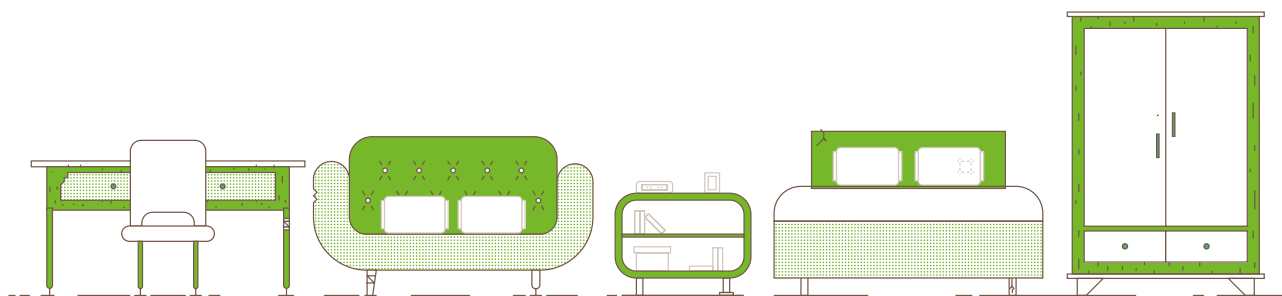


2018

USER GUIDE FOR **BUSINESSES**

**Membership, product codes,
eco-fee pricing scale
and the market authorisation declaration**



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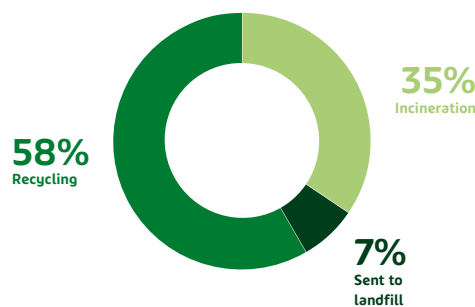


FOREWORD

Under the impetus of the Grenelle II Act of 12th July 2010, France's furniture waste **collection, sorting and recycling** sector was officially launched on 1st January 2013. The only system of its kind in Europe, the aim of this sector is to collect and recycle furniture, making manufacturers and retailers responsible for the management of furniture waste, ensuring that **they take full account of the environmental impact and life-cycle of the products they sell in the design and production phases.**

Éco-mobilier is a **non-profit** environmental organisation created by furniture manufacturers and retailers, with authorisation from the 3 government departments to fulfil the aforementioned aim.

Before 2013, almost a million tonnes of furniture waste was sent to landfill each year. The French government thus set manufacturers and retailers the ambitious target of achieving an 80% rate of re-use by the end of 2017. Éco-mobilier exceeded this target in our first cycle of activity (2012-2017), with 93% of furniture put to secondary use for the following purposes:



For our next cycle (2018-2023) our partner government agencies have increased the long-term recycling target to **50%**.

Éco-mobilier has also set a target of **0% to landfill**, which means that all furniture that can possibly be reused will be.

In order to **fund this environmental transition**, the eco-fee system has been set up for retailers and other professionals. Businesses must clearly display and charge, in addition to the price of each furniture product, an eco-fee which is to be paid by consumers and used to fund the recycling sector. The entirety of this fee is transferred to Éco-mobilier.

This document summarises the actions required to bring your business into line with the regulations.

SOME BASIC CONCEPTS

> WHAT IS THE AUTHORISED SCOPE OF ÉCO-MOBILIER'S ACTIVITY?

Éco-mobilier is the authorised environmental processing organisation for all furniture items, regardless of their category, distribution circuit and the nature of their prior use.

> WHICH PRODUCTS ARE AFFECTED?

All furniture items designed for sitting, sleeping, storage, flat surfaces and worktops which fall into one of the 11 categories outlined in Article R543-240 of the Environmental Code (available at eco-mobilier.fr).



1 Living room/Lounge/Dining room



2 Occasional furniture



3 Bedrooms



4 Mattresses and Other Beds/Bedding



5 Office



6 Kitchen



7 Bathroom



8 Garden



9 Seats



10 Technical furniture



11 Duvets and pillows

A list of products not covered by these regulations, drawn up in partnership with the Ministry for the Environment, is available from eco-mobilier.fr. All products not explicitly declared to be exempt will be considered subject to the regulations.

