

CoC Standard: 3PV Approval Process

This document presents the different procedures developed by Better Cotton for approving third-party verifiers (3PVs): the core competencies required to qualify for approval, application and approval procedures, and the responsibilities of 3PVs with respect to Chain of Custody site assessments, and supply chain monitoring.

Introduction

Better Cotton launched the Chain of Custody Standard v1 in May 2023. To operationalise the CoC Standard, Better Cotton is introducing major changes to its supply chain monitoring and assessment process, with the main objectives being to verify that supply chain organisations have met the applicable requirements of the new Standard, and that the Better Cotton chain of custody is maintained.

On application, Better Cotton will allocate risk categories to supply chain actors based on their responses, and one of these categories will require an assessment by a 3PV prior to entry into the programme. All supply chain actors in the programme will be subject to monitoring, regardless of the risk category allocated to them.

Credible implementation of the new Standard will require an increase in the number of assessments conducted by suitably qualified 3PVs. For this reason, Better Cotton is creating an approved 3PV list which supply chain organisations can use to arrange assessments as required by the Better Cotton Chain of Custody programme. This document outlines the process for 3PVs to become an approved provider.

Reference documents:

- [Better Cotton Chain of Custody Standard v1.0](#)
- [Better Cotton CoC Monitoring and Assessment Process \[BETA\]](#)
- [Better Cotton 3PV Code of Conduct Declaration Form](#)
- Better Cotton – 3PV Memorandum of Understanding (MoU) – see Annex A

1. Application process

1.1. Application

The first step for a prospective 3PV is to submit an application. For an application to be considered, the organisation will be required to submit supporting evidence. The organisation shall apply through the following link:

<https://forms.monday.com/forms/437f7e579d4c262de6865d8ff41c147f?r=use1>

The application form requests the following information:

- Name of the organisation

- Proof that the 3PV is a legal entity
- Main contact
- Main contact details
- Scope of geographies covered
- Approval for other relevant standards (e.g., Textile Exchange, GOTS)
- List of personnel to be used (Assessors and Reviewers), and summary of qualifications
- Fees (day rates)

The 3PV should be accredited to ISO/IEC 17065 or ISO/IEC 17021 (latest versions) and the accreditation should be from an accreditation body that is a member of the International Accreditation Forum (IAF) that has signed a multilateral agreement (MLA) with IAF.

Independent experts may express interest in becoming an independent Better Cotton CoC 3PV by emailing compliance@bettercotton.org.

1.2. Application Review

The Better Cotton team shall conduct a due diligence check and review applications and supporting documentation. This shall include confirming that applicants are legal entities and have the authority to operate in the geographies specified in their application, and that Assessors and Reviewers meet qualification and competency requirements.

1.3. Approval

3PVs that have successfully completed the application process, and addressed any additional conditions stipulated by Better Cotton, shall be provisionally approved on the basis that:

- The organisation submits all proposed Assessor CVs to Better Cotton for review
- Proposed Assessors meet qualification requirements, and complete training provided by Better Cotton
- Proposed Assessors sign the Better Cotton Code of Conduct for 3PVs
- The organisation signs a 3PV Memorandum of Understanding with Better Cotton

The Better Cotton Supply Chain team will provide periodic in-person / online, half-day training for 3PV staff. Training will be **mandatory** for all Assessors. Note that only those Assessors who have completed training organised by Better Cotton Supply Chain staff shall be able to lead assessments. It is strongly recommended that all personnel (Assessors, Trainees and Reviewers) attend this training. The organisation will be notified by Better Cotton where a proposed Assessor lacks qualifications necessary to conduct site assessments.

Once all qualified Assessors have completed training and signed the Code of Conduct, the 3PV shall notify Better Cotton and proceed to signing a Memorandum of Understanding, found in Annex A. This must be signed by a member of the 3PV's Senior Management.

Once approved the 3PV shall be listed on the Better Cotton website and organisations shall be able to contact them to arrange assessments.

