

Transition FAQs

1. What is a Chain of Custody and why is it important?

In its [Chain of custody models and definitions guide](#), ISEAL defines a chain of custody as: The custodial sequence that occurs as ownership or control of the material supply is transferred from one custodian to another in the supply chain.

Better Cotton Chain of Custody (CoC) is the documented path taken by products from Better Cotton licensed farms to the point of retail where the product is sold with a Better Cotton claim. The CoC scope includes each stage of sourcing, processing, trading, and distribution where progress to the next stage in the supply chain involves a change of ownership or custody.

The revised CoC, regulated with the CoC Standard v1.0, is important as it provides evidence of transactions across the cotton supply chain, enabling us to trace Better Cotton up until its country of origin. This supports traceability of the whole supply chain which creates benefits to all Better Cotton stakeholders.

2. Why is the Chain of Custody Standard v1.0 being introduced?

Growing demand for supply chain visibility has created a need for making Better Cotton supply chains traceable to the country of origin. To achieve this, the Better Cotton Chain of Custody (CoC) Guidelines v1.4 have been updated and renamed the Better Cotton CoC Standard v1.0.

The Better Cotton CoC Standard v1.0 introduces new physical CoC models in addition to the existing Mass Balance system and sets requirements for organisations selling and procuring Physical Better Cotton. Supplementary guidance has been extracted from the Standard, and additional new and strengthened requirements have been introduced. To further differentiate from the previous CoC Guidelines, the document has been renamed as the CoC Standard. Updating the CoC is our first step in offering Physical Better Cotton to the market.

3. What CoC models are available in the Better Cotton CoC Standard v1.0?

The new CoC Standard v1.0 includes the following CoC models:

Model	Definition
Mass Balance	A volume-tracking system that allows Better Cotton to be substituted or mixed with conventional cotton. However, it ensures that the quantity of physical cotton sold with a Better Cotton claim cannot exceed the quantity of cotton purchased with a Better Cotton claim (accounting for relevant conversion factors). Additional guidance on conversion factors can be found on our website.
Segregation (Single Country)	A CoC supply chain model that requires physical separation of Physical Better Cotton and conventional cotton from farm level onwards and does not allow mixing or substitution between Physical Better Cotton of different origins and conventional cotton of any origin, throughout the supply chain. All organisations applying this model shall ensure that Physical Better Cotton material from a single country is kept physically separate from all other cotton sources, including material from different Better Cotton production countries.
Segregation (Multi-Country)	A CoC supply chain model that requires separation of Physical Better Cotton and conventional cotton from farm level onwards and does not allow mixing or substitution between Physical Better Cotton and conventional cotton throughout the supply chain. The model is applied when the Physical Better Cotton originates from multiple (more than one) countries.
Controlled Blending	A CoC supply chain model that allows the mixing of Physical Better Cotton and conventional cotton within a production batch, resulting in a percentage claim about the proportion of Physical Better Cotton used within the batch. Conventional cotton may include recycled, regenerative, organic, in-conversion, and any other cotton input that is sourced in accordance with the Better Cotton Platform (BCP) Terms and Conditions.

These new CoC models provide traceability of Physical Better Cotton. Better Cotton’s Traceability Solution will start by providing traceability of Physical Better Cotton to country of origin, but as the solution grows and develops, future versions of the CoC Standard will aim to offer more specific levels of traceability, for example, region or potentially farm group.

4. As a supplier, do I have to adopt the new physical CoC models?

The new physical CoC models of Segregation (single country), Segregation (multi-country) and Controlled Blending are voluntary. Mass Balance will continue as an option for suppliers that choose not to adopt the physical models.

5. What else has changed from the Chain of Custody Guidance v1.4 to the Chain of Custody Standard v1.0?

In addition to the new CoC models, the following key changes were made:

- To make it easier for suppliers, we've established consistent requirements for documentation, purchasing, material receipt and sales across all CoC models. This will allow the use of multiple CoC models (including Mass Balance) at the same site.
- Expanded management system requirements, to strengthen implementation of the Standard across the supply chain.
- The Standard has been simplified to focus solely on CoC requirements. Separate documents will be developed on CoC implementation and monitoring, Retailer and Brand Member claims and Better Cotton Platform (BCP) user manuals.

