



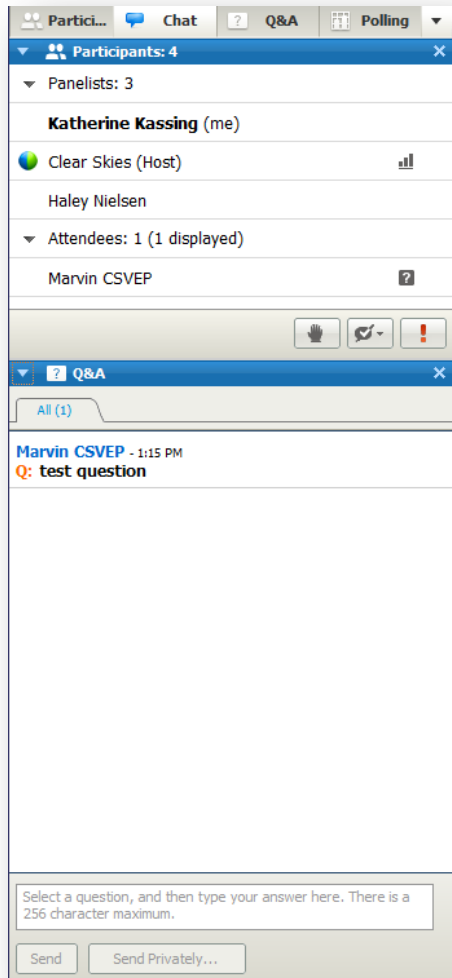
YESS: Yarn Ethically & Sustainably Sourced

Standard and Workbook Release

March 20, 2019

Logistics

2



- ❑ Webinar is being recorded
 - ❑ For technical support call 1-866-863-3904
 - ❑ Use the Q&A window to send us your questions, speakers will answer questions at the end
 - ❑ Click on the “Raise Your Hand” icon and we will unmute you so you can ask your question
 - ❑ You will receive an email with a link to the recording within 24 hours

Q&A Window

Today's Presenters

3



Liz Muller

Principal

liz **muller** & partners

Consultant to RSN

Patricia Jurewicz

Founder and Vice President

Responsible Sourcing

Network (RSN)

Webinar Agenda

4

1. YESS Introduction
2. Brief history of YESS
3. YESS Standard
4. YESS Workbook
5. Testimonials
6. Future Activities of YESS
7. Q&A



Yarn
Ethically &
Sustainably
Sourced

INTRODUCTION



What YESS Can Do For You

6

- ❑ Meet compliance requirements in multiple countries
 - ❑ US (CA and CBP for Turkmenistan cotton), UK, France, Netherlands, Australia
- ❑ Increase demand for farm-level initiatives
- ❑ Support effective and transparent due diligence throughout the entire supply chain
- ❑ Help eliminate modern slavery from cotton production

YESS Mission

7

To create an industry-wide due diligence program for yarn spinning mills to eliminate cotton produced with forced labor from their supply chains.



YESS Scope

8

What YESS Does:

- ❑ Implement a risk-based due diligence approach
- ❑ Focus on material control & management systems
- ❑ Does assess spinners to being conformant with the YESS Standard (one assessment a year)

What YESS Does Not:

- ❑ Identify and address labor conditions inside a spinning mill
- ❑ Create a check-the-box audit or a code of conduct
- ❑ Certify product
- ❑ Look at *all* human rights issues in cotton fields



