



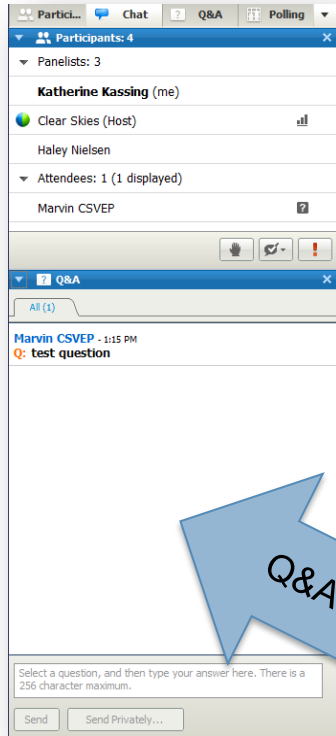
YESS: Yarn Ethically & Sustainably Sourced

Q2 Update: YESS launched in India and Pakistan

10 July 2023

AMER/EU time zone

Logistics



- Webinar is being recorded
- The recording and slides will be posted to the [RSN website](#) and will be emailed to you
- Use the Q&A window to send us your questions, speakers will type or answer questions at the end
- Click on the “Raise Your Hand” icon and we will unmute you so you can ask your question live
- Unanswered questions will be sent via email or added to our [YESS FAQs page](#)

Today's Presenters – Webinar A (AMER-EU)



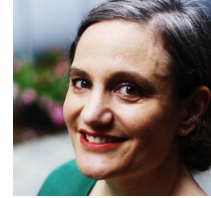
Patricia Jurewicz

CEO at Responsible Sourcing Network (RSN) and Founder of YESS



Emilie S Jakobsen

Stakeholder Development Coordinator (RSN/YESS)



Wendy Blanpied

Senior Program Manager at ELEVATE, an LRQA Company



Erin Klett

Director, Supply Chain Tracing & Engagement Methodologies (STREAMS) Project at Verité



Sabur Iftikhar Qureshi

General Marketing Manager at Artistic Fabric Mills



Chaudhary Muhammad Mumtaz

General Manager at Nishat (Spinning Unit # 5 & Cotton Purchase)



Anant Ahuja

Head of Organizational Development at Shahi Exports



Julia K. Hughes

President of United States Fashion Industry Association

Today's Presenters – Webinar B (MEA-APAC)



Patricia Jurewicz
CEO at Responsible
Sourcing Network (RSN)
and Founder of YESS



Rachel Matheson
Project Manager
at Verité



Muhammed Abdullah
Project Manager Pakistan at
Elevate



**Chaudhary Muhammad
Mumtaz**
General Manager at Nishat
(Spinning Unit # 5 & Cotton
Purchase)



Mirza Asher Baig
Assistant Manager
Compliance (Spinning) at
Nishat



S. P. Amanullah
Assistant General Manager
at Shahi - Spinning



Julia K. Hughes
President of United
States Fashion Industry
Association

Today's Agenda

1. YESS introduction and recent field activities
2. Comments from partner organizations
3. Perspectives from mills in Pakistan and India
4. Insights from the retail industry
5. Onboarding process for mills and brands, and YESS future activities
6. Opportunities for YESS engagement
7. Q&A

YESS introduction and recent field activities



Presented by:

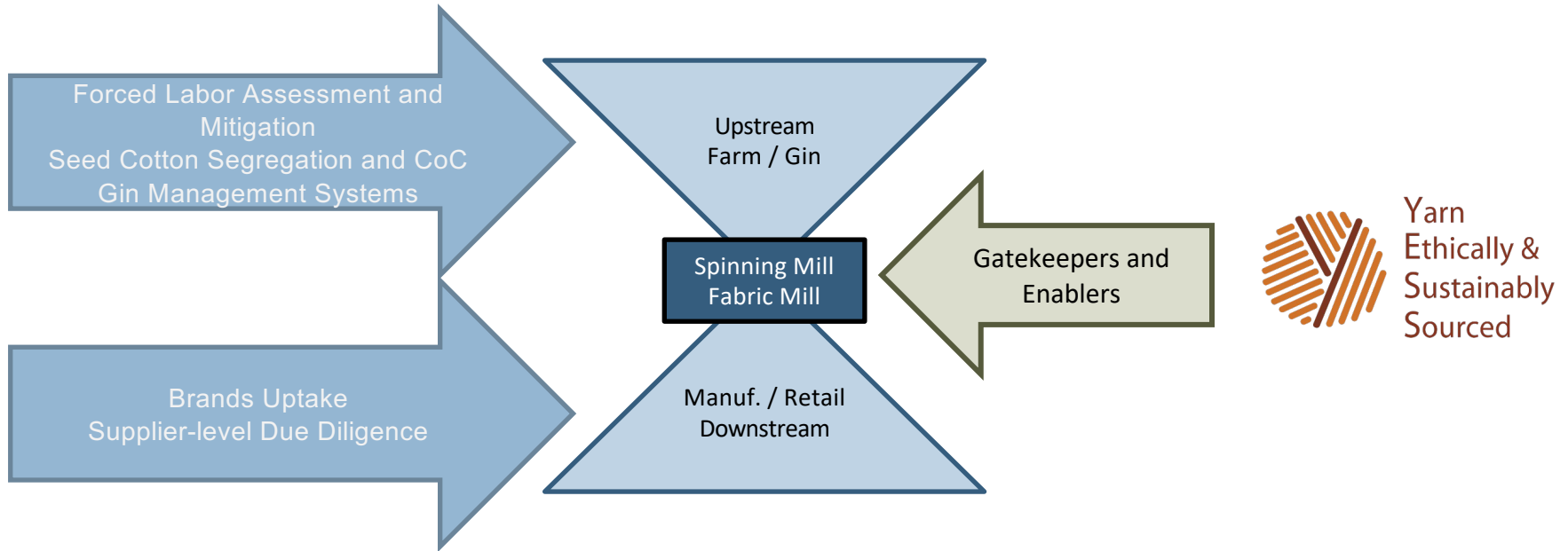
Emilie S. Jakobsen

YESS Mission

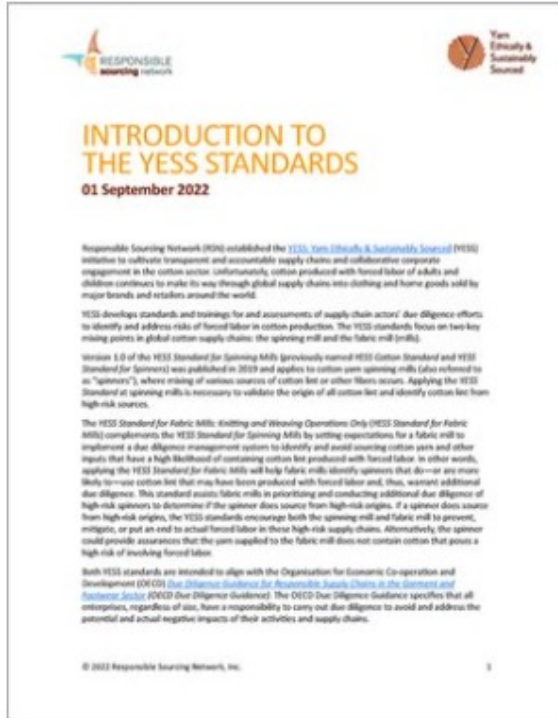
To create an industry-wide due diligence program for yarn spinning mills and fabric mills to identify and address cotton produced with forced labor in their supply chains.



Collaboration Across Three Value Chain Segments



YESS Standard for Spinning Mills and Fabric Mills



RESPONSIBLE sourcing network

Yarn Ethically & Sustainably Sourced

INTRODUCTION TO THE YESS STANDARDS

01 September 2022

Responsible Sourcing Network (RSN) established the **YESS (Yarn Ethically & Sustainably Sourced)** initiative to cultivate transparent and accountable supply chains and collaborative corporate engagement in the cotton sector; cotton produced with forced labor of adults and children continues to make its way through global supply chains into clothing and home goods sold by major brands and retailers around the world.

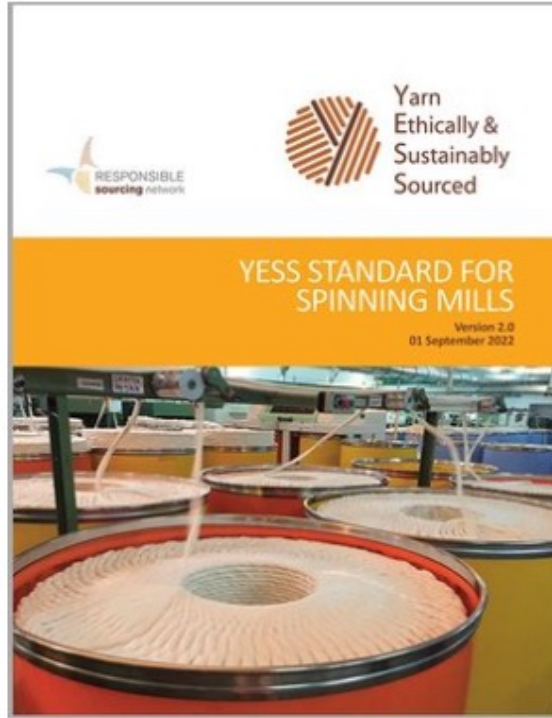
YESS develops standards and trainings for and assessments of supply chain actors' due diligence efforts to identify and address risks of forced labor in cotton production. The YESS standards focus on two key mixing points in global cotton supply chains: the spinning mill and the fabric mill (mills).

Version 1.0 of the YESS Standard for Spinning Mills (previously named YESS Cotton Standard and YESS Standard for Spinners) was published in 2020 and applies to cotton spun spinning mills (also referred to as "spinners"), where mixing of various sources of cotton lint or other fibers occurs. Applying the YESS Standard at spinning mills is necessary to validate the origin of all cotton lint and identify cotton lint from high-risk sources.