2. Assessment Process

2.1. Assessment preparation

For assessments against the Chain of Custody Standard v1.0, the 3PV shall have a signed agreement with the supply chain organisation to be assessed. The agreement shall be a legally enforceable agreement for the provision of assessment activities to its clients. Agreements shall include the responsibilities of the 3PV and its clients. The agreement shall include that the organisation agrees to adhere to the CoC Standard and other normative documents (including but not limited to the Monitoring and Assessment Process, Better Cotton Platform (BCP) Terms and Conditions, BCP User Manual(s), and the Better Cotton Claims Framework). The agreement shall also include the following:

- Scope of the assessment
- Duration of the assessment
- Cost of the assessment
- The organisation's right to appeal any decision made
- The right of the 3PV and Better Cotton to request records and documents deemed necessary for the purposes of the assessment, or to verify compliance with the Standard
- Requirements around confidentiality and declarations
- References that Better Cotton may suspend or deny the organisation entry into the programme if there is evidence of a failure to adhere to the requirements in normative documents associated with the Better Cotton Chain of Custody Standard
- That the suspension conditions referenced in the Better Cotton Assessment procedure shall apply
- Reference that Better Cotton staff may attend site assessments

Assessments shall be conducted on-site. In cases where on-site assessment is not feasible due to travel restrictions or force majeure, Assessors are required to provide their plan on how they will effectively gather information and evidence through remote assessments to Better Cotton for approval, prior to any hybrid / remote assessment taking place.

The 3PV shall be responsible for ensuring that only those personnel deemed as competent may carry out assessments and reviews in the Better Cotton Chain of Custody Standard.

2.2. Assessment

For organisations already interacting with the Better Cotton Platform, ahead of the assessment, Assessors will be provided with a download of the company's BCP transactions along with 10 transactions identified by Better Cotton for mandatory review. The Assessor will then identify a further 5-10 transactions for review ahead of the assessment or while onsite, focusing on any potential risk areas such as high volume, duplicate, or unusual transactions.

For organisations initially entering the programme, the applicable information from the organisation's application to the CoC programme shall be provided.

The assessment will follow the process outlined in the Better Cotton Monitoring and Assessment Process. It is estimated that on average, each assessment will have a duration of approximately **6 to 8 hours**. In addition, Assessors should allow **2 to 3 hours** to complete their final report and to review any documentation submitted after the assessment (for example, if requested purchase documents are held offsite and must be submitted via email). Please note that this is only an indicative duration for assessments, and the time spent at each company may be different depending on various

factors. Assessors should ensure that they complete the assessment in its entirety even if this means they spend more than the estimated time.

2.3. Reporting

For each assessment carried out, the 3PV shall complete the Better Cotton Assessment Reporting Template in English (except for assessments in China, which can be completed in Mandarin). This report includes a summary of any non-conformities identified, along with grading (minor or major).

- All assessment reports shall include clear, evidence-backed descriptions of conformity or non-conformity with each applicable requirement of the Better Cotton Chain of Custody Standard. Supporting evidence (e.g., clear interview notes, copies of documents, photos) is to be collected along with the assessment report in case of any non-conformities identified.
- The Assessor shall submit their first report to Better Cotton for review before continuing other reports. The Better Cotton Supply Chain team will review the assessment report and provide comments. This is to ensure the quality and consistency of reporting.
- **Within 10 working days** following the completion of each assessment, the 3PV shall provide a full copy of the assessment report and any supporting evidence in cases of non-conformities identified (e.g., document copies, interview notes etc.) to the Better Cotton team using the channels provided by Better Cotton.
- The 3PV shall conduct their own technical review of the assessment report. The technical review shall be completed by a competent and independent person or committee (the Reviewer).
- In addition, the Better Cotton team may clarify any issues or missing information with the Assessor, before finalisation of the report by the Assessor. If the quality of the report continues to be unsatisfactory, 3PVs may be issued Performance Reviews and associated corrective actions.

2.4. Non-conformities

Non-conformity (NC) grading, penalties, and timelines shall be aligned to the Better Cotton Chain of Custody Monitoring and Assessment Process.

