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Yarn Ethically & Sustainably Sourced Standard for Spinners, or YESS Standard for Spinners
Yarn Ethically & Sustainably Sourced Assessment Workbook for Spinners, or YESS Workbook for Spinners
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I. DEFINITIONS OF TERMS AND ACRONYMS

**Assessment:** An evaluation of a person, organization, system, process, spinner, project, or product.

**Assessment period:** The period of time covered by the assessment, typically one year.

**Bill of lading:** A document issued by a carrier, or its agent, to the shipper as a contract for carriage of goods. It is also a receipt for cargo accepted for transport, and must be presented at the destination to accept delivery.

**Business relationship:** Includes relationships with business partners, entities in the enterprise’s supply chain, and any other non-state or state entity directly linked to its business operations, products, or services.

**By-product:** Any secondary product created during the spinning process. Examples include—but are not limited to—stuffing, carding waste, combing waste.

**Chain of custody:** Set of chronological documentation or a paper trail that records the sequence of custody, control, transfer, analysis, and disposition of physical or digital evidence.

**Choke point:** Critical step in the supply chain, which is identified by characteristics such as: 1) key points of transformation of a product or material, 2) relatively few actors that process the majority of a commodity, or 3) greater visibility and control over the circumstances of production and trade upstream.

**Continual improvement:** A set of recurring activities that are dedicated to enhancing performance. Continual improvements can be achieved by carrying out assessments, self-assessments, and management reviews. Other activities that contribute to continual improvement include collecting data, analyzing information, setting objectives, and implementing corrective and preventive actions.

**Corrective action plan:** A plan developed and implemented by an enterprise to prevent or mitigate future harm. The plan should include clear timelines, target outcome-oriented solutions, and match the severity of the harm.

**Cotton inputs:** Any type of cotton received by the spinner (e.g. unprocessed cotton lint, cotton by-product (from combing or carding), recycled cotton lint, and cotton yarn).

**Cotton outputs:** Any type of cotton yarn, by-product (e.g. carding or combing waste), or waste that is produced from the spinner’s processes.

**Country of origin:** The country where the cotton was grown.

**DOL:** United States Department of Labor.

**Direct sourcing:** A direct, contractual agreement between an enterprise and its supplier.

**Downstream:** Once the cotton yarn has been spun, downstream refers to the portion of the supply chain that brings the yarn to the end consumer (e.g. fabric mill, cut and sew facility, sourcing agent, distribution center, retail store).

**Due diligence:** The process through which an enterprise can identify, prevent, mitigate, and account for how it addresses actual and potential adverse impacts. This process is ongoing and involves continuously investigating business operations to include the risks of adverse, or harmful, impacts.

**Due diligence system:** An enterprise’s management system that allows, supports, tracks, and directs due diligence activities to identify and address harm across the enterprise’s operations and its supply chain.

**Enterprise:** A business or company.
Farm-level scheme: Cotton, or the cotton farm, is assessed, licensed, certified, and/or tracked by another organization. Examples include, but are not limited to, Better Cotton Initiative, Cotton Made in Africa, e3, and Fairtrade. As of the YESS Standard’s effective date, no farm-level schemes have been evaluated by YESS to determine if they are identifying and addressing forced labor sufficiently. Refer to the YESS website for future updates.

Forced labor: “All work or service, which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.”¹ Such work can include, but is not limited to, state-imposed forced labor.²

High-risk countries: A country is placed into this YESS-determined category when evidence of three or more ILO indicators of forced labor are found in the country’s cotton production. High-risk countries for the YESS Standard can be found in List 1 and determination details are in Annex IV.

High-risk source: High-risk countries, non-conformant suppliers of processed cotton, suppliers with identified red flags.

ILO: International Labour Organization.

Immediate supplier: The enterprise that supplies cotton inputs to the spinning mill (e.g., ginners, traders, other spinning mills, fiber producers, downstream users).

Inland forwarding note: A document or documents demonstrating transportation from gin to point of export, or from point of import to spinning mill.

Internal material control systems: These systems serve to validate the spinner’s ability to record, control, and monitor material received, stored, processed, or otherwise handled by the spinner.

Inventory: Inventory includes physical cotton lint, wastage, by-products, finished products, work-in-process, and all other cotton materials in the spinner’s possession.

Know Your Supplier (KYS): A process to identify all of the suppliers from which the spinner is purchasing and hold these suppliers accountable for responsible sourcing of cotton.

Low-risk countries: Countries in this category have no evidence, or insufficient evidence, of forced labor in their cotton production. This category includes all cotton-producing countries other than the high-risk countries mentioned in List 1.

Mass balance: The calculation used to substantiate the total cotton inputs processed by the spinning facility over the course of the assessment period. The mass balance calculation—otherwise known as the processing loss, or margin of error—checks the quantity of cotton onsite at the beginning of the assessment period (i.e. in inventory or work-in-process) plus cotton inputs received or purchased during the assessment period (total inputs) against any cotton onsite at the end of the assessment period (i.e. in inventory or work-in-process) plus the finished products sold during the assessment period (total outputs).

The mass balance is calculated as a percentage of total cotton inputs received during the assessment period.

Mitigation: The act of minimizing or eliminating risk. Mitigation measures may be directed toward reducing the frequency or severity of an adverse impact, and can be implemented at any time.

MSI: Multi-stakeholder initiative.

NGO: Non-governmental organization. Also known as a CSO, or civil society organization.

OECD: Organisation for Economic Co-operation and Development.

Origin: The location where the cotton lint was grown, produced, or ginned, with as much detail as possible. At a minimum, the identified origin should be at the country level.

Plausibility: Seeming reasonable or probable; having an appearance of truth; credible, believable.

Prevention: The act of stopping an adverse impact before it has occurred.

Processed cotton inputs: Cotton lint or yarn that has been processed beyond ginning. This category may include cotton lint that was generated as by-product or wastage through spinning operations (e.g. blowing, carding, combing, or other cotton yarn).

Recycled cotton inputs: Cotton lint generated from a post-manufactured product (e.g. from deconstructed fabric or garment).

Red flag: A concern, discrepancy, or other suspicious activity in a spinner’s supply chain. Examples include—but are not limited to—product or documentation that references a multi-country region rather than a country of origin; cotton claimed to originate in a country not known to produce and/or export cotton; altered documents; inconsistencies in paperwork; shipment through atypical transit routes; cotton characteristics or volumes that do not align with those associated with the stated country of origin.

Risk: Actual or potential exposure to harm from forced labor in cotton production as a result of an enterprise’s activities.

Risk-based approach: An approach to conducting due diligence that is proportional to, and reflects the level of, risk faced by an enterprise.

Spinner: Also known as a yarn spinning mill. A facility that opens up bales of cotton inputs and spins them into yarn (pure or blended with non-cotton fibers or filaments). The spinner could be a stand-alone entity or part of a vertically-integrated operation that also manufactures textiles.

Stakeholder: A person, group, or organization that has an interest in an operation and is affected by its actions.

Tolling: A transaction where cotton inputs are processed by a gin or spinning mill on behalf of a client who retains ownership of the lint or yarn produced by said cotton inputs.

Traceability: Ability to track the cotton lint back to its origin.

Unprocessed cotton lint: Cotton lint that has not been processed beyond ginning.

Upstream: Upstream refers to the portion of the supply chain that includes cotton production (i.e. planting, cultivating, harvesting, and ginning) prior to its arrival at the spinning facility (e.g., farm, gin, merchant).
II. INTRODUCTION

Responsible Sourcing Network (RSN) established the YESS: Yarn Ethically & Sustainably Sourced (YESS) initiative to cultivate transparent and accountable supply chains and collaborative corporate engagement in the cotton sector. Unfortunately, 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 aims to prevent and mitigate the harm caused by the production of cotton lint that involves forced labor by conducting due diligence training and assessing yarn spinners for their ability to identify and address this harm.

The YESS Cotton Standard (YESS Standard) was developed as a specific, practical framework to assess the operations and practices of cotton yarn spinning mills. More precisely, it is a guide for a spinner to avoid sourcing cotton inputs that have a high likelihood of forced labor risks in their production. Spinning mills serve as a key choke point for implementing due diligence because they occupy a critical step in the supply chain where cotton is mixed together with various sources of cotton lint or other fibers to produce yarn. This step is a crucial point at which to validate the origin of all lint.

The YESS Standard is intended to align with the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector (OECD Due Diligence Guidance). The guidance specifies that all enterprises, regardless of size, have a responsibility to carry out due diligence in order to avoid and address the potential negative impacts of their activities and supply chains.

The OECD Due Diligence Guidance includes 12 modules on sector risks. These modules provide information on how an enterprise could tailor its due diligence approach to address specific sector risks along its entire supply chain. Module 3 is dedicated to forced labor. YESS uses the International Labor Organization’s (ILO’s) definition (which aligns with the OECD’s definition) and the ILO indicators of forced labor to identify countries that have a high-risk of forced labor in their cotton production. Annex IV includes a detailed methodology of YESS’s category determination of “high-risk countries” and “low-risk countries.”

