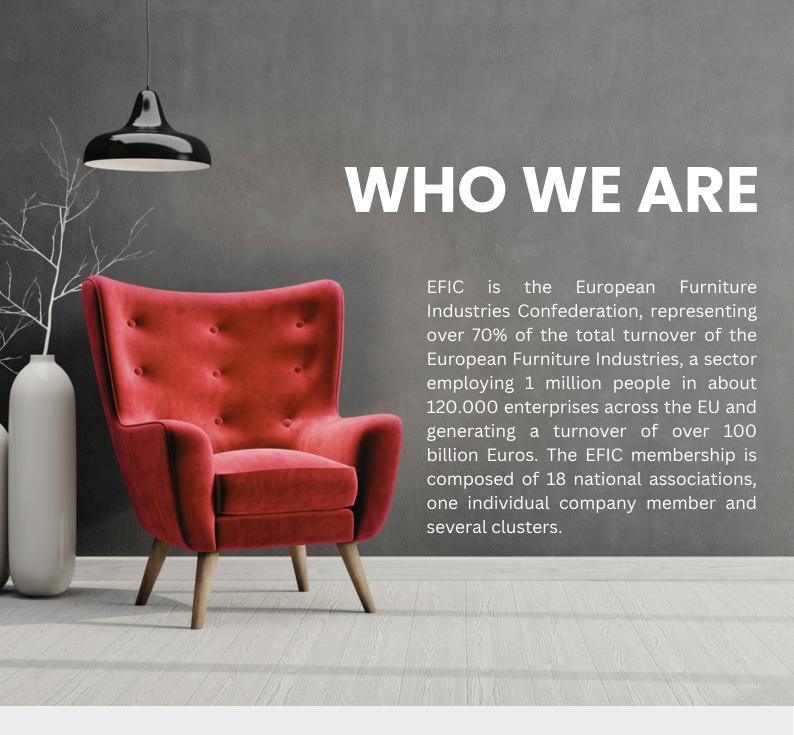
2024 ANNUAL REPORT







EU FURNITURE SECTOR AT A GLANCE



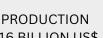




120 000 ENTERPRISES.



116 BILLION US\$



(24% OF WORLD FURNITURE PRODUCTION)



EXPORTS 71 BILLION US\$

(38% OF WORLD **FURNITURE** EXPORTS)



73 BILLION US\$

IMPORTS CONSUMPTION 117 BILLION US\$

(47% OF WORLD **FURNITURE** IMPORTS)



(27% OF WORLD FURNITURE CONSUMPTION)

MAINLY SMEs & **MICROENTERPRISES**

FOREWORD

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2024 was marked by the European elections and the start of a new EU legislative term. In this context, we issued our Manifesto for a competitive furniture industry to highlight the key priorities of our industry and to provide recommendations to EU policymakers. Some of the major needs of our industry are: harmonised legislation and a strong Single Market, a holistic approach to the circular economy, a level playing field and access to skilled workforce.

Another highlight of the year was the adoption of the Ecodesign for Sustainable Products Regulation (ESPR), that officially entered into force in July. As furniture (including mattresses) is in principle prioritised for first action for the development of product specific legislation laying down ecodesign requirements, we were in regular touch with the European Commission and started preparing for the next steps in the process. We issued a guidance document for our members, as it is important that companies start preparing early in time, to be able to effectively comply with the upcoming requirements once they are set and enter into application.

This year also marked the new edition of the EFIC Furniture Days, that took place in Antwerp in June. It was a great opportunity for our members to come together and to exchange about current and future priorities of the furniture industry, market performance and trends and collaboration opportunities.

We thank all our partners and our members for the good collaboration throughout 2024 and look forward to our fruitful cooperation in 2025 and the years to come.



