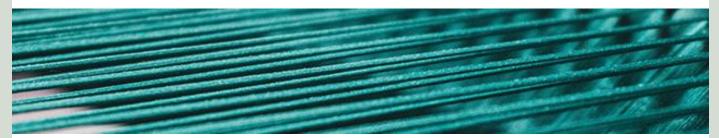


The STREAMS Current

A newsletter from Verité's Supply Chain Tracing and Engagement Methodologies (STREAMS)

Project - with generous support from the U.S. Department of Labor.



One Year with STREAMS

Welcome to the first issue of the STREAMS newsletter. We'll be in touch on a regular basis to share project developments and offerings with stakeholders and interested parties, including:

- Activity updates and insight
- Publication of reports, resources, and tools
- Opportunities for engagement with the project

To learn more about STREAMS, visit the project's website



Supply chain traceability can deliver big results for companies. We think traceability should work for workers, too. Since launching last year with funding from the U.S. Department of Labor, STREAMS has been working at the intersection of traceability and labor rights, making exciting progress towards demonstrating how the power of innovative traceability approaches can be used to improve lives of workers and their communities, even in the most complex supply chains.



"... the supply chain insight that can be gleaned from traceability efforts – the who, what, when, and where of supply chains – can, and must, be leveraged to support a robust due diligence approach to labor and human rights."

Note from the Director

Erin Klett, STREAMS Project Director

Companies are increasingly looking to supply chain traceability solutions to address the risk of labor abuse in supply chains and comply with a growing landscape of regulatory requirements. The STREAMS project has been working on a number of fronts to help support companies, governments, and civil society to leverage traceability efforts toward the

But we also know that the supply chain insight that can be gleaned from traceability efforts – the who, what, when, and where of supply chains – can, and must, be leveraged to support a robust due diligence approach to labor and human rights.

We're excited to share some of the progress

improvement of conditions for workers and their communities.

We know that traceability alone does not deliver better or more fair working conditions.

we've made in our first year in the pages of this newsletter. And if you share this interest in exploring the intersection of traceability and due diligence for improved labor conditions, I invite you to be in touch.



STREAMS Project Basics

The STREAMS project was awarded in December 2020 and will run for 4.5 years, through June 2025.

Working in collaboration with implementing partners including **Better Cotton**, **Responsible Sourcing Network**, and **Sourcemap**, the STREAMS project will:

- develop a Supply Chain Traceability Matrix for categorizing intersections between types of supply chain segments and types of tracing methodologies,
- pilot and validate the effectiveness of novel approaches to supply chain tracing in the garment sector of India,
- and create accessible tools to enable diverse actors across sectors and supply chain tiers to adopt innovative tracing approaches.

Coming Soon! The STREAMS Traceability Matrix

Verité is excited to announce that a new, publicly available resource – the Supply Chain Traceability Matrix – is slated for launch in late 2022. The Matrix is being designed as an accessible, interactive platform for users to learn about how different traceability approaches can help companies comply with due diligence frameworks like the **OECD Due Diligence Guidelines**



for Multinational Enterprises, the **U.S. Department of Labor's Comply Chain**, and the **U.S. Department of State's Responsible Sourcing Tool**, with the ultimate goal of combating forced labor and child labor in different types of upstream supply chains.

The STREAMS Supply Chain Traceability Matrix will be comprised of three major content areas:

- A primer: providing a new approach to understanding the intersection between supply chain traceability and due diligence.
- The Tracing Methods Typology (TMT): providing explanations of different traceability methods, how those methods can be used to help combat forced labor and child labor in supply chains, the nature of information provided, and what types of supply chains they are compatible with.
- The Supply Chains Typology (SCT): providing information on supply chain characteristics

that impact traceability feasibility for goods listed on the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor.