The OECD provides guidance on how various enterprises in the garment and footwear sector may conduct due diligence in alignment with the OECD framework. It is important to note that not all recommendations or considerations of the due diligence framework are applicable to every supply chain actor. The YESS Standard is specific to implementing due diligence measures for a spinning mill’s suppliers (e.g. merchants, agents, gins, other spinners) and cotton inputs. It also requires the spinner to account for and reconcile all cotton inputs received, processed, or sold.

Scope

Since YESS is focused on addressing forced labor risks in cotton production at the farm level, the YESS Standard does not apply the OECD Due Diligence Guidance to the spinner’s own operations (except for operations relating to sourcing or controlling cotton inputs). Enterprises that are not physically spinning yarn on their own premises or trying to identify and address labor abuses other than forced labor on cotton farms are also out of scope.

The YESS Standard sets forth the spinner’s supply chain due diligence activities and assesses their alignment with the six-step applicable framework of the OECD Due Diligence Guidance as it relates to forced labor in cotton inputs:

1. Embed responsible business conduct in enterprise policy and management systems
   1.1. Adopt a policy that articulates the enterprise’s commitment to identify and address forced labor in cotton production within its supply chain.
1.2. Strengthen management systems in order to conduct due diligence on risks of forced labor in cotton production in the enterprise’s supply chain.

2. Identify potential and actual harm from forced labor in cotton production in the enterprise’s supply chain
   2.1. Scope the risks of harm from forced labor in cotton production in the enterprise’s supply chain.
   2.2. Assess suppliers associated with higher-risks at the site-level.
   2.3. Assess the enterprise’s relationship to impacts of forced labor in cotton production.

3. Cease, prevent, or mitigate forced labor in cotton production in the enterprise’s supply chain
   3.1. Seek to prevent or mitigate harm from forced labor in cotton production in the enterprise’s supply chain.

4. Track (conducted through a YESS assessment)
   4.1. Verify, monitor, and validate progress on due diligence and its effectiveness in the enterprise’s supply chain. ³

5. Communicate
   5.1. Communicate publicly on the enterprise’s due diligence system, including how the enterprise has addressed potential and actual harm from forced labor in cotton production.
   5.2. Communicate with affected stakeholders.

6. Provide for or cooperate in remediation when appropriate
   6.1. Commit to hearing complaints against the enterprise that are raised through legitimate processes. ⁴

**Risk-based approach**

The YESS Standard requires the spinner to implement due diligence proportional to the risk profile of their cotton inputs. In other words, a spinner that sources cotton lint produced in high-risk countries would be expected to employ a more robust due diligence system than a spinner that only sources cotton lint produced in low-risk countries. A list of high-risk countries is presented in List 1.

Likewise, the robustness of supplier due diligence should be proportionate to the risks posed by each supplier.

A spinner must establish management systems, conduct risk assessments based on the collection of supply chain information, undergo a third-party assessment of its due diligence system, and report on due diligence, and provide a grievance mechanism, regardless of the source of its cotton inputs. Only a spinner sourcing from a high-risk source (i.e. high-risk countries, non-conformant suppliers of processed cotton, suppliers with identified red flags) is required to implement steps related to the management of specific risks (see Table 1 next page).

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³ *The effectiveness of due diligence is measured by the extent to which actual and potential harm from forced labor in cotton production is prevented and mitigated in the enterprise’s supply chain.*

The spinner's internal implementation of a due diligence system needs to be flexible and based on individual circumstances and factors. For example, the size of the spinner, the location of the spinning activities, the situation in a particular country, types of suppliers, and the sector and nature of the products or services involved could affect the due diligence system.

**Transit risks**

Transit risks in spinner supply chains are relatively rare. The risk of manipulation of cotton or evidence of origin along the transit route is minimal because of the industry’s universal use of bales and the significant effort it would take to open up a bale, mix cotton within it, and repress a bale. Additionally, spinners systematically conduct due diligence of every transaction of cotton lint they receive against the documentation associated with that transaction. Therefore, YESS does not require suppliers to conduct due diligence of transit routes. With this said, any unusual circumstances or red flags related to the possibility of a spinner receiving cotton from undeclared origins, with insufficient documentation, or delivered through atypical transit routes would require further investigation.

**III. UPSTREAM ASSURANCE AND CHAIN OF CUSTODY MECHANISMS**

Not all cotton produced in a high-risk country necessarily involves forced labor. Some farms in high-risk countries do not use forced labor. However, cotton produced in high-risk countries should be assumed to use forced labor unless a credible assessment of the farm indicates that it has a low risk of using forced labor. To this end, the spinner should undertake additional due diligence within the high-risk country to gain assurance that the cotton production did not involve forced labor. The spinner is also responsible for determining that the subject cotton was handled, stored, and processed under proper chain of custody traveling from farm to gin, while at the gin, and traveling from gin to spinner.

If the spinner sources from high-risk countries, it should commission third-party experts—including farm-level schemes—to carry out on-the-ground assessments of forced labor on the cotton farm/s or leverage any findings already done by them. Additionally, assurances that the cotton produced from the

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**Table 1: Applicability of OECD Due Diligence Guidance**

<table>
<thead>
<tr>
<th>OECD Due Diligence Guidance</th>
<th>Applicability to Spinners</th>
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<tbody>
<tr>
<td>1. Embed responsible business conduct in enterprise policy and management systems</td>
<td>All spinners</td>
</tr>
<tr>
<td>2. Identify actual and potential forced labor in the cotton production stage of its supply chain</td>
<td>All spinners</td>
</tr>
<tr>
<td>3. Cease, prevent, or mitigate forced labor in the cotton production stage of its supply chain</td>
<td>Spinners sourcing from high-risk countries</td>
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<tr>
<td>4. Track</td>
<td>All spinners</td>
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<tr>
<td>5. Communicate</td>
<td>All spinners</td>
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<tr>
<td>6. Provide for or cooperate in remediation when appropriate</td>
<td>All spinners</td>
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assessed farm/s was handled, stored and processed under a credible chain of custody system should be provided. See Table 5: High-risk country origin of cotton lint: data and document guidance.

When a spinner accepts cotton from a farm-level scheme that claims not to have used forced labor in a high-risk country, the spinner should, at a minimum:

1. Understand the scope of the scheme’s activities, including the farm-level assessment criteria and methodology along with the chain of custody requirements from farm to gin, at gin, and from gin to point of export—or gin to spinner.

For the components of the spinner’s due diligence system that are covered by the farm-level scheme, the spinner shall:

- Guarantee that all information generated by the farm-level scheme is shared with and received by the spinner, and that all records are maintained for at least three years.
- Review and understand all information generated by the farm-level scheme, whether directly shared with the spinner or through a supplier.
- Assess the scheme’s efforts to engage actors and organizations in high-risk supply chains that can most effectively prevent or mitigate identified risks of forced labor.

2. Where possible, the spinner should actively participate in or support the farm-level schemes to mitigate identified risks in its supply chain.

IV. ASSESSMENT SCOPE AND LOGISTICS

Facilities and operations in scope

The YESS Standard will apply to all cotton lint spinners that voluntarily choose to participate. The YESS Standard will apply only to the cotton spinning operations, including receiving, sorting, and combining bales of cotton lint, and processing cotton lint into yarn. The YESS Standard will not apply to any wet processing or fabric, textile, and product manufacturing that may be present at vertical facilities.

Materials in scope

All cotton inputs intended for production of yarn or a by-product from the yarn-making process (e.g. carding or combing waste) that are purchased, received, held, and/or processed during the assessment period, regardless of origin, storage location, or cotton input type, are subject to the YESS Standard.

V. CONFORMANCE REQUIREMENTS

The following requirements set forth in the YESS Standard serve to assess the spinner’s alignment with the six steps of the OECD Due Diligence Guidance and to uphold international standards regarding forced labor (e.g. ILO conventions on forced labor: C029 Forced Labour Convention, and C105 Abolition of Forced Labour Convention). The aim of the OECD Due Diligence Guidance is to ensure that any risks of forced labor related to the cotton production stage of the supply chain are identified and adequately managed by the spinner.
**Section 1: Embed responsible business conduct in enterprise, policy, and management systems**

The spinner shall use good faith, make reasonable efforts, and integrate progressive and appropriately robust approaches in its application of the OECD Due Diligence Guidance. These efforts include monitoring emerging risks and incidents of forced labor in cotton production in its supply chain(s) (e.g. sourcing from new countries or suppliers). Additionally, the spinner shall take this framework into account in its due diligence activities.

These approaches shall be supported and coordinated across relevant business units. The conformance requirements relate to the period **prior to or during** the time when the spinner physically receives cotton inputs.

### 1.1 Adopt a sourcing policy that addresses forced labor in cotton production

The spinner shall have a documented, effective, and publicly communicated sourcing policy that addresses forced labor in cotton production for procurement of cotton lint (referred to as the responsible cotton sourcing policy in the YESS Standard). The policy shall be implemented within the spinner’s management systems and shall:

- Set out a clear and coherent management system to address the risk of forced labor in cotton production within its supply chain.
- Commit the spinner to the due diligence steps described in the YESS Standard.
- Commit the spinner to adhere to the YESS Standard and guarantee sufficient resources and support for effective execution.
- State its expectations of suppliers regarding responsible cotton sourcing.
- State business consequences for suppliers that do not meet the spinner’s requirements.
- Commit the spinner to meaningful stakeholder engagement, including accepting and acting on complaints or recommendations on how to improve its due diligence program.
- Be available in the local language.