EDI SNAIDERO EFIC PRESIDENT



GABRIELLA KEMENDI EFIC SECRETARY GENERAL

EFIC MANIFESTO 2024-2029

In view of the European elections of June 2024 and the launch of a new EU legislative term, running from 2024 to 2029, EFIC issued its <u>Manifesto</u> providing recommendations for a competitive European Furniture Industry. EFIC wishes to be a close partner to the EU institutions in addressing the opportunities and challenges that our industry faces and in the development of legislation affecting the sector, to ensure a workable regulatory framework for the many SMEs and microenterprises operating in the sector.

Our industry is creative, versatile and dynamic. Mainly composed by SMEs and microenterprises, our industry has a prestigious image among designers and consumers and is a design trendsetter at global level. Our manufacturers embrace sustainability 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. Our industry, however, faces many challenges, including lack of harmonised legislation in some fields leading to administrative burden and barriers, increased competition from third countries and counterfeiting, increased raw materials prices, material availability fluctuations, and a shortage of skilled workers.

Our recommendations for a competitive European furniture industry, in short:





O7 ENSURE THAT THE EU STAYS COMPETITIVE GLOBALLY AND PROVIDE SUPPORT TO SMALL AND MEDIUM SIZED ENTERPRISES (SMEs)

In 2024 we also joined forces with other industry organisations to call for a deepening of the EU Single Market, a level-playing field and fostering industry competitiveness. Some examples below:

- Antwerp Declaration
- Relaunching European Competitiveness
- Call on EU leaders to rescue stagnating Single Market
- A level-playing field for online marketplaces and effective enforcement

EFIC FURNITURE DAYS 2024



We gathered in Antwerp mid-June for the EFIC Furniture Days 2024, our annual 2-day gathering, organised in coordination with our Belgian member Fedustria.

We discussed about the market situation in the furniture industry, key EU files such as the Ecodesign for Sustainable Products Regulation, the outcome of the European Parliament elections and the opportunities of unlocking Artificial Intelligence in the furniture sector.

Our programme ended with a visit at Van Hoecke, Belgian company distributing hinges, lift systems and drawer systems. Members heard about the efforts of Van Hoecke to adapt to sustainability trends and circular design and to anticipate future changes under for example the ESPR - including the product passport and insights on industry readiness for this tool, among others.

Read our press release

- Watch a snapshot of the event
- Visit the EFIC Furniture Days 2024 webpage













EFIC PHYSICAL MEETINGS

EFIC Circular Economy WG - 26 March 2024 in Paris (France)



EFIC members met in Paris for a gathering organised by our member l'<u>Ameublement Français</u>. We had an insightful presentation from <u>Ecomaison</u>, the French ecoorganisation which organizes the collection, sorting, repair, reuse and recycling of all household objects and materials, including furniture and mattresses in the framework of the French EPR scheme for these products. We also had the chance to visit <u>Recyc Matelas Europe</u>, the very first French company to specialize in dismantling and recycling end-of-life mattresses.

With our working group, we discussed, among others, about the future of EPR schemes for furniture products in the EU, as well as next steps regarding the Ecodesign for Sustainable Products Regulation.

EFIC Circular Economy WG - 23 & 24 October 2024 in Brussels (Belgium)

EFIC members gathered in Brussels at the EFIC premises. We welcomed <u>EURATEX</u>, the European Apparel and Textile Confederation's to hear their views on the Ecodesign for Sustainable Products Regulation and the latest on the preparation of the delegated act for apparel, the very first one under the ESPR. This presentation highlighted how important it is to raise awareness among companies at an early stage, so that they start adapting to potential future requirements. We progressed on our recommendations for harmonised Extended Producer Responsibility schemes for furniture across the EU, considering the ongoing initiatives at national level in some countries. Our programme was completed with a visit of the European Parliament's hemicycle.



EFIC Board & GA - 20 & 21 November 2024 in Madrid (Spain)

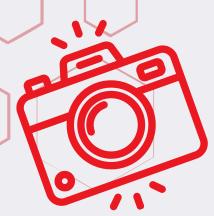


EFIC Board members met in Madrid for an Extraordinary General Assembly meeting hosted by our Spanish member <u>Unemadera</u> and our Spanish Cluster <u>AMBIT</u>.