The 3PV shall follow up on corrective action plans (CAP) for NCs. This means that the 3PV will first need to contact the companies assessed to ensure that they submit their corrective action plans to Better Cotton within the timeframe (10 days). The 3PV shall be responsible for follow-up, collecting evidence of the implementation of the submitted CAP, and closing each NC. The 3PV shall copy relevant members of the Better Cotton Supply Chain team in all correspondence with the companies regarding their NCs.

If multiple major NCs are identified, or any potential issues that could lead to the company's suspension from the Better Cotton Chain of Custody programme, the Better Cotton Supply Chain team shall be notified within 48 hours of the assessment concluding.

3. Assessments instigated by Better Cotton Only

While supply chain organisations will usually be expected to contract with 3PVs to arrange assessments, Better Cotton reserves the right to contract 3PVs directly to conduct an on-site assessment in response to a potential risk to the Chain of Custody. This might be an assessment against the full Better Cotton Chain of Custody Standard requirements, or focus on certain sections of the CoC Standard.

Where this is the case, Better Cotton will publish and circulate a Terms of Reference (ToR) to approved 3PVs.

Proposals that respond to this ToR should be a maximum of 10 pages (excluding CVs), and include the following:

- a) Overview of relevant experience
- b) Proposed team names, along with CVs
- c) High-level work schedule, including timeline for when assessments could be completed
- d) Proposed methodology
- e) Detailed and transparent budget, including time allocation and day rates (**preferably in Euro**) for each person working on the project, along with a total price quote for the assessments and reporting process
- f) An indication of the minimum and maximum number of assessments you would be able to undertake during the season (e.g. you may put in a tender for the full sample size assessments but be willing to undertake a minimum and maximum number)

The list of companies selected for assessment will be shared with the successful 3PV once a contract is completed.

Travel and expense costs will be reimbursed at cost (with a maximum value agreed) and will be estimated separately once the final sample and schedule of companies has been confirmed.

Proposals will be evaluated based on quality, relevant expertise of the team, and cost (note that the cost dimension is important as Better Cotton is a non-profit organisation with limited funds).

Assessors will be asked to allow time for **two one-hour calls** with Better Cotton Senior Supply Chain Management; one during the assessment schedule to discuss progress and any issues raised, and one at the conclusion of the assessment schedule to provide high-level feedback on challenges observed and recommended improvements.

4. Performance monitoring and termination

Periodic reviews of 3PVs will be undertaken by Better Cotton, based on feedback from Better Cotton Supply Chain staff, assessed organisations, and external stakeholders. This will include feedback on the quality of assessments, collected from assessed organisations through a short feedback survey. Better Cotton will also continuously monitor outputs and feedback from the assessments to ensure consistency and calibration of implementation of the Better Cotton Chain of Custody Standard.

Where necessary, Better Cotton will issue Performance Reviews – these require 3PVs to implement corrective actions before they can conduct further assessments, within a specified timeline.

In the event that the proposed corrective actions in the Performance Review are not approved, or implementation of approved corrective actions are not demonstrated within the specified timeline, Better Cotton reserves the right to terminate the relationship with the 3PV.

3PVs may also be subject to shadowed assessments by Better Cotton or designated external consultants to provide additional feedback to help inform the review. Shadowed assessments are assessments conducted by an Assessor in the presence of Better Cotton Supply Chain staff or a designated external consultant.

Written feedback will be provided to 3PVs by Better Cotton after each shadowed assessment, and a Performance Review and associated corrective action requirements will be issued where assessment quality concerns are identified. Better Cotton staff may shadow Assessors as often as necessary to ensure implementation of the corrective action plan.

3PVs may be issued Performance Reviews or have their relationship terminated based upon one or more of the following criteria:

- Persistent poor quality of assessment reports
- Persistent delays in submitting assessment reports to Better Cotton
- Poor quality of assessments in practice or unprofessional or inappropriate conduct, as assessed by Better Cotton or designated external consultants during shadowed assessments
- Lack of responsiveness and commitment to Better Cotton feedback and processes
- Changes in the status of the 3PV's business relationship with Better Cotton
- Changes in the status of the 3PV's contractual relationship with Better Cotton

Whenever Better Cotton decides to place a 3PV on Performance Review or terminate the relationship based upon the above criteria, a formal communication shall be sent by the Better Cotton team to the 3PVs informing them of the decision and the reason, allowing for an opportunity to respond within a timeline specified by Better Cotton.