The YESS Standard for Fabric Mills: Knitting and Weaving Operations Only (YESS Standard for Fabric Mills) complements the YESS Standard for Spinning Mills by setting expectations for a fabric mill to implement a due diligence management system to identify and avoid sourcing cotton yarn and other inputs that have a high likelihood of containing cotton lint produced with forced labor. In other words, applying the YESS Standard for Fabric Mills will help fabric mills identify spinners that do-or are more likely-to-use cotton lint that may have been produced with forced labor and, thus, warrant additional due diligence. This standard assists fabric mills in prioritizing and conducting additional due diligence of high-risk spinners to determine if the spinner does source from high-risk origins. If a spinner does source from high-risk origins, the YESS standards encourage both the spinning mill and fabric mill to prevent, mitigate, or put an end to actual forced labor in these high-risk supply chains. Alternatively, the spinner could provide assurances that the yarn supplied to the fabric mill does not contain cotton that poses a high risk of involving forced labor.

Both YESS standards are intended to align with the Organization for Economic Co-operation and Development (OECD) *Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sectors* (RISKS Due Diligence Guidance). The OECD Due Diligence Guidance specifies that all enterprises, regardless of size, have a responsibility to carry out due diligence to avoid and address the potential and actual negative impacts of their activities and supply chains.

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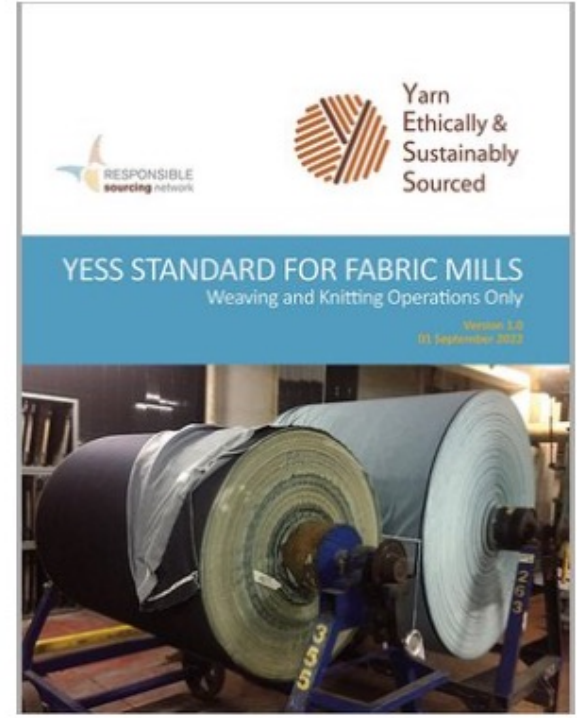



RESPONSIBLE sourcing network

Yarn Ethically & Sustainably Sourced

YESS STANDARD FOR SPINNING MILLS

Version 2.0
01 September 2022




RESPONSIBLE sourcing network

Yarn Ethically & Sustainably Sourced

YESS STANDARD FOR FABRIC MILLS

Weaving and Knitting Operations Only

Version 1.0
01 September 2022



Scope of YESS

What YESS Does

- Provides capacity building and support
- Promotes a risk-based approach
- Focuses on management systems and material control systems
- Applies a production-loss calculation of all cotton inputs within the facility
- Annually assess mills
- Promotes change over time
- Drives addressing forced labor in cotton production at the field level

What YESS Does Not Do

- Look at all human rights issues in cotton fields
- Assess for labor/human rights conditions inside the mills
- Create a check-the-box audit or a code of conduct
- Certify product or facility
- Require immediate and drastic sourcing changes

Recent YESS Accomplishments



2 YESS Standards released and 60+ resources and trainings are updated and posted in the YESS Portal



3 workshops conducted in Pakistan in February as part of ELEVATE's GTP project (Lahore, Karachi, and Textile University)



2 third-party YESS assessments at Pakistani spinning mills in Feb: AFM and Nishat



1 workshop conducted in Bangalore, India as part of Verité's STREAMS project



2 third-party YESS assessments at Indian spinning and fabric mill in May: Shahi Exports

Comments from Partner Organizations



+LEVATE
AN LRQA COMPANY

VERITÉ
Fair Labor. **Worldwide.**



YESS WORKSHOP AND THIRD-PARTY ASSESSMENT IN PAKISTAN

JULY 10, 2023

Wendy Blanpied, GTP Senior Project Manager

Implemented by
ELEVATE Ltd.



