Safeguarding your company from "Greenwashing" Through Third Party Verification

GOTS Roundtable Meeting, February 27, 2018,

Charleston/Mt. Pleasant, SC

Angela Wartes-Kahl, Fiber and Textile Coordinator



Definitions

Greenwashing: disinformation disseminated by an organization so as to present an environmentally responsible public image.

Fraud: 1. wrongful or criminal deception intended to result in financial or personal gain.

2. a person or thing intended to deceive others, typically by unjustifiably claiming or being credited with accomplishments or qualities.

Bureau of Consumer Protection

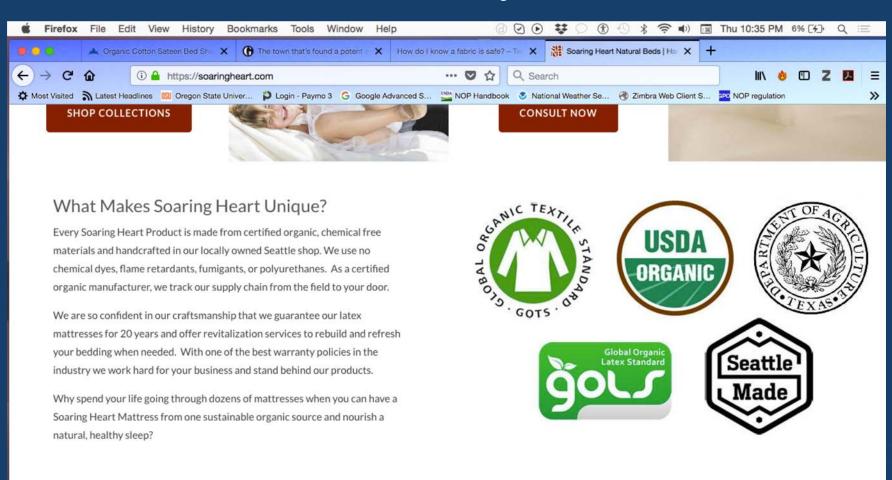
The FTC's Bureau of Consumer Protection stops unfair, deceptive and fraudulent business practices by collecting complaints and conducting investigations, suing companies and people that break the law, developing rules to maintain a fair marketplace, and educating consumers and businesses about their rights and responsibilities.

Section 5(a) of the Federal Trade Commission Act (FTC Act) (15 USC §45) prohibits "unfair or deceptive acts or practices in or affecting commerce." This prohibition applies to all persons engaged in commerce, including banks. The Board has affirmed its authority under section 8 of the Federal Deposit Insurance Act to take appropriate action when unfair or deceptive acts or practices (UDAP) are discovered.