**Implementation**

The policy shall:

- Be publicly communicated on the spinner’s website or in other official public company communications.
- Be communicated to and acknowledged by all suppliers.
- Include an effective date for when the policy was established and/or adopted.
- Be reviewed annually and revised as applicable.

### 1.2 Implement or strengthen effective management systems to enable due diligence on risks of forced labor in cotton production in its supply chain

To achieve the intended outcomes of the OECD Due Diligence Guidance, including continual improvement, the spinner shall establish, implement, operate, and maintain management systems to adequately manage risks. The spinner shall provide the resources necessary to support the operation and monitoring of the management systems.
The spinner shall, at a minimum:

- Allocate adequate resources and attention to implementing a due diligence system, including ensuring that responsible staff has adequate time to conduct their related responsibilities.
- Appoint a senior manager with the necessary competence, knowledge, and experience to be responsible for the implementation of the due diligence system.
- Provide sufficient training to relevant employees covering critical information on the due diligence system, and maintain training records within company records.
- Implement a process to vet proposed changes to sourcing strategies, suppliers, or regions that may have forced labor risks in cotton production.

a) Organizational coordination

An enterprise-wide management and due diligence system will involve several functions with interrelated and integrated operations. Internal information flows and feedback loops shall support effective and timely communication of sourcing strategies (including any changes), identified risks, and complaints or concerns to all personnel involved in responses. The system shall ensure that:

- Findings on actual and/or potential risks identified in the supply chain are reported to the appointed senior manager.
- Functional alignment with the policy is maintained, including by:
  - Providing incentives to conform with the policy;
  - Supporting communication and learning across various business units.

b) Information systems

Records required by the management systems (at minimum those required by the YESS Standard) shall be complete, accurate, and controlled. Information systems shall be capable of storing and transmitting the data necessary to support the due diligence system. Records generated by the due diligence system shall be maintained for a minimum of three years.

A record, regardless of format, shall include:

- Communication of information—as a tool for information transmission and communication. The type of documentation shall be appropriate for the spinner and shall achieve clear, consistent, and replicable communication (e.g. an email, phone log, letter).
- Evidence of conformance—documentation that planned activities were completed.
- Knowledge sharing—to disseminate and preserve the spinner’s experiences (a procedure that is used to ensure an activity is undertaken consistently by different people at different times, for example).

Control, as referenced below, shall mean:

- Identification.
- Storage.
- Protection.
- Retrieval.
- Retention.
- Disposition.
- Legible records that are identifiable and retrievable.
c) **Internal material control systems**

The spinner shall establish and implement sufficient internal material control systems of all cotton inputs—upon receipt, throughout processing, and sale of final product—to ensure that:

- Each individual transaction of cotton inputs received is identified and documented. The process shall record the date the cotton inputs are physically received or are entered in the spinner’s internal material control system.
- Cotton inventory, including cotton lint, wastage, product, and other cotton input types, is measured, calculated, and tracked.
- Receipts, inventories, losses, and sales quantities are reconciled in a mass balance calculation (see Section d below).
- Any discrepancies observed during internal material control processes and/or mass balance calculations are investigated and resolved.

**d) Mass balance calculation**

Using the information generated by the internal material control systems, the spinner shall be able to calculate the mass balance—otherwise known as the processing loss or margin of error—during the assessment period. The calculation will substantiate the total cotton inputs processed by the spinning facility over the course of the assessment period—which is typically one year. The mass balance calculation checks the quantity of cotton onsite at the beginning of the assessment period (i.e. in inventory or in process) plus cotton inputs received or purchased during the assessment period (total inputs) against any cotton onsite at the end of the assessment period (i.e. in inventory or in process) plus the finished products sold during the assessment period (total outputs).

The mass balance— or margin of error— is calculated as a percentage of total cotton inputs received during the assessment period as described here:

\[
\frac{[\text{total inputs}] - [\text{total outputs}]}{\text{cotton inputs received}} \times 100\%
\]

The calculated margin of error must be a positive number and less than 3 percent. A negative margin of error (e.g. -3 percent) indicates that more cotton inputs may have been received than were accounted for in the internal control systems. Any margin of error outside of these parameters, and any other concern with the mass balance calculation, shall require further investigation. Note that products sold include all finished yarn products, as well as by-products.

**Section 2: Identify actual and potential forced labor in the cotton production stage of the spinner’s supply chain**

The spinner shall identify where there is a risk of cotton produced with forced labor entering its supply chain. To do this, the spinner shall identify the type of cotton inputs, source of cotton inputs (e.g. suppliers and sub-suppliers, if warranted), and, for unprocessed cotton lint, country of origin, in accordance with the YESS Standard and the supply chain risk level for cotton inputs (see Table 2).
A spinner that sources unprocessed cotton lint from high-risk countries shall identify the gin and/or farm-level scheme that produced or provided chain of custody assurances for the subject cotton, respectively. Additionally, the spinner must have an adequate understanding of forced labor in cotton production (e.g. definition, root cause) to critically evaluate on-the-ground assessments and efforts.

The spinner shall have robust management systems that can demonstrate consistency of process to achieve conformance with the YESS Standard at all times to any third party evaluating the system.

A spinner may carry out the recommendations in this section through joint multi-stakeholder initiatives or supplier partnerships. Each spinner shall retain individual responsibility for its due diligence, and shall ensure that all joint work duly takes into consideration circumstances specific to the individual company.

In order to identify and assess cotton supply chain risks, the spinner shall implement and document the following process. Focus should be given to the risks that pose the most widespread or potential forms of forced labor in cotton production.

### 2.1 Scope supply chain actors and cotton production origin

The spinner shall identify all suppliers and cotton inputs and obtain sufficient documentation on the origin and chain of custody of the cotton inputs, in accordance with the requirements of the YESS Standard and its Annexes.

**a) Identification of suppliers**

The spinner shall establish and implement basic Know Your Supplier (KYS) requirements to determine the identity, type of business relationship, and legality of business operations for each supplier of unprocessed cotton lint or processed cotton inputs (see Table 4 and 5 in Annex I and Table 6 in Annex II) for guidance on acceptable data points and documents). The spinner is responsible for performing the KYS before entering into a business relationship with a supplier, as well as annually, for the duration of the business relationship.

The spinner shall develop and include a KYS process to address agents, traders, and any other cotton supplier with which it engages. The spinner shall conduct additional due diligence and capacity building of suppliers, as appropriate.

### 2.2 Identify any risks of cotton input sources

The spinner shall design and implement a process to determine if there are any risks, as defined by the YESS Standard, in its supply chain. The spinner shall keep a record of the countries and/or areas identified as high-risk sources.

The spinner shall establish and implement a procedure to inspect all cotton inputs and review associated documentation received. This review is to determine the completeness, accuracy, and authenticity of the documentation submitted by the supplier, and to validate the cotton supplier (processed cotton from YESS conformant suppliers) or country of origin (unprocessed cotton or processed cotton from spinners that are not YESS conformant). Documentation required by the YESS Standard depends upon the country of origin and risk category determination of the cotton inputs. The spinner shall refer to Annex I and II for guidance on acceptable data points and documents for unprocessed cotton lint and processed cotton inputs, respectively.

The spinner shall incorporate the documentation requirement on the origin and chain of custody of all cotton inputs supplied to the spinner into written supplier agreements and/or contracts.
a) **Unprocessed cotton lint**

   The spinner shall know the country of origin and the risk level category—low- or high-risk—for that country for all unprocessed cotton lint received.

   Based on the two ILO conventions on forced labor (C029 Forced Labour Convention and C105 Abolition of Forced Labour Convention) and accompanying indicators referenced above, cotton-producing countries are determined to be in one of two categories for the YESS Standard: low-risk countries and high-risk countries.\(^5\) If a country is not listed in the high-risk country category, it is in the low-risk country category.

   The YESS Standard addresses private forms of forced labor and state-sponsored forced labor. Evidence of forced labor has been compiled from multiple sources to justify each country’s determination in its respective category. If evidence for a country includes three or more of the ILO forced labor indicators, the country is included on the “high-risk” countries list (List 1). YESS will review the evidence for risk-level determination periodically and make appropriate updates. See Annex IV for the detailed methodology, indicators, and bibliography of evidence for the determination of the countries in the high-risk category.

   **List 1: Countries determined to be “high-risk” for forced labor in cotton lint production in the YESS Standard**
   
   • Benin
   • Burkina Faso
   • China
   • India
   • Kazakhstan
   • Pakistan
   • Tajikistan
   • Turkmenistan
   • Uzbekistan

b) **Processed cotton inputs**

   The spinner shall know the supplier of all processed cotton inputs received and the risk level category—low- or high-risk—for that supplier. A low-risk supplier is one that has been assessed and found to be conformant with the YESS Standard, and a high-risk supplier is not conformant with the YESS Standard.