AN LRQA COMPANY

Funded by the Bureau of International Labor Affairs,
USDOL IL358082075K



Global Trace Protocol Project Goal & Outputs



Project Goal

Reduce child & forced labor within supply chains through improved traceability

OUTPUT 1: Methodologies

Increase number of tested supply chain tracing methodologies in:

- Pakistan cotton sector
- DRC cobalt sector

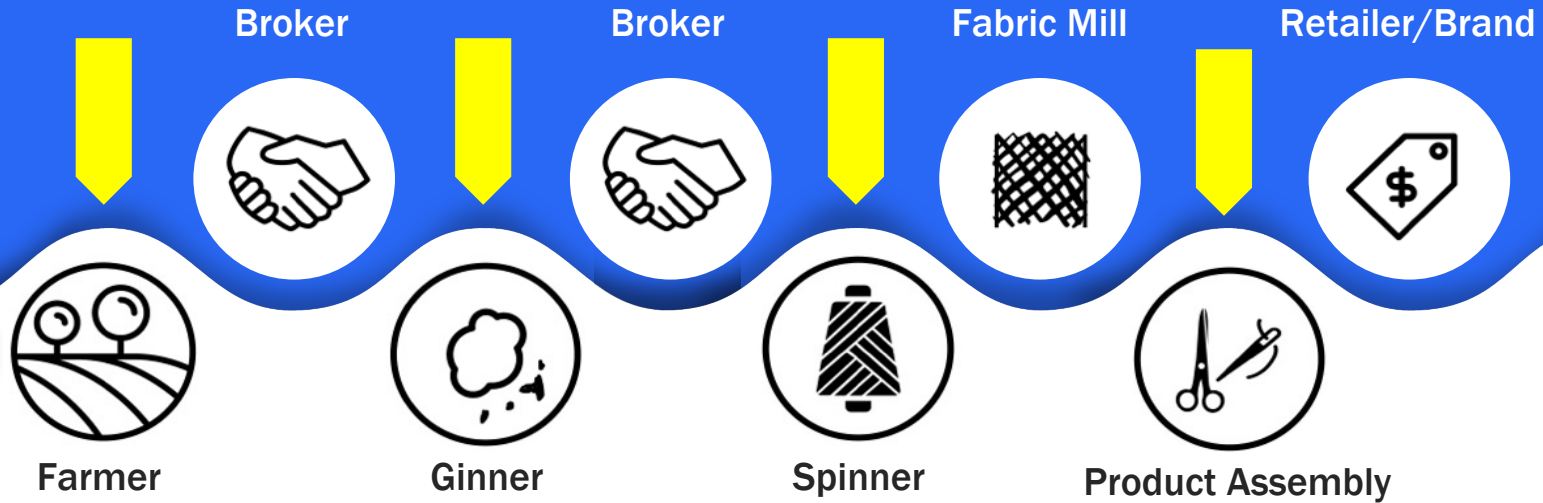
OUTPUT 2: Tools

Increase the number and availability of tracing tools in both supply chains leading to a common platform and tool,
* commodity agnostic public tool & resources

OUTPUT 3: Dissemination

Increase the Dissemination of supply chain tracing tools and methodology to a broad range of stakeholders.

