

# To the Spinner: Forging A Chain to Responsible Cotton Sourcing





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## Responsible Sourcing Network

[www.sourcingnetwork.org](http://www.sourcingnetwork.org)

Responsible Sourcing Network (RSN), a project of the nonprofit organization As You Sow ([www.asyousow.org](http://www.asyousow.org)), is dedicated to ending human rights abuses and forced labor associated with the raw materials found in products we use every day. RSN builds responsible supply chain coalitions of diverse stakeholders including investors, companies, government officials, and human rights advocates. Currently, RSN works with network participants to leverage their influence in the areas of forced labor in the cotton fields of Uzbekistan and conflict minerals from the Congo to create positive change for brands, consumers, and the impacted communities.

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## Introduction

Responsible Sourcing Network (RSN) released its first cotton publication, *From the Field: Travels of Uzbek Cotton Through the Value Chain*, in the spring of 2012.<sup>1</sup> The report added a unique perspective to the publicly available photos, videos, and reports documenting the abusive labor conditions for over one million adults and children forced to pick cotton every harvest in Uzbekistan. It dispelled myths about characteristics of Uzbek cotton and clarified information about export mechanisms and the parties involved in moving this controversial commodity around the globe.

This report is a continuation of our journey on the road to cotton traceability and transparency, from the backbreaking work of forced laborers in cotton fields to the clothes we wear every day.

*To the Spinner* is the second in a duo of learning tools for brands that are considering signing, or may have already signed, the RSN “[Company Pledge Against Forced Child and Adult Labor in Uzbek Cotton](#)” (“Cotton Pledge”) and now want to advance their cotton traceability efforts.<sup>2</sup> This report covers incentives for tracing raw cotton to the farmer, presents an overview of traceability tools currently available to brands, and outlines a process to rid the value chain of Uzbek cotton.

The report is based on a series of factory visits and interviews with key stakeholders in the cotton trading, yarn spinning, textile weaving, and apparel and home goods manufacturing industries. It covers actions that brands can take to encourage these industries to forge a value chain free of Uzbek cotton and cotton harvested with the use of forced adult and child labor.

Using these tools, brands can move from “not knowingly sourcing” to “knowing and not sourcing” Uzbek cotton and other high risk cotton.

Thank you for walking this path with us. Your efforts on behalf of adults and children being forced to work under egregious and exploitative conditions in the cotton fields make all the difference.

Best wishes,

The Responsible Sourcing Network Team

1. *From the Field: Travels of Uzbek Cotton Through the Value Chain*, (RSN, 2012), <http://www.sourcingnetwork.org/storage/FromTheFieldpublic.pdf>.

2. “Company Pledge Against Forced Child and Adult Labor in Uzbek Cotton,” Responsible Sourcing Network, <http://www.sourcingnetwork.org/the-cotton-pledge/>.

## Report Terminology

**Spinner:** An industrial entity in the textile or yarn manufacturing process responsible for converting raw fiber into a yarn or thread. Encompasses any entity that is engaged in one or more activities involving yarn spinning, or textile weaving, knitting, or finishing. This includes vertically-integrated textile mills.

**Trader:** An organization, company, or person who engages in any form of cotton trading or merchandizing at the local, national, or international level. This includes cotton merchants.

**Brand:** A seller of cotton materials, goods, apparel, or home furnishings. Encompasses any entity that produces and sells or contracts the manufacturing of its own goods. This includes retail entities that may or may not produce or contract the manufacturing of their own goods.



## Executive Summary

*To the Spinner* is the second report RSN has issued to support brands in determining where the cotton in their products originated and how to eliminate high risk cotton linked to forced and child labor. In particular, this report will assist companies in avoiding cotton from Uzbekistan, where over one million adults and children are forced by the government to pick cotton every harvest.

Brands can begin to eliminate this tainted cotton by utilizing the high risk country information in this report and comparing it to where their manufacturing occurs.

Cotton from Uzbekistan is one of the easiest high risk commodities to trace, as forced labor is prevalent throughout the entire country and the country of origin (COO) appears on transportation documents. Once a brand can identify and trace Uzbek cotton, it can apply similar methodology to eliminating other high risk cotton embedded in its products.

Brands need to identify and develop relationships with the cotton spinners making thread, yarn, or textiles. Because they know where their cotton is grown, spinners are the gatekeepers to keeping Uzbek and other high risk cotton from entering into product value chains. But spinners must be incentivized to keep abusive cotton out of their factories. The market can be the driver behind responsible cotton sourcing worldwide if commitments are made and fulfilled.

Field visits conducted for this report revealed that spinners in the U.S., Europe, and Asia were open to sharing the COO of their cotton fiber at the request of their clients. All of the spinners visited for this report were committed to not purchasing Uzbek cotton and were willing to provide the necessary documentation to prove they are fulfilling that commitment.

Since many brands do not manage their own product manufacturing, it is extremely important to clearly communicate commitments, policies, and procedures regarding high risk cotton to sourcing agents. In addition, brands can request that their sourcing agents provide a map of the entire supplier base, communicate their sourcing requirements to all yarn and textile suppliers, and mandate that COO information be made available. In field interviews, RSN discovered that some sourcing agents are starting to build pre-approved supplier lists that include specific spinners appropriate for brands that have signed the [“Cotton Pledge.”](#)

Brand leadership is essential to establish an internal policy against cotton picked with forced or child labor, communicate and mandate this policy with its suppliers, and initiate a reliable verification scheme to adhere to this policy. As the purchaser, a brand has the right to request information about the source and conditions of the cotton fiber harvested for its products and implement an accountability mechanism to verify the accuracy of the information provided.

To move from “not knowingly sourcing” to “knowing and not sourcing” Uzbek cotton, brands are recommended to take the following steps:

- **Identify high risk production regions** by cross-checking [RSN](#) and [U.S. Department of Labor](#) (DOL) report information with current production locations for textiles and finished goods.<sup>3</sup>
- **Initiate a dialogue with spinners** via the designers or agents who are choosing the textiles in products and have the closest relationships with spinners. Inquire where their cotton originates and support the spinners in finding alternatives for Uzbek cotton.

3. “Responsible Sourcing Network Publications,” RSN, <http://www.sourcingnetwork.org/publications/>; *List of Goods Produced by Child Labor or Forced Labor*, (U.S. Department of Labor, 2012), [www.dol.gov/ilab/programs/ocft/2012TVPRA.pdf](http://www.dol.gov/ilab/programs/ocft/2012TVPRA.pdf).

- **Incorporate the brand policy of “no cotton with forced or child labor” and/or “no Uzbek cotton”** in supplier agreements, sourcing agent contracts, or documentation for spinners and textile manufacturers. Educate internal staff, auditors, and sourcing agents on any changes to contracts or documentation.
- **Communicate the requirement to spinners that it is unacceptable to process Uzbek cotton** in the same facilities that are producing yarn or textiles for a brand’s products.
- **Make COO of cotton a mandatory requirement** in all purchase orders, textile/yarn specification sheets, and electronic production management systems. Establish that an order will not be placed without the cotton COO.
- **Educate spinners on the abusive practices that exist in Uzbekistan** and the negative exposure brands, spinners, and agents could face if they are associated with high risk cotton.
- **Participate in an industry-wide initiative** to educate, train, verify, and audit spinners on the risks of Uzbek cotton. Contribute to establishing a system to verify spinners as “Uzbek cotton-free” and post results on a public website.
- **Add an audit documentation component for COO of raw cotton fiber** at cut and sew facilities and verify information with in-house or third party auditors. Implement this approach if the brand does not have a direct relationship with the textile/yarn manufacturer.
- **Periodically audit spinners unannounced** to ensure their adherence to a “no-Uzbek cotton” policy. Ideally, audits could be done as part of an industry initiative to minimize cost.
- **Report on results from spinner trainings and audits.** Activities brands are implementing should be disclosed on an ongoing basis. Information could be included on the brand’s website, with individual social compliance reporting, or as part of a multi-stakeholder initiative. Ideally, verified spinners could be posted on a public website similar to the [Conflict-Free Smelter Program](#).<sup>4</sup>

Applying the above steps upholds a brand’s goal of building a responsible value chain. Presently, RSN shares this goal with over 130 brands and retailers that have signed on to the “[Cotton Pledge](#)” and the number is growing daily.

A similar commitment to ethical sourcing is starting to be reflected in the supplier base. From yarn spinners to textile mills to sourcing agents, every supplier interviewed for this report demonstrated that it holds its customers’ values in high regard. As suppliers begin to answer the brand and consumer calls for transparency and accountability, we move closer to forging a responsible cotton value chain, free from forced and child labor.

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4. “Conflict-Free Smelter (CFS) Program: Compliant Smelter and Refiner Lists,” EICC and GeSI, accessed March 10, 2013, <http://www.conflictfree-smelter.org/cfshome.htm>.

# From Fiber to Fabric: How Cotton Becomes a Woven Textile

Step 1: Bales arriving



Step 2: Opening bales



Step 3: Card lapping



Step 4: Carding



Step 5: Drawing



Step 6: Roving



Step 7: Spinning



Step 8: Warping



Step 9: Weaving



Step 10:  
Finished textiles



## Tracing Cotton: Mapping the Value Chain

### The Benefits of Tracing Value Chains

Understanding the severity of the risks associated with cotton and the complexity of this commodity's value chain are essential to a sustainable and successful operation.

Cotton garments and sundries have an intricately integrated chain of suppliers, from yarn and thread spinners, to textile mills, to cut and sew enterprises. In such a chain, just one interruption at the manufacturing level can affect the profitability of a business. In addition, a complex and interrelated chain of compliance efforts must be considered for every link of that chain. Failure to recognize social and environmental risks at the raw material level can hamper the entire structure of a business and render factory compliance efforts and investments futile.