Examples of 'Bad Actors'... Uncertified Operation - Trademark Violation

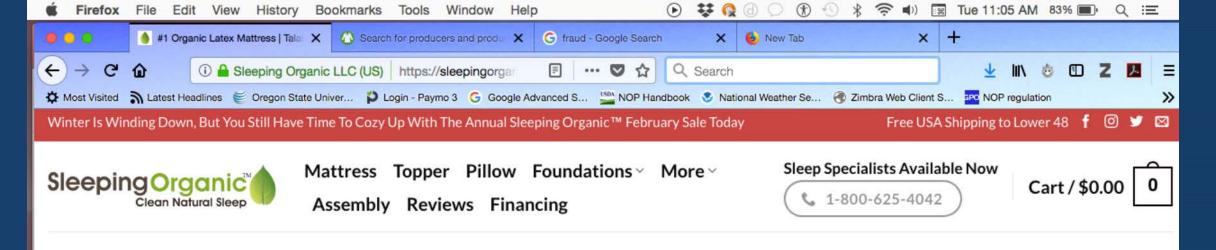


NOP Violation – Policy memo on textiles



The Soaring Heart Way







100% Natural Latex Mattress

Starting at \$85/month with Affirm. Learn more

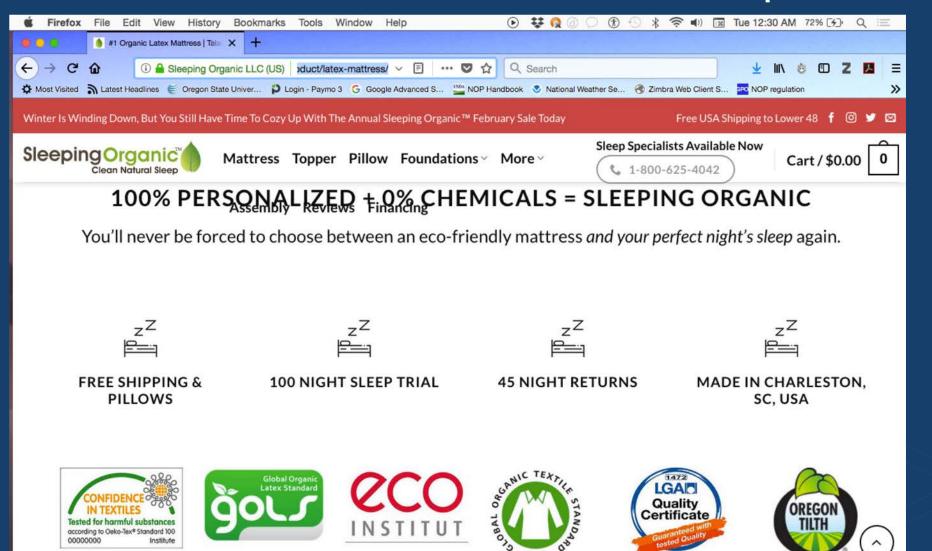
Enjoy big savings for The Annual Sleeping Organic February Sale!

Get \$225 off all latex mattresses, free pillows, free shipping, and a free upgrade to GOLS-certified organic latex. All discounts are applied at checkout, scroll down to unlock your savings!

Our 110+ different mattress configurations mean you're guaranteed to invest in a bed that will give you the best night sleep of your life. Wondering which latex mattress is right for you and your sleep style? Click here for your personalized recommendation!

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Compliant?



False claims and consumer confusion

Sleeping Organic LLC (https://sleepingorganic.com/product/latex-mattress/)

- Like 100% natural latex mattresses, mattresses made with GOLS-certified dunlop are 100% natural and chemical-free. So, how are organic and natural latex different?
- By law, organic latex must be certified by GOLS (the global organic latex standard), while 100% natural does not. Though there are regulations for 100% natural, they're not as strict as the rules for certifying a product as organic. And due to the manufacturing techniques of talalay latex, certified organic GOLS latex is only available in dunlop.
- Beyond the sustainability aspect of natural vs. organic in latex mattresses, there
 is no difference when it comes to comfort or longevity of the product.



2525 SE 3rd Street | Corvallis, OR 97333 | www.tilth.org | PH 503.378.0690 | FX 541.753.4924 | organic@tilth.org

February 26, 2018

Brandon Maxey Sleeping Organic 695 Coleman Boulevard Mount Pleasant, SC 29464

Cease and Desist!

Dear Mr. Maxey,

We are writing to notify you that the use of the Oregon Tilth mark on organic products marketed by your company is unlawful. Oregon Tilth does not have record of certification of your company and therefore your claims on products being certified by Oregon Tilth or the Oregon Tilth Certified Organic (OTCO) program is inappropriate.

Oregon Tilth is the owner of all trademarks associated with Oregon Tilth and the OTCO certification mark and allowance for its use are only given to companies who are certified through our organic certification program. All trademark aspects of the Oregon Tilth logo and OTCO logo are trademarked under United States Trademark Laws.

The use of the OTCO logo along with the GOTS logo on your website here: https://sleepingorganic.com/product/latex-mattress/ is not allowed unless your company is certified under the Oregon Tilth GOTS program.

We request that you immediately cease and desist your unlawful use of these logos and/or references on your products and provide us with assurance within 15 days that you will cease and desist from further infringement of Oregon Tilth's trademark.

You may choose to undergo certification with our program and have your products reviewed and properly certified in order to continue these claims. Please contact me if you should have any questions.

Sincerely,

Connie Karr

Certification Director

Oregon Tilth Certified Organic

connie@tilth.org 503-566-3022

How is the consumer able to verify the organic status of a product if there is no inspection?