Where Better Cotton terminates their relationship with a 3PV, the 3PV's name shall be removed from the Better Cotton website.

5. 3PV responsibilities

5.1. Management Systems

The 3PV shall have a management system to cover activities associated with the Better Cotton Chain of Custody programme. This includes an annual internal audit and corrective action process for any findings identified. The findings from the internal audit shall be shared with Better Cotton.

This shall include procedures for controlling documents and records associated with Better Cotton activities.

5.2. Designated Representative

The 3PV shall appoint a designated representative to manage all communication with the Better Cotton team. The 3PV shall notify the Better Cotton team within 5 working days if there are any changes in this representative.

5.3. Personnel Qualifications and Competencies

Assessors at approved 3PVs will have the following qualifications/ experience:

- a) University degree in agriculture, natural resources, environmental management, or another relevant subject is encouraged but not required. Experience may substitute for education.
- b) Demonstrated experience in carrying out supply chain or chain of custody audits/ assessments for sustainability standards in the agricultural and/ or forestry sector (preferred experience in CoC systems that are similar to Better Cotton, i.e., segregation and mass balance models).
- c) Trained and competent in basic auditing principles, i.e., ISO 19011 or similar.
- d) Having successfully conducted a minimum of three (3) supply chain audits/ assessments for similar certification schemes (i.e., including traceability).
- e) Appropriate technical expertise (within the team) preferably with experience in developing traceability/chain of custody solutions for agricultural commodities.
- f) Fluent English with a demonstrated ability to produce high quality reports that are concise with clear objective evidence; ability to speak local languages (i.e., Mandarin) is desirable.
- g) Ability to manage a variety of stakeholder interests whilst producing independent and unbiased outputs.
- h) Knowledge of relevant national and local laws and regulations.
- i) Have the necessary professional behaviours:
 - Ethical
 - Open-minded
 - Diplomatic
 - Observant
 - Perceptive
 - Versatile
 - Tenacious
 - Decisive
 - Self-reliant
 - Act with fortitude
 - Open to improvements
 - Culturally Sensitive
 - Collaborative
- j) Knowledge of audit principles, procedures, and techniques (reference clause 7.2.3.2a ISO 19011:2018, "Guidelines for auditing management systems"). To summarise:
 - Apply audit principles, procedures, and methods.
 - Plan and organise the work effectively.
 - Conduct the assessment within the agreed time schedule.
 - Prioritize and focus on matters of significance.
 - Collect information through effective interviewing, listening, observing, and reviewing documents, records, and data.
 - Understand and consider expert opinions.

- Understand the appropriateness and consequences of using sampling techniques for assessments.
 - Verify the relevance and accuracy of collected information.
 - Confirm the sufficiency and appropriateness of audit evidence to support audit findings and conclusions.
 - Assess those factors that may affect the reliability of assessment findings and conclusions.
 - Document assessment findings and prepare appropriate audit reports in a clear and concise manner.
 - Maintain the confidentiality and security of information, data, documents, and records.
 - Communicate effectively, orally and in writing.
- k) (Desired) previous experience with the Better Cotton Standard system or work with Better Cotton and our members/ other stakeholders.
- l) (Desired) previous experience with auditing/ assessing financial and tax documents as they pertain to Chain of Custody and traceability.

The 3PV shall have a system for managing competence of Assessors and Reviewers involved in Better Cotton Chain of Custody Assessments and be responsible for maintaining this. This shall include an annual review and evaluation of performance of personnel involved in assessments and review of the Better Cotton Chain of Custody Standard.

The 3PV shall provide lists of personnel to the Better Cotton Supply Chain Team and update this whenever changes are identified. These changes shall be communicated to Better Cotton within 10 working days of the change.

Typically, Assessors shall maintain their qualifications via ongoing involvement in audits and assessments. This should include a minimum of five external audits / assessments in Chain of Custody standards, ISO 9001 or ISO 14001 in the cotton / textile and apparel supply chain or related sectors in the previous 12 months. This should cover 7 days of assessment work and include at least two Better Cotton CoC assessments.