Until recently, few companies were aware of the exact origin of the raw cotton fiber used in their products. Many factors, including multifaceted processing, repackaging, incomplete paperwork, and third party decision makers, allowed this detail to go unnoticed. In addition, suppliers do not always fully disclose their inputs or contract out to unknown sub-suppliers further obscuring origins of cotton fiber. Few questions were asked about conventional cotton until the media began documenting widespread human rights abuses in the cotton industry worldwide and, in particular, in Uzbekistan, currently the fifth largest exporter and sixth largest producer of cotton in the world.

The presence of forced labor and forced child labor in Uzbekistan's cotton industry and its endemic, systematic, state-sponsored nature have been widely reported and known to the Western media since 2005 through reports by the International Crisis Group and Environmental Justice Foundation. Uzbek human rights groups called for a boycott of Uzbek cotton in 2007 and again in 2012. Also in 2007, the *BBC* broadcasted a major story on [Newsnight](#), which prompted several European brands to ask more questions about their cotton supplies.<sup>5</sup> The *BBC*, *Radio Free Europe/Radio Liberty*, *Ferghana News*, and many others have continued to write [follow up stories](#).<sup>6</sup>

Despite numerous efforts by human rights groups, companies, investors, governments, international institutions, and unions over the last eight years, the situation in Uzbekistan has not improved. Although the use of younger children as forced laborers declined in 2012, a larger amount of adults and older children (ages 15–18) were forced to work in the cotton fields.<sup>7</sup>

Many companies have felt the negative impact of bad press, pressure by consumers and investors, demands from activist groups, and legislative requirements driving them to place cotton traceability on their sustainability reporting agendas. These stakeholders are looking for European and American brands and retailers to implement practices that ensure their sourcing practices do not contribute to slavery and other human rights abuses. Mobilizing consumers to send a direct message to brands has also proven effective, such as with anti-slavery organization [Walk Free](#)'s social media campaign at INDITEX (Zara) in 2012.<sup>8</sup> Since its launch in September 2012 until February 2013, the number of brands and retailers that committed to the "[Cotton Pledge](#)" has more than doubled to 130 signatories. In addition, as a result of the California

5. "Child Labor and the High Street," *BBC Newsnight*, October 30, 2007, <http://news.bbc.co.uk/2/hi/programmes/newsnight/7068096.stm>.

6. Ibrat Safo and William Kremer, "Doctors and Nurses Forced to Pick Cotton," *BBC World Service*, October 15, 2012, <http://www.bbc.co.uk/news/magazine-19931639>.

7. Jeff Goldstein et al., "Changing the Pattern, But Not the Policy: Uzbekistan Shifts the Demographics of Forced Labor," *Cotton Campaign blog*, January 17, 2013, <http://www.cottoncampaign.org/2013/01/18/changing-the-pattern-but-not-the-policy-uzbekistan-shifts-the-demographics-of-forced-labor/>.

8. Walk Free homepage, accessed January 30, 2013, <http://www.walkfree.org/>.



Transparency in Supply Chains Act, these demands now apply to many companies that do not have a direct relationship beyond their first tier cut and sew suppliers.

With proposed legislation on the horizon, such as an amendment to the Lacey Act, amendments to labeling requirements, or the federal Business Transparency on Trafficking and Slavery Act, it is anticipated that brands will have to disclose the conditions in which the cotton in their products was harvested. Brief descriptions of current and potential future legislative acts are included in Appendix A.

Apart from avoiding reputational risks, tracing the COO of cotton can be advantageous for the industry in other ways. Collecting and analyzing better data by knowing and tracing cotton's COO is indispensable for maximizing raw material sourcing. Cotton prices are often volatile and the [epic spike in the winter of 2011](#) still serves as a gruesome reminder of what could happen when the market conditions and unfavorable weather align forces.<sup>9</sup>

Many factors affect cotton's volatility, from the intensifying unstable weather conditions that can wipe out entire crops, to unwarranted changes in exportation policies, such as the [sudden freeze on India's cotton exports](#) in 2011 and 2012.<sup>10</sup> Knowing where cotton originates, identifying substitutions, and mapping alternative routes can help a brand avoid pitfalls, maintain quality, and improve inventory controls. In addition, savings may be incurred if a brand analyzes manufacturing efficiencies, such as tariff structures and transportation costs.

Once procedures are in place and cotton is consistently traced to the field of origin, socially responsible and environmental attributes can contribute to a marketing and advertising platform to tell a positive story about the product. [A growing number](#) of socially conscious consumers are drawn to information about cotton variety and farming practices used.<sup>11</sup>

## Tracing 101: Where to Start

There are two ways to go about tracing cotton: from the field to fabric or from fabric to field. Niche efforts that work directly with farmers, such as organic or fair trade cotton, have an incentive to trace the certification paperwork from the field (upstream) through the chain to the downstream manufacturer. To find out where conventional cotton originates, especially cotton that may have unethical practices embedded into it, a brand will have to map out its value chain starting with the cut and sew facility or the spinner (if it is choosing the yarn or textile) and work upstream to the field. Both of these approaches can be used to identify where high risk cotton exists in the value chain.

To be able to determine the COO of cotton fiber, it is essential for a brand to fully understand its production locations and transportation routes for its cotton goods and textiles.

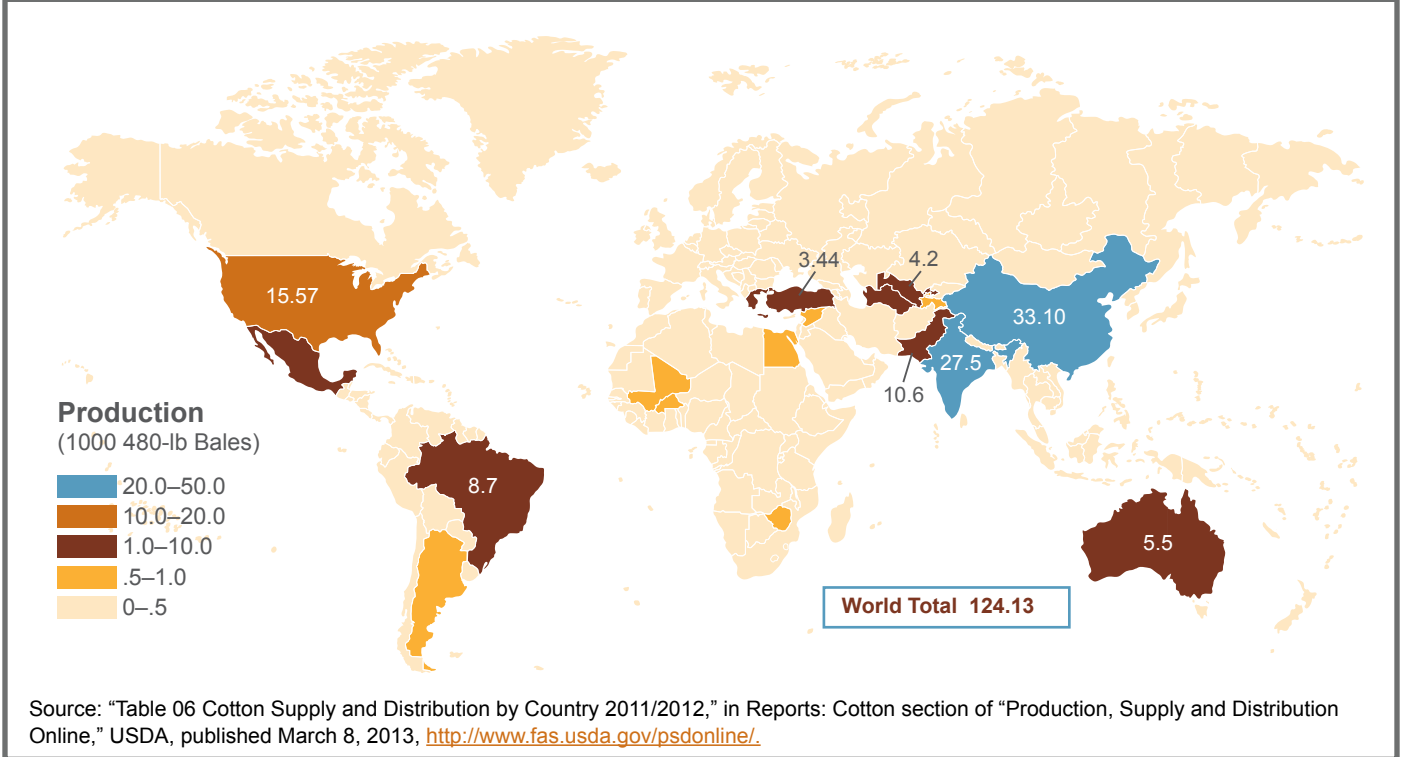
Although cotton is grown in over 100 countries, the majority of the world's cotton is produced in under a dozen countries. The largest producers are China, India, U.S., Pakistan, Brazil, Australia, Uzbekistan, and Turkey (Figure 1). However, only some of these large producing countries are also significant cotton exporters (Figure 2).

9. Tony D'Altorio, "Cotton Prices Hit Record Levels," *Investment U*, February 25, 2011, <http://www.investmentu.com/2011/February/cotton-prices-hit-record-levels.html>.

10. Leslie Josephs and Debiprasad Nayak, "India Bans Cotton Exports," *Wall Street Journal*, March 6, 2013, <http://online.wsj.com/article/SB10001424052970203458604577262723464381722.html> (subscription required).

11. Alyssa Dizon, "Traceability Program Keeps Cotton on Track," *Lubbock Avalanche-Journal*, May 27, 2010, <http://lubbockonline.com/agriculture/2010-05-27/traceability-program-keeps-cotton-track>.

