



GOVERNANCE & ACCOUNTABILITY INSTITUTE'S

TO THE POINT™



Timely News, Insights & Perspectives on Corporate Sustainability, Responsibility & Citizenship

March 2018

Governance & Accountability Institute shares timely news, insights and perspectives with corporate managers in key topic areas:

- ⦿ Corporate Citizenship,
- ⦿ Corporate Responsibility,
- ⦿ Corporate Sustainability,
- ⦿ Community Affairs, and
- ⦿ Sustainable Investing.

To the Point! is a fee-based educational resource for corporate executives and managers distributed each month with periodic brief updates for critical items.

Published by
Governance &
Accountability Institute, Inc.
New York, New York

Researchers, Consultants & Strategists

Tel 646.430.8230

Email info@ga-institute.com

Web www.ga-institute.com

Educational Materials -
Contents Copyright © 2017-2018
by Governance &
Accountability Institute, Inc.
ALL RIGHTS RESERVED

*Please contact us for
reprint or academic use:*
info@ga-institute.com

Second in the Series: A BIG YEAR SHAPING UP, 2018 – Developments in Corporate Sustainability / Responsibility & in Sustainable Investing in 1Q

Update – on First Quarter 2018 ESG / Sustainable Investment Developments

Continuing our commentary on the theme suggested by **MSCI's Linda Eiling Lee** of *Volume and Velocity* in 2018 (of change) – current developments have been signalling dramatic and rapid changes in sustainable investing and corporate sustainability in the First Quarter of 2018.

We're sharing here recent developments that signal that we've arrived at the Tipping Points for both the investment community and the corporate community in terms of "sustainability".

Here's a summary for you:

Activism in the 2018 Corporate Proxy Voting Season - Notes for You As the Contests Are Underway

It's Annual Corporate Proxy Voting season once again, and the investment community has been developing its primary issues "expectations and demands" for the share 2018 voting.

According to **Bloomberg LP**, as we entered March and the voting was about to get underway, ESG issues were firmly in focus for shareowners of the Russell 3000.

An important perspective we share with our corporate clients and connections: "ESG" has become a holistic evaluation of the publicly-traded company.

The "G" (governance) factor continues to apply to such traditional governance issues as makeup of the board, having a single class of shares for voting, separation of chair and CEO post, majority vote requirements for director candidates, and assured shareholder access to the proxy development process.

More recently, with adoption of "ESG" as the approach to investment decision-making, the governance of the other elements (the "S" and "E" issues) are also considered to be important indicators of the quality of the company's management and board.

So an "S" (social or societal) issue such as Diversity & Inclusion naturally



becomes a “G” issue as well, as shareowners and stakeholders express their rising expectations about what the public company in focus *is or is not* doing in terms of developing board of director diversity.

The “E” becomes a “G” interconnection as well when shareowners and powerful forces such as the global **Financial Stability Board’s Task Force on Climate-related Disclosure** recommendations are being urged on companies for adoption.



BLACKROCK

BlackRock, the world’s largest asset manager, would like to see more companies consider the TCFD recommendations on climate change planning.

In Focus: Social / Societal Impact Issues

We’re tracking more than 200 shareholder-sponsored “S” issues, including focus on the diversity practices (and make up) of corporate boards of directors, and among the workforce.



GLASS LEWIS

Example:

Governance advisor **Glass Lewis** will reportedly vote “no” in director elections if there are no women on the board.

Issues: Environment - Energy - Climate Change

There are more than 100 “E” resolutions filed to date by shareowners.

Climate change is the biggie; investors want action and disclosure – what does the company intend to do in a changed environment?

Becoming a factor now: **The “TCFD”** recommendations for organizing comprehensive climate change scenarios in the financial services sector and in the corporate sector so that leaders (and investors, lenders,





credit rating agencies, insurers) can consider what happens to a company in a 2-degrees C operating environment. (The **COP 21 Paris Accord** intention is to limit warming to that level.)

TCFD suggests company regularly perform 4-degrees and 6-degrees exercises as well. If companies are not ready, a growing number of investors are – and demanding action.



BlackRock and **Vanguard** are encouraging companies and especially financial services firms to use the TCFD recommendations; we're seeing a trickle of interest on the corporate side now in trying to understand the implications for their firm.

