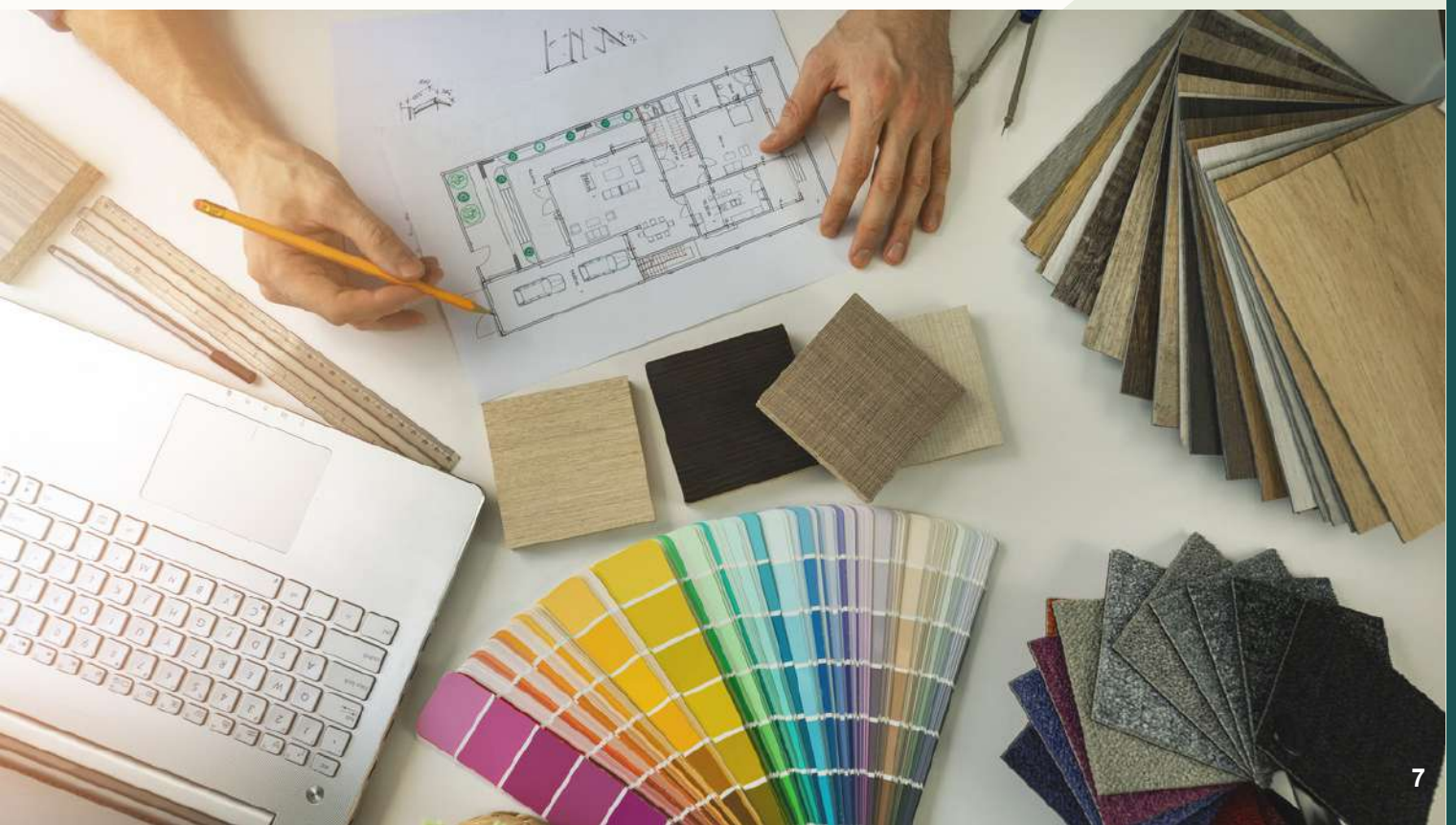


<sup>7</sup> Consider if there is contact with human skin or if it is a product that is not accessible generally speaking, such as concealed connected components or screws.