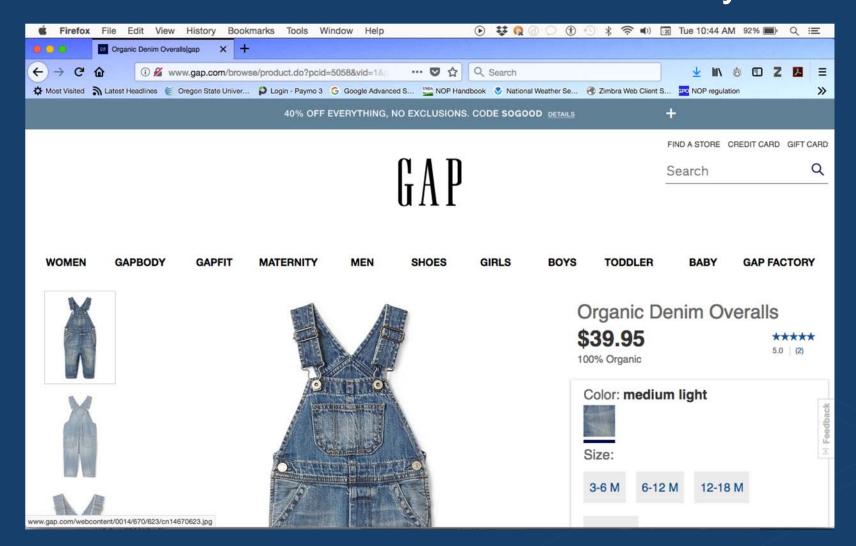
Econscious – the new OTCO t-shirts (oops!)

• "Our cotton fiber is certified by Control Union (formerly known as SKAL) as well as other certification bodies recognized by the USDA NOP. Our yarn is handled in accordance with, and certified to the Global Organic Textile Standard (GOTS)."

Dyeing, Printing Sewing, shipping, packaging.....Not a Certified GOTS Product



Use of word "Organic" on Textile Products The Grey Area



NOP Policy Memo 11-14

Textile products that are labeled as "organic" may:

- Use label claims that identify specific types of organic fibers
- Use statements identifying the percentage of organic fibers

Textile products that are labeled as "organic" must not:

- Use the USDA organic seal unless they are certified in accordance with the NOP regulations.
- Imply or lead the consumer to believe that the final product is certified under the NOP regulations unless they are certified in accordance with the NOP regulations.
- Use a combination of both organic and non-organic sources for a single fiber that is identified as "organic" in the final product.

What the future holds

Millennial generation raises concerns over textiles and sustainability

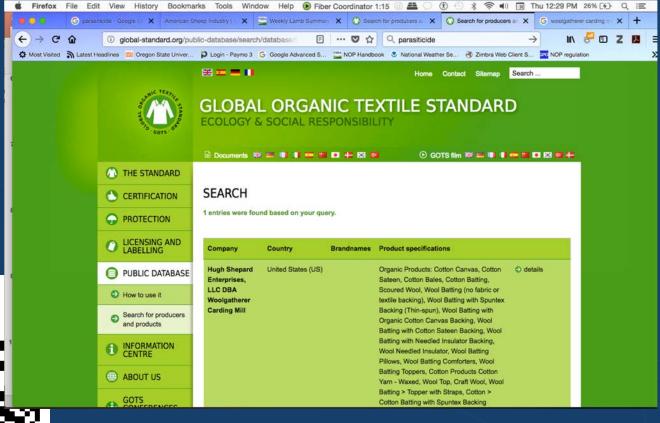
"ZURICH – The results of the latest Oeko-Tex global consumer survey on textiles and sustainability reveals that the 'millennial generation' of consumers are much more aware of the textile industry's environmental and social shortcomings than their parents' generation. Although it notes that parents' product safety qualms do outpace the concerns of non-parents.

The newly published results, which sampled over 11,000 consumers worldwide, are the next round of findings from the on-going Oeko-Tex Association's study on the 'Key To Confidence: Consumers and Textile Sustainability—Attitudes, Changing Behaviors, and Outlooks,' which focuses on current and future textile and apparel buying patterns."

- John Mowbray, Ecotextiles, Feb. 21, 2018



GOTS Database – Customer Connection



QR- code links directly to GOTS company listing. Customer can also search by license number.



Take home message...

Key to consumer confidence is 3rd party certification and it must include an inspection component.

How OTCO works to identify, report and neutralize fraud in the marketplace

- Review of the whole supply chain
 - Transaction Certificates
- Collect evidence (photos, screen shot of website, website address where the product with the certification is claimed.
- Cease and Desist Letters
- Complaints to NOP
- Complaints to GOTS

- Review process: includes a risk assessment
- Unannounced inspections
- Encourage inspectors to make the connections while on audits.
- GOTS annual report review of client files
- More sampling/testing



Contact info Angela Wartes-Kahl

- Fiber and Textile Coordinator
- Oregon Tilth Certified Organic (OTCO)
- angela@tilth.org
- **541-486-4400**