

The U.S. market access – business opportunities, challenges and requirements for the furniture industry

Warsaw – October 3rd, 2019



Agenda

Serving the industry | Challenges facing the Furniture industry

How to mitigate risks

What else?

Enhancing visibility



125 YEARS OF SAFETY SCIENCE

WORKING FOR A
SAFER WORLD
since **1894**

UL reaches more than

2 BILLION



GLOBAL CONSUMERS
annually with safety messages



88%

of U.S. BUILT ENVIRONMENT
AUTHORITIES trust and
accept the UL Mark



**Brand presence
and leadership**



UL has supported a

CENTURY OF INNOVATION
from electricity to nanotechnology

UL MARKS APPEAR on more than

22 BILLION
products *globally*

3 OUT OF **4**

U.S. consumers are
FAMILIAR with **THE UL MARK**



UL WORKS TO PROTECT THE MARKET FROM COUNTERFEIT GOODS from life jackets to hoverboards,
we assisted in seizures of more than 2.2 MILLION PRODUCTS bearing a counterfeit UL Mark

Serving the industry



Challenges facing the furniture industry



INCREASING REGULATIONS FOR FURNITURE INDUSTRY

- The furniture industry must meet EPA Formaldehyde and CARB requirements
- Chemical regulations are increasing globally (REACH, TSCA, PROPOSITION 65)



BRAND DAMAGE AND FINES FOR NON-COMPLIANCE

- Governments are investigating and punishing non-compliant products
- Brand owners risk fines and brand damage if they do not meet regulations



SAFETY & HEALTH IMPACTS OF PRODUCTS

- Product recalls are costly and can cause brand damage
- Consumers are concerned about the risk of chemical exposure from products

What manufacturers need to be aware about

The risk is on three fronts

Safety



Health



Environment



SAFETY

Legislative difference between Europe and America



Based on laws



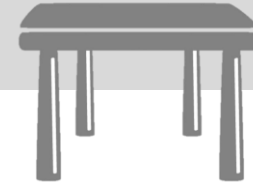
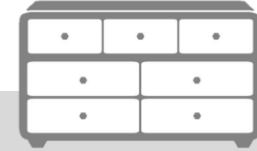
Based on jurisprudence

Law framework

- Product liability
- Role of consumers and CPSC (Consumer Product Safety Commission)
- Role of FTC (Federal Trade Commission)
- Role of the Authority Having Jurisdiction

Role of CPSC and product recalls

MORE THAN **37 MILLION**
RESIDENTIAL PRODUCTS
WERE **RECALLED** IN THE
PAST **2 YEARS**



Source CPSC: <http://www.cpsc.gov/en/Recalls/Recalls-by-Product/?productId=67743>



HEALTH

Consumers demand for healthier products

In the home improvement category, health was a top concern. Consumers stated they would pay **10%** more for products with:



Air Quality

72% of consumers they would pay **10%** more for products with low VOCs and reduced chemical exposure, demonstrating that consumers put a premium on their health



Certified Claims

Eight of the top **10** claims that consumers thought were worth a price premium were certified claims. Accurate but uncertified claims didn't have much traction.



ENVIRONMENT

Risk of Greenwashing

PURCHASERS FACE A PROLIFERATION OF ENVIRONMENTAL CLAIMS

Green-wash (grēn'wōsh', -wōsh') – *verb*: the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service.

Greenwashing damages the “greener product” marketplace by:

- Generating purchaser skepticism about the entire marketplace of greener product claims;
- Reducing consumer confidence;
- Increasing the potential for regulatory oversight due to consumer complaints.

The U.S. Federal Trade Commission's view

- Eco-safe
- Environmentally friendly
- Earth friendly
- Earth smart
- Environmentally safe
- Environmentally preferable
- Essentially non-toxic
- Practically non-toxic
- Made with non-toxic ingredients
- Degradable
- Biodegradable
- Compostable
- Environmentally safe
- CFC-free
- Ozone friendly
- Recyclable

According to the FTC:
FALSE CLAIMS



Sample Enforcement Action

Claim:

Products made of or with bamboo (despite actually being made with rayon).

