YESS: Yarn Ethically & Sustainably Sourced

Q2 Update Webinar

30 June 2022

http://www.sourcingnetwork.org/yess

Today's YESS Agenda

- 1. Initiative Activities and Updates
- 2. Pilot Follow-ups and Standard Public Consultation
- 3. Sponsorship and Steering Committee
- 4. 2022 Next Steps and Beyond
- 5. Q & A

YESS Activities and Updates





Patricia Jurewicz Founder & CEO Responsible Sourcing Network

YESS Activities and Updates

- The YESS Pilot has concluded, findings have been published (<u>link</u>), an annex will be added.
- Implementation Working Group (IWG) Status
 - Recommendations and Action Plan are being finalized, and then they will be distributed
- Status of YESS Standard for Textile Mills (Knitting & Weaving)
 - Public consultation has closed, feedback is being integrated as appropriate, and the final version is scheduled to be released in Q3
 - YESS Standard for Spinning Mills is also being updated and released
- STREAMS Pilot in India is being formalized (Verité, BCI, traceability)

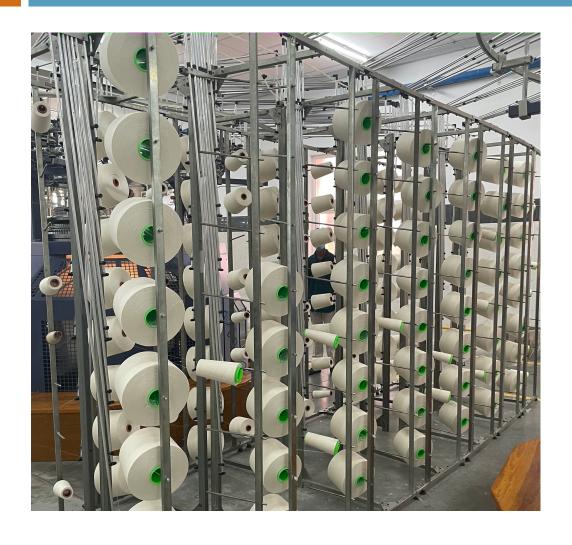
YESS Pilot Follow-ups and Standard Public Consultation





Liz Muller
Principal
liz muller & partners
Due Diligence Consultant

YESS Pilot Overview



2 Standards

3 Countries

6 Enterprises

7 Auditors

75+ Facility Leaders

100+ Resources or Trainings

YESS Pilot Improvement Action Plans and Follow-ups

- Facilities' efforts to address assessment findings and improvement opportunities vary
- Facilities took advantage of technical advice and resources
- Clarity on forced labor risk level is needed for facilities to prioritize actions
- Launching YESS will allow us to learn how we can further support facilities



YESS Standard for Textile Mills Public Consultation



- Launched on May 1, 2022 and closed on June 15, 2022
- 19 stakeholders provided comments
- A public response to feedback will be issued along with the release of the YESS Standards in Q3

Comments of Note from Public Consultation

The importance of robust IT systems

As with all elements of a due diligence management system, IT systems must be appropriately robust and effective. While IT systems are critical for material management and tracking, strong processes, trainings and executive support are critical for the proper functioning the entire due diligence management system.

Less detail is provided in high-risk supply chain requirements

It is important to recognize that high-risk mitigation plans must be informed by stakeholders. Instruments or approaches, including timelines, will vary depending on the conditions and type of forced labor risk. YESS will incorporate any learnings - and adding more specific expectations, if warranted – as participating enterprises and the wider YESS community address forced labor in high-risk origins.

Requests for more prescriptive details

A key concept of due diligence is that the enterprise understands the risks and conditions and engages with stakeholders to develop effective measures. YESS will bolster the effectiveness of the standards by providing examples and more in trainings as well as develop resources over time.

The challenge for mills to source YESS conformant (low-risk) spinners until YESS grows

Sourcing from non-YESS conformant spinners will require mills to conduct additional due diligence. However, they are allowed to start with prioritized higher risk suppliers. **Industry support for YESS will help cascade due diligence in this key tier of the supply chain.**

YESS 2022 Sponsorship and Steering Committee





Jamie Fortin Senior Program Associate Responsible Sourcing Network

YESS 2022 Sponsorship Options

Ambassador – \$10,000

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

Champion - \$25,000

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

Pioneer - \$50,000

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

YESS Steering Committee

- Multi-stakeholder:
 - 3 retail/ brands/ associations
 - 3 civil society
 - 3 facilities/ traders/ industry
- Decision-making body
- Transition SC to elected positions after 18 months

YESS 2022 Next Steps and Beyond





Patricia Jurewicz Founder & CEO Responsible Sourcing Network

2022 Next Steps

- Publish finalized YESS Standards (Q3)
- Finalize the YESS Recommendations and Action Plan (Q3)
- Begin work with Steering Committee (Q3)
- Finalize forced labor methodology approach (Q3-Q4)
- Circulate an RFP for auditor and assessment management
- STREAMS Pilot (2022 2023)
- Raise funds for capacity building and to implement the Action Plan (2022)

Path Forward 2023

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

Questions?

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