The 3PV shall inform Better Cotton when a new Assessor is being used. Better Cotton may seek to review assessment reports produced by the new Assessor. Better Cotton may ask the 3PV to limit the number of assessments conducted by new Assessors in their first year.

5.4. Code of Conduct

Each Assessor shall be required to review and sign the Better Cotton 3PV Code of Conduct Declaration and submit to Better Cotton. The Declaration will be sent to Assessors by Better Cotton, once they have completed training.

5.5. Updates

The 3PV shall provide Better Cotton with any updates in its relevant personnel, its organizational structure, ownership, accreditation status and legal registration.

5.6. Outsourcing

The 3PV may, in certain cases, outsource work related to Better Cotton assessment activities to a separate legal entity. In such a case the 3PV shall inform Better Cotton in advance of assigning any work. The 3PV shall ensure the body providing the outsourced service conforms with applicable requirements of this document and other Better Cotton normative documents. The 3PV shall have a legally enforceable agreement with the legal entity that provides the outsourced service. This agreement shall include a description of the scope of outsourced activities. The outsourced entity shall not make any claims that they are themselves approved for Better Cotton assessments. The outsourced entity shall not make decisions related to the Better Cotton assessments. The outsourced entity's activities shall be included as part of the 3PV's annual internal audit. The 3PV shall retain a list of outsourced entities that they work with and share this with Better Cotton upon request.

5.7. Insurance

The 3PV shall provide evidence regarding the validity of liability insurance to cover damages and losses caused to third parties. The liability insurance shall also cover damages and losses caused to third parties because of errors or omissions during the certification process.

5.8. Provision of Assessment Data

3PVs shall submit assessment data in the format expected by Better Cotton. This shall include updating Better Cotton on assessment dates of organisations.

5.9. Training and Calibration

Better Cotton will deliver periodic training and calibration for 3PVs which will serve to refresh knowledge of the Better Cotton Chain of Custody Standard and assessment process. It is obligatory for Assessors seeking to continue assessments against the CoC Standard to attend these refresher training and calibration sessions **on an annual basis**. Failure to attend will result in a Performance Review being issued to the 3PV.

5.10. Confidentiality, Conflict of Interest, and Impartiality

3PVs shall have systems in place to ensure impartiality in all assessments undertaken. This shall include requiring that personnel involved in any part of the assessment (including reviews) shall declare any potential conflicts of interest prior to the assessment. The 3PV shall not provide any products or services that could compromise the impartiality of its assessments. This includes, but is not limited to, training and consultation. To ensure there is no conflict of interest, personnel (including those acting in a managerial capacity) who have provided consultancy, or been employed by a client, shall not be used by the 3PV to assess, review, make decisions or to review or approve the resolution of a complaint or appeal for that client within three (3) years following the end of the consultancy or employment.

The 3PV shall contact Better Cotton if any risks to impartiality are identified and be required to complete the Better Cotton Conflict of Interest Declaration which is available on the Better Cotton website <https://bettercotton.org/document-library/>.

The 3PV's activities shall not be marketed or offered as linked with the activities of an organisation that provides consultancy, implying that entry to the programme would be easier, faster or less expensive if a specified consultancy organisation were used.

The 3PV shall have systems to ensure the confidentiality of any information obtained during the assessments except regarding the sharing of required information with Better Cotton. The 3PV shall not publish, disclose, disseminate, or otherwise make publicly available or use information or data obtained from certification processes except for uses stipulated in the Better Cotton Chain of Custody Assurance Procedure. For the avoidance of doubt, the 3PV shall share data associated with the assessment process with Better Cotton.

5.11. Appeals and Complaints

The 3PV shall have policies and procedures in place for the resolution of complaints and appeals received from organisations that have been assessed by the 3PV in relation to the Better Cotton Chain of Custody Standard.

5.12. Use of Better Cotton Documentation and Systems

The 3PV shall use documentation and systems required by Better Cotton when conducting and processing assessments.

5.13. Public Listing

Once approved, the 3PV shall be listed on the Better Cotton website and organisations shall be able to make contact to conduct assessments.