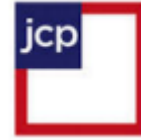
FTC allegations:

Bed Bath & Beyond's mislabeled items, including dozens of “bamboo” textiles;

Nordstrom sold similar products online and in its stores, including a “Gypsy 05 Bamboo Racerback Hi-Lo Dress”;

J.C. Penney sold numerous “bamboo” products in its stores and online, including “Muk Luks 4-pk Men’s Bamboo Socks.”

BED BATH &
BEYOND®



NORDSTROM



backcountry.com

Ruling: December 2015

Bath & Beyond Inc. will pay **\$500,000**;
Nordstrom, Inc. will pay

\$360,000;

J.C. Penney Company, Inc. will pay

\$290,000; and

Backcountry.com LLC will pay **\$150,000**



How to mitigate risks



Safety standards

UL 962 – Household and Commercial Furnishings: Complex store displays, beds, chairs, decorative illuminated furniture, motorized furniture, training room tables and much more.

UL 65 – Wired Cabinets (Showcases): A lighted store display case or shelving unit

UL 1286 – Office Furnishings: Office cubicles, tables and storage systems

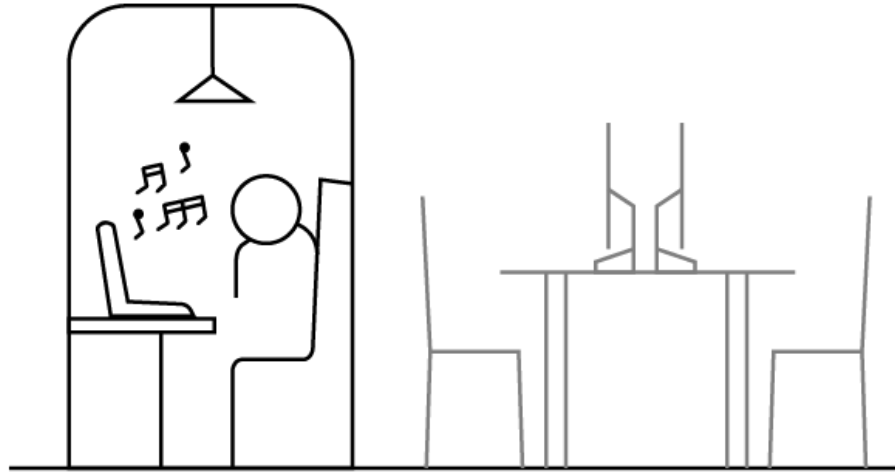
UL 1647 – Motor-Operated Massage and Exercise Machines: Massage Chairs.

NEW! UL 4041 for Safety of Outdoor Furniture



UL 962 - What risks need to be mitigated

Mechanical
Electrical
Fire



- It is the only standard in the world that covers electrified residential and commercial products both for mechanical, electrical and fire safety
- Some examples of office furniture UL962 applies to: adjustable tables, adjustable chairs, adjustable components, office pods, electrified shairs, cabinets, beds



Why product certification is important



Component control



Mitigate risks



Product safety



What is GREENGUARD Certification?

GREENGUARD Certification tests and verifies that products **emit fewer chemicals**, and do not contribute to indoor air pollution, thus **reducing health effects**.

More than **50,000** product families are certified across **32** product families.

GREENGUARD Certification is recognized and referenced in more than **450** building programs, standards and specifications around the world including LEED & EPA.

Consumer brands with GREENGUARD products include: Pottery Barn, RH, Behr, Valspar, MDB, and many more.

GREENGUARD leverages the UL name, which is recognized by **73%** of consumers.



Consumer messaging

Our products are GREENGUARD Gold Certified, which means they're built to contribute to safer, healthier air.

GREENGUARD Gold Certified products are low-emitting and contribute to cleaner indoor air for you and your family.