   The spinner shall determine the sourcing risk level for each transaction of cotton input in accordance with Table 2.

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\(^5\) Cotton grown in high-risk countries has a higher probability of being produced with forced labor than cotton produced in low-risk countries. As a result, a greater level of due diligence is required to determine if cotton from a high-risk country did or did not involve forced labor.
2.3 Assess risks in supply chain

Once suppliers of cotton inputs and origins have been identified through the scoping exercises described above, a spinner must assess the risk of forced labor in its supply chain. The spinner shall refer to Annex I (unprocessed cotton lint) and Annex II (processed cotton inputs) for guidance on acceptable data points and documents.

a) Know Your Supplier (KYS)

Through a KYS process, the spinner shall assess the risks associated with all of the suppliers from which the spinner is purchasing and shall hold these suppliers accountable for responsible sourcing of cotton. Adherence to the spinner’s responsible cotton sourcing policy shall be required as part of supplier written agreements and/or contracts that can be executed and monitored.

The spinner shall establish and implement basic KYS requirements to determine the identity and legality of business operations for each supplier of cotton inputs (see Annexes I and II for details). The spinner is responsible for performing the KYS before entering into a business relationship with a supplier, and annually, throughout the business relationship.

The spinner shall develop and include a KYS process to address gins, agents, merchants, and any other cotton supplier with which it directly engages.

Table 2: Cotton input risk level

<table>
<thead>
<tr>
<th>Type of material</th>
<th>Sourcing risk level</th>
<th>Identification definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unprocessed cotton lint from ginters, traders, agents</td>
<td>Low-risk</td>
<td>All of the following criteria apply:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Supply chains where cotton lint is not produced in high-risk countries, AND</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– There are no supply chain red flags (e.g. discrepancies, inconsistencies, or other issues identified during the KYS process or review of cotton inputs and documentation)</td>
</tr>
<tr>
<td></td>
<td>High-risk</td>
<td>Any (one or more) of the following criteria apply:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Supply chains where cotton inputs are produced in a high-risk country; OR</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Cotton inputs are claimed to have originated from a multi-country region that contains at least one high-risk country, such as Commonwealth of Independent States (CIS)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– There are supply chain red flags (e.g. discrepancies, inconsistencies or other issues identified during the KYS process or review of cotton inputs and documentation)</td>
</tr>
<tr>
<td>Processed cotton inputs from spinners</td>
<td>Low-risk</td>
<td>– Supplying spinner is in conformance with YESS initiative at the time that the cotton inputs were purchased and received by spinner being assessed</td>
</tr>
<tr>
<td></td>
<td>High-risk</td>
<td>– Supplying spinner is not in conformance with YESS initiative at the time that the cotton inputs were purchased and received by spinner being assessed</td>
</tr>
</tbody>
</table>
The spinner should establish business conditions or other incentives for suppliers so they avoid sourcing cotton from unqualified high-risk countries without due diligence.

The spinner shall require its suppliers to conduct basic KYS screenings of their own suppliers.

At its discretion, the spinner should conduct additional due diligence and capacity building or training of its suppliers.

b) **Determine origin plausibility**

The spinner shall determine the origin and chain of custody of cotton inputs received as required by the YESS Standard (see Table 3). This includes unprocessed cotton lint, processed cotton inputs (from combing or carding waste or yarn), and recycled cotton. This determination shall include an assessment of the plausibility of cotton inputs coming from the declared sources.

**Table 3: Categories of cotton inputs and origin documentation requirements**

<table>
<thead>
<tr>
<th>Type of cotton inputs</th>
<th>Risk level</th>
<th>Origin documentation requirement/s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unprocessed cotton lint from gins, traders, agents</td>
<td>Low-risk origin and supply chain</td>
<td>– Evidence of country of origin</td>
</tr>
<tr>
<td></td>
<td>High-risk origin or supply chain</td>
<td>– Evidence of country of origin</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Evidence of farm or gin origin and chain of custody from farm through gin and to point of export</td>
</tr>
<tr>
<td>Processed cotton inputs (e.g. carding or combing waste or yarn) from spinning mills, traders, or agents</td>
<td>Low-risk supplier (YESS conformant)</td>
<td>– Evidence that material originated at a YESS conformant supplier</td>
</tr>
<tr>
<td></td>
<td>High-risk supplier (not YESS conformant)</td>
<td>Cotton lint origin determination and evidence:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Low-risk country of origin:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Evidence of country of origin</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• High-risk country of origin:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Evidence of country of origin</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Evidence of farm or gin origin determination and chain of custody from farm through gin and to point of export</td>
</tr>
<tr>
<td>Recycled cotton inputs (e.g. deconstructed fabric or garment)</td>
<td>Exempt</td>
<td>– Origin determination and chain of custody not required</td>
</tr>
</tbody>
</table>

c) **Review for discrepancies**

The spinner shall implement a procedure to investigate and address any discrepancies, inconsistencies, or other issues identified during the review of cotton inputs and documentation received. For example, the spinner shall determine whether there are any inconsistencies or discrepancies related to the cotton inputs origin, characteristics,
KYS, and/or transaction documentation submitted by the supplier. The spinner shall validate links between documents and shall inspect cotton inputs received for conformity with documented claims of the cotton inputs’ parameters, weights, and origins.

If applicable, the spinner shall have a process to notify a farm-level scheme administrator of any discrepancies in the cotton received that is affiliated with a cotton scheme. The spinner shall cooperate with the scheme administrator to resolve the issue, should the need arise.

d) Assess forced labor risks in cotton production

The spinner shall assess the occurrence of forced labor risks related to cotton lint origins. It shall also assess the severity and scale of each identified risk of harm from forced labor in cotton production. The spinner can reference or leverage the work of farm-level schemes, industry initiatives, suppliers, or other parties’ activities. However, the spinner remains the one responsible for its own due diligence.

For cotton originating from high-risk countries, the spinner shall map the factual circumstances of its supply chain based on information gathered from appropriate sources, including assessing:

- The severity and scale of forced labor in the country of origin;
- Local or national initiatives addressing forced labor;
- Chain of custody requirements (including farm-level scheme requirements, if applicable);
- The activities and relationships of upstream suppliers (e.g. ginners, traders, agents); and
- Findings from on-the-ground assessments of forced labor on the farm⁶ by qualified experts.

The spinner shall review the information collected in Section V. B. The spinner shall identify actual and potential forced labor in the cotton production stage of its supply chain in steps 1 and 2 on the category and source of cotton inputs. The objective is to identify any risks of harm from forced labor in cotton production, or from inconsistencies or discrepancies related to the supplier, cotton inputs, or other red flags.

Cotton inputs associated with high-risk of forced labor in cotton production are defined by the YESS Standard as unprocessed cotton lint originating from high-risk countries per List 1.

e) Respond to identified risks of harm from forced labor in cotton production

The spinner shall have a process to respond to identified risks that includes:

- Reporting findings to senior management and outlining the information gathered, as well as the actual and potential risks of harm from forced labor in cotton production identified in the supply chain risk assessment.
- Devising and adopting a risk management plan, as part of an effective risk management strategy.

⁶ Assessments may be done through a representative sample of farms or cooperatives, but sampling should be risk-based.
2.4 Assess the spinner’s relationship to impacts

The spinner shall make good faith efforts to understand its relationship to identified risks of harm from forced labor in cotton production. This assessment should include whether the spinner has caused, contributed to, or is linked to the impacts that it has identified. Some factors that could affect a Spinner’s relationship to impacts include, but are not limited to:

- Spinner owns or operates a farm or gin located in a high-risk country.
- Spinner consistently sources cotton lint from a high-risk country.
- Spinner purchases cotton lint directly from a gin or farm located in a high-risk country.
- Spinner and supplier have a long-standing and cooperative relationship.
- Spinner’s supplier addresses or denies the existence of risks of harm from forced labor in cotton production in high-risk countries.

Section 3: Cease, prevent, or mitigate harm from forced labor in cotton production in the spinner’s supply chain

A spinner actively sourcing from high-risk countries shall implement its own plan to cease, prevent, or mitigate forced labor in cotton production. This plan shall be appropriate for the spinner’s sourcing model and influence, and shall detail the actions the spinner will take along with clear timelines for follow-up. The spinner shall refer to Annex I for guidance on acceptable documentation of data points.

The spinner should only place orders for cotton inputs from high-risk sources (i.e. high-risk countries, non-conformant suppliers of processed cotton, suppliers with identified red flags) if it can reasonably determine that the risk of forced labor in cotton production is low. Or, if the spinner is willing to engage adequately with the supplier in the prevention of forced labor in cotton production (e.g. through capacity building, etc.) in the high-risk country from which it sources.

