



BCI Supply Chain Audit Reporting Template

2020

Organisation:

Monitored By:

Evaluation date:

Report date:

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Introduction

This reporting template is designed to be used during supply chain audits for companies that are buying or selling BCI Orders¹ – these include e.g. traders, spinners/ integrated spinners, non-lint traders, vertical mills, fabric mills, garment manufacturers, and sourcing agents. This template is applicable for auditors carrying out supply chain audits against the [Better Cotton Chain of Custody Guidelines v1.4](#).

1 Company Information & Scope

Company Name		BCP Number:	
Address	Street address		
	State		Country
Company contact name and role		Email/ Phone Number	

1.1 General Overview of the Organisation

[Include general information, including a brief description of the company (i.e. scale, capacity, business type, and featured products) as well as a description of its main activities related to BCI orders (i.e. main suppliers and main customers, management team members related with BCI orders, etc.)

1.2 Scope details

Scope Item	Check all that apply to the scope of evaluation
BCI Better Cotton Platform Account Type	<input type="checkbox"/> Trader <input type="checkbox"/> Spinner <input type="checkbox"/> Integrated Spinner <input type="checkbox"/> Non-lint Trader <input type="checkbox"/> Fabric Mill <input type="checkbox"/> Vertical Mill <input type="checkbox"/> End-product Manufacturer <input type="checkbox"/> Sourcing Agent <input type="checkbox"/> Retailer/ Brand
Business Type	<i>[e.g. Fabric Mill, Trader]</i>
CoC Model	<input type="checkbox"/> Mass balance <input type="checkbox"/> Product segregation
Description of subcontracted activities	

¹ Any cotton or cotton-containing product (after gin level) which is bought or sold with a 'Better Cotton' claim and for which Better Cotton Claim Units (BCCUs) are transferred between two parties via the Better Cotton Platform (BCP)

	<input type="checkbox"/> N/A – no subcontractors
Changes since the previous evaluation	<i>[changes include but are not limited to a change in the primary contact person, a change in subcontracting activities, a change in company name, etc.]</i>
Additional remarks	

1.3 Product Listing

Raw material inputs	Product output	Average Conversion Rate <i>(used for BCCU volume verification for factories and dyeing plants)</i>
<i>[e.g. Lint, cotton, comber noil, recycled cotton, yarn, gray cloth, finished fabric, end-product]</i>	<i>[e.g. Blended cotton/viscose yarn, woven fabric, knitting fabric, socks, end-product]</i>	

1.4 Site Listing

Site Name	Primary Contact/ Address/ Tel/ Email	Site Activity
		<i>[e.g. sales office, manufacturer]</i>

2 Evaluation Process

Type of evaluation	Onsite: <input type="checkbox"/> Second Party <input type="checkbox"/> Third Party <input type="checkbox"/> Other - Remote: <input type="checkbox"/> Second Party <input type="checkbox"/> Third Party <input type="checkbox"/> Other -		
Date of evaluation		Total on-site time	

Name of assessor(s)	Organisation	Role
		<i>[Lead Assessor, Team Member]</i>

3 Summary Outcome

Were any Minor Non-conformities observed? Yes No

Were any Major Non-conformities observed? Yes No
 Were any Improvement Opportunities observed? Yes No

Based on the outcome of the supply chain audit or monitoring visit, do you recommend suspending the company's Better Cotton Platform account?

Yes No

If yes, please explain reason:

Description of any complaints, disputes, or allegations of non-conformance with the guidelines raised against the Organisation since the last evaluation:

3.1 Summary of Non-conformities (NCs) Issued

Non-conformity No.	Chain of Custody Requirement No.	Grading	Deadline to Close NC ²
		<input type="checkbox"/> Minor <input type="checkbox"/> Major	
		<input type="checkbox"/> Minor <input type="checkbox"/> Major	
		<input type="checkbox"/> Minor <input type="checkbox"/> Major	
		<input type="checkbox"/> Minor <input type="checkbox"/> Major	

Note: A non-conformity (NC) is graded as Minor if it is an isolated event that is limited in temporal and spatial scale, and where an effective internal management system was in place that should have prevented or detected the issue. A NC can also be graded as Minor if it does not result in a fundamental failure to achieve the objective of the relevant requirement.

A non-conformity (NC) is graded as Major if it results in, or is likely to result, in a fundamental failure to achieve the objective of the relevant requirement (either alone or in combination with other NCs). Major NCs typically continue over a period of time or are repeated or systematic in nature.

² Minor NCs: Company shall correct the NC within 12 months and provide evidence to BCI or the third-party auditor demonstrating how the issue has been addressed.

Major NCs: Company shall correct the NC within 30 days and provide evidence to BCI or the third-party auditor demonstrating how the issue has been addressed.

3.2 Non-conformities Issued During the Evaluation

NC number:	Chain of Custody Requirement number:	NC grading:	<input type="checkbox"/> Minor <input type="checkbox"/> Major	Deadline to close NC²:
Description of Non-conformance:				
<p><i>[Provide full details of the identified non-conformance as it relates to above-mentioned requirement(s). Include reference to specific evidence and cite any supporting evidence. If there are several points of evidence, use bullet points to organise these. It is important to have precise details, but concise language. When necessary, describe the spatial scope of non-conformances, as for example, limited to the local area or systemic through all operations.]</i></p>				
NCR status:	OPEN			

NC number:	Chain of Custody Requirement number:	NC grading:	<input type="checkbox"/> Minor <input type="checkbox"/> Major	Deadline to close NC²:
Description of Non-conformance:				
<p><i>[Provide full details of the identified non-conformance as it relates to above-mentioned requirement(s). Include reference to specific evidence and cite any supporting evidence. If there are several points of evidence, use bullet points to organise these. It is important to have precise details, but concise language. When necessary, describe the spatial scope of non-conformances, as for example, limited to the local area or systemic through all operations.]</i></p>				
NCR status:	OPEN			

NC number:	Chain of Custody Requirement number:	NC grading:	<input type="checkbox"/> Minor <input type="checkbox"/> Major	Deadline to close NC²:
Description of Non-conformance:				
<p><i>[Provide full details of the identified non-conformance as it relates to above-mentioned requirement(s). Include reference to specific evidence and cite any supporting evidence. If there are several points of evidence, use bullet points to organise these. It is important to have precise details, but concise language. When necessary, describe the spatial scope of non-conformances, as for example, limited to the local area or systemic through all operations.]</i></p>				
NCR status:	OPEN			

3.3 Improvement Opportunities

Note: Improvement Opportunities are issued for the early stages of a problem, which does not itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance if not addressed; improvement opportunities may lead to direct non-conformances if not addressed.

Improvement Opportunity number:	Chain of Custody Requirement number:	Description:
Improvement Opportunity number:	Chain of Custody Requirement number:	Description:
Improvement Opportunity number:	Chain of Custody Requirement number:	Description:

3.4 Additional Notes on Findings

3.5 Notes for Next Evaluation

Chain of Custody requirements

Refer to section 3.0 of the Better Cotton Chain of Custody Guidelines v1.4

Part I: Responsibilities, training, and record-keeping

Requirement	Grading	Assessor Findings <i>[The italicized suggested interview questions and verification process are intended to be deleted during completion of the checklist. Please use 3 forms of evidence (interview, observation, document review) where possible to triangulate findings. All findings require a minimum of 2 forms of evidence.]</i>
<p>3.1.1 The organisation shall identify a designated representative(s) who has overall responsibility for ensuring compliance with the relevant Better Cotton CoC Guidelines requirements.</p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC	<p><i>Suggested Interview Question: Who is the designated representative for ensuring compliance with CoC Guidelines?</i></p> <p><i>Verification: Confirm through interviews and other records that the designated representative has overall responsibility and authority.</i></p> <p>This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. Better Cotton CoC Guidelines on file, documented CoC procedures, training records, training completion confirmation email]</i></p>
<p>3.1.2 The organisation shall ensure that all existing and new staff responsible for implementation of procedures are trained and competent. At minimum, the following trainings are required:</p> <p>a) All staff responsible for using the BCP shall complete BCI training on the BCP.</p> <p>b) All staff buying and/or selling BCI Orders should attend BCI's Supplier Training Programme annually (face-to-face, online or recordings, or internal training organized by BCI representatives) provided by BCI local team</p> <p>Guidance: <i>BCI has developed mandatory online training modules, using the Mindflash platform, for users of the BCP. Access to these training modules will be given by BCI once a company's membership or usership application is accepted by BCI. If there is any change in BCP users, the organisation shall request access for a new BCP user.</i></p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC	<p><i>Suggested Interview Questions: Who is responsible for other critical control points such as purchasing, BCP data entry, record maintenance, etc. How do you ensure that these individuals are trained and competent to carry out their relevant responsibilities? Do you have any training records or materials? How do you inform them about their roles? What happens if workers leave or change positions?</i></p> <p><i>Have the individuals responsible for using the BCP completed the mandatory training offered through BCI? Do you have any confirmation of this?</i></p> <p><i>Verification: Review related training evidence and interview workers to confirm training completed.</i></p> <p>This was confirmed by the following: Interviews with: Observation of:</p>

Requirement	Grading	Assessor Findings <i>[The italicized suggested interview questions and verification process are intended to be deleted during completion of the checklist. Please use 3 forms of evidence (interview, observation, document review) where possible to triangulate findings. All findings require a minimum of 2 forms of evidence.]</i>
<p>The new user is required to complete mandatory training modules for use of the BCP.</p> <p><i>Documented records of training may include a training certificate, email correspondence, register with date, time, and presenter, and/or training resources (i.e. slides, videos, etc.).</i></p>		<p>Documentation review: <i>[e.g. documented CoC procedures, training materials, training attendance log, BCI training confirmation email]</i></p>
<p>3.1.3 The organisation shall maintain records related to the purchase and sale of BCI Orders. Every purchase or sale of BCI Orders shall be supported by documentation including purchase orders, invoices, delivery and shipping documents.</p> <p>Guidance: <i>Records can be maintained in paper or electronic format.</i></p>	<p><input type="checkbox"/> Compliant</p> <p><input type="checkbox"/> Minor NC</p> <p><input type="checkbox"/> Major NC</p>	<p><i>Select records reviewed during the evaluation. Identify the records that are essential to trace the purchase and sale of BCI Orders. Add additional findings here on how records are maintained.</i></p> <p><i>Note: Below is a sample list of records. It is not necessary that all records are maintained, only the ones that are essential for traceability.</i></p> <p><input type="checkbox"/> Purchase contract and payment proof (invoice)</p> <p><input type="checkbox"/> Processing records or production records (only applicable for manufacturing or for use of manufacturing subcontractors)</p> <p><input type="checkbox"/> Sales invoices and contracts</p> <p><input type="checkbox"/> Transport/ shipping documents</p> <p><input type="checkbox"/> For those using subcontractors: copy of outsourcing arrangement and subcontractor declarations</p> <p><input type="checkbox"/> Other -</p> <p>This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>checked above</i></p>
<p>3.1.4 Retention times for records relevant in demonstrating the organisation's conformity with all applicable CoC requirements shall be a minimum of two (2) full years. The organisation shall ensure that all documents are available for review by BCI and third-party auditors upon request.</p> <p>Guidance: <i>Records can be maintained in paper or electronic format. Years may be calendar or fiscal, as long as they are full and consistent.</i></p>	<p><input type="checkbox"/> Compliant</p> <p><input type="checkbox"/> Minor NC</p> <p><input type="checkbox"/> Major NC</p> <p><input type="checkbox"/> N/A</p>	<p><i>Suggested Interview Questions: Do you have a system to maintain all relevant documentation for a period of 2 years? How are these documents stored and in what form? Who is responsible for maintaining them? How do you ensure that documentation relates to Better Cotton transactions? How easily can they be accessed by BCI on request?</i></p> <p><i>Verification: Review documents and document storage procedures. Interview workers responsible for document storage.</i></p> <p>This was confirmed by the following:</p>

Requirement	Grading	Assessor Findings <i>[The italicized suggested interview questions and verification process are intended to be deleted during completion of the checklist. Please use 3 forms of evidence (interview, observation, document review) where possible to triangulate findings. All findings require a minimum of 2 forms of evidence.]</i>
		Interviews with: Observation of: <i>[e.g. document filing]</i> Documentation review: <i>[e.g. documented CoC procedures]</i>
<p>3.1.5 The organisation shall communicate any changes in primary contact names/ details, or any other significant changes related to BCI Orders, to BCI by email within 15 calendar days of the change occurring.</p> <p><i>Guidance:</i> Changes may include the organisation name, address, new staff members taking over BCI responsibilities, or mergers or acquisitions that affect company set-up in the BCP. Changes can be communicated to local BCI supply chain staff through email or at support@bettercotton.org</p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<p><i>Suggested Interview Questions: Have you had any recent changes in BCI contact person, your company name changes, or outsourcing (subcontracting) arrangements? If so, did you notify BCI of these changes?</i></p> <p><i>Verification: Review records of any associated changes and communication records with BCI. Interview workers responsible.</i></p> <p>This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. documented CoC procedures, copy of notification email to BCI]</i></p>
<p>3.1.6 The organisation shall ensure that a mechanism is in place for handling non-conforming products to ensure they are not sold onward with a Better Cotton claim until their status can be verified. This includes any transfers of BCCUs and any cotton/ cotton-containing products bought or sold with a Better Cotton claim, which cannot be verified as legitimate.</p> <p><i>Guidance:</i> For example, an organisation might receive a BCI Order, however the transfer of BCCUs allocated to the order doesn't match the volume delivered. Or, in some cases BCCUs might be transferred without a corresponding purchase/ sale of physical Better Cotton products. In these cases, the organisation must verify the legitimate status of the transactions with the supplier/ customer directly before accepting the BCCUs.</p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<p><i>Suggested Interview Questions: What your the procedure to review purchase transactions and declare sale transactions by your company? Do you have a procedure to handle non-conforming products? Have you identified any non-conforming products prior to or after sale of a product with a Better Cotton claim? If so, did you keep records?</i></p> <p><i>Verification: Interview key workers who are responsible for identifying non-conforming products and implementation of procedures. Collect documented evidence of non-conforming product investigation and results.</i></p> <p>This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. documented CoC procedures, records of non-conforming product investigation]</i></p>

Part II: Use of the Better Cotton Platform (BCP)

Sampling note to the assessor: An initial set of 5-10 transactions will be identified by BCI ahead of the evaluation and provided to the assessor. These transactions are mandatory to review during the evaluation. However, in some cases a purchase or sale transaction as entered into the BCP may include numerous separate purchase/sales aggregated together. In this case, the assessor may use his/her professional discretion to select a sample of individual purchases/sales to validate against supporting documentation for each main 'transaction' as entered into the BCP.

Assessors should select an additional 5-10 transactions to review either before and/or during the evaluation. Assessors shall implement a risk-based approach to sampling and document the methodology in their findings. Sampling should include any unusual transactions, a broad range of time periods, suppliers, customers, and transfers to indirect customers. Additional transactions can also be added to the sample at the auditors discretion – for example due to high volume in transactions or gaps/questions with records provided for the initial transactions.

Requirement	Grading	Assessor Findings <i>[The italicized suggested interview questions and verification process are intended to be deleted during completion of the checklist. Please use 3 forms of evidence (interview, observation, document review) where possible to triangulate findings. All findings require a minimum of 2 forms of evidence.]</i>
<p>3.2.1 Organisations shall identify a designated representative for recording relevant data on the Better Cotton Platform (BCP). Organisations shall not give access to the BCP to other third parties.</p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC	<p><i>Suggested Interview Questions: Can you confirm who is responsible for entering data into the BCP? What happens if that person is ill, away, or unavailable?</i></p> <p><i>Verification: Interview designated representative and their back-up on procedures for use of the BCP. Confirm training has been completed.</i></p> <p>This was confirmed by the following: Interviews with: Observation of: <i>[e.g. BCP use while on-site]</i> Documentation review: <i>[e.g. documented CoC procedures, records of training]</i></p>
<p>3.2.2 No entries shall be made in the BCP to transfer BCCUs without a corresponding transfer of physical cotton-containing products.</p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<p><i>Suggested Interview Questions: Please explain the process for entering data into the BCP. How and when does this happen? Have you ever received BCCUs from a supplier without a physical shipment of cotton being received? In these cases, did you verify the details with the supplier first before acknowledging the purchase in the BCP?</i></p> <p><i>What do you do if you have any questions about how to use the BCP? Who do you contact?</i></p> <p><i>Verification: Compare a sample of sales with the corresponding transfer BCCUs.</i></p>

Requirement	Grading	Assessor Findings <i>[The italicized suggested interview questions and verification process are intended to be deleted during completion of the checklist. Please use 3 forms of evidence (interview, observation, document review) where possible to triangulate findings. All findings require a minimum of 2 forms of evidence.]</i>
		<p>This was confirmed by the following:</p> <p>Interviews with:</p> <p>Observation of:</p> <p>Documentation review: <i>[e.g. documented CoC procedures, transaction summary from the BCP, sales documentation]</i></p>
<p>3.2.3 Supply chain organisations who are buying or selling BCI Orders are required to enter or acknowledge all purchases and sales in the BCP. Organisations who are lint traders as well as carrying out other core activities (i.e. trader and spinner) shall maintain two separate accounts on the BCP, one for trader activities specifically.</p> <p><i>Guidance: Sourcing agents and garment manufacturers may be exempt from using the BCP in specific situations where the end buyer (Retailers/Brands) accepts BCCUs from indirect fabric suppliers.</i></p>	<p><input type="checkbox"/> Compliant</p> <p><input type="checkbox"/> Minor NC</p> <p><input type="checkbox"/> Major NC</p> <p><input type="checkbox"/> N/A</p>	<p><i>Suggested Interview Questions: Please explain the process for entering and acknowledging BCI Orders into the BCP. How and when does this happen?</i></p> <p><i>Do you carry out any checks to make sure transactions entered in the BCP are accurate and can be supported against documentation? What do you do if you find errors?</i></p> <p><i>Do you operate more than one account? What do you do if you have any questions about how to use the BCP? Who do you contact?</i></p> <p><i>Verification: For a sample of purchase and sales, verify the BCI Orders are entered or acknowledged, where applicable. When a organisation operates multiple accounts, ensure trader activities are kept separately and sampled separately.</i></p> <p>This was confirmed by the following:</p> <p>Interviews with:</p> <p>Observation of:</p> <p>Documentation review: <i>[e.g. documented CoC procedures, purchase and sales records, BCP transaction summary, for purchases: delivery slip and supplier invoice/contract, for sales: delivery document and invoice/contract]</i></p>
<p>3.2.4 Organisations shall only enter transactions and transfer BCCUs via the BCP to either the invoicing/billing organisation or consignee organisation (recipient of a shipment) mentioned on the sale invoice, with the exception of cases stated in 3.2.3.</p> <p><i>Guidance: It is recommended that BCCUs should be transferred to the invoicing/ billing organisations. When BCCUs are transferred to the consignee organisation, the names and addresses of the invoicing</i></p>	<p><input type="checkbox"/> Compliant</p> <p><input type="checkbox"/> Minor NC</p> <p><input type="checkbox"/> Major NC</p> <p><input type="checkbox"/> N/A</p>	<p><i>Suggested Interview Questions: How do you determine who should be the recipient of the BCCU transfers? Does this include the invoicing/billing organisation and/or consignee organisation? If the consignee organisation, is the name mentioned on the sales invoice?</i></p> <p><i>Verification: Verify the recipient of BCCUs has been identified correctly through review of a sample of sales invoices and data entered in the BCP.</i></p>

Requirement	Grading	Assessor Findings <i>[The italicized suggested interview questions and verification process are intended to be deleted during completion of the checklist. Please use 3 forms of evidence (interview, observation, document review) where possible to triangulate findings. All findings require a minimum of 2 forms of evidence.]</i>
<i>organisation and consignee organisation should be included in the sale invoices.</i>		This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. documented CoC procedures, BCP transaction summary, sales invoice/delivery document/ contract]</i>
<p>3.2.5 Organisations using the BCP shall acknowledge purchase transactions and enter sale transactions in a timely manner as follows:</p> <p>a) Purchase transactions shall be acknowledged within 60 calendar days of data being entered into BCP.</p> <p>b) Sale transactions shall be entered within 60 calendar days of the shipment date.</p> <p>Guidance: <i>Organisations can enter sale transactions after final order confirmation (i.e. when they know the final order quantity) until 60 days after the shipment date.</i></p> <p><i>Example 1: a supplier can enter sale transactions and transfer BCCUs when the purchase order is being confirmed by the buyer. Example 2: a supplier can enter a sale transaction on 3 May 2020 for a shipment of a BCI order dated 12 March 2020.</i></p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<p><i>Suggested Interview Questions: How often do you acknowledge purchase transactions and enter sale transactions?</i></p> <p><i>Verification: Compare a sample of purchases and sales with BCP data to confirm the transactions meet associated timelines.</i></p> <p>This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. documented CoC procedures, purchase orders, order acknowledgement, delivery documentation]</i></p>
<p>3.2.6 Requests of transaction cancellations should be submitted within 30 calendar days of sale being entered in the BCP.</p> <p>Guidance: <i>Under exceptional and justified circumstances, BCI may process a cancellation request received after 30 days of the sale being entered in the BCP. A transaction entered into the BCP with a status “awaiting acknowledgement” can be withdrawn within 30 days of entering it into the BCP. Transactions with a status “acknowledged” can be cancelled within 30 days after the date of acknowledgement.</i></p> <p><i>In order to cancel transaction with "acknowledged" status, the supplier needs to write an email to BCI with transaction details, copy this email to their buyer/seller and ask the buyer/seller to provide no objection</i></p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<p><i>Suggested Interview Questions: What do you do if a transaction has already been acknowledged and needs to be cancelled due to clerical error made at your end? What do you do if your buyer rejects a lot and the transaction needs to be cancelled after acknowledgement? Were any transactions cancelled in the last two years? What is your process to request a transaction cancellation?</i></p> <p><i>Verification: Interview workers involved cross-reference response and records with BCP to confirm cancellations have been processed, where applicable. Take note of the time between entering the BCP and cancellation request submission.</i></p> <p>This was confirmed by the following: Interviews with:</p>

Requirement	Grading	Assessor Findings <i>[The italicized suggested interview questions and verification process are intended to be deleted during completion of the checklist. Please use 3 forms of evidence (interview, observation, document review) where possible to triangulate findings. All findings require a minimum of 2 forms of evidence.]</i>
<i>on cancellation. Only after receiving confirmation from the buyer/seller of no objection will BCI cancel the transaction.</i>		Observation of: Documentation review: <i>[e.g. documented CoC procedures, email request for transaction cancellation]</i>
3.2.7 Lint traders shall only enter sale transactions and transfer BCCUs with the correct country of origin, corresponding to purchase of Better Cotton bales. Lint traders shall not substitute Better Cotton bales and their associated BCCUs with conventional cotton bales from different countries.	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<i>Applicable only to lint traders.</i> <i>Suggested Interview Questions: Do you purchase Better Cotton and conventional bales from multiple countries? If so, how do you ensure the conventional cotton is not substituted for Better Cotton bales of a different country of origin?</i> <i>Verification: Review a sample of purchases and sales of Better Cotton and conventional cotton to verify no substitution.</i> This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. documented CoC procedures, purchase orders, supplier invoice/contract, sales shipping document]</i>
3.2.8 The organisation shall ensure that all data entered into the BCP is genuine and can be verified against corresponding documentation (i.e. purchase receipt, invoice, production records), including: <ul style="list-style-type: none"> a) Purchase and sale volumes b) Weight of raw materials used to make the BCI Order (e.g. total net weight of carded yarn used to make a specific fabric) c) Type of raw materials used <p><i>Guidance: The organisation should ensure that purchase and sale of BCI Orders are clearly indicated as such through contracts, purchase orders, invoices and/or delivery notes. It is recommended to use net weights of cotton-containing yarn weight and yarn cotton percentage when entering sales transactions into the BCP for fabric suppliers and vertical mills.</i></p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<i>Suggested Interview Questions: How do you ensure that data entered in the BCP always relates to an actual BCI order? Do you carry out any checks? What do you do if you find any errors?</i> <i>Verification: Sample a minimum of 5 purchase and sale records. Confirm information entered in the BCP matches the corresponding documentation. Interview workers involved in each control point to confirm procedures are being implemented and related training.</i> This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. documented CoC procedures, production records, gate pass, weigh bridge slips, sales invoice, contracts, shipping documentation]</i>

Requirement	Grading	Assessor Findings <i>[The italicized suggested interview questions and verification process are intended to be deleted during completion of the checklist. Please use 3 forms of evidence (interview, observation, document review) where possible to triangulate findings. All findings require a minimum of 2 forms of evidence.]</i>
<p>3.2.9 The organisation shall enter a unique transaction reference number (e.g. purchase order, contract, invoice or delivery slip number) into the BCP for each individual purchase or sale of the BCI Order. If one BCP entry relates to multiple purchases or sales, a reference number or range shall be entered for each separate purchase or sale.</p> <p><i>Guidance: A unique reference number can be a number indicated in contracts, purchase orders, invoices, delivery slips, shipping documents, file name of data management system like ERP, Oracle or internal Excel systems. Based on the transaction reference number, both buyer and seller can verify the authenticity of transaction and accuracy of the number of BCCUs, providing all documents (contracts, invoices, delivery slips, production records for auditors or BCI verification).</i></p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<p><i>Suggested Interview Questions: How do you enter transaction reference numbers? What do they relate to?</i></p> <p><i>Verification: For a sample of purchases or sales, verify unique transaction numbers or entered into BCP.</i></p> <p>This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. documented CoC procedures, purchase/sale documentation for BCI Orders]</i></p>
<p>3.2.10 If a fabric mill or end-product manufacturer needs to transfer BCCUs directly to its indirect client—the end buyer, retailer or brand – at the retailer and brand’s request, the organisation shall ensure that it includes the name and contract number of the direct customer in the transaction reference and other unique transaction reference requested by the retailer and brand.</p> <p>a) If a fabric mill fulfils a BCI Order from an end-product manufacturer, the names of the end-product manufacturer/ direct buyer shall be entered into the transaction reference box in the BCP. A unique document reference requested by the retailer/ brand (e.g. purchase order, contract or invoice number) for the shipment shall also be included in the entry.</p> <p>b) If an end-product manufacturer fulfils a BCI Order from a sourcing agent, the names of the sourcing agent/ direct buyer shall be entered into the transaction reference box in the BCP. A unique document reference requested by the retailer/ brand (e.g. purchase order, contract or</p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<p><i>This is only applicable to fabric suppliers and end-product suppliers, including fabric mills, fabric traders, vertically integrated mills, and end-product manufacturers.</i></p> <p><i>Suggested Interview Questions: Do you transfer BCCUs to an indirect client at the request of a retailer/ brand? If so, how do you enter the BCI order into the BCP? What unique document reference numbers are used?</i></p> <p><i>Verification: For a sample of transactions, check the names of both the actual customer and the end buyer that are entered into the BCP. Verify a unique document reference is used.</i></p> <p>This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. documented CoC procedures, purchasing documentation]</i></p>

Requirement	Grading	Assessor Findings <i>[The italicized suggested interview questions and verification process are intended to be deleted during completion of the checklist. Please use 3 forms of evidence (interview, observation, document review) where possible to triangulate findings. All findings require a minimum of 2 forms of evidence.]</i>
invoice number) for the shipment shall also be included in the entry.		
<p>3.2.11 In case of blended products</p> <p>a) The spinners shall use the total weight of yarn, percentage of cotton in the yarn, and the percentage of Better Cotton indicated in the order as the basis for declaring their purchase and sales entries in the BCP.</p> <p><i>Guidance example: A spinner sells 100 Kgs of 50% cotton 50% viscose yarn. The total net weight of the yarn sold is 100 Kgs. For a 100% BCI order, the percentage of Better Cotton allocated to the yarn is 50%. For a 30% BCI order, the percentage of Better Cotton allocated to the yarn is 15%. The 'percentage of Better Cotton allocated to the yarn' as indicated in BCP equals to the yarn cotton percentage multiplied by the percentage of Better Cotton indicated in the order by the buyer.</i></p> <p>b) The fabric mill or vertically integrated mill shall use the total weight of yarn used to make fabric, percentage of cotton in the yarn used, and the percentage of Better Cotton indicated in the order as the basis for declaring their purchase and sales entries in the BCP.</p> <p><i>Example 1: A fabric mill sells 900 Kgs Cotton/Elastane knitted fabric made from 950 Kgs of 100% cotton-combed yarn and 50 Kgs Elastane. The total net weight of the cotton-containing combed yarn used is 950 KGs and the percentage of cotton in the yarn used is 100%. For a 100% BCI order, the percentage of Better Cotton allocated to the fabric is 100%. For a 30% BCI order, the percentage of Better Cotton allocated to the fabric is 30%.</i></p> <p><i>Example 2: A fabric mill sells 900 Kgs of 50% cotton 50% polyester fabric made from 1000 Kgs of 50% cotton 50% polyester combed yarn. The total net weight of the combed yarn used is 1000 KGs and the percentage of cotton in the yarn used is 50%. For a 100% BCI order, the fabric mill shall allocate 100% of Better Cotton to the fabric.</i></p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<p><i>Suggested Interview Questions: For products blended with non-cotton fibre, how do you calculate the percentage of Better Cotton allocated to the yarn? OR How do you calculate the percentage of Better Cotton allocated to the fabric? How do you report this within the BCP?</i></p> <p><i>Verification: Review production records for a sample of blended products to calculate percentages. Compare calculation to records in the BCP.</i></p> <p>This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. documented CoC procedures, product listing, production records]</i></p>

Requirement	Grading	Assessor Findings <i>[The italicized suggested interview questions and verification process are intended to be deleted during completion of the checklist. Please use 3 forms of evidence (interview, observation, document review) where possible to triangulate findings. All findings require a minimum of 2 forms of evidence.]</i>
<i>For a 30% BCI order, the fabric mill shall allocate 30% Better Cotton to the fabric.</i>		
<p>3.2.12 All suppliers/ manufacturers that have negative inventory of BCCUs shall recover their ‘short positions’ within 120 calendar days of when their account became negative.</p> <p>Guidance: <i>This option is available to traders, spinners, integrated spinners, fabric mills, non-lint traders, and vertical mills only. The overdraft facility allows a company to fulfil BCI Orders up to a maximum of 500,000 BCCUs, even if the organisation does not have sufficient BCCUs in their BCP account inventory. When an organisation overdraws its BCP account, its inventory will show a negative figure to reflect the volume by which its account is overdrawn by. Organisations have up to 120 days to purchase cotton or cotton-containing products as BCI Orders to cover their ‘short positions’ (negative inventory).</i></p> <p><i>For example, your company just became a BCI member and gained access to the BCP. You have outstanding BCI Orders from customers; however, you have not yet sourced any cotton-containing products as BCI Orders. You can still fulfil BCI Orders that require the maximum allocation of up to 500,000 BCCUs right away by entering these sales transactions into the BCP. By doing so, you will have overdrawn your account. You will now have 120 days to purchase cotton or cotton-containing products as BCI Orders to bring your account balance to a positive balance.</i></p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<p><i>Suggested Interview Questions: In the last two years, have you had a negative inventory of BCCUs? If so, how long did you maintain that negative inventory before recovering?</i></p> <p><i>Verification: Review BCP and collect records of purchases/ sales made during a negative inventory of BCCUs. Verify the negative inventory was recovered within 120 calendar days.</i></p> <p>This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. documented CoC procedures, BCP transaction summary]</i></p>

Part III: Better Cotton claims

Requirement	Grading	Assessor Findings <i>[Suggested interview questions and verification process are in italics. Italicized text is intended to be deleted during completion of the checklist.]</i>
<p>3.3.1 Organisations shall only make claims about Better Cotton in compliance with the Better Cotton Claims Framework.</p> <p><i>Guidance: The latest version of the Better Cotton Claims Framework can be found on the BCI website at: https://bettercotton.org/resources/better-cotton-claims-framework/</i></p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<p><i>*At the time of publishing, this requirement is not applicable for all supply chain organizations.</i></p> <p><i>Suggested Interview Questions: Do you make Better Cotton claims? Do you keep records of your claims? How do you ensure they are in compliance with the Better Cotton Claims Framework?</i></p> <p>This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. documented CoC procedures]</i></p>

Part IV: Subcontractors

Requirement	Grading	Assessor Findings <i>[Suggested interview questions and verification process are in italics. Italicized text is intended to be deleted during completion of the checklist.]</i>
<p>3.4.1 If an organisation subcontracts an activity (other than transport) related to the handling and/or processing of BCI Orders, the organisation shall:</p> <p>a) Maintain an up-to-date list of all subcontractors (excluding transport subcontractors), including their contact details and the scope of their responsibilities related to the handling and/ or processing of BCI Orders.</p> <p>b) Ensure that all subcontractors comply with relevant Chain of Custody requirements.</p> <p>c) Ensure that all subcontractors will provide BCI or designated third-party auditors with access to their premises or documentation for the purposes of supply chain.</p>	<input type="checkbox"/> Compliant <input type="checkbox"/> Minor NC <input type="checkbox"/> Major NC <input type="checkbox"/> N/A	<p><i>Suggested Interview Questions: Do you use any subcontractors to handle or process Better Cotton (aside from transport companies)?</i></p> <p><i>a) If so, do you have a documented outsourcing agreement or contract?</i></p> <p><i>b) Do you have a signed declaration in place with subcontractors handling BCI Orders?</i></p> <p><i>c) Was there any change if the subcontracting terms and condition or change of subcontracting party?</i></p> <p><i>d) Do any subcontractors have access to the BCP? Is there a mechanism in place to prevent their access?</i></p> <p><i>e) How do you ensure that subcontractors fully understand the relevant Better Cotton Chain of Custody requirements and are competent to follow</i></p>

Requirement	Grading	Assessor Findings <i>[Suggested interview questions and verification process are in italics. Italicized text is intended to be deleted during completion of the checklist.]</i>
d) Maintain sole responsibility for entering all purchase and sale transactions on the Better Cotton Platform.		<p><i>these? Do you provide any type of training and who does the training for them?</i></p> <p><i>f) Do subcontractors provide any production records to cross-check BCCUs volume verification?</i></p> <p><i>Verification: Identify the types of subcontracted services in use. Review a sample of agreements and declarations. Review training plan, resources, and/or logs.</i></p> <p>This was confirmed by the following: Interviews with: Observation of: Documentation review: <i>[e.g. documented CoC procedures, list of subcontractors, outsourcing contracts, signed subcontractor declarations, subcontractor training materials & attendance log]</i></p>

Appendix 1: List of Interviewees

Worker names can be withheld due to confidentiality. In these cases, a short description of the role is sufficient. Interviews shall be documented as evidence in each applicable requirement finding in the report above.

Interviewee Name	Interviewee Title or Description of Role

Appendix 2: List of Report Exhibits

The intent of this appendix is to ensure that the files referenced throughout the report can be easily identified based on their description. If there are photographs, these should be numbered below and saved separately in a compressed file folder (i.e. zip folder).

Exhibit number	Description of exhibit

Appendix 3: Nonconformities closed in the last season

Not applicable – no previous evaluation

Not applicable – no non-conformities issued during previous evaluation

NC number:	Chain of Custody Requirement number:	NC grading:	<input type="checkbox"/> Minor <input type="checkbox"/> Major	Deadline to close NC:
Description of Non-conformance:				
Corrective Action Plan				
Reason that led to the NC:				
Corrective actions to be implemented:				
Responsible person:				
Target date:				
Evidence of Corrective Action Plan Implementation				
Client evidence:				
Evaluation of evidence:				
NCR status:	CLOSED			
Comments (optional):	<i>[Use for reference, when the status of NCs was upgraded and/or other relevant comments]</i>			