

YESS: Yarn Ethically & Sustainably Sourced **Company Participation Options**

Goal: Prevent cotton produced with forced labor from entering global value chains

Approach: Enable and assess that spinners and textile mills implement effective due diligence programs that prevent sourcing cotton produced with forced labor.

[YESS: Yarn Ethically & Sustainably Sourced](#) (YESS) works to eliminate forced labor from the cotton textile value chain by building capacity and managing an assessment of value chain actors' ability to identify, address, and prevent sourcing cotton produced with forced labor. YESS applies the OECD [Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#), which has wide industry and government support and is a proven method for companies to identify and address risks over time.

Responsible Sourcing Network (RSN) released the [YESS Standard for Spinners](#) (previously called *YESS Cotton Standard*) in 2019. The YESS Standard outlines what actions YESS-conformant spinners must take to conduct due diligence on the cotton they source and on the suppliers of that cotton. The complementary *YESS Assessment Workbook for Spinners* establishes criteria that needs to be evaluated during an assessment of a spinner's due diligence management system. The current YESS Standard and Workbook focus on spinners because that is the first global mixing point, where cotton lint from multiple countries is commonly blended to make yarn. Spinners are the key control point for identifying a cotton's country of origin.

Recognizing that many retailers are unable to identify the cotton yarn spinners in their value chains without the assistance of their textile mills, RSN is in the process of modifying the YESS Standard and Workbook for application at textile mills (*YESS Standard for Textile Mills*). By expanding its application, YESS can enable and assist cotton yarn spinners and textile mills with three main activities:

- 1) Establish a robust due diligence system to identify, address, and prevent sourcing cotton lint or cotton yarn that involved forced labor
- 2) Identify suppliers that pose a high risk of sourcing cotton lint or cotton yarn that involved forced labor in its cotton production
- 3) Provide guidance on how spinners and textile mills can work with their suppliers to determine the origin and riskiness of cotton lint or cotton yarn

By enabling spinners and textile mills with these activities and assessing their conformance to the YESS Standard for Spinners or Textile Mills, RSN's YESS enables brands and retailers to have greater confidence that YESS-conformant spinners and textile mills are doing their part to prevent and mitigate forced labor in their cotton value chains. The YESS initiative is now ready for piloting at a variety of spinners and textile mills.

YESS Pilots: Value to Brands

By supporting the YESS pilots, brands can:

- Demonstrate to customers, investors, and stakeholders strong, clear leadership and help develop a scalable program focusing on eliminating the use of forced labor in cotton production throughout brands' value chain and the entire cotton textile industry
- Assist the industry to meet anti-slavery legislation enacted in California, UK, and Australia, and avoid the U.S. [Withhold Release Orders](#) against cotton or cotton products from Turkmenistan; XPCC, and from the Xinjiang Uyghur Autonomous Region (XUAR) of China
- Be proactive in meeting any future requirements that might be imposed on cotton or cotton products from other high-risk countries or regions
- Educate sourcing and social responsibility teams to gain a strong understanding of how textile mills source and process cotton and cotton yarn, and how to apply a risk-based due diligence approach to identify and address risk of forced labor throughout the cotton value chain

By supporting the creation and piloting of the YESS Standard for Textile Mills, brands will enable the completion of a set of YESS standards that will provide transparency and accountability to yarn spinners and textile mills, which are two of the most opaque points in the cotton apparel and home goods value chains and often challenging to identify or influence. **More importantly, brand participation and financial support will help YESS build due diligence capacity throughout the global cotton and textile industry by providing YESS capacity building.** The engagement and empowerment of yarn spinners and textile mills in eliminating the market for any cotton or cotton products produced with forced labor is crucial to the industry's efforts to end the abusive practices. **YESS is committed to doing exactly this.**

Supporting the YESS Standard for Spinners or Textile Mills

RSN is poised to pilot test YESS at yarn spinners and textile mills. To demonstrate proof-of-concept of YESS and train independent auditors to conduct the due diligence assessments, RSN is inviting a maximum of five brands to participate in nine pilot assessments in 2021. **To secure participation for your brand or company, call Patricia Jurewicz, RSN Principal, mobile +1.612.203.1467; email patricia@sourcingnetwork.org**

To prepare the spinners and textile mills for success, and to start building comprehension and capacity throughout the industry, RSN will develop and offer a set of ten online training modules (five for spinners and five for textile mills), along with a set of tools and resources. Supporting brands' sourcing teams and interested staff are welcome to attend the trainings.

