

YESS: Yarn Ethically & Sustainably Sourced

Q1 Update Webinar

13 April 2022

<http://www.sourcingnetwork.org/yess>

Today's YESS Agenda

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1. Pilot Accomplishments, Insights, and Recommendations
2. IWG Action Plan and Textile Standard Status
3. 2022 Next Steps
4. Q & A

YESS Pilot Project Update



Liz Muller
Principal
liz muller & partners
Due Diligence Consultant

YESS Pilot Accomplishments

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2 Standards

3 Countries

6 Enterprises

7 Auditors

75+ Facility Leaders

100+ Resources or Trainings

YESS Pilot Insights

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- ❑ Facilities require training and support
- ❑ Credibility within the industry is critical
- ❑ Education on different forms of forced labor is needed
- ❑ More detailed assessment of forced labor is needed
- ❑ Spinners can trace cotton through their processes from laydown to yarn
- ❑ Basic management system expectations are easy to meet for many – but not all – spinners



Where YESS Can Clarify its Scope

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- ❑ YESS is not a company / facility / product certification
- ❑ YESS does not address forced labor in facilities
- ❑ YESS does not require spinners to conduct farm-level assessments



Where YESS is Understood or Supported

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- YESS approach
- Industry support is needed
- Immediate termination of sourcing relationships is not required

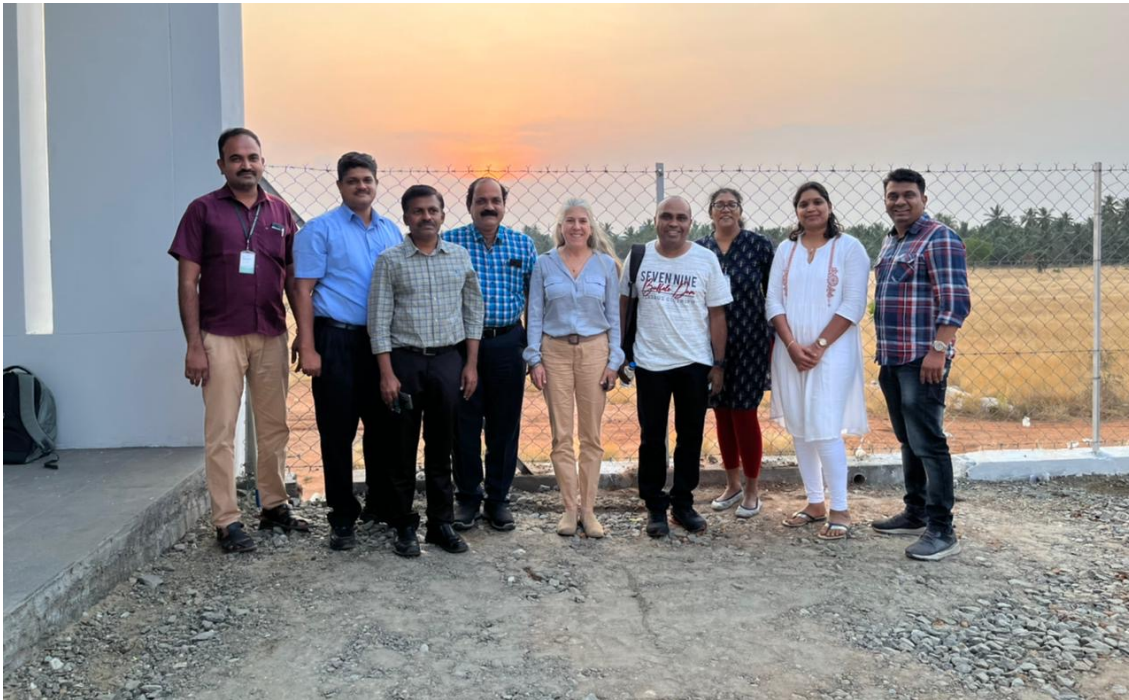
Where YESS Resonates with Most but Not All Stakeholders

- ❑ YESS Conformance Continuum
- ❑ Trainings and Resources are helpful
- ❑ Assessment is easy to accommodate