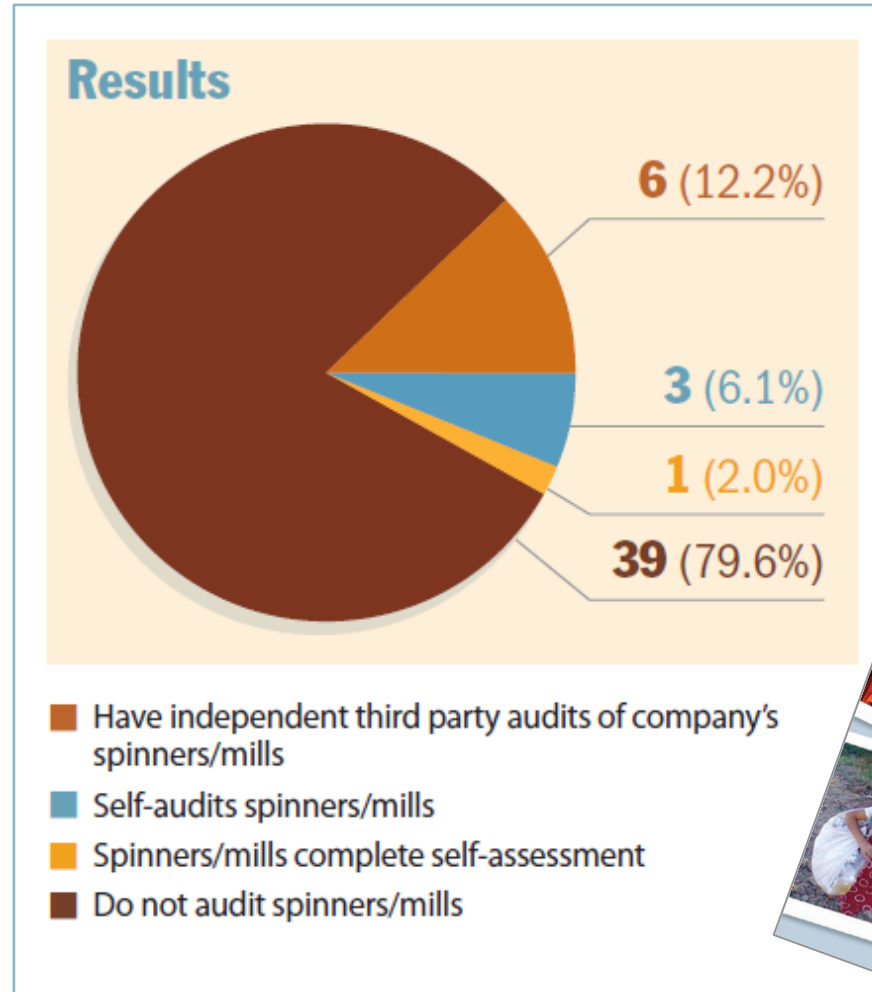
Yarn
Ethically &
Sustainably
Sourced

BRIEF HISTORY OF YESS



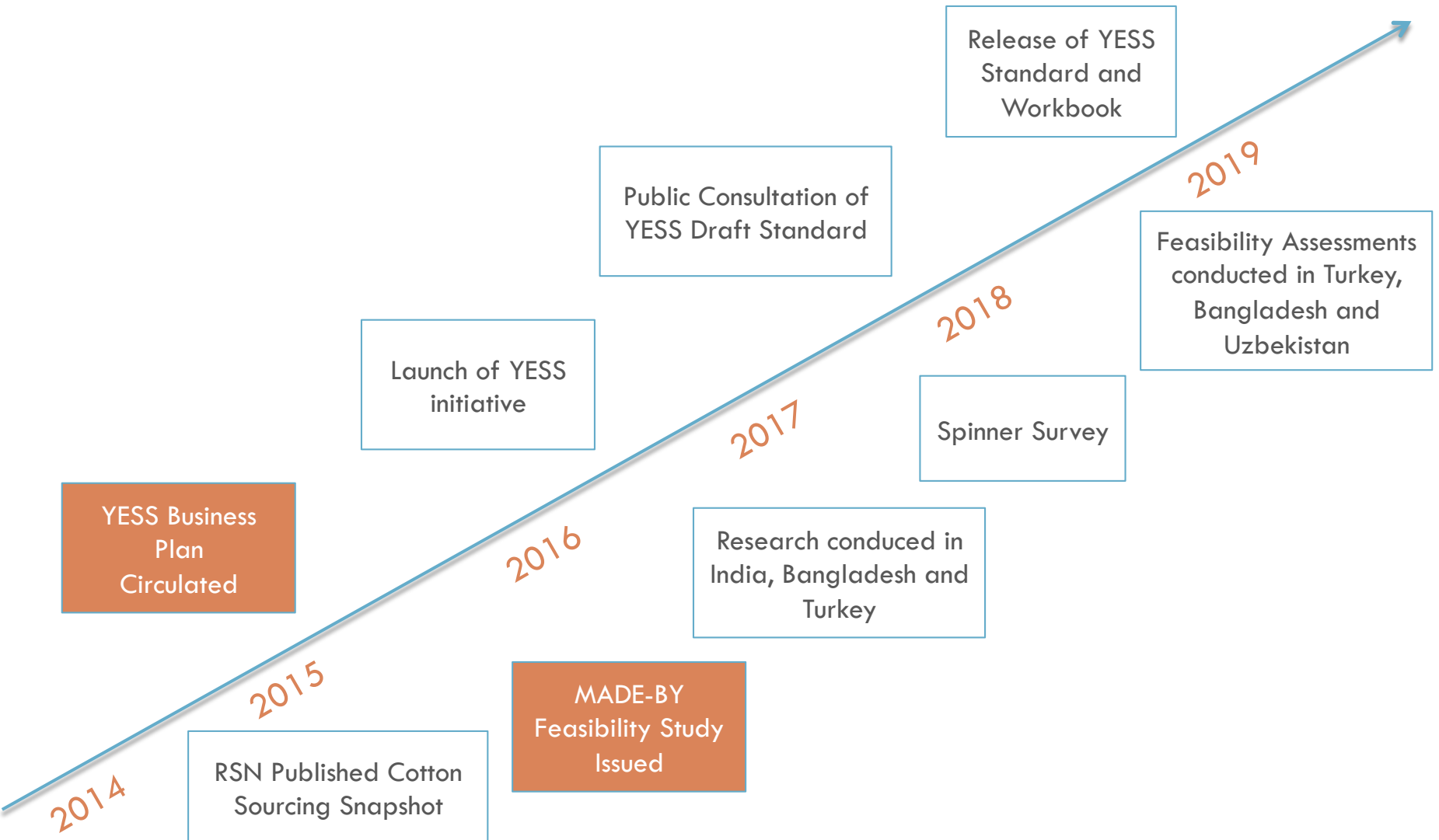
RSN's research showed that 80% of surveyed brands were not auditing spinners

