

YESS Pilot Project 2021-2022 Goals and Accomplishments September 23, 2021

Executive Summary

[YESS: Yarn Ethically & Sustainably Sourced](#) (YESS Initiative or YESS) will enable yarn spinners, textile mills, brands, and others to identify and address forced labor in their cotton supply chains by establishing due diligence standards and building capacity within the industry on those standards.

2021 – 2022 Goals

YESS is pursuing two parallel workstreams:

1. The **YESS Pilot Project** is designed to
 - **Evaluate** if the YESS due diligence standards for spinners or textile mills, the cornerstone of the initiative, are written appropriately
 - **Determine** if cotton yarn spinners and textile mills are capable of completely understanding and conforming to the standards
 - **Train** qualified auditors on the YESS Standards
 - **Develop** resources to support spinner and textile mill capacity building
2. The **multi-stakeholder Implementation Working Group (IWG)** is designed to incorporate input and recommendations from the apparel and home goods industry to
 - **Design** and implement a system to support the YESS approach
 - **Establish** an Action Plan to launch YESS as a sustainable, scalable, and efficient initiative that can be integrated into the global textile industry

A summary of the Pilot Project and IWG composition and scope, accomplishments to date, and plans for the remainder of 2021 and all of 2022 are outlined below.

YESS is now accepting 2022 sponsorships. Sponsorship options and details for 2022 can be found on the [YESS homepage](#) (Under “YESS Materials” on the right side).

Pilot Project Summary

Goals and Deliverables

- Train and advise five spinners and four textile mills (two of which are verticals)
- Assess the feasibility of spinners and textile mills conforming with YESS standards
- Provide for nine facilities: technical advice, remote assessments (initial), onsite assessments (final), findings, and improvement items
- Conduct textile mill research
- Identify capacity building needs for spinners, textile mills, auditors, and brands
- Train 20 auditors in six countries
- Finalize YESS standards, assessment workbooks, tools, and resources
- Train brand sponsors through remote training series

Stakeholder participation

- 5 global brands
- 9 pilot facilities in 4 countries (2 are vertical – spinner & textile mill)
- Cross-section of different sourcing models is well represented (e.g., low-risk origins only, high-risk origins (imports and domestic), direct from gin, indirect from domestic government, vertical sourcing, shift in sourcing model due to limited domestic production)
- 20 trained auditors from 2 audit firms in 6 countries
- 22 financial sponsors (global brands & multi-stakeholder association)

2021 Accomplishments

- 10 delivered and recorded training webinars (5 for spinners & 5 for textile mills)
 - 100 people attended each, 176 recording views, 117 completed quizzes
- 92 registrants for the YESS Portal (password protected)
- 30 YESS resources: assessment preparation checklists and templates (**Exhibit A**)
 - 15 each for spinners & textile mills
- 14 auditors have attended each of two auditor onboarding trainings and 20 have access to the trainings and the following documents and resources:
 - Auditor onboarding documents (**Exhibit B**)
 - Assessment procedure and tools (**Exhibit C**)
 - 10 Auditor resources (**Exhibit D**)
- Remote assessments and advisory services are underway
- Most facilities are capable of conforming with YESS standards

2022 Goals¹

- 12 in-person training sessions (6 for pilot facilities, 6 for pilot auditors)²
- Nine in-person pilot assessments (3 spinners, 2 mills, 2 verticals)
- Public consultation and finalization of the *YESS Standard for Textile Mills*
- Final suites of spinner, textile mill, and auditor tools and resources

¹ Additional 2022 planned activities will be incorporated as funding allows and per direction of the Implementation Working Group (IWG).

² Sponsoring brands' sourcing teams will be invited to these trainings (COVID and capacity permitting).

A detailed outline of **2021-2022 Pilot Activities, Deliverables, and Timelines** is provided in **Exhibit E**.

Feedback from pilot facilities and auditors

- Appreciate the thought that has gone into standard, trainings, and resources
- Allow facilities to check transparency / traceability efforts already under way
- Good initiative, well-defined
- Education is good – it takes time to learn new initiatives
- Sustainable – largely because YESS allows for gradual change
- Transaction Documents – spinners and mills receive them all (required for Letter of Credit)
- Textile mills may buy cotton fabric from other mills (i.e., expect every scenario)
- Brands are asking mills and (in turn) spinners to trace products' cotton lint – all with different spreadsheets
- A more relaxed schedule for submittals is welcomed (onboarding may take 2-3 months)

Implementation Working Group (IWG) Summary

Purpose

The main purpose of the IWG is to provide guidance and recommendations to RSN so that YESS:

- Is accepted, integrated, and adds value to all tiers of the industry
- Is credible and meets the needs of various stakeholders
- Is aligned with international due diligence requirements
- Contributes to the elimination of forced labor involved in cotton production globally

Participants

- 32 participants confirmed from 27 different organizations³
 - 9 Brands and Retailers
 - 8 Associations
 - 3 Industry Experts and Academics
 - 7 Civil Society Organizations
- 70 - 80 advisors and service providers offering input

Sub-Groups

1. Forced Labor / Low-risk Determination / Farm-level Initiatives
 - “Low-risk” cotton criteria in a “high-risk” country
 - Formalize relationships with farm-level and gin-level initiatives and stakeholders
2. Auditor Management
 - Onboarding, training, management and scaling of approved auditors
 - Drive consistent, cost effective, and high-quality assessments
3. Facility Capacity Building and Conformance
 - Training, risk-readiness, on-boarding, assessments
 - Assessment costs, support and incentives
4. Scalability / Governance / Collaboration / Financial Sustainability

³ Five of the 27 organizations have two representatives for a total of 32 participants.

