SWEPT UNDER THE CARPET:

EXPOSING THE GREENWASH OF THE EUROPEAN CARPET INDUSTRY

The responsible use of resources is one of the key challenges of our time. Europeans already use 1.5-times the amount of resources that the Earth can regenerate in one year, and there is a political consensus that this trend needs to be reversed. For this reason, circular economy has been high on the agenda of European environmental policy and is often among the key sustainability commitments of the business sector. Resource-efficient circular economy not only brings benefits to the environment, but also leads to economic benefits and job creation.

Focus on circularity of the carpet sector

This report focuses on the application of circular economy principles to the carpet sector. In 2016, 700 million square metres of carpets were sold in the EU, which makes it the second biggest market, after the U.S. This sector has a significant impact on the environment, not only in the manufacturing process, but also at the end-of-life stage. Each year about 1.6 million tons of used carpets are disposed of in Europe – most of them ending up in landfills and incinerators.

The carpet industry, however, is a sector where **circular solutions already exist and could be scaled up**. For this, the following measures need to be implemented:

1. Carpet manufacturers need to focus on designing carpets with reuse and recyclability in mind;

2. Manufacturers, retailers and municipalities need to provide infrastructure for separate collection of carpet waste to prevent contamination and enable easier reuse and recycling;

3. Carpet companies need to scale up recycling facilities that provide high quality recycling of carpet back to carpet, in a closed-loop system.

The report describes a reality that is still far from this vision and a sector that is lagging behind its circular economy commitments. After its useful life, almost all European carpets are burnt in incinerators or dumped in landfills. In the absence of any transparency on the recycling rates in the sector, the precise amount of recycled carpet in Europe was very difficult to establish. The authors of the report, however, believe that less than 3 percent of carpets sold are collected for recycling, and that part of this "recycling" is in reality "down-cycling" - a transformation into a product of an inferior quality that is generally not recyclable at the end of its useful life. The loop is far from being closed.

In addition to this, the research carried out for this report highlights that the two leading manufacturers in the EU market (and self-proclaimed sustainability leaders), Interface and Desso, lag behind their own commitments to close the loop.

Desso and Interface: discrepancy between environmental claims and reality

For several years, these two manufacturers have set high environmental targets and sustainability commitments. Interface has committed to producing "zero waste" by 2020, while Desso says it will incorporate all their products into a "Cradle-to-cradle®" system. These commitments have been very effective, as the two companies are frequently invited to share the lessons on circular economy in the media or at events. However, the research for this report has revealed that Interface and Desso have recycling rates of carpets at the end of life at around 1.5 percent and 3 percent respectively. In the light of this, meeting their own commitments by 2020 seems challenging.

CARPET MARKET 2016

EUROPE IS THE SECOND BIGGEST MARKET FOR CARPETS

CARPET DEMAND BY SECTOR

55%

RESIDENTIAL BUILDINGS

39%

NON-RESIDENTIAL BUILDINGS

6%

OTHERS

DEMAND

698

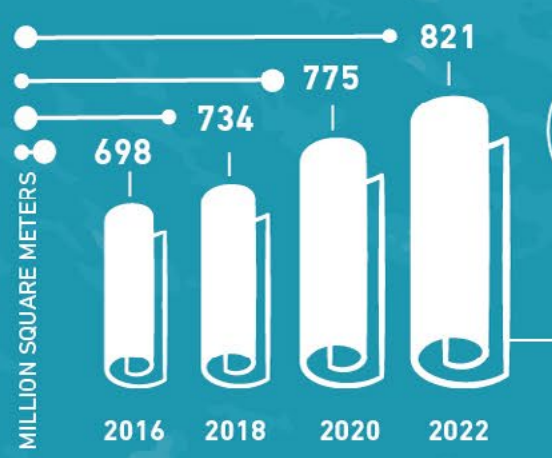
MILLION METRES²

NET REVENUE

€47

BILLION

PROJECTED GROWTH OF THE EU CARPET MARKET



ANNUALLY

2.7%

VALUED AT

€ 56 BILLION

BELGIUM

96%

OF THEIR CARPETS ARE EXPORTED

BELGIUM IS THE SECOND LARGEST CARPET MANUFACTURER WORLDWIDE AFTER THE US.