We had the chance to visit the <u>Interhotel Fair</u>, an initiative by AMBIT. During a personalised guided tour, we had the opportunity to see the Material Lab, displaying all kind of innovative materials from textiles to pineapple fibers, recovered wood, and 3D printing. We also discovered the Immersive Lab, where we tried virtual reality specifically designed for interiors and the furniture industry.

EFIC EXTERNAL PRESENTATIONS

Presentations to members, partner associations, at industry fairs and other events throughout 2024:



11 September: Belgium, Europur

Sustainability WG meeting

22–24 January: Türkiye, <u>MOSFED</u> Istanbul International Furniture Fair

9 July: Spain, General Assembly of UNEmadera



12 September: France, <u>ALLVIEW</u> Final Conference

3 October: online, <u>AMBIT</u> members



Europur Sustainability WG meeting – 11 September 2024

Ecodesign for Sustainable Products Regulation (ESPR)



Implicaciones en el sector hábitat del nuevo Reglamento de Ecodiseño para Productos Sostenibles (ESPR)

Alla Bedriga - MEIT | Industria Compara Productos Sostenibles (ESPR) | Industria Comparation & Bedraldellity (port. Menager | pala la la let gladellitat (battalita de 2021)

ambit EFIC



8 October: Online, Final event of the EUIPO-WIPO IP Clinic on Furniture.

10 October: Italy, <u>SPEED</u> <u>INNOVATION event</u> **21 October**: Belgium, <u>TMF</u> members



13 November: Belgium, <u>FLOU</u> presentation to Circular Choices Coalition Event

14 November: Online, Slovenian Forestbased Sector Development Day, SPIRIT Slovenia and Slovenian Wood Industry Cluster.

27 November: Belgium, <u>European</u> <u>Panel Federation (EPF)</u> members







EPF Economic Working Group - 27 November 2024

Ecodesign for Sustainable Products Regulation (ESPR)



Harmonised EU rules & Standardisation

EFIC advocates for harmonised legislation and definitions at EU level, including harmonised EU circular economy rules, as well as for preserving the Single Market to avoid barriers and regulatory burden.

The EU Single Market is one of the most cherished accomplishments of the EU, bringing many opportunities to businesses and citizens. The EU's prosperity is based on an internally competitive, well-functioning and resilient Single Market. A single market approach is essential to make Europe a competitive place for growth and investments.

Harmonisation of EU legislation is needed to enable a functioning single market. Differing national rules and requirements, standards, certification schemes or labelling requirements risk bringing additional costs and administrative burden for companies, as well as uncertainty. They may even be contradictory to the purposes and ambitions of EU legislation.

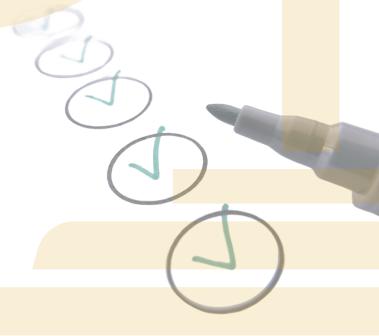
Moreover, harmonisation in line with trade agreements will help reduce the costs of doing business for entities in Europe and leading to a more harmonised flow of goods across borders and investments.

Standards are key for a functioning Single Market, for a competitive European industry and for enhanced innovation in Europe.

As a member of the European Commission's High-Level Forum on European Standardisation, EFIC is proactive in identifying standardisation priorities in support of EU policies and legislation. Furniture industry experts are also involved in the development of standards affecting the sector via CEN TC 207 as well as in other relevant standardisation processes.

In this context, it is important to support and strengthen standardisation processes by removing existing bottlenecks and barriers to the system. An in-depth expertise and a flexible process are needed to take into account innovations on the market, in close dialogue with standardisation bodies and the industry concerned.