10



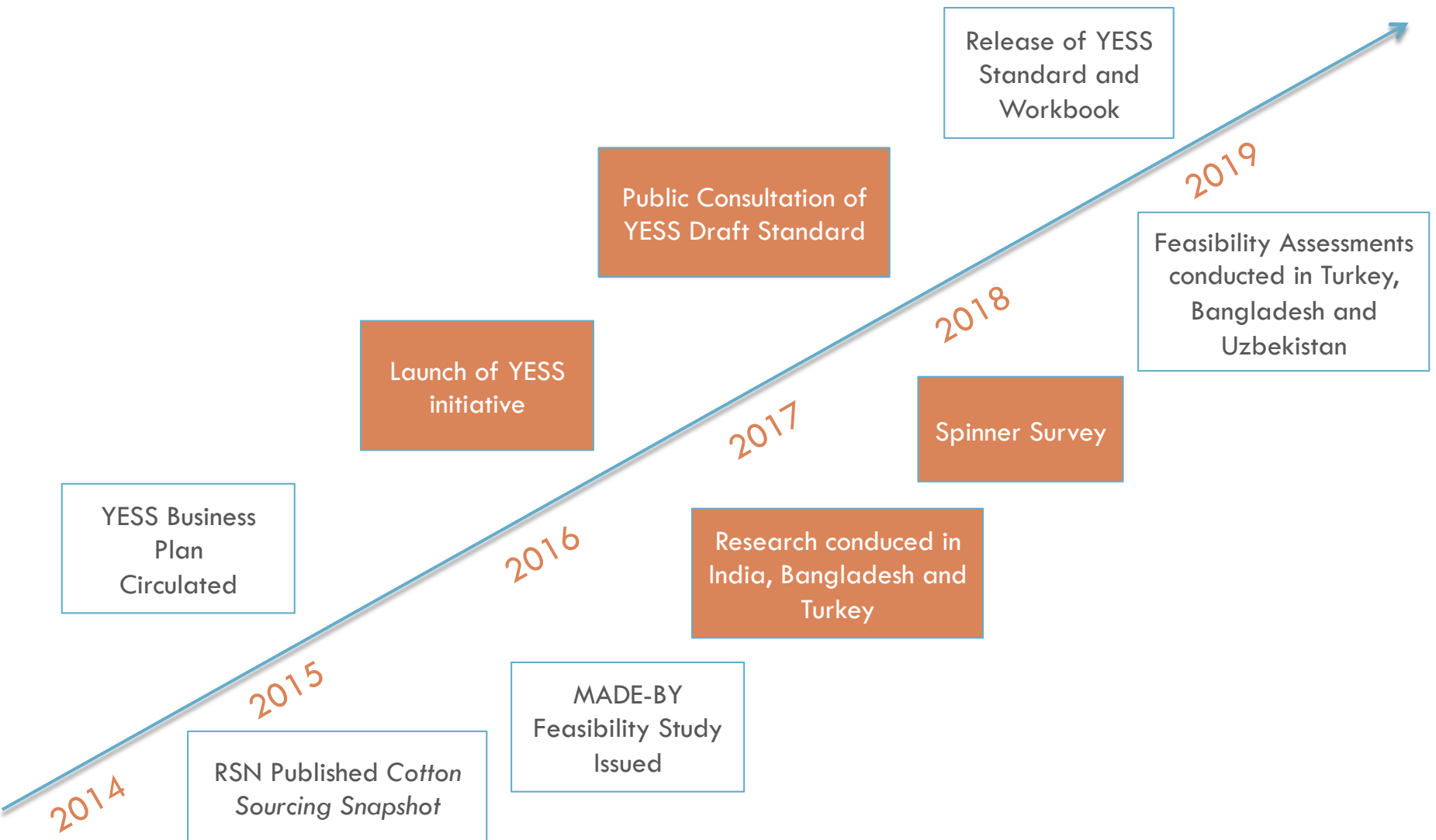
YESS Timeline: 2015

11



YESS Timeline: 2016-2018

12



Countries in the High-risk Category

13

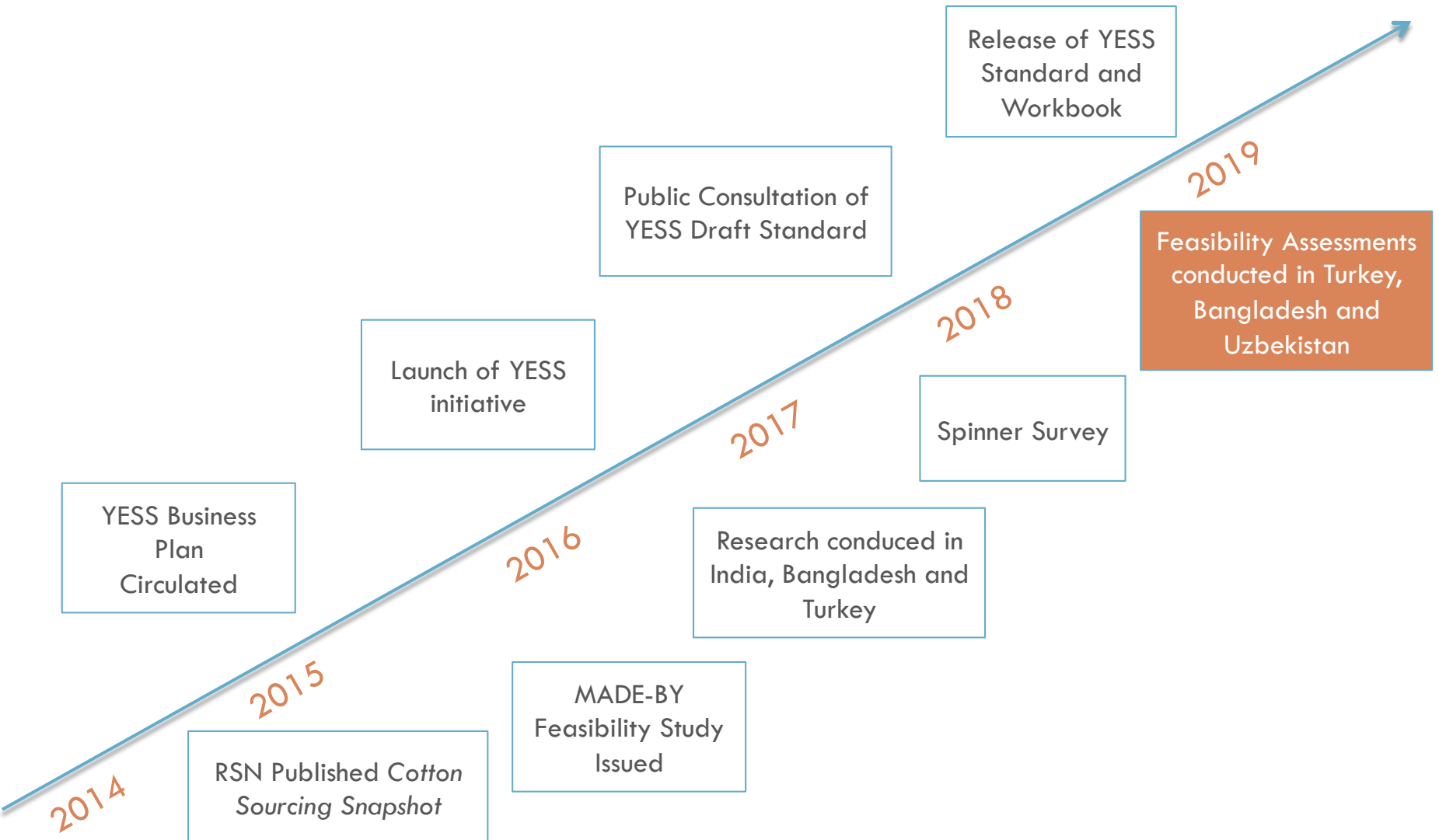


Nine Countries with High-Risk of Forced Labor in Cotton Production:

- Benin
- Burkina Faso
- China
- India
- Kazakhstan
- Pakistan
- Tajikistan
- Turkmenistan
- Uzbekistan

