

Better Cotton Benchmarking Policy

1. Introduction

Better Cotton is the world's largest cotton sustainability programme. Our mission is to help cotton communities survive and thrive, while protecting and restoring the environment. Along with our extensive network of partners and members, we are making cotton farming a more climate-resilient, environmentally friendly, and responsible business.

In the first 10 years of operation through our network of field-level partners, we have reached over 2.5 million farmers. As of yearend in 2021, Better Cotton is produced in 25 countries, representing almost a quarter of the world's cotton production. We achieved this through the [Better Cotton Standard System \(BCSS\)](#), which is a holistic approach to sustainable cotton production that covers all three pillars of sustainability: environmental, social, and economic.

Better Cotton uses a process called 'benchmarking' to establish a one-way recognition of other credible cotton sustainability standard systems. Benchmarking is an effective way to ensure local applicability of our interventions and deepen impact while mainstreaming sustainability in cotton production, by building on existing knowledge and activities through meaningful partnerships. The Benchmarking covers various standards system components (see full details in section 4).

Since 2013, this recognition model has allowed farmers who meet the requirements of a successfully benchmarked standard system to access and expand the market for Better Cotton and avoid duplicative compliance requirements. This policy defines Better Cotton's framework to engage ongoing and prospective partnerships with organisations that administer similar sustainability standards and wish to establish one-way recognitions with the BCSS

2. Benchmarking Programme

Definition

The definition of benchmarking and its scope may vary according to the organisation. The **International Social and Environmental Accreditation and Labelling Alliance (ISEAL)** defines a *benchmark* as a reference point against which something is evaluated. *To benchmark* is to assess the alignment with a determined point of reference¹.

At Better Cotton, the BCSS is the main reference point against which we assess the alignment of other standard systems. The benchmarking is a one-way recognition of the corresponding standard system as equivalent to the BCSS.

ISEAL Guidelines

Better Cotton is an ISEAL Code Compliant Member. ISEAL Code Compliant designates members who have successfully undergone independent evaluations against the ISEAL Codes of Good

¹ ISEAL, 2020, *Sustainability Benchmarking Guide*, p.4

Practice in standards-setting, assurance, and impact. This includes observing [ISEAL's Guide of Sustainability Benchmarking Good Practices](#).

ISEAL's Benchmarking good practices are a reference tool for Better Cotton benchmarking activities to ensure that Better Cotton has confidence in the standards that are recognised as equivalent. The Guide sets out principles relevant to benchmarking programmes. These are:

Transparency: to make freely available relevant information about the benchmarking objectives, criteria, processes, and results

Rigour: ensure that one-way recognition of programmes is robust and conducted in ways that produce quality outcomes.

Stakeholder engagement: stakeholders have appropriate opportunities to participate in and provide input in the process.

Impartiality: Identify and mitigate conflicts of interest throughout operations.

Efficiency: benchmarking needs to be structured as simple as possible to avoid redundancies.

Improvement: stimulate and encourage improvement instead of meeting the lowest common denominator

Accessibility: benchmarking procedures are appropriate, easy to understand, broadly applicable, and avoid structures that create unnecessary barriers to participation.

Better Cotton observes and complies with these principles while establishing, managing, and assessing benchmarked programmes.

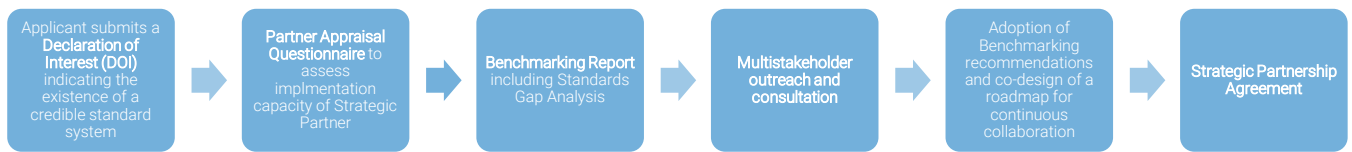
Partnerships

Better Cotton establishes Strategic Partnerships (SP) with the owners or the designated administrators of the standard systems that are being benchmarked against the BCSS. The Strategic Partners are responsible for the design, the implementation, and the ongoing evaluation and revision of the recognised Standard System. They need to demonstrate commitment towards Better Cotton's mission and goals. As such, Strategic partners are required to be Better Cotton Members. They commit to work together towards our shared objectives, in the spirit of continuous improvement.

3. Benchmarking Process

Benchmarking will be prioritised in countries or regions that have already developed a credible sustainability standard for cotton production.

The benchmarking process is included in the framework of the Better Cotton New Country Programme Start-Up Policy and detailed within the New Country Start-up (NCSU) Process. The whole process of equivalence recognition includes multiple bilateral meetings between the Better Cotton Secretariat and the Strategic Partner to coordinate the drafting of a Benchmarking Report and multi-stakeholder consultations. The benchmarking process is concluded with the signature of a Strategic Partnership Agreement. The completion of the benchmarking process typically takes up to two years.