Throughout 2024, EFIC was active in advocating for harmonised legislation across the EU, such as via the Ecodesign for Sustainable Products Regulation, the Waste Framework Directive, the EU Deforestation Regulation, the Packaging and Packaging Waste Regulation, to name a few.



EU Green Deal

Ecodesign for Sustainable Products Regulation (ESPR)

In 2024, EFIC followed very closely the legislative process of the Ecodesign for Sustainable Products Regulation (ESPR), aiming at making sustainable products the norm in Europe. In April, the European Parliament adopted the text in Plenary, followed by its adoption by the Council in May. The ESPR officially entered into force in July.

The ESPR prioritises furniture (including mattresses) for first action, meaning the development of product specific legislation laying down ecodesign requirements. Furniture (including mattresses) are also prioritised by the Joint Research Centre report on product prioritisation.

Furniture is well suited for a circular economy – generally producing long-lasting products, using e.g. wood-based products - and there is potential to drive it further in the industry. Considering the market size of the furniture industry and the volumes produced, we believe that the potential of transitioning to a more circular economy in the industry is significant and we saw opportunities in being identified as a product for potential first action under ESPR.



"The circular economy can indeed bring new opportunities if the requirements are appropriate and feasible - preserving the creativity of the furniture industry - and if companies are given enough time to adapt."

-Edi Snaidero, EFIC President

EU Green Deal

Ecodesign for Sustainable Products Regulation (ESPR)

Throughout the year, EFIC met with the European Commission several times to discuss next steps, to share industry specific views and to present the ongoing standardisation work by CEN TC 207 on ESPR related aspects, as well as a proposal to subcategorise furniture.

In this context, we continued preparing internally for the next steps in view of the delegated act for furniture, both on potential ecodesign requirements but also data gathering. We also worked on keeping the many SMEs in the sector informed early on in the process by developing a guidance document for companies. We also explored potential collaboration with other stakeholders that are part of the 'furniture ecosystem'.

In December, EFIC submitted its application for the Ecodesign Forum, the expert group that will assist the Commission in preparing ecodesign requirements and working plans.

The furniture specific ecodesign requirements could be applicable in the furniture industry towards 2028 at the very earliest.

EFIC looks forward to a continuous dialogue with policymakers in developing feasible and proportionate ecodesign requirements for the furniture industry that truly support a more circular economy.

"It is a crucial point in time for our industry considering that ecodesign requirements will be soon developed at EU level for our industry. We will continue working at EFIC level to provide first-hand sector expertise to policymakers, as well as to prepare the industry for the changes to come, in order to remain competitive."

-Edi Snaidero, EFIC President



EU Green Deal

Right to Repair Directive

The Right to Repair Directive (R2R) was formally adopted in 2024. This instrument aims at promoting more sustainable consumption by increasing repair and reuse of goods both within and outside the legal guarantee.

The directive entered into force on 30 July 2024. Member States have to transpose it into national rules and apply it from 31 July 2026.

The obligations from this Directive will apply to products for which repairability requirements already exist in Union law (mainly energy related products under the Ecodesign Directive). However, the list of such products can be extended over time and as soon as repairability requirements are created for other products (for example furniture) under Union law (such as the ESPR). EFIC had indeed advocated for keeping the link to the ESPR.





EU Deforestation Regulation (EUDR)

The EU Deforestation Regulation (EUDR) – promoting the consumption of deforestation-free products – was set to enter into application on 30 December 2024.

Together with other Brussels-based organisations, EFIC provided input to the European Commission in view of the release of a guidance document and FAQs on the implementation of the Regulation in practice, highlithing outstanding questions on the practicalities.

Together with other industry organisations – such as from the wood-working industries and forest-based industries – EFIC asked for the postponement of the EUDR application, given that the tools for the implementation (Information System, guidance document & FAQs, benchmarking system) were not ready well in time.

EFIC fully supports the goal of eradicating deforestation and forest degradation but at the same time supports an effective implementation of the Regulation.