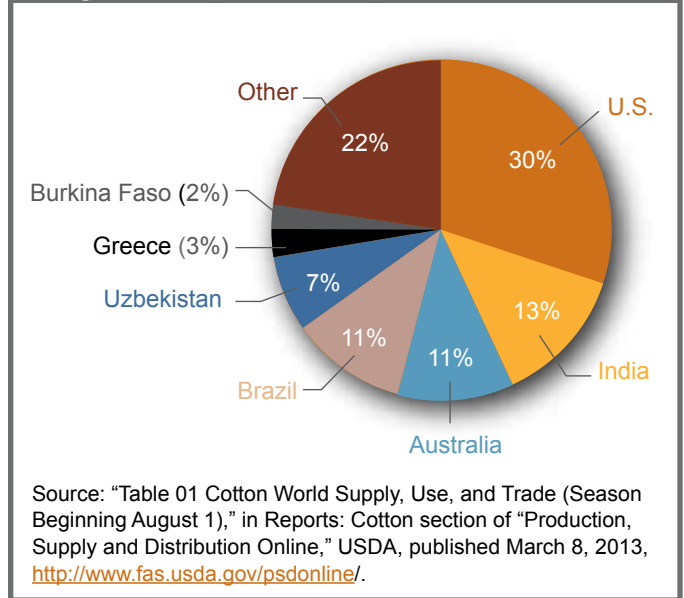
Figure 1: Cotton Production Map, 2011 / 2012



China and India grow the greatest amounts of cotton but those countries also have large clothing manufacturing industries. The raw cotton needs for China and Turkey supersede the domestic supply, forcing them to import additional cotton. It is common for raw cotton to travel far to be processed. For example, over 70% of U.S. cotton is spun overseas (predominantly in China).<sup>12</sup> The flow of cotton around the world is influenced by many factors, not the least of which are prices for processing, long established traditions for using cotton of certain types and origin, and geo-political preferences of producing and importing countries.

Many of the top cotton producing countries in the world are known to have egregious human rights abuses in their cotton sectors. Brazil, Burkina Faso, China, India, and Uzbekistan are a few of the 18 countries included on the DOL's List of Goods Produced with Child Labor or Forced Labor for raw cotton and/or cottonseed production.

Figure 2: Top Cotton Exporters, 2012 / 2013



12. Bill Simon, "A Job to Do: Retail's Role in an American Renewal," (remarks as prepared for delivery January 15, 2013 at the 2013 National Retail Federation's BIG Show), <http://news.walmart.com/executive-viewpoints/a-job-to-do-retails-role-in-an-american-renewal>.

Figure 3: Countries Producing Cotton with Child and Forced Labor

Country	Child Labor	Forced Labor
Argentina	●	
Azerbaijan	●	
Benin	●	●
Brazil	●	
Burkina Faso	●	●
China	●	●
Egypt	●	
Kazakhstan	●	●
Kyrgyz Republic	●	
Mali	●	
Pakistan		●
Paraguay	●	
Tajikistan	●	●
Turkey	●	
Turkmenistan	●	●
Uzbekistan	●	●
Zambia	●	
India*	●	●

\*Cottonseed (hybrid)

Source: List of Goods Produced by Child Labor and Forced Labor, <http://www.dol.gov/ilab/programs/ocft/2012TVPRA.pdf>.

In many of these countries, instances of forced labor and forced child labor are isolated to specific regions or farms requiring in-depth regional knowledge and research to recognize high risk farms. Therefore, determining the COO information of cotton fiber would not be entirely indicative of a problem in a given country. However, in the case of Uzbekistan, currently the fifth largest exporter of cotton in the world, COO is an immediate red flag since nation-wide farming practices, cotton harvesting, and all exports are controlled by the government, which is known to orchestrate adult and child forced labor for cotton harvesting.

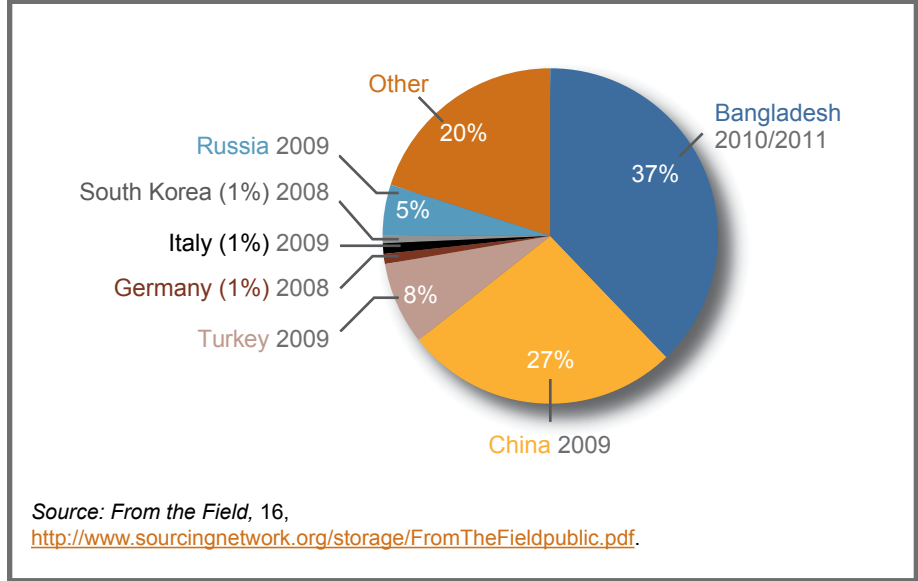
In regards to identifying and eliminating “risky” cotton harvested with forced or child labor, Uzbek cotton is a good place to start. Cotton from Uzbekistan is one of the easiest high risk commodities to trace since the COO appears on transportation documents, which can be checked with an audit. Once a brand can identify trace, and eliminate Uzbek cotton, it can apply similar methodology to eliminating other high risk cotton embedded in its products.

To determine if there is Uzbek cotton in the value chain, it makes sense to start at the field and look downstream towards manufacturing. Understanding where Uzbek cotton typically ends up, reflected as an approximation in Figure 4, can help spinners and brands determine where to focus their attention.

COO, which is typically captured on import/export documentation throughout the value chain to the yarn and sometimes textile stage, can provide insight into where this controversial cotton may be hidden. When cotton is grown, spun, and woven or knitted within the same country, import/export documentation is non-existent. Therefore, to avoid Uzbek cotton, it is recommended to avoid purchasing any cotton products manufactured in Uzbekistan.

The next step is to determine which of the countries in Figure 4 are used to manufacture the yarns or textiles embedded in a brand's products. Also, determine if final products are manufactured in any of the countries listed above. Who chooses the textiles used in a brand's products? Are textiles chosen by in-house designers? Does the cut and sew supplier choose the textiles? Or does a sourcing agent choose the textiles? Having a direct relationship with the textile mill is ideal, but manufacturers and agents can also collect and provide information.

Figure 4: Approximation, Importers of Uzbek Cotton, 2008-2011



If import/export documentation is not available because the cotton is grown and processed in the same country, a brand can ask for copies of other documentation, such as affidavits of origin or shipping bills of lading. It is important for suppliers to become accustomed to providing evidence that can verify the fiber's origin. If there is concern with sharing the documentation because it may contain the prices of fiber, yarn, or textiles, let the suppliers know they are not required to share prices, only COO.

### Brand Best Practices

Two leading brands interviewed for this report added a COO field to their textile and yarn specification sheets so they can collect the fiber origin for all of the textiles and sweater yarns they use.

One brand requires fiber COO on every order placed, which is mandatory to enter the order into its electronic order management system. If the cotton fiber is from Uzbekistan, the system will not allow the order to be placed.

The other brand tracks information for each fabric/yarn used on an array of social issues, including cotton. In addition to COO, information on traders, spinners, and gins is collected.

(See samples in Appendix B.)



## Traceability Tools: What Has Worked?

With the need for brands to adhere to their human rights and social compliance policies, many have experimented with or employed a number of tools and initiatives to trace cotton's COO. Below is an overview of a few tools and an approach that have been piloted and/or implemented.

### Software Systems

#### String by Historic Futures

[www.stringtogether.com](http://www.stringtogether.com)

Historic Futures' String is an online value chain traceability service and software system that allows companies to receive and send all pertinent documentation online per order. Each company in the value chain receives a String account where it may upload and download information for each purchase order. Companies can only input their information and cannot change any information another company enters. String provides services for all entities along the value chain including brands, manufacturers, processors, and primary producers (farmers). It also provides reporting and analytical services for brands and retailers.

Historic Futures has conducted on-site training programs in Bangladesh for large UK retailers to help the suppliers set up String accounts and facilitate the exchange of information necessary for the web-based tracking system to work effectively. It has also done trainings in Turkey, Sri Lanka, India, China and Hong Kong.

#### Training:

Initial training included with set up; additional is available for a fee.

#### Verification Component:

No in-person verification component included. However, numbers are cross-checked between those inputting and exporting information.

#### Tracking by Batch:

String can track specific materials or products by order or batch number throughout the value chain. It has tracked over 12.5 million garments to COO through more than 300 suppliers.

#### Global Supplier Management by Intertek

[www.globalsuppliermanagement.com](http://www.globalsuppliermanagement.com)

This is a web-based system for gathering and managing information on a brand's supplier base. Suppliers populate their business profiles that contain detailed information related to certifications, capabilities, product categories, business practices, etc. that allow a brand a holistic risk-based view of its value chain. The system populates a map of the value chain and suppliers are able to add additional contractors, partners, and suppliers.

#### Training:

Initial training included with set up.

#### Verification Component:

For a separate fee, Intertek can audit the information inputted into the system with on-site visits.