Year 1	Section 1: Embed responsible business conduct in the enterprise, policy, and management systems	
	<i>1.1 Responsible sourcing policy</i>	
	<i>1.2 Due diligence management system</i>	
	Section 2: Identify actual and potential harm of forced labor in cotton production in spinner's supply chain	
	2	Does the spinner identify where there is a risk of cotton produced with forced labor entering its supply chain?
	V.2.1.a	Does the spinner have a process to identify all suppliers?
	V.2.1.b	Does the spinner categorizes all cotton inputs?
	V.2.2	Does the spinner have a process to determine if there are any risks in its supply chains?
	V.2.a	Does the spinner know the country of origin and the risk level category—low- or high-risk—for that country for all unprocessed cotton lint received?
	V.2.b	Does the spinner know the supplier of all spinning wastage inputs received and the risk level category—low- or high-risk— for that spinning wastage?
	V.2.3.a	Does an adequate Know Your Supplier (KYS) process exist?
	V.2.3.b	Does the spinner have a process to determine the plausibility of origin and chain of custody of cotton inputs, including unprocessed cotton lint, spinning wastage inputs, and deconstructed cotton fiber?
	V.2.3.c	Does the spinner have a process to to investigate and address any discrepancies, inconsistencies, or other issues identified during the review of cotton inputs and documentation received
	Year 1 Improve	V.2.3.d
V.2.3.e		Does the spinner have a process to receive and respond to grievances or other stakeholder input on its due diligence program?
V.2.3.f		Does the spinner have a process to respond to identified risks, including establishing and implementing a risk management plan?
V.2.4		Has the spinner made good faith efforts to understand its relationship to identified risks of harm from forced labor in cotton production?
Year 2	Section 3: Cease, prevent, or mitigate harm in the spinner's supply chain	
Year 2**	Section 4: Track	
	<i>4.1 Verify, monitor, and validate progress and its effectiveness</i>	
Year 2**	Section 5: Communicate	
	<i>5.1 Communicate publicly and with affected stakeholders</i>	
Year 3***	Section 6: Provide for or cooperate in remediation when appropriate	

Considerations and Recommendations

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- ❑ Credibility within the industry is critical
- ❑ Reevaluate the methodology to identify high-risk countries
- ❑ Consider focusing on state imposed forced labor initially
- ❑ Recommunicate that YESS is not a certification scheme
- ❑ Establish a steering committee
- ❑ Strengthen capacity building in key sourcing hubs
- ❑ Expand resources and technical advice

YESS Activities and Next Steps



Patricia Jurewicz
Founder & CEO
Responsible Sourcing Network

YESS Pilot Activities

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- ❑ Wrap up Pilot Findings and share report with YESS Sponsors
- ❑ Implementation Working Group (IWG) Status
 - ❑ Calls have wrapped up
 - ❑ Further discussion needed on country-level high-risk methodology
 - ❑ Once final, Recommendations will be distributed to YESS Sponsors
- ❑ Textile Standard Status
 - ❑ Draft complete
 - ❑ Will be distributed for public comment once above point on country-level risk is finalized

2022 Next Steps

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- ❑ Publish finalized YESS Standards
- ❑ Finalize the YESS Action Plan
- ❑ Raise funds to implement the Action Plan
 - ❑ Includes focus on Capacity Building
- ❑ Establish a decision-making Implementation Steering Committee
- ❑ Circulate an RFP for auditor and assessment management
- ❑ Explore partnerships with leading initiatives and industry associations
 - ❑ Traders, merchants, yarn/fabric manufacturers

Action Plan 2023 - 2024

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- ❑ Conduct training and capacity building
- ❑ Begin conducting third-party assessments
- ❑ Formalize partnerships with leading initiatives
- ❑ Commence YESS membership with annual dues
- ❑ Establish an elected Steering Committee
- ❑ Support risk-mitigation capacity building and collaboration

YESS 2022 Sponsorship Options



Jamie Fortin
Senior Program Associate
Responsible Sourcing Network

YESS 2022 Sponsorship Options

[YESS Overview](#)

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Ambassador – \$10,000

- YESS Portal access for sourcing staff (trainings and quizzes)
- YESS Textile Mill Standard public consultation & finalization
- Wrap up of the YESS Implementation Working Group (IWG)
- Creation and implementation of YESS Action Plan

Champion - \$25,000

- Ambassador benefits plus:
- Sourcing staff + 10 facilities receive access to trainings and resources
- Access to quarterly Q&A sessions with YESS's due diligence expert
- Nomination of 2 facilities to be independently assessed (second cohort)

Pioneer - \$50,000

- Champion & Ambassador benefits plus:
- Limited technical advice for two nominated facilities
- Nomination of 2 facilities to be independently assessed (first cohort)
- 20% discount for Year 1 of YESS membership

Questions?

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