A spinner can take measures to prevent purchasing cotton from high-risk sources by:

- **Prequalifying origins of cotton**—A spinner can identify low-risk countries from which a supplier can source cotton.
- **Prequalifying farm-level cotton schemes**—A spinner can identify schemes, which may or may not have additional restrictions, that have been assessed by YESS and determined to be low-risk or working to prevent/mitigate forced labor.7

Where risks are identified in the supply chain, the spinner is responsible for taking immediate action and identifying appropriate mitigation measures while it conducts its business relationships in one of three ways:

- Continue to do business with high-risk sources throughout the course of measurable risk mitigation efforts.
- Temporarily suspend trade while pursuing ongoing mitigation efforts.
- Disengage with a supplier in cases where mitigation appears unfeasible, is unacceptable, or fails after it is attempted.

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7 As of this Standard’s effective date, YESS has yet to assess and make a determination of low-risk for any farm-level cotton scheme. Refer to the YESS website for future updates.
In the design and implementation of a risk management plan, the spinner shall:

- Prioritize addressing the most severe and significant risks first, followed by addressing the less significant risks over time.
- Engage with the actors in the supply chain that can most effectively and most directly prevent and mitigate the risks of adverse impacts.
- Consult with suppliers and affected stakeholders to agree on the strategy for measurable prevention and mitigation in the risk management plan.
- Consider ways to support and build capacities of suppliers—both direct and indirect—to improve performance and conform to the spinner’s responsible sourcing policy.
- Collaborate with or support capacity building directly, through farm-level schemes, multi-stakeholder initiatives, public-private partnerships, or industry efforts, where they exist. Where such efforts do not exist, spinner shall share knowledge and work toward a common approach to engage suppliers as well as other industry members and civil society stakeholders in an effort to scale up effective measures.

The spinner shall maintain ongoing monitoring, evaluate the effectiveness of risk prevention and mitigation efforts, and undertake additional fact and risk assessments, as needed for risks requiring mitigation, or after changing circumstances (e.g. new sourcing country, new supplier).

Section 4: Track

The spinner shall implement due diligence as a continuous, ongoing process and is expected to demonstrate sustained improvement over time. In other words, a spinner shall address specific risks and incidents identified by the system progressively. The spinner’s risk management system shall guarantee that the spinner is tracking and monitoring progress.

4.1 Verify, monitor, and validate progress on due diligence and its effectiveness in the enterprise’s supply chain

a) Verify and validate due diligence effectiveness

The spinner shall prepare, facilitate, and undergo a YESS assessment annually. Participation in the assessment requires that the spinner allocate sufficient resources; share all required information and documentation; provide access to all areas of its spinning operations and cotton storage facilities; and ensure that relevant personnel are available during the assessment. The spinner should adhere to YESS processes and timelines, as applicable, and strive for continuous improvement of its own due diligence system and the processes of its suppliers.

b) Monitoring of performance

The purpose of performance monitoring is to safeguard the continuing stability, adequacy, and effectiveness of the spinner’s due diligence system. The spinner shall review its responsible cotton sourcing policy and due diligence system annually, and make any adjustments necessary to improve the spinner’s performance and minimize adverse impacts.

Monitoring shall include, at a minimum, the spinner’s management review of the due diligence system that identifies both proactive and reactive measures, and make certain the effectiveness of the system. Findings of such management reviews are reported to the senior management team. The spinner shall establish a formalized action/improvement plan, if warranted.
Proactive measures shall be implemented to assure that potential problems are identified and prevented before they occur. If the spinner detects that a possible harmful situation may develop, a preventive action plan shall be implemented to avert/eliminate the potential harmful situation.

Reactive measures shall also be implemented to mitigate harm. They could be a result of immediate corrective actions taken as a result of a management review, the triggering of a grievance and complaints mechanism, or feedback from any third-party assessment of the YESS Standard. The spinner’s corrective action process shall include the following steps:

- Review and document the problem and related corrective action.
- Contain or temporarily fix the problem.
- Investigate the root cause of the problem.
- Propose an appropriate solution that will prevent the problem from happening again; this solution will often mean a process change.
- Report on the actions actually taken, internally and to the assessment team, in accordance with the corrective action process.
- After an appropriate period of time, assess whether the actions taken were successful in preventing recurrence, and document the evidence to support this assessment.

Section 5: Communicate

The spinner shall publicly disclose the findings from its due diligence efforts annually. Information shall be published directly by the spinner, by posting on an enterprise’s website or on an industry association’s website, for example. Publication of such information shall honor business confidentiality and other competitive concerns.

The spinner shall share all of the information that is publicly reported to any known entities that interact directly with the cotton workers and, when possible, with the cotton workers themselves.

5.1 Communicate publicly and with affected stakeholders on the spinner’s due diligence system

The spinner shall publicly communicate the following:

- The spinner’s responsible cotton sourcing policy or policies.
- The spinner’s due diligence system, including how due diligence is incorporated into decision-making processes and information management systems to support due diligence.
- The most significant identified risks of forced labor in cotton production in its supply chain, and the spinner’s processes for assessing those risks. Where the spinner has prioritized some risks of forced labor in cotton production for immediate attention, it shall justify its prioritization process.
- The components of the spinner’s risk management plan to prevent or mitigate forced labor in cotton production in its supply chain, and the effectiveness of those measures.
- Where relevant, the spinner’s intent in policy engagement as well as the outcomes of the engagement itself.
• The spinner’s systems to provide access to remediation in its supply chain. The spinner may also choose to disclose cases that are brought against the spinner and how they were resolved.
• How the spinner engages meaningfully with its stakeholders.

Section 6: Provide for or cooperate in remediation when appropriate

Remediation is focused on hearing and addressing complaints through a legitimate process where the spinner has caused or contributed to forced labor in cotton production in its supply chain, not just where the spinner is linked to forced labor. It is important to provide an avenue for complaints to be heard, and to collaborate with other linked, or contributing parties, to address the harm caused from forced labor in cotton production where the spinner is linked to it.

6.1 Provide a grievance mechanism

The spinner shall have in place, or refer to, a mechanism allowing any interested party (affected persons or whistleblowers) to voice concerns or complaints regarding the circumstances of cotton production, trade, handling, and export.

A grievance mechanism could be established in a variety of ways:

- Internally
- Externally—multi-stakeholder grievance mechanism
- Nationally—with contact points for the OECD Due Diligence Guidance

The mechanism shall, at a minimum, include a process to investigate the concern or grievance received and, if applicable, determine appropriate corrective and preventive actions, to remedy the situation in accordance with the OECD Due Diligence Guidance.

The grievance mechanism shall:

- Be accessible, legitimate, transparent, equitable, and predictable.
- Identify who can file a grievance, making sure that it does not limit who can file a grievance.
- Allow a grievance to be filed by a representative of an impacted stakeholder.
- Provide the options by which someone can file a grievance (e.g. telephone number, email address, online forum, etc.).
- State that employees can file a grievance without fear of retaliation.
- Identify on which issues individuals can file grievances (e.g. violations of policy, instances of forced labor).
- Describe the process by which grievances are investigated, addressed, and resolved, including reference to which departments and staff are responsible for each of these actions, as well as any collaboration with other contributing parties to address the harm caused from forced labor in cotton production.
VI. ANNEXES

Annex I: Origin Determination and Risk Identification, Mitigation, and Management for Unprocessed Cotton Lint

While this Annex includes guidance on the types of documents that can be reviewed to successfully demonstrate country of origin, chain of custody, and due diligence, other forms of evidence may be acceptable to demonstrate the effective implementation of management systems.

The robustness of documentation for origin and chain of custody required for the spinner’s due diligence will depend on whether the country of origin of the unprocessed cotton lint is determined to be low-risk or high-risk in the YESS Standard.

NOTE: Processed cotton inputs from suppliers that have been deemed non-conformant with the YESS Standard shall be subject to the origin determination and due diligence for each source of cotton contained within the processed cotton input in accordance with this Annex.

Cotton inputs that have been processed by a YESS-conformant spinner would be subject to applicable guidance listed under Annex II: Origin Determination and Risk Identification, Mitigation, and Management for Processed Cotton Inputs.