Chemicals from products such as furniture and building materials can pollute indoor air and cause health issues such as itchy, water eyes, headaches and even asthma.

Certified products are screened for more than 10,000 chemicals and VOCs known to pollute indoor air.



Consumer marketing examples

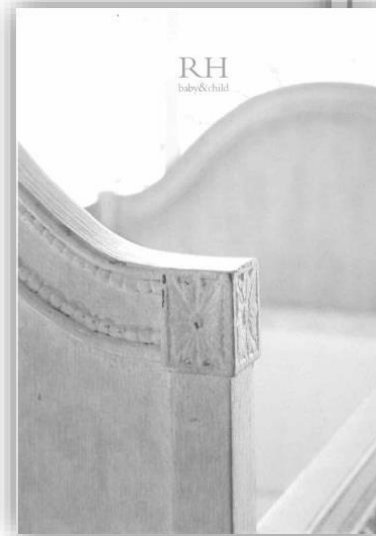
GREENGUARD Gold Certified

GREENGUARD Gold Certified products meet the rigorous chemical standards of UL, a global independent safety science company. Screened for more than 10,000 chemicals and VOCs known to pollute indoor air, these products are low-emitting and contribute to cleaner indoor air for you and your family.

watch the video



Product packaging



Pottery Barn Watch the video

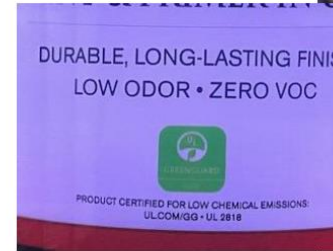


Consumer marketing examples

MATTRESSES



CONSUMER PAINTS



Emerald™ Interior Acrylic Latex Paint

Revolutionary technology with best-in-class overall performance. Our finest interior paint, Emerald™ Interior Acrylic Latex Paint offers rich, vibrant color with exceptional coverage and hide. Emerald's self-priming formula provides exceptional washability and a beautiful smooth appearance. Emerald also contains a preservative which inhibits the growth of mold and mildew on the paint surface.

Average Customer Rating
★★★★ (40) Reviews | [Write a review](#)

Find a Color for This Product

[Add to Shopping List](#) [SAVE TO my5-W.com](#)

[Facebook](#) 14 [Like](#) 87 [Pinterest](#) 31

[View Emerald Family](#)

UL
GREENGUARD
PRODUCT CERTIFIED FOR
LOW CHEMICAL EMISSIONS
ULCOM/IGG • UL 2818

The product page for Behr Emerald Interior Acrylic Latex Paint. It features a product image of a paint can, a detailed description of the paint's benefits, an average customer rating of 4 stars from 40 reviews, and social media sharing options for Facebook, Like, and Pinterest. There is also a search bar to find colors and a link to view the Emerald Family.



GREENGUARD Certified products

Many product types and brands promote their GREENGUARD Certified products on packaging, in-store and online. Examples include:

Paint (Behr, Valspar, Sherwin Williams)

Flooring

Cleaners (Bona)

The screenshot shows the Lumber Liquidators website interface. At the top, there's a navigation bar with "LUMBER LIQUIDATORS" logo, "Your store" (Staten Island, NY), "Store Locator", "Login", and "View Cart". Below that, a search bar contains "What can we help you find today?". A prominent banner for "FALL FLOORING SAVINGS EVENT" offers "Save up to 50% off" with a "SEE THE DEALS" button. The breadcrumb trail reads "Flooring 101 Home > Flooring FAQs > Certifications > GreenGuard Certification". A search input field shows "Search Flooring 101" and a "Search Q" button. The main heading is "GreenGuard Certification". A green box asks "What is GREENGUARD?". Below this is the GreenGuard logo (UL with a leaf) and text explaining that GreenGuard Certification is an Environmental Product Declaration (EPD) that verifies a product has low chemical and particle emissions. It also states that GreenGuard Certification is part of UL Environment, a business unit of Underwriters Laboratories (UL), and that the certification requires an extensive third-party audit.