Mapping & Tracing the Cotton Tiers



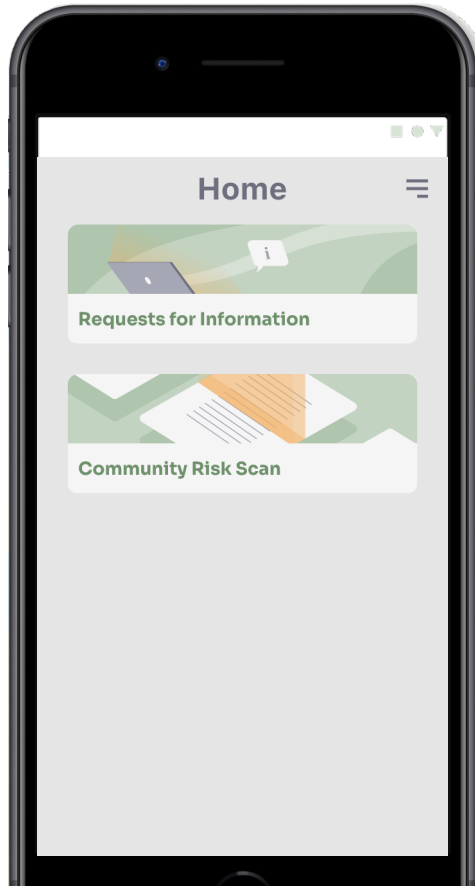
Product Tracing

Supplier Mapping w/ Segregation

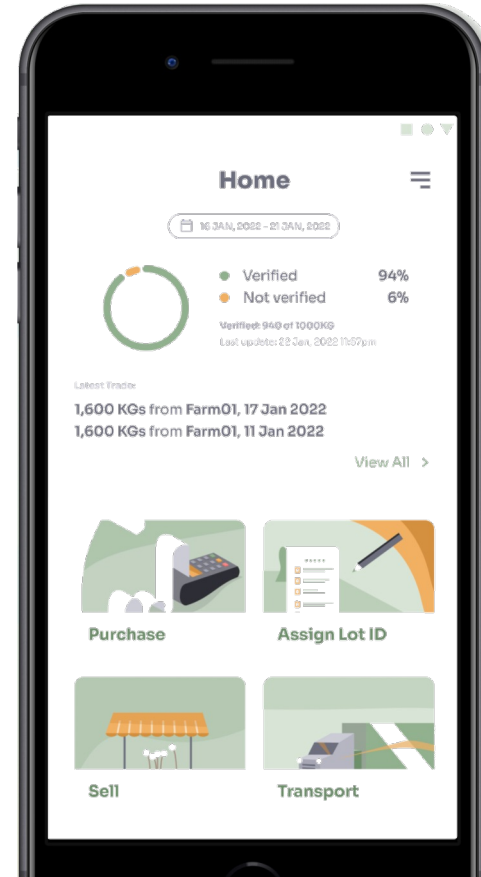
Supplier Mapping

Risk Assessments and Audits

Traceability tool for cotton



- + Identification of labor risks
- + Home screen for farmer and ginner levels



Pakistan YESS Activities

- ✓ Nishat and AFM RSN YESS Assessments in Lahore, Pakistan (Nishat) and Karachi, Pakistan (AFM) in February 2023
- ✓ Pakistan Training on YESS Standard in Faisalabad, Lahore, and Karachi in February 2023
- ✓ Training Results Report and YESS Assessment Review Report delivered in April 2023
- ✓ Arche Advisors Assessments for mills in April 2023
- ✓ Continued YESS/RSN support for mills through August 2023





GlobalTrace
PROTOCOL

YES: YARN ETHICALLY AND SUSTAINBLY SOURCED Q2 UPDATE

Intro to STREAMS

July 10, 2023

Presented by Erin Klett

VERITÉ
Fair Labor. **Worldwide.**


STREAMS

About Verité

Founded: 1995

Vision: A world where people work under safe, fair, and legal conditions for workers in global supply chains.

We work globally with multi-national corporations, suppliers, unions, NGOs, governments, and labor advocates. We provide the knowledge and tools to eliminate the most serious labor and human rights abuses in global supply chains.

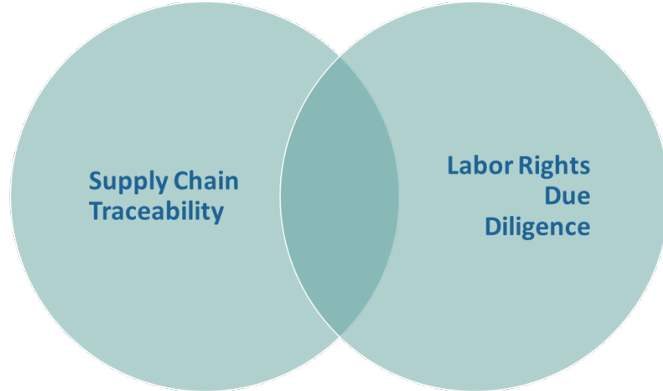
Services:

- Assessments/investigations
- Trainings for brands, suppliers, auditors
- Consultations with governments, companies, initiatives



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- **Funded by** the US Department of Labor
- **Objective** is to support innovative traceability approaches that strengthen due diligence and sustainability systems that protect and promote decent work
- **Core partners** are
 - ✓ Better Cotton
 - ✓ Responsible Sourcing Network



Supply Chain
Traceability &
Engagement
Methodologies
(STREAMS)
Project



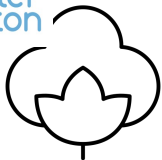
Supply Chain Traceability Matrix

Open-source tool providing guidance on identifying traceability approaches to meet due diligence goals.



Mid-Tier Gatekeeper Field Pilot

Deploy novel combinations of traceability system and due diligence elements in cotton/garment supply chains in India, leading to comprehensive report



Cotton Chain of Custody Field Pilot

Deploy novel combinations of traceability system elements in cotton/garment supply chains in India, leading to comprehensive report



Tools, Resources, and Capacity Building

Practical, sector agnostic guidance on using traceability to improve working conditions in all sectors and all geographies



STREAMS
Core Activities
and Outputs

In partnership with



Supporting the build-out of YESS due diligence standards and assessment process for responsible cotton sourcing in the mid-tiers of the apparel supply chain.

Testing the value of traceability tools to support mid-tier due diligence.



Mid-Tier Gatekeeper Pilot



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Thank You

*For more information, contact Erin
Klett at eklett@verite.org*

Funding for the STREAMS project is provided by the United States Department of Labor under cooperative agreement number IL-35805. This material does not necessarily reflect the views or policies of the United States Department of Labor, nor does mention of trade names, commercial products, or organizations imply endorsement by the United States Government.

Perspectives from mills that underwent YESS assessments in Pakistan and India

afm.



SHAHI





Sabur Iftikhar Qureshi

General Manager Marketing

afm.

ARTISTIC FABRIC MILLS Pvt.Ltd





About Company

Artistic Fabric Mills (Private) Limited, a company incorporated under the laws of Pakistan, with a legacy of more than 70 years, the company expanded from a small retail shop to one of the leading denim and garments manufacturing and exporting companies in the region today.

Artistic Fabric Mills is vertically integrated, providing full-package denim solutions to global denim makers with a global footprint that includes Asia, Europe, and North America along with a strong focus on innovation, traceability, environmental sustainability, ethical and responsible business practices, and women empowerment.