Table 4: Low-risk country origin of unprocessed cotton lint: data and document guidance

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Level</th>
<th>Data points</th>
<th>Example document types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Know Your Supplier (KYS)</td>
<td>Supplier</td>
<td>− Identity, legality and type of business</td>
<td>− Business license or registration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>− Acknowledgement of spinner’s responsible sourcing policy</td>
<td>− KYS questionnaires: sourcing regions, acknowledgement of spinner’s responsible sourcing policy*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>− Reports on efforts to prevent and mitigate forced labor in cotton production</td>
<td>− Reports on efforts to prevent and mitigate forced labor in cotton production</td>
</tr>
<tr>
<td></td>
<td></td>
<td>− Documentation of membership in a cross-referenced multi-stakeholder initiative</td>
<td>− Documentation of membership in a cross-referenced multi-stakeholder initiative</td>
</tr>
<tr>
<td>Country of origin</td>
<td>Transaction</td>
<td>− Type of cotton (i.e. lint, characteristics)</td>
<td>− Government-issued country of origin certificate*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>− Country of origin of the cotton inputs</td>
<td>− Transportation document:*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>− Transportation route</td>
<td>− Bill of lading (international sources)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>− Type of supplier</td>
<td>− Trucking documentation or transportation logs (domestic sources)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>− Name of supplier</td>
<td>− Pro forma invoice, purchase order, or contract*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>− Phytosanitary certificates*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>− Official (e.g. government-issued) import document</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>− Packing list / packing declaration</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>− Bale tag (or other form for gin ID)</td>
</tr>
</tbody>
</table>
Table 5: High-risk country origin of unprocessed cotton lint: data and document guidance

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Level</th>
<th>Data points</th>
<th>Example document types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Context</td>
<td>Country/sub-country</td>
<td>Severity and scale of forced labor in sourcing country (or region if known)</td>
<td>– UN and ILO reports and comments</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Government assessments (e.g. U.S. DOL’s List of Goods)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– NGO or service provider reports</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Governance assessments</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Media reports</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Multi-stakeholder assessments</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– National law and regulations (including enforcement capacity)</td>
</tr>
<tr>
<td>Know Your Supplier (KYS)</td>
<td>Supplier</td>
<td>– Identity, legality and type of business</td>
<td>– Business license or registration*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Acknowledgement of spinner’s responsible sourcing policy</td>
<td>– KYS questionnaires: sourcing regions, acknowledgement of spinner’s responsible sourcing policy*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Due diligence, prevention, mitigation, and capacity-building activities in high-risk countries</td>
<td>– Reports on efforts to prevent and mitigate forced labor in cotton production (issued by the supplier or a third party)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Upstream actor visit/assessment reports</td>
</tr>
<tr>
<td>In country supply chain mapping</td>
<td>Supplier</td>
<td>– Locations where cotton lint is grown and ginned</td>
<td>– Supply chain map*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– The identification of gins, transporters, warehouses, or other actors in the upstream supply chain</td>
<td>– Traceability reports*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Contracts/agreements</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Cotton farm or cooperative declarations or visit reports</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Bale tag/gin identification</td>
</tr>
<tr>
<td>Farm-level assurance</td>
<td>Transaction/supplier</td>
<td>Assurance that cotton was produced with low-risk of involving forced labor</td>
<td>– Cotton farm or cooperative declarations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Site visit reports by a credible forced labor expert</td>
</tr>
<tr>
<td>Chain of custody/traceability</td>
<td>Transaction</td>
<td>Identification of all location(s) and actors in the supply chain, including cotton farm, gin, transporter, trading house, and exporter</td>
<td>– Pro forma invoice, purchase order or contract showing gin name*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Appropriate transportation document: *</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Bill of lading (international origin)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Customs import record (issued by the spinning mill’s country) (international origin)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Trucking documentation from farm to gin and gin to point of export (international origin) or spinning mill (domestic origin)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Bale tag/gin identification</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Contract showing transporter name</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Invoices from appointed transport agent</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– License from appointed transport agent</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Warehouse receipts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Farm-level scheme chain of custody certificate</td>
</tr>
</tbody>
</table>

Continued on next page
Table 5: High-risk country origin of unprocessed cotton lint: data and document guidance *(Continued)*

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Level</th>
<th>Data points</th>
<th>Example document types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk assessment</td>
<td>Country/area</td>
<td>Qualitative information on conditions of forced labor during cotton production in the supply chain</td>
<td>– Upstream actor visit or farm-level assessment reports  &lt;br&gt; – Incident monitoring reports  &lt;br&gt; – NGO or other stakeholder reports</td>
</tr>
<tr>
<td>Risk assessment</td>
<td>Supplier</td>
<td>– Name and location of farmer or cooperative  &lt;br&gt; – Name and location of gin  &lt;br&gt; – Type of risk  &lt;br&gt; – Description of root cause or type of forced labor  &lt;br&gt; – Description of mitigation measures (where applicable)</td>
<td>– Farm or community assessment report  &lt;br&gt; – Upstream risk assessment reports  &lt;br&gt; – Incident monitoring reports  &lt;br&gt; – Gin assessments or visit reports  &lt;br&gt; – Grievance mechanism reports  &lt;br&gt; – KYS questionnaire (direct supplier)</td>
</tr>
<tr>
<td>Risk mitigation</td>
<td>Supplier</td>
<td>Records demonstrating implementation of risk mitigation measures</td>
<td>– Risk mitigation actions report  &lt;br&gt; – Meeting records  &lt;br&gt; – Email correspondence with supply chain actors for risk mitigation  &lt;br&gt; – Incident monitoring reports  &lt;br&gt; – Capacity building reports  &lt;br&gt; – Grievance mechanisms  &lt;br&gt; – Tracking/responding to supply chain incidents</td>
</tr>
<tr>
<td>Risk management</td>
<td>Supplier</td>
<td>Evidence of ongoing monitoring of risks</td>
<td>– Risk management plan and strategy  &lt;br&gt; – Notice of suspension/discontinuation of contracts/agreements  &lt;br&gt; – Site visit reports  &lt;br&gt; – Meeting minutes  &lt;br&gt; – Other (e.g. UK Modern Slavery Act statements)</td>
</tr>
</tbody>
</table>

**Exemptions**

Cotton lint that is received and entered into inventory by the spinner more than three years prior to the assessment date does not require a determination of origin or other due diligence evaluation. A spinner shall provide sufficient documentation to demonstrate that the cotton inputs have been received and entered into inventory three years prior to the YESS Standard’s effective date.
Annex II:
Origin Determination and Risk Identification, Mitigation, and Management for Processed Cotton Inputs

Cotton lint generated from processing (e.g. carding or combing wastage) or yarn may originate from sources that include:

- Conforming (YESS Standard) spinning mills
- Non-conforming (YESS Standard) spinning mills
- Buyers or traders
- Other third parties, including cotton product manufacturers

Note: Cotton lint that has not been processed at a YESS conformant spinner would be subject to applicable guidance listed under Annex I: Origin Determination and Risk Identification, Mitigation, and Management for Unprocessed Cotton Lint.

Table 6: Spinning mill origin of processed cotton inputs: data and document guidance

<table>
<thead>
<tr>
<th>Supplier type</th>
<th>Requirement</th>
<th>Example document types (not every document is necessary as long as sufficient evidence is provided; required documents are noted by an asterisk (*) )</th>
</tr>
</thead>
</table>
| Conforming (YESS Standard) spinning mills | Cotton lint generated from processing (e.g. carding or combing wastage) or yarn from a YESS Standard conforming spinning mill do not need country of origin determination | - Status as a YESS-conformant spinner*  
- Identity of the supplying spinning mill  
- Business license or registration*  
- KYS questionnaires: sourcing regions, acknowledgement of spinner’s responsible sourcing policy*  
- Pro forma invoice, purchase order or contract showing supplying spinner’s name  
- Transport documentation from the supplying spinning mill |
| Non-conforming (YESS Standard) spinning mills | Processed cotton inputs purchased from a non-conforming supplying spinner, including any processed cotton lint (carded or combed) or yarn from another spinning mill that has not been assessed and found in conformance with the YESS Standard  

**Step A**: Determine the original sources (farms or gins) of all cotton lint purchased from the supplying spinning mill that were used to produce the cotton inputs received by the spinner undergoing the YESS assessment  
- If specific inputs cannot be identified by the supplying spinning mill, all inputs of the supplying spinning mill shall be validated  

**Step B**: Identify actual and potential forced labor in cotton production in its supply chain | - Identity of the supplying spinning mill  
- Business license or registration*  
- KYS questionnaires: sourcing regions, acknowledgement of spinner’s responsible sourcing policy*  
- Transport documentation from the supplying spinning mill  
- Documentation of origin for each cotton input used by the supplying spinning mill to produce the cotton inputs received by the receiving spinner (that is subject to the YESS Standard), in accordance with Annex I |

Exemption

Recycled cotton inputs are exempt from the requirements of the YESS Standard, but shall be subject to sampling of transactions for inspection and validation. A spinner shall provide sufficient documentation to demonstrate that the recycled cotton inputs originated from a post-manufactured product.
Annex III:
Sampling Guidance

The objective of the review of transactions of cotton inputs is to test the spinner’s due diligence system and processes. The YESS Standard applies a representative sampling approach to gather sufficient evidence to reasonably conclude the conformity of the whole population. This approach should demonstrate that the spinner’s systems and processes operate as designed.

For transactions from high-risk sources, 100 percent of transactions received within the assessment period shall be reviewed.

Sampling may be employed exclusively for low-risk transactions. Low-risk transactions are those identified as cotton lint from low-risk countries and through low-risk supply chains in accordance with the sampling guidance that follows.

The assessment team is responsible for determining the final sample size. Assessors shall refer to this sampling guidance to determine the appropriate sample population.\(^8\)

**Sampling guidance**

The assessment team shall review the type, size, and complexity of the spinner’s operations to determine whether a simple or complex sampling plan may be applied for the low-risk transactions. Specifically, the assessment team shall consider the following criteria:

- The total number of transactions processed during the assessment period
- The number of active suppliers during the assessment period, as well as the volume of cotton inputs supplied from each of them
- The number of countries of origin from the low-risk category
- Any anomalies observed in the review of transactions
- Any other criteria as identified by the assessment team

Based on the above criteria, the assessment team will apply the simple sourcing strategy sampling plan (see Table 7), or the complex sourcing strategy sampling plan (see Table 8). The assessment team may select representative samples from the total population across the assessment period.