YESS Timeline: 2018

14



Feasibility Assessments

15

Locations: Bangladesh, Turkey, Uzbekistan

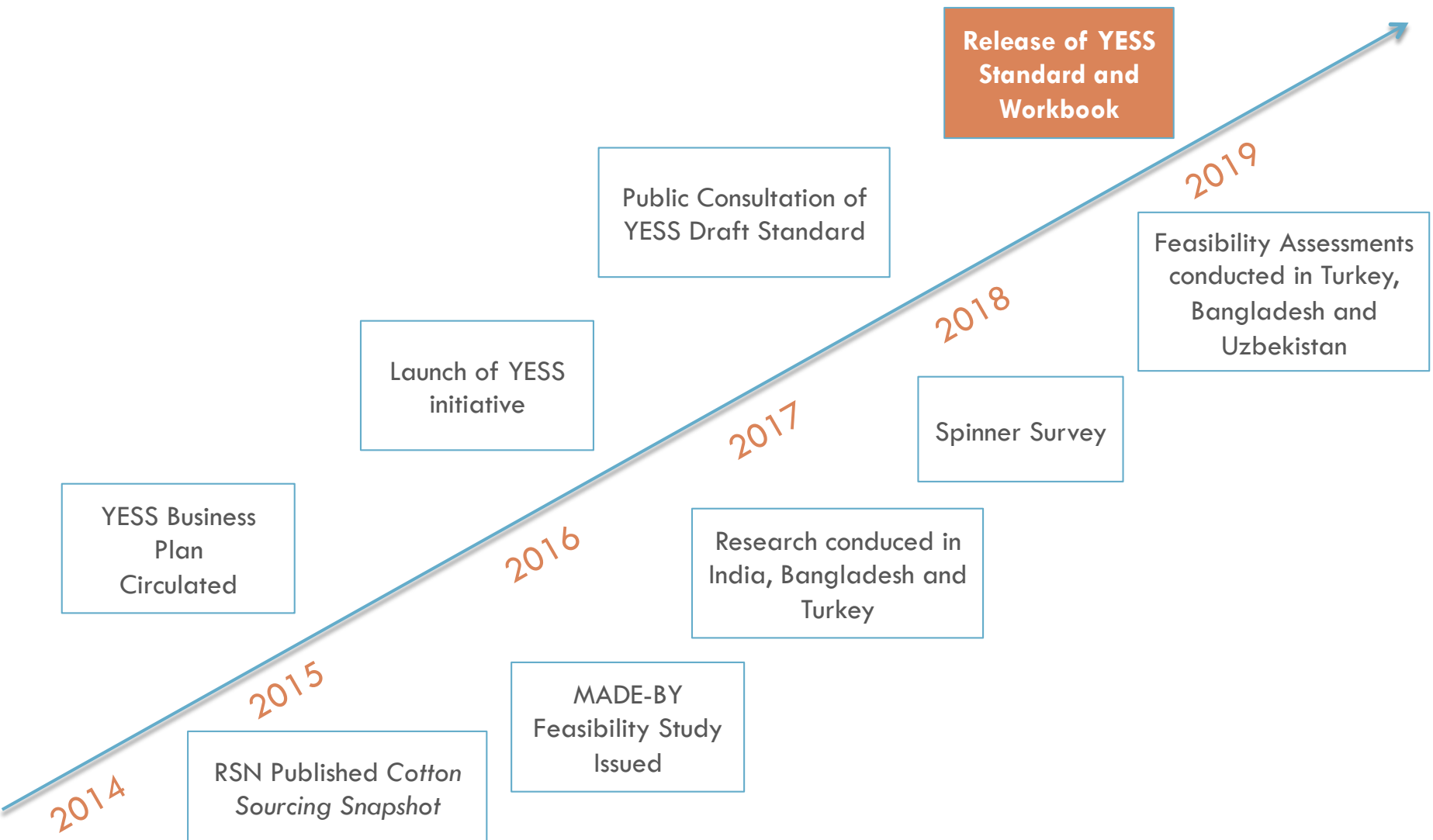
Activities:

- ❑ In-person training
- ❑ Reviewed YESS Standard and tools
- ❑ Assessed management systems, documentation, and reporting