## Disclosure of materials

- In general, disclosure of the **type of materials used** may be beneficial for the purpose of the circular economy. Information may be provided to customers on an aggregated level, meaning 'wood', 'metal', 'fabric'. Preferably, it should be done via simple standardized approaches with, for example, check boxes for the most common types of materials for the furniture industry. More detailed information should only be provided on request and if relevant for the specific purpose or operation.
- Manufacturers may have **difficulties** in providing a detailed list of materials when they manufacture customized / **custom made products** if there is no assisting technology (item configurator). For items in the standard range, material information is more often available, to be provided, again, depending on the intended purpose or operation.
- It may **not be necessary to provide the quantities of materials** used, as this may not have any additional benefit from a circular economy point of view. Regarding the quantities, a question arises as to the way of reporting this type of information (percentages or weight). Consider that percentages of certain materials or components, such as glues or varnishes, cannot be disclosed as it is a trade secret.
- Companies refer to **manual work needed** or **changes in system setups** to be able to provide this kind of information at a large scale. For material composition, complex analysis methods and processes are used (there is no single analysis that can be used to determine all the substances in a material). Several different analyses are often necessary and materials would have to be determined and tracked again for every production-related modification. This is unaffordable from an environmental, circular economy and economical point of view. The collection and updating of the respective data is a further effort.
- Concerning **material sources**, similar remarks apply as to the social conditions (see below). It may make sense that **suppliers provide this information** so that manufacturers can refer to it. The disclosure of supplier structures is usually as much a trade secret as the disclosure of material compositions or other product details such as CAD drawings (see below). As long as a furniture manufacturer complies with the legal requirement when sourcing materials or components, information on which supplier these items stem from is irrelevant.



## Disclosure of recycled content

- Information on **recycled content** may be important nowadays for consumers, but this may change as other aspects will be more prominent like repairability. Information on recycled content should be provided on a **voluntary basis** – but under defined rules - and if a customer requests this (for example in public procurement or to fulfil requirements from a supplier). Therefore, it should be market driven and address internal demands of the supply chain. It should not be compulsory by legislation.
- It is only with great **difficulty** that it is possible to **disclose** the **proportion of recycled material** for all constituent materials for all products. If this type of information is to be specified, a selection must be made for relevant materials for a specific product. The use of recycled materials in products is better promoted through other measures and market solutions. Reporting this does not automatically drive development forward and can for some materials have the opposite effect, such as steel.

## Disclosure of CAD technical drawings and 3D-printing files

- Forcing individual companies to submit CAD drawings and 3D print files poses a serious **threat to their competitiveness** and future willingness to work on product development. This type of information must be considered as **highly confidential business secrets** and can in no way be made available in public databases. Nor can it be considered to favor circular flows that this type of information should be published. On the contrary, this type of requirement will hamper the development of new innovations and thus slow down the necessary transition to a more circular logic in the industry. The rights to design and design protection must be respected and strengthened to guarantee further development. Only information that can apply to assembly and disassembly is suitable for sharing and this information also facilitates the reuse of components and materials.