Responsible Partnership

AFM strives to provide better opportunities and support an initiative to eradicate "modern slavery" from the cotton production process and make an impact by investing in sustainable solutions and responsible sourcing that have a scalable result for the whole industry.

We actively participate with Elevate on Global Trace Protocol (GTP) traceability tool pilot project and have gone through the YESS assessment for providing traceability to ensure lawful and ethical practices throughout the cotton supply chain.

Essential Factors

Our pledge towards all forms of social and environmental concern is duly addressed with a top priority that is communicated and understood across the supply chain.

Through this initiative, we track, trace, and monitor our end-to-end processes and practices.

Verify the source
of raw materials

Support ethical
business actions

Traceable sourcing
tool

Strengthen due diligence

Contribute to
achieve SDG and
Indicator 8.7



Feedback

AFM stands on its commitment that no process from sourcing to finished product is undertaken by forced and child labor, as it does not support our values of ethical and sustainable operation.

Through this project, AFM gained a competitive edge by improving our labor rights due diligence approach and increasing supply chain transparency with enhanced traceability.

Understanding of a due diligence approach is sorely needed throughout the textile industry, and YESS does it in a way that empowers the manufacturers, we can demonstrate that we are indeed being responsible for our sourcing practices.



**THANK
YOU!!**



<http://www.artisticfabricmills.com/>



<https://www.instagram.com/afmdenim/>



<https://www.facebook.com/afmdenim/>



<https://www.linkedin.com/company/artistic-fabric-mills/>

Nishat Mills Limited/ Nishat Linen (Pvt.) Ltd.

YESS Webinar

Presented by Chaudhary Muhammed Mumtaz and Mirza Asher Baig

Company Profile Introduction

- Largest vertically integrated mill in Pakistan
- Assets over Rupees 2,100 billion
- Provides direct employment to around 43,000 person
- Seven Companies are listed on Pakistan Stock Exchange

• Production Facilities

- ❖ Spinning
- ❖ Weaving
- ❖ Processing
- ❖ Stitching
- ❖ Towel
- ❖ Garments

Company Profile Business Segments

Spinning	Weaving	Dyeing	Home Textile	Terry	Garments
<ul style="list-style-type: none">• Production capacity of 300 million kgs of yarn per annum.	<ul style="list-style-type: none">• Production capacity of 290 million square meters of fabric per annum.	<ul style="list-style-type: none">• Dyeing capacity of 53 million meters of fabric per annum.	<ul style="list-style-type: none">• Processing capacity of 60 million meters of fabric per annum.	<ul style="list-style-type: none">• Production capacity of 10,000 tons towel per annum.	<ul style="list-style-type: none">• Production capacity of 8.5 million garments per annum.

Certifications:

- Oekotex (Appendix - 6)
- Oekotex Recycle Cotton
- GOTS
- OCS
- GRS
- RCS
- CMIA (Cotton made in Africa)
- COTTON USA
- Egyptian Cotton
- BCI COTTON
- PSCP COTTON (Primark Cotton)
- SUPIMA COTTON
- Oekotex Org:
- Oekotex Recycle Polyester
- ISO-9001
- ISO-14001
- HIGG FEM
- CTPAT
- TRUST PROTOCOL
- WRAP GOLD
- YESS PROTOCOL



How YESS assessment is different from Social Compliance Audits?

- Social Compliance specifically focuses on Ethical aspects of the Industry Employees whereas YESS assessment focuses on the FORCED LABOUR in COTTON PRODUCTION, Due Diligence of the Suppliers and also Grievance Handling at Supplier level.
- YESS assessment covers the product tractability throughout the Supply chain.

How difficult is it to do?

- YESS assessment is very difficult because we can't measure in easy way the FORCED LABOUR in cotton production from Upstream.
- We can not judge the FORCED LABOUR in cotton products by the visual observations.

How do we prepare for it?

- By receiving schedule of on-site assessment
- Due Diligence management and policy review
- Update annual report
- Submit Mill Profile section of YESS assessment
- Collecting the relevant data from all Suppliers

How do we prepare for it?

- While receiving the Cotton from any country, we apply the Policies and Due diligence procedure to verify the Low risk/ High risk countries by checking the mentioned documents →
 - ✓ Incoming Cotton Documentation Form
 - ✓ Commercial Invoice
 - ✓ Performa Invoice
 - ✓ GD-1
 - ✓ Origin Certificate
 - ✓ Phytosanitary Certificate
 - ✓ Bill of Lading
 - ✓ Packing List
 - ✓ Copy of Bilty
 - ✓ Weight Report
 - ✓ Receiving Report
 - ✓ Scale Slip

What recommendations do we have for other Mills that are considering undergoing YESS assessments?

YESS is a great opportunity for the industry because it educates spinning and fabric mills on how to strengthen their management systems, conduct risk assessments for forced labor, and collaborate around risk prevention and mitigation. The thing is, understanding of a due diligence approach is deeply needed throughout the textile industry, and YESS does it in a way that empowers the manufacturers.

