YESS Initiative - Company Participation

**YESS Goal:** Prevent cotton produced with forced labor from entering global supply chains.

**Method:** Assist spinning mills develop and assess effective due diligence programs to prevent sourcing cotton produced with forced labor.

Preventing modern slavery from entering the global cotton supply chain is now an achievable goal. By joining Responsible Sourcing Network’s (RSN’s) YESS: Yarn Ethically & Sustainably Sourced (YESS) initiative, brands can lead the industry to doing just that!

YESS eliminates forced labor from the textile supply chain by training and assessing yarn spinners to identify, address, and prevent sourcing slave-produced cotton. YESS enables brands to transition from “not knowingly sourcing” to “knowing, and addressing” cotton produced with forced labor. As brands and their spinners increase their consumption of ethical and sustainable cotton, they will simultaneously reduce their risks associated with cotton harvested with modern slavery from entering their supply chains.

RSN released the [YESS Standard and Workbook Version 1.0](https://www.responsiblesourcingnetwork.org/yess) on March 20th, 2019. Now, it is in the hands of global brands, retailers, and spinning mills to partner with us to establish a global YESS program.

**YESS Action Plan**

The YESS Standard, Assessment Workbook, and initial training materials are complete. RSN now requires **$2.5 million over the next three years** (2019-2021) to roll out YESS. Companies’ contributions and additional support from the industry will enable RSN to:

1. **Finalize the YESS program**
   - Conduct pilot assessments at 6 – 10 spinning mills in 3 – 5 countries during Q3-4 2019
   - Incorporate pilot assessment learnings and complete comprehensive training materials
   - Conduct training sessions for select spinners, auditors, and brands
   - Refine and finalize program elements: risk-based research, checklists, document library, data collection tools, auditor requirements and approval process, KPI development, and assessment process (from initial spinner engagement to final spinner approval and future re-audits)

2. **Establish formal partnerships and collaborations**
   - Formalize YESS’ current working relationships with existing apparel and cotton initiatives; determine opportunities for collaboration and partnerships
   - Map and forecast annual memberships and other revenue streams; gain industry buy-in; determine coverage of assessment costs
   - Explore a blockchain system to coordinate activities throughout the apparel industry

3. **Expand the YESS team**
   - Establish and facilitate a Steering Committee, working groups, and processes per the ISEAL Codes of Good Practice
   - Expand staff to coordinate and manage YESS activities
   - Create an Audit Review Committee (Year 2) and a Standards Setting Working Group (Year 3)
4. Implement, review, revise, and integrate
   - Roll out assessments of spinning mills globally (assess ~20 mills Year 2; ~45 mills Year 3)
   - Review and revise the YESS Standard and tools (Year 3 if needed)
   - Investigate potential to integrate with an existing apparel or cotton initiative (Year 3)

Value of being a YESS Company Participant

1. Eliminate forced labor from cotton supply chains. Companies participating in YESS represent the beginning of the end of forced labor in cotton production. Spinning mills, where cotton lint from multiple sources is blended to make yarn, are a crucial leverage point in the cotton supply chain and the key control point for identifying a cotton’s origin. YESS will ensure spinning mills have internal systems in place to prevent cotton produced with forced labor from entering their supply chains.

2. Enable compliance with anti-slavery legislation, principles, and goals. Anti-slavery legislation requires companies doing business in California, the UK, and Australia to disclose their anti-slavery due diligence activities. The UN’s Guiding Principles for Business and Human Rights—the Ruggie Principles—reference due diligence, as do laws in Australia, France, Netherlands, UK, and California. The UN Sustainable Development Goal (SDG) 8 and Indicator 8.7 focus on eliminating forced labor and achieving decent work for all. YESS participation will assist participating companies—and the industry—in complying with anti-slavery and due diligence laws and contributing to the UN SDGs.

3. Reduce potential and actual legal, financial, and reputational risks. A YESS Company Participant demonstrates to customers, investors, and stakeholders strong, clear leadership in eliminating forced labor from its own and the global cotton industry’s supply chains.

4. Support an effective due diligence approach. YESS applies the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, which has wide industry and government support. OECD Due Diligence Guidance is a proven method for companies at retail level, as well as each tier of the supply chain, to identify and address risks over time through a continuous improvement process.

Be a leader in eliminating modern slavery from the global cotton supply chain through one of these options to participate with YESS:

Founding Partner

As a Founding Partner, your company will lead as a seed-stage investor. Founding Partners receive all of the benefits of the Pilot Assessment Partners, plus, have additional priorities, involvement, and recognition:

Be prioritized for YESS assessments and support. Founding Partners may nominate spinning mills for the pilot assessment phase during Q3-4 2019, and will have mills prioritized to undergo full YESS assessments (2020-2021). Founding Partners will receive direct support from YESS on brand-spinner engagement and training.
Sit on the YESS Steering Committee. Founding Partners are offered a seat on the multi-stakeholder YESS Steering Committee for three years and will drive how YESS will be established and implemented globally.

Recognized on the YESS Website. Founding Partners will have their logos on the homepage of YESS and will be seen as a leader to help eliminate slavery from the cotton textile supply chain.

<table>
<thead>
<tr>
<th>Yarn Level:</th>
<th>Lint Level:</th>
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</thead>
<tbody>
<tr>
<td>● Cost: $150,000</td>
<td>● Cost: $75,000</td>
</tr>
<tr>
<td>● Pilot mill assessments: four</td>
<td>● Pilot mill assessments: three</td>
</tr>
<tr>
<td>● Logo listed on RSN’s website</td>
<td>● Partner’s logo listed on RSN’s website</td>
</tr>
<tr>
<td>● Seat YESS Steering Committee for a FP representative and a nominated spinner</td>
<td>● Seat on the YESS Steering Committee</td>
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**Pilot Assessment Partner**

YESS is offering an option for brands to become YESS Pilot Assessment Partners and receive the benefits of nominating spinning mills for the fall 2019 YESS pilot assessment phase, learning in-depth about implementing due diligence in the middle of the supply chain, moving the YESS initiative forward for the industry, and contributing to the training of auditors. The sponsors’ sourcing and social responsibility teams will gain a strong understanding of how spinners source and process cotton and how to apply a risk-based due diligence approach to identify and address risk of forced labor in the cotton supply chain.

YESS Pilot Assessment Partners will work together in a “pooled” approach where four or five brands will each nominate two spinning mills to undergo a pilot assessment. Pilot Assessment Partners will receive a Summary of Findings for the spinning mills they nominate and a high level “dashboard” of findings for all 8-10 participating spinning mills. This approach is dependent on the commitment from four to five brands.

The brands would work with RSN—and each other—to select and secure participation of 8–10 spinning mills in three to four countries and designate a YESS point of contact¹ (YPOC) for participating spinners. YESS estimates that the pilot assessment process would be completed within six months from the time spinning mills and locations are selected.

<table>
<thead>
<tr>
<th>Cotton Boll Level:</th>
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<tbody>
<tr>
<td>● Cost: $50,000</td>
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<tr>
<td>● Pilot mill assessments: two</td>
</tr>
<tr>
<td>● Receive dashboard of findings for 8-10 mills</td>
</tr>
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Please email info@sourcingnetwork.org if you have any questions, want more information, or are interested in starting the process of becoming a YESS Founding Partner or Pilot Assessment Sponsor.

¹ A YESS point of contact (YPOC) is expected to facilitate communication and logistics with, and ensure preparedness of the designated (presumed to be the brand’s nominated) spinning mill. It is anticipated that each sponsoring brand would provide local YPOCs for two spinning mills. Each YPOC is expected to attend the YESS trainings and assessments.