> DO I COUNT AS A FURNITURE TRADER UNDER THESE REGULATIONS?

These regulations apply to you if you fall into one of the following three categories:

- 1 If you are a French manufacturer whose products are sold in France,
- 2 If you import furniture for sale in France, regardless of its provenance (EU and outside EU),
- 3 If you are a retail distributor of products sold under your own brand name, these items being covered by contractual documents. This latter category - more commonly known as "distributor brand" - is an exception to the rule for French manufacturers, and should be interpreted restrictively. As such the notion of commercial exclusivity for furniture items, the intellectual property of which continues to reside with the manufacturer, does not constitute a "distributor brand."
- 4 If you are a distributor, manufacturer or website based abroad but selling products directly to customers in France (e.g.: distributors located near the borders, websites based in the UK etc.).

Principles: All contracts of sale offered, concluded or executed on French soil constitute a sale made in France. Any contract offered, concluded or executed, directly or through the intermediary of a delegated representative in France or any other EU member state, to a final customer resident in France constitutes a sale made in France in the context of these regulations. In cases of catalogue sales or cross-border sales, these price display and invoicing rules apply to all vendors, even those based overseas, as long as the physical sale occurs in France and the buyer or end user is resident in France. These vendors must therefore sign up to the scheme, charge the eco-fee and pay the corresponding sum to Éco-mobilier, just like vendors based in France.

> WHAT ARE MY RESPONSIBILITIES AS A TRADER?

In order to abide by the regulations, traders must:

- Sign up to Éco-mobilier at <https://extranet-mm.eco-mobilier.fr>;
- Display and charge the eco-fee;
- Declare to Éco-mobilier the quantity of furniture items sold, per quarter or per annum, over the period in question;
- Pay the eco-fee to Éco-mobilier.

> WHAT ABOUT DISTRIBUTORS/VENDORS WHO ARE NOT THE PRIMARY TRADERS OF ALL OR SOME OF THE PRODUCTS THEY SELL TO FINAL CONSUMERS?

A distributor may be the primary trader for certain products (importing them, or reselling them under their own brand) but not others (products from different brands, purchased from a French manufacturer or importer).

With products for which the retailer is also the primary trader, the distributor must pay the corresponding eco-fees to Éco-mobilier.

For all furniture products sold to final consumers, including those for which the retailer is not the primary vendor, the distributor must nonetheless display and apply the eco-fee.

ECO-MOBILIER MEMBERSHIP

> WHO NEEDS TO SIGN UP?

All organisations which are primary traders of furniture must sign up, whatever the nature and type of products they sell and whatever the distribution circuit or final purpose of this furniture.

The organisation which must sign up is the legal entity actually responsible for bringing the products to the market. e.g. supermarket distribution hubs, organisations owning multiple points of sale, etc. For distribution networks, or when the same legal entity covers multiple points of sale, it is not necessary for all retail outlets to become members individually, unless they are considered traders in their own right.

> HOW DO I SIGN UP?

- Visit the following address: <https://extranet-mm.eco-mobilier.fr>;
- Follow the steps to complete the membership process;
- You can also find a user's guide in the Resource Centre of eco-mobilier.fr, in the section "Artisans, Manufacturers and Distributors";
- Signing up is a two-step process:
 - ① create your Éco-mobilier account and obtain your User ID and password, allowing you to access your secure account,
 - ② once your account has been created, you can finalise the contract by electronic signature on the website.

To complete the sign-up process you will need the following information:

- Your company name, legal status, share capital and SIRET registration number;
- The contact details of the duly-mandated legal representative and the contact details of relevant contacts within your company, who will be responsible for submitting declarations, checking bills and paying Éco-mobilier.

> WHEN SHOULD I SIGN UP?

You need to sign up as soon as you are affected by these regulations.

If you sign up late, Éco-mobilier will ask you to retroactively pay the eco-fees due for products sold to your customers over the past 3 years, or since you began your activities as a primary trader.

> WHAT CHECKS ARE IN PLACE?