- Leadership, coordination, efficiencies, transparency, scaling
- Revenue structure and streams, fundraising
- 5. Technology and Infrastructure
 - Data collection, access, analysis, and dissemination
 - Assessment facilitation, e-learning, and impact tracking

2022 Goals

- IWG meetings and recommendations completed
- YESS Action Plan finalized and distributed
- Formalized partnerships established with leading initiatives (BCI, SAC, SLCP, OAR, etc.)
- Funds raised to implement the Action Plan and 3-yr financial plan determined

A detailed outline of **2021-2022 IWG Activities, Deliverables, and Timelines** is provided in **Exhibit F**.

Exhibits

Page Exhibit

5	A	Resources Table of Contents, Spinners & Textile Mills
6	B	Standards Auditor Onboarding Documents, Table of Contents
6	C	Assessment Procedure and Tools, Table of Contents
6	D	Assessment Procedures and Tools Auditor Resources, Table of Contents
7	E	Pilot Project Activities, Deliverables, and Timelines
9	F	IWG and YESS Initiative Activities, Deliverables, and Timelines

Exhibit A
YESS Resources Table of Contents
Spinners & Textile Mills
2021 Pilot Version

Module 2: Due Diligence Management Systems

1. YESS Standard Review Checklist
2. Cotton Sourcing Policy Checklist
 - a. Sample Cotton Sourcing Policies
3. Management System Checklist
4. Cotton Inventory Control System Checklist
 - a. Unprocessed Cotton Receiving Inspection Form
 - b. Recycled Cotton Receiving Inspection Form
 - c. Incoming Cotton Documentation Form
5. Verify, Monitor, and Validate Due Diligence Effectiveness Checklist

Module 3: Identify Red Flags

1. Supplier List (Assessment Workbook)
2. Know Your Supplier (KYS) Checklist
 - a. KYS Form
 - b. KYS Tracker – Basic
 - c. KYS Tracker – High-Risk Supply Chains
3. Procedure to Identify High-Risk Origins Checklist
 - a. Sample High-Risk Origin Identification Procedure
4. Identify Supply Chain Risk Checklist
 - a. Cotton Risk Decision Trees

Module 4: Identify and Respond to Risks

1. High-risk Supply Chain Mapping Tool
 - a. Sample Letter to Suppliers in High-Risk Supply Chains
2. Grievance Mechanism Checklist
3. Risk Assessment and Response Checklist
 - a. Forced Labor Assessment Checklist
4. Relationship to Identified Risks Assessment Checklist
5. Risk Mitigation Plan Checklist
 - a. Risk Mitigation Plan Form

Module 5: Monitoring and Reporting

1. YESS Standard Review Checklist (refer to Module 2)
2. Annual Public Due Diligence Report Checklist
 - a. Annual Public Due Diligence Report Template
3. YESS Assessment Preparation Checklist
4. YESS Assessment Workbook (forthcoming)

Exhibit B
YESS Standards Auditor Onboarding Documents
Table of Contents
2021 Pilot Version

Invitations / Applications / Agreements

1. YESS Auditor Invitation Letter
2. Audit Firm Application
3. YESS Pilot Audit Firm Agreement
4. YESS Pilot Auditor MOU
5. Mutual Non-Disclosure Agreement

Exhibit C
YESS Assessment Procedure and Tools
Table of Contents
2021 Pilot Version

Assessment Procedure and Tools

1. YESS Assessment Procedure
2. YESS Facility Visit Introduction & Request
3. YESS Assessment Workbook & Summary of Findings
4. YESS Assessment Summary Report
5. YESS Assessment Observation Guidelines
6. YESS Assessment Opening Meeting Presentation Template

Exhibit D
YESS Auditor Resources
Table of Contents
2021 Pilot Version

Auditor Resources

1. Cotton Planting and Harvest Calendar
2. Cotton Length Chart
3. Cotton Yarn Counts
4. Cotton Value Chain Actors
5. Ginner Fact Sheet
6. Ginner Flowchart
7. Spinner Fact Sheet
8. Spinner Flowchart
9. Textile Mill Fact Sheet
10. Textile Mill Flowchart
11. Demonstration to complete YESS Facility Profile and Sourcing Dashboard

Exhibit E
YESS Pilot Project Activities, Deliverables, and Timelines
2021–2022

In light of COVID restrictions preventing international travel and onsite assessments may remain until mid-2022, RSN has proposed the below revised schedule and adjusted activities.