#### Tracking by Batch:

It cannot track specific materials or products by order or batch number throughout the value chain.

## Software Systems

### Source Intelligence (formerly Source 44)

[www.sourceintelligence.com](http://www.sourceintelligence.com)

Source Intelligence offers a supplier network platform and a supplier mapping tool for brands to build a map of all of the suppliers in their value chain, including raw material suppliers. It provides the exchange of data and documentation for regulated and high risk materials. The platform can trace and document the source of any type of raw material, from cotton and wood, to plastics and metals. It provides a combination of data collection and a software platform to carry out risk assessments and visualize the chain of custody data.

The Source Intelligence analytics platform is supported by global data mining and a Supplier Engagement Team, a multi-lingual team of experts available 24/7 who engage suppliers, collect, verify and assess data and help resolve supplier issues or concerns.

#### Training:

Initial training included with set up.

#### Verification Component:

Not in-person, but done via phone/email and cross-checked with documentation and contacting sub-suppliers. Minimal in-person auditing is done to minimize cost.

#### Tracking by Batch:

Currently it cannot track specific materials or products by order or batch number throughout the value chain. It can store batch or PO numbers associated with products but needs an external mechanism to maintain the data in real time.

### Sourcemap

[www.sourcemap.com](http://www.sourcemap.com)

Sourcemap is an open-source, crowd-sourced directory of value chains and environmental footprints. Sourcemap is the only crowd-sourced platform dedicated to radical transparency in value chains for producers to share detailed information about their processes with their buyers and with their buyers' buyers, until companies get complete end-to-end visibility over their entire value chain.

In addition to maintaining the free website, Sourcemap provides value chain management "enterprise" software engineered to provide inside information which allows companies to design sustainable value chains and communicate directly with their stakeholders. Value chain transparency is underscored by ongoing support of free and open source software for sustainable decision-making by individuals and organizations.

#### Training:

Offers training through interactive materials on the website, a help forum, and email (customization is available for a fee).

#### Verification Component:

Available through third-party auditors who partner with Sourcemap.

#### Tracking by Batch:

It can track specific serial codes/SKU's through a value chain from manufacturing to end customer and geo-locate the product along the way through integration with Enterprise Resource Planning (ERP) and Distribution Requirements Planning (DRP) software.

## Software Systems

### Product Tracking Tool by Fair Labor Association

[www.fairlabor.org/our-work/special-projects/project/traceability-supply-chain-mapping-and-risk-assessment](http://www.fairlabor.org/our-work/special-projects/project/traceability-supply-chain-mapping-and-risk-assessment)

FLA's online Product Tracking Tool (PTT) allows companies and suppliers to map their value chains and trace the lifecycle of a product from conceptualization through production. Based on the information provided in the PTT and other background research, FLA generates a report for each tracing activity that alerts companies to risks embedded in their products such as in the harvesting of cotton. This risk-assessment component analyzes management systems and builds awareness about work place conditions for each level of the value chain.

FLA provides a checklist and a list of documentation for buyers that can be utilized during the design and production phases. FLA can conduct physical verification of risks and make recommendations for improving conditions for workers by mitigating those issues.

The product is currently available to any company to pilot, not just FLA members.

#### Training:

Initial training on Principles of Traceability and use of online PTT included with set up. Additional training or risk mitigation requires a separate fee.

#### Verification Component:

For a separate fee, FLA can audit the information inputted into the system with onsite visits.

#### Tracking by Batch:

It can track specific materials or products by order or batch number throughout the value chain.

## Traceability Approach

### CottonConnect

[www.cottonconnect.org](http://www.cottonconnect.org)

CottonConnect works across the whole value chain to create transparency that reduces risk and increases security of supply. It works towards improving the livelihoods of farmers and their families by helping to reduce their production costs, increase their yields, and improve the environment.

CottonConnect is “standard neutral,” which means it does not create standards. Instead it works with organizations that stand for what they believe, such as organic, fair trade, Better Cotton Initiative (BCI), and Cotton Made in Africa (CmiA). It has its own monitoring and tracing system in place and has teams on the ground in South Asia and China.

CottonConnect's services include:

- Training farmers, connecting the fabric makers/spinners to farm projects, and supporting the procurement of the cotton by the supplier.
- Verification in the form of monitoring and evaluating social and environmental impact.
- Helping companies identify what their current cotton value chain looks like.
- Doing total value chain mapping and volume analysis from garment to farmer.
- Creating and implementing community investment programs with brands and retailers.

## Niche Cottons

There are a number of sustainable “niche” cotton projects that have been created or expanded over the last several years. These include [Better Cotton Initiative](#) (BCI), [Cleaner Cotton™](#) (managed by the Sustainable Cotton Project), [Cotton Made in Africa](#), [Fair Trade Cotton](#), and [Organic Cotton](#).

All of these initiatives incorporate efforts to improve the lives of cotton farmers through better labor and/or environmental practices. These cottons include documentation and accountability mechanisms (such as an audit, certification, and/or training) to ensure they are grown according to the standards of the initiatives. In addition, they all include a price premium per cotton bale with the exception of Better Cotton, which receives separate funding by participants in the initiative. Brands that use any of these niche cottons can take the lessons learned from establishing, tracking, and managing these systems and apply them to Uzbek or other high risk conventional cotton.

Learn more at: <http://bettercotton.org/>, <http://www.sustainablecotton.org/pages/show/programs>, <http://www.cotton-made-in-africa.com/en/>, <http://www.fairtrade.net/cotton.html>, [http://www.ota.com/organic/mt/organic\\_cotton.html](http://www.ota.com/organic/mt/organic_cotton.html)

## Traders: The Invisible Hands Behind High Risk Cotton

Any traceability question from the farm to the spinner can be directed to the cotton traders. All the information regarding cotton transactions, including all the details of a shipment from a farm to a buyer, is carefully recorded and accompanies every bale. Most cotton bales also carry ID tags or have unique markings that identify their country of origin. Sometimes, the bale ID includes the gin where the cotton was baled or even the field where it was grown.

Aggregated import and export cotton volumes are required to be tracked per various governmental trade agencies. This data is accessible via the USDA. Unfortunately, it is much more difficult to gain access to detailed data, such as which traders are purchasing high risk cotton and in what quantities, since that level of information is not required to be public. Spinners are the entities that have access to the volume of bales they are purchasing along with COO. Brands must set up a system that will continuously ask for, collect, and monitor this documentation.

Figure 5: From left to right, examples of Chinese, American, and Uzbek cotton bales.





RSN's previous report *From the Field*, in which the leading importers of Uzbek cotton were discussed in detail, noted that 10 trading companies control over 60% of the world's cotton trade. Due to the media pressure and complaints filed with the Organisation for Economic Cooperation and Development (OECD) during 2010–2012, trading companies including Devcot have confirmed they stopped purchasing some or all cotton from Uzbekistan. Given that buying and selling Uzbek cotton is still a profitable business for traders, this victory for human rights groups is remarkable.

Since cotton traders are more likely to respond to market pressures rather than pressure from human rights groups, brands have to be clear with their requirements to advance responsible practices throughout their value chains.

### OECD Complaints Over Uzbek Cotton

Between October 2010 and January 2011, the Berlin-based [European Center for Constitutional Human Rights](#) (ECCHR) submitted seven complaints to National Contact Points (NCPs) of the OECD in the member states of Germany, Switzerland, France, and Great Britain. The complaints targeted European traders who directly or indirectly purchase Uzbek cotton that was harvested using forced child labor.

They were submitted in collaboration with the Uzbek-German Forum for Human Rights, Sherpa (France), and Swiss attorney Guido Ehler. All of the complaints were accepted by the local NCPs, which are agencies established by adhering governments to promote and implement the OECD Guidelines for Multinational Enterprises.

For all complaints filed, final agreements were reached. The companies that admitted to purchasing Uzbek cotton directly or indirectly (with one exception) have pledged to implement specific measures, negotiated with ECCHR, to positively influence the situation on the ground in Uzbekistan.

Learn more at: <http://www.ecchr.de/index.php/uzbekistan.html>

## Spinners and Traceability: Untangling the Spool

The next stop after cotton traders on the journey from the farm to the final user is at the yarn spinner or vertically integrated spinner/textile mill/dye house. This can be one of the most mysterious operations in the cotton value chain since this is precisely where cotton bales are opened, processed, and combined, and as a result, typically lose their identity and origin. Luckily, it is a stage where information on the cotton's COO arrives with every bale and every shipment. The documents that accompany bale shipments are dependent on regulations of the exporting and importing countries. Typical documents (samples of which are included in Appendix B) include:

- Affidavit of Origin for Raw Cotton Fiber
- Bill of Lading
- Purchase Order or Purchasing Contract
- Commercial Invoice

Even though COO information in these documents rarely leaves the premises, it can be made available upon request. Spinners may be hesitant to share their sources of cotton due to this information being a “trade secret” or anticipating the buyer is trying to minimize costs. These arguments can be overcome with confidentiality agreements and having COO information only shared beyond auditors in an aggregated format. Spinners are in the position to provide transparency and terminate their purchases of Uzbek and other high risk cotton. They just need incentives and assurances to do so.

## Fair Labor Association's Chain Of Custody Pilot Project

From 2008 to 2010, the Fair Labor Association (FLA) conducted a [pilot project](#) that traced particular apparel products back to their cotton source using an audit methodology developed by SGS, an international inspection and verification service provider. It identified the raw material in the products by following the paper trail of transactions throughout the cut and sew, weaving, and cotton spinning phases.