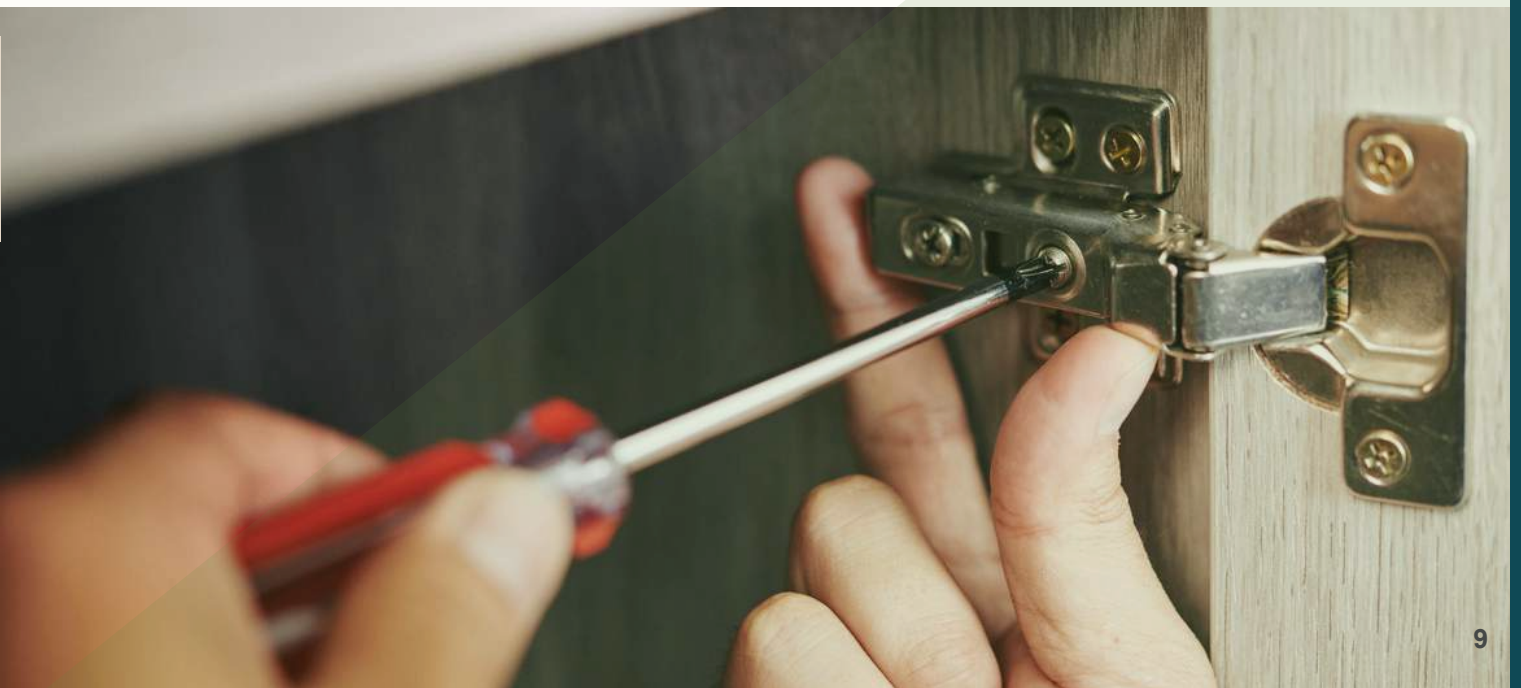
## Disclosure of product origin

- Information on the **origin of products** could help to **fight against counterfeited products** from third countries and could bring benefits on circularity in the sense that sustainable practices of EU companies would be promoted to customers, who associate certain countries with high environmental standards. However, if such **information** is to be provided, it should be on the final product and **not on components or materials source**. The system to be used to report / prove the origin of a product should not bring any administrative burden to companies.



## Information on repairability and repair services

- There must be a **differentiation between parts** that are subject to higher wear (based on the industry's experience) and parts that are not subject to any wear or only very low wear. Only for parts that are likely to be subject to high wear does interchangeability make sense in the context of the "circular economy" from a resource use point of view.
- **Spare parts are function-related components** which, in the case of breakage, render the piece of furniture partially or completely unusable (e.g. handles, functional fittings, electrical components). Many companies already provide this information partly, e.g. how the customer can replace some parts (e.g. handles; functional fittings, electrical components). Spare parts for function-related components can be offered, but the storage of spare parts is not easy and it is important to avoid overproduction, which would contradict the principles of the circular economy. Therefore, the spare part offered does not necessarily have to be identical to the original part, but must be able to replace the original part and fulfil its function. As an alternative to supplying a spare part, the information/design necessary to produce the spare part could be provided by the manufacturer so that the part can be produced when needed.
- **Storage times** for spare parts **vary** according to size, type (distinguishing between standard components and those that need to be manufactured) and shipping method. The **delivery of spare parts also depends on the distances** between the shipping point and the recipient's address and is closely linked to market-dependent voluntary commercial warranties.
- The duration of a possible **commercial warranty** (voluntary and different from the legal guarantees in force in the Member States) should **not be regulated by the product passport**. However, information about the warranty and where spare parts can be ordered should be included in the product passport.



## Information on expected lifespan

- It is extremely **difficult to include this information** in the product passport as there is no standard, methodology and definition to be used as a basis. As such, standardisation bodies should be entrusted with finding ways to evaluate and define the lifespan of products. Providing information on the expected lifetime of a product via the product passport based on subjective parameters could lead to greenwashing and should be avoided.
- Many parameters affect the lifespan of a product, including the handling by the customer (where and how a product is used and maintained and by whom). It is difficult to define also having in mind the question of when the 'first life' of a product ends.<sup>8</sup> As the goal is to avoid the creation of waste, information on maintenance to make sure the product lasts as long as possible may be more relevant. The definition of 'product' is also important here. In the case of furniture, products are very different (note: a single product such as a chair / stool / table is not the same as a furniture group e.g. kitchen, living room wall consisting of many different individual products such as cabinets, worktops etc. which are also subject to different loads / wear). Generally speaking, experience has shown that the lifespan of furniture based on current relevant standards is determined more by 'design and surface trends' than by lifespan in the sense of durability. Here, the mindset of the customers and not the product characteristics is the relevant factor.