5.14. Communication with Organisations

The 3PV shall have a procedure in place to share information to organisations they have assessed against the Better Cotton Chain of Custody Standard, including any changes, within five working days from the date communicated by Better Cotton.

5.15. Better Cotton Rights

Better Cotton reserves the right to reject an application by a 3PV, or to provide a set of actions for the 3PV before approving. Better Cotton also reserves the right to set a period of time before an unsuccessful 3PV can re-apply.



Annex A: Memorandum of Understanding (MoU) template

Name of Partner & Address	[3PV organisation name]	Start date	1 August 2023
	[3PV organisation address]	End date	31 July 2026
Contact name (if required)	[To complete]	Email	[To complete]
Better Cotton agreement reference	COC3PV-2023 6 MSC [3PV NAME]		
Better Cotton Contact (Contract Sponsor)	Tom Owen – Senior Manager, CoC and Supply Chain Integrity		
Annexes	<ol style="list-style-type: none"> 1. Better Cotton Chain of Custody Standard v1.0 2. Better Cotton Chain of Custody Monitoring and Assessment Process [BETA] 3. Better Cotton CoC Standard: 3PV Approval Process 4. Better Cotton Code of Conduct for 3PVs 5. Better Cotton 3PV Conflict of Interest Declaration 6. Better Cotton CoC Assessment Report Template 7. Anti-bribery policy for BCI registered ginners and BCP suppliers 		

This Memorandum of Understanding (MoU) establishes a non-exclusive agreement between the Better Cotton, located Chemin de Balexert 7-9, 1219 Châtelaine, Switzerland, and [3PV organisation name and address], under Swiss Law.

I. MISSION

Better Cotton is a not-for-profit organization stewarding the global standards for Better Cotton, and bringing together cotton’s complex supply chain, from the farmers to the retailers. Better Cotton exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector’s future, by developing Better Cotton as a sustainable mainstream commodity.

Better Cotton revised its Chain of Custody in 2023, to enable the tracing of physical Better Cotton through global supply chains. To operationalise the CoC Standard (Annex 1), Better Cotton is



introducing major changes to its supply chain monitoring and assessment process, with the main objectives being to verify that supply chain organisations meet the applicable requirements of the new CoC Standard, and that the Better Cotton chain of custody is maintained. These major changes are outlined in the Better Cotton Chain of Custody Monitoring and Assessment Process (Annex 2).

Credible implementation of the new CoC Standard will require an increase in the number of third-party assessments conducted, and a transition towards supply chain organisations directly contracting third-party verifiers (3PVs). Better Cotton has developed a revised 3PV approval process for CoC assessments (Annex 3) and will publish an approved 3PV list on the Better Cotton website, which supply chain organisations can use to arrange necessary assessments.

Both parties enter this MoU to implement their respective responsibilities and duties as per the Better Cotton Chain of Custody Monitoring and Assessment Process, and the Better Cotton CoC Standard: 3PV Approval Process (Annex 2 + 3).

II. PURPOSE & SCOPE

The purpose of this MoU is to define the framework of cooperation between both parties, with the objective of conducting CoC monitoring and assessments in line with the Better Cotton CoC Monitoring and Assessment Process (Annex 2) and 3PV Approval Process (Annex 3).

There will be no exchange of funds between the parties for the execution of tasks associated with this MoU. Each party will be responsible for its own expenses.

III. RESPONSIBILITIES

A. Areas of Cooperation

The parties agree to cooperate in the following areas of activity:

- Share information and data necessary to support supply chain monitoring and site assessments
- Coordination to support effective scheduling and follow-up of supply chain assessments (including corrective action plans and implementation)

B. Responsibilities of Each Party

Specifically, **Better Cotton** will:

- List approved 3PVs on the Better Cotton website
- Monitor 3PV performance, and issue Performance Reviews where necessary
- Provide periodic training and calibration for 3PVs on the Better Cotton Chain of Custody Standard and assessment process
- Provide approved 3PVs the latest versions of documentation, templates and tools, to conduct Better Cotton CoC site assessments

[3PV organisation name] will:

- Provide independent, external verification services to Better Cotton supply chain organisations in accordance with the obligations and working arrangements as described in Annex 2 and 3 of this MoU
- Ensure Assessors are suitably qualified, and have attended Better Cotton training
- Enter signed agreements with the supply chain organisations they assess, that includes responsibilities of the 3PV and its clients as per 2.1 of the 3PV Approval Process
- Require Assessors sign the Better Cotton Code of Conduct for 3PVs (Annex 4)
- Declare any risks to impartiality through the Better Cotton 3PV Conflict of Interest Declaration (Annex 5)
- Use Better Cotton provided documentation, templates and tools, including the Better Cotton Assessment Reporting Template (Annex 6)
- Adhere to the Better Cotton Anti-bribery policy for BCI registered ginners and BCP suppliers (Annex 7)

C. Policies, Confidentiality & Exchange of Information

All tasks, activities and communication from and between the two parties shall be made in accordance with internal policies and procedures.

Consultation and exchange of information and/or documents under this agreement shall be without prejudice to arrangements, which may be required to safeguard the confidential and restricted character of certain information and documents. Such arrangements will survive the termination of this MoU and of any agreements signed by the parties within the scope of this collaboration.

D. Coordination of the MoU

Each party will designate a member of staff to act as coordinator for the activities carried out in the context of this MoU. Each appointee will also act as the main point of contact for each organisation.

The initial representatives are:

<p>For Better Cotton Mr Tom Owen Senior Manager, CoC and Supply Chain Integrity, compliance@bettercotton.org</p>	<p>For [3PV organisation] Title, Full Name, Job Title, Relevant contact details</p>
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IV. TERMS, LIMITATIONS & ADDITIONAL PROVISIONS

A. Areas of Cooperation

This MoU shall come into effect on 1 August 2023 and expire on 31 July 2026, unless otherwise extended by mutual agreement. Either party may however terminate this MoU by giving three months' written notice to the other party.

This MoU may only be amended by written mutual agreement between the parties.

B. Limitations

Neither party may make use of the other party's logo or trademark without the express prior written approval of the other party in each case. Under no circumstances shall either party make use of the other party's logo or trademark for commercial purposes and/or in any manner that suggests an endorsement by Better Cotton of the services of [3PV organisation].

Neither party may distribute a media release that promotes this MoU without the express prior written approval of the other party in each case.

C. Breach & Termination

Better Cotton may terminate this agreement with a written notice of no less than three working days if any such events should occur:

- If [3PV organisation] is unable to perform its obligations under this MoU;
- Gross misconduct, negligence or breach of the terms of this agreement by [3PV organisation];
- If [3PV organisation] has engaged in corrupt or fraudulent practices in executing its obligations under this MoU.

D. Force Majeure¹

The failure of a party to fulfil any of its obligations under this MoU should not be considered a breach of this agreement if it arises from a case of Force Majeure, provided that the party is directly affected by such event; has taken all reasonable precautions and alternative measures to carry out the obligations of this MoU; and has informed the other party in due course.

E. Settlement of Disputes

The parties should endeavour to resolve any dispute arising from the execution of this MoU amicably. Conciliation and mediation services should be sought (in accordance with Swiss Law) if the parties are unable to find a suitable agreement.

Parties shall exhaust all avenues of amicable settlement, conciliation and mediation before filling any procedure to resolve any dispute. Such procedure should be sought from a Court of the Canton of Geneva or the Swiss Federal Court where applicable.

¹ Any event that is beyond reasonable anticipation and control of a party and which makes a party's performance of its obligations under this MoU impossible or so impractical as to be considered impossible under the circumstances.

V. SIGNATURES

The signing of this MoU implies that both parties will strive to reach, to the best of their abilities, the objectives stated in the MoU.

<p>For & on behalf of Better Cotton</p> <p>[Title & name of member of the EG]</p> <p>[Job title]</p> <p>Signature & stamp:</p> <p>Date:</p>	<p>For & on behalf of [3PV organisation]</p> <p>[Title & name]</p> <p>[Job title]</p> <p>Signature & stamp:</p> <p>Date:</p>
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