A summary of the main differences between CoC Guidelines v1.4 and the CoC Standard v1.0 can be found below.

	CoC Guidelines v1.4	CoC Standard v1.0
CoC models	<ul style="list-style-type: none"> • Segregation (between farm to gin) • Country-level Mass Balance (raw lint trader) • Mass Balance (spinner onwards) 	<ul style="list-style-type: none"> • Segregation (Single Country) (all suppliers) • Country-level Mass Balance (raw lint trader) • Mass Balance (spinner onwards) • Segregation (Multi-Country) (spinner onwards) • Controlled Blending (spinner onwards)
Management system requirements	<ul style="list-style-type: none"> • Responsibilities • Documented procedures • Training • Record-keeping • Outsourcing • Control of non-conforming product (trader onwards only) 	<ul style="list-style-type: none"> • Management commitment • Responsibilities • Training • Record-keeping • Complaints • Control of non-conforming product • Outsourcing (strengthened)

		<ul style="list-style-type: none"> • Annual self-assessment • Management review
Documentation requirements	<ul style="list-style-type: none"> • Documents to be retained, but not uploaded onto BCP • No requirement to indicate CoC model in transaction documents 	<ul style="list-style-type: none"> • Corresponding transaction documents to be uploaded onto the BCP • CoC model indicated in transaction documents
Volume reconciliation	<ul style="list-style-type: none"> • Site-average conversion factors applied for ginners (physical) • Industry average conversion factors applied for spinners onward (administrative) 	<ul style="list-style-type: none"> • Actual conversion factors applied for physical manufacturing/transformation • Industry average conversion factors applied for mass balance orders

6. What is the process for an organisation to conform to the CoC Standard v1.0?

Organisations intending to conform to the new CoC Standard v1.0 need to go through the following steps:

1. Register their interest [here](#).
2. Better Cotton will conduct an initial screening.
3. If approved, the organisation will be invited to complete the CoC Standard v1.0 Registration Form.
4. Once the organisation has submitted the form, the Better Cotton team will review outputs, categorise the organisation, and inform the organisation of their category.
 - **Category A** - If the organisation is 'Category A' they can register on the Better Cotton Platform and complete the relevant training modules. From this point, the organisation can start entering transactions on the BCP. They will require an assessment within 3 years.
 - **Category B** – If the organisation is 'Category B' they can register on the Better Cotton Platform and complete the relevant training modules. From this point, the organisation can start entering transactions on the BCP. They will be required to have an assessment within the next 12 months or, for Ginners only, during the following season.
 - **Category C** - If the organisation is 'Category C' they will be required to arrange an assessment by an approved Third-Party Verifier (details will be available on the Better Cotton website). If they are successful in their assessment, and close out any applicable non-conformities, they can register on the Better Cotton Platform (BCP) and complete the relevant training modules. From this point, the organisation can start entering transactions on the BCP.

7. When will organisations need to conform to the Chain of Custody Standard v1.0?

The Chain of Custody (CoC) Standard v1.0 was published at the beginning of May 2023 and is effective from October 2023. However, organisations will have until May 2025 to adopt the new CoC Standard regardless of which CoC model is being used.

8. Will the way organisations are being monitored change?

For organisations that intend to follow the new Chain of Custody (CoC) Standard v1.0 and apply physical CoC models, a new process depending on the organisation's risk category will follow.

When joining the programme, organisations will be required to apply using a registration form. Based on the outcome of the assessment, the organisation will be placed into one of the following categories based on the assessment outcome:

Category A – The organisation can immediately enter the programme and shall be subject to regular ongoing monitoring and verification by Better Cotton.

Category B – The organisation can immediately enter the programme and an assessment by a 2nd or 3rd Party shall be required within 12 months of operating against the new Standard. Better Cotton will provide a list of approved verifiers and the organisation shall schedule an assessment and correct any non-conformities within defined timescales. Failure to have the assessment within 12 months may lead to the organisation being suspended from the Better Cotton programme.

Category C – An assessment by a 3rd Party Verifier shall be required before entry into the programme. Better Cotton will provide a list of approved verifiers and the organisation shall schedule an assessment and correct any non-conformities prior to trading Better Cotton.

An organisation which seeks to implement the Mass Balance model only will currently be considered Category A.