The contract includes details of checks, inspections and audits applicable to traders:

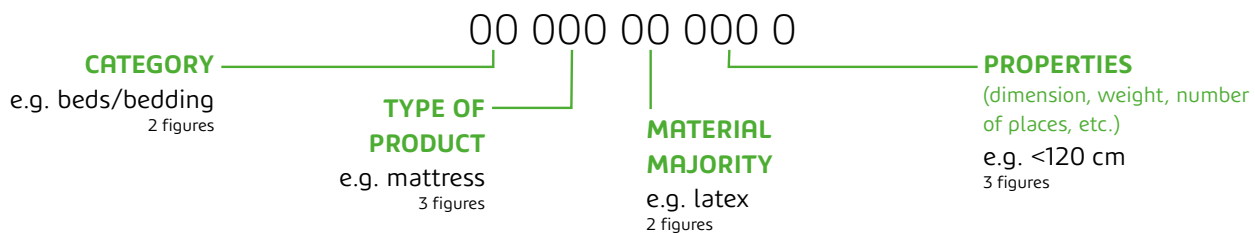
- In the event of a delay or anomaly affecting your declarations, Éco-mobilier will send out a reminder by recorded post with proof of delivery.
- Should you fail to respond, the case will be passed on to the relevant authorities. The financial penalties stipulated by law will then be applied.

Moreover, in the event of problems with the declaration or payment of eco-fees, including delays and false information provided, the contract includes penalty charges.

FURNITURE CODES AND ATTRIBUTION OF ECO-FEES TO INDIVIDUAL ITEMS

> HOW ARE PRODUCT CODES ALLOCATED?

The 11-digit product code corresponds to the classification system created by Éco-mobilier to categorise and organise furniture items on the basis of the properties requested by ADEME, and the criteria used to determine eco-fees. The 11-digit product code can be broken down as follows:



Description of the 11-digit product code

- A Category sub code (two digits), in accordance with Article R 543-240 of the French Environmental Code;
- A Product Type sub-code (three digits);
- A sub-code for the product's majority material (two digits), selected on the basis of the Product Type;
- A Properties sub-code (3 digits), corresponding either to dimensions (beds), weight (furniture) or number of places (seats);
- An eco-design sub-code (1 digit).

These different sub-codes plus an automatic product code generator **are available in the file marked Product code and eco-fee generator**, available at eco-mobilier.fr.

Each product code corresponds to a 3-digit eco-fee code, which corresponds to an eco-fee figure, to be displayed and charged to consumers.

Éco-mobilier provides these tables to businesses and software developers, allowing them to generate the correct codes for furniture products.

Eco-fee codes can be useful for sending product manufacturing information to distributors for each product sold.

N.B.: Some businesses, particularly manufacturers, have their own information systems for customs codes (not compulsory for declarations). We therefore provide the Product code / Customs code correlation table, to help such companies set up product codes within their information systems.

When the eco-fee pricing scales are updated, Éco-mobilier provides businesses with:

- An up-to-date table of eco-fee codes;
- An up-to-date correlation table for product codes/ eco-fee codes.

> HOW MUCH SHOULD THE ECO-FEE BE?

Eco-fees are determined using a national pricing scale.

This scale distinguishes between seats, beds and other furniture. Prices are given in Euros per item. Eco-fees are subject to VAT at the applicable rate (standard or reduced rate depending on the product and circumstances, special rates may apply in certain regions). Full documentation regarding the pricing scale can be found at eco-mobilier.fr.

> HOW IS THE ECO-FEE CALCULATED?

Based on the pricing scale, the eco-fee is calculated as follows:

- 1 The relevant eco-fee must be calculated and displayed for **each item of furniture sold separately**.
- 2 For sales of **a set of items which can be combined or are “separable”**, and as long as each item is also sold separately (= separable), an eco-fee must also be calculated and displayed per item.
- 3 Finally, for **a set of items which can be combined but are not sold separately (=not commercially separable)**, a combined eco-fee must be calculated for the whole set, i.e. the sum of the individual eco-fees for each items.

> WHAT ABOUT EXPORTS?

Exported furniture items are not charged eco-fees. Éco-mobilier does not collect eco-fees for these products.

For furniture purchased in France with an eco-fee and then re-exported, Éco-mobilier will reimburse the exporter accordingly, upon presentation of the appropriate supporting documents from all companies involved in the transaction.

> DOES THE ECO-FEE APPLY TO AFTER-SALE SERVICES?

If a piece of furniture is sent back and replaced with an equivalent item, then as long as an invoice is prepared for this replacement it must include the corresponding eco-fee. If a replacement part or item is sent without an invoice, no eco-fee is charged.