The following challenges were discovered:

- Tracing becomes challenging for finished products. It is easier to collect information about upstream value chains just before or at the time of confirming production or during production.
- Using unknown or unverified sub-contractors occurs when it is difficult for a supplier to reach delivery targets or when using a cheaper supplier and hiding this practice from the buyer. Information on sub-contracting should be specifically requested when obtaining documentation from suppliers.
- Traceability was good in the garment manufacturing sector, but became much more challenging in the spinning sector, in which mills were uncooperative and unwilling to disclose relevant paperwork.
- Some documents were only available in the supplying company's local language.
- In the case of vertically integrated manufacturers, the managers found it challenging to gather relevant documents from various departments.

The main recommendation of the FLA is to focus on yarn producers when regulating raw material sourcing. It is best to intervene at an earlier point in the value chain and check the sourcing of yarn/textile suppliers before confirming or placing an order with the garment manufacturer they supply. The manufacturer can be asked to secure the necessary documentation, which ensures the cotton comes from an acceptable source before the production cycle begins.

This pilot project encouraged FLA to create the Product Tracking Tool (see Table of Software Systems on page 15 of this report).

Learn more at: [http://www.fairlabor.org/sites/default/files/imce/images/cottonproject\\_report\\_2008-2010.pdf](http://www.fairlabor.org/sites/default/files/imce/images/cottonproject_report_2008-2010.pdf)

In 2012, RSN visited several large spinners in North America, Europe, and Asia to gather insight into the leverage they possess to address forced adult and child labor in the cotton industry. Since spinners are the middlemen between the cotton traders—or in some cases, the farmers—and the first tier cut and sew suppliers, they are the gatekeepers to the types of cotton used in yarns and textiles. As a result, what increased role can they play? How much room do they have to be responsive when it comes to meeting brands' needs and delivering yarns or textiles made with sustainable and ethical fibers? What motivates them to take action?

Here are their answers...

## United States

### Streamlining to Minimize Cost

“

**We prefer using domestic cotton because it is cheaper and can save us a headache.**

”

—*Manager,  
U.S. spinning mill*

The two spinners based in North Carolina are a few of the surviving factories remaining in the U.S. after the bulk of the textile industry moved overseas over a decade ago. Jointly, they process 1.09 million metric tons (5 million bales) of cotton per year. Cotton represents a significant portion of fiber used in the production of their yarns. In both cases, the percentage of organic cotton they process is very small, less than 1%.

All cotton that arrives at both plants is accompanied by documentation including a Bill of Lading, Affidavit of Origin for Raw Cotton Fiber, and a Purchasing Contract. When cotton is exported out of the U.S., additional documentation that accompanies the shipment includes a notarized Certificate of Origin and a Phytosanitary Certificate (see Appendix B for examples of these documents). Since the majority of cotton used in these plants is of U.S. origin, it is marked with an electronic bale ID.

All foreign cotton that comes in (about 10% in one factory and none in the other) also has a bale ID that connects it to its contracts. The information is carefully recorded into the computerized system and can be traced back 13 years. Due to the high degree of automation, U.S. spinners can easily provide COO documentation for all of their yarn (or textile) shipments if it is requested of them. In addition, this information can be cross-checked against import data provided by the USDA database and compliance systems like [REACH](#) and [OEKO-TEX](#).<sup>13</sup>

U.S. spinners prefer not to mix cotton of different varieties due to unstable results after dyeing. Fiber of different origin takes color differently and the resulting yarn color may be uneven. Spinners who utilize this single-fiber approach can guarantee the COO of their yarns and label it accordingly.

One of the spinners admitted that a number of years ago it used Uzbek cotton as a substitute for a crop from Texas that was lost during a drought. Even before the human rights crisis in Uzbekistan became public, Uzbek cotton caused problems at the factory.

**Figure 6: Cones of yarn ready for shipping from a U.S. spinning mill.**



13. “REACH,” European Commission, accessed February 4, 2013, [http://ec.europa.eu/environment/chemicals/reach/reach\\_intro.htm](http://ec.europa.eu/environment/chemicals/reach/reach_intro.htm);  
OEKO-TEX Association homepage, accessed February 4, 2013, <https://www.oeko-tex.com/en/manufacturers/manufacturers.xhtml>.

According to the U.S. spinning mill manager:

The bales turned out to be 30% smaller than U.S. bales. In addition, the aluminum strapping used in packaging Uzbek bales [Figure 5] could create sparks and start a fire, which was a problem. Unpacking these bales was another setback; we had to use a forklift to pop the straps open. The quality of ginning was not so good on that cotton, as it still had some whole seeds in it. Fiber was of a good quality but the logistics were poor. We have not used it since 1998 at the latest. In addition, it is too expensive. We could buy U.S. cotton cheaper and not have all the headache.

Since then, both spinners received communication from their client base (mainly large multi-national corporations headquartered in the U.S.) to avoid cotton that would compromise their companies' codes of conduct and sustainability efforts. Both spinners fully complied with the requests, noting that "if you want to maintain a customer you need to do that." They also commented that brands can further take charge of their social compliance efforts by choosing and purchasing their own cotton.

## Europe

### Keeping Traditions, Saving Reputation

“

**First class fabrics can only be produced from first class yarns.**

”

*—Manager,  
vertically-integrated  
Swiss mill*

The two spinners visited in Europe are located in Appenzell and Zurich, regions of Switzerland where a tradition of excellent craftsmanship and a spotless reputation allowed these producers to remain in business after most of the European textile sector lost the battle to Asian producers.

Jointly processing just under 10,000 tons (about 46,000 bales) of cotton per year, these two producers take pride in their cotton selection using mostly extra-long staple and fine pima cotton originating from the U.S. and Egypt. Approximately 15% of the cotton they process is organic.

These two producers, like their American counterparts, prefer not to mix fibers from different origins unless they have to stabilize old bales with cotton from a newer crop. In the past 10 years, they have not changed their raw fiber sourcing practices and rely on the same trading partners, purchasing from traders or directly from gins.



Figure 7: Rolls of fabric from a Swiss mill



As these factories produce for the luxury goods market, they pay a premium for the highest quality fiber, where the notion of quality is synonymous with being free from human rights violations. When asked about the possibility of substituting long staple cotton fiber from Uzbekistan, one manager answered: “We cannot risk our name to use Uzbek cotton.”

The factories are well-informed about human rights violations in the cotton industry because they participate in industry meetings and attend conferences hosted by Textile Exchange. They will continue to be responsive to their clients’ needs and requests.

## Asia

### Our Client’s Wish Is Our Command

#### China

The three spinners visited in China, located in the Guandong, Jiangxi, and Shanxi provinces, were receptive to the idea of producing sustainable yarn and textiles. All were vertically integrated and one also had a cut and sew facility.

The largest factory of the three, consuming over 130,000 metric tons (approximately 600,000 bales) of cotton, confirmed that 100% of the cotton they use is Better Cotton Initiative (BCI) cotton. 80% is Chinese cotton from local farms in the region and the rest is of American, Australian, Indian, and Brazilian origin. Overall, it is processing 5-7% organic cotton.

The factory asserted that it would comply with its clients’ policies and can accommodate any request to certify COO of cotton used for a given line. The company is considering introducing yarn labeling, which would offer a certified fiber COO for its yarn sales.

In the past, the company admitted to using Uzbek cotton but claimed the quality was worse than the local Chinese cotton, although better than Indian cotton. In addition, apart from the human rights concerns, current logistical costs prohibit renewing shipments from Uzbekistan. Today, if substitute cotton is needed, the spinner gets it from India (lower quality) or the U.S. and Australia (higher quality).

The other two spinners also stated that the majority of cotton they use is of Chinese and American origin. Both factories added that Australian, Indian, and Turkish cotton is used when standard stocks are unavailable and they need to be substituted. The spinners added that due to high transportation costs, they try to import only organic cotton that is not widely available in China.

“

**We don’t want to be involved in any scandals, we just want to keep our clients satisfied.**

”

*—Manager, Chinese natural fiber spinning mill*

Figure 8: Spinning yarn at an Asian spinning mill



Even though the remaining two factories did not have computerized systems to track their fibers' country of origin, both presented cotton purchasing contracts when giving a tour of the warehouses. In addition, they said they could provide shipping or purchasing documentation when the cotton was purchased within China.

## Bangladesh

Bangladesh, one of Asia's most dynamically developing production markets, relies entirely on cotton imports to sustain its textile and garment sectors. An estimated third of its cotton is imported from Uzbekistan, Bangladesh's long-standing trading partner. The cost of production in Bangladesh is attractive for global brands but the risk of human rights violations in the cotton value chain, as well as fire safety and labor rights challenges in its cut and sew sector, is a harsh reality to consider before committing to doing business in the country.

When asked about substituting Uzbek cotton, a Managing Director of one of the leading spinning enterprises in Bangladesh responded that, although it is possible to substitute it, using alternative sources of cotton adds cost. The problem could be resolved if a client wishes to pay a \$0.02 USD premium per pound of alternative cotton. This comment reflects a hypothetical solution that still needs to be translated into the cost per garment to fully consider if this is a viable solution. In addition, alternative sources of cotton need to be evaluated for risks and actual costs.

“  
Pay us a premium and  
we can guarantee there  
is no child labor in your  
product.

”  
—Managing Director,  
Bangladeshi textile  
conglomerate

## Brand Best Practices

To implement its commitment to RSN's "[Cotton Pledge](#)," one brand mandates that there is no Uzbek cotton located inside any factory that is producing yarn or textiles for that brand, even if the Uzbek cotton is being used for another client.

The brand is steadfast in this requirement and is willing to terminate business with any spinner using Uzbek cotton. It also spot-checks the spinners without notice to confirm they are not using Uzbek cotton.