RSN fully supports OECD's risk-based due diligence approach to help companies at all tiers take the necessary steps to understand, identify, assess, and appropriately address prioritized risks of harm associated with their operations, suppliers, or raw materials. RSN invites brands to advance this approach in 2021 by being a YESS Pilot Sponsor and nominate two yarn spinners or textile mills, or to support the development of YESS tools, resources, and trainings at the levels of YESS Ambassador or YESS Supporter.

YESS Participation Opportunities for brands, mills, and industry associations

YESS Ambassador

As a **YESS Ambassador**, your company will benefit from unlimited access to all online trainings; access to select in-person trainings (per availability); and the Summary of Findings of the pilot assessments across all participating spinners and textile mills. YESS Ambassadors can invite spinners and textile mills to access online trainings. YESS Ambassadors are eligible to participate in the YESS Implementation Working Group. YESS Ambassadors **contribute \$7,500 - \$20,000**.

Benefits:

- Online trainings on the YESS Standards and due diligence (unlimited)
- Select in-person training(s) (per availability)
- Pilot Assessment Summary of Findings
- Eligible to participate in the YESS Implementation Working Group
- Access to quarterly updates

YESS Supporter

As a **YESS Supporter**, your company will benefit from access to all online trainings and quarterly updates. YESS Supporters **contribute \$4,500 - \$7,000**.

Benefits:

- Online trainings on the YESS Standards and due diligence
- Access to quarterly updates

YESS Pilot Sponsor (Fulfilled for 2021)

As a **Pilot Sponsor** you are a member of the YESS Pilot Project Team. Pilot Sponsors may nominate two spinners or textile mills for YESS pilot assessments, which includes access to training and one-on-one support throughout the process. Sponsors' sourcing and social responsibility teams will gain a strong understanding of how spinners source and process cotton, and how to apply a risk-based due diligence approach to identify and address risk of forced labor in the cotton value chain.

Brands participating as Pilot Sponsors—and their nominated spinners/mills—will have access to all online and in-person trainings and will be provided a Summary of Findings across all participating spinners and textile mills. Pilot Sponsors are eligible to participate in the YESS Implementation Working Group. Pilot Sponsors sign the *YESS 2021 Pilot Project MOU* and **contribute \$60,000**.

Benefits:

- Participation in the YESS Pilot Project Team
- Online trainings on the YESS Standards and due diligence (unlimited)
- Select in-person training(s) for brand staff and suppliers
- Capacity building and one-on-one support for participating pilot spinners/mills
- Two remote and onsite Pilot Assessments of brand-nominated spinners/mills
- Pilot Assessment Summary of Findings
- Invitation to participate in the YESS Implementation Working Group
- Access to quarterly updates

For questions, more information, or to start your YESS support, call

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YESS: Yarn Ethically & Sustainably Sourced

Piloting the YESS Standard for Spinners and Textile Mills: Detail on Core Activities

Goal: Prevent cotton produced with forced labor from entering global value chains

Approach: Enable spinners and textile mills to implement and assess effective due diligence programs that prevent sourcing cotton produced with forced labor.

RSN is poised to pilot test YESS at yarn spinners and textile mills, demonstrate proof-of-concept of YESS, and train independent auditors to conduct the due diligence assessments. To prepare the spinners and textile mills for success, RSN will:

1. Modify the YESS Standard and Workbook for Textile Mills
2. Provide resources and tools to enable spinners and textile mills to develop their own responsible due diligence systems (e.g. policy; supplier and material due diligence procedures; procedures to identify, assess and address risks; tools to monitor and report on progress)
3. Provide a five-module set of due diligence introduction trainings (attached) for participating textile mills, sourcing staff, and third-party auditors.¹ These trainings and supporting resources will introduce the basic principles of an OECD risk-based due diligence approach and the requirements of the YESS Standards, and help the spinners and textile mills develop their own due diligence systems. RSN will:
 - a. Provide to participating spinners and textile mills a two-page introduction outlining the goals, approach, and activities involved in the YESS pilot
 - b. Remotely train suppliers and brand team members on the YESS Standards and Workbooks. RSN will develop and present a set of five training modules in English in separate one-hour webinars for spinners and a set of five training modules for textile mills, recording all the modules for future use
 - c. Assist and advise participating spinners and textile mills² on how to:
 - Map value chains
 - Integrate the due diligence system into sourcing and material management operations and strategy development
 - Communicate publicly on the due diligence process, including how to address potential and actual harms
 - Train internal business partners and suppliers
 - Communicate with affected stakeholders
 - Monitor the effectiveness of the due diligence system