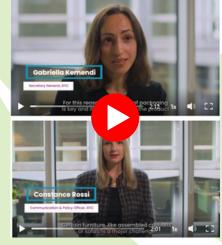
EU Green Deal

Packaging and Packaging Waste Regulation (PPWR)

EFIC engaged in the Packaging and Packaging Waste Regulation throughout the process leading to its adoption. In January, EFIC submitted its position paper in view of the trilogues, continuing advocating for preserving the Single Market and for harmonised sorting instructions for packaging waste for consumers across the EU.

In June, EFIC had the opportunity to record a video on packaging in the furniture industry in the context of the <u>Europen</u> 'Packaging for Purpose campaign'. We shared our views on the complexities of our industry, as furniture is not a homogenous product group and packaging should be optimised and adapted to a multitude of items.

Also, a stronger harmonisation of EU rules on packaging and packaging waste, particularly labelling requirements, is key to ensuring efficient handling and distribution of furniture and creating a true EU circular economy.





EU Green Deal

Waste Framework Directive (WDF)

EFIC followed the legislative process of the targeted revision of the WFD, focusing on textile and food. The European Parliament suggested to include mattresses "whose main composition is textiles" under the scope of article 22a laying down requirements as regards measures to be taken by Member States to introduce extended producer responsibility scheme for textiles.

Together with EBIA and Europur we advocated for not including mattresses under the scope of this revision – in line with the European Commission's impact assessment - and under EPR schemes for textiles for several reasons, including that mattresses are composed by different materials and that mattresses and textiles have different collection and sorting systems.

EFIC, <u>EBIA</u> and <u>EUROPUR</u> support and encourage the implementation of harmonised, mandatory, industry-led EPR schemes for mattresses and furniture across Europe, but on the basis of an impact assessment, considering product and waste management specificities and the time needed to develop such schemes.

mature EPR system may establish relationships throughout the entire value chain, from raw material suppliers to producers, collectors, recyclers and consumers, which may turn support and accelerate transformation towards a circular economy. It may incentivize 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, etc, leading to longer product lifetime and to higher awareness and participation among consumers concerning recycling.

In 2024 and considering national initiatives in some countries, EFIC started developing a position on harmonised EPR schemes for furniture.



EU Green Deal

Green Claims Directive

EFIC followed the legislative process of the Green Claims Directive and co-signed a joint statement together with other industry organisations in January.

We shared recommendations to EU policymakers to ensure consistency of the Directive with other pieces of legislation, such as the ESPR and PPWR.

We also recommended that the Directive should apply to all products, whether they are produced in the EU or imported, to ensure a level playing field, as well as to avoid administrative burden and duplication of efforts by both traders and authorities during the verification process.



EFIC COLLECTION OF BEST PRACTICES

Collaboration among the value chain players will be needed in the transition to a circular economy, as well a sharing best practices that can serve as inspiration to other furniture manufacturers or that can be the building blocks of future legislation.

The growing <u>EFIC</u> collection of <u>best practices</u> shows successful examples of applying circular economy principles. Best practices feature products that have created value from waste and which have been designed for disassembly, allowing reuse, refurbishing and recycling and thus prolonging product lifetime.



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International Trade & Market Access

EFIC stresses the importance of adhering to rules-based trade and regulatory collaboration.

For our industry, it is important to eliminate barriers to trade not just within the EU internal market but also in interactions with third countries. Avoiding the establishment of new trade barriers is crucial for enhancing the participation of our innovative and adaptable SMEs in the global market.

EFIC regularly participates in the Market Access Advisory Committee (MAAC) hosted by DG TRADE, where tariff and non-tariff barriers raised by third countries are tackled.

Example of a case followed by EFIC: Indian Quality Control Orders (QCOs) for furniture

In 2024, EFIC closely monitored the draft Quality Indian Control Orders (QCOs) for furniture issued by the Indian DPIIT in 2022. The proposed orders seek to enforce strict standards, including ISI Mark certification, for specified wooden furniture items. If adopted, the QCO could create a market access barrier, impacting the industry.