## Spinner And Mill Engagement Initiatives

Several efforts are underway aimed at engaging spinners to implement responsible and environmental production practices. A next step could be to explore incorporating into these initiatives a procedure to train spinners, identify fibers processed at each mill, and report COO of any cotton fiber.

Pilot projects and initiatives currently underway include:

- [Mills and Sundries Working Group](#) (Business for Social Responsibility)
  - Learn more at <http://www.bsr.org/en/our-work/working-groups/apparel-mills-sundries>.
- [Mill Qualification Program](#) (Intertek)
  - Learn more at <http://millqp.com/>.
- [Clean by Design](#) (Natural Resource Defense Council)
  - Learn more at <http://www.nrdc.org/international/cleanbydesign/>.

Overall, spinners in all three continents were open to sharing the COO of their cotton fiber at the request of their clients, either in the form of a certification letter for the fiber, yarn, or finished textile (in vertical factories) or in the form of a paper audit.

All spinners visited for this report were committed to not purchasing Uzbek cotton and were willing to provide documentation proving they were fulfilling that commitment. In addition, many textile mills have direct relationships with yarn spinners and are open to sharing their suppliers' information.

## Sourcing Agents: Facilitating Alliances

Sourcing agents are often the link between cut and sew manufacturers and brands. Many cut and sew manufacturers do not work directly with the raw fiber processors, but frequently the sourcing agents purchase the fabric or have preferential relationships with certain yarn spinners and textile mills.

One of the world's leading sourcing agents is starting to build a pre-approved supplier base that includes specific spinners appropriate for brands that have signed the "[Cotton Pledge](#)." It is doing this via educational platforms around vendor agreements.

Some agents are also encouraging manufacturers to use spinners that may already be approved by a brand if it is a vertically integrated mill and cut and sew operation. Conversely, brands can request their sourcing agents provide a map of the entire supplier base, communicate their sourcing requirements to all textile mills, and oblige COO information be made available.

## The Road Ahead: Verifying Socially Responsible Spinners

Removing cotton picked with the use of forced labor and child labor from the value chains of apparel and home goods shipped to the U.S. and Europe may not be easy, but it is possible. Addressing it in stages, one country at a time, makes the task manageable.

To begin establishing an internal system to identify and eliminate these human rights abuses from a brand's products, it is recommended to start with Uzbek cotton since the case of forced labor is documented throughout the entire country and therefore can be identified by the COO. Once a system is established for Uzbekistan, cotton from other high risk countries can be addressed accordingly.

To forge a chain to responsible cotton sourcing without Uzbek cotton, brands are recommended to take the following steps:

- **Identify high risk production regions** by cross-checking [RSN reports](#) and DOL's [List of Goods](#) with current production locations for textiles and finished goods. Reach out to the manufacturing facilities in the high risk countries first.
- **Initiate a dialogue with spinners** via the designers or agents who are choosing the textiles in products and have the closest relationships with spinners. Inquire where their cotton originates and support the spinners in finding alternatives for Uzbek cotton.
- **Incorporate the brand policy of “no cotton with forced or child labor” and/or “no Uzbek cotton”** in supplier agreements, sourcing agent contracts, or documentation for spinners and textile manufacturers. Educate internal production teams, compliance staff, auditors, and sourcing agents on any changes to contracts or documentation.
- **Communicate the requirement to spinners that it is unacceptable to process Uzbek cotton** in the same facilities that are producing yarn or textiles for a brand's products.
- **Make COO of cotton a mandatory requirement** in all purchase orders, textile/yarn specification sheets, and electronic production management systems. Establish that an order will not be placed without the cotton COO.
- **Educate spinners**—alone or in collaboration with other brands—on the abusive practices that exist in Uzbekistan and the negative exposure brands, spinners, and agents could face if they are associated with high risk cotton.
- **Participate in an industry-wide initiative** to educate, train, verify, and audit spinners on the risks of Uzbek cotton. Contribute to establishing a system to verify spinners as “Uzbek cotton-free” and post results on a public website. This initiative can be expanded to address other high risk cotton once the initial system is established.
- **Add an audit documentation component for COO of raw cotton fiber** at cut and sew facilities and verify information with in-house or third party auditors. Implement this approach if the brand does not have a direct relationship with the textile/yarn manufacturer.
- **Periodically audit spinners unannounced** to ensure their adherence to a “no-Uzbek cotton” policy. Ideally, audits could be done as part of an industry initiative to minimize cost.
  - An auditor needs to walk through the warehouse to confirm there are no bales that have markings typical of Uzbek cotton bales (Figure 5) or have the initials “CIS” marked on them. CIS stands for “Commonwealth of Independent States,” an organization of nine former Soviet Republics, including Uzbekistan. Cotton from Uzbekistan and its cotton-producing neighbors is sometimes marked with CIS.

- **Report on results from spinner trainings and audits.** Activities brands are implementing should be disclosed on an ongoing basis. Information could be included with individual brand social compliance reporting, in the California Transparency in Supply Chains Act (657) web-based reporting, or as part of a multi-stakeholder initiative. Ideally, verified spinners could be posted on a public website similar to the [Conflict-Free Smelter Program](#).

Implementation of these steps relies on a firm commitment by brands of having full transparency to and accountability of the origin and harvesting practices of all the raw cotton in its products.

Signing on to the [“Cotton Pledge”](#) demonstrates a brand’s aspiration to eradicate forced child labor embedded in Uzbek cotton from entering its value chain. Taking the above steps makes the pledge a reality.

## Conclusion

Because spinners know where the cotton they purchase is grown, they are the gatekeepers to eliminating Uzbek and other high risk cotton from entering into product value chains. By not purchasing any cotton produced with forced or child labor, demand for this tainted cotton will plummet. Therefore, spinners need to be incentivized to keep this cotton out of their factories. The market can be the driver behind responsible cotton sourcing worldwide if commitments are made and fulfilled.

The biggest setback in establishing an effective compliance effort at the spinner level is the lack of open and constant communication between brands and spinners. If a direct relationship does not exist with spinners, a brand could identify its largest yarn and textile suppliers and visit their facilities. Purchasing requirements as outlined above can be passed through sourcing agents and textile manufacturers. Where there is a direct relationship, brands need to communicate and initiate methods to eliminate any potential for exposure to Uzbek cotton.

Brand leadership is essential to establish an internal policy against cotton picked with forced or child labor, communicate and mandate this policy with its suppliers, and create a reliable verification scheme to adhere to this policy. As the purchaser, a brand has the right to request information about the source and conditions of the cotton fiber harvested for its products and initiate an accountability mechanism to verify the accuracy of the information provided. Some brands already have this in place, which demonstrates its feasibility to implement.

Applying the steps laid out in this workbook upholds a brand’s goal of building a responsible value chain. Presently, RSN shares this goal with over 130 brands and retailers that have signed the [“Cotton Pledge”](#) and the number continues to grow.

A similar commitment to ethical sourcing is starting to be reflected in the supplier base. From yarn spinners to textile mills to sourcing agents, every supplier interviewed for this report demonstrated that it holds its customers’ values in high regard.

As suppliers begin to answer the brand and consumer calls for transparency and accountability, we move closer to forging a responsible cotton value chain, free from forced and child labor.



## Appendix A: Current and Potential U.S. Legislative Acts

### California Transparency in Supply Chains Act of 2010 (657)

Act 657 mandates that companies (retailers and manufacturers with over \$100 million in annual worldwide gross receipts) doing business in California must disclose on their websites how they are ensuring their value chains are not contributing to slavery or trafficking. Uzbek cotton falls into the category of “slave labor,” requiring companies manufacturing and retailing cotton goods to report on what they are doing to ensure Uzbek cotton picked with forced labor is not in their products.

[www.state.gov/documents/organization/164934.pdf](http://www.state.gov/documents/organization/164934.pdf)

### Lacey Act

This act was originally created to combat trafficking in illegal wildlife, fish, and plants. The 2008 Farm Bill (the Food, Conservation, and Energy Act of 2008) amended the Lacey Act to prohibit the purchase or sale of products or product packaging in the U.S. made from wood, paper, wood fiber, or other plant materials (with certain exceptions) if the plant material was illegally harvested in its country of origin. There have been some preliminary discussions to amend the Lacey to include the prohibition of products containing plant material harvested with forced labor.

[http://www.aphis.usda.gov/plant\\_health/lacey\\_act/](http://www.aphis.usda.gov/plant_health/lacey_act/)

### Business Transparency on Trafficking and Slavery Act (HR 2759, 112th)

This bill was introduced and referred to committee by New York Representative Carolyn Maloney in 2011 and gained eight co-sponsors in the U.S. House of Representatives during the 112th Congress. If it becomes a law, this act will require brands to include in their annual reports to the Securities and Exchange Commission a disclosure describing any measures the brands have taken during the year to identify and address conditions of forced labor, slavery, human trafficking, and the worst forms of child labor within the brands' value chains.