**Table 7: Simple sourcing strategy sampling plan**

<table>
<thead>
<tr>
<th>Number of low-risk transactions</th>
<th>Number of transactions to inspect</th>
</tr>
</thead>
<tbody>
<tr>
<td>1–50</td>
<td>5</td>
</tr>
<tr>
<td>50–100</td>
<td>6–10</td>
</tr>
<tr>
<td>Over 100</td>
<td>11–50</td>
</tr>
</tbody>
</table>

\(^8\) *This sampling guidance is based on ISEAL Alliance, Assessment Code Version 2014, Section 6.4.4.*
### Table 8: Complex sourcing strategy sampling plan

<table>
<thead>
<tr>
<th>Number of low-risk transactions</th>
<th>Number of transactions to inspect</th>
</tr>
</thead>
<tbody>
<tr>
<td>1–50</td>
<td>10</td>
</tr>
<tr>
<td>50–100</td>
<td>11–20</td>
</tr>
<tr>
<td>Over 100</td>
<td>21–30</td>
</tr>
</tbody>
</table>

The sample size may be increased if the assessment team detects inconsistencies or discrepancies in the documentation provided for review, or if there is evidence pointing to the falsification or manipulation of documents. If, during the assessment, the assessment team determines that the sample size should be increased, the assessment team shall include the reason for this increase, as well as the applied sampling approach, in the assessment report.

### High-risk country or origin consideration

Where the spinner sources under a farm-level scheme assessed and determined as low-risk by YESS, some of the information may already have been published by this scheme and would not need to be repeated by the spinner. An example is existing descriptions of methodologies or systems of control over the supply chain. It is the responsibility of the spinner to request, obtain, and make this information from the farm-level scheme available for the due diligence assessment. Spinners, assessment teams, and the YESS program may be subject to confidentiality agreements for information generated by the upstream assessment mechanism affiliated with a cotton scheme.

### Annex IV: Methodology for Determination of Low-risk and High-risk Countries for the YESS Standard

The implementation of the YESS standard relies on the determination of those countries that are and are not at risk of having forced labor present in their cotton production. The YESS standard addresses private forms of forced labor as well as state-sponsored forced labor. It designates countries into one of two categories: high-risk countries and low-risk countries based on the International Labour Organization’s (ILO’s) [forced labor conventions](https://www.ilo.org/global/standards/en/), and supported by research and reports from numerous NGOs, government agencies, and news organizations. To make this determination, the YESS standard utilizes the two foundational ILO conventions on forced labor: [C029: Forced Labour Convention, 1930](https://www.ilo.org/global/standards/en/conv/conv29.htm) and the [C105: Abolition of Forced Labour Convention, 1957](https://www.ilo.org/global/standards/en/conv/conv105.htm). Both are part of the ILO’s eight fundamental conventions which all countries are expected to uphold, regardless of the country’s level of economic development.

Convention 29 defines forced labor as, "all work or service, which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily."

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9 As of this Standard’s effective date, YESS has yet to assess and make a determination of low-risk for any farm-level cotton scheme. Refer to the [YESS website](https://www.yess.com) for future updates.
This definition consists of three elements defined in The Forced Labour Protocol (Article 1(3)):

- “All work or service” refers to all types of work, service and employment, occurring in any activity, industry or sector, including in the informal economy. Forced labor can occur in both the public and private sectors.
- “The menace of penalty” refers to a wide range of penalties used to compel someone to perform work or service, including penal sanctions and various forms of direct or indirect coercion, such as physical violence, psychological threats or the non-payment of wages. The “penalty” may also consist of a loss of rights or privileges (such as a promotion, transfer, or access to new employment).
- “Offered voluntarily” refers to the free and informed consent of a worker to enter into an employment relationship, and his or her freedom to leave the employment at any time. For example, an employer or recruiter could interfere with this freedom by making false promises to induce a worker to take a job that he or she would not otherwise have accepted.

Convention 105 prohibits state-sponsored forced labor. Specifically, it prohibits the use of forced labor:

- As punishment for the expression of political views,
- For the purposes of economic development,
- As a means of labor discipline,
- As a punishment for participation in strikes,
- As a means of racial, religious or other discrimination.

Based on C029, the ILO created a list of strong and medium forced labor indicators that provide a clear and common criterion for assessing forced labor. In the table below are the ILO’s indicators that pertain to forced labor in cotton production.

**Table 9: ILO C029 strong and medium indicators of forced labor evident in the cotton sector**

From the ILO report *Hard to see, harder to count – Survey guidelines to estimate forced labour of adults and children*, p. 23-25.

<table>
<thead>
<tr>
<th>Indicator Categories</th>
<th>Strong Indicators</th>
<th>Medium Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfree recruitment</td>
<td>1. Deception about the nature of the work</td>
<td>6. Deceptive recruitment (regarding working conditions or legality of an employment contract, housing and living conditions, legal documentation or acquisition of legal migrant status, job location or employer wage/earnings)</td>
</tr>
<tr>
<td></td>
<td>2. Tradition, birth (birth/descent into “slave” or bonded status)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Coercive recruitment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Sale of the worker</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Recruitment linked to debt</td>
<td></td>
</tr>
<tr>
<td>Work and life under duress</td>
<td>1. Forced overtime</td>
<td>4. Multiple dependencies on employer (jobs for relatives, housing etc.)</td>
</tr>
<tr>
<td></td>
<td>2. Limited freedom of movement and communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Degrading living conditions</td>
<td></td>
</tr>
<tr>
<td>Impossibility of leaving employer</td>
<td>1. No freedom to resign in accordance with legal requirements</td>
<td>5. Pre-existence of a dependency relationship on employer</td>
</tr>
<tr>
<td></td>
<td>2. Forced to work for indeterminate period in order to pay off outstanding debt or wage advance</td>
<td></td>
</tr>
</tbody>
</table>

Continued on next page
Review Period

YESS will review the evidence for risk-level determination periodically to decide if the list of countries in the high-risk category needs to be updated based on new research and findings. There are several countries that YESS has determined to be “emerging-risk” where sources identified forced labor, but did not reference at least three of the specific ILO indicators. These countries will be particularly scrutinized during the review process, due to their relatively higher potential for forced labor in cotton production.\textsuperscript{10}

Risk-level Determination

Evidence of forced labor was compiled from various sources and evaluated against ILO Conventions C029 and C105 to justify each country’s determination in its respective category in the YESS standard. The documented evidence was provided by the following sources: Cotton Campaign, Environmental Justice Foundation, ILO, International Organization for Migration, International Research on Working Children, U.S. Department of Labor, U.S. State Department, Uzbek German Forum, Verité, World Action Vision, and various publication and media companies.\textsuperscript{11} Table 11 includes an overview of indicator-evidence by categories of risk that were identified for each country. A detailed bibliography follows the methodology, which includes a summary for each country and links to the evidence.

Low-risk Countries

YESS considers all cotton-producing countries not in the high-risk category to be in the “low-risk” country category.

\textsuperscript{10} Refer to the YESS website for a list of emerging-risk countries.

\textsuperscript{11} These organizations’ reports appear in the individual bibliographies for each high-risk country.
High-risk Countries

If forced labor evidence for a country was documented for three or more indicators, it is included in the “high-risk” country category. This category includes countries with state-sponsored forced labor and/or private sector forced labor. There is evidence of practices in Uzbekistan and Turkmenistan that are not in accordance with C105; government officials in these countries systematically force citizens to work in the cotton fields, which is deemed to be state-sponsored forced labor.

High-risk countries:
- Benin
- Burkina Faso
- China
- Kazakhstan
- India
- Pakistan
- Tajikistan
- Turkmenistan
- Uzbekistan

Table 10: Overview of quantity of forced labor indicator evidence\textsuperscript{12} for each high-risk category

<table>
<thead>
<tr>
<th>High-Risk Category</th>
<th>C105</th>
<th>C029</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>State-sponsored</td>
<td>Unfree Recruitment</td>
</tr>
<tr>
<td>Maximum Number of Indicators per Category</td>
<td>N/A</td>
<td>6</td>
</tr>
<tr>
<td>Benin</td>
<td>II</td>
<td>I</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>II</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td>India</td>
<td>II</td>
<td>I</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td></td>
<td>II</td>
</tr>
<tr>
<td>Pakistan</td>
<td>I</td>
<td></td>
</tr>
<tr>
<td>Tajikistan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>X</td>
<td>I</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>X</td>
<td>I</td>
</tr>
</tbody>
</table>

\textsuperscript{12} The forced labor indicator evidence is provided in the bibliographies of each high-risk country and linked in Annex IV Endnotes.
Bibliography of Evidence for Risk Determination

The below high-risk countries have recent and/or current evidence of forced labor in the production of their cotton per the ILO indicators. Although further research is required to assess in greater detail the prevalence of the problem, the conclusive evidence of forced labor in each of the below countries’ cotton sectors warrants a high-risk country determination. Below are the nine high-risk countries, the specific forced labor indicators determined for each country, and the sources that cited evidence of those indicators (linked in the Annex IV Endnotes).