The STREAMS project is designing the Matrix to meet the needs of multinational companies, government representatives and regulators, and advocates. In the lead up to the launch, Verité will be working with expert advisors to validate the content and design. For more information, please reach out to Allison Arbib, STREAMS Supply Chains Technical Lead: aarbib@verite.org.

Spotlight On: STREAMS Project's Collaboration with the Responsible Sourcing Network



Responsible Sourcing Network (RSN) is dedicated to ending human rights abuses and forced labor associated with the raw materials found in everyday products. RSN is the creator of the YESS: Yarn Ethically & Sustainably Sourced initiative, which is designed to drive forced labor out of cotton production and increase the use of ethical and sustainable cotton. The YESS approach focuses on building the capacity of mid-tier actors in cotton supply chains – yarn spinners and textile mills – to implement effective due diligence of suppliers and cotton inputs and leverage farm-level efforts to identify and address forced labor. Since spinning mills typically represent the first point of mixing of cotton from different global origins, these mid-tier actors have the potential to have a significant impact in building an ethical cotton supply chain. STREAMS is supporting the development of training materials for spinners to implement YESS, as well as the creation of a new YESS standard, training, and guidance materials for textile mills, capacity building support for spinning and textile mills, and the exploration of potential models for third-party assessment and validation of YESS implementation.

As part of their collaboration with STREAMS in 2021, RSN developed a new YESS standard and guidance materials for textile mills, as well as updated the YESS standard and materials for spinning mills. These standards are being on-boarded and piloted with a set of textile mills and spinning mills in India and supporting brands. RSN has been working intensively with the spinners and textile mills, providing remote training and support followed by in-person visits for training and assessment in early 2022. RSN is also developing systems to train third-party auditors who can assess the degree to which participating suppliers are able to implement the YESS standards. RSN is reviewing feedback from these early participants in YESS supplier trainings to ensure that capacity building materials are able to meet the needs of participants.

Stay tuned for a public comment period for RSN's new YESS Textile Standard in the coming months. RSN will also be collaborating with the STREAMS project to assess how specific traceability technologies may hold potential for a validation check of sourcing practices of spinners and textile mills.



- "These trainings are invaluable..."
- YESS supplier training participant
- "Basic management system expectations are easy to meet."
- YESS supplier training participant

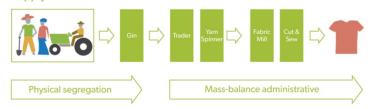


Spotlight On: STREAMS Project's Collaboration with Better Cotton

Better Cotton is the world's leading sustainability initiative for cotton. Its mission is to help cotton communities survive and thrive, while protecting and restoring the environment. As part of their Better Cotton Standard System, Better Cotton currently utilizes a chain of custody that employs a mass balance approach.



Supply Chain



In the existing model, cotton is physically segregated from farm to gin. As cotton flows downstream from the gin to traders, spinners, mills, and manufacturers, an administrative mass balance system is used. This approach ensures the amount of Better Cotton purchased doesn't exceed the volume produced without adding complexity to the supply chain.

Under the STREAMS Project, Better Cotton is working to expand their cotton chain of custody and product traceability approach, with a goal of offering stronger assurances through more nodes of the supply chain. More specifically, Better Cotton is aiming to include the following components in their strengthened traceability approach:

- An updated digital traceability platform and structure;
- New chain of custody requirements; and
- A newer iteration of their product claims framework.

Better Cotton has conducted a needs assessment amongst its members to identify basic feasibility requirements around a cotton chain of custody and product traceability approach and is undertaking initial planning for a future chain of custody traceability pilot. In the coming year, Better Cotton will continue to work with stakeholders to identify a short-list of potential traceability approaches to meet identified needs and develop detailed requirements including chain of custody standards.

A goal for Better Cotton under the STREAMS project is to explore and model how expanded traceability approaches piloted can be accessible and can offer real value to the range of Better Cotton members, including smaller producers with less administrative capacity.

Contact Information & Project Funding

For more information, contact STREAMS@verite.org

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