<http://www.govtrack.us/congress/bills/112/hr2759>

## Appendix B: Documentation Containing Country of Origin

- Textile Specification and Testing Sheet
- Social Technical Sheet
- Affidavit of Origin for Raw Cotton Fiber
- Manufacturer's Affidavit of Origin for Yarn
- Bill of Lading
- Purchase Order
- Commercial Invoice
- Certificate of Origin
- Phytosanitary Certificate

## Textile Specification and Testing Sheet

### PRODUCT DETAILS

DATE		FABRIC TYPE	
DEPARTMENT		FABRIC QUALITY	
STROKE		PRICE PER YD/MTR	
GARMENT SUPPLIER		DESCRIPTION	
PHY PERF CODE		COMPOSITION	
COLOR PERF CODE		FABRIC CO. OF ORIGIN	
FABRIC SUPPLIER		YARN CO. OF ORIGIN (if different)	

### SUMMARY OF PERFORMANCE

PHYSICAL AND COL FAST TEST RESULTS	APPROVED/REJECTED	
COMMENTS		

### FABRIC WEARER TRIAL

NO OF WEARERS		NO OF HRS/CLEANS	
COMMENTS			

### FINISHED FABRIC CONSTRUCTION

WEIGHT	g/m2	WIDTH	cm	ENDS		PICKS	
GAUGE				COURSES		WALES	
COUNT				OPEN END/RING		COMBED/CARDED	
COTTON FIBER COUNTRY/IES OF ORIGIN							
GREIGE SOURCE				DYER/FINISHER			

### DYEING AND FINISHING SPECIFICATION

NAME OF DYER/FINISHER			
DYER/FINISHER IS APPROVED		DATE	
FINISHING ROUTE			

### COLOR FASTNESS

APRVD/RJCTD COLOR TESTING	
TEST 1	
TEST 2	
TEST 3	

### PHYSICAL PERFORMANCE

TEST 1	BEFORE		AFTER	
TEST 2	BEFORE		AFTER	
TEST 3	BEFORE		AFTER	

### WASH INFORMATION

LAUNDRY		ADDITIONAL COMPONENTS	
WASH RECIPE		COMPONENT	
		SOURCE	
		QUALITY	
		COMPOSITION	

### COMMENTS

SUPPLIER	
BRAND	

## Social Technical Sheet

### BRAND SOCIAL TECHNICAL SHEET OF FABRIC/YARN

#### MILL

#### FABRIC/YARN

#### CODE OF CONDUCT

DOES THE MILL HAVE A CODE OF CONDUCT?

PLEASE DESCRIBE AND NAME OF STANDARD OR CERTIFICATION. (EG. FAIR TRADE, SA8000, ETI, WRAP, BSCI, FLA, MILL'S OWN CODE.), IF APPLICABLE.

HOW DO YOU MONITOR YOUR FACILITY BASED ON YOUR CODE OF CONDUCT? (PLEASE CHECK ALL THAT APPLY)

SELF AUDIT  
CLIENT AUDIT  
THIRD-PARTY, INDEPENDENT AUDIT

#### WORKFORCE

DOES YOUR FACILITY WORKFORCE INCLUDE ANY OF THE FOLLOWING? (PLEASE CHECK ALL THAT APPLY)

FOREIGN WORKERS  
INTERNAL MIGRANT WORKERS  
HOMEWORKERS  
CONTRACT WORKERS  
SEASONAL/TEMPORARY WORKERS

NATIONALITIES OF WORKERS:

HOW DO YOU OBTAIN YOUR WORKERS? (PLEASE CHECK ALL THAT APPLY)

A. DIRECTLY  
B. THROUGH A RECRUITMENT AGENCY, LABOR BROKER/CONTRACTOR  
C. OTHER, PLEASE EXPLAIN

FOR THE SECTION BELOW, PLEASE ONLY ANSWER THE QUESTIONS THAT APPLY TO THIS PARTICULAR FABRIC/YARN.

#### COTTON

NOTE: FORCED AND LABOR CHILD LABOR IS COMMON IN CERTAIN PARTS OF THE WORLD. ANSWERING THESE QUESTIONS WILL HELP US UNDERSTAND OUR COTTON SUPPLY CHAIN.

IF COTTON IS PURCHASED BY THE BALE (FLEECE), WHICH TRADER(S) DO YOU SOURCE FROM?

IF COTTON YARN IS PURCHASED, WHICH SPINNER(S) DO YOU SOURCE FROM?

FIBER COUNTRY OF ORIGIN

GIN NUMBER, IF POSSIBLE

#### MERINO WOOL

WHICH OF THE FOLLOWING METHODS DO YOUR SUPPLIERS USE TO CONTROL FLYSTRIKE? (PLEASE CHECK ALL THAT APPLY)

MULESING  
PLASTIC CLIPS  
CRUTCHING  
TAIL DOCKING  
JETTING/APPLICATION OF CHEMICALS  
FLY TRAPS  
INTRADERMAL INJECTION  
BREEDING PROGRAM  
OTHER (PLEASE SPECIFY)

IF MULESING IS CONDUCTED, IS THE PROCEDURE DONE WITH THE USE OF PAIN RELIEF/ANESTHESIA? (YES/NO)

WOULD YOU BE ABLE TO SUPPLY ANY SUPPORTING MATERIAL (REGULATIONS OR CERTIFICATIONS) REGARDING THE TREATMENT OF ANIMALS?

FIBER COUNTRY OF ORIGIN

#### DOWN/FEATHER

ARE THE DOWN/FEATHER OBTAINED FROM DUCKS OR GEESE?

ARE THE DUCKS/GEESE BRED FOR THE POULTRY INDUSTRY OR SPECIFICALLY FOR THE DOWN INDUSTRY?

WOULD YOU BE ABLE TO SUPPLY ANY SUPPORTING MATERIAL (REGULATIONS OR CERTIFICATIONS) REGARDING THE TREATMENT OF ANIMALS?

IF YOUR ANSWER TO THE ABOVE QUESTION IS YES, PLEASE DESCRIBE THE SUPPORTING MATERIAL

FIBER COUNTRY OF ORIGIN

FILL POWER

#### LEATHER

LEATHER COUNTRY OF ORIGIN (FARM)

LEATHER COUNTRY OF ORIGIN (SLAUGHTERHOUSE)

LEATHER COUNTRY OF ORIGIN (TANNERY)

WHAT ANIMAL IS THIS LEATHER OBTAINED FROM, AND THE APPROXIMATE AGE AT TIME OF SLAUGHTER?

WOULD YOU BE ABLE TO SUPPLY ANY SUPPORTING MATERIAL (REGULATIONS OR CERTIFICATIONS) REGARDING ANIMAL HUSBANDRY AND SLAUGHTER PRACTICES?

## Affidavit of of Origin for Raw Cotton Fiber

*Loeb and Company* INC.  
COTTON MERCHANTS  
110 CHURCH STREET • P.O. BOX 909 • (334) 834-1570  
MONTGOMERY, ALABAMA 36101-0909

[REDACTED]

### Affidavit of Origin for Raw Cotton Fiber

I, [REDACTED] Vice President of Domestic Sales of Loeb and Company, Inc. do hereby certify that the Raw Cotton Fiber sold to [REDACTED] during the Calendar years 2011 and 2012 was produced in the United States. Cotton Fiber of wholly USA origin.

Signature: [REDACTED]

Name: [REDACTED]

Title: Vice President of Domestic Sales

Date: [REDACTED]

## Manufacturer's Affidavit of Origin for Yarn



1823 Boone Trail Road, Sanford, NC 27330 - Phone (919) 776-9940 - Fax (919) 776-9806  
Tax ID # [REDACTED]

Invoice # [REDACTED]  
BOL # [REDACTED]

### Manufacturer's Affidavit of Origin for Yarn

I, [REDACTED], Director of Customer Service, Production Planning, and Purchasing of  
FRONTIER SPINNING MILLS, INC. (the seller),  
do hereby certify that the product described below and sold to:  
[REDACTED] (the buyer)  
and shipped to: [REDACTED]  
was wholly formed in the United States of America (spun) by us as checked below:

The yarn was produced in the United States (check one of the following):

- (  ) wholly of U.S.A. originating fibers and /or other materials.
- (    ) In whole or in part of fibers and materials imported from countries other than the United States. The non-U.S.A. fiber does not exceed 7% by weight. However, such foreign materials were substantially transformed through a manufacturing process in the U.S.A. into a new and different article of commerce, having a distinct name, character or use from its imported condition.
- (    ) In whole or in part of fibers and materials imported from countries other than the United States. The non-U.S.A. fiber does exceed 7% by weight. However, such foreign materials were substantially transformed through a manufacturing process in the U.S.A. into a new and different article of commerce, having a distinct name, character or use from its imported condition.

The street address of the manufacturing facility used to produce the yarn described below is:

FRONTIER SPINNING MILLS (PL 1)  
PLANT 01  
1823 BOONE TRAIL RD  
SANFORD, NC 27330 USA

Yarn Lot No., Style No., Name, and/or Description : [REDACTED] 28/1 100% COTTON YARN

Signature: [REDACTED]  
Title: Director of Customer Service, Production Planning, and Purchasing  
Phone: (919)776-9940  
Email: [REDACTED]  
Date Of Sale: [REDACTED]