EFIC raised concerns during several MAAC meetings, and in January 2024 submitted a Market Access complaint to the European Commission Single Entry Point.

While supporting India's drive for high-quality and safe products, EFIC points out that the draft QCOs impose technical standards that do not align with international norms (ISO/EN standards) and a cumbersome certification process, leading to costly delays and market disruptions.

Another concern is the lack of adequate test facilities, which are insufficient to handle the volume of testing required for certification. This deficiency poses a major barrier to the certification process and could further exacerbate delays and disruptions.

EFIC will continue to track developments on the matter.



Social Dialogue

EFIC is a Social Partner at EU level and participates in the Sectoral EU Social Dialogue together with the <u>European Federation of Building and Woodworkers (EFBWW)</u> and the <u>European Confederation Woodworking Industries (CEI-Bois)</u>.

Social Partners follow EU initiatives on Industry Policy, Digitalisation, Health & Safety, Circular Economy and Education & Training, among others, and collaborate to address the challenges and opportunities that the green transition and digitalisation bring to the furniture sector and its workers.

European Year of Skills - EU Social Partners Recommendations

In 2024, and in the context of the closure of the European Year of Skills, EFIC co-signed a joint statement addressing skills needs in the woodworking and furniture sectors, together with CEI-Bois and EFBWW. Europe's woodworking and furniture industries employ over 2 million people in more than 300,000 businesses, the majority of which are small and medium-sized enterprises SMEs. Labour shortages is however a common challenge in both industries.

We provide recommendations for all partners involved, including EU institutions, social partners at EU and national level, national governments, companies and training providers, to tackle the matter in a coordinated manner.



ALLVIEW Project Final Conference - Lyon, France



In September, EFIC attended and spoke at the <u>Allview Project</u> Final Conference in Lyon - an EU funded project building a platform of 'Centres of Vocational Excellence' for the European wood and furniture industry - addressing labor and skills shortages in the furniture sector.



Check our LinkedIn post

Intellectual Property Rights & Design Protection

Design is a key aspect for the furniture industry and the protection of intangible contents remains a priority to preserve its competitiveness. In this context, EFIC and the European Union Intellectual Property Office (EUIPO) signed a collaboration agreement in December 2021.

Through EUIPO's network Ideas Powered for Business, which EFIC is part of, EFIC and EUIPO work closely together to raise awareness about tools to protect design and Intellectual Property (IP) rights.

Through this collaboration, EFIC members can benefit from tailored guidance, valuable resources, and training programs specifically designed for the furniture industry. These initiatives will equip the industry with the necessary tools and knowledge to address IP challenges, mitigate counterfeiting risks, and protect the intellectual property of furniture manufacturers and designers.

In 2024, EFIC pursued its close collaboration with EUIPO. In March, we participated in the <u>Ideas Powered Business Talks</u> to speak about securing design rights in the furniture industry.



In addition, EFIC sponsored the new <u>EUIPO-WIPO IP Clinic on furniture</u>, that took place from June to October 2024.

The companies selected to participate in the IP Management Clinic benefited from a free programme of activities spread over 5 months, specifically designed to address their IP management needs.

They also received advice on IP management strategies and guidance on how the IP system can make their products or services more competitive in today's market, benefiting from IP protection and its competitive advantage.

EFIC spoke at the closing event of the IP Clinic on Furniture that took place in Alicante on October 8th. European furniture manufacturers are design trendsetter at global level, however today's markets evolve fast and companies face competition from third countries, and challenges such as counterfeiting, also due to increased online purchases. Despite this, companies do not use intellectual property rights protection as much as they should, often because they are not aware of the existing options to register their designs, or because they perceive the registration procedure as complex and costly.

In this context, our cooperation with EUIPO is very valuable to continue raising awareness with our members and their company members about the tools available for design and IP rights protection.