MARKET AUTHORISATION DECLARATION FOR FURNITURE ITEMS

> WHY? WHAT IS IT USED FOR?

Traders must declare to Éco-mobilier, for each product code, the number of units put on the market for the period in question, so that Éco-mobilier can invoice them for the corresponding eco-fees.

Should they have the information to hand, traders may also declare the tonnage of furniture items which make available for sale.

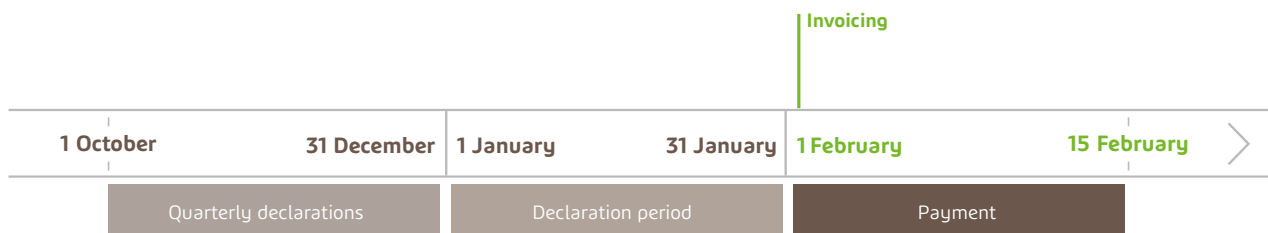
Éco-mobilier transfers these declarations to the Agence de l'Environnement (ADEME), who monitor furniture waste within the framework of the national register of producers.

> WHEN SHOULD I SUBMIT DECLARATIONS?

The declaration system works on a quarterly basis. Declarations are based on actual sales figures for the preceding quarter.

Declarations must be submitted no later than 30 days after the end of the period in question.

Invoices will be issued on the day after the end of the declaration period. Payment must be made within 15 days.



- As an exception to this rule, small businesses listed on the craft register and whose annual turnover (excl. tax) from furniture sales is below €100K are exempt from making detailed declarations and contributions. To qualify, companies must be a member and prove that they meet the turnover criteria by means of a letter from their accountant. Nevertheless, these companies may still be audited by Éco-mobilier like any other member. The items sold will be assessed in order to meet the declaration requirements of the register of producers.
- Businesses whose turnover from furniture is less than €500,000 may also sign up with Éco-mobilier and declare their sales, once a year, with proof from their accountants. These declarations can be based on actual sales, or by applying a flat rate which is recalculated each time the pricing scale is updated. This corresponds to a percentage of the turnover from sales. The declaration/invoicing/payment period runs from January to mid-February of each year, covering sums due for the preceding year. To the exception of both cases mentioned above, no other company can claim these simplified membership terms.

> HOW DO I MAKE A DECLARATION?

Primary furniture vendors have two options when it comes to making their declarations:

- They can either use the import function, as shown in this guide;
- Or they can enter the data line by line directly in their dedicated user space on the Éco-mobilier extranet.

① INSTRUCTIONS FOR IMPORT FILES

FORMAT OF THE IMPORT FILE

A model import file is available on the Éco-mobilier extranet. This import file - for a declaration of items put on the market - must be in CSV format (text-delimited, semicolon separator).

Various sales management software used by furniture manufacturers and distributors offer automatic CSV file generation.

There are two options for preparing CSV declarations manually:

- Download the model available on the Éco-mobilier website, and enter your information;
- Use an Excel spreadsheet, then convert it to CSV format:
 - Set the first column in the file to Text format (Select the 1st column, right click > Cell format > Number > Category > Text and click OK);
 - To save these changes, select File > Save as and select the "CSV (semicolon separator)" format in the drop-down menu.

② HOW DO I FILL IN THE IMPORT FILE?

THE IMPORT FILE CONTAINS 4 OR 5 COLUMNS:

Column 1: 11-digit Éco-mobilier code* COMPULSORY

This is the Éco-mobilier 11-digit classification code (cf. the User Guide For Businesses and Eco-fee and Product Code Simulator). This field is compulsory.

The 11-digit code is determined by the properties of the item declared. A single Éco-mobilier code may apply to any number of individual products (e.g. all wooden/panel kitchen storage units which fall within a certain weight category share the same 11-digit code).