YESS Timeline: 2019

16





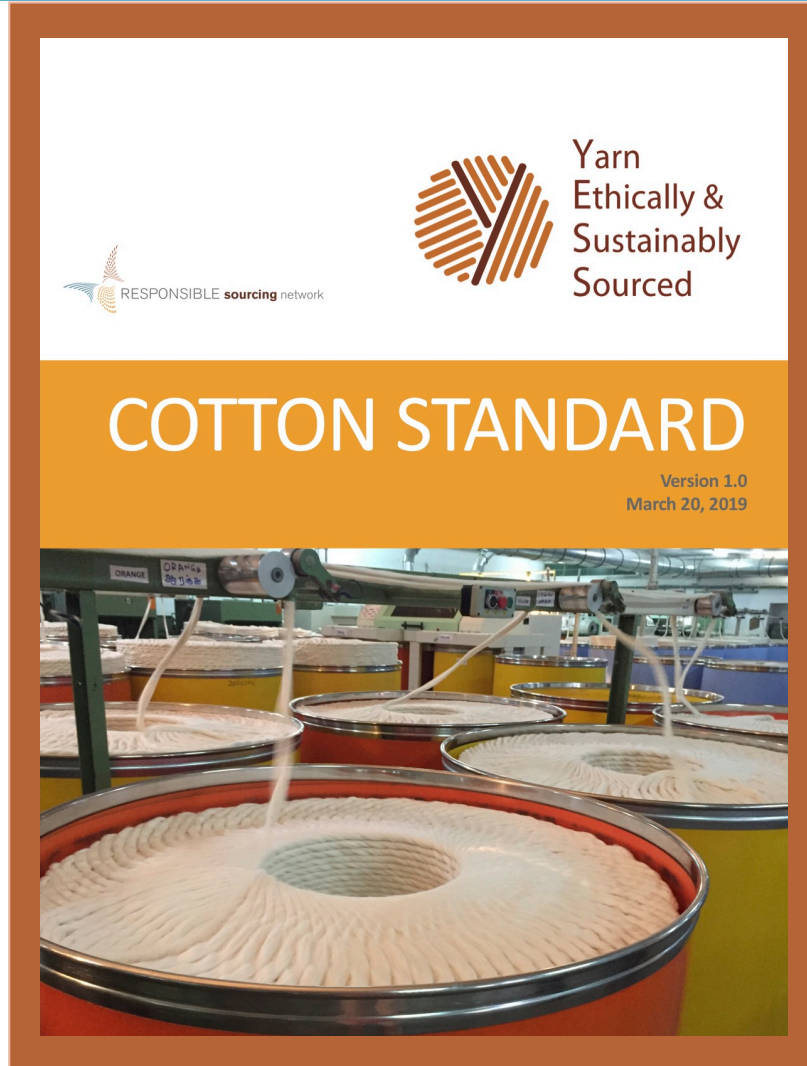
Yarn
Ethically &
Sustainably
Sourced

YESS STANDARD



YESS Cotton Standard

18



**Download the full
standard at:**

[www.sourcingnetwork.org
/yess-standard](http://www.sourcingnetwork.org/yess-standard)

Due Diligence Terminology

19

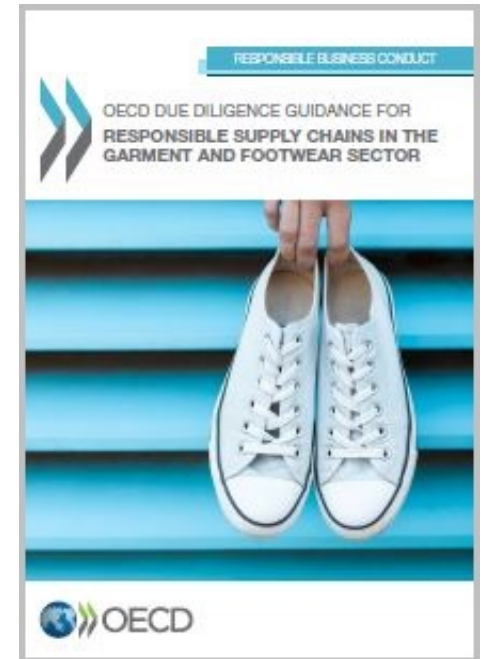
- ❑ **Due diligence:** Acting with reasonable care and investigating an issue before making a decision.
- ❑ **Harm:** Negative human rights and environmental impacts according to OECD.
- ❑ **Risk:** Actual or potential exposure to harm (for YESS, exposure to forced labor in cotton production).
- ❑ **Risk-based approach:** Applying different levels of due diligence proportionate to the risk faced by the company.
- ❑ **Red flag:** A concern, discrepancy, or other suspicious activity in a spinner's supply chain.

OECD's Due Diligence Guidance

20

YESS application of the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

- ❑ Embed responsible business conduct in **policy and management systems**
- ❑ **Identify potential and actual harm** in supply chains
- ❑ **Cease, prevent, or mitigate harm** in supply chains
- ❑ **Track performance**
- ❑ **Communicate activities and progress**
- ❑ **Provide for or cooperate in remediation** when appropriate.