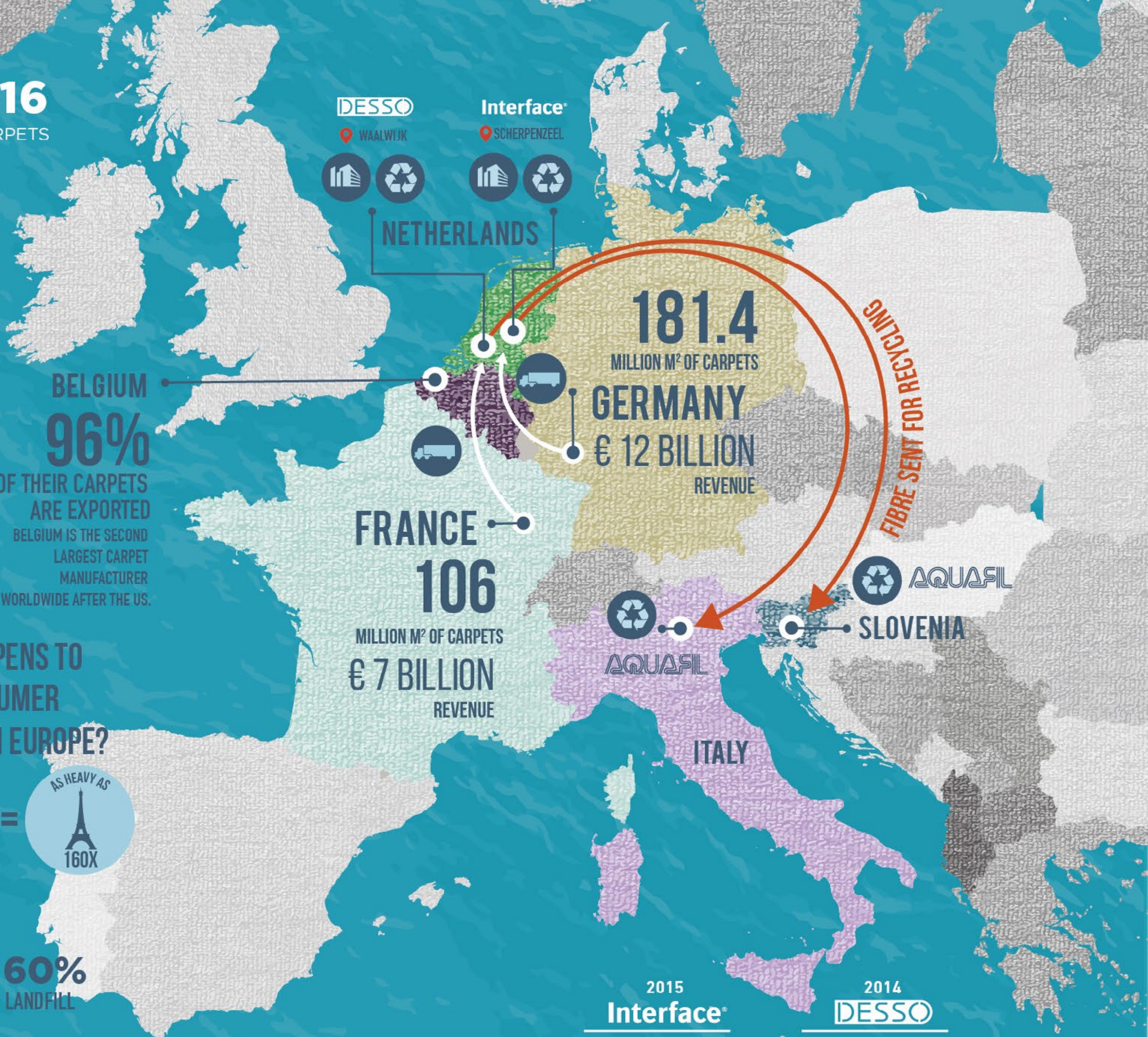
WHAT HAPPENS TO POST CONSUMER CARPETS IN EUROPE?

YEARLY 1.6 MILLION TONNES = AS HEAVY AS 160X

60% LANDFILL

37-39% INCINERATION

MAX 1-3% RECYCLED



	2015 Interface	2014 DESSO
SALES GLOBALLY	€940 MILLION	€240 MILLION
SALES IN EUROPE	€208 MILLION	€187* MILLION
RECLAIMED CARPETS FOR RECYCLING	900 TONNES	1342 TONNES
% PERCENTAGE OF SALE	1.5%	3%

*EMEA (includes Middle East and Africa)

France: Zero level of circular economy in the events sector

In France, the events sector is particularly problematic, as it treats its carpet as disposable product that is virtually never reused or recycled. Some 1,135 fairs are being held in France every year, representing an exhibition area of almost 6 million square meters, equivalent to more than 65,000 medium-sized homes in France. A large part of the stands, aisles, external spaces or stairs is covered with single-use carpet. The duration of use of the carpet is just a few hours or a few days, after which all this carpet is disposed of, leading to a large amount of unnecessary waste. Better alternatives, such as rental systems that enable reuse, exist ad are more largely used in other European countries.

Germany: Overcapacity and false incentives for incineration

The overcapacity for the treatment of municipal and commercial waste in Germany encompasses a total of 2 million tonnes and is contrary to the idea of the circular economy, especially since low prices encourage burning of recyclable materials and products, like carpets. As a result, almost all carpets in Germany are incinerated, leading to a waste of precious resources, carbon emissions and toxic chemicals. Industry bodies often refer to incineration as waste-to-energy or even “thermal recycling”, which is a misleading term for the practice that prevents the transition towards a true circular economy.

Conclusion: Transition towards circular economy must start immediately

To direct the carpet sector towards a true circular economy, immediate actions must be taken by carpet manufacturers, public authorities, consumers and retailers. Due to the relatively long lifespan of carpets, the impacts of these measures will not be visible immediately, but several years down the line. The report concludes that the transition must start immediately by putting better designed products on the market and progressively increasing local recycling infrastructure. Otherwise, the industry will be trapped in an unsustainable linear economic model for another 10 to 15 years.

Recommendations

- **Carpet manufacturers** must integrate reuse and recycling objectives into the design phase, develop collection and recycling capacities and clearly label the materials used in their products to facilitate recycling by other actors.

- **French authorities** must produce a report on the reuse and recycling potential of the carpet sector, in application of the Energy Transition Act (Article 101) and combat false environmental claims.

- **German authorities** must introduce the principle of product stewardship, set standards for reuse and recycling by means of a mandatory bulky waste regulation and make the incineration of recyclable materials financially unattractive by introducing an incineration tax.

- **Retailers** must offer a wide range of sustainable products from recycled materials, inform consumers about the environmental benefits of reused and recycled carpet and offer take-back schemes in a consumer-friendly way.

- **Consumers** should request information about the reusability, recyclability and environmental impacts of their carpets and make sustainable decisions when purchasing carpets.

- **European decision-makers** must include carpets in the Eco-design Directive, ensure that toxic chemicals are eliminated from carpets from the design stage, and ensure that Member States prioritise reuse and recycling over incineration and landfilling.