To make the declaration process easier, the import file may contain several lines with the same Éco-mobilier code; if, for example, the code corresponds to different product reference codes in the trader's inventory.

Column 2: Number of items of furniture put on the market during this period: COMPULSORY

At this point the member must indicate the number of items corresponding to this Éco-mobilier code which they sold during the declaration period (year or quarter, as applicable).

This must be a whole number. For the purpose of correcting previous declarations, this number may be negative. This field is compulsory.

Column 3: Corresponding tonnage (t): OPTIONAL

Members may indicate a tonnage here (i.e. number of tonnes) which corresponds to the number of items of furniture sold in this period under the relevant Éco-mobilier code.

This is an optional field. If not completed, Éco-mobilier will automatically calculate the average tonnage. This does not affect the value of the eco-fee charged. For the purpose of correcting previous declarations, this number may be negative.

Column 4: Your references: OPTIONAL

Members may also include their own product reference codes, in order to minimise the risk of forgetting any items.

Column 5: Eco-fees for combinations of items (excl. tax) COMPULSORY only for entries concerning furniture sets, with the Éco-mobilier code 00000000000

In this column, for the lines corresponding to the furniture sets in question (code 00000000000 in Column 1), enter the relevant eco-fee.

EXAMPLE TABLE FOR A 5-COLUMN FILE:

ÉCO-MOBILIER CODE 11 DIGITS COMPULSORY	NUMBER OF ITEMS OF FURNITURE SOLD DURING THE PERIOD COMPULSORY	TONNAGE CORRESPONDENT (T) OPTIONAL	YOUR REFERENCES OPTIONAL	VALUE OF ECO-FEE (€ EXCL. TAX) FOR FURNITURE SETS OF FURNITURE COMPULSORY ONLY FOR SETS WITH THE CODE 00000000000
06017120230	10			
06017120230	100	0.3	Chair Y	
00000000000	1		Set X	5
09002020000	5		Bench Z	

Note: With regard to 11-digit codes for furniture sets, from mid-2018 you will be able to enter details of these using an integrated calculation tool on the Extranet.

ECO-FEE ACCOUNTING AND TAX PROCESSES

> SHOULD THE ECO-FEE BE COUNTED IN MY COMPANY'S TURNOVER?

The eco-fee is a component of the product's total sale price. It is neither a tax nor a charge. It forms part of the product price, and corresponds to the cost of managing the waste generated by items of furniture.

As such, it is counted in businesses' turnover.

> HOW DO I ENTER THE ECO-FEE INTO MY ACCOUNTS?

For traders, the eco-fee should be counted as a component of the total sale price. It therefore counts as turnover, along with the revenue generated by the corresponding furniture item. It can be entered into a specific accounting column for sales. The payment of this fee to Éco-mobilier is a charge, to be entered into column 611 "general sub-contracting costs" (recommendation of the CNC from January 2007, regarding the eco-fee for Electrical and Electronic Waste).

Traders are under obligation to pass on the exact amount of the charge to customers, so the eco-fee should be invoiced separately from all other steps in the commercial process. Distributors paying eco-fees to their suppliers should consider them part of the product purchase price. The eco-fee can thus be entered into a specific accounting column for purchases. In distributors' invoices to final consumers the eco-fee represents a component of the total sale price which should be counted in turnover, or in a specific accounting line for sales.

> DOES THE ECO-FEE COUNT TOWARDS TOTAL TAXABLE TURNOVER?

Yes, the eco-fee is considered to be part of a business's taxable revenue. As such, taxes charged on a company's turnover will also cover the eco-fee.

With regard to exceptional taxes: if they are calculated with reference to the company's turnover then they will take the eco-fee into account, as it represents a component of total turnover. In light of the specific regulations which apply to such taxes, businesses are advised to get in touch with the relevant tax office and seek advice on how to apply the law.

93% OF FRENCH CONSUMERS WANT A REMOVALS SERVICE FOR THEIR OLD FURNITURE*



All we need now is you.
Contact us!

LA **Grande**
COLLECTE



Eco-mobilier offers a bespoke, day-to-day service helping you to design eco-friendly products, facilitate the collection, sorting and recycling of used furniture, and communicate more effectively with your customers.

Get in touch: +33 1 75 44 60 00
or eco-mobilier.fr

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* TNS Sofres study "Développement de l'écoresponsabilité" - September 2016