<http://mneguidelines.oecd.org/responsible-supply-chains-textile-garment-sector.htm>

Supply Chain Risks

21

Two Risk Categories

Risks associated with the material

- ❑ Risk category of origin
- ❑ Plausibility of origin
- ❑ End of life

Risks associated with the supplier

- ❑ Process
- ❑ Sourcing strategies
- ❑ Management systems

Low-risk Supply Chain

22

A supply chain is considered low-risk if **NONE** of these situations are identified:

- ❑ Cotton lint is produced in a high-risk country;
- ❑ Cotton lint originates in a country with limited or no cotton production;
- ❑ There are discrepancies, inconsistencies or other issues identified during the review of cotton (including lint qualities and characteristics) and documentation that have not been addressed.

High-risk Supply Chain Expectations

23

In high-risk supply chains, a spinner must:

- ❑ Fully understand the factual circumstances in its supply chain so as to be able to identify risks and assess whether or not these can be mitigated in order to continue to source from those areas.
- ❑ Ensure transaction documents validate the plausibility of origin to a low-risk country (or gin or farm within a high-risk country).
- ❑ Develop a process to identifying, assessing, and managing risks.



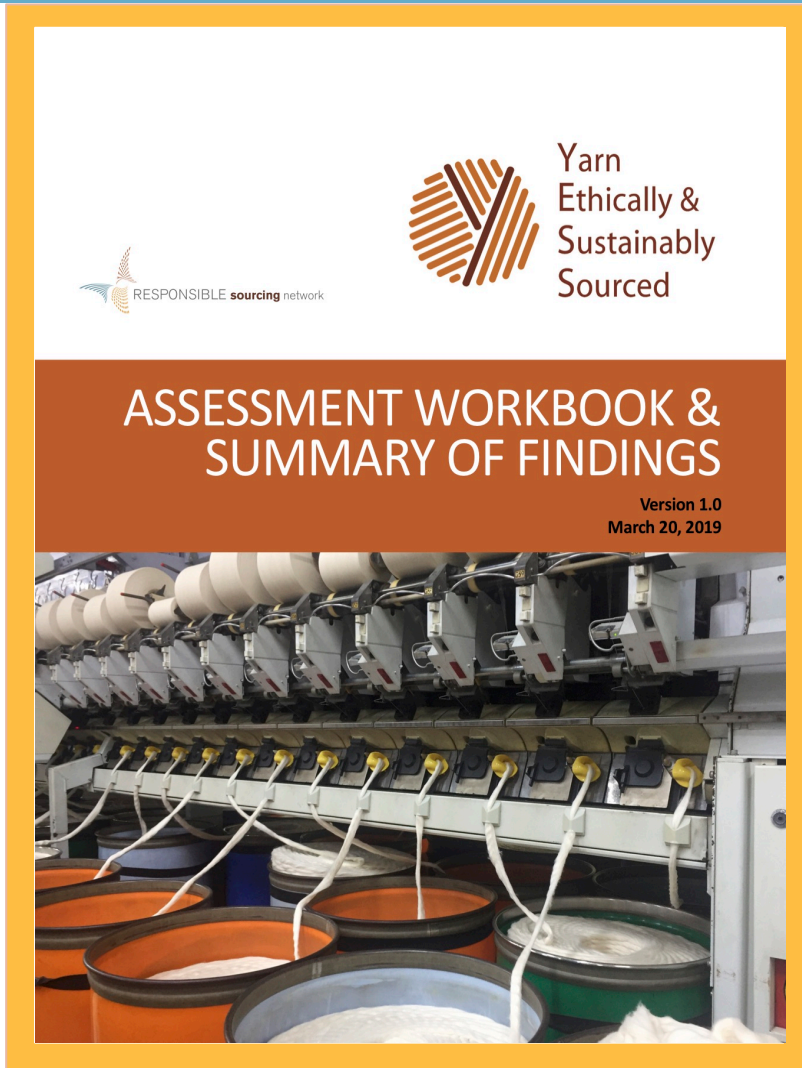
Yarn
Ethically &
Sustainably
Sourced

YESS WORKBOOK



YESS Assessment Workbook & Summary of Findings

25



**Download the full
workbook at:**

[www.sourcingnetwork.org
/yess-standard](http://www.sourcingnetwork.org/yess-standard)

YESS Workbook Sections

26

- ❑ Spinner Profile
- ❑ Sourcing Dashboard
- ❑ Management System Checklist
- ❑ Transaction Detail Sheets (High-risk lint, Low-risk lint, Processed)
- ❑ High-risk Mitigation Action Plan (*High-risk only*)
- ❑ Summary of Findings