And in “G” — the governance / environmental inter-connectivity, we see actions such as **New York City Pension Funds** (five funds in the complex) focusing on public companies having more “climate-competent” directors on boards.

Institutional Investors Press Companies on Lobbying \$\$\$ Disclosure

One consequence of the election in November 2016 of a president who then appointed heads of cabinet offices (such as **EPA, Interior Department**) who with the head of state seem bent on relaxing environmental regulations is the increase in demands by shareholders to have more information on lobbying and political payments.

More than 70 institutional investors have filed proposals at companies asking for lobbying reports (including federal and state lobbying payments, trade association payments used for lobbying, and payments to tax-exempt organizations like the **American Legislative Exchange Council (ALEC)** that write and endorse “model” legislation for states).



More than US \$3.3 billion was spent in total on such activities in 2017, the investor coalition points out, with the corporate sector putting up \$2.6 billion of this.



And at the state level? Lobbying in the states can be less visible but very impactful; the investors say that \$1 billion-plus is spent at state level by companies...and trade associations lobbying on behalf of the corporate members “indirectly” ...and this is an enormous money item for companies (the **US Chamber of Commerce** has spent \$1.4 billion on lobbying since 1998 said the investors).



And there are “undisclosed payments” as well, and the investor coalition wants information on the undisclosed payments for the trade associations lobbying on behalf of companies.

Why? Because such an organization may be lobbying on issues that are contrary to the company’s public statement or values.

The 2018 shareholder resolutions are capturing some of this, explains the coalition, whose members include public pension funds, labor pension funds, asset management companies, foundations, non-profit institutional investors, religious files, and some individuals.

Many institutions are members of the **Interfaith Center on Corporate Responsibility**. The investor coalition includes:



- UAW Retiree Medical Benefits Trust,
- New York State Common Fund,
- AFL-CIO funds,
- Boston Common Asset Management, Walden Asset Management (see notes in following item),
- Rockefeller & Co.,
- United Church Funds,
- Mercy Investment Services,
- Nathan Cummings Foundation...and others.



The focus on **ExxonMobil** is an example of the resolutions filed. The coalition is seeking an annual update on direct and indirect lobbying activities and expenditures, including grassroots efforts, including identification of company money recipients. The report should be presented to the board Audit Committee and posted on the company website.

ExxonMobil

Since 2012, the coalition investors have filed more than 340 proposals at companies and these have averaged about 25% in shareholder support in the annual votes. About 70 resolutions resulted in “mutually-agreed” settlements for greater transparency.

Among the companies receiving resolutions on lobbying this year are:

- **United Health, Aetna and Travelers** (insurance); **Alphabet** (Google parent);
- prominent bankers **Citigroup** and **Bank of America**;
- aerospace industry's **Boeing** and **Bombardier**;
- in energy, **ExxonMobil**, **Chesapeake**, **Devon Energy** and **Duke Energy**;
- pharma and biotech companies **Eli Lilly**, **Pfizer**, **Vertex** and **McKesson**;
- in automotive, **Ford Motor** and **Goodyear Tire**;
- financial biggies **BlackRock**, **Goldman Sachs**, **Morgan Stanley** and **Franklin Resources**;
- industry leaders **Honeywell**; **IBM**; **The Walt Disney Company**.

Result of Action Described Above: Corporate - Investor Engagement / Expanded Disclosure Agreement Reached at ConocoPhillips

Walden Asset Management is one of the leading sustainable & responsible investment organizations in the above coalition and a leader in generating proxy resolutions focused on ESG issues. It's a member of numerous investor coalitions and actively engages with



corporate senior
managements.

In one of the engagements related to the demand for greater transparency on lobbying expenditures, Walden and other



coalition members met with **ConocoPhillips** for several in-depth dialogues – these meetings resulted in agreement (in late-March) that (1) the Company will expand its lobbying disclosures and (2) the investors will withdraw their proxy resolution demanding same.

The investors met with representatives of the Company's Government Affairs, Corporate Secretary Office, Investor Relations, and Sustainability.

Tim Smith, Director of ESG Shareholder Engagement at Walden, commented: "We want to thank ConocoPhillips for expanding its reporting on public policy and lobbying. ConocoPhillips recognizes its lobbying activities can affect its business significantly and deserve careful oversight by management and the Board, along with expanded transparency.



"ConocoPhillips management has shown it is committed to reaching out and engaging in constructive dialogue with shareowners. We hope other companies will follow this model of good corporate governance."