EU FUNDED PROJECTS

Cluster of Clusters

EFIC members of the Cluster of Clusters discuss and monitor innovation opportunities in the furniture sector. The Cluster of Clusters is co-coordinated with associated EFIC member AMBIT. The group tracks relevant opportunities in EU funding programmes (Social Dialogue, Erasmus+, Horizon, Interreg...).

Funded EU projects

FurnCIRCLE (2023-2025) aims to promote, strengthen, develop social dialogue at regional, national and EU level within the furniture sector, as it will provide key up-to-date information, tools and recommendations for social partners to address the debate and challenges of the furniture industry circular and climate-neutral transition, including the analysis of implications and changes for employment and work and the new skills needs for workers that this transition will entail. One of the tools developed is a survey for companies to track their progress in adapting to a more circular economy.

FLIER (2023-2025) aims to properly train Sustainable Furniture Designers for making sustainable furniture the norm in the EU market.

Circler (2024-2027) aims to create innovative training toolkit including several multimedia and interactive materials and tools, enabling EU VET providers and HEIS to train professionals to successfully lead this transition along the furniture sector whole value chain.

Furn 5.0 (2024-2026) focuses on Furniture sector Industry 5.0 transition, providing key analysis, tools and recommendations to promote and strengthen social dialogue at regional, national and EU level to properly address this topic. It will also provide EU furniture companies and workers knowledge, skills, guidelines and tools to facilitate a successful transition, as this sector greatly need to tackle problems related with workers and talents attractiveness.

R-evolve (2024-2028) aims to systematically support the industry's transition, emphasizing Circular economy-oriented Product-System Innovations, including Circular Eeconomyoriented Business Models, circular material and product design strategies, and the use of the Digital Product Passport (DPP).



EXPERT GROUPS & STAKEHOLDER COALITIONS

EFIC is part of several expert groups and advisory committees at the European level:

Expert Groups



EFIC is part of the **High-Level Forum on European Standardization**, designed to provide advice to the Commission in anticipating upcoming standardization priorities and contribute to the EU's role as a global standard-setter.



EFIC is also part of the **Forest-based industries expert group** of the European Commission, which meets once or twice a year to discuss topics close to these industries, such as the EU Deforestation Regulation (EUDR).



EFIC participates in the **European Union Ecolabelling Board** meetings, held by the European Commission DG Environment (DG ENV).



EFIC is part of the **Machinery Expert Group** of the European Commission's DG for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW).



EFIC attends once a month the **Market Access Advisory Committee** meeting of the European Commission's Directorate General for Trade (DG TRADE), which tracks and puts in place measures to tackle market access barriers.



EFIC is a Social Partner, as part of the **Sectoral Social Dialogue Committee for Woodworking and Furniture Industries** of the European Commission's DG for Employment, Social Affairs and Inclusion (DG EMPL).

Stakeholders' meetings/coalitions



EFIC participates in joint initiatives, coordinated by <u>EUROPEN</u>, the European Organisation for Packaging and the Environment, to raise awareness about the functions of packaging and the importance to advance its sustainability.



EFIC is member of the <u>Circular Choices Coalition</u>, led by Cepi and composed of organisations in the EU forestry sector, the wood, fibre-based paper, and board products industry.



EFIC is regularly in touch with **supplier's organisations**, such as the European Panel Federation (EPF).

EFIC MEMBERSHIP IN 2024

FULL MEMBERS





aimmp

unemadera



ASSOCIATED MEMBERS







Cluster of Clusters





































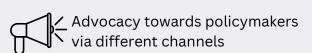
NOT A MEMBER OF EFIC YET? JOIN OUR ORGANISATION TO MAKE THE VOICE OF THE EUROPEAN FURNITURE INDUSTRIES EVEN LOUDER AND BENEFIT FROM OUR SERVICES:



Monitoring of policy developments at EU (and national) level in areas affecting the furniture industry



Writing of briefings and industry position papers in close collaboration with members





Promotion of the industry via different communication channels



Tracking relevant opportunities in EU funding programmes



Support to members on other issues that are not strictly related to policy





EU Transparency register: 95910795422-52

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