**Benin**
- Sale of worker
- Coercive recruitment
- Degrading living conditions
- Other forms of punishment (deprivation - of food, water, sleep)

ILO, Environmental Justice Foundation, and Verité found evidence of unfree recruitment and menace of penalty occurring during cotton production in Benin. This includes deceptive recruitment of children, as well as physical violence, and withholding of wages and financial penalties if harvesting quotas are not met. For its 2017 *Trafficking in Persons Report*, the U.S. State Department listed Benin in Tier 2 Watch List, which refers to a significant number of trafficking victims and failure to provide evidence of improving efforts. The U.S. State Department highlighted the trafficking and forced labor of children on cotton farms. Additionally, the government is weak in implementing country-wide enforcement of a legal framework preventing forced labor and holding perpetrators accountable.

**Sources:**
- International Research on Working Children. *A Study on Child Labour Migration and Trafficking in Burkina Faso’s South-Eastern Cotton Sector.* 2006.³
- U.S. State Department. *Trafficking in Persons Report.* 2017.⁴
- Verité. *Cotton.* 2017.⁵

**Burkina Faso**
- Sale of the worker
- No freedom to resign in accordance with legal requirements
- Forced to work for indeterminate period in order to pay off outstanding debt or wage advance
- Withholding of wages
- Physical violence
- Other forms of punishment (deprivation - of food, water, sleep)

Environmental Justice Foundation, Verité and Bloomberg Markets found evidence of impossibility of leaving employer and menace of penalty during cotton production in Burkina Faso. The Bloomberg Markets investigation reported that child laborers faced physical violence and withholding of food if they did not comply or meet quotas. In addition, Environmental Justice Foundation found withholding wages and workers forced to provide unpaid labor for the following season when quotas aren’t met. For its 2017
Trafficking in Persons Report, the U.S. State Department listed Burkina Faso in Tier 2 Watch List, which lists examples of a significant number of trafficking victims and failure to provide evidence of improving efforts. The U.S. State Department noted that there were several pending investigations into forced labor and child trafficking allegations in Burkina Faso’s cotton fields. Additionally, the government is weak in implementing country-wide enforcement of a legal framework preventing forced labor and holding perpetrators accountable.

Sources:

China
- Coercive recruitment
- Multiple dependencies on employer (jobs for relatives, housing etc.)
- Degrading living conditions
- Withholding of wages

Verité, World Action Vision, and Environmental Justice Foundation found evidence of work and life under duress, and menace of penalty occurring during cotton production in China. Tens of thousands of Chinese children are required to participate in a “work-study” program to harvest cotton. If students fail to meet their mandated quotas, they are fined and threatened. Environmental Justice Foundation also found instances of sexual harassment and abuse of girls working in cotton fields. It should also be noted that China has not yet ratified ILO Conventions No. 29 and No. 105.

Sources:

India
- Tradition, birth (birth/descent into “slave” or bonded status)
- Deception about the nature of the work
- Deceptive recruitment (regarding working conditions or legality of an employment contract, housing and living conditions, legal documentation or acquisition of legal migrant status, job location or employer wage/earnings)
- Forced overtime
- Withholding of wages
- Sexual abuse

The ILO, Global March Against Child Labor, and Environmental Justice Foundation found evidence of adults and children subjected to work and life under duress and generational debt-bondage occurring in India’s
cotton production. Research found that menace of penalty abuses - including physical and sexual abuse, degrading living conditions, withholding of wages, and financial penalties - are highly prevalent in India's cotton fields. The Environmental Justice Foundation emphasized rampant sexual abuse occurs in the fields, particularly with young girls. Additionally, the government is weak in implementing, and in some areas has yet to implement, country-wide enforcement of a legal framework preventing forced labor and holding perpetrators accountable.

Sources:
- Equal Times. *Child labour and exploitation in India's cotton fields*. 2015.15
- Global March. *Dirty Cotton*. 2010.16

Kazakhstan
- Forced overtime
- Limited freedom of movement and communication
- Degrading living conditions

The ILO and Verité found evidence of children and adults forced to work during cotton production in Kazakhstan in the categories of work and life under duress, and menace of penalty. Specific indicators include forced overtime, limited freedom of movement, and degrading living conditions. Additionally, the government has yet to implement countrywide enforcement of a legal framework preventing forced labor and holding perpetrators accountable.

Sources:
- Verité. *Cotton*. 2017.20

Pakistan
- Tradition, birth (birth/descent into “slave” or bonded status)
- Withholding of wages
- Deceptive recruitment (regarding working conditions or legality of an employment contract, housing and living conditions, legal documentation or acquisition of legal migrant status, job location or employer wage/earnings)

The U.S. Department of State, Verité and Environmental Justice Foundation found evidence of forced labor including occurring in Pakistan’s cotton production. In the *Pakistan 2017 Human Rights Report*, the U.S. State Department noted that although Pakistan publicized its ban on child labor, reports found citizens coerced through bonded labor working in cotton fields. A report from Environmental Justice Foundation highlights labor abuses in Pakistan’s cotton production, such as debt-bondage (adults and children), degrading living conditions, withholding of wages, and unhealthy and hazardous conditions. Additionally, the government is weak in implementing countrywide enforcement of a legal framework preventing forced labor and holding perpetrators accountable, especially with bonded labor.
Sources:
- Environmental Justice Foundation. *The Children Behind Our Cotton.* 2007.21
- Verité. *Cotton.* 2017.23

**Tajikistan**
- Multiple dependencies on employer (jobs for relatives, housing etc.)
- Pre-existence of a dependency relationship on employer
- Degrading living conditions
- Withholding of wages

For its 2017 *Trafficking in Persons Report,* the U.S. State Department listed Tajikistan in Tier 2, citing forced labor, including forced child labor, occurring in Tajikistan’s annual cotton harvest. International Organization of Migration reported students were forced to work in cotton fields, forced by parents, teachers or employers, and cited the negative effect on children’s education, development, and health. World Vision Action similarly reported children were forced to pick cotton to meet government cotton quotas. Tajikistan has increased efforts to end forced labor of adults and children; however, the government has yet to implement countrywide enforcement of a legal framework preventing forced labor and holding perpetrators accountable.

Sources:
- International Organization for Migration. *Children and Student Participation in Tajikistan’s Cotton Harvest.* 2012.24
- U.S. State Department. *Trafficking in Persons Report.* 2017.25

**Turkmenistan**
- Coercive recruitment
- Forced overtime
- Limited freedom of movement and communication
- Degrading living conditions
- Pre-existence of a dependency relationship on employer
- No freedom to resign in accordance with legal requirements
- Withholding of wages

U.S. State Department, Cotton Campaign, Alternative Turkmen News (ATN), and Anti-Slavery International all cited evidence of forced labor in Turkmenistan in the four high-risk categories. Specifically, ATN found that Turkmen government officials forced tens of thousands of teachers, doctors, nurses, and civil servants to pick cotton or pay for their replacements under threat of losing their jobs. Additionally, the government punished journalists and human rights activists who documented and reported on forced labor, and has imprisoned several of them. The U.S. State Department designated Turkmenistan in the worst possible rank, Tier 3, in the 2018 *Traffic in Persons Report,* because Turkmenistan, “does not meet the minimum standard for eliminating trafficking and is not making a significant effort to do so.” Specifically, the government continues to organize, orchestrate, and benefit from forced labor in cotton production, and has not taken significant steps to end it.
Uzbekistan

- Coercive recruitment
- Forced overtime
- Limited freedom of movement and communication
- Degrading living conditions
- Pre-existence of a dependency relationship on employer
- No freedom to resign in accordance with legal requirements
- Withholding of wages
- Denunciation to authorities
- Confiscation of identity papers or travel documents
- Constant Surveillance
- Removing rights or benefits
- Exclusion from future employment or overtime

The Government of Uzbekistan maintains control over ownership of the land, cotton inputs, prices, mandatory quotas, and the export companies. During the 2017 harvest, Uzbek German Forum (UGF) found evidence in all four high-risk categories of forced labor. Specifically, there is documented evidence of: involuntary mobilization of public and private sector workers and university students, manipulation and extortion by local officials, workers having to pay for their replacements, redeployment of university students and teachers after they were recalled, and no mechanism for citizens to refuse participating in Uzbekistan's cotton harvest. The ILO estimated that 336,000 forced laborers picked cotton during the 2017 harvest. For its 2018 Trafficking in Persons Report, the U.S. State Department listed Uzbekistan in the Tier 2 Watch List, which refers to a significant number of trafficking victims and failure to provide evidence of improving efforts. Additionally, the government is weak in implementing countrywide enforcement of a legal framework preventing forced labor and holding perpetrators accountable.

Sources

- International Labor Organization. Third-party monitoring of measures against child labour and forced labour during the 2017 cotton harvest in Uzbekistan. 2017.31
- U.S. State Department. Trafficking in Persons Report. 2018.32
- Uzbek German Forum. We Pick Cotton Out of Fear. 2018.33
- Verité. Cotton. 2017.34
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24. https://www.verite.org/project/cotton/
34. https://www.verite.org/project/cotton/