The expanded disclosures could help to address concerns raised by the investors involved in the proposal:



(1) the Company is a member of **The Business Roundtable**, which actively lobbies against the right of shareholders to file resolutions; and,

(2) the Company is represented on the board of the **US Chamber of Commerce**, which "is by far the most muscular business lobby in Washington..."

And so, the resolution urges ConocoPhillips to evaluate their direct and indirect public policy advocacy and lobbying is consistent with the company's positions.

The ConocoPhillips shareholder-sponsored proposal identified \$18 being spent on direct federal lobbying activities between 2012-2016.

Co-filers included **Rockefeller and Company**; **State of Rhode Island and Providence Plantations**; **Mercy Investment Services**; **Brainerd Foundation**; and other ICCR institutional investor members.



Another Example of Corporate-Investor Engagement — and Collaboration

The Boston-based “responsible quantitative investment firm” **Jantz Management LLC** announced agreement with the **TJX Companies** to add a “carbon-neutral” scenario to the company’s feasibility assessment for the next quantitative emissions reduction goal. Jantz has been encouraging companies to pursue a “net zero greenhouse gas (GhG) scenario since 2015.



The Strategy

Jantz developed a model shareholder proposal that targeted companies in the portfolio that had high GhG emissions but no reduction goals to move toward a “carbon neutral” status.

TJX received the proposal in 2016, which went to vote by the shareholder base in 2017.

Company management responded to the same proposal for 2018 vote by engaging directly with Jantz and collaborating to identify science-based emissions reduction goals.

The result: TJX is aiming to reduce global GhG emissions per dollar of revenue by 30% against the 2010 baseline by 2020.

Update: Institutional Shareholder Services (ISS)

In our January wrap up we told you about ISS and the expansion of its Core Governance **QualityScores®** to include “S” and “E” QualityScores.



The first 1,500 public companies now have those E and S scores assigned and the ISS team is moving on to finish the first 5,000 corporate scores in 2018.

The first companies assigned scores are in these industries: Autos & Components; Capital Goods; Consumer Durables & Apparel; Energy; Materials; and Transportation.

ISS has been a global leader in advising and assisting key institutional investors on corporate matters (the “G” in ESG) since the mid-1980s and the ISS positions on key governance issues have been closely followed both by the firm’s clients and the broader capital markets community.

The E and S scores will be part of what ISS staff call the **Disclosure and Transparency Signal** that investors are seeking, and an important resource for investors to conduct comparisons with corporate peers (across the breadth of the 5,000 corporate G, E and S QualityScores).

Today, ISS operates out of 18 global offices in 13 countries, with 1,100 staff members covering 115 markets, and



recommends (to clients) and votes (on behalf of clients) on 42,000 annual meetings. The firm covers more than 20,000 public companies in its research and proxy voting work; those companies have a total of 3.7 trillion shares voted by ISS.

Its client base includes asset owners, asset managers, hedge funds, asset service providers and other capital markets players – 1,900-plus institutional clients in all, with almost 10 million corporate proxy ballots executed annually.

Consider the acquisitions of ISS in recent months to add to the resources of the organization's traditional governance work on behalf of investor-clients; the firm has acquired:

- **IW Financial** (acquired January 2017, this is a well-regarded ESG research, consulting portfolio management solutions). Established in 2001, the firm serves asset managers and institutional clients.
- **EVA Dimensions LLC** ("Economic Value Added" experts, acquired in February 2018; the EVA framework is used for measuring and analyzing, valuing and discounting a company's underlying economic profit rather than a bookkeeping profit.
- **Ethix SRI Advisors AB** (acquired September 2015; this is a Stockholm-based sustainable & responsible research and advice; now identified as "ISS-Ethix"). This unit provides the Environmental and Social research analysis capabilities to ISS.
- The investment climate data division of **South Pole Group** (June 2017; the unit provide data and analytics to measure the impact of climate change on investment portfolios).
- And in March 2018, a very important addition: **Oekom Research** (Munich, Germany-based ESG data and ratings company established in 1993 with offices in Paris, London, Zurich and New York City; the firm is an advisor to financial institutions holding US\$1.5 trillion in AUM).

ISS Services include:

- Governance Advice for Fiduciaries;
- Proxy Voting for Institutions;
- Responsible Investment Policies and Practices for Fiduciaries;
- Securities Class Action Services.