## Disclosure of other elements

- Concerning **social conditions along the value chain**, the questions arise as to whether product policies should be the framework to address these aspects and whether this **duplicates efforts with other ongoing initiatives**, such as Sustainable Corporate Governance, Taxonomy, and EUTR. We reiterate the importance of not reinventing the wheel. Instead of focusing on these aspects in product policy – which presents complexities for both large and small businesses – we urge social aspects to be considered from the whole value chain perspective. Such an approach, as suggested in the Sustainable Corporate Governance initiative, would require businesses to identify and mitigate human rights and environmental risks from all aspects of the value chain, from raw material through product to the home. Understanding the risks from a holistic view enables businesses to then act accordingly as the risk applies to products, services or operations. Requirements should be tailor-made to the size of the company.
- A list of **legislation pieces or standards** that a product complies with or the **technical specifications** that it fulfills should be provided on a **voluntary basis** apart from the mandatory information to be provided under the General Product Safety Directive or other Directives (e.g. Machinery Directive, Low Voltage Directive, etc.) or Regulations, as it may bring administrative burden. When a product is placed on the market, it must, by definition, comply with all applicable legislation.
- Information on **how products should be disposed** of or recycled at the end of life: This information can be provided **to be best of knowledge** of the manufacturer and considering that not all possibilities of end-of-life treatment will be available in the country of destination. The handling and infrastructure may vary from country to country and can change over time, therefore it is difficult to provide this information in a meaningful way. The manufacturer can mainly provide information on the separation of components that interfere in the recycling process (e.g. compounds of wood and metal) or whether the product is recyclable. For a uniform definition and specification of which information is to be provided for which materials to be separated, it would be very useful to obtain the know-how of the actors involved in the value chain.

Due to the practical approach already mentioned several times in this position paper, the information in the product passports should be **limited to the necessary information** for end users and recyclers, or for the purposes of repair, exchangeability, upgradability and separability. Further design details are usually trade secrets and / or protected designs and, moreover, an unnecessary expense in a cost-benefit comparison.

<sup>8</sup> The 'circle in the circle', meaning when the first life of a product ends and when second life of a product starts - repair remanufacturing, refurbishment: should these be part of the lifespan? How should the manufacturer keep track of this in a 2-tier distribution system where the manufacturer usually does not have direct contact to the end customer at all?

# Labelling and green claims linked to product passports

## Labelling

- **Labelling** and possession of sustainability labels: companies could provide information on the possession of sustainability labels on a voluntary basis via the product passports. Labelling to show compliance with sustainability criteria **should be voluntary**. Labelling could be seen by manufacturers as an incentive if it is done in a harmonised way<sup>9</sup>, if it is simple, valid throughout the EU, based on the same standards, if the customers and public consumers put value on it and if it is done with a solid certification behind.
- **Avoid** putting **additional labels** on the market and consider that labels are primarily used at the purchasing time, therefore they are not a tool for long-lasting information relevant for the purposes of the circular economy.

## Green claims

- Information on product **environmental and or carbon footprint** should **not be mandatory**. Tools to substantiate green claims should remain voluntary, as well as the decision whether to make a green claim or not. A harmonised and well-established tool or method should be used for this purpose, to ensure that the data provided are comparable and to increase trust in claims. A **constructive approach** should be taken, **where industry is involved** in the development of a simple and sector-specific solution for the furniture sector that is harmonised at EU level.
- Regarding the **Product Environmental Footprint (PEF)**, it seems difficult to apply it in practice as the methodology is not yet fully adopted (as an example, there are no PEFCRs for furniture in place, therefore no experience with the tool). In addition, the methodology does not seem to consider the advantage of wood as a CO<sub>2</sub> sink material. Hence the robustness of the tool must be measured before integrating it further into EU policies.
- The **coexistence of the PEF with** tools such as the **Environmental Product Declarations (EPDs)** should be considered (both should be based on the same dataset and on EN 15804), especially to ensure that a potential future PEF for furniture - should this be developed - can be generated from the same dataset that an EPD is generated from.

<sup>9</sup> EU Ecolabel as an example, although it has had a very low uptake in the industry for various reasons.





# Circular business models

Furniture manufacturers are more and more aware of circular business models and several can drive circularity in the furniture sector, including those based on product life extension (repair, refurbishment), product-as-a-service, on-demand-production, sharing platforms and take back schemes (for some players).<sup>10</sup>

Industry points at the investments needed versus expected profitability and other risks that establishing new business models may entail (for example losing design protection and ownership). Many different business models are being evaluated and will be developed in the furniture industry but it remains to be seen which will turn out to be profitable. However, **the furniture industry** is extra interesting both due to the type of products and the market (mostly B2B), which makes it **very well suited for increased circular flows**.

