



YESS: Yarn Ethically & Sustainably Sourced Company Participation

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

<u>YESS: Yarn Ethically & Sustainably Sourced</u> (YESS) works to drive forced labor out of 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 <u>Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector</u>, 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 <u>YESS Standard for Spinners</u> (previously called <u>YESS Cotton Standard</u>) 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 <u>YESS Assessment Workbook for Spinners</u> 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 has created a DRAFT 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 Pilot Project: Value to Brands

By supporting the YESS pilot assessments and resources, 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. <u>Withhold Release Orders</u> 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 and 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 working with a maximum of five brands to participate in nine pilot assessments in 2021.

To prepare the spinners and textile mills for success, and to start building comprehension and capacity throughout the industry, RSN has developed and is offering two sets of five online pilot training modules (five designed for spinners and five designed for textile mills), accompanied by a set of pilot 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 supporting the development of YESS tools, resources, and trainings as a YESS Ambassador.

YESS Participation Opportunity for brands, mills, and industry associations

YESS Ambassador

As a **YESS Ambassador**, your company will benefit from unlimited access to all online pilot trainings; access to select in-person pilot 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 (for a nominal fee). YESS Ambassadors are also eligible to participate in the YESS Implementation Working Group. YESS Ambassadors **contribute \$7,500 - \$20,000**.

Benefits:

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

For questions, more information, or to start your YESS participation, contact

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