The Core Corporate Governance QualityScores® are a signature effort of ISS; these ratings of public companies provide institutional investor clients with "data-driven insights for a complete ESG risk evaluation."

ISS has long provided "G" (governance) scores for global public companies; beginning in 2018, the company added "Environmental" and "Social" scores to the G, to provide "a comprehensive ESG assessment of public companies. These are numeric, decile-based scores with "pillars" for each (E, S and G).

As we've explained in this space, in February 2018 the first scores were shared for 1,500 companies; the plan is to have 5,000 companies scored by mid-year.

It is not yet known what the impact of these scores will be on corporate reputation and valuation; the "G" scores are well-regarded by ISS's institutional clients. And the addition of the acquired companies' resources will dramatically change the ISS approach to evaluating risk management over the months ahead.





Student-Led Activism on Human Rights in Palestine - the Issue in Focus on Campus

The University of Minnesota is the setting for a student-led activism campaign – “UMN Divest” – focused on companies that the students say “assist Israel in violating human rights in connection with the Israeli-Palestinian conflict.”



Some students have organized a referendum to attract support to persuade the university to divest assets held in such companies as **Boeing, Raytheon, Caterpillar, Elbit Systems**, and other firms. (The vote would be on the all-campus election ballot.)

Boeing, for example, is accused by the student organization of supplying the weapons and aircraft used by Israel military against civilian populations in Gaza in 2014.

By mid-March the students had gathered about 600 signatures. There are more than 50,000 students enrolled in the university system. A bit more than 1% are Jewish, and the **University of Minnesota Hillel** points out that they support the university's socially responsible investment policy *but* (along with allies) oppose discriminatory divestment that targets the world's only Jewish state.

“The Students for Justice in Palestine” is part of the “Boycott, Divestment and Sanctions” movement. The university points out it holds indirect investments in funds managed by **BlackRock**.

Palm Oil Demand Rises / So Does Focus on Industry Behaviors

Palm Oil is one of the world's most popular cooking oils and food ingredients and the industry activity is growing in a number of developing countries, especially in the Pacific Basin.

The impacts on the local and global environment of palm oil growing are not necessarily favorable: the stakeholder reaction has been to create “reliable No Deforestation, No Peat, No Exploitation” policies – the “**NDPE**”.



These were developed for certification (to buyers) by the **Roundtable on Sustainable Palm Oil** (RSPO) and adopted in 2013 and 2014 by Southeast Asian palm oil traders and refiners.



These are designed to prevent clearing of forests and peat lands for new palm oil plantations. There are 29 company groups, reports **Chain Reaction Research**, that have refining capabilities and have adopted NDPE policies. (Climate Reaction Research is a joint effort between **Climate Advisers**, **Profundo** and **Aidenvironment**.)

The policies (best practices) are designed to protect the global ecosystem. “Un-sustainable” palm oil practices are an issue for investors, customers (the firms buying the oil including European refiners), palm oil industry companies that have adopted sustainable practices, and the countries in which palm oil is grown and harvested.

According to a new financial risk report from Chain Reaction Research, markets with customers that do accept “unsustainable palm oil” include India, China, Pakistan and Indonesia – these are also huge domestic markets for the producing countries.

One of the major centers of production is the huge Pacific Basin archipelago nation, **Indonesia** (once known as the Dutch East Indies). Almost half of the world’s palm oil refineries are in Indonesia and Malaysia.

The Indonesian government is reacting to the NDPE policies and has proposed changes to its own certification program – “the Indonesian Sustainable Palm Oil Standard” (ISPO) — presenting buyers with pressure to adopt one or the other of the certifications.

Companies using the existing Indonesian ISPO certification were accused of human rights abuses and “land grabs” and so in January the government development the new certification, which opponents claim weakens protection (the draft changes for the regulation removes independent monitoring and replaces “protection” with “management” for natural ecosystems).

CDP estimates that global companies in the industry had almost \$1 trillion in annual revenues at risk from deforestation-related commodities.





As the developed nation buyers looked carefully at their global supply chains and sources, “stranded assets” developed; that is, land on which palm oil cannot be developed because of buyer NPDE procurement policies. Indonesia and Malaysia have some of the world’s largest suppliers.