Pilot Project Activities, Deliverables, and Timelines 2021–2022		
Activity	Deliverable(s)	Timeframe
Draft YESS Standard for Textile Mills & Assessment Workbook	Draft YESS Standard for Textile Mills Draft YESS Assessment Workbook	Completed
Present facility training series (spinners and textile mills)	10 online trainings (recorded and accessible via YESS Portal): <ul style="list-style-type: none"> • 5 for spinners • 5 for textile mills 	Completed
Create resources and tools for Pilot facilities and auditors	Suite of resources: <ul style="list-style-type: none"> • 15 for spinners • 15 for textile mills <i>(See Exhibit A for a complete list)</i>	Completed
Present auditor trainings	2 online trainings (recorded and accessible to auditors)	Completed
Create auditor onboarding documents	Suite of applications, agreements, MOUs <i>(See Exhibit B for a complete list)</i>	Completed
Create assessment procedure and tools	Suite of procedures, assessment tools <i>(See Exhibit C for a complete list)</i>	Completed
Create auditor resources	10 resources on basics of cotton supply chain and actors <i>(See Exhibit D for a complete list)</i>	Completed
Provide one-on-one support to pilot facilities	Technical advice Deliverable submittal schedule	In-process

Pilot Project Activities, Deliverables, and Timelines 2021–2022		
Activity	Deliverable(s)	Timeframe
Conduct textile mill research at US facility ⁴	Textile mill fact sheet (for auditors) Adjustments to YESS Textile Mill Standard and Assessment Workbook (if necessary)	Pending
Remote Assessments [Note: we have added interviews and inventory control system demonstration to remote activities]	Due diligence management system elements (facilities) Assessment Summary Reports and Improvement Items (RSN)	Q3-Q4 2021 ⁵
Support facilities addressing improvement items ⁶	Improvement Plan	Q4 2021
Conduct onsite assessments	Assessment Summary Reports and Improvement Items Approve qualified independent auditors	Q1/Q2 2022 (COVID permitting)
Provide in-person trainings (facilities and auditors)	Six half-day in-person training for facilities Six half-day in-person training for auditors	Q1/Q2 2022 (COVID permitting)
Provide in-person trainings (brand sourcing teams)	Two half-day in-person training for brand sourcing teams	Q1/Q2 2022 (COVID permitting)
Public consultation of final textile mill standard ⁷	Final YESS Standard for Textile Mills	Q3 2022 (COVID permitting)

⁴ RSN hopes to conduct sufficient research necessary to prepare the textile mill standard for public consultation. This is an added activity to accommodate the COVID-delayed onsite assessments.

⁵ Original completion date (without the newly added activities) was September.

⁶ Supporting facilities as they address their discrepancies, gaps, or required improvements is a new activity.

⁷ YESS Standard for Spinners underwent public consultation in 2018.

Exhibit F
YESS IWG and YESS Initiative Activities, Deliverables, and Timelines
2021–2022

IWG and YESS Initiative Activates, Deliverables, and Timelines 2021–2022		
Activity	Deliverable(s)	Timeframe
Contract IWG facilitator and lay out engagement plan	David Uricoli (formerly Ralph Lauren) contracted IWG engagement plan set (Sept '21 - Jan '22)	Completed
Confirm IWG participants	32 participants confirmed and signed the TOR	Completed
Determine sub-groups; group objectives; and pre-reads	Extensive outline for each group to discuss and determine recommendations	Completed
Facilitated discussions; draft recommendations; survey(s); panel discussions; draft action plan	At least 2 all-group and 5-6 sub-group calls 1-3 surveys (targeted groups) Sub-group recommendations YESS Action Plan with key outcomes from each IWG sub-group	Sept '21 – Jan '22: Calls and surveys Q1 2022: Sub-group recommendations Q2 2022: Action Plan
Identification of staff, financing, partnership, and technology needs	YESS Initiative organizational chart Detailed 3-yr financial budget and income streams Roles and responsibilities of various YESS members / stakeholders	Q2 2022
Fundraising (sponsorships and grants)	Confirm second year of YESS sponsorships; funds raised to implement the Action Plan	Q4 2021 – Q3 2022
Partnership formalization (if directed per YESS Action Plan)	Signed MOUs/contracts with MSIs & service providers	Q2 – Q4 2022
System design (from YESS Action Plan)	Auditor management system; facility tracking; e-learning; YESS governance	Q2 – Q4 2022
On-boarding and preparation (training and tech advice) of first facility cohort post-pilot	10 facilities prepared for third-party YESS assessments (post-pilot Cohort 1)	Q3 2022

	Additional trainings and resources, as warranted	
Training and approving additional auditors	10 additional auditors from five new countries/regions Additional trainings and resources, as warranted	Q3 2022 (COVID permitting)
On-boarding and preparation (training and tech advice) of second facility cohort post-pilot	10 facilities prepared for third-party YESS assessments (post-pilot Cohort 2)	Q4 2022

NOTE: Delivery of the above deliverables will depend on the level of sponsorship for 2022 and additional fundraising. See the [YESS homepage](#) (right side under “YESS Materials”) for a breakdown of sponsorship options and deliverables.