SHAHI



Shahi Exports

Mill Perspective

Presented by Anant Ahuja

Shahi Exports

1974

company founded
by a visionary female entrepreneur, Mrs. Sarla Ahuja

179+ million

Garments produced per year

50+

factories spread over 8 states

115,000+

full time employees

12,000 MT

Knitted fabric
produced per year

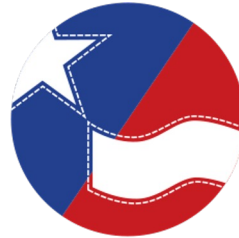
75 million-meters

Woven fabric
produced per year



SCAN TO READ THE FULL
SUSTAINABILITY REPORT FOR FY 2021

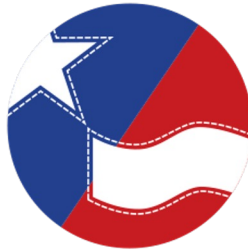
Insights from the retail industry



UNITED STATES
FASHION INDUSTRY ASSOCIATION



Julia K. Hughes
President of United States
Fashion Industry Association



UNITED STATES
FASHION INDUSTRY ASSOCIATION



Onboarding process for mills and brands, and YESS future activities

Presented by:

Patricia Jurewicz

Onboarding Mills

1. Commit to participate in YESS and plan to undergo an assessment **(-6 mo)**
 - a. Sign up for the YESS Portal, do the training, and take the quizzes
 - b. Work through the pre-assessment checklist
 - c. Schedule a date for a YESS assessment => *STATUS: ACTIVE*
 - d. Attend a webinar or workshop, and solicit technical assistance if needed
 - e. Share full transaction list 2 weeks prior to the assessment

2. Undergo an initial YESS assessment, focus: Mgmt Systems **(day 1, year 1)**
 - a. Address non-conformances during Improvement Action Period (IAP) (+3 mo) => *STATUS: CONFORMANT or NON-CONFORMANT*
 - b. Provide Risk Mitigation Plan **(+6 mo)**

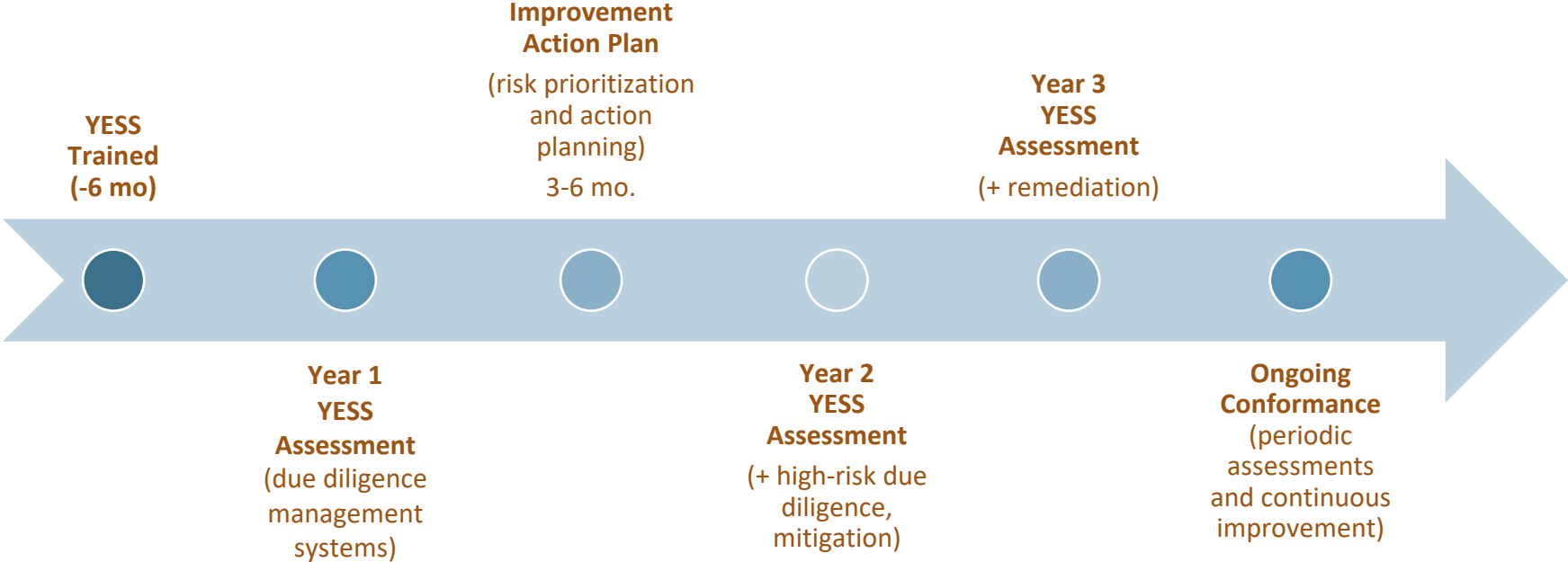
Onboarding Mills (continued)