These organisations are subject to monitoring as outlined in the [Overview of BCI Supply Chain Monitoring document](#) and they shall be required to register on the Better Cotton Platform and complete the required online training modules.

9. May I continue adhering to the Chain of Custody Guidelines v1.4?

Better Cotton is introducing a transition period during which both the new Chain of Custody (CoC) Standard v1.0 and the CoC Guidelines v1.4 will remain active.

Organisations who wish to continue using Mass Balance will be able to do so by following the CoC Guidelines v1.4 until May 2025 and will not need to make any changes before this date.

10. What will happen if I do not adhere to the Chain of Custody Standard v1.0 by the deadline?

From May 2025, all organisations participating in the Better Cotton programme will need to adhere to the new Chain of Custody (CoC) Standard, irrespective of whether they are applying Mass Balance or physical traceability CoC models. Organisations that fail to make this transition by said date may face disqualification from the programme.

11. My organisation already uses the Better Cotton Platform (BCP) – how does the new CoC Standard v1.0 affect me?

If the organisation is only operating the mass balance model and wishes to continue to adhere to the existing Better Cotton CoC Guidelines v1.4 until May 2025 then there will be no changes and they will not be immediately impacted by the new CoC Standard v1.0.

From May 2025, the new CoC Standard v1.0 will apply to all organisations that are already using the Better Cotton Platform (BCP) as well as organisations seeking to join the programme.

For organisations seeking to sell Physical Better Cotton, they will be required to [register their interest](#), complete a registration form and participate in training. The updates to the BCP for the new CoC Standard v1.0 have been completed to closely reflect the existing BCP look and feel. If organisations are successful in being verified to operate against the new CoC Standard v1.0, they will be granted access to a new section of the BCP to complete transactions of Physical Better Cotton.

There will be additional fields to complete and a minimum of one document to support the transaction will need to be uploaded to the BCP. Further details will be found in the BCP online training as well as in the BCP User Manuals when these are made available.

12. How was the Chain of Custody Standard v1.0 designed?

The formal revision of the Chain of Custody (CoC) began in June 2022, following extensive research and stakeholder consultation to identify stakeholder needs and CoC models suitable for traceability. The aim of the revision was to research and investigate alternative CoC models that would support the introduction of Physical Better Cotton alongside Mass Balance.

The revision included surveying 1,500+ Better Cotton suppliers via the Better Cotton Platform (BCP), commissioning two independent research studies, convening an industry task force with Member Suppliers, Retailers and Brands, and multiple stakeholder workshops to assess the appetite for change and guiding our direction of travel.

Better Cotton contracted an external consultancy that drafted a new version of the CoC guidelines with support from Better Cotton staff. Following an internal consultation and review stage, Chain of Custody Standard v0.3 was released for public consultation between 26 September – 25 November 2022, in line with industry good practice.

Better Cotton staff developed an online survey which was released to collect stakeholder feedback in 10 languages. Furthermore, multiple webinars were held to promote the consultation with 496 attendees in total. Better Cotton staff located in Pakistan, India, China, and Turkey led in-person consultation activities with some 91 suppliers, including workshops, interviews, and field visits.

You can find more detailed information about the stakeholder consultation feedback from [this Summary Report](#).

The final version of the CoC Standard was approved by the Better Cotton Council in February 2023.

13. May I operate different Chain of Custody Models within my organisation?

The new CoC Standard v1.0 is designed to allow organisations to apply different models depending on how they operate and the needs of their customers:

- For farms and ginners: Segregation (Single Country) must be applied.
- For cotton traders: Segregation (Single Country) and Mass Balance can be used.
- For the rest of the supply chain all CoC supply chain models, or a combination of CoC supply chain models are possible, including the existing Mass Balance model.
- Better Cotton Retailer and Brand members may source all CoC models.

Any organisation wishing to adopt multiple CoC models will need to operate against the new version of the CoC Standard v1.0.

14. May my organisation continue to operate the Mass Balance Chain of Custody Model only?

Yes. Segregation (Single Country), Segregation (Multi-Country) and Controlled Blending will be offered in addition to our Mass Balance CoC model. Organisations may continue to use only Mass Balance as normal but will still need to adhere to the CoC Standard v1.0 by May 2025.