Overview

Spinner Profile

Sourcing Dashboard

Management System Checklist

Low-risk Transactions-Lint

High-risk Transactions-Lint

Transactions-Processed

High-risk Mitigation Plan

Summary of Findings

Workbook: Spinner Profile

27

	Ring spun	Open-end	Select Unit
Number of spindles			N/A
Annual volume of lint processed			
Annual volume of yarn products			
Annual volume of other cotton products			
	Select Yes or No	Volume	Select Unit
Vertical textile mill		N/A	N/A
Source: Conventional cotton			
Source: Better (BCI) cotton			
Source: Cotton Made in Africa cotton			
Source: e3 cotton			
Source: Fairtrade cotton			
Source: Other cotton			

Workbook: Management System Checklist

Due Diligence Management Systems Details						
Question number	YESS Std	Overarching questions	Criteria	Spinner lists prior to onsite assessment	Assessment Team completes this section during the	
Section 1: Embed responsible business conduct in the enterprise, policy, and management systems			<i>Auditee should address each of these criteria Assessment Team should assess conformance against each and all of these criteria</i>	List evidence (procedure, document, system)	Assessment Team explanation	Assessment Team conclusion (conformant/non-conformant)
<i>1.1 Responsible sourcing policy</i>						
1.1	V.1.1	Does the spinner have a documented and effective sourcing policy that commits to avoiding sourcing cotton produced with forced labor?	<ul style="list-style-type: none"> • A policy exists that: <ul style="list-style-type: none"> - Sets out a clear and coherent management process for risk management. - Commits the spinner to the due diligence steps described in the YESS Standard. - Commits the spinner to adhering to international standards and ensuring sufficient resources and support for effective execution of its policy. - States spinner's expectations of suppliers regarding cotton lint produced with forced labor. 			

Workbook: Summary of Findings

32

Sourcing Highlights				
	Spinner is located in a high-risk country			
	Spinner sources cotton lint from high-risk countries			
	Spinner is located in a country known to receive a high percentage of cotton lint from high-risk countries			
	Spinner sources cotton wastage from spinning mills that are non-conformant with YESS			
Assessment Findings: Non-conformances				
Summary of Non-conformances				
No.	YESS Standard section (select from list)	Non-conformance	Recommended improvement	Spinner's response
Assessment Findings: Continuous Improvement Opportunities				
Observations & Recommendations				
No.	YESS Standard section (select from list)	Observation	Recommended improvement	Spinner's response
		◆		
Assessment Findings: Continuous Improvement Achievements				
Continuous Improvement Achievements				
No.	YESS Standard section (select from list)	Identified opportunity	Action taken	Improved outcome

Testimonials

33

Shanel Orton

Manager, Responsible
Materials & Traceability

VF corporation

Kelly Cheung

Sustainability, Social
Responsibility & Public Policy

The Walt Disney Company



Yarn
Ethically &
Sustainably
Sourced

FUTURE
ACTIVITIES



YESS Proposed Future Activities

35

Continue Program Development

- ❑ Refine and expand program elements
- ❑ Complete training materials for brands, auditors and spinners
- ❑ Train auditors and spinners to pilot at spinning mills
- ❑ Conduct pilot assessments with trained auditors

Establish Formal Partnerships and Update a Financial Plan

- ❑ Coordinate efforts with apparel and cotton initiatives
- ❑ Evaluate farm-level schemes' forced labor assessments
- ❑ Detail a sustainable financial plan

YESS Proposed Future Activities (cont.)

36

Expand the YESS Team

- ❑ Establish a multi-stakeholder Steering Committee
- ❑ Create YESS membership
- ❑ Expand YESS staff

Implement, Revise and Integrate

- ❑ Roll out spinning mill assessments globally
- ❑ Investigate integrating with an existing initiative
- ❑ Review and revise the YESS Standard and tools (yr 3)

Opportunities to Support YESS

37

Founding Partners:

- ❑ Contribute financially
- ❑ Sit on the YESS Steering Committee
- ❑ (Brands and Retailers) Have nominated spinning mills prioritized to undergo YESS pilot and full assessments
- ❑ Transition to a YESS membership model

NGO Stakeholders:

- ❑ Sit on the YESS Steering Committee
- ❑ Sit on the YESS Assessment Committee

Questions?

33

Please type your questions into the question box on the control panel of your screen.



Yarn
Ethically &
Sustainably
Sourced

Patricia@sourcingnetwork.org
+1.510.735.8145
sourcingnetwork.org

Liz@lizmuller.com
+1.415.609.9040
lizmuller.com

www.sourcingnetwork.org/YESS