Early in 2018, **PepsiCo** announced that it and its J/V partner **Indofood** suspended purchasing of palm oil from **IndoAgri** because PepsiCo (a very prominent brand marketer) is concerned about allegations about deforestation and human rights were not being met.

Investors are identifying companies that source Crude Palm Oil (“CPO”) without paying attention to sustainability requirements, putting pressure on both sellers and buyers and perhaps pushing the smaller players to the sidelines. European buyers import CPO in large quantities to be used in biofuels.

The bold corporate names in western societies show up in rosters of company groups with refining capacity and NDPE policies, including **Bunge**, **Cargill**, **Louis Dreyfus Company**, **Unilever**, and **Wilmar International**. These are large peer companies in the producing countries (like **IOI Group**, **Daabon**, **Golden Agri-Resources**) are aiming for “zero deforestation” in their NDPE policies.

Other companies that source palm oil for their processes and products include **Kellogg’s**, **Procter & Gamble**, **Mars**, **General Mills**, **Mondelez International**, and other prominent western societies’ brand name marketers.

Check out the Chain Reaction Research group paper – “Unsustainable Palm Oil Faces Increasing Market Access Risks – NDPE Sourcing Policies Cover 74% of Southeast Asia’s Refining Capacity” at:
<http://chainreactionresearch.com/2017/11/01/report-unsustainable-palm-oil-faces-increasing-market-access-risks-ndpe-sourcing-policies>

What About Exercise of National Sovereignty?

This situation raises interesting questions for developed nation brand marketers. If the government of Indonesia presses forward with the country’s own standards, should the purchaser in a developed country ignore or embrace the country standard?

That is, instead of the Roundtable on Sustainable Palm Oil (RSPO) standard? What about “sovereign rights,” as in the ability for a sovereign to establish its own policies and standards governing the products developed within its borders?

As various industry groups create their own codes of ethics and sustainability standards and invite industry participants to embrace these (such as for product certification), corporations may find themselves bumping up against “nationalistic” guidelines designed to benefit the internal constituencies rather than “global norms” imposed from outside the country’s borders.

SDGs - Sustainable Development Goals - Investment Managers’ Views



The **Sustainable Development Goals** were adopted in September 2015 by more than 150 world leaders (there are 17 aspirational goals with 169 specific, detailed targets in the year 2030 agenda, and many performance indicators to consider).



In the monitoring of corporate sustainability / responsibility reporting by the **G&A Institute** team, we see many examples of public companies embracing or “adopting” certain of the goals — most often those that align with the companies’ strategies, mission, services & products.

What are the institutional investment community’s views on the SDGs? **IPE’s Susanna Rust** provided a brief overview of some current activities by asset managers in a March report. Some highlights of her summary are included here along with G&A perspectives:

In the United Kingdom, to “test” the **Util** fintech’s “holistic” company valuation methodology, **Hermes Investment Management** and Util (established in 2017) are partnering to determine the need for considering a company’s financial performance *alongside* its ESG performance to arrive at a “annual value-generated” number that signals “superior” financial and non-financial performance for a firm.



Util is developing methodology that has four key sources of data for financial and non-financial data that are used to develop an “annual value generated” amount that signals “superior” financial and non-financial performance for a firm. (The firm has data and insights “that allow investors to screen, monitor and report based on holistic company performance”).

The four key sources are:

- (1) corporate ESG data and disclosure;
- (2) external data providers;
- (3) “unique” alternative data modeling to align a company’s products and services to each of the 17 SDGs;
- (4) country and SDG specific data set models.

Util uses the data to attempt to align financial and non-financial performance to the SDGs.

The methodology quantifies the financial and non-financial values “a company creates and destroys across a wide range of stakeholders...” This is Util’s version of a P&L statement for eight stakeholder groups (customers, environment, employees,



etc.)

Hermes Investment Management is one of the largest institutional investors in the United Kingdom with a total of (Pounds) 336 billion AUM; it is owned by the **BT Pension Scheme**.



The company operates in 33 different locations around the world. Investments are in equities, credit, real estate, private markets and other instruments.

Investment themes include Environmental; Social and Ethical; Governance; Stewardship (Strategy, Risk and Communications, embedding Sustainability in business strategy and changing corporate culture “for the better.”

IPE’s Susanna Rust explained the Hermes / Util collaboration: Over the next year, the partners will assess and audit Util’s methodology by applying it to Hermes-listed equity funds, examining the values (resulting from Util’s analysis) and then applying this to stakeholder groups and the SDGs.