The image shows a product packaging for GreenGuard Certified flooring. On the left, a green logo with "UL" and a leaf is next to the text "PRODUCT CERTIFIED FOR LOW CHEMICAL EMISSIONS UL.COM/CG UL 2818". To the right, a "Quality Guarantee" box states "This flooring meets or exceeds rigorous emissions standards such as California CARB." with a "Learn more" link. Below this, a section titled "Complete Your Project With These" features a navigation bar with "MH" selected, and sub-categories: "Molding & Trim", "Accessories", and "Underlayment & Adhesives". Five product images are shown with labels: "DH RF Calico Oak 48" Rev Riser Clear Finish", "DH RF Calico Oak 48" Tread Clear Finish", "4 x 12 Calico Oak Drop In Grill Clear Finish", "4 x 10 Calico Oak Drop In Grill Clear Finish", and "7.5' Calico Oak Baseboard".


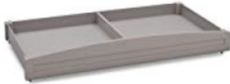



Retailer

Amazon developed price comparison between similar products they sell to demonstrate that GREENGUARD Certified products command a higher price.

We have been contacted by multiple Amazon vendors seeking GREENGUARD Certification as a result of these communications.

You're viewing this item		- \$26 Upgrade and save by changing storage	+ \$99 Upgrade greenguard gold certified, daybed convertibility		
Greenguard Gold Certified	No i	Greenguard Gold Certified	No i	Greenguard Gold Certified	Yes i
Daybed Convertibility	No i	Daybed Convertibility	No i	Daybed Convertibility	Yes i
Full-size Bed Convertibility	No i	Full-size Bed Convertibility	No i	Full-size Bed Convertibility	No i
Solid Wood	Yes i	Solid Wood	Yes i	Solid Wood	Yes i
Wheels	Yes i	Wheels	Yes i	Wheels	Yes i
Storage	No i	Storage	Yes i	Storage	No i
Changing Table Included	No i	Changing Table Included	No i	Changing Table Included	No i

		
Delta Children Folding Portacrib	Delta Children Arch Trundle Bed	DaVinci Jenny Lind Stationary Crib
\$100 ⁹⁹	\$74 ⁹⁹	\$199 ⁰⁰
★★★★☆ (440)	★★★★☆ (12)	★★★★☆ (495)



Other environmental labels

UL offers a variety of environmental certifications and testing for manufacturers who want to differentiate their products in the crowded green marketplace and meet green building requirements.

- **BIFMA level Certification** is a lifecycle based, multi-attribute environmental certification for office furniture.
- **FEMB level Certification** is the European program for sustainability certification of office and contract furniture for interiors
- **Environmental Product Declarations (EPDs)**, demonstrate marketplace leadership by showcasing a manufacturer's commitment to transparency and objective, third-party verification.
- **Environmental Claim Validations** are third-party verifications of single-attribute environmental claims, such as recycled content, formaldehyde and VOC content, and other attributes.
- **FACTS** is a multi-attribute sustainability certification for contract textiles used in commercial applications.



certified by UL Environment



Enhancing visibility



Introducing Product iQ



<https://iq.ul.com/>

Featuring approx. 70,000 Listed Companies

Trusted UL Data

Superior Usability

Advanced Search

Personalized Account

Letters of Compliance

Introducing SPOT



UL.COM/SPOT

Featuring more than 100,000 products

MasterFormat product coding

AutoDesk® Revit Add-in Launched 2017

Autocad & Sketchup launched in 2018

Search by Sustainable Building Credits



BREEAM®



fitwel



What else?



Proposition 65

Product Lens

EPA Formaldehyde

CARB

VOC emissions

Environmental

Performance Testing

Zero Waste to Landfill

Product Declaration

Mechanical Testing

YOU CAN ASK US

Environmental Claim

Circular Economy

Recyclability

Validation

Recycle content

Bio based content

Decarbonization

Thank you.

Empowering Trust™

Elena Veneziani
Sales Manager, Europe
E:
M. + 39 366 6277787