## Bill of Lading

Account Name and Logo Here (include phone, fax and OTI license number)			<b>BILL OF LADING</b>							
SHIPPER/EXPORTER (provide complete name and address)		BOOKING NO:	BILL OF LADING NO:							
		EXPORT REFERENCES:								
CONSIGNEE (please provide complete name and address)		FORWARDING AGENT / FMC NO:								
		POINT AND COUNTRY OF ORIGIN:								
NOTIFY PARTY (please provide complete name and address)		FOR DELIVERY OF GOODS PLEASE PRESENT DOCUMENTS TO:								
MODE OF INITIAL CARRIAGE	PLACE OF INITIAL RECEIPT	DOMESTIC ROUTING/EXPORT INSTRUCTIONS								
VESSEL NAME	PORT OF LOADING	FREIGHT PAYABLE AT	TYPE OF MOVEMENT							
PORT OF DISCHARGE	PLACE OF DELIVERY BY CARRIER									
<b>PARTICULARS FURNISHED BY SHIPPER</b>										
MARKS & NOS/CONT. NOS	NO. OF PACKAGES	DESCRIPTION OF PACKAGES AND GOODS	GROSS WEIGHT	MEASUREMENT						
TOTAL NUMBER OF PKGS.										
<p><b>Liability Information</b>                      Clause 20 on the reverse side hereof limits the carrier's liability to a maximum of US\$500 per package or customary freight unit by incorporation of the Carriage of Goods by Sea Act. To protect for a higher value, you may declare a higher value and pay the ad valorem freight charge or purchase cargo insurance.</p> <p><b>Declared Value:</b>                      The shipper may increase the carrier's liability by declaring a higher value in the "Declared Value" box to the right and paying the additional charge that accompanies this.</p> <p><b>Insurance:</b>                      The shipper may also purchase insurance on the goods listed on this bill of lading by indicating this in the box to the right and paying the additional premium.</p>			<p><b>DECLARED VALUE: \$</b> _____</p> <p><i>If shipper enters a value, carrier's limitation of liability shall not apply and the ad valorem rate will be changed.</i></p> <p><b>SHIPPER REQUESTS INSURANCE:</b>  <input type="checkbox"/> Yes    <input type="checkbox"/> No <i>Must check one box!</i>                      Amount: \$ _____</p>							
<p>FREIGHT RATES, CHARGES, WEIGHTS AND/OR MEASUREMENTS</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">SUBJECT TO CORRECTIONS</th> <th style="width: 20%;">PREPAID</th> <th style="width: 20%;">COLLECT</th> </tr> </thead> <tbody> <tr> <td style="height: 40px;"></td> <td></td> <td></td> </tr> </tbody> </table>			SUBJECT TO CORRECTIONS	PREPAID	COLLECT				<p>RECEIVED FOR SHIPMENT from the MERCHANT in apparent good order and condition unless otherwise stated herein, the GOODS mentioned above to be transported as provided herein, by any mode of transport for all or any part of the Carriage, SUBJECT TO ALL THE TERMS AND CONDITIONS appearing on the face and back hereof and in the CARRIER'S applicable Tariff, to which the Merchant agrees by accepting this BILL OF LADING.</p> <p>Where applicable law requires and not otherwise, one original Bill OF LADING must be surrendered, duly endorsed, in exchange for the GOODS or CONTAINER(S) or other PACKAGE(S); the others to stand void. If a 'Non-Negotiable' BILL OF LADING is issued, neither an original nor a copy need be surrendered in exchange for delivery unless applicable law so requires.</p> <p>BY _____  <b>AS CARRIER</b></p> <p>DATED _____</p>	
SUBJECT TO CORRECTIONS	PREPAID	COLLECT								

## Purchase Order

The screenshot shows a software window titled "Purchase Order" with a menu bar (File, Edit, View, Insert, Format, Records, Tools, Window, Help) and a search bar. Below the menu is a toolbar with icons for Find, Last, New, Old, First, Add New, Save, Refresh, Undo, Advance, List, Label, and Exit. A second row of icons represents various procedures: Purchasing, Receiving, Selling, Return, Item Storage B/D, By Expiry, By Days, By Location, By Specification, and In Out Detail. A third row includes icons for Leftover Report, By Article No, By Item Group, By Brand, By Description, By Suppliers, Closing Stock, Export Clo. Sto., F I F O, Storage B/D, and Low Level.

The main data entry area contains the following fields:

Item ID.	115	PurID	56	Issue Date	Wednesday 13 Aug 2008 10:00
Article No.	115				
Item Group	cotton yarn				
Brand Name	YL-01				
Description	1.8 inch long staple				
Fibre Content	100% cotton	Elongation	18%		
Class	AO	Strength	16 pound per newton		
Quality Grades	Good middling	Staple Length	28 = 0.8750		
Color Grades	dew white	Varieties	new		
Classer Leaf Grade	3	Prepartaion	pre dry		
Extraneous Trash	0.34%	Ginning	90% pure		
Uniformity Ratio	50% Span length	Maturity	85% mature		
Short Fiber Index	3.5	Moisture Regain	65% relative humidity		
Micronaire	3.0 to 3.6 - Fine	Origin	egyptian		
Order Ref No.	HE-23298	Price	USD	Bale	
Handle By		Del Date	Tuesday 10 Aug 2010		
Deliver By	by train	Supplier	testing new limited		
Total Leftover		Ord Qty	0.00		

At the bottom of the form, there are buttons for "Stock-In Main" and "Stock-Out Main", each followed by a "Subtotal" field. A footer note reads: "Input The Artical No, Model No, Item No, EAN No, Style No". On the right side, a photo of a cotton plant is displayed with the caption "Photo :users\eddie\Pictures\cottonplant.jpg".

## Commercial Invoice

<b>COMMERCIAL INVOICE</b>						
Date of Export:			Export References (i.e. order no., invoice no., etc):			
Shipper/Exporter (complete name and address):			Recipient (complete name and address):			
Country of export:			Importer - if other than recipient (complete name and address):			
Country of manufacture:						
Country of ultimate destination:						
Federal Express International Air Waybill Number:			Carrier			
No. of pkgs	Full Description of goods	Country of origin	Qty	Weight Kg/lbs	Unit value	Total Value
Total No. of pkgs				Total Weight:	Total Invoice Value :	
					Currency:	
Signature of shipper/exporter (type name and title and sign)			Date:			

Please note all fields must be filled out!

# Certificate of Origin

CERTIFICATE OF ORIGIN  
ISSUED BY MEMPHIS AREA CHAMBER OF COMMERCE

The undersigned SOUTHERN STATES FORWARDING, INC., FMC 1610F: 16781  
for [REDACTED]

declares that the following mentioned goods shipped on Ocean Vessel

Notifying: [REDACTED]

are the product of the United States of America.

MARKS	B/C	DESCRIPTION	GROSS WEIGHT
146314	88		175,970 Lbs.
146315	88		79,818 Kgs.
146322	88		
146323	87		

351

THREE HUNDRED FIFTY ONE  
(351) BALES OF US RAW  
COTTON COMPRESSED TO UNIVERSAL DENSITY

SALE NO. [REDACTED]

Sworn to before me

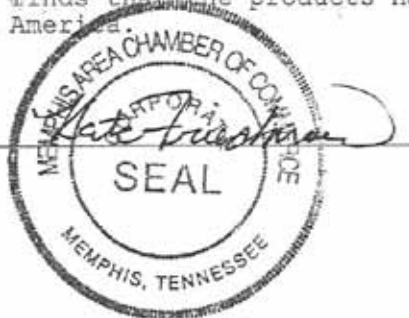
Dated at MEMPHIS, TN, U.S.A.  
on the 15th day of March 2013

this 15th day of March [REDACTED]



The Memphis Area Chamber of Commerce, a recognized Chamber of Commerce under the laws of the state of TENNESSEE, has examined the manufacturer's invoice or shipper's affidavit concerning the origin of the merchandise and, according to the best of its knowledge and belief, finds that the products named originated in the United States of North America.

Secretary






# Phytosanitary Certificate

No phytosanitary certificate can be issued until an application is completed (7 CFR 353)

See reverse for additional OMB information.

FORM APPROVED  
OMB NO. 0579-0052

UNITED STATES DEPARTMENT OF AGRICULTURE ANIMAL AND PLANT HEALTH INSPECTION SERVICE PLANT PROTECTION AND QUARANTINE  <b>PHYTOSANITARY CERTIFICATE</b>  TO: THE PLANT PROTECTION ORGANIZATION(S) OF  <b>SAMPLE</b>	<b>FOR OFFICIAL USE ONLY</b>		
	PLACE OF ISSUE	<b>SAMPLE</b>	
	NO: FPC	<b>XXXXXXXX</b>	
	DATE INSPECTED		

**CERTIFICATION**

This is to certify that the plants, plant product or other regulated articles described herein have been inspected and/or tested according to appropriate official procedures and are considered to be free from the quarantine pests, specified by the importing contracting party and to conform with the current phytosanitary requirements of the importing contracting party including those for regulated non-quarantine pests.

**DISINFESTATION AND/OR DISINFECTION TREATMENT**

1. DATE	2. TREATMENT
3. CHEMICAL (active ingredient)	4. DURATION AND TEMPERATURE
5. CONCENTRATION	6. ADDITIONAL INFORMATION

**DESCRIPTION OF THE CONSIGNMENT**

7. NAME AND ADDRESS OF THE EXPORTER  <b>SAMPLE</b>	8. DECLARED NAME AND ADDRESS OF THE CONSIGNEE  <b>SAMPLE</b>
9. NAME OF PRODUCE AND QUANTITY DECLARED  <b>SAMPLE</b>	10. BOTANICAL NAME OF PLANTS  <b>SAMPLE</b>
11. NUMBER AND DESCRIPTION OF PACKAGES  <b>SAMPLE</b>	12. DISTINGUISHING MARKS  <b>SAMPLE</b>
13. PLACE OF ORIGIN  <b>SAMPLE</b>	14. DECLARED MEANS OF CONVEYANCE  <b>SAMPLE</b>
	15. DECLARED POINT OF ENTRY

**WARNING:** Any alteration, forgery, or unauthorized use of this phytosanitary certificate is subject to civil penalties of up to \$250,000 (7 U.S.C. Section 7734(b)) or punishable by a fine of not more than \$10,000, or imprisonment of not more than 5 years, or both (18 U.S.C. Section 1001).

**ADDITIONAL DECLARATION**

<b>SAMPLE</b>		<b>SAMPLE</b>
---------------	--	---------------

16. DATE ISSUED	17. NAME OF AUTHORIZED OFFICER (Type or Print)	18. SIGNATURE OF AUTHORIZED OFFICER
-----------------	--	-------------------------------------

No liability shall attach to the United States Department of Agriculture or to any officer or representative of the Department with respect to this certificate.





1611 Telegraph Ave., Ste. 1450 • Oakland, CA 94612 • 510.735.8145 • [www.sourcingnetwork.org](http://www.sourcingnetwork.org)

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