Dublin-based **KBI Global Investors** is quantifying its natural resource strategies’ contribution to achieving the SDGs as a percentage of the [equity] holding’s revenues.



The firm positions itself as “Global Equity and Natural Resource Strategies Investing Specialists.”

The firm launched separate Water and Energy Solutions Funds, as well as funds for Agribusiness and Global Resource Solutions.

The firm (formerly known as **Kleinwort Benson Investors**) is taking the total revenues of companies in portfolio and assigning the revenue to business activities — and then deciding on a weighted basis whether it was positive or negative (or neutral) on delivery of the SDGs.

IPE quotes KBI’s head of responsible investing (**Eoin Fahy**) in explaining that the work is ongoing and evolving and the objective is to provide a methodology for companies to begin to report their own impact related to the SDGs.

Example: A company’s “water strategy” may be analyzed to show the percentage of activities contribute to the SDGs and the benefits to the overall portfolio investments.

In March the company said it was successfully mapping revenue impact of portfolio holdings to the SDGs (for each public equity holding).



There is information about this here:

<http://www.kbiglobalinvestors.com/kbi-in-the-news/kbi-global-investors-impact-mapping-to-revenue-is-the-future-1672.html>

Note: The G&A Institute team is closely monitoring the continuing uptake of the SDGs by both the corporate sector and the world's asset managers and we'll continue to share relevant developments with you in the months ahead.

But Wait! With All of This Going On... A Cautionary Note Sounded

Schroder's Global Asset Management (with US\$600 billion in AUM) is a 200 year old company that operates in 29 countries.

Schroders

With rising discussion among investors about the SDGs, Schroder's staff has warned that the SDGs are not really intended for investors' use, and that it is seeing the Goals being "squeezed" by companies in their communications about the SDGs into categories of the [companies'] CSR efforts, including some very simple approaches such as "economic growth" adopted as an SDG corporate goal.

IPE quotes Schroder's: The goals are for systemic challenges and are aimed at policy makers, not really the private sector which has no "direct mechanism" to address.

Key takeaway from this influential asset manager: "SDG metrics are badly aligned to corporate performance indicators."

The warning, reports IPE, was intended to raise the issue of possible risk by investors being misled by inappropriate use of the SDGs – the goals are not designed for investors.

Schroders' is certainly *not* disparaging sustainable investing. *The Schroder's Global Investor Study* in 2017 which was broadly shared concluded: ***Sustainable investing is on the rise.***

Some 22,000 investors in 30 countries were surveyed; 78% said that SI is more important to them than five years ago; 64% said they increased their investments in sustainable funds.

The report is available for you at:

http://www.schroders.com/en/media-relations/newsroom/all_news_releases/schroders-global-investor-study-2017-sustainable-investing-on-the-rise/

###



The UK's **Royal London Asset Management** (RLAM) in its recent newsletter addressed the SDGs: The aim of the SDGs, to promote prosperity while protecting the planet, fits well with the aim of RLAM's Sustainable funds.



The firm's stated mission is to invest in businesses that provide a "net benefit to society" and strive to be leaders in ESG issues while generating excellent financial returns for clients.

As examples, RLAM points to its striving to support three SD Goals through investment activities:

- **SDG 2** / Zero Hunger – fund holdings include **Deere & Co** and **Novozymes**;
- **SDG 3** / Good health and Well Being – fund holdings include **Astra Zeneca**, **Roche** and **Novartis**;
- **SDG 6** / Clean Water and Sanitation – fund holdings include **Severn Trent**, **Veolia** and **Tideway**.

RLAM's fund family includes: Sustainable Leaders; Sustainable World; Sustainable Diversified; Sustainable Managed Growth; Sustainable Managed Income.

RLAM manages about 113 billion English Pounds AUM in all major asset classes; it is part of **Royal London Group**. Information about its Responsible and Sustainable Investing is here:

<https://www.rlam.co.uk/Home/Intermediaries/About/Responsible-and-sustainable-investing/>

Yarn Ethically & Sustainably Sourced (YESS) is a new due diligence assessment designed to drive forced labor out of cotton production – the **Responsible Sourcing Network** is coordinating the initiative.



The YESS Standard (Cotton Lint Standard) is open for public comment until 11 April 2018. If you are interested in information visit the network at:

sourcingnetwork.org