3. Undergo a second YESS assessment, focus: Risk Mitigation **(year 2)**
 - a. Address non-conformances during Improvement Action Period (IAP) (+3 mo) => STATUS: CONFORMANT or NON-CONFORMANT
 - b. Provide updated Risk Mitigation Plan (+6 mo)

4. Undergo a third YESS assessment, focus: Remediation **(year 3)**
 - a. Address non-conformances during Improvement Action Period (IAP) (+3 mo) => STATUS: CONFORMANT or NON-CONFORMANT
 - b. Provide updated Risk Mitigation Plan (+6 mo)

5. Determine time frame between ongoing assessments (annual or less frequent)

YESS Onboarding, Assessment, and Conformance Process



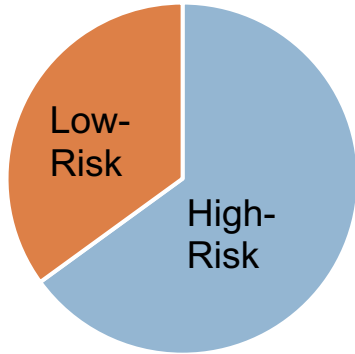
Conformance can be achieved after each year's assessment

YESS Approach: Conformance Continuum

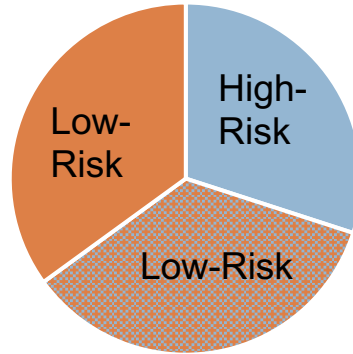
Year in YESS Assessment Program	YESS Conformance Continuum Requirements per OECD Steps (Each requirement will be required for each subsequent year)
Year 1	Step 1: Establish strong company management systems Step 2: Identify risks in the supply chain Step 4: Track Step 5: Report annually on supply chain due diligence (due diligence management system and risk identification sections)
Year 2	Step 3: Assess, cease, prevent, or mitigate potential or actual forced labor in cotton production in the facility's supply chain Step 5: Report annually on supply chain due diligence (all sections)
Year 3	Step 6: Provide for or cooperate in remediation

Mitigate Harm to Create Low-Risk Sources

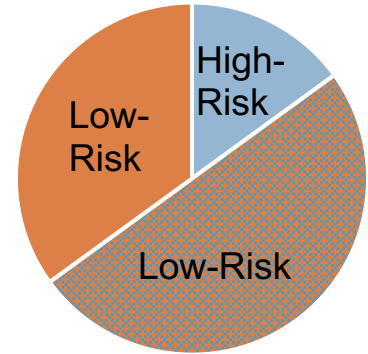
Low-Risk vs.
High-Risk Countries



Low-Risk Sources in
High-Risk Countries



Mitigating Potential
or Actual Harm



Onboarding Brands and Retailers

1. Join as a YESS Sponsor
 - a. Sign the sponsorship agreement and pay the annual dues
2. Sign up for the YESS Portal, review the Standards, watch the training, take the quizzes, attend a workshop, train sourcing teams
3. Refer 2 mills (fabric and/or yarn) annually (minimum) to join YESS and support their participation
4. Access facility data through the YESS Portal
5. Collaborate with mills, farm-level initiatives, governments, and local communities to identify, assess, and address forced labor in cotton production



Opportunities for YESS engagement

Presented by:

Patricia Jurewicz

	Ambassador	Champion	Pioneer
Deliverables / Benefits	\$10,000	\$25,000	\$50,000
YESS Portal access for staff	X	X	X
Oversight of Auditor Management Company and Assessments	X	X	X
Three virtual Q&A sessions	X	X	X
YESS Portal access and onboarding for referred facilities		X	X
Regional in-person due diligence training		X	X
Virtual technical advice and prioritization for independent YESS assessments ¹			X

YESS Future Activities



Presented by:

Patricia Jurewicz

2023 Planned Activities

- Q 1 Distribute the YESS Action Plan and use it to raise funds and build YESS infrastructure (throughout 2023)
- Q 1-4 Deliver in-region capacity building workshops:
 - Q 1 Pakistan, Q 2 India, Q 3-4 Vietnam
- Q 1-2 Begin third-party YESS assessments in Pakistan and India
- Q 3-4 Establish system to accredit audit firms and certify auditors
 - Circulate RFP and train a management audit company
- Q 3-4 Determine coordination around controlled-blending
- Q 3-4 Formalize partnerships with related initiatives


Path Forward: 2024 - 2025



Build auditor capacity in India, Pakistan, Vietnam, Bangladesh



Expand a sustainable revenue model



Increase virtual webinars in-region workshops



Begin assessments in Vietnam and Bangladesh



Support risk-mitigation capacity with local collaboration

Questions?

Emilie S. Jakobsen

emilie@sourcingnetwork.org

Sourcingnetwork.org

 <https://www.twitter.com/SourcingNetwork>

 <https://www.instagram.com/sourcingnetwork/>

 <https://www.facebook.com/responsible.sourcing>

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Yarn
Ethically &
Sustainably
Sourced