For businesses operating the Mass Balance model only, most CoC requirements will remain the same. All organisations wishing to follow the CoC Standard v1.0, including the ones operating only Mass Balance, will be required to sign up for the transition and review their management system requirements (see more in section 2 of [the CoC Standard](#)).

15. How will these changes impact claims?

All claims made by Better Cotton Members will have to adhere to the [Better Cotton Claims Framework](#), which is currently under revision to accommodate physical chain of custody models and is due to be published in 2024.

16. What kind of organisations are in the scope of the new CoC Standard?

At each stage of the supply chain, the organisation shall implement the applicable CoC supply chain model(s) at site level. The CoC requirements and data will be maintained at each site owned by the organisation, for all applicable CoC models, including Mass Balance.

Agents and/or Brokers operating within the supply chain who do not take physical possession of Better Cotton are not required to be verified against requirements under the CoC Standard (provided they meet the requirements set in chapter 1.4.2 of [the CoC Standard](#)). However, they may choose to become verified even if they meet all the conditions.

Retailers and Brands are not required to be verified unless they are directly responsible for the management of their own manufacturing activities.

An organisation can determine the scope of their verification to exclude processes and products which do not meet the requirements of this CoC Standard. Excluded processes and products shall not be associated with Better Cotton claims.

17. Is it possible to blend Physical Better Cotton with other types of cotton, and how can I do it?

The CoC Standard v1.0 allows for the mixing of Better Cotton with conventional (or non-Better Cotton) material at processing stages through the Controlled Blending chain of custody model.

Controlled Blending allows the mixing of Physical Better Cotton and conventional cotton within a production batch, resulting in a percentage claim about the proportion of Physical Better Cotton used within the batch. Conventional cotton may include recycled, regenerative, organic, in-conversion, and any other cotton input that is sourced in accordance with the Better Cotton Platform (BCP) Terms and Conditions.

The model may only be used within a manufacturing or processing activity from the spinning mill onwards. It cannot be used for the trading and/or distribution of Better Cotton products or where there is trade without physical possession of products. Those trading or distributing cotton processed under the Controlled Blending CoC model shall maintain segregation and physical identification of the product when in their custody.

You can read more about the requirements for Controlled Blending from chapter 6.3 of the [CoC Standard](#).

18. How will the transition work for Better Cotton Suppliers and what kind of help is available for them?

Starting from October 2023 and until May 2025, a transition period will allow Better Cotton Members, Suppliers, and other stakeholders to prepare for the implementation of the new Standard. The transition period and roll-out of training will be taken in a phased approach to ensure the best support to all stakeholder groups.

The transition will include – among other activities – public and audience-specific webinars, training sessions for members and suppliers, and communication activities tailored to different stakeholder groups.

If your organisation is interested in adhering to the new Standard and trading/sourcing Physical Better Cotton, please register your interest [here](#). Please remain patient as Better Cotton will be in touch to provide updates and guidance on the next steps. Your organisation will be invited to participate in training when we are ready.

In the meantime, you can find further information from the following resources:

- [Physical Chain of Custody Models page on our website](#)

- [Better Cotton Chain of Custody \(CoC\): Comparison of CoC Guidelines v1.4 with CoC Standard v1.0](#)
- [Better Cotton Chain of Custody Standard v1.0 Monitoring and Assessment Process](#)
- [Chain of Custody Standard Public Stakeholder Consultation: Summary of Feedback on the Better Cotton CoC Standard v0.3](#)
- [Chain of Custody Implementation Guidance for Ginners](#)
- [Chain of Custody Implementation Guidance for Suppliers & Manufacturers](#)

19. What is a management system?

A management system is a set of tools and processes that an organisation implements to ensure quality, consistency, and continual improvement.

It consists of three elements:

- 1) People – personnel that are trained, competent and understand their responsibilities to maintain and implement the management system.
- 2) Policies and processes – policies and processes relating to the implementation of the management system are documented, maintained, understood, and implemented correctly by relevant staff and functions.
- 3) Documentation – appropriate evidence and records are maintained to demonstrate the effective implementation of the management system.

20. What do we mean by conventional cotton?

Conventional cotton in the Better Cotton Chain of Custody context may include recycled, regenerative, organic, in-conversion, and any other cotton input that is sourced in accordance with the Better Cotton Platform (BCP) Terms and Conditions.