## General recommendations to policymakers

- Since from today's perspective, when considering "new business models", it is quite likely that there will be new services (maintenance, repair, refurbishing, remanufacturing, etc.) associated with future changes to the product that also affect safety-relevant aspects not carried out by the "original manufacturer", it is necessary to **review existing definitions** of 'manufacturer', 'placing on the market' and associated obligations<sup>11</sup> with regard to their applicability for circular value chain and to adapt them if necessary.
- SPI and circularity policies should **give flexibility in the design of policy instruments** and set the overall goals. Policy and business models combinations will depend on the sector and product. Some business models will not work for certain product groups. There are no good or bad circular business models (it all depends on the concrete implementation and capabilities).
- Policymakers should support by **providing the needed legal clarity**. For example, by facilitating cross-border movements of post-consumer material and revising the definition of "waste" with circularity in mind.
- Allow **flexibility for companies** to adopt the business models that work best for them, as this is mainly market driven.
- Use **incentives to increase demand** for circular business models (standards, green public procurement, fiscal measures, reputational and economic incentives...) and reduce risk associated to implementing these business models, which should not cause burdens to businesses.
- Boost **green public procurement (GPP)** as an ideal instrument to drive circular products (not only second hand), especially relevant for the office furniture market, but consider that GPP accounts for different market shares in the Member States. Therefore, it is very important to generate incentives for the end user.
- Adopt an **ecosystem approach** and address **liability** for the players involved.
- Create **disincentives** for linear business models.
- Consider the implications that putting in place certain business models will have given the **worldwide market** and logistical aspects.

<sup>10</sup> See EFIC position paper of March 2020 on the Circular Economy Action Plan, page 9, for further business models

<sup>11</sup> E.g. GPSD manufacturer's marking > in this case: Replacement of the original manufacturer's marking with the refurbishment-manufacturer's marking

## Zooming in: Product as a service

Product-as a service is an interesting circular business model for the furniture sector. There is a difference between B2B and B2C markets. At the moment it may be more feasible for the contract market than for the domestic market. It is of interest in the context of public procurement and many companies are exploring this model. For the private market, its success may be limited. The renting business model is in its early start in the B2C segment and may depend on customer behaviour and mindset.

## Zooming in: Challenges of take-back

### Explanatory text: Two tier distribution system in furniture sector

#### *Domestic furniture*

Domestic furniture is generally sold via retailers, meaning that the furniture manufacturer is not in direct contact with the end consumer. Since a direct connection between manufacturer and end customer cannot be established in many cases, returning a product to the original manufacturer usually does not take place or will be difficult. In addition, used furniture is often considered waste and owned by the municipality, which hinders the possibility for furniture producers to take back the used product. Refurbishment or remanufacturing will not take place under the same conditions as for production processes for 'new furniture', however legal requirements and framework conditions are not clear yet.

Certain companies may see benefits in establishing their own take-back, repair and upgrade services, if it was economically feasible, and some already have these services in-house. Others do not have these services in their companies and envisage partnering up with external actors and service providers for this kind of activities, especially if they see it difficult to put own take back and repair systems in place. In some countries, like Sweden, there is already a network of craftsmen in place for repair and upgrade services. For this reason, it is important to look more "holistically" at the different needs that will emerge in the market (considering the differences between Member States) and business opportunities that will arise for various actors - not only manufacturers - considering also the large number of companies in the sector that are export-oriented. It may be challenging for SMEs, but also for larger enterprises to ensure local service in distant markets. Thus it may be better to prepare products for reuse/recycling, so that they can be used in new production after collection.

#### *Contract furniture*

The situation is somewhat different, at least at present, for "contract business" and "public procurement" (B2B business). In this case manufacturers and customers generally work more closely together and furniture (even if it is not their own furniture) must sometimes be taken back by the "new-furniture-manufacturer". At present, however, this is only done with the aim of processing the furniture for recycling at the EOL. However, there are also other "EOL recycling channels" and therefore the framework conditions described above also apply to this sales branch.

# EFIC

European Furniture Industries Confederation

*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 96 billion Euros. The EFIC membership is composed of 16 national federations, one individual company member and one cluster: <https://www.efic.eu/about-our-members>*

For further information, please contact:

**Gabriella Kemendi, Secretary General**  
**EFIC - European Furniture Industries Confederation**  
A: Rue Montoyer 24, PO Box 2, BE-1000 Brussels  
T: 0032 (0)2 287 08 86; E: [info@efic.eu](mailto:info@efic.eu)



*With appreciation to the EFIC Circular Economy Working Group for the engagement in developing this paper.*

© EFIC - June 2021



Creativity



Innovation



Design