¹ RSN does not cover auditors' time and travel costs

² RSN does not cover translation cost, if translation is necessary

4. Once the training is accomplished, participating mills will have access to resources and to RSN’s Due Diligence Expert as they develop or adjust existing policies, procedures, and systems to conform with the applicable YESS Standard
5. RSN will then conduct pilot remote (desktop) YESS assessments of the participating spinners and textile mills’ due diligence systems and report on the remote assessment findings, including a list of corrective actions for identified non-conformances. RSN’s Due Diligent Expert will provide support as needed
6. RSN will conduct in-person assessments of each of the participating mills. In conjunction with these on-site pilot assessments, RSN will train staff from two third-party auditing firms on the YESS Standards and Workbooks
7. RSN will provide “refresher” in-person trainings in sourcing regions (to reinforce the online training). All spinners, mills, and brands participating in or sponsoring the pilot assessments, along with YESS Ambassadors—in select circumstances— are invited to participate in these trainings

Complementing the development and finalization of the YESS training modules, resources, tools, and assessment processes, and simultaneous to the pilot, RSN will be determining the most appropriate way to develop efficiencies and scale the YESS due diligence approach. RSN will:

8. Incorporate learnings from the remote and onsite assessments into the YESS Standards and accompanying Assessment Workbooks. Prior to finalizing, conduct public consultation (dependent on funding and industry guidance)
9. Together with the YESS Initiative Working Group, refine the YESS 3- to 5-year business plan for an industry-wide sustainable and scalable initiative. Focus will be on the most appropriate way to collaborate with industry-wide, multi-stakeholder initiatives (SLCP, SAC, BCI, FLA, OAR, etc.), and leverage robust assessment management approaches

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mobile +1.612.203.1467 / email patricia@sourcingnetwork.org
(US Central Time Zone)**

Attachment

Outline of online training modules

RSN will develop a series of five sequential one-hour modules to offer a complete suite that introduces the overarching concepts of due diligence before presenting more detailed explanations, guidance, and examples of the various components of a due diligence management system. One set of five training modules will be developed for spinners, and one set will be developed and presented for textile mills.

The presentations will provide context and examples to convey the underlying principles, concepts, and intended outcomes of a due diligence management system. The training will include a glossary of terms; an explanation, description of key concepts, and components of due diligence; a series of interactive exercises; and a quiz to assess the attendees' understanding of the material as well as to reinforce information provided throughout the training.

RSN will present the following training modules geared toward the intended audience:

1. **Introduction to the OECD due diligence framework:** This module will provide a general overview of the six steps of the OECD's due diligence framework as well as key concepts that comprise the framework (e.g. risks of harm, risk-based approach, due diligence as a dynamic, holistic way of operating, stakeholder engagement (including grievance mechanisms), continuous improvement, and cooperating in remediation).
2. **Establishment of a strong enterprise management system:** This module will build off of the first module and will provide more detailed explanations of what an effective due diligence management system entails, including (but not limited to): establishing and implementing an appropriate policy and supporting procedures (at an enterprise, brand, and product-line level); the importance of monitoring performance and continuous improvement; and responding to identified risks or grievances.
3. **Identification, assessment and prioritization of risks of harm:** This module will provide guidance on mapping supply chains, identifying and assessing risks and impacts along supply chains, identifying high-risk supply chains, and prioritizing the most significant and severe risks. RSN will also cover how to differentiate between low-risk and high-risk supply chains, and how to determine what additional due diligence will be warranted in high-risk supply chains, including credible on-the-ground assessment requirements and qualifications.
4. **Design and implementation of a strategy to respond to identified risks:** This module will help trainees understand the various means of responding to prioritized risks of harm, including how to cooperate in remediation. RSN will present examples that explain how to engage and empower suppliers, sub-suppliers, industry associations, or government agencies, as well as how to support or influence upstream mechanisms or multi-stakeholder initiatives.
5. **Verification of and reporting on supply chain due diligence:** This module will present how an enterprise can monitor the effectiveness of a due diligence management system—both continually and annually—as well as the effectiveness of its efforts to address identified risks. Topics will include the importance of setting up communication feedback loops, training relevant employees, responding to stakeholder input or changes in sourcing strategies, and engaging suppliers. This training will also include an explanation of what information should be provided in an annual public report. In addition, this module will serve as a review of the required contents, implementation, and evidence needed for a YESS-conformant due diligence management system.