For detailed information about starting a new Better Cotton programme by benchmarking an existing credible standard system, please refer to the [New Country Programme Start Up Policy](#).

4. Determining Equivalence between Standard Systems

Central to the benchmarking process is the comparison of all six components of the BCSS with the equivalent standard, a gap analysis to identify key differences, and an agreed action plan to resolve any gaps over a defined timeframe. Considering that each context is different, the analysis needs to focus on the intended outcome of each component of the standards system.

The analysis comprises the following components of the standards system:

- [Principles & Criteria \(P&C\)](#)
- [Assurance Programme](#)
- [Capacity-building](#)
- [Chain of Custody and Traceability](#)
- [Claims Framework](#)
- [Results and Impact](#)

More specifically on the Principles & Criteria, the equivalence analysis focuses on the intended outcomes of each indicator. All sustainability issues and risks addressed in Better Cotton's P&C and that are applicable to the local context need to be addressed, and the intended outcomes need to align. It is acknowledged that the means to achieve the intended outcomes may vary based on the local context. The Benchmarking Report will recommend revisions to the candidate standard system according to the nature of the gaps:

- Superficial:** When the gap between equivalent indicators is minimal, not relevant, or not applicable in the context.
Or when the intent is fully met, but the wording or structure of an indicator differs.
- Minor:** When the intent is partially met, notably when the indicators differ in their scope or level of compliance.
- Substantive:** When there are substantial differences in the content or intent of the indicator, or key elements of the indicator are not addressed.

When elements of either the BCSS or of the equivalent standard are substantially changed² or credibility concerns arise, a formal re-alignment process is needed to re-align the two standard systems. Minor changes (to assurance procedures or claims requirements, for example) to the BCSS or to the equivalent standard may simply require communication and documentation, but not necessitate a detailed re-alignment process. Conversely, changes to the Better Cotton P&C or the equivalent standard would automatically trigger the re-alignment procedures.

5. Partnership Management

The benchmarking process requires that both Better Cotton and the potential strategic partner(s) (i.e., the owner or administrator of the equivalent standard) have defined:

1. Short- and long-term mutual benefits of a partnership
2. High-level alignment between both organisations' missions and objectives
3. Commitment to a long-term partnership
4. Overall conditions and cost structure of the benchmarking process and resource allocation to complete it
5. Timeframe and implementation schedule detailing standards alignment actions, if necessary, and licensing cycles

Expected characteristics of Strategic Partners for benchmarked programmes

Standard ownership and management: Strategic Partners (SPs) that operate benchmarked standard systems need to demonstrate they are a permanently established, reputable organisation, which takes leadership in relation to the content and credibility of the standard programme. The SP needs to have the authority to amend and implement the standard system as necessary.

Multistakeholder collaboration: Strategic Partners demonstrate ownership of and lead multi-stakeholder engagement required to implement the standard system activities, from farming protocols to advisory services, assurance, data collection and reporting.

Governance & Ethics: Better Cotton requires Strategic Partners to demonstrate they have mechanisms in place to ensure farmers' engagement in the evolution, development, and management of the equivalent standard system. Strategic Partners also present well-defined management processes for coordinating and supervising the system's implementation with a clear division of roles and responsibilities, as well as policies and processes that cover aspects such as safeguarding, ethics, accountability, conflict of interest, and social and environmental responsibilities.

Alignment with Better Cotton's 2030 Impact Targets: Benchmarked standards are crucial for achieving Better Cotton 2030 goals. Strategic Partners demonstrate commitment and alignment with Better Cotton 2030 Strategy and contribute, within and beyond the partnership framework, to the achievement of Better Cotton 2030 Impact Targets.

² Substantive changes may include, for example, major review of assurance processes, P&C revisions or other technical review of core normative documents or procedures.

Business model: Strategic Partners demonstrate sound and sustainable business plan with robust financial mechanism that ensure the implementation of the recognised standard in the long term. This includes the necessary human resources to manage the standard and, more specifically, the benchmarking partnership.

Cost Recovery Structure

A cost recovery contribution is paid annually by Strategic Partners to Better Cotton to partially cover the activities related to partnership management that are necessary to ensure the credibility of the benchmarking programme. The amount of the contribution is defined during the benchmarking process according to the gap analysis and subsequent distribution/allocation of responsibilities.

6. Ongoing relationship management

Better Cotton and Strategic Partners maintain ongoing communication and organise annual country visits. The partnership management process allows a smooth intersect of systems (especially regarding Better Cotton volumes moving into the supply chain) and engagement in policy developments (especially in the case of Standard review by either Better Cotton or the Benchmark partner).

The Better Cotton's Benchmarking Policy is effective as of 08 December 2022.

For additional information